



Federal Reserve Bank of Kansas City Announces Second Quarter 2020 Small Business Lending Survey Results

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KANSAS CITY, MISSOURI - The Federal Reserve Bank of Kansas City released the results from the Second Quarter 2020 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 determined that outstanding balances on small business commercial and industrial (C&I) loans increased significantly in the second quarter of 2020, driven primarily by loans related to the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Complete results of the survey are now available from the [Kansas City Fed's website](#).

Key findings include:

- Outstanding small business C&I loans increased 70.4 percent in the second quarter compared with the previous year, while the percent of these loans secured by SBA guarantees increased from 8 percent to 47 percent in the same period.
- Originations of new small business C&I loans increased more than 1,000 percent from the second quarter of 2019 and over 970 percent from the first quarter of 2020.
- On net, 43 percent of respondents reported declining credit quality with 44 percent reporting tightening credit standards.
- Of those who responded to the survey's special question on the impact of COVID-19 on small business lending, 99 percent reported taking steps to mitigate borrower problems, noting payment deferrals, PPP participation, and other actions.

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.

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