

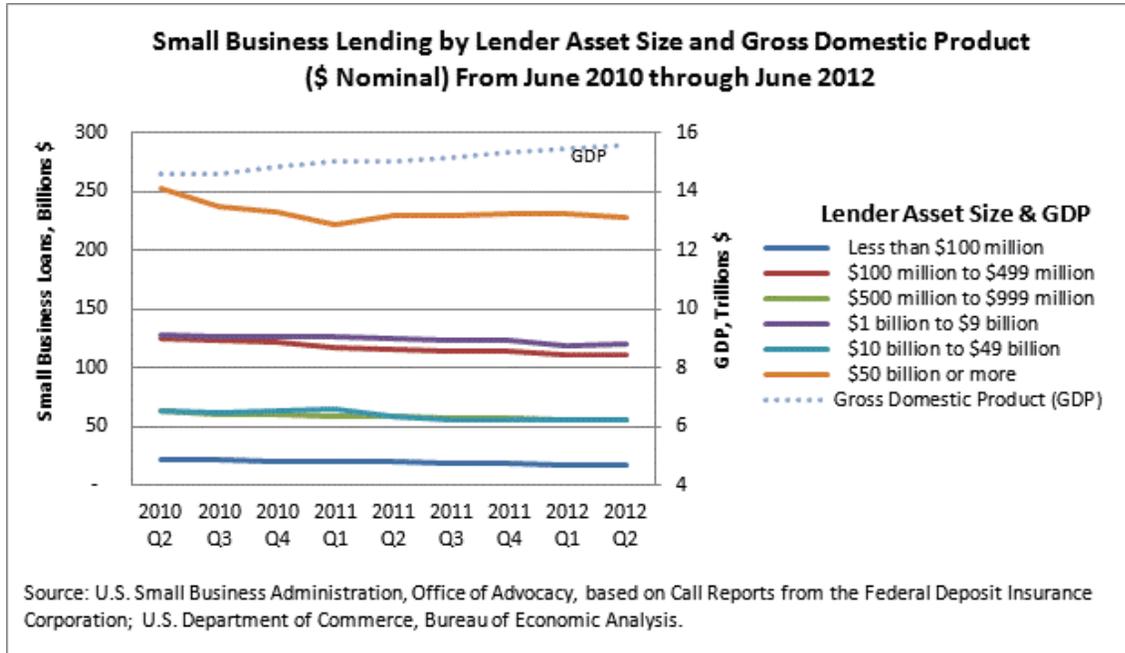
Small Business Lending: Second Quarter 2012

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U.S. economic activity increased in the first half of 2012, but at a slower pace than in the last half of 2011. Total small business lending inched downward, based on Call Report data from the Federal Deposit Insurance Corporation.

The dollar value of small business loans outstanding (loans under \$1 million) totaled \$587.8 billion in the second quarter, a drop of 0.4 percent from \$590.2 billion in the previous quarter. Total small commercial real estate (CRE) loans declined at one of the slowest rates since the start of the downturn, while small business commercial and industrial lending remained steady during the first half of 2012. Micro lending (loans under \$100,000) appears to have stabilized for the third consecutive quarter (data not shown). The Senior Loan Officer Opinion Survey indicated that small business demand for loans was unchanged, and standards on loans to small firms were little changed for the fourth consecutive quarter, but standards were eased on commercial and industrial loans to large and middle-sized firms.¹

The aggregate data show that institutions in two asset size categories had small increases in small business lending: lenders with \$500 million to \$999.9 million and \$1 billion to \$9.9 billion in assets. Small business lending by large depository institutions with assets of \$50 billion or more edged downward after remaining relatively flat with negligible increases in the previous four quarters. The decline was generated primarily from CRE loans. In general, the financial environment was supportive of economic growth, as large business lending (loans exceeding \$1 million) and gross domestic product continued to grow.



¹ July 2012, Senior Loan Officer Opinion Survey visit <http://www.federalreserve.gov/boarddocs/SnLoanSurvey/>
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, 2010-2011*, for state rankings of small business lenders (www.sba.gov/advocacy/7540) and *Frequently Asked Questions about Small Business Finance* for basic information about the financial ecosystem (www.sba.gov/advocacy/9601).