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Consumer Credit Default Rates Decreased for the Sixth Consecutive Month According to the S&P/Experian Credit Default Indices

New York the Only MSA Where the Default Rate Increased

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NEW YORK, July 17, 2012 /PRNewswire/ -- Data through June 2012, 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, showed that most loan types saw a decrease in default rates, and many for the 6th consecutive month. Four loan types posted their lowest rates since the end of the 2007/2009 recession. The Auto loan default rate increased marginally in June, but May's rate was the lowest in its 8+ year history. The national composite declined to 1.52% in June from its 1.62% May rate. The first mortgage default rate decreased from May's 1.50% to June's 1.41%. The second mortgage default rate declined from 0.88% in May to 0.73% in June. Bank card default rate dropped to 3.97% in June from May's 4.35%. Auto loans default rate rose marginally to 1.04% in June from its May rate of 1.03%.

"June 2012 data continued a positive trend in consumer credit quality," says David M. Blitzer, Managing Director and Chairman of the Index Committee for S&P Dow Jones Indices. "Consumer default rates are falling and we are approaching new lows across most loan types. In the last recession most default rates peaked in the spring of 2009; since then the decline has been bumpy but consistent.

"The first mortgage default rate fell by 9 basis points to 1.41% in June, and is now back to its May 2007 level. It had reached a high of 5.67% in May 2009. The second mortgage rate also fell during the month, by 15 basis points, and is at an eight year historic low. The bank card rate dropped by 38 basis points, and is at its lowest since the end of 2007. The auto loans default rate is only 1 basis point above last month's historic low.

"Four of the five cities we cover saw their default rates drop and are at post-recession lows. For the sixth consecutive month Chicago declined, moving from 2.84% back in December 2011 to 1.84% in June. That's a one percentage point drop and its lowest rate since August 2007. Miami fell for the fifth consecutive month. It fell 11 basis points from May's 2.55% to June's 2.44%. This is the lowest rate for Miami since October 2006. The high for Miami was 18.9% in June 2009, just three years ago.

"Dallas hits its lowest rate in its eight year history, moving down by 7 basis points from 0.94% in May to 0.87% in June and retains the lowest rate among the five cities we follow. Los Angeles saw almost a quarter of a percentage point decline from 1.82% in May to 1.60% in June. New York increased by 3 basis points over the month, from 1.61% in May to 1.64% in June.

"There is only positive news in June's numbers. In the past three years, households have come a long way in repairing their balance sheets. Looking across our 10 headline indices, only one – bank cards – shows default rates above 2.5% and even those are close to their eight year historic low."

The table below summarizes the June 2012 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	June 2012 Index Level	May 2012 Index Level	June 2011 Index Level
Composite	1.52	1.62	2.14
First Mortgage	1.41	1.50	2.02
Second Mortgage	0.73	0.88	1.40
Bank Card	3.97	4.35	5.69
Auto Loans	1.04	1.03	1.29

Source: S&P/Experian Consumer Credit Default Indices

Data through June 2012

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

Metropolitan Statistical Area	June 2012 Index Level	May 2012 Index Level	June 2011 Index Level
New York	1.64	1.61	1.82
Chicago	1.84	1.85	2.59
Dallas	0.87	0.94	1.59
Los Angeles	1.60	1.82	2.17
Miami	2.44	2.55	5.41

Source: S&P/Experian Consumer Credit Default Indices
Data through June 2012

About S&P Dow Jones Indices

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Experian is the leading global information services company, providing data and analytical tools to clients in more than 80 countries. The company 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 2011 was $4.2 billion. Experian employs approximately 15,000 people in 41 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters inNottingham, UK; California, US; and Sao Paulo, Brazil.

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Jointly developed by S&P Indices 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 accurately 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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