

# Biz2Credit Small Business Lending Index™ Finds Loan Approval Rates Rose at Banks and at Institutional and Alternative Lenders in July 2021



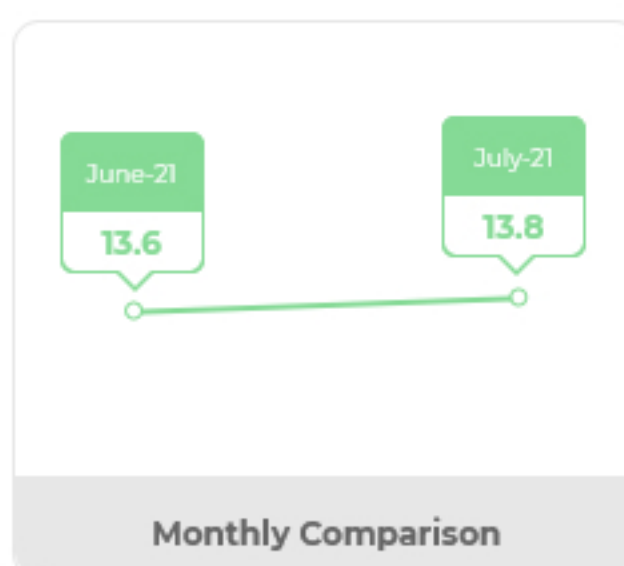
## Big Banks

Small business loan approval percentages at big banks (\$10 billion+ in assets) jumped from 13.6% in June 2021 to 13.8% in July, the same percentage as a year ago. Total nonfarm payroll employment rose by 943,000 in July, and the unemployment rate declined by 0.5 percentage point to 5.4 percent, the U.S. Bureau of Labor Statistics reported on Friday, August 6. Notable job gains occurred in leisure and hospitality, and in professional and business services. 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.

"Overall, the economy has rebounded fairly well, and many small businesses are again investing in their companies," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business finance. "Approval rates increased both at big banks and at smaller banks, including regional and community banks that increasingly are partnering with FinTechs to digitize the small business loan application process." "Big banks remain comparatively stingy in their small business loan-making. This is opening up opportunities for smaller banks and alternative lenders to gain market share," Arora added.

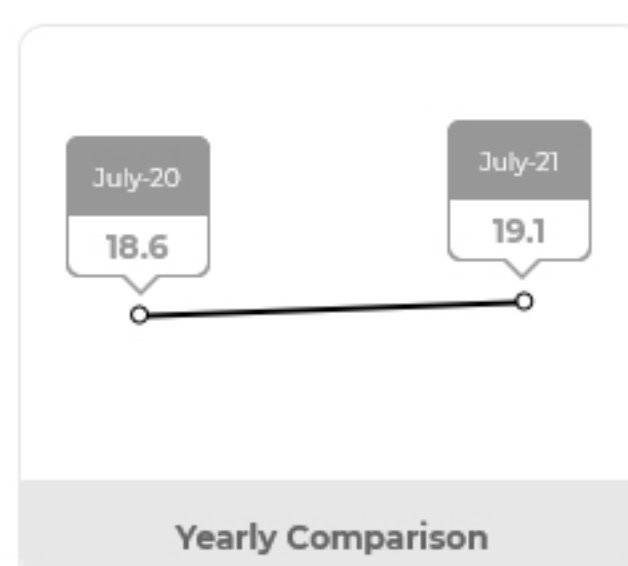
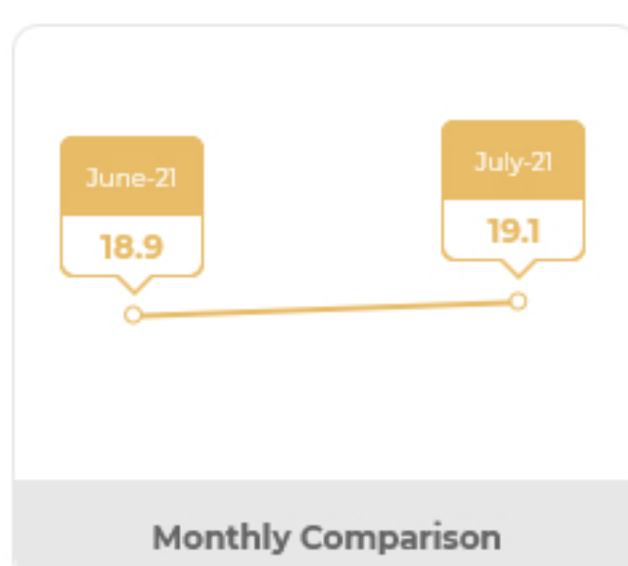


Rohit Arora, Biz2Credit CEO



## Small Banks

Small banks' approvals also rose from 18.9% in June to 19.1% in July, according to the latest Biz2Credit Small Business Lending Index™ released today. The approval percentage at small banks is up one-half of a percent from one year ago.



## Institutional lenders

Institutional lenders approved to 23.9% in July, up one-tenth of a percent from 23.8% of funding requests in June and up two full percentage points from one year ago.



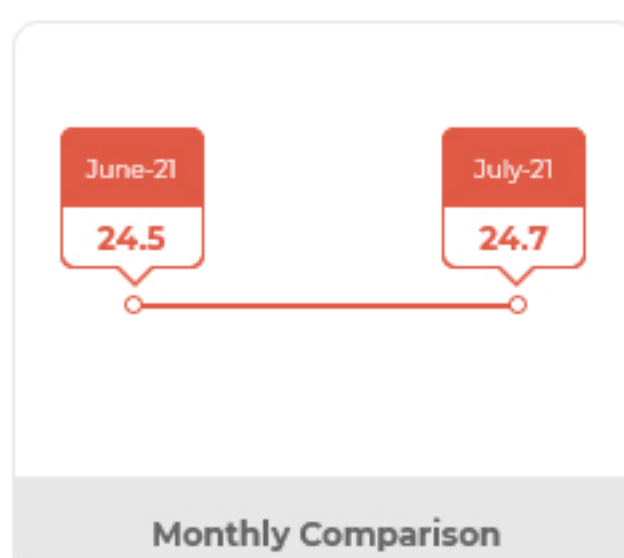
## Alternative lenders

Alternative lenders approved rose two-tenths of a percent from 24.5% in June to 24.7% of funding applications in July 2021. Last year, the July percentage for alternative lenders was 23.1%.

"Non-banks lenders are a viable source of capital for small business owners, including women-owned and minority-owned businesses," Arora said. "Non-bank lenders typically focus less on FICO scores and more on the financial health of the borrowers who are applying for funding."



Rohit Arora, Biz2Credit CEO



## Credit unions

Credit unions approved 20.5% in July, the same percentage as the month prior, but down from 21.2% last year in July 2020.

