


Biz2Credit Small Business Lending Index™ for August Finds Loan Approval Rates Rise at Banks and at Non-Bank Lenders



Big Banks

Small business loan approval percentages at big banks (\$10 billion+ in assets) jumped from 13.8% in July 2021 to 13.9% in August, up by three-tenths of a percentage from one year ago. Total nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined by 0.2 percentage point to 5.2 percent, the Bureau of Labor Statistics reported on Friday, Sept. 3. Notable job gains occurred in leisure and hospitality, and in professional and business services, transportation and warehousing, private education, and manufacturing. Many of these jobs are created by small businesses. Biz2Credit analyzed loan requests from companies in business more than two years with credit scores above 680. The results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's platform.

"Small businesses are again borrowing to improve their cash flow and for growth," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business finance. "Approval percentages rose at both big banks and small banks."

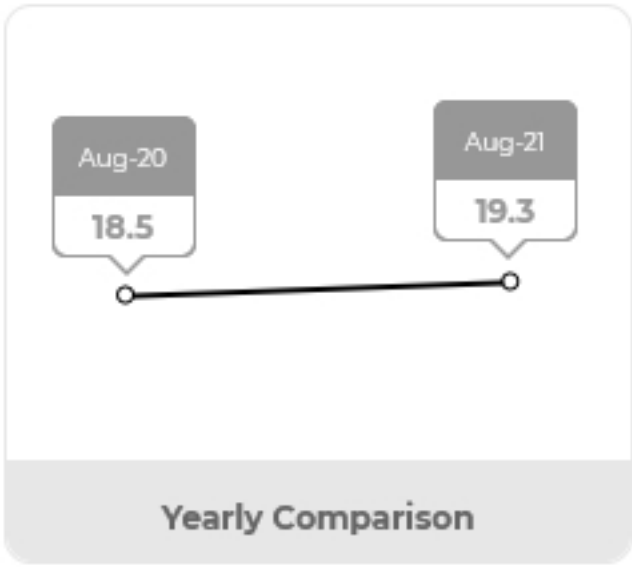
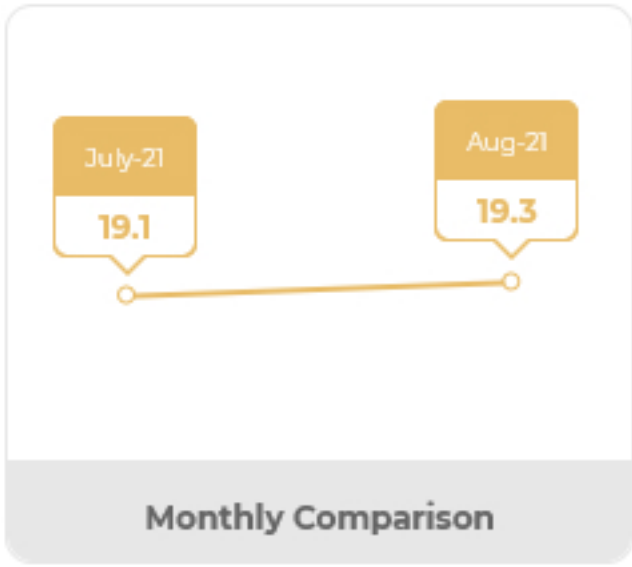


Rohit Arora, Biz2Credit CEO



Small Banks

Small banks' approvals also rose from 19.1% in July to 19.3% in August, according to the latest Biz2Credit Small Business Lending Index™ released today. The approval percentage at small banks is up eight-tenths of a percent from last year.



Institutional lenders

Institutional lenders approved to 24.3% in August, up from 23.9% of funding requests in July and up 2.2 percentage points from one year ago.



Alternative lenders

Alternative lenders approved rose almost a percent from 24.7% in July to 25.2% of funding applications in August 2021. Last year, the August percentage for alternative lenders was 23.0%.

"Non-banks lenders continue to be a good source of capital for small business owners," Arora said. "They typically focus less on FICO scores and more on the financial health of the borrowers who are applying for funding. This is especially true for institutional lenders and alternative lenders."



Rohit Arora, Biz2Credit CEO



Credit unions

Credit unions approved 20.5% in August, the same percentage as the two previous months, but down from 21.1% in August 2020.

