

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

January New Business Volume Up 4 Percent Year-over-year

Washington, DC, February 26, 2019—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 \$7.2 billion, up 4 percent year-over-year from new business volume in January 2018. Volume was down 43 percent month-to-month from \$12.7 billion in December, following the typical end-of-quarter, end-of-year spike in new business activity.

Receivables over 30 days were 1.70 percent, unchanged from the previous month and down from 1.90 percent the same period in 2018. Charge-offs were 0.35 percent, down from 0.55 percent the previous month, and virtually unchanged from the year-earlier period. Credit approvals totaled 76.1 percent in January, down from 77.9 percent in December. Total headcount for equipment finance companies was flat year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in February is 56.7, up from the January index of 53.4.

[ELFA President and CEO Ralph Petta](#) said, "2019 gets off to a strong start in the equipment finance industry, with new business volume increasing 4 percent over the same period last year. Credit quality is stable. Business owners continue to expand their operations and acquire productive assets, even as interest rates edge up ever so slightly, with the Fed signaling a cautious wait-and-see posture for additional interest rate hikes this year."

[Dave B. Fate, President and CEO, Stonebriar Commercial Finance](#), said, "The equipment finance industry remains robust with steady to improving metrics as we start the new year. Multiple factors contributed to an overall positive impact in the markets, including continued strong reported corporate earnings, record low unemployment, strong retail sales, trade talks moving forward in a positive fashion and the Federal Reserve's significant change in tone. Stonebriar Commercial Finance had its fourth consecutive year since inception of record earnings, originations and no delinquency or credit losses. We enter 2019 with over \$1 billion of new business volume in various stages in our pipeline. We remain bullish about the prospects in our industry for 2019."

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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