

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

November New Business Volume Up 17 Percent Year-over-year, Down 11 Percent Month-to-month, Up 5 Percent Year-to-date

Washington, DC, December 20, 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 November was \$7.5 billion, up 17 percent year-over-year from new business volume in November 2016. Volume was down 11 percent month-to-month from \$8.4 billion in October. Year to date, cumulative new business volume was up 5 percent compared to 2016.

Receivables over 30 days were 1.50 percent, up from 1.40 percent the previous month and up from 1.30 percent the same period in 2016. Charge-offs were 0.42 percent, up from 0.41 percent the previous month, and up from 0.40 percent in the year-earlier period.

Credit approvals totaled 73.6 percent in November, down from 74.6 percent in October. Total headcount for equipment finance companies was up 17.9 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 December is 69.4, up from 67.0 in November.

ELFA President and CEO Ralph Petta said, “As we near the end of the fourth quarter, new business volume for the month continues the moderate growth trend in the equipment finance industry that began a few years ago. Despite a slight deterioration in credit quality, the industry appears poised to end the year on a high note. Time will tell if conditions favorable to business investment will remain in place in the coming year. We think so. Members typically look forward to a strong closing month and December looks to be no exception.”

Gary W. LoMonaco, Vice President-Treasurer, Forsythe/McArthur Associates, Inc., a Sirius Company, said, “2017 has been a very strong year for investment in capital equipment. The year-over-year originations numbers reflect that strength. Although many forecasts for 2018 expect somewhat lower capital investment levels, the equipment leasing and finance industry is optimistic for next year, as rising interest rates have historically driven companies toward financing acquisitions rather than paying cash. There is also excitement around fresh financial offerings such as consumption-based and managed services financing.”

About 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/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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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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