

ERIC WELCH
VP and Business Development Officer

Cell: 206.930.9173 ewelch@nwbusiness.org
Fax: 509.458.8553 **West Central Washington Area**

Northwest's Premier SBA 504 Lending Partner

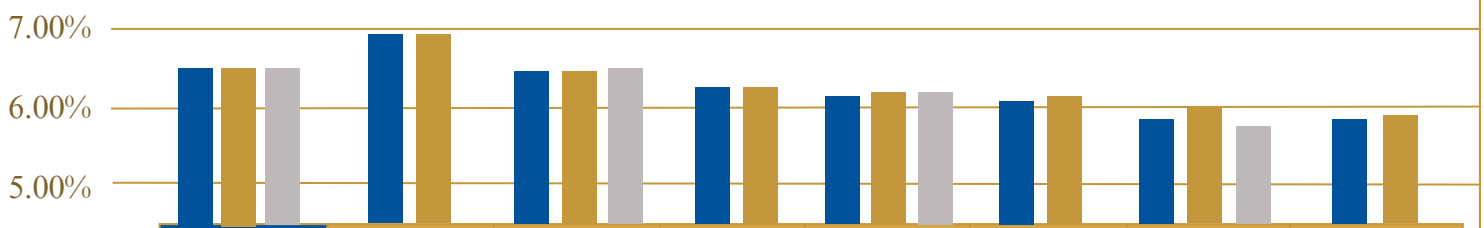
NWBDA
NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION

SBA 504 Debenture Effective Rates

These are the effective rates for all 504 loans that funded in the indicated month. The rate reflects the fees to the CDC, SBA and CSA (Central Servicing Agent).

November 2026	25 Year	20 Year	10 Year
Standard Rates	6.57%	6.58%	6.58%
Refinance Rates	6.58%	6.58%	6.58%
*Waived Fee Rates	6.34%	6.33%	6.29%

**For 504 loans to qualifying businesses, SBA is waiving the upfront guaranty fee and the annual service fee for: manufacturers, rural businesses, and some food supply chain businesses (based on NAICS Code - talk to an NWBDA representative for more information).*



	November	October	September	August	July	June	May	April
25 Year	6.57%	6.97%	6.54%	6.27%	6.17%	6.11%	5.95%	5.94%
20 Year	6.58%	6.97%	6.53%	6.27%	6.20%	6.16%	6.01%	5.98%
10 Year	6.58%	-	6.60%	-	6.19%	-	5.87%	-

Use of Funds for a Standard Project

- Land and building purchases.
- New building construction or renovation of existing building.
- Heavy machinery/equipment purchases (Minimum useful life must be at least 10 years).
- Refinance of loans used for the above purposes.

Benefits for Borrowers

- Low down payment (with as little as 10% down).
- Low FIXED interest rates through the full term of the loan.
- No balloon payments and loan renegotiations.
- Typically no additional collateral requirements.

Benefits for Lenders

- Low loan-to-value (typically 50%).
- Reduced credit risk through partnership funding.
- Lender's loan is secured by a 1st position on asset acquired.
- Required SBA paperwork is prepared by NWBDA.

SAMPLE FINANCING STRUCTURE FOR A STANDARD 504 PROJECT

Eligible Project Costs include land and building purchases at $1,827,600; building improvements at $150,000; and loan closing costs at $22,400. **Total Project Cost is $2,000,000.**

	Amount	% of Project	Rate	Term	Monthly Payment
Bank Loan	$1,000,000	50%	*7.34%	25	$7,286
SBA 504 Loan	$800,000	40%	**6.57%**	**25**	$5,607
Down Payment	$200,000	10%			
Total Financing	**$2,000,000**	**100%**			**$12,893**

Note: *Participating lenders rate determined by lending institution.

Please call or email me today to discuss your potential project. I will provide you with a Project Structure Worksheet so you can have solid information about how the 504 Program can benefit your client.

Business Eligibility:

Must be a for-profit business.

Tangible net worth not more than $20 million. Average net profit (after tax) not more than $6.5 million in the last two years.

Multiple borrowers can partner to share a building.

The applicant business (not the individual owners) must not be engaged in speculation or investment in rental real estate.

100% of the business owners are required to be U.S. Citizens.

All business owners of 20% or more of the Operating Company (OC) or Eligible Passive Company (EPC) must guarantee the SBA debt.

The borrower must create or retain at least 1 job per $95,000 (or per $150,000 for manufacturing or energy public policy projects) guaranteed by the SBA, improve the economy of the locality, or achieve one or more public policy goals.

Occupancy

For an existing building:

The operating business must occupy at least 51% of the rentable square footage of the property immediately.

49% of the building may be permanently leased out.

For new construction:

The operating business must occupy 60% immediately, some additional within 3 years, and 80% within 10 years.

20% of the building may be permanently leased out.

Equipment Purchase or Refinance

Up to 90% of cost for new equipment.

Shipping, acquisition, dismantling, installing, and transportation costs may be included in the financing.

Cars, trucks, and airplanes are ineligible.

Historical Debenture Rates

Monthly Effective Rates for 25-Year Debenture

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2022	3.22	3.60	3.93	4.68	5.12	5.19	5.11	4.98	5.44	6.22	6.31	6.11
2023	6.31	6.02	6.33	5.88	6.03	6.33	6.58	6.55	6.81	7.12	7.01	6.59
2024	6.37	6.39	6.29	6.70	6.56	6.35	6.21	6.05	5.77	6.08	6.33	6.09
2025	6.51	6.28	6.24	6.43	6.39	6.37	6.37	6.23	6.00	5.92	5.86	5.82
2026	5.85	5.80	5.72	5.94	5.95	6.11	6.17	6.27	6.54	6.97	6.57	

Monthly Effective Rates for 20-Year Debenture

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2022	3.07	3.45	3.77	4.62	5.06	5.13	5.05	4.89	5.34	6.13	6.23	6.03
2023	6.28	5.99	6.33	5.98	6.08	6.39	6.64	6.61	6.87	7.18	7.02	6.61
2024	6.43	6.50	6.37	6.77	6.66	6.45	6.28	6.12	5.83	6.15	6.40	6.16
2025	6.58	6.35	6.31	6.45	6.41	6.39	6.39	6.25	6.02	5.98	5.92	5.88
2026	5.91	5.86	5.78	5.98	6.01	6.16	6.20	6.27	6.53	6.97	6.58	