

April 5, 2016



Equifax: First Mortgage Origination Balances in 2015 Increased 42.9 Percent over Previous Year

Underwriting practices remain consistent, with median credit score remaining relatively unchanged for last three years

ATLANTA, April 5, 2016 /PRNewswire/ -- According to data from the March 2016 Equifax *National Consumer Credit Trends Report*, the total balance of new first mortgages originated in 2015 was \$1.82 trillion, a year-over-year increase of 42.9 percent, while the total number of new first mortgages originated in that same time was 7.71 million, an increase of 31.6 percent.



The data also shows that first mortgage lending to borrowers with subprime credit (consumers with an Equifax Risk Score™ of 620 or below) also showed strong growth. Year-over-year changes in 2015 include:

- Balances: \$59.7 billion, an increase of 41.3 percent; and
- Number of Loans: more than 366,900, an increase of 25.2 percent.

"We saw a nice jump in mortgage lending in 2015 that was driven by both rising home-purchase activity and solid refinancing volumes," said Amy Crews Cutts, Senior Vice President and Chief Economist at Equifax. "While low interest rates are helping, continued gains in employment and consumer confidence are key. What we are not seeing is any meaningful loosening of underwriting, at least with respect to credit scores. The median credit score on new first mortgages in the fourth quarter of 2015 was 750 and 90 percent of first mortgage borrowers had a score in excess of 646 – these values are essentially unchanged for the past three years."

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

Home Equity Installment Loans

- The total number of new home equity installment loans originated in 2015 more than 791,900, an increase of 26.7 percent from the previous year. The total balance of new loans in that same time was \$26.5 billion, an increase of 20.8 percent;
- The total number of new loans originated 2015 was the highest level in more than seven years, while in that same time, 2014-2015 showed the third-highest percentage

increase, for a calendar year since 2008.

- There were more than 83,000 new loans originated for borrowers with subprime credit in 2015, a year-over-year increase of 31.2 percent. In that same time, the total balance of new loans was \$1.73 billion, an increase of 6.5 percent.
- In 2015, 10.5 percent of all loans were issued to subprime-credit borrowers, a slight increase from the previous year's share (10.1 percent).

Home Equity Lines of Credit (HELOC)

- The total credit limits of new loans originated in 2015 was \$146.1 billion, a 19.7 percent increase from the previous year. In 2015, the total number of new loans originated was just under 1.39 million, an increase of 11.7 percent over 2014;
- There were 20,100 loans originated for borrowers with subprime-credit in 2015, an increase of 15.2 percent and the highest total since 2008 (35,660 loans);
- The total credit limits on new subprime HELOCs in 2015 was \$745.2 million, an 8.5 percent increase and the highest total since 2008 when they totalled more than \$1.78 billion.

Equifax's 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.

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 21 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

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