

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

September New Business Volume Up 22 Percent Month-to-month, Up 4 Percent Year-to-date, Down 13 Percent Year-over-year

Washington, DC, October 23, 2015— The **Equipment Leasing and Finance Association's** (ELFA) **Monthly Leasing and Finance Index (MLFI-25)** (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 September was \$8.4 billion, down 13 percent from new business volume in September 2014. Volume was up 22 percent from \$6.9 billion in August. Year to date, cumulative new business volume increased 4 percent compared to 2014.

Receivables over 30 days were 1.10 percent, up from 0.99 percent the previous month and up from 0.97 percent in the same period in 2014. Charge-offs were 0.27 percent, up from 0.22 the previous month.

Credit approvals totaled 80.5 percent in September, up from 79.3 percent in August. Total headcount for equipment finance companies was up 5 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for October is 58.7, easing from the previous month's index of 61.1.

ELFA President and CEO William G. Sutton, CAE, said, "Cautious optimism continues as the watch word for MLFI-25 companies who report steady, but slow, growth for the month. While the U.S. economy slogs along, dragged down by low oil demand, an uneven labor market, a volatile equities market and troublesome signals from the Chinese economy, business expansion and demand for productive asset follows suit. Portfolio quality was off, with delinquencies increasing ever so slightly and losses edging upward. Time will tell whether this is a trend to be concerned about or just another blip in the credit cycle."

Michael DiCecco, President, Huntington Equipment Finance, said, "While industry new business volume is up 4 percent year to date, September's MLFI-25 reported decline in year-over-year new business volume reflects a precipitous decline in energy sector spending and the effect fluctuations in global economic activity have on the amount of equipment financed in the U.S."

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 at www.elfaonline.org/Data/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.

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.

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The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization dedicated to inspiring thoughtful innovation and contributing to the betterment of the equipment leasing and finance industry. Funded through charitable individual and corporate donations, the Foundation focuses on the development of in-depth, independent research and resources for the advancement of equipment finance industry knowledge. Visit the Foundation online at www.LeaseFoundation.org.

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