

The Equifax logo is displayed in white, bold, italicized capital letters on a dark red rectangular background. The background of the entire slide features a faint, orange-toned graphic of a world map with a grid, overlaid with a line graph showing an upward trend and a large orange arrow pointing towards the top right. The text 'Index ▲ 1.56' is visible in the upper right area of the background.

**EQUIFAX**

# Webcast on Quarterly U.S. Consumer Credit Trends from Equifax

June 16, 2017  
10 am EDT

Hosted by Douglas Brandberg  
SVP – Investor Relations

Presented by Amy Crews Cutts  
SVP – Chief Economist

# What Is Credit Trends? **The Portfolio of America**

- › Credit Trends is a database sourced from the 220+ million active consumer records held in the Equifax U.S. consumer credit repository.
  - This database is sold to clients in a variety of formats by Equifax and also through Moody's Analytics under the name CreditForecast
  - Credit Trends turns the individual consumer records into a portfolio view of U.S. consumer credit from the point of view of financial institutions, providing insights into tradeline performance
  - More information is available on the Credit Trends webpage at [www.equifax.com/business/credit-trends](http://www.equifax.com/business/credit-trends)

**EQUIFAX** PERSONAL BUSINESS GOVERNMENT ABOUT US

Business > Credit Trends

## Business

All Products Industry Business Need Resources

PRODUCT  
**CREDIT TRENDS**  
Build flexible, focused market strategies with comprehensive consumer credit perspective

TOTAL SALES  
900  
700  
600  
500  
400  
300

### Product Overview

Examine your market position with deeper consumer credit insight

Credit Trends is a powerful intelligence tool that delivers unmatched perspective into anonymous, tim...

# Quarterly U.S. Consumer Credit Trends Report

## Tradelines

- Auto
- Credit Cards – Bankcard
- Credit Cards – Private Label
- First Mortgage
- Home Equity Installment Loan
- Home Equity Revolving Lines of Credit (HELOC)
- Consumer Finance
- Student Loan

# Quarterly U.S. Consumer Credit Trends Report

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- **Student Loan**

## Charts and Data

- Outstanding accounts
- Early (30 DPD) & severe (60 or 90+ DPD) delinquency rates
- Account originations
- Credit score distributions for YTD originations
- Median and 10<sup>th</sup> Percentile credit scores & Avg High Credit on 10<sup>th</sup> decile on originations

# U.S. Consumer Credit Trends

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# U.S. Consumer Credit Trends

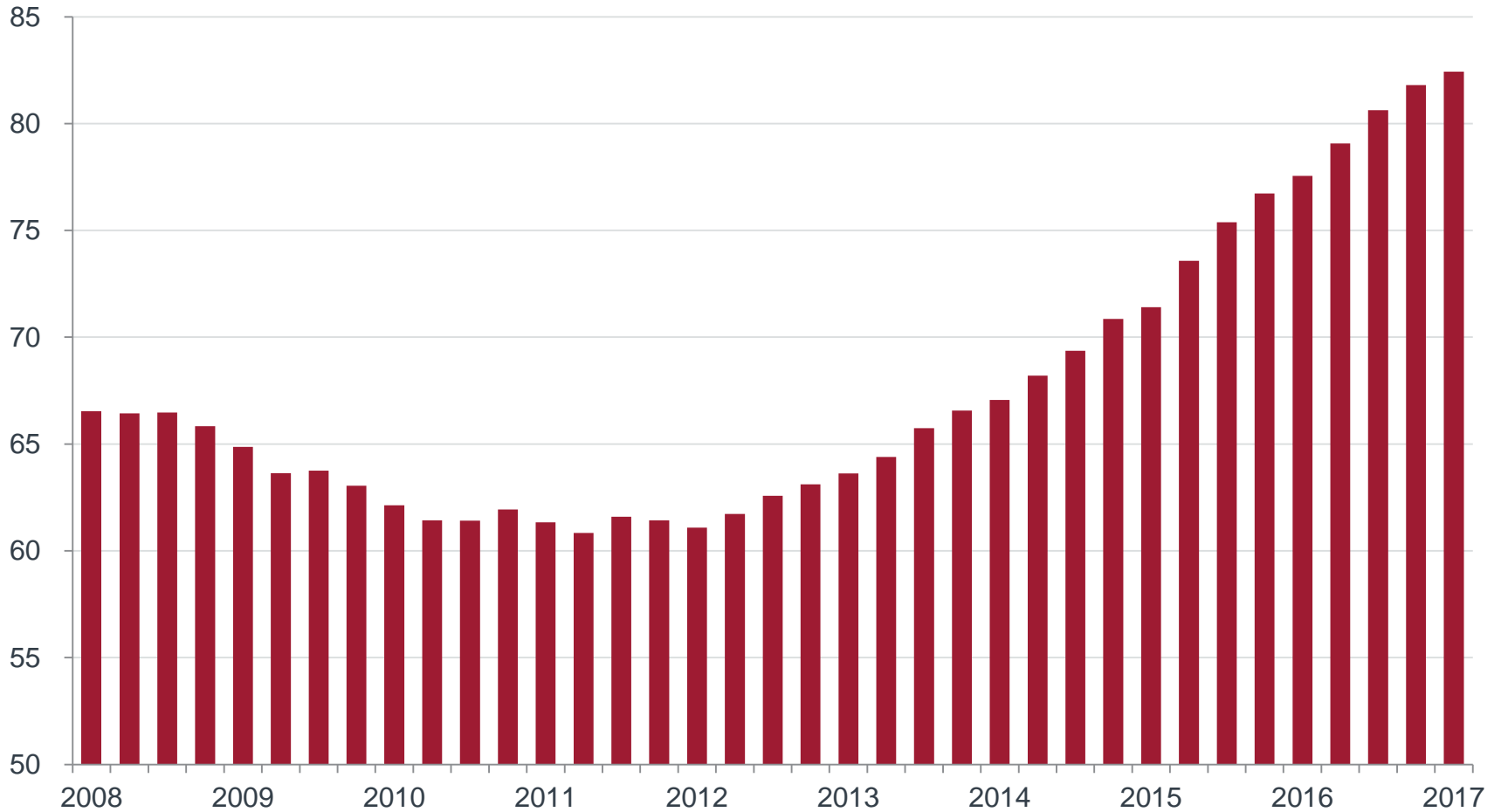
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  - Credit score distributions and average credit limits are reported as-is and may be subject to significant revision
  - We gross up for expected but as yet unreported tradeline originations

# Outstanding Loans by Quarter

Number of Accounts in Millions; NSA



Source: Equifax Inc. Data are as of March 2017.

# Delinquency Rates

- **Active Accounts:** within Credit Trends this includes all accounts that have a reported status in the most recent past three months. For this report we include only loans that have status reported in the most recent period for calculation of delinquency. All active accounts are included in total outstanding loans.
- **Closed Accounts:** accounts that have a reported status of closed positive, in bankruptcy or severe derogatory. Accounts with these status categories are included in the month in which the status is first reported and are excluded from the database thereafter.

# Delinquency Rates

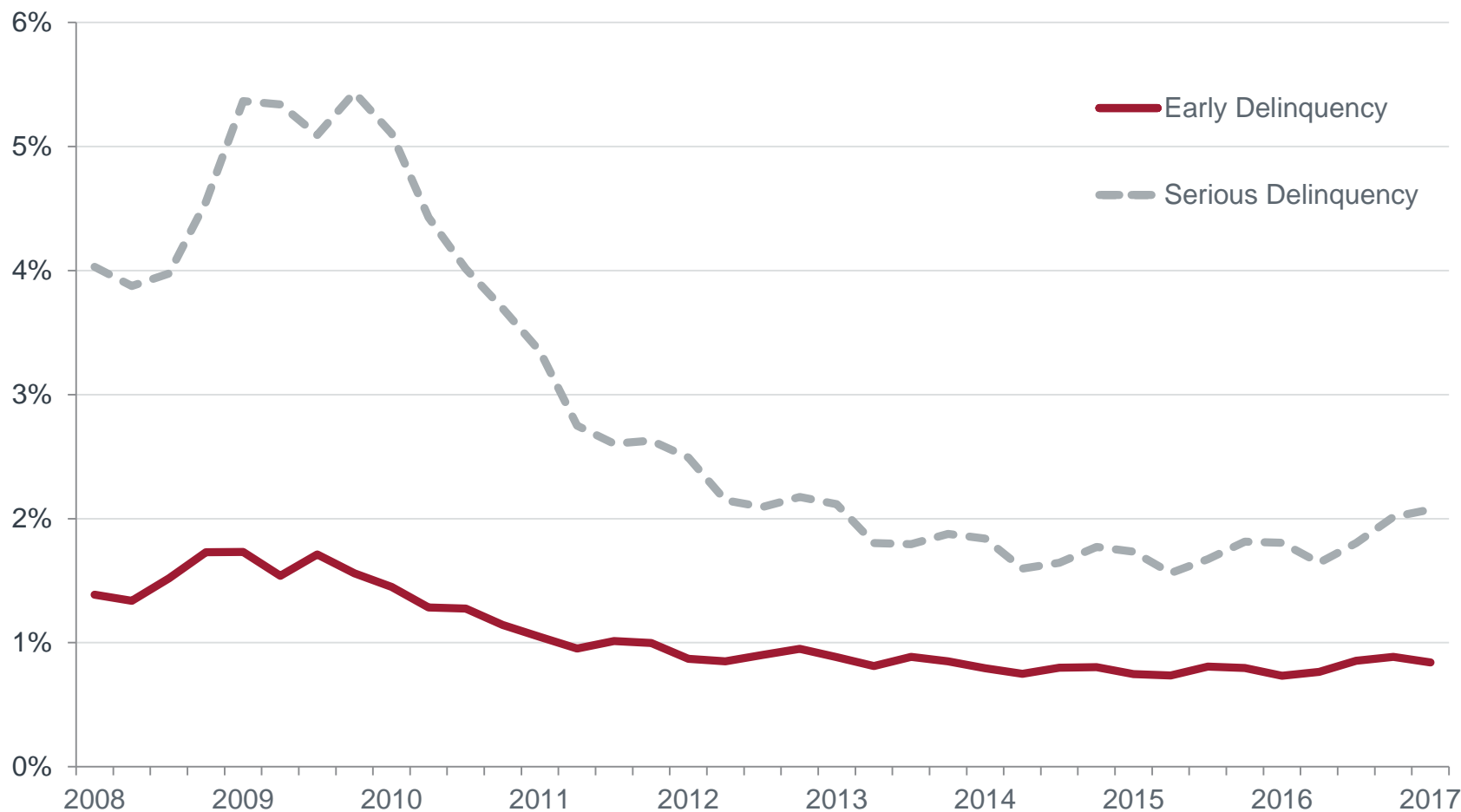
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- **Early Delinquency:** accounts that have a reported status of 30 days past due.
- **Severe Delinquency:**
  - For auto loans or leases, credit cards and consumer finance, accounts that are 60 days or more past due or in collections.
  - For first mortgage, home equity loans and lines of credit, and student loans, accounts that are 90 days or more past due, in bankruptcy, or in foreclosure (excl. student loans).

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- **Delinquency Rate:** the sum of early or severely delinquent accounts divided by the sum of all active accounts. Calculated as a share of dollar balances in this report.

# Delinquency Rates

Percent of Dollar Balances; NSA



Source: Equifax Inc. Data are as of March 2017.

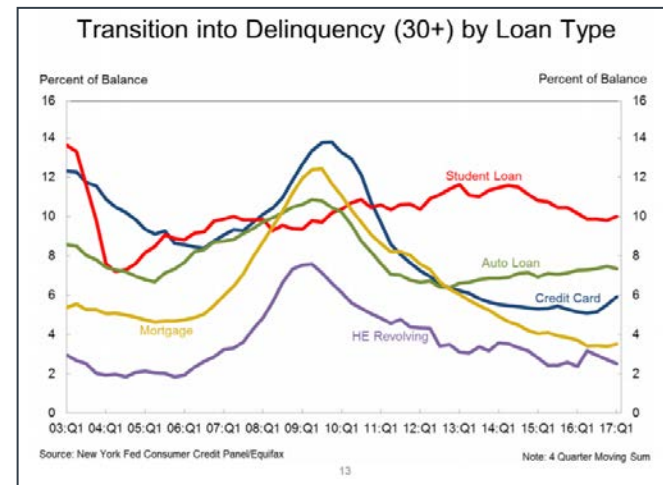
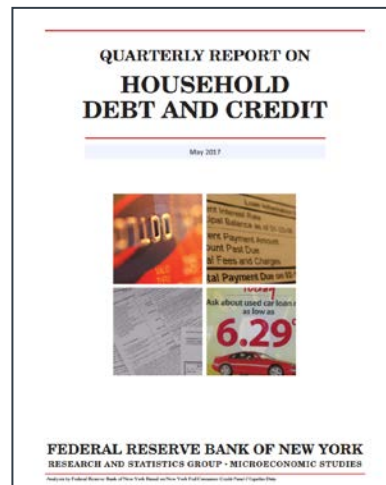
\*Bankcards are defined as general purpose credit cards.

Early delinquency is defined as all loans 30-days past due.

Serious delinquency includes all loans 90-or-more-days past due, excluding write-offs.

# Delinquency Rates & the NY Fed Report

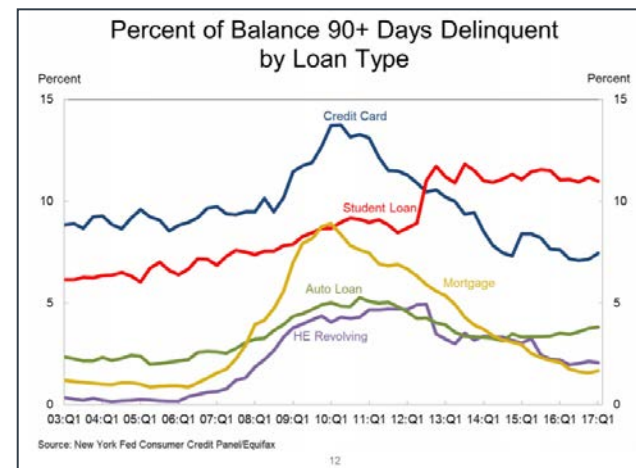
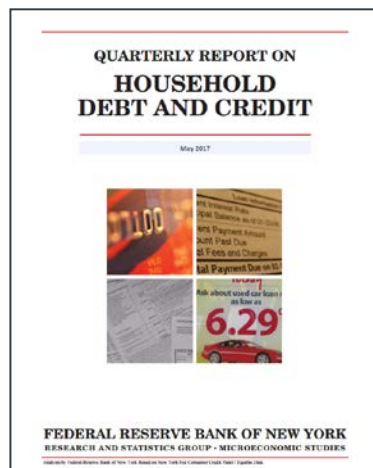
- We are frequently asked how our delinquency rates differ from the *Quarterly Report on Household Debt and Credit* from the NY Fed.
- **New 30-day Delinquency Rate:** accounts that have a reported status of 30 days past due divided by the sum of accounts that were reported as current in the prior period. This is a **transition** rate reported by the NY Fed Report.
  - Our rate is based on all active loans in the reference period and is the current **level** of delinquency.
  - The numerator is the same, our denominator is larger, so the Equifax rate is lower.





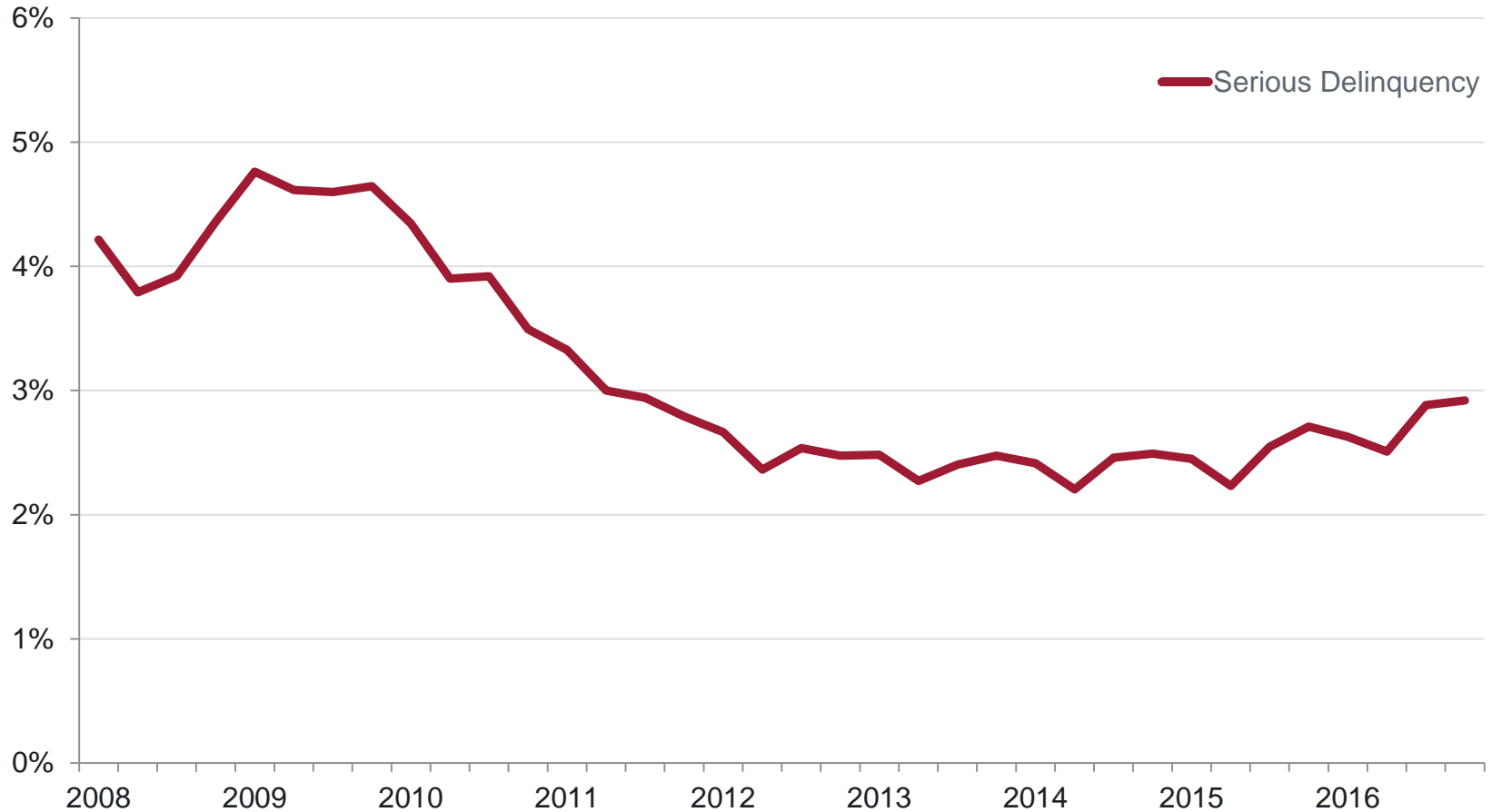
# Delinquency Rates & the NY Fed Report

- **Severe Delinquency Rate – NY Fed version:** accounts that have a reported status of 90 days or more past due, in collections, in foreclosure (mortgage and home equity only), in bankruptcy, or severe derogatory. Calculated as a share of balances.
  - Loans with terminal closed status of bankruptcy or severe derogatory are included for as long as the servicer reports the status.
  - The Equifax calculation includes these two terminal statuses only for the period in which the status is first reported and only in the denominator.
  - The numerator & denominator from the NY Fed report are larger with the net result that the delinquency rates are higher.



# Delinquency Rates

Percent of Dollar Balances; NSA



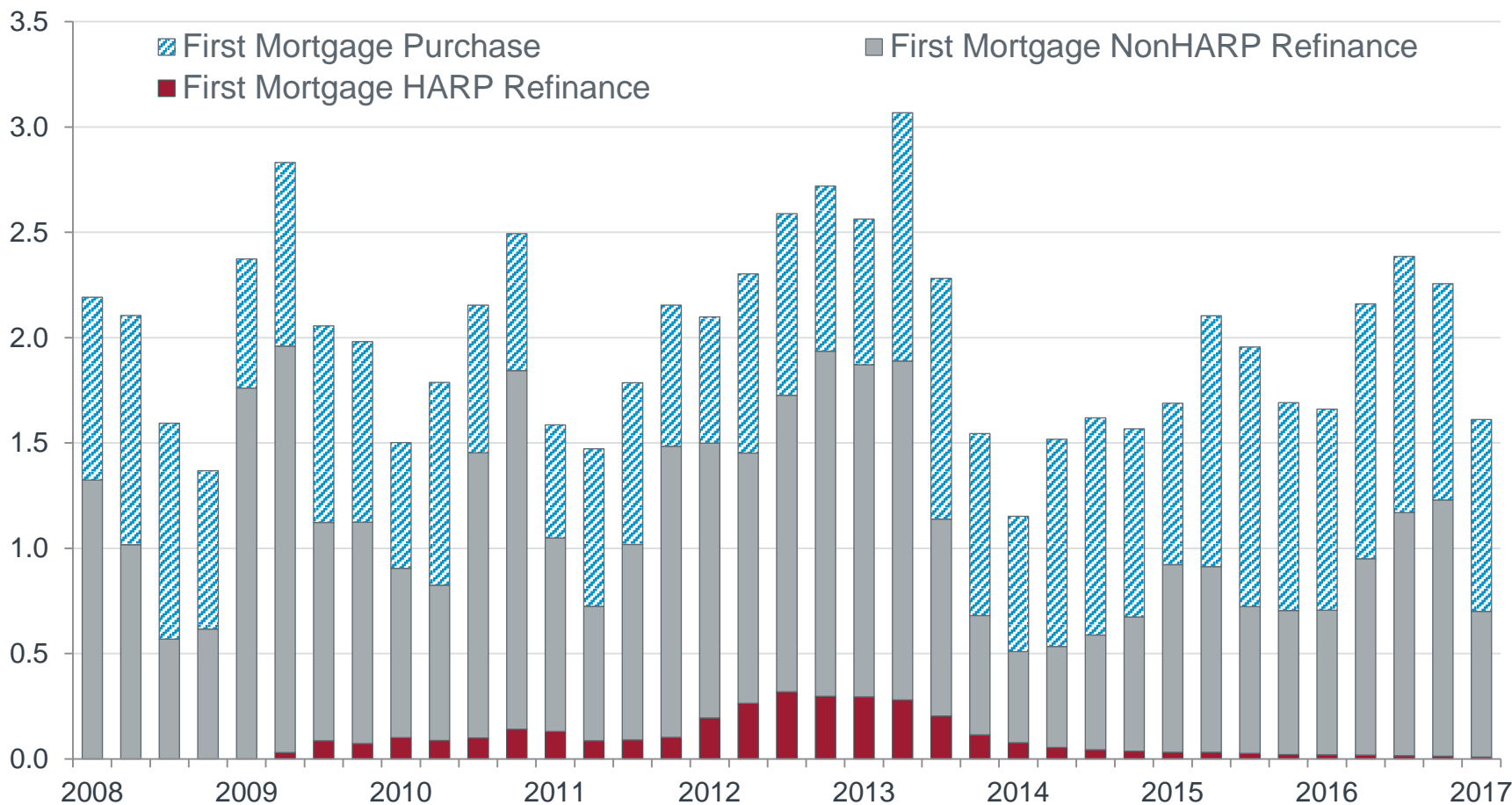
Source: Equifax Inc. Data are as of March 2017.

\*Student Loan: loan funded for the purpose of financing post-secondary educational study

Serious delinquency includes all loans 90-or-more-days past due or in bankruptcy, excluding write-offs. Due to U.S. Department of Education servicing guidelines student loan delinquency is rarely reported prior to 90 days past due.

# Loan Originations by Quarter

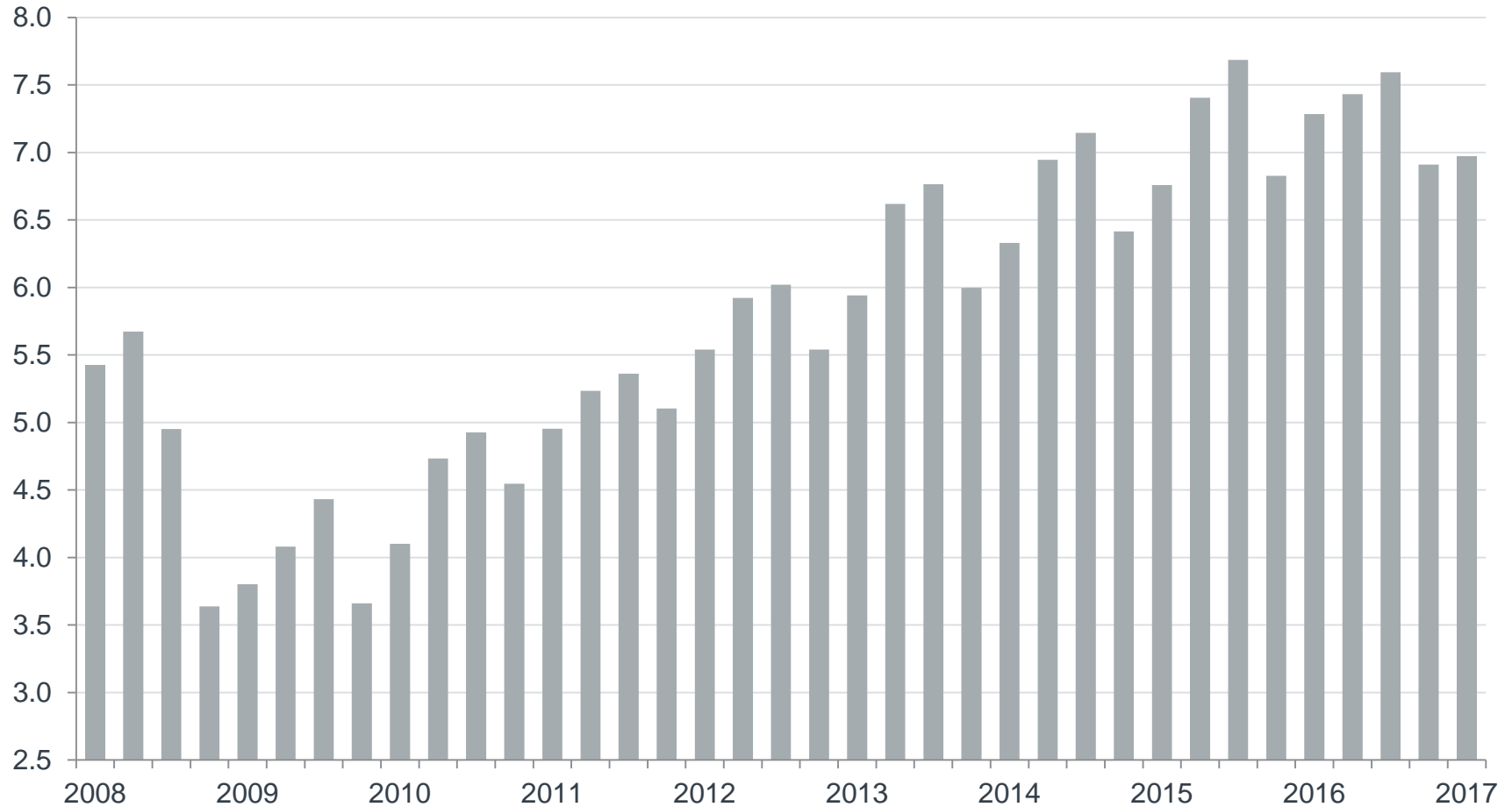
Number of Accounts in Millions; NSA



Sources: Equifax Inc. Data are as of March 2017; Federal Housing Finance Agency (Home Affordable Refinance Program (HARP) data reported through February 2017), refinance/purchase shares for 2015 and earlier from Federal Financial Institution Examinations Council (Home Mortgage Disclosure Act data); 2016-2017 refinance/purchase shares estimated by Equifax.

# Originations by Quarter

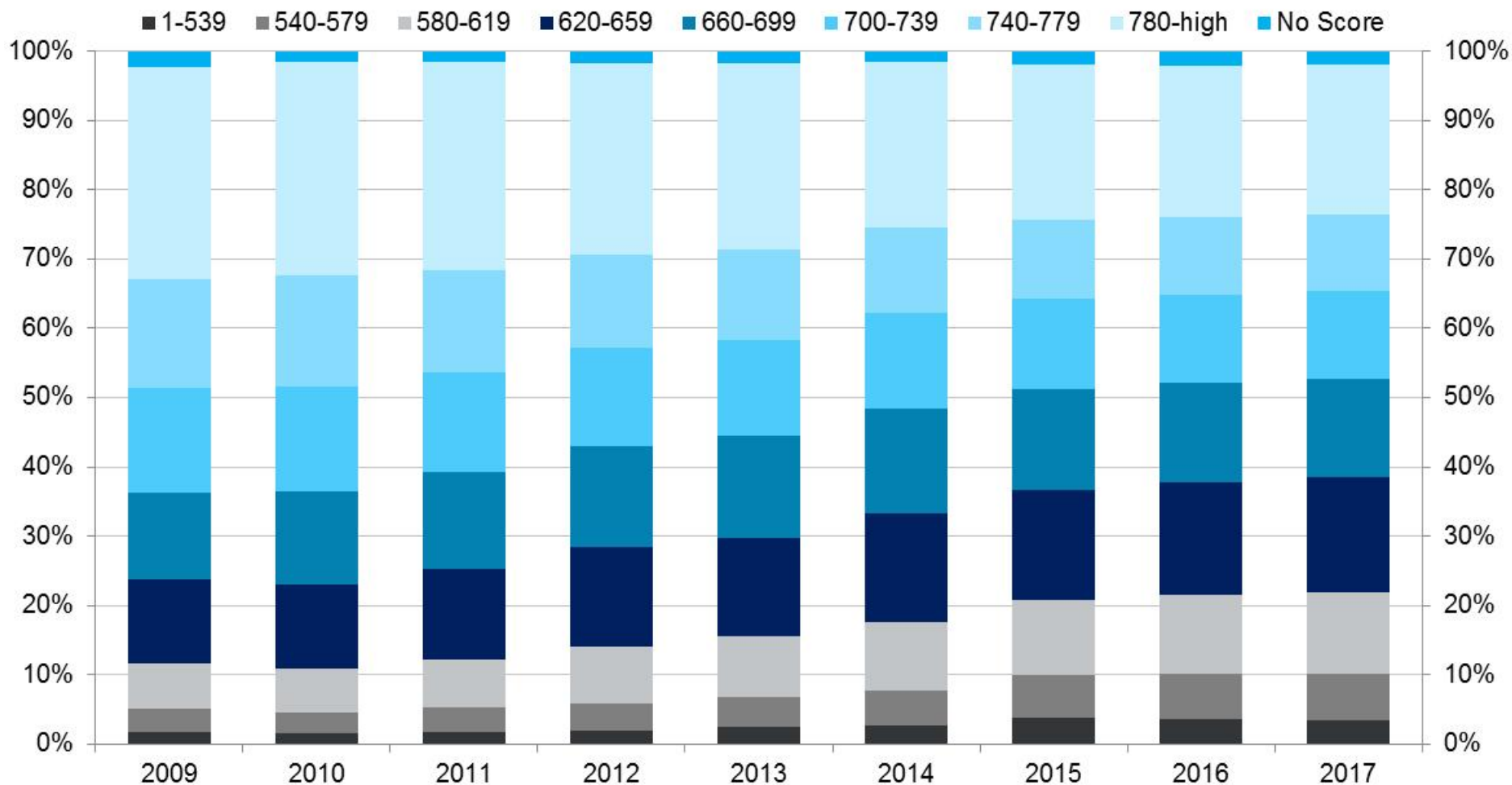
Number of Accounts in Millions; NSA



Source: Equifax Inc. Data are as of March 2017.

# Private Label Credit Card Origination Risk

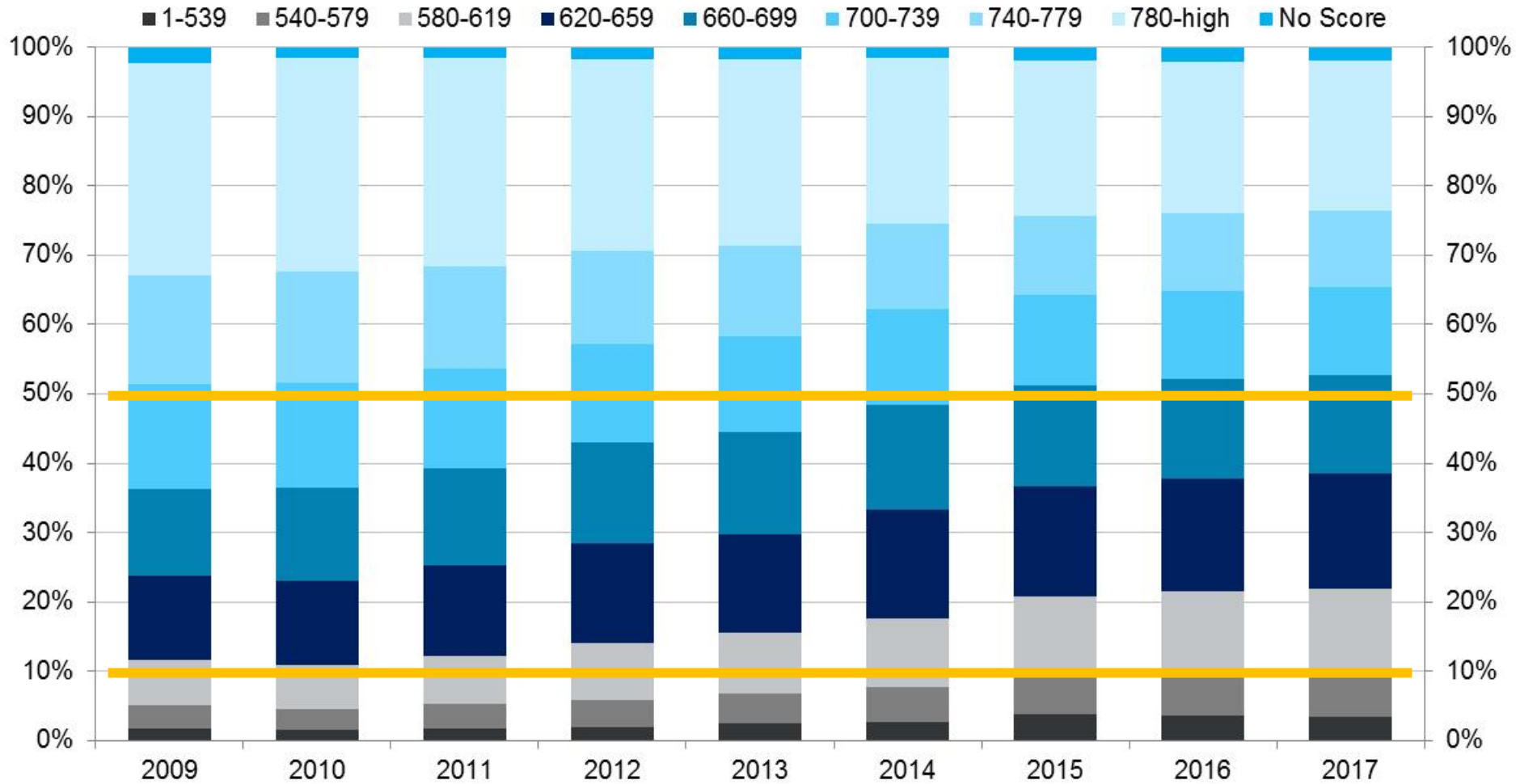
Year-to-date VantageScore® 3.0 Distribution for Private Label Card Originations by Year (% of Accounts)



Source: Equifax Inc. Data are as of March 2017.

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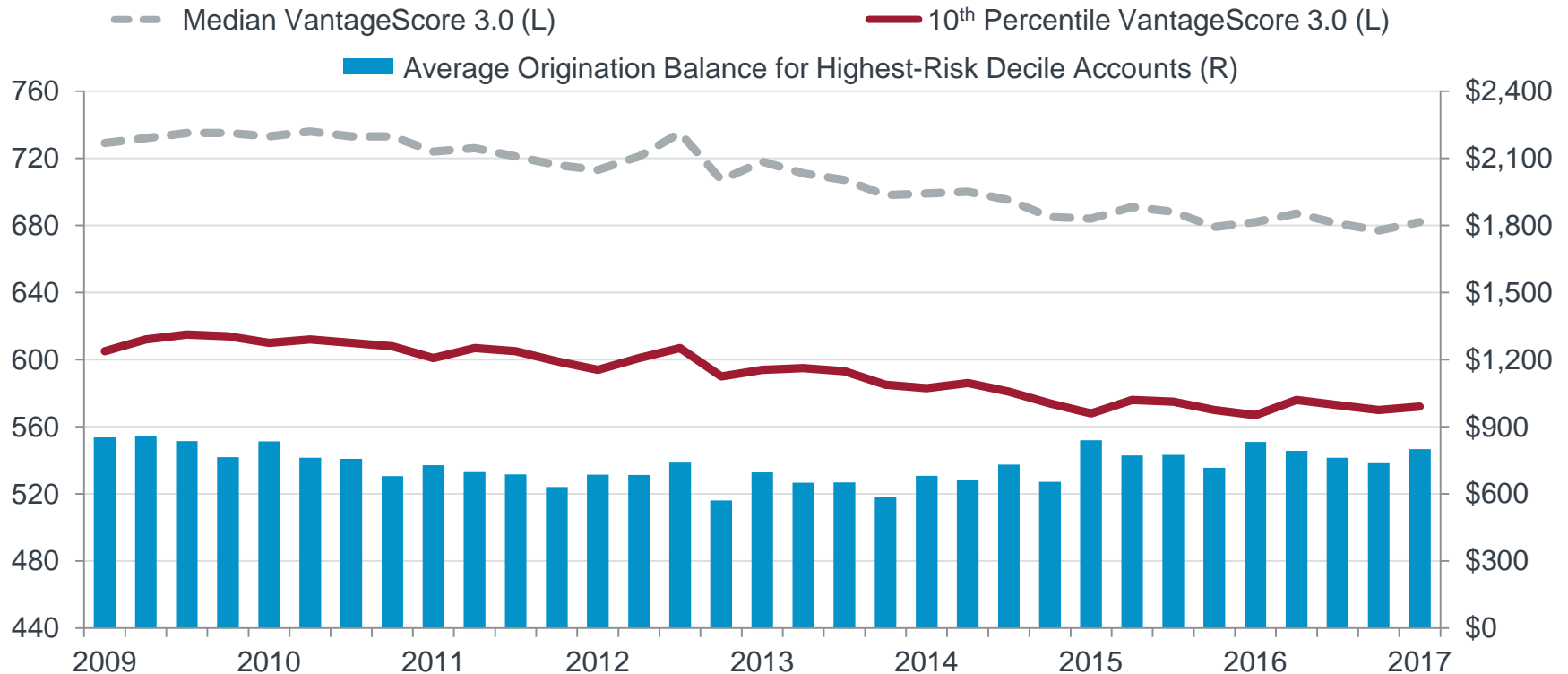


Source: Equifax Inc. Data are as of March 2017.

# Credit Risk at Origination by Select Deciles

Origination VantageScore® 3.0 Credit Score; NSA

Average Origination Credit Limit For Highest-risk Decile; NSA



Source: Equifax Inc. Data are as of March 2017.


\*Median VantageScore 3.0 Credit Score(VS3): half of newly originated accounts have an associated borrower VS3 that is higher than the median score and half have scores that are equal to or lower than this score.

10th Percentile VS3: 90 percent of newly originated accounts have an associated borrower VS3 that is higher than the 10th percentile score and 10 percent have scores equal to or less than this score.

Average Origination Credit Limit for Highest-Risk Decile Accounts: the average credit limit for all newly opened accounts for which the account's representative borrower's origination VS3 is at or below the 10th percentile VS3.

# The Excel File

- › We publish the Quarterly U.S. Consumer Credit Trends Report & **Data** on the main page for the Equifax Investor Relations website <http://investor.equifax.com/>

Date	Material
May 17, 2017	<a href="#">EFX Quarterly US Consumer Trends Report Q1 2017</a>  



The screenshot shows an Excel spreadsheet with a report cover page on the left and a table of contents on the right. The cover page features the Equifax logo, the title "Quarterly U.S. Consumer Credit Trends", and contact information for several executives. The table of contents lists various report sections, with "Credit Card: Bankcard" highlighted by an orange arrow. The spreadsheet interface includes a grid with columns A-T and rows 1-27, and a status bar at the bottom showing the current sheet as "Report".

**CONTACTS**

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Visit us online today at [www.equifax.com/business/credit-trends](http://www.equifax.com/business/credit-trends)

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- [Consumer Finance](#)
- [Student Loans](#)
- [Notes](#)

**Hyperlinks**

Data as of March 2017  
 Originally published May 17, 2017  
 Revision published June 8, 2017

What changed:

- The data for the bankcard origination risk chart on page 29 of the accompanying PDF file was incorrectly reported. The data now match the chart.
- The notes section defining the calculation of serious delinquency rates was expanded.



	A	B	C	D	E	F				
1	<b>Consumer Finance</b>		<b>EQUIFAX®</b>							
2	<b>Investor Report</b>	<b>Slide 38</b>	<b>Slide 39</b>	<b>Slide 39</b>	<b>Investor Report</b>	<b>Slide 40</b>				
3		<b>Number of Loans Outstanding</b> (Millions, NSA)	<b>Early Delinquency Rate</b> (30 days past due; % of dollar balances, NSA)	<b>Serious Delinquency Rate</b> (60+ days past due; % of dollar balances, NSA)		<b>Loan Originations</b> (Number of New Consumer Finance Accounts Issued, NSA)				
4	<b>Quarter</b>				<b>Quarter</b>					
5	2009 Q1	56.51	2.40%	7.58%	2009 Q1	4,776,876				
6	Q2	53.94	2.54%	7.25%	Q2	5,126,701				
7	Q3	53.18	2.72%	7.58%	Q3	5,154,509				
8	Q4	53.26	2.50%	8.17%	Q4	5,563,973				
9	2010 Q1	52.24	2.19%	6.75%	2010 Q1	4,316,610				
10	Q2	51.39	2.21%	6.16%	Q2	5,146,706				
11	Q3	51.17	2.34%	6.30%	Q3	5,240,282				
12	Q4	49.55	2.07%	6.01%	Q4	5,788,352				
13	2011 Q1	48.39	1.80%	5.66%	2011 Q1	4,471,460				
14	Q2	48.72	1.79%	4.57%	Q2	5,445,642				
15	Q3	49.00	1.88%	4.77%	Q3	5,539,669				
16	Q4	49.13	1.80%	4.97%	Q4	5,900,501				
17	2012 Q1	49.02	1.47%	4.59%	2012 Q1	4,760,342				
18	Q2	48.33	1.56%	4.04%	Q2	5,580,478				
19	Q3	48.75	1.69%	4.24%	Q3	5,575,527				
20	Q4	49.62	1.60%	4.34%	Q4	6,051,688				
21	2013 Q1	49.82	1.43%	4.16%	2013 Q1	4,879,624				
22	Q2	50.40	1.35%	3.64%	Q2	6,055,437				
23	Q3	51.86	1.50%	3.91%	Q3	6,091,952				
24	Q4	53.19	1.34%	3.72%	Q4	6,474,525				
25	2014 Q1	54.00	1.33%	3.66%	2014 Q1	5,084,325				
26	Q2	54.45	1.28%	3.23%	Q2	6,293,443				
27	Q3	55.58	1.41%	3.38%	Q3	6,157,745				
28	Q4	56.82	1.42%	3.51%	Q4	6,599,038				
	Report	First Mortgage	HELOC	HE Loan	Auto	CC - Bankcard	CC - Private Label	<b>Consumer Finance</b>	Student Loans	Notes



# Quarterly U.S. Consumer Credit Trends

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