

Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
July New Business Up 9 Percent Year-over-year, Down 16 Percent Month-to-month

Washington, DC, August 23, 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 July was \$7.2 billion, up 9 percent compared to volume in July 2012. Month-over-month, new business volume was down 16 percent from June. Year to date, cumulative new business volume increased 10 percent compared to 2012.

Receivables over 30 days were at 1.5 percent in July, up slightly from the historic low of 1.4 percent in June. Delinquencies declined from 2.2 percent in the same period in 2012. Charge-offs were unchanged for the past five months at the all-time low of 0.3 percent.

Credit approvals totaled 78.6 percent in July, relatively unchanged from the previous two months. Fifty-eight percent of participating organizations reported submitting more transactions for approval during July, up from 54 percent the previous month.

Finally, total headcount for equipment finance companies was up one percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for August is 61.0, up for the fourth consecutive month and an increase from the July index of 59.4.

[ELFA President and CEO William G. Sutton, CAE](#), said: “The amount of new business financed during the spring and summer months continues to grow at a moderate pace. While cooling off somewhat from a torrid June, this month’s increase in financing activity matches a strengthening economy evidenced by a rebounding housing market, GDP growth and declining unemployment picture. Credit markets also continue to perform well. These data points bode well for additional investment in capital equipment and an expanding U.S. economy. It will be interesting to see if this positive trend holds up as we move into late-summer and fall.”

[William Houston, Senior Director, Corporate Administration, Canon Financial Services, Inc.](#), said, “The MLFI-25 leasing volume is up 10 percent year to date, with minimal change in participants’ risk appetite. Aggregate delinquency and charge-off metrics are good indicators of a stable economic business environment. The data suggests the equipment leasing industry continues to enjoy strong new lease growth and healthy portfolios.”

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/packagegers 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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