

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

*December New Business Volume Up 6 Percent Year-over-year,
71 Percent Month-to-month, and 5 Percent at Year-end*

Washington, DC, January 25, 2018—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 December was \$12.8 billion, up 6 percent year-over-year from new business volume in December 2016. Volume was up 71 percent month-to-month from \$7.5 billion in November in a typical end-of-year spike. Cumulative new business volume for 2017 was up 5 percent from 2016.

Receivables over 30 days were 1.50 percent, unchanged from the previous month and up from 1.40 percent the same period in 2016. Charge-offs were 0.48 percent, up from 0.42 percent the previous month, and up from 0.42 percent in the year-earlier period.

Credit approvals totaled 77.6 percent in December, up from 73.6 percent in November. Total headcount for equipment finance companies was up 15.1 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) in January is at an all-time high of 75.3, up from 69.4 in December.

[ELFA President and CEO Ralph Petta](#) said, "December new business volume registered the typical end-of-quarter, end-of-year spike as member companies scrambled to close out the year. While 2017 was a good year, overall, for the equipment finance industry, most industry observers look for even stronger business activity in 2018. The reasons for this optimistic outlook? A continued healthy and growing economy, an abundance of liquidity, strong capex demand buoyed by recent tax law changes, and a sense of confidence by the business community not seen since just after the 2016 election. Absent a wild card event or external shock of some sort, we are bullish about 2018."

[Thomas M. Jaschik, President, BB&T Equipment Finance](#), said, "The equipment finance industry finished 2017 with a strong uptick in new business volume. This was due in large part to renewed optimism for future economic performance as well as improving industry conditions in key capital-intensive industries such as energy and transportation. Industry participants are very bullish on the prospects for 2018 as evidenced by the record high in the Monthly Confidence Index. With lower corporate taxes and favorable interest rates and credit environment, as well as an economy poised to breakout from its pattern of modest growth, I believe these dynamics will create the perfect storm to accelerate growth in the equipment finance industry in 2018."

About 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

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 575 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.

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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. The Foundation is funded through charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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