

SMALL BIZ LOAN APPROVAL RATES AT BANKS CONTINUE TO IMPROVE IN JUNE 2016

According to the Biz2Credit Small Business Lending Index™, a monthly analysis of more than 1,000 loan applications on Biz2Credit.com

Loan approval rates at big banks (\$10 billion+ in assets) and small banks increased slightly in June 2016, according to the most recent Biz2Credit Small Business Lending Index™, the monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com. Meanwhile, institutional lenders, alternative lenders and credit unions experienced a small dip in loan approval rates last month.



LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional lenders' loan approval rates dipped slightly to 62.7% in June, down one-tenth of a percent from 62.8% in May.

↑ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Despite this slight drop, look for institutional lenders to grow. With the uncertainty in Europe right now, I expect to see more money coming into the small business lending marketplace from outside the U.S. Domestic investors are looking inward, and the U.S. economy is a safe haven right now. This is good news for small businesses seeking capital for growth. Industries including travel and restaurants are doing quite well at this point. Some food businesses have grown 10 percent in a year. These are solid growth figures.” - Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT BIG BANKS

Small business loan approval rates at big banks (\$10 billion+ in assets) improved to a new all-time Index high of 23.3%, up one-tenth of a percent in June.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“Big banks continue their commitment to small business lending. Oil prices are still very low, and people are spending money, which helps the prospects of small business owners looking to grow, who oversaw the research. We have yet to see any economic fallout from Britain's decision to leave the European Union. So far, the U.S. markets seem to have rebounded well from the initial shock of the so-called Brexit.”

- Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT SMALL BANKS

Meanwhile, lending approval rates increased slightly at small banks up to 48.8% in June, an increase one-tenth of a percent from May 2016.

↓ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“There is confidence in the U.S. economy and it helps small business lending. We are seeing small companies seeking loans to buy commercial real estate and upgrade equipment. A lot of businesses have good cash flow. These are all good signs that encourage small banks and other financial institutions to lend.” - Biz2Credit CEO Rohit Arora



CREDIT UNION APPROVALS

Credit unions continued their slow decline in loan approval rates, reaching an all-time Index low of 41.6% in June, down one-tenth of a percent from May. Loan approval percentage rates have declined at credit unions every month for more than a year.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“I don't foresee a turnaround by credit unions coming any time soon.” - Biz2Credit CEO Rohit Arora



SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Alternative lenders still are approving more than three-out-of-five loan requests on average. In June, lending approval rates inched upward by one-tenth of a percent to 60.1%.

↓ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“The slow and steady economic recovery has been beneficial to small business owners in many ways. Small business owners with solid credit ratings are able to find good rates and terms and don't have to borrow at high interest rates. However, for some borrowers, alternative lenders are an important source of capital.” - 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.