

Equifax Reports Increased Auto Borrowing; Increases in Credit Card Limits Prior to 2013 Holiday Spending Season

ATLANTA, Dec. 19, 2013 (GLOBE NEWSWIRE) -- The latest Equifax (NYSE:EFX) *National Consumer Credit Trends Report*, indicates that as portfolio quality has improved, originations in multiple consumer loan types have opened to higher risk consumers to varying degrees. This is reflected within the auto lending sector as origination continues to thrive while payment performance improvements for auto loans remain strong.

From an origination standpoint, the most recent data indicates that the auto-lending sector enjoyed its highest September monthly origination totals in eight years, with 1.9 million auto loans originated. Additional origination metrics from same timeframe include:

- Growth was reported in both financial institution-originated auto loans (more than 950,000) and captive and other finance company-originated loans (more than 975,000). Both sectors realized the highest loan totals for the month of September of the last eight years;
- Subprime auto lending (defined as having Equifax Risk Scores below 640) now accounts for approximately 30 percent of all auto loans originated today;
- Total Auto loan amount originated also hit an eight year high at nearly \$39 billion; and
- While total auto loan volumes and amounts exceeded 2006 totals, the average loan amount was slightly less -- \$20,179 (2013) vs. \$20,420 (2006). This fact, coupled with the lower interest rates being charged today has resulted in an approximately 8 percent reduction in average monthly loan payments for new borrowers.

"The auto finance sector has continued to perform at a high level throughout the year as consumers continue to take advantage of favorable interest rates and look to replace their aging cars," said Equifax Chief Economist Amy Crews Cutts. "The median age of an automobile hit a record high 11.4 months earlier this year according to Polk, and many consumers have reached a point where their cars are beginning to require costly repairs. As confidence in the economy grows, consumers are increasingly making the decision to replace rather than repair their vehicles. This growing trend is reflected in the strong sales of new cars, which will hit over 15.5 million units this year, a six-year high, and the resulting high auto-loan origination totals we're seeing so far in 2013."

Leading up to the 2013 holiday spending season, card-related origination data of note (for the first 3 quarters of 2013) included:

Bank-issued Credit Card:

- The number of new bank-issued credit cards opened Jan. – Sept. 2013 is up 8.3 percent over the same timeframe in 2012;
- Similar to auto lending, subprime bank-card borrowers (defined as having Equifax Risk

Scores below 660) now account for approximately 30 percent of new bank-issued credit card originations; and

- Bank-issued credit card limits were up by 10.5 percent over 2012. Credit limits on cards issued to subprime borrowers in September 2013 were 16.2 percent over 2012.

Retail Card:

- The number of new retail cards issued Jan. – Sept. 2013 is up by 8.9 percent over the same timeframe in 2012;
- The number of new retail cards issued to subprime borrowers is up by 15.9 percent over the same timeframe in 2012; and
- Total retail card credit limits have risen to \$52.7 billion, a 10.9 percent increase.

About Equifax

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 600 million consumers and 81 million businesses worldwide. The company's significant investments in differentiated data, its expertise in advanced analytics to explore and develop new multi-source data solutions, and its leading-edge proprietary technology enable it to create and deliver unparalleled 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.

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