



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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Texas Small Business Borrowing Stalls in February

In February 2017, Texas' small firms borrowed comparably to the previous month, according to data published by PayNet. Of the 18 major industries, 10 increased and 7 descended in Texas.

Registering at 113.3, the PayNet Small Business Lending Index (SBLI) for Texas exceeded the national SBLI level of 99.0 and performed on par with last month's state level. We can cautiously anticipate improving economic conditions in Texas based on recent small business investment.

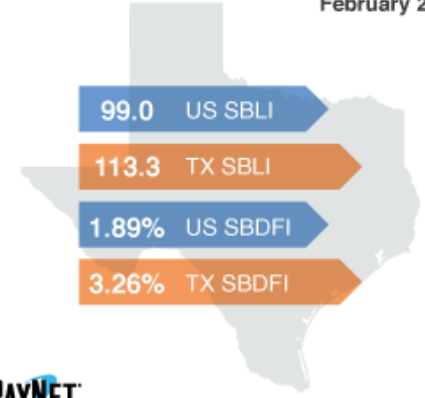
Arts, Entertainment, and Recreation (41.2%); Admin & Support and Waste Management & Remediation Services (6.6%); and Information (0.5%) were the three industries with the most favorable performance over the past year in Texas. At 202.4, this is the highest the Arts, Entertainment, and Recreation industry has ever been in the state.

The PayNet Small Business Default Index (SBDFI) for Texas registered the highest default rate in the country at 3.26%. After a similar performance to the previous month, Texas' SBDFI was 137 basis points above the national SBDFI level of 1.89%. Texas' SBDFI climbed 104 basis points over the last year, while the national SBDFI rose 30.

"Time will tell how these conditions will affect the Texas economy going forward," says the president of PayNet, William Phelan.

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Texas Small Business Credit Trends
February 2017



Source: SBinsights.net

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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