

EQUIPMENT

Leasing & Finance

THE MAGAZINE FOR INDUSTRY EXECUTIVES

JULY | AUGUST | SEPTEMBER 2022

Career Pathways: Focusing Your Route to Success



Top Tech Drivers
of 2022

State of Credit &
Collections

ELFA Annual
Convention
Preview

2022 Software
Guide

ELFA
EQUIPMENT LEASING AND
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Contents

JULY | AUGUST | SEPTEMBER 2022

COVER STORY

18 **Career Pathways: Focusing Your Route to Success**

A new framework adds clarity and direction to ELFA's vast collection of education and leadership development tools.

By Susan L. Hodges

6 **ELFA's 61st Annual Convention Preview**



FEATURES

24 **Exploring the Top Tech Drivers of 2022**

Equipment finance pros focus on "the human touch."

By Gwen Moran

KnowledgeHub

28 **Surveys Reveal State of Credit & Collections**

By Diane Johnson

30 **Equipment Finance Braves Rough Waters**

Findings from the 2022 SEFA.

By Diane Johnson

23 **2022 Software Guide**



Contents

JULY | AUGUST | SEPTEMBER 2022

COLUMNS

5 From the President & CEO

Your Roadmap to Success
By Ralph Petta

32 Leasing Law

Municipal Leasing 201:
Non-Appropriation and Mitigation
By Michael P. Gallo

34 Financial Watch

Leases vs. Service Contracts under ASC 842:
What You Need to Know
By Joe Guage, Tim Kolber and Amie Sweeney

36 Federal Insight

One Industry, One Voice
By Andy Fishburn

38 Around the States

Financial Disclosure Laws Heat Up
By Scott Riehl

DEPARTMENTS

8 ELFA News

A Roundup of Association Events,
Resources and Member News

12 ELFA Leadership 2023

See Who's Up For Election By the ELFA
Membership

14 Business Council Updates

5 Minutes with the Captive & Vendor
Finance Chair



JAYMA SANDQUIST

16 Industry Dashboard

The Latest ELFA and Foundation Data

40 Foundation News

A Look Ahead
By Charlie Visconage

ADVERTISER'S INDEX

American Lease Insurance11
www.aliac.net

Great American Insurance Group... Cover 2
www.gaic.com

LTi Technology Solutions 29
www.LTiSolutions.com

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Boost your business intelligence.

2022 Survey of Equipment Finance Activity

Delve into fresh data from 100 equipment finance companies in the SEFA and the Small-Ticket companion report. Start making better, data-driven decisions today!

NEW!



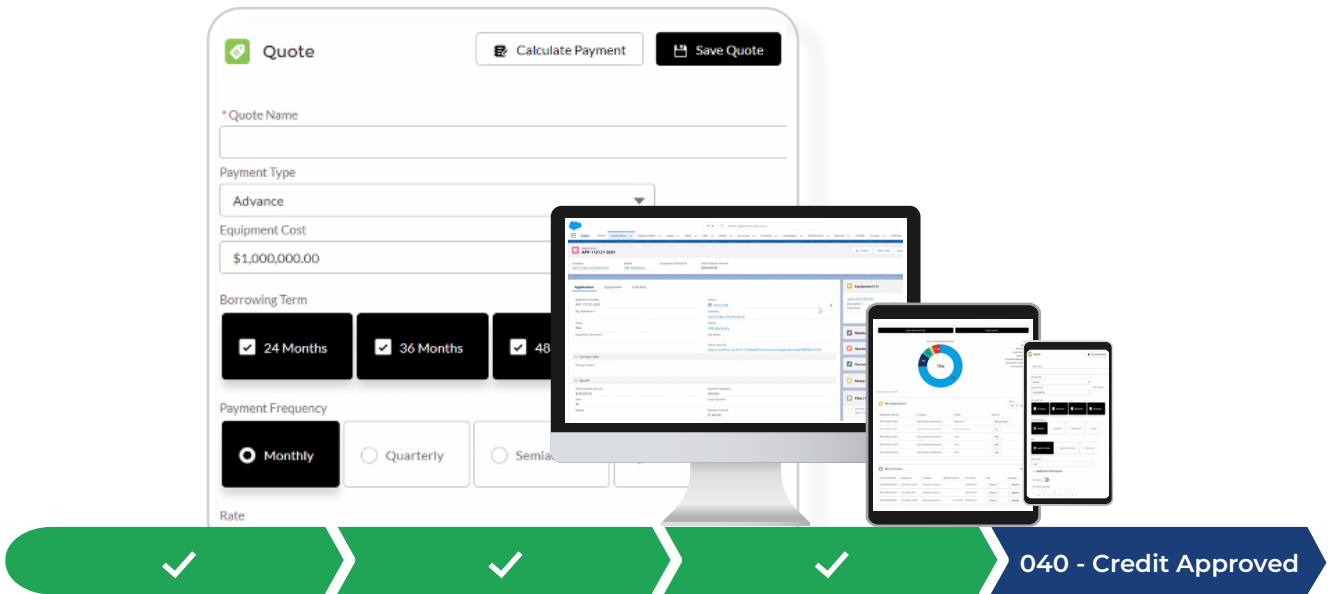
Interactive SEFA Dashboard

View highlights from 15 years of industry benchmark data. Drill down into specific information in just a few clicks. Free access for members only. **Bonus:** Survey respondents get a personalized MySEFA dashboard!

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Your Roadmap to Success



WHERE ARE YOU IN YOUR EQUIPMENT FINANCE CAREER JOURNEY? Whether you're just starting out, a seasoned traveler or somewhere in between, ELFA is rolling out a roadmap to help you navigate each phase of your career. Career Pathways is a comprehensive leadership development program available to ELFA members that you can't get anywhere else. We've packaged together a wide range of resources—events and training, networking, volunteering, business intelligence—according to your experience level and areas of interest, all designed to help you get where you want to go. Hear what members have to say about it in our cover story, "Career Pathways: Focusing Your Route to Success," and in the video below.

ELFA Annual Convention

Change is a constant in the equipment finance industry, and you are continually challenged to innovate your business operations.

That's where the 61st ELFA Annual Convention comes in. Our theme this year is "Welcoming Change as Opportunity" and the agenda is designed to help you leverage new developments in the marketplace. We hope you'll join us in Marco Island, Florida, Oct. 9-11, for high-quality educational sessions, unparalleled networking opportunities, a first-rate exhibit and a great lineup of keynote speakers:

- Silicon Valley veteran **Dex Hunter-Torricke** will share insights on the impact of future technology on business.
- On the hot topic of the changing workforce, we'll hear from **Ginny Clark**, former director of executive recruiting at Google.
- Geopolitical analyst **Peter Zeihan** will update us on how world trends are shaping our future.

**Career Pathways—
Your Roadmap to Success**

Presented By **ELFA**
EQUIPMENT LEASING AND FINANCE ASSOCIATION

Start your roadmap to success!
elfaonline.org/CareerPathways

Why I'm Excited About Career Pathways
Members speak out about ELFA's new leadership development roadmap.

Cast Your Ballot

It's time to vote for ELFA's officers and directors for 2023. To participate in this important process, please see page 12. We also encourage you to participate in the Business Council Steering Committee elections. See page 14 for details.

Thank you as always for your participation. Please don't hesitate to contact us if you have any questions or you'd like to get more involved. ☰

Ralph

RALPH PETTA is the President and CEO of the Equipment Leasing and Finance Association.

What's New at the ELFA Annual Convention?





Get Ready to Learn and Network

In today's rapidly evolving marketplace, no one can afford to stand still. The most successful equipment finance organizations are leveraging new developments in the marketplace and **"Welcoming Change as Opportunity."**

At the 61st ELFA Annual Convention, we'll examine key developments facing the equipment finance industry—business, economic, technological and legislative—and exchange ideas and solutions for positioning your business for success.

We have a lot to talk about: Changing workforce expectations... business model innovations... the growth of digitalization... new regulatory requirements... We'll also address critical "people power" issues, from sourcing and developing talent, to driving diversity and inclusion in the workplace, to welcoming the next generation of leaders.

As you evolve your business and your career into the future, you don't want to miss the ELFA Annual Convention. There's nowhere else you can connect with so many industry leaders and discover new ideas to grow and succeed. You'll enjoy unparalleled networking opportunities, high-quality educational sessions, a great lineup of keynote speakers and a first-rate exhibit.

Why Attend?

The ELFA Annual Convention is the primary forum that industry leaders turn to with assurance when it comes to addressing critical issues and trends.

It is the largest, most important annual gathering of equipment leasing and finance professionals. Whoever you need to see is likely to be there.

Register Early...

Reserve Your Hotel Accommodations...

Save Money

Register for the convention AND reserve your accommodations at the JW Marriott Marco Island Beach Resort by Monday, August 1, 2022, and receive a discount on the convention registration fee.

Need More Information?

For complete details, including convention registration and hotel reservations, go to www.elfaonline.org/events/2022/AC/

Get Noticed! Become a Sponsor or an Exhibitor

The ELFA Annual Convention provides unmatched opportunities to provide exposure for your company, especially through sponsorships and the Convention Exhibition. To become a sponsor or an exhibitor, contact Steve Wafalosky at steve@larichadv.com or (440) 247-1060.

Featured Speakers



DEX HUNTER-TORRICKE

Former Head of Communications at SpaceX, Executive Communications Manager at Facebook, and Executive at Google

With more than a decade working at the heart of the technology industry, Dex Hunter-Torricke has managed communications for some of the most influential and admired Silicon Valley leaders and corporations of our day. From 2012-2016, he led the executive communications team at Facebook and served as personal speechwriter for Mark Zuckerberg. He then went on to join SpaceX as senior director of communications. He is currently head of communications for the Oversight Board, the independent body that will be making decisions on Facebook and Instagram's most challenging content issues.



GINNY CLARKE

Former Director, Executive Recruiting at Google

Dedicated to helping leaders create the conscious workplace for tomorrow, Ginny Clarke has advised at the highest levels of corporate America for decades. A proven expert in driving diverse leadership, she is the former director of executive recruiting at Google, where she led the company's diversity, non-tech recruiting, and leadership internal mobility teams – finding and hiring senior leaders across the company. She also built a scaled internal mobility program for Google's senior leaders to advance within the organization, and designed much of the infrastructure that supports their executive recruiting function today.



PETER ZEIHAN

Geopolitical Strategist

Peter Zeihan is a geopolitical strategist, which is a fancy way of saying he helps people understand how the world works. Peter combines an expert understanding of demography, economics, energy, politics, technology, and security to help clients best prepare for an uncertain future. Over the course of his career, Peter has worked for the US State Department in Australia, the DC think tank community, and helped develop the analytical models for Stratfor, one of the world's premier private intelligence companies. Peter founded his own firm — Zeihan on Geopolitics — in 2012 in order to provide a select group of clients with direct, custom analytical products. Today those clients represent a vast array of sectors including energy majors, financial institutions, business associations, agricultural interests, universities and the U.S. military.

Schedule of Events

Sunday, October 9

7:00 – 9:00 a.m.

Transportation for Golf and Tennis Players
Hammock Bay Golf & Country Club

7:00 a.m.

Breakfast for Golfers
Hammock Bay Grill



8:30 a.m.

Golf Tournament (Shotgun Start)
Hammock Bay Golf & Country Club
(off property)

9:00 – 11:00 a.m.

Tennis Tournament
Hammock Bay Golf & Country Club
(off property)



8:00 – 9:00 a.m.

Breakfast for Community Service and Eco Tour Bike Riders
(on property; pre-registration required)

9:00 – 11:00 a.m.

Jim McGrane Charity Eco Tour Bike Ride

(pre-registration required; additional fee for bike and other equipment)



9:00 – 11:00 a.m.

Community Service Project Beach Clean Up: Save the Turtles!

(on property; pre-registration required)



10:00 a.m. – 8:00 p.m.

Convention Registration
(Attendees & Exhibitors)

1:00 – 2:00 p.m.

Luncheon for Golfers
Hammock Bay Grill

2:00 – 2:30 p.m.

Golf Transportation Back to the Hotel

2:00 – 5:00 p.m.

Exhibitor Setup

2:00 – 4:00 p.m.

Community Service Project Build-a-Guitar

(on property; pre-registration required)



4:00 – 5:00 p.m.

New Members and Leadership Reception

4:00 – 5:00 p.m.

Women's Council Reception

5:30 – 8:00 p.m.

Welcome Reception Exhibits Open

Monday, October 10

7:00 a.m. – 4:30 p.m.

Convention Registration

7:00 – 8:15 a.m.

Group Breakfast

7:00 a.m. – 5:00 p.m.

Exhibits Open

8:30 – 10:00 a.m.

General Session

Chair's Address and Keynote Address

Speakers:



MIKE DICECCO, Chair, ELFA
Executive Managing Director, Huntington Asset Finance



DEX HUNTER-TORRICKE
Former Head of Communications at SpaceX, Executive Communications Manager at Facebook

10:00 a.m. – Noon

Refreshment Break in Exhibit Area

10:45 a.m. – 11:45 a.m.

Issue Breakout Sessions

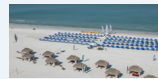
- Equipment Finance: A 40-Year Retrospective
- Human Side of Equipment Finance
- Change is on the Horizon: Is Equipment Finance Ready for Standardization?
- Specialized Apps, Software, and Info Services



11:00 a.m. – 3:00 p.m.

Spouse/Companion Event:

Day at JW Marco Island Beach with Lunch
(pre-registration required)



12:15 – 1:45 p.m.

Equipment Leasing & Finance Foundation Luncheon



Speaker:



GINNY CLARKE
Former Director, Executive Recruiting at Google

2:30 – 3:30 p.m.

Issue Breakout Sessions

- You Don't Have a Diversity Problem, You Have a Leadership Problem *Hosted by the ELFA Women's Council and Equity Committee*
- Managing Supply Chain Risk for Equipment Finance Lenders
- ELFA's Business Technology Performance Index: Discoveries Impacting the Current and Future Marketplace
- Impact of a Volatile Economy on Secondary Markets in the Transport and Construction Verticals

2:00 – 4:00 p.m.

Refreshment Break in Exhibit Area

4:00 – 5:00 p.m.

Equity and ETAC Reception

5:00 p.m.

Individual Company-Sponsored Receptions and Events

Tuesday, October 11

7:00 a.m. – 3:00 p.m.

Convention Registration

7:00 – 8:15 a.m.

Group Breakfast

7:00 a.m. – 3:00 p.m.

Exhibits Open

8:30 – 10:15 a.m.

General Session

President's Report and Keynote Address

Speakers:



RALPH PETTA
President and CEO, ELFA



PETER ZEIHAN
Geopolitical Strategist

10:15 a.m. – 12:45 p.m.

Refreshment Break in Exhibit Area

11:00 a.m. – 12:00 p.m.

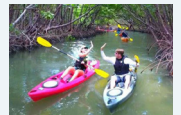
Issue Breakout Sessions

- Foundation Horizon Report:  The Future of the Industry is Now
- The Future of Risk Management is Precision
- Leading Process and Technology: Change for the Future

11:30 a.m. – 4:00 p.m.

Spouse/Companion Event: Mangrove Tunnel Kayak Tour with Lunch

(off property; pre-registration required)



12:15 – 2:00 p.m.

Outdoor Community Luncheon for all Attendees

2:30 – 3:30 p.m.

Issue Breakout Sessions

- Opportunities and Challenges in Climate Financing
- Changes in Law Mean Business

5:00 – 8:00 p.m.

Closing Reception and Dinner Under the Sea Beach Party





ELFA Board Holds Spring Meeting in D.C.

THE ELFA BOARD OF DIRECTORS met in-person in May under the leadership of Board Chair Mike DiCecco. During the Board meeting, ELFA leaders deliberated over a number of high-priority items focusing on the strategic direction of the association and the ultimate goal of ensuring that ELFA programs, products and services are responsive and continue to deliver value to members.

ELFA President and CEO Ralph Petta and staff offered updates on a variety of association activities, reporting exceptional membership renewal/recruitment and event attendance and an active state and federal advocacy agenda. Staff also shared updates on plans for the 61st ELFA Annual Convention, which will be held in-person on Oct.9-11.

Treasurer Dan Krajewski reported that the association is on target to meet its overall 2022 budget. The Nominating Committee has assembled a strong slate of candidates for Directors and Officers, which will be voted on by the ELFA membership prior to the Annual Convention in October (see p. 12).

Foundation Chair Nancy Pistorio offered an update on the activities of the Equipment Leasing & Finance Foundation.

The Board will meet next in October at the site of the ELFA Annual Convention in Marco Island, FL. Its Executive Committee will conduct its summer meeting in August.



Congrats Grads!

CONGRATULATIONS to the graduates of the April 2022 Principles of Equipment Leasing and Finance Workshop! Participants put their knowledge to the test and passed with flying colors. Many thanks to teacher Kevin Prykull for ensuring that this workshop was informative, challenging, engaging and chock-full of awesome industry stories. Learn about the next workshop on p. 10.

Matt Hart Joins ELFA as Director of Government Relations



MATT HART has joined the association as Director, Federal Government Relations, effective June 21. In this role Matt will be a critical part of the ELFA Federal Government Relations team. He will advocate on behalf of the industry on legislative and regulatory matters, manage ELFA's political action committee, LeasePAC, and coordinate the Capitol Connections program. Matt formerly served as Manager, Government Affairs at CNH Industrial in Washington, D.C.



Join the Summer App Contest!

SUMMER IS HERE! If you're planning a trip or a much-needed staycation, please share your summer fun on the Engage Wall of the ELFA Engage mobile app from July-September for a chance to win a \$25 Amazon Prime gift card and ELFA swag! One winner will be chosen at random at the end of Q3! Learn more at www.elfaonline.org/app. #ELFAMugClub #WeAreELFA

Cheers to our Q1 Mobile App Winner!

Congrats to Karen Neathery of Baystone Government Finance/KS State Bank on winning ELFA's Q1 mobile app contest! Karen picked up some fun ELFA swag—and became a member of the #ELFAMugclub! ELFA members have an opportunity to win a \$25 Amazon Prime gift card and cool ELFA swag each quarter. Don't forget to download the ELFA Engage mobile app and participate in our quarterly contests. See details at www.elfaonline.org/app.



Membership Minute

CHECK OUT ELFA'S STATE LAW COMPENDIUM— a one-stop, members-only resource of relevant case law citations, statutes, regulations and comments that focuses specifically on the equipment finance industry. The compendium contains over 100 legal topic areas compiled by volunteer attorneys and is designed to serve as a springboard for researching legal questions throughout the 50 states and portions of Canada. Available courtesy of the ELFA Knowledge Hub. [Learn more.](#)

ELFA Team Spirit

The ELFA staff got together in June for its Q2 All-Team Meeting. The team discussed the year to date and the exciting initiatives ahead in 2022. Special kudos to Ray Jordan, Manager of Administration, and Heather Staverman, Director of Meetings and Exhibits, on being presented a "Spot Award" from President and CEO Ralph Petta for exemplary service to the membership.



Ray Jordan



Heather Staverman

Operations & Technology Conference: Register Today

THE OPERATIONS & TECHNOLOGY CONFERENCE AND EXHIBITION, Sept. 12-14 at the Sheraton New Orleans Hotel, provides the latest information on technology, software and operation issues that impact equipment finance executives and their clients. The conference will give you the tools to succeed in shifting markets and ever-changing customer desire. Get a sneak peek at the content in the feature story in this issue. For more information and to register, visit www.elfaonline.org/events/2022/OT/.



Legal Spotlight

THE ELFA LEGAL FORUM held in May in Washington, DC, provided attorneys serving the equipment finance industry with critical updates on legal issues, practical takeaways for their daily practice and comprehensive discussions of key market segments. Congratulations to Marc Hamroff (below at center), Managing Partner of Moritt Hock & Hamroff LLP, on being awarded ELFA's 2022 Edward A. Groobert Award for Legal Excellence. ELFA Legal Committee Chair Jeanette N. Dannenfelser and ELFA President & CEO Ralph Petta presented the award to Marc in recognition of his significant contributions to the equipment finance industry and the association's Legal Committee.



Mark Your Calendar: Accountants Conference

GET READY for a packed agenda at the Lease and Finance Accountants Conference, Sept. 12-14 at the Sheraton New Orleans Hotel. This event provides the most up-to-date information on accounting issues that impact equipment lessors and your clients. For more information, go to www.elfaonline.org/events/2022/LAC/.

Join Emerging Talent in New Orleans

WOULD YOU LIKE THE OPPORTUNITY TO MIX, MINGLE AND MAKE NEW CONNECTIONS? The Sept. 21 Emerging Talent Networking Event is designed for just that purpose. It's scheduled to coincide with the Lease Accounting and Operations & Technology Conferences. Conference attendees are encouraged to attend, as well as ELFA members in the New Orleans environs! Learn more at www.elfaonline.org/events.

Learn Equipment Finance Basics on Sept. 21-23

THE PRINCIPLES OF EQUIPMENT LEASING & FINANCE WORKSHOP is all about helping your employees become more valuable members of your team. That means getting a full understanding of the basics of the business within the context of what is happening now in the marketplace. Year after year ELFA member companies send their employees to attend the workshop. Why? Here's what recent attendees had to say:

- "I've sat in on meetings in my office this week and recognized that I would not have been able to understand what was being discussed had I not attended the workshop last week. Thank you."
- "This was an excellent workshop. Would highly recommend to future colleagues!!"
- "Outstanding workshop!! Lots of information—all of the content valuable."

The next workshop is scheduled Sept. 21-23 in Washington, DC. For questions, contact acarnibella@elfaonline.org.

Takeaways from the Innovation Roundtable

AT THE MAY 19 ELFA INNOVATION ROUNDTABLE, attendees enjoyed a conversation focused on the theme “Beyond Portals: Evolving Digital Customer Experience.” Participants gained insights into how industry peers are dealing with the evolving landscape of digital customer experience solutions and adoption strategies. The Roundtable was hosted & facilitated by Deborah Reuben, CEO & Founder of TomorrowZone, and featured panelists from the ELFA Technology Innovation Work Group. [Read takeaways from the event](#). Don't miss the next ELFA Innovation Roundtables on Aug. 4 and Nov. 10. See details at www.elfaonline.org/events.

Keeping History Alive with the ELFA Equality Committee

ON MAY 31, the Equality Committee wrapped up Asian American Pacific Islander Heritage Month with a special interactive webinar presentation featuring filmmaker and educator Reina Higashitani, “Retelling History Through Filmmaking.” Reina shed light on the Japanese American experience post-WW2, her approach to filmmaking, and her focus on DE&I within the film space. [Watch a recording](#).

Watch Experts Discuss the State of Credit and Collections

AT THE CREDIT & COLLECTIONS CONFERENCE, held in San Antonio in June, 170 professionals discussed the economy, the largest workplace change ever, human capital issues, inflation, the legal and regulatory environment, risk and bankruptcy, and other relevant topics. Watch presentations on the 2022 [Credit Managers Survey](#) and [Collection Managers Survey](#) presented at the Conference in the ELFA Knowledge Hub section of the association's website.

Tax Pros Gather in Chicago

Over 50 tax professionals met in June for the 2022 ELFA Tax Best Practices Roundtable. Topics included sales tax, property tax, an update on federal and state income tax, tax automation and financing intangibles. Thank you to Kelley (Bradley) Winslow and Robert Kruger and the planning committee for an outstanding program. Thank you to Vertex for sponsoring and thank you to Akerman for hosting!

We ensure you're covered, even when your customers don't.

You require customers to insure their leased or financed equipment and vehicles, but what if a policy expires or is cancelled? Stop worrying about loss exposure with a program from American Lease Insurance: it includes blanket contingent coverage on your entire portfolio that automatically takes effect when other coverage lapses.

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ELFA LEADERSHIP 2023



Robert Boyer
Chair-Elect

Rob is currently President of First Commonwealth Equipment Finance, a division of First Commonwealth Bank. Most recently, he was Senior Director and Senior Vice President at TCF Capital Solutions, a division of TCF Bank. Prior to that, he was the President of BB&T Commercial Equipment Capital Corp., a wholly owned subsidiary of Branch Banking and Trust Company (BB&T), now Truist. Rob has held a variety of positions throughout his career, including Sales Executive, Syndications Manager, Senior Vice President of Acquisitions and Syndications and Executive Vice President. He has served as Treasurer of the ELFA Board and is a member of its Executive Committee. Previously, he chaired ELFA's Membership Committee and Small Ticket Business Council Steering Committee. He also has served as a Director for the Certified Leasing and Finance Professional Foundation (CLFP). Rob has been working in the equipment finance industry since 1995. He holds a bachelor's degree from LaSalle University and attended the ABA Stonier Graduate School of Banking.



Deborah Baker
Vice Chair

Deb Baker is the Head of Worldwide Leasing and Financing with HP, Inc. and is responsible for driving contractual business growth through an optimized, profitable multi-vendor leasing and financing go-to-market solution. Deb is a finance veteran with over 30 years' experience supporting captive and vendor financing. Prior to joining HP, she held a variety of positions with Cisco Systems Capital Corporation, HP Financial Services and CIT. Deb is a member of the ELFA Board of Directors, Former Chair of the ELFA Women's Council and a member of ELFA Equality. She holds a BS in Business Administration and an MBA from Fairleigh Dickinson University in Madison, NJ.



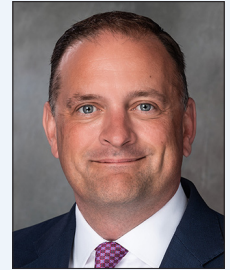
James Cress
Vice Chair

James is the Vice President and General Manager of Stryker's captive finance arm, Flex Financial. He joined the company in 2008 and is responsible for delivering financial solutions that make it easier for Stryker's customers to reach their clinical and financial goals. Previously, James was Senior Vice President and Vendor Business Unit Director for eight years at National City Commercial Capital and he spent several years as a Vice President in Small Business Banking at US Bank. James has been an active member of ELFA since 2000 and has served as a Director on its board. He is currently serving as Second Vice Chair and is the current board liaison to the Emerging Talent Advisory Committee. He has previously served as LeasePAC Chair, regularly attends Capitol Connections, has been a member of the Captive and Vendor Finance Business Council Steering Committee and Women's Council, and has provided Guest Lectures at Michigan State University. James holds a bachelor's degree in economics and a master's in executive leadership and organizational change from Northern Kentucky University.



David Drury
Director

Dave is Senior Vice President and Equipment Finance Group Head at Fifth Third Bank, N.A. He is responsible for leading Fifth Third's Equipment Finance unit and has overall responsibility for the annual and long-term business of the division and its financial results. Dave joined Fifth Third Bank in March 2019 through the Bank's acquisition of MB Financial Bank, where he previously was Managing Director and Group Head of MB Equipment Finance, LLC. Dave is a member of ELFA, past Chair of ELFA's National Funding Conference Committee and a past member of the ELFA Equality Committee. He earned his Bachelor of Science in finance, with a minor in economics, from Pennsylvania State University and attended Duquesne University's Master of Business Administration program.



Brian Eschmann
Director

Brian is the President of Northland Capital Equipment Finance, an independent specializing in agriculture, construction, waste & recycling, and transportation. Brian has been active in the commercial and equipment finance industries since 1996, having previously served as the President of Trans Lease, as Vice President of Global Sales for an automated payments subsidiary of U.S. Bank, and in numerous senior management positions within the financial services arm of Schneider National. Within ELFA, Brian has chaired the Independent Business Council Steering Committee, where he also led the LeasePAC effort, and served on the inaugural Advocacy Advisory Committee. Brian holds a BBA from St. Norbert College and an MBA from the University of Chicago Booth School of Business, and recently added CLFP to his industry credentials.

2023 OFFICERS



Bob Neagle
Chair



Michael DiCecco
Immediate Past Chair



Rob Boyer
Chair-Elect

The ELFA Nominating Committee has named the following individuals to stand for election by the ELFA membership. If elected, all nominees will begin their term of service at the conclusion of the ELFA Annual Convention, Oct. 9-11 in Marco Island, FL. Each ELFA member company may cast one vote for each nominee. On Aug. 15, voting materials and instructions will be emailed to each member company's key contact, who may then vote via confidential electronic ballot on the ELFA website. The voting will conclude Sept. 28 at 5 p.m. ET.



Michael S. Jones
Director

Mike has served as President of CIT Business Capital since January 2018. He is responsible for CIT's Equipment Finance businesses. He served as Managing Director, Business Capital of CIT since 2016. Prior to that he served as Senior Vice President, Managing Director for EverBank Equipment Finance/TIAA from 2009-2016 managing sales and operations for the Vendor Equipment Finance division and as a Director from 2004-2009. Mike also held leadership positions with US Bank Equipment Finance and Sunoco Oil Company. In addition, Mike was a member of ELFA's Captive and Vendor Finance Business Council Steering Committee and Membership Committee. Mike retired honorably from the US Army (Ranger), completed one combat tour and holds a Bachelor of Science degree in Accounting from Widener University.



Brad Peterson
Director

Brad co-founded Channel in 2009 and serves as Chief Executive Officer, accountable for the overall business strategy, resources and operations. Prior to Channel, Brad founded and was President of PredictiFund, a CAN Capital subsidiary, which followed time as Senior Vice President/General Manager of U.S. Bank Manifest Funding Services, a \$1.5B asset business unit focused on third-party-generated small-ticket equipment leasing nationwide. He is an active member across leasing industry associations including ELFA, NEFA and AACFB, having served on the UAEL Board from 2001-2008 and as President in 2007. Currently, Brad is the Chair of ELFA's Small Ticket Business Council Steering Committee. He's a graduate from Iowa State University with Bachelor of Science degrees in economics and finance.



Jayma Sandquist
Director

Jayma is the Chief Marketing Officer and Senior Vice President responsible for the U.S. and Canadian business lines at John Deere Financial (JDF). Since joining John Deere in 2002, Jayma has held roles of increasing responsibility in both John Deere and John Deere Financial. She currently serves as the Chair of ELFA's Captive and Vendor Finance Business Council Steering Committee and on the Foundation's Industry Future Council. Jayma holds a bachelor's degree in mathematics and computer science from Northwest Missouri State University and is a graduate of Global Leader of the Future - Tuck School of Business.



Nick Small
Director

Nick is Vice President, Global Financial Shared Services for Cisco Systems, Inc., with responsibility for Cisco Capital global operations and Cisco's global payroll, disbursements and invoice to cash processes. Nick has deep expertise in operational, financial and shared services leadership roles. Prior to this role, Nick served as Managing Director of CIT's US Equipment Finance Business, after serving as Chief Operations Officer for CIT Global Vendor Finance. He was also CIT's Controller for the European Financial Accounting functions, including the centralization of the Finance platform in Dublin, Ireland. His initial years with CIT were spent as the CFO of Vendor Finance, U.S. Nick also held positions with Ernst & Young as a Certified Public Accountant in the Audit Group, Becton Dickinson as a Manager in Treasury Operations, and Bristol Myers Squibb as Manager of External Reporting. Nick was a member of ELFA's Captive and Vendor Finance Business Council Steering Committee. He received his bachelor's degree in economics and accounting from Muhlenberg College.



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5 Minutes with the Captive & Vendor Finance Chair



JAYMA SANDQUIST, Chief Marketing Officer & Senior Vice President US/CA at John Deere Financial

WHAT'S HAPPENING in the captive and vendor finance sector of the equipment finance space? *Equipment Leasing & Finance* magazine caught up with Jayma Sandquist, Chair of the Captive & Vendor Finance Business Council Steering Committee (BCSC), to take the pulse of this sector. Sandquist, Chief Marketing Officer & Senior Vice President US/CA at John Deere Financial, is currently serving her second year as Chair of the committee, which engages financial services organizations providing sales-assisted financing and vendor and manufacturer support activities, either on a third-party or captive basis.

How did you get involved with the Captive & Vendor Finance BCSC?

I started to engage with the Captive & Vendor Finance BCSC when a colleague from Deere rolled off the BCSC and recommended

my participation. After being involved the first year, I was asked to chair the BCSC. It has been an interesting time for our companies these last two years, as we've worked through great change.

From your perspective serving on the committee, what issues are businesses in the captive and vendor finance sector focused on this year?

Much like we did my first year as Chair, as a committee our first order of business was to understand what the members wanted to focus on in 2022. We meet each month and try to discuss one important item that is meaningful to our members. The good news is that we are spending significantly less time on Covid-19 and return to office.

There are several themes that emerged that we are spending time on this year and each of these topics are exciting discussions for us to engage in and learn from one another:

- **Talent:** What challenges are companies facing with acquisition and retention and what tactics are moving the dial for how they improve the talent pipeline

- **Training:** How are finance companies (captive or vendor) training their OEM counterparts to be a part of selling a full solution, inclusive of finance
- **Managed Solutions:** While this was a topic in 2021, it continues to be an evolving and important area of focus for our members
- **Digitalization:** What are the changing business needs and what are the expectations of customers and partners for improved capabilities
- **Data & Analytics:** How is analytics changing the way our companies do business, what are companies doing, and what is next

2022 is shaping up with a lot of opportunities for learning from one another! ☰

Vote in the BCSC Elections

We encourage your participation in the BCSC elections. Nominations for the five BCSCs (Captive and Vendor Finance, Bank, Independent, Service Providers and Small Ticket) will be accepted through July 27. Voting will take place Sept. 6–23. Find details at www.elfaonline.org/BCSCElections or contact Ed Rosen at erosen@elfaonline.org or 202.238.3428



Lease & Finance Accountants Conference

September 12-14

Sheraton New Orleans Hotel
New Orleans, LA



The Premier Event for Leasing and Finance Accounting Professionals

- Introduction to the Leasing and Finance Industry
- CFO Roundtable
- Taxation of Leases and Service Contracts
- State of the Association and State of the Industry
- Definition of a Lease/ Lease vs. Service Discussion
- Accounting for Leases Acquired in Business Combinations and Asset Acquisitions Under ASC 842
- Transitioning to ACS 842: What You Need to Know
- Capital Markets
- CECL Overview
- Sale Leaseback/ Built to Suit/ Who owns the asset?
- Lease & Loan Pricing Basics
- Lease & Loan Pricing Advanced
- SEC and ISSB: ESG and Long-Term Sustainability
- How the "E" in ESG May Affect Your Lease Accounting
- CECL Guidance (ASC 326)
- Accounting Hot Topics: Lease Modifications, Impairments, Re-Leases, and More!
- Tax Update
- FASB Update
- Next Generation Innovation in A/R and A/P?
- Business Trends in Leasing Accounting and the Supply Chain
- Ask the Auditor and Accountant
- Unmatched networking activities!

Please Note! The ELFA Lease and Finance Accountants Conference will again be held concurrently with the ELFA Operations and Technology Conference. Both conferences will share a table top exhibit targeting companies that provide lease and finance accounting software, and other technology-related processes and systems. To participate in the exhibition or to become a sponsor of this event, contact Steve Wafalosky at steve@larichadv.com or (440) 247-1060.



Complete conference details coming soon.

Please visit the Events and Training Section of the ELFA website www.elfaonline.org

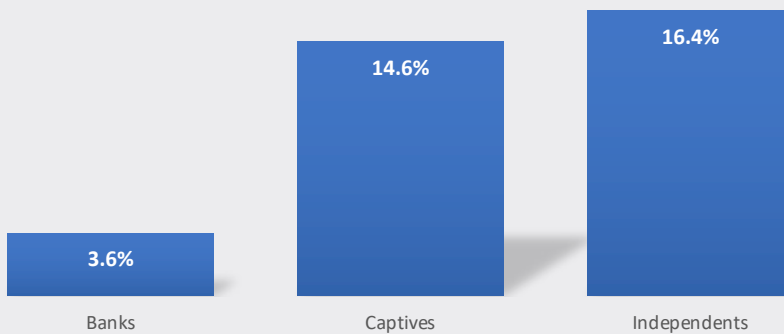


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Equipping Business for Success

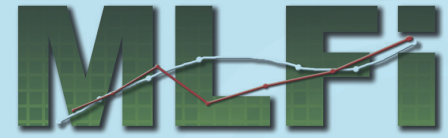
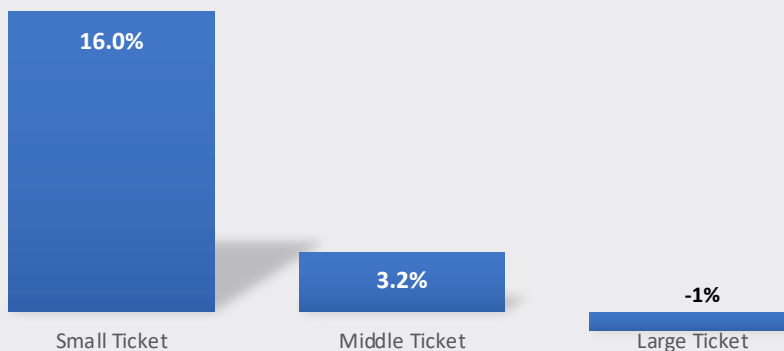
New Survey Reveals Industry Strength

According to the 2022 Survey of Equipment Finance Activity, new business volume grew by 7.4% in 2021 compared to 2020. The survey report is the most comprehensive source of statistical information available on the nearly \$1 trillion equipment finance industry. View the executive summary or purchase the results if you did not participate at www.elfaonline.org/sefa.

Change in New Business Volume By Organization Type, 2020-2021



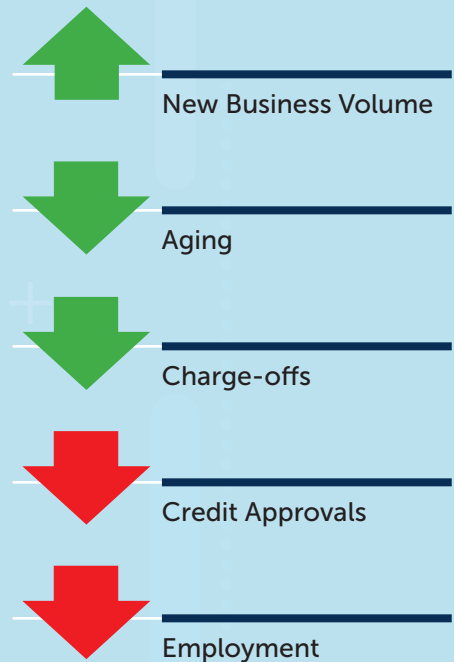
By Ticket Size, 2020-2021



Monthly Leasing and Finance Index Products

May MLFI Year-Over-Year

See details at www.elfaonline.org/data/MLFI

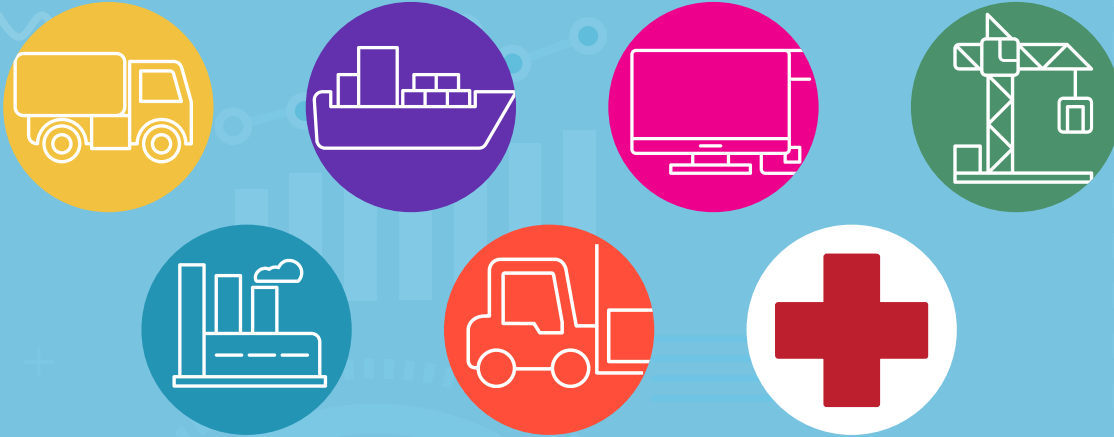


Spotlight On: Inflation and Industry Pay

Inflation is out of control! What will salary increases in the equipment finance industry look like in 2022? The average salary change from 2019 to 2021 was 5% for a senior sales representative, according to the 2021 ELFA SME Compensation Survey. Results varied based on the size and type of organization.

The 2022 ELFA SME Compensation Survey is in the field. We are collecting data from small & medium sized equipment finance organizations (below 500M in NBV). To participate and receive your free survey report, please contact Bill Choi at bchoi@elfaonline.org.

DASHBOARD

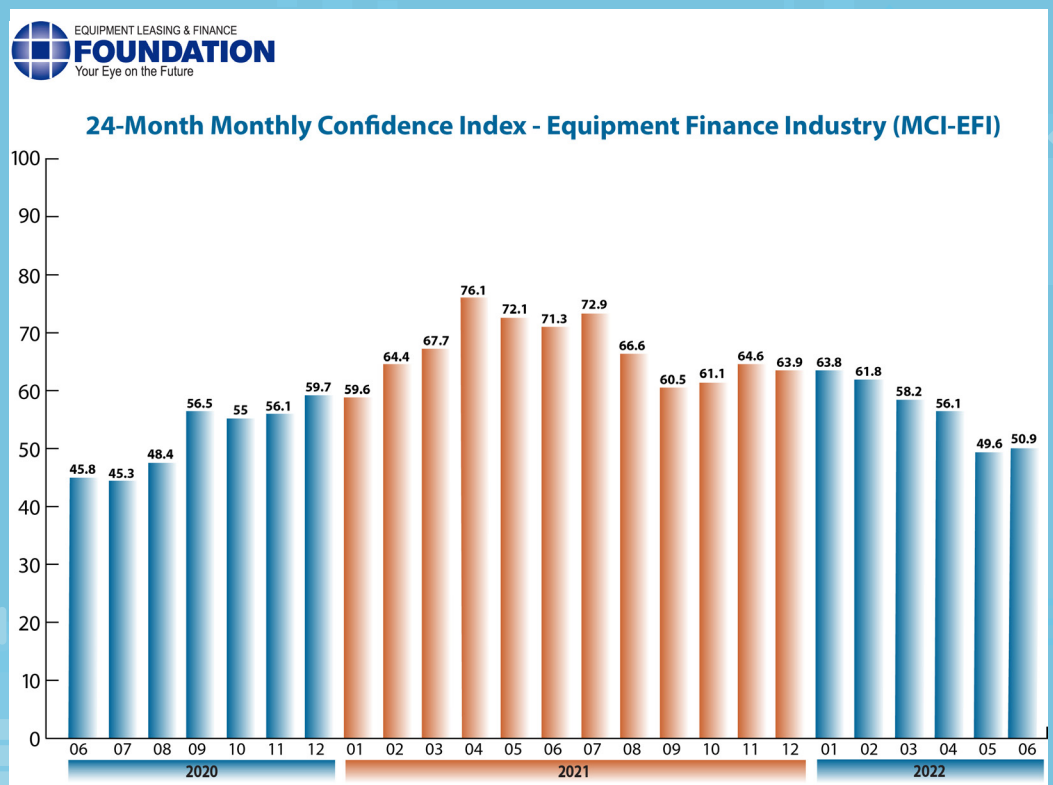


Seven Verticals Expanding

Investment in a number of key equipment verticals is on the rise. In July, seven verticals are expanding/thriving, two are peaking/slowing, two are weakening/struggling, and one is recovering/emerging. The best performing verticals this month are Mining & Oilfield, Ships & Boats and Railroad. Read the full report in the Foundation's July Momentum Monitor: <https://www.leasefoundation.org/industry-resources/momentum-monitor/>.

Industry Confidence Holds Steady

This is according to the Foundation's Monthly Confidence Index for June. The index reports a qualitative assessment of both the prevailing business conditions and expectations for the future as reported by key executives from the \$900 billion equipment finance sector. Overall, confidence in the equipment finance market was 50.9, steady with the May index of 49.6. See the latest index at <https://www.leasefoundation.org/industry-resources/>.



Career Pathways: **Focusing** Your Route to Success





A new framework adds clarity and direction to ELFA's vast collection of education and leadership development tools.

By Susan L. Hodges

IF YOU COULD ACCESS FREE-OF-CHARGE, five-star educational and professional-development resources any time you want them, you'd probably want to know how, right? If these resources could also be customized to your role and level in the equipment finance industry, we're thinking you'd want to know even more, so here's the scoop:

As an employee of an ELFA-member company, you have complete access to a cradle-to-grave executive leadership development program that can educate and prepare you for management in any area of the industry. Whether you're new to the business, entering senior management or at any level in between, ELFA has the courses, conferences, webcasts, podcasts, publications and networking opportunities to help you advance step by step through your career and prepare you for leadership.

Improved Guidance and Navigation

The material in the program is not new, but the framework and organization of the material is. Now called "Career Pathways," this large and growing compendium of resources is easier to access, understand and use.

"ELFA has always offered learning experiences

covering most facets of the enterprise, such as equipment management, operations and technology, legal, and accounting-treasury," says Ralph Petta, President and CEO. "And while we've never marketed or packaged these offerings as a comprehensive leadership development program, that is in fact what they are. Career Pathways is a major benefit of ELFA membership, and we want to be sure members are aware of this."

Xiang Ji, Commercial Risk Senior Manager at Toyota Commercial Finance, began attending ELFA events that are now part of Career Pathways five years ago when she began managing people. "Toyota is a huge company, and Commercial Finance alone has about 180 employees," she relates. "Most of my peers were more experienced than I, so my training needs were unique. I started acquiring knowledge and professional skills through ELFA, getting involved in activities and committees

to understand the industry better. One thing built on another, and I've been promoted two times since then."

Ji thinks Career Pathways' repackaging of material into individual learning tracks for each role is an important improvement. "There's a tremendous amount of educational information on ELFA's website, and without a framework, it can be hard to navigate," she says. "Now all of these tools are in one place where you can see them and follow one path specifically or explore parts of several. The one-pagers for each job type help you stay focused."

A Career-Long Companion

Chris Maudlin, Senior Vice President and COO of Wintrust Specialty Finance, says the information and developmental opportunities in the program have helped advance him through his entire equipment financing career. "I began working with Dave Normandin 10 years ago at a small bank," he recalls. "We'd both come from the Independent sector, and this was my first experience in banking. We attended the ELFA Funding Conference together, and it was eye-opening. I was in my early thirties, new to the banking sector, and here were all of these executives from top banks and independents in one place! Just seeing the types of people and organizations in attendance spoke volumes about ELFA."



"Career Pathways is a major benefit of ELFA membership... You simply will not find this anywhere else."

Ralph Petta, ELFA

The following year, Normandin encouraged Maudlin to go to ELFA's Credit & Collections Conference. He went, and came back energized. "At conferences, you learn from your peers and discuss current issues, and this time I gained a lot of knowledge and came back with loads of notes, phone numbers and new contacts," says Maudlin. "My confidence was growing with every conference I attended, because I was meeting and learning from people who were at the top of the class!"

At that same conference, Maudlin approached the

head of risk at a major bank to ask questions. "He was so willing to speak with me," Maudlin remembers. "And afterward, when a new risk challenge came up in our organization, I emailed this leader to ask how he had managed similar situations. To my surprise, he set up a call with me and then provided invaluable mentorship and insight into his similar experiences. If I had just called the offices of these men and women and asked to speak with them, I'd probably never have gotten through. But here they were at an ELFA conference, where they were giving back! I was so fortunate."

Dave Normandin, who is now President & CEO of Wintrust Specialty Finance, remembers Maudlin's experiences almost as well as Maudlin, because he was Chris's boss at the time and steered him to ELFA. "Chris has come a long way in his career in a relatively short time, and we both give ELFA a lot of credit for that," says Normandin. "I believe educating your team is a form of compensation, because it makes them more valuable to you and to themselves for the rest of their careers. The more they learn, the smarter they get, the better they understand the problems they're trying to solve, and the better they find better solutions. Anyone can work somewhere for 80 hours a week, but without professional development, what value is being added to their knowledge and skills?"

A Manager's Tool

Mike DiCecco, ELFA Board Chair and Executive Managing Director of Huntington Asset Finance, agrees with Normandin and says Career Pathways is as important to company leaders as to those at other levels. "Until now, I think a lot of our member colleagues had been trying to figure out their own paths, and whatever hit their radar was where they might start," he says. "Now they can see the whole road ahead. This is a continuum of progressive development opportunities that help advance an equipment leasing professional through the industry and a career. The new organization of the material is helpful to managers, too, as they create career development pathways for their colleagues. Managers at my company are now looking at this with colleagues who've asked about their next phase. We see the courses and activities as stepping stones to advancement."



“Now all of these tools are in one place... The one-pagers for each job type help you stay focused.”

Xiang Ji, Toyota Commercial Finance

It’s important to note that while the collection of learning assets at ELFA has a long history, the tools in the collection have increased significantly in just the last few years. “New opportunities for growth and member engagement can be found in the Women’s Council and Emerging Talent Advisory Council, and an inaugural Equality Forum will take place this fall as part of ELFA’s focus on diversity,” Petta observes. “The Association’s new Knowledge Hub has also become a premier source of business intelligence on the industry in one centralized location, and our podcasts and webinars feature conversations and interviews with equipment finance leaders,” he says, adding, “Layer all of these tools into our longstanding conferences and education and training offerings, such as our online and in-person ‘Principles of Leasing,’ ‘Fundamentals of Equipment Leasing and Finance,’ and ‘Understanding the Master Lease Agreement,’ then organize them into specific career roadmaps, and this is Career Pathways.”

“ELFA’s program is not simply instructors with materials,” adds Maudlin. “ELFA has the people you want to meet in the roles you aspire to achieve in your career, and you have opportunities to meet and network with them. It’s always been important for me to have access to people who are experts in their fields, and that’s what ELFA is great for. Personal interaction is a big part of professional growth.”



“I believe educating your team is a form of compensation, because it makes them more valuable to you and to themselves for the rest of their careers.”

Dave Normandin
Wintrust Specialty Finance

ELFA endorses one outside education program, the Certified Leasing & Financial Professional program taught by the CLFP Foundation. “We’re firmly behind the CLFP program for people seeking a certification saying they’ve been exposed to a body of knowledge that helps them advance in their careers,” says Petta. “What distinguishes ELFA is its focus on belonging to and involvement in the broader equipment finance

Build Your Roadmap

Welcome to ELFA’s Career Pathways, a comprehensive offering of training, events, resources and volunteer opportunities designed to guide you as you progress through each phase of your career. Whether you’re just starting out in equipment finance, have a few years under your belt or you’re running the organization, ELFA has you covered.

Access to all that Career Pathways has to offer—including attendance at events at a member discount—is included with your ELFA membership.

Get started today! Tap into education, networking and leadership development you can’t find anywhere else. Learn more and download one-page roadmaps customized to your area(s) of interest at www.elfaonline.org/CareerPathways.

The image displays four 'Career Pathways Roadmap to Success' one-pagers, each for a different professional area: Accounting and Finance (Controller/Treasurer), Legal, Information Technology, and Asset Management (Appraisal/Equipment Remarketing). Each roadmap is structured into three levels: 'New to the Industry' (Beginner), 'Mid-Level - All of the Above AND' (Intermediate), and 'Senior' (Advanced). Each level lists specific skills, knowledge, and experience requirements. The roadmaps also include a 'Resources' section with links to relevant ELFA programs and events. The ELFA logo is visible at the bottom of each roadmap.

community. Not only does the Association offer events, classes and opportunities to learn substantively what it takes to be a leader in our industry, members actually rub shoulders with people in the discipline." Maudlin is in full agreement. "It's one thing to learn about a topic, it's another to be able to start building relationships and a contact list you'll use throughout your career," he says.

Internal Value through Outside Learning

DiCecco says what ELFA has done with Career Pathways creates broader and richer conversations. "When we describe it here at ELFA, we say that this is a leadership tool, a management tool and a tool for career development," he says. "But I think a big piece of the magic happens when people can clearly see all that's available to them and then choose where they want to go."

To that end, DiCecco emphasizes that Career Pathways should not be mistaken for training. "Too often people think of training as something you do only when you're starting your career, and this is much, much more than that," he says. "This program is not so much a rebranding or repackaging as it is a revelation of all the professional development and leadership tools we're pulling together."



"ELFA has the people you want to meet in the roles you aspire to achieve in your career, and you have opportunities to meet and network with them."

Chris Maudlin
Wintrust Specialty Finance

Ji talks about the value of learning and networking outside your organization. "Every company has its own corporate culture and management style, and understanding them is an important part of your job," she says. "But when you go to ELFA events, you're exposed to diversity of thought and culture—and you can't get that from your own company. Each person at an ELFA event represents a company that is successful

for a reason, and your involvement helps you understand the industry better. ELFA is about building relationships externally and internally. I think that's the most important thing I've gotten from my journey."



"Until now, I think a lot of our member colleagues had been trying to figure out their own paths... Now they can see the whole road ahead."

ELFA Board Chair Mike DiCecco
Huntington Asset Finance

Normandin can relate. "Sometimes you can get so focused on solving a task that you no longer understand why you're doing it," he notes. "Bringing in new voices, new angles and new ways to do things can heighten your awareness and enhance your performance. The best minds in the business are there in ELFA, so you'd be crazy not to learn from them to get better at what you do."

If there's a footnote to add concerning Career Pathways, Petta has this one: "To be clear, ELFA-member companies pay annual dues and in exchange, receive access to all that Career Pathways has to offer—including attendance at events at a member discount. This is part of the value proposition we offer all ELFA members. You simply will not find that anywhere else."

Meanwhile at Wintrust Specialty Finance, Maudlin is transitioning from his position in credit and collections to his new post as COO. You can detect enthusiasm when he says, "Because I'm comfortable meeting people and putting myself out there, I had asked how I could participate on ELFA's Credit & Collections Committee, and after a few years, I was fortunate enough to be invited to join. Every year I served brought more experience and satisfaction in giving back through serving on that committee." Then he chuckles and says, "This year, I'm going to the Operations & Technology Conference for the first time—and you can bet I'm going to take the same approach!" ☰

SUSAN HODGES writes about equipment finance from her office in Albuquerque, New Mexico.

2022 SOFTWARE GUIDE

LEADING SOFTWARE SOLUTIONS FOR THE EQUIPMENT FINANCE INDUSTRY.

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Constellation Financial Software: Vision, Infinity

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Dominion Leasing Software LLC: LeaseComplete, DecisionComplete, LC Portal

FIS: FIS Asset Finance

IDS: Originations, Portfolio Management, ABL, Factoring, Wholesale, Auto Finance

Integrated Financial Solutions, Inc.: IFSLeaseWorks

Ivory Consulting Corporation: SuperTRUMP, Portfolio Intelligence, Asset Management Solution

Leasepath: Leasepath

Linedata Lending and Leasing: Linedata Ekip360

Liventus, Inc.: Custom software leasing automation

LTi Technology Solutions: ASPIRE

NETSOL Technologies: Ascent, Digital

Northteq: Aurôra - Origination & Portal

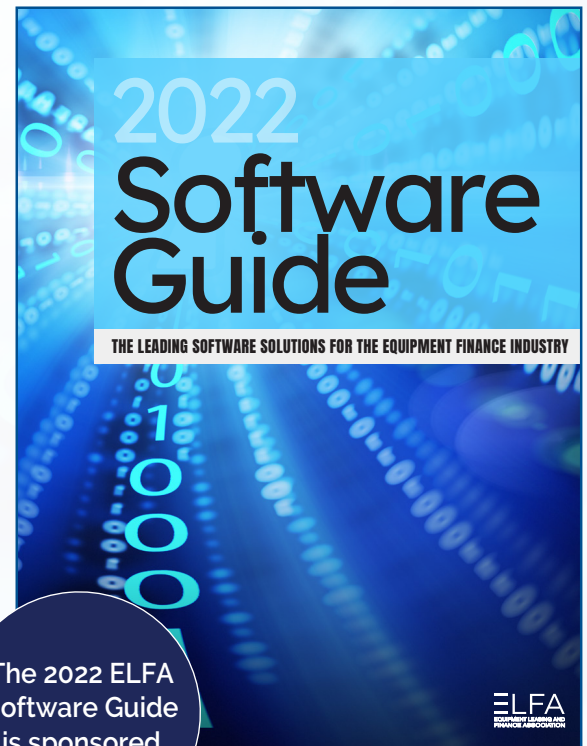
Odessa: Odessa

Orion First Financial, LLC: Orion First Portfolio Servicing

Solifi: Solifi Open Finance Platform

Syndifi Inc.: Syndifi

Tamarack Technology, Inc.: Tamarack.ai, Data Console, Predictors, Self-Service Portal and EaaSWare



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EQUIPMENT LEASING AND FINANCE ASSOCIATION
Equipping Business for Success

By Gwen Moran



Exploring the Top Tech Drivers of 2022

Equipment finance pros focus on “the human touch”

IF YOU'RE LIKE MANY EQUIPMENT FINANCE PROFESSIONALS, where you work and how you work have evolved considerably over the past two years—and technology has played a large role in that transition. To help you navigate the rapid-fire pace of continuous change, ELFA has unveiled plans for the much-anticipated 2022 Operations & Technology Conference, Sept. 12-14 in New Orleans. The conference is back in-person for the first time since 2019 and the planning committee promises it will be an event to remember.

“We’ve not met in person in three years, so the Operations & Technology Committee has been thinking about this conference for a long time,” says incoming conference Chair Tawnya Stone, Vice President, Strategic Technology, at GreatAmerica Financial Services in Cedar Rapids, Iowa. She adds that in preparing the agenda, “We have had lively discussions... and have great sessions planned.”

Hot Topics

Since so much change has impacted the workplace and our industry in general, there is a lot of ground to cover, says Committee Chair Jennifer Martin, Senior Vice President, Sales Enablement and Initiative Support at Key Equipment Finance in Albany, New York. “We want to be timely, relevant and want people to feel like they learn something that they didn’t learn through other avenues,” she says.

Here’s a sneak peek at some of the hot topics impacting operations and technology in the equipment finance sector that will be addressed at the conference:

Leveraging Change: The sheer proliferation of technology during the pandemic ushered in enormous changes to the way many people work and do business. New collaboration and videoconference tools allowed employees to work from home in numbers never seen before. “As we started to think about the agenda for this year, the committee really focused on a number of facets around this ever-increasing velocity

of change, how to manage and cope with it, and even how to leverage it,” says planning committee member Denis Stypulkoski, Founder and Principal of Reimagine Advisors, based in Long Valley, New Jersey. The committee began to focus on issues like how organizations can embrace and prepare for the continuous delivery of new capabilities that are driven by technology.



“To have some tangible ideas that can be implemented when we all go back to our home offices is priceless.”

Candace Reinhart, CoreTech Leasing, Inc.

Keeping a Human Focus: Amid challenges in the labor market, how can you build a team that will help your company prepare for challenges and opportunities that lie ahead? Remaining human-centered in this dynamic technological age is increasingly important, Martin says. Sessions will discuss how to embrace the technologies that kept members operational and efficient during the pandemic, while maintaining the human touch to ensure the best possible customer and employee experiences. As members welcome employees back to the office full- or part-time, that challenge is more evident than ever.

“We have some session activity around project methodologies and staying agile, thinking about how you organize your infrastructure, so that you can take advantage of tools as they become available,” Martin says. At the same time, other sessions cover how to keep the personalization and human-centered nature that appeals to clients, she adds. The event’s final session is about human-centered design and how to apply this popular and effective concept to various business challenges. (See more in the sidebar.)

Fostering Diversity: The conference is also focusing on increasing diversity, equity and inclusion (DE&I) in the industry and has sessions, as well as other events, designed to promote making workplaces welcoming to all people. A new interactive “People Power Breakfast” will discuss mentoring, hiring strategies, workplace initiatives and more.

Maintaining Security: The risk of being digital is top-of-mind for all businesses today. Sessions will



“In our day-to-day lives, we’re competitors...And then when you get together...we’re people in the same industry, willing to talk about things.”

Keith Goepfert, Huntington Equipment Finance

address some of the emerging and ongoing threats to ELFA members as they shift more of their tech platform to a concentrated set of cloud and other tech providers.

M&A Solutions: Members have seen an enormous amount of merger and acquisition (M&A) activity in the industry. In a session on managing M&A, planning committee member Keith Goepfert, Solutions Architect with Huntington Equipment Finance, will share first-hand

Don’t Miss These Hidden Gems

The 2022 ELFA Operations and Technology Conference will have many compelling sessions, interesting elements and exciting networking opportunities. Don’t miss these four “hidden gems” suggested by conference organizers.

Operations & Technology Excellence (O&TE) Award(s): Get the inside scoop on the exceptional solutions addressing the business challenges finance organizations face. Each year, the O&TE Award(s) showcase operational excellence initiatives such as technology, digital experiences or shifts toward a culture of continuous innovation. “You’ll hear from the best of the best about how they designed solutions,” says Tawnya Stone, Vice President, Strategic Technology, at GreatAmerica Financial Services. “And you may walk away with new ideas to make your organization stronger.”

Lightning rounds: Attend a 30-minute crash course on the latest technologies and solutions to help your company thrive. In fast-paced segments, exhibitors have just 3 minutes each to tell you how they can help your organizations. “It’s always a lot of fun to come in and spend just a short window of time learning about the newest technology offerings and what exhibitors can do for your company or the industry,” says Denis Stypulkoski, Founder and Principal of Reimagine Advisors, who is also one of the moderators.

Conference closer: This year’s final session will focus on human-centered design. The pandemic brought out the importance of putting clients first. This interactive session will provide guidance on the basic principles within the human design thinking framework rooted in client experience. “The session will solve real business problems to help you walk away with new ideas for your company,” says Jennifer Martin, Senior Vice President, Sales Enablement and Initiative Support, at Key Equipment Finance.

Saying “hello”: Perhaps the most anticipated aspect of the conference is the opportunity to connect with colleagues in person again. “Be sure to reach out to others—including people you don’t know—and say ‘hi,’” says Candace Reinhart, Chief Operating Officer and Chief Experience Officer at CoreTech Leasing, Inc. “Others at the conference are also eager to connect and meet new people.”

While you’re at the conference, be sure to let the staff and organizers know which facets and sessions you liked best.

and industry-wide challenges when two companies become one. Having gained perspective from each side of an acquisition, Goepfert will share a peek behind the curtain and offer answers that can help members find solutions. "I've been through three or four of them in the last couple of years, so it's kind of been my life," he says. "We'll discuss the many hidden challenges that merging and acquired companies are dealing with."

Collaboration is Key

The Operations & Technology Conference is well-known for being hands-on and delivering important takeaways that members can apply to their businesses, says Operations & Technology Committee member Candace Reinhart, Chief Operating Officer and Chief Experience Officer at CoreTech Leasing, Inc. in Newport Beach, California.

"Being in-person gives us the opportunity to collaborate in ways that are hard to do online. You can have those 'sidebar' discussions that you can't really do on videoconferences," she says. "It's great to all be together, and then, to have some tangible ideas that can be implemented when we all go back to our home offices, is priceless."



"If you're not thinking you need to be here, think again."

Tawnya Stone, GreatAmerica Financial Services

In addition to attending the rich collection of sessions, Martin says there will be opportunities to reconnect with colleagues and meet new ones. A newcomers' reception will give first-time attendees a chance to connect with other first-timers. Hosted receptions will allow ELFA members to network with attendees of the Lease and Finance Accountants Conference (which will occur at the same time as the Operations & Technology Conference) and the People Power Breakfast will be open to all who are interested in improving diversity, equity and inclusion (DE&I) in the industry. (Pre-registration required.)

The conference even has a 5K Fun Run on Tuesday morning before sessions begin and a New Orleans Ghostly Legends tour on Sunday evening. (Pre-registration required.)

Get the Most Out of the Conference

How can you get the most out of the conference? First, register and attend, Martin says. She says members are overwhelmingly enthusiastic about meeting in person in such an exciting city. "When we were planning, we kept coming back to, 'How do we get people talking?' It wasn't about presentation after presentation. It was, 'How do we get people networking at the tables? How do we get them to be more engaged? How do we fit in time for them to openly network?'" she says. The conference is designed not just for learning, but for connection.

Goepfert emphasizes the importance of connecting or reconnecting with others. "In our day-to-day lives, we're competitors. It's all about the competition. And then when you get together, in my mind, we're people in the same industry, willing to talk about things," he says.

Review the conference agenda and think about the sessions that will be most useful to you or in which you're most interested, Stypulkoski says. Reinhart also suggests planning to share what you learned with others in your office to deliver even more organizational value from the conference.

"If you're not thinking you need to be here, think again," Stone says. "I'd hate to see anyone miss out on everything that will be going on at this conference."

To learn more about the event and register, visit www.elfaonline.org/events. ☰

GWEN MORAN is a New Jersey-based freelance business and finance writer.

Surveys Reveal State of Credit & Collections

By Diane Johnson

WHAT ARE THE CURRENT AND FORECASTED CONDITIONS OF CREDIT AND COLLECTIONS IN THE EQUIPMENT FINANCE INDUSTRY? Insights are available from ELFA's [2022 Credit Manager Survey](#) and [2022 Collection Manager Survey](#) with slide decks of data results and key insights from credit and collection professionals and equipment finance executive leadership. Results of both surveys were presented during the 2022 ELFA Credit & Collections Management Conference in June in San Antonio, Texas.

The **Credit Manager Survey** covers a wide array of topics, including credit process, credit scoring, turn-around times, approval rates, collateral values, policy changes, regulations, modifications, application thresholds, booking volume, favorable/unfavorable industries, the macroeconomic environment and the outlook at bank, captive, and independent leasing companies.

Based on feedback from 168 ELFA survey respondents in March, among the wide range of survey results are strong expectations for booking volume in all groups and categories, and good credit quality despite a slight increase in delinquency.

The Credit Manager Survey Committee included Cecile Latouche formerly of Atalaya Leasing; Scott

2022 Collection Manager's Survey

Credit & Collections Management Conference and Exhibition
June 6-8, 2022
 Hilton Palacio Del Rio, San Antonio, TX

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2022 ELFA Credit Manager Survey

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McCann of Pinnacle Financial Partners; Patrick Moore of Equifax; Michael (Mic) Mount of US Bank; and Kevin P. Prykull of PNC Equipment Finance - retired.

The **Collection Manager Survey** captures information pertaining to aging of receivables, productivity measures, resources assigned to collection activities, technological trends and outsourcing strategies. The data collected from 76 ELFA collection professionals in March were grouped by company, ticket size and organization type. Overall, the results reflect a sound industry with low delinquency and charge-offs, and healthy recoveries.

The Collection Manager Survey presentation was kicked off by Adam White of Equifax, followed by a panel members Dan Goderis of GreatAmerica Financial Services, Robert Fagen of Eastern Funding LLC and Jim St. Clair of DLL.

Results of both surveys are available for download at **ELFA's Knowledge Hub**, the source for business intelligence in the equipment finance industry, at: <https://www.elfaonline.org/knowledge-hub/most-popular-resources>. ☰

DIANE JOHNSON is a Senior Consultant at Four Leaf Public Relations LLC and has been working with the equipment finance sector since 2002.

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Equipment Finance Braves Rough Waters

2022 Survey of Equipment Finance Activity paints a positive picture of industry activity

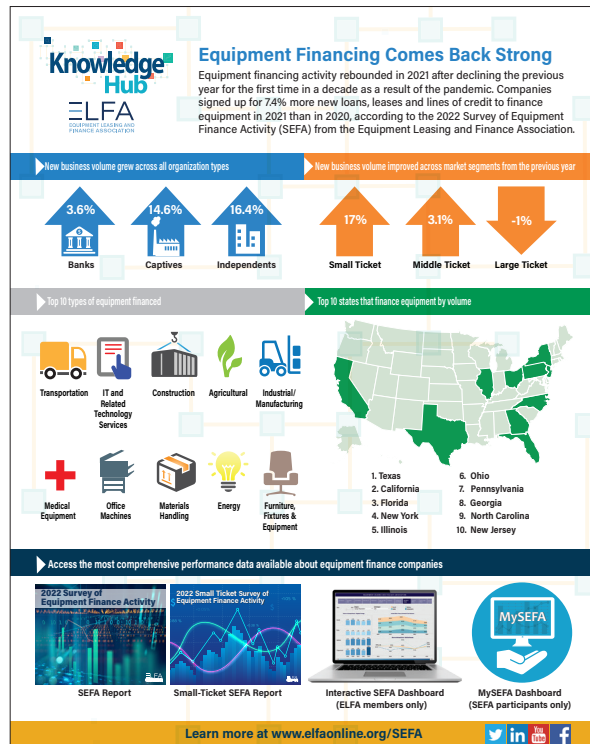
By Diane Johnson

THE EQUIPMENT FINANCE INDUSTRY SAW NEW BUSINESS VOLUME INCREASE 7.4% IN 2021, according to the 2022 Survey of Equipment Finance Activity (SEFA) from ELFA. This is a marked improvement from a decline of 7% in 2020—the first decrease in overall spending on capital equipment in a decade—resulting from the impact of the pandemic. The 2022 SEFA reveals key statistical, financial and operations information for the \$900 billion equipment finance industry, based on a comprehensive survey of 100 equipment finance companies.

“We are pleased to share the results of the 2022 Survey of Equipment Finance Activity,” said ELFA President and CEO Ralph Petta. “After averting a worst-case scenario in 2020 with the industry showing only a single-digit decline in year-over-year new business volume, equipment finance companies showed their

characteristic resilience coming back stronger than ever in 2021. It’s encouraging that we’re seeing strong portfolio performance again this year despite economic uncertainty.”

“We thank all the ELFA members who participated in the 2022 SEFA to make this comprehensive industry data source possible,” said Bill Choi, ELFA VP of Research & Industry Services. “We encourage all members to review the data and put it to work for your business. If you have any questions about benchmarking your company, using our interactive dashboard or other SEFA tools, please don’t hesitate to reach out.”



Survey Highlights

Key findings for 2021 as reported in the 2022 SEFA include:

- **New business volume** was back in positive territory in 2021 after the pandemic broke a 10-year streak of consecutive year-over-year growth in 2020. Among survey respondents nearly 72% experienced an increase in volume in 2021.
- **By organization type**, banks saw a 3.6% increase in new business volume, captives saw a 14.6% increase and independents saw a 16.4% increase.
- **By market segment**, new business volume dropped 1% in the large ticket segment and increased 3.1% in middle ticket, while small ticket surged with new business volume growth of 17% year over year.
- **From an asset perspective**, the top-five

Get a snapshot of the survey results in a new infographic at www.elfaonline.org/SEFA.

most-financed **equipment types** were transportation, IT and related technology services, construction, agriculture and industrial/manufacturing. The top five **end-user industries** representing the largest share of new business volume were services, agriculture, industrial & manufacturing, construction and transportation.

- **Use of electronic documents** continued to gain traction after sharply increasing from 52% of respondents in 2019 to 74% in 2020. In 2021, the share of respondents who used electronic documents to fund at least some of their new business volume grew to 80%.
- **Delinquencies** declined to 1.6% overall, from 3.2% in 2020, with mining/oil & gas and transportation-railroad continuing to experience the highest delinquency rates.
- **Charge-offs** improved to 0.25% of average receivables, compared to 0.43% the previous year.
- **Credit approvals** increased year over year, as did the percentage of those approved applications being booked. There was also an increase in both the number of applications and the dollar volume from 2020 to 2021.
- **Employment** increased slightly by 2.2%. Independents and captives increased their headcount by 8.7% and 4.3% respectively, and banks declined marginally by -0.3%.
- **Work location arrangements**, a new category added to the SEFA this year, showed that by organization type overall in 2021 work in-office full-time (at least four days a week) decreased to 9% of organizations, hybrid work increased to 33.1% and working remotely decreased to 57.9%.

In addition to the 2022 SEFA, ELFA released the **2022 Small-Ticket SEFA**, which focuses on small-ticket and micro-ticket equipment transactions among the SEFA respondents. The report found that new business volume in the small-ticket space increased by 15.3% in 2021.

Access the Data

The 2022 SEFA data are available in a variety of formats at www.elfaonline.org/SEFA:

- **Full SEFA Report:** This 300+ page report offers comprehensive performance metrics for 100 equipment finance companies.

- **Interactive SEFA Dashboard:** This online dashboard showcases executive summary data from over a decade of SEFA reports.
- **MySEFA:** This interactive data tool lets SEFA survey respondents track their own operational and performance statistics and compare them against their peers.

PricewaterhouseCoopers LLP administers the SEFA. The ELFA Research Committee provides support and direction in the development of the survey and the interpretation, analysis and presentation of the results. For more information, contact Bill Choi at bchoi@elfaonline.org

DIANE JOHNSON is a Senior Consultant at Four Leaf Public Relations LLC and has been working with the equipment finance sector since 2002.

Top 7 Ways to Use the Survey of Equipment Finance Activity

How can your business get the most out of the Survey of Equipment Finance Activity? Use these tips for leveraging both the online interactive dashboard and the full 300-page report:

- 🔍 **See how your company stacks up against the competition.** Compare your portfolio performance—yield spread, ROE, delinquencies, charge-offs and more—to what other equipment finance companies are experiencing.
- ✅ **Validate strategic business moves.** Whether you are introducing a new product or looking to make the case for or against entering a particular product line, the SEFA data can help justify your next steps.
- 🔍 **Explore new verticals.** Get a sense of the size of various markets, number of competitors and growth rate.
- ↑ **Prepare for residual realization.** Assess industry data, strategize and plan for ongoing asset appreciation.
- 📊 **Compare operational expenses.** Discover how your costs—such as sales, credit, booking and other expenses—compare to others in the industry.
- 👥 **Analyze headcount reports.** Gauge where to invest your human resources: sales, information systems, compliance, marketing and more.
- 📈 **Validate assumptions and conclusions.** Review the data you need—such as productivity measures, residual experience, balance sheet data, financial ratios, profitability data and more—to get the real picture.

The ELFA Research Committee has compiled proven tips for how to use the business intelligence in the SEFA at www.elfaonline.org/SEFA.

Municipal Leasing 201: Non-Appropriation and Mitigation

LAST YEAR, the basics of leasing for state and local governmental entities (“SLGs”) were discussed in the article [Municipal Lease 101: A Primer on the Basics](#), by Dominic Liberatore and Alyse White Hayes (in the July/Aug/Sept 2021 issue of this magazine). That article reviewed frequently raised issues with regard to SLG municipal lease agreements (“Muni-Leases”) and provided practical suggestions to address them. This article will continue the discussion by taking a closer look at the types of termination risks and ways of mitigating those risks from a credit underwriting perspective.

Introduction

A Muni-Lease is a form of financing used by SLGs to acquire equipment or to undertake capital improvement projects. The Muni-Lease is a cost-effective financing alternative to issuing bonds, as it has lower issuance costs and less administrative entanglements. Generally, there are two types of Muni-Leases: tax-exempt and taxable. Using a tax-exempt Muni-Lease, the interest earnings derived from the transaction will be exempt from the lessor’s federal income taxes (assuming, of course, the Muni-Lease complies with the applicable requirements of the IRS Tax Code, including automatic transfer of title or nominal purchase option at the end of the Muni-Lease term). A taxable Muni-Lease does not provide the same tax benefits and is typically structured with end of term provisions, such as automatic renewal, return or purchase at fair market value. Regardless of whether a tax-exempt or taxable Muni-Lease is used, the SLG must comply with state law, specifically ensuring the transaction does not run afoul of state-specific constitutional or statutory debt issuance requirements and otherwise is structured as a valid obligation of the SLG.

Contract Formation Under State Law

To ensure compliance with state-specific debt issuance requirements, virtually all Muni-Leases contain a non-appropriations clause—this ensures the Muni-Lease is not deemed to be “an instrument of debt.” If it is deemed to be an instrument of debt, it could result in the Muni-Lease being deemed void or voidable, which might require the return by the lessor to the SLG of some (or all) payments made under the Muni-Lease. Typically, a non-appropriations clause is structured with a series of annual obligations from a multi-year lease term that permits the SLG’s governing body not to appropriate funds for the next fiscal year. If funding is not appropriated, the SLG may terminate the Muni-Lease at the end of the then-current fiscal year.

Notwithstanding the ability of the SLG to terminate, the transaction will receive revenue recognition, in part, given that a Muni-Lease obligation in each fiscal year is absolute, unconditional

and non-cancelable, except following non-appropriation. Special attention should be paid to specific local contract formation requirements, such as state-specific statutory authority to enter into a “lease,” or a requirement to obtain approval from another governing body, such as a County Commission in the case of a county school board or state bonding authority.

Types of Termination Risks

- **Default.** Similar to credit risk associated with commercial transactions, this is the risk that an SLG will breach a contractual provision of the Muni-Lease or fail to pay required payments. Enforcement of a default remedy will typically be limited to payments owed during the then-current budget year and return of the equipment.
- **Termination for Convenience.** A “T for C,” as it is sometimes called, authorizes an SLG to terminate a Muni-Lease for any reason, or no reason, at any time (*i.e.*, for “the convenience of the government”). Importantly, although the right to “T for C” is found in many federal and some state contracts, this type of provision is not appropriate for a Muni-Lease as it negates the “hell or high water” nature of the obligation and subjects the lessor to the risk of losing its investment and potential recharacterization of revenue recognition. In fact, a “T for C” cannot be included in a tax-exempt Muni-Lease because it violates IRS Tax Code requirements. Therefore, a Muni-Lease containing such a provision should generally be avoided.
- **Non-appropriation.** As noted above, the law typically requires that an SLG have the ability to terminate a Muni-Lease by not appropriating funds to continue to make payments under the Muni-Lease. This right must be a free exercise and there can be no compulsion to appropriate, such as economic or moral influences. The financial position of the SLG or rationale for non-appropriation are of no consequence - the SLG can non-appropriate because the “*Sky is Blue.*” Any attempt to restrict an SLG’s right to freely exercise the non-appropriation clause will likely be scrutinized by the courts.

One example of such a restriction is a *non-substitution clause*, which attempts to dissuade an SLG from exercising a non-appropriation clause by prohibiting the acquisition of similar equipment after such non-appropriation event. An example of this provision provides that the SLG: “. . . *must certify that the equipment subject to non-appropriation is not being replaced by equipment performing similar functions during the ensuing fiscal year.*” Some courts have held non-substitution clauses to be overly restrictive of an SLG’s ability to freely exercise the non-appropriation clause, and/or contrary to a municipality’s obligations to its citizens. As a result, most lessors have removed the non-substitution clause from their Muni-Leases.

Underwriting the Risk of Non-Appropriation Financial and Collateral

Credit review of SLGs is subject to the same standards applied to commercial entities, such as assessment of credit agency reports, financial statement analysis, and collateral evaluation. In addition to these traditional financial underwriting standards, bond ratings (insured and underlying) and local demographic information (such as trends in population, economic growth and tax base) should be considered when evaluating an SLG’s credit. The credit review should also consider whether the SLG has previously exercised a non-appropriation right.

Essential Use Analysis

To mitigate the risk of non-appropriation, it is important to analyze and understand how the related equipment will be used by the SLG in exercising its essential government function. There is a direct inverse relationship between how equipment is used (and in what context) and the risk of non-appropriation. The more an SLG relies on the equipment to achieve its essential obligations, the less likely the SLG will non-appropriate funds for the Muni-Lease, thus lowering the termination risk. If a budget crisis were to occur, the lease of equipment used for an essential governmental function of the SLG is less likely to be terminated than a Muni-Lease comprised of non-essential equipment. This is called an *essential use analysis*.

This analysis is comprised of two components, the service the SLG provides and the *use* of the equipment. Certain services provided by an SLG, such as police, fire protection and education, are considered very essential. Others, however—like recreational services, libraries and transportation—have varying degrees of essentiality. Similarly, how the leased equipment is used is viewed through a similar lens of essentiality: equipment the SLG needs to perform its essential governmental functions (e.g., a fire truck used for fire protection or computer equipment used for student instruction) are considered critical, while social services equipment (e.g., playground equipment or buses used to transport senior citizens to social activities), though important, are not considered as critical. Thus, any essential use analysis must consider both the nature of the *service* and *use* of the equipment to provide guidance on the credit decision.

Misnomer of Third-party Funding

The repayment obligation under a Muni-Lease is the obligation of the SLG and not conditioned on the SLG’s receipt of funding from a third-party source (e.g., funding for a special initiative from a state to an independent school district or funding from the Department of Justice to a local police department). An SLG may decide to enter into a Muni-Lease based on the availability of certain third-party funding programs, and even decide to non-appropriate if funding is cut off. However, in underwriting such a transaction, third-party funding should not be relied upon too greatly as a source of revenue for repayment or as a specific justification for credit approval.

Closing Thoughts

A Muni-Lease can be an effective tool for an SLG to leverage its funding into a cost-effective form of finance to acquire essential equipment. However, the transaction must comply with various state-specific contract formation requirements, and inclusion of a non-appropriation clause is critical. At first glance, inclusion of a non-appropriation clause may appear daunting to a lessor. However, a thorough essential use analysis may provide a lessor comfort that the Muni-Lease is a risk worth taking. ☰

Essential Use



Risk of Non-Appropriation



MICHAEL P. GALLO is Senior Vice President, Assistant General Counsel for LEAF Commercial Capital, Inc., a subsidiary of M&T Bank.

Leases vs. Service Contracts under ASC 842: What You Need to Know

THE FASB ISSUED ASC 842, LEASES, IN FEBRUARY 2016. As companies prepared for adoption and certainly post adoption, contracts that include or may include leases have been subject to significant scrutiny both by the issuer of financial statements as well as the industry that audits them. One area of particular focus has been the proper identification and treatment of service contracts distinctly from leases. This article will highlight some of the similarities and differences in the contracting and accounting between these two common types of arrangements.

Although leases and service contracts may be, and often are, combined under a single arrangement, they are both unique types of agreements that require consideration in the contracting phase and when accounting either as the lessor/service provider or as the lessee/customer.

At its most basic level, a lease agreement provides the lessee with the use of some identified physical asset owned by another party (lessor) in exchange for a fee. A service contract, on the other hand, is an agreement under which a service provider will use their unique skill to provide a service (e.g., consulting, data processing, website hosting, cleaning and maintenance, etc.) to a customer or service recipient.

Contract Considerations

Although both service and lease contracts generally provide that one party (lessor/service provider) provide something of value to another party (lessee/customer) for a fee, there are meaningful differences between the two agreements. All agreements need to be evaluated in detail as often a single contract contains elements of both types of agreements. For example, a lease may include both lease and non-lease components or a service contract could include an embedded lease. Some of the unique differences that should be considered during contract evaluation, include:

- **Specified asset:** To qualify as a lease under ASC 842, the agreement between the parties needs to identify the specific asset which the lessee will have the ability to control the use of over the term. This is not the case in a service contract where the service provider generally has more latitude in determining which specific assets will be used to satisfy the contract.
- **Service level requirements:** Whereas leases are generally focused on which assets will be conveyed

to the lessee for their use, service contracts generally focus on the quantity and quality of a particular service to be delivered.

- **Substitution rights:** Since the purpose of the lease is to transfer right to use a specified asset, the transferor (i.e., lessor) generally must forego their rights to remove and replace the asset that is specified in the agreement. A service agreement on the other hand, does not transfer the right to use the asset and the service provider is normally free to use alternative assets to provide the contracted service so long as they meet the service level requirements of the agreement.
- **Rights to direct how and for what purpose an asset will be used:** The ability of a lessee to determine how and for what purpose it wants to use an asset under a lease is fundamental to determining which party controls the use of the asset. Without having the ability to control the use of the asset, you cannot have a lease. If the supplier has the decision-making rights over when, whether, and how a particular asset is used over the contract term and the arrangement is deemed not to be a lessee, then the agreement is most likely a service contract. This does not mean that lease contracts will not include protective rights such as limits around usage or required maintenance, but the more of these rights that exist and the more restrictive they are, the more likely the contract is a service agreement.

Properly identifying the type of agreement that exists is critically important in determining whether there is a lessee or a service recipient, and on the other side, a lessor or a service provider. The two types of arrangements result in meaningfully different accounting answers.

Lessee/Service Recipient Perspective

Lease Classification	<p>Lessees need to evaluate the lease to determine its proper classification (operating or finance). This, in turn, will determine how the agreement is treated in a company's financial statements.</p> <p>Service agreements do not require such classification testing.</p>
Expense Recognition	<p>Expenses associated with lease agreements are generally recognized evenly throughout the term of the agreement (for operating leases) or front loaded (for finance leases) when the financed portion of the lease and associated finance costs are their highest and then decrease over time as the finance lease amortizes.</p> <p>Expenses associated with service agreements are accrued as the services are consumed.</p>
Balance Sheet Treatment	<p>With the issuance of ASC 842, lessees must recognize virtually all leases on their balance sheet (except for short-term leases which are those with a term of one year or less).</p> <p>Service agreements are generally not recorded on the balance sheet of the service recipients.</p>

Lessor/Service Provider Perspective

Lease Classification	<p>Lessors need to similarly evaluate the lease to determine its proper classification (operating, direct financing, sales-type lease). This, in turn, will determine how the agreement is treated in the company's financial statements.</p> <p>As referenced above, the same rules are not applicable to service contracts.</p>
Revenue Recognition	<p>Lease revenue under ASC 842 can vary from period to period, but the majority of leases will either recognize consistent revenue amounts during the lease term (operating leases) or more front-end loaded revenue (sales-type and finance leases) that will amortize over time.</p> <p>Revenue recognition for service contracts is covered under ASC Topic 606, <i>Revenue from Contracts with Customers</i>. That guidance generally requires companies to recognize revenue as they satisfy the various performance obligations as defined within the contract. This can result in companies reporting meaningful earnings variability from month to month.</p>

In addition to differences described above, service contracts and lease agreements also have different disclosure requirements, which need to be evaluated against the relevant guidance.

In conclusion, determining the nature of a contract requires more than simply reading the name at the top of the document. Many of the contractual elements in the document need to be analyzed to determine if a service contract or a lease exists. Under old accounting guidelines this should have been done, but in practice, was glossed over because the accounting treatment was the same for service contracts and operating leases. The

balance sheet presentation under ASC 842 brings the distinction to the forefront as leases are capitalized and service contracts, which are not included in ASC 842, are not. [E](#)



JOE GUAGE is Chief Financial Officer at First American Equipment Finance, an RBC / City National Company. **TIM KOLBER** is Managing

Director, Accounting Advisory & Transformation Services at Deloitte. **AMIE SWEENEY** is Vice President at CBRE. All three are members of ELFA's Financial Accounting Committee.

One Industry, One Voice

Capitol Connections brings members to Washington, D.C

ON MAY 25, 125 ELFA members spent the day advocating on behalf of the equipment finance industry during our first in-person Capitol Connections event since 2019. Throughout the day, ELFA members met with more than 110 Congressional offices both in-person and virtually.

In addition to advocating for the industry, attendees also heard from keynote speakers throughout the event. The day began with Sen. Mike Rounds (R-SD) addressing attendees and answering their questions. During the mid-day session, Alan Ellison of the Consumer Financial Protection Bureau briefed attendees on their proposed rule implementing Section 1071. Political commentator Chris Stirewalt closed the event speaking about the current political climate.

Connections are only a hole in the ground if they are not built on top of. In the coming weeks, Members of Congress will be returning to their districts for the August recess and that it is a perfect time to schedule an in-district meeting. Members of Congress are usually very excited to spend time learning about employers in their districts and states. If you are interested in building a relationship with your Member of Congress, please contact the ELFA Federal Government Relations team at afishburn@elfaonline.org or mhart@elfaonline.org. ☰

Next Steps?

We cannot overemphasize how important it is to maintain an ongoing dialog with your elected representatives. The foundations built during Capitol



ANDY FISHBURN is ELFA Vice President of Federal Government Relations



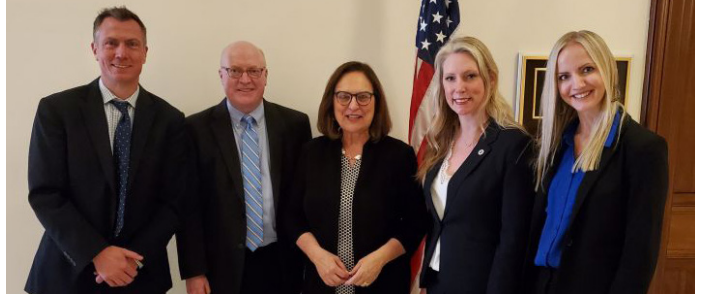
Kathleen Canum, Kirk Phillips, Nate Gibbons and Mark Duncan meet with Rep. Kurt Schrader (D-OR), center, in his Capitol Hill office.



Bruce Winter, Dave Drury, Debbie Devassy Babu and Mike Romanowski walk to the Hill for their meeting with the office of Rep. Michelle Fischbach (R-MN).



Harrison Smith, Jill McKean-Bilby, Deborah Cole and Jesse Johnson meet with Cody Cazares, center, Advisor to Rep. Michael McCaul (R-TX).



Sen. Deb Fischer (R-NE), center, greets ELFA members Sean Svoboda, Randy Haug, Reid Raykovich and Kayla Perlinger.



Political commentator Chris Stirewalt addresses the closing dinner of Capitol Connections.



ELFA President and CEO Ralph Petta and ELFA Board Chair Mike DiCecco present Charles (Chuck) Cross, Senior Counsel at Wells Fargo Equipment Finance, with the David H. Fenig Distinguished Service in Advocacy Award.



ELFA Board Chair-elect Robert Neagle (right) and former ELFA Board Chairs Adam Warner and David Schaefer pose in front of Freedom, the statue that sits atop the dome of the U.S. Capitol, measuring 19½ feet tall and weighing in at 15,000 pounds.



Cody Sanguinetti shows his Oregon pride while visiting the office of Sen. Ron Wyden (D-OR).



Sen. Mike Rounds (R-SD) addresses the Capitol Connections audience at breakfast.

Financial Disclosure Laws Heat Up

AS THE MAP ON THIS PAGE DEPICTS, commercial finance disclosure legislation has quickly spread across the country. California, New York and Utah are the only bills to pass at this time with New York and Utah laws still in the regulatory process. California, having passed legislation nearly four years ago, just recently completed its regulatory process. Five additional states have introduced but not passed similar legislation. Those are Connecticut, New Jersey, Maryland, Mississippi and Missouri.

The California SB 1235 Disclosure Regulations, which were finalized on June 9, 2022, can be found here: [Finalized CA Disclosure Regulation](#). In the regulations, ELFA was granted our hard-fought-for six-month stay. The regulation will be stayed/not implemented until **Dec. 9, 2022**.

Second Important Disclosure Webinar Scheduled

With the New York regulations expected to be finalized soon, ELFA has planned a second Disclosure Webinar as a follow-up to the one we held on Dec. 15, 2021. Mark your calendars: This webinar will take place on Thursday, July 28 from 1:00-3:00 p.m. ET and have a heavy focus on operational preparedness and continued legal questions. Watch the webinar live or access a recording at www.elfaonline.org/events/elearning/web-seminars.

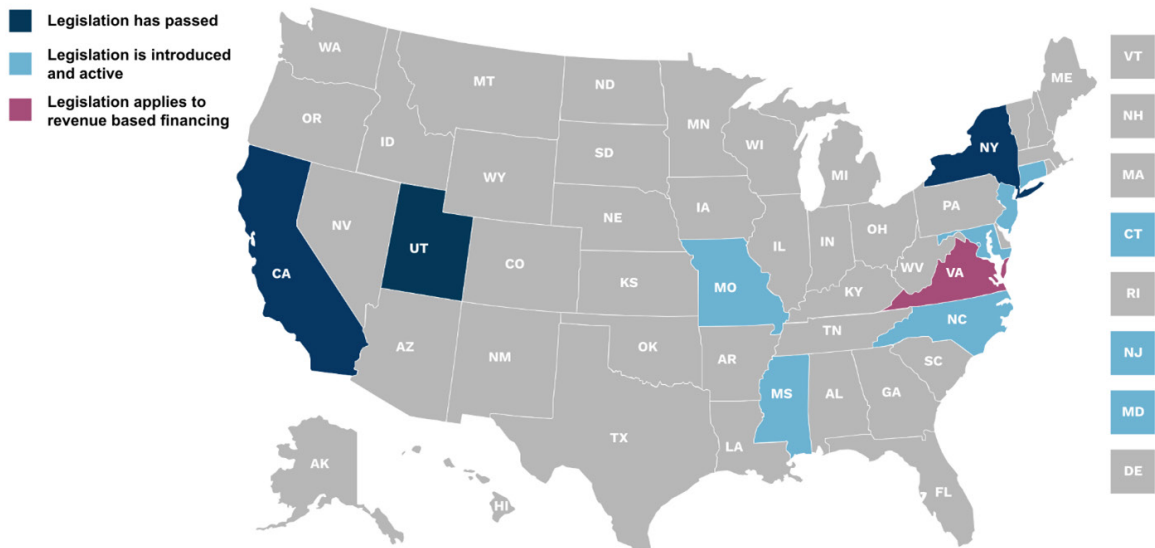
For those who missed the first webinar and are interested, here is a short re-cap and link to that recorded webinar:

ELFA State Advocacy New Year’s Resolutions: Prepare for Commercial Financing Disclosure Laws in New York and California. Over 550 people registered for this webinar, held Dec. 15, 2021, which provided in-depth details of the scope of the new regulations. The webinar recording and slide deck are available on ELFA’s State Advocacy webpage on Lender License and Enhanced Financial Disclosure at www.elfaonline.org/advocacy/state-issues/lenders-license. ☰



For more information, please contact ELFA Vice President of State Government Relations **SCOTT RIEHL** at sriehl@elfaonline.org.

State Enhanced Financial Disclosure Laws & Introductions



"This was an excellent workshop. Would highly recommend to future colleagues!!"

"I've sat in on meetings this week and recognized that I would not have been able to understand what was being discussed had I not attended the workshop last week. Thank you."

"Very glad I went to this workshop. I am new in the leasing industry and this made me understand it more than I ever thought. Thank you!"

ELFA PRINCIPLES OF EQUIPMENT LEASING AND FINANCE WORKSHOPS

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To view the complete brochure and to register,
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<https://www.elfaonline.org/events/principles-of-leasing-finance-workshops/POL>.

For questions, contact: Alexa Carnibella at acarnibella@elfaonline.org



EQUIPMENT LEASING AND FINANCE ASSOCIATION
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A Look Ahead

THE FOUNDATION HAS BEEN YOUR EYE ON THE FUTURE FOR MORE THAN 30 YEARS. With a mission to cast a long-range view on potential challenges and future opportunities, our resources help you and your business navigate uncertain terrain and plan strategically for future growth. In this age of heightened awareness for sustainability, we explored and published a report on ESG (Environmental, Social, Governance) platforms that are emerging quickly. We also conducted a study on the state of Funding, Securitization & Syndication. And we are adding new reports to our Vertical Market Outlook Series on the Retail sector. Here's a quick look at some of the forward-looking Foundation research coming later this year.

Facing the Challenges of Inflation and Rising Interest Rates: New Strategic Considerations for the Equipment Finance Industry

The *Journal of Equipment Lease Financing* article provides background information on the inflation process, including the development of data monitoring tools to help finance executives better understand likely inflation and interest rate movements. This piece also includes a strategic assessment of impacts of rising inflation and rising interest rates on the equipment finance industry, including the effects on both end-user borrowers and internal industry operations. Available now at www.leasefoundation.org/industry-resources/journal-of-equipment-lease-financing/.

Captive Finance: Challenges & Opportunities

This study will isolate actions a captive finance firm can take to ensure its viability and value to its parent. Challenging economic conditions have shown there is a great degree of disparity in the success of captive financing organizations; the study will identify what makes some captives perform and others struggle through business cycles, with a unique and measurable perspective on how they compare to similar organizations. Expected release: Late Summer 2022.

Office Imaging Vertical Market Outlook Report

The latest addition to the Vertical Market Outlook series is on office imaging: copiers, printers, scanners, digital tools, cloud storage, security and environmental concerns. This report will cover the macroeconomic

environment, how hybrid and remote work are affecting these products, new technology and trends, and the payment, financing and costs of these systems. Expected release: Late Summer 2022

2022 Industry Future Council

This year's Industry Future Council (IFC) report is focused on one of the top trends from last year's report: Workforce. Through a combination of facilitated meetings, surveys and breakout discussions, the Foundation will publish a report that describes the strategic importance of workforce issues to the industry and summarizes the IFC's views of three primary issues that the group spotlights. Expected release: September/early October.

Equipment Leasing & Finance Industry Horizon Report

After a two-year hiatus, the Equipment Leasing & Finance Industry Horizon Report is back. This report will feature results from a survey of equipment end-users. The survey will collect data from various businesses across all sectors of the economy to update the estimate of the size of the equipment leasing and finance industry. Key findings on the following topics will be conveyed in the report:

- Overall equipment investment by type of equipment, and by end-user industry
- Methods that businesses are using to finance their equipment investment
- Analysis of past behavior and future projections
- Equipment finance industry sizing chart (including three-year forecast)

Expected release: October 2022

Specialized Apps, Software, and Information Services for Equipment Leasing & Finance Industry

This report will help lenders and lessors leverage and combine application and software services to achieve digitization, without having to re-invent the wheel themselves. Additional examples of the kinds of services that would be included are retrieval of DDA data and utility data, automated drivers' license validation, website analysis, LGD/CECL models, F/S-based models, social media data, geo-location data and specialized data sources such as databases of franchises. While credit, risk and operations will be the primary functions addressed by the study, marketing, finance and other areas will be covered to the extent applicable. The researcher will interview technologically advanced equipment finance lenders, as well as service providers exhibiting at FinTech conferences. Expected release: Fall 2022.

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CHARLIE VISCONAGE is Director of Marketing, Communications and Development for the Equipment Leasing & Finance Foundation.

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