



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

MEDIA ALERT

EMBARGO 5a.m. ET-Monday, April 11, 2016

RELEASE- LendIt San Francisco

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New Data Compiled by PayNet Shows Online Lenders Filling the Credit Gap

WHAT: PayNet's new study releasing at LendIt Monday April 11, 2016- **Filling the Credit Gap** addresses the question...Are online lenders filling the small business credit gap? According to Bill Phelan, president of PayNet "You can't outrun bad credit" is one of the notable issues for online lenders during the business cycle. This data is derived from PayNet's proprietary database of \$1.3 trillion worth of small business loans and leases that analyzes borrowing and lending patterns.

FINDINGS:

- Cumulative industry defaults for 11 vintages by quarter of origination starting 4th quarter 2012 through 2nd quarter 2015 range from 7.7% to 9.7%.
- Cumulative vintage analysis by lender shows market segmentation by credit quality.
- With current loan yields, lenders serving the markets consisting of the highest and average quality borrowers can maintain profitability before non-credit expenses.
- PayNet's research shows that during a recession the default rates of borrowers will shift as much as 200 to 300 percent higher than non-recession periods depending on the quality of the underlying borrower and migration.
- The online lender industry appears here to stay.

DETAILS:

- **To obtain a copy of the PayNet's study visit:** <http://lp.paynetonline.com/credit-gap>
- **PayNet will be at LendIt Booth # 723 on April 11-12, San Francisco Marriott Marquis**
- **Monday April 11 at 5:20pm-5:50pm-At LendIt-PayNet Joins A Small Business Financing Panel Discussion: Underwriting Small Business Borrowers**

ABOUT:

PayNet is the leading provider of credit ratings on small business to enable lenders better risk management, growth and operational efficiencies. PayNet's proprietary database - updated weekly - is the richest and largest collection of commercial loans and leases, encompassing more than 23 Million current and historic contracts worth \$1.3 Trillion. Using state-of-the-art analytics, PayNet converts raw data into real-time market intelligence and predictive information that subscribing lenders use to make informed small business financial decisions and improve their business strategy. For more information visit paynetonline.com and www.sbinsights.net