

### Biz2Credit Small Business Lending Index

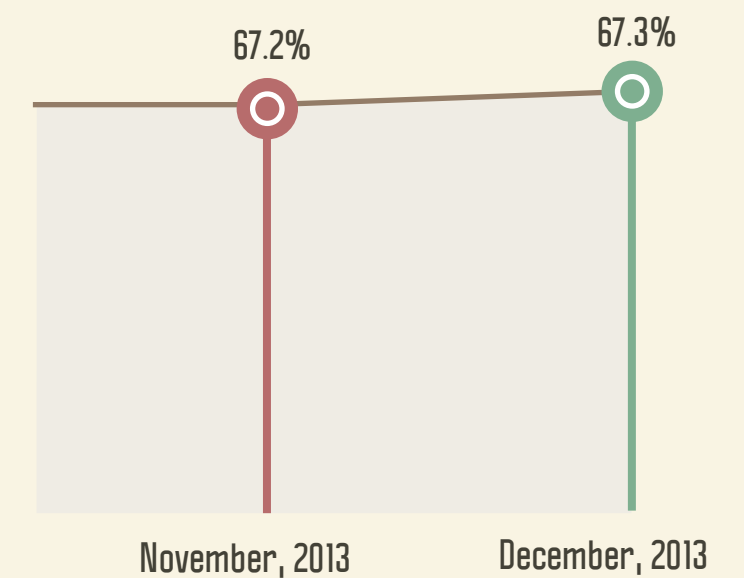
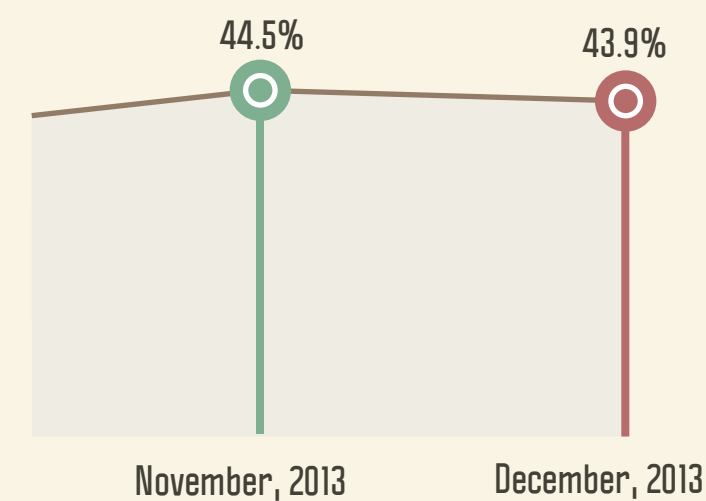
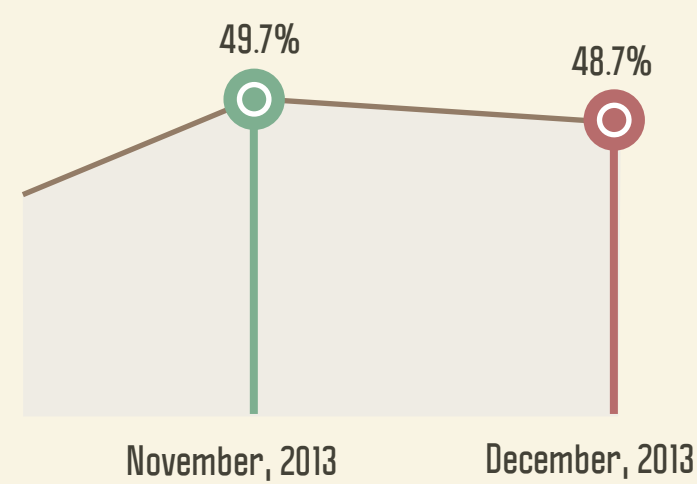
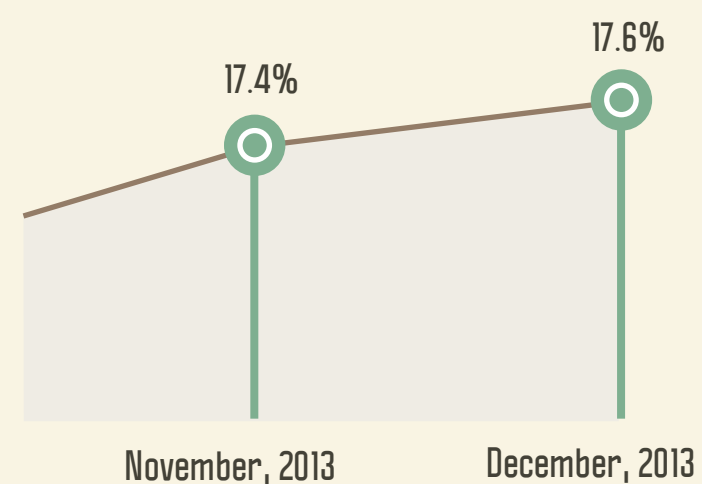
#### Reports Loan Approval Rates Hit All-time Index High at Big Banks and Alternative Lenders

According to the Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on [Biz2Credit.com](http://Biz2Credit.com)



#### Small business loan approvals

In a year-to-year comparison, big bank approval rates have increased by more than 18 percent from the 14.8% approval rate in December 2012.



#### Loan approvals at Big banks

Small business loan approval rates at big banks (\$10 billion+ in assets) increased to an all-time index high of 17.6% in December 2013 from 17.4% in November. Further, in a year-to-year comparison, lending approval rates at big banks have increased nearly 20 percent.

"Increasingly, creditworthy borrowers are applying for small business loans at big banks and having them approved, Big banks, which request proof of three years of profitability, are now receiving applications from companies whose fortunes increased from 2011-2013. Borrowers are opting for non-SBA loans from big banks because these loans require less paperwork and generally are granted faster than SBA loans."  
- Biz2Credit CEO Rohit Arora,

#### Loan approvals at Small banks

Meanwhile, small business loan approvals at small banks dipped to 48.7% in December from 49.7% in November. Despite experiencing an uptick in loan approval rates in November, approvals at small banks have stalled, in part because of the backlog of SBA loan processing and because big banks are becoming more active in small business lending.

"Non-SBA business loans have gained in popularity over the last month. This, in turn, hurts smaller banks, which process a lot of SBA loans," explained Arora, one of the nation's leading experts on small business finance. "Less paperwork is involved in non-SBA applications, and the loans are typically processed 7 to 10 days quicker than SBA loans. Thus, non-SBA loans are more appealing to borrowers,"  
- Biz2Credit CEO Rohit Arora,

#### Credit union approvals of small business loans

Meanwhile, credit unions, which had been on the lending rebound, experienced a decrease in approval rates in December. Approval rates at credit unions dropped to 43.9% from 44.5% in November. Further, lending approval rates by credit unions have declined in nine of the last twelve months and is down nearly 10 percent in a year-to-year comparison.

#### Small business loan approvals by Alternative lenders

Alternative lenders continue to be a big player in small business lending. Approval rates by alternative lenders increased slightly to 67.3% in December 2013, which is an all-time index high, up from 67.2% in November.

"Alternative lenders picked up the slack from the SBA slowdown and are offering more lucrative terms to borrowers. Thus, borrowers are more willing to go to them for funding. More players continue to enter the marketplace, including yield-hungry investors such as insurance companies to get into the small business lending game. Technology savvy players who make the online loan application process quick and easy will continue to do well in 2014."  
- 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 with more than 1,100 lenders nationwide.