

Approval Rates at Big Banks, Institutional Lenders Hit New Highs, According to June 2015 Biz2Credit Small Business Lending Index™

Approval Percentages at Small Banks, Alternative Lenders and Credit Unions Stall

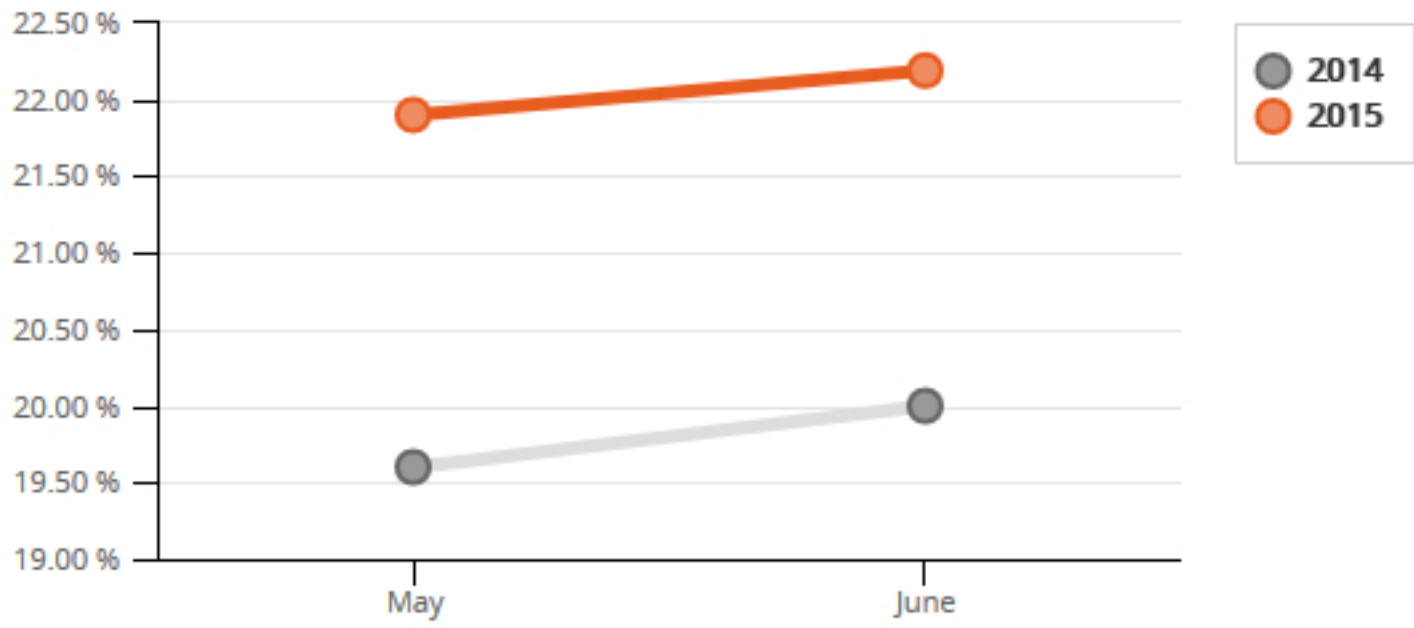
Small business loan approval rates at Big Banks and institutional lenders improved to new highs in June 2015, according to the Biz2Credit Small Business Lending Index, the monthly analysis of 1,000 loan applications on Biz2Credit.com.



Big Banks

Big Banks (\$10 billion+ in assets) approved **22.19%** of small business loan requests in June 2015, up from 21.9% in May, marking the eighth consecutive month that approval rates have increased for the largest banks.

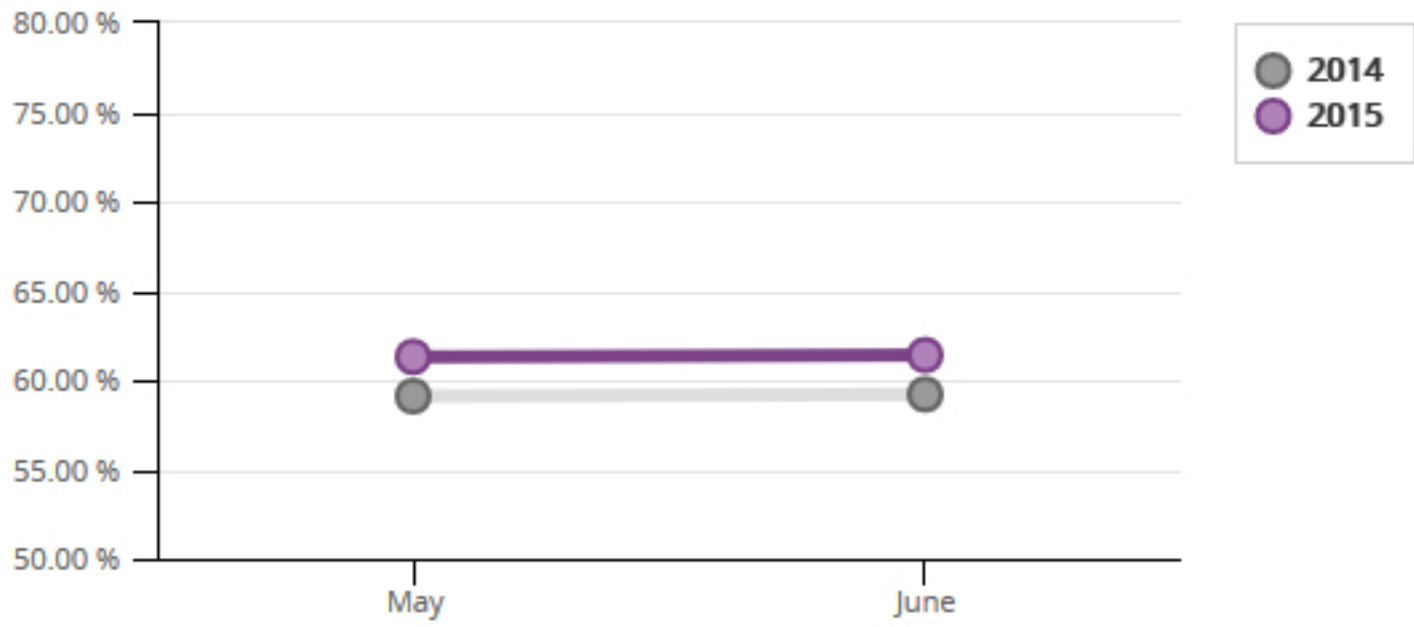
“Big Banks are increasingly adopting digitization. This makes them more efficient and is of benefit to borrowers, as well. These are the best numbers for big banks lending since the recession," said Biz2Credit CEO Rohit Arora, who oversaw the research."Small business lending is profitable; that's why we see institutional lenders getting into marketplace lending. It is a good time for entrepreneurs in search of capital.”



Institutional lenders

Meanwhile, institutional lenders approved **61.4%** of funding requests by small business owners in June, up from 61.3% in May. Lending approval rates at institutional lenders have surpassed those of alternative lenders, such as merchant cash advance companies, factors, and other non-bank lenders. Approval rates by institutional lenders have increased every month since January 2014 when Biz2Credit began monitoring this category.

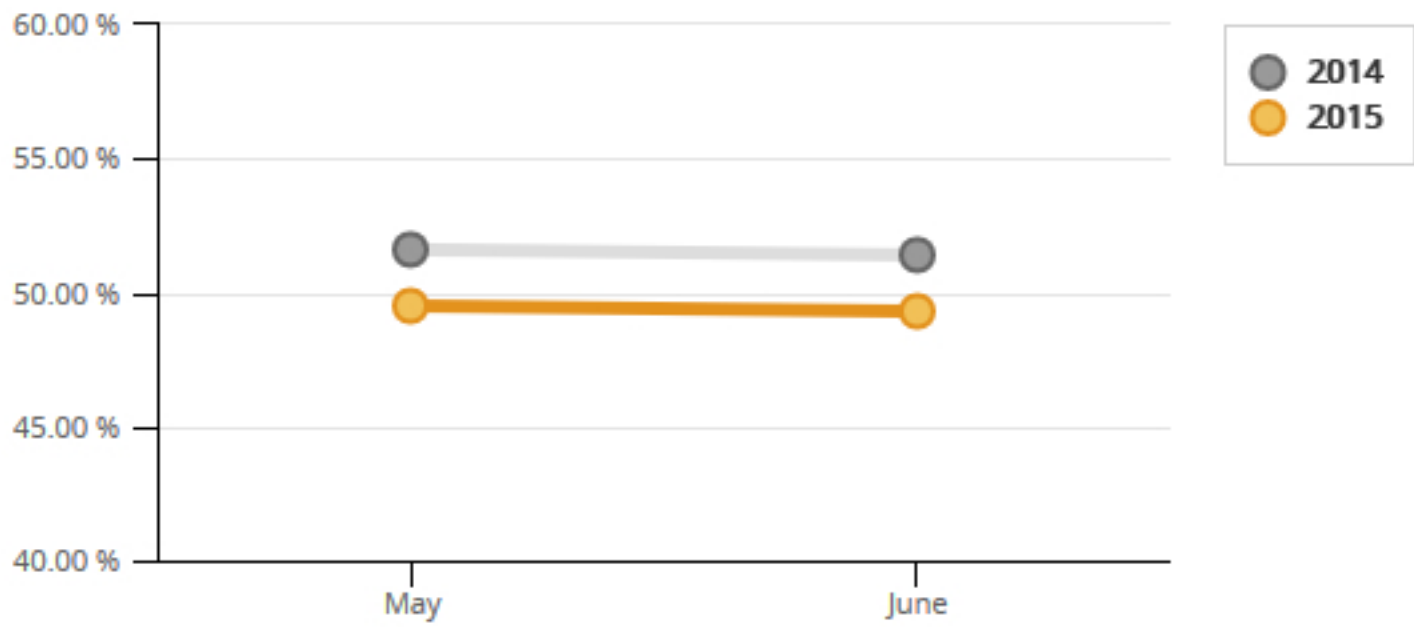
“Institutional lenders are establishing themselves as mainstream lenders in the small business marketplace and are continuing to replace cash advance companies, which typically charge interest rates that are simply too high," explained Arora, one of the nation's leading small business finance experts. "Institutional lenders are offering more attractive loan packages to businesses on marketplace lending platforms, such as Biz2Credit's. As a result, they are making funding deals with more creditworthy borrowers.”



Small Banks

Lending approval rates at small banks dropped two-tenths of a percent in June to **49.3%** from 49.5% last month. For the eighth consecutive month, small banks have denied more than half of their loan requests.

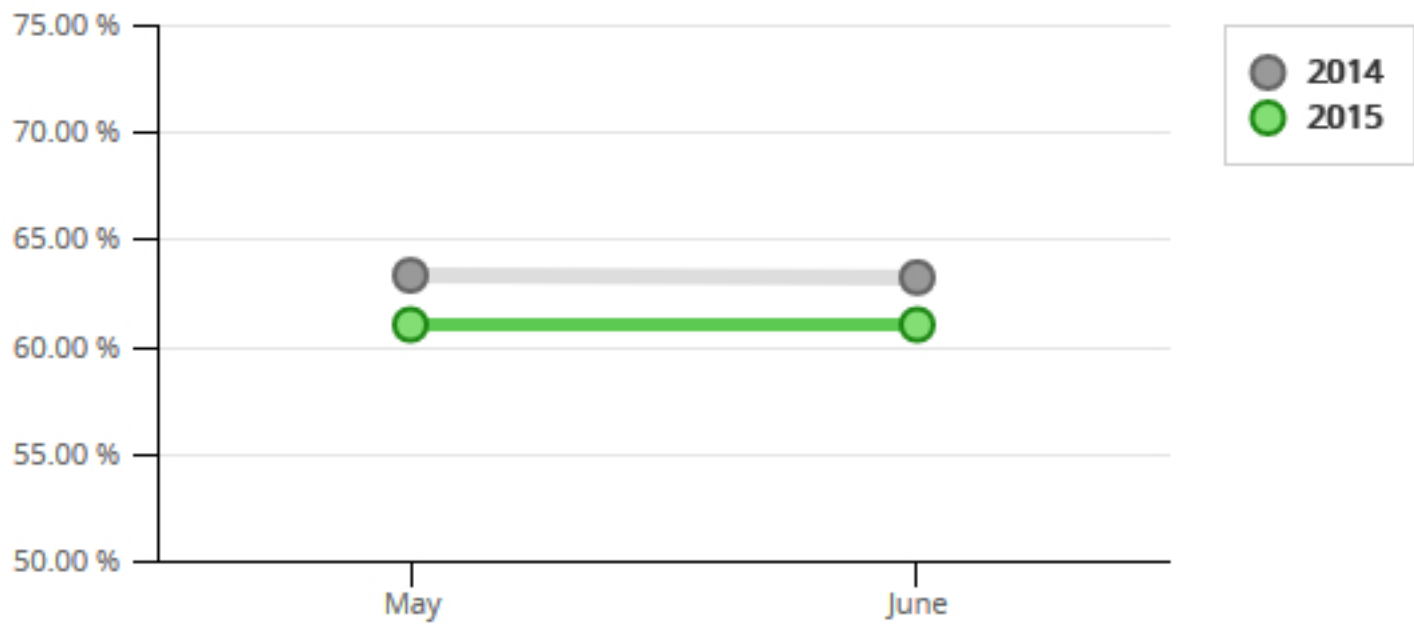
“Small banks need to start adapting to technology quickly. Otherwise they will continue losing market share to Big Banks and institutional lenders," Arora explained. "Their competitors make quicker decisions and get deals done. Meanwhile, they are not keeping pace. We have seen small banks falling behind in both the personal loans space and small business lending space during the past two and half years.”



Alternative Lenders

Approval rates at alternative lenders remained flat **61%** in June, an Index-low. Alternative lenders' approval percentages have steadily declined since January 2014, coinciding with the emergence of institutional lenders in the small business lending marketplace.

“Alternative lenders offer what I call 'desperate money' and right now, borrowers aren't desperate," explained Arora. "The financials of small business owners are pretty good and have been that way for the past couple of years.”



Credit Unions

Credit unions approved **43.0%** of loan applications in June, the same as in May 2015.

“Credit unions continue to lag in small business lending because of they have not invested in technology and are still handcuffed by the MBL cap that allows them to lend only 12.25% of their total assets," Arora said.”

