



## Federal Reserve Bank of Kansas City Announces Third Quarter Small Business Lending Survey Results

December 20, 2023

Outstanding small business commercial and industrial loan balances increased year over year for the first time since the first quarter of 2021, despite remaining stable in the last two quarters.

---

**KANSAS CITY, MISSOURI** - The Federal Reserve Bank of Kansas City today released the results from the Third Quarter 2023 [National Small Business Lending Survey](#). The quarterly survey of U.S. banks provides data on lending activity and terms for small businesses, a critical source of employment and economic growth for the country.

The survey found that outstanding small business commercial and industrial (C&I) loan balances increased year over year for the first time since the first quarter of 2021, despite remaining stable in the last two quarters.

Complete results of the survey are now available from the Kansas City Fed's website, [kansascityfed.org](https://www.kansascityfed.org).

Key findings in this survey include:

- New lending continued to decline in the third quarter, decreasing 18.1 percent from the same period in 2022 and 16.4 percent from the previous quarter, despite the year over year increase in outstanding small business commercial and industrial loan balances.
- Respondents reported declining loan demand for the sixth consecutive quarter, despite a minimal increase in loan approval rates.
- With over \$65 billion in small business loans reported, the 150 respondents to the survey indicated that credit standards tightened while credit quality continued to decrease, and interest rates generally rose, consistent with the current rate environment.

The Federal Reserve Bank of Kansas City's national quarterly Small Business Lending Survey (FR 2028D) includes quantitative and qualitative data on credit market conditions for bank lending to small businesses across the country. The survey results provide detailed information on commercial banks' lending activity and terms and offer a snapshot of small businesses' access to credit. Small business lending refers to small business commercial and industrial lending.

## Media Contacts

Bill Medley: [Bill.Medley@kc.frb.org](mailto:Bill.Medley@kc.frb.org)

Victoria Rosengarten: [Victoria.Rosengarten@kc.frb.org](mailto:Victoria.Rosengarten@kc.frb.org)

---