



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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Florida Small Business Defaults Up in February

In February 2017, small business loan defaults increased in Florida's business community, data released by PayNet show. Of the 18 major industries, 9 worsened and 8 improved in the state.

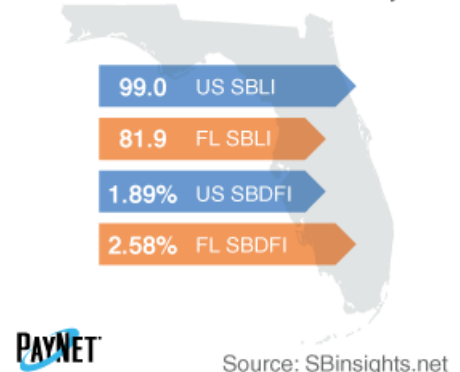
The PayNet Small Business Default Index (SBDFI) for Florida registered at 2.58% following a 9 basis point rise from January. Florida's SBDFI was 69 basis points higher than the national SBDFI level of 1.89%. Rising default rates over the past year signal heightened financial stress in the state. Over the last year, Florida's SBDFI increased 75 basis points, which was a significantly steeper rise than the 30 basis point increase displayed by the national SBDFI.

Transportation and Warehousing (6.11%); Professional, Scientific, and Technical Services (3.73%); and Finance and Insurance (3.02%) recorded the worst default rates of all industries in Florida. Nationally, Transportation and Warehousing had a default rate of 4.44%, with a difference of +1.31% compared to the prior year variance of +0.90% in Florida.

Florida's PayNet Small Business Lending Index (SBLI) came in at 81.9, down 0.8% from the previous month's state level, but 17.3% lower than the national SBLI level this month. Small business borrowers are being cautious and holding off on new investment.

"The increasing default rate over the past year has created a cautious lending environment," states the president of PayNet, William Phelan.

Florida Small Business Credit Trends
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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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