

Biz2Credit Small Business Lending Index™

Government Shutdown Slows SBA Lending Volume, But Approval Percentage Dip Only Slightly in January, According to Biz2Credit Small Business Lending Index™



Overall Economic Strength Still Bodes Well for Small Businesses in Search of Capital

Business loan approval rates dropped three-tenths of a percent at regional and community banks in December 2018 according to the Biz2Credit Small Business Lending Index™

Loan Approval in Big Banks

Small business loan approval rates for big banks remained at a record high 27% in January 2019, according to the Biz2Credit Small Business Lending Index™, which examines more than 1,000 small business credit applications made via its online lending platform.



The government shutdown ultimately did not have a major impact on small business lending, one of the nation's leading experts in small business finance. "There are still hurdles, however. Many companies are waiting for SBA loans that have not yet been processed."

Rohit Arora, Biz2Credit CEO



Our top priority was and continues to be working with SBA lenders to approve and process small business loans to get capital into the hands of the businesses that need it," Goldberg said. "Remember that through the shutdown, SBA's Resources Partners - Small Business Development Centers, SCORE Chapters and Women's Business Centers - continued to work with entrepreneurs, counseling them on all aspects of their businesses."

Goldberg added that since reopening on January 28th, her office has guaranteed more than 200 SBA loans worth \$59.3 million.

Meanwhile, the Jobs Report released on Feb. 1 saw an unexpected rise in job creation, and Federal Reserve opted not to raise interest rates at its first meeting of the year.

Loan Approval in Small Banks

Business loan approval rates dropped three-tenths of a percent at regional and community banks in December 2018. Small bank approvals dropped a full percentage point from 49.9% in December 2018 to 48.9% in January.



"Overall, the economy is still performing well on many levels, who oversees the research. "This is beneficial to the small business lending market."

Rohit Arora, Biz2Credit CEO

Institutional lenders

Institutional lenders climbed up to 65.1%, a jump of three-tenths of a percent from December's mark of 64.8%.



Alternative lenders

Loan approval rates among alternative lenders rose from 56.6% in December to 57.3% in January, a jump of seven-tenths of a percent.



As SBA lending stalled during the shutdown, alternative lenders took advantage of the opportunity by lending money to business owners in need of quick capital, "Non-bank lenders fill the gaps many times for borrowers who cannot get money from traditional sources.



Rohit Arora, Biz2Credit CEO

Credit unions

Credit unions approvals increased to 40.3% of loan applications in January, up one-tenth of a percentage from December, according to the Biz2Credit Index.



Despite the government shutdown, January was a solid month for small business lending



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. 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.

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.