

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

April New Business Volume Flat Year-over-year, Down 13 Percent Month-to-Month, Up 9 Percent Year-to-date

Washington, DC, May 24, 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 April was \$7.9 billion, unchanged year-over-year from new business volume in April 2017. Volume was down 13 percent month-to-month from \$9.1 billion in March. Year to date, cumulative new business volume was up 9 percent compared to 2017.

Receivables over 30 days were 2.40 percent, up from 1.70 percent the previous month and up from 1.30 percent the same period in 2017. Charge-offs were 0.30 percent, down from 0.51 percent the previous month, and down from 0.38 percent in the year-earlier period.

Credit approvals totaled 76.2 percent in April, up from 75.2 percent in March. Total headcount for equipment finance companies was up 0.7 percent year over year. During 2017, 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 May is 64.6, down from the April index of 68.3.

[ELFA President and CEO Ralph Petta](#) said, “Responding members continue to show solid growth in new business volume, reflecting sound fundamentals in the U.S. economy. Effects of new tax legislation signed into law late last year—bringing lower corporate tax rates, 100% expensing of new and used equipment, and the ability to continue to deduct business interest expense—are serving to buoy business confidence and contribute to healthy capex levels. Delinquencies spiked during the period and, should a trend in credit quality emerge, bears watching.”

[Brian Holland, President and CFO, Fleet Advantage](#), said, “The April MLFI index and increase in year-over-year new business volume are reflective of our results and what we see across the industry. In the transportation sector, order volume for Class 8 trucks continues at a pace well above industry capacity, driven by accelerating economic growth and near-record level freight volumes. Recent tax law changes and new lease accounting standards are positively impacting equipment procurement and the lease versus buy decision. We expect to see continued robust growth in both transportation and leasing and maintain a positive outlook for 2018.”

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/package 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 that propels the equipment finance sector—and its people—forward through industry specific knowledge, intelligence, and programs that contribute to industry innovation, individual careers, and the

overall 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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