

# Small Business Loan Approval Percentages Rose for Banks and Non-Bank Lenders in November 2017, According to Biz2Credit Small Business Lending Index™

## Study reports new record highs for big banks and institutional investors as every category of lenders improved in November

Business loan approval rates for each category of lenders covered by the Biz2Credit Small Business Lending Index™ rose in November 2017. The monthly analysis of more than 1,000 small business loan applications on Biz2Credit.com saw small business loan approval rates at big banks (25.1%) and institutional lenders (64.1%) reach new high points last month.

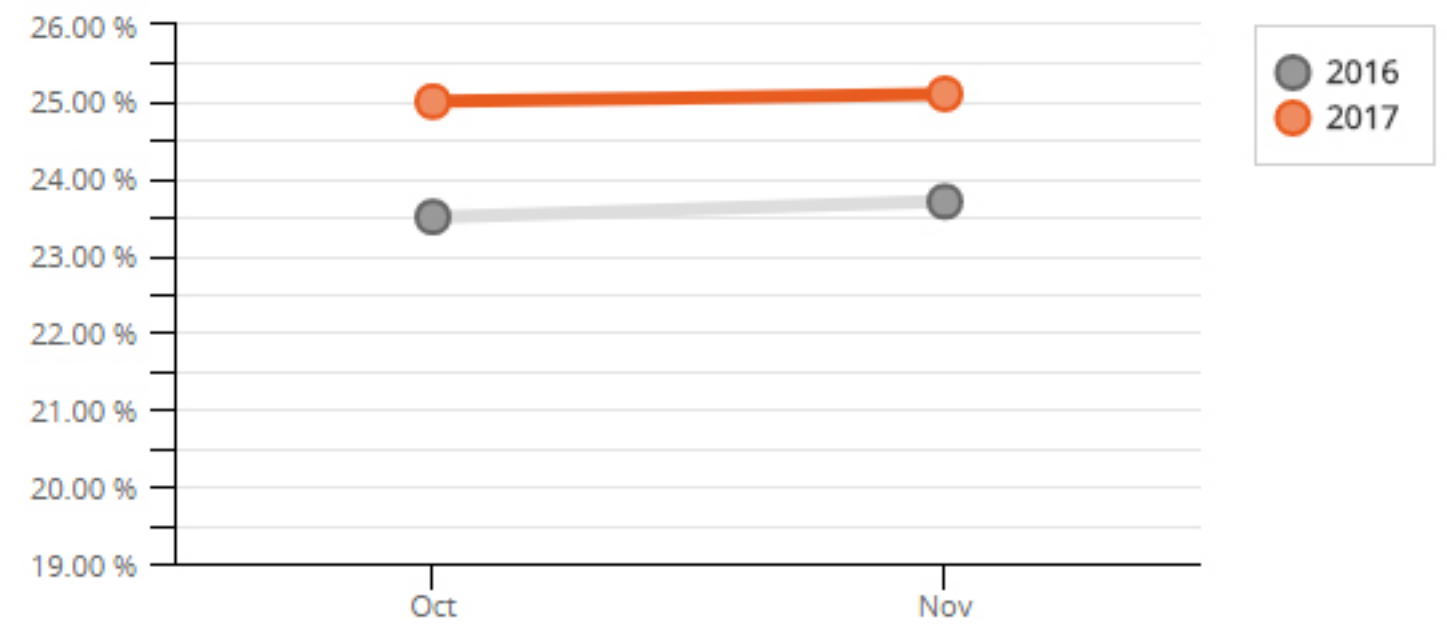


### Big Banks

Small business loan approval rates at **big banks** climbed one-tenth of a percent in November **25.1%** reach new high points last month.

"There was a lot of pent up demand for small business credit in the marketplace. With the economy performing well on a number of different levels, borrowers are more confident in their abilities to grow their businesses and to be able to pay the money back," said Biz2Credit CEO Rohit Arora, who oversaw the research.

"The Federal Reserve has increased interest rates from their historic lows, and regulation of the banking industry is subsiding under Trump. Banks both large and small are more likely to lend under the current atmosphere."

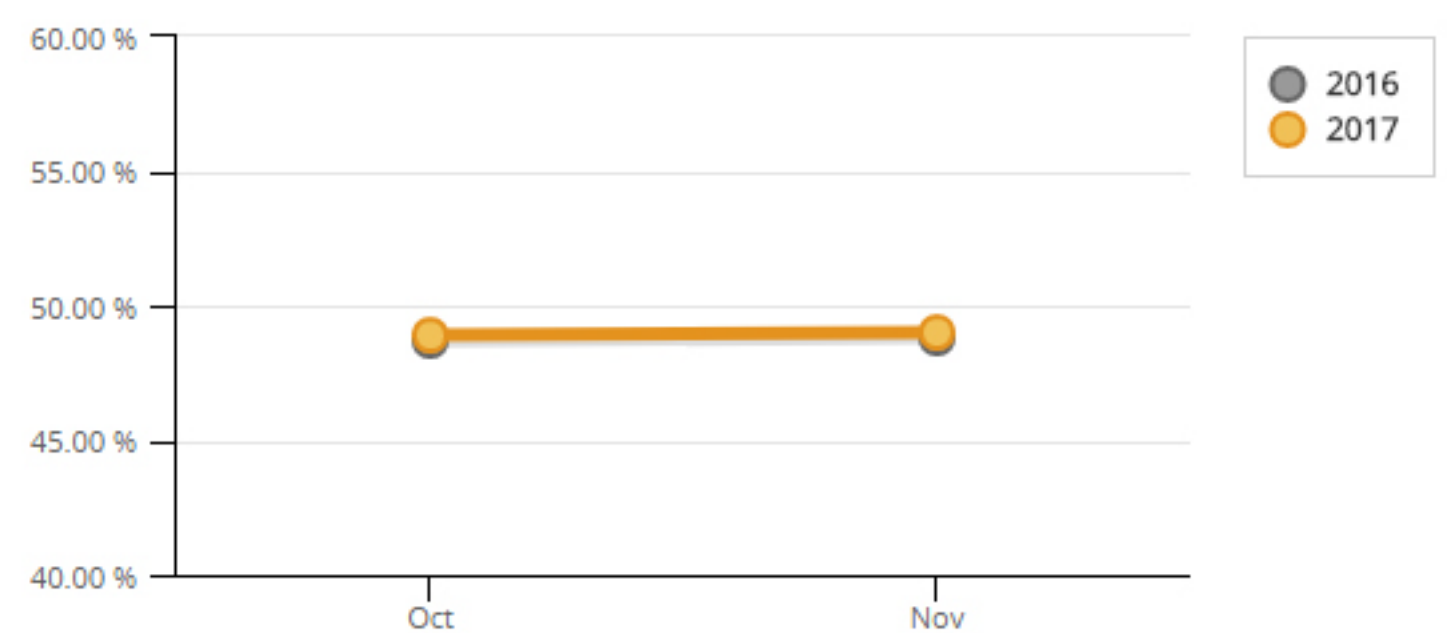


### Small Banks

The Small Business Administration (SBA) changed its equity requirements for Commercial Real Estate loans. The Trump tax cut plan has sparked optimism among business owners. The pro-business climate in Washington has proven helpful. Approval percentages at big banks and institutional lenders climbed one-tenth of a percent in November. **Small banks** saw a similar rise to **49%** in November, up from 48.9% in October.

"Small banks process a lot of SBA-backed loans, and according to recent figures released by the agency, the current fiscal year has already seen a record amount of SBA lending," added Arora, one of the country's leading experts in small business finance.

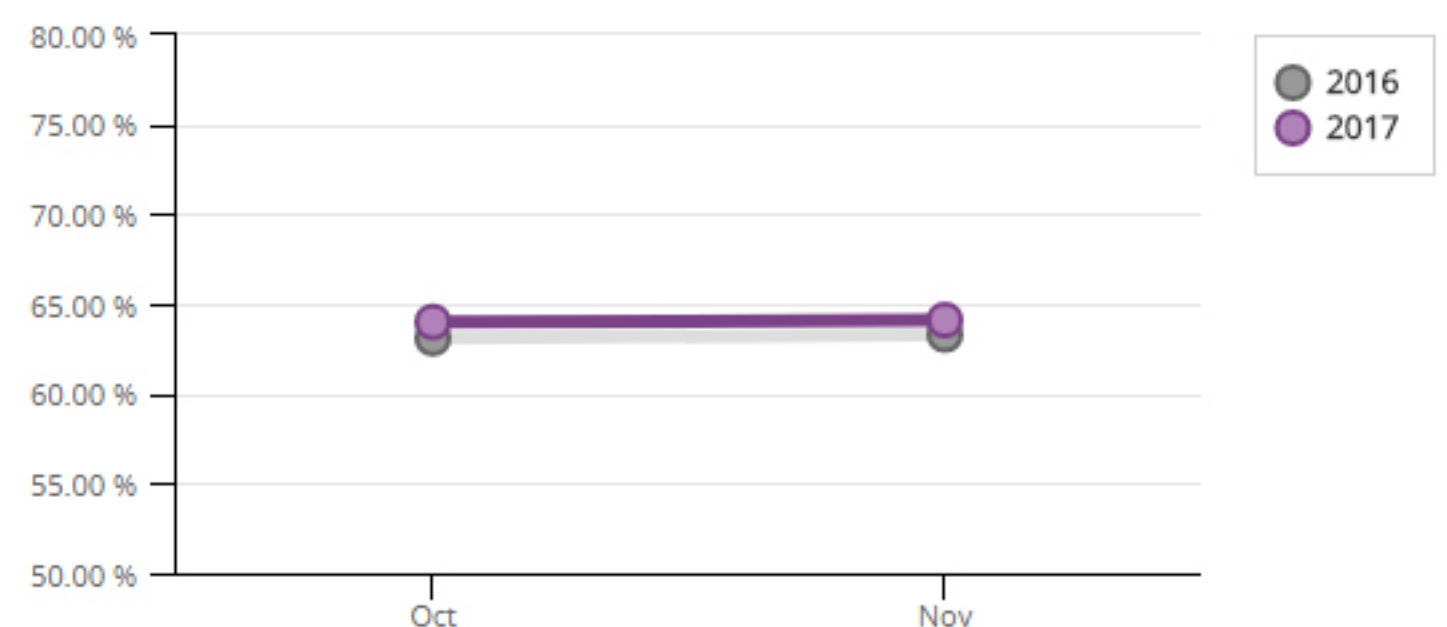
"This is particularly good news for startups and young companies that may not yet have a strong credit history. It is certainly less challenging now to secure funding than it was just a few years after the post-recession credit crunch."



### Institutional lenders

Loan approval rates in institutional lenders climbed one-tenth of a percent in November **64.1%** reach new high points last month.

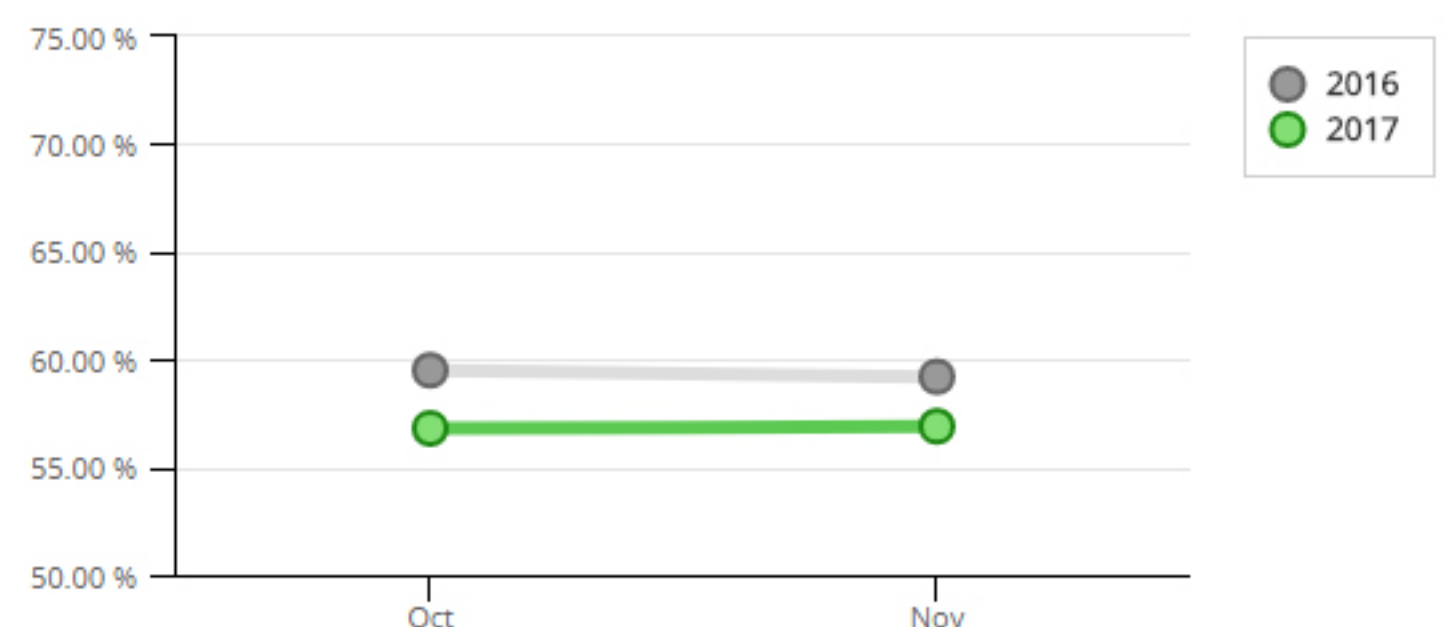
"The economy is doing well, the jobs report was solid, and investors from beyond America's shores are entering the small business credit marketplace with success," added Arora. "All of these factors instill confidence in business owners who are contemplating start-up funding or expansion financing."



### Alternative Lenders

Loan approval rates among alternative lenders rose after more than a year of consecutive declines in approval percentages. Alternative lenders granted a percent **56.9%** in November, a slight increase over October's 56.8%.

"Even companies with bad credit histories are currently feeling confident in borrowing. Alternative lenders are taking on more risk because the higher quality borrowers are approaching traditional banks and institutional lenders," Arora explained. "The solid economy makes consumers willing to spend and results in business optimism - especially for companies looking to expand."



### Credit Unions

Loan approval rates at **credit unions** also turned around in November, as they approved **40.3%** of loan applications in November, up a tenth of a percent from October's record low point for the category.

"Every category of lender saw higher approval percentage rates last month. It's a good time for borrowers and also for lenders," Arora added.

