

Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
October New Business Volume Up by 27 Percent Year-over-year, Down 7 Percent Month-to-month, Up 17 Percent Year-to-date

Washington, DC, November 27, 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 October was \$7.6 billion, up 27 percent from volume of \$6.0 billion in the same period in 2011. Volume was down 7 percent from the previous month. Year-to-date cumulative new business volume increased 17 percent.

Receivables over 30 days decreased for the fifth consecutive month to 1.7 percent, down from 1.8 percent in September and down 23 percent when compared to the same period in 2011. Charge-offs were down from the previous month at 0.4 percent, and down by 43 percent compared to the same period last year.

Credit approvals were unchanged in October at 79.5 percent. Sixty-six percent of participating organizations reported submitting more transactions for approval during October, up from 54 percent the previous month.

Finally, total headcount for equipment finance companies was up 1 percent from the previous month, and declined 2 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for November is 49.9, a decrease from the October index of 53.3, reflecting industry participants' post-election concerns over issues including the fiscal cliff, economic policy and taxes. A confidence level of 50.0 indicates a neither positive nor negative outlook overall.

[ELFA President and CEO William G. Sutton, CAE](#), said: "Lease financings continue to show modest growth overall, despite soft patches evident in certain equipment and end-user sectors recently. With U.S. elections now behind us and recent indications by policy makers to find a solution to the 'fiscal cliff,' the cloud of uncertainty that has frozen the economy during the past 12 months may be lifting. We hope that the recent no-growth scenario gripping our nation's economy will transition to a more normalized recovery that will cause businesses to feel more confident about their future and result in additional investment in capital equipment and job creation."

"At RBS Citizens Asset Finance, our funded volume for 2012 is ahead of last year's record pace and we are pleased to see continued strength in our credit quality, as delinquency rates and non-performing assets remain at all-time lows for our business," said [Marc Paulhus, President, RBS Citizens Asset Finance](#). "While the level of activity in the investment grade bond market has been a challenge, we are encouraged to see the increase in new business volume for 2012."

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
Direct Capital Corporation

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

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