



**Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index**
*August New Business Volume Up by One Third Year-over-year,
Unchanged Month-to-month*

Washington, DC, September 27, 2011— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity for the \$521 billion equipment finance sector, showed overall new business volume for August was \$5.7 billion, up 33 percent from volume of \$4.3 billion in the same period in 2010. Volume was unchanged from the previous month. Year-to-date cumulative new business volume is up 25 percent.

All credit quality metrics showed improvement. Receivables over 30 days decreased to 2.5 percent in August from 2.7 percent in July, and declined by 42 percent compared to the same period in 2010. Charge-offs were down slightly from the previous month, and decreased by 54 percent from the same period in 2010, representing their lowest level in over two years.

Credit standards relaxed in August as the number of lease applications approved increased to 77.6 percent from 76.3 percent the previous month, and were up year over year as well. Over two-thirds of participating organizations reported submitting more transactions for approval during the month.

Finally, total headcount for equipment finance companies in August showed no significant change month to month and was down one percent year over year. Supplemental data show that the construction and trucking industries and small- and medium-sized enterprises led the underperforming sectors.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for September indicates a less-than-optimistic outlook for business performance. The September index of 47.6 is down from the August index of 50.0, indicating, in part, continuing concern with global economic conditions and their impact on the industry. For more detailed information on the MCI-EFI visit www.LeaseFoundation.org

[ELFA President and CEO William G. Sutton, CAE](#), said: “While both new business volume and portfolio quality seem to be trending up, it is clear from less-quantitative reporting that equipment finance executives still believe the storm clouds hovering over our economy have not yet dissipated. Until the U.S. and global economies begin to show

signs of strengthening in a meaningful and sustainable way, current and future business performance will continue to ebb and flow.”

Ron Arrington, Global President, CIT Vendor Finance, located in Livingston, NJ, said, “Our new business volumes year to date have outpaced 2010 levels even in the face of increased uncertainties in a number of economies around the world. This increased lending to businesses supports our customer needs in this environment, particularly for technology and office equipment. Even if the economic recovery slows, businesses have a need to replace older, essential-use equipment that they have put off replacing for too long. There is also an increased interest in managed services products as businesses look to managed services as a way to reduce costs while maintaining a technological edge.”

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 9 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 below and also at <http://www.elfaonline.org/ind/research/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.

ELFA MLFI-25 Participants

ADP Credit
BancorpSouth Equipment Finance
Bank of America
Bank of the West
BB&T Bank
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance
Fifth Third Bank
First American Equipment Finance
GreatAmerica
Hitachi Credit America
HP Financial Services
Huntington Equipment Finance
John Deere Financial
Key Equipment Finance
M&I Equipment Finance
M&T Bank
Marlin Leasing
Merchants Capital
PNC Equipment Finance
RBS Asset Finance
Siemens Financial Services
Stearns Bank
Susquehanna Commercial Finance
US Bancorp Equipment Finance
Verizon Capital
Volvo Financial Services
Wells Fargo Equipment Finance

About the ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$521 billion 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 over 600 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. In 2011, ELFA is celebrating 50 years of equipping business for success. For more information, please visit www.elfaonline.org.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit <http://www.elfaonline.org/ind/research/> for additional information.

The **Equipment Leasing & Finance Foundation** is the non-profit affiliate to the Equipment Leasing and Finance Association, providing future-focused research to the equipment finance industry. For more information please visit the website at www.leasefoundation.org

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