

National Credit Default Rates Increase Marginally in August 2014 According to the S&P/Experian Consumer Credit Default Indices

Two of the Five Cities Saw Default Rates Decrease in August 2014

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NEW YORK, Sept. 16, 2014 /PRNewswire/ -- Data through August 2014, 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 a slight increase in default rates. The national composite posted 1.03% in August, up two basis points from last month's historical low. After nine consecutive months of decline, the first mortgage default rate rose to 0.91%. The auto loan default rate also rose; it posted 1.00% in August. The bank card rate declined 13 basis points to 2.73%.

"With the recent and continued growth in the economy, sales of automobiles and existing homes have gained since the start of the year," says David M. Blitzer, Managing Director and Chairman of the Index Committee for S&P Dow Jones Indices. "These factors may be leading to more borrowing and modest increases in default rates. No return to the extreme default experience of a few years ago is imminent.

"Consumer credit default rates rose for the first time since September 2013. Default rates are just above last month's historical lows. Auto and first mortgage showed slight increases while bank card continues to trend down. The second mortgage default rate dropped one basis point to a new historical low of 0.51%.

"Chicago and Dallas saw their default rates remain unchanged at 1.17% and 0.80%. New York posted 1.07%, its lowest default rate since July 2006. Miami saw its rate decrease to its lowest since August 2006 but still posted the highest default rate of 1.45%. Los Angeles was the only city to see its rate increase and continues to maintain the lowest default rate. All five cities – Chicago, Dallas, Los Angeles, Miami and New York – remain below default rates seen a year ago."

The table below summarizes the August 2014 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 2014 Index Level	July 2014 Index Level	August 2013 Index Level
Composite	1.03	1.01	1.34
First Mortgage	0.91	0.88	1.23
Second Mortgage	0.51	0.52	0.57
Bank Card	2.73	2.86	3.12
Auto Loans	1.00	0.96	1.11

Source: S&P/Experian Consumer Credit Default Indices
Data through August 2014

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

Metropolitan Statistical Area	August 2014 Index Level	July 2014 Index Level	August 2013 Index Level
New York	1.07	1.14	1.21
Chicago	1.17	1.17	1.83
Dallas	0.80	0.80	1.13
Los Angeles	0.72	0.66	1.44

Miami 1.45 1.51 2.19
Source: S&P/Experian Consumer Credit Default

Indices

Data through August 2014

About S&P Dow Jones Indices

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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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