

# S&P/Experian Consumer Credit Default Indices Show Composite Default Rate Near Lowest Level Of Year In November 2018

## Default Rates Remain Stable For All Loan Types

NEW YORK, Dec. 18, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through November 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 rose one basis point from last month to 0.83%. The bank card default rate was unchanged at 3.09%. The auto loan default rate increased one basis point to 0.93%. The first mortgage default rate was one basis point higher at 0.64%.

Two of the major MSAs had higher default rates in November 2018. The rate for Miami increased seven basis points to 1.52% while the rate for Dallas rose five basis points to 0.82%. The default rate for Chicago was unchanged at 0.84%. Two MSAs showed lower default rates. The rate for Los Angeles fell six basis points to 0.50% while for New York, the rate declined one basis point to 0.83%.

In November 2018, all loan types showed a default rate within one basis point of the prior month. This stabilization coincides with lower default levels, with each of bank cards, autos, and first mortgages reaching their lowest levels of 2018 within the past three months.

"Consumer credit default rates across all sectors are stable at low levels," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Two factors supporting the favorable picture are gradual wage increases of about a 4% annual rate combined with inflation at 2%. Growth in retail sales at 2.5% annual is not putting upward pressure on bank card defaults while flat to lower auto sales have little impact on auto loan defaults. Despite home prices rising faster than inflation or wages, mortgage defaults remain steady while home sales drop.

"Looking ahead, stable default rates will depend on personal incomes and interest rates. Rising interest rates – not just the fed funds rate – are being noticed. Credit card loan rates topped 14% in the third quarter, up more than a percentage point from the 2017 third quarter. Thirty year fixed rate mortgages are approaching 5%, up a full percentage point in the past year. The rate for a four year auto loan is 5% after a small increase of a quarter point over 12 months. As long as wages outpace inflation and interest rates, the currently low ratio of consumer debt service to income should continue."

The table below summarizes the November 2018 results for the S&P/Experian Credit Default Indices. These data are not seasonally adjusted and are not subject to revision.

<b>S&amp;P/Experian Consumer Credit Default Indices</b>			
<b>National Indices</b>			
<b>Index</b>	<b>November 2018 Index Level</b>	<b>October 2018 Index Level</b>	<b>November 2017 Index Level</b>
Composite	0.83	0.82	0.89
First Mortgage	0.64	0.63	0.66
Bank Card	3.09	3.09	3.28
Auto Loans	0.93	0.92	1.11

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

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

<b>Metropolitan Statistical Area</b>	<b>November 2018 Index Level</b>	<b>October 2018 Index Level</b>	<b>November 2017 Index Level</b>

New York	0.83	0.84	0.93
Chicago	0.84	0.84	1.09
Dallas	0.82	0.77	0.82
Los Angeles	0.50	0.56	0.76
Miami	1.52	1.45	0.97

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

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

#### ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit [www.spdji.com](http://www.spdji.com).

#### ABOUT EXPERIAN

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime.

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.

Learn more at [www.experianplc.com](http://www.experianplc.com) or visit our global content hub at our [global news blog](#) for the latest news and insights from the Group

#### FOR MORE INFORMATION:

##### **David Blitzer**

Managing Director and Chairman of Index Committee  
New York, USA  
(+1) 212 438 3907  
[david.blitzer@spglobal.com](mailto:david.blitzer@spglobal.com)

##### **Soogyung Jordan**

North America Communications  
New York, USA  
(+1) 212 438 2297  
[soogyung.jordan@spglobal.com](mailto:soogyung.jordan@spglobal.com)

##### **Jordan Takeyama**

Experian Public Relations  
(+1) 714 830 7561  
[jordan.takeyama@experian.com](mailto:jordan.takeyama@experian.com)

SOURCE S&P Dow Jones Indices

---

<https://press.spglobal.com/2018-12-18-S-P-Experian-Consumer-Credit-Default-Indices-Show-Composite-Default-Rate-Near-Lowest-Level-Of-Year-In-November-2018>