

SMALL BIZ LOAN APPROVAL RATES AT BANKS AND INSTITUTIONAL LENDERS REACH NEW HEIGHTS IN NOVEMBER

According to the Biz2Credit Small Business Lending Index™, a monthly analysis of more than 1,000 loan applications on Biz2Credit.com

Loan approval rates at big banks (\$10 billion+ in assets) and institutional lenders continued their recent surge, improving to new highs in November 2016, according to the most recent Biz2Credit Small Business Lending Index™, the monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com.

Small banks also experienced an uptick in small business loan approval rates in the last month. At the same time, approval rates at alternative lenders and credit unions dropped in the last month.



LOAN APPROVALS AT INSTITUTIONAL LENDERS

For the fifth consecutive month, loan approval rates at institutional lenders improved, climbing to a new Index high of 63.3% in November 2016.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“Institutional lenders have been a big story in marketplace lending in 2016. They are here to stay, Right now, they are processing loans faster and more efficiently than other categories of lenders. Capital is flowing from many foreign investors due to the high yields because of uncertainty in some international markets. I expect more global investors to be involved in U.S. small business lending during 2017. If Dodd-Frank is scaled back, small banks could be the biggest beneficiaries.”

- Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT BIG BANKS

Small business loan approval rates at big banks improved to 23.7% in November, up two-tenths of a percent from October. It marked the eighth time in the last nine months that lending approval rates increased at big banks.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“Banks have invested in technology the last year is paying its dividends. Advances in analytics enable them to approve a higher percentage of loans while lowering loan default rates.” - Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT SMALL BANKS

Additionally, approval percentages at small banks improved 48.8% last month, up one-tenth of a percent from October.

↓ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“When the Fed decides to increase the interest rates, I expect that loan approval rates will continue to improve gradually as it will become more profitable for them to lend.” - Biz2Credit CEO Rohit Arora



CREDIT UNION APPROVALS

Loan approval rates at credit unions dropped in November to yet another Index low of 41.1%.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Sadly, credit unions are becoming an afterthought for borrowers in small business loans, They aren't keeping up with the times as other categories of lenders continue to dominate the market share in small business lending.” - Biz2Credit CEO Rohit Arora



SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Loan approval rates dropped at alternative lenders in November, as they granted 59.2% of loan funding requests they received.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“CAN Capital, one of the largest and oldest players in alternative lending, has stopped lending money and replaced CEO Dan DeMeo, Alternative lenders have lost favor because of the high rates they charge. Meanwhile, they lost much of their competitive advantage of the speed of their decision-making as other types of lenders continue to invest in technology to expedite the loan approval process.” - Biz2Credit CEO Rohit Arora

ABOUT THE BIZ2CREDIT SMALL BUSINESS LENDING INDEX™

Biz2Credit analyzed loan requests ranging from \$25,000 to \$3 million from companies in business more than two years with an average credit score above 680. Unlike other surveys, the results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's online lending platform, which connects business borrowers and lenders.