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Consumer Credit Default Rates Rise According To The S&P/Experian Consumer Credit Default Indices

Four of the Five Cities Report Default Rate Increases in October 2016

NEW YORK, Nov. 15, 2016 /PRNewswire/ -- Data through October 2016, 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 small increases in national default rates during the month. The composite default rate, first mortgage default rate, and auto loan default rates all increased by three basis points last month to 0.87%, 0.70%, and 1.08%, respectively, in October. The bank card default rate remained unchanged from last month at 2.76%.

Four of the five major cities saw their default rates increase in the month of October. Chicago had the largest increase, reporting 0.97%, up 10 basis points from September. New York saw its default rate increase by seven basis points to 0.93% in October, and Los Angeles reported an increase at 0.62%, up three basis points from the previous month. Dallas reported a default rate of 0.76%, up two basis points for the month. Miami was the only city reporting a default rate decrease of six basis points from last month at 1.06%.

"Consumer credit and mortgage debt outstanding are rising and economic growth picked up in the third quarter," says David M. Blitzer, Managing Director & Chairman of the Index Committee at S&P Dow Jones Indices. "These positive signs are accompanying small increases in the consumer credit default rates. While the rise in defaults is minor, it is seen in all but one credit category: the bank card default rate was unchanged while mortgages and auto loans saw increases. Among the five cities tracked in this report, four experienced higher default rates. With recent reports showing improved consumer sentiment and the holiday spending season fast approaching, default rates may bear scrutiny.

"The data in this report pre-date the election so it is too early to tell if the elections will affect consumers' borrowing plans. However, interest rates are likely to rise over the next year and may put upward pressure on consumer credit interest rates and lending terms. Recent comments by Federal Reserve officials point to a tightening in December. Market interest rates led by the 10 year Treasury note rose sharply last week. Most analysts expect the new Administration to expand federal spending and cut taxes – two forces likely to push interest rates higher. For consumers, higher interest rates will be seen first in mortgages."

The table below summarizes the October 2016 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	**October 2016 Index Level**	**September 2016 Index Level**	**October 2015 Index Level**
Composite	0.87	0.84	0.94
First Mortgage	0.70	0.67	0.81
Second Mortgage	0.58	0.56	0.56
Bank Card	2.76	2.76	2.75
Auto Loans	1.08	1.05	1.00

Source: S&P/Experian Consumer Credit Default Indices
Data through October 2016

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

Metropolitan Statistical Area	October 2016 Index Level	September 2016 Index Level	October 2015 Index Level
New York	0.93	0.86	0.95
Chicago	0.97	0.87	1.07
Dallas	0.76	0.74	0.75
Los Angeles	0.62	0.59	0.72
Miami	1.06	1.12	1.29

Source: S&P/Experian Consumer Credit Default Indices
Data through October 2016

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

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We employ approximately 17,000 people in 37 countries and our corporate headquarters are in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

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 March 31, 2016, was US$4.6 billion.

To find out more about our company, please visit http://www.experianplc.com or watch our documentary, "Inside Experian."

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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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