

# Small Business Loan Approvals at Big Banks Stay at Record Post-Recession High, According to May 2019 Biz2Credit Small Business Lending Index™

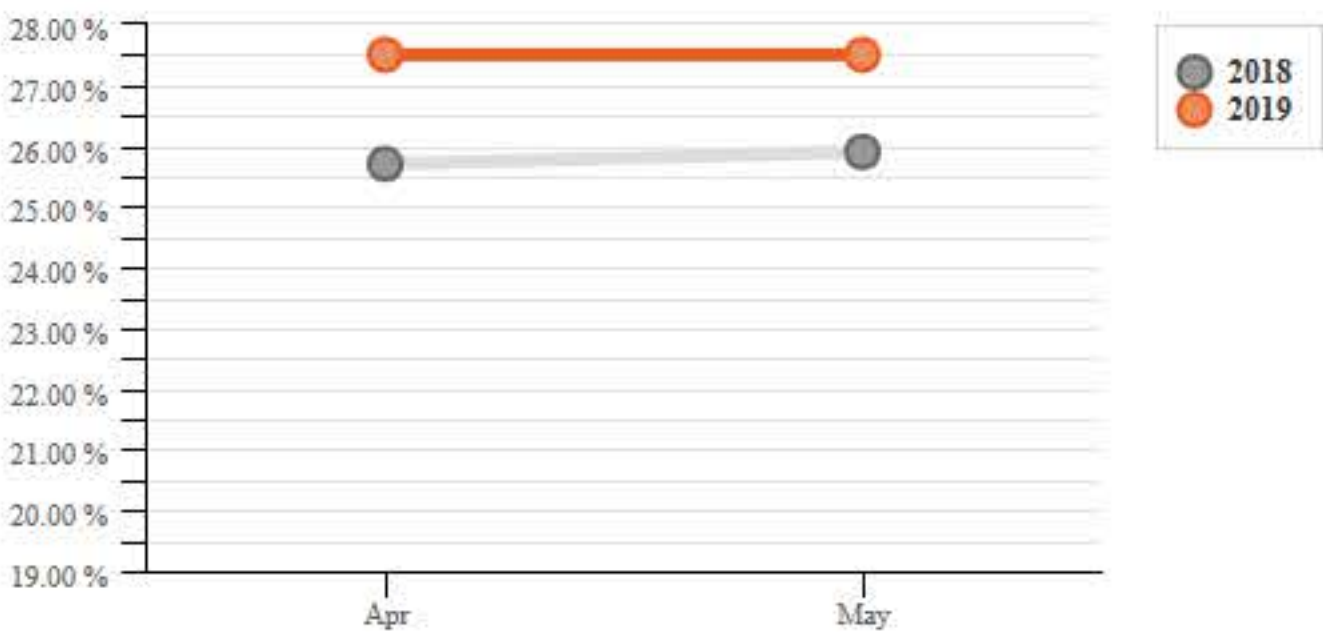
Small Banks and Institutional Lenders Climb, Credit Union Lending Remains at Post-Recession Low, Alternative Lending Stalls Again



## Big Banks

Approval rates for small business loan applications remained at a record high of **27.5%** at **big banks** (\$10 billion+ in assets) in May, while the approval percentage climbed yet again at small banks, which reached 49.9%, according to the Biz2Credit Small Business Lending Index™ released today.

"Bank approvals of small business loans are as high as they have ever been in the 21st century's post-recession era," 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. "The economy is strong, which bodes well for small businesses searching for capital."



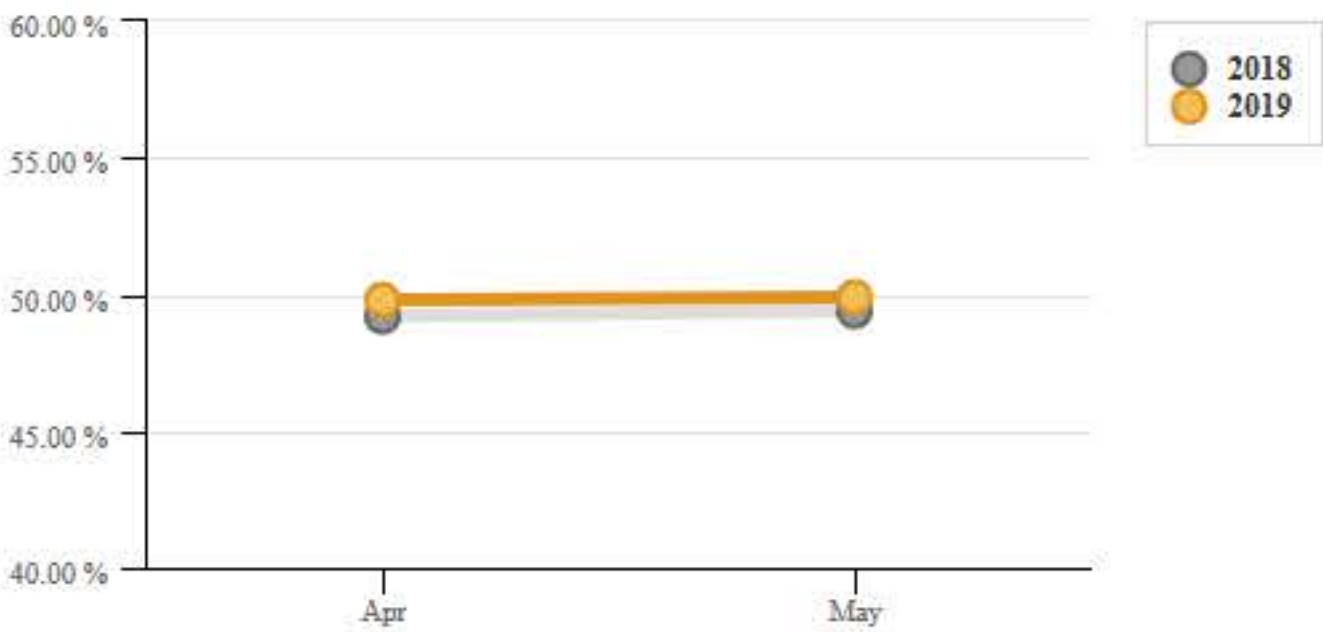
## Small Banks

**Small bank** approvals of small business loan applications climbed one-tenth of a percent from 49.8% in April to **49.9%** in May.

Meanwhile, in the [Jobs Report](#) released on June 7, the Labor Department reported that employment increased by 75,000 in May, while the unemployment rate remained at 3.6 percent. The U.S. Bureau of Labor Statistics also reported job gains in professional and business services and in health care.

The [NFIB Small Business Optimism Index](#) increased in April, the last month reported by the NFIB, to a historically strong level. Profits are still trending upwards, and expectations for sales, business conditions, and credit conditions all improved, according to the NFIB Small Business Optimism Index."

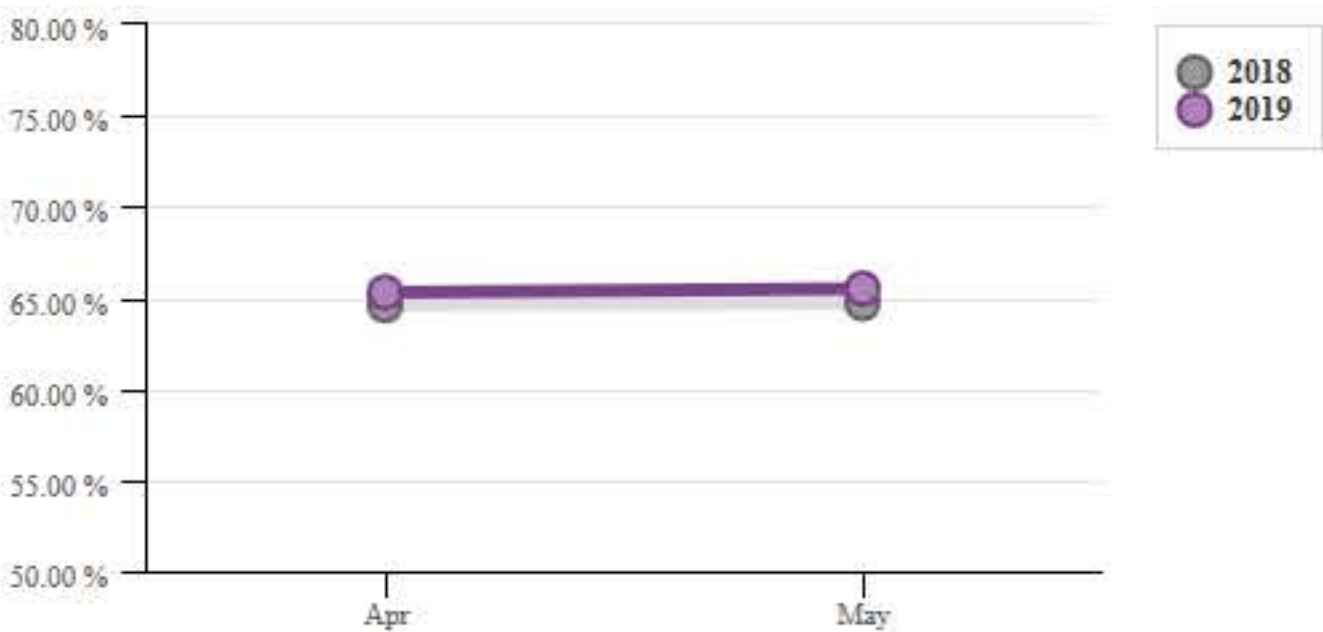
"SBA lending is a big part of small business loan-making by small banks," Arora explained."



## Institutional lenders

**Institutional lenders** climbed two-tenths of a percent to a **65.5%** approval rate, up from 65.3% in April.

"Institutional lenders are an excellent source for small business financing, and are continuing to play an increasing role in the small business lending marketplace," Arora explained.



## Alternative Lenders

Loan approval rates among **alternative lenders** dropped one-tenth of a percent to **57.1%** in May, down a notch from 57.2% in April.

"Because the banks are lending aggressively and can offer better rates and terms, alternative lenders have declined slowly but steadily this year," Arora said. "The banks receive applications from higher quality borrowers, and they offer lower interest rates because default rates are so low at the moment. This is, in part, due to improvements in data analytics among lenders that offer digital online applications."



## Credit Unions

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

"Credit unions are looking for ways to expand, including partnering with the SBA on small business loans," said Arora, who oversees the Biz2Credit research.

