

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

*September New Business Volume Up 21 Percent Year-over-year, Up 31 Percent Month-to-month, Up 8
Percent Year-to-date*

Washington, DC, October 22, 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 September was \$9.4 billion, up 21 percent from new business volume in September 2013. Month over month, new business volume was up 31 percent from August. Year to date, cumulative new business volume increased 8 percent compared to 2013.

Receivables over 30 days decreased from the previous month to 1.0 percent, and were up slightly from .09 percent in the same period in 2013. Charge-offs were unchanged for the sixth consecutive month at an all-time low of 0.2 percent.

Credit approvals totaled 79.7 percent in September, relatively unchanged from the previous month. Total headcount for equipment finance companies was up 1.1 percent year over year.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for October is 60.4, slightly better than the September index of 60.2, with survey participants indicating increasing or consistent demand tempered by U.S. economic concerns

[ELFA President and CEO William G. Sutton, CAE](#), said: "All MLFI-25 performance metrics for September indicate a favorable environment for business investment. Strong originations and solid portfolio performance, together with a slight uptick in hiring, all point to a robust equipment finance sector as we move into the final quarter of the year. We will keep our eye on these positive indicators as the U.S. economy continues to react to geopolitical events, a worrisome global economic outlook and volatile U.S. equity markets."

[William Henak, President and Chief Executive Officer, TCF Equipment Finance](#), said, "Continued growth in September quarter-end new business volume was both expected and encouraging based on the year-to-date momentum and historically strong performance for this period in the equipment finance sector. The decrease in portfolio delinquency levels back to the 1.0% level in September was a positive sign, yet the 1.3% spike in August was a good reminder that strong credit discipline remains important in this competitive environment as everyone looks to grow portfolios. Concern for the rest of the year remains due to the growing number of negative news headlines, volatile capital and equity markets, unresolved tax extender legislation, and the potential for Federal Reserve actions that may influence interest rates. All of these factors could negatively impact new business volume in the 4th quarter, which is historically strong. Despite these concerns, this year is expected to finish strong. Our industry has always been very resilient and found ways to turn uncertainty into opportunity."

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

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/packagegers 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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