News Release Archive

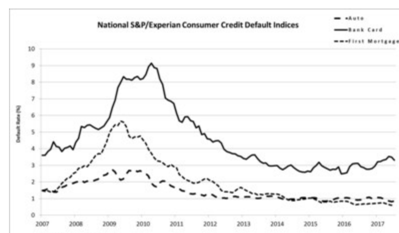
S&P/Experian Consumer Credit Default Indices Show The Composite Default Rate Remained Low In July 2017

Bank Card Default Rate Experienced Biggest Drop in 12 Months

NEW YORK, Aug. 15, 2017 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through July 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 increased one basis point from last month to 0.83%. The bank card default rate experienced its biggest drop in 12 months, down 18 basis points to 3.31%. Auto loan defaults increased by four basis points to 0.86%.The first mortgage default rate increased two basis points from June to 0.62%.

Three of the five major cities saw their default rates decrease in the month of July. New York had the largest decrease, down six basis points from June to 0.82%. Los Angeles reported 0.63% for July, dropping three basis points from the previous month. Chicago came in at 0.90%, down one basis point from June. Dallas reported an increase of 10 basis points from the previous month to 0.77%. Miami came in at 1.23% for July, up six basis points from June.

Though the National bank card default rate experienced its biggest drop in 12 months, it is still high. The bank card default rate set a recent low at 2.49% in December 2015. Since then, it moved irregularly upward before the July drop; it is now 3.31%. The composite, auto, and first mortgage default series are all close to their levels in July 2016.



"Default rates for autos and first mortgage loans are at their lowest points in the last ten years, while bank card defaults remain modest," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Consumers' use of credit is growing and the level of consumer credit outstanding is at an all-time high. In the year ending June 2017, consumer credit outstanding rose 5.7%, outpacing most spending categories across the economy. However, retail sales excluding autos as well as auto sales are down slightly since April, while home sales are little changed in recent months.

"While total consumer credit is at an all-time high, revolving credit – principally bank card loans – is close to the same level as mid-2008 early in the recession and financial crisis. At that time, revolving credit accounted for 38.5% of credit balances compared to 26.5% today. The revolving credit share of the total has declined steadily since 2008. The share of non-revolving credit rose and total non-revolving climbed from 61.5% to 73.5% of total consumer credit usage. The largest components of non-revolving credit are auto loans and student loans. Auto loans currently are about 40% of non-revolving credit. Student loans are the largest factor in the growth of non-revolving credit since 2008. Currently, they represent about 51% of non-revolving credit outstanding and 37.6% of total consumer credit outstanding."

The table below summarizes the July 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			
Index	**July 2017 Index Level**	**June 2017 Index Level**	**July 2016 Index Level**
Composite	0.83	0.82	0.83
First Mortgage	0.62	0.60	0.66
Second Mortgage	0.50	0.49	0.44
Bank Card	3.31	3.49	2.92

Auto Loans	0.86	0.82	0.93

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

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

Metropolitan Statistical Area	**July 2017 Index Level**	**June 2017 Index Level**	**July 2016 Index Level**
New York	0.82	0.88	0.77
Chicago	0.90	0.91	0.89
Dallas	0.77	0.67	0.69
Los Angeles	0.63	0.66	0.63
Miami	1.23	1.17	1.37

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

For more information about S&P Dow Jones Indices, please visit 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.

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