

# Equifax Reports Increasing Balances and Improving Delinquencies for Auto, Credit Cards

## Total Consumer Debt Down 15% From Its Peak

ATLANTA, Sept. 27, 2013 (GLOBE NEWSWIRE) -- According to Equifax's (NYSE:EFX) latest *National Consumer Credit Trends Report*, the total outstanding balances on auto and credit card loans increased year-over-year in August 2013. For bank-issued credit cards, it is the first time in five years that balances increased in two consecutive months, while retail card balances have notched 24 consecutive months of year-over-year growth. The total balance of existing auto loans is at its highest level in more than five-years.

Year-over-year changes in balances August 2012-2013 include:

- Auto: increased 9.7% (from \$760.8 billion to \$834.4 billion);
- Bank credit card: increased 0.2% (from \$537.0 billion to \$537.8 billion); and
- Retail credit card: increased 7.0% (from \$51.9 billion to \$55.9 billion)

In addition, auto and credit card portfolios are the only two major segments in which rising balances accompany improving delinquency rates. Year-over-year changes in the 60-day plus delinquency rates, as a percentage of total balances outstanding, include:

- Auto: decreased more than 10% (from 1.28% to 1.14%);
- Bank credit card: decreased more than 13% (from 2.10% to 1.81%); and
- Retail credit card: decreased 0.9% (from 3.37% to 3.34%)

"Our data consistently indicates that the American consumer is being very disciplined in their use of credit. It's like they've gone on a debt-diet and they are really sticking to it, with modest increases in line with capacity to repay," said Equifax Chief Economist Amy Crews Cutts. "If we exclude student loans, total consumer debt is down 15% from its peak and delinquency rates outside of home loans and student loans are back to pre-recession levels. Economic conditions are causing the lingering high default rates on student loans and mortgages, and hopefully we will see those improve more quickly in coming months."

Other highlights from the most recent Equifax data include:

### Auto:

- The total number of loans outstanding in August 2013 is more than 61 million, a 57-month high;
- By source, loans funded by banks, savings and loans or credit unions are at \$401.7 billion, while the total number of loans is 29.5 million – a five-year high for both;
- The total outstanding balance for loans funded by auto finance companies is \$432.7

billion, a 56-month high, while the total number of existing loans is more than 31.8 million, its highest level in 54-months; and

- The total balance of auto loan originations year-to-date in June 2013 is 237.6 billion, an increase of nearly 15% from same time a year ago and the most new credit originated for that time period in more than eight years.

#### **Bank-issued Credit Card:**

- At \$93.3 billion, the total limit of new credit issued between January-June 2013 is a five-year high for that year-to-date period and an increase of more than 68% over the recession low of \$55.5 billion for the same time during 2010;
- The total number of new loans year-to-date in June 2013 is 20.1 million, a five-year high and an increase of 6.3% from same time a year ago;
- The total number of existing loans is more than 310 million, a 43-month high; and
- The total bank card credit limit is more than \$2.4 trillion, a 43-month high.

#### **Retail-issued Credit Card:**

- At \$34.2 billion, the total limit of new credit issued through June of 2013 is an increase of nearly 33% over the recession low of \$25.8 billion for the first 6 months of 2010;
- 18 million new loans were issued between January-June 2013, the highest since 2008, and an increase of more than 7% over the same period last year;
- Year-to-date lending through June to subprime credit borrowers, defined as those with Equifax Risk scores below 660, increased at a rate of 15% over the same time a year ago. 5.9 million loans were originated, the highest in 5 years;
- The total number of existing loans is more than 180 million; and
- The total retail card credit limit is nearly \$350 billion.

#### **Home Finance:**

- The total balance of first mortgages in August 2013 is \$7.7 trillion, a decrease of 1.2% from same time a year ago;
- The total balance of first mortgage severely delinquencies (90-days past due or in foreclosure) is \$300 billion, a decrease of more than 28% from same time a year ago and a five-year low;
- In August 2013, the total balance of home equity revolving loans is \$500.4 billion, a decrease of 7.4% from same time a year ago and a five-year low. Similarly, the total number of loans outstanding in August is 10.5 million, a five-year low;
- The total balance of severely delinquent home equity revolving loans in August 2013 is less than \$9 billion, a decrease of 25% from same time a year ago and a five-year low; and
- The total balance of home equity installment loans is \$136.7 billion, a decrease of 4.2% from same time a year ago, while the total number of loans outstanding is 4 million, a five-year low.

#### **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. In 2013, Equifax was named a Bloomberg BusinessWeek Top 50 company, was #3 in Fortune's Most Admired list in its category, and was named to InfoWeek 500 as well as the FinTech 100. For more information, please visit [www.equifax.com](http://www.equifax.com).

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