

Foreclosure Crisis Subsiding?

First Mortgage Delinquency Balances Down 37% from Recession-Era Peak

ATLANTA, June 27, 2012 /PRNewswire/ -- Severely delinquent balances among first mortgages are on the decline according to Equifax's *May National Consumer Credit Trends Report*. While still elevated relative to historic levels, the May 2012 total of \$450 billion in delinquent balances represents a 37% decline from the peak of more than \$700 billion in January 2010. Of note is that 70% of outstanding delinquencies among first mortgages still remain tied to loans opened between 2005-2007.

(Logo: <https://photos.prnewswire.com/prnh/20060224/CLF037LOGO>)

The greatest level of change was seen among severely delinquent non-agency first mortgage loans (90+ days past due or in foreclosure), which fell 45% to \$320 billion in May 2012 from its peak of \$580 billion in January 2010. By comparison, agency-sourced (Fannie Mae, Freddie Mac, FHA and VA) first mortgages reported as severely delinquent declined just 9% to \$130 billion in May 2012 after peaking at \$142 billion in January 2010. Similar reductions in severely delinquent totals were seen among home equity installment loans, which declined 31% from their peak in February 2011 (\$880 million) to May 2012 (\$615 million).

"That severe mortgage delinquencies are trending downward is not surprising given generally improving economic conditions," said Equifax Chief Economist Amy Crews Cutts. "What is surprising is that even with the foreclosure moratoriums and the slow resolution of foreclosure backlogs, the downward trend has been a steady, consistent drumbeat of recovery." "If this pace continues, we expect the volume of severely delinquent mortgage balances to return to mid-2007 levels by the end of 2014."

Other highlights from the most recent data include:

Home Mortgage Finance

- Home equity revolving balances fell 18% from their peak of \$680 billion in May 2009 to \$560 billion in May 2012.
- Total credit limits among home equity revolving accounts have declined 27% to \$1.02 trillion in May 2012 since their peak in March 2008 (\$1.30 trillion).
- Year-to-date total mortgage write-offs through May 2012 are down 28% from their 2010 peak. Home mortgage balances are down 12.5% in May 2012 from their record-high of \$9.8 trillion set in Oct. 2008. Total mortgage debt outstanding now sits at \$8.6 trillion.

Student Loans

- Student loan write-offs improved modestly year-to-date through May 2012, down to

\$4.6 billion from \$4.8 billion in May 2011, but still posted the second highest total in seven years.

- The latest data shows total student loan amounts originated year-to-date in March 2012 (\$12.9 billion) were 19.7% lower than same time a year ago (\$16.1 billion).
- As of May 2012, the total balance of existing student loans had risen 48% to \$750 billion since its lowest point in 56 months (\$390 billion in September 2007).

Bankcard

- From May 2010 to May 2012, bankcard balance write-off rates declined by more than half (from 11% to less than 5%).
- As of May 2012, roll rates (the rate at which consumers progress from the "current" stage in payments to 30-days past due) have remained below 1% since February 2012. This marks the first time in more than five years that roll rates have remained at or below this level for three months or longer.
- Bankcard balances in May 2012 (\$530 billion) remained 28% below their peak of more than \$730 billion in January 2009.
- Total bankcard credit limits remained at the \$2.4 trillion level, its seventh consecutive month, roughly 6.6% higher than the low point set in February 2011.

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.

Headquartered in Atlanta, Equifax operates or has investments in 18 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](#). For more information, please visit www.equifax.com.

SOURCE Equifax, Inc.