# Fixed vs Variable

## Owner-Occupied SBA 7(a) Real Estate Pricing, FY2026

How the 5,422 SBA 7(a) loans with 25-year terms in FY2026 were priced, next to FY2025's 6,205.

**14%**
of FY2026 loans were fixed-rate, the lowest share since 2011 (24% in FY2025)

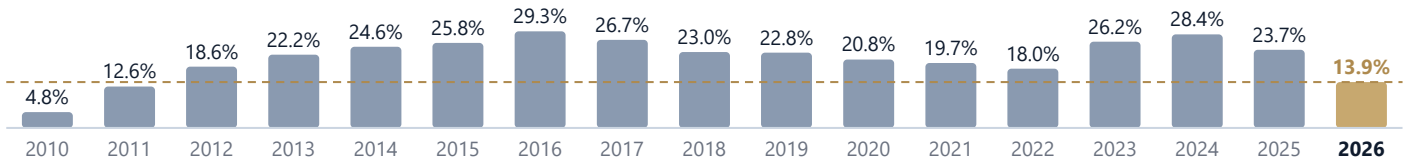
**755**
fixed-rate loans in FY2026, down from 1,470. Variable: 4,734 to 4,667

**Prime +1.50**
median spread on variable loans, the same in both years

**6.95%**
typical fixed rate in FY2026 (7.00% in FY2025). Typical Prime at approval: 7.50% to 6.75%

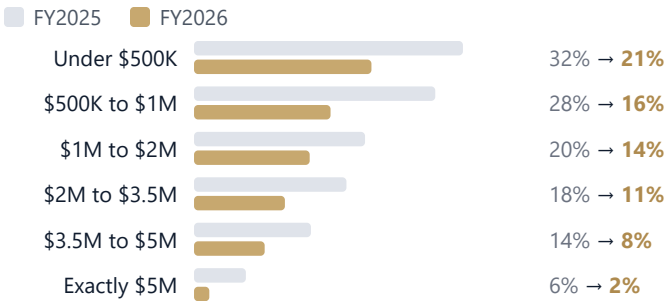
## Fixed-rate loans fell to their lowest share since 2011

SHARE OF 25-YEAR SBA 7(a) LOANS WITH A FIXED RATE, BY FISCAL YEAR




Every year from 2012 to 2025 was above FY2026's 13.9% (dashed line). SBA's file has no rates before FY2009 and is missing some in FY2009, so the series starts in FY2010.

## The bigger the loan, the rarer fixed got




Fixed-rate share; ranges include the lower amount, not the upper. $5M cap: 1 in 16 (13 of 212) in FY2025, 1 in 55 (5 of 276) in FY2026.

## Spread over Prime, by loan size

VARIABLE-RATE LOANS APPROVED IN FY2026

| LOAN SIZE | MEDIAN | MIDDLE HALF | LOANS |
|---|---|---|---|
| $350K or less | **Prime + 2.00** | 1.25 to 2.75 | 401 |
| Over $350K to under $1M | **Prime + 1.75** | 1.00 to 2.50 | 1,416 |
| $1M to under $3.5M | **Prime + 1.50** | 1.00 to 2.00 | 2,184 |
| $3.5M to under $5M | **Prime + 1.25** | 1.00 to 1.75 | 395 |
| Exactly $5M | **Prime + 1.00** | 1.00 to 1.25 | 271 |

Spread = note rate minus Prime on the approval date. Middle half = the middle 50% of loans. A median is not a quote.

### HOW TO READ THIS

**25-year loans.** SBA's file has no property field. A 25-year term is a common stand-in for owner-occupied real estate loans.

**A shorter FY2026.** SBA approved no loans from October 1 to November 12, 2025, during the shutdown. On the same dates in both years (Nov 13 to Sep 30), fixed-rate loans fell 44% and variable rose 8%.

**Prime moved, fixed rates didn't.** Typical Prime at approval fell 0.75 points while the typical fixed rate held near 7%, so fixed went from 0.50 below Prime to just above it.

**THE TAKEAWAY** Variable reached 86% in FY2026, at a typical 8.25% at approval against 6.95% for fixed. On a variable quote, compare the spread for your loan size and the risk of the transaction.



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**SOURCE** SBA 7(a) FOIA data as of 9/30/2026. Prime: FRED DPRIME (Federal Reserve).

**METHODOLOGY** 300-month term (owner-occupied CRE proxy). All approvals in FY2025 and FY2026 (October to September); leaving out cancelled or unfunded loans moves the 24% and 14% by under half a point. Typical = median. Spread = note rate minus Prime on the approval date. Fixed or variable: SBA's flag.

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