



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

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Kansas City, Missouri - The Federal Reserve Bank of Kansas City yesterday released the results from the Third Quarter 2021 [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 small business commercial & industrial (C&I) loan balances decreased by 18.6 percent compared to this time last year.

[Complete results of the survey are now available from the Kansas City Fed's website.](#)

Key findings include:

- Outstanding small business loan balances guaranteed by the SBA continue to decline due to PPP loan forgiveness but remain higher than before the start of the pandemic.
- New small business lending increased by nearly 10 percent when compared with the third quarter of 2020, driven by a 40.9 percent increase in new lines of credit.
- Small business lending approval rates at small banks decreased from 91 percent in the second quarter to 71 percent in the third quarter of 2021, the lowest level reported since the inception of the survey.
- Overall, survey responses indicated improving credit quality but declining loan application approval rates.

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.