

## Biz2Credit Small Business Lending Index

Rebound in Loan Approval Rates at Banks and Other Lenders,  
Lending Approval Rates at Banks Return to  
Pre-Government Shutdown Levels

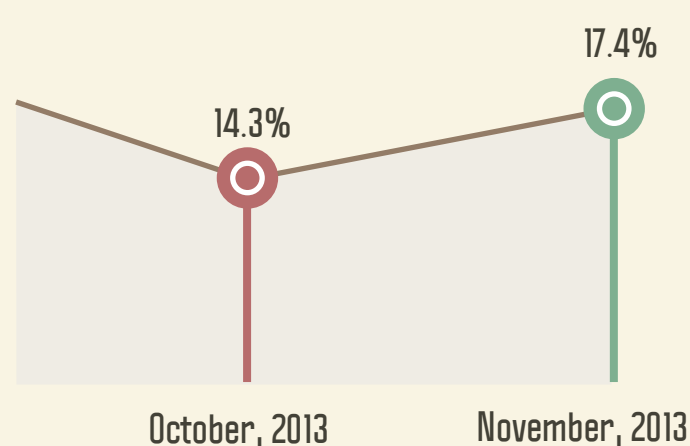
November 2013

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

↑ 32%

### Small business loan approvals

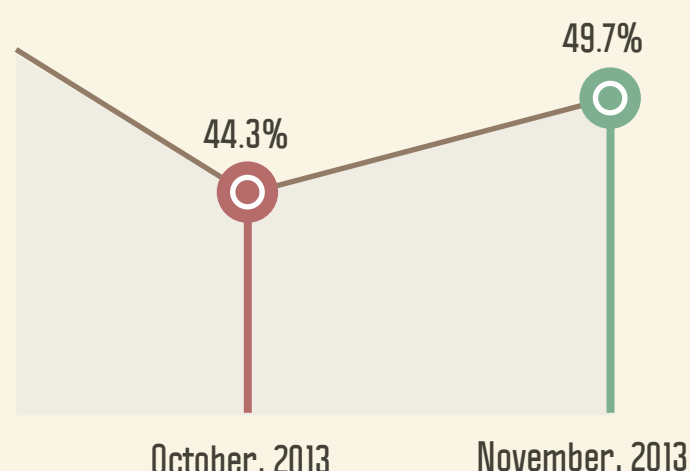
In a year-to-year comparison, big bank approval rates have increased by more than 32 percent from the 13.2% approval rate in November 2012.



### Loan approvals at Big banks

Small business loan approvals at big banks (\$10 billion+ in assets) increased to 17.4% in November 2013 from just 14.3% in October, lending approval rates at big banks have increased more than 30 percent.

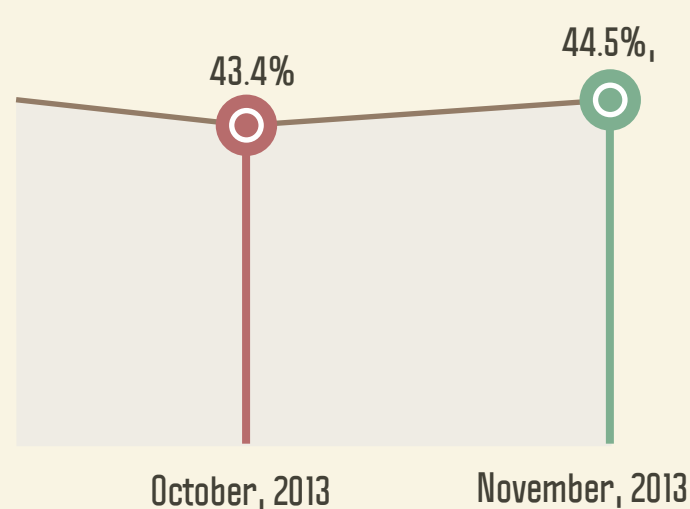
"Big banks have begun to feel the pressure to lend more money with the Dodd-Frank reform bill nearing and we should expect to see more changes accordingly in the next year," – Biz2Credit CEO Rohit Arora,



### Loan approvals at Small banks

Additionally, small business loan approvals at small banks increased from 44.3% in October to 49.7% in November. More importantly, approval rates at banks both large and small have returned to pre-government shutdown levels in September, as the IRS and SBA are catching up on the backlog of loan applications.

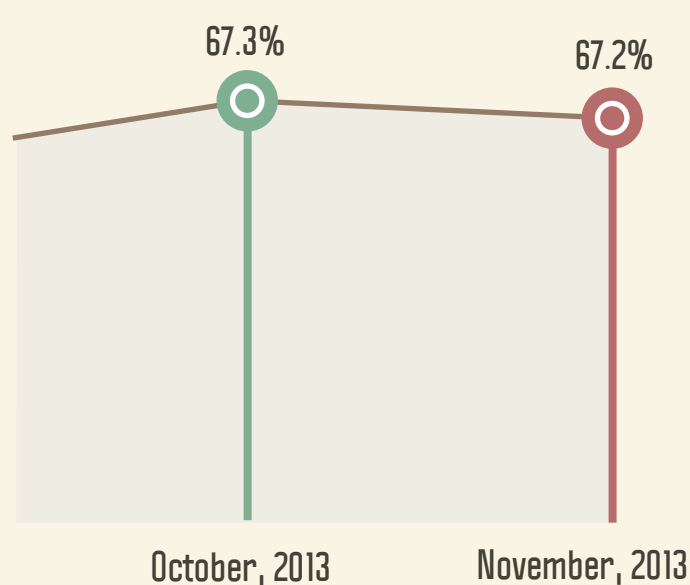
"The refinancing boom at big banks has waned and the distribution strength will soon fade as branch networks are losing money so big banks must begin to focus on improvements in other areas such as lagging technology," – Biz2Credit CEO Rohit Arora,



### Credit union approvals of small business loans

Meanwhile, credit unions, which had been on the lending-rebound prior to the government shutdown, experienced a slight increase in approval rates in November. Lending approval rates at credit unions improved to 44.5%, from 43.4% in October, but they are still down nearly 10 percent in a year-to-year comparison.

"A major backlog of SBA loans from the shutdown will take months to process, and the debt ceiling debate could negatively impact small business lending even further in the coming months." – Biz2Credit CEO Rohit Arora,



### Small business loan approvals by Alternative lenders

Alternative lenders continue to thrive in small business lending. Approval rates by alternative lenders dropped slightly to 67.2% in November 2013, down from 67.3% the previous month.

"The popularity of alternative lenders continues to increase as the desperation for small business owners to acquire capital becomes more urgent and because their interest rates have dropped considerably. The vast majority of alternative lenders are no longer like a 'legalized loan shark,' as was frequently the case a few years ago, New players continue to enter the small business lending market." – 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.