

Biz2Credit Small Business Lending Index™

Big Banks’ Small Business Loan Approvals Hit New Record in October, According to Biz2Credit Small Business Lending Index™

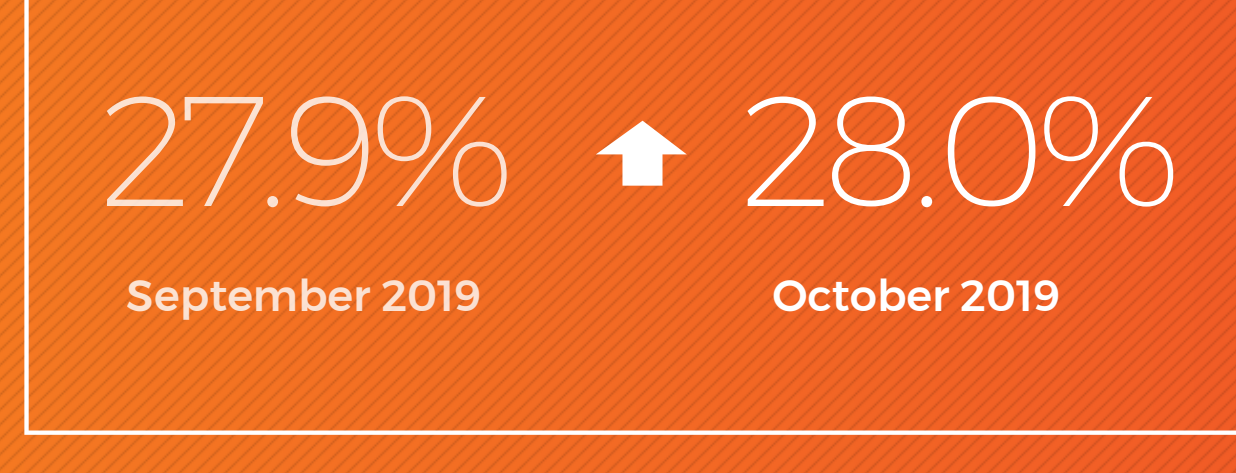


Strength seen in lending by big banks, small banks, and institutional investors last month

The approval percentage for small business loan applications at big banks (\$10 billion+ in assets) inched up one-tenth of a percent to reach 28% for the first time ever in October 2019, according to the Biz2Credit Small Business Lending Index™ released today.

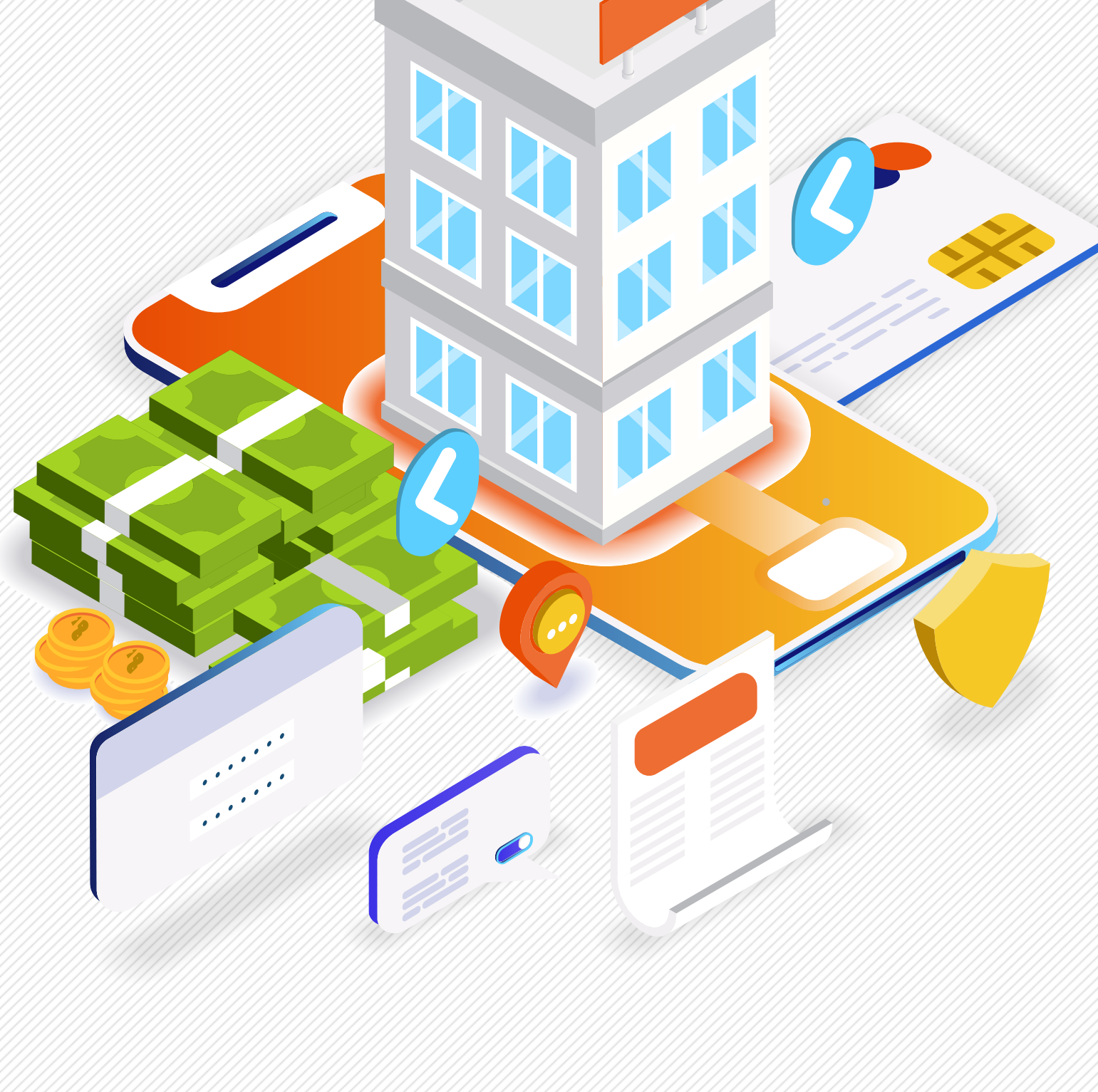
Loan Approval in Big Banks

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With yet another interest rate cut by the Federal Reserve, small businesses are benefiting from positive economic conditions that are unrivaled in recent times. It has been a very good year for small businesses that are looking for capital, and I don't foresee any changes during the rest of 2019.

Rohit Arora, Biz2Credit CEO

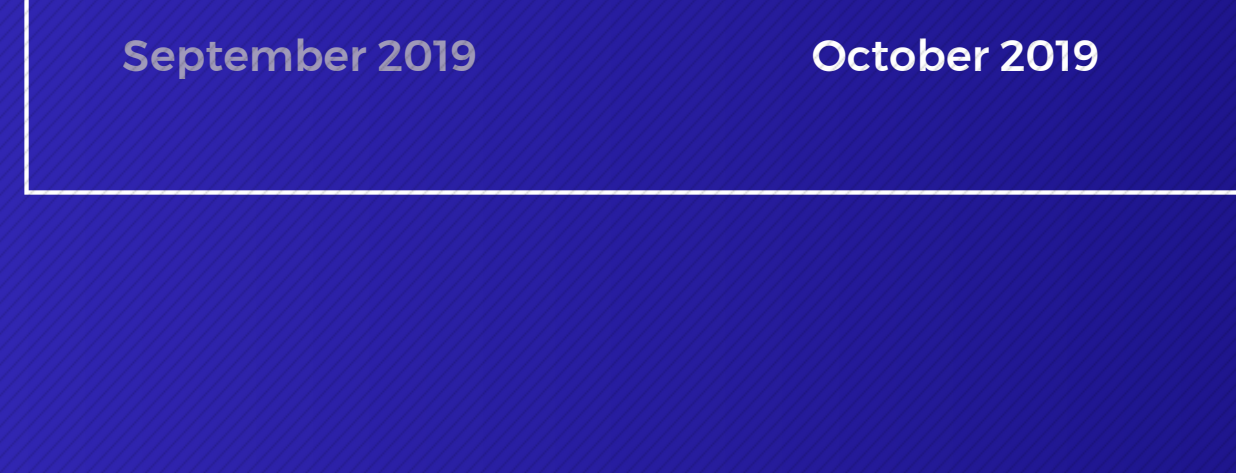
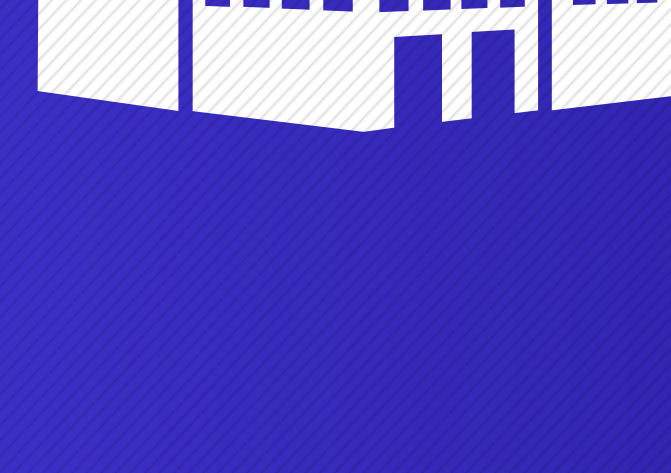
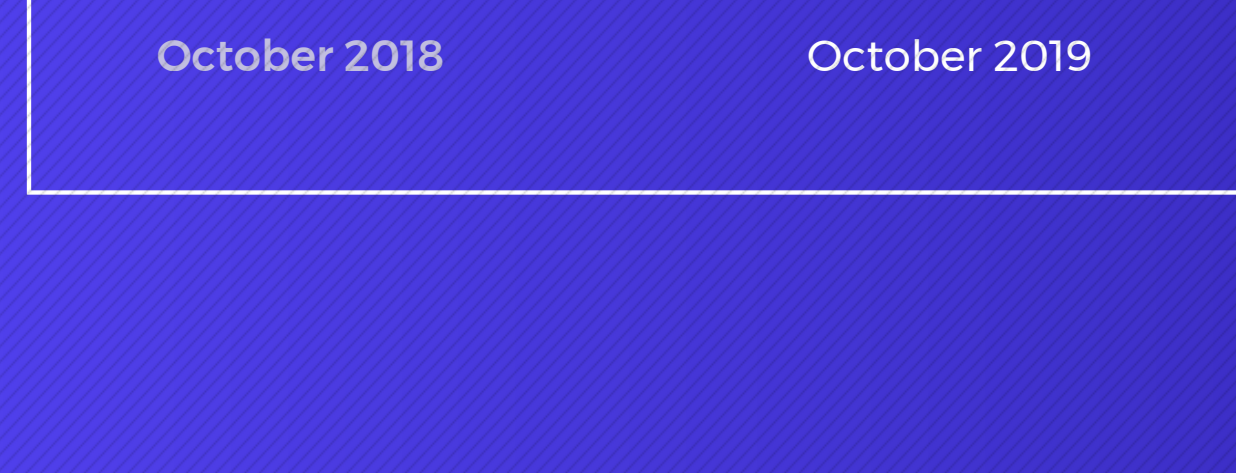


Private sector, nonfarm employment rose by 128,000 in October, and the unemployment rate was little changed at 3.6 percent, the U.S. Bureau of Labor Statistics’ Jobs Report issued on Friday, Nov. 1. Notable job gains occurred in food and beverage industry, social assistance, and finance. Many of the jobs are created by small businesses that are borrowing money to fuel their growth.

During the recently completed Fiscal Year 2019, SBA loan volume exceeded \$28 billion with more than 63,000 approved loans. The approval rate at small banks, which often are SBA-approved lenders, also climbed one-tenth of a percent from September’s figure of 50.3% to 50.4% in October. The government guarantees that SBA loans provide to lenders helps mitigate their risk and makes it more palatable for SBA lenders to grant requests from businesses that might not otherwise qualify for funding.

Loan Approval in Small Banks

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Traditional bank loans and SBA loans are available at smaller banks. Because of the overall strength of the economy, greater numbers of businesses qualify for funding. Having approval rates above the 50% mark is indeed a good sign.

Rohit Arora, Biz2Credit CEO

Institutional lenders

Institutional lenders’ approval rates reached 66%, up a notch from September’s figure of 65.9%.



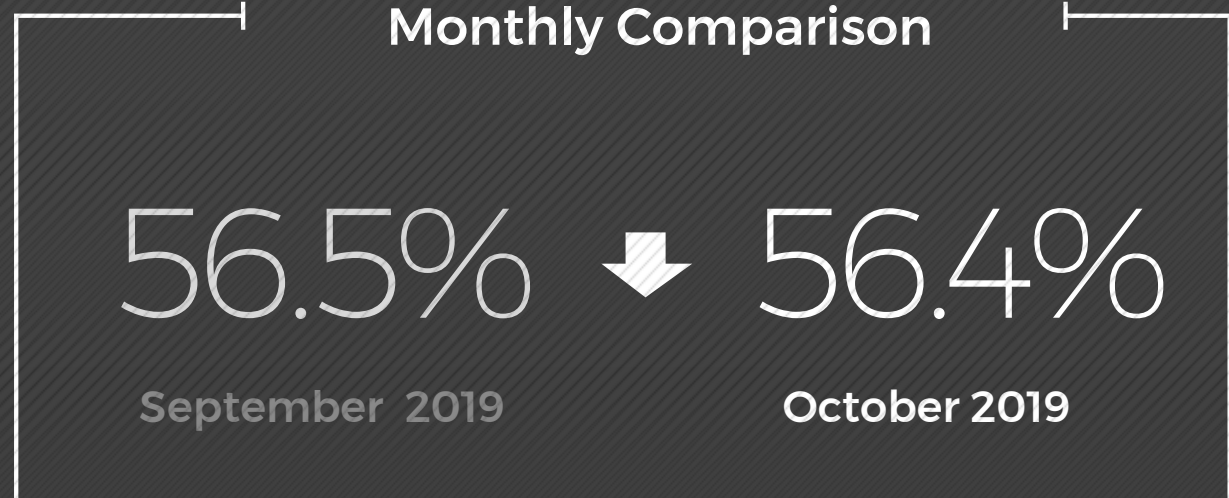
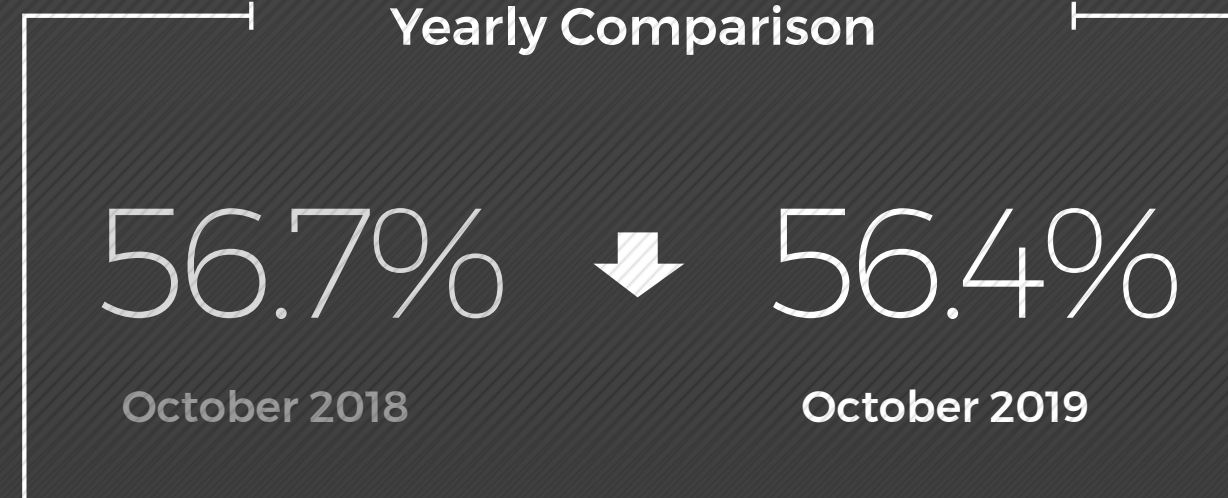
Institutional lenders keep growing in importance for small businesses looking for capital, The offer loans at attractive rates and terms



Rohit Arora, Biz2Credit CEO

Alternative lenders

Small business loan approval rates among alternative lenders dipped to 56.4% last month from 56.5% in September.



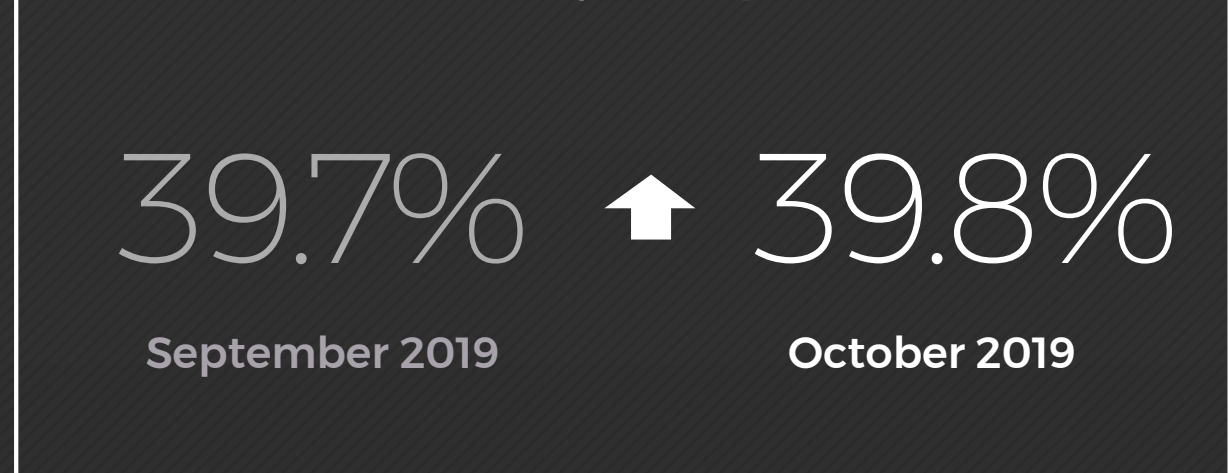
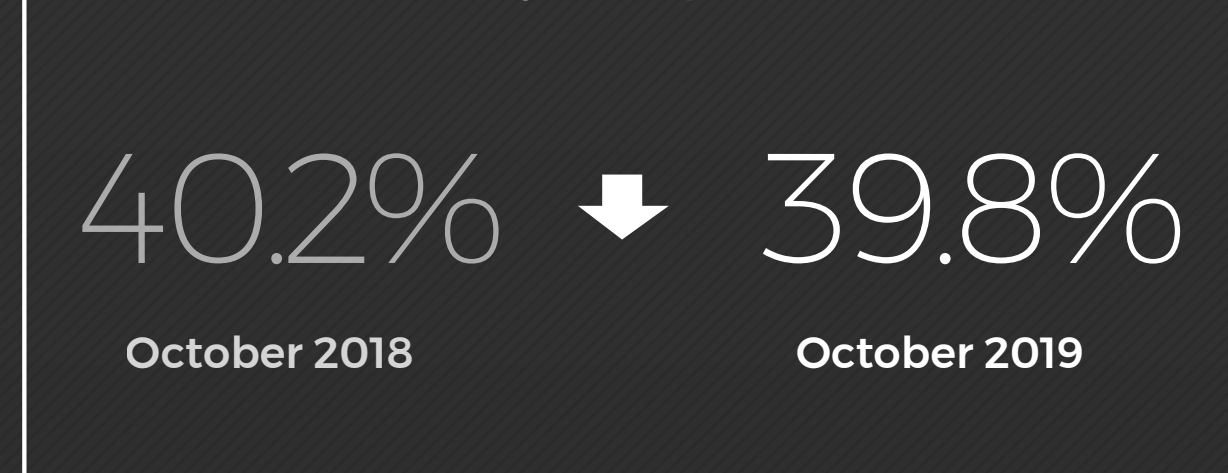
Alternative lenders provide money to companies that do not qualify for loans from traditional banks. Even as bank lending remains strong, alternative lenders play an important role a source of capital for many small business owners – especially ones who have credit scores of 650 or less.



Rohit Arora, Biz2Credit CEO

Credit unions

Credit unions’ approval rate was 39.8% in October



Credit unions should make it a goal in 2020 to either invest in digital loan application capabilities on their own websites or else partner with a FinTech firm that can provide the capability to do so. Although the Member Business Lending cap is a hindrance for some credit unions, the bigger problem is that many credit unions are technologically behind banks and alternative lenders.



Rohit Arora, Biz2Credit CEO

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. The results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's online platform.

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$2 billion in small business financing and has several times been named to Crain's New York's Fast 50 and was recently ranked among the top 200 fast-growing companies on Deloitte's 2018 Technology Fast 500. Biz2Credit is expanding its industry-leading technology in custom digital platform solutions for leading banks and other financial institutions, investors and service providers in the U.S. Visit www.biz2credit.com or follow Biz2Credit on Twitter: @Biz2Credit, Facebook, and LinkedIn.