

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

April New Business Volume Up 8 Percent Year-over-year, Down 11 Percent Month-to-month, Up 5 Percent Year-to-date

Washington, DC, May 25 2017—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 April was \$7.9 billion, up 8 percent year-over-year from new business volume in April 2016. Volume was down 11 percent month-to-month from \$8.9 billion in March. Year to date, cumulative new business volume was up 5 percent compared to 2016.

Receivables over 30 days were 1.30 percent, down from 1.40 percent the previous month and up from 1.20 percent in the same period in 2016. Charge-offs were 0.38 percent, down from 0.68 percent the previous month, and up from 0.31 percent in the year-earlier period.

Credit approvals totaled 75.9 percent in April, up from 74.5 percent in March. Total headcount for equipment finance companies was up 19.9 percent year over year, largely attributable to continued acquisition activity at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for May is 63.2, easing from the April index of 65.8.

ELFA President and CEO Ralph Petta said, "The start of the second quarter as reported by a representative sample of ELFA member companies was a relatively strong one, with new business volume increasing eight percent on a year-over-year basis. Whether this robust activity was the result of slightly rising interest rates or reflective of sound fundamentals in the U.S. economy is yet to be determined. What is known, however, is that the equipment finance business is off to a good start this year. Credit markets also appear to be performing well, as evidenced by lower delinquencies and charge offs."

Siemens Financial Services Commercial Finance North America CEO Gary Amos said, "A new generation of technological innovation and increased connectivity has many industries retaining positive optimism for new equipment leasing growth prospects. Credit approval ratings are still lagging behind last year's numbers, which could signal a rise in new customer applications and orders for 2017. Currently, volume for 2017 is up, and credit quality is becoming increasingly paramount. Economic trepidation overshadows the economy as the new presidential administration establishes its identity."

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/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

Follow ELFA:

Twitter: @ELFAonline

LinkedIn: www.linkedin.com/groups?gid=89692

Facebook: <https://www.facebook.com/ELFApage>

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.

###

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