

Loan Approvals at Big Banks Continue to Climb, Hit New Post-Recession High and Institutional Lenders Increase Slightly, Dip at Small Banks and Credit Unions, According to Biz2Credit Small Business Lending Index™ for March 2016

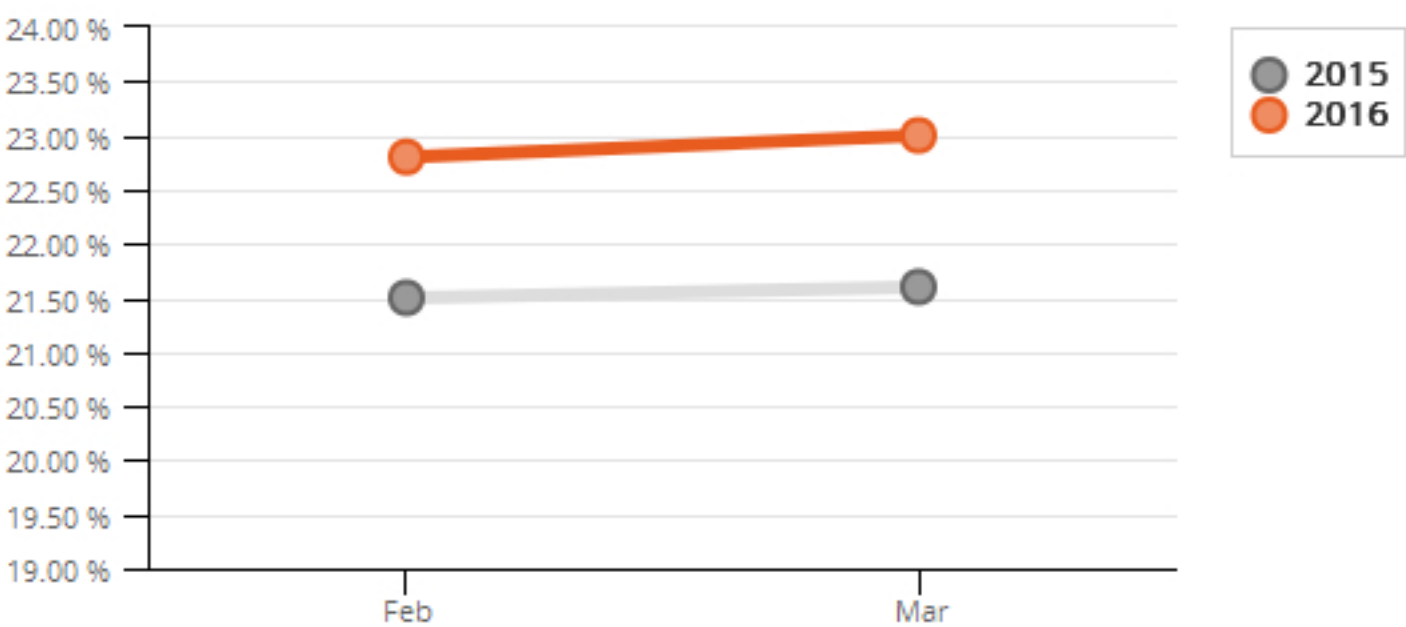
Loan approval rates at big banks and institutional lenders hit new highs in March 2016, according to the latest Biz2Credit Small Business Lending Index™, the monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com. Approval percentages dipped slightly for small banks, credit unions, and alternative lenders.



Big Banks

Big banks (\$10 billion+ in assets) approved **23%**of funding requests in March, up two tenths of a percent from February 2016.

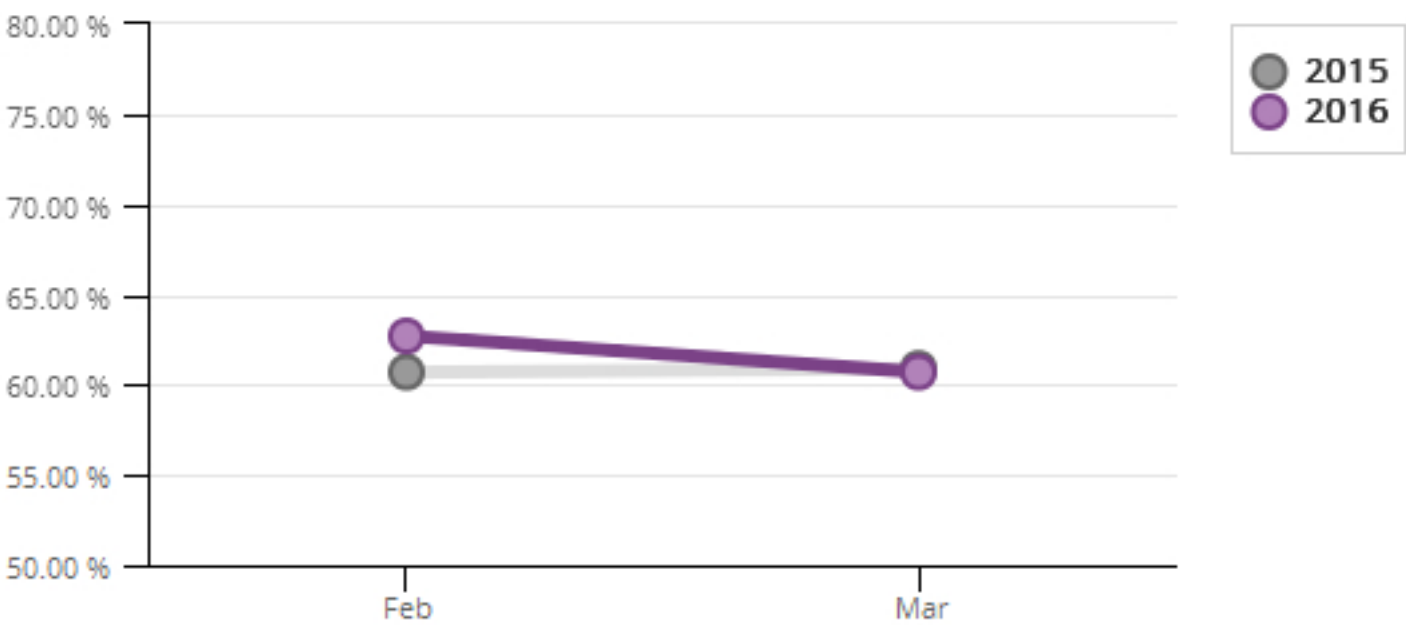
"Big banks continue to loosen the spigot and are allowing more of a free flow of capital to small business," said Biz2Credit CEO Rohit Arora,



Institutional lenders

Institutional lenders again had a slight uptick in March, improving to **62.8%** from 62.7% in February. This category of lender continues to show strength in the small business credit marketplace every month . since Biz2Credit started following it in 2014.

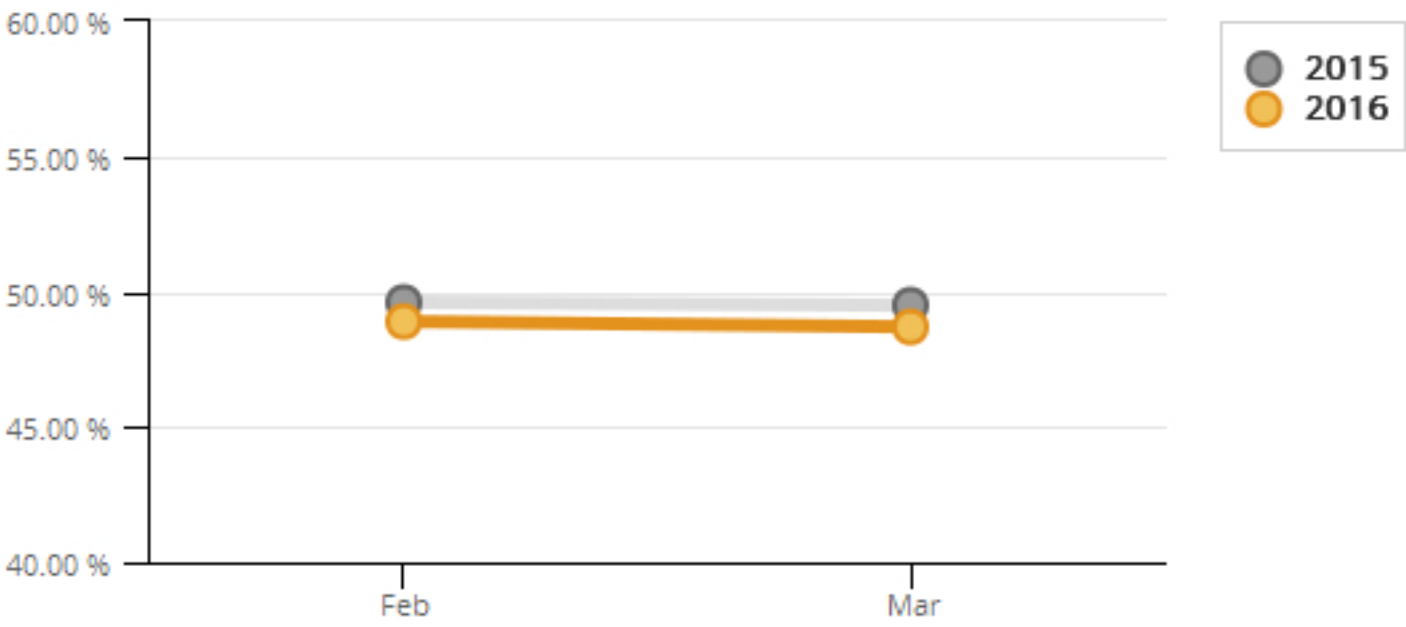
"Institutional lenders are indeed a driving force, and I don't see that changing anytime soon," said Arora. "International funds are getting into the marketplace. Because the yields in small business lending are attractive, increasing numbers of institutional lenders are getting into the game."



Small Banks

Meanwhile, **small banks** granted **48.7%** of funding requests last month, down two tenths of a percent from 48.9% in February.

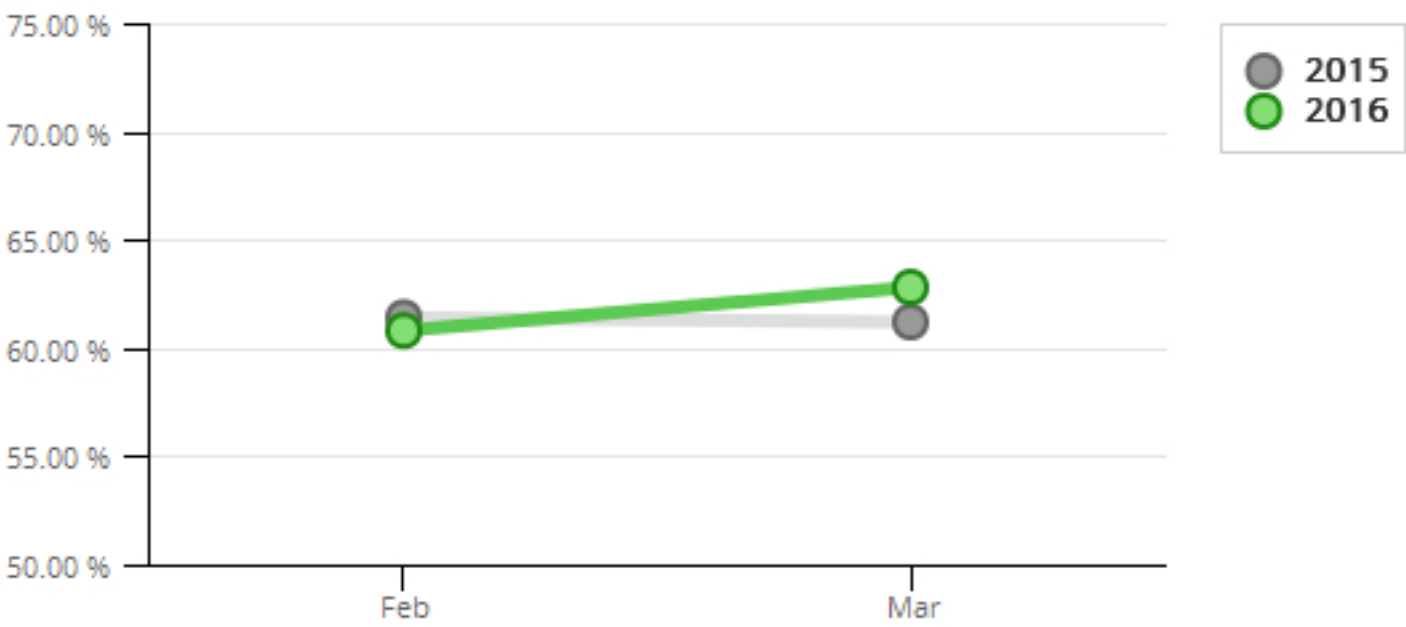
"who oversaw the research. "Small banks were down slightly, but I expect that to change. Small banks are frequently pushing SBA loans, which mitigate their risk, but require a lot of documentation. After companies make their 2015 tax filings, look for small banks' loan approval percentages to go up."



Alternative Lenders

Loan approval rates at **alternative lenders** in March dipped to **60.7%** from 60.8% in February. The emergence of institutional lenders in the small business lending marketplace has hurt alternative lenders (merchant cash advance companies, factors, and other non-bank lenders).

"Alternative lenders' financial products are offered at high interest rates. With so much competition in the marketplace, borrowers are shopping for less expensive sources of capital," Arora suggested. "Speed of decision-making has long been an asset for alternative lenders. However, banks and institutional lenders are investing in technology and are also making swift decisions -- and their loans come at lower rates than those of alternative lenders."



Credit Unions

Credit unions approved **42%** of loan applications in March, down slightly from 42.1% in February. This figure sets a new low for the category, according to the Index, which launched in January 2011.

"Credit unions continue to slip as players in small business lending," Arora explained. "This downward trend have gone on for quite a while. They simply cannot compete for quality, credit-worthy borrowers."

