

CreditForecast.com

U.S. Consumer Credit Outlook

Scott Hoyt, PhD, Senior Director, Research
Deniz Tudor, PhD, Director, Credit Analytics

EQUIFAX

Speakers



Scott Hoyt
Senior Director

Scott Hoyt is senior director for Moody's Analytics, responsible for the firm's consumer forecasts and analysis. Dr. Hoyt contributes to Economy.com, speaks at conferences, and oversees the production of the U.S. economic forecast. He has done custom modeling for credit and consumer sector clients.

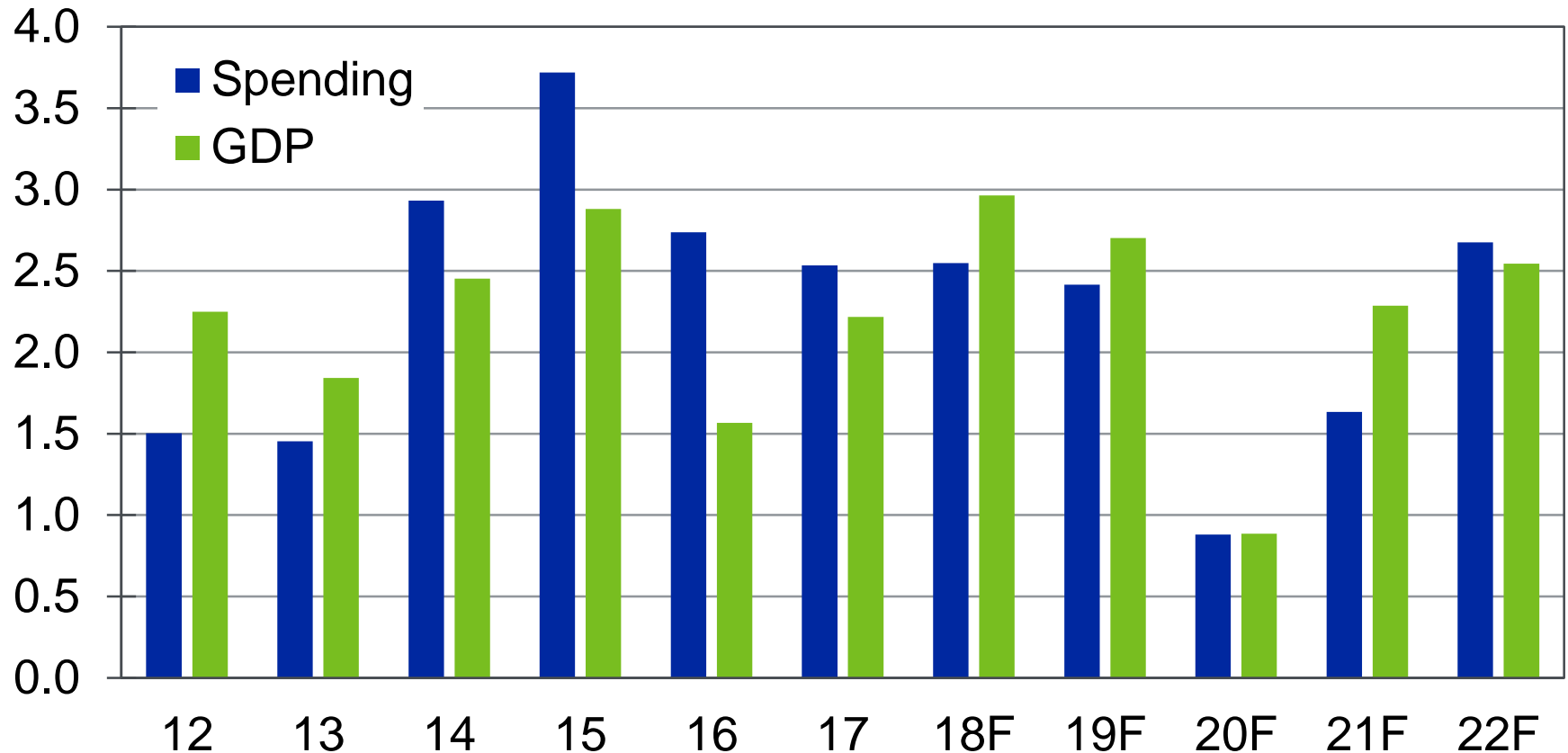


Deniz K. Tudor
Director

Deniz Tudor is a director with Moody's Analytics. Deniz specializes in U.S. consumer credit trends and leads the development of custom and industry-based econometric credit loss models for clients. Deniz is also responsible for product development, management and strategy, including data partnerships that expand the forecast capabilities of Moody's Analytics.

Consumers Relinquish the Lead

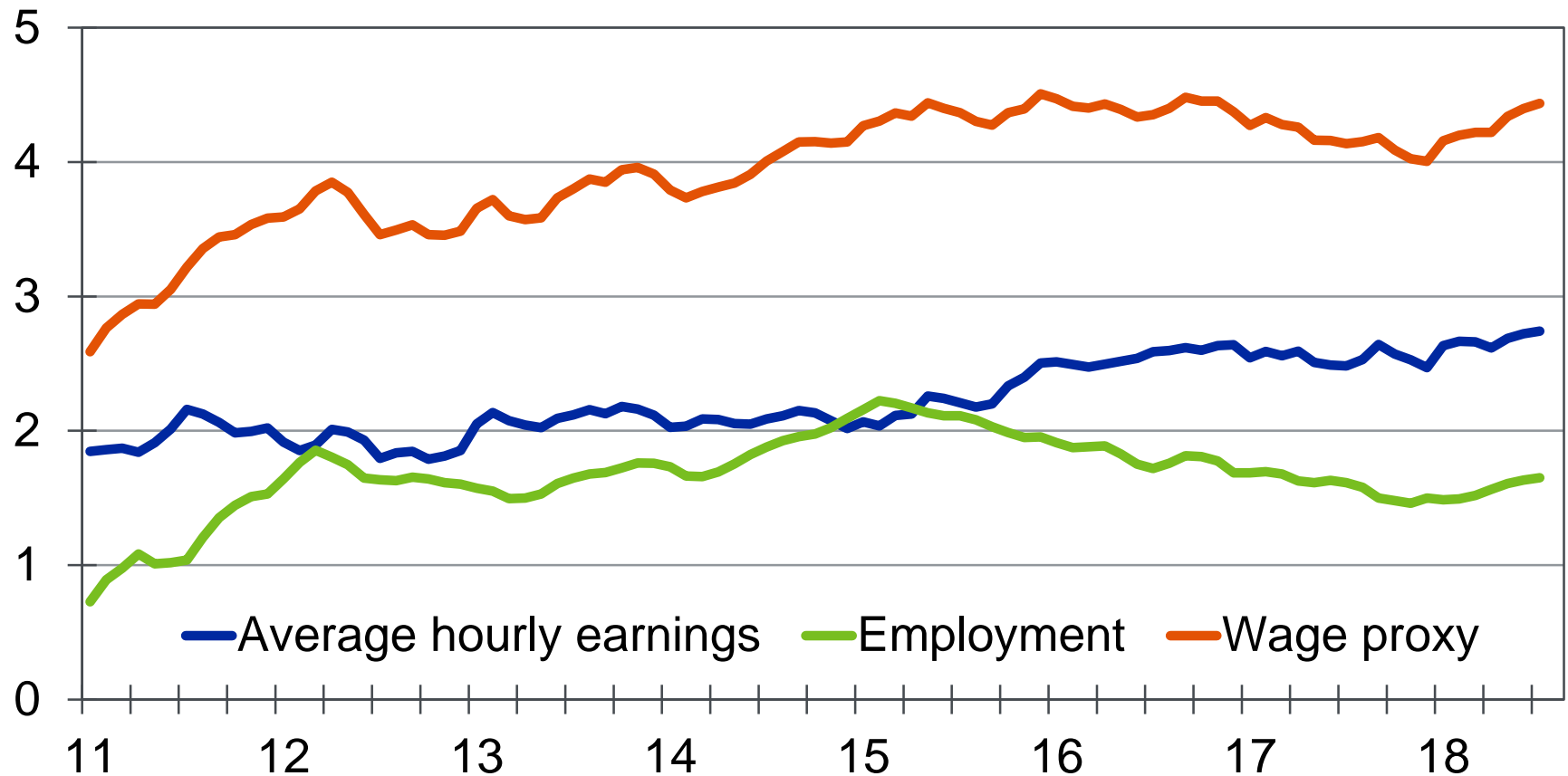
Real, % change



Sources: BEA, Moody's Analytics

Wage Growth Looking Up

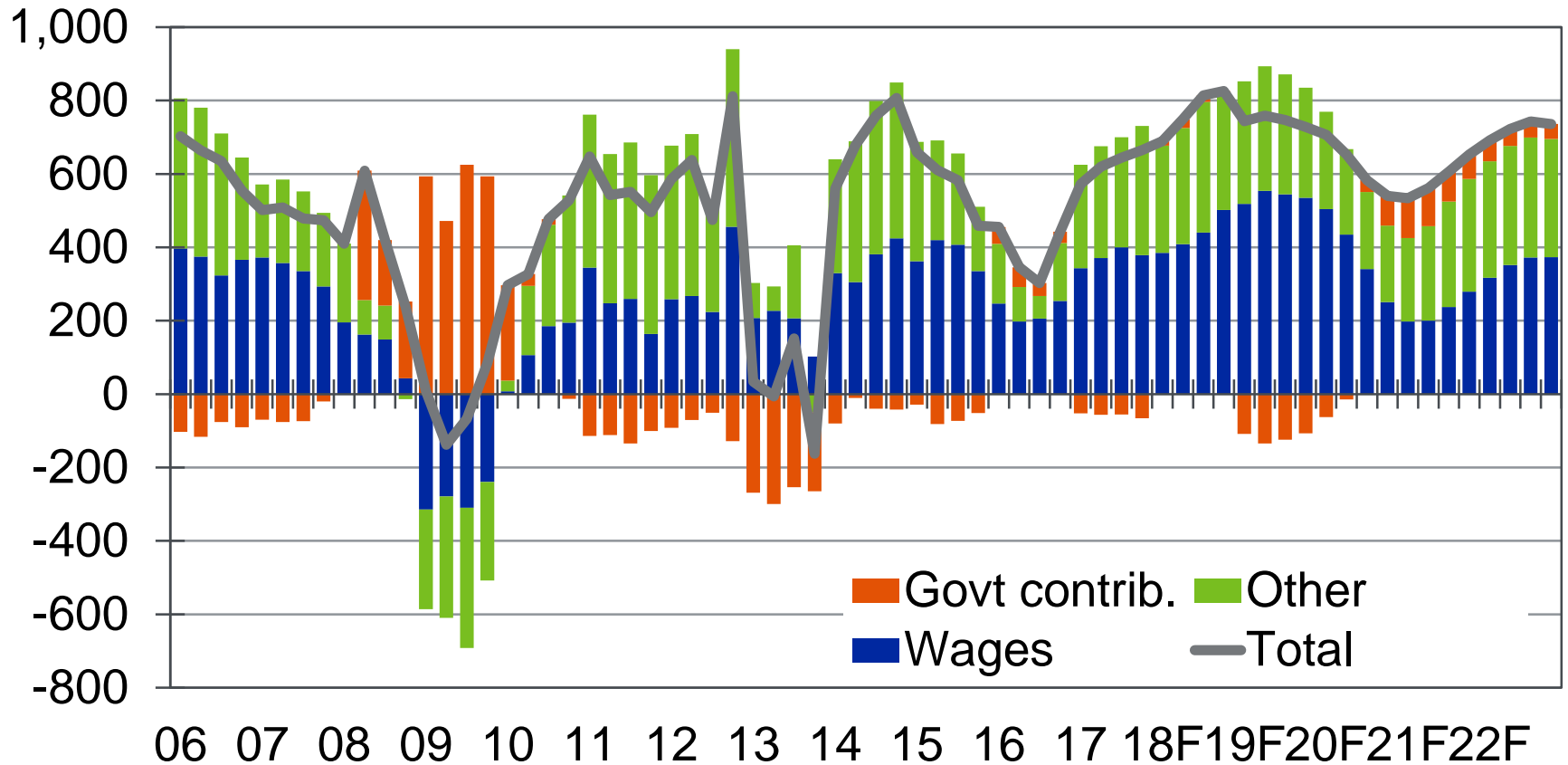
3-mo MA, % change yr ago



Sources: BLS, Moody's Analytics

Wages Driving Income Growth

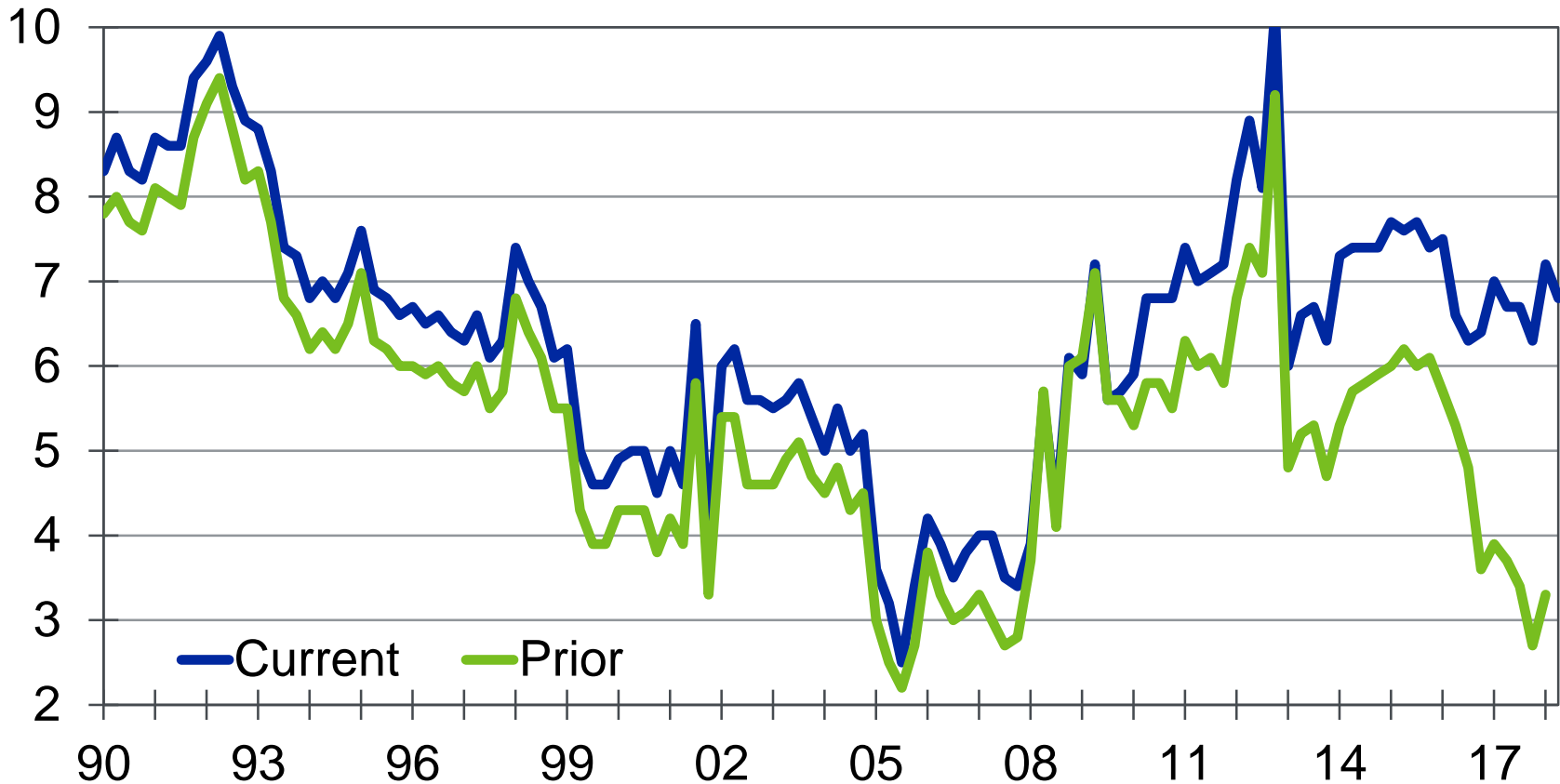
Disposable income, \$ bil, change yr ago



Sources: BEA, Moody's Analytics

Saving Won't Be a Drag

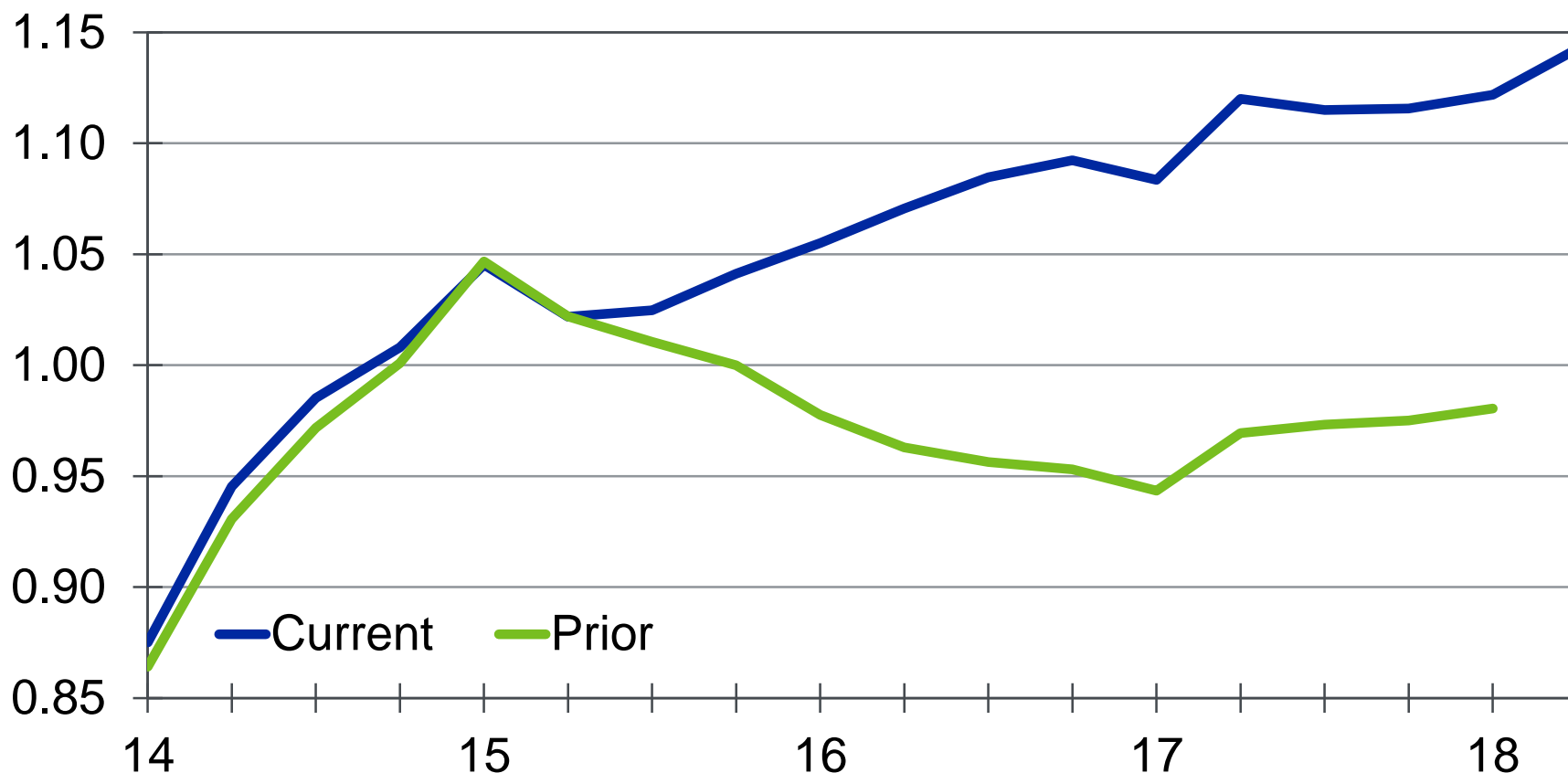
Saving, % disposable income



Sources: BEA, Moody's Analytics

Dividend Income Led Upward Revisions

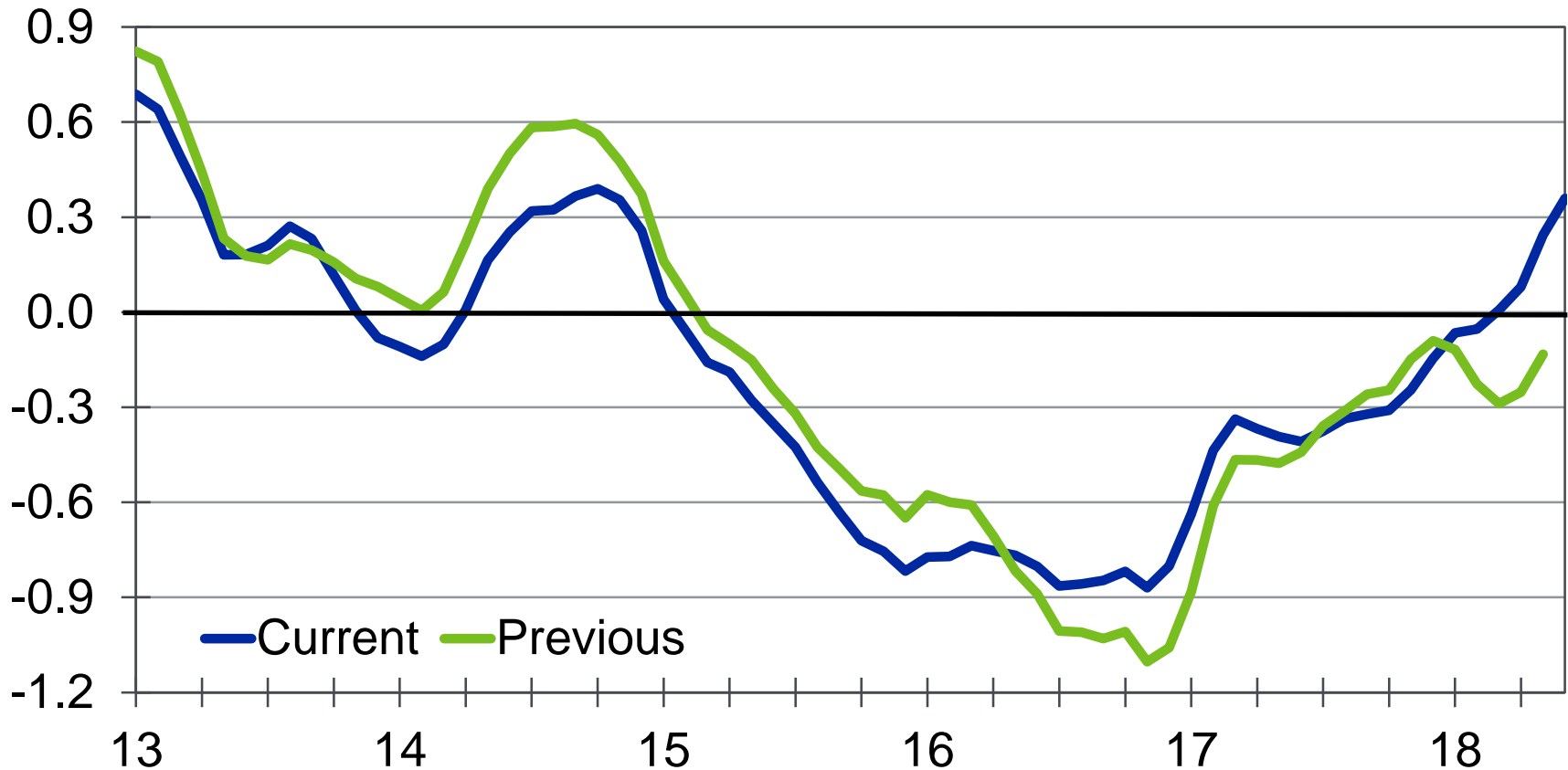
Dividend income, \$ bil



Sources: BEA, Moody's Analytics

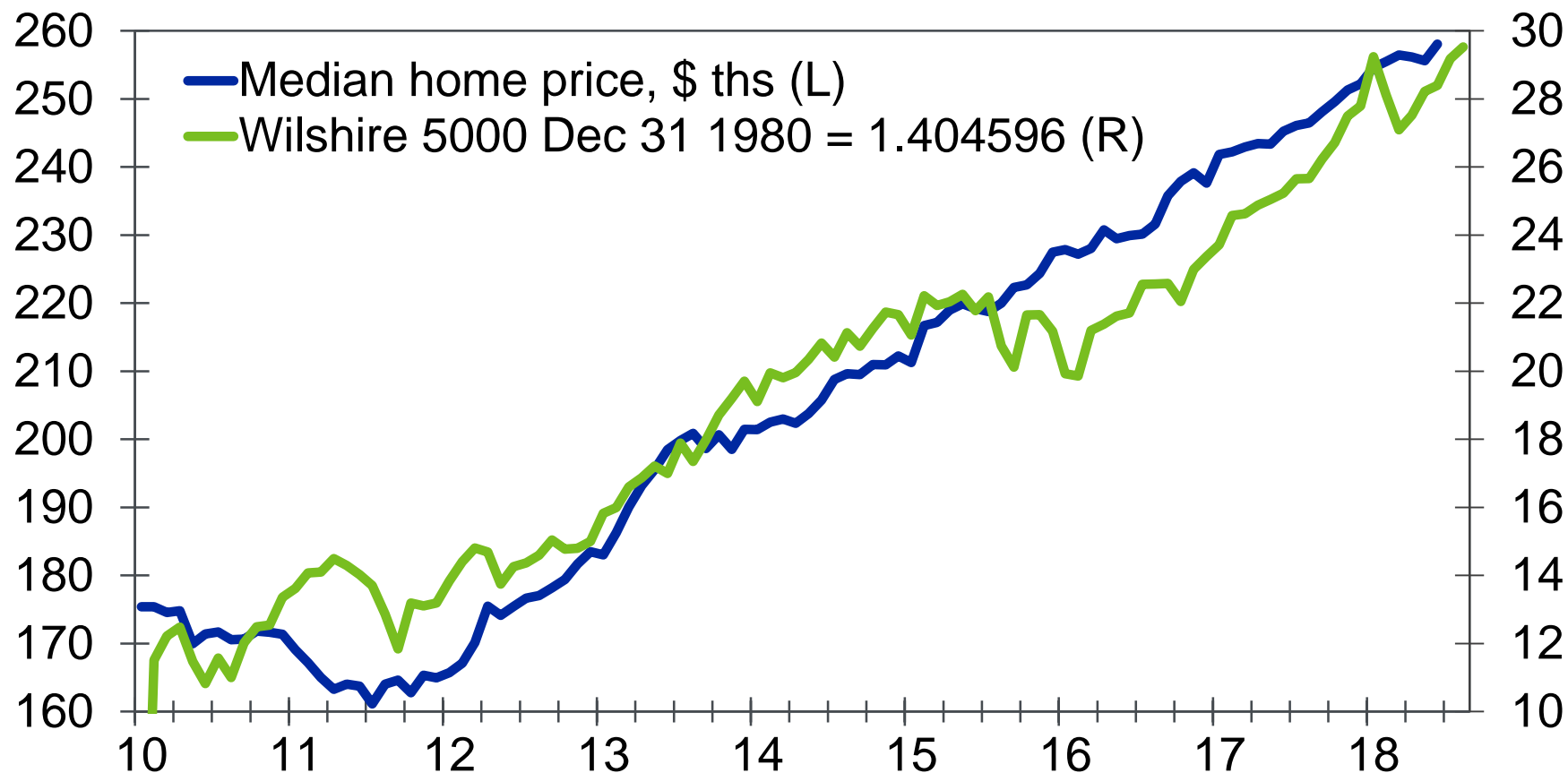
Retail Pricing Power Better Than Thought

Retail sales deflator, ex gasoline, % change yr ago, 3-mo MA



Sources: BEA, Moody's Analytics

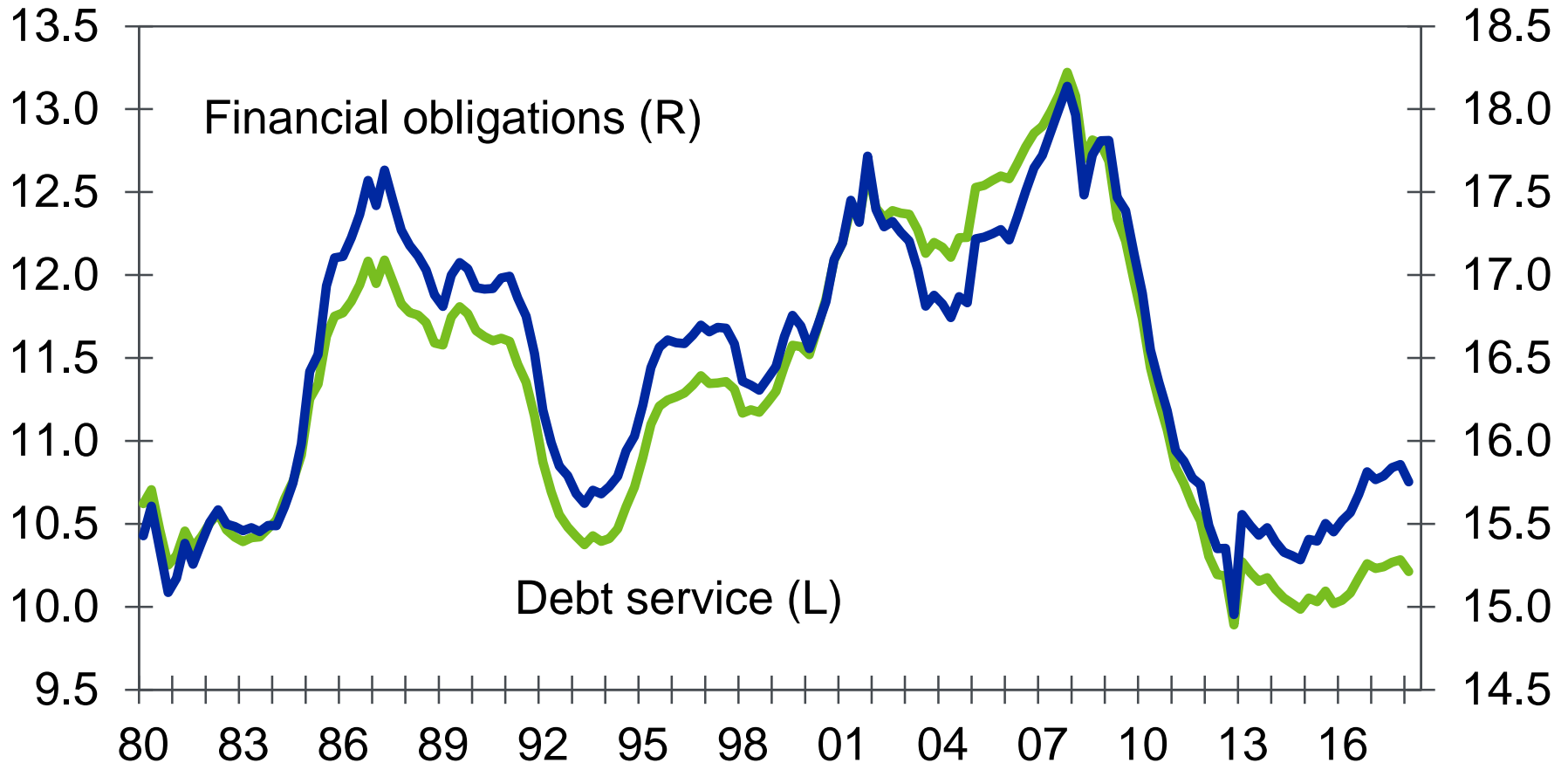
Wealth Effect Starting to Fade



Sources: NAR, SIX Financial Information, Moody's Analytics

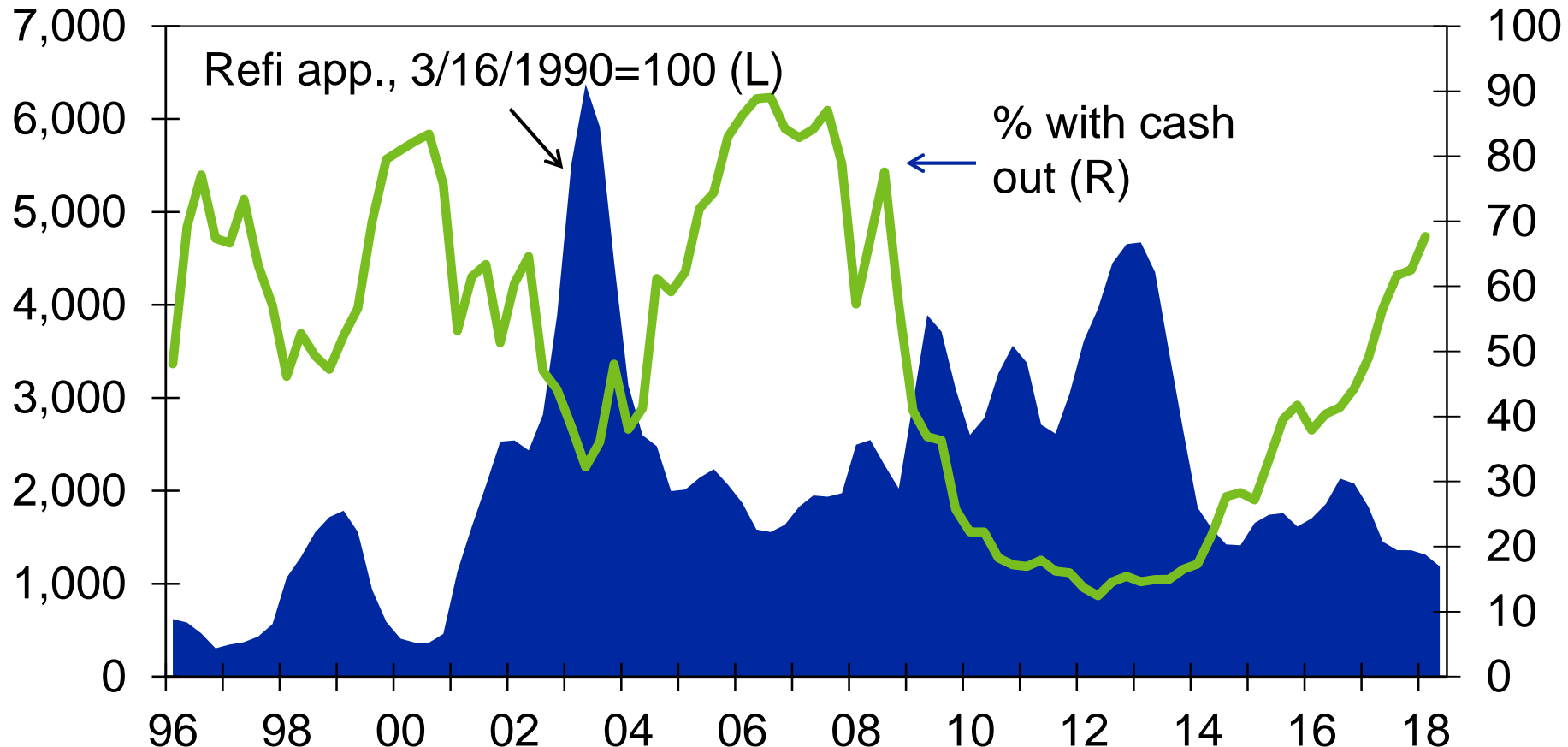
Household Burdens Remain Low

% disposable income



Sources: Federal Reserve, Moody's Analytics

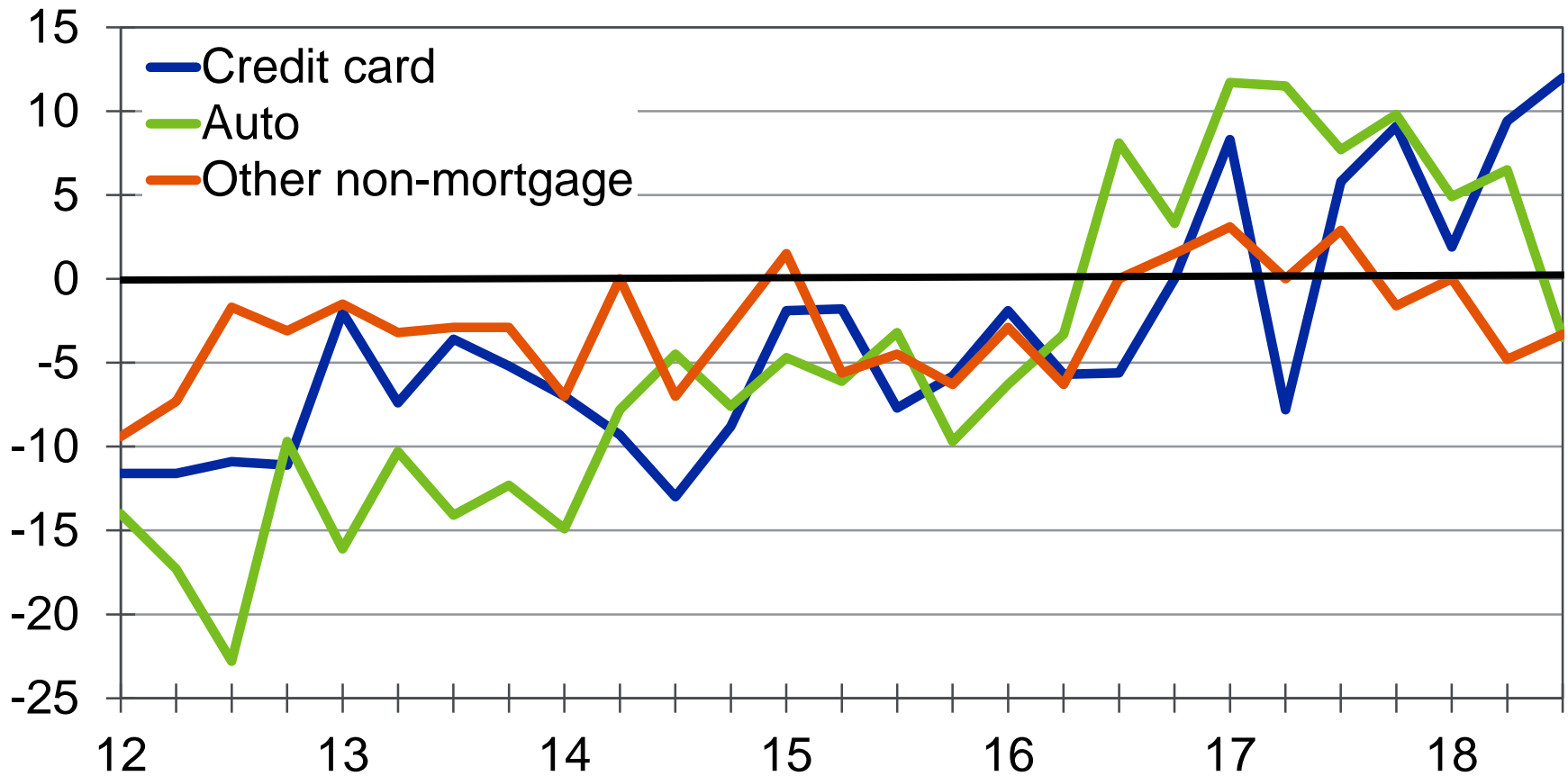
Few Refis, but Cash Extracted



Sources: Freddie Mac, Mortgage Bankers Association, Moody's Analytics
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Lending Standards Being Tightened

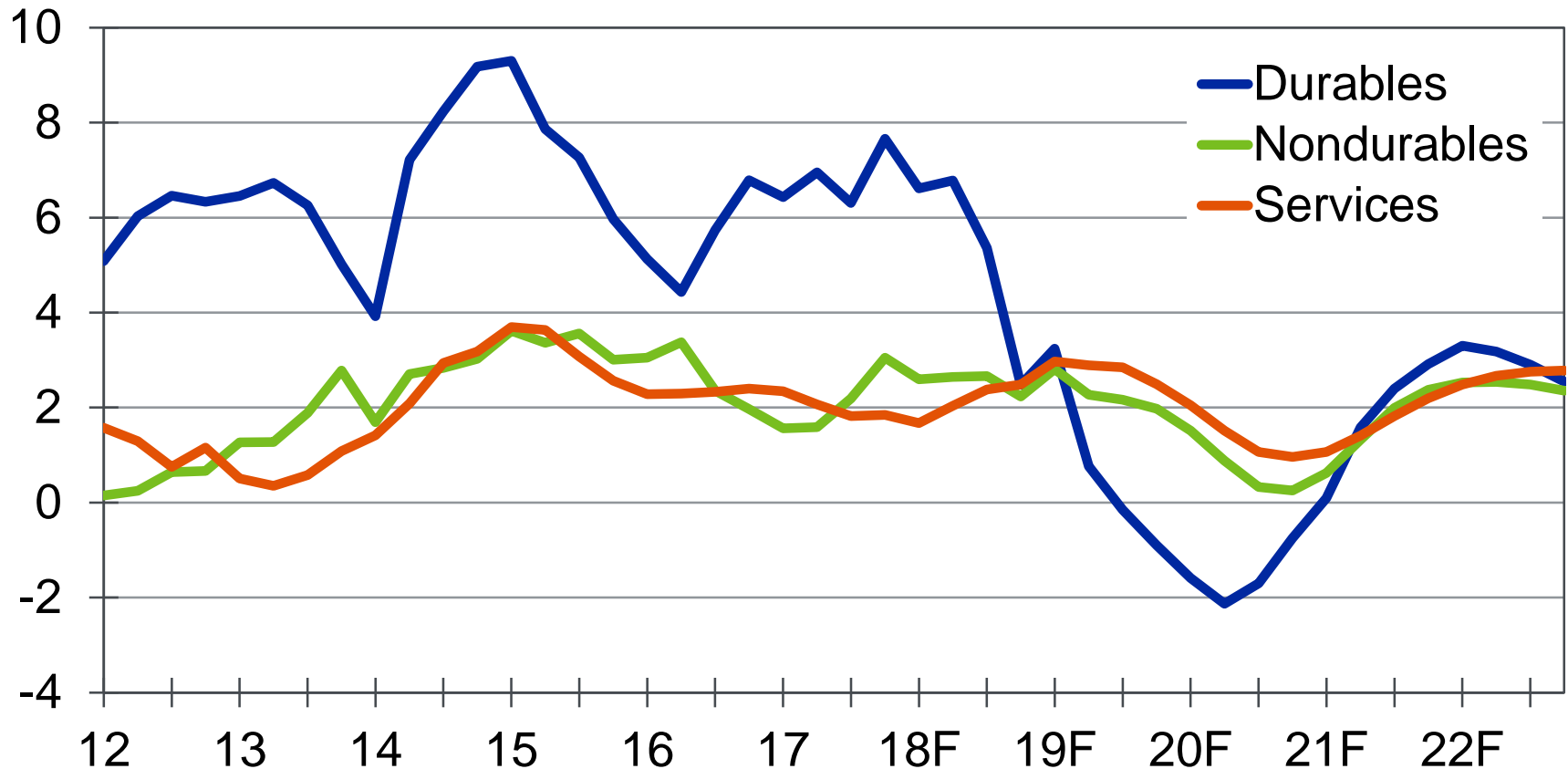
Net % tightening



Sources: Federal Reserve, Moody's Analytics

High Rates Threaten Big-Ticket Spending

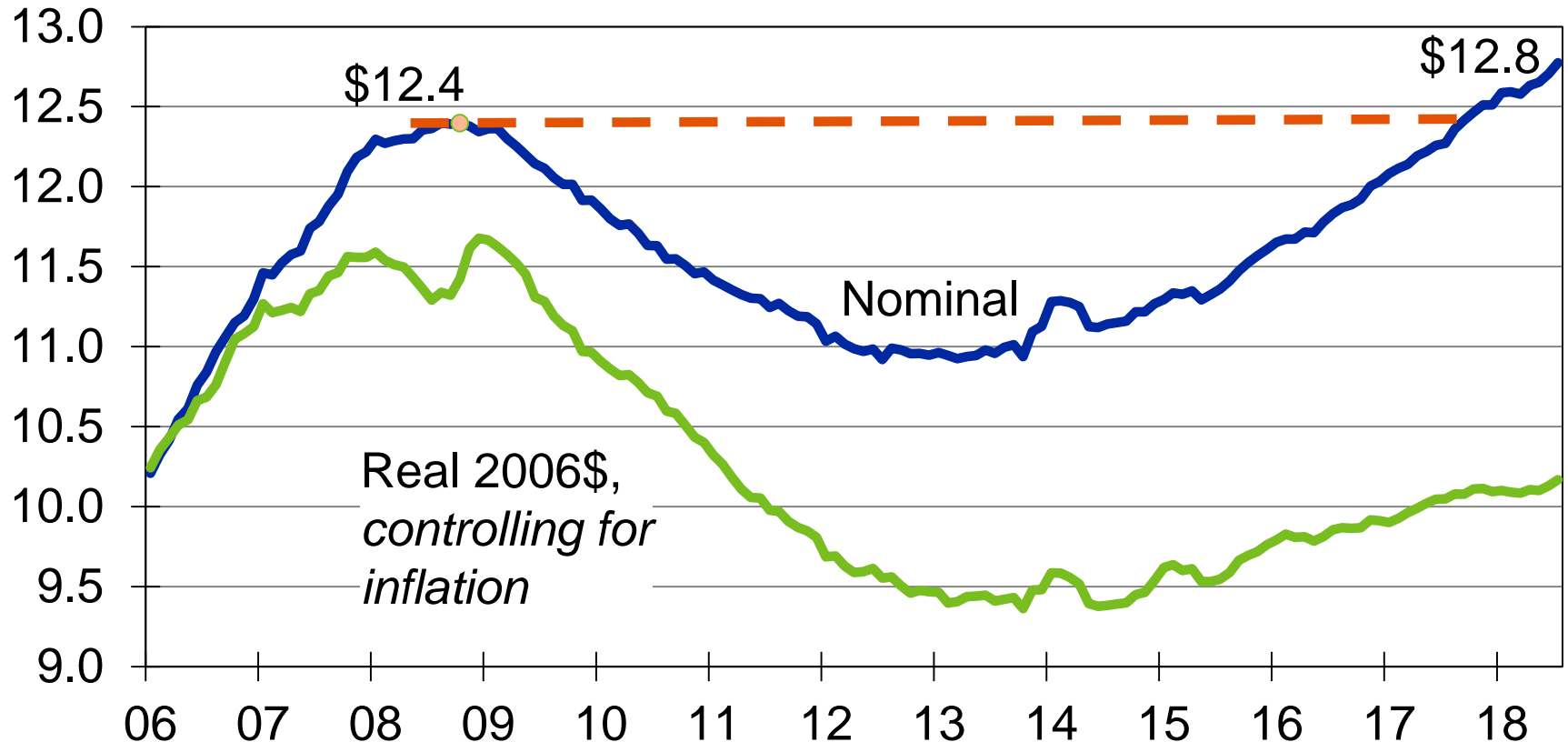
Real spending, % change yr ago



Sources: BEA, Moody's Analytics

Household Debt Sets a New Record*

Total balance, \$ tril

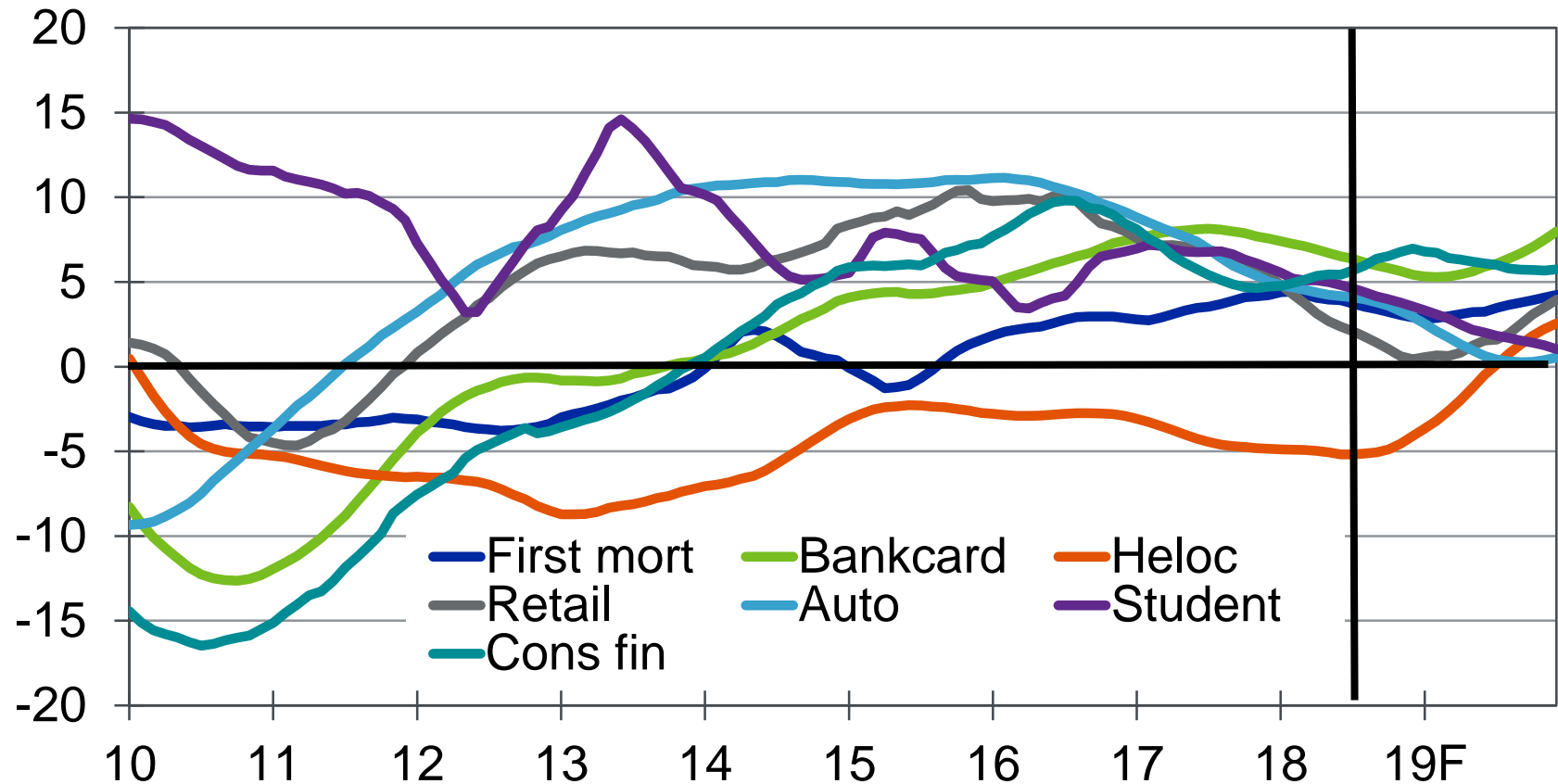


Sources: CreditForecast.com, Moody's Analytics

*In Nominal \$

Growth Expected to Continue

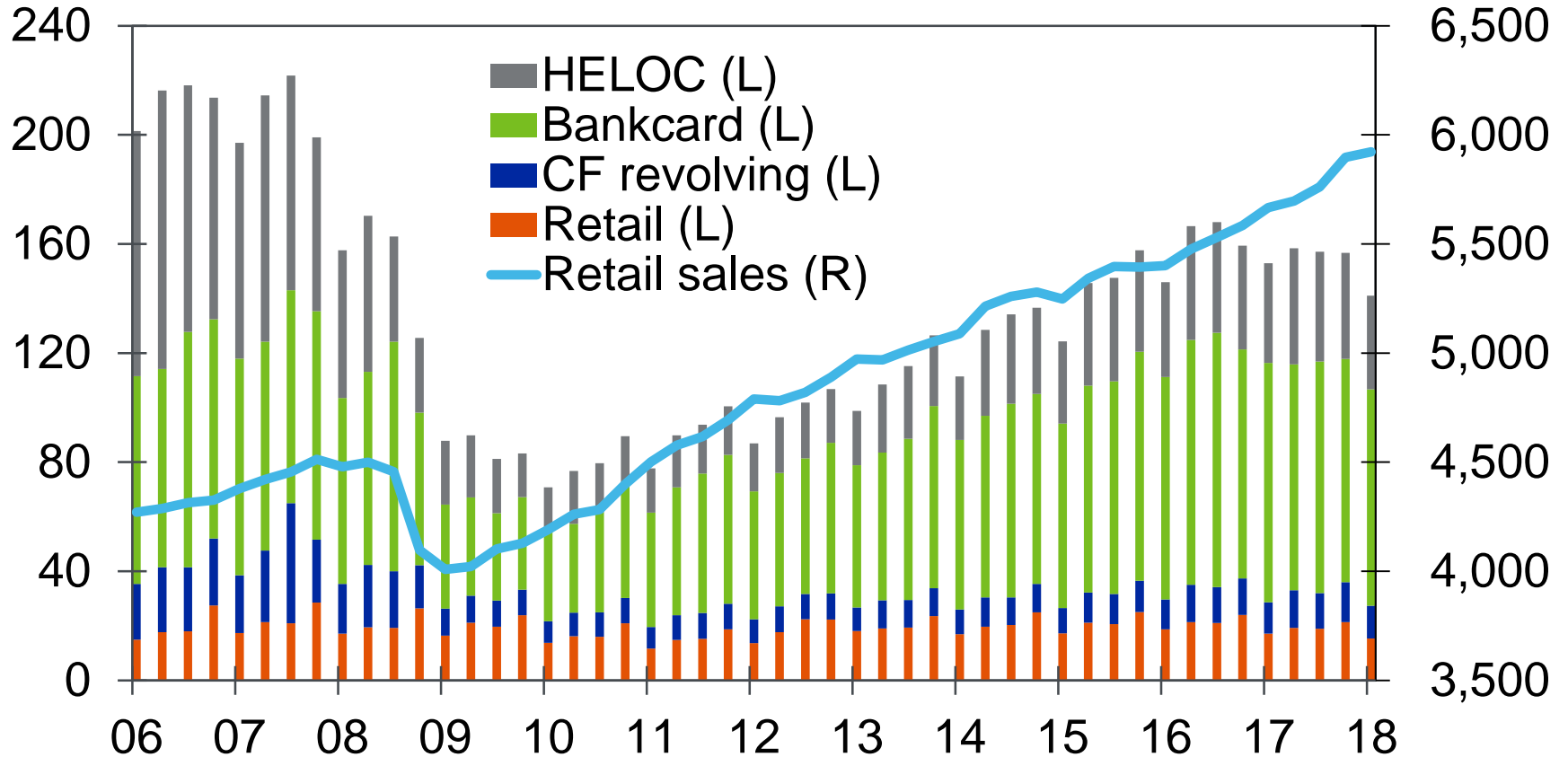
Balances on open accounts, % change yr ago, 6-mo MA



Sources: Equifax, Moody's Analytics

Revolving Credit Financed Spending

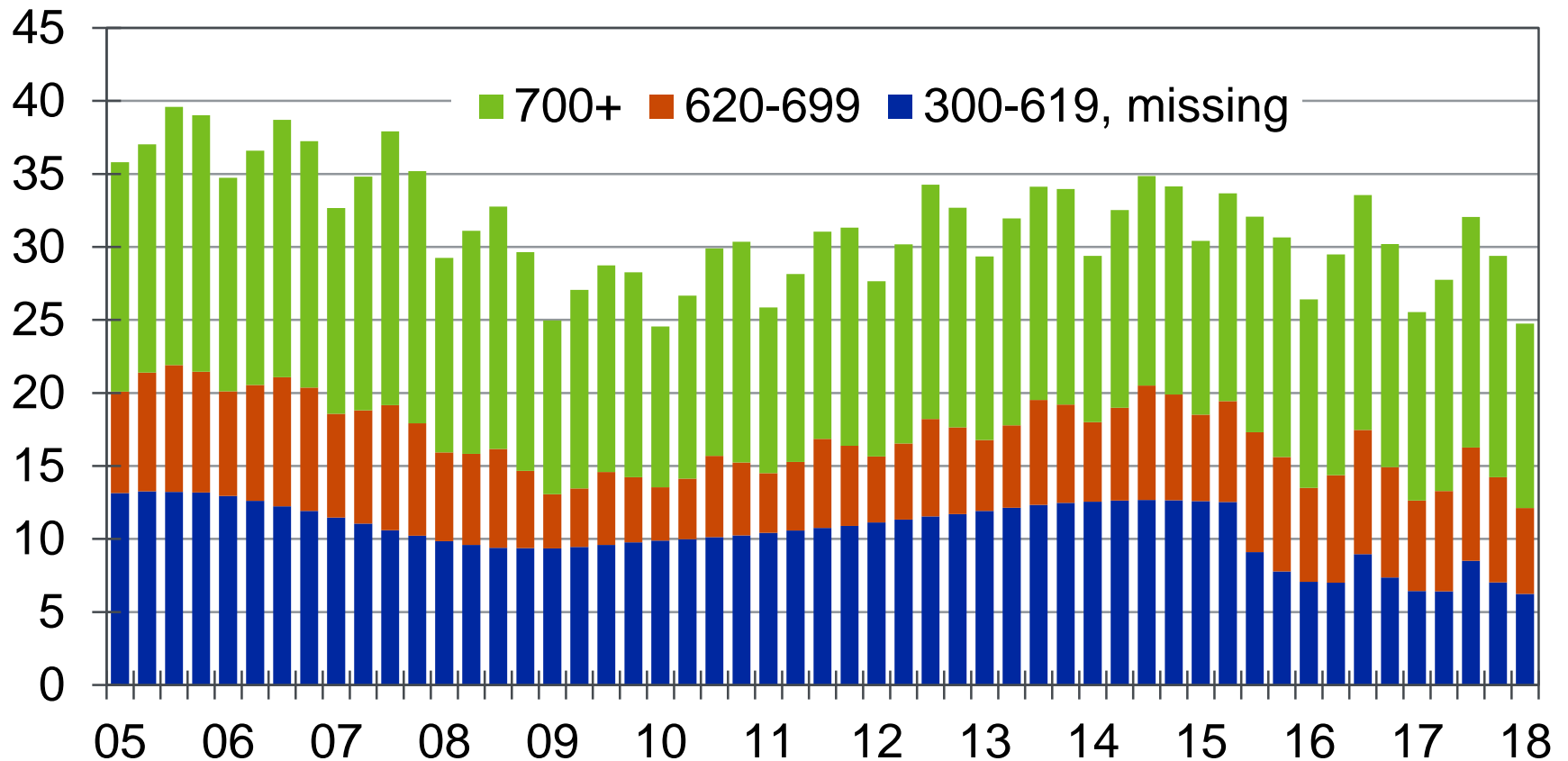
New credit issuance, \$ bil



Sources: Equifax, Census Bureau, Moody's Analytics

Originations Across Products Good Quality

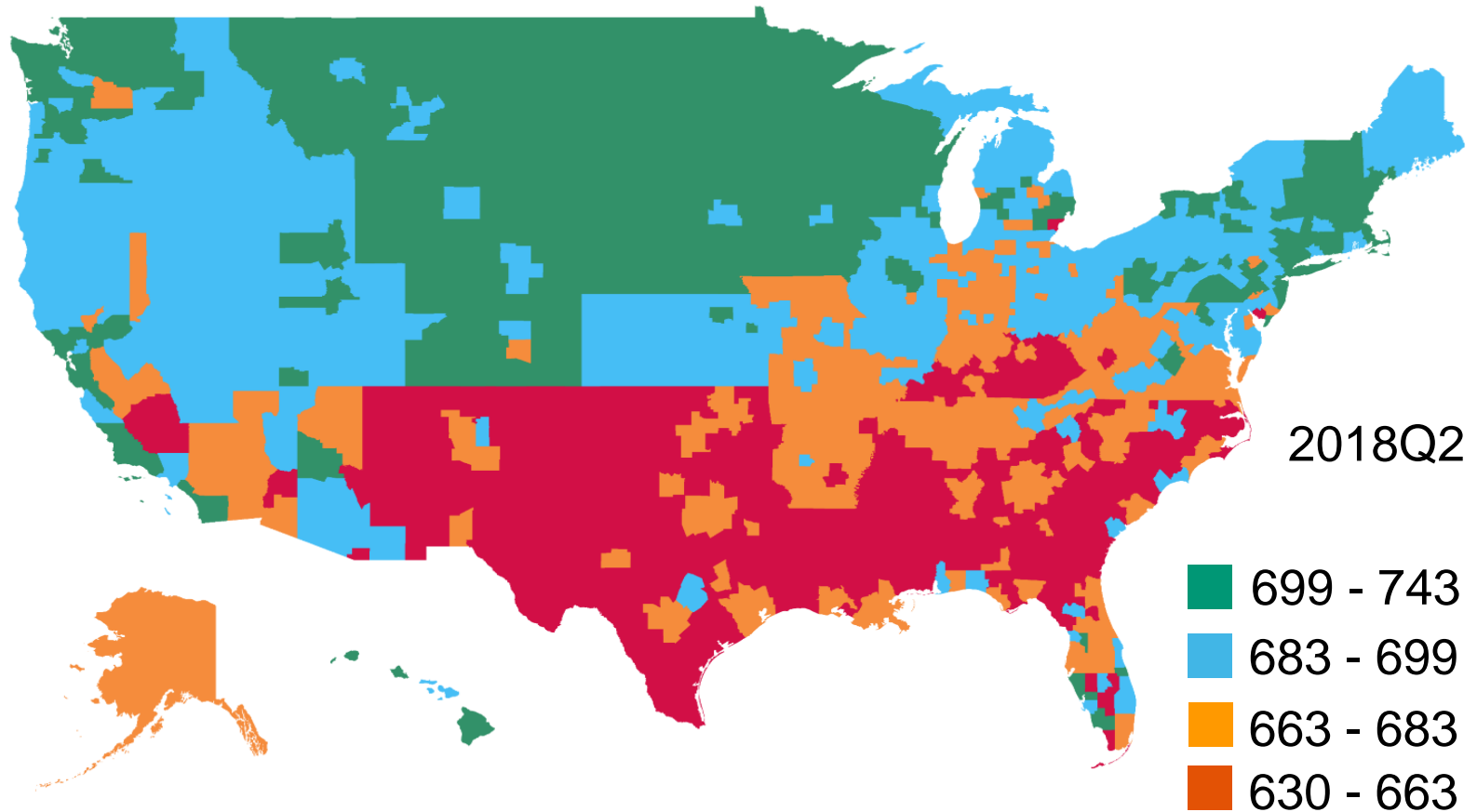
Total originations by credit score by qtr, accounts, mil, 12-mo MA



Sources: Equifax, Moody's Analytics

Credit Scores High but Differ Regionally

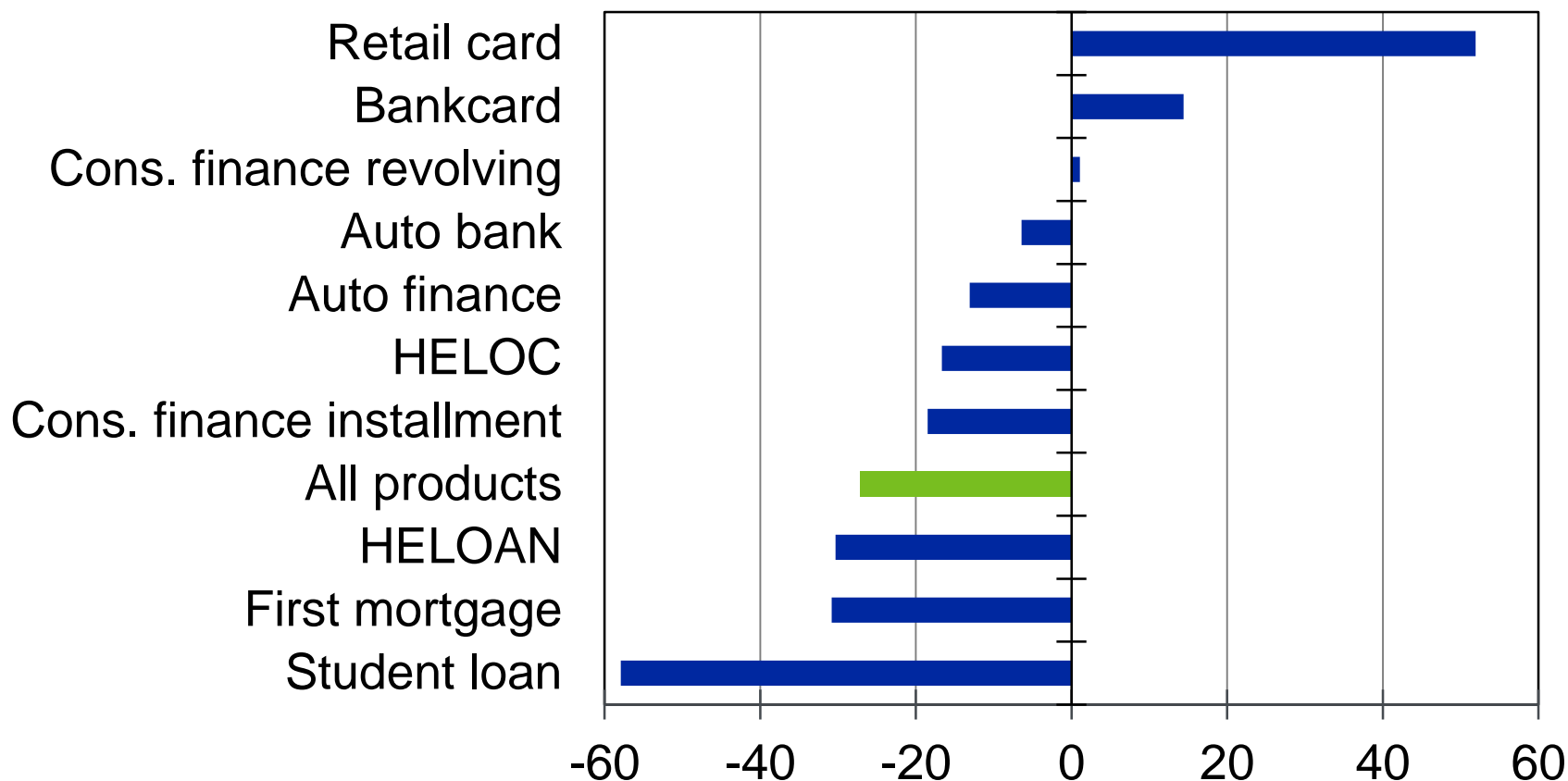
Average Vantage Credit Score



Sources: Equifax, Moody's Analytics

Improvement Not Uniform Across Products

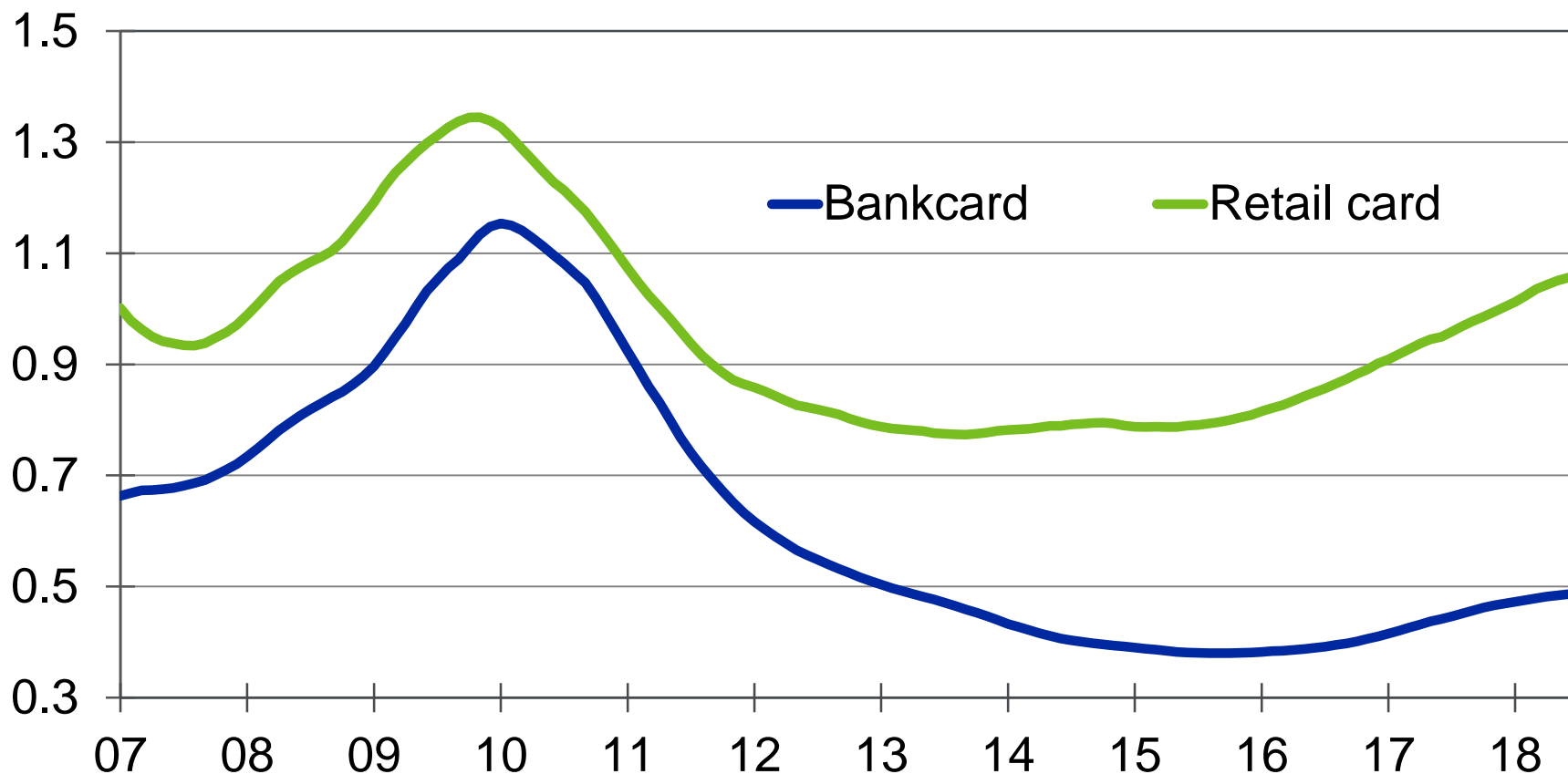
Annual change in total \$ delinquency rate, 2018Q2, bps



Sources: CreditForecast.com, Moody's Analytics

Card Delinquencies Rise

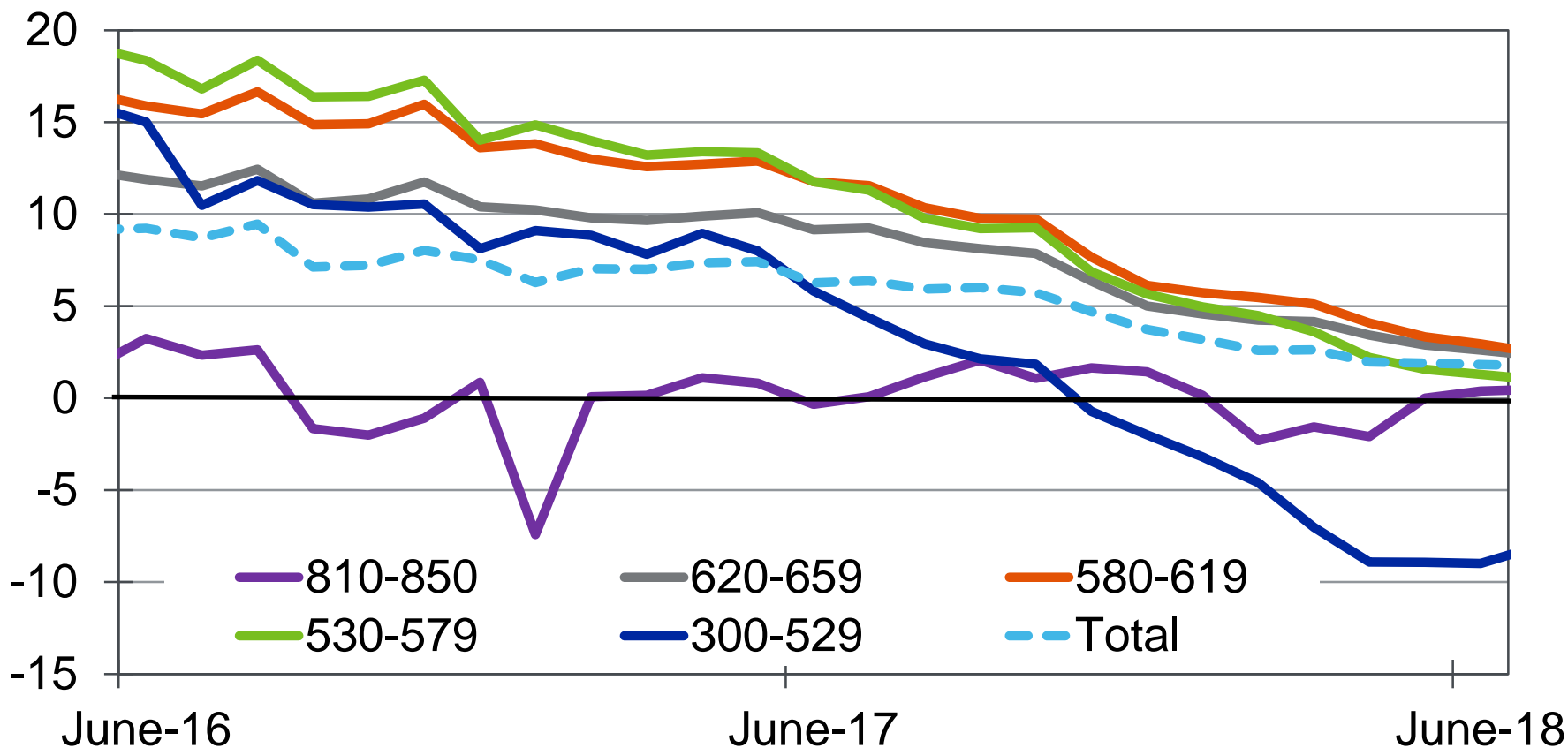
90 days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

Retail Cards Expected to Stabilize

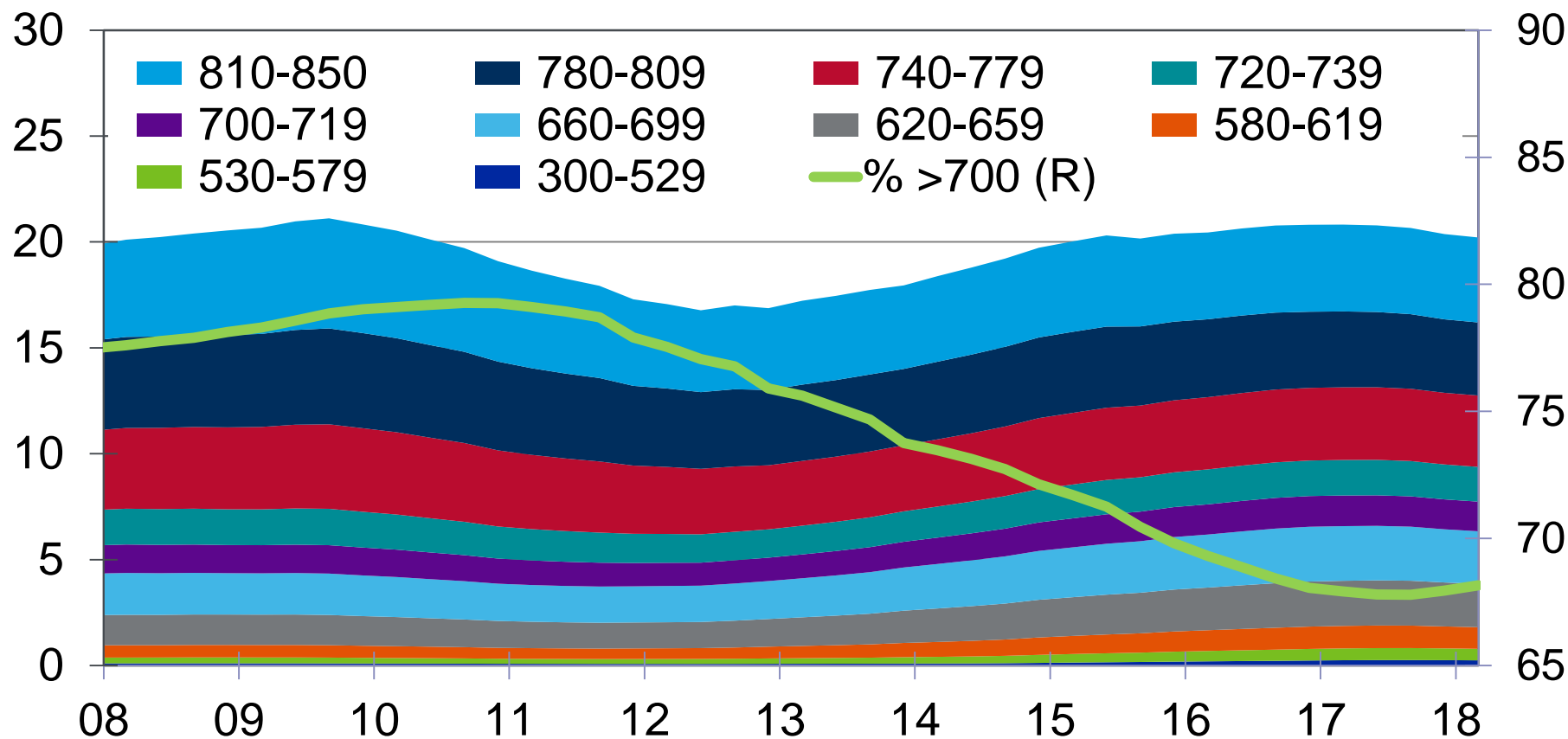
Retail card outstanding \$ by credit score, % change yr ago



Sources: Equifax, Moody's Analytics

Retail Card Originations Stabilizing

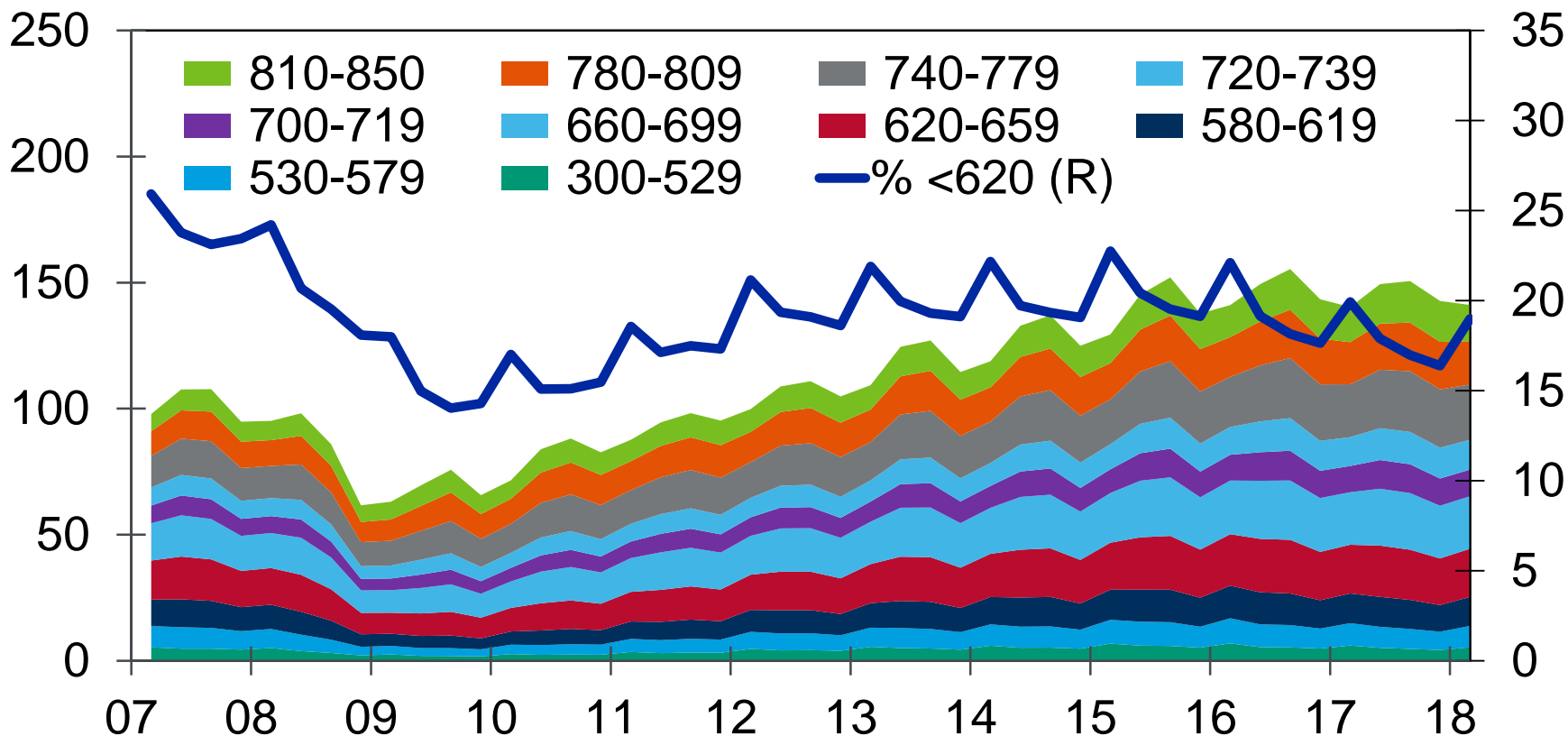
Origination volume by Vantage score 3.0, \$ bil, 12-mo MA



Sources: Equifax, Moody's Analytics

Auto Lenders Tightening Up

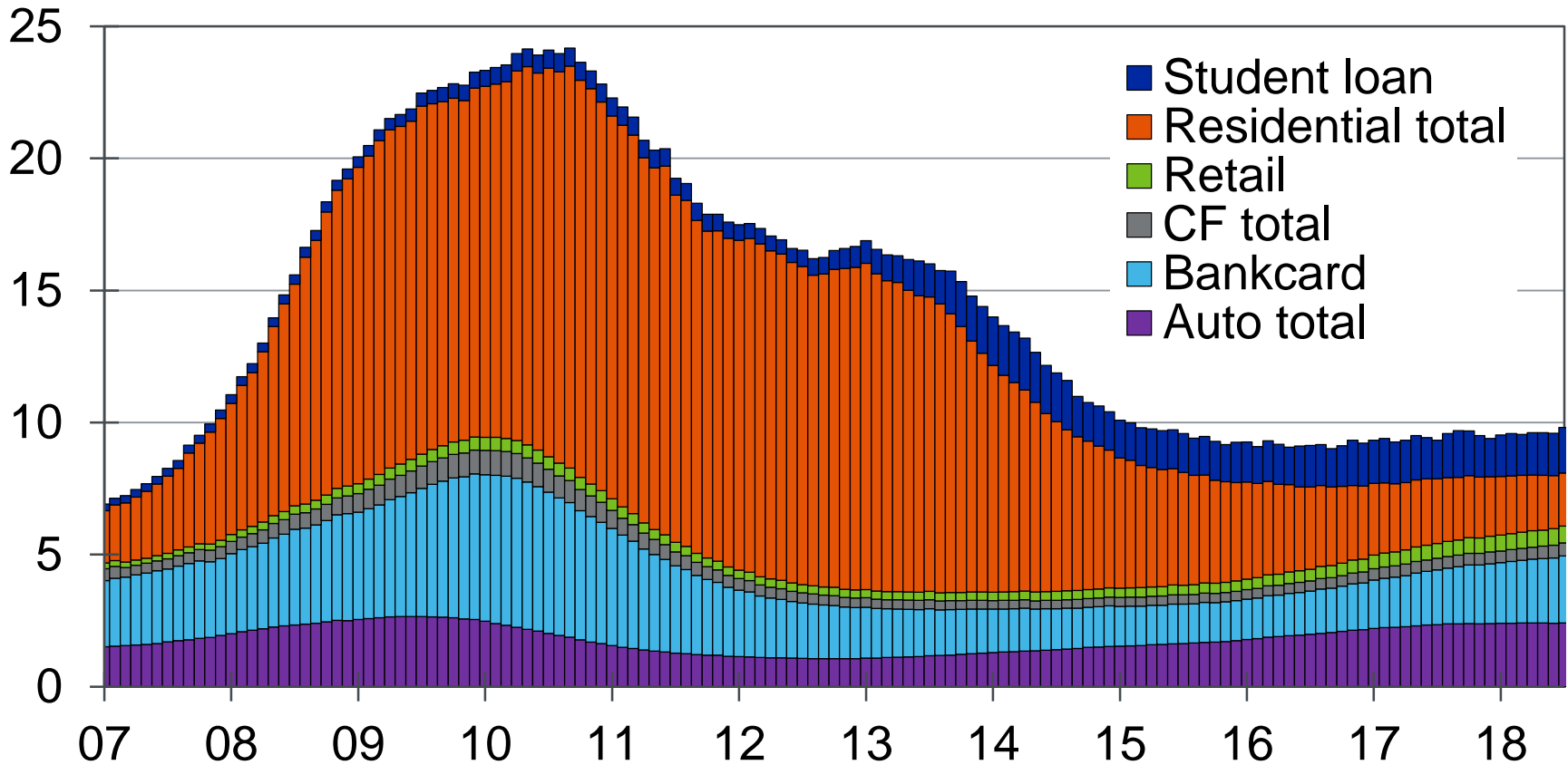
Origination volume by qtr by Vantage score 3.0, \$ bil



Sources: Equifax, Moody's Analytics

Consumer Default Volumes Stabilize

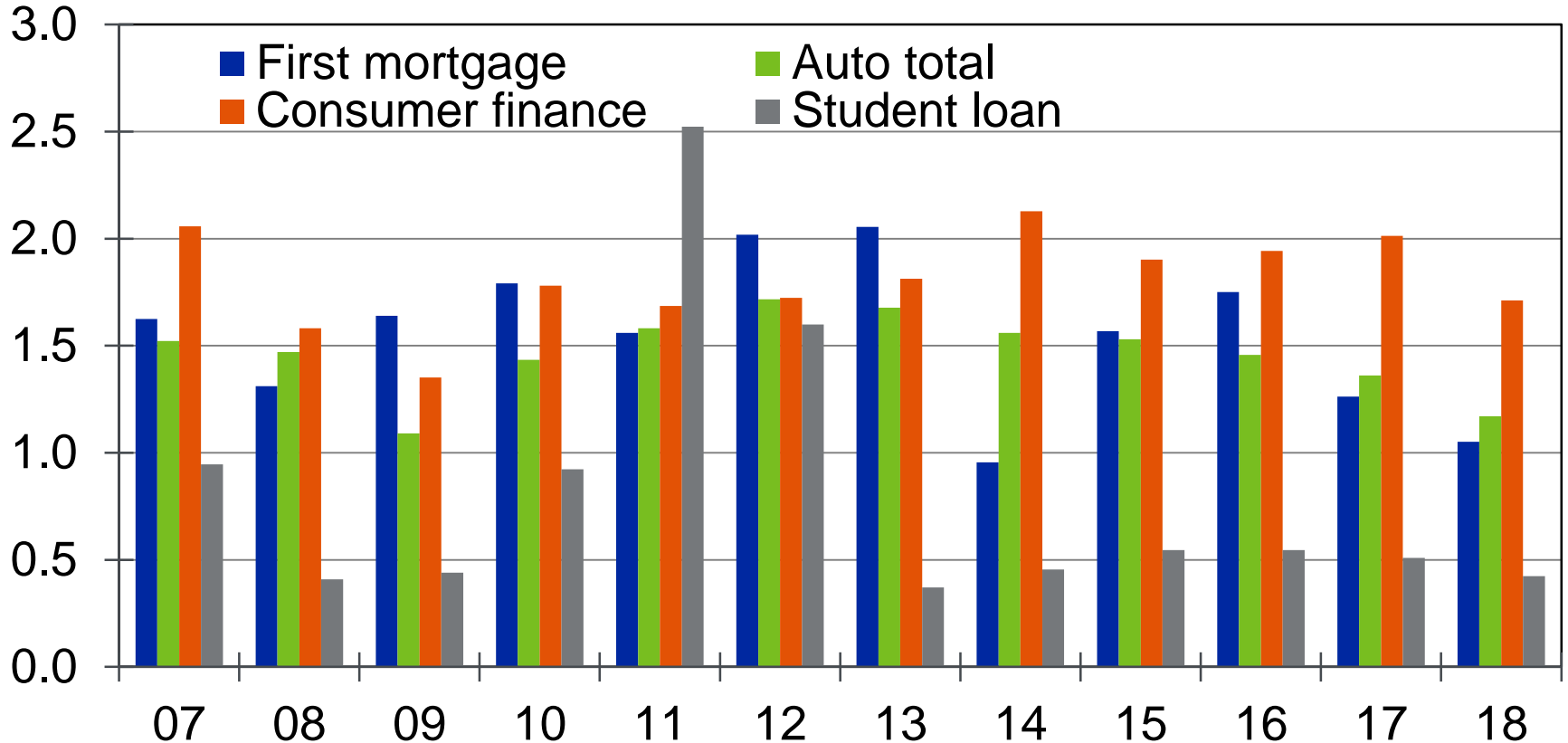
Default balances, \$ bil, 12-mo MA



Sources: Equifax, Moody's Analytics

Consumers Delay Pay Off

Closed positives, % of \$ balances, annual max.



Sources: Equifax, Moody's Analytics

Q&A

Additional questions?

Send an email to help@economy.com or contact:

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Director

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Upcoming CECL Events

- » September 20, 2018 | CECL Briefing – Washington, D.C.
- » October 16, 2018 | CECL Webinar: Off the Shelf Modeling Applications

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