



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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Minnesota Small Business Defaults Down in April, as is Borrowing

The percentage of small firms defaulting on loans has fallen in Minnesota and the level of borrowing activity decreased in April 2017, data released by PayNet show.

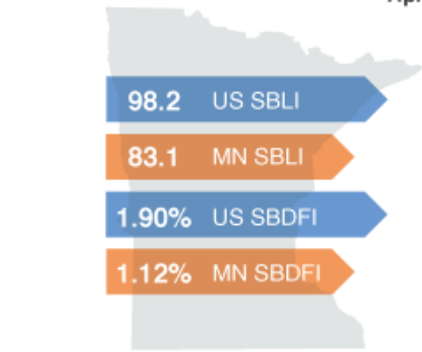
Following a 4 basis point decline from March, Minnesota's PayNet Small Business Default Index (SBDFI) of 1.12% ranked best nationally and was 78 basis points less than the national SBDFI level of 1.90%. The national SBDFI rose 26 basis points year-over-year, whereas Minnesota's SBDFI dipped 6 basis points.

Transportation and Warehousing (3.98%); Finance and Insurance (2.26%); and Accommodation and Food Services (2.24%) displayed the highest default rates of all industries in Minnesota. Nationally, Transportation and Warehousing had a default rate of 4.54%, with a difference of +1.12% compared to the prior year versus a variance of +1.99% in Minnesota.

The PayNet Small Business Lending Index (SBLI) for Minnesota came in at 83.1, down 1.9% from the previous month's level and 15.4% lower than the national SBLI level this month (98.2).

"More definitive trends are needed to gauge the future economic performance for Minnesota," states William Phelan, president of PayNet.

Minnesota Small Business Credit Trends
April 2017



Source: SBinsights.net

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About

PayNet 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 \$1.4 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.

PayNet Small Business Lending Index (SBLI)

The PayNet 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 formulated on a rolling 12-month basis. Small businesses generally respond to changes in economic conditions more rapidly than do larger businesses; this statistic is a leading indicator of macroeconomic and industry trends

PayNet Small Business Default Index (SBDFI)

The PayNet Small Business Default Index (SBDFI) measures the percent of loans and leases to small businesses that have defaulted in the past 12 months.

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