

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

January New Business Volume Down 12 Percent Year-over-year, 52 percent Month-to-month

Washington, DC, February 24, 2016— 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 \$1 trillion equipment finance sector, showed their overall new business volume for January was \$6.0 billion, down 12 percent from new business volume in January 2015. Volume was down 52 percent from \$12.5 billion in December, following the typical end-of-quarter, end-of-year spike in new business activity.

Receivables over 30 days were 1.3 percent, up from 1.1 percent the previous month and up from 1.1 percent in the same period in 2015. Charge-offs were 0.26 percent, down from 0.41 percent the previous month.

Credit approvals totaled 78.0 percent in January, down from 80.2 percent in December. Total headcount for equipment finance companies was up 4.6 percent year over year.

Separately, the [Equipment Leasing & Finance Foundation's](#) Monthly Confidence Index (MCI-EFI) for February is 48.3, with uncertainty on various fronts cited for the decrease from the January index of 54.0.

[ELFA President and CEO Ralph Petta](#) said, "With annual volume down slightly and credit quality mixed, January MLFI-25 metrics mirror the volatility we are seeing in the equity markets both here and abroad. After a small bump, interest rates are in a holding pattern due to some concern by the Fed over the strength and stability of the U.S. economy. Despite favorable signs in the labor and housing markets, business confidence appears somewhat shaky, translating to uneven capex in certain verticals and equipment finance sectors."

[Marc Paulhus, President, Citizens Asset Finance, Inc.](#) said, "While January is always a difficult month to gauge trends, due to the strong seasonality of our industry, January's data reported the continuation of strong credit metrics, which we all have enjoyed for some time now. Volume, though down relative to January last year, was fairly consistent relative to the past two years and approval levels were also in line with 2015 overall, despite the recent volatility in the stock market and concerns in the oil and gas sector, demonstrating the resiliency typical of our industry."

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 at www.elfaonline.org/Data/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.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion 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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The **Equipment Leasing & Finance Foundation** is a 501c3 non-profit organization dedicated to inspiring thoughtful innovation and contributing to the betterment of the equipment leasing and finance industry. Funded through charitable individual and corporate donations, the Foundation focuses on the development of in-depth, independent research and resources for the advancement of equipment finance industry knowledge. Visit the Foundation online at www.LeaseFoundation.org.

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Media/Press Contact: Amy Vogt, Vice President, Communications and Marketing, ELFA, 202-238-3438 or avogt@elfaonline.org