



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

U.S. Small Business Lending Hits Record High *Small Businesses Getting into the Growth Mode*

(CHICAGO, IL — August 5, 2015) —The June data release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which is a leading economic indicator of GDP, increased 9% from 131.0 in May 2015 to 143.3 in June 2015, reaching a new high. Compared to the same month one year ago, the SBLI is up 19%.

“The small business economy is leading the charge for growth within an overall economic environment of slow progress that has defined the current expansion,” states William Phelan, president of PayNet. “Strong financial health means small businesses will find easier access to credit and more of them will find borrowing needs met” Phelan added.

Small businesses kicked it up a notch last month: Businesses in Transportation (+25.7%), Construction (+13.8%) and Accommodation and Food Services (+15.6%) sectors showed the highest growth. Agriculture (-14.8%), Mining (-5.2%) and Wholesale (-1.2%) sectors lag the national trend. A recent PayNet study shows improved credit markets could boost GDP upwards toward 3%.

The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) 31-90 days past due decreased 2 basis points from 1.24% in May 2015 to 1.22% in June 2015. As compared to one year ago, delinquency is flat; this is the first month since May 2014 that delinquency was not up year-over-year.

States that were lagging during the recession have shown a big uptick in borrowing – Florida (+11.5%), Pennsylvania (+9.3%) and California (+8.8%).

“This latest data release shows the private small business sector accelerating, which is a big positive as the U.S. economy evolves,” Phelan added.

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About

PayNet Inc. is the leading provider of credit ratings on small businesses enabling lenders to achieve optimal risk management, growth and operational efficiencies. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 23 Million contracts worth over \$1.3 Trillion. Using state-of-the-art analytics, PayNet converts raw data into real-time marketing intelligence and predictive information that subscribing lenders use to make informed small business financial decisions and improve their business strategy. For more information, visit paynetonline.com and sbinsights.net.

Thomson Reuters/PayNet Small Business Lending Index (SBLI)

The Small Business Lending Index (SBLI) is based on new commercial loan and lease originations by major U.S. lenders in PayNet’s proprietary database. This index measures the volume of loans to small businesses normalized to January 2005. Small businesses generally respond to changes in economic conditions more rapidly than do larger businesses, so this statistic is a leading indicator of the economy and predicts changes in GDP between 2-5 months.

Thomson Reuters/PayNet Small Business Delinquency Index (SBDI)

The Small Business Delinquency Index (SBDI) measures the financial stress of small businesses with \$1mm or less in credit outstanding.

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