



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

Small Business Growth Continues at Measured Pace

(BOSTON, MA — November 2, 2015) —The September 2015 data release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which is a leading economic indicator of GDP, increased 4% to 140.4 compared to the prior month. The August value had been restated from 136.1 to 135.6. On a year-over-year basis, the SBLI is up 11% compared to September 2014. Trend line growth continues at a healthy level -- 12% higher than the same period one year ago.

Sectors which show above average year-over-year growth include: Transportation and Warehousing (17%), Construction (11%), and Accommodation & Food Services (10%). These increases indicate consumer demand for delivered packages, home improvement, travel, dining and home sales.

“Consumer sectors are still the driver which means they have more discretionary income to spend,” states William Phelan, president of PayNet. “The consumer driven expansion is intact and will provide a positive lift to U.S. GDP in the next quarter.”

The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) 31-90 days past due increased 1 basis point to 1.20% from August to September. On a year-over-year basis, moderate delinquencies declined 7 basis points. This is the fourth consecutive month of year-over-year decreases after 12 straight months of increases. This level of credit risk remains lower than the long term average and stands near the all-time low of 1.15% reached in October 2013

“The concern that small business may be overheating remains low with this added borrowing at a measured pace,” Phelan noted. “Rising investment driven by the consumer combined with low credit risk means U.S. GDP will benefit from decent conditions among small businesses.”

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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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