



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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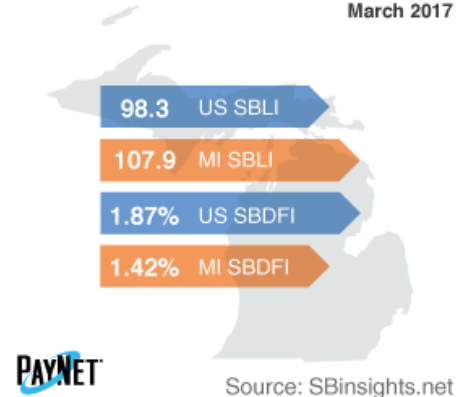
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Small Business Defaults in Michigan on the Rise in March

PayNet, the premier provider of credit ratings on small businesses, announces that in March 2017 a greater number of small firms defaulted on loans in Michigan, with default rates in 10 of the 18 major industries rising in the state.

PayNet's Small Business Default Index (SBDFI) for Michigan stood at 1.42% following a 7 basis point rise from February. Michigan's SBDFI was 45 basis points less than the national SBDFI level of 1.87%. The uptick in defaults over the past two months may signal deteriorating financial health in the state. The national SBDFI increased 25 basis points year-over-year, while Michigan's SBDFI rose 5.

Michigan Small Business Credit Trends
March 2017



The industries with the highest default rate in Michigan were Mining, Quarrying, and Oil and Gas Extraction (4.69%); Transportation and Warehousing (3.83%); and Accommodation and Food Services (2.25%). Nationally, Mining, Quarrying, and Oil and Gas Extraction had a default rate of 4.61%, with a difference of +1.81% compared to the prior year variance of +3.07% in Michigan.

Michigan's PayNet Small Business Lending Index (SBLI) registered at 107.9, exceeding the national SBLI level of 98.3 despite declining by 0.6% from last month's state level. Small business borrowers are being cautious and holding off on new investment.

"Declining investment and deteriorating financial health exhibited by Michigan's small businesses set the stage for a slowing economy," asserts the president of PayNet, William Phelan.

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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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