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Equifax: First Quarter Mortgage Originations Soar

ATLANTA, June 29, 2015 /PRNewswire/ -- It's been a booming year for mortgage origination growth, according to data from the latest Equifax (NYSE: EFX) *National Consumer Credit Trends Report*. Total mortgage origination balances hit \$466 billion in the first quarter, a 74.4% increase from the same time a year ago. First mortgages led the growth, jumping 79.9% versus the first quarter of 2014 to \$430 billion, while originations of home equity lines of credit (HELOCs) rose 30% to \$30.9 billion and new home equity installment loans climbed 13.6% to \$5.0 billion.



- Average first-lien mortgage loan amounts rose to \$232,547 in March, an 11.5% increase over March 2014;
- The number of first mortgages originated in the first three months of the year was 1.78 million, a 54.9% increase over the same time a year ago and 13.6% higher than in the fourth quarter of 2014;
- The share of first mortgage accounts originated in the first quarter that went to consumers with an Equifax Risk ScoreSM below 620 (generally considered subprime) was 4.5%;
- 3.1% of newly originated balances in the first quarter went to borrowers with subprime credit scores. For the same time a year ago, the share was 3.5%; and
- The average loan amount for a first mortgage originated to a borrower with a subprime credit score in March 2015 was \$152,260, up 9.9% from March 2014.

"The drop in mortgage rates that began in the fourth quarter of last year kicked off a refinance boomlet that accelerated in the first quarter, as rates fell further, averaging just 3.7% for the first three months of this year," said Amy Crews Cutts, Chief Economist at Equifax. "While rates have recently reversed that trend and are back up to about 4%, they remain extremely low historically. These rates, coupled with a housing market that is showing signs of vigor, should carry the mortgage business over the summer."

Cutts continued, "While home sales are hopping, Equifax data also indicates that lending conditions remain very tight, with just 4.5% of new first mortgage accounts going to consumers with credit scores below 620, a measure often used to describe subprime credit. In the first quarter of 2008, over 10% of first mortgages went to subprime-credit borrowers."

Additional data from the Equifax *National Consumer Credit Trends Report* includes:

Home Equity Lines of Credit (HELOC)

- The total credit limit originated in Q1 was \$30.9 billion, a year-over-year increase of 30.1%;
- In that same time, more than 285,700 new accounts were originated, a year-over-year increase of 21.2% and the highest level since 2008;
- The average credit limit of new HELOCs in March was \$108,533, a 9.3% increase from same time a year ago; and
- The total number of new HELOC loans for subprime borrowers in Q1 was more than 4,400, a year-over-year increase of 27.7%.

Home Equity Installment

- The total number of new loans originated in Q1 was more than 142,800, a 19.6% increase from same time a year ago;
- Similarly, the total balance of new loans in that same time were \$5 billion, an increase of 13.8%; and
- As of May 2015, the total balance of outstanding loans is \$134.7 billion, a year-over-year decrease of 10.3%. The total number of loans in that same time is 4.5 million, a decrease of 8.6%.

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.

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