

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

March New Business Volume Up 33 Percent Month-to-month, Down 11 Percent Year-over-year, Down 9 Percent Year-to-date

Washington, DC, April 25, 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 March was \$8.1 billion, up 33 percent from new business volume in February. Volume was down 11 percent from \$9.1 billion in March 2015. Year to date, cumulative new business volume decreased 9 percent compared to 2015.

Receivables over 30 days were 1.2 percent, down from 1.4 percent the previous month and up slightly from 1.18 percent in the same period in 2015. Charge-offs were 0.50 percent, up from 0.37 percent the previous month.

Credit approvals totaled 77.7 percent in March, down from 79.2 percent in February. Total headcount for equipment finance companies was up 1.4 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for April is 59.1, an increase from the March index of 51.6.

[ELFA President and CEO Ralph Petta](#) said, "Despite showing a relatively healthy increase over February originations, March new business volume continued its decelerating trajectory when compared to the same period in the prior year. Headwinds continue to tamp down a pattern of consistent growth within the equipment finance sector, as U.S. businesses are uncertain about the outlook for strong and consistent growth in the U.S. economy. Credit quality appears mixed. While the monthly delinquency data is promising, the sharp increase in losses bears careful monitoring in the months ahead."

[Tony Golobic, Chairman and Chief Executive Officer, GreatAmerica Financial Services](#), said, "For much of the past 12 months, GreatAmerica Financial Services has experienced a moderate increase in overall commercial equipment finance volume, which grew by 13.5 percent over the same period of last year. However, our March growth slowed to 5.6 percent over March of 2015. Our new business backlog is pointing to continued growth for the foreseeable future. Uncertainty about the Fed's thinking about interest rates, the election, and the Great Recession resonates with many. These factors are resulting in some reluctance to invest in new equipment. There is ample supply of capital and we're seeing increased credit appetites by some in our industry. While we have seen a modest uptick in our own delinquency and charge-offs, our portfolio credit quality continues to be strong."

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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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

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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