



Balboa Capital Survey: 60% of Small Businesses Obtained Unsecured Business Loans from Non-Bank Lenders

*Results of a new nationwide survey reveal non-bank lenders
are becoming more mainstream providers of unsecured business loans.*

COSTA MESA, CA, AUGUST 20, 2019 – Balboa Capital, a leading direct lender that provides a variety of alternative financial products, today released findings from its new survey that was conducted to gauge small business owners’ understanding of unsecured business loans, and to ascertain where small business owners obtained unsecured business loans during the first six months of 2019. The survey results reveal that 75% of small business owners are familiar with unsecured business loans, and 60% acquired their loans from non-bank lenders. Balboa Capital’s online survey was sent to a sample of small business owners in a wide variety of industries nationwide during the first week of August, 2019.

“Unsecured business loans are becoming an increasingly attractive choice for small business owners who are looking for a loan with easy qualification requirements and a fast turnaround time,” said Matthew Lent, Manager of Ancillary Products/Working Capital at Balboa Capital. “Our survey results show that most small business owners are familiar with unsecured loans, and a sizeable number of them are using this loan option to cover the costs of inventory, equipment, and everyday business expenses. Additionally, six in ten small business owners said they obtained an unsecured loan from a non-bank lender during the first half of 2019. This indicates that non-bank lenders like Balboa Capital are becoming more mainstream providers of unsecured loans to small businesses.”

An unsecured loan offers business owners a convenient way to obtain funding online, without the need for any type of collateral. The application is typically shorter than that of a traditional business loan, and the terms and interest rates of unsecured loans are contingent on the borrower’s credit score. “As more and more business owners see value in using an unsecured loan for their company’s cash flow and investment needs, the interest in this loan option will remain strong,” said Mr. Lent.

Key findings of Balboa Capital’s unsecured business loan survey include:

- 75% of small business owners are familiar with unsecured business loans.
- 60% of small businesses obtained an unsecured business loan from a non-bank lender, 24% from a national or regional bank, 9% from a credit union, and 7% did not indicate where they acquired their loans.
- Among firms with an unsecured business loan, 25% have a loan of up to \$25,000, 38% have a loan ranging from \$25,000 to \$100,000, 25% have a loan ranging from \$100,000 to \$250,000, and 12% have a loan of \$250,000 or more.
- Applicants who applied for an unsecured business loan from a non-bank lender cited an existing relationship with their lender as the number-one factor in their decision, followed by an easier

application process, faster decisions and funding, and greater flexibility regarding payment schedules.

- The top four uses for unsecured business loans are, in order, expansion efforts, new equipment/capital assets, inventory, and unexpected business expenses.
- 4% of firms did not use their unsecured business loan in the first six months of 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 <https://www.balboacapital.com>.