

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

*December New Business Volume Down 7 Percent Year-over-year, Up 62 Percent Month-to-month, Up 3
Percent Year-end*

Washington, DC, January 27, 2014— 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 \$827 billion equipment finance sector, showed their overall new business volume for December was \$10.7 billion, down 7 percent from new business volume in December 2012. In a typical end-of-year spike, their new business volume was up 62 percent from the previous month's volume of \$6.6 billion. Cumulative new business volume for 2013 rose 3 percent over 2012.

Receivables over 30 days were at 1.9 percent in December, up slightly from 1.8 percent in November. Delinquencies increased from 1.6 percent in the same period in 2012. Charge-offs were unchanged from the previous month at the all-time low of 0.3 percent.

Credit approvals totaled 78.3 percent in December, an increase from 76.5 percent the previous month. Fifty-seven percent of participating organizations reported submitting more transactions for approval during December, an increase from 47 percent November.

Finally, total headcount for equipment finance companies was up 2 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for January is 64.9, the highest confidence level in two years, and an increase from the December index of 55.8. An improved general outlook for economic activity among industry leadership contributed to the increase.

[ELFA President and CEO William G. Sutton, CAE](#), said: "December's strong volume number is consistent with the typical growth pattern of a very busy end of year for many equipment finance organizations. Overall, 2013 was a very good year for many ELFA members: the cumulative growth data for the year bear this out. Offsetting this strong performance in new business activity, however, were reports of margin compression in virtually all sectors. Aggressive competition, low interest rates, and declining yields put pressure on overall profitability. Credit quality continues to be very manageable, despite the slight uptick in delinquencies."

[Miles Herman, President and COO, LEAF Commercial Capital, Inc.](#), said, "I remain relatively optimistic about 2014, and believe that we are heading in the right direction. My optimism is tempered by the nominal shortfall indicated by the MLFI-25 between December of 2012 and December of 2013. Nevertheless, the report also shows that business volume is up overall, and that December was in fact 62 percent above November. Based on the most recent Monthly Confidence Index, it appears that my colleagues concur, at least to varying degrees. It is of course worth noting that this MCI is the strongest it has been for the prior 24 months. That kind of consistent optimism is, in and of itself, a good sign.

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
TCF Equipment 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 \$827 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 580 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. For more information, please visit www.elfaonline.org.

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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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