

# Biz2Credit Small Business Lending Index™ for January 2022 Finds That Loan Approval Rates Increased for Every Category of Lender

Approval Percentages at Big Banks, Small Banks, Institutional Lenders, Alternative Lenders and Credit Union Still Are Roughly Half of What They Were in January 2020



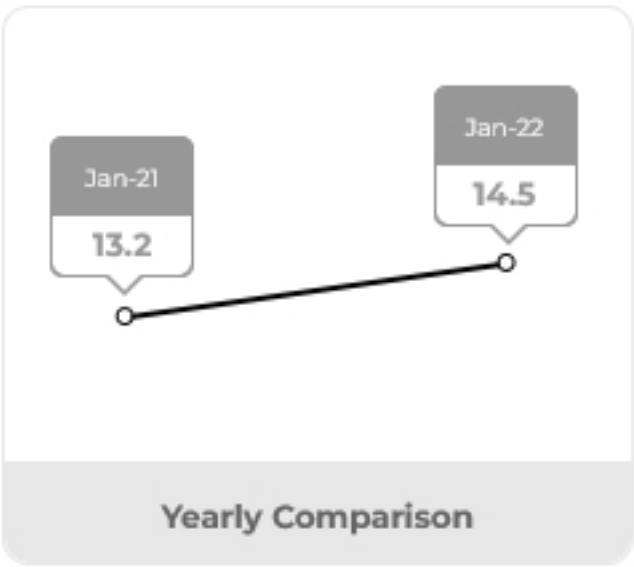
## Big Banks

Small business loan approval percentages at big banks (\$10 + in assets) increased from 14.3% in December to 14.5% in January. Two years ago, bank approval percentages were almost double what they are today. In January 2020, big banks approved 28.3% of loan requests. Total nonfarm payroll employment rose by 467,000 in January, and the unemployment rate was little changed at 4.0%, according to the Jobs Report released by the U.S. Bureau of Labor Statistics on Friday, Feb. 4. Employment growth continued in leisure and hospitality, in professional and business services, in retail trade, and in transportation and warehousing. 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. To view the report for January 2022.

"Banks and most non-bank lenders are showing slow but steady increases in their loan approval percentages, as business owners look to reinvest in their businesses," said Rohit Arora, CEO of Biz2Credit, one of the nation's leading experts in FinTech and small business lending. "Still, approval percentages are rising slower than anyone had hoped. An expected increase in interest rates from the Federal Reserve may entice them to open the purse strings a little bit more. Loan approval rates are still far below pre-COVID approval levels of January 2020."

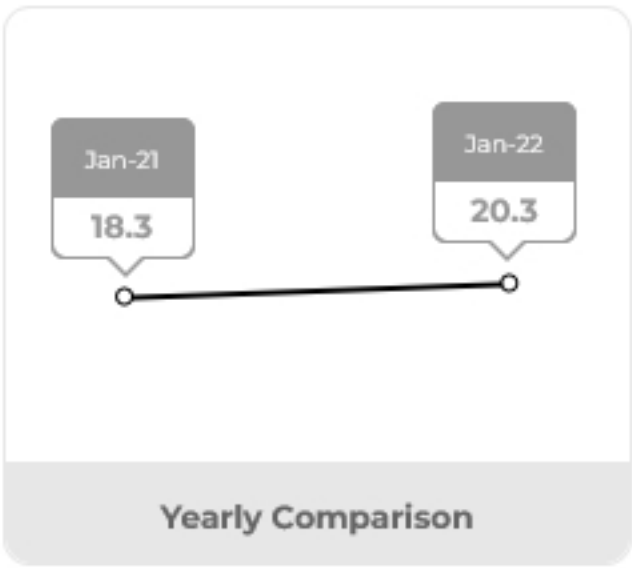


Rohit Arora, Biz2Credit CEO



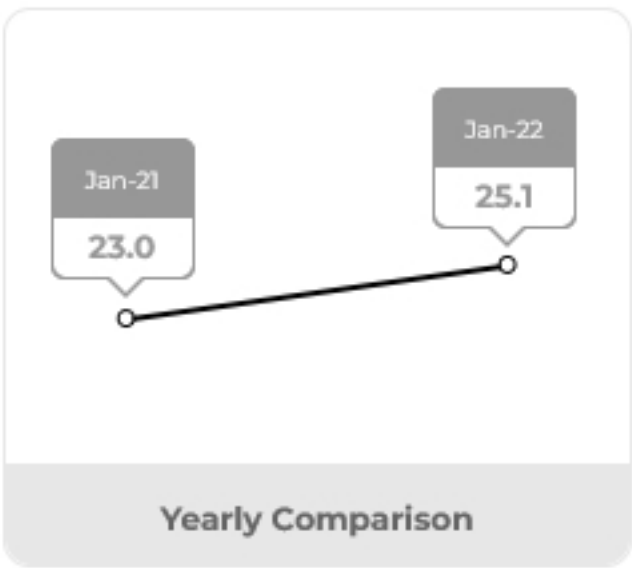
## Small Banks

Small banks' approvals also rose from 20.1% in December to 20.3% in January, according to the latest Biz2Credit Small Business Lending Index™ released today. Two years ago, bank approval percentages were almost double what they are today. In January 2020, small banks approved 50.4% of loan applications



## Institutional lenders

Institutional lenders approved 25.1% of funding requests in January, up two-tenths of a percent from 24.9% in December. Two years ago, bank approval percentages were almost double what they are today. In January 2020, institutional lenders approved nearly two-thirds (66.4%) of requests



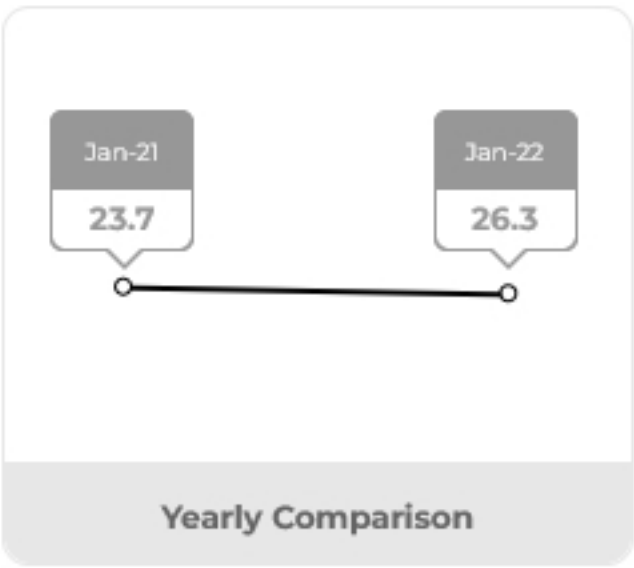
## Alternative lenders

Alternative lenders' approval rates rose from 26.1% in December to 26.3% in January. Two years ago, bank approval percentages were almost double what they are today. In January 2020, alternative lenders granted 56.1%.

"The COVID crisis accelerated the shift towards digital lending to small businesses. More and more small business owners are now more comfortable in borrowing or applying for credit online, which wasn't the case prior to the pandemic," Arora said. "Banks and non-bank lenders are looking to digitize their small business loan application process. Digital learning and AI have helped reduce lending risk, while digitizing has streamlined the process and reduced the time it takes to make a decision."



Rohit Arora, Biz2Credit CEO



## Credit unions

Credit unions approved 20.7% in January, up one-tenth of a percentage after stalling the prior two months. Two years ago, bank approval percentages were almost double what they are today. In January 2020, credit unions approved 39.6%.

