

## Biz2Credit Small Business Lending Index™

### Biz2Credit Small Business Lending Index™ Reports Loan Approval Rates at Banks Declined in November 2020, Are Down More Than 50 Percent from One Year Ago



Approval percentages are down 50% or more for all categories of small business lenders as the pandemic surges

Small business loan approval percentages at big banks (\$10 billion+ in assets) dropped slightly from 13.3% in October to 13.2% in November, an indication that the challenges for small business owners in need of financing continue, according to the latest Biz2Credit Small Business Lending Index™ released today

### Loan Approval in Big Banks

Big banks (\$10 billion+ in assets) dropped slightly from 13.3% in October to 13.2% in November



“Even though many companies are operating at a loss right now and need capital, they are discouraged from applying for funding because of the likelihood of rejection as approval rates drop and because there is so much economic uncertainty caused by the coronavirus.” “Business owners are anxiously awaiting the enactment of a second Paycheck Protection Program (PPP) that would provide forgivable loans to survive the current pandemic surge. Without significant federal assistance, small companies all across the country will struggle to survive. Many of them will not.”

**Rohit Arora, Biz2Credit CEO**



The U.S. Bureau of Labor Statistics' Jobs Report on Friday, December 4, found that nonfarm payroll employment rose by 245,000 in November, and the unemployment rate edged downward to 6.7%. The improvements in the labor market reflect the continued resumption of economic activity that was curtailed by the coronavirus pandemic and efforts to contain it. Notable job gains occurred in transportation and warehousing in November as holiday gifts are on their way to stores and to consumers. Employment also rose in professional and business services, and health care. “A study this week reported that more than 30% of small businesses in New Jersey have closed. This would have seemed inconceivable less than a year ago. My fear is that if a government stimulus package is not enacted, even more businesses will go under,” Arora said. “As the virus seems to be spiking again, local governments may enact tighter restrictions on the operations of restaurants, gyms, and other businesses. This would put a great strain on businesses that are already not likely to survive much longer without help.”

### Loan Approval in Small Banks

Small banks approved 18.3% of business financing applications, down one notch from 18.4% the month of October



“This dramatic drop is attributed to the toll the coronavirus has taken on small businesses and the economy overall.”

**Rohit Arora, Biz2Credit CEO**

### Institutional lenders

Institutional lenders approved 22.6% of applications for funding in November, slightly up from 22.5% in October.



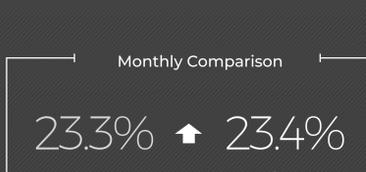
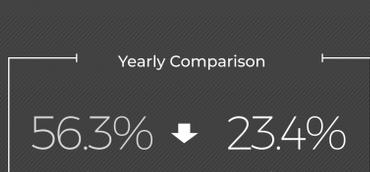
“Institutional lenders are looking for yields, so they are willing to provide funding, as are alternative lenders, such as FinTech companies. Despite these two small bright spots, companies seeking capital are having a tough time securing it. Business owners are looking to the government for help.”



**Rohit Arora, Biz2Credit CEO**

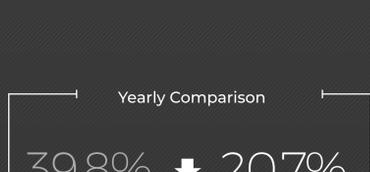
### Alternative lenders

Alternative lenders, rose slightly from 23.3% in October to 23.4% in November.



### Credit unions

Credit unions slipped two-tenths of a percent to a 20.7% approval rate in November from 20.9% in October.



#### About the Biz2Credit Small Business Lending Index

Biz2Credit analyzed loan requests from companies in business more than one year 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.