

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

December New Business Volume Down 3 Percent Year-over-year, Up 89 Percent Month-to-month and Down 2 Percent at Year-end

Washington, DC, January 26, 2017— 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 December was \$12.1 billion, down 3 percent year-over-year from new business volume in December 2015. Volume was up 89 percent month-to-month from \$6.4 billion in November in a typical end-of-year spike. Cumulative new business volume for 2016 was down 2 percent from 2015.

Receivables over 30 days were 1.40 percent, up from 1.30 percent the previous month and up from 1.10 percent in the same period in 2015. Charge-offs were 0.42 percent, up from 0.40 percent the previous month but virtually flat when compared to the year-earlier period.

Credit approvals totaled 77.4 percent in December, up from 76.0 percent in November. Total headcount for equipment finance companies was up 5.7 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for January is 73.4, an increase from the December index of 67.5 and the highest index since the MCI was launched in May 2009 to track recovery after the 2008 downturn.

[ELFA President and CEO Ralph Petta](#) said, "New business volume ends the year on a relatively high note, despite a slight decline in full-year 2015-16 originations. Credit market metrics remain in acceptable ranges. With a seemingly business-friendly Trump Administration assuming the reins of power in Washington, business owners share a cautious optimism as they look to policies that hopefully will continue growing the U.S. economy and stimulate capital investment in the months and years ahead."

[Mike Jones, Managing Director, CIT Equipment Finance](#), a participating company in the MLFI-25, stated, "We finance the commercial sales for manufacturers, distributors and dealers in a number of industries. Through these relationships, we have a good overview of Main Street businesses. As a result, we are seeing greater commitment among small and medium-sized organizations to invest in capital equipment. We're hearing that these companies are really excited about what they have to offer their customers and are making investments to support their growth. It is refreshing to hear the optimism again."

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/packagers 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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