

# S&P/Experian Consumer Credit Default Indices Show Composite Default Rate Drop To Four-Month Low In April 2017

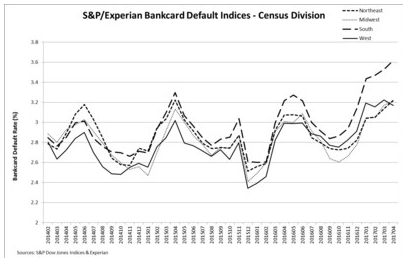
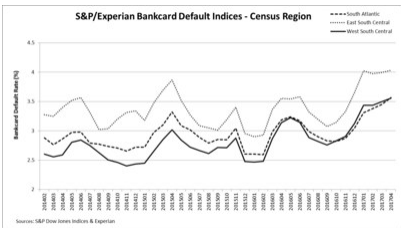
## Bank Card Default Rate Rises Six Straight Months in April

NEW YORK, May 16, 2017 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through April 2017 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate dropped four basis points from last month to 0.90%. In addition, the bank card default rate increased four basis points from March to 3.35%, auto loan defaults decreased 10 basis points from the previous month to 0.90%, and the first mortgage default rate dropped six basis points from March to 0.69%.

Four of the five major cities saw their default rates decrease in the month of April. Chicago experienced the largest decrease, down 11 basis points from March to 0.94%. Dallas and Miami each reported decreases of ten basis points from the previous month to 0.69% and 1.30%, respectively. Los Angeles was down six basis points from March to 0.69%. At 1.10%, New York was the only city reporting a default rate increase of one basis point from previous month.

The National bank card default rate of 3.35% in April sets a 46-month high. When comparing the bank card default rate among the four census divisions, the default rate in the South is considerably higher than the other three census divisions. The East South Central Census Region – comprised of Kentucky, Tennessee, Alabama, and Mississippi – has the highest bank card default rate. As per Bureau of Labor Statistics, these states have some of the lowest median household income.

"Default rates on bank cards continue to creep higher while default rates on auto loans are little changed," says David M. Blitzer, Managing Director & Chairman of the Index Committee at S&P Dow Jones Indices. "The Federal Reserve's quarterly survey of senior bank loan officers revealed that a modest fraction of banks tightened standards on credit card loans and a similar portion of banks were tightening standards for auto loans. Banks also raised the spread over their cost of funds and increased the minimum credit scores required for auto loans. The same Fed survey showed weakening demand for auto loans. Separately, auto sales declined during the first quarter before seeing a slight rise in April. Demand for bank card loans was mixed according to the Fed survey."



"Default rates on first mortgages are steady as home prices continue to rise in most parts of the country and sales of both new and existing homes increase. The Fed survey reported little change in either demand for mortgage loans or mortgage lending standards. The level of outstanding mortgage debt bottomed in the second quarter of 2014 and has been increasing steadily since then. After almost three years, outstanding mortgage debt is 9% below the peak seen in the first quarter of 2008. Some analysts question if continuing increases in home prices presage a new housing bubble. Given conditions in the mortgage markets, this is not a current concern."

The table below summarizes the April 2017 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			

<b>Index</b>	<b>April 2017 Index Level</b>	<b>March 2017 Index Level</b>	<b>April 2016 Index Level</b>
Composite	0.90	0.94	0.86
First Mortgage	0.69	0.75	0.69
Second Mortgage	0.51	0.57	0.58
Bank Card	3.35	3.31	3.09
Auto Loans	0.90	1.00	0.97

Source: S&P/Experian Consumer Credit Default Indices  
Data through April 2017

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

<b>Metropolitan Statistical Area</b>	<b>April 2017 Index Level</b>	<b>March 2017 Index Level</b>	<b>April 2016 Index Level</b>
New York	1.10	1.09	1.01
Chicago	0.94	1.05	1.03
Dallas	0.69	0.79	0.76
Los Angeles	0.69	0.75	0.71
Miami	1.30	1.40	1.21

Source: S&P/Experian Consumer Credit Default Indices  
Data through April 2017

For more information about S&P Dow Jones Indices, please visit [www.spdji.com](http://www.spdji.com).

#### ABOUT THE S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES

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](http://www.consumercreditindices.standardandpoors.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.

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SOURCE S&P Dow Jones Indices

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