

INSTITUTIONAL LENDERS HIT RECORD HIGH

BIG BANK LOAN APPROVALS INCREASED WHILE SMALL BANK AND CREDIT UNION APPROVALS DECLINED

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

The monthly analysis of 1,000 loan applications from Biz2Credit.com revealed continued growth for institutional lenders and big banks, but steady decline for small banks and credit unions.



LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional Lenders continued its month-over-month growth, reaching 62%, up from 61.8% in August. September marks the 12th month of loan approval growth in this category.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



“The institutional lenders and big banks have hit their highest approval rates since the Small Business Lending Index launched in January 2014. Big banks are starting to get more aggressive in the marketplace while the flavor of the month is more capital coming from institutional lenders.” - Biz2Credit CEO Rohit Arora



LOAN APPROVALS AT BIG BANKS

Big banks (\$10 billion+ in assets) increased slightly, approving 22.5% of small business loan requests in September, up from 22.3% in July. In the past six months, big banks have vacillated up and down by a few tenths of a percentage points. This fluctuation reveals that banks are attempting to loan more since the recession, but have not fleshed out their digital strategies to improve the customer experience as well as reduce the time to funding.

↑ YEARLY COMPARISON



↑ MONTHLY COMPARISON



LOAN APPROVALS AT SMALL BANKS

Lending approval rates at small banks continued to drop to 49%, down from to 49.1% in August.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



CREDIT UNION APPROVALS

Credit unions approved 42.7% of loan applications in September, down one-tenth of a percent compared to August.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Alternative lenders dropped slightly in September to 60.9%, down from 61% in August. However, alternative lenders are still in a dominant position within the financial industry, having only 1.1% lower lending approval rates than institutional lenders.

↓ YEARLY COMPARISON



↓ MONTHLY COMPARISON



“Biz2Credit reported that the average working capital funded on its platform has increased by 20% over the last 6 months, an indication that larger small businesses are starting to borrow via online lenders.” - 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.