



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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PayNet Expands Family of Economic Indicators with the Small Business Default Index

(Chicago, IL – February 9, 2016) – PayNet, the leader in small business credit assessment, announces the PayNet Small Business Default Index (SBDFI), an economic indicator designed to gauge small business defaults and signal insolvency across multiple sectors of the economy at the national, state and industry levels.

Default is a point-in-time measurement of borrowers that have failed to remain current and as such is a vital piece of information to assess risk exposure and evaluate the health of the overall economy.

Published on a monthly basis, the Small Business Default Index series tracks businesses that default on financial obligations. Small businesses are defined as companies with less than \$1 million in total debt – a population segment that represents more than 90% of all businesses. Defaults are measured by calculating the severely past due on payments on a substantial portion of debt outstanding. This Small Business Default Index is a series of 988 separate indices on a national, industry, state and state/industry basis.

“The perception among policymakers, lenders, regulators and the general public is that small businesses are high credit risk. SBDFI provides the facts with historical measures of defaults by geography and industry,” says William Phelan, president of PayNet. “Research shows SBDFI gives an advanced look at banking and financial distress up to 3 months faster than FDIC measures,” Phelan noted.

The SBDFI is the latest addition to PayNet’s family of indices, further transforming data into intelligent credit assessments on small businesses. In conjunction with PayNet’s Small Business Lending Index (SBLI), SBDFI provides new depth for analyzing industry trends within states.

You can access all the PayNet indices at Sbinsights.net, an interactive website.

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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.