

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

January New Business Volume Up 3 Percent Year-over-year, Down 49 Percent Month-to-month

Washington, DC, February 24, 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 January was \$6.2 billion, up 3 percent year-over-year from new business volume in January 2016. Volume was down 49 percent month-to-month from \$12.1 billion in December, following the typical end-of-quarter, end-of-year spike in new business activity.

Receivables over 30 days were 1.70 percent, up from 1.40 percent the previous month and up from 1.30 percent in the same period in 2016. Charge-offs were 0.43 percent, up slightly from 0.42 percent the previous month, and up from 0.26 percent in the year-earlier period.

Credit approvals totaled 75.4 percent in January, down from 77.4 percent in December. Total headcount for equipment finance companies was up 18.3 percent year over year, a spike largely attributable to acquisition activity at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for February is 72.2, leveling off after January's all-time high index of 73.4.

[ELFA President and CEO Ralph Petta](#) said, "After the first year-over-year (2015-2016) decline in new business volume since the financial crisis, the increase in January 2017 originations gets the year off on the right foot. The 3% increase coincides with analysts' forecasts for more sustained and stronger equipment finance industry growth over the next 12 months. Yet to be known, however, are the potential effects of more business-friendly policy pronouncements by the new Trump Administration on the amount and nature of capital investment in the United States. Credit quality appears to be eroding slightly as delinquencies and charge-offs head upward, off their historic lows of 2015-2016."

[Harry Kaplun, President, Specialty Finance, Frost Bank](#), stated, "The high level of economic confidence not only shows in more originations but also in backlogs this year. Higher equipment finance backlogs suggest sustainable growth throughout 2017."

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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