

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

October New Business Volume Up 2 Percent Year-over-year, Down 3 Percent Month-to-month, Up 4 Percent Year-to-date

Washington, DC, November 21, 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 October was \$8.4 billion, up 2 percent year-over-year from new business volume in October 2016. Volume was down 3 percent month-to-month from \$8.7 billion in September. Year to date, cumulative new business volume was **up 4 percent** compared to 2016.

Receivables over 30 days were 1.40 percent, unchanged from the previous month and unchanged from the same period in 2016. Charge-offs were 0.41 percent, up from 0.40 percent the previous month, and up from 0.37 percent in the year-earlier period.

Credit approvals totaled 74.6 percent in October, up from 74.0 percent in September. Total headcount for equipment finance companies was up 17.1 percent year over year, largely attributable to continued acquisition activity at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in November is 67.0, up from 63.7 in October.

[ELFA President and CEO Ralph Petta](#) said, "Equipment finance originations continue to grow, albeit slowly, as some sluggish market verticals show signs of rebounding. This trend, coupled with buoyed confidence in overall economic conditions, pave the way for a very healthy end-of-year bump."

[David C. Mirsky, Chief Executive Officer, Pacific Rim Capital, Inc.](#), said, "Business confidence is very strong and building, despite the relatively flat growth of originations. This is because lessors are feeling mounting strength in the overall economy, evidenced by increasing requests for quotations and new orders being placed by lessees in every market segment. Pacific Rim Capital is extremely optimistic about the near future and has experienced a 7 percent improvement in its own originations compared to last year."

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

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 575 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.

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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. The Foundation is funded through charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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