U.S. Small Business Lending Pauses in November
Growing Investment Slows To A Sustainable Pace

(CHICAGO, IL — January 6, 2015) —The November release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which is a leading economic indicator of GDP, increased 1% compared to November 2013. The SBLI decreased 11% from 129.7 in October 2014 to 116.0 in November 2014 suggesting growth at a more moderate pace. The October 2014 SBLI was restated downward to 129.7 from 131.8, but even with this restatement, October SBLI remains the second highest value since PayNet started tracking this index.

 "After several months of double-digit growth, small companies were bound to pull back on further investment," states William Phelan, president of PayNet. "Their financial health remains strong and trend line growth is higher than the same period a year ago."

Small businesses continue to show strong balance sheets and income statements. The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) 31-90 days past due stayed flat at 1.25% in November 2014 compared to October 2014, which is only 10 basis points above the all-time low of 1.15% recorded in October 2013. The SBDI 91-180 days past due also remained flat at 0.31% from October to November. Compared to one year ago, severe delinquency is up 1 basis point.

 "Small business owners remain positive about future economic conditions based on the strength of domestic demand and the beneficial effects of a strong credit cycle," states William Phelan, president of PayNet. "Last quarter's 5% GDP growth is unsustainable. This SBLI release is good news because it points towards an expansion that can be sustained."

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.

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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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