

National Credit Default Rates Ticked Up in November 2012 According to the S&P/Experian Consumer Credit Default Indices

Four out of Five Cities Saw Default Rates Rise

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NEW YORK, Dec. 18, 2012 /PRNewswire/ -- Data through November 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 an increase in national default rates during the month. After hitting a post-recession low of 1.46% in September 2012, the national composite increased for the two consecutive months, posting 1.55% in October and reaching 1.64% in November. The first mortgage default rate increased from its post-recession low of 1.36% in September, to 1.47% in October reaching 1.58% in November. Auto loan default rates moved down from 1.14% in October to 1.09% in November. Bank card default rate posted the lowest post-recession rate of 3.58% in November; it was 3.68% in October. The second mortgage hit its historic low of 0.62% in November; it marginally decreased from 0.65% rate posted in October.

"The national composite showed an increase in consumer credit default rates for the second consecutive month in November," says David M. Blitzer, Managing Director and Chairman of the Index Committee for S&P Dow Jones Indices. "This increase in national default rates was solely driven by an increase in the first mortgage default rate. All other loan types – auto loan, bank card and the second mortgage posted decreases in their default rates in November.

"The national composite posted 1.64% in November, 9 basis points above October rate and 18 basis points above September's post-recession low. The first mortgage showed the same trend, it posted 1.58% in November, 11 basis points above the previous month's rate and 22 basis points above September's post-recession low. The first mortgage was the only product line that increased in November. While the increase in the first mortgage default rate is quite small, it bears watching since it repeats across four of the five cities we track. The other sectors all posted small declines from October to November: auto loans down 5 basis points, bank cards down 10 basis points to a new post-recession low of 3.58% and second mortgages down 3 basis points.

"Four out of five cities we cover showed increases in their default rates. Dallas saw defaults slip one basis point. The increases were Miami, up 22 basis points, Los Angeles up 16, New York up 12 and Chicago higher by 7 basis points. Miami had the highest default rate at 2.66% and New York was lowest at 1.47%."

The table on the next page summarizes the November 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	November 2012 Index Level	October 2012 Index Level	November 2011 Index Level
Composite	1.64	1.55	2.22
First Mortgage	1.58	1.47	2.17
Second Mortgage	0.62	0.65	1.26
Bank Card	3.58	3.68	4.91
Auto Loans	1.09	1.14	1.17

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

Metropolitan Statistical Area	November 2012 Index Level	October 2012 Index Level	November 2011 Index Level
New York	1.47	1.35	2.21
Chicago	1.85	1.78	2.84
Dallas	1.25	1.26	1.38
Los Angeles	1.60	1.44	2.53
Miami	2.66	2.44	4.47

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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.

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