

Small Business Loan Approvals at Banks Continue to Reach New Heights, According to August 2019 Biz2Credit Small Business Lending Index™



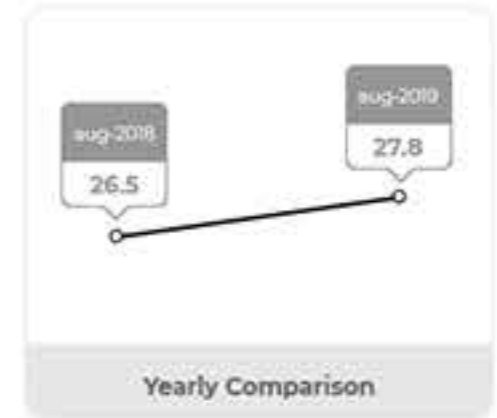
Big Banks

Approval rates for small business loan applications rose to another post-recession record (27.8%) at big banks (\$10 billion+ in assets), while approval percentages also climbed above 50% at small banks in August.

"Small business lending is as strong as ever at big banks and at regional and community banks. It appears that 2019 will likely be the best year in history for entrepreneurs in need of financing, so long as they have a solid credit history when they apply," said Biz2Credit CEO Rohit Arora, who oversees the monthly research derived from more than 1,000 small business credit applications on his company's online lending platform.



Rohit Arora, Biz2Credit CEO



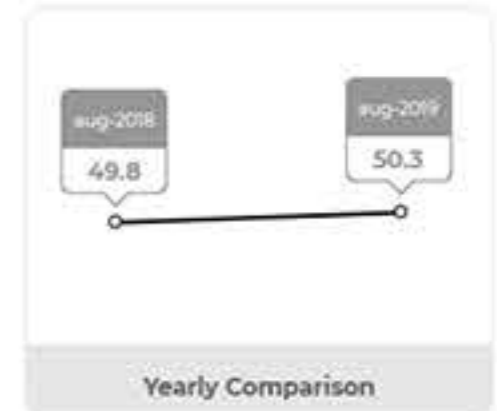
Small Banks

Small bank approvals of small business loan applications inched up two-tenths of a percent to 50.3% in August from 50.1% in July. "SBA Loans spur small business lending. The government guarantees on the loans make them very attractive for regional and community banks," Arora explained. "It's a very positive sign that approval rates continue to climb above the 50% benchmark." Meanwhile, the Labor Department's Jobs Report released on September 6, reported that nonfarm payroll employment rose by 130,000 in August, and the unemployment rate was unchanged at 3.7 percent. The U.S. Bureau of Labor Statistics noted that significant job gains occurred in health care and finance. Additionally, the Federal Reserve is said to be discussing another interest rate cut that could result in another one-quarter point drop in the cost of capital. The Fed's next policy meeting is scheduled for September 17-18.

"Interest rates are attractive as it is now. If someone has been sitting on the fence waiting for a more attractive rate, this could be it, but we won't know until after the Fed meets. It's not an absolute certainty that they will approve the cut," Arora said.



Rohit Arora, Biz2Credit CEO



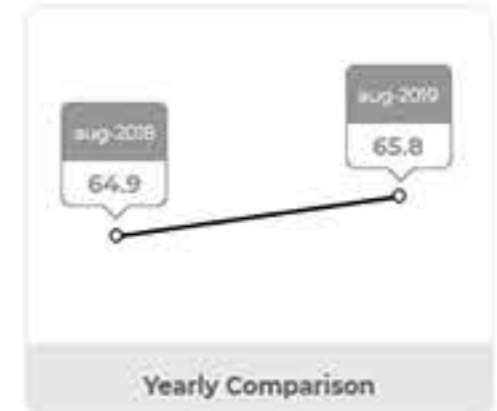
Institutional lenders

Institutional lenders' approval rates rose one-tenth of a percent to 65.8% from July's figure of 65.7%.

"Institutional lenders are playing an increasingly important role in small business financing," Arora said.



Rohit Arora, Biz2Credit CEO



Alternative lenders

Small business loan approval rates among alternative lenders dropped two-tenths of a percent to 56.6% from 56.8% in July. A recent Biz2Credit study of small business categorized by industry found that restaurants and retail ventures, generally considered as riskier propositions, are finding success through non-bank lenders.

"Bank lending to small businesses has steadily grown, and this impacts alternative lenders, who typically strike deals with companies that banks have rejected," Arora said.



Rohit Arora, Biz2Credit CEO



Credit unions

Credit unions climbed back up to the 40% mark in August, after slipping to 39.8%, which was a record low for since Biz2Credit began analyzing small business loan approval percentages in 2011.

"The Member Business Lending cap (12.25% of their assets), the aggressiveness of banks and alternative lenders, and the inability of many credit unions to process online loan applications has significantly hindered credit union lending to small businesses," said Arora, who oversees the Biz2Credit research.



Rohit Arora, Biz2Credit CEO

