

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

September New Business Volume Down 2 Percent Year-over-year; Down 5 Percent Month-to-Month; Up 4 Percent Year-to-date

Washington, DC, October 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 September was \$8.5 billion, down 2 percent year-over-year from new business volume in September 2017. Volume was down 5 percent month-to-month from \$8.9 billion in August. Year to date, cumulative new business volume was up 4 percent compared to 2017.

Receivables over 30 days were 1.60 percent, down from 1.90 the previous month and up from 1.40 percent the same period in 2017. Charge-offs were 0.40 percent, up from 0.29 percent the previous month, and unchanged from the year-earlier period.

Credit approvals totaled 75.7 percent in September, down from 76.4 percent in August. Total headcount for equipment finance companies was down 0.2 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 October is 63.2, down from the September index of 65.5.

[ELFA President and CEO Ralph Petta](#) said, “Despite a slight pull back in new business volume indicated by September MLFI-25 respondents, anecdotal evidence given by member representatives attending the recently concluded ELFA Annual Convention points to a still-robust equipment finance industry in almost all asset and vertical sectors. Rising interest rates may have an impact on originations going forward, but at this point in the business cycle—with companies reporting strong earnings and the labor market approaching historic levels—all systems are go for the vast majority of equipment finance organizations.”

[Gary Peterson, President and CEO, TCF Equipment Finance, a division of TCF National Bank](#), said, “While volume is up year-to-date, September’s MLFI-25 shows a decline in year-over-year and month-over-month volume, likely as a result of rising diesel prices, the impact of the dollar, lack of infrastructure stimulus, rising interest rates and tariffs. Some deterioration may occur as a result of these factors; however, portfolios are performing quite well with delinquencies and charge offs at near historical lows.”

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.

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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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