

Small Business Loan Approval Percentages Hit New Heights at Big Banks and Institutional Lenders in December 2017, According to Biz2Credit Small Business Lending Index™

The calendar year 2017 was a strong one overall for small business lending

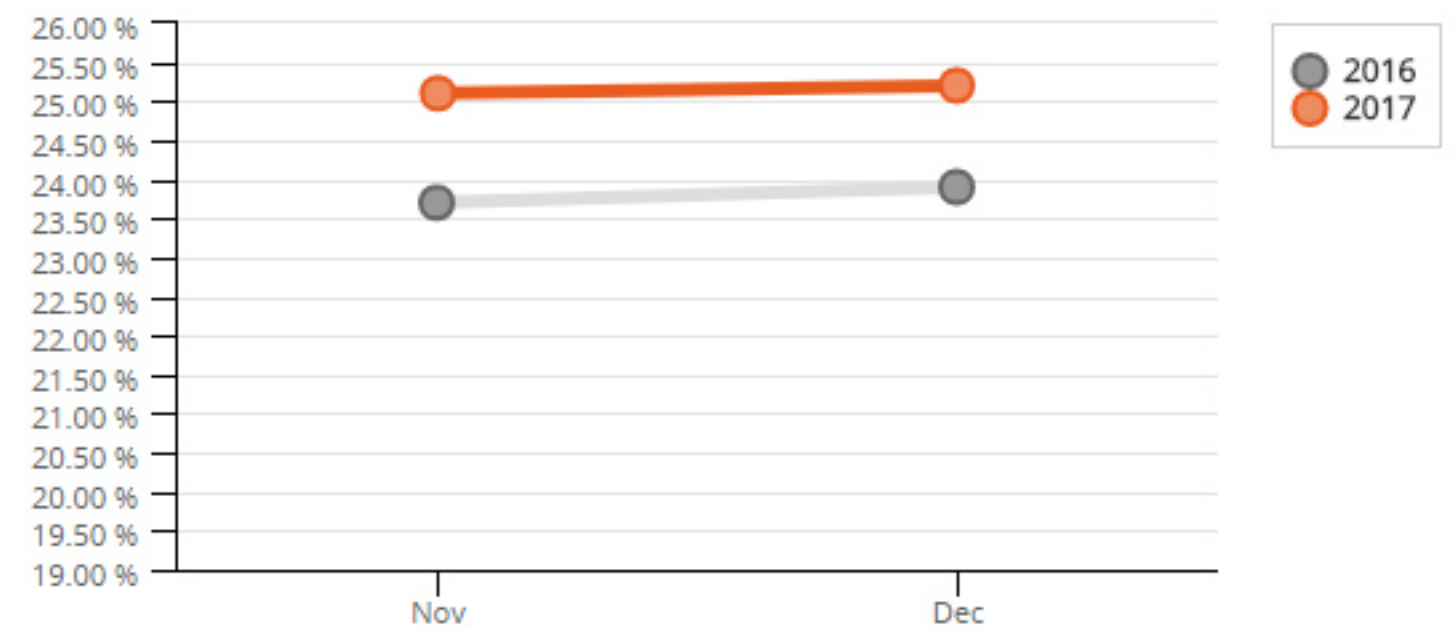
Business loan approval rates for big banks (25.2%) and institutional lenders (64.3%) hit new heights last month, according to the latest Biz2Credit Small Business Lending Index™ (December 2017 figures). The monthly analysis examined more than 1,000 small business loan applications on Biz2Credit.com.



Big Banks

Small business loan approval rates at **big banks 25.2%** hit new heights last month.

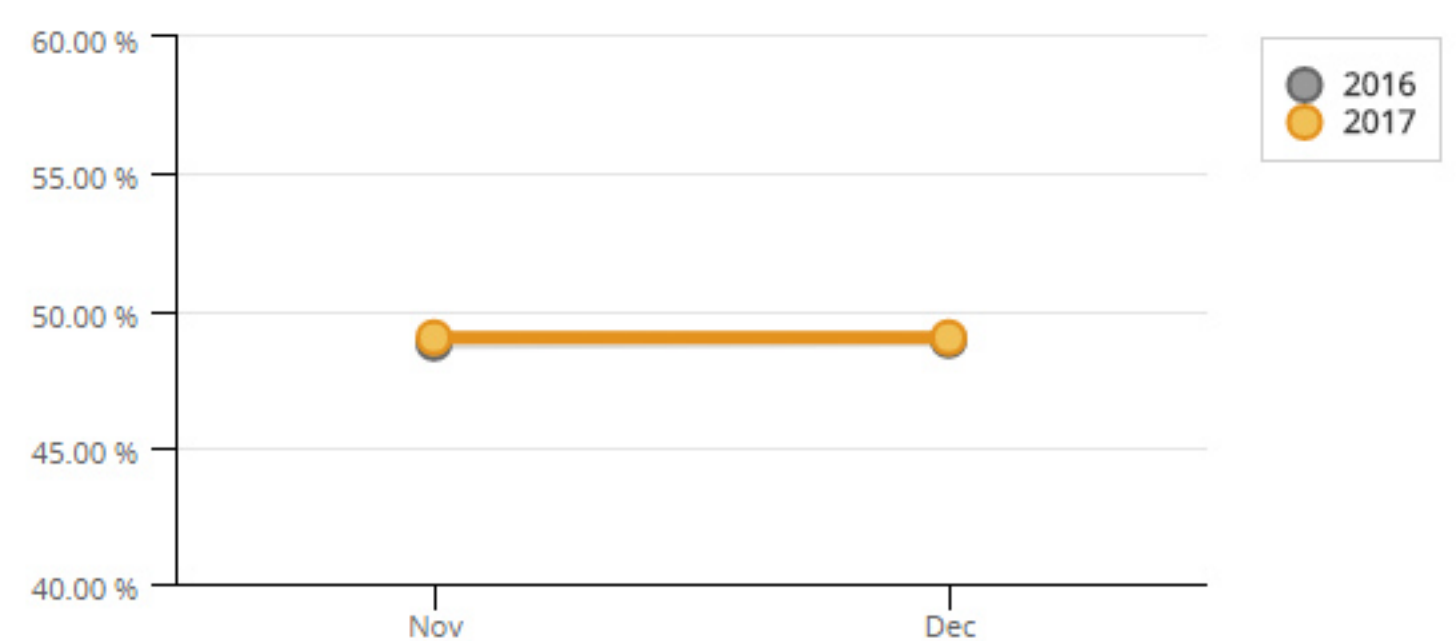
"The economy is performing well on many different levels. Holiday retail sales were up, unemployment remain low, and salaries have gone up a notch," said Biz2Credit CEO Rohit Arora,



Small Banks

Small business loan approval rates climbed at larger institutions, such as banks and institutional lenders. **Small banks approved 49%** of the funding requests they received in December, the same percentage as in the month prior. For more than three years, regional and community banks have hovered at or around 49 percent, having last crossed over the half-way point in October 2014, when approvals were at 50.2 percent.

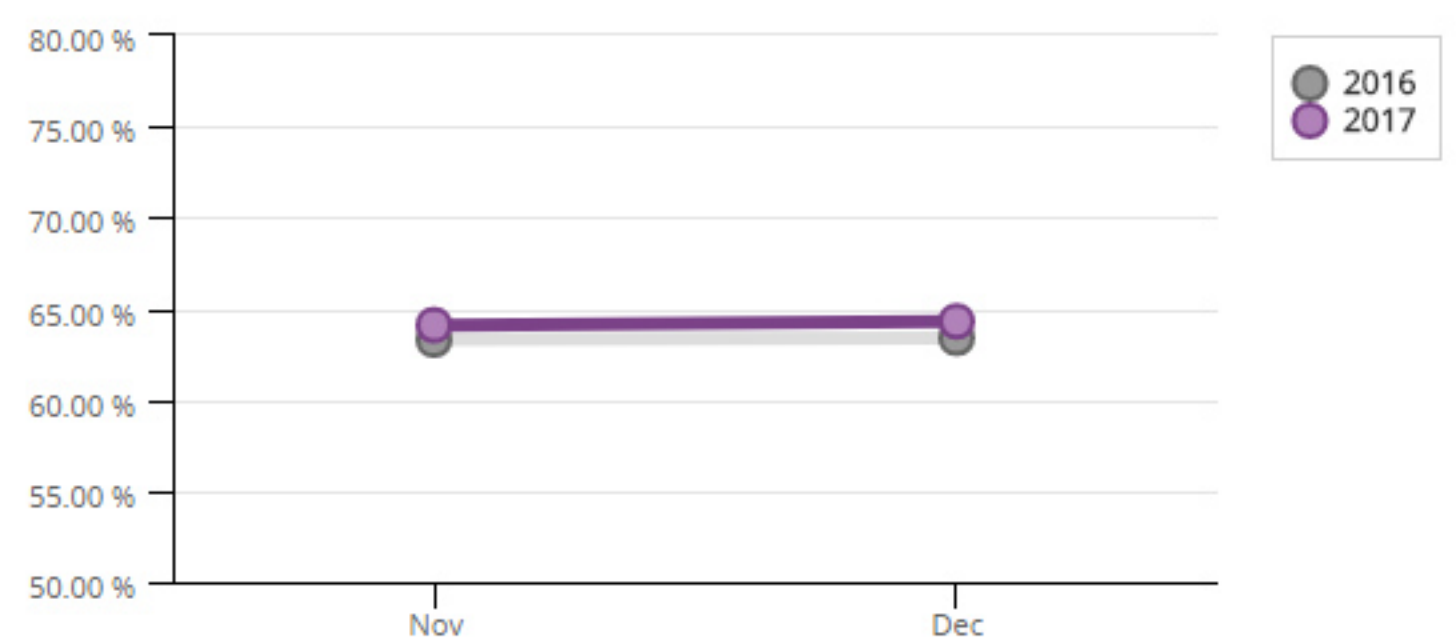
"SBA lending was strong throughout 2017, and small banks are among the most active lending partners," added Arora, one of the country's leading experts in small business finance. "This bodes well as we enter a new year. It is helpful for young entrepreneurs, who might not have credit scores high enough for a traditional bank loan, that SBA-backed loans are available through big banks and smaller ones."



Institutional lenders

loan approval rates in **institutional lenders 64.3%** hit new heights last month.

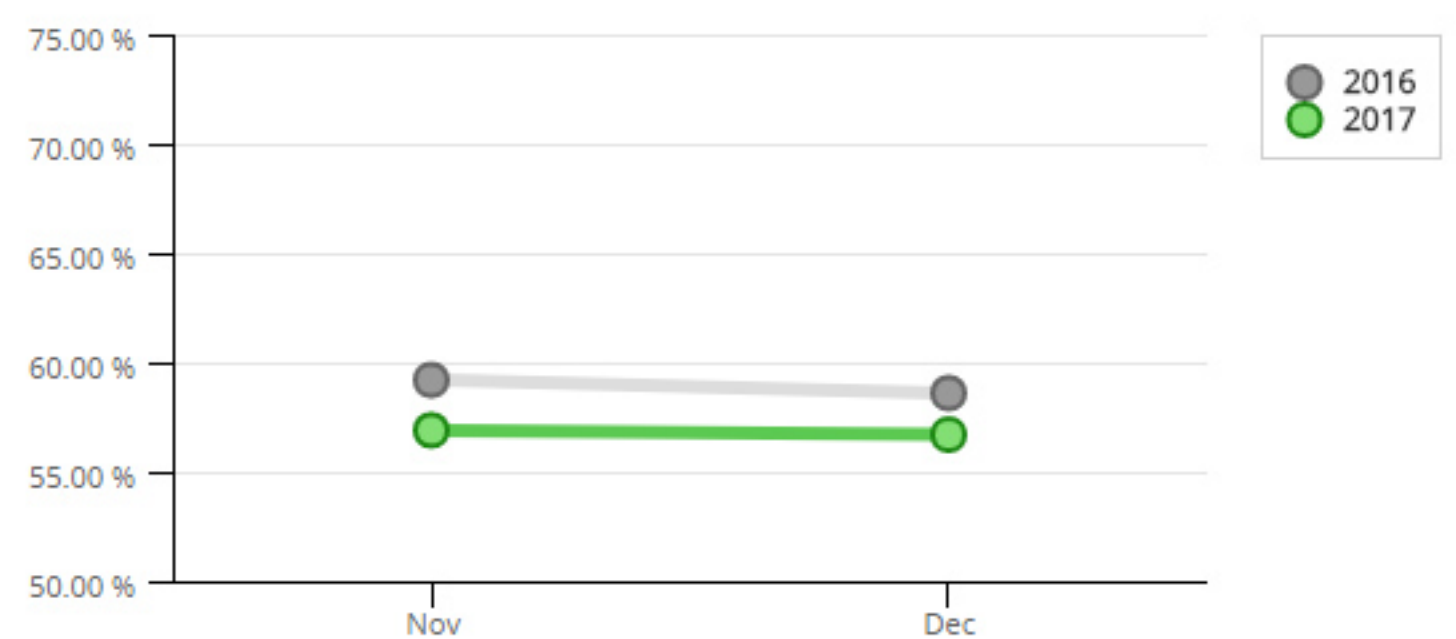
"Businesses are anticipating that the tax form bill could help them, which gives potential borrowers more confidence to take risks. Meanwhile, lenders are closing deals and interest rates continue to trend upwards, which makes lending more profitable for them."



Alternative Lenders

Loan approval rates among **alternative lenders** in December dropped two-tenths of a percent to **56.7** percent after a small uptick in November. Approvals for the category declined every month except November, according to the Biz2Credit Index.

"With many traditional lenders willing to fund small businesses, alternative lenders are getting requests from lower quality borrowers," Arora explained. "The solid economy makes consumers willing to spend and results in business optimism - especially for companies looking to expand."



Credit Unions

Loan approval rates at **credit unions** climber one-tenth of a percent in December as they approved **40.4%** of loan applications last month. Just two months ago, in October, credit unions had hit a record low point for the category.

"Credit unions have a place in small business lending, but they have lost ground to banks both large and small and institutional lenders, who are have become aggressive in the small business lending marketplace," Arora added. "Banks and institutional lenders are reaping the benefits of incorporating financial technology (FinTech) into their operations. Credit unions lagged behind in technological upgrades, and it has hurt them over the past few years."

