

# LOAN APPROVAL PERCENTAGES RISE FOR ALL CATEGORIES OF LENDERS, REACH NEW HEIGHTS FOR BANKS AND INSTITUTIONAL LENDERS IN JUNE 2018

OPTIMISM ABOUT THE ECONOMY REFLECTED IN FIGURES

The monthly analysis examined more than 1,000 credit applications from small businesses on Biz2Credit.com.

Small business loan approval rates for big banks (26.1%) continued the upswing with yet another new high in June 2018



## LOAN APPROVALS AT BIG BANKS

Big banks (assets of \$10 billion+) rose two-tenths of a percent from May's figure of 25.9%.

### ↑ YEARLY COMPARISON



### ↑ MONTHLY COMPARISON



// "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. The markets are performing well, unemployment is just 3.8%, and the small business optimism is extremely high, according to the monthly NFIB survey."

- Biz2Credit CEO Rohit Arora



## LOAN APPROVALS AT 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.

### ↑ YEARLY COMPARISON



### ↑ MONTHLY COMPARISON



// "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. Smaller banks are a good source of capital for startups and companies with less than stellar credit ratings."

- Biz2Credit CEO Rohit Arora



## LOAN APPROVALS AT INSTITUTIONAL LENDERS

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

### ↑ YEARLY COMPARISON



### ↑ MONTHLY COMPARISON



// "These lenders (pension funds, insurance companies, and others), are seeking high yields and finding them in small business lending. 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."

- Biz2Credit CEO Rohit Arora



## SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

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

### ↓ YEARLY COMPARISON



### ↑ MONTHLY COMPARISON



// "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. Alternative lenders charge high interest rates, but are able to provide funding for companies that need money quickly."

- Biz2Credit CEO Rohit Arora



## CREDIT UNION APPROVALS

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.

### ↓ YEARLY COMPARISON



### ↑ MONTHLY COMPARISON



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

- 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.