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Equifax Reports Improvement in Balance and Write-Off Performances Headed into 2015

ATLANTA, Dec. 15, 2014 /PRNewswire/ -- According to the latest Equifax *National Consumer Credit Trends Report*, non-mortgage credit balances in November 2014 totaled $3.1 trillion, the highest level in more than five years. By vertical, year-over-year balance increases included:

- Auto: 9.6% ($965.0 billion);
- Retail-issued credit cards: 4.8% ($71.0 billion); and
- Bank-issued credit cards: 4.7% ($611.7 billion).

In addition, the total balance of non-mortgage write-offs year-to-date for November 2014 was $73.4 billion, the second-lowest level in eight years. Similarly, the total balance of home-finance write-offs year-to-date in November was $91.2 billion, also the second-lowest level in eight years.

"The Great Deleveraging has clearly ended and U.S. Consumers are back in the borrowing business, but how they borrow has greatly changed from prior to the Great Recession," said Amy Crews Cutts, Senior Vice President and Chief Economist at Equifax. "Today, while auto loans make up 30.9% of non-mortgage consumer debt – just as they did in December 2007 at the Recession's start – student loans have grown from 20.2% to a whopping 37.3% and bank- and retailer-issued credit cards are down to 21.9% of consumer debt from 31.4%."

Cutts continued, "One way to read this change is that consumers now value investment (in their education and durable goods like cars) over immediate consumption, which is good for our economy over the long run. But, with the exception of new car production, sluggish consumption slows economic growth in the short-term, partially explaining the slower-than-hoped-for economic recovery."

Other highlights from the most recent Equifax data include:

Auto Loans:

- The total number of outstanding loans year-to-date in November was more than 70.0 million, the highest level in more than five-years;
- Auto loan serious delinquencies, defined as loans 60 days or more past due, stood at 1.04% in November as a share of balances, a decrease from 1.15% from the same

time a year ago;
- The total number of new auto loans originated between January and September 2014 was 19.2 million, an increase of 4.7% versus the same period a year ago; in that same time, the total balance of new credit originated was $391.6 billion, an increase of 7.0%.

Retail-issued Credit Card:

- The total number of new retail card accounts issued January-September was 28.5 million, a year-over-year increase of 2.5% and the highest since 2007;
- The total balance of new credit originated in that same time was $48.1 billion, a six-year high and an increase of 3.4%;
- In November, write-offs as a percentage of total balances were 7.44%, a year-over-year decrease of 0.34 percentage points (34 basis points).

Bank-issued credit card

- Total new credit originated year-to-date in September was $183.9 billion, a six-year high and an increase of 25.9% from same time a year ago;
- The total number of new cards issued year-to-date in that same time was 37.7 million, also a six-year high and an increase of 20.1%;
- The write-off rate as a percentage of total balances outstanding in November was 3.47%, down from the 3.94% rate for November 2013;
- The total number of bank-issued credit cards outstanding in November was more than 359.6 million, a five-year high and an increase of more than 4.7% from November of 2013.

Home Finance

- Delinquent first mortgages, those 30 days or more past due, represented 4.54% of outstanding balances in November, a decrease from 5.87% from the same time a year ago;
- The total balance of seriously delinquent first mortgages (90 days past due or in foreclosure) was $198.8 billion in November, a decrease of more than 29.8% year-over-year and the lowest level in more than five years;
- Total balances on home equity installment loans was $139.9 billion in November, a decrease of 15.9% from the same time a year ago, while the total number of loans outstanding dropped to 4.6 million;
- Total balances outstanding on home equity lines of credit (HELOCs) in November 2014 was $515.4 billion, a decrease of 3.6% from same time a year ago and a five-year low. The total number of HELOCs outstanding fell to 11.1 million, the lowest total in 10 years;
- Delinquent balances (30 days or more past due) on HELOCs represented 2.37% of outstanding balances in November, down from 2.70% a year ago.
- Delinquent balances on home equity installment loans fell 0.77 percentage points from November 2013 to 2.45% in November 2014.

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.

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