



Balboa Capital Survey Reveals 65% of Small Businesses Obtained Lines Of Credit from Non-Bank Lenders

Results of a new nationwide survey reveal non-bank lenders have a substantial share of the business line of credit market.

COSTA MESA, CA, JUNE 25, 2019 – The results of a survey conducted by leading direct lender Balboa Capital reveal that 65% of small business owners obtained a business line of credit from a non-bank lender in the past 12 months, and applicants cited easier application processes and faster funding decisions as the main factors in their choice of lender. Balboa Capital’s online survey was sent to a sample of small business owners in a wide variety of industries nationwide to gauge their knowledge of business lines of credit, and to assess the demand for this business funding option.

“Small business owners who need quick access to short-term capital to improve cash flow, or to cover the costs of inventory, payroll and unexpected expenses, are looking to non-bank lenders for business lines of credit,” said Matthew Lent, Manager of Ancillary Products/Working Capital at Balboa Capital. “Based on the results of our survey, over six in ten small business owners said they obtained a line of credit from a non-bank lender.” Mr. Lent believes this is the result of small business owners wanting an easier borrowing process. “Small business owners are often strapped for time and need capital right away, and non-bank lenders like Balboa Capital present them with a fast and straightforward way to get a business line of credit.”

Key findings of Balboa Capital’s business line of credit survey include:

- 72% of small business owners are familiar with business lines of credit.
- 65% of small businesses obtained business lines of credit from non-bank lenders, 30% from national or regional banks, and 5% from credit unions.
- Among firms with business lines of credit, 83% have borrowing limits of up to \$100,000, 11% have borrowing limits ranging from \$100,000 to \$250,000, and 6% have borrowing limits of \$250,000 or more.
- Applicants who applied for business lines of credit from non-bank lenders cited easier application processes as the number-one factor in their decision, followed by faster funding, no need for collateral, and greater flexibility regarding payment schedules.
- One in three small business owners who applied for a business line of credit at a traditional bank were not approved.
- The top three uses for business lines of credit are, in order, operating costs, inventory, and unexpected business expenses.
- 6% of firms have not used their business line of credit in 2019.

About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <http://www.balboacapital.com>.