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Equifax: First mortgage defaults at lowest level since January 2007

Data Reveals 10 Areas with the Highest Write-Off Rates

ATLANTA, Aug. 9, 2016 /PRNewswire/ -- Equifax Inc. (NYSE: EFX), a global information solutions provider, today announced the release of its June 2016 Equifax *National Consumer Credit Trends Report*. The monthly report, analyzing data from over 220 million consumers, found the first mortgage write-off rate in the U.S. to be 3.3 basis points¹ (100^{ths} of a percentage point) of outstanding balances, while the total number of first mortgage defaults in June was 17,909, the lowest since January 2007. Equifax defines a write-off as a loan terminated in severe derogatory status, which for mortgage loans most often means a loan terminated when a bank seizes the collateral property through a foreclosure process.



While the overall U.S. first mortgage write-off rate returned to historic lows, some areas remain elevated. For instance, at 12.9 basis points, the write-off rate in Puerto Rico is three times higher than the national average and in Nevada, the rate is twice as high (6.6 basis points). The following is a ranking of the 10 states or territories with the highest write-off rates:

1	Puerto Rico (12.9)
2	Nevada (6.6)
3	Florida (6.2)
4	New Jersey (6.2)
5	Delaware (5.1)
6	Mississippi (5.0)
7	Maryland (4.9)
8	New Mexico (4.8)
9	South Carolina (4.8)
10	Rhode Island (4.5)

"The backlog of foreclosures from the financial crisis finally appears to be waning and write-offs are returning to historically-normal levels," said Amy Crews Cutts, senior vice president and chief economist at Equifax. "Rising home values have helped significantly, as have improving labor markets. Given the low inventory of homes for sale and the overall improving credit profile of the U.S. consumer, we expect home sales to maintain the upward trend we've seen in the first half of the year and for mortgage default performance to continue its downward path."

For Home Equity Lines of Credit (HELOC) and home equity installment loans, write-offs, as a share of total balances, the year over year changes showed:

- A minor increase in home equity installment loan write-offs from 7.6 basis points to 8.0 basis points; and,
- A decrease in home equity revolving lines of credit from 4.0 basis points to 3.4 basis points.

Additional data from the June 2016 Equifax *National Consumer Credit Trends Report* includes:

First Mortgage

- The severe delinquency rate (as a share of balances 90-days past due or in foreclosure) is 1.40 percent, down from 2.07 percent in June 2015;
- As of June 2016, the total number of first mortgages outstanding is 49.8 million, an increase of 0.7 percent from June 2015; and
- The total balances outstanding on first mortgages are \$8.33 trillion, a year-over-year increase of 2.8 percent.

Home Equity Installment

- The severe delinquency rate (as a share of balances 90-days past due or in foreclosure) is 1.46 percent, down from 1.80 percent in June 2015
- The total outstanding balances on home equity loans in June is \$131.4 billion, a year-over-year decrease of 2.7 percent; and
- The total number of outstanding loans is 4.5 million.

Home Equity Lines of Credit (HELOC)

- The severe delinquency rate (as a share of balances 90-days past due or in foreclosure) is 1.28 percent as of June 2016, down from 1.45 percent in June 2015;
- The total number of outstanding HELOCs is 10.9 million, a year-over-year decrease of 3.4 percent from June 2015;
- The total balances outstanding on HELOCs in that same time is \$486.5 billion, a decrease of 3.5 percent.

The Equifax National Consumer Credit Trends Report reveals population-level debt and lending insights, including originations, balances, number of loans, delinquencies and more from more than 220 million consumers in the United States.

About Equifax

Equifax powers the financial future of individuals and organizations around the world. Using the combined strength of unique trusted data, technology and innovative analytics, Equifax has grown from a consumer credit company into a leading provider of insights and knowledge that helps its customers make informed decisions. The company organizes, assimilates and analyzes data on more than 800 million consumers and more than 88 million businesses worldwide, and its databases include employee data contributed from more than 5,000 employers.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York

Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 9,200 employees worldwide.

Some noteworthy achievements for the company include: Ranked 13 on the *American Banker FinTech* Forward list (2015); named a Top Technology Provider on the *FinTech* 100 list (2004-2015); named an *InformationWeek* Elite 100 Winner (2014-2015); named a Top Workplace by *Atlanta Journal Constitution* (2013-2015); named one of *Fortune's* World's Most Admired Companies (2011-2015); named one of *Forbes'* World's 100 Most Innovative Companies (2015). For more information, visit www.equifax.com

¹ A basis point is 1/100th of a percentage point. For example, 10 bps equals 0.1%.

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