U.S. Small Business Lending Stays Steady, January, 2014
Small Business Economy Continues With Investment and High Credit Quality

(CHICAGO, IL — March 3, 2014) —The latest data release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which has proven to be a leading indicator of the GDP between 2-5 months, shows small business investment activity has not been frozen and the financial status of small businesses is healthy. The SBLI registered 117.2 in January, a 4% increase over last year. The Index decreased 4% compared to December, which was revised slightly from 121.5 to 122.5. However, December is usually strong as companies spend budgeted money before the year ends.

The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) decreased 1 bp to 1.16% in January 2014 for loans 31-90 days past due. As compared to one year ago, delinquency is down 12% (15 bps).

"Based on this latest data release the growth of the economy in the next 2 to 5 months will begin to heat up as asset forming investments encourage other add-on spending. January investment is especially promising in light of other weak financial releases in January, like the slowdown in manufacturing. Had small businesses not been as active, economic releases would have been even weaker in January," says William Phelan, president of PayNet.

This latest data release takes the pulse of the U.S. small business economy and adds one more steady month of expansion at low credit risk for small businesses. Small businesses are reacting to some demand for their goods and services by keeping their factories and tools in good working order and investing in more. Although this investment remains unexciting, it is another month of steady investment increase, while credit quality remains very high among small businesses as well.

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 21 Million contracts worth over $1 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 sbinsights.net.

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

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