

BIG BANKS APPROVED 25 PERCENT OF SMALL BUSINESS LOAN APPLICATIONS IN OCTOBER 2017

STUDY SHOWS CONTINUING TREND OF RISING APPROVAL PERCENTAGES FOR BIG BANKS AND INSTITUTIONAL LENDERS WHILE ALTERNATIVE LENDERS AND CREDIT UNIONS STALL

Business loan approval rates at big banks (\$10 billion-plus in assets) hit a post-recession high of 25% in October 2017, according to the latest Biz2Credit Small Business Lending Index™, a monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com.



LOAN APPROVALS AT BIG BANKS

Loan approval rates at **big banks** climbed two-tenths of a percent to reach the 25% benchmark from 24.8% in September.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“The big banks are making a lot of traditional small business loans, which take less time to process than SBA loans. They also are granting a lot of working capital requests,” “Stock markets continue to perform well, and Trump’s tax cut plan is viewed as good news for business owners. Entrepreneurs have a better chance of obtaining funding now than at any other time in the past decade.”

- Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT SMALL BANKS

Loan approval percentages at **small banks** dipped to 48.9% in October from 49.1% from the previous month.

↑ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Despite a drop in approval percentages, small banks are still processing a large number of SBA-backed loans,” one of the country’s leading experts in small business finance. “Nearly half of the funding requests by small businesses at small banks are approved. This shows that the U.S. small business credit market is strong.”

- Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT INSTITUTIONAL LENDERS

Loan approval rates again improved by one-tenth of a percent in October to 64%, a new high for the category in the Biz2Credit Small Business Lending Index.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“The economy is doing well, the jobs report was solid, and investors from beyond America’s shores are entering the small business credit marketplace with success,” “All of these factors instill confidence in business owners who are contemplating start-up funding or expansion financing.”

- Biz2Credit CEO Rohit Arora



SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Loan approval rates among **alternative lenders** continue to drop; approval rates dipped two-tenths of a percent in October to 56.8%. Approval percentages for alternative lenders have experienced a slow decline as 2017 draws to a close.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Alternative lenders are often ‘lenders of last resort’ because of their high interest rates. However, they play an important role in small business finance because they are willing to fund to businesses with poor credit scores or no credit history at all.”

- Biz2Credit CEO Rohit Arora



CREDIT UNION APPROVALS

Loan approval rates at **credit unions** dropped a tenth of a percent to 40.2%, a new low point for lenders in this category.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Many credit unions seem averse to setting up systems for digital applications. They haven’t invested the amount of money that banks, alternative lenders, and other lenders have made into developing online loan applications,” “This is an ongoing issue that I just don’t see changing.”

- 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.