

## Texas Small Business Defaults Deteriorate in April

In April 2017, more of Texas' small businesses defaulted on existing loans, with default rates in 9 of the 18 major industries rising in the state, data released by PayNet shows.

Following a 4 basis point rise from March, Texas' PayNet Small Business Default Index (SBDFI) at 3.18% trailed all states and was 128 basis points greater than the national SBDFI level of 1.90%. Over the last year, Texas' SBDFI rose 59 basis points, which was a much higher upturn than the 26 basis point increase displayed by the national SBDFI.

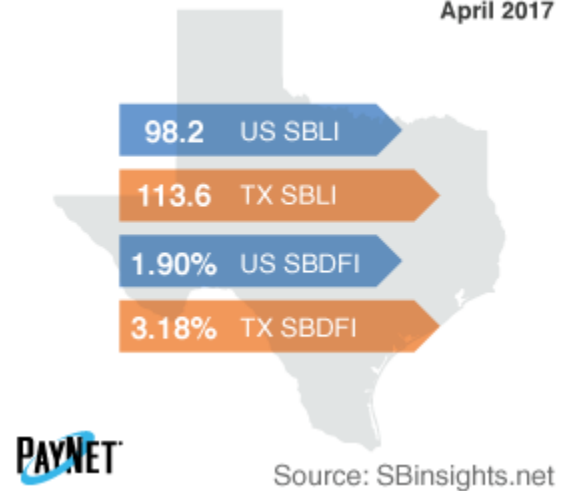
Mining, Quarrying, and Oil and Gas Extraction (7.26%); Transportation and Warehousing (7.18%); and Manufacturing (4.51%) exhibited the worst default rates of all industries in Texas. Nationally, Mining, Quarrying, and Oil and Gas Extraction had a default rate of 4.46%, with a change of +1.51% compared to the prior year versus a variance of +2.60% in Texas.

The PayNet Small Business Lending Index (SBLI) for Texas registered at 113.6, exceeding the national SBLI level (98.2) and performing comparably to last month's state level. Small business borrowers are cautiously considering investment.

"Time will tell how these conditions will affect Texas's economy going forward," states William Phelan, president of PayNet.

### Texas Small Business Credit Trends

April 2017



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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](http://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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