

**Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index**

May New Business Volume Up by 11 Percent Year-over-year, Up 16 Percent Year-to-date

Washington, DC, June 26, 2012— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity for the \$628 billion equipment finance sector, showed overall new business volume for May was \$6.2 billion, up 10.7 percent from volume of \$5.6 billion in the same period in 2011. Volume was up 1.6 percent from the previous month. Year-to-date cumulative new business volume is up 16 percent.

Receivables over 30 days were unchanged from April at 2.7 percent, and declined when compared to the same period in 2011. Charge-offs decreased for the second consecutive month to 0.5 percent, down from 0.6 percent the previous month, and down by 37.5 percent compared to the same period last year.

Credit approvals increased to 78 percent in May from 76 percent in April. Seventy-five percent of participating organizations reported submitting more transactions for approval during May, down slightly from 76 percent in April.

Finally, total headcount for equipment finance companies decreased slightly from the previous month, and was down 2.8 percent year over year. Supplemental data show that construction continued to lead the underperforming sectors, followed by small and medium-sized enterprises.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for June is 48.5, down from the May index of 59.2, reflecting growing concern over the European debt crisis, U.S. unemployment and regulatory and political uncertainty.

[ELFA President and CEO William G. Sutton, CAE](#), said: “Overall new business activity in the equipment finance sector continues to trend positively, despite developing headwinds resulting from the Euro-crisis and its potentially negative implications for the U.S. economy. Credit quality continues to show steady improvement in relation to both delinquencies and write-downs. We are hopeful that, as we move into the second half of 2012, business activity in the equipment finance marketplace continues to show steady growth amid an uncertain and restrained economic recovery.”

[Maureen Carr, Managing Director, Corporate Asset Finance Group, CapitalSource](#) said, “Demand for equipment finance has continued into the first half of 2012 with the largest spend in energy, transportation and technology. It is also encouraging to see an uptick in new equipment purchases in the manufacturing sectors. Although overall spending has steadily increased since the financial crisis, pockets of the market are still tenuous as some customers are cancelling or postponing capex purchases amidst softer commodity prices or weaker demand from abroad. As we look to the second half of 2012, we hope that growth in sectors like manufacturing and transportation offset more fickle sectors. The second half should provide growth opportunities for lenders who are relatively immune to the European crisis as many European lenders scale back their lending in the U.S. and abroad. We remain hopeful that new business volume will

once again have double digit growth, credit quality continues to improve and margins remain healthy.”

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 8 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/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
BMO Harris Equipment Finance Company
Canon Financial Services
Caterpillar Financial Services

CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance
Fifth Third Equipment Finance Company
First American Equipment Finance
GreatAmerica
Hitachi Credit America
HP Financial Services
Huntington Equipment Finance
John Deere Financial
Key Equipment Finance
M&T Bank
Marlin Leasing
Merchants Capital
PNC Equipment Finance
RBS Asset Finance
SG Equipment Finance
Siemens Financial Services
Stearns Bank
Suntrust
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 \$628 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 550 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packagers and investment banks, as well as manufacturers and service providers. ELFA has been equipping business for success for more than 50 years. 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/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

