Equipment Leasing and Finance Association's Survey of Economic Activity:
Monthly Leasing and Finance Index
October New Business Volume Up 6 Percent Year-over-year, Down 13 Percent Month-to-month and Down 3 Percent Year-to-date

Washington, DC, November 22, 2016— 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 $1 trillion equipment finance sector, showed their overall new business volume for October was $8.2 billion, up 6 percent year-over-year from new business volume in October 2015. Volume was down 13 percent month-to-month from $9.4 billion in September. Year to date, cumulative new business volume decreased 3 percent compared to 2015.

Receivables over 30 days were 1.40 percent, down from 1.50 percent the previous month and up from 1.0 percent in the same period in 2015. Charge-offs were 0.37 percent, down from 0.46 percent the previous month.

Credit approvals totaled 77.3 percent in October, up from 76.6 percent in September. Total headcount for equipment finance companies was up 2.7 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for November is 54.6, a decrease from the October index of 56.0.

ELFA President and CEO Ralph Petta said, "The Monthly Leasing and Finance Index showed moderate growth in October new business volume data ahead of the November elections. The equipment finance sector continues to benefit from the Fed's favorable monetary policy, keeping long-term interest rates low. A rate hike is expected when the Federal Reserve Open Market Committee meets next in December, and we believe this development, together with the conclusion of the recent election cycle, will impact business investment decisions during the balance of the year. Lower delinquencies and write-offs are also positive signs as we move into the final couple months of 2016."

Bill Mayer, Group Head of Equipment Finance, Wells Fargo Equipment Finance, said, "Our core businesses have shown solid growth in new business year-over-year, and are in line with data at around 6 percent. Our portfolio metrics remain very strong with the energy sector being our only real area of concern, albeit small in scope. Other segments facing headwinds include rail, truck and trailer, and construction. We continue to make significant progress integrating the GE Capital businesses we acquired in 2016, which only add to our significant diversity of channels, industries, products/services, and geography. With the election behind us we are optimistic that our customers will begin to take advantage of their strong balance sheets to invest in new equipment to both expand their business as well as replace aging equipment."

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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Media/Press Contact: Amy Vogt, Vice President, Communications and Marketing, ELFA, 202-238-3438 or avogt@elfaonline.org