

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

September New Business Volume Up 6 Percent Year-over-year, 8 Percent Month-to-month, and 10 Percent Year-to-date

Washington, DC, October 26, 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 September was \$9.2 billion, up 6 percent year-over-year from new business volume in September 2020. Volume was up 8 percent month-to-month from \$9.9 billion in August. Year-to-date, cumulative new business volume was up 10 percent compared to 2020.

Receivables over 30 days were 1.6 percent, down from 1.8 percent the previous month and down from 2.0 percent in the same period in 2020. Charge-offs were 0.35 percent, up from 0.23 percent the previous month and down from 0.82 percent in the year-earlier period.

Credit approvals totaled 76.3 percent, unchanged from August. Total headcount for equipment finance companies was down 14.0 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 October is 61.1, an increase from the September index of 60.5.

[ELFA President and CEO Ralph Petta](#) said, "Originations in the equipment finance industry continue to tick up, with September new business volume showing good growth compared to the same period last year. Supply chain disruptions and inflation concerns continue, with the Fed poised to gradually ease its asset purchases in the near term. For now, liquidity is abundant and businesses are acquiring the productive equipment necessary to respond to customer demand in a variety of market sectors. Portfolio quality is mixed, however, with lower delinquencies offset by slightly higher charge offs for the 25 responding MLFI participants."

[Robert L. Boyer, President, First Commonwealth Equipment Finance](#), said, "The September MLFI data display encouraging signs of improvement for the industry with new business volume increasing and delinquency decreasing from August. Losses are trending higher but remain in a range below what we saw in comparable, pre-pandemic periods. Looking forward, it seems this is a story of tailwinds and headwinds. A slight increase in the Foundation's October Monthly Confidence Index, reduced levels of COVID-19 cases from the late summer peak and increasing demand are indications that things will continue to improve. On the other hand, supply chain disruption, significant increases in equipment prices and low worker supply continue to hamper expansion in major industry sectors our industry serves. This should really make for an interesting fourth quarter."

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/.

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 580 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.

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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.

