

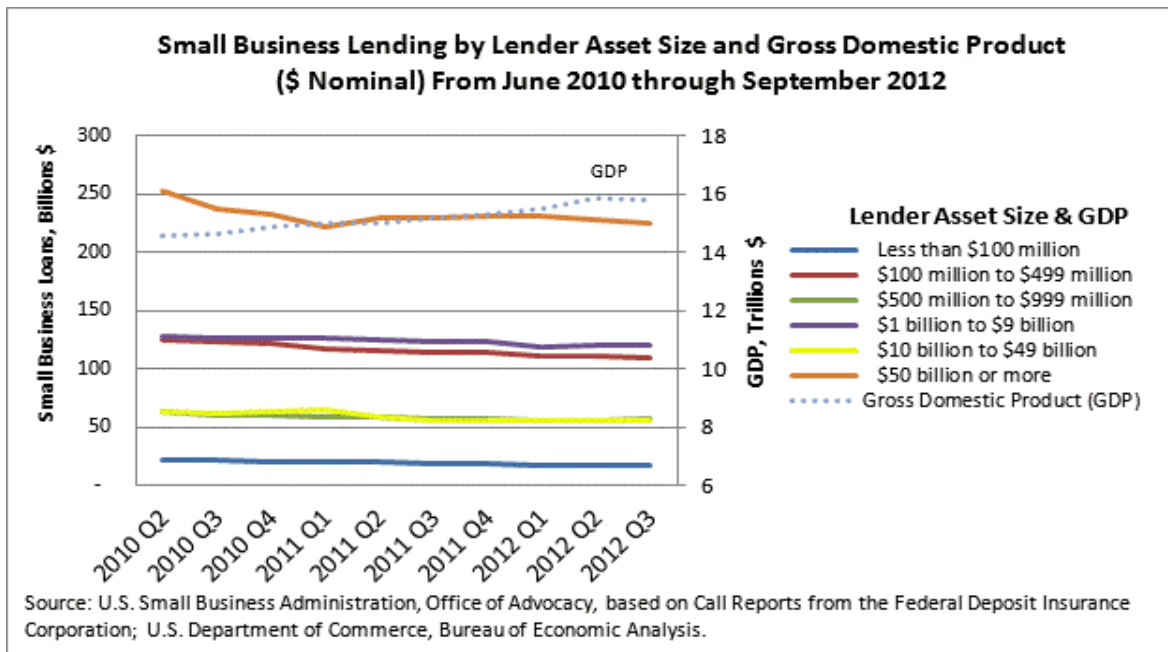
Small Business Lending: Third Quarter 2012

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The most recent Call Report data from the Federal Deposit Insurance Corporation show that small business borrowing totaled \$584.1 billion in the third quarter, down slightly from \$588 billion in the second quarter. Small business loans outstanding in all loan size categories (under \$1 million, \$100,000 to \$1 million, and under \$100,000) declined less than 1 percent.

Institutions in two asset size categories: (lenders with \$500 million to \$999.9 million and \$1 billion to \$9.9 billion in assets) helped offset the declines in small business lending. Small business demand for loans was unchanged on net, as it had been in the previous survey, while the terms for commercial and industrial loans and standards for borrowers of all sizes were eased.¹ Declines were less pronounced in small business commercial real estate loans.

Analysis of mega banks—lenders with assets of \$50 billion or more—followed the overall weak trend in their total small business lending. Their lending to small firms in micro loan sizes (\$100,000 or less), however, remained relatively flat. Gross domestic product and large business lending (loans exceeding \$1 million) maintained solid growth. Total borrowing in manufacturing was up, and small manufacturing businesses with assets of \$10 million or less also increased their borrowing in the third quarter.²



¹ October 2012, Senior Loan Officer Opinion Survey visit <http://www.federalreserve.gov/boarddocs/SnLoanSurvey/>

² Source: Census Bureau, *Quarterly Financial Report*, Tables 34.1 and 35.1 visit <http://www.census.gov/econ/qfr/>