

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

*October New Business Volume Up 9 Percent Year-over-year, Down 12 Percent Month-to-month, Up 8  
Percent Year-to-date*

**Washington, DC, November 24, 2014**— 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 \$903 billion equipment finance sector, showed their overall new business volume for October was \$8.3 billion, up 9 percent from new business volume in October 2013. Month over month, new business volume was down 12 percent from September. Year to date, cumulative new business volume increased 8 percent compared to 2013.

Receivables over 30 days increased from the previous month to 1.2 percent, and were up from 0.9 percent in the same period in 2013. Charge-offs were unchanged for the seventh consecutive month at an all-time low of 0.2 percent.

Credit approvals totaled 78.3 percent in October, a decrease from 79.7 percent the previous month. Total headcount for equipment finance companies was up 0.7 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's Monthly Confidence Index** (MCI-EFI) for November is 64.2, an increase from the October index of 60.4 and the highest level since May.

[ELFA President and CEO William G. Sutton, CAE](#), said: "ELFA members report strong growth in new business volume, albeit tempered by continued margin compression in many sectors. The U.S. economy continues to expand at a modest rate, providing a welcome stimulus for investment in business equipment. Portfolios are performing relatively well, although delinquencies are showing some slight volatility. Most economic indicators—lower fuel prices, reduced unemployment and a robust equity and bond market—all point to a strong fourth quarter, absent some unforeseen development."

[Michael Doyle, President, BTMU Capital Leasing and Finance, Inc.](#), said, "The solid growth in October year-on-year new business volume is evidence of a fairly robust capital expenditure environment. We see this trend continuing into a strong fourth quarter, with the possible exception of those markets related directly to petroleum exploration and development. These markets will continue to be negatively affected if low oil prices persist. Stronger sectors include those involving transportation assets and information technology equipment and software. Generally, we are seeing consistent credit discipline, but this has not yet translated into a more stable pricing environment. We expect that margin compression will continue to be an issue in the fourth quarter as lessors look to book volume to meet their 2014 budgets."

#### **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**

BancorpSouth Equipment Finance

Bank of America

Bank of the West

BB&T Bank

BMO Harris Equipment Finance

Canon Financial Services

Caterpillar Financial Services

CIT

DLL

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

LEAF Commercial Capital

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  
TCF Equipment Finance  
US Bancorp Equipment Finance  
Verizon Capital  
Volvo Financial Services  
Wells Fargo Equipment Finance

### **About ELFA**

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$903 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 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit [www.elfaonline.org](http://www.elfaonline.org).

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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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