

Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
February New Business Volume Decreased by 6 Percent Year-over-year

Washington, DC, March 25, 2013— 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 \$725 billion equipment finance sector, showed their overall new business volume for February was \$4.7 billion, down 6 percent from volume of \$5 billion in February 2012. Month-over-month, new business volume was down 20 percent from January. Year to date, cumulative new business volume was up five percent compared to 2012.

Receivables over 30 days increased to 2 percent in February, up from 1.8 percent in January. They were down from 2.5 percent in the same period in 2012. Charge-offs were up slightly at 0.4 percent from their all-time low of 0.3 percent the previous month.

Credit approvals totaled 77.4 percent in February, down 1 percent from January. Fifty-three percent of participating organizations reported submitting more transactions for approval during February, down from 55 percent the previous month.

Finally, total headcount for equipment finance companies was down 3.5 percent from the previous month, and decreased 2.9 percent year over year, largely due to a change in reporting by one survey participant.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for March is 58.0, a slight decrease from the February index of 58.7, reflecting a leveling off in industry participants' optimism after two consecutive increases.

[ELFA President and CEO William G. Sutton, CAE](#), said: "It is too early to tell whether February's decline in new business volume signals a longer-term trend spurred by economic uncertainty, sequestration and unresolved fiscal matters, or is a one-time development that needs to be closely monitored. Recent internal and external economic indicators and analyses point to a moderately sluggish beginning to the year, to be followed by a pick-up in overall economic activity in the second half of the year. February's somewhat disappointing data could very well provide concrete evidence of this forecast."

[Hugh Connelly, President, Univest Capital, Inc.](#), said, "The government's inability to manage the finances of the country appears to be affecting the current recovery. Small business owners want to know the tax and regulatory rules within which they must operate. Until the government determines the attributes of the economic landscape, volatility will continue to unsettle the economy, and a lasting recovery will remain elusive."

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 below and also at <http://www.elfaonline.org/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
BMO Harris Equipment Finance
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
Direct Capital Corporation
EverBank Commercial Finance
Fifth Third Equipment Finance

First American Equipment Finance, a City National Bank Company
GreatAmerica Financial Services
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 \$725 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 more than 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. 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/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