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# Consumer Credit Improves in Uneven Recovery

## New Equifax Report Cites New Auto Loans and Better Payment Behavior

ATLANTA, July 1, 2011 /PRNewswire/ -- In its latest national, monthly report on consumer credit trends, Equifax reports that U.S. consumer credit continues to show signs of improvement as the recovery progresses, even with strong unemployment and housing headwinds.

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According to Equifax's latest monthly Credit Trend Report, new credit dollars are increasing with originations for auto, bankcard, consumer finance and home equity revolving lines on a Year-to-Date (YTD) basis this year from March 2010.

Total new credit available today YTD from March 2010 to March 2011 is well below pre-recession levels but has increased more than 15 percent since 2009 to \$167 billion. Deleveraging continues but early signs of portfolio expansion are evident in auto lending Year over Year (YOY) growth and credit card limit increases after two years of declines.

"Despite concerns of the economy relapsing, several current metrics indicate the credit cycle is stabilizing - even growing somewhat as consumer payment behavior improves," said Michael Koukounas, Equifax's Senior Vice President of Client Services.

Key findings (YOY) include:

### Risk Scores

- Risk scores are trending upward. The average Equifax Risk Score reached 695 in May 2011. The percent of consumer risk scores defined as high risk dropped – signaling an improvement in payment behavior. Equifax's Risk Score predicts the likelihood of serious delinquency on consumer credit obligations within 24 months of scoring.

### Credit Cards

- Bank credit card origination has returned with an increase YOY of more than 35 percent.
- The increase in new card credit is not only attributable to an increase in the number of new cards, but also, in a sign card lending competition is heating up, with higher lines of credit available.

## Home Equity

- New home equity originations increased YTD for the first time since 2006, increasing 6.6 percent since March 2010 – although the amounts are lower, mirroring lower home prices nationwide.

## Consumer Debt

- Consumer debt's downward trajectory is being sustained. Total debt now stands at \$11.3 trillion, down \$1.1 trillion or 8.7 percent from October 2008's \$12.4 trillion.

## Consumer Finance

- New consumer finance credit limits have increased for the first time since 2007, with a slight increase of 1.5 percent.

## Auto

- Auto loan originations rose nearly 12 percent YTD since March 2010 and are up 21.4 percent YOY. Recent increases in auto loan originations include increases in Sub Prime lending.

Equifax's national analysis is sourced from data on more than 585 million consumers and 81 million businesses worldwide. Conducted on a monthly basis, the research provides detailed levels of consumer credit information from various vertical markets including, mortgage, automotive, student loans and bank and retail credit cards.

## About Equifax, Inc.

Equifax is a global leader in commercial and consumer information solutions, leveraging one of the largest sources of business credit intelligence, portfolio management, income, employment and wealth verification, identity authentication/fraud detection and marketing demographic data worldwide.

Through its unique data and analytical insights, powered by proprietary technology, Equifax delivers customized, high-value decisioning solutions to more than 4.4 billion accounts in 81 million businesses and provides millions of individual consumers with information and services to support management of their personal credit information and protection of their identity that are vital to their financial well being. Headquartered in Atlanta, GA., Equifax Inc. spans four continents and 16 countries, is a member of Standard & Poor's (S&P) 500® Index and its common stock is traded on the New York Stock Exchange under the symbol [EFX](#). For more information, please visit [www.equifax.com](http://www.equifax.com).

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