

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

*July New Business Volume Up 13 Percent Year-over-year, Down 19 Percent Month-to-month, Up 6 Percent Year-to-date*

**Washington, DC, August 24, 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 July was \$7.9 billion, up 13 percent year-over-year from new business volume in July 2016. Volume was down 19 percent month-to-month from \$9.8 billion in June. Year to date, cumulative new business volume was up 6 percent compared to 2016.

Receivables over 30 days were 1.40 percent, up from 1.30 percent the previous month and up from 1.30 percent in the same period in 2016. Charge-offs were 0.35 percent, down from 0.38 percent the previous month, and down from 0.38 percent in the year-earlier period.

Credit approvals totaled 76 percent in July, relatively unchanged from 75.9 percent in June. Total headcount for equipment finance companies was up 15.3 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 August is 64.4, up from 63.5 the previous two months.

[ELFA President and CEO Ralph Petta](#) said, "The second half of the year gets off to a strong start, with double digit, year-over-year growth. Business fundamentals appear solid, with low unemployment, continued low interest rates and an active equities market buoying the economy. With a number of difficult public policy decisions on the horizon, all eyes will be on Washington in the coming months to glean whether this benign economic condition continues."

[Michael Sweeney, Senior Vice President, Vendor Equipment Finance Originations, EverBank Commercial Finance, Inc.](#), said, "It is promising to see such a great start to Q3 for our industry. While we all know that a great month doesn't make a quarter, it is particularly gratifying to see that new business volume for our industry is up by 6 percent over 2016 through the first seven months. Portfolio performance continues to be a source of comfort despite a recent uptick in delinquencies, as indicated by a slight decrease in charge-offs as contrasted with the prior year and month. Stable credit approval rates and our continued strong confidence index indicate what we all know at EverBank: that it is a great time to be in the equipment finance business."

### **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/](http://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](http://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/](http://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](http://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](mailto:avogt@elfaonline.org)