

## Biz2Credit Small Business Lending Index™

### Small Business Loan Approval Rates at Banks Rose in July 2020: Biz2Credit Small Business Lending Index™

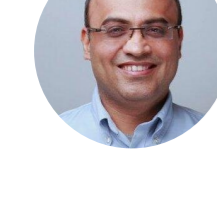
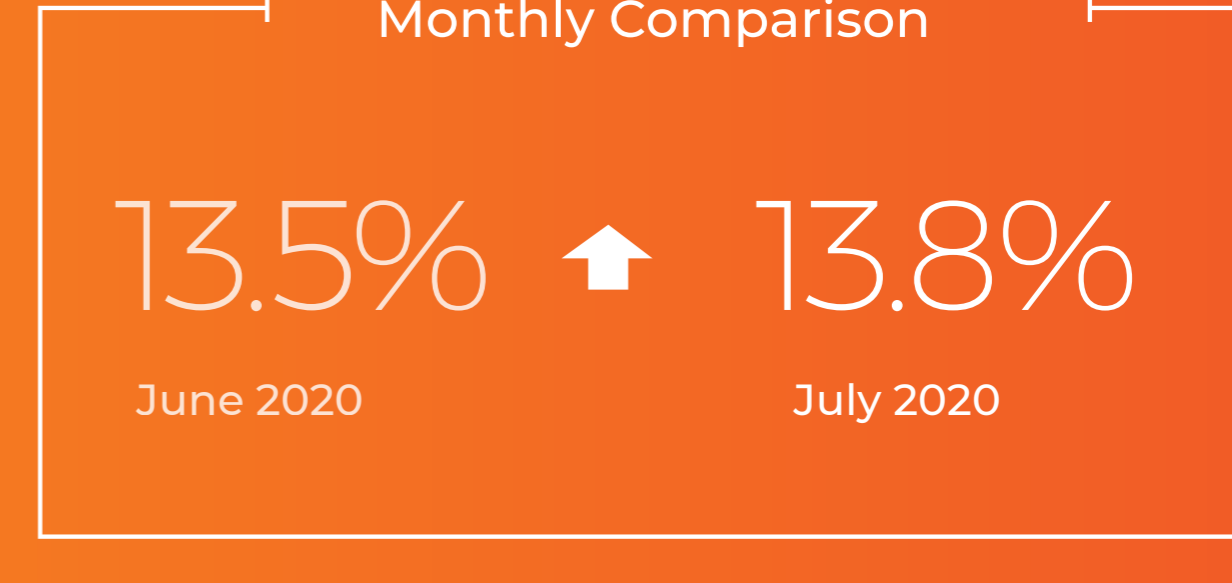
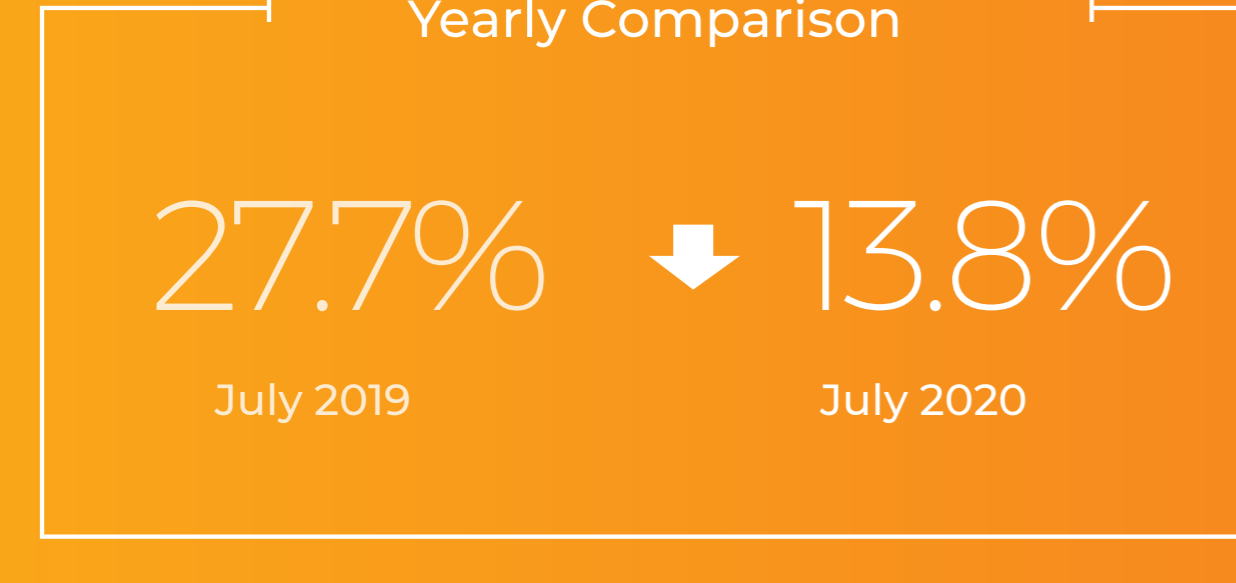


Improvement in Approval Percentages at Banks and Institutional Lenders for Companies Applying for Non-PPP Loans, While Alternative Lenders and Credit Unions Slip

The approval percentage for small business loan applications at big banks (\$10 billion+ in assets) rose three-tenths of a percent from 13.5% in June to 13.8% in July, according to the Biz2Credit Small Business Lending Index™ released today.

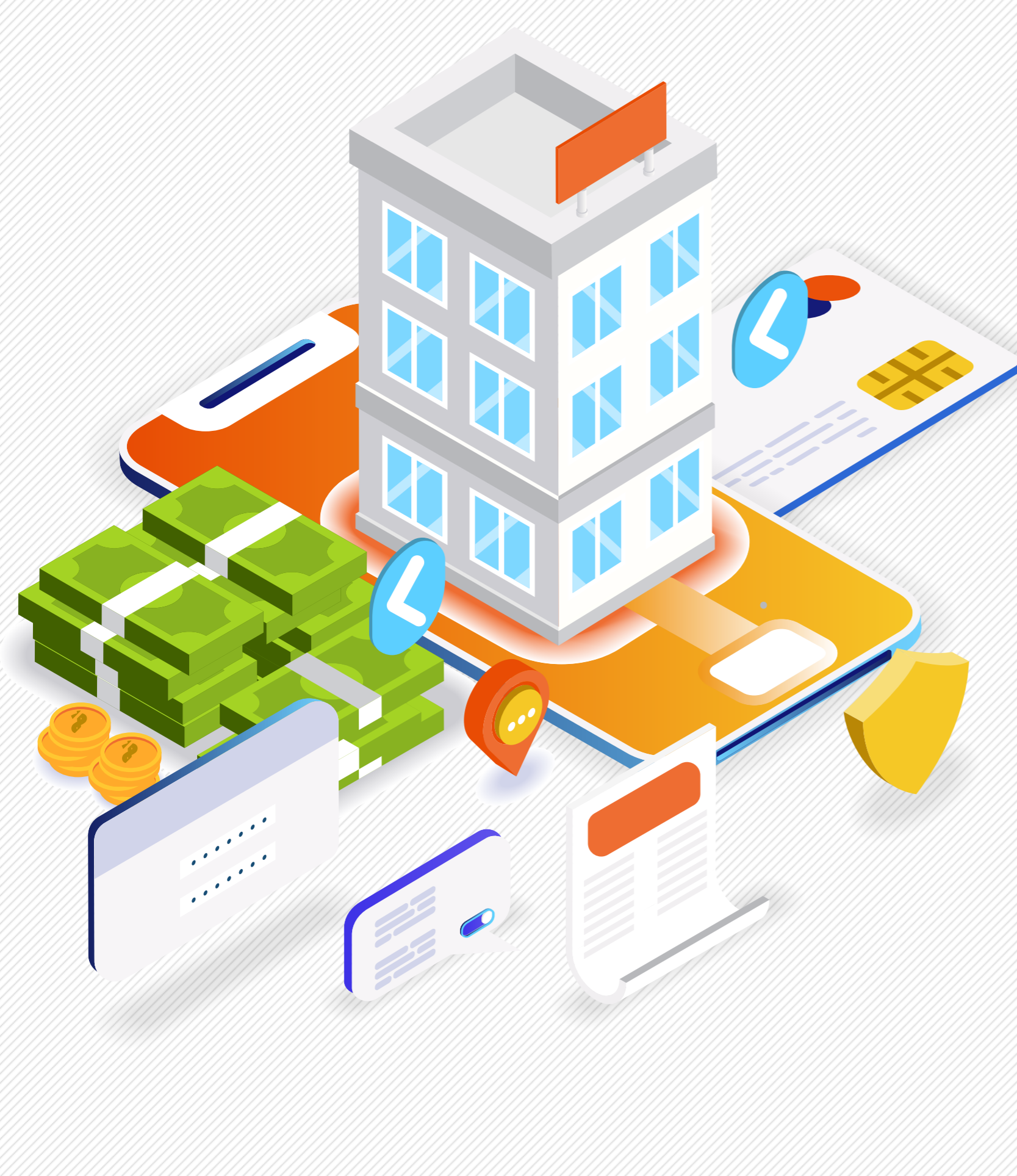
### Loan Approval in Big Banks

Big banks (\$10 billion+ in assets) rose three-tenths of a percent from 13.5% in June to 13.8% in July



"There was clearly an uptick in the economy, especially in the northeast in July," said Biz2Credit CEO Rohit Arora, who oversees the monthly research. "The big banks played a key role in PPP lending and are making other loans to their customers as some of them have exhausted their PPP funds". "It will be interesting to follow lending at big banks as coronavirus spreads through the south and west regions of the country," added Arora, one of the nation's leading experts in small business lending.

**Rohit Arora, Biz2Credit CEO**

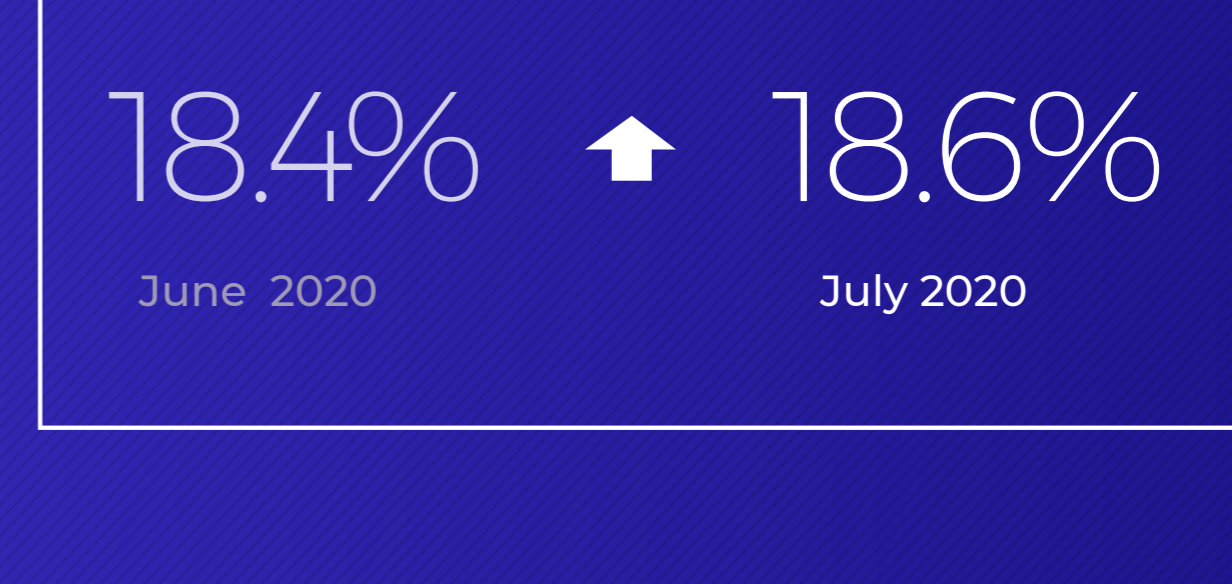
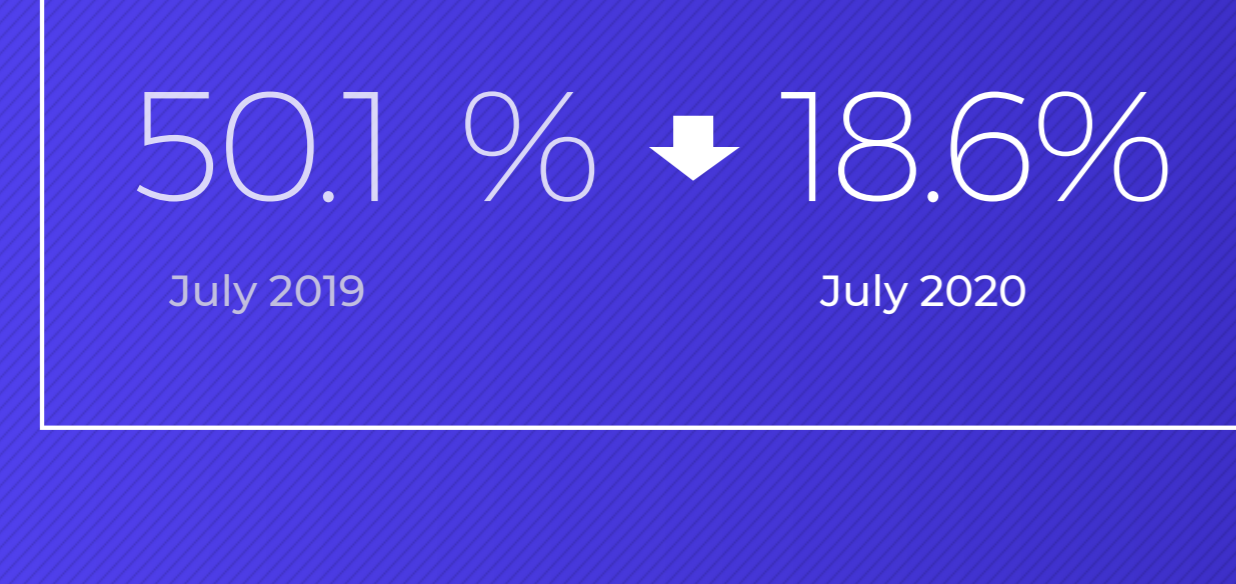


The U.S. Bureau of Labor Statistics' Jobs Report on August 7 found that nonfarm payroll employment rose by 1.8 million in July, while the unemployment rate fell to 10.2%. The improvements in the labor market reflected the continued resumption of economic activity that was curtailed due to the COVID-19 pandemic and efforts to contain it. July's not able job gains occurred in the leisure and hospitality, government, retail trade, business and professional services, and health care sectors. Many of those jobs are created by small businesses.

Overall, the PPP lending program has provided nearly 5 million small businesses with more than \$521 billion in potentially forgivable loans, directly ensuring 50 million American workers kept their jobs, according to a report by the SBA. The average loan size was \$106,772, and 5,460 lenders participated in the program thus far. Congress passed legislation that was later signed by President Trump.

### Loan Approval in Small Banks

Small banks was 18.6% in July, up two-tenths of a percent to from 18.4% in June.

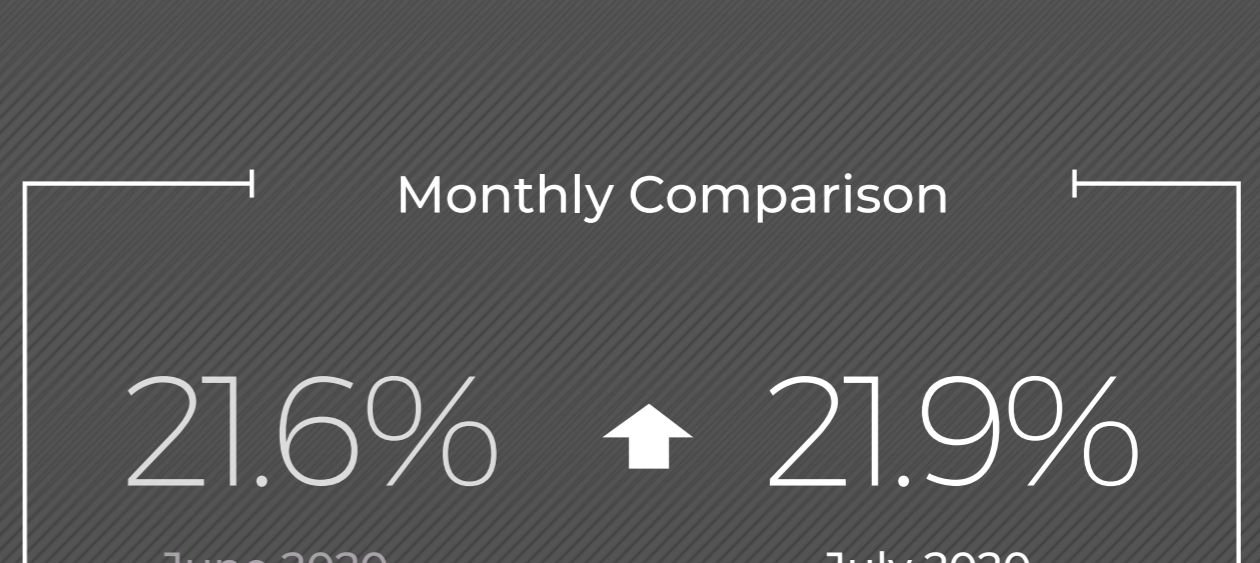
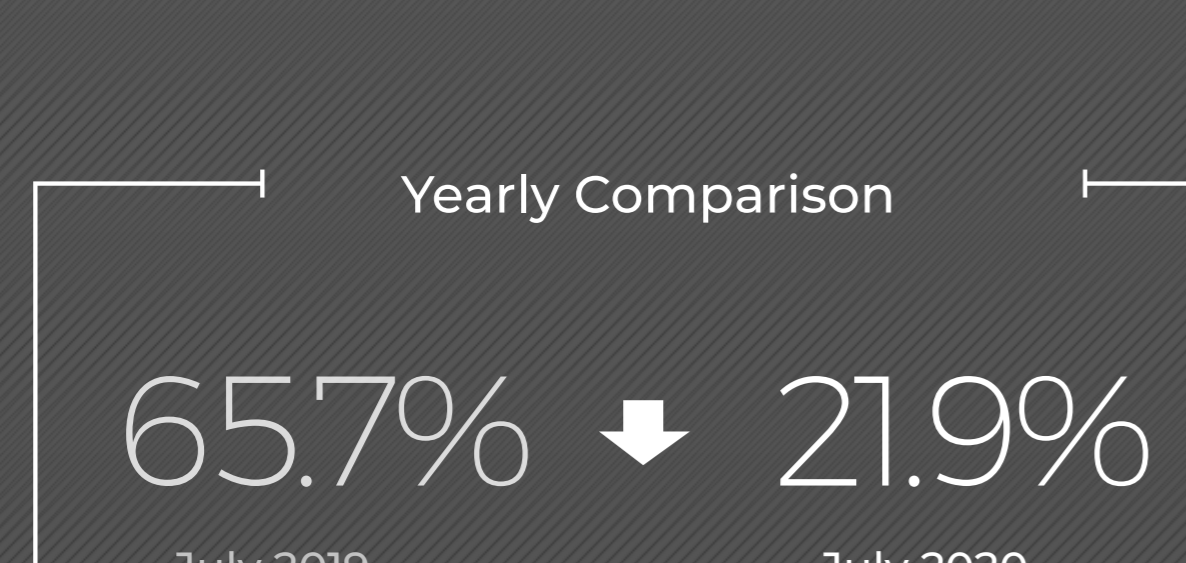


"Regional and community banks made a lot of PPP loans to small businesses and are now making other types of loans to these new customers," Arora said. "The smaller banks are now in a good position to resume making SBA 7(a) loans and other funding requests."

**Rohit Arora, Biz2Credit CEO**

### Institutional lenders

Institutional lenders' approval percentages increased to 21.9% in July, up from 21.6% in June.



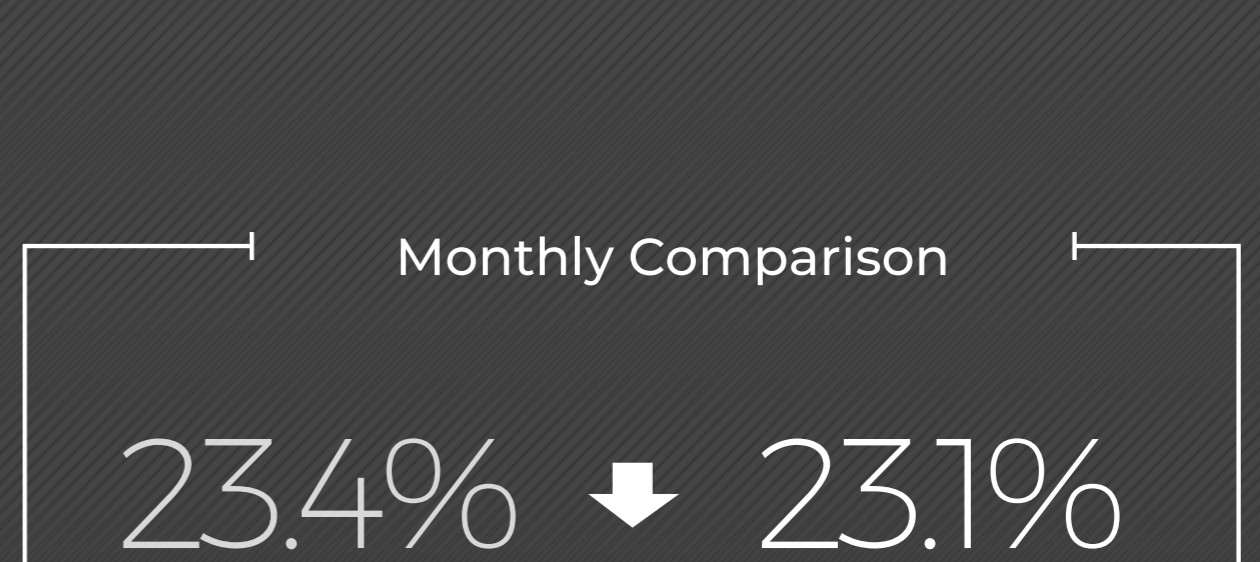
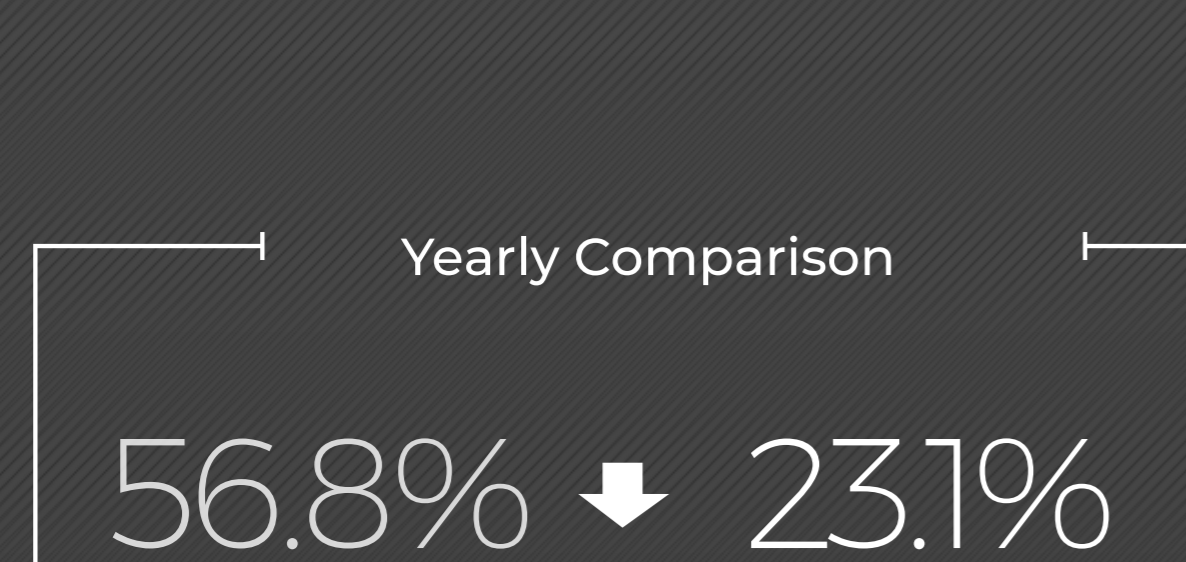
"Institutional lenders, like the other types of lenders, are steadily climbing back after disastrous results in March and April," Arora said. "They continue to play a strong role in small business lending."



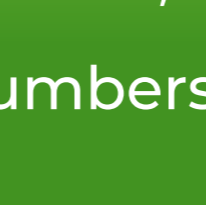
**Rohit Arora, Biz2Credit CEO**

### Alternative lenders

Alternative lenders dropped three-tenths of a percent to 23.1%, down from 23.4% in June.



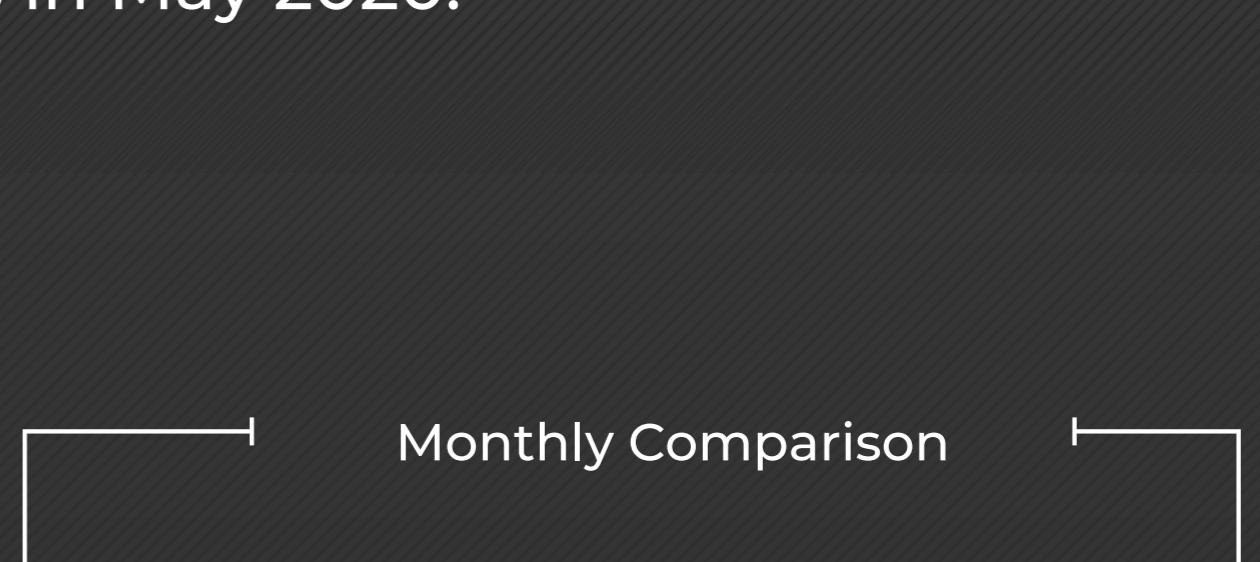
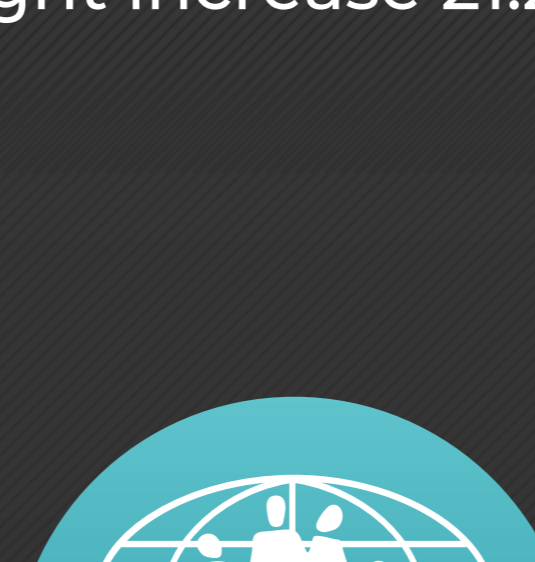
"Alternative lenders are struggling right now, some of them are not doing much lending. The numbers show it"



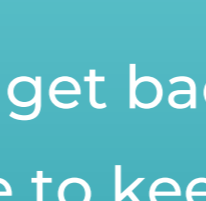
**Rohit Arora, Biz2Credit CEO**

### Credit unions

Credit unions approved 21.2% of loan requests in July, a slight drop from 21.35% in June, a slight increase 21.2% in May 2020.



"Credit unions are grappling and trying to get back in lending," Arora said. "Many of them still lag in technology, and they struggle to keep up with other categories of lenders."



**Rohit Arora, Biz2Credit CEO**

#### 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](http://www.biz2credit.com) or Twitter @Biz2Credit, Facebook, and LinkedIn.

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