

Biz2Credit Small Business Lending Index™ Reports Loan Approval Rates at Banks Increased Slightly in January 2021, But Are Down More Than 50% from One Year Ago



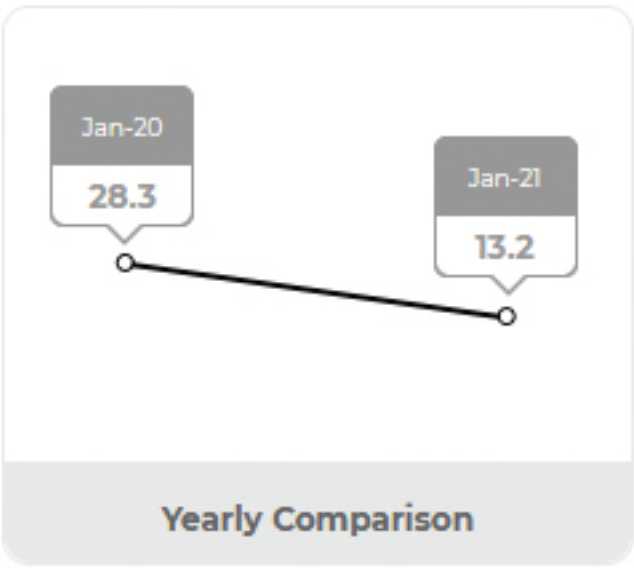
Big Banks

Small business loan approval percentages at big banks (\$10 billion+ in assets) increased slightly to 13.2% in January 2021 from 2020's figure of 13.1%, according to the latest Biz2Credit Small Business Lending Index™ released today. In comparison, big banks approved a record high 28.3% of the funding requests they received in January 2020. The Bureau of Labor Statistics reported nonfarm payroll employment changed little (+49,000) in January 2021, according to the Jobs Report released on Friday, Feb. 5. The labor market continued to reflect the impact of the COVID-19 pandemic and efforts to contain it. In January, notable job gains in professional and business services and in both public and private education were offset by job losses in leisure and hospitality, in retail trade, in health care, and in transportation and warehousing. Many of these jobs are created by small businesses.

"What a difference a year makes," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business finance. "Last year, it was relatively easy to secure small business financing from banks. This year, big banks are approving less than half of the non-Paycheck Protection Program (PPP) requests they receive." Biz2Credit, which has been among the leading processors of PPP2 funding since mid-January finds that second loan requests account for approximately two-thirds of loan pre-applications for the government-approved funding.

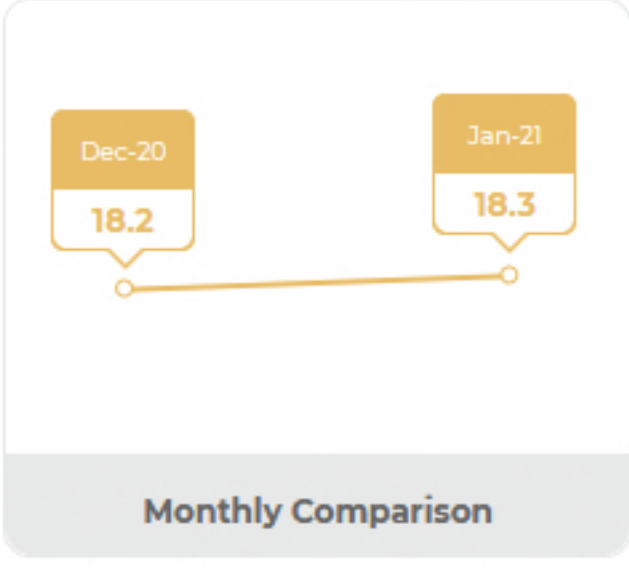


Rohit Arora, Biz2Credit CEO



Small Banks

Small banks approved 18.3% of business financing applications in January 2021, up one notch from 18.2% the month prior. In sharp contrast, small banks granted more than half (50.4%) of funding requests received in January of 2020.



Institutional lenders


Institutional lenders approved 23.0% of applications for funding in January, up two-tenths from 22.8% in December. These figures highlight the challenges for small companies in search of capital. Last January, institutional lenders approved nearly two-thirds (66.4%) of their funding requests



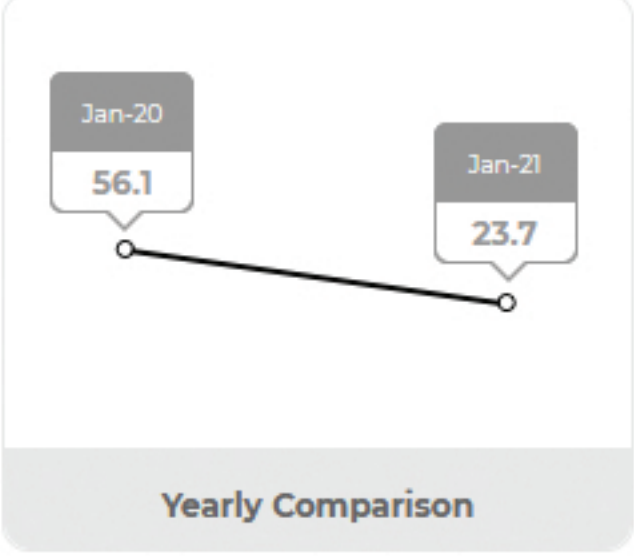
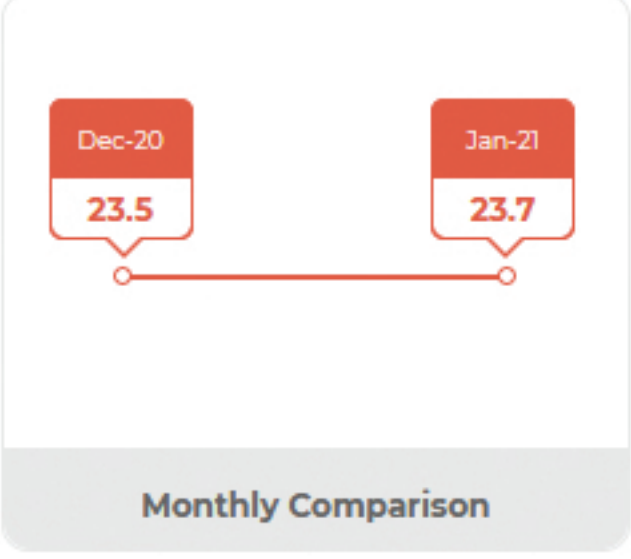
Alternative lenders

Alternative lenders rose from 23.5% in December 2020 to 23.7% in January 2021. These figures highlight the challenges for small companies in search of capital. Last January, alternative lenders granted 56.1% of their applications.

Business owners who saw their revenues drop by 25% in 2020 are looking to the government for help via PPP loans," Arora said. "However, companies that did not experience 25% decline in revenues are ineligible for PPP. It is very difficult for them to secure financing right now."



Rohit Arora, Biz2Credit CEO



Credit unions

Credit unions slipped one-tenth of a percent to a 20.5% approval rate in January from 20.6% in December 2020. A year ago, credit unions approved 39.6% of the applications they received.

