

National Credit Default Rates Moved Up in Q4 2012 According to the S&P/Experian Consumer Credit Default Indices

All Five Cities Saw Default Rates Rise in December 2012

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NEW YORK, Jan. 15, 2013 /PRNewswire/ -- Data through December 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 three consecutive months, posting 1.55% in October, 1.64% in November and reaching 1.72% in December. The first mortgage default rate showed the same pattern; it increased from its post-recession low of 1.36% in September, to 1.47% in October, 1.58% in November, reaching 1.68% in December. The second mortgage went up to 0.69% in December from its historic low of 0.62% posted last month. Auto loan default rates remain flat at 1.09% since November. Bank card default rate hit the lowest post-recession rate of 3.53% in December; it was 3.58% in November.

"Overall, 2012 showed improvement in consumer credit quality," says David M. Blitzer, Managing Director and Chairman of the Index Committee for S&P Dow Jones Indices. "However, fourth quarter consumer default rates reversed some of the recent declines and pushed the composite default rate above its level of last May. The principal culprits were first and second mortgages. Default rates for auto loans were roughly stable over the year and default rates for bank cards continued to drop. All loan types remain below their respective levels a year ago.

"The national composite rate was 1.72% in December, eight basis points above the November rate and 26 basis points above September's post-recession low. It was primarily driven by the first mortgage rate at 1.68% in December, ten basis points above the previous month's rate and 32 basis points above September's post-recession low. The second mortgage rate rose seven basis points from last month's historic low, auto loans remained flat, and bank cards were down five basis points to a new post-recession low of 3.53%. Bank card default rate moved down for eight consecutive months, it was 96 basis points down from its April 2012 level.

"All five cities we cover showed increases in their default rates in December. The major increases were Miami, up 41 basis points, Chicago up 27, and Los Angeles up 24 basis points. New York and Dallas were marginally higher by four and one basis points. Miami had the highest default rate at 3.07% and Dallas - the lowest at 1.26%. All five cities remain below default rates they posted a year ago, in December 2011."

The table on the next page summarizes the December 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	December 2012 Index Level	November 2012 Index Level	December 2011 Index Level
Composite	1.72	1.64	2.24
First Mortgage	1.68	1.58	2.19
Second Mortgage	0.69	0.62	1.33
Bank Card	3.53	3.58	4.60
Auto Loans	1.09	1.09	1.27

Source: S&P/Experian Consumer Credit Default Indices

Data through December 2012

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

Metropolitan Statistical Area	December 2012 Index Level	November 2012 Index Level	December 2011 Index Level
New York	1.51	1.47	2.13
Chicago	2.12	1.85	2.84
Dallas	1.26	1.25	1.56
Los Angeles	1.84	1.60	2.54
Miami	3.07	2.66	4.73

Source: S&P/Experian Consumer Credit Default Indices

Data through December 2012

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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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