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Equifax Reports Home Finance Write-Offs Decreased Nearly 23% in First Quarter

ATLANTA, April 16, 2013 (GLOBE NEWSWIRE) -- According to the Equifax (NYSE:EFX) March *National Consumer Credit Trends Report*, home finance balances written off in the first quarter of 2013 ($43.1 billion) decreased nearly 23% from Q1 2012 ($55.4 billion), reflecting a five-year low. Write-offs, also known as severe derogatories, include loans that completed the foreclosure process and transitioned to real-estate owned (REO) by banks, entered bankruptcy, or were otherwise charged off by the lender.

By loan type, year-over-year change in home finance write-off rates from March 2012-2013:

- Home equity revolving: declined 44.1%.
- Home equity installment: declined 32.9%.
- First mortgage: declined 17.6%.

By loan type, year-over-year change in home finance severely delinquent balances from March 2012-2013:

- Home equity revolving: declined more than 29% ($13.6 billion to $9.7 billion).
- Home equity installment: declined nearly 26% ($6.6 billion to $4.9 billion).
- First mortgage: declined nearly 25% ($477 billion to $355 billion).

"Overall home finance balances decreased to $8.38 trillion in March 2013 from $8.64 trillion same time a year ago," said Equifax Chief Economist Amy Crews Cutts. "The decline is due to write offs from foreclosures as well as from consumers paying down balances when refinancing, known as cash-in refinancing, shortening terms when they refinance their loans or making extra principle payments each month for faster amortization; some have even paid-off their mortgages entirely. The share had been running 50-50 until recently when it has shifted to a 60-40 split with write-offs dominating. This shift is important as increased home purchases are finally leading to more demand for mortgage credit and may soon stop the decline in mortgage debt outstanding."

Other highlights from the most recent data include:

First Mortgage

- The total balance of severely delinquent mortgages in March 2013 is $350 billion, a 51% decrease from its peak in March 2010 ($714 billion). Severely delinquent status includes balances 90 days past due or in foreclosure.
- More than 65% of severely delinquent balances among first mortgages are sourced from originations from 2005-2007.
- Transition rates for balances moving from current status to 30 days-past-due, 30 to 60 days-past-due and 60 to 90 days-past-due are all at new lows for the 5-year look-back

period.
- Transition rates for balances moving from in-foreclosure to REO status, on a 6-month moving-average basis, are near the 5-year period peak, and are currently running at 12 percent per month.

Home Equity Revolving

- Of severely delinquent balances, 73% are tied to lines of credit opened from 2005-2007. Severely delinquent status includes home equity loans with balances 90-days past due or in foreclosure.
- Total balances declined 9.3% from March 2012-2013 ($569.1 billion to $516.4 billion)
- In that same time, total loans outstanding fell from more than 11.5 million to less than 10.9 million.
- New credit originated in January 2013 totaled $6.2 billion, realizing a 20% increase year-over-year ($5.1 billion in January 2012), and the strongest start to a calendar year since 2009.

Home Equity Installment

- Total balances declined nearly 8% from March 2012-2013 ($148.1 billion to $136.6 billion).
- Balances in foreclosure declined more than 25% in that same time, from $595 billion to $445 billion.
- From March 2012-2013, total existing loans fell from more than 4.5 million to 4.2 million.

About Equifax, Inc.

Equifax is a global leader in consumer, commercial and workforce information solutions that provide businesses of all sizes and consumers with insight and information they can trust. Equifax organizes and assimilates data on more than 500 million consumers and 81 million businesses worldwide, and uses advanced analytics and proprietary technology to create and deliver customized insights that enrich both the performance of businesses and the lives of consumers.

Headquartered in Atlanta, Equifax operates or has investments in 18 countries and is a member of Standard & Poor's (S&P) 500® Index. Its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. For more information, please visit www.equifax.com.

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