



Commercial Lending
Insights



March 2025

SMALL BUSINESS INDICES – JANUARY 2025



Small Business Lending Index:

- The Equifax Small Business Lending Index (SBLI) seasonally adjusted originations decreased 1% from 149.3 in December to 147.3 in January 2025. Compared to the same month one year ago, the index is down 1%. The rolling three-month index at 147.2 is up 1% compared to one year ago and flat from one month ago.

Small Business Delinquency 31-90% Index:

- US SBDI 31-90% decreased 4 bps from 1.74% in December to 1.70% in January 2025. As compared to one year ago, delinquency is down 3 bps. Month-over-month, all industry segments decreased: Transportation 14 bps, Retail 5 bps, General 4 bps, Construction 3 bps, and Agriculture 1 bp.

Small Business Default Index:

- US SBDFI decreased 1 bp from 3.38% in December to 3.37% in January 2025. As compared to one year ago, default is up 26 bps (8%) – the index has been up year-over-year since December 2022.

SMALL BUSINESS INDICES – ECONOMIC CONTEXT



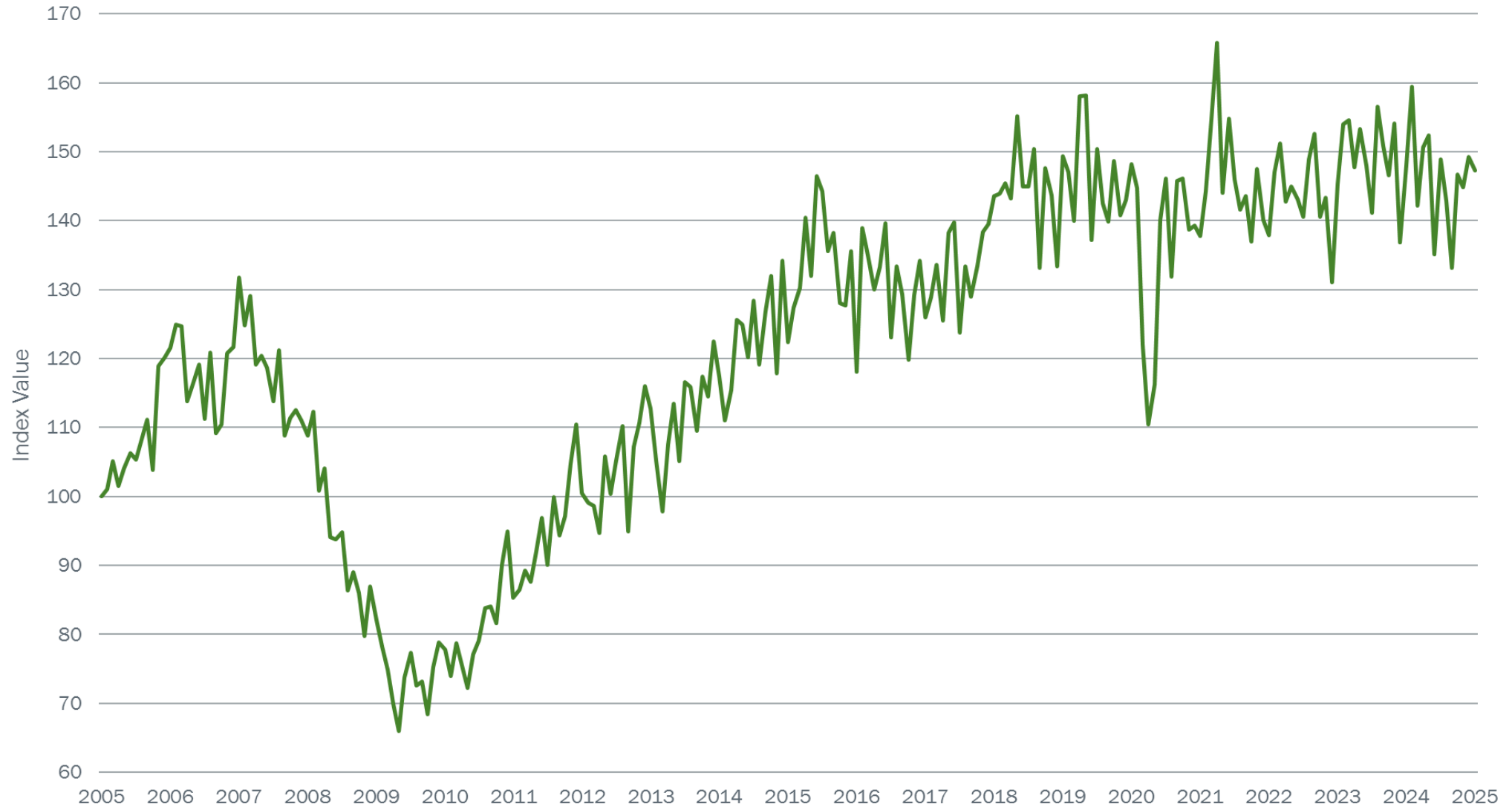
- Equifax data indicates that small business lending activity is generally holding up, while delinquency and default rates are trending down. Further, the labor market remains healthy even though job growth has slowed, and while consumer spending has weakened somewhat in Q1, it remains above water, largely due to higher-income households.
- However, uncertainty is unusually high, largely due to the increasingly likely possibility of broad-based tariffs targeting major U.S. trading partners. While some industries may benefit, trade policy disruptions are already disrupting economic growth projections and are at least partly to blame for recent declines in both consumer and business confidence.

Small Business
Lending Index (SBLI)



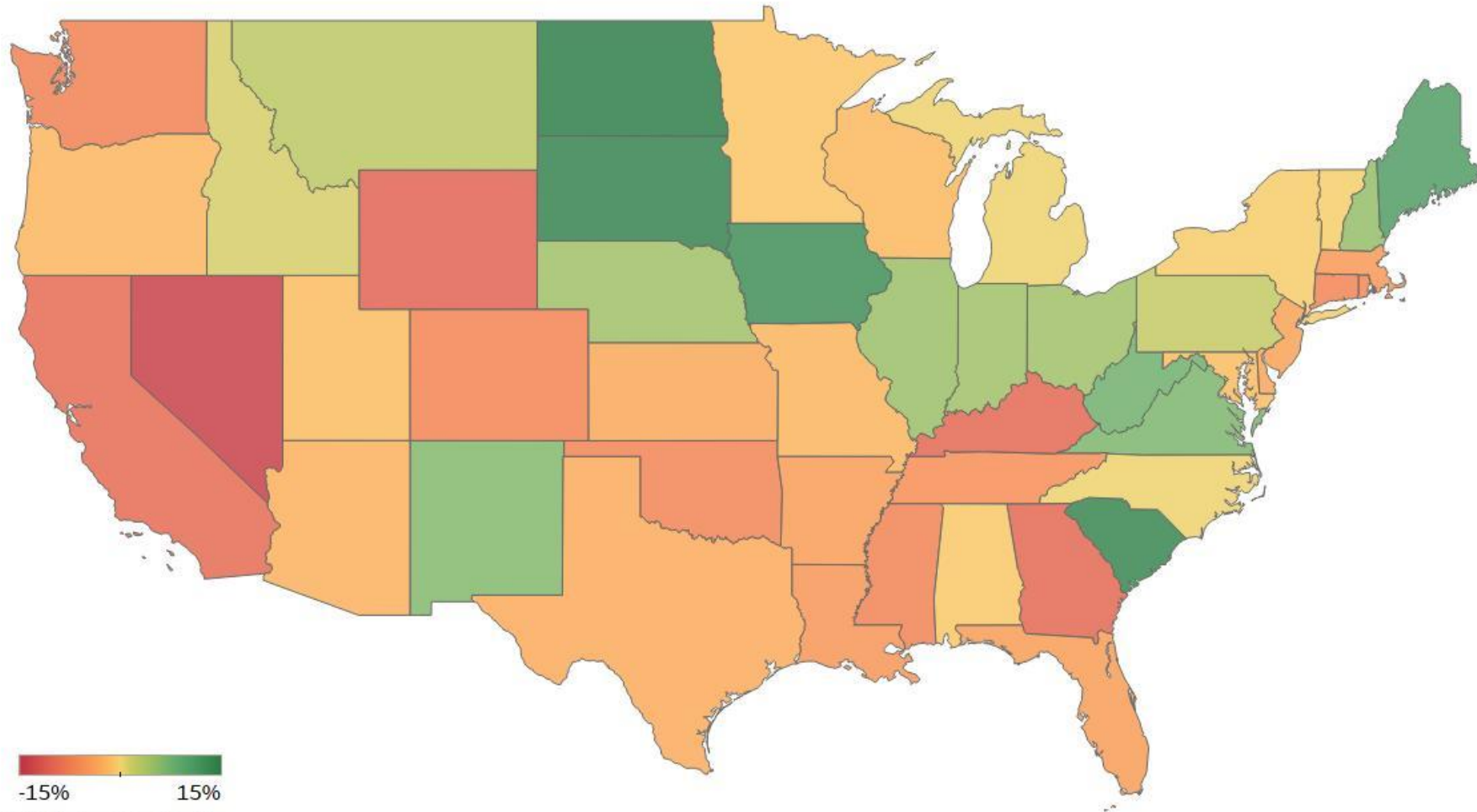
SMALL BUSINESS LENDING INDEX (SBLI)

JANUARY 2005–JANUARY 2025



12 MONTH ROLLING SBLI YEAR-OVER-YEAR CHANGE

JANUARY 2025 VS. JANUARY 2024



-15% 15%
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12 MONTH ROLLING SBLI NATIONAL BY INDUSTRY

JANUARY 2025

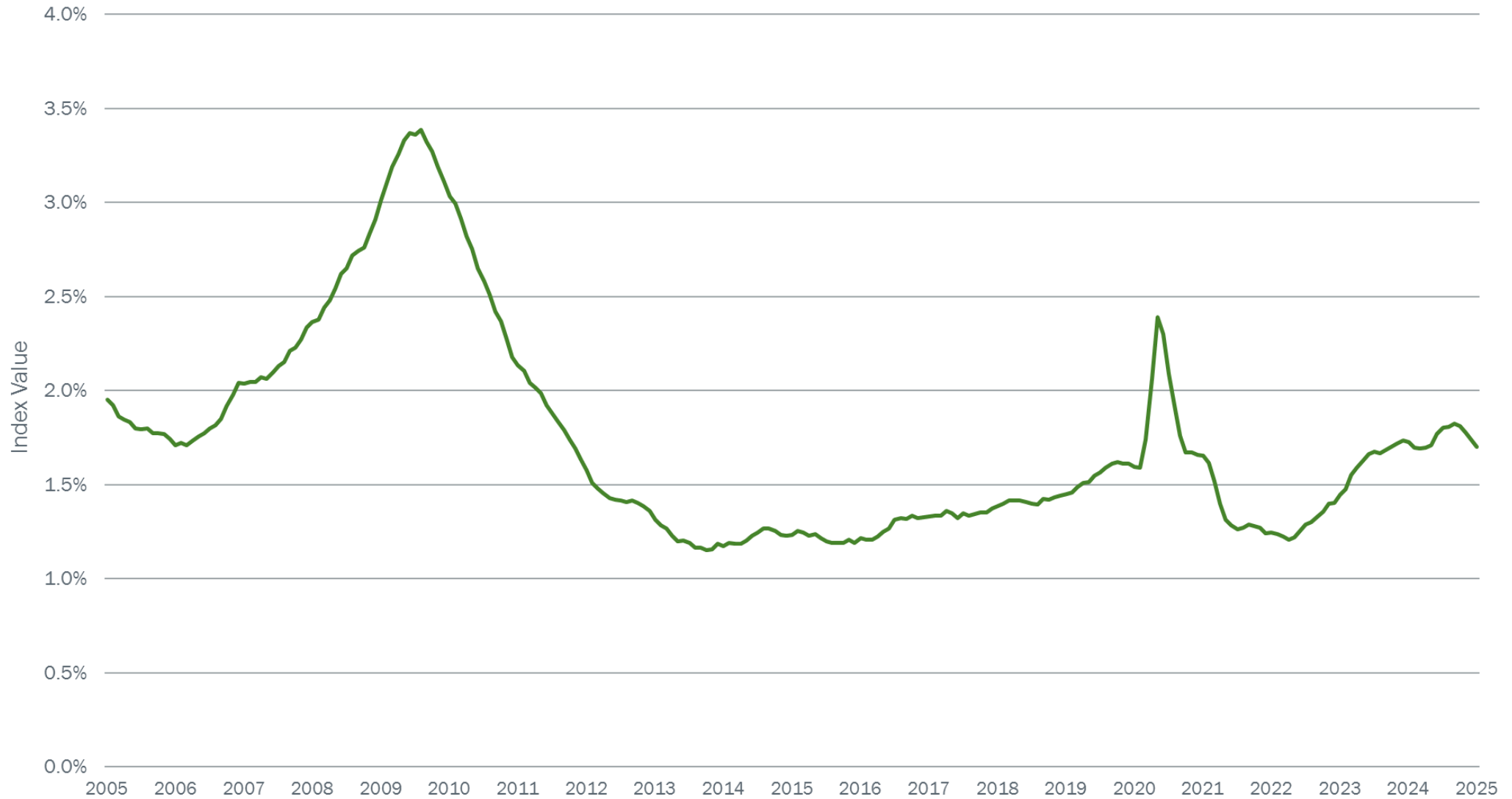
Industry	YoY % Change	MoM % Change
Mining, Quarrying, and Oil and Gas Extraction	-11%	-4%
Manufacturing	-9%	1%
Transportation and Warehousing	-7%	0%
Other Services (except Public Administration)	-6%	0%
Accommodation and Food Services	-6%	0%
Information	-6%	-1%
Wholesale Trade	-5%	-1%
Real Estate and Rental and Leasing	-5%	1%
Administrative and Support and Waste Management	-5%	1%
Professional, Scientific, and Technical Services	-4%	1%
Agriculture, Forestry, Fishing and Hunting	-4%	0%
Retail Trade	-3%	0%
Educational Services	1%	1%
Finance and Insurance	1%	0%
Construction	2%	0%
Health Care and Social Assistance	6%	0%
Arts, Entertainment, and Recreation	7%	1%
Overall US	-2%	0%

Small Business
Delinquency Index (SBDI)



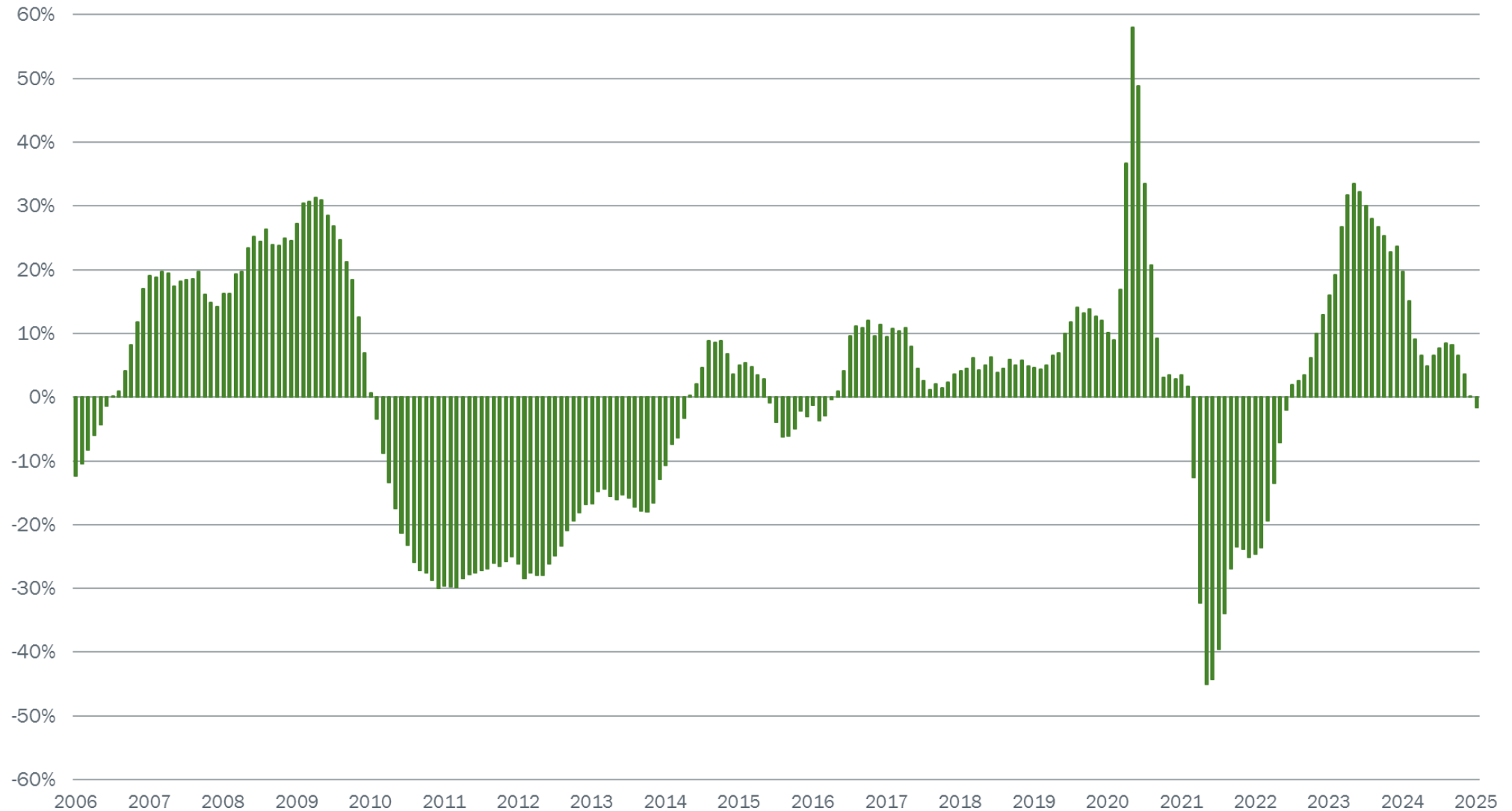
SMALL BUSINESS DELINQUENCY INDEX (SBDI) 31-90%

JANUARY 2005–JANUARY 2025



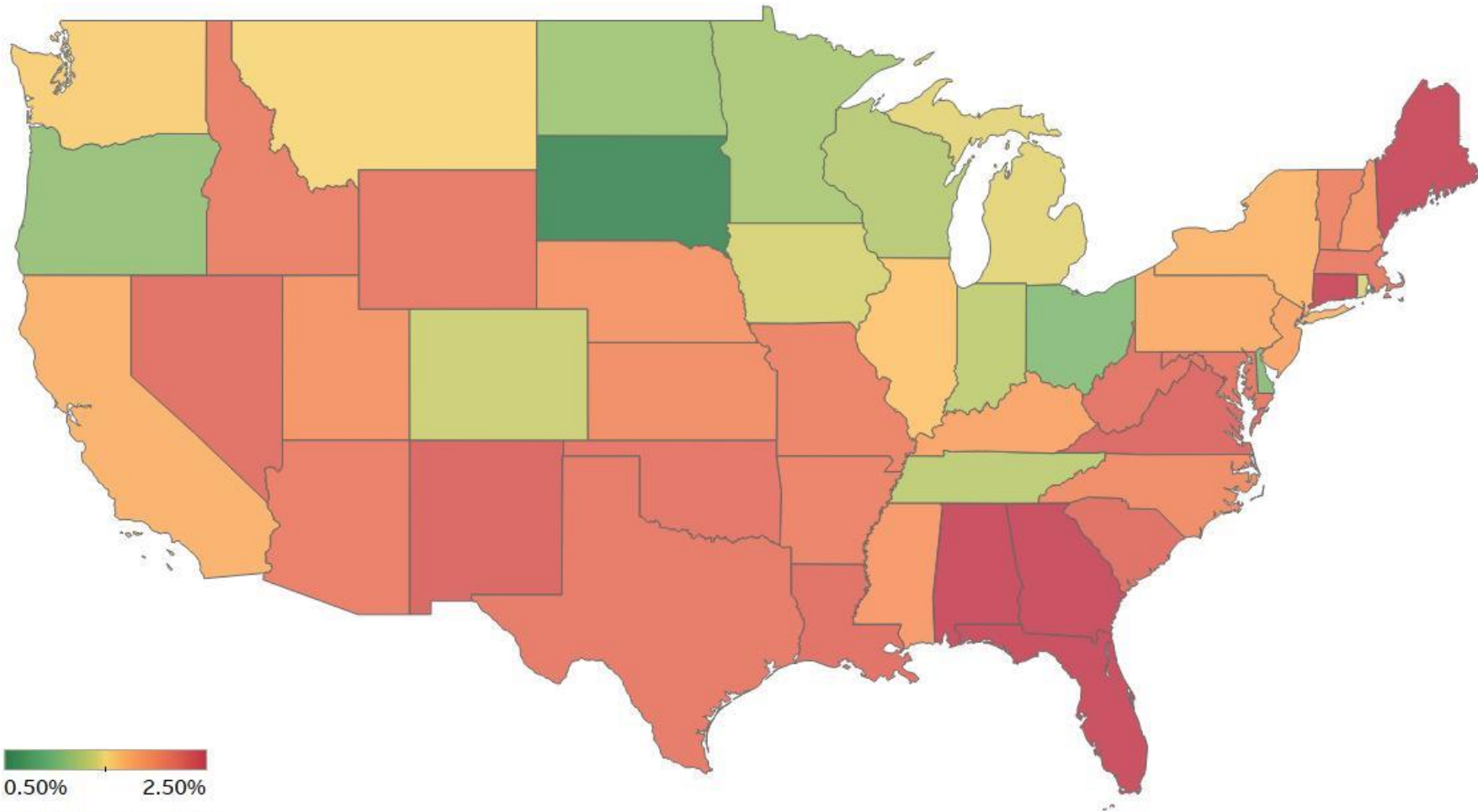
SBDI 31-90% YEAR-OVER-YEAR CHANGE

JANUARY 2006–JANUARY 2025



SBDI 31-90% INDEX VALUES

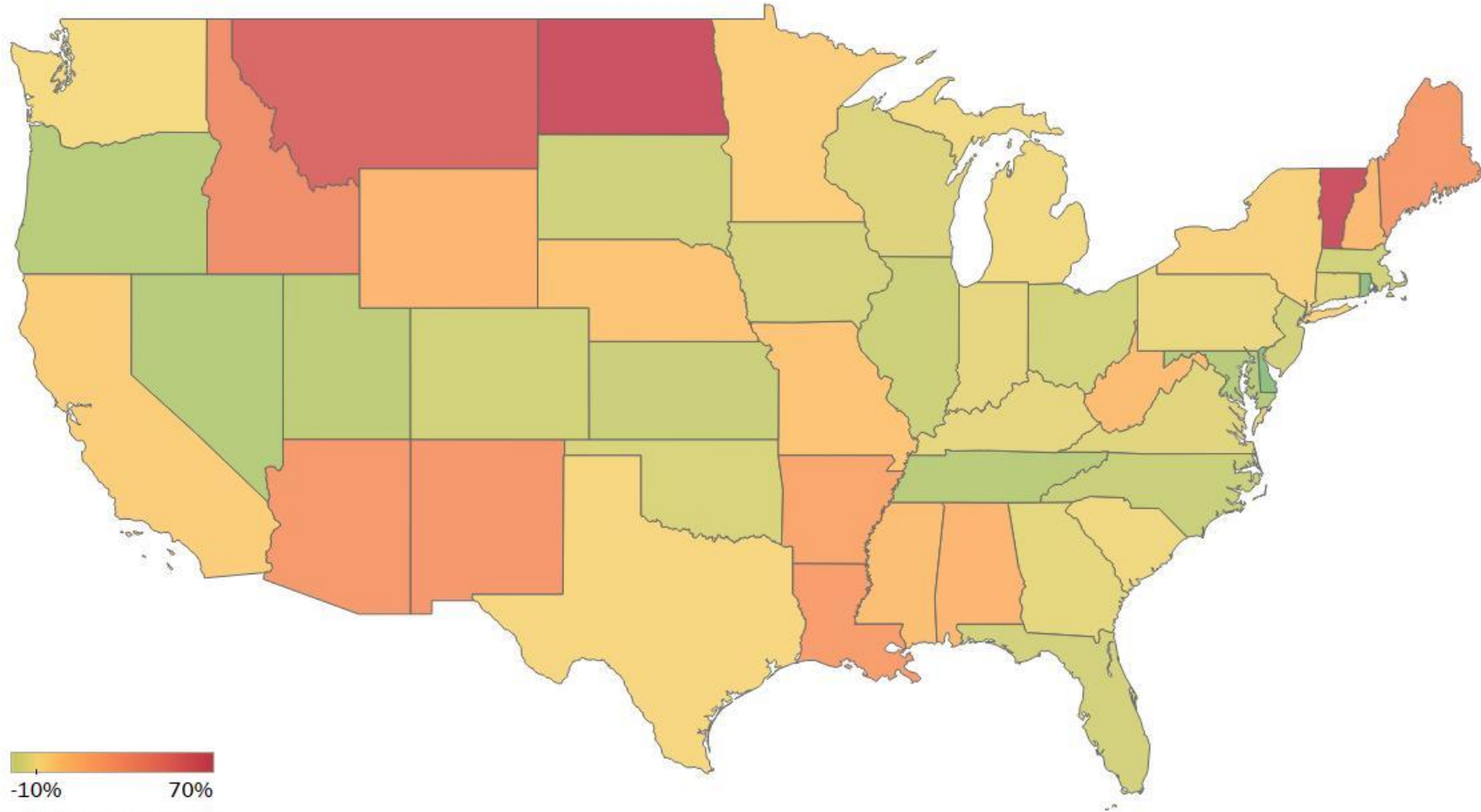
JANUARY 2025



0.50% 2.50%
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SBDI 31-90% YEAR-OVER-YEAR CHANGE

JANUARY 2025 VS. JANUARY 2024

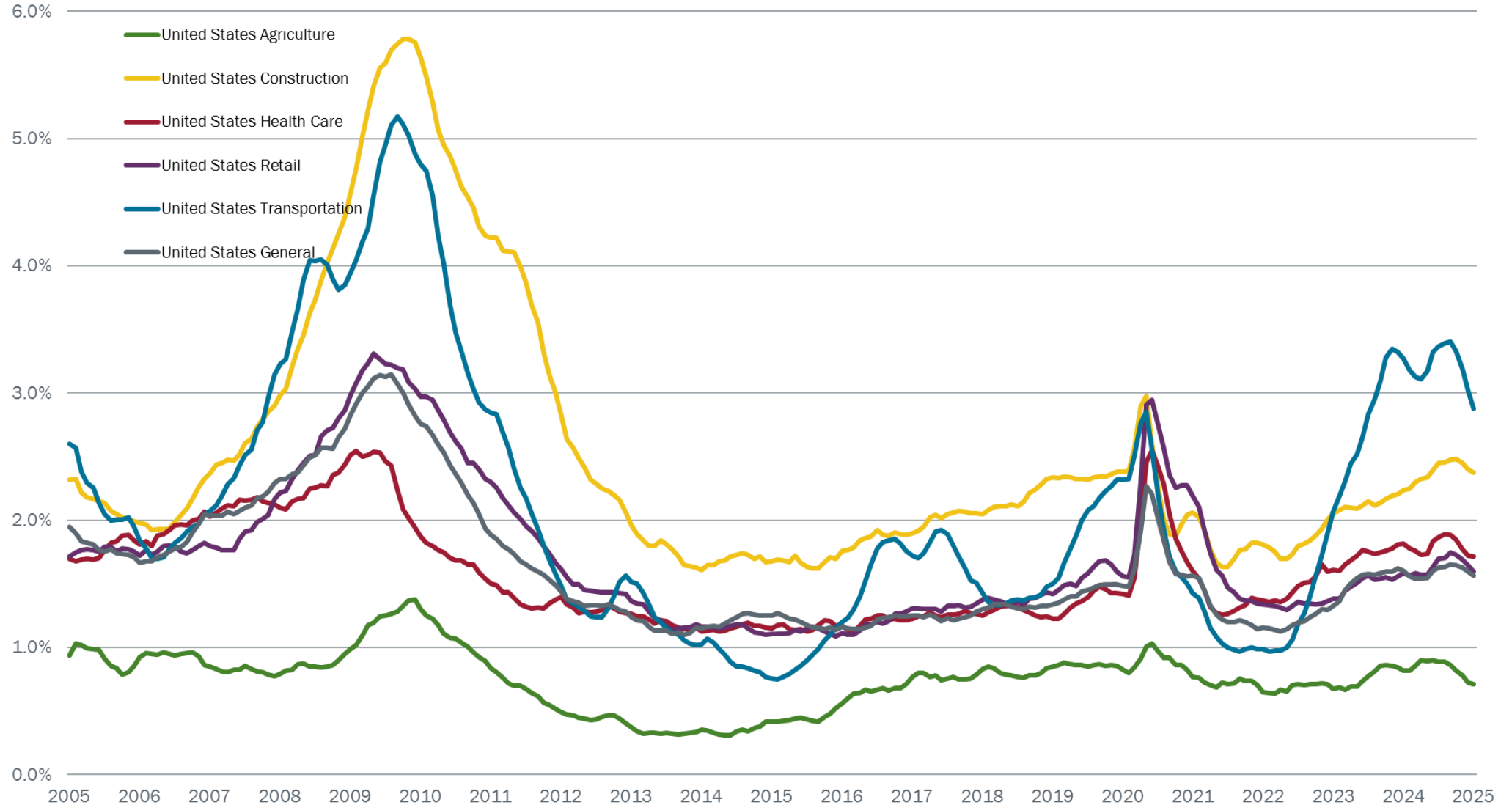


-10% 70%

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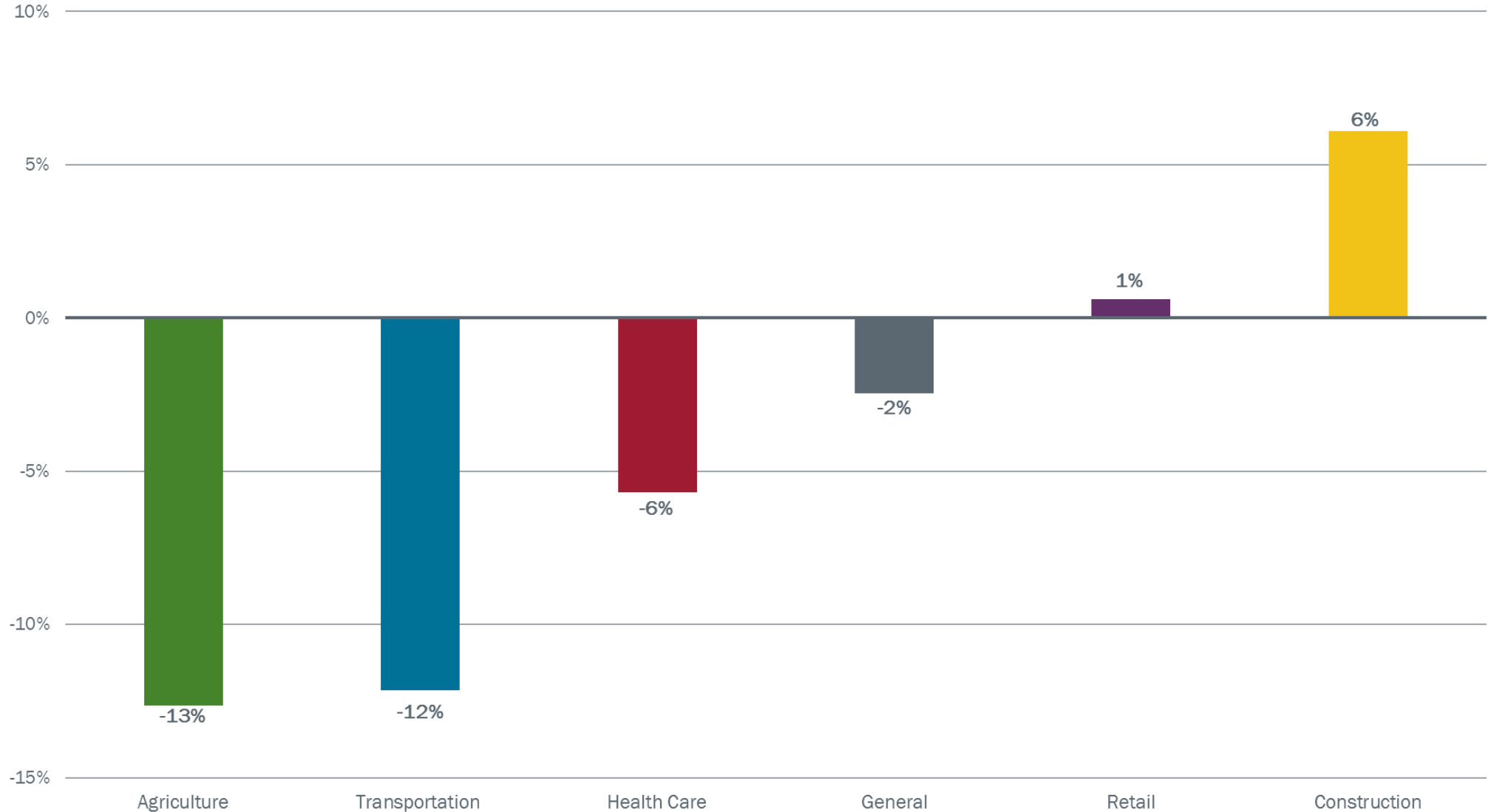
SBDI 31-90% NATIONAL BY INDUSTRY

JANUARY 2005–JANUARY 2025



SBDI 31-90% NATIONAL BY INDUSTRY

JANUARY 2025 VS. JANUARY 2024

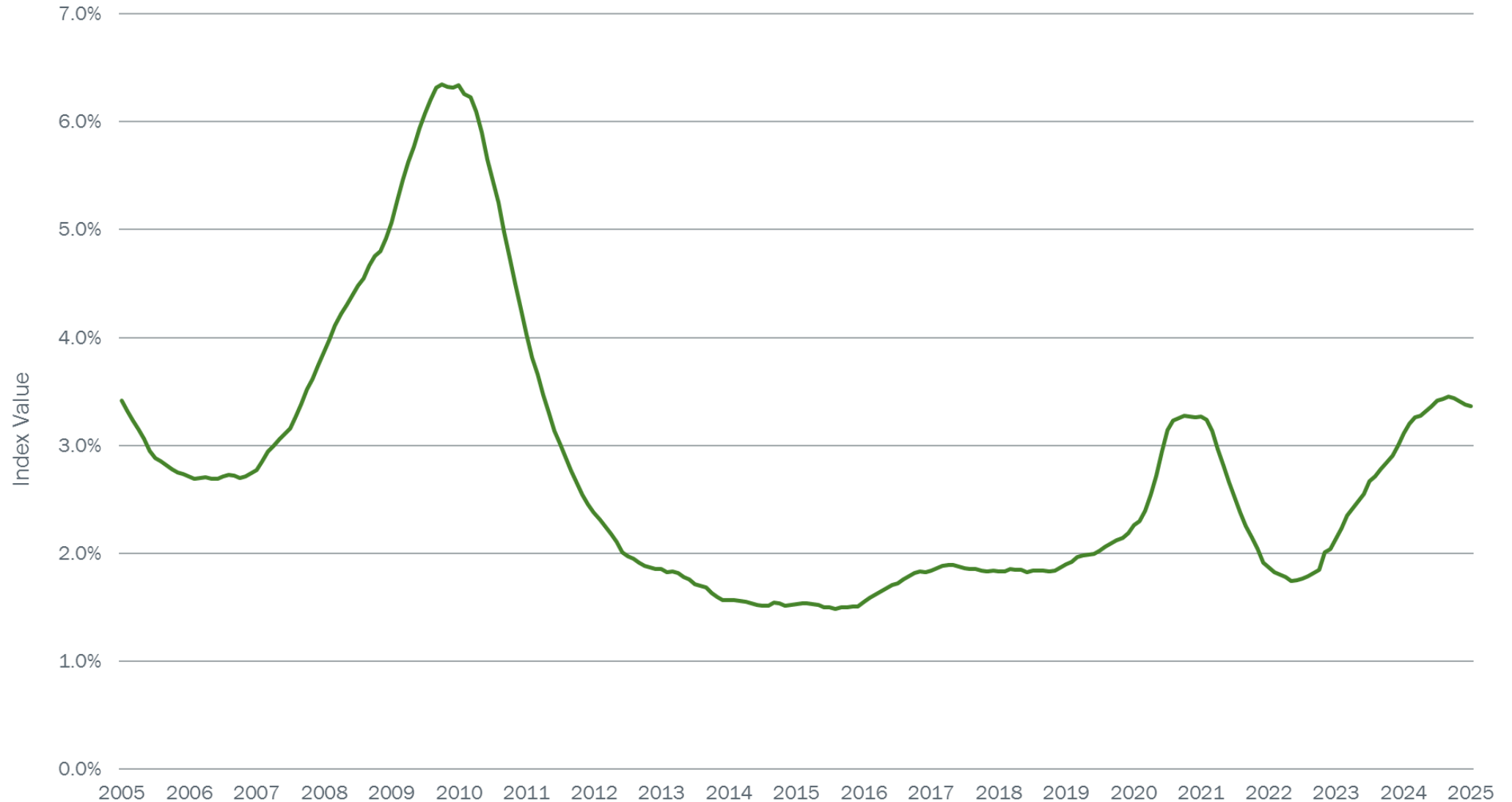


Small Business
Default Index (SBDFI)



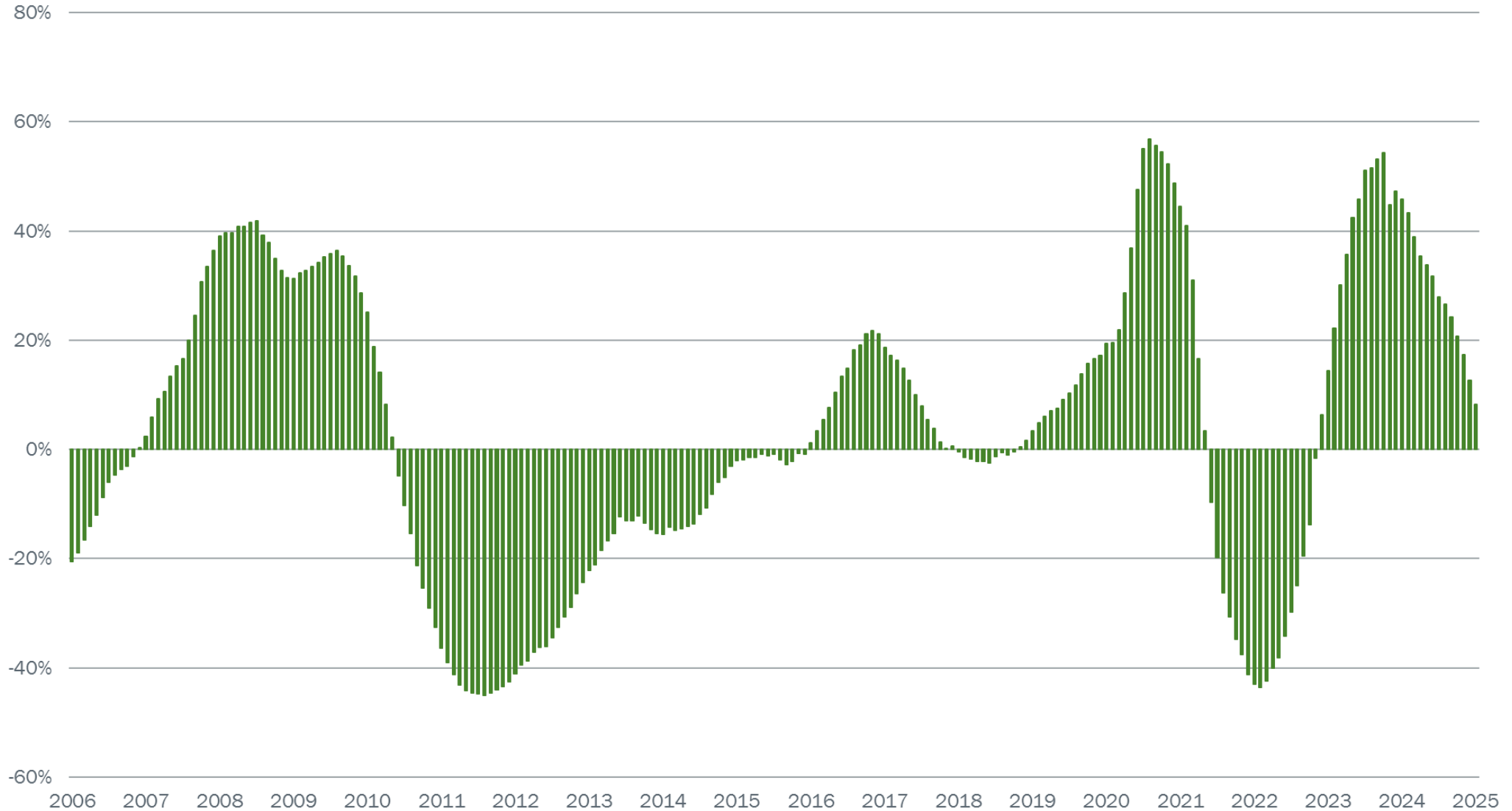
SMALL BUSINESS DEFAULT INDEX (SBDFI)

JANUARY 2005–JANUARY 2025



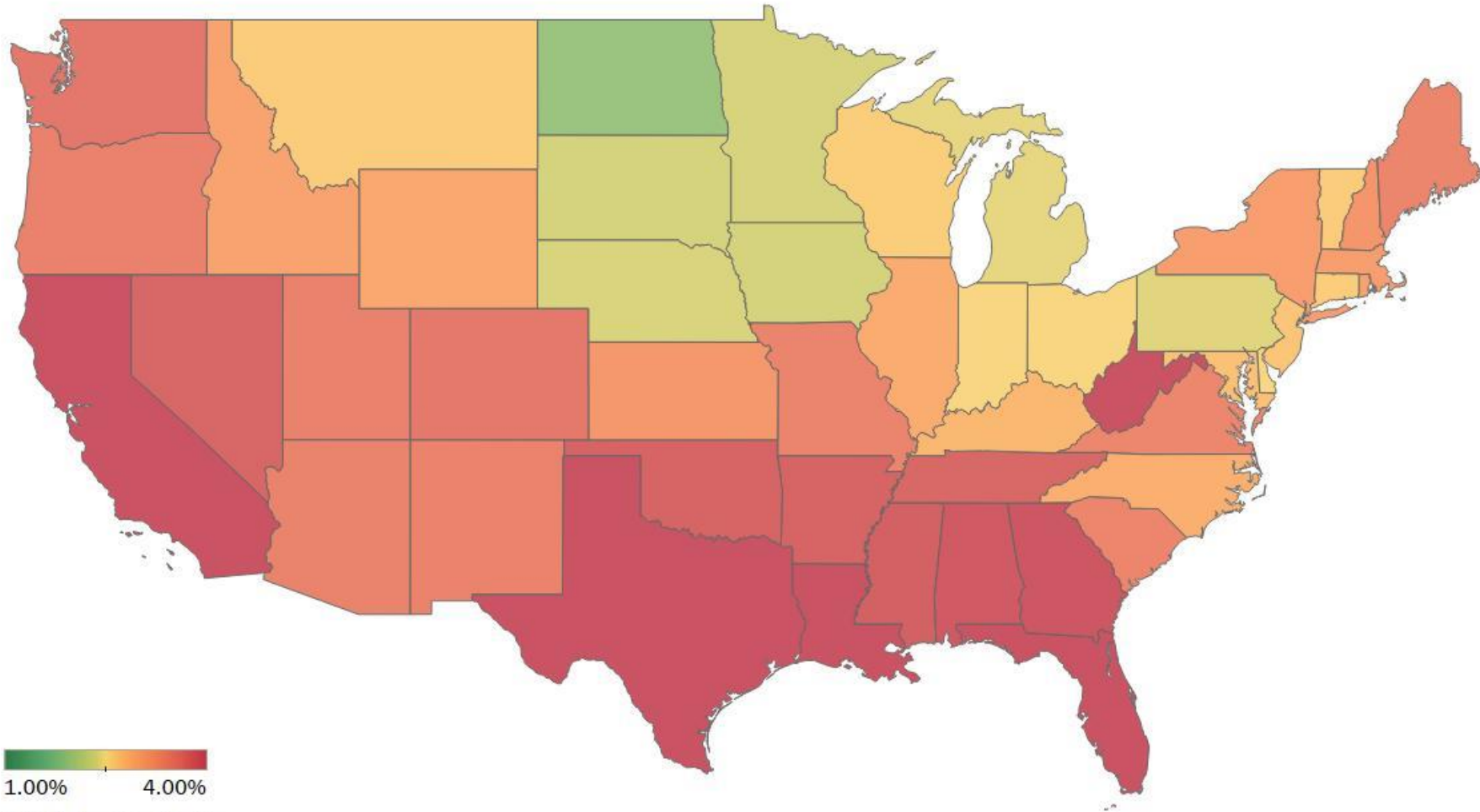
SBDFI YEAR-OVER-YEAR CHANGE

JANUARY 2006–JANUARY 2025



SBDFI INDEX VALUES

JANUARY 2025

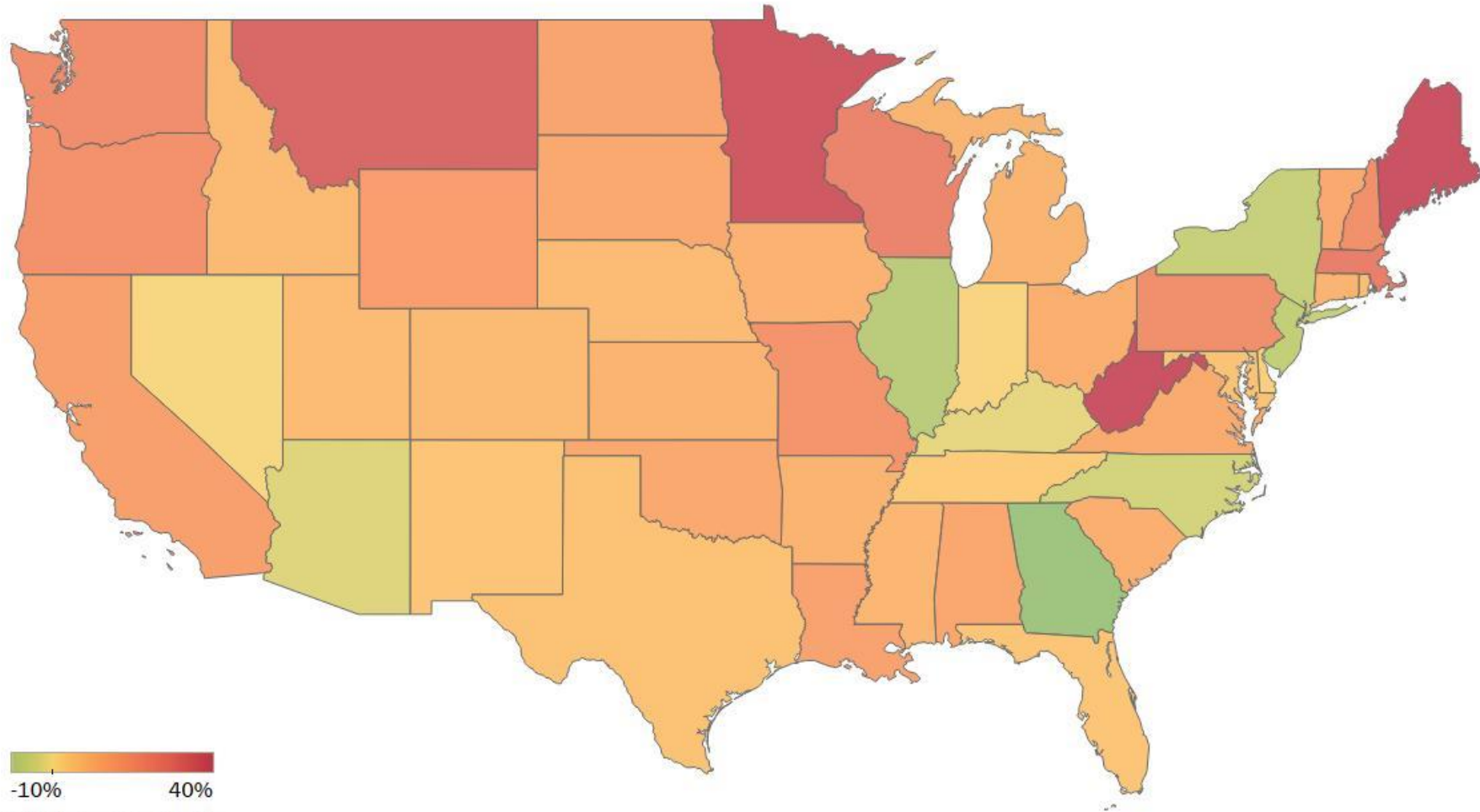


1.00% 4.00%

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SBDFI YEAR-OVER-YEAR CHANGE

JANUARY 2025 VS. JANUARY 2024



-10% 40%
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SBDFI NATIONAL BY INDUSTRY

JANUARY 2025

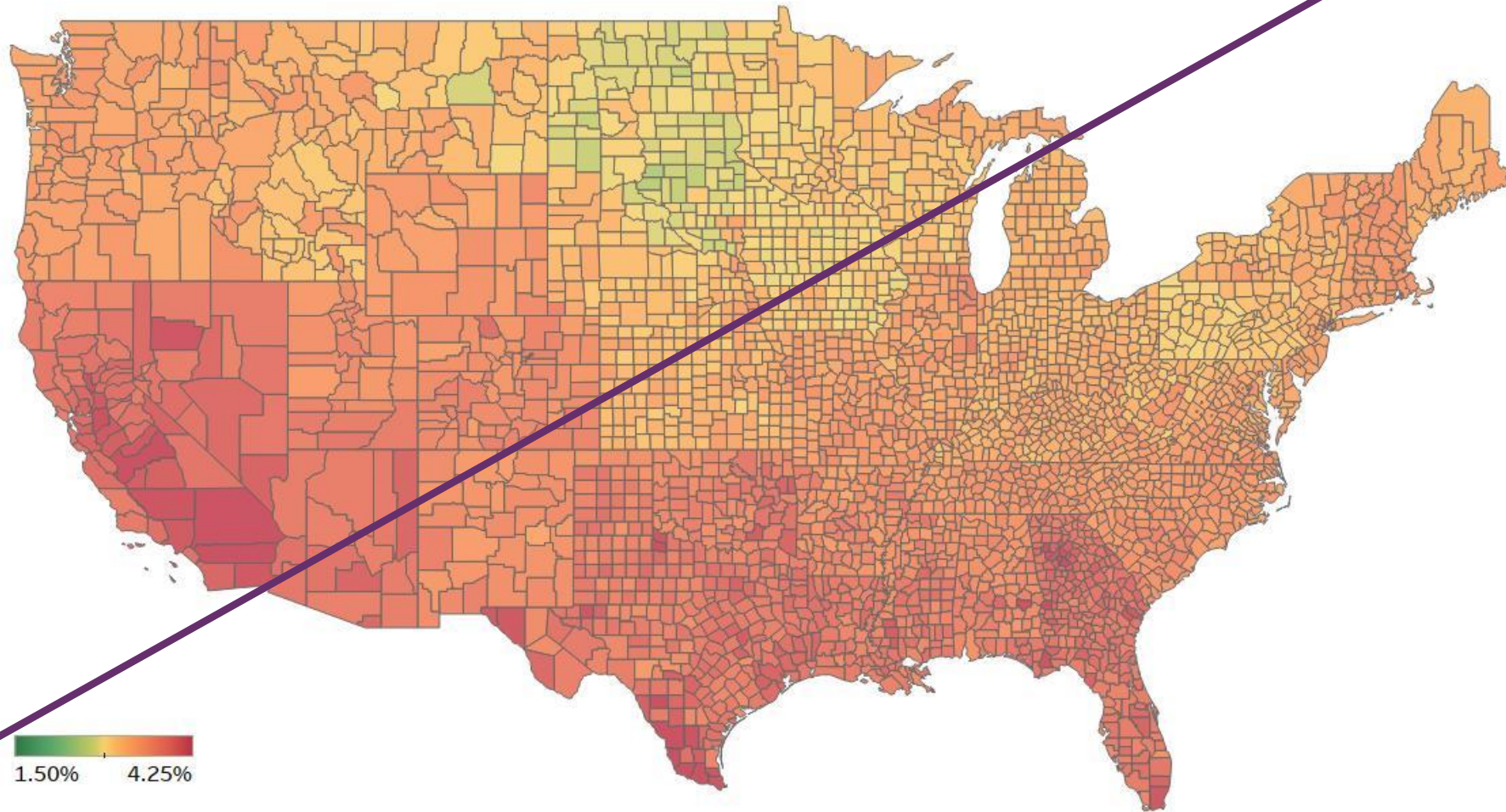
Industry	YoY % Change	MoM % Change	Jan-25
Mining, Quarrying, and Oil and Gas Extraction	53%	4%	3.5%
Wholesale Trade	29%	0%	2.5%
Agriculture, Forestry, Fishing and Hunting	27%	-2%	2.9%
Arts, Entertainment, and Recreation	26%	6%	2.0%
Accommodation and Food Services	26%	2%	5.0%
Information	18%	-1%	5.9%
Administrative and Support and Waste Management	17%	0%	3.4%
Construction	12%	0%	3.5%
Finance and Insurance	9%	1%	3.4%
Health Care and Social Assistance	8%	-1%	3.6%
Other Services (except Public Administration)	5%	2%	2.7%
Manufacturing	5%	0%	3.6%
Real Estate and Rental and Leasing	3%	-2%	2.7%
Retail Trade	3%	0%	3.4%
Transportation and Warehousing	3%	-3%	7.5%
Professional, Scientific, and Technical Services	-7%	-2%	2.8%
Educational Services	-8%	6%	1.9%
Overall	8%	0%	3.4%

ACTUAL AND PREDICTED DEFAULT RATES AS OF 1/1/2025

FROM SBDFI AND ABSOLUTE[®]

Industry Segment	Actual Historical Default Rates							Forecast Default Rates	
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Transportation	3.0%	4.9%	4.8%	2.0%	2.4%	6.9%	7.7%	5.9%	6.9%
Information	3.9%	3.4%	6.0%	3.7%	3.3%	4.7%	5.9%	4.6%	5.2%
Accommodation and Food	2.6%	3.4%	7.0%	3.2%	2.4%	3.9%	4.9%	4.7%	4.6%
Health Care	2.1%	2.1%	3.8%	2.0%	2.3%	3.2%	3.6%	3.7%	3.5%
Mining	2.5%	1.8%	3.5%	1.8%	1.4%	2.2%	3.6%	2.6%	3.7%
Manufacturing	1.8%	2.3%	3.4%	2.1%	2.0%	3.2%	3.5%	3.4%	4.0%
Construction	2.1%	2.5%	2.8%	1.9%	2.2%	3.1%	3.5%	3.8%	4.9%
Administrative Services	2.1%	2.3%	3.2%	1.9%	2.0%	2.8%	3.4%	3.7%	4.4%
Finance	1.4%	1.8%	2.5%	1.7%	2.2%	3.1%	3.4%	3.4%	3.9%
Retail	1.7%	2.4%	3.2%	1.7%	1.7%	3.2%	3.4%	3.4%	3.8%
Agriculture	2.1%	2.1%	3.0%	2.0%	1.9%	2.3%	3.0%	3.1%	3.5%
Professional Services	1.7%	2.1%	3.1%	2.2%	2.3%	3.0%	2.9%	3.2%	3.8%
Real Estate	1.6%	1.7%	2.6%	1.6%	1.7%	2.5%	2.7%	3.4%	4.3%
Other Services	1.6%	1.8%	2.6%	1.5%	1.8%	2.5%	2.7%	3.1%	3.5%
Wholesale	1.7%	1.7%	2.6%	1.5%	1.4%	1.8%	2.5%	2.7%	3.3%
Entertainment	1.0%	1.6%	2.8%	1.2%	0.8%	1.4%	1.9%	2.4%	2.4%
Education	0.8%	1.1%	2.3%	1.2%	1.7%	2.0%	1.8%	4.2%	4.9%
All Industries	1.9%	2.2%	3.3%	1.9%	2.0%	3.0%	3.4%	3.5%	4.1%

PROJECTED DEFAULT RATES BY COUNTY AS OF 10/1/2024



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