

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

*July New Business Volume Down 17 Percent Year-over-year, 30 Percent Month-to-month and 8 Percent  
Year-to-date*

**Washington, DC, August 24, 2016**— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#) (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 July was \$7.0 billion, down 17 percent year-over-year from new business volume in July 2015. Volume was down 30 percent month-to-month after a spike to \$10.0 billion in June. Year to date, cumulative new business volume decreased 8 percent compared to 2015.

Receivables over 30 days were 1.3 percent, a decrease from the previous month and up from 1.01 percent in the same period in 2015. Charge-offs were 0.38 percent, down from 0.65 percent the previous month.

Credit approvals totaled 75.9 percent in July, down from 78.1 percent in June. Total headcount for equipment finance companies was up 3.3 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for August is 54.8, an increase from the July index of 52.5.

[ELFA President and CEO Ralph Petta](#) said, "July's new business volume to begin the third quarter continues the rollercoaster ride that is the equipment finance sector in 2016. Positive fundamentals in the U.S. economy, which include a recent strong jobs report, lower unemployment and a bullish equities market, are offset by sluggish overall growth in the U.S. economy and stagnant capex spending by businesses both large and small. As the presidential campaign moves into higher gear, it appears business owners continue their wait-and-see attitude toward investment in and expansion of their business operations. Credit quality also follows this up-and-down pattern, but continues to show some deterioration when compared to the same period 12 months ago."

[Aylin Cankardes, Founder and President, Rockwell Financial Group](#), said, "The industry in general has experienced a more reserved approach to capex spending by customers during times of uncertainty as a result of unpredictable global market trends and political landscape. Some customers are still on the sidelines and delaying decisions in regard to equipment acquisition, which is consistent with ELFA's data on lower business volume. Despite slowing trends within certain market segments, Rockwell Financial Group continues to see positive year-over-year growth in several of our business lines. We saw strong demand in the renewables and project finance sector through the year due to lower panel pricing and the advantage of tax credits. There are also solid signs by our manufacturing and industrial customers to add new assets for expansion, which should provide good news for the fourth quarter. It's encouraging that while adapting to challenging market flows and economic news the U.S. equipment leasing and finance industry continues to improve monitoring of credit risk and disciplined portfolio management to drive down delinquencies and charge offs."

### **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/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 [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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