



Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
July New Business Volume Up Two Percent Year-over-year, Down 22 Percent Month-to-month

Washington, DC, August 23, 2011— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity for the \$521 billion equipment finance sector, showed overall new business volume for July was \$5.7 billion, up two percent from volume of \$5.6 billion in the same period in 2010. Compared with June volume of \$7.3 billion, July volume decreased by 22 percent. Year to date, new business volume is up 24 percent over last year. However, the percentage of responding companies that experienced a drop in volume from the year earlier period rose to 36%.

Credit quality is mixed. Receivables over 30 days increased eight percent to 2.7 percent in July from 2.5 percent in June, but declined by 21 percent compared to the same period in 2010. Charge-offs decreased 37 percent in July from the previous month, and decreased by 50 percent from the same period in 2010.

Credit standards tightened in July as the number of lease applications approved decreased to 76.3 percent from 78.7 percent the previous month. Fifty-nine percent of participating organizations reported submitting more transactions for approval during the month, a decrease from 63 percent in June.

Finally, total headcount for equipment finance companies in July showed no significant change month to month and year over year. Supplemental data show that the construction industry and small and medium-sized enterprises led the underperforming sectors.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for August is 50.0, down 11 percent from the July index of 56.2, indicating apparent industry reaction to U.S. economic conditions and federal government fiscal management and policies. For more detailed information on the MCI-EFI visit www.LeaseFoundation.org

[ELFA President and CEO William G. Sutton, CAE](#), said: “Compared to a year ago, the equipment leasing and finance industry continues to show improvement. However, the sluggish U.S. economic recovery appears to be responsible, in part, for an uneven demand dynamic for investment in capital equipment.”

Anthony Cracchiolo, President and CEO, Vendor Services, [U.S. Bancorp Equipment Finance](#), located in Portland, OR, said, “Our overall business volume continues to improve with solid double-digit growth demonstrated through the first and second quarter, as compared to the same period in 2010. In July, while we continued to show growth, we also began to see a softening in demand. How this plays out throughout the remainder of the year is unclear, but we are hopeful that momentum will build in the fourth quarter.”

About the ELFA’s MLFI-25

The **MLFI-25** is the only index that reflects **capex**, or the volume of commercial equipment financed in the U.S. The **MLFI-25** is released globally at 9 a.m. Eastern time from Washington, D.C., each month, on the day before the **U.S. Department of Commerce** releases the [durable goods report](#). The **MLFI-25** is a financial indicator that complements the durable goods report and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing sector. Together with the **MLFI-25** these reports provide a complete view of the status of productive assets in the U.S. economy: **equipment produced, acquired and financed**.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants is available below and also at <http://www.elfaonline.org/ind/research/MLFI/>

MLFI-25 Methodology

The ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: **new business volume** (originations), **aging of receivables**, **charge-offs**, **credit approval ratios**, (approved vs. submitted) and **headcount** for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

ELFA MLFI-25 Participants

ADP Credit
BancorpSouth Equipment Finance
Bank of America
Bank of the West
BB&T Bank
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance
Fifth Third Bank
First American Equipment Finance
GreatAmerica
Hitachi Credit America
HP Financial Services
John Deere Financial
Key Equipment Finance
M&I Equipment Finance
M&T Bank
Marlin Leasing
Merchants Capital
PNC Equipment Finance
RBS Asset Finance
Siemens Financial Services
Stearns Bank
Susquehanna Commercial Finance
US Bancorp Equipment Finance
Verizon Capital
Volvo Financial Services
Wells Fargo Equipment Finance

About the ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$521 billion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its over 600 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/package and investment banks, as well as manufacturers and service providers. In 2011, ELFA is celebrating 50 years of equipping business for success. For more information, please visit www.elfaonline.org.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit <http://www.elfaonline.org/ind/research/> for additional information.

The **Equipment Leasing & Finance Foundation** is the non-profit affiliate to the Equipment Leasing and Finance Association, providing future-focused research to the equipment finance industry. For more information please visit the website at www.leasefoundation.org

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