

**Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index**

*August New Business Down 7 Percent Year-over-year, Down 11 Percent Month-to-month, Up 8
Percent Year-to-date*

Washington, DC, September 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 August was \$6.4 billion, down 7 percent compared to volume in August 2012. Month-over-month, new business volume was down 11 percent from July. Year to date, cumulative new business volume increased 8 percent compared to 2012.

Receivables over 30 days were at 1.6 percent in August, up slightly from 1.5 percent in July. Delinquencies declined from 1.9 percent in the same period in 2012. Charge-offs increased slightly to 0.4 percent after being unchanged for the previous five months at the all-time low of 0.3 percent.

Credit approvals totaled 79.1 percent in August, up from 78.6 percent the previous month. Fifty-six percent of participating organizations reported submitting more transactions for approval during August, down from 58 percent the previous month.

Finally, total headcount for equipment finance companies was up 0.8 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for September is 61.3, steady with the August index of 61.0.

[ELFA President and CEO William G. Sutton, CAE](#), said: “Business investment in equipment took a late-summer breather in August, as year-over-year new business volume retreated for the first time in six months. Credit quality remained strong, however, as both delinquencies and losses were very low, particularly compared to the year-earlier period. Uncertainty surrounding heightened U.S. involvement in the Syrian conflict coupled with a potential federal government shutdown and a looming debt-ceiling fight between Congress and the Obama Administration may be responsible for some businesses pulling back on their equipment acquisition plans.”

[Laurie Bakke, President, Western Equipment Finance, Inc.](#), said, “While the MLFI-25 data shows a softening in new business volume over the summer months, year-to-date growth over 2012 is 8 percent. Our experience at Western shows similar performance and confirms that the small ticket and lower middle market segments remain strong. However, with underwriting criteria remaining unchanged, we remain cautious as analytics report slightly higher risk factors in new business.”

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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