

Biz2Credit Small Business Lending Index™ Big Bank Approval Rates for Small Business Loans Continue to Climb

September 2014

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

 **17.7%**

Big bank approvals

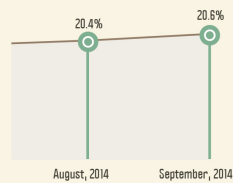
In a year to year comparison, big bank approval rates have increased by more than 17% in September from 17.5 approval rates in September 2013

59.5%

Institutional Lenders,

Institutional lenders granted 59.5% of the funding requests they received in September, a slight increase from 59.4% in August. Lending approval rates by these institutional lenders has increased every month since Biz2Credit began monitoring this category of lenders in January 2014.

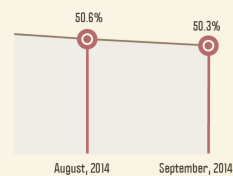
"We are seeing more creditworthy applicants get funding from institutional investors, whose interest rates are more attractive than those of other non-bank lenders." – Biz2Credit CEO Rohit Arora,



Loan approvals at Big banks

Small business loan approval rates at big banks reached a post-recession high for the fourth consecutive month. Small business loan approval rates at big banks (\$10 billion+ in assets) rose to 20.6% in September from 20.4% in August.

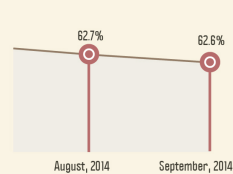
"Big banks really have roared back into the small business finance marketplace." – Biz2Credit CEO Rohit Arora,



Loan approvals at Small banks

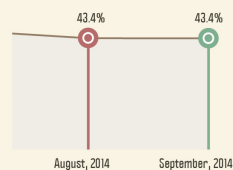
Meanwhile, the percentage of loans granted by small banks slipped to 50.3% from 50.6% last month. In a year-to-year comparison, small business lending approval rates are up nearly 20 percent at big banks, while remaining almost stagnant at small banks.

"As the economy continues its slow but steady rebound, small business optimism grows, and entrepreneurs are more willing to invest in their companies." – Biz2Credit CEO Rohit Arora,



Small business loan approvals by Alternative lenders

At the same time, approval rates at alternative lenders -- merchant cash advance companies, factors, and other non-bank institutions -- slipped for the eighth consecutive month to 62.6% in September, from 62.7% in August.



Credit union approvals of small business loans

Credit unions granted 43.4% of loan applications in September, which matched its loan approval rate last month. However, a year-to-year comparison shows that lending approval rates at credit unions are down as they continue to be an afterthought by small business loan applicants.

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 with more than 1,300 lenders nationwide.