

Biz2Credit Small Business Lending Index™

Biz2Credit Small Business Lending Index™ Reports Loan Approval Rates at Banks Increased Slightly in January 2021, But Are Down More Than 50% from One Year Ago



Small business loan approval percentages at big banks (\$10 billion+ in assets) increased slightly to 13.2% in January 2021 from 2020's figure of 13.1%, according to the latest Biz2Credit Small Business Lending Index™ released today. In comparison, big banks approved a record high 28.3% of the funding requests they received in January 2020.

Loan Approval in Big Banks

Big banks (\$10 billion+ in assets) increased slightly to 13.2% in January 2021 from 2020's figure of 13.1%



"What a difference a year makes," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business finance. "Last year, it was relatively easy to secure small business financing from banks. This year, big banks are approving less than half of the non-Paycheck Protection Program (PPP) requests they receive."

Rohit Arora, Biz2Credit CEO



Biz2Credit, which has been among the leading processors of PPP2 funding since mid-January finds that second loan requests account for approximately two-thirds of loan pre-applications for the government-approved funding.

The Bureau of Labor Statistics reported non farm payroll employment changed little (+49,000) in January 2021, according to the Jobs Report released on Friday, Feb. 5. The labor market continued to reflect the impact of the COVID-19 pandemic and efforts to contain it. In January, notable job gains in professional and business services and in both public and private education were offset by job losses in leisure and hospitality, in retail trade, in health care, and in transportation and warehousing. Many of these jobs are created by small businesses.

Loan Approval in Small Banks

Small banks approved 18.3% of business financing applications in January 2021, up one notch from 18.2% the month prior



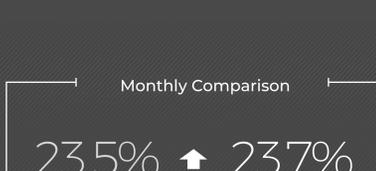
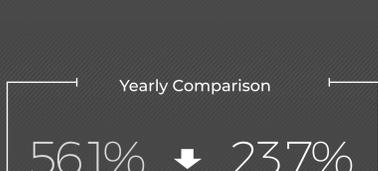
Institutional lenders

Institutional lenders approved 23.0% of applications for funding in January, up two-tenths from 22.8% in December



Alternative lenders

Alternative lenders rose from 23.5% in December 2020 to 23.7% in January 2021



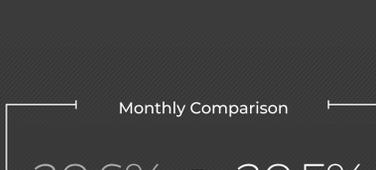
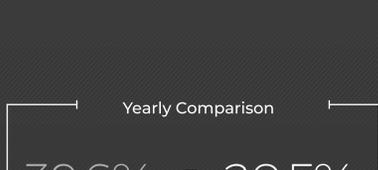
"Business owners who saw their revenues drop by 25% in 2020 are looking to the government for help via PPP loans," Arora said. "However, companies that did not experience 25% decline in revenues are ineligible for PPP. It is very difficult for them to secure financing right now."



Rohit Arora, Biz2Credit CEO

Credit unions

Credit unions slipped one-tenth of a percent to a 20.5% approval rate in January from 20.6% in December 2020.



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.