

National Credit Default Rate Acceleration Continues in January 2015 According to the S&P/Experian Consumer Credit Default Indices

Three of the Five Cities Saw Default Rates Increase in January 2015

PR Newswire
NEW YORK

NEW YORK, Feb. 17, 2015 /[PRNewswire](#)/ -- Data through January 2015, released today by S&P Dow Jones Indices and Experian for the S&P/Experian Consumer Credit Default Indices, a comprehensive measure of changes in consumer credit defaults, continued to show a slight upward trend in default rates from recent lows seen last year. The national composite increased for a sixth consecutive month, posting a default rate of 1.12% in January, up one basis point from December 2014 and up 11 basis points since its low in July 2014. The first mortgage default rate remained flat at 1.02% in January but is 14 basis points above the July 2014 low. The second mortgage default increased by five basis points to 0.64%. The auto loan default rate rebounded from last month, up one basis point to 1.03%. Only the bank card default rate decreased, down four basis points to 2.61%.

"Numerous indicators point to more confident consumers who are more willing to spend and spend with credit. Consumer credit data from the Federal Reserve confirm growth in credit outstanding through the end of 2014. The results of the New York Fed's Survey of Consumer Expectations shows consumers anticipate increased incomes and rising spending plans. The recent improvements in the economy have boosted consumer spending and confidence without any significant increase in consumer credit defaults. This favorable pattern of stronger spending and stable default rates could be threatened by higher interest rates or a rebound in oil and gas prices. However, for the moment the economy is justifying consumers' upbeat outlook.

"The five major cities show some variation in regional patterns. Los Angeles or Dallas usually exhibit the lowest default rates, Miami is the highest over the last few years. New York, Dallas, and Miami reported default rate increases in January. New York reported the largest increase for the second consecutive month, up five basis points, to 1.10%. Dallas also reported an increase for the fourth consecutive month, up two basis points to 1.10%. Miami reported a modest gain of one basis point to 1.35%. Los Angeles reported the largest rate decrease, down two basis points to 0.84%. Despite the increases, all five cities – Chicago, Dallas, Los Angeles, Miami and New York – still remain below rates seen a year ago."

The table below summarizes the January 2015 results for the S&P/Experian Credit Default Indices. These

data are not seasonally adjusted and are not subject to revision.

S&P/Experian Consumer Credit Default Indices

National Indices

| Index | January 2015 Index Level | December 2014 Index Level | January 2014 Index Level |
|-----------------|-------------------------------------|--------------------------------------|-------------------------------------|
| Composite | 1.12 | 1.11 | 1.34 |
| First Mortgage | 1.02 | 1.02 | 1.26 |
| Second Mortgage | 0.64 | 0.59 | 0.72 |
| Bank Card | 2.61 | 2.65 | 2.99 |
| Auto Loans | 1.03 | 1.02 | 1.11 |

Source: S&P/Experian Consumer Credit Default Indices

Data through January 2015

The table below provides the S&P/Experian Consumer Default Composite Indices for the five MSAs:

| Metropolitan Statistical Area | January 2015 Index Level | December 2014 Index Level | January 2014 Index Level |
|--|-------------------------------------|--|-------------------------------------|
| New York | 1.10 | 1.05 | 1.49 |
| Chicago | 1.15 | 1.16 | 1.75 |
| Dallas | 1.10 | 1.08 | 1.14 |
| Los Angeles | 0.84 | 0.86 | 1.07 |
| Miami | 1.35 | 1.34 | 2.61 |

Source: S&P/Experian Consumer Credit Default Indices

Data through January 2015

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

About Experian

Experian is the leading global information services company, providing data and analytical tools to clients around the world. The Group helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2014 was US\$4.8 billion. Experian employs approximately 16,000 people in 39 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and Sao Paulo, Brazil.

For more information, visit <http://www.experianplc.com>.

For more information:

Dave Guarino
Communications
S&P Dow Jones Indices
dave.guarino@spdji.com
(+1) 212-438-1471

David Blitzer
Managing Director and Chairman of the Index Committee
S&P Dow Jones Indices
david.blitzer@spdji.com
(+1) 212-438-3907

Jordan Takeyama
Experian Public Relations
jordan.takeyama@experian.com
(+1) 714-830-7561

Jointly developed by S&P Dow Jones Indices LLC and Experian, the S&P/Experian Consumer Credit Default Indices are published on the third Tuesday of each month at 9:00 am ET. They are constructed to track the default experience of consumer balances in four key loan categories: auto, bankcard, first mortgage lien and second mortgage lien. The Indices are calculated based on data extracted from Experian's consumer credit database. This database is populated with individual consumer loan and payment data submitted by lenders to Experian every month. Experian's base of data contributors includes leading banks and mortgage companies, and covers approximately \$11 trillion in outstanding loans sourced from 11,500 lenders.

For more information, please visit: www.consumercreditindices.standardandpoors.com.

All information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices and its third party licensors do not sponsor, endorse, sell, promote or manage any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return based on the returns of any S&P Dow Jones Indices' index. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices and its third party licensors make no representation regarding the advisability of investing in any such investment fund or other vehicle. A decision to invest in any such investment fund or other vehicle should not be made in reliance on any of the statements set forth in this press release. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as

detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices or its third party licensors to buy, sell, or hold such security, nor is it considered to be investment advice. Exposure to an asset class is available through investable instruments based on an index. It is not possible to invest directly in an index. There is no assurance that investment products based on the index will accurately track index performance or provide positive investment returns.

S&P Dow Jones Indices and its third party licensors do not guarantee the accuracy, adequacy, timeliness and/or completeness of any S&P Dow Jones Indices' index, any data included therein, or any data from which it is based, or any communication with respect thereto, including, but not limited to, oral or written communications (including electronic communications) with respect thereto. S&P DOW JONES INDICES AND ITS THIRD PARTY LICENSORS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE INDEX OR ANY DATA INCLUDED THEREIN. S&P DOW JONES INDICES AND ITS THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS IN THE INDEX OR ANY DATA INCLUDED THEREIN AND THE DISSEMINATION THEREOF. S&P Dow Jones Indices and its third party licensors make no warranties, express or implied, as to results to be obtained from use of information provided by S&P Dow Jones Indices and its third party licensors and used in this service, and S&P Dow Jones Indices and its third party licensors expressly disclaim all warranties of suitability with respect thereto.

Without limiting the foregoing, the Indices are calculated by S&P Dow Jones Indices and its third party licensors based on a sampling of data reported to S&P Dow Jones Indices or its third party licensor from third parties, and neither S&P Dow Jones Indices nor its third party licensors verify the adequacy, accuracy, timeliness or completeness of such data. Neither S&P Dow Jones Indices nor its third party licensor guarantee that such data and/or the sampling thereof shall be representative of the rate of actual consumer credit default or of any other attribute or activity.

Neither S&P Dow Jones Indices nor its third party licensors shall be liable for any claims or losses of any nature in connection with information contained in this document, including but not limited to, lost profits or punitive or consequential damages, even if it is advised of the possibility of same. These materials have been prepared solely for informational purposes. S&P Dow Jones Indices and its third party licensors make no representation with respect to the accuracy or completeness of these materials, the content of which September change without notice. The methodology involves rebalancing and maintenance of the indices that are made periodically during each year and September not, therefore, reflect real-time information. S&P Dow Jones Indices and its third party licensors shall not have any obligation to update any published index in light of any change to the data used to calculate such index or to provide anyone with notice of such change.

Analytic services and products provided by S&P Dow Jones Indices are the result of separate activities designed to preserve the independence and objectivity of each analytic process. S&P Dow Jones Indices has established policies and procedures to maintain the confidentiality of non-public information received during each analytic process. S&P Dow Jones Indices and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly September receive fees or other economic benefits from those organizations, including organizations whose securities or services they September recommend, rate, include in model portfolios, evaluate or otherwise address.

WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P Dow Jones INDICES OR ITS THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO,

LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE. No third party, including any sublicensee, investor, customer or user of a product, is intended to be a third party beneficiary to any agreement between or among any of licensee, S&P Dow Jones Indices and/or any of its third party licensors.

Copyright © 2014 by S&P Dow Jones Indices LLC. All rights reserved.

Redistribution, reproduction and/or photocopying in whole or in part is prohibited without written permission.

© 2014 Experian Information Solutions, Inc. • All rights reserved

SOURCE S&P Dow Jones Indices

<http://press.spglobal.com/2015-02-17-National-Credit-Default-Rate-Acceleration-Continues-in-January-2015-According-to-the-S-P-Experian-Consumer-Credit-Default-Indices>