News Release Archive

S&P/Experian Consumer Credit Default Indices Show The Composite Default Rate Increasing For Second Consecutive Month In August 2017

Bank Card Default Rate Drops While Other Loan Types See Increases

NEW YORK, Sept. 19, 2017 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through August 2017 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate increased three basis points from last month to 0.86%. The bank card default rate continued to fall, down 12 basis points to 3.19%. Auto loan defaults increased by nine basis points to 0.95%.The first mortgage default rate increased three basis points from July to 0.65%.

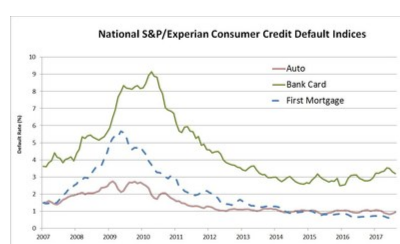
Three of the five major cities saw their default rates increase in the month of August. New York had the largest increase, up 13 basis points from July to 0.95%. Los Angeles reported 0.66% for August, up three basis points from the previous month. Chicago came in at 0.94%, up four basis points from July. Dallas reported a decrease of three basis points from the previous month to 0.74%. Miami came in at 1.13% for August, down 10 basis points from July.

The national bank card default rate dropped to its lowest level since December 2016. Bank cards were the only loan type to see a decrease in default rates in August 2017. The nine basis point increase in the auto loan default rate was its largest month-over-month increase since December 2011; however, the default rate remains low relative to historical levels. The composite, auto, and first mortgage default rates are close to their levels from one year ago.

"Overall, consumer credit defaults show no reason for alarm," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Defaults on first mortgages are flat to down while defaults on auto loans have risen slightly in recent months. Consumer credit defaults on bank cards continue their upward creep since the end of 2015 despite a recent drop. The combination of an improving labor market, low inflation, and low interest rates are the principal factors behind currently favorable consumer credit conditions.

"Some future developments could affect consumer credit defaults: Auto sales have fallen since December 2016 and are down 11%. Declining auto sales and the normal end-of-model year push to make room for new cars may encourage easier credit conditions and raise concerns about future defaults. Hurricane damage in Houston and across Florida is creating substantial financial stress. The impact on mortgages on damaged or destroyed homes is not yet clear. Job losses and rising spending needs could lead to increased consumer credit defaults in coming months."

The table below summarizes the August 2017 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	August 2017 Index Level	July 2017 Index Level	August 2016 Index Level

Composite	0.86	0.83	0.85
First Mortgage	0.65	0.62	0.68
Second Mortgage	0.50	0.50	0.52
Bank Card	3.19	3.31	2.86
Auto Loans	0.95	0.86	1.01

Source: S&P/Experian Consumer Credit Default Indices
Data through August 2017

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

Metropolitan Statistical Area	August 2017 Index Level	July 2017 Index Level	August 2016 Index Level
New York	0.95	0.82	0.91
Chicago	0.94	0.90	0.93
Dallas	0.74	0.77	0.74
Los Angeles	0.66	0.63	0.60
Miami	1.13	1.23	1.21

Source: S&P/Experian Consumer Credit Default Indices
Data through August 2017

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT THE S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES

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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We have more than 16,000 people operating across 37 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

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FOR MORE INFORMATION:

David Blitzer
Managing Director and Chairman of Index Committee
New York, USA
(+1) 212 438 3907
david.blitzer@spglobal.com

Luke Shane
North America Communications
New York, USA
(+1) 212 438 8184
luke.shane@spglobal.com

Matt Tatham
Experian Public Relations
(+1) 917 446 7227
matt.tatham@experian.com

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