

National Credit Default Rates Report Mixed Results in February 2015 According to the S&P/Experian Consumer Credit Default Indices

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

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NEW YORK, March 17, 2015 /[PRNewswire](#)/ -- Data through February 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. The bank card default rate led the way, reporting an increase of 23 basis points to 2.84%, the highest reported rate since July 2014. This also marked the first year-over-year increase in the bank card default rate since July 2010. The auto loan default rate reported an increase of three basis points to 1.06%. The second mortgage default rate increased by two basis points to 0.66%. The national composite rate remained flat, reporting a default rate of 1.12% in February. The first mortgage default rate decreased for the first time since July 2014, down two basis points to 1.00% from the previous month.

The five major cities reported mixed results in February with two cities showing lower default rates. Miami reported a default rate of 1.17%, a decrease of 18 basis points, its largest decrease since September 2014. Los Angeles reported a decrease for a second consecutive month at 0.83%, down one basis point. Dallas continued its positive trend for the fifth consecutive month with a 1.17% default rate, an increase of seven basis points. New York posted its third consecutive increase with a reported rate of 1.14%, up 16 basis points from its historic November 2014 low. Chicago also saw its default rate increase to 1.18%, an increase of three basis points from the previous month.

"The combination of a strong February employment report and continued low oil prices all point to a buoyant economy with optimistic consumers," says David M. Blitzler, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "The recent, though modest, increases in default rates for bank cards and auto loans suggest that consumers are becoming more free-spending. Mortgage default rates, the largest component in the national index, held steady and prevented a rise in the national numbers. A true test of consumer credit quality and the prospects for future default rates will come in the second half of 2015 by which time the Fed will most likely have begun to raise interest rates. Given current low levels of default rates and low debt service burdens, there are no concerns of a consumer credit crisis any time soon."

The table below summarizes the February 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 | February 2015 Index Level | January 2015 Index Level | February 2014 Index Level |
|-----------------|--------------------------------------|-------------------------------------|--------------------------------------|
| Composite | 1.12 | 1.12 | 1.30 |
| First Mortgage | 1.00 | 1.02 | 1.23 |
| Second Mortgage | 0.66 | 0.64 | 0.69 |
| Bank Card | 2.84 | 2.61 | 2.83 |
| Auto Loans | 1.06 | 1.03 | 1.03 |

Source: S&P/Experian Consumer Credit Default Indices
Data through February 2015

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

| Metropolitan Statistical Area | February 2015 Index Level | January 2015 Index Level | February 2014 Index Level |
|--|--------------------------------------|-------------------------------------|--------------------------------------|
| New York | 1.14 | 1.10 | 1.46 |
| Chicago | 1.18 | 1.15 | 1.67 |
| Dallas | 1.17 | 1.10 | 1.16 |
| Los Angeles | 0.83 | 0.84 | 1.05 |
| Miami | 1.17 | 1.35 | 2.23 |

Source: S&P/Experian Consumer Credit Default Indices
Data through February 2015

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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.

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