

April 4, 2018



Equifax: Outstanding First Mortgage Balances Near Pre-Great Recession Highs

Latest trends report includes consumer data from auto, banking and mortgage industries

ATLANTA, April 4, 2018 /PRNewswire/ -- Outstanding first mortgage balances in February 2018 reached a total of \$8.81 trillion, adding more than \$1 trillion since the trough in 2013, and nearing the industry all-time high of \$9.04 trillion recorded in 2008, according to data from the latest [Equifax](#) (NYSE: EFX) National Consumer Credit Trends Report. The latest report also found:

- Total outstanding balances on auto loans & leases have increased 4.8% year-over-year to \$1.24 trillion. The number of outstanding accounts has increased 3.8% from a year ago to 85.6 million;
- Home Equity loan originations were up 11.0% and volume up by 12.3% during the same time frame; and
- Outstanding consumer finance revolving accounts grew 5.3% over the past year, from 49.3 million in February 2017 to 51.9 million in February 2018.



"Despite nearing the pre-Great Recession peak in nominal terms, the market for first mortgages is in a much healthier place than in 2008, with low interest rates and normalized home prices supporting affordability" said Gunnar Blix, Deputy Chief Economist for Equifax. "Borrowers are also taking advantage of favorable used car prices and opportunities to consolidate high-interest debt with consumer finance loans."

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

Auto

- 28.10 million auto loans and leases, totaling \$611.3 billion, were originated January-December 2017, representing a 3.5% decrease in total new accounts, and a 1.1% decline in balances over the prior year, reflecting a market shift from new to used cars.
- January through December 2017, 9.2% of auto leases were issued to consumers with a subprime credit score, the smallest subprime share since 2011.
- The severe delinquency rate (share of balances 60+ days past due) on auto loans and leases in February 2018 is 1.13%, up only slightly from 1.08% in February 2017. Auto write-offs are at 24.5 bps, which is down from 24.9 bps a year ago.

Mortgage

- For January-December 2017, 7.27 million first mortgages were originated, representing a 13.2% decrease from the same period in 2016, driven by fewer refinances as interest rates rise. In contrast, nearly 1.45 million HELOCs and 771,300 home equity installment loans were originated for the same timeframe, representing 1.1% and 12.3% increases from the previous year, respectively.
- Home equity loan balances and accounts outstanding have been steadily declining since their respective peaks at the end of 2007. Balances are down 65.2% from peak, while accounts are down 60.8% as of January 2018.
- Outstanding HELOC balances are \$418 billion. This is a 6.2% decrease in total balances from a year ago, and a 38.2% decline from the May 2009 peak of \$677 billion.

Banking

- 63.7 million bankcards, 38.7 million private label cards, 26.8 million consumer finance loans and 15.6 million student loans were originated from January-December 2017, a 4.4% decrease, 10.0% decrease, 1.6% increase and a 1.3% decrease from the same period a year ago, respectively.
- Outstanding balances have increased 7.2% for bankcards, 0.1% for private label cards, 8.3% for consumer finance loans, and 4.9% for student loans year-over-year, respectively.
- The total dollar amount of student loans originated January-December 2017 is \$113.6 billion, a 3.0% increase over the previous year, as the average loan amount increased 4.0%.

"Consumers benefit from these trends as well," said Blix. "Understanding how auto markets are shifting and learning which credit markets have favorable terms can help them make more informed personal decisions."

Leveraging data from the Equifax U.S. Consumer Credit database of more than 210 million consumers, the Equifax *National Consumer Credit Trends Report* reveals population-level debt and lending insights, including originations, balances, number of loans, delinquencies and more.

About Equifax

Equifax is a global information solutions company that uses trusted unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions.

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 10,300 employees worldwide.

FOR MORE INFORMATION

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