

S&P/Experian Consumer Credit Default Indices Show Composite Default Rate Remains Stable In October 2018

Bank Card Default Rate Lower for Sixth Consecutive Month

NEW YORK, Nov. 20, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through October 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 unchanged from last month at 0.82%. The bank card default rate dropped five basis points to 3.09%. The auto loan default rate increased three basis points to 0.92%. The first mortgage default rate was unchanged at 0.63%.

Two of the major MSAs had higher default rates in October 2018. The rate for New York increased five basis points to 0.84% while the rate for Dallas is up four basis points to 0.77%. The default rate for Los Angeles was unchanged at 0.56%. Two MSAs showed lower default rates. The rate for Miami fell 11 basis points to 1.45% while for Chicago, the rate decreased one basis point to 0.84%.

October 2018 marked the sixth consecutive month of lower bank card default rates. The rate is down 77 basis points from its April 2018 peak. This has been the primary contributing factor to the concurrent decrease in the composite default rate. At 0.82%, the composite rate has not been lower since May 2016.

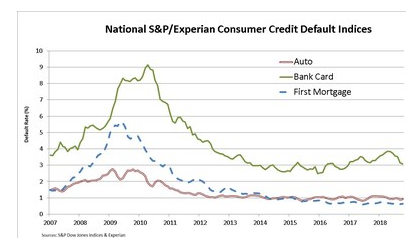
"Continued good economic results are supporting rising consumer spending without any significant increase on consumer credit defaults," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Compared to a year earlier, default rates in the three major categories – mortgages, auto loans and bank cards – are down. On a monthly basis, auto loans saw a small rise while the bank card defaults dropped and mortgages were unchanged. While two of the five cities reported here saw an increase in October compared to September, four out of five cities have default rates lower than October 2017.

"Three times per year, the Federal Reserve surveys senior bank lending officers on their banks' credit and loan policies, including autos, mortgages and credit cards. The report shows that banks' standards for both auto loans and credit card borrowing are marginally tighter now than four months ago in the previous survey. The mortgage picture differs: 10%-12% of the reporting banks indicate that lending standards are easier. The easier standards may be a response to the 25%-30% drop in demand for mortgage loans reported by the same banks. The softness seen in existing homes sales is seen in the mortgage market."

The table below summarizes the October 2018 results for the S&P/Experian Consumer 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 2018 Index Level	September 2018 Index Level	October 2017 Index Level
Composite	0.82	0.82	0.90
First Mortgage	0.63	0.63	0.67
Bank Card	3.09	3.14	3.28
Auto Loans	0.92	0.89	1.11

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



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

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Metropolitan Statistical Area	October 2018 Index Level	September 2018 Index Level	October 2017 Index Level
New York	0.84	0.79	1.00
Chicago	0.84	0.85	1.08
Dallas	0.77	0.73	0.78
Los Angeles	0.56	0.56	0.72
Miami	1.45	1.56	1.06

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