News Release Archive

S&P/Experian Consumer Credit Default Indices Show Lowest Composite Default Rate Of Year In September 2018

Bank Card Default Rate Lower for Fifth Consecutive Month

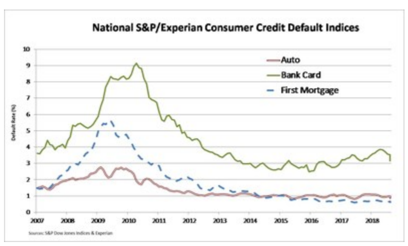
NEW YORK, Oct. 16, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through September 2018 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate was five basis points lower than last month, at 0.82%. The bank card default rate dropped 38 basis points to 3.14%. The auto loan default rate decreased eight basis points to 0.89%. The first mortgage default rate was down two basis points, to 0.63%.

All five major MSAs recorded decreases in composite default rates in September 2018. Dallas showed the largest decrease, falling 11 basis points to 0.73%. The default rate for Los Angeles fell nine basis points to 0.56%, while the rate for Chicago fell six basis points to 0.85%. The default rate for New York dropped four basis points to 0.79%, while the default rate for Miami was one basis point lower, at 1.56%.

Notably, all loan types and all major MSAs saw a decrease in default rates in September 2018. September 2018 also marked the fifth consecutive month of decreasing bank card default rates. The latest rate of 3.14% is the lowest level observed since December 2016. The monthly drop of 38 basis points was the biggest monthly decline seen since December 2015.

"Consumer credit default rates for mortgages and auto loans are stable, while default rates for bank cards declined modestly in the last few months," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "With the low unemployment rate and some improvement on wage gains, consumers are not facing rising economic pressure. The favorable income situation combined with auto and home sales that have drifted down since late 2017 led to the current good consumer credit default pattern. Soft retail sales growth contributed to improvements in the bank card default picture.

"The 2018 Atlantic hurricane season is turning out to be quite active; we have already seen 14 named storms with over a month left before the season nominally ends on November 30th. The short term impact of the hurricanes is an anticipated reduction in retail sales in impacted areas. However, this is likely to be followed by rising retail sales and spending combined with weaker consumer financial conditions for consumers in affected regions. Depending on the extent and severity of the storm damage, consumer credit default rates in some regions could rise during the rest of 2018."



The table below summarizes the September 2018 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	**September 2018 Index Level**	**August 2018 Index Level**	**September 2017 Index Level**
Composite	0.82	0.87	0.88
First Mortgage	0.63	0.65	0.66
Bank Card	3.14	3.52	3.15
Auto Loans	0.89	0.97	1.05

Source: S&P/Experian Consumer Credit Default Indices
Data through September 2018

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

Metropolitan Statistical Area	September 2018 Index Level	August 2018 Index Level	September 2017 Index Level
New York	0.79	0.83	0.97
Chicago	0.85	0.91	1.00
Dallas	0.73	0.84	0.78
Los Angeles	0.56	0.65	0.65
Miami	1.56	1.57	1.19

Source: S&P/Experian Consumer Credit Default Indices
Data through September 2018

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: https://www.spindices.com/indices/indicators/sp-experian-consumer-credit-default-composite-index.

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We have more than 16,000 people operating across 37 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

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