



TAKING THE RISK OUT OF  
SMALL BUSINESS LENDING

## **U.S. Small Business Lending Reaches New Record** *Higher Borrowing and Investing Signal Strength for GDP*

(CHICAGO, IL — December 2, 2014) —The October release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which is a leading economic indicator of GDP, increased 12% compared to October 2013. The SBLI increased 4% from 127.1 in September 2014 to 131.8 in October 2014 reflecting signs of strength in the economy. This is the first time the SBLI has exceeded the pre-recession peak, though it did so just barely compared to the previous high of 131.7 in January 2007.

“This positive report indicates small business confidence has returned. They are investing at a rate on par with before the recession,” states William Phelan, president of PayNet. “Their financial health remains strong, so much so that the increased investment is creating profitable growth as no signs of material delinquency appears.”

Expansion has been accompanied by low and or falling delinquencies. The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) 31-90 days past due decreased from 1.26% in September 2014 to 1.25% in October 2014, which is only 10 basis points above the all-time low of 1.15% recorded in October 2013. Notably, the Transportation and Retail segments are both at all-time lows of 0.79% and 1.13%, respectively.

The SBDI 91-180 days past due remained flat at 0.31% from September to October. Compared to one year ago, severe delinquency is up 2 basis points from 0.29%.

“Borrowing and investing by small businesses can continue for some time,” states William Phelan, president of PayNet. “We see it fanning out into new geographic regions like the Southeast and South. More diverse businesses are borrowing money to invest. This investment will help drive GDP higher.”

### **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 \$1.2 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](http://paynetonline.com).

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### **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.

### **Press Contact:**

Jamie Born, Senior Director, Corporate Communications, PayNet, Inc.  
847-853-6117  
[jborn@paynetonline.com](mailto:jborn@paynetonline.com)