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WASHINGTON — A recent increase in lending to small businesses for commercial real estate and equipment financing comes amidst increasing interest rates, according to the monthly Small Business Lending Report from the [National Association of Development Companies](#). The organization says this reflects increased strength among small businesses and positive news for job creation.

The SBLR, released the second Thursday of every month, offers nationwide monthly metrics and insight on availability and access to capital for small businesses, job creation, interest rates and small business loan volume through the SBA 504 real estate and asset finance program.

There were 590 loans in the period covered by the July report (as compared to 539 in the June report) and the 20-year monthly loan pool size was \$398,994,000 vs. \$385,598,000 a year ago. This month's debenture rate is 3.15% compared to 2.38% a year ago. Additionally, there were 53 ten-year loans totaling \$34,982,000. The debenture rate for these ten-year loans that are funded bi-monthly and represent equipment purchases is 1.89%, compared to 1.19% in July 2012.

“We see more small business loans delivered compared to last month and year-over-year, which is putting oxygen into the economy for job creation. Borrowers should lock in these historically low interest rates given the sharp, recent increases we've seen,” said Beth Solomon, President and CEO of NADCO. “Small businesses can lock in a very low rate for 20 years with the SBA 504 loan – which is very unusual in small business finance. They should run, not walk, to their nearest Certified Development Company or bank to ask about it.”

“As we continue to climb out of the recession, small business lending volume remains

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Over the past 12 months there have been 7,711 loans totaling \$5.2 billion at an average debenture rate of 2.26%.

Each month, NADCO provides its debenture rate (plus the twelve month average debenture rate), monthly pool size (loan volume in dollars) and other relevant and insightful data. Combining historic data and assessed monthly, the SBLR serves as a measurement of the health of small business lending — a core contributor to the health of the U.S. economy. The SBA 504 loan requires every \$65,000 of finance to create or maintain one job. Businesses securing 504 loans create 25% more jobs than non-504 businesses, according to the U.S. Census Bureau.

Accounting • Small Business

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