

# State of the Industry

## Association for Governmental Leasing & Finance

**St. Pete Beach, Florida**

**November 6, 2015**

**William G. Sutton, CAE**

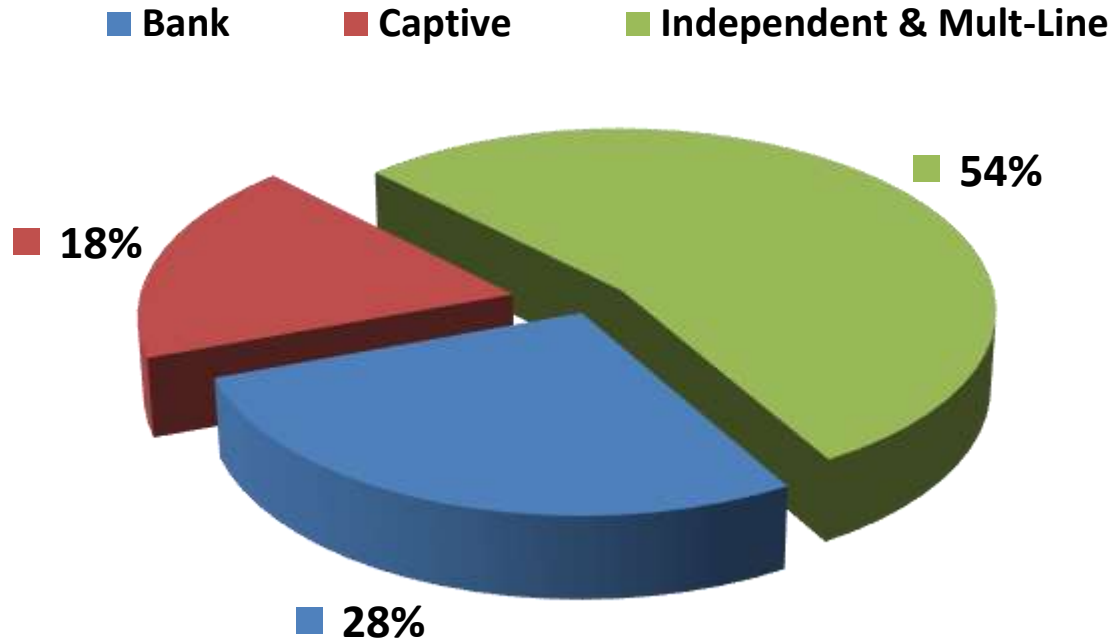
**President & CEO**

**Equipment Leasing and Finance  
Association**





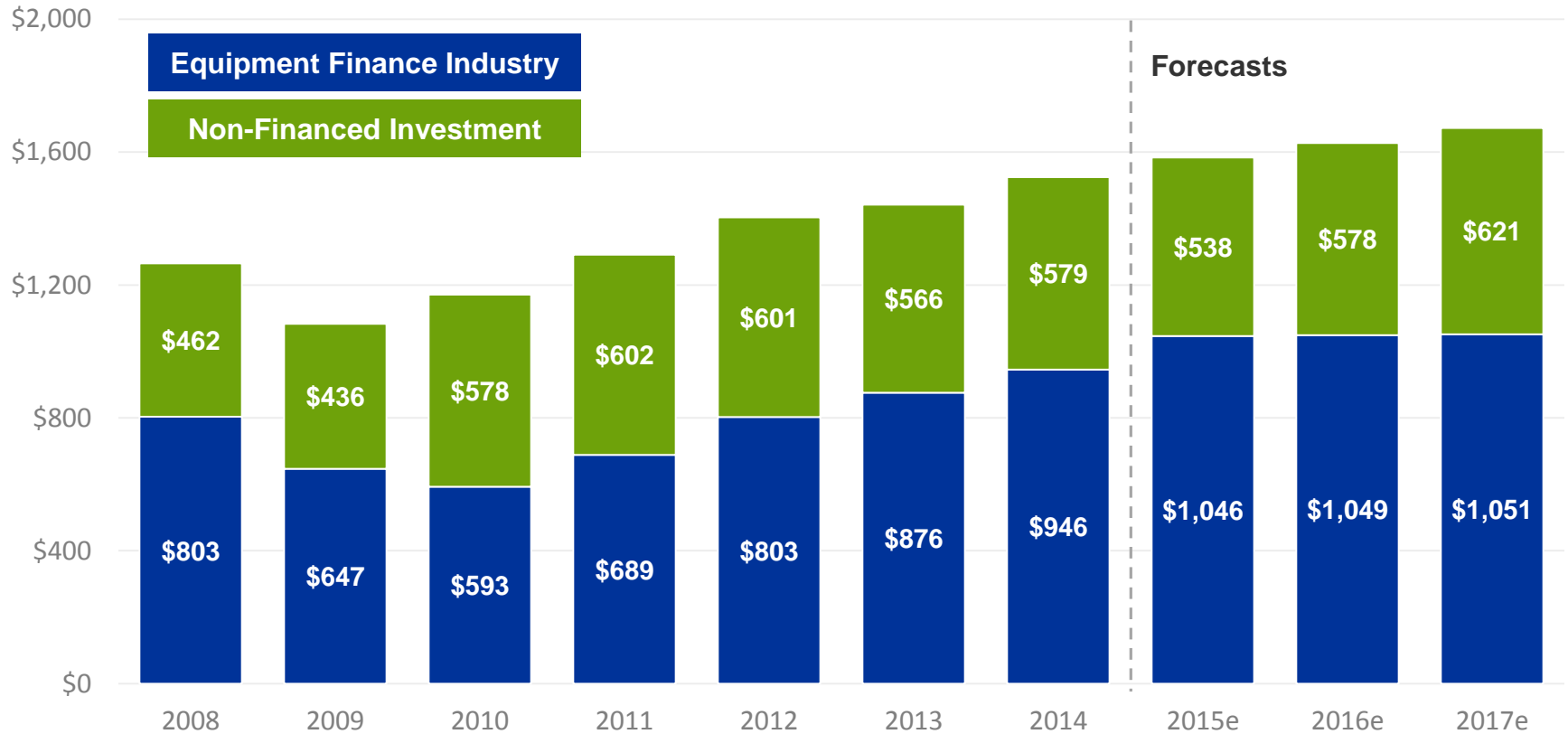
# Regular Membership



# The Equipment Finance Industry is Projected to Reach the \$1 trillion Level in 2015

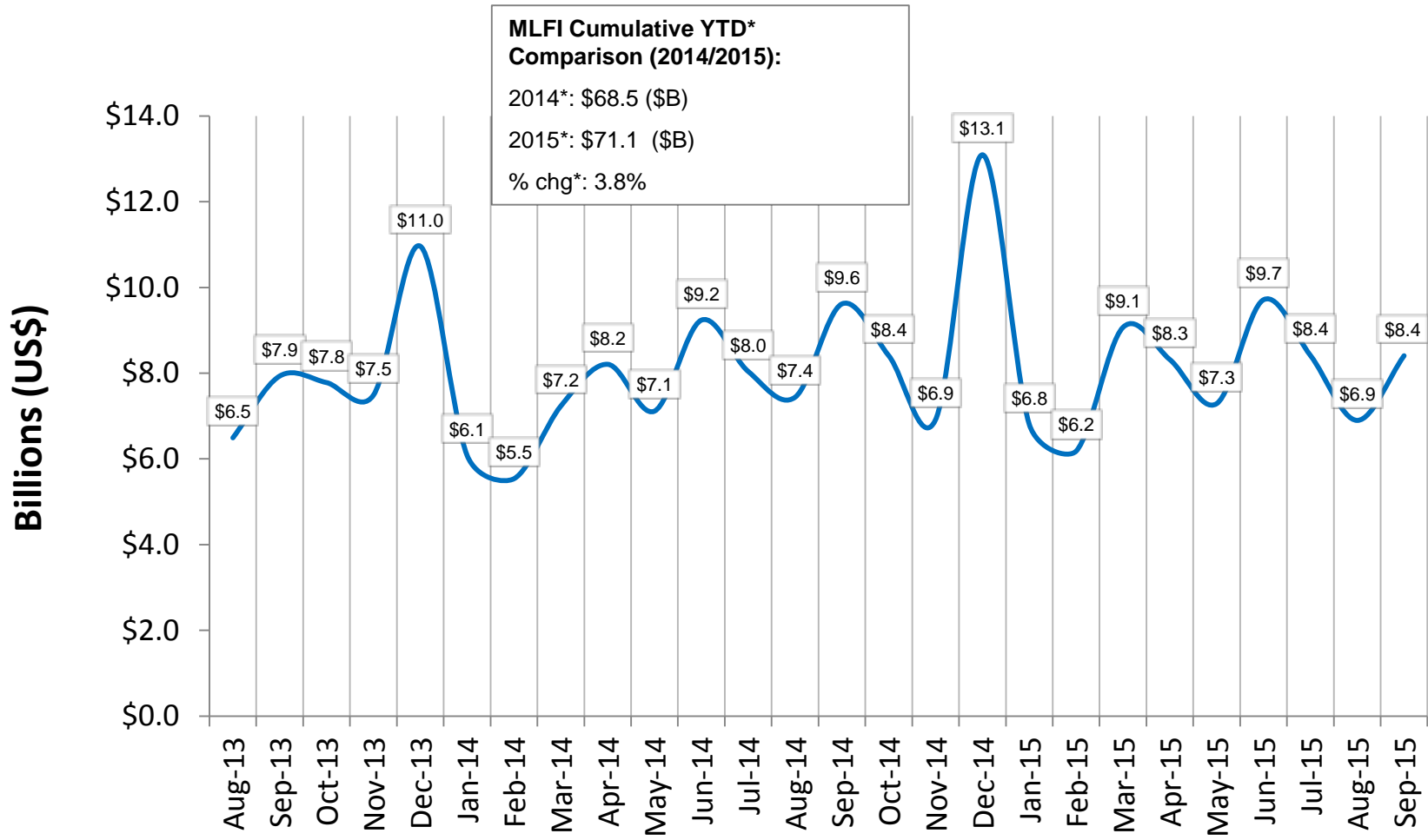
## Equipment Finance Industry Size

Billions of Dollars



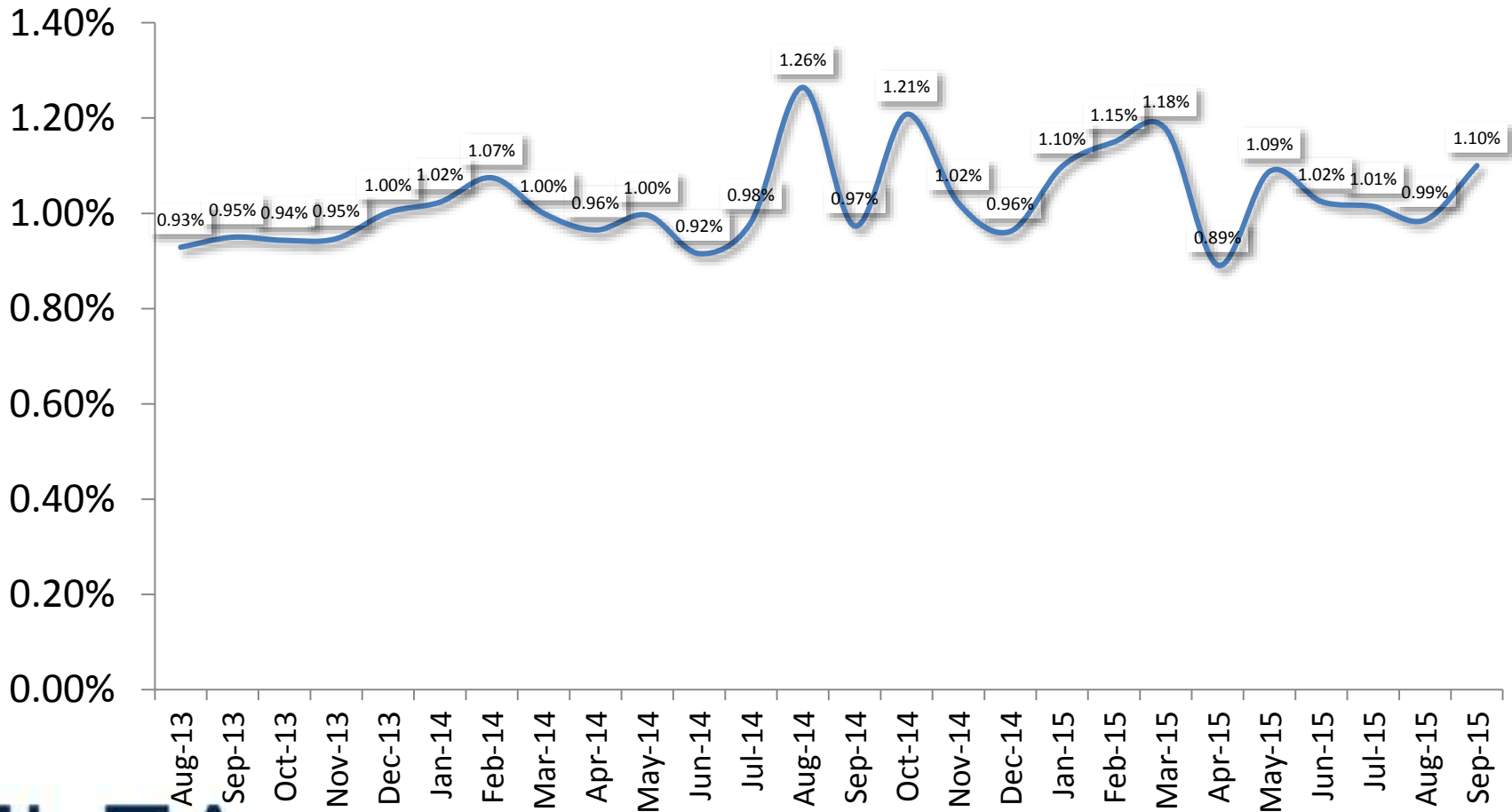
Source: SEFI 2015; Macrobond Financial, Keybridge LLC

# MLFI-25 New Business Volume (Year-Over-Year Comparison)

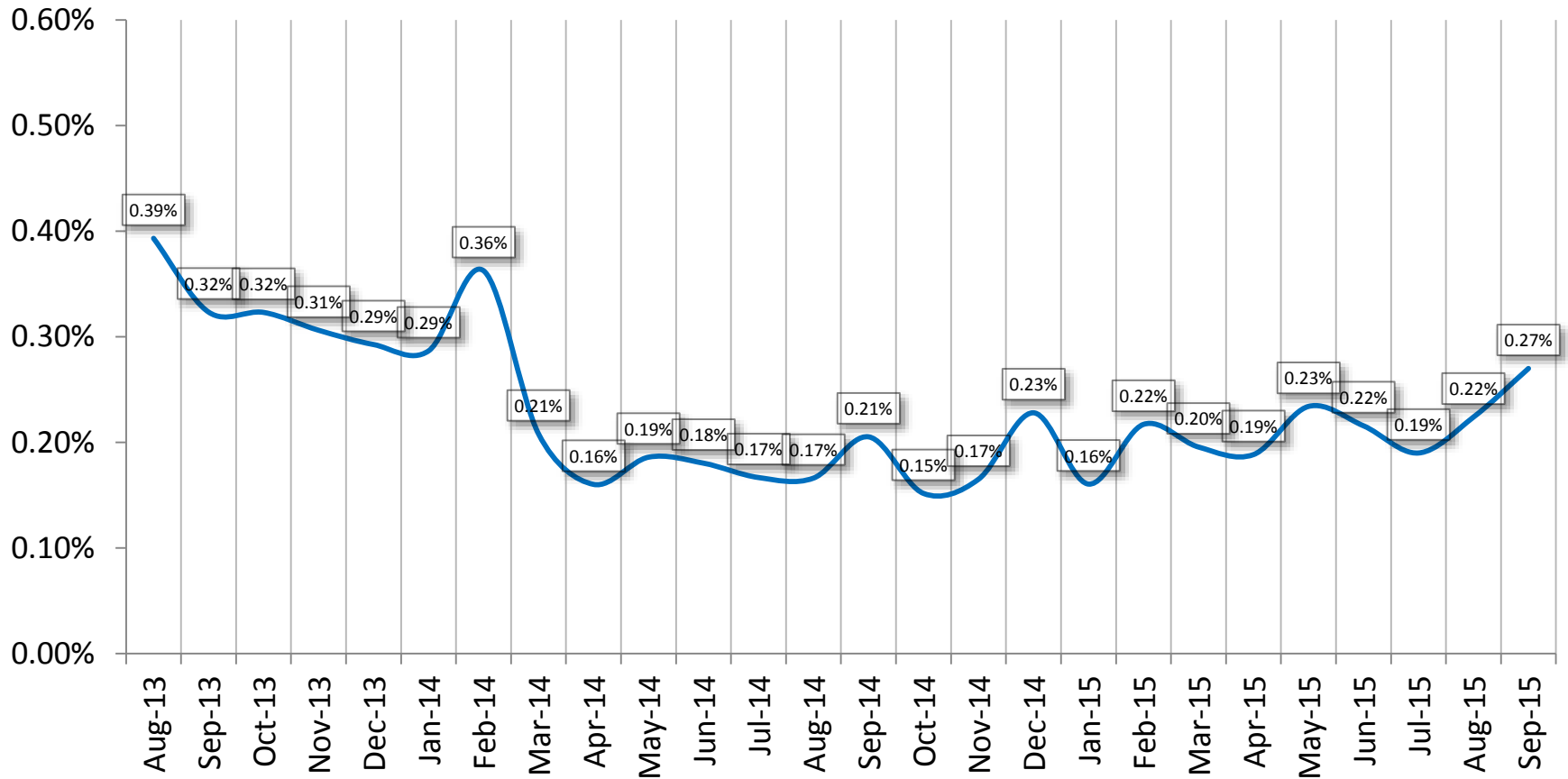


\* YTD NBV numbers will not match the numbers from the chart due to rounding

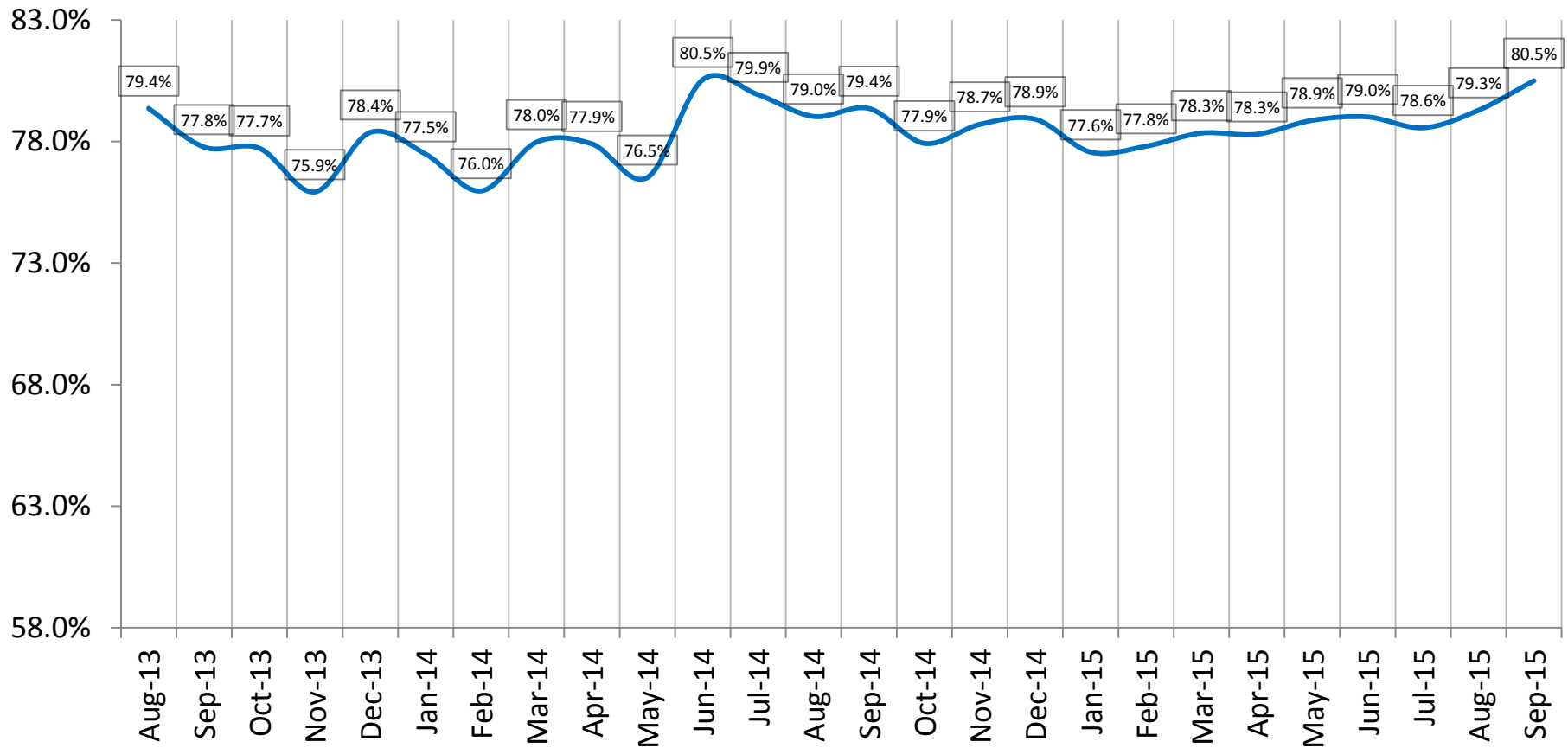
# Aging of Receivables Over 30 Days



# Average Losses (Charge-offs) as a % of Net Receivables

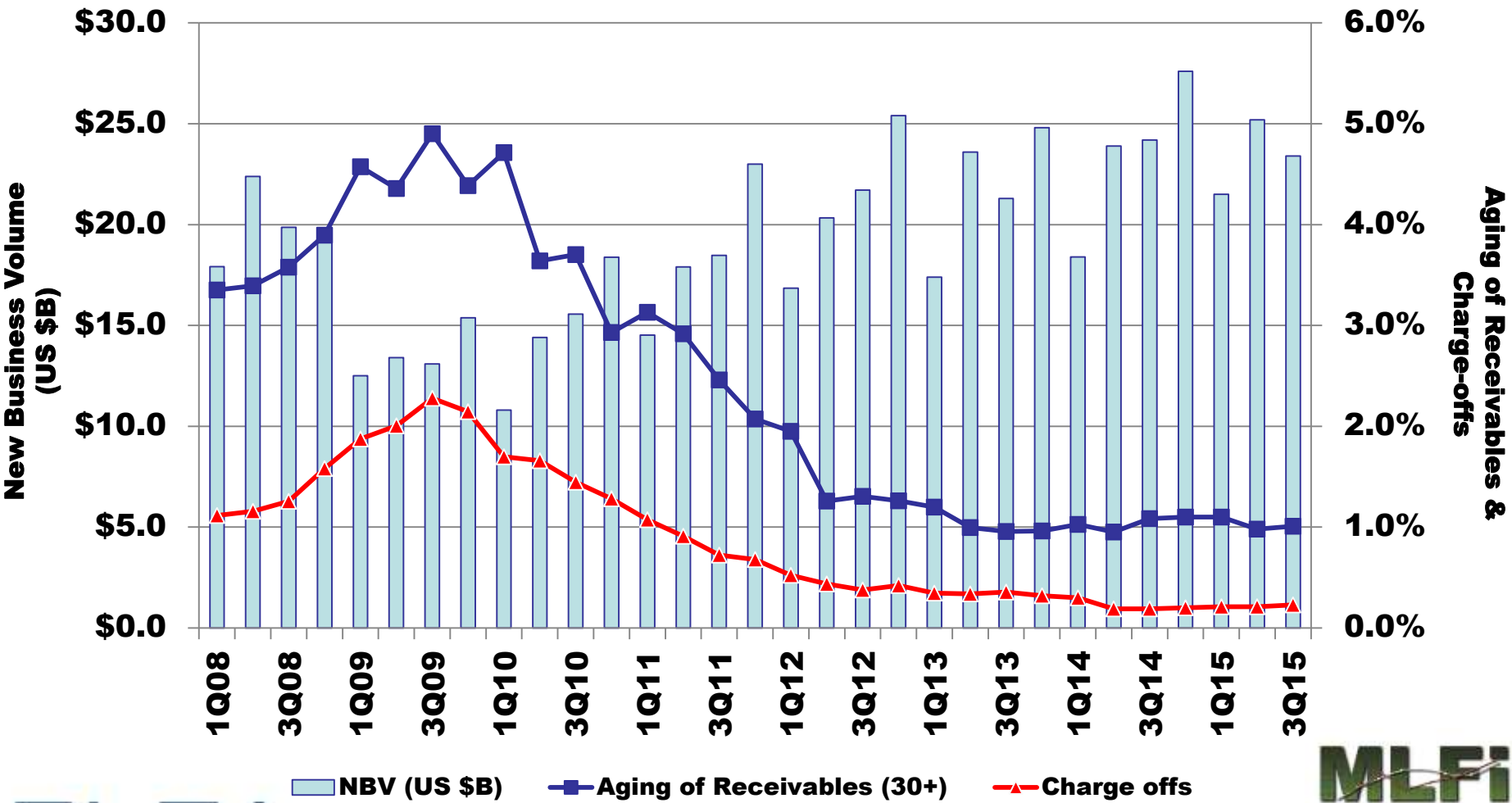


# Credit Approvals As % of All Decisions Submitted

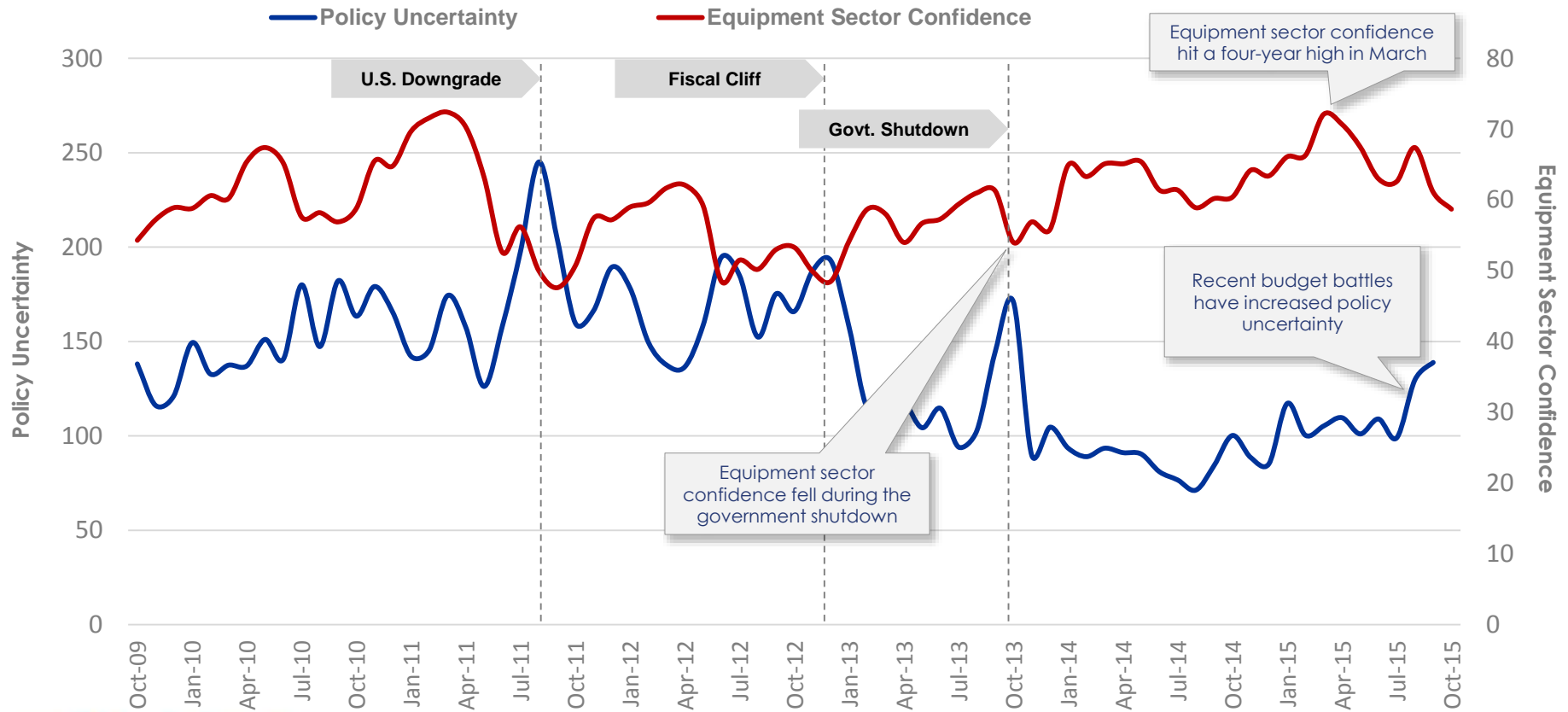




# New Business Volume and Credit Quality

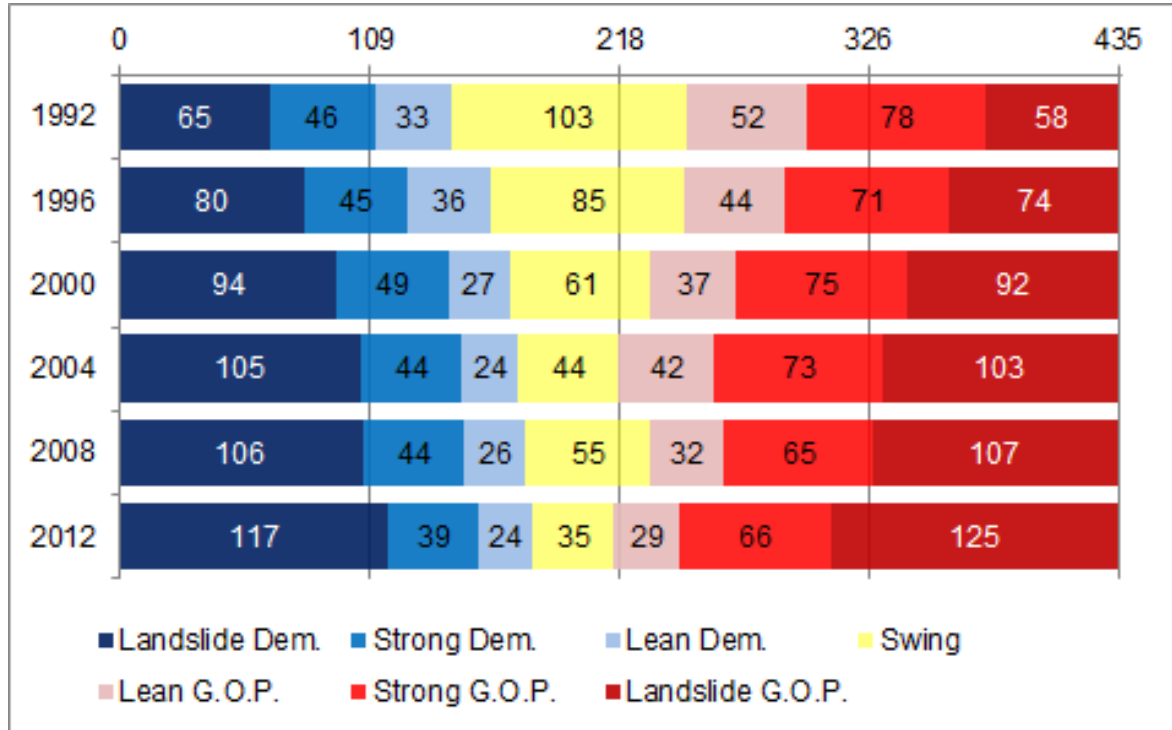


# Equipment sector confidence has shown a strong inverse relationship with policy uncertainty



# View From Washington

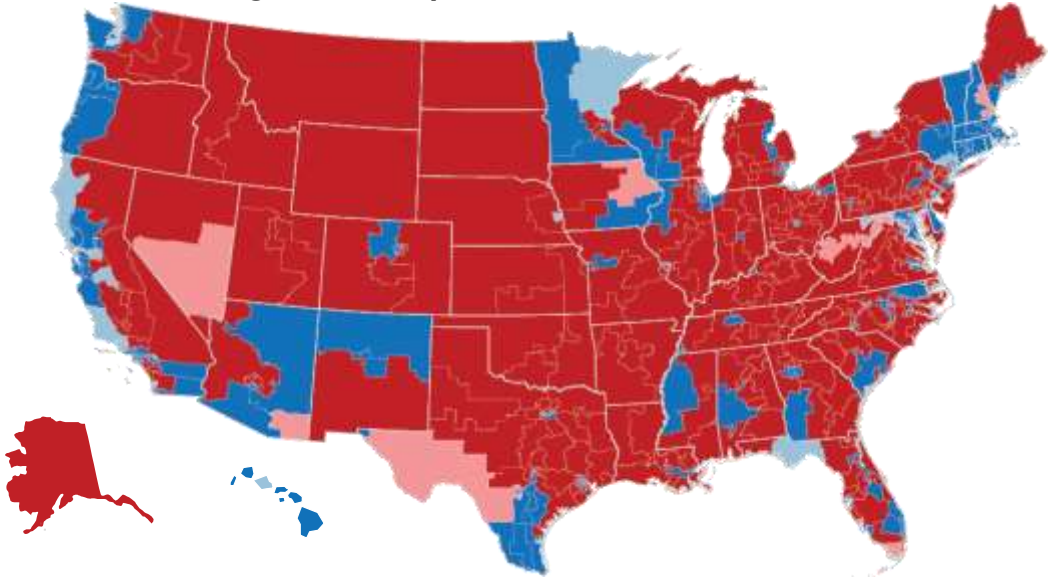




# Only 5% of House Races Were Decided by a Close Margin

Margins of Victory in 2014 House Elections

- Margin of >5%, Dem
- Margin of 0-5%, Dem
- Margin of 0-5%, Rep
- Margin of >5%, Rep



### Analysis

- 22 House races were decided by a margin of 5% or less; 14 of those races were won by Democratic candidates, while 8 were won by Republican candidates
- California accounted for an unusually high share of competitive races this year: seven House races in California were decided by a margin of 5% or less, and all of them were won by Democrats
- Because so few districts produce competitive races, some observers predict that the GOP will retain their majority in the House until districts are redrawn following the 2020 census

Source: National Journal Research; AP.

# Federal Advocacy



- Lease Accounting Project
- Comprehensive Tax Reform
- Dodd-Frank
  - CFPB/ECOA
  - Regulatory Tracking and Submittals

Federal



Capitol Connections



# State Advocacy



# Business and Professional Development

- ✓ Equipment Management Conference
- ✓ IMN/ELFA Investors Conference
- ✓ Executive Roundtable
- ✓ 27<sup>th</sup> Annual National Funding Conference
- ✓ Legal Forum
- ✓ AGL&F/ELFA Public Sector Finance Forum
- ✓ Capitol Connections
- ✓ Credit and Collections Management Conference
- ✓ Operations and Technology Conference
- ✓ Lease and Finance Accountants Conference
- ✓ ELFA 54<sup>th</sup> Annual Convention

## Best Practices Roundtables

- Bank Best Practices
- Captives Best Practices
- Independent Best Practices
- Tax Best Practices
- Human Capital



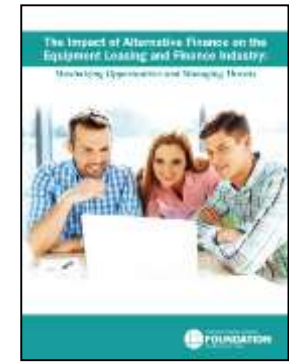
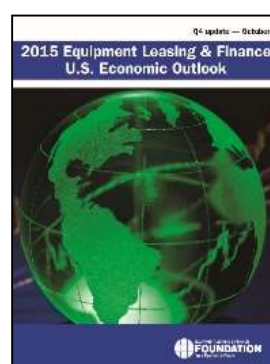


# Foundation Report



# Recently Published Studies

- 2015 State of the Equipment Finance Industry
- Fall 2015 edition of Journal of Equipment Lease Financing
- Securitization: A Renaissance for Equipment Finance
- Q4 Update to 2015 Equipment Leasing & Finance U.S. Economic Outlook
- The Impact of Alternative Finance on the Equipment Leasing and Finance Industry: Maximizing Opportunities and Managing Threats
- Digital Documents: Financing Paperless Transactions
- 2015 Industry Future Council Report



# Summary

**Confidence and Employment**

**GDP Growth Variables**

**Uncertainty, But**

**Positive Outlook**

# Questions?

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