

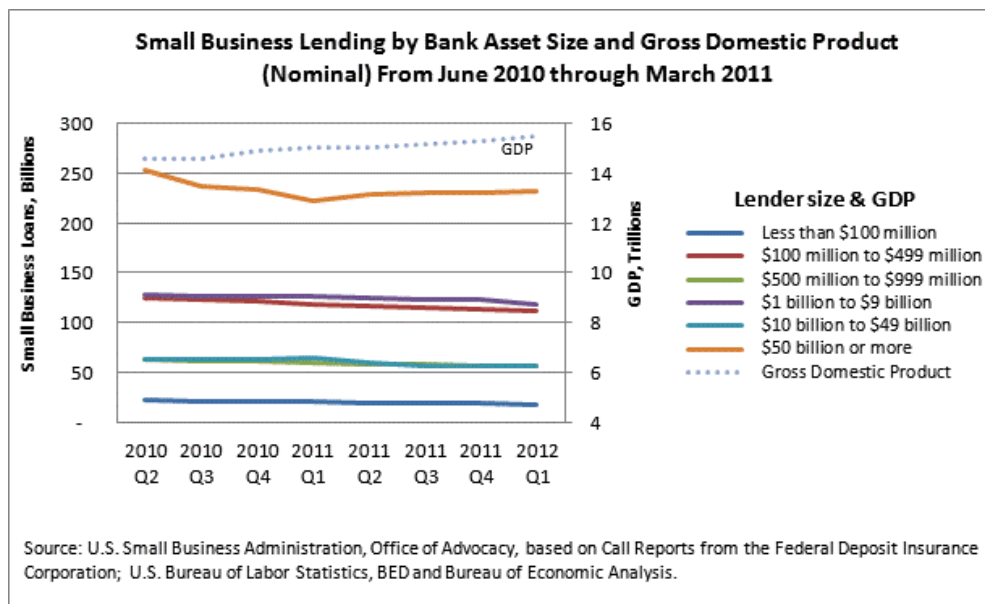
Small Business Lending: First Quarter 2012

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Small business loans outstanding continued to trend downward and borrowing remained slow between December 2011 and March 2012. The value of small business loans outstanding from depository lenders was down 1.3 percent for the period and totaled \$590.2 billion, according to the Federal Deposit Insurance Corporation's latest Call Report data. Both macro business loans of \$100,000-\$1 million and micro loans of less than \$100,000 were down from the previous quarter.

On net, bankers reported having eased their lending standards on commercial and industrial loans to all firms and having experienced an increase in demand from firms of all sizes.¹ The Call Report data showed that the total number of small business loans outstanding increased for the fourth consecutive quarter, by 1.2 percent in the previous quarter and by 5.7 percent in the first quarter of 2012. The growth was in C&I loans only, as commercial real estate loans were unchanged.

Further analysis of large, consolidated depository lenders with \$50 billion or more in assets shows that C&I micro business lending and total small business lending remained relatively flat for the fourth consecutive quarter. Compared with the second quarter of 2011, the total increase in small business lending by these large banks was insignificant, while their C&I micro business lending increased by 2.2 percent. In summary, small business lending continued to be flat in banks of all sizes (see chart). The average size of small business loans continued to be smaller.



¹ April 2012, Federal Reserve Board, Senior Loan Officers' Survey.

Quarterly Lending Bulletin is produced in the Office of Economic Research of the Office of Advocacy. Direct questions to victoria.williams@sba.gov or (202) 205-6533. See the Advocacy publication, *Small Business Lending in the United States, 2009-2010*, for state rankings of small business lenders (www.sba.gov/content/banking-study-2010) and *Frequently Asked Questions about Small Business Finance* for basic information about the financial ecosystem (www.sba.gov/advocacy/9601).