

Small Business Loan Approvals at Banks Jumped Again in April Biz2Credit Small Business Lending Index™

Credit Union Lending Remains at Post-Recession Low

The approval percentage for small business loan applicants hit a record high of **27.5%** at **big banks** (\$10 billion+ in assets) in April, up one-tenth of a percent from March, according to the Biz2Credit Small Business Lending Index™ released today. Approval percentages at small banks jumped four-tenths of a percent in April to **49.8%**.

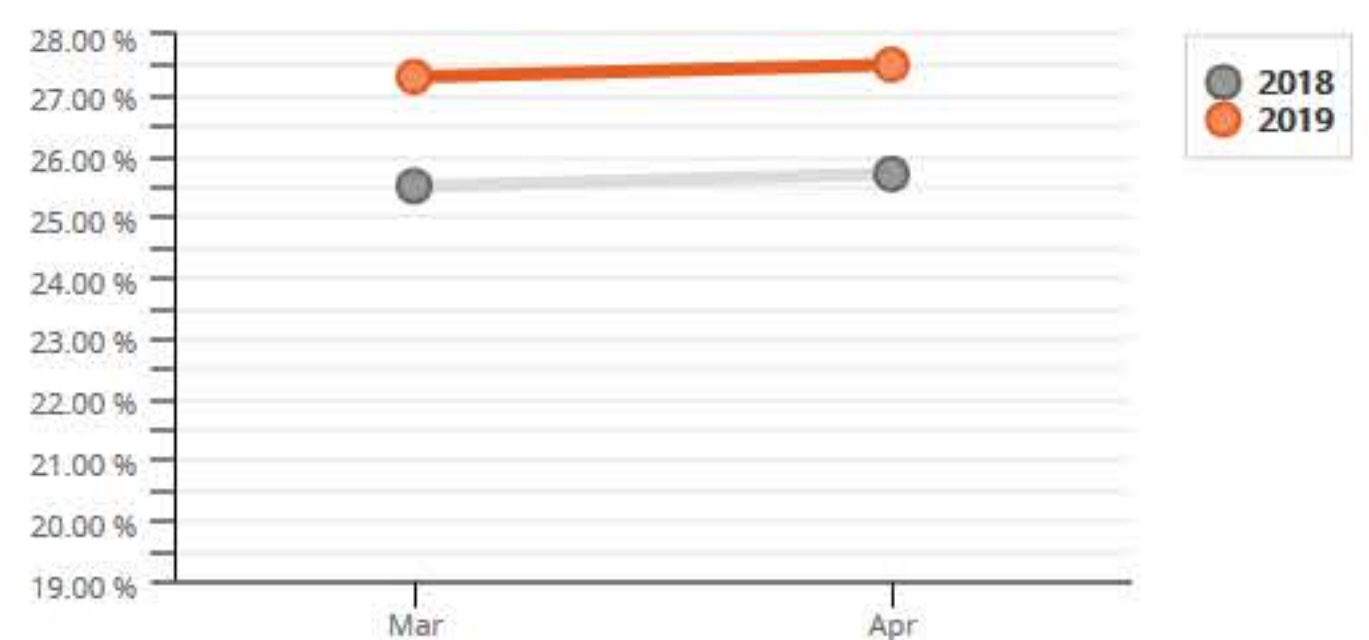


Big Banks

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Meanwhile, in the [Jobs Report](#) released on May 5, the Labor Department reported that employment increased by 263,000 in April, while the unemployment rate declined to 3.6 percent. The industries with notable job gains were professional and business services, construction, health care, and social assistance. The [NFIB Small Business Optimism Index](#) increased in April to a historically strong level. This is an indication that small businesses continue to power the economy after being briefly shaken by January's government shutdown, according to the NFIB.

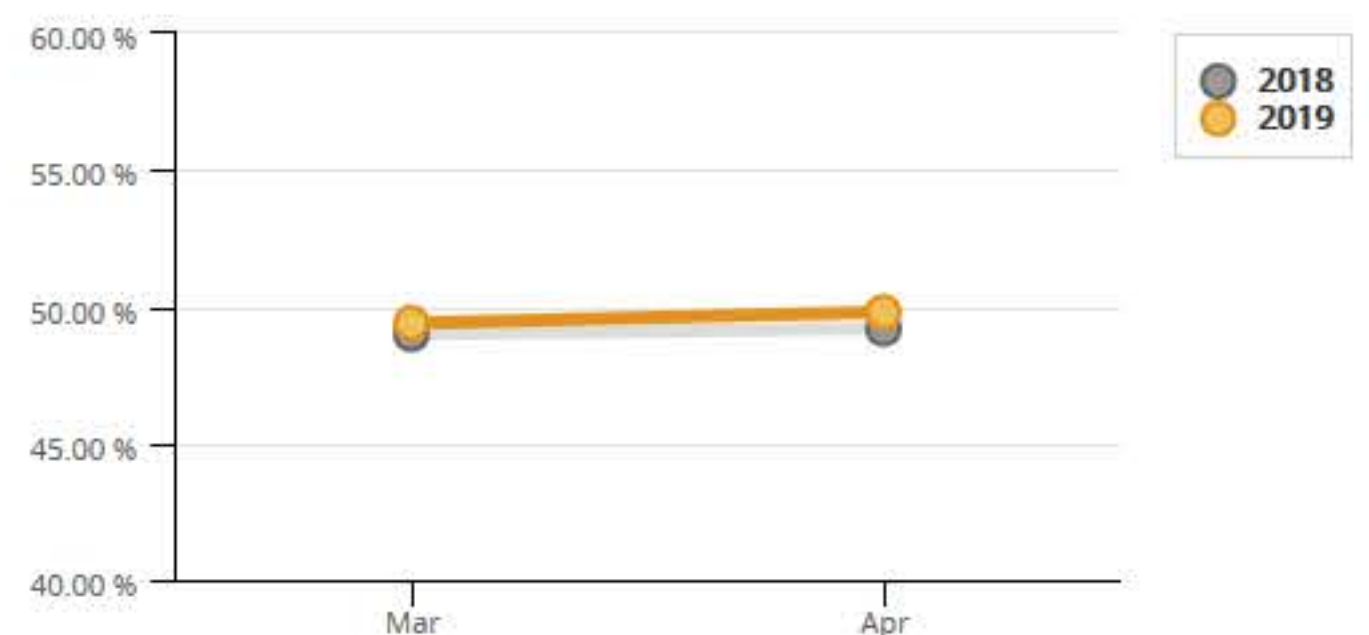
"Approvals by banks of all sizes continue to climb. The economy is still strong, and small business optimism is high," said Biz2Credit CEO Rohit Arora, who oversees the monthly research derived from more than 1,000 small business credit applications on his company's online lending platform. "Small business lending is as strong as it has ever been in the 21st century's post-recession era."



Small Banks

Small bank approvals of small business loan applications climbed from 49.4% in March to **49.8%** last month.

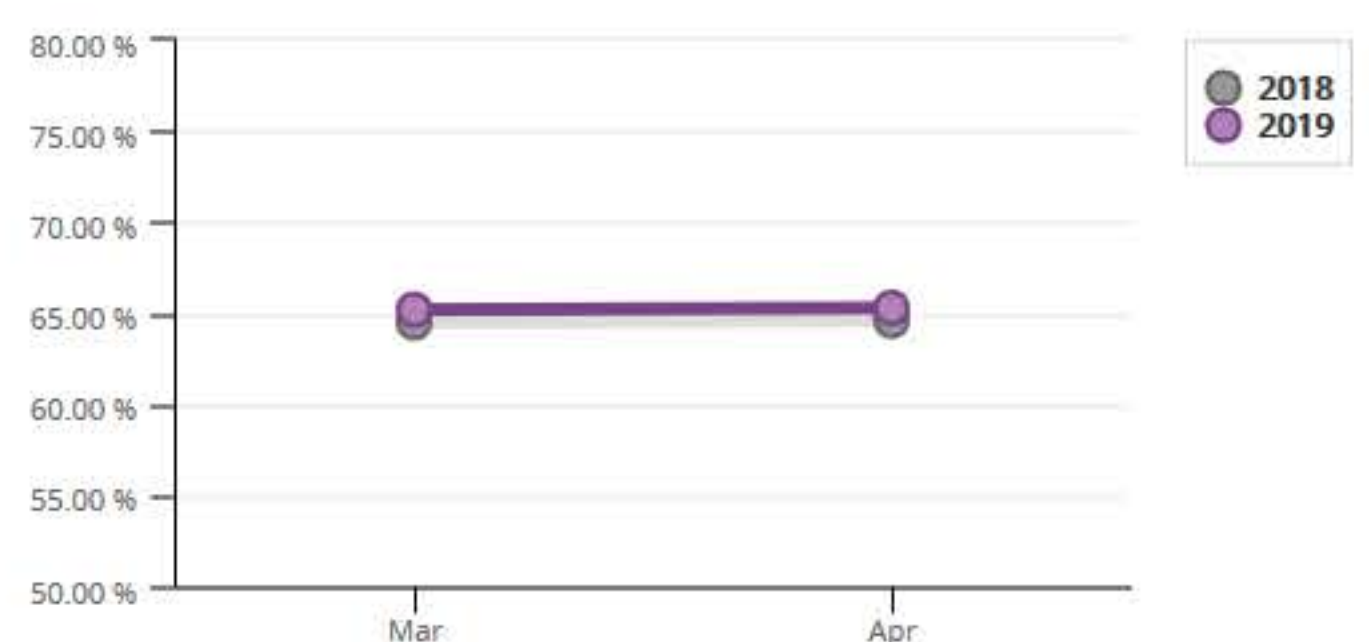
"After February passes, the SBA wants the previous year's tax returns. Once taxes are filed, SBA lending, which is particularly important to small banks, picks up," Arora explained. "The backlog is over, and small banks are lending."



Institutional lenders

Institutional lenders slipped a notch **65.3%**, up a notch from 65.4% in March.

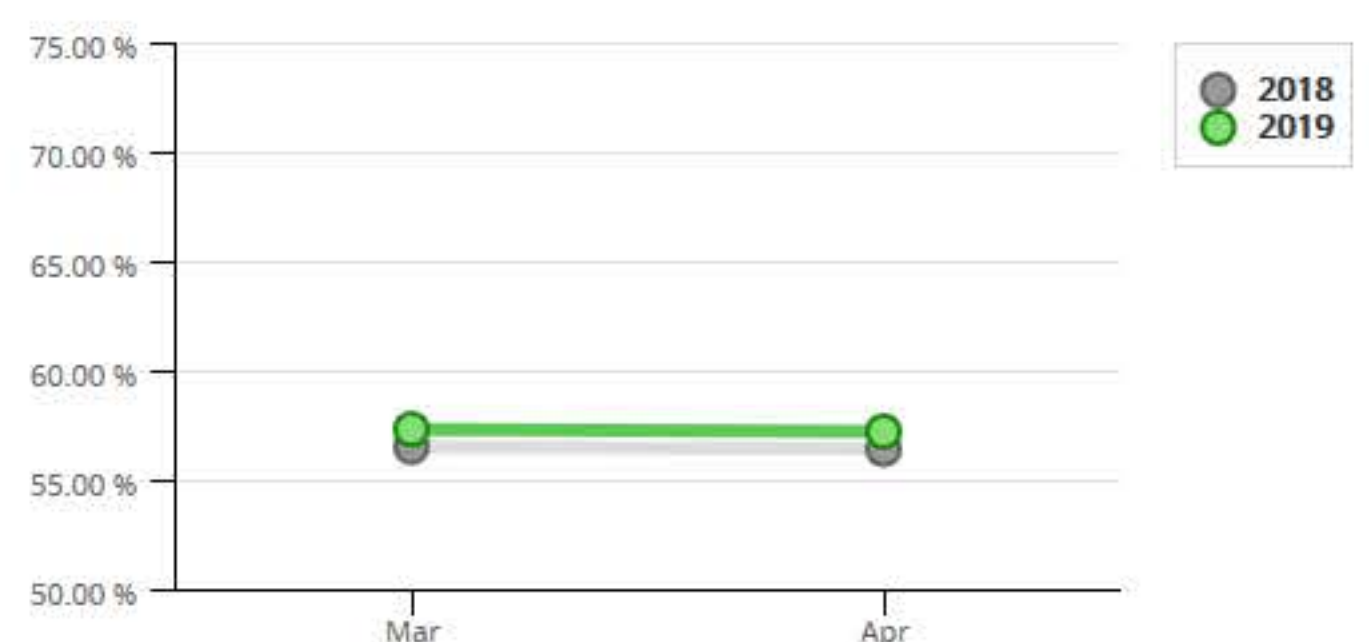
"Even with a little hiccup, institutional lenders are approving nearly two-thirds of the funding requests they receive," Arora explained.



Alternative Lenders

Loan approval rates among **alternative lenders** dropped one-tenth of a percent to **57.2%** in April, down a notch from 57.3% in March.

"Alternative lenders have had a lot of losses, and there has been a bit of pull-back," Arora said. "Banks are lending, and they can offer more attractive rates and terms than alternative lenders can. The banks are getting their applications from higher quality borrowers."



Credit Unions

Credit unions remained at a record low **40.1%** of loan applications in April.

"Credit unions are beginning to look for FinTech partners to help them upgrade their technology," added Arora, who oversees the Biz2Credit research. "They have to respond to the marketplace, and Millennials simply won't take the time to walk in and become a member in order to fill out a loan application. Digitizing the process will help."

