

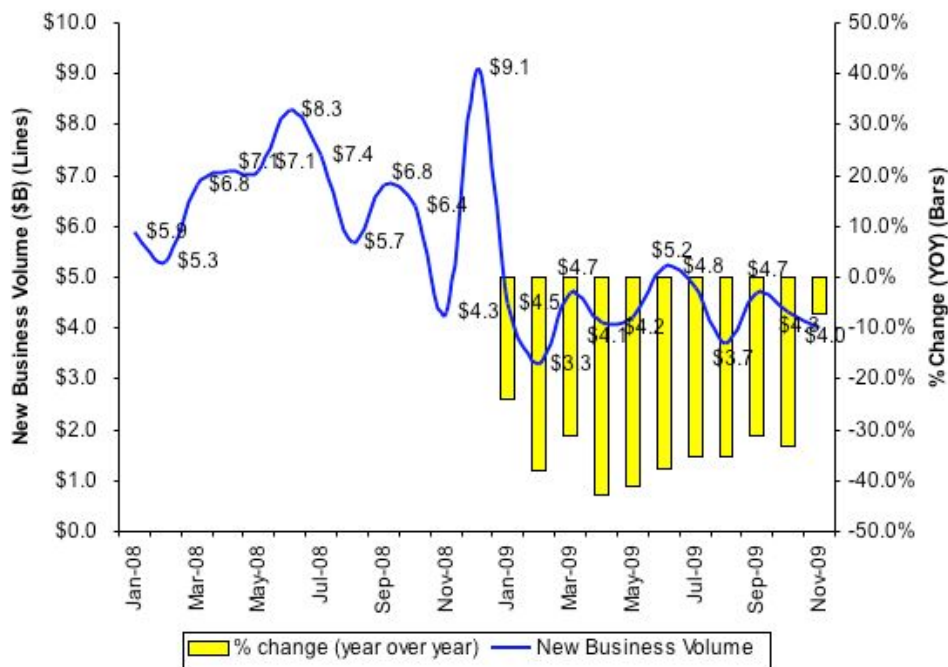
LEASING & FINANCE NEWS UPDATE

January 2010

One Goal: Recovery of Our Clients' Money...

Equipment Leasing Industry Sees 7% Drop in New Business Volume

MLFI-25 New Business Volume - November 2009



The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity for the \$518 billion equipment finance sector, showed overall new business volume for November declined by 7.0% when compared to the same period in 2008. For 2009, the MLFI-25 reported month-to-month new business volume down 7.0% from October to November, from \$4.3 billion to \$4.0 billion.

The MLFI-25 reported receivables over 30 days increased to 4.5% as compared to 4.2% in October. On a year-over-year basis, receivables over 30 days increased by 15%. Charge-offs increased to 2.4% from 1.7% in the prior month and rose by 66.9% compared to November 2008. Sixty-two percent of participant companies reported that fewer transactions were submitted for approval during the month, due to tightening underwriting standards and lower demand, according to supplemental data. Credit approvals increased slightly to 67.2% when compared to the previous month; compared to the same period in the previous year, credit approvals ratios have dropped slightly from 69.2% in November 2008. Total headcount for equipment finance companies decreased slightly at 0.6% in the October-November period.



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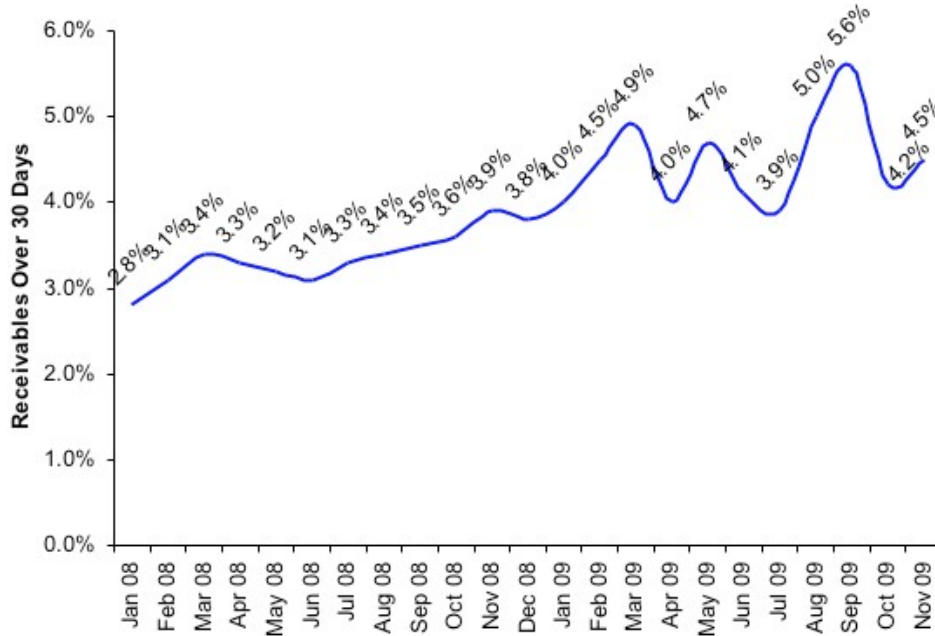
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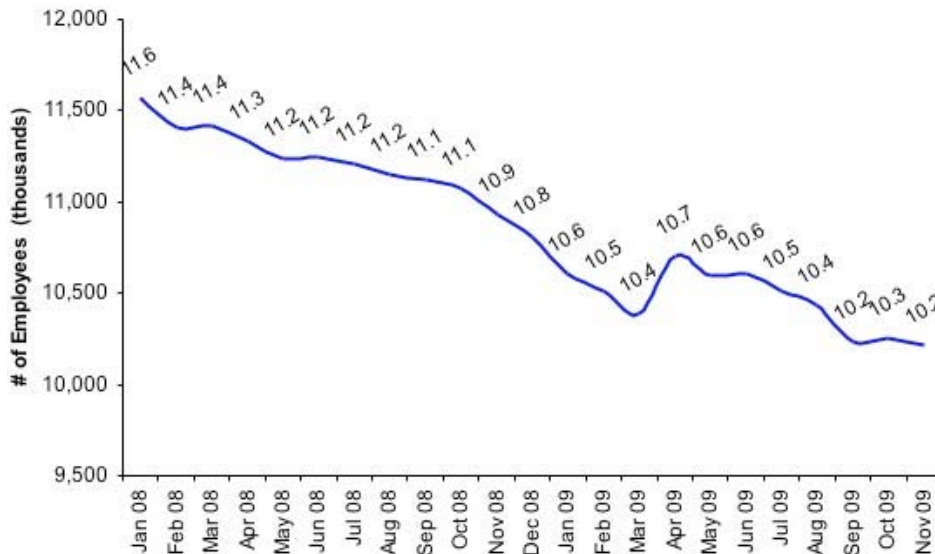
“Whether or not the worst of this recession is really behind us remains to be seen,” said Frederick S. Summers, Chairman and Chief Executive Officer, Vision Financial Group, Inc., located in Pittsburgh, PA. “When the economy does make the turn for the better and the credit markets really start to open and fire on all eight cylinders, whoever can increase accessibility to capital will reap big rewards.” A related index, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI), for December showed an increase to 58.8 compared to 57.2 compared in November. December MCI-EFI is the highest since the index was inaugurated in May this year.

Source: ELFA

MLFI-25 Aging of Receivables - November 2009



MLFI-25 Employee Numbers - November 2009



"Never run into debt, not if you can find anything else to run into."
~ Josh Billings (1815-1885), American Humorist & Lecturer

U.S. Business Loan Defaults Rise Again



Severe delinquencies by small and medium-sized U.S. businesses on the loans, leases and lines of credit to finance capital equipment rose again in November as lenders remained reluctant to extend fresh financing, PayNet Inc reported this week.

Accounts behind 180 days or more, and unlikely ever to be paid, rose to 0.91% in November from 0.87% in October, according to PayNet, which provides risk-management tools to the commercial lending industry. It was the 22nd consecutive monthly increase in loans so far in arrears they

ultimately may have to be written off by lenders.

Accounts in moderate delinquency, or those behind by 30 days or more, rose in November to 4.33% from 4.19% in October, according to PayNet. That ended a three-month stretch where moderate delinquencies had fallen, a trend that fueled hopes prospects were improving for small businesses, which led the broader economy into the past two recessions and are widely regarded as the best hope for job creation in any recovery.

Accounts 90 days or more behind in payment, or in severe delinquency, improved modestly in November, slipping to 1.40% from 1.43% in October. It was the fourth consecutive improvement in the measurement.

Source: Reuters/PayNet

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