

## **S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES SHOW DEFAULT RATES STEADY IN NOVEMBER 2017**

### **Composite Default Rate Falls Slightly After Four Consecutive Months of Increases**

**NEW YORK, DECEMBER 19, 2017:** S&P Dow Jones Indices and Experian released today data through November 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 decreased one basis point from last month to 0.89%. The bank card default rate was unchanged at 3.28% and the auto loan default rate was unchanged at 1.11%. The first mortgage default rate decreased one basis point from October to 0.66%.

Three of the five major cities saw their composite default rates rise in November. Los Angeles and Dallas had the largest increases, with Los Angeles up from 0.72% to 0.76% and Dallas up from 0.78% to 0.82%. Chicago also reported an increase, up one basis point to 1.09%. The default rate for New York fell seven basis points to 0.93% while the rate for Miami dropped nine basis points to 0.97%.

The auto loan default rate has been higher or unchanged in each of the past five months, and it remains at its highest level since December 2013. The bank card default rate has exceeded 3% each month so far this year and remains at its highest level since July 2017.

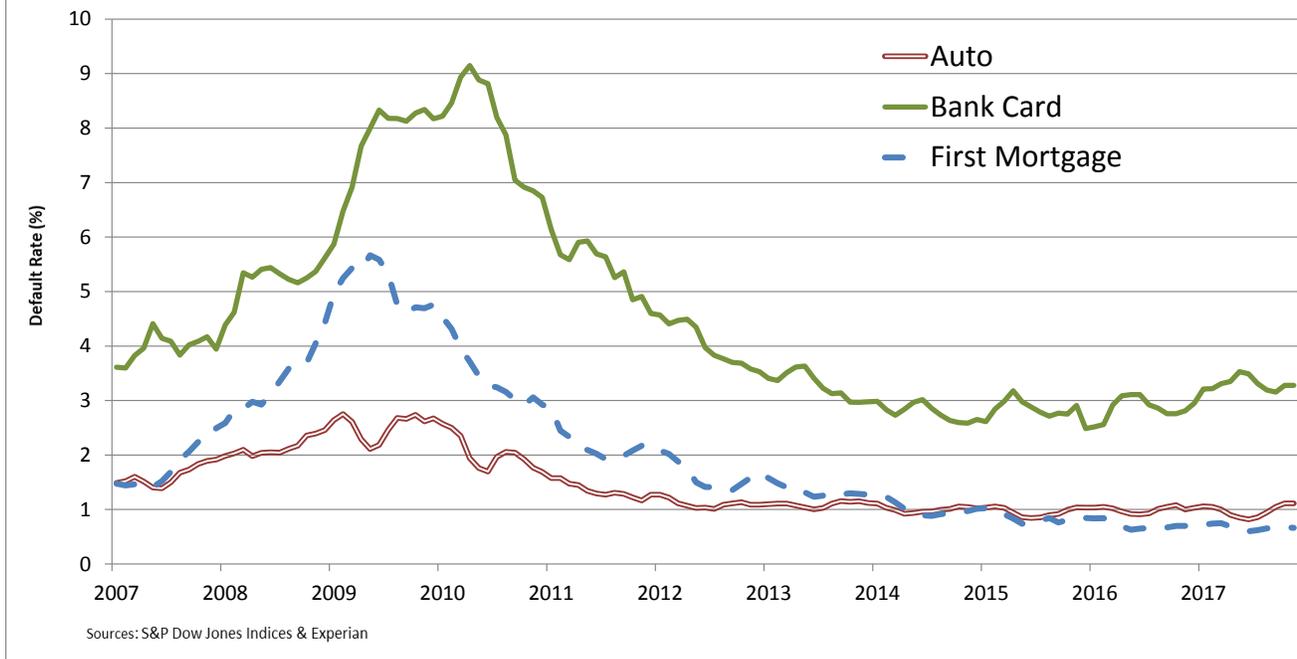
First mortgages are the only loan type to report a lower default rate versus one year ago. Due to higher default rates in bank cards and auto loans, the composite default rate shows a two basis point increase over this period.

#### **Analysis**

“Default rates on bank cards and auto loans held steady while the first mortgage default rate pulled back slightly in November ” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. “Since both auto loan and bank card defaults have trended up for much of 2017, this is favorable. First mortgage default rates are flat to down so far in 2017. The patterns across the five cities highlighted here are mixed, though Miami remains slightly above the others.

“The overall economy is ending 2017 on a strong note with very low unemployment, modest inflation and real GDP up better than a 3% annual rate in the second and third quarters. At the same time, the savings rate – personal savings as a percentage of disposable personal income – is slipping as spending rises faster than income for most Americans. As recently as October 2015, the savings rate was 6.3%; in October 2017, it was halved to 3.2%. With spending rising faster than wages, the savings rate is likely to drop further and consumers will be forced to increase their borrowing. Whether wage growth picks up, spending slows, or default rates climb remains to be seen.”

## National S&P/Experian Consumer Credit Default Indices



The table below summarizes the November 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	November 2017 Index Level	October 2017 Index Level	November 2016 Index Level
Composite	0.89	0.90	0.87
First Mortgage	0.66	0.67	0.70
Second Mortgage	1.08	0.79	0.48
Bank Card	3.28	3.28	2.81
Auto Loans	1.11	1.11	1.00

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

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

<b>Metropolitan Statistical Area</b>	<b>November 2017 Index Level</b>	<b>October 2017 Index Level</b>	<b>November 2016 Index Level</b>
New York	0.93	1.00	0.91
Chicago	1.09	1.08	0.96
Dallas	0.82	0.78	0.66
Los Angeles	0.76	0.72	0.70
Miami	0.97	1.06	1.44

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