

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

July New Business Volume Up 4 Percent Year-over-year, Down 10 Percent Month-to-Month, Up 4 Percent Year-to-date

Washington, DC, August 23, 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 July was \$8.2 billion, up 4 percent year-over-year from new business volume in July 2017. Volume was down 10 percent month-to-month from \$9.1 billion in June. Year to date, cumulative new business volume was up 4 percent compared to 2017.

Receivables over 30 days were 1.90 percent, up from 1.40 percent the previous month and up from 1.40 percent the same period in 2017. Charge-offs were 0.31 percent, down from 0.33 percent the previous month, and down from 0.35 percent in the year-earlier period. Credit approvals totaled 76.2 percent in July, up from 75.8 percent in June. Total headcount for equipment finance companies was up 0.6 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 August is 60.7, easing from the July index of 62.8.

[ELFA President and CEO Ralph Petta](#) said, “End-of-summer volume remains steady in the face of slowly rising interest rates and trade and tariff concerns in some pockets of the economy. Fundamentals in the economy also remain steady, featuring solid second quarter growth, low unemployment, a gravity-defying equities market and continued optimism in much of the business community borne out of tax legislation enacted last year. As we enter the late summer months, industry observers will be keeping a close eye on changes in credit markets as well as a flattening of the yield curve in the broader bond market, either of which could have implications for the economy in general, and the equipment finance space in particular.”

[Joe Hines, Managing Director – Head of Direct Originations, SunTrust Equipment Finance & Leasing Corp.](#), said, “Over the past five months SunTrust has seen new originations pick up across our lines of business, as companies broadly have adjusted for changes resulting from tax reform. Some companies have expressed concern regarding the impact trade tariffs may have. However, we remain optimistic as the outlook for capital expenditure plans over the next 12 months appears robust and new projects are coming online in our markets regularly.”

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

Follow ELFA:

Twitter: @ELFAonline

LinkedIn: www.linkedin.com/groups?gid=89692

Facebook: www.facebook.com/ELFApage

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.

###

Media/Press Contact: Amy Vogt, Vice President, Communications and Marketing, ELFA, 202-238-3438 or avogt@elfaonline.org