

LEASING & FINANCE NEWS UPDATE

June 2010



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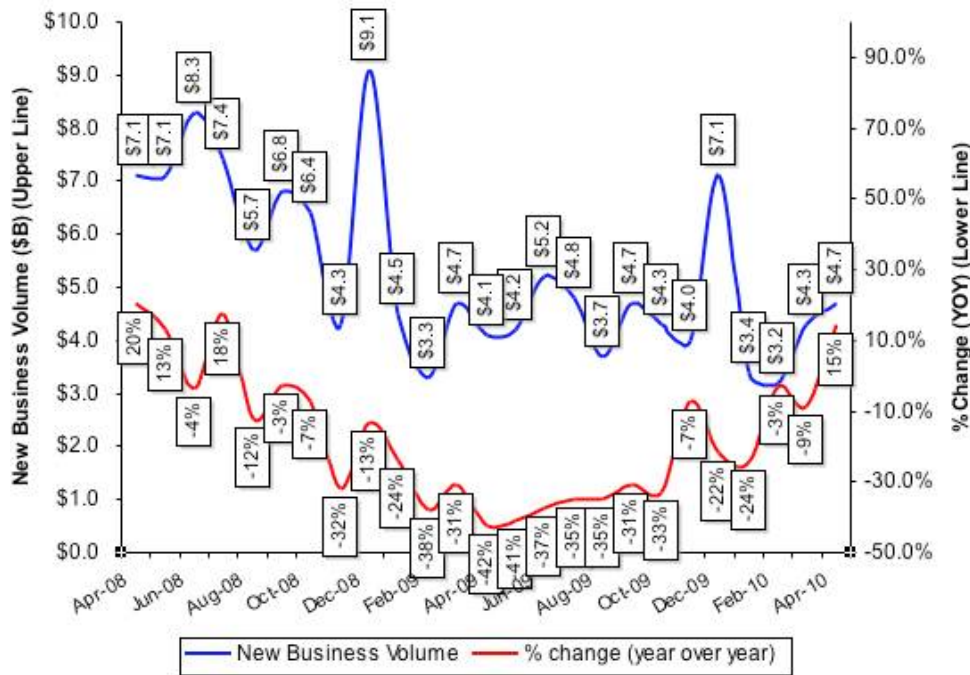
TEL: (856) 779-0300

FAX: (856) 779-0355 - fax

NJ: Cherry Hill/Lawrenceville

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U.S. CAPITAL EQUIPMENT FINANCING UP 15% IN APRIL



MLFI-25 New Business Volume - April 2010

A survey of banks and financing companies shows the volume of U.S. equipment purchases financed in April rose 15% from April 2009, the first year-over-year growth in the monthly survey in nearly two years. Respondents to the Equipment Leasing and Finance Association's survey said they financed \$4.7 billion of new equipment in April, compared with \$4.1 billion a year ago, and \$4.3 billion in March. Although the total financing activity from January through April remains 6% below last year, the April survey results suggest that the \$650 billion-a-year commercial leasing and finance industry is beginning to rebound.

The last survey to show year-over-year growth in financing originations was in July 2008. After that, businesses began shelving capital spending in response to reduced availability of credit and the economic recession.

Loan delinquencies in April also lessened. Loans and leases past due by more than 30 days totaled 3.7% of respondents' net receivables, down 7.5% from a year ago and down 12% from March. Loan charge-off in April fell 10% from a year ago to 1.6% of net receivables.

Nevertheless, 46% of the 25 survey respondents said they submitted fewer financing transactions for approval last month than a year ago.

APRIL 2010 CREDIT CARD DELINQUENCIES AND CHARGE-OFFS



Bank of America had the highest reported rate of credit card delinquencies and charged-off the greatest percentage of its credit card loans in April, according to recent SEC filings by six major consumer credit card issuers. The data is filed monthly by major issuers for securitization reporting.

Bank of America had the highest rate of total delinquencies at 6.73 percent of all credit card accounts. The issuers' delinquencies are separated into days delinquent buckets and aggregated for reporting; the delinquency rate reported is the total at all days-delinquent levels.

Bank of America also reported the highest net charge offs in April with 12.71 percent of card accounts charged off.

Source: Inside ARM

IRONSIDE'S INDUSTRY INSIGHT ...

Accounts Receivable Management Industry Turning a Corner



Even with unemployment remaining maddeningly elevated and liquidation rates still at depressed, many accounts receivable management firms are beginning to see a path out of recessionary realities. In the first quarter of 2010, many ARM professionals reported better results and liquidation rates, compared to the previous quarter and compared to the first quarter of 2009.



The ARM Confidence Index, a quarterly gauge of overall industry confidence derived from the survey, reached its highest point since Fall 2008, continuing its shaky upward climb after bottoming out in Winter 2009.

Liquidation performance, one of the key measures of the Index, increased 13 percent in the first quarter of 2010 when compared to the fourth quarter of 2009. Much of that increase is due to the seasonality of collections; the first quarter typically sees higher collection rates due to early tax refunds. But liquidation performance was also up compared to the first quarter of 2009: ARM companies reported performance levels 4.5 percent higher in Q1 2010.

For the first time, the Spring 2010 survey asked about consumer complaints against respondents' collection firms. Nearly 44 percent of ARM respondents said that they were not aware of any complaints against their company, and the most common channel for being notified of complaints was through state attorneys general. Also, 82.3 percent of survey takers said that their company's complaint procedure policy had been updated in the past year.

Source: Inside ARM

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Saldutti, LLC 856 779-0300
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