

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

June New Business Volume Down 2 Percent Year-over-year, Up 27 Percent Month-to-month, Up 5 Percent Year-to-date

Washington, DC, July 26, 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 June was \$9.8 billion, down 2 percent year-over-year from new business volume in June 2016. Volume was up 27 percent month-to-month from \$7.7 billion in May. 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 down from 1.40 percent in the same period in 2016. Charge-offs were 0.38 percent, down from 0.47 percent the previous month, and down from 0.65 percent in the year-earlier period.

Credit approvals totaled 75.9 percent in June, down from 77 percent in May. Total headcount for equipment finance companies was up 16.6 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 July is 63.5, steady with the two previous months.

[ELFA President and CEO Ralph Petta](#) said, "Industry volume strengthened in the second quarter, building on strong capex investment in the prior quarter. Business owners are taking advantage of low interest rates, favorable employment data, an equity market that continues to defy gravity, and other solid fundamentals to replace aging assets and, in some cases, expand operations, requiring installation of new equipment. And, despite scattered reports of rising delinquencies and charge offs, credit markets continue to perform well. The wild card is whether markets will continue to grow despite gridlock in Washington, D.C., and other headwinds or eventually pull back as a result."

[David Gilmore, Senior Vice President, Global Marketing and Sales, John Deere Financial](#), said, "Customer confidence in our key market segments (agricultural and construction) showed signs of improvement through the second quarter. Stabilization of agricultural commodity prices and rationalization of previously high levels of excess used equipment allowed customers to invest in newer technology and selectively update their fleets. Rental utilization, a key indicator of U.S. construction market strength, is moving in a positive direction as construction investment in residential, commercial and institutional sectors offset slow oil/gas and government sector growth. Long-term clarity around trade and tax policy could solidify short-term positive market trends."

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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