

2010

Survey of Equipment Finance Activity

Table of Contents

About the ELFA 2010 Survey of Equipment Finance Activity Report	4	Financial Ratios	65
ELFA 2010 Survey Results: Executive Summary	6	i. Financial Ratios Over Five-Year History	iv. By Organization Size
Acknowledgements	9	ii. By Type of Organization	v. By Business Model
		iii. By Market Segment	
I. ANALYSIS OF NEW BUSINESS VOLUME	10	IV. PORTFOLIO PERFORMANCE	72
New Business Volume	11	Aging/Delinquency of Portfolio (Net Investment) at Risk	73
i. By Type of Organization		i. Aging/Delinquency over Five Year History	iv. By Organization Size
ii. By Market Segment		ii. By Type of Organization	v. By Business Model
iii. By Organization Size		iii. By Market Segment	vi. PayNet - Delinquency Rates over Ten Years
iv. By Business Model			
Distribution of Respondents Whose New Business Volume Grew or Declined	17	Full Year Loss (Charge-Off)	79
New Business Volume by Origination Channel	18	i. Full Year Loss over Five Year History	
i. By Type of Organization		ii. By Type of Organization	iv. By Organization Size
ii. By Market Segment		iii. By Market Segment	v. By Business Model
iii. By Organization Size			
iv. By Business Model			
v. Growth over Five Year History			
New Business Volume by Origination Channel and by Transaction Size	21		
New Business Volume by End-User Industry	22	V. BUSINESS PROCESSES	82
New Business Volume by Equipment Type	24	Credit Applications Processing	83
New Business Volume by Financial Product Category	26	i. By Type of Organization, Market Segment, Organization Size, Business Model	
i. By Type of Organization		ii. Average Credit Decision Turnaround Time by Type of Organization, Market Segment, Organization Size, Business Model	
ii. By Market Segment		iii. By Organization Size	
iii. By Organization Size		iv. By Business Model	
New Business Volume by State	32	Asset Management	91
International New Business Volume by US-based Organizations	33	i. Residual or Salvage Position on New Business Volume	
		ii. Residual or Salvage Position on Transactions that Matured and Were Disposed	
		iii. Termination Reason for Fair Market Value (FMV) Leases Reaching End-of-Lease	
		iv. Equipment Disposition	
		v. Portfolio Size of Residual or Salvage Position Transactions	
		Full-Time Equivalent Employees	106
		i. Over a Five Year History	
		ii. Over Two Years by Type of Organization, Market Segment, Organization Size, Business Model	
		iii. Predominance of In-House vs. Outsourcing	
		iv. Employee Productivity Ratios Over Five Year History	
		v. Employee Productivity Ratios Over Two Years by Type of Organization, Market Segment, Organization Size, and Business Model	
II. YIELD AND FUNDING	36	VI. SMALL-TICKET EQUIPMENT LEASING & FINANCE	118
Pre-Tax Yield, Cost of Funds, and Pre-Tax Spread	37	Involvement in Small-Ticket Leasing & Finance	119
i. Pre-Tax Yield, Cost of Funds & Pre-Tax Spread Over a Five Year History		New Business Volume	121
ii. Pre-Tax Yield, Cost of Funds & Pre-Tax Spread By Type of Organization, by Market Segment by Organization Size, and by Business Model		Pre-Tax Yield, Cost of Funds, and Pre-Tax Spread	133
Securitization of Assets	42	Aging/Delinquency of Net Investment & Full-Year Loss (Charge-off)	136
i. By Type of Organization		Credit Processes	140
ii. By Market Segment		Applications Processed	147
iii. By Organization Size			
iv. By Business Model			
Transactions Sold to and Purchased by Others	44		
i. Transactions Sold to Others			
ii. Transactions Purchased by Investors from Organizations			
iii. Primary Reason Organizations Sold Transactions to Others			
III. FINANCIAL STATEMENT INFORMATION	52		
Balance Sheet	53		
i. By Type of Organization			
ii. By Market Segment			
iii. By Organization Size			
iv. By Business Model			
Income Statement	57		
i. By Type of Organization			
ii. By Market Segment			
iii. By Organization Size			
iv. By Business Model			

Table of Contents ... continued ...

	Banks	Captives	Independents	
ANALYSIS BY ORGANIZATION TYPE	150	163	173	
i. New Business Volume	151	164	174	
ii. Internal Bank Referrals as Source of New Business Volume	155			
iii. Pre-Tax Yield, Cost of Funds & Pre-Tax Spread	157	168	178	
iv. Aging/Delinquency of Portfolio (Net Investment) at Risk	158	169	179	
v. Residual or Salvage Position by Equipment Type	159		180	
vi. Predominance of In-House vs. Outsourcing for Full-Time Equivalent Employees	160	170	181	
vii. Small-Ticket Equipment Leasing & Finance – New Business Volume & Credit Processes	161	171	182	
	Micro-Ticket	Small-Ticket	Middle-Ticket	Large-Ticket
ANALYSIS BY MARKET SEGMENT	184	191	201	211
i. New Business Volume	185	192	202	212
ii. Aging/Delinquency of Portfolio (Net Investment) at Risk		168	206	
iii. Residual or Salvage Position by Equipment Type		197	207	
iv. Predominance of In-House vs. Outsourcing for Full-Time Equivalent Employees	189	198	208	
v. Small-Ticket Equipment Leasing & Finance – New Business Volume & Credit Processes	190	199	209	
	Under \$50 Mil.	\$50 to \$250 Mil.	\$250 Mil. to \$1 Bil.	Over \$1 Bil.
ANALYSIS BY ORGANIZATION SIZE	214	221	229	237
i. New Business Volume	215	222	230	238
ii. Residual or Salvage Position by Equipment Type		225	233	241
iii. Predominance of In-House vs. Outsourcing for Full-Time Equivalent Employees	218	226	234	242
iv. Small-Ticket Equipment Leasing & Finance – New Business Volume & Credit Processes	219	227	235	243
	Direct	Vendor	Third Party	Mixed
ANALYSIS BY BUSINESS MODEL	245	255	263	270
i. New Business Volume	246	256	264	271
ii. Aging/Delinquency of Portfolio (Net Investment) at Risk	250	260		275
iii. Residual or Salvage Position by Equipment Type	251			276
iv. Predominance of In-House vs. Outsourcing for Full-Time Equivalent Employees	252	261	268	277
v. Small-Ticket Equipment Leasing & Finance – New Business Volume & Credit Processes	253	262	269	278
XXII. PROFILE OF RESPONDENTS	280			
APPENDIX	286			
Glossary	287			
List of 2010 Survey Respondents	289			