

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

*September New Business Volume Up 12 Percent Year-over-year, 22 Percent Month-to-month and Down 4 Percent Year-to-date*

**Washington, DC, October 26, 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 September was \$9.4 billion, up 12 percent year-over-year from new business volume in September 2015. Volume was up 22 percent month-to-month from \$7.7 billion in August. Year to date, cumulative new business volume decreased 4 percent compared to 2015.

Receivables over 30 days were 1.31 percent, relatively unchanged from the previous month and up from 1.10 percent in the same period in 2015. Charge-offs were 0.46 percent, up from 0.44 percent the previous month.

Credit approvals totaled 76.6 percent in September, down slightly from 76.9 percent in August. Total headcount for equipment finance companies was up 3.8 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for October is 56.0, an increase from the September index of 53.8.

[\*\*ELFA President and CEO Ralph Petta\*\*](#) said, “September new business volume was strong, showing the first double-digit increase in many months. Perhaps the Fed’s decision to keep interest rates low has contributed to this favorable environment for equipment investment by businesses. The uncertainty caused by the upcoming Presidential election, which has acted as a drag on overall economic growth and low capital spending for most of this year, seems to have waned—at least in the short-term. It will be interesting to see if this scenario continues into the final quarter of 2016.”

[\*\*Stan Walker, Managing Director, JPMorgan Equipment Finance\*\*](#), said, “The September MILFI-25 data reflected a nice bump in volume activity, although it’s yet to be seen if this is a trend or an anomaly. The lingering uncertainty around interest rate hikes and the upcoming presidential election have left many companies reluctant to move forward on capex spend, so this is definitely welcome news. Despite the unclear environment, our firm has seen strong volume growth for the year and our portfolio credit metrics remain solid. As we head through the fourth quarter there’s definite pent up demand for capital equipment investment, but given the unpredictable domestic environment along with the economic headwinds internationally, we may continue to see this unevenness for several more months.”

### **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/packagers 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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