

FDIC Advisory Committee on Community Banking

May 3, 2022

FDIC 2022 Small Business Lending Survey (SBLS 2022)



What is the SBLs?

Nationally-representative survey of banks and their small business lending (SBL) practices and activities

- Launching in June 2022
- First survey data collection in [2016](#)

Implemented by US Census

- Contract abides by Census rules ([Titles 13](#) and [26](#))
- Guarantees confidentiality of respondent identities

Approximately 2,000 FDIC-insured institutions will be asked to participate

Why is the SBLIS of interest to community bankers?

Banks are important to U.S. small businesses

- Small businesses (SBs) comprise 99.9 percent of all U.S. firms*
- Banks are the most common source of external financing for SBs*

Goal: Close gaps in our knowledge

- The industry is constantly evolving, with emerging topics
- Small business lending is not captured entirely in regulatory reports

Goal: Document contributions of banks to the U.S. economy through their small business lending activities

* Sources: [*Frequently Asked Questions \(Small Business Administration, 2021\)*](#) and [*Small Business Credit Survey \(Federal Reserve, 2021\)*](#)

What topics are in the SBLS 2022?

Three Qualitative Sections

- I. General small business lending, loan approval,* underwriting processes, use of FinTech*
- II. Markets and competition
- III. Coronavirus pandemic response,* Small Business Administration lending,* selling of small business loans*

One Quantitative

- IV. Volume of small business loan dollars, originations and outstanding

** New topics in SBLS 2022*

What is unique about the SBLs?

Questions differ in each nationally representative data collection to evolve with the industry and with current interests

- More authoritative than frequently occurring surveys using convenience samples
- More comprehensive than other nationally representative surveys that contain narrowly defined standard questions

Banks self-define small business lending in qualitative questions

- Respondents use their own formal or informal definitions for what is considered a “small business”
- Does not rely on regulatory thresholds

Improved measurement of bank SBL in quantitative questions

- Better distinguishes between small loans (less than \$1M) to businesses and loans to small businesses
- Other lending not captured on Call Report (e.g., third-party originations)

What kinds of qualitative questions will be asked?

Q: In which stages of the small business loan process does your bank use or plan to use FinTech? Include usage or planned usage of both in-house technology or through interactions with outside FinTech providers.

Select ALL that apply per small business loan process stage.

Stage of small business loan process	Usage or planned usage of FinTech					
	No plans to use FinTech	Under discussion	Under development or in pilot testing	Currently using	Don't know	Not a stage of our loan process
<i>a. Identifying potential borrowers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>b. Loan application submission from borrowers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>c. Application processing by bank</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>d. Underwriting and decision-making process</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>e. Post-decision quality control (e.g., anti-fraud)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>f. Regulatory compliance (e.g., AML, BSA, or KYC)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>g. Closing process</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>h. Loan funding</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>i. Loan performance tracking and servicing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>j. Portfolio analytics</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>k. Other _____</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What kinds of quantitative questions will be asked?

Example of SBLS 2016 Question and Analysis

- Banks (\$1B+ total assets) asked to break down outstanding commercial and industrial (C&I) balances by both loan and firm size
 - C&I loans more or less than \$1M (LT \$1M common Call Report bank small business lending proxy)
 - *Gross Annual Revenue (GAR) more or less than \$10M*
- As a share of total C&I loan dollars made by banks with \$1B to \$10B in assets:
 - 23.1 percent net understatement if rely on Call Report proxy as a small business lending measure*

SBLS 2022 Question Update

- Finer buckets for loan size, now including: **\$1M to \$5M / \$5M to \$10M / \$10M+**
- Finer buckets for GAR, now including: **\$1M to \$5M / \$5M to \$10M**

***Source: [Measurement of Small Business Lending Using Call Reports: Further Insights from the Small Business Lending Survey \(FDIC Staff Studies, July 2020\)](#)**

When is the survey going to happen?

May 3rd Joint Letter from FDIC Acting Chairman and Census Director

- To 2,000 banks, announcing selection to respond to the survey
- Hard copy via mail and associated email from this address: erd.sbls.eblast@census.gov

June 14th Survey Launch Letter

- Includes Census web portal link and unique authentication code
- Able to share portal access with bank staff

Data Collection Period

- Census will follow-up after July 19th
- Last day to submit: December 30, 2022

Sampling Note

Census draws a sample of 2,000 from the following:

- All FDIC-insured banks with domestic offices that actively make loans (regardless of primary federal regulator)

Certainty sample (300+ banks)

- All FDIC-insured institutions with reported total assets of \$3 billion or more will be included

Random sample (1,600+ banks)

- Drawn from the set of banks with total assets of less than \$3 billion
- Selection process is confidential; identities of selected banks are not shared with the FDIC
 - Banks are allowed to share if they were selected

What does the FDIC want bankers to do?

Please respond to the survey

- The FDIC wants community bank-perspectives to be represented
- More responses mean greater statistical confidence in findings

Encourage other community banks to respond to the survey

- The SBLS 2022 is an FDIC project
- Responses help improve understanding of banks' role in this important economic sector

Designate bank staff person to coordinate survey response

- Identify appropriate bank staff to answer specific questions
- Share survey access (multiple staff can fill out the survey simultaneously)

What if my bank has questions?

Register for the FDIC SBLs 2022 Meetings for Bankers:

Wednesday, May 11, 2022: 1pm – 2pm EDT

Thursday, May 12, 2022: 1pm – 2pm EDT

Monday, May 16, 2022: 1:30pm – 2:30pm EDT

Tuesday, May 17, 2022: 2pm – 3pm EDT

The FDIC SBLs Team will share more about the survey, and bankers can ask questions directly. Bankers may attend multiple sessions, and more than one bank staff member may attend.

Visit the FDIC's SBLs 2022 [Dedicated Website](#)

(Find Survey PDF and FAQs)

Direct questions to the SBLs Team at: SBLs@FDIC.gov

FDIC 2022 Small Business Lending Survey

We hope your bank will participate in
the SBLS 2022!

Thank You!