

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

January New Business Volume Up 10 Percent Year-over-year

Washington, DC, February 26, 2018—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 \$6.9 billion, up 10 percent year-over-year from new business volume in January 2017. Volume was down 46 percent month-to-month from \$12.8 billion in December, following the typical end-of-quarter, end-of-year spike in new business activity.

Receivables over 30 days were 1.90 percent, up from 1.50 percent the previous month and up from 1.70 percent the same period in 2017. Charge-offs were 0.34 percent, down from 0.48 percent the previous month, and down from 0.43 percent in the year-earlier period.

Credit approvals totaled 76.9 percent in January, down from 77.6 percent in December. Total headcount for equipment finance companies was up 1.9 percent year over year. Previously, headcount was elevated due to acquisition activity at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in February is 73.2, easing from 75.3 in January, which was an all-time high level for the index.

[ELFA President and CEO Ralph Petta](#) said, "A confident commercial sector of the U.S. economy showed itself with double-digit growth in the dollar volume of financed equipment for the month of January. Despite a spike in delinquencies, which bears a watchful eye for signs of deterioration in credit markets in the coming months, the new year gets off to a strong start for the equipment finance industry. Business owners continue to expand their operations and acquire productive assets, even as interest rates edge up ever so slightly and the Fed is poised to cool an overheated economy."

[James Cress, Vice President and General Manager, Stryker Flex Financial](#), said, "The equipment finance industry enjoyed a great year in 2017 and is maintaining that momentum through January as evidenced by this month's MLFI. Optimism continues to be fueled by tax reform and favorable interest rates. Potential borrowers planning for the upcoming lease accounting changes in 2019 have spurred a wave of innovation towards consumption models and managed services agreements in lieu of traditional financing products. Barring larger macroeconomic events, all of this should result in a dynamic and growing equipment finance market in 2018."

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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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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