

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

*May New Business Volume Up 20 Percent Year-over-year, Down 17 Percent Month-to-month, and Up 7  
Percent Year-to-date*

Washington, DC, June 23, 2021—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 \$900 billion equipment finance sector, showed their overall new business volume for May was \$8.1 billion, up 20 percent year-over-year from new business volume in May 2020. Volume was down 17 percent month-to-month from \$9.8 billion in April. Year-to-date, cumulative new business volume was up nearly 7 percent compared to 2020.

Receivables over 30 days were 1.9 percent, up from 1.8 percent the previous month and down from 4.3 percent in the same period in 2020. Charge-offs were 0.30 percent, unchanged from the previous month and down from 0.61 percent in the year-earlier period.

Credit approvals totaled 77.4 percent, up from 76.3 percent in April. Total headcount for equipment finance companies was down 13.8 percent year-over-year, a decrease due to significant downsizing at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in June is 71.3, steady with the May index of 72.1.

[ELFA President and CEO Ralph Petta](#) said, "Solid May new business volume growth, put in perspective, compares favorably to a low y-o-y base when the pandemic was raging at the beginning of the summer last year. While overall industry performance is relatively strong during the first half of this year, even more robust demand for financing is being constrained by supply chain shortages in several economic subsectors. And, with covid-related payment modifications resolved for the most part, ELFA members report their portfolios performing well."

[Jeffrey Walker, CEO, CIMC Capital](#), said, "Customer requests for loans and finance leases are strong with demand for our manufactured products (trailers and containers) at all-time highs. Economic conditions for transportation equipment are robust, driving customers to expand their fleets. Current headwinds continue to be supply chain shortages and shipping delays. The trend in these conditions and headwinds seem likely to continue for the foreseeable future."

### **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/](http://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 nearly \$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. In 2021, ELFA is celebrating 60 years of equipping business for success. For more information, please visit [www.elfaonline.org](http://www.elfaonline.org).