

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

*September New Business Volume Down 7 Percent Year-over-year, Up 12 Percent Month-to-month, Up 4 Percent Year-to-date*

**Washington, DC, October 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 September was \$8.7 billion, down 7 percent year-over-year from new business volume in September 2016. Volume was up 12 percent month-to-month from \$7.8 billion in August. Year to date, cumulative new business volume was up 4 percent compared to 2016.

Receivables over 30 days were 1.40 percent, down from 1.50 percent the previous month and down from 1.50 percent in the same period in 2016. Charge-offs were 0.40 percent, down from 0.44 percent the previous month, and down from 0.46 percent in the year-earlier period.

Credit approvals totaled 74.0 percent in September, down from 75.3 percent in August. Total headcount for equipment finance companies was up 16.5 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 October is 63.7, unchanged from September.

**ELFA President and CEO Ralph Petta** said, "Third quarter new business volume was steady, if not exceptional, despite the string of devastating weather events that plagued parts of the U.S. during the month of September. Positive cumulative year-to-date volume is indicative of healthy capex, which shows that business owners continue to choose financing as a means to acquire the equipment they need to run their operations. In addition, credit quality remains at historic lows. These metrics bode well for a solid end-of-year performance."

**William J. Clark, Executive Vice President, Univest Capital, Inc.**, said, "Overall, September 2017 was a satisfactory month for commercial originations. Our municipal originations were above average for the month. We continue to see aggressive pricing in the market and loosening of credit standards especially as it relates to 'corp only' approvals. It is becoming increasingly challenging, however, we are maintaining a superior net interest margin compared to our select peer group. It is part of a strategic plan to increase our average ticket and we are experiencing some success with that, especially in the municipal and golf/turf vertical markets. Additionally, we are seeing larger financing opportunities referred by our parent bank and affiliates."

### **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/packagegers 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. The Foundation is funded through charitable individual and corporate donations. Learn more at [www.leasefoundation.org](http://www.leasefoundation.org).