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New Study Reveals Disturbing Trend in Business Bankruptcies ***Healthy U.S. Small Businesses Abruptly Deteriorating in Terms of Loan Performance***

(San Diego, CA—October 19, 2009)— A new study by PayNet, Inc. a firm that provides risk management tools and credit market insight to the commercial credit industry, has uncovered what could be an alarming new trend in business bankruptcies.

Traditionally, loan delinquencies have provided lenders with an early warning that borrowers may be headed for trouble. But in this economic downturn, that rule of thumb no longer seems to be the best indicator.

"We've had many commercial lender clients discussing the rapid and unexpected deterioration of what were thought to be strong customers," said Bill Phelan, president and founder of Skokie, Illinois-based PayNet, Inc.

The PayNet Loss Reduction Study consisted of 750 small businesses that filed for bankruptcy in the first half of 2009 resulting in \$58 million in losses. The purpose is to shed light on future bankruptcies to avoid sudden losses resulting from the 100,000 small business bankruptcies in the past 12 months which placed obligations totaling more than \$10 billion in commercial loans at risk for lenders.

PayNet ran the 750 businesses through its extensive proprietary database of small business loan performance -which encompasses more than 16 million current and historic contracts worth over \$700 billion – and found that 50 percent of the filers were current with one or more of their lenders when they filed for bankruptcy.

"Approximately half of the lenders never saw it coming. They were blindsided," Phelan said.

"Take the case of a Midwest printing distributor that filed Chapter 11 in March owing creditors over \$15 million," said Phelan. "At the time of the bankruptcy, many of the dozen lenders expressed some surprise at the business' failure. The global view of the borrower's payments shows the escalating problems up to six months before the bankruptcy".

"We're not suggesting that lenders can call any loan just because others are experiencing difficulty collecting. But they can take steps to solidify and improve their position," Phelan noted.

PayNet will provide a component of this overall study at Booth #18 at the Equipment Leasing Finance Association (ELFA) National Convention in San Diego October 18-20, 2009. While in San Diego, PayNet will also be addressing over 550 industry executives presenting *Credit, Risk and Management Trends in the New Economic Environment* at the ELFA Industry Conference.

PayNet, Inc. is the premier provider of risk management tools and market insight to the commercial credit industry, collecting real-time loan information from major U.S. lenders and turning it into actionable intelligence. The company's proprietary database – updated weekly – is the richest and largest collection of commercial loans and leases, encompassing more than 16 million current and historic contracts worth more than \$700 billion. Using state-of-the-art analytics, PayNet converts raw data into real-time market intelligence and predictive information that subscribing lenders use to manage risk, originate more loans and improve their business strategy. For more information visit PayNetonline.com.

Commercial and Industrial (C&I) Loans represent \$1.4 trillion. More than half the money invested in plants, equipment and software in the United States in any given year is financed with loans, leases and lines of credit.