

Biz2Credit Small Business Lending Index

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

 **14%**

Small business loan approvals

In a year-to-year comparison, big bank approval rates have increased by more than 14 percent from the 13.2% approval rate in January 2013.

56.5%

Institutional Lenders

Institutional Lenders, a new category in the Biz2Credit Small Business Lending Index, approved 56.5% of the funding requests they received. This category of lenders includes credit funds, insurance companies, family funds, and other yield-hungry, non-bank financial institutions that typically offer more competitively priced loan options than alternative lenders in amounts up to \$1 million.



 **Loan approvals at Big banks**

Small business loan approval rates at big banks (\$10 billion+ in assets) increased to a new high of 17.8% in January 2014, up from 17.6% in December 2013, according to the Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on Biz2Credit.com. In a year-to-year comparison, lending approval rates at big banks have increased more than 15 percent.



 **Loan approvals at Small banks**

Small business loan approvals at small banks reached a new benchmark of 50.9% in January 2014, up from 48.7% in the previous month. While lending approval rates at small banks are up by 2 percent in a year-to-year comparison.



 **Credit union approvals of small business loans**

Meanwhile, credit unions experienced a drop in small business approval rates in January, thereby continuing their slide. Approval rates at credit unions dipped to an all-time low of 43.4% in January from 43.9% in November. Further, lending approval rates by credit unions has declined in 16 of the last 20 months and is down nearly 25 percent in that 20-month period.



 **Small business loan approvals by Alternative lenders**

Alternative lenders, which emerged as important players in small business lending in 2013, experienced a steep drop-off in approval rates from 67.3% in December to 64.1% in January 2014. Alternative lenders were the biggest benefactors of the government shutdown last October.