

# Biz2Credit Small Business Lending Index™ Finds March 2021 Non-PPP Loan Approval Rates Trending Upwards for All Categories of Lenders


PPP Lending Still Dominates Small Business Loan-Making in March 2021



## Big Banks

Small business loan approval percentages at big banks (\$10 billion+ in assets) rose slightly to 13.5% in March from 13.3% in February 2021, according to the latest Biz2Credit Small Business Lending Index™ released today. In comparison, one year ago in March 2020, big banks approved 15.4% of the funding requests they received. Biz2Credit, which has been the leading processor of PPP applications in the country since mid-January, finds that PPP loan requests represent the overwhelming percentage of applications made via the online platform in 2021. The Bureau of Labor Statistics reported nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent in its Jobs Report issued Friday, April 2, 2021. The labor market continued to reflect the impact of the coronavirus (COVID-19) pandemic. In February, most of the job gains occurred in leisure and hospitality, with smaller gains in temporary help services, health care and social assistance, retail trade, and manufacturing. Many of these jobs are created by small businesses.

"Traditional big bank lending rose slightly in March, but small business loans are still much harder to obtain now than they were before the pandemic," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business finance. "Right now, banks have been focused on making Paycheck Protection Program (PPP) loans to small businesses. These loans are backed by the Treasury, so there is little risk to them."




Rohit Arora, Biz2Credit CEO



## Small Banks

Approvals bumped up a notch to 18.3% in March, compared to the 18.2% approval rate in February 2021. In contrast, small banks granted 38.9% of their small business loan applications in March 2020.

"Approvals of traditional business loans and SBA loans at small banks are less than half of what they were prior to COVID," Arora said.

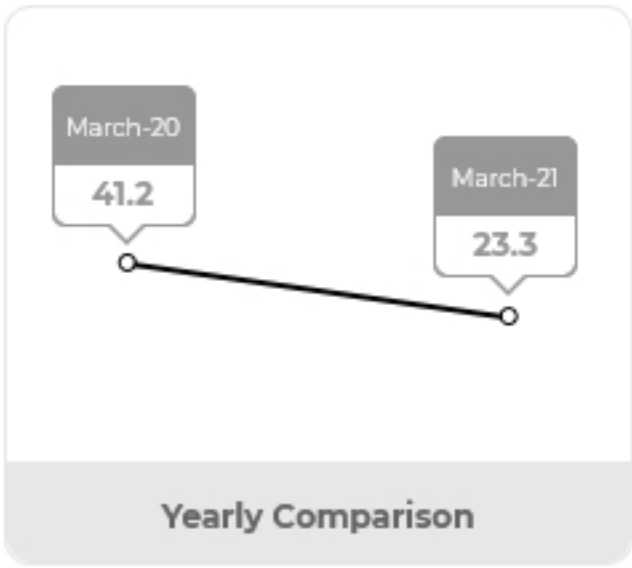
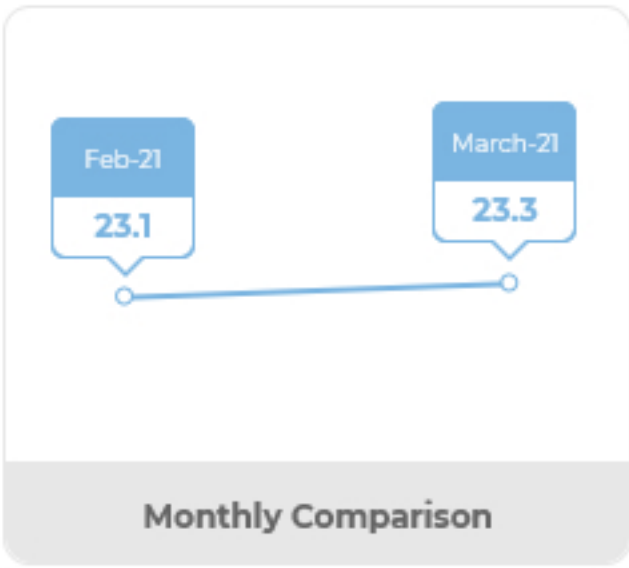


Rohit Arora, Biz2Credit CEO



## Institutional lenders

Institutional lenders approved 23.3% of funding requests in March, up two-tenths of a percent from 23.1% in February.



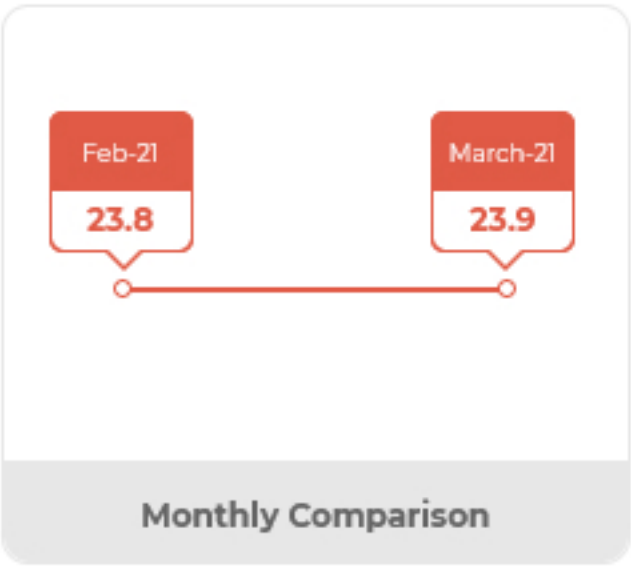
## Alternative lenders

Approval rates among alternative lenders rose one-tenth of a percent from 23.8% in February to 23.9% in March.

"All categories of lenders improved slightly in March 2021, but we are nowhere near the approval rates we saw pre-pandemic," Arora said. "These figures are encouraging because the approvals are trending upwards."



Rohit Arora, Biz2Credit CEO



## Credit unions

Credit unions rose one-tenth of a percent from 20.3% approval rate in February to 20.4% in March 2021. A year ago, credit unions approved 23.2% of the applications they received.

