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Equifax Reports Home Finance Delinquencies in March 2012 at Three-Year Low

ATLANTA, May 2, 2012 /PRNewswire/ -- According to Equifax's March *National Consumer Credit Trends Report* and Creditforecast.com, a joint product of Equifax and Moody's Analytics, total delinquent first mortgage balances are under $500 billion in March 2012, the lowest since Jan. 2009. As of March 2012 there were a total of 49.5 million outstanding first mortgages, nearly an 11% decrease from the peak of more than 55 million in March 2008. The decline is caused by high foreclosures and loan payoffs and low homebuyer demand.

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Of delinquencies within existing home equity credit lines, an overwhelming 79% come from loans originated from 2005 to 2007. The number of revolving home equity loans is at a five-year low, with 11.6 million outstanding as of March 2012. Credit levels are also continuing to drop, falling 25% from the peak of $1.3 trillion in 2008.

Other highlights of the data:

First Mortgage

- Mortgage balances were 3.5% below their year-ago level in March, having now posted year-over-year declines in the previous 36 consecutive months.
- Seventy-one percent of all first mortgage delinquencies are from loans taken out in 2005-2007.
- The share of first mortgage loans transitioning from current status to 30-days past due is at its lowest level since June 2007.
- The share of first mortgages transitioning from 60-days past due to 90 days past due is at its lowest level in 59 months.
- Loans in severe delinquency status, defined as those 90 or more days past due or that have started the foreclosure process, has fallen steadily over the 24 months ended March 2012 and now stands at $477 billion.

Home Equity Revolving Credit

- Existing balances have dropped 17% from March 2009 to 2012, as home loan originations struggle while foreclosures force write offs.
- New home equity lines of credit opened in January 2012 were 16% higher than the recession low of $4.3 billion in Jan. 2009, but 67% lower than Jan. 2008 ($15.2 billion).
- Utilization rates, the ratio of balance to credit limit, have stayed at or near 55% since March 2009, although since that time the available credit declined from $575 billion to less than $470 billion.

Home Equity Installment Loans

- Home equity installment balances have dropped 46%, down to $150 billion in March 2012 from $275 billion in March 2008.
- In March 2011, delinquent balances in foreclosure totaled nearly $862 million. In March 2012, that number had decreased nearly 30% to $604 million, the lowest since mid-2007.
- Total delinquency rates in March 2012 are 14% lower than in March 2011.

"The residual effect from the recession and housing bust continues to be an obstacle for both lenders and borrowers in the housing market," said Equifax Chief Economist Amy Crews Cutts. "We're seeing effects of the economic recovery within existing accounts in the form of fewer delinquencies and foreclosures, but not a substantial amount of new activity as home sales and resulting new home financing fail to keep pace with payoffs and foreclosures."

About Equifax, Inc.

Equifax is a global leader in consumer and commercial information solutions, providing businesses of all sizes and consumers with information they can trust. We organize and assimilate data on more than 500 million consumers and 81 million businesses worldwide, and use advanced analytics and proprietary technology to create and deliver customized insights that enrich both the performance of businesses and the lives of consumers.

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