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## LEASING & FINANCE NEWS UPDATE

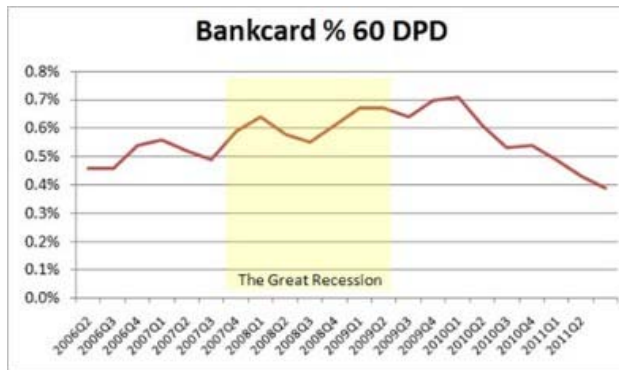
August 2011

*We Share the Risk - Contingency Collections*

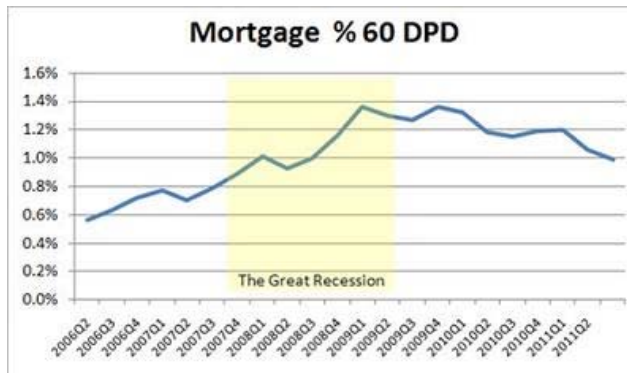


### CARD DELINQUENCIES DOWN, LATE MORTGAGE PAYMENTS UP

Experian released findings on the credit card and mortgage payment behaviors of consumers both nationally and in the top 30 Metropolitan Statistical Areas (MSAs). Nationally, since 2007, 20% fewer credit card payments are 60 days late, but 25% more consumers are paying their mortgage 60 days late. The cities that showed the most improvements to bankcard payments include Cleveland, Ohio; San Antonio, Texas; Cincinnati, Ohio; Dallas, Texas; and Houston, Texas. Cities that have made the least improvements to their credit card payments include Riverside, Calif.; Seattle, Wash.; Tampa, Fla.; Phoenix, Ariz.; and Miami, Fla. Additionally, the data shows only four cities that improved in making mortgage payments: Cleveland, Ohio; Minneapolis, Minn.; Denver, Colo.; and Detroit, Mich.



"In looking at the numbers, we're seeing that even in the cities at the bottom of the list, consumers are meeting their bankcard payment obligations better than before the recession," said Michele Raneri, vice president of analytics, Experian. "While the Experian data shows an overall improvement to these 60 day delinquencies, as much as a 30 percent improvement is seen in the key Texas cities, which is a positive sign in what has been a slow economic recovery."



The charts provide a view into the bankcard and mortgage change patterns from Q1 2006 through Q2 2011.

Source: Experian

### BUSINESS BORROWING JUMPS 33% IN JUNE

Issue 27

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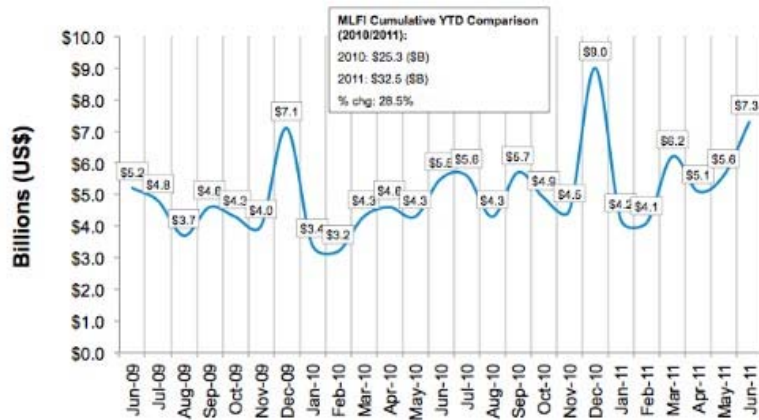
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**MLFI-25 New Business Volume - June 2011**

The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity for the \$521 billion equipment finance sector, showed overall new business volume for June was \$7.3 billion, up 33% from volume of \$5.5 billion in the same period in 2010. Compared with May volume, June volume increased by 30%. Year to date, new business volume is up 28.5% over last year.

Credit quality is mixed. Receivables over 30 days decreased 14% to 2.5% in June from 2.9% in May, and declined by 24% compared to the same period in 2010. Charge-offs increased 38% in June from the previous month, and decreased by 35% from the same period in 2010.

Credit standards eased in June as the credit approvals ratio increased to 79% from 76% the previous month. Sixty-three percent of participating organizations reported submitting more transactions for approval during the month, a decrease from 68% in May.

Finally, total headcount for equipment finance companies in June showed no significant change month to month and year over year. Supplemental data shows that the construction and trucking sectors and small and medium-sized enterprises continued to lead the underperforming sectors. Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index for July is 56.2, up 6.8% from the June index of 52.6.

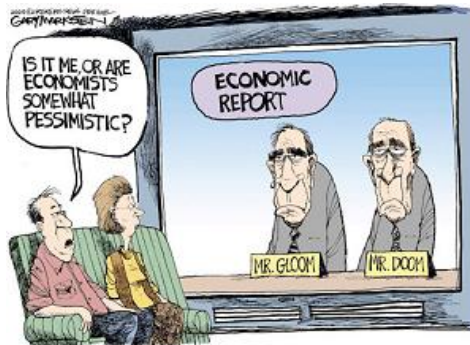
ELFA President and CEO William G. Sutton, CAE, said: "Overall new business activity in the equipment finance sector continues to show steady improvement in 2011. We hope this positive trend will continue as we head into the second half of the year amid an economic recovery restrained by uncertainty."

Source: ELFA



**MLFI-25 Aging Receivables - June 2011**

## OUTLOOK DARKENS: 30% CHANCE OF ANOTHER RECESSION



The chances of the economy slipping into another recession have risen significantly, and forecasts for economic growth and job gains over the next year have been substantially downsized, according to USA Today's quarterly survey of top economists. The 39 economists polled Aug. 3-11 put the chance of another downturn at 30% - twice as high as three months ago, according to their median estimates. That means another shock to the fragile economy - such as more stock market declines or a worsening of the European debt crisis - could push the nation over the edge.

Yet even if the USA avoids a recession, as economists still expect, they see economic growth muddling along at about 2.5% the next year, down from 3.1% in April's survey. The economy must grow well above 3% to significantly cut unemployment. As a result, the economists predict the jobless rate will fall painfully slowly, dipping to 8.8% in 12 months, not much below today's 9.1%. In April, they estimated unemployment would be 8.2%

by mid-2012.

The gloomier forecast is a stunning reversal. Just weeks ago, economists were calling for a strong rebound in the second half of the year, based on falling gasoline prices giving consumers more to spend on other things and car sales taking off as auto supply disruptions after Japan's earthquake faded. In fact, July retail sales showed their best gain in four months. But that was before European debt woes spread, the government cut its growth estimates for the first half of 2011 to less than 1%, and Standard & Poor's lowered the USA's credit rating after the showdown over the debt ceiling.

U.S. consumer confidence in early August sank to its lowest since 1980, according to the Thomson Reuters/University of Michigan survey released Friday.

Source: USA TODAY

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