

**Equipment Leasing and Finance Association's  
Survey of Economic Activity: Monthly Leasing and Finance Index**  
*December New Business Volume Up by 6 Percent Year-over-year,  
Up 80 Percent Month-to-month, Up 14 Percent Year-end*

Washington, DC, January 25, 2013— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity from 25 companies representing a cross section of the \$725 billion equipment finance sector, showed their overall new business volume for December was \$11.5 billion, up 6 percent from volume of \$10.8 billion in the same period in 2011. In a typical end-of-year spike, their volume was up 80 percent from the previous month's volume of \$6.4 billion. Cumulative new business volume for 2012 rose 14 percent over 2011.

Receivables over 30 days decreased to their lowest level in the last two years at 1.6 percent, down from 2.0 percent in November, and they were down from 2.1 percent in the same period in 2011. Charge-offs were up from the previous month at 0.6 percent, and down by 14.3 percent compared to the same period last year.

Credit approvals totaled 78.5 percent in December, up from 77.0 percent in November. Seventy-two percent of participating organizations reported submitting more transactions for approval during December, up from 46 percent the previous month.

Finally, total headcount for equipment finance companies was down 0.2 percent from the previous month, and declined 2.7 percent year over year. Supplemental data show that small and medium-sized enterprise customers led the underperforming sectors, followed by trucking.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for January is 54.2, an increase from the December index of 48.5, reflecting industry participants' improved outlook amid ongoing concerns with economic conditions and management of fiscal issues.

[ELFA President and CEO William G. Sutton, CAE](#), said: "While traditional end-of-year business increased considerably from the prior month, and is up moderately compared to the similar period last year, customers—and potential customers—of ELFA members express varying degrees of caution when considering equipment acquisitions going forward. Pressure on the U.S. economy—notably the still-unresolved debt-ceiling and mandatory spending reduction debate between Congress and the White House—continues to overhang the U.S. economy as we move into the first quarter of 2013. Portfolio and credit quality continue to strengthen but the big uncertainty lies in the inability of policy makers to remove impediments—both perceived and real—to business expansion and economic growth."

[Adam Warner, President, Key Equipment Finance](#), said, "We closed 2012 on a strong note as demonstrated by today's numbers from across the industry and our results at Key Equipment Finance. Looking ahead to 2013, there's a great deal of uncertainty among the business community regarding the debt ceiling, which is causing many businesses to take a 'wait and see'

approach to making significant investments like capital equipment. It is my hope that the White House and Congress will act quickly to manage the growing U.S. debt to restore the confidence of business leaders and encourage investment.”

### **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 Financial Services**  
**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 \$725 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 more than 575 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. ELFA has been equipping business for success for more than 50 years. For more information, please visit [www.elfaonline.org](http://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](http://www.leasefoundation.org)

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