

## Biz2Credit Small Business Lending Index Approval Rates at Big Banks Reached Post-Recession High in June 2014

### June 2014

According to the Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on Biz2Credit.com



### Big bank approvals

In a year to year comparison, big bank approval rates have increased by more than 18% in June from 16.90 approval rates in June 2013.



### Institutional Lenders,

Institutional lenders granted 59.2% of the funding requests they received in June, a slight increase from 59.1% in May. These institutions include insurance companies, credit funds, family funds, and other yield-hungry, non-bank financial institutions. They typically offer more competitively priced loan options than alternative lenders in amounts up to \$1 million.



### Loan approvals at Big banks

Small business loan approval rates at big banks (\$10 billion+ in assets) rose to 20% in June from 19.6% in May,

"The strong return of banks in small business lending indicates three things: overall improving economy, entrepreneur confidence that they will be able to borrow for expansion and repay the loans, and the increasing ease and popularity of SBA lending, This is a sign that the economy continues along the right path.

- Biz2Credit CEO Rohit Arora,

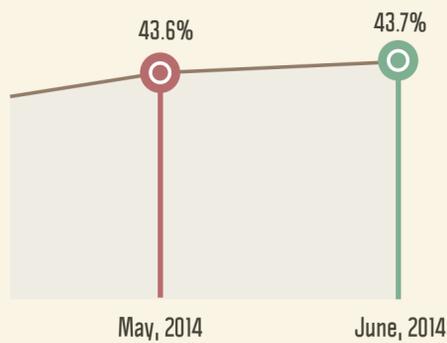


### Loan approvals at Small banks

while approval rates at small banks slipped to 51.4% from to 51.6% last month.

"Higher EBITDA (earnings before interest, taxes, depreciation, and amortization) that small businesses are showing in their financial documents substantially increases their chances of securing conventional financing. They are using this funding for upgrades such as building and equipment purchases. The types of purchases that small business owners are making are an excellent sign for the U.S. economy,"

- Biz2Credit CEO Rohit Arora,



### Credit union approvals of small business loans

loan approval rates at credit unions improved slightly to 43.7% from 43.6% in May,

"As the economy improves, businesses are able to get funding from traditional sources, and they are less desperate. Thus, they no longer need to borrow at any cost,"

- Biz2Credit CEO Rohit Arora,



### Small business loan approvals by Alternative lenders

while approval rates by alternative lenders slipped for the fifth consecutive month to 63.2% in June, from 63.3% in May

"We are starting to see a flight away from short-term, high-cost money, such as cash advances. Many players continue to jump into this category, but they have missed the boat. Cash advance as a funding option may have indeed reached its peak."

- Biz2Credit CEO Rohit Arora,

#### About the Biz2Credit Small Business Lending Index

Biz2Credit analyzed loan requests ranging from \$25,000 to \$3 million by companies in business more than two years with an average credit score above 680. Unlike other surveys, the results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's online lending platform, which connects business borrowers with more than 1,100 lenders nationwide.