

Small Business Lending: First Quarter 2013

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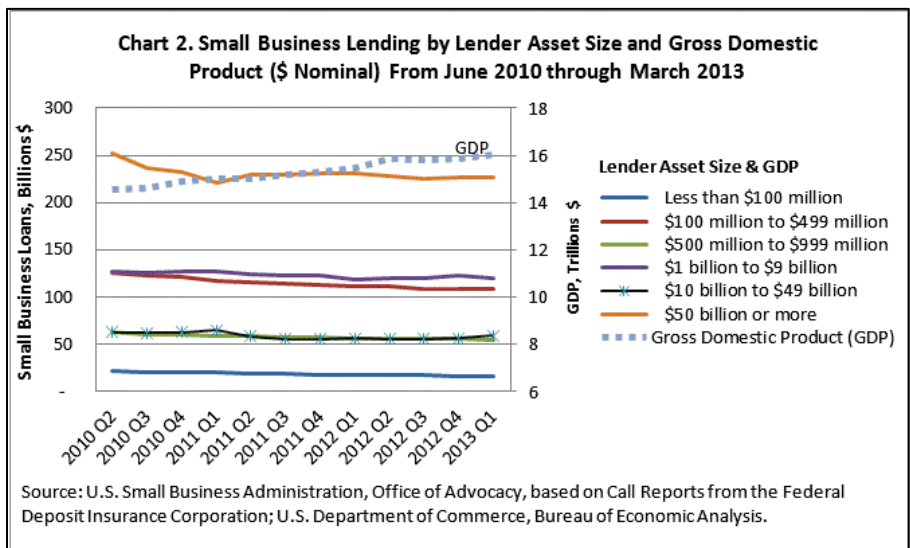
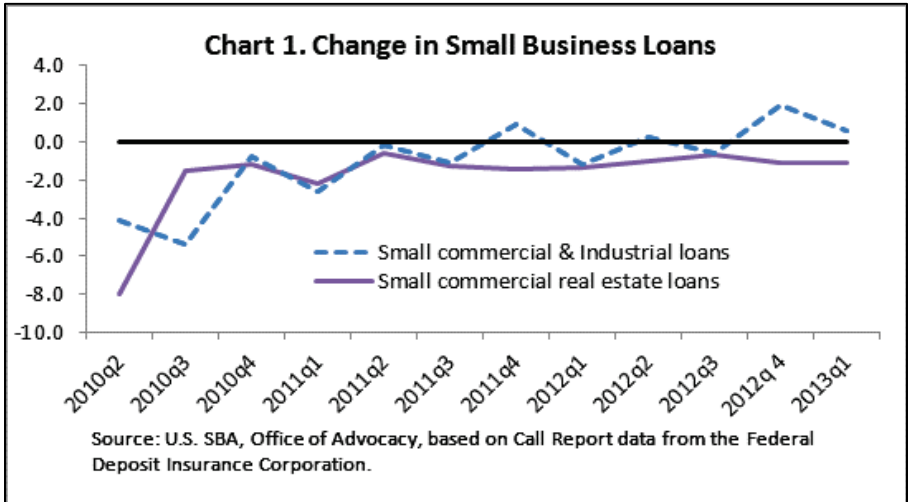
Small businesses saw gradual strengthening in the overall economy in the first quarter of 2013 as borrowing conditions continued to improve.

Borrowing by small firms contracted slightly during December 2012 and March 2013, according to the latest Call Report data. Small business loans outstanding (loans under \$1 million) were valued at \$584.3 billion. The total was down slightly, by -0.3 percent, after a small increase from the previous quarter.

In general, bankers reported stronger demand along with eased bank lending policies for business loans.¹ Commercial and industrial loans, a portion of small business loans, continued moderate but uneven growth (Chart 1). Total micro business loans under \$100,000 increased by 1.6 percent, after gaining 0.2 percent in the previous quarter.

Lenders with assets of \$10 billion to \$49 billion increased their small business lending by 4.4 percent in March 2013, up from a 2.0 percent gain the previous quarter (Chart 2). Lending by the smallest lenders with assets under \$100 million declined more than any other category (3.1 percent).

Bank holding companies and other large depository institutions with assets of \$50 billion or more were active in the micro business loan market, where they accounted for 3.1 percent of the smallest loans in the first quarter of 2013.



¹ April 2013, Senior Loan Officer Opinion Survey. Visit <http://www.federalreserve.gov/boarddocs/SnLoanSurvey/>