

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

*June New Business Volume Up by 10 Percent Year-over-year, Up 29 Percent Month-to-month,
Up 14 Percent Year-to-date*

Washington, DC, July 25, 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 June was \$8 billion, up 9.5 percent from volume of \$7.3 billion in the same period in 2011. Volume was up 29 percent from the previous month. Year-to-date cumulative new business volume increased 14.5 percent.

Receivables over 30 days were 2.4 percent, down from 2.7 percent in May, and down slightly when compared to the same period in 2011. Charge-offs increased to 0.6 percent in June, up from 0.5 percent the previous month, and down by 45.4 percent compared to the same period last year.

Credit approvals increased to 78.7 percent in June from 78.3 percent in May. Sixty-five percent of participating organizations reported submitting more transactions for approval during June, down from 75 percent in May.

Finally, total headcount for equipment finance companies increased slightly from the previous month, but declined 2.6 percent year over year. Supplemental data show that trucking and construction led the underperforming sectors, followed by small and medium-sized enterprises.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for July is 51.5, up from the June index of 48.5, and reflects continuing concern over external economic factors and regulatory and political uncertainty.

ELFA President and CEO William G. Sutton, CAE, said: “Despite recent reports of a softening economy, the level of capital investment by U.S. businesses—both large and small—continues to accelerate. In fact, the volume of equipment financed in June, as illustrated by the MLFI-25, surpasses that of any single month except for year-end December activity since the beginning of the Great Recession in 2008. We hope that, in spite of the factors adversely affecting economies overseas, our businesses here at home will be able to continue to invest in productive assets.”

Rick Remiker, President, Huntington Equipment Finance, said, “The equipment finance industry is currently benefitting from several factors, including increased CapEx financing in many sectors and improved metrics across the credit spectrum. A large part of this positive trend is due to an improving Midwest economy, formerly known as the ‘Rust Belt,’ and now being referred to as the ‘Recovery Belt.’ While all of this is good news for the industry, and near-term business trends remain positive, we remain cautious about global economic concerns dampening demand during the second half of the year.”

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
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance

Fifth Third Equipment Finance
First American Equipment Finance, a City National Bank Company
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