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# Across the country, consumers are moving out of the subprime credit score category

## Number of consumers with Equifax credit scores below 620 declines in 24 of the top 25 metro areas

ATLANTA, Jan. 31, 2013 /PRNewswire/ -- The number of consumers with subprime credit scores is shrinking across the country, according to new data from Equifax. The total number of consumers with Equifax credit scores below 620 fell 2.1%, or by about 1 million consumers, in the third quarter of 2012 versus the third quarter of 2011. The overall share of consumers with Equifax credit scores under 620 fell by 0.7% (from 25.9% to 25.2%) during that same period.

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The trend is playing out to varying degrees in different metropolitan areas, with Chicago seeing the largest decline in consumers with Equifax credit scores below 620. In the Chicago-Gary-Kenosha metro area, 1.5 million consumers had a credit score of 619 or below in the third quarter of 2012, a 9 percent decline from the same quarter in 2011.

On the other end of the spectrum, Houston is the only metro area among the top 25 that had an increase in consumers with Equifax credit scores below 620, with a 0.6 percent increase in the number of consumers in the lowest category when compared to the same period in 2011. However, when accounting for population growth in Houston, the percentage of the Houston population with subprime credit scores fell by 0.5 percent.

Credit scores below 620 are considered subprime for the purposes of this report. A consumer with an Equifax score below 620 likely will have a harder time securing credit from a bank or other lender and may have to pay a higher interest rate if a loan is secured.

"Consumer credit scores are improving in most major metropolitan areas," said Trey Loughran, president of the Personal Solutions division at Equifax. "The job market is improving and time is starting to heal the wounds of the Great Recession."

The geographic differences can be attributed to a number of factors, including employment, population shifts and demographic changes. For instance, in Chicago, the unemployment rate declined 1.5 percentage points to 8.8 percent – the fifth best improvement in unemployment among the largest 25 metro areas. Also, there are significant improvements in early housing-bust markets such as San Francisco, Sacramento, San Diego, Los Angeles, Las Vegas, Phoenix and Miami, where people's credit scores are starting to recover after foreclosures.

"It is nice to see that over 1 million people across the country have moved out of the below

620 range," said Loughran. "We are seeing a trend of consumers being careful and disciplined about their use of existing credit while also being cautious about using new accounts they have opened."

### Top 25 Metro Markets: Number of Consumers with Equifax Credit Scores Below 620 Q3, 2012 vs. Q3, 2011

		Total 619 & Below	Total 619 & Below	% Change
	Top 25 Metropolitan Statistical Areas	Q3, 2011	Q3, 2012	
1	New York-Northern New Jersey-Long Island NY-NJ-CT-PA	3,306,563	3,248,660	-1.8%
2	Los Angeles-Riverside-Orange County CA	3,326,552	3,149,559	-5.3%
3	Chicago-Gary-Kenosha IL-IN-WI CMSA	1,688,835	1,536,648	-9.0%
4	Washington-Baltimore DC-MD-VA-WV CMSA	1,545,133	1,528,358	-1.1%
5	San Francisco-Oakland-San Jose CA CMSA	984,035	920,594	-6.4%
6	Philadelphia-Wilmington-Atlantic City PA-NJ-DE-MD CMSA	1,178,359	1,164,211	-1.2%
7	Dallas-Fort Worth TX CMSA	1,418,294	1,373,994	-3.1%
8	Boston-Worcester-Lawrence MA-NH-ME-CT CMSA	848,824	837,057	-1.4%
9	Houston-Galveston-Brazoria TX CMSA	1,288,945	1,296,214	0.6%
10	Detroit-Ann Arbor-Flint MI CMSA	1,160,113	1,137,517	-1.9%
11	Atlanta GA MSA	1,289,238	1,275,933	-1.0%
12	Miami-Fort Lauderdale FL CMSA	1,137,305	1,102,803	-3.0%
13	Phoenix-Mesa AZ MSA	850,651	819,090	-3.7%
14	Seattle-Tacoma-Bremerton WA CMSA	602,351	596,029	-1.0%
15	Minneapolis-St. Paul MN-WI MSA	438,838	428,367	-2.4%
16	San Diego CA MSA	509,449	482,219	-5.3%
17	Denver-Boulder-Greeley CO CMSA	434,798	428,726	-1.4%
18	Cleveland-Akron OH CMSA	520,970	518,758	-0.4%
19	Tampa-St. Petersburg-Clearwater FL MSA	647,248	642,954	-0.7%
20	St. Louis MO-IL MSA	493,859	486,388	-1.5%
21	Portland-Salem OR-WA CMSA	404,681	400,684	-1.0%
22	Pittsburgh PA MSA	375,265	369,091	-1.6%
23	Las Vegas NV-AZ MSA	512,930	490,759	-4.3%
24	Sacramento-Yolo CA CMSA	371,947	348,953	-6.2%
25	Orlando FL MSA	528,232	521,646	-1.2%

### About Equifax

Equifax Personal Solutions empowers consumers with the confidence and control to be their financial best. Find out more about Equifax's innovative suite of credit monitoring and identity theft protection products designed to enable consumers to maximize their financial well-being at [www.equifax.com](http://www.equifax.com). Get smart information on everything from credit to retirement, all in one place at the Equifax Finance Blog, [www.blog.equifax.com](http://www.blog.equifax.com).

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