



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

U.S. Small Business Lending Picking Up Momentum April 2014

Small Businesses Investing with More Confidence

(CHICAGO, IL — June 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 GDP between 2-5 months, shows small business investment gathering steam. The SBLI registered 126.5 in April 2014, an 18% increase over April 2013. The Index increased 10% compared to March 2014 which had a minor revision from 115 to 115.3. The three-month trend line has risen to 14% territory and indicates the economy is likelier to expand in the second quarter after a troubled first quarter.

“When small businesses invest and maintain strong finances, the national economy is likely to grow,” states William Phelan, president of PayNet, Inc. “This latest report of small business trends bodes well for more economic expansion of U.S. GDP in 2014.”

The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) which measures loans more than 30 but less than 91 days past due remained flat at 1.20% in April 2014 compared to March 2014. Compared to one year ago, April 2013, delinquency is 3 basis points lower in April 2014.

Small businesses are financing these investments without falling behind on their payments indicating pay-offs from these investments for now. In this current data release, Transportation and Agriculture sectors are both at all-time lows of 1.01% and 0.31% while Construction and Retail are up 0.02% and 0.01%.

“The small business economy is reflecting a shift in momentum after the first quarter. After years of tepid and halting expansion, small business owners finally appear to have more confidence,” said Phelan.

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 22 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.

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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.

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