

Request for Proposal

Innovation in the design and execution of asset finance funding strategies

Problem Statement:

Asset finance firms need reliable sources of capital to make their businesses work.

Historically asset finance firms have employed a mix of funding strategies designed to deliver capital at both a competitive cost of funds and with terms and structures complimentary to that of their business and portfolio models.

Over the past few years, the capital markets have experienced wild swings in both rates and the availability of capital. Two years ago there was a tremendous "oversupply" of liquidity, chasing limited demand. Today, firms with credit ratings below investment grade struggle to access any level of capital, at any price.

Typical funding strategies include, in varying proportions, bank credit lines, public and private markets for access to short and long term debt, parent companies (in the case of captive organizations) and asset finance firm capital market activities like syndication and/or securitization.

Economic forces have challenged equipment and vehicle finance firms utilizing traditional funding strategies and mechanisms. Today's reality is that for many asset finance firms funding, in any form, is either unavailable or available only in terms that are not complimentary to the business model that the firm is attempting to execute.

Specific Issues to be Addressed:

The Foundation is interested in hearing the perspective from researchers who can help identify innovative ways asset finance firms can proactively develop and deliver the funding strategies of the future. We are interested in hearing from researchers that can both provide forward-thinking insight and support their conclusions with primary or secondary research. Funding-related topics of interest to the Foundation include, in no particular order:

1. Have traditional larger-bank driven funding models taken a break, likely to return in another form, or going to make a resurgence?
2. Will the advent of government stimulus programs free up capital for use by the asset finance industry? Why or why not?
3. If large banks are expected to continue to be challenged in supporting the asset finance industry, are regional or community banks ready and able take more of a role than they are today? Why or why not?
4. Are industrial banks a viable solution to securing a reliable source of funds? Does the availability of deposits translate to a reliable funding source for asset finance firms? Are some firms better suited to utilizing an industrial bank than others? What are the drivers?
5. What does an optimized funding model look like in the future? Does it use new lenders? How is it likely to be different than the optimized funding models of today? How will pricing work?
6. What role will the traditional capital models play in the future - banks, debt markets, securitization, syndications?
7. What is the role for private equity in forward-thinking funding strategies? How private equity money on the sidelines be freed up for use by asset finance companies?

A researcher is free to choose one or combine multiple topics in their project proposal. The topics have been provided as a general guide.

About the Equipment Leasing & Finance Foundation

The Foundation strives to be the “Eye On The Future” through development of future focused research, studies and articles regarding the equipment financing industry. Since its formation, the Foundation has commissioned and endowed over \$1.3 million of research projects. This has literally DOUBLED the body of knowledge available to equipment finance organizations and those that work with these financing organizations.

There is no other medium which independently seeks to study key issues facing the industry with a view on where it could be in 3 - 5 - 10 years from now.

The Foundation is a sister organization to ELFA (Equipment Leasing and Finance Association), a trade association established in 1961 to represent the equipment finance industry. ELFA members are the primary users of research developed by the Foundation. Its members represent financial services companies and manufacturers

engaged in financing the utilization and investment of/in capital goods. With a broad array of more than 750 members, ELFA member companies include Fortune 100 financial services companies, captive manufacturer finance subsidiaries as well as small and mid-sized independents and service providers engaged in financing commercial equipment and software. 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.

Foundation Budget: \$1.6 million for fiscal year ending December 31.

IRS Classification – 501 (c)(3)

Staff – 2

Website: www.Leasefoundation.org

Required Deliverables

It is the expectation of the Foundation that the final study will be delivered in no more than four months from contract date.

Specific include:

1. All deliverables should be written for the lay reader.
2. Monthly progress reports submitted via email to Executive Director.
3. Each Foundation project is assigned a Steering Committee comprised of industry experts, to serve as a resource and reviewers of the findings and draft reports.
4. Research Study Paper- Final study provided in Microsoft Word and PDF version. Charts and graphs will be provided in PDF and Excel, to include the source data. All graphics must be provided in high-resolution and low-resolution quality. Study Page Count variable: 30-150 pages.
5. Article - *Journal of Equipment Lease Financing* article – approximately 2,000 words. Author guidelines may be found at <http://www.leasefoundation.org/JELF/>
6. An abstract (approximately 250 words) of project results must be submitted at the conclusion of the original or amended project funding period. The abstract will be used to report the study to a general audience. The abstract must be written for the lay reader.
7. Upon request by the Foundation, be available to present findings live and/or via web seminars.

Timeline and Contract Terms

Proposal due July 30, 2009. Proposal selection occurs within 30 days of due date.

First Draft report expected no later than November 1, 2009

Final report and all deliverables expected by December 1, 2009.

Selection Criteria

1. Experience in similar assignments

2. Resources/capacity to perform the required work
3. Experience with associations
4. Qualifications of the individuals who will perform the work
5. Knowledge of the equipment finance industry
6. Quality of the proposed study design
7. Price
8. References
9. Intangibles

Response Details

Submit your electronic response to Lisa Levine at llevine@elfaonline.org.

Information Required

1. Researcher (or Firm's) history and background
2. Experience/knowledge with lease finance research
3. Experience with non profit associations
4. Overview of the study design
5. Credentials and qualifications of staff to be assigned the project
6. References/client list, with written permission to contact
7. Description of similar studies performed by the researcher
8. If appropriate, description of how staff time and other costs are billed

Staff Contact:

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