

**Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index**
*December New Business Volume Up by 20 Percent Year-over-year,
Up 74 Percent Month-to-month, Up 25 Percent Year-end*

Washington, DC, January 25, 2012— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity for the \$628 billion equipment finance sector, showed overall new business volume for December was \$10.8 billion, up 20 percent from volume of \$9.0 billion in the same period in 2010. Volume was up 74 percent from the previous month. Cumulative new business volume for 2011 rose 25 percent over 2010.

Credit quality metrics remained relatively steady. Receivables over 30 days rose slightly to 2.1 percent in December from 2.0 percent in November. Charge-offs were unchanged at 0.7 percent for the third consecutive month.

Credit standards eased as the number of lease applications approved increased dramatically to 79.3 percent from 76.2 percent the previous month. 70.8 percent of participating organizations reported submitting more transactions for approval during December, up from 65.5 percent the previous month.

Finally, total headcount for equipment finance companies in December was unchanged month to month and down 1.0 percent year over year. Supplemental data show that the construction and trucking industries again led the underperforming sectors.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for January is 59.0, an increase from the December index of 57.2, indicating improved optimism about business activity amid continuing concerns about the global economic situation. For more detailed information on the MCI-EFI visit www.LeaseFoundation.org

[ELFA President and CEO William G. Sutton, CAE](#), said: “The dramatic surge in December new business volume is the result of several factors, which, when combined, form an almost ‘perfect storm’ of unusually strong business activity. First, demand for the lease/finance product increased as businesses replenished their capital equipment stock. Related to this are reports from many ELFA member organizations of a highly competitive pricing environment. In addition, the pick-up in new business volume seems to support recent bank data that suggest that lenders are making more credit available to their commercial and consumer borrowers. Add to the mix a frenetic pace for end-of-quarter, end-of-year closings and the result is a very robust monthly performance.”

[David Schaefer, President, Orion First Financial, LLC](#), located in Gig Harbor, WA, said, “Confidence is on the rise and businesses are beginning to replace aging equipment since they have been holding back over the previous few years. We remain optimistic that equipment replacement will continue but we aren’t certain we have entered an expansion phase across all industries. The equipment leasing and finance industry continues to have access to capital and with rates low, we are well positioned to serve Main Street businesses as demand grows.”

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.

ELFAMLFI-25 Participants

ADP Credit
BancorpSouth Equipment Finance
Bank of America
Bank of the West
BB&T Bank
BMO Harris Equipment Finance Company
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance
Fifth Third Equipment Finance Company
First American Equipment Finance
GreatAmerica
Hitachi Credit America
HP Financial Services

**Huntington Equipment Finance
John Deere Financial
Key Equipment Finance
M&T Bank
Marlin Leasing
Merchants Capital
PNC Equipment Finance
RBS Asset Finance
SG Equipment Finance
Siemens Financial Services
Stearns Bank
Suntrust
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 \$628 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. ELFA has been equipping business for success for more than 50 years. 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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