March 30, 2015

Equifax: Driven by Consumer Demand, HELOC Originations Increase 21.5% Year-Over-Year

ATLANTA, March 30, 2015 /PRNewswire/ -- According to the latest Equifax (NYSE: EFX) *National Consumer Credit Trends Report*, U.S. consumer appetite for home equity lines of credit (HELOCs) is increasing. In 2014, more than $120 billion worth of HELOCs were originated, a year-over-year increase of 21.5%.

Additionally, more than 1.2 million new HELOCs were opened in 2014, a 15.8% increase over 2013. Both totals represent six-year highs for HELOC originations.

"Home equity lines of credit, or HELOCs, are attracting more borrowers now that many borrowers once again have sizeable equity in their homes – nationally home values have increased about 26% on average since January 2011," said Amy Crews Cutts, Chief Economist at Equifax. "Many homeowners with a low-rate first mortgage will be reluctant to refinance that mortgage into a higher rate and rules for cash-out refinance are onerous relative to home equity loans. Over the next several years, HELOCs should continue to attract substantial consumer interest as a way to maintain low rates on primary mortgages while also gaining access to accumulated home equity for home improvements, tuition or other important uses."

Meanwhile, mortgage industry write-offs continue decreasing. From February 2014-2015 the following declines in write-offs occurred:

- Home equity revolving lines of credit: 4.3 basis points, a 32.9% decrease
- First mortgage: 5.2 basis points, a 30.1% decrease
- Home equity installment loans: 8.1 basis points, a 17.8% decrease

"Employment gains in 2014 were huge as more than three million jobs were added to the U.S. economy," said Amy Crews Cutts, Chief Economist at Equifax. "With strong improvements in labor markets mortgage delinquencies and write-offs fall. Rising home values are also helping pull more homeowners back into the black on their mortgages and reducing the incentive to default. These trends show no signs of slowing so 2015 should see further improvements in mortgage and home equity loan performance."

Total mortgage balances and accounts outstanding are also decreasing. Respectively, as of February:

- First mortgage: $8,150.1 billion and 49.9 million accounts (a $3.8 billion decrease – essentially unchanged in percentage terms, and a 0.8% decline from a year ago).
- Home equity installment loans: $137.2 billion and 4.6 million accounts (a 16.9% and 10.9% decrease versus a year ago); and
- Home equity revolving lines of credit: $512.2 billion and 11.4 million accounts (a 3.2% and 5.0% decrease versus a year ago)

Leveraging data from the Equifax U.S. Consumer Credit database of more than 210 million consumers, the *National Consumer Credit Trends Report* reveals population-level debt and lending insights, including originations, balances, number of loans, delinquencies and more.

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 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.

Logo - https://photos.prnewswire.com/prnh/20060224/CLF037LOGO

SOURCE Equifax Inc.