

Newsletter

SBA 504 Annual Fees for Fiscal Year 2020

Estimated SBA 504 Effective Rates for October 2019*

25-year - 3.49% / 3.49% Refi ~ 20-year - 3.42% / 3.42% Refi ~ 10-year - 3.56% / 3.60% Refi

Effective: October 1, 2019 - September 30, 2020

SBA has released annual fees for 504 loans that will be approved in the fiscal year 2020. These annual fee changes will help keep the monthly rates lower.

On September 16, 2019, SBA provided information on the fees for 504 Loans approved during FY2020. These changes are applicable only to loans approved on or after October 1, 2019 through September 30, 2020.

For 504 loans approved during FY2020

The upfront guaranty fee for 504 borrowers will remain at 0.50% (50 basis points) in FY2020. The annual service fee is reduced to 0.3205% (32.05 basis points) of the outstanding balance of the loan. This will reduce borrowers effective interest rate over the life of the loan.

For 504 Debt Refinance loans approved during FY2020

The upfront guaranty fee for 504 borrowers will remain at 0.50% (50 basis points) in FY2020. The annual service fee is reduced to 0.3205% plus 0.0015%, for a total of 0.3220% (32.05 basis points plus 0.15 basis points) of the outstanding balance of the loan. This will reduce borrowers effective interest rate over the life of the loan.

Third Party lenders Loans Fees

SBA published the maximum interest rate for Third Party Lender Loans for 504 Projects effective October 1, 2019 for the October-December (1st) quarter of Fiscal Year 2020. The maximum legal interest rate for a third party lender loan which funds any portion of the cost of a 504 project (see 13 CFR § 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.



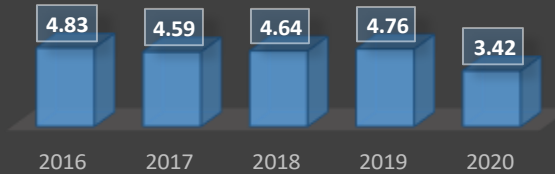
*Based on the lower annual service fee.

See graph on page 2...

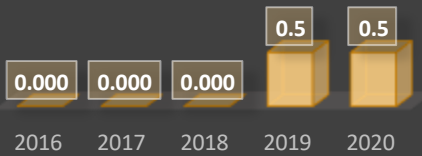
Serving Washington, Idaho, Oregon and Alaska

Rates over the Years

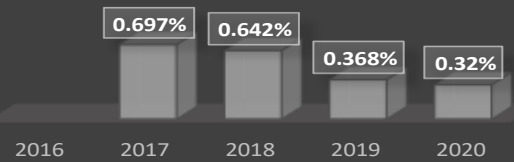
EFFECTIVE RATES AT THE START OF THE FISCAL YEAR



UPFRONT SBA GUARANTEE FEE



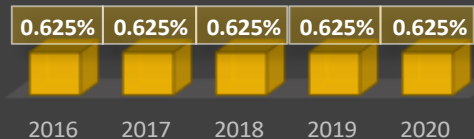
BORROWER ONGOING GUARANTEE FEE



THIRD PARTY LENDER PARTICIPATION FEE BASED ON SENIOR LIEN POSITION



MINIMUM CDC SERVICING FEE



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September's Loan Fundings

NWBDA funded **3** new projects for the total amount of **\$4,131,550.00**

In the month of September, NWBDA helped **create 17 new jobs** in the local communities

September's Loan Approvals

NWBDA approved **2** new projects for the total amount of **\$5,118,000.00**

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