

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

*April New Business Volume Down 12 Percent Year-over-year, 10 Percent Month-to-month and 10 Percent Year-to-date*

**Washington, DC, May 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 April was \$7.3 billion, down 12 percent from new business volume in April 2015. Volume was down 10 percent from \$8.1 billion in March. Year to date, cumulative new business volume decreased 10 percent compared to 2015.

Receivables over 30 days were 1.2 percent, unchanged from the previous month and up from 0.89 percent in the same period in 2015. Charge-offs were 0.30 percent, down from 0.5 percent the previous month.

Credit approvals totaled 78.2 percent in April, up from 77.7 percent in March. Total headcount for equipment finance companies was up 0.6 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for May is 55.1, a decrease from the April index of 59.1.

**ELFA President and CEO Ralph Petta** said, "With April data showing declining originations, mixed portfolio quality, and a lower level of confidence by equipment finance executives, it appears that political uncertainty joins economic uncertainty as one of the reasons businesses are holding off investing in capital equipment at this time. Sluggish activity to begin the second quarter seems to have continued the relatively soft Q1, both in terms of overall equipment finance industry performance and economic activity."

**Thomas Partridge, President, Fifth Third Equipment Finance**, said, "We continue to see good demand for capital equipment across all of our in-footprint regions, which include the Midwest and Southeast, as well as across the country through our national sales force. The picture remains favorable for those looking to finance capital equipment, as interest rates remain low and credit markets remain very competitive. The recent weakening of the dollar should help those companies focused on exporting goods and services. Given the low price of oil, as well as some of the recent bankruptcy filings, those with ties to the oil industry have a significant opportunity to restructure existing facilities."

### **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/](http://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/packagegers 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 [www.elfaonline.org/Data/](http://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](http://www.LeaseFoundation.org).

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