

# Loan Approval Percentages Rise for All Categories of Lenders, Reach New Heights for Banks and Institutional Lenders in June, According to The Biz2Credit Small Business Lending Index™

## Optimism About The Economy Reflected in Figures

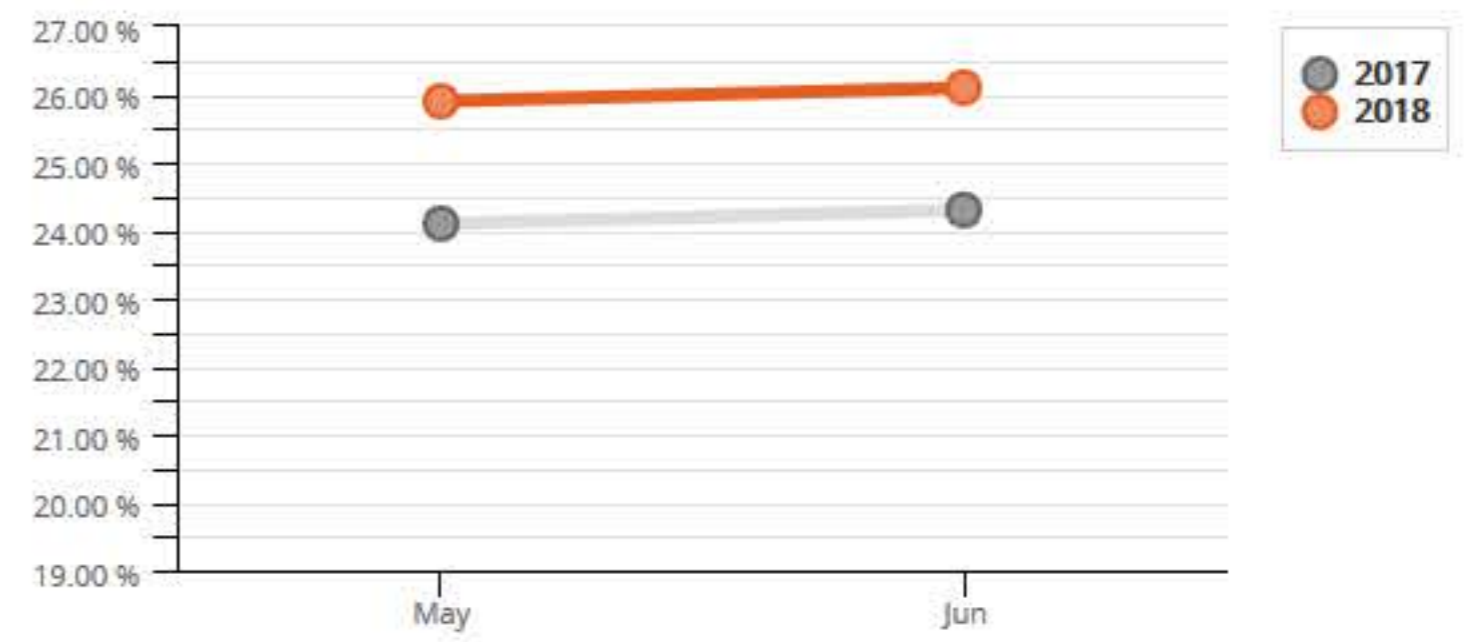
Small business loan approval rates for **big banks (26.1%)** continued the upswing with yet another new high in June 2018, according to the Biz2Credit Small Business Lending Index™ released today. The analysis examined more than 1,000 credit applications from small businesses on Biz2Credit.com.



### Big Banks

The June approval percentage for **big banks** (assets of \$10 billion+) rose two-tenths of a percent from May's figure of 25.9%, according to Biz2Credit's monthly report.

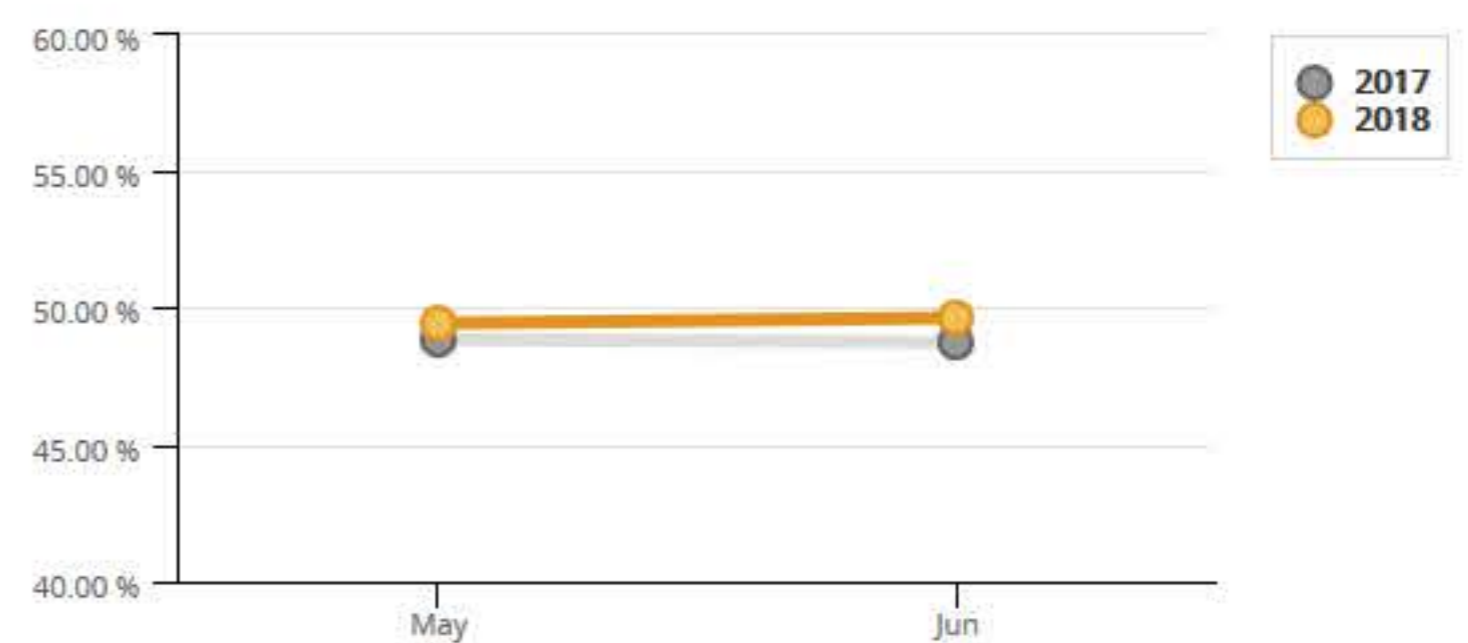
"The continued strength of the economy and optimism among small business owners are important factors in these results. Entrepreneurs are confident and are investing in the growth of their companies," said Biz2Credit CEO Rohit Arora, who oversees the monthly report. "The markets are performing well, unemployment is just 3.8%, and the small business optimism is extremely high, according to the monthly NFIB survey."



### Small Banks

Small business loan approval rates rose at regional and community banks. **Small banks** granted **49.6%** of the funding requests they received in June, up two-tenths from May. It represents the highest figure for small banks since April 2015.

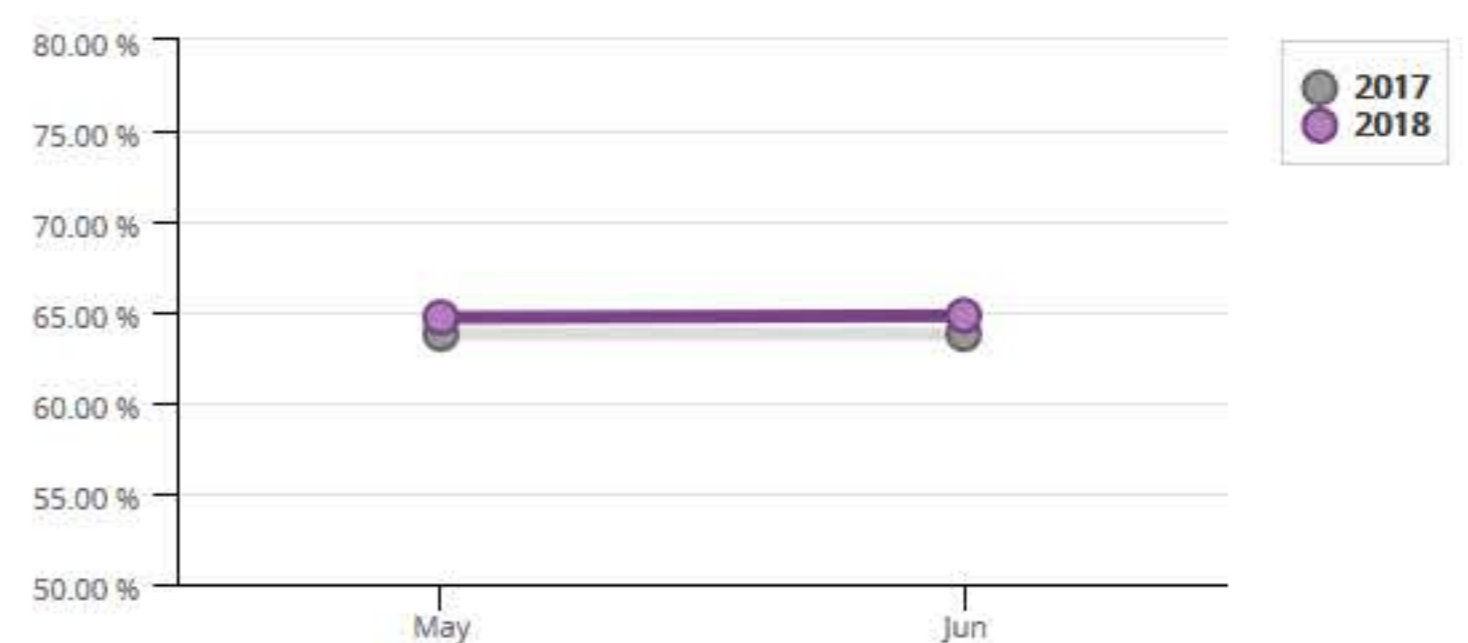
"Small banks are approving nearly half of the loan applications they receive. Many of them are involved in making SBA loans, which provide government guarantees that mitigate risk for the lenders," Arora explained. "Smaller banks are a good source of capital for startups and companies with less than stellar credit ratings."



### Institutional lenders

**Institutional lenders** set yet another new Index record **64.8%**, up one-tenth of a percent from May.

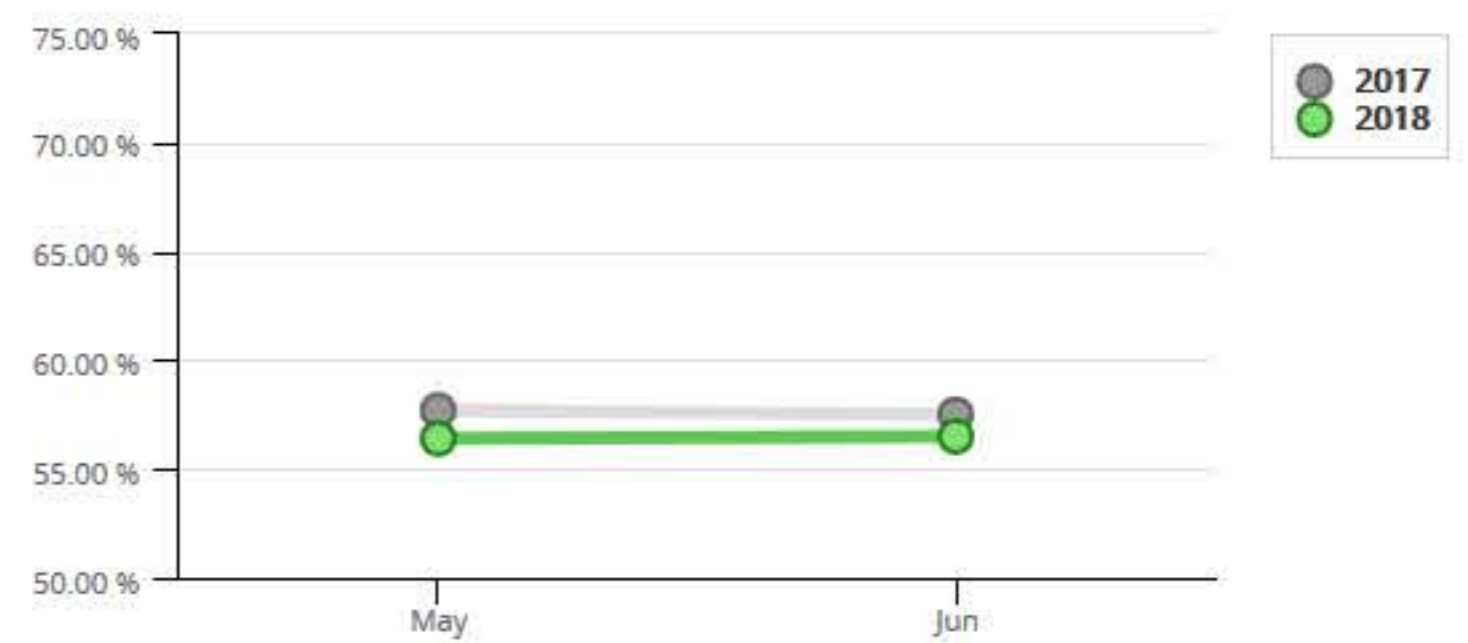
"These lenders (pension funds, insurance companies, and others), are seeking high yields and finding them in small business lending," Arora explained. "Their volumes are growing each year, and they are funding companies while offering attractive rates and terms. Institutional lenders have become a real force in small business funding."



### Alternative Lenders

Loan approval rates among **alternative lenders** rebounded to **56.5%** in June from 56.4% in May.

"Firms that don't qualify for traditional small business loans because they have not been in business long or have poor credit histories are able to obtain capital from non-bank lenders," Arora explained. "Alternative lenders charge high interest rates, but are able to provide funding for companies that need money quickly."



### Credit Unions

**Credit unions** approved **40.3%** of loan applications in June, up two-tenths of a percent from May, which had set a record low for the Biz2Credit Small Business Lending Index.

"Even credit union lending to small business picked up in June," Arora said. "Credit union approvals had been steadily declining this year. June's figure was the highest since January 2018."

