



## Using Data To Expand Your Institution's SBA Lending

🔗 [lending](#) [business customers](#) [customer retention](#)

**Summary:** Lending is at an all-time low for many financial institutions. Using data can expand your SBA lending and supplement your loan portfolio with the lower risk of government-backed loans. We explore three data strategies to increase your lending efforts, including using third-party data, leveraging your CRM data, and even mining your loan data.

We create a lot of data these days. The estimated amount is around 1.145T MB every day, which equates to 1.7MB of data per second! But, it is not the amount that counts, it is how the data is used. This is especially true for community financial institutions (CFIs), as they look to leverage their data to increase SBA lending.

CFIs have a lot of customer data. Not only that, but more data can be discovered through third parties to expand your customer's lending profile. With lending activity at a low point, using this data to identify specific customers needing SBA lending could increase your loan portfolio with lower-risk, government-backed loans. Many CFIs are SBA-preferred financial institutions, especially after the implementation of SBA's PPP, so providing additional SBA lending options is fairly straightforward. Here's how you can best use your data for these loans.

**Third-party data.** Third-party marketing data, which providers aggregate from various apps, platforms, and websites, is certainly a helpful choice, if your institution has a sufficient budget. When combined with customer information that your institution already collects, third-party data can create detailed, insightful depictions of customer (or potential customer) groups. Expect to find that data runs from \$1 to \$50 per CPM (cost per thousand impressions), depending on the provider and the type and quality of data you're buying. As an alternative to third-party data, you could add a product that can mine for data from different systems throughout your institution. The findings of this data can identify better SBA borrower candidates.

**Your CRM data.** While third-party data can help fill in customer data profiles, the data you already have in your customer relationship management (CRM) systems is both useful and free. Use the customer relationship information to reach out to potential SBA borrowers, as well as to existing customers who could provide referrals that get you in front of more possible leads.

Most CRM systems let you group customers by industry, geographical location, business stage, or any other metric you choose. You might target doctors, dentists, and veterinarians, for instance, or reach out to people who own franchises. Once you decide how to group the data, mining the data will lead you to potential SBA borrowers.

Your CRM system can also help you track your SBA lending efforts. Build lists of people you want to contact and set reminders to follow up. Depending on their needs and response, follow-up times can be set accordingly too.

**Your loan data.** Analyzing your institution's existing loan data can also help you find potential SBA borrowers. Review your lending portfolio to find borrowers who may have felt the effects of the pandemic, but have been solid customers. Talk to them about their needs and then help them restructure their loans through the SBA.

The SBA guarantee minimizes risk to your institution, while the borrowers get more working capital to ramp up their business.

Even if it doesn't lead directly to additional SBA lending, data review and mining can help you better understand how your customers are doing so you know how and when to help. It may also identify other bank services that these customer segments need.

*"You should be informed coming in to talk to a potential client about their business and what they need," said one northeast CFI President. "It cuts to the chase, and the small businessperson really appreciates that, because you can engage so much more quickly with someone to get them a solution."*

## ACHIEVE 360-DEGREE CUSTOMER RELATIONSHIP VIEW

Mine your customer data and loan history with [Profitability FIT](#) to determine the best loan pricing for higher bank profitability and customer retention. Contact us today to learn more.

## ECONOMY & RATES

Rates As Of: 07/12/2021 08:41AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	0.06	0.01	-0.03
6M	0.05	-0.01	-0.04
1Y	0.08	0.00	-0.03
2Y	0.24	-0.01	0.11
5Y	0.81	-0.08	0.44
10Y	1.38	-0.10	0.45
30Y	1.99	-0.09	0.35
FF Market	FF Disc		LOBB
0.10	0.25		0.15
SOFR	Prime		QBFR
0.05	3.25		0.08

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