

LOAN APPROVAL RATES AT BIG BANKS REACHED NEW POST-RECESSION HIGH IN JULY 2017, ACCORDING TO BIZ2CREDIT SMALL BUSINESS LENDING INDEX™

LENDING DROPS BY ALTERNATIVE LENDERS SIGNIFICANTLY

Loan approval rates at big banks (\$10 billion-plus in assets) increased to post-recession high in July 2017, according to the latest Biz2Credit Small Business Lending Index™, the monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com. Loan approval percentages of institutional investors also set a new record. Meanwhile, alternative lenders and credit unions experienced declines in the percentages of funding requests they approved.

LOAN APPROVALS AT BIG BANKS

Just as they had done the previous month, small business loan approval rates at **big banks** improved two-tenths of a percent to 24.5% in July, setting an all-time Index high.



“Despite the drama surrounding President Trump, the markets are performing well, and the Federal Reserve’s interest rate hikes have not dampened the appetite for small business funding,” explained Biz2Credit CEO Rohit Arora, who oversaw the research. “Overall, I would say that bank lending is stronger now than at any other time since before the Great Recession.”

- Biz2Credit CEO Rohit Arora

LOAN APPROVALS AT SMALL BANKS

Loan approval rates at **small banks** also rose two-tenths of a percent in July to 48.9%, up from June’s 48.7% figure.



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- Biz2Credit CEO Rohit Arora

LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional lenders’ loan approval rates in July crept up one-tenth of a percent to 63.9%, a new all-time high for the Biz2Credit Small Business Lending Index.



“The dollar is strong, the Dow Jones reached a new high, and the U.S. economy is solid. These factors are attractive for global investors, and they see opportunity in the small business lending space,” added Arora, one of the country’s leading experts in small business finance.

- Biz2Credit CEO Rohit Arora

SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Loan approval rates among **alternative lenders** continue to plummet; approval rates dropped three-tenths of a percent in July to 57.2%. Approval percentages have dropped every month for more than a year.



“Alternative lenders do play a key role in small business lending. They are a source of funding for borrowers who have had some financial difficulties or perhaps have little to no credit history at all,” Arora explained. “Alternative lenders are willing to accept the greater risk that comes with less creditworthy borrowers. While there has been consolidation in this category and they are a less attractive option for small business owners, alternative lenders still play an important in small business lending.”

- Biz2Credit CEO Rohit Arora

CREDIT UNION APPROVALS

Loan approval rates at **credit unions** remained at 40.4% for the second consecutive month, equaling the low 40.4% for this category of funders on Biz2Credit’s index.



“Credit unions cannot keep pace with the banks and other non-bank lenders who have invested in technology and sped up the small business loan-making process,” Arora said. “This is an ongoing problem for many credit unions, which are losing their relevance in small business lending.”

- Biz2Credit CEO Rohit Arora

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.