

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

May New Business Volume Down 7 Percent Year-over-year and Month-to-month, 9 Percent Year-to-date

Washington, DC, June 23, 2016— 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 \$1 trillion equipment finance sector, showed their overall new business volume for May was \$6.8 billion, down 7 percent year-over-year from new business volume in May 2015. Volume was down 7 percent month-to-month from \$7.3 billion in April. Year to date, cumulative new business volume decreased 9 percent compared to 2015.

Receivables over 30 days were 1.3 percent, an increase from the previous month and up from 1.09 percent in the same period in 2015. Charge-offs were 0.33 percent, up slightly from 0.31 percent the previous month.

Credit approvals totaled 76.5 percent in May, down from 78.2 percent in April. Total headcount for equipment finance companies was up 4.3 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for June is 52.3, a decrease from the May index of 55.1.

[ELFA President and CEO Ralph Petta](#) said, "Second quarter originations continue to move slightly lower, as a number of factors inhibit a more robust capex environment. Erosion in business confidence due to misgivings about the November presidential and congressional elections and what they portend for the future direction of the nation, an unexpectedly negative May unemployment report, an economy barely growing, and a series of violent events both here and abroad provide a negative backdrop for business owners considering making capital investment decisions. In addition, as monthly losses and delinquencies continue to tick upward off their historic lows, equipment finance companies appear to be tightening their credit standards. We will be carefully monitoring these and other data points during the coming summer months."

[William Stephenson, CEO and Chairman of the Executive Board, DLL](#) and ELFA Chairman of the Board, said, "Despite some slowing in our U.S. commercial activity between April and May, DLL has continued to see modest growth in new business volumes on a year-over-year basis. This growth has been realized across most of our business lines, but certain sectors with more direct sensitivity to commodities have fared less well. Consistent with the ELFA's data, we have experienced a very small uptick in U.S. market delinquency and charge-offs this past month. As we look ahead, mid-term growth prospects for the industry remain in question as headwinds abound. A weak U.S. jobs report, low productivity gains and continued uncertainty in global markets were sufficient enough for the Fed to take pause this past week."

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 \$1 trillion 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/packagers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

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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