

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

August New Business Volume Up 12 Percent Year-over-year, 10 Percent Month-to-month and Down 6 Percent Year-to-date

Washington, DC, September 26, 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 August was \$7.7 billion, up 12 percent year-over-year from new business volume in August 2015. Volume was up 10 percent month-to-month from \$7.0 billion in July. Year to date, cumulative new business volume decreased 6 percent compared to 2015.

Receivables over 30 days were 1.3 percent, unchanged from the previous month and up from 0.99 percent in the same period in 2015. Charge-offs were 0.44 percent, up from 0.38 percent the previous month.

Credit approvals totaled 76.9 percent in August, up from 75.9 percent in July. Total headcount for equipment finance companies was up 3.3 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI)** for September is 53.8, a decrease from the August index of 54.8.

[ELFA President and CEO Ralph Petta](#) said, "August data are mixed, with new business volume strengthening when compared both to the same period last year and last month. However, year to date volume still lags behind. Credit quality continues to show some softness, with charge offs and delinquencies inching upward. Taking together the Fed's September decision to stay pat on interest rates, and the approaching presidential election, the sector continues to give no clear indication about where it's headed."

"Although our industry has seen overall levels of contraction in new business volume, the August 2016 MLFI-25 results show positive momentum. Economic and political uncertainties notwithstanding, the fundamentals of our economy remain strong along with favorable drivers for capital equipment investment, such as low interest rates and tax incentives," said [Anthony Sasso, President of TD Equipment Finance](#). "At TDEF, we continue to see favorable portfolio credit metrics and positive year over year growth in booked volume and backlog, further demonstrating investment in fixed assets across many of our vertical markets. From an industry perspective, the August MLFI data is encouraging and a hopeful sign of positive trends for the balance of the year."

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/packagegers 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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