According to the Biz2Credit Small Business Lending Index™, a monthly analysis of 1,000 loan applications on Biz2Credit.com, Big bank approvals are up approximately 12 percent.

Loan Approvals at Institutional Lenders
Institutional lenders approved 61.3% of lending requests by small business owners in May, up from 61.1% in April. For the first time in history, institutional lending approval rates at institutional lenders are higher than those at alternative lenders, which consist of merchant cash advance companies, factors, and other non-bank lenders. Approval rates by institutional lenders have increased each month since Biz2Credit began monitoring this category of lenders in January 2014.

Loan Approvals at Small Banks
Lending approval rates at small banks dropped one-tenth of a percent in May to 49.5% from 49.6% last month. For the seventh consecutive month, small banks have denied more than half of their loan requests. In the last year, loan approval rates at small banks have dropped in 10 of those months.

Loan Approvals by Alternative Lenders
Approval rates at alternative lenders dipped to an Index-low of 61% in May, from 61.1% in April. Alternative lenders’ approval percentages have declined each month since January 2014, coinciding with the emergence of institutional lenders in the small business lending marketplace.

Credit union approvals of small business loans
Credit unions approved 43.1% of loan applications in May, a slight improvement from 43% in April 2015.

"Low interest rates continue to prevail. In fact, big banks are granting higher percentages of small business loan requests than ever before. This is a great time to borrow. Things won’t stay like this forever."
- Biz2Credit CEO Rohit Arora

"Electronic lending marketplaces, such as Biz2Credit, process loan requests faster than banks, especially ones that are struggling to compete, Business leaders have realized that by using the power of technology, they can improve loan origination and underwriting. Small banks often are overwhelmed by the speed of loan requests. Small banks often lack the technology to get loans done quickly.

- Biz2Credit CEO Rohit Arora

"With the relatively strong economy, businesses are no longer forced to borrow at any cost. Alternative lenders that charge substantially higher rates tend to be receiving requests from borrowers that are less creditworthy than others.

- Biz2Credit CEO Rohit Arora

"Credit unions have shown little momentum this year. They are still lagging in technological upgrades and are hampered by the MBL cap that allows them to lend only 12.25% of their total assets.

- Biz2Credit CEO Rohit Arora