



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

Press Release

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PayNet Releases PayNet MasterScore® for Alternative Lending *The First-Ever Pooled Data Score for Alternative Lenders to Predict Risk and Improve Credit Decisioning*

Chicago, IL (October 5, 2016)— PayNet, Inc., the nation’s small business credit expert, announces the release of the new PayNet MasterScore for Alternative Lending, the first ever pooled-data score for the Alternative Lending space. This score, which is a coming-of-age milestone for the industry, will help alternative finance lenders enhance their credit decisioning and increase profitability.

The over 25 million private U.S. companies constitute a \$4 trillion credit market. Alternative lenders are becoming a more integral source of credit for small business growth, providing over 100,000 loans totaling approximately \$5 billion to small businesses in 2015.

This new score builds on PayNet MasterScore v2 by bringing in additional variables and by optimizing specifically on a population of Alternative Loans and Merchant Cash Advances originated by a wide range of Alternative Lenders.

“Alternative loans are higher risk than traditional bank loans, but the nature of their risk is also different, as are a number of the warning signs of risk,” states Thomas Ware, PayNet’s Senior Vice President of Analytics & Product Development. “PayNet came out with the PayNet MasterScore for Alternative Lending to help alternative finance companies improve their credit decisioning and more safely provide capital to these millions of privately-held small businesses”

This model’s ability to identify credit risk is greater than other models used by alternative lenders as a result of leveraging a score built on extensive data from the much larger traditional lending space, but training it and other factors, on outcomes specifically in the Alternative space. Just as importantly, the PayNet MasterScore for Alternative Lending combines well with consumer scores to achieve even greater lift. The score is also unique in that PayNet’s member lenders have access to specific components and weightings, which alternative lenders can program as-provided, or calculate with further modifications of their own.

The PayNet MasterScore for Alternative Lending will launch at PayNet’s Booth #16 on Wednesday October 5 at LEND360, the premier business event in the online lending industry at the Chicago Marriott. PayNet’s president, William Phelan, will be presenting the keynote address *Real Help for Main Street* Thursday, October 6, providing insights on the credit gap and how to make starting and operating a business easier for the \$8.5 trillion small business economy.

PayNet Inc. is the leading provider of credit ratings on small businesses enabling lenders to manage credit risk, grow earning assets and operate credit at lower cost. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 24 million contracts worth over \$1.4 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 www.paynet.com.