

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

February New Business Volume Down 24 Percent Year-over-year, 18 Percent Month-over-month and 10 Percent Year-to-date

Washington, DC, March 25, 2019—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 February was \$5.9 billion, down 24 percent year-over-year from new business volume in February 2018. Volume was down 18 percent month-to-month from \$7.2 billion in January. Year to date, cumulative new business volume was down 10 percent compared to 2018.

Receivables over 30 days were 1.80 percent, up from 1.70 the previous month and up from 1.60 percent the same period in 2018. Charge-offs were 0.35 percent, unchanged from the previous month, and up from 0.28 percent in the year-earlier period.

Credit approvals totaled 76.0, virtually unchanged from January. Total headcount for equipment finance companies was down 0.2 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in March is 60.4, up from the February index of 56.7.

[**ELFA President and CEO Ralph Petta**](#) said, “Monthly new business volume declined for the first time in almost two years. Total cumulative year-to-date volume is in red numbers as well. Credit quality continues mixed. Fundamentals in the U.S. economy appear to be holding up, although February jobs data were far below what most observers expected. With the Fed holding interest rates unchanged, these and other economic data bear monitoring in the coming months to better understand the dip in equipment financing volume for February.”

[**Melinda Haynes, President of Lease Operations, Onset Financial, Inc.**](#), said, “We remain optimistic about 2019 being a growth year for the equipment leasing industry despite the decline in business volume for the first two months of the year. Onset Financial has had a record-breaking first quarter and continues to see a surge in future business. The need for capital and good partners exists in any economy and Onset has benefitted from a strong multi-media presence, diverse funding relationships and advances in our internal systems.”

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

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/packagers 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 that propels the equipment finance sector—and its people—forward through industry specific knowledge,

intelligence, and programs that contribute to industry innovation, individual careers, and the overall betterment of the equipment leasing and finance industry. The Foundation is funded through individual and corporate donations. Learn more at 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