

Biz2Credit Small Business Lending Index™

Small Business Loan Approval Rates at Banks Fell in August 2020

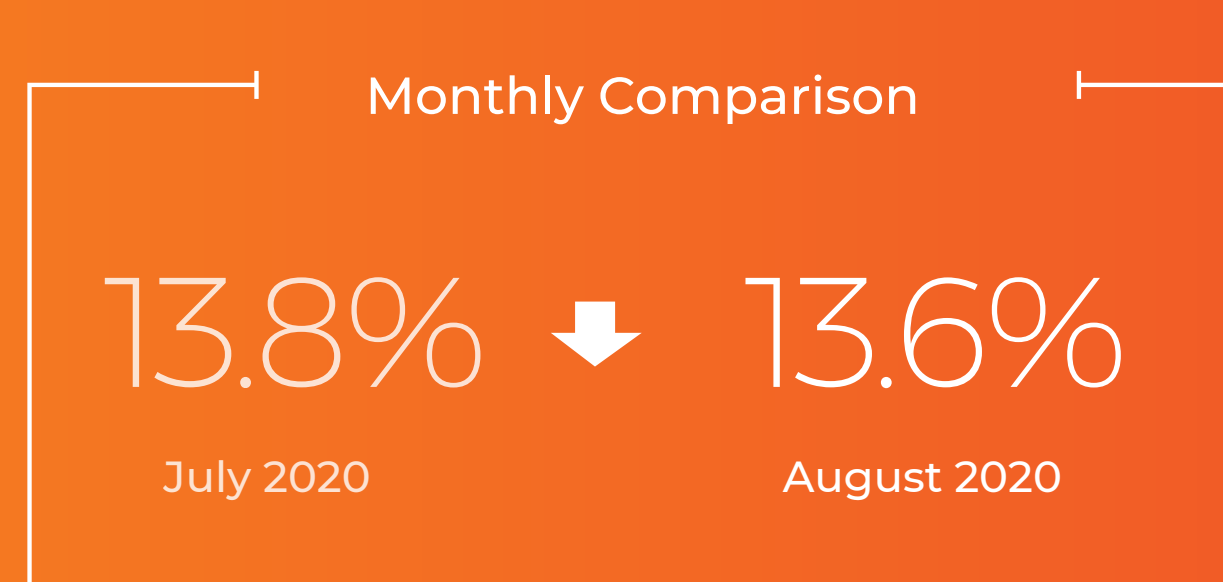
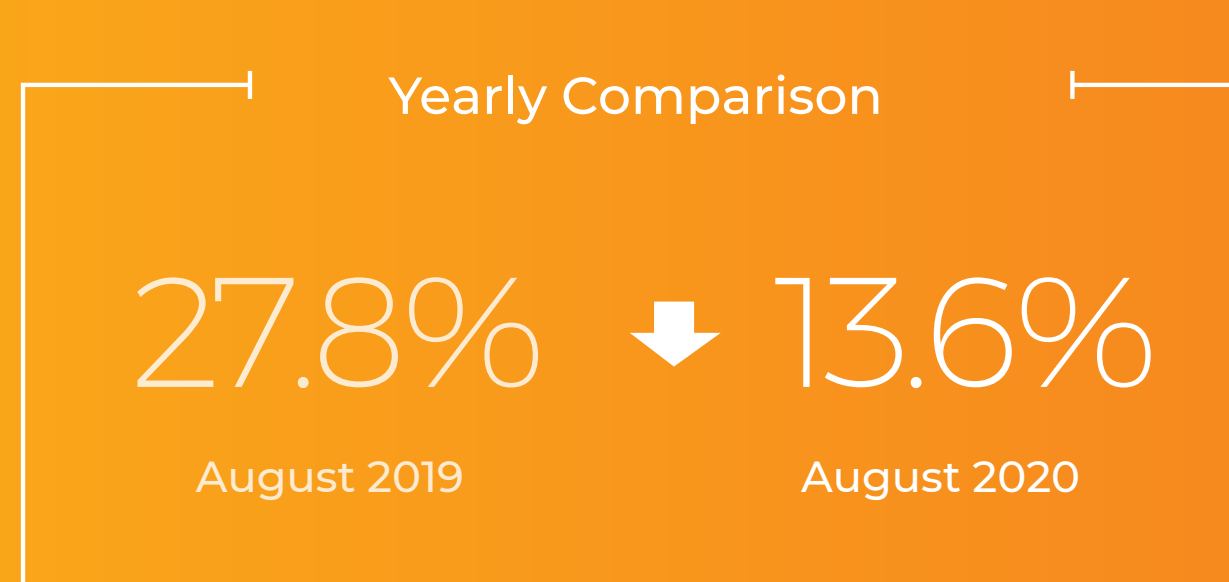


Slight Declines in Approval Percentages at Alternative Lenders and Credit Unions

The approval percentages at big banks (\$10 billion+ in assets) and small banks dropped slightly in August 2020, reversing an upward trend that began in May, according to the Biz2Credit Small Business Lending Index™ released today.

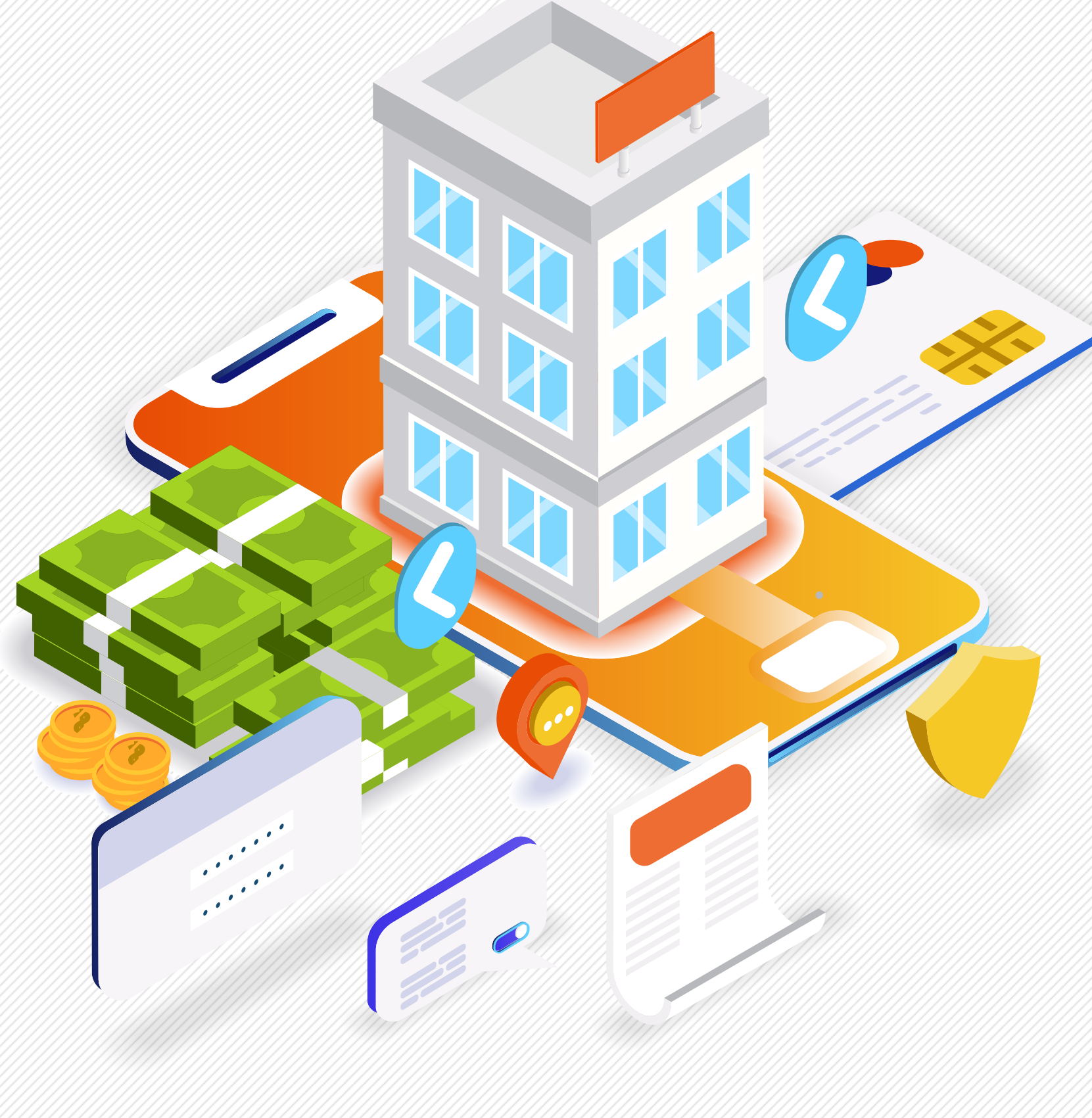
Loan Approval in Big Banks

Big banks granted only 13.6% of the loan applications they received, compared to 13.8% in July.



"PPP loans came to a halt on August 8, and it has been tough to secure more traditional small business loans in the coronavirus era," said Biz2Credit CEO Rohit Arora, who oversees the monthly research. "The big banks hit a record low approval percentage of 8.9% in April but had been rebounding. In August, the upward trend reversed."

Rohit Arora, Biz2Credit CEO

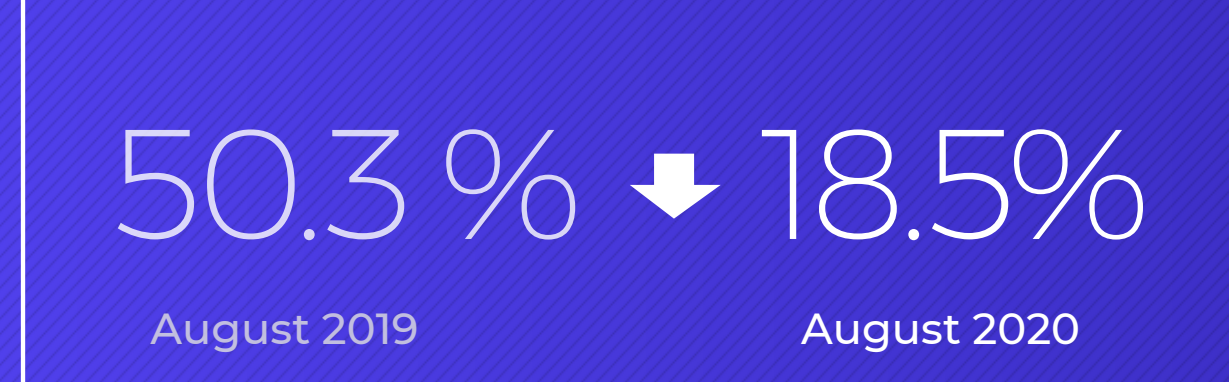


The figures do not reflect approval of Paycheck Protection Program (PPP) loans, which are made by the government, rather than by the banks themselves. PPP lending ended on August 8 after providing nearly 5 million small businesses with an infusion of much needed cash, which ultimately will be "forgivable loans" in most cases. Now that the program has ended, many small business owners are hoping that Congress will pass anticipated PPP2 legislation thought would help continue the flow of capital to America's small businesses.

The U.S. Bureau of Labor Statistics' Jobs Report on September 4 found that nonfarm payroll employment rose by 1.4 million in August, and the unemployment rate fell to 8.4%. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus pandemic and efforts to contain it. Notable job gains in the private sector occurred in retail trade, in professional and business services, in leisure and hospitality, and in education and health services. Many of those jobs are created by small businesses.

Loan Approval in Small Banks

Small banks approved 18.5% of their funding requests, a small dip from 18.6% in July.

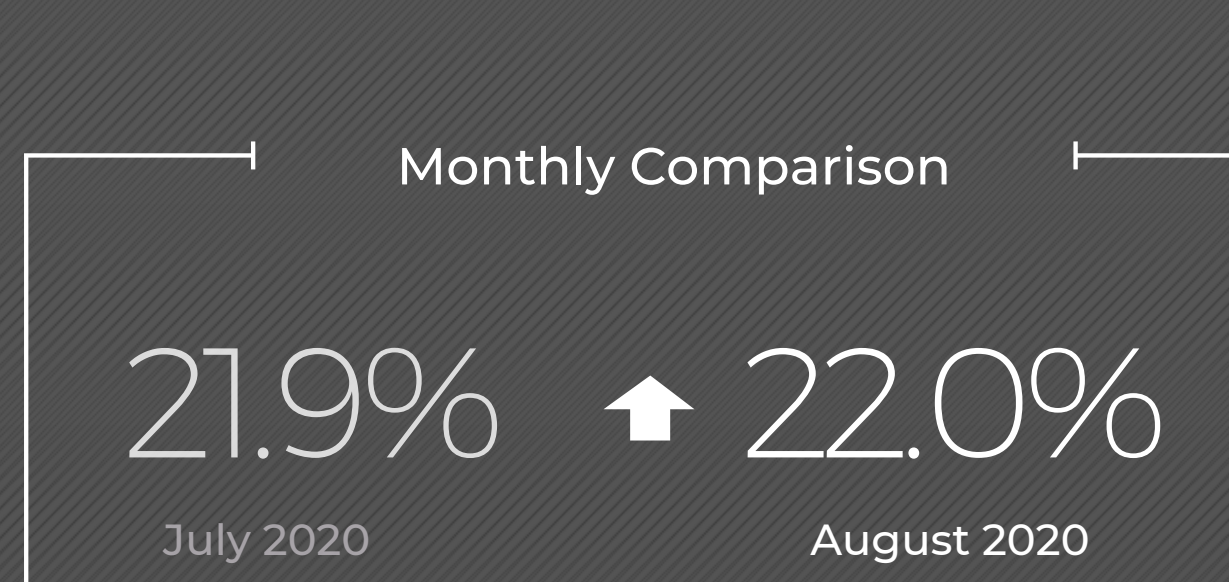
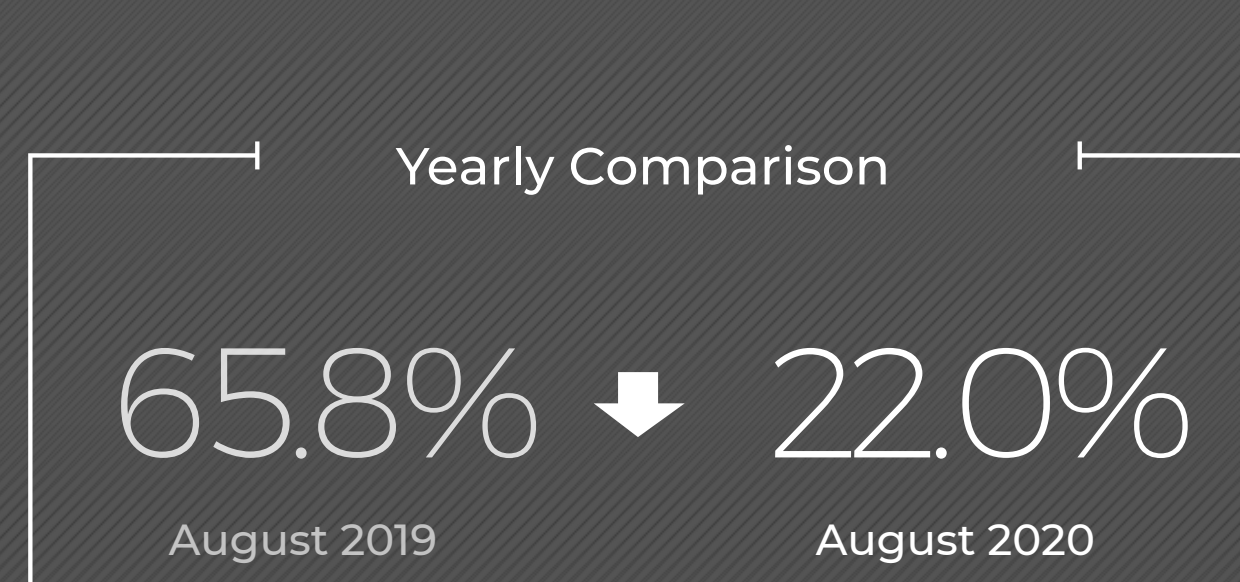


"While the slides are small, the discouraging part is that the trend over the past several months has been positive," added Arora, one of the nation's leading experts in small business lending. "It's a setback."

Rohit Arora, Biz2Credit CEO

Institutional lenders

Institutional lenders approvals rose from 21.9% in July, up from 22.0% in August.



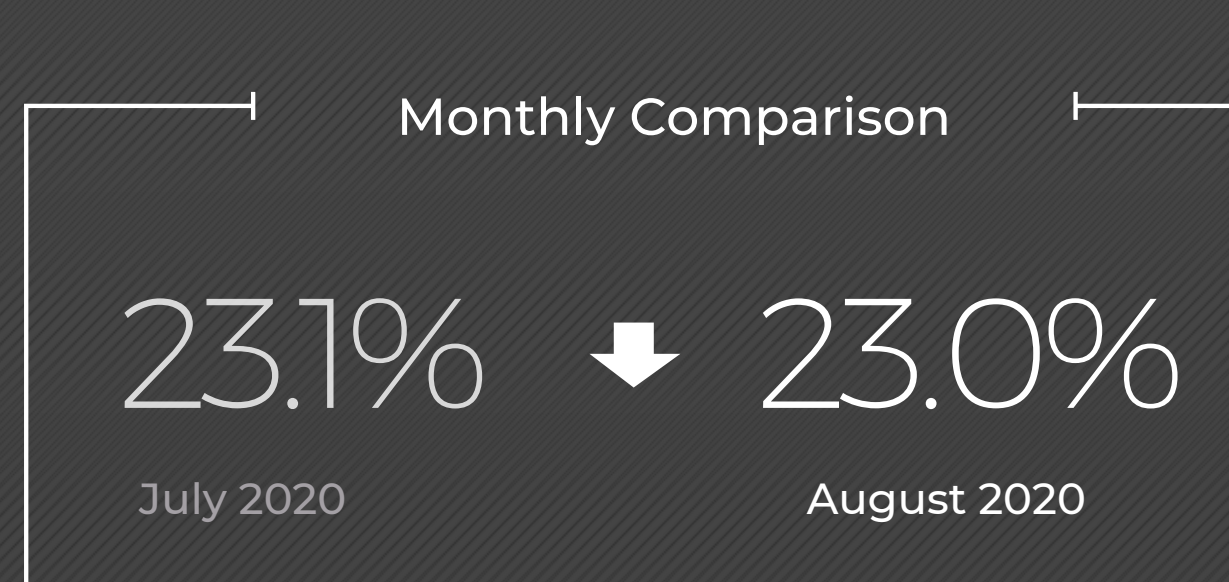
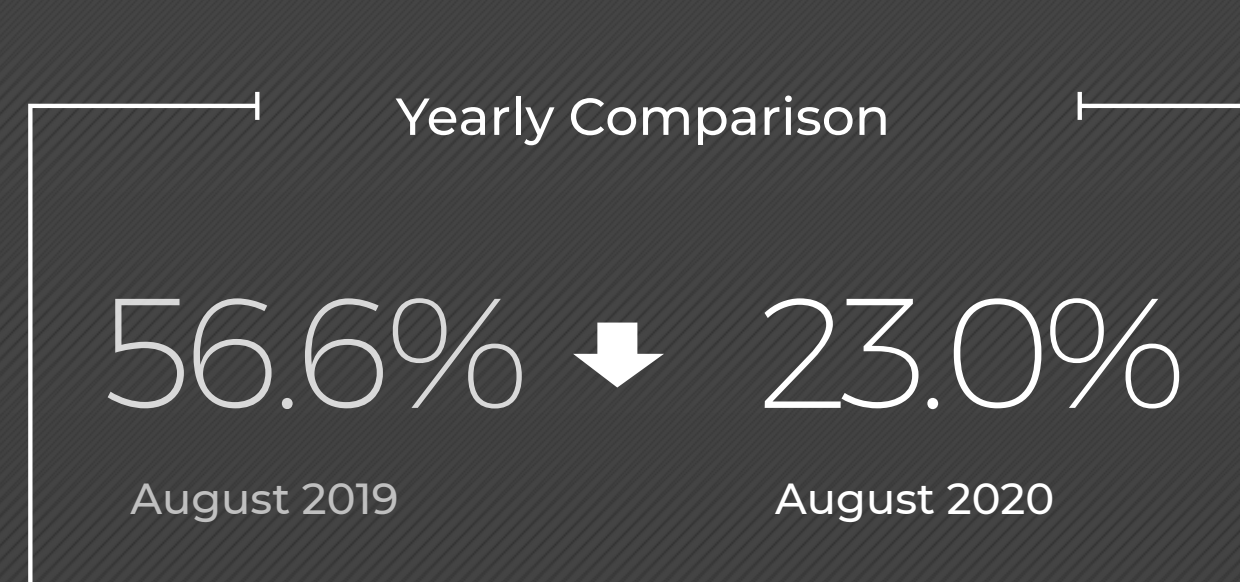
"Institutional lenders saw only a slight gain," Arora said. "Overall, it was a tough month for small business borrowers."



Rohit Arora, Biz2Credit CEO

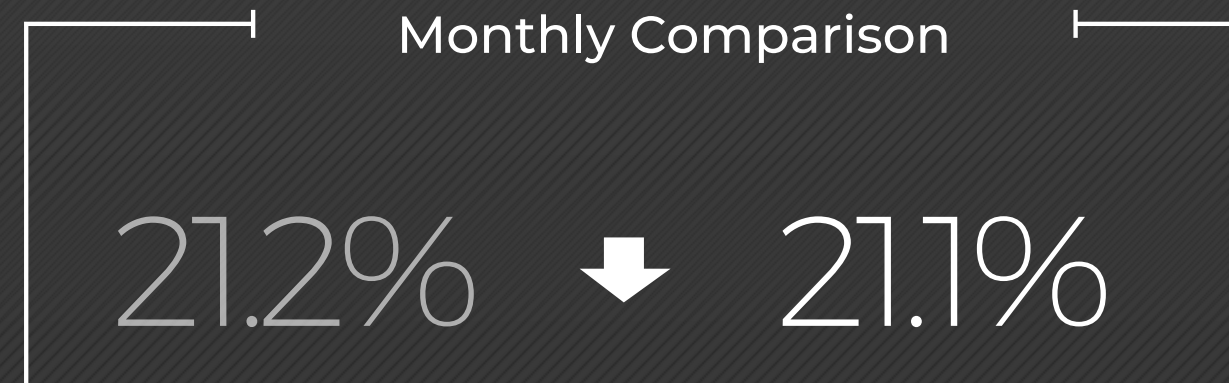
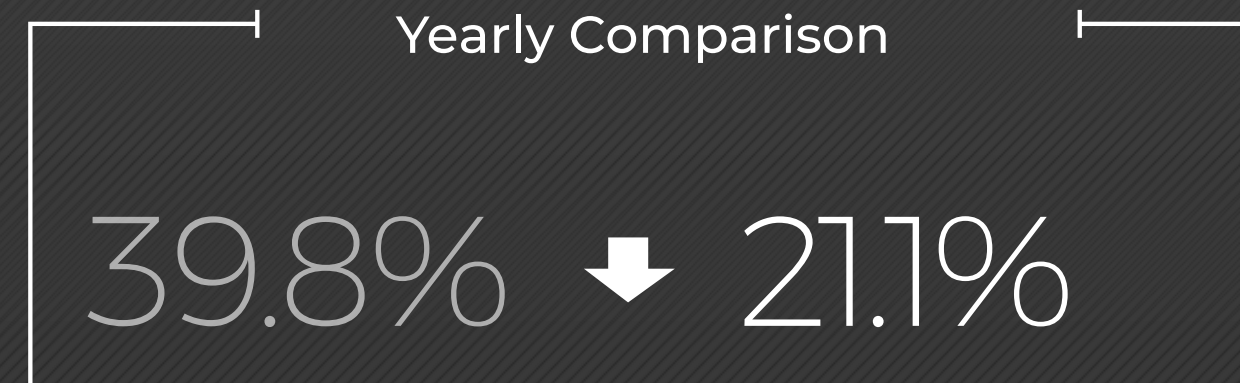
Alternative lenders

Loan approval rates among alternative lenders dropped a notch from 23.1% last month to 23.0% in August



Credit unions

Credit unions also slipped one-tenth of a percent from 21.2% in July to 21.1% this month.



About the Biz2Credit Small Business Lending Index

Biz2Credit analyzed loan requests from companies in business more than two years with credit scores 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 platform.

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$3 billion in small business financing. The company is expanding its industry-leading technology in custom digital platform solutions for banks and other financial institutions, investors, and service providers. Visit www.biz2credit.com or Twitter @Biz2Credit, Facebook, and LinkedIn.