LexisNexis® RISK SOLUTIONS

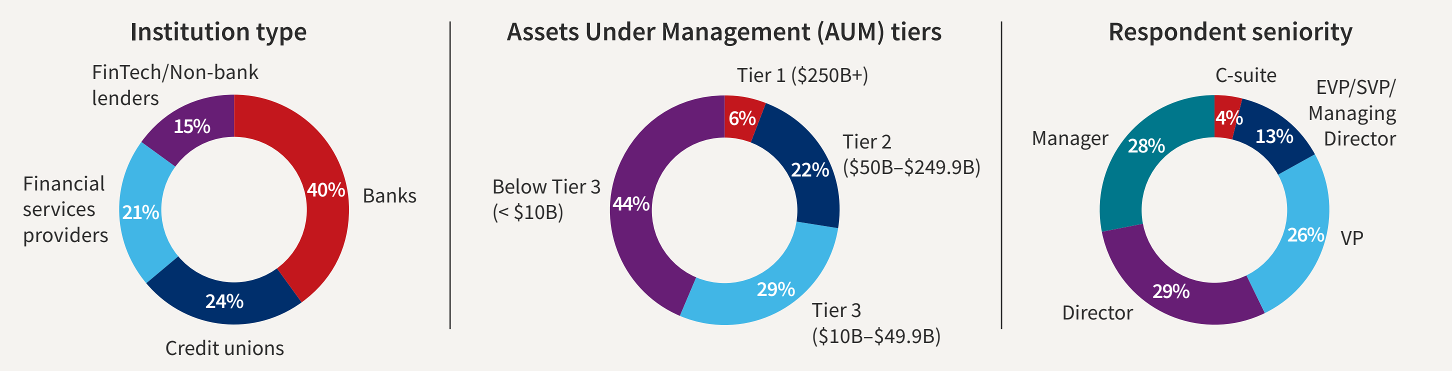
2026 U.S. SMB Credit Risk Report

A nationwide perspective on the acceleration of SMB lending and evolving credit risk strategies

Small and midsize business (SMB) lending continues to represent a significant growth opportunity for U.S. financial institutions.

As momentum grows, delinquency rates rise and pressure mounts across the credit risk lifecycle, many are using alternative data and planning greater investments in data, analytics and advanced technologies to support more precise credit risk decisions.

RESPONDENT SNAPSHOT



LexisNexis® Risk Solutions worked with an independent research firm to conduct a national survey of 125 SMB credit assessment professionals at financial institutions across the U.S. The survey was conducted among organizations actively involved in SMB lending in May 2026, identifying several new and noteworthy trends:

TREND 1
U.S. financial institutions are leaning into SMB lending

TREND 2
SMB lending growth is increasing pressure on credit decisioning

TREND 3
The next edge comes from decision precision, not more data alone

TREND 1 U.S. financial institutions are leaning into SMB lending

Over the past one to two years:

- **87%** report increased SMB loan volume or demand
- **77%** have increased their appetite for SMB credit risk
- **60%** report increased approval rates for SMB credit applications

KEY TAKEAWAY

SMB lending is a clear and consistent strategic priority for financial institutions.

71% grew their SMB business by 5% or more over the past two years, while 72% are actively or moderately expanding their SMB credit and lending businesses. Together, these findings signal continued confidence in the SMB lending opportunity.

70% expect credit approval rates to increase over the next 12 months as growth momentum builds across the market, and zero respondents expect them to decline.

TREND 2 SMB lending growth is increasing pressure on credit decisioning

- **85%** or more of respondents rate each SMB credit risk assessment area tested as at least somewhat challenging
- **77%** report SMB delinquency rates have increased over the past two years
- **37%** are very confident in their ability to identify early warning signs of SMB credit deterioration

KEY TAKEAWAY

Rapid SMB lending growth is creating a more complex credit risk environment.

Rising delinquencies and broad systemic pressures are exposing confidence gaps in current credit risk assessment capabilities, with no more than half feeling "very confident" in any capability tested.

93% see at least some missed opportunity in declining creditworthy SMB applicants, reinforcing the need for greater decision precision as credit risk evolves.

TREND 3 The next edge comes from decision precision, not more data alone

- **47%** of respondents say alternative data has had a major impact on faster SMB credit decisioning
- **75%** plan to increase investments in AI for SMB credit decisioning over the next one to two years
- **80%** develop SMB credit risk analytics models at least partly in-house, but most pair it with external support*

**Among those that use analytics/AI/machine learning currently*

KEY TAKEAWAY

Better decisions will require more than better data alone.

With alternative data already driving measurable impact, financial institutions are planning investments in more connected decisioning environments that bring together data, analytics and workflows across the SMB credit lifecycle.

Alternative data is embedded across the SMB credit lifecycle moving away from experimental. Usage is highest at origination (62%), followed by underwriting (46%) and portfolio monitoring and management (42%).

Research findings suggest SMB credit decisioning is evolving into a continuous lifecycle discipline, from more informed underwriting to more proactive portfolio monitoring.

As SMB lending accelerates, the next competitive edge will come from how effectively financial institutions connect data, analytics and workflows to improve visibility into evolving credit risk and strengthen decision precision.

To read more about evolving SMB lending and credit risk strategies, download our **2026 U.S. SMB Credit Risk Report.**

FIND OUT MORE AT RISK.LEXISNEXIS.COM/SMB-CREDIT-RISK-STUDY

Source: LexisNexis® Risk Solutions 2026 U.S. SMB Credit Risk Report findings are based on a national survey of 125 SMB credit assessment professionals at financial institutions actively involved in SMB lending. The survey assessed current approaches to SMB credit risk decisioning and the factors shaping future strategies.

About LexisNexis Risk Solutions

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