

II. Small Business Markets and Competition

IIA. Lending Markets & Practices

About This Section

In the Screeners section, your bank’s answer to S5, Top Small Business Lending Product, indicated that its highest-volume small business lending product is *[Insert PRODUCT]*, excluding credit cards and government-guaranteed products.

In this section, we ask about your bank’s geographic market for *[Insert PRODUCT]* to small businesses and the practices that your bank uses within this market to generate and maintain small business lending relationships. By “geographic market” we mean the physical area or areas where your small business borrowing customers for a *[Insert PRODUCT]* are generally located.

Important Note: If your bank answered “No” to question IA.1, then your institution will not be asked to answer any of the questions here nor any remaining questions in Sections I, II, and III. Please go directly to Section IVA (page 29).

IIA.1 Generally speaking, how far in miles from your bank’s physical locations (such as branches or loan production offices) does your geographic market for *[Insert PRODUCT]* to small businesses extend? *Select only ONE.*

- Less than 1 mile
- 1 to less than 2 miles
- 2 to less than 3 miles
- 3 to less than 5 miles
- 5 to less than 10 miles
- 10 to less than 20 miles
- 20 or more miles (specify _____)
- My bank doesn't lend based on our physical locations
- Don't know

IIA.2 How important are each of the following potential problems in determining why your bank tends to lend within its geographic market for *[Insert PRODUCT]* to small businesses? *Select only ONE option for each potential problem.*

Potential problem	Very low importance	Low importance	Moderate importance	High importance	Very high importance	Don't know
a. It is too difficult for loan decision-makers to know local economic conditions outside this geographic market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. It is too difficult to get potential small business borrowers outside this	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Potential problem	Very low importance	Low importance	Moderate importance	High importance	Very high importance	Don't know
geographic market to apply for loans with our bank due to lack of referrals or other sourcing issues						
c. It is too difficult to verify information about applicants outside this geographic market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. It is too difficult to develop a deposit relationship with small business borrowers outside this geographic market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Potential small business borrowers outside this geographic market are generally too difficult to monitor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Potential small business borrowers outside this geographic market are too distant or difficult to physically visit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Potential small business borrowers outside this geographic market prefer to borrow from banks with branches closer to them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. There are very few potential small business borrowers immediately outside this geographic market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. There is not much demand from small business borrowers immediately outside this geographic market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Outside of this distance our branches are no longer located within specific geographic/political boundaries (e.g., county or MSA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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IIA.3 For each of the following locations or means, which loan application step(s) can be completed by small business borrowers for a *[Insert PRODUCT]*? Select ALL that may apply for each location or means.

Location or means	Consult with a loan officer about appropriate products	Submit formal application	Submit financial statements and other documents	Sign documents for approved loan	Don't use this location or means for any of these steps
a. At a physical location of your bank (such as a branch or loan production office)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Through an on-site visit by bank staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Over email, file transfer, fax, telephone, or video-conference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Online via website or app	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IIA.4 How valuable do you consider each of the following methods of communication between bank staff and current or potential borrowers for generating and maintaining small business lending relationships for *[Insert PRODUCT]*? Please answer for both methods your bank uses and methods your bank does not use. Select only ONE option for each method.

Method of communication	Not at all valuable	Somewhat valuable	Moderately valuable	Very valuable	Extremely valuable	Don't know
a. In-person conversation at branches and loan production offices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. On-site visit by bank staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Contact by bank staff using email, file transfer, fax, telephone, or video-conference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Online via website or app	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IIA.5 Which of the following practices does your bank use to generate and maintain small business lending relationships for *[Insert PRODUCT]*? Select only ONE option for each practice.

Practice	My bank uses	My bank does not use	Don't know
Staff Interactions with Borrowers			
a. Employ dedicated staff to assist potential small business borrowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Encourage knowledgeable staff to regularly share expertise with existing borrowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Have staff engage in off-premises social engagements with borrowers (e.g., dinners or golf outings)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Practice	My bank uses	My bank does not use	Don't know
d. Host or sponsor educational workshops for existing or potential borrowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Maintain long term consistency in assignment of loan officers or other staff to borrowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Request that staff actively develop relationships that accumulate knowledge about borrowers' distinct circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External Sources & Outreach			
h. Attend conventions, industry events, or trade shows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Paid advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Participate in community involvement and service (e.g., board participation, networking events, and other sponsorships)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Rely on customer referrals ("word of mouth")	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Rely on professional referrals from local accountants, attorneys, or other "centers of influence"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Use brokers or engage in indirect lending	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. Use lead generators or purchase lists of prospective clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Borrower Services & Convenience			
p. Accept walk-ins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
q. Offer card payment processing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
r. Offer cash transfer services or payment systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
s. Offer check cashing services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
t. Offer a mobile app	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
u. Offer payroll services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Offer remote deposit capture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
w. Open new branches or loan offices in locations convenient for current or potential borrowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
x. Provide business hours longer than 9am to 5pm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
y. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IIA.6 How valuable do you consider each of the following practices in terms of their ability to generate and maintain small business lending relationships for *[Insert PRODUCT]*? Please answer for both practices your bank uses and practices your bank does not use. *Select only ONE option for each practice.*

Practice	Not at all valuable	Somewhat valuable	Moderately valuable	Very valuable	Extremely valuable	Don't know
<i>[Programmer's note: Repeat IIA.5 options]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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