

**Equipment Leasing and Finance Association's  
Survey of Economic Activity: Monthly Leasing and Finance Index**  
February New Business Volume Up 15 Percent Year-over-year, Down 10 Percent  
Month-to-month, Up 8 Percent Year-to-date

Washington, DC, March 25, 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 February was \$5.4 billion, up 15 percent from new business volume in February 2013. Month-over-month, new business volume was down 10 percent from January. Year to date, cumulative new business volume increased 8 percent compared to 2013.

Receivables over 30 days were unchanged from the previous month at 1.8 percent. Delinquencies were down from 2.0 percent during the same period in 2013. Charge-offs were up slightly at 0.4 percent from the previous three months' all-time low of 0.3 percent.

Credit approvals totaled 75.3 percent in February, a decrease from 76.9 percent the previous month. Fifty-three percent of participating organizations reported submitting more transactions for approval during February, a decrease from 54 percent during January.

Finally, total headcount for equipment finance companies was up 4.3 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for March is 65.1, the highest index in two years and an increase from the February index of 63.3.

[ELFA President and CEO William G. Sutton, CAE](#), said: "This month's increase in financing activity reflects a strengthening economy evidenced by a resilient housing market trying to return to pre-recession levels, moderate GDP growth and an improving jobs picture. It is too early to tell whether the positive economic momentum created in the first two months of the year will be sustainable for the balance of 2014, particularly as Fed policy begins to push up long-term interest rates and geopolitical headwinds emerge anew in Eastern Europe. Credit markets continue to perform well."

[Gary Kempinski, GM, GE Capital Transportation Finance's Navistar Capital program](#), said "I think the positive new business volume trend for the month, in light of the adverse weather across much of the country, combined with the upward tick in industry employment, signals the strength of our industry. The charge-offs indicated by the MLFI-25 survey are similar to last year's pattern. When paired with what look like slightly tighter underwriting standards on approvals, I think the industry is acting responsibly to ensure credit stability. Taken together with what we hear from our customers about how well they believe their businesses are performing, I think the MLFI survey indicates equipment customers and financiers are feeling pretty good this month."

#### **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](http://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](http://www.leasefoundation.org)

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