

Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
June New Business Up 8 Percent Year-over-year, Up 15 Percent Month-to-month

Washington, DC, July 24, 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 June was \$8.6 billion, up 8 percent compared to volume in June 2012. Month-over-month, new business volume was up 15 percent from May. Year to date, cumulative new business volume increased 10 percent compared to 2012.

Receivables over 30 days were at 1.4 percent in June, reaching a new historic low, down from 1.6 percent in May. Delinquencies declined from 2.4 percent in the same period in 2012. Charge-offs were unchanged for the past four months at the all-time low of 0.3 percent.

Credit approvals totaled 78.5 percent in June, relatively unchanged from May. Fifty-four percent of participating organizations reported submitting more transactions for approval during June, down from 63 percent the previous month.

Finally, total headcount for equipment finance companies was relatively unchanged from the previous month, and up one percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for July is 59.4, an increase from the June index of 57.3, reflecting industry participants' increasing optimism despite continued moderate demand for equipment.

[ELFA President and CEO William G. Sutton, CAE](#), said: "Businesses continue to increase spending on capital equipment as evidenced by U.S. government statistics showing three consecutive months' increase in durable goods orders by American firms. Our June MLFI-25 data confirms this trend: the amount of leasing and financing of business equipment and software continues to grow, while the credit quality of these transactions remains at historic highs. Member companies are optimistic that this trend will continue into the summer months and beyond."

[William Besgen, President and Chief Operating Officer, Hitachi Capital America Corp.](#), said, "I believe the trend of increasing new business volume as shown in the recent ELFA industry statistics is a solid reflection of an improving business economy. We at Hitachi Capital America Corp. are definitely seeing increased activity versus last year in credit applications and new business volume from the over 2000 independent truck dealers throughout the U.S. that we serve, both for new and used vehicles. I feel the small to medium-size businesses that are acquiring this equipment are reinforcing their belief that the overall economy is improving, albeit at a slow, somewhat steady pace."

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
LEAF Commercial Capital
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/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/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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