
 Not Available for Download

 Add Paper to My Library

Share:    

SME Financing and the Deployment of Lending Technologies in Japan

Posted: 28 Dec 2010

Last revised: 28 Dec 2010

Hirofumi Uchida (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=429385)
Kobe University - Graduate School of Business Administration

Nobuyoshi Yamori (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343900)
Kobe University - Research Institute for Economics & Business Administration

Gregory F. Udell (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=43802)
Indiana University - Kelley School of Business - Department of Finance

 [There are 2 versions of this paper](#)

Date Written: March 1, 2007

Abstract


The current literature on SME loan underwriting assumes that banks use just one of two lending technologies: relationship lending for opaque SMEs and transactions-based lending for relatively transparent SMEs. Recent work has departed from this view and hypothesizes that banks use a variety of distinctly different lending technologies. It emphasizes that the typical SME bank loan is underwritten primarily based on just one of these technologies and that many different transactions-based technologies are well-suited for opaque SMEs (e.g., Berger and Udell 2006). We test these propositions using data on Japanese SMEs and find that although financial statement lending is the most commonly used lending technology and serves as a kind of basic technology, it tends not to be used to the exclusion of other technologies. We also find evidence that the deployment of different lending technologies does not vary across different bank types. These findings imply that, at least in Japan, SME lending practice is generally inconsistent with much of the academic research on how banks underwrite loans.

Keywords: Lending technology, Financial statement lending, Fixed asset lending, Relationship lending, Small- and medium-sized enterprises

JEL Classification: G21, L14, D82, L22

[Suggested Citation](#) >

[Show Contact Information](#) >

 Not Available for Download

0 References

0 Citations

Fetch Citations

Do you have a job opening that you would like to promote on SSRN?

[Place Job Opening \(https://www.ssrn.com/index.cfm/en/Announcements-Jobs/\)](https://www.ssrn.com/index.cfm/en/Announcements-Jobs/)

Paper statistics

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze,

improve, and personalize our content and your digital experience. For more information, see our [Cookie](#)

[Policy \(https://www.elsevier.com/legal/cookiepolicy\)](https://www.elsevier.com/legal/cookiepolicy)

[Cookie Settings](#)

Accept all cookies



(https://plu.mx/ssrn/a/?ssrn_id=976815)

Related eJournals

Indiana University Kelley School of Business Research Paper Series (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=2419301)

Follow



IO: Productivity, Innovation & Technology eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1475473)

Follow



Recommended Papers

Relationship Lending and Lines of Credit in Small Firm Finance (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1298836&rec=1&srcabs=976815&pos=1)

By Allen N. Berger (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2141) and Gregory F. Udell (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=43802)

Lines of Credit and Relationship Lending in Small Firm Finance (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=124708&rec=1&srcabs=976815&pos=2)

By Allen N. Berger (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2141) and Gregory F. Udell (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=43802)

Information Production and Capital Allocation: Decentralized vs. Hierarchical Firms (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=232091&rec=1&srcabs=976815&pos=3)

By Jeremy C. Stein (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=17459)

View more >

Feedback

Submit a Paper > (<https://hq.ssrn.com/submission.cfm>)

SSRN Quick Links

SSRN Rankings

About SSRN

(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

(<https://twitter.com/SSRN>)

(<http://www.elsevier.com/>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)

Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).

(<http://www.relx.com/>)

