**The Big Tech Lending Model**

**Abstract**

By comparing a sample of big tech business loans with a sample of conventional bank loans in China, we not only confirm big tech lending facilitating credit to borrowers unserved or underserved by traditional banks but also provide a sharp characterization of the big tech lending model: Big tech loans tend to be smaller in size with substantially higher interest rates, and borrowers tend to repay their big tech loans much before the debt maturity and borrow more frequently. Despite the borrowers’ limited access to conventional bank credit, the risk of big tech loans is similar to bank loans. Our findings suggest that the big tech loans serve short-term liquidity needs of borrowers in the ecosystem of the big tech lender, rather than competing with traditional banks to finance the borrowers’ long-term business expansions or enabling their over-borrowing.