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Having closed 36 percent of all recent business loans made by the five major local credit unions, [GTE Financial](#) has reported seeing an uptick in small business lending. Based in Tampa Bay, GTE Financial is a not-for-profit financial cooperative, serving more than 200,000 individuals and businesses

“Credit unions have always been more people-oriented, working with small business owners who thought they couldn’t get much attention from banks,” said Shamus McConomy, vice president of member business services at GTE Financial. “We’re willing to roll up our sleeves and go onsite to see what the business owner needs.”

A recent Federal Reserve survey of senior banking lenders indicated that most of their banks had eased standards and loan terms for businesses of all sizes, based on increased competition. In addition, they cited a more positive favorable economic climate and increased tolerance for risk, moving past what McConomy refers to the “walk on water” category of loans to reflect a more reasonable level of risk tolerance. GTE itself has experienced a year over year increase in loan funding of 148 percent in 2011 and 220 percent in 2012, with an average loan size between \$250,000 and \$750,000.

The level of local competition is rising, in particular among community banks and banks that are new to the area, with some offering teaser rates to attract borrowers. At the same time, credit unions are working harder to establish themselves as business lenders – a role many business owners didn’t know they filled.

Banks often use an impersonal style of underwriting, making it difficult for small businesses to receive the growth financing they need. Credit unions like GTE are more likely to sit down to discuss borrowers’ needs, their experience and their

business plan to advise them on the best approach, which may well be using U.S.

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plumbers, small manufacturers, distributors and small investment properties.

“Conventional wisdom was that restaurants were too risky because of a perceived high failure rate, with the same thinking applied to companies in the trades. My mentor always said ‘never say never’ and I believe we need to look at each prospective borrower individually.”

Small Business

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