

Equifax Reports Auto Loan Growth Continues, Subprime Bubble Not Occurring

Year-to-Date Originations at Record Highs

ATLANTA, Oct. 6, 2014 (GLOBE NEWSWIRE) -- According to the latest Equifax Inc. (NYSE:EFX) *National Consumer Credit Trends Report*, while year-to-date auto loan growth rates have slowed compared to last year, totals for new credit and the number of new loans originated for auto purchases are at all-time highs.

- The total number of new loans originated through June is 12.5 million, an increase of 4.9% from same time a year ago; and
- The total balance of new loans is \$254.2 billion, an increase of 6.9% from same time a year ago and representing nearly half of total new non-mortgage credit originated.

"Auto sales continue to soar, crossing the 17.4 million mark on an annualized basis for new cars and light trucks in August," said Amy Crews Cutts, Senior Vice President and Chief Economist at Equifax. "The abundance of high-quality vehicles for sale, the attractive financing options available, and the ever-increasing age of cars on the road today have created an environment that makes it easy for consumers to say 'yes' when it comes to purchasing a new or used car. Importantly, auto loan originations to borrowers with subprime credit scores remain stable, providing additional evidence that a bubble is not occurring in that space."

Other highlights from the most recent Equifax data include:

- The total balance of auto loans outstanding in August is \$924.2 billion, an all-time high and an increase of 10.8% from same time a year ago;
- The total number of auto loans outstanding stands at more than 65 million, a record high and an increase of more than 6% from the same time last year;
- Serious delinquencies represent 1.05% of total balances outstanding, a decrease of 8% from same time a year ago;
- The total number of new loans originated year-to-date through June for subprime borrowers, defined as consumers with Equifax Risk Scores of 640 or lower, is 3.9 million, representing 31.2% of all auto loans originated this year. This is a slight decrease in share from this same time in 2013;
- Similarly, the total balance of newly originated subprime auto loans is \$70.7 billion, an eight-year high and representing 27.8% of the total balance of new auto loans, a slight increase in share from the previous year;
- Year-to-date in June, the average loan amount for borrowers with risk scores of 680 or lower are increasing the most, showing a 3% increase from the previous year. Loan sizes among borrowers with risk scores of 760 or higher show little change from the

same time a year ago;

- By source, balances on outstanding loans funded by banks, savings and loans and credit unions are at \$453 billion, while the total number of loans is more than 31.4 million;
- Similarly, total outstanding balances for loans funded by auto finance companies is \$471.2 billion, while the total number of existing loans is 34.1 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 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 19 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.

CONTACT: 1550 Peachtree Street, N.W.
Atlanta, Georgia 30309
Meredith Griffanti
Media Relations
(404) 885-8913
meredith.griffanti@equifax.com

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