

Equifax: First Mortgage Originations Continue Steady Rise, Reaching over \$680 Billion in Total Balance

Balance on auto loans increases and more trends from latest report

ATLANTA, Sept. 18, 2018 /PRNewswire/ -- First mortgage originations have continued to show a slight but steady increase, with more than 2.77 million first mortgages originated year-to-date through May 2018, reflecting a total dollar amount of \$689.8 billion during this period, 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 and leases have increased 4.6 percent year-over-year to \$1.27 trillion. The number of outstanding accounts has increased 3.5 percent from a year ago to \$86.9 million.
- While home equity loan originations was up by over 7 percent, the total dollar amount is down slightly during the same time frame.
- Outstanding consumer finance loans grew by 7.9 percent year-to-date, now totalling \$43.9 billion in total amount.



"The strong showing in the second quarter of 2018, with real GDP growth at a 4.2 percent annual rate, has revived the auto market and sent consumers spending," said Gunnar Blix, Deputy Chief Economist, Equifax. "Sales of new vehicles have been running ahead of expectations for the first seven months of the year—currently sales are 1.6 percent higher than last year at this time. Home sales continue to disappoint, due to tight inventories and increased construction costs, but mortgage refinance has been slightly stronger than expected."

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

Auto

- 11.9 million auto loans and leases, totaling \$257.9 billion, were originated year-to-date through May 2018, representing a slight increase in both total accounts and balances over the prior year.
- 20.9 percent of these auto loans and leases were issued to consumers with a subprime credit score, the lowest subprime share since 2011.
- Though delinquency rates have risen slightly the last few years, they appear to have stabilized as of late, and currently remain near historic lows at 0.92 percent in July

2018.

- Auto leases remain flat compared to this time last year, with loans accounting for 85.9 percent of all auto accounts originated through May, and 89.4 percent of balances.

Mortgage

- In July 2018, there were 50.1 million outstanding first mortgage loans with total balances of \$8.87 trillion, nearing the all-time high of \$9.04 trillion recorded in 2008.
- For January-May 2018, new HELOCs have continued their decline. with 555,300 originated representing a 4.4 percent decrease, while home equity installment loans grew, with 311,900 originated reflecting a 7.4 percent increase from the same period in 2017.
- Home equity loan balances and accounts outstanding have shown a steady decline since their respective peaks at the end of 2007, with balances down 13.7 percent year-over-year, and the number of accounts decreasing by 7.2 percent as of July 2018.
- Outstanding HELOC balances are \$416 billion in July 2018, reflecting a decline of 5.0 percent in total balances from a year ago, and a 38.5 percent decline from the May 2009 peak of \$677 billion.

Banking

- 25.3 million bankcards, 13.5 million private label cards, 5.73 million consumer finance installment loans, 5.13 million consumer finance revolving accounts and 3.34 million student loans were originated from January-May 2018, a 1.0 percent decrease, 10.3 percent decrease, 13.0 percent increase, 2.7 percent increase, and a 12.6 percent decrease from the same period a year ago, respectively.
- Outstanding balances on bankcards have increased 5.4 percent, 0.9 percent for private label cards, 11.5 percent for consumer finance installment loans, 5.8 percent for consumer finance revolving accounts and 4.0 percent for student loans year-over-year, respectively
- The total dollar amount of student loans originated YTD is \$31.8 billion, reflecting a 15.2 percent decrease from the previous year

"Credit demand has shifted towards consumer finance, particularly the online or 'marketplace' offerings of unsecured personal loans," said Blix. "Consumers with good credit see opportunities to consolidate credit card debt, complete projects, or fund other ventures. Lenders see opportunities to reach consumers through new Fintech platforms."

Leveraging data from the Equifax U.S. Consumer Credit database of more than 220 million consumers, the *National Consumer Credit Trends Report* reveals population-level debt and lending insights, including originations, balances, number of loans, delinquencies and more.

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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 10,800 employees worldwide.

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