



FEDERAL RESERVE BANK *of* NEW YORK

# Trends in Household Borrowing and Delinquency

Joelle Scally, Federal Reserve Bank of NY

CDIAC, October 2 2018

The views presented here are those of the authors and do not necessarily reflect those of the Federal Reserve Bank of New York, or the Federal Reserve System



# New York Fed Consumer Credit Panel (CCP)

- Acquired in 2008 in response to financial crisis
- Based on Equifax credit reports
- Features of credit report data
  - 5% representative sample of US credit report holders in any given quarter. 1999Q1-2018Q2. (now 13.4 million individuals)
  - Little reporting lag
  - Comprehensive look at consumer debts, delinquency, collections, bankruptcy.
  - Includes:
    - Mortgage
    - HELOC
    - Auto
    - Credit Cards
    - Student Loans
  - Includes borrower age, location



# Quarterly Report on Household Debt & Credit

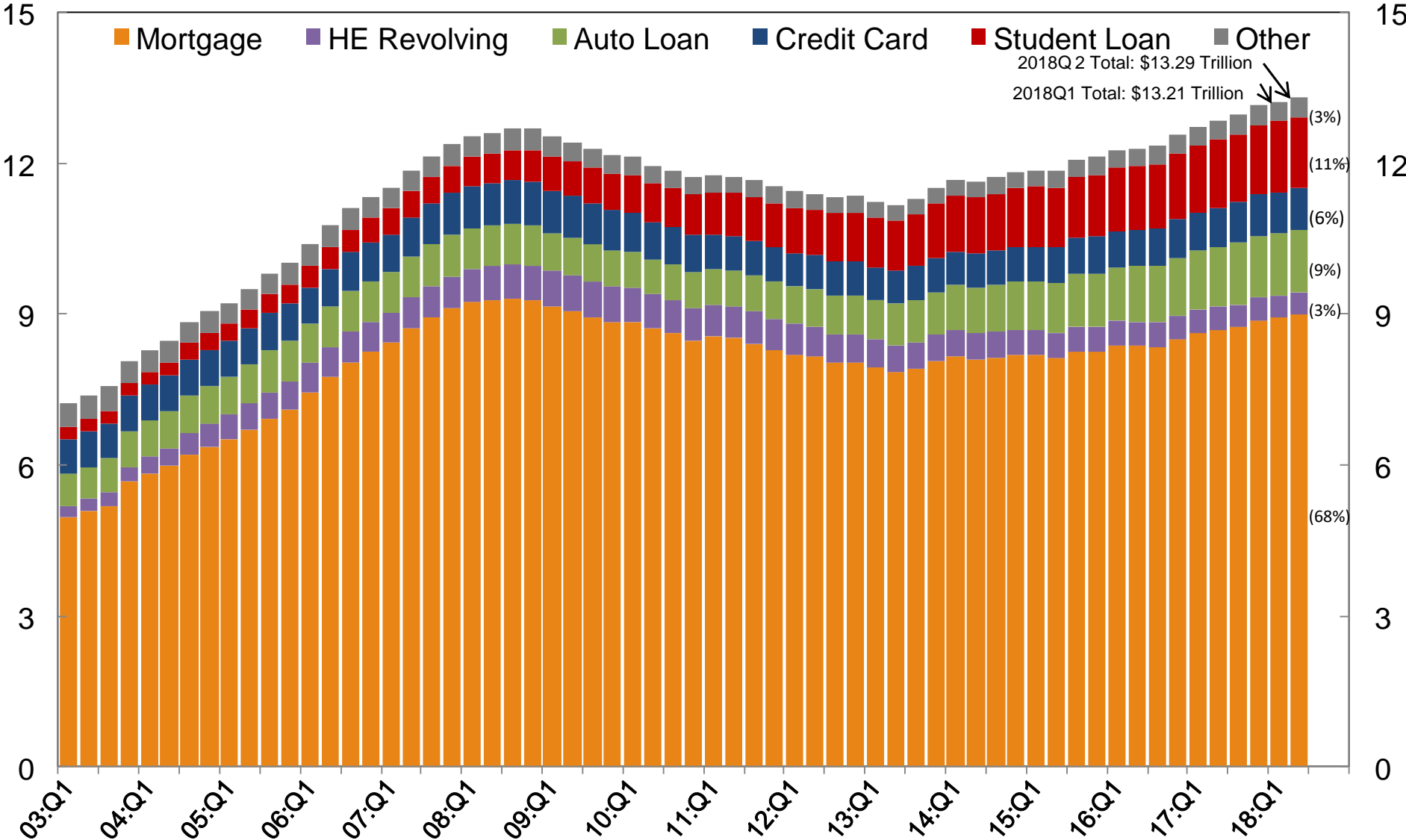
- Quarterly, comprehensive look at picture of household borrowing, delinquency, and other credit report outcomes from New York Fed's *Center for Microeconomic Data*
- Released only 6 weeks after quarter ends;
  - Q3 2018 to be released November 15
  - [www.newyorkfed.org/microeconomics/hhdc.html](http://www.newyorkfed.org/microeconomics/hhdc.html)
- Some measures at the state and regional level are available at lower frequencies on our website
- Report is based on data from our Consumer Credit Panel



# Total Debt Increasing after Post-Recession Deleveraging

Trillions of Dollars

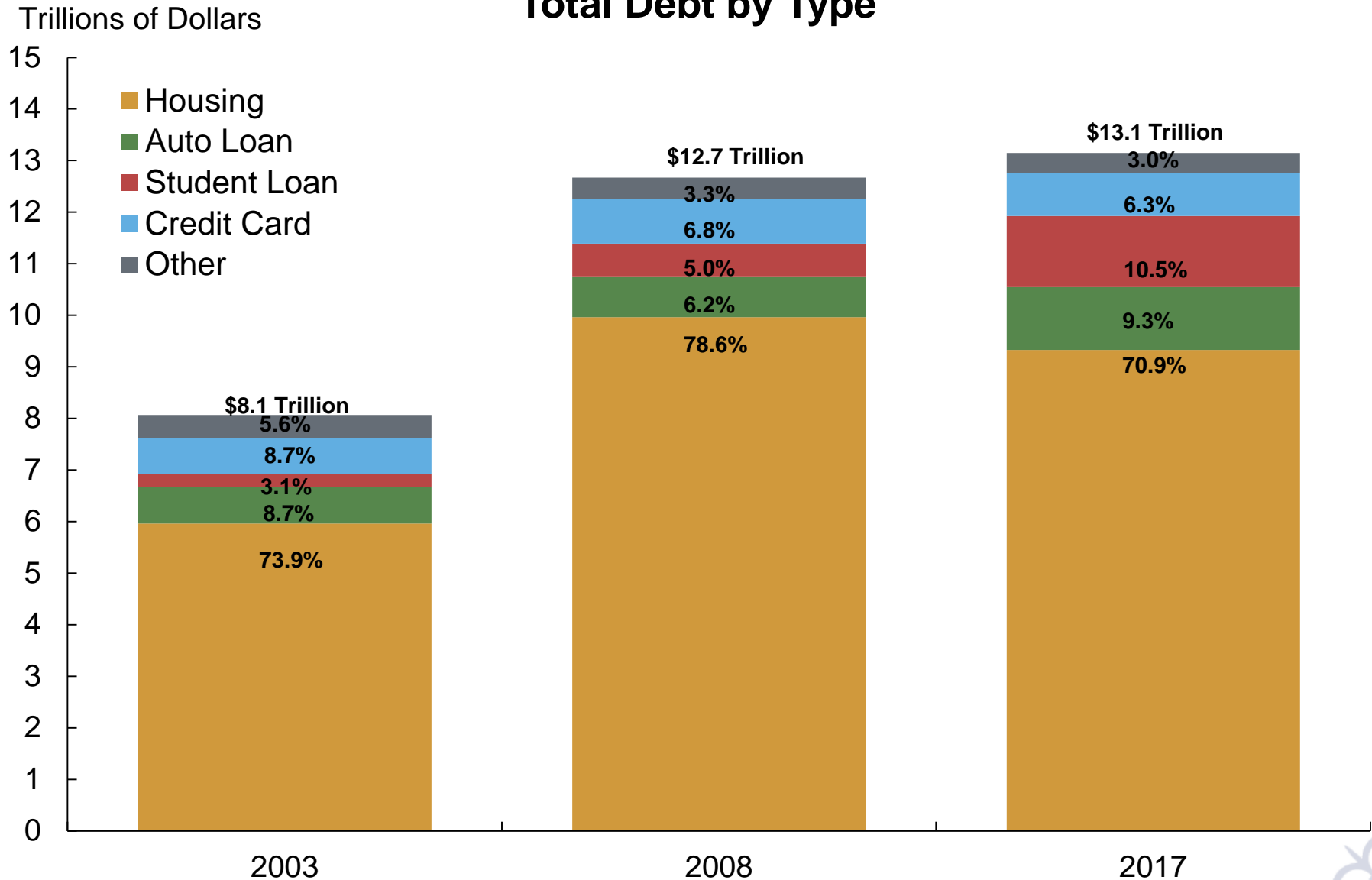
Trillions of Dollars



Source: New York Fed Consumer Credit Panel/Equifax

# New Composition: Housing Debt is \$900B Below 2008 Peak Student and Auto Debt up \$700B and \$375B

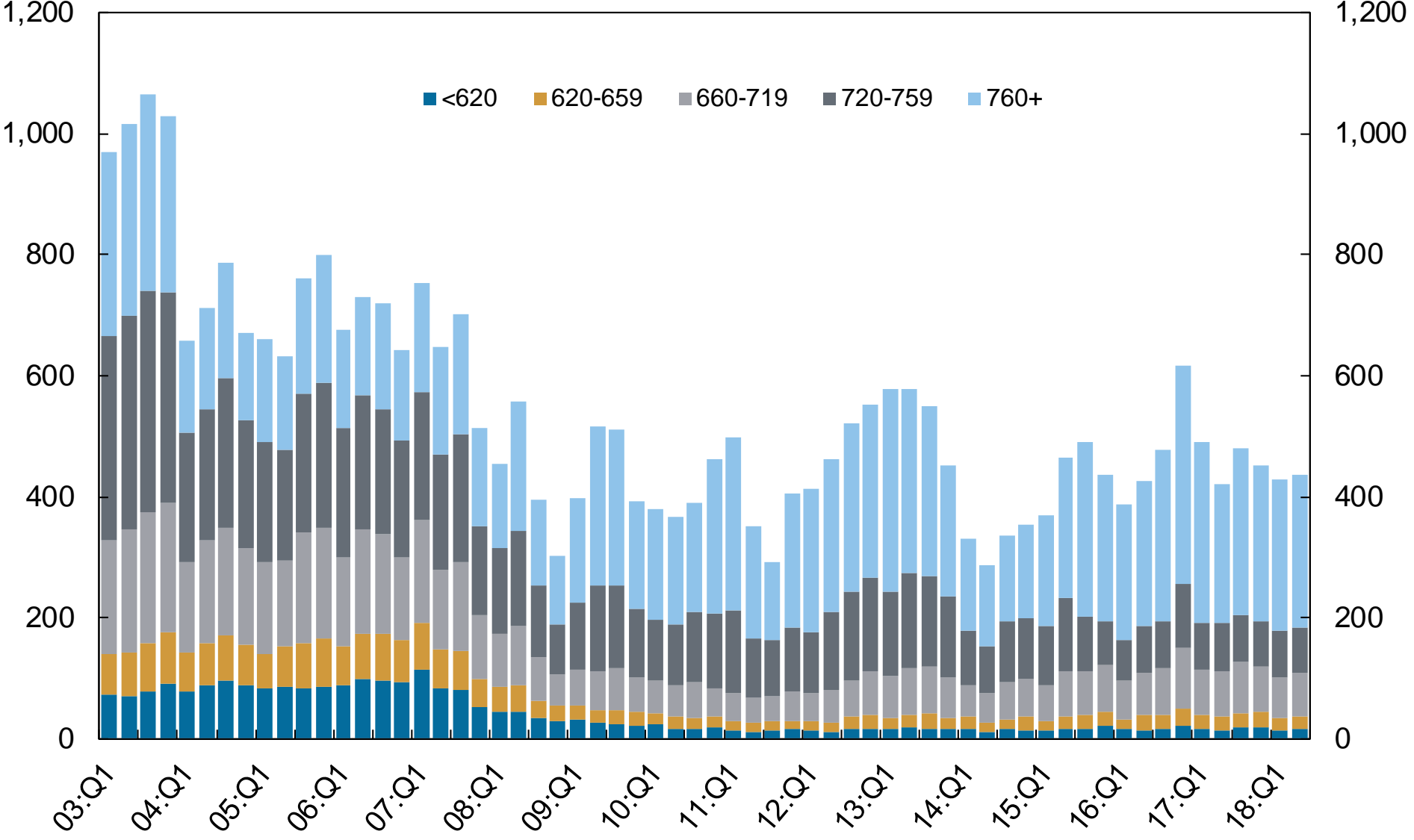
## Total Debt by Type



# Mortgage Originations by Credit Score\*

Billions of Dollars

Billions of Dollars



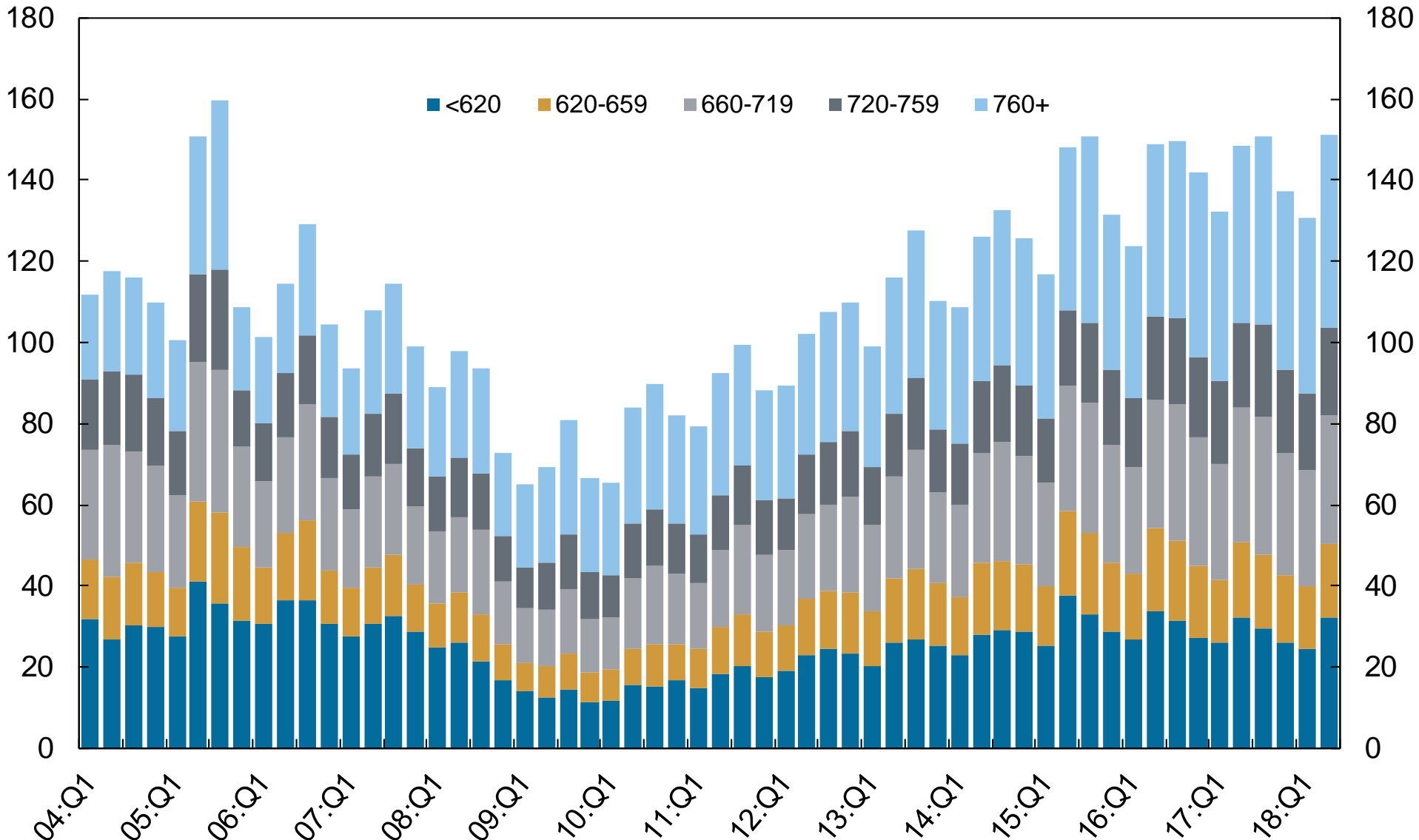
Source: New York Fed Consumer Credit Panel/Equifax  
 \* Credit Score is Equifax Riskscore 3.0



# Auto Loan Originations by Credit Score\*

Billions of Dollars

Billions of Dollars

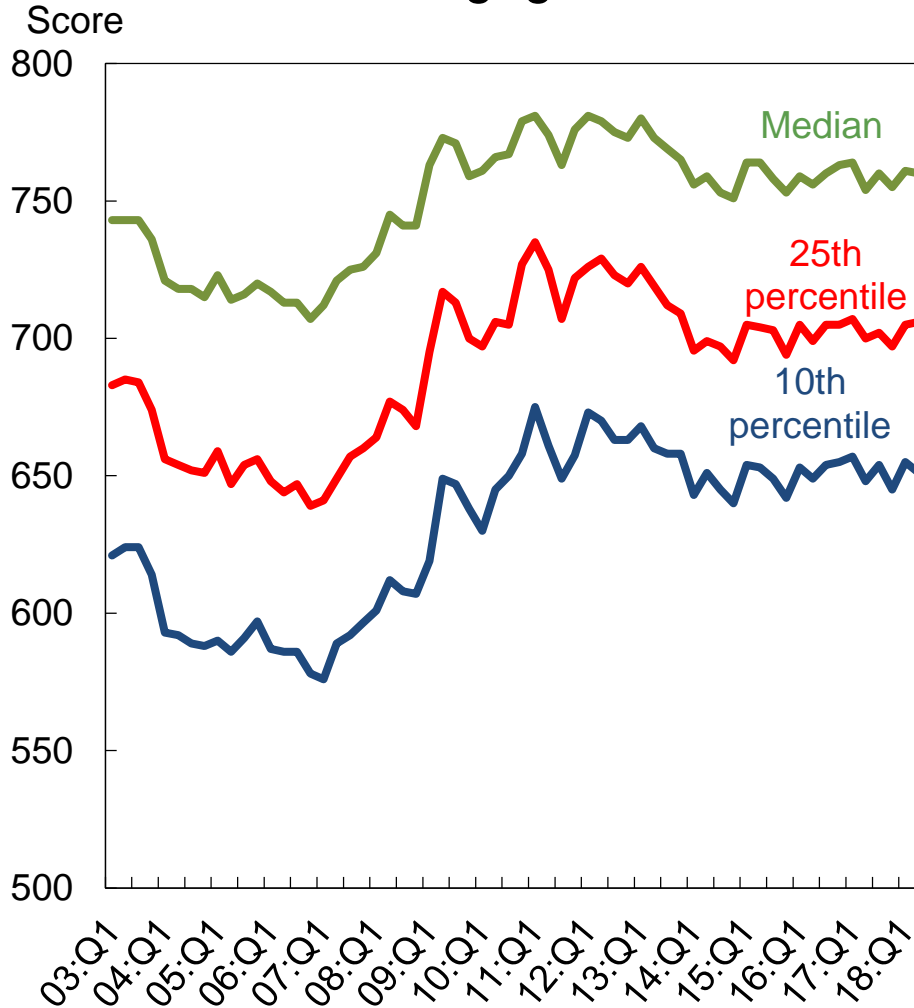


Source: New York Fed Consumer Credit Panel/Equifax  
\* Credit Score is Equifax Riskscore 3.0

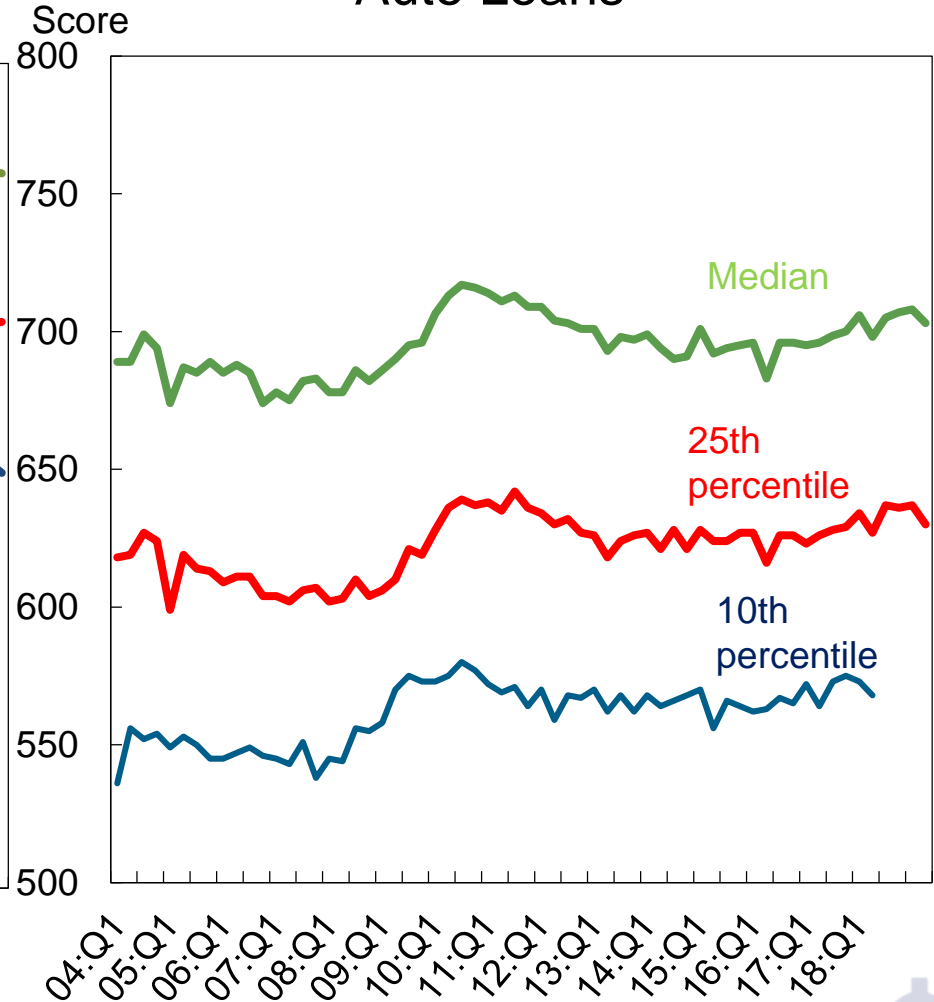
# Mortgage Underwriting Tight; Contrast with Autos

## Credit Score at Origination

### Mortgages



### Auto Loans



Source: New York Fed Consumer Credit Panel/Equifax

\* Credit Score is Equifax Riskscore 3.0;

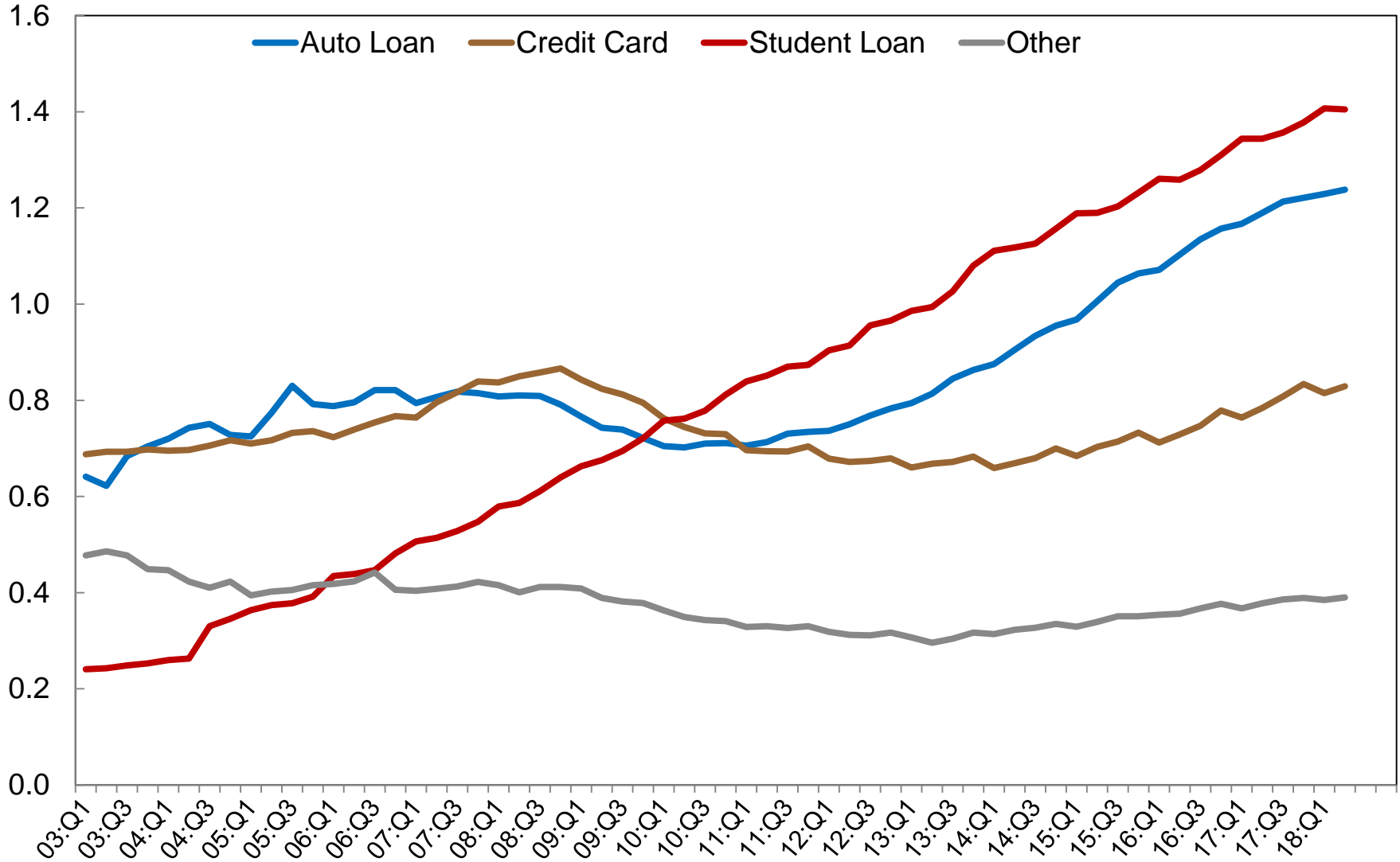




# Growth Trends Vary in Non-Housing Debt

Trillions of Dollars

Trillions of Dollars



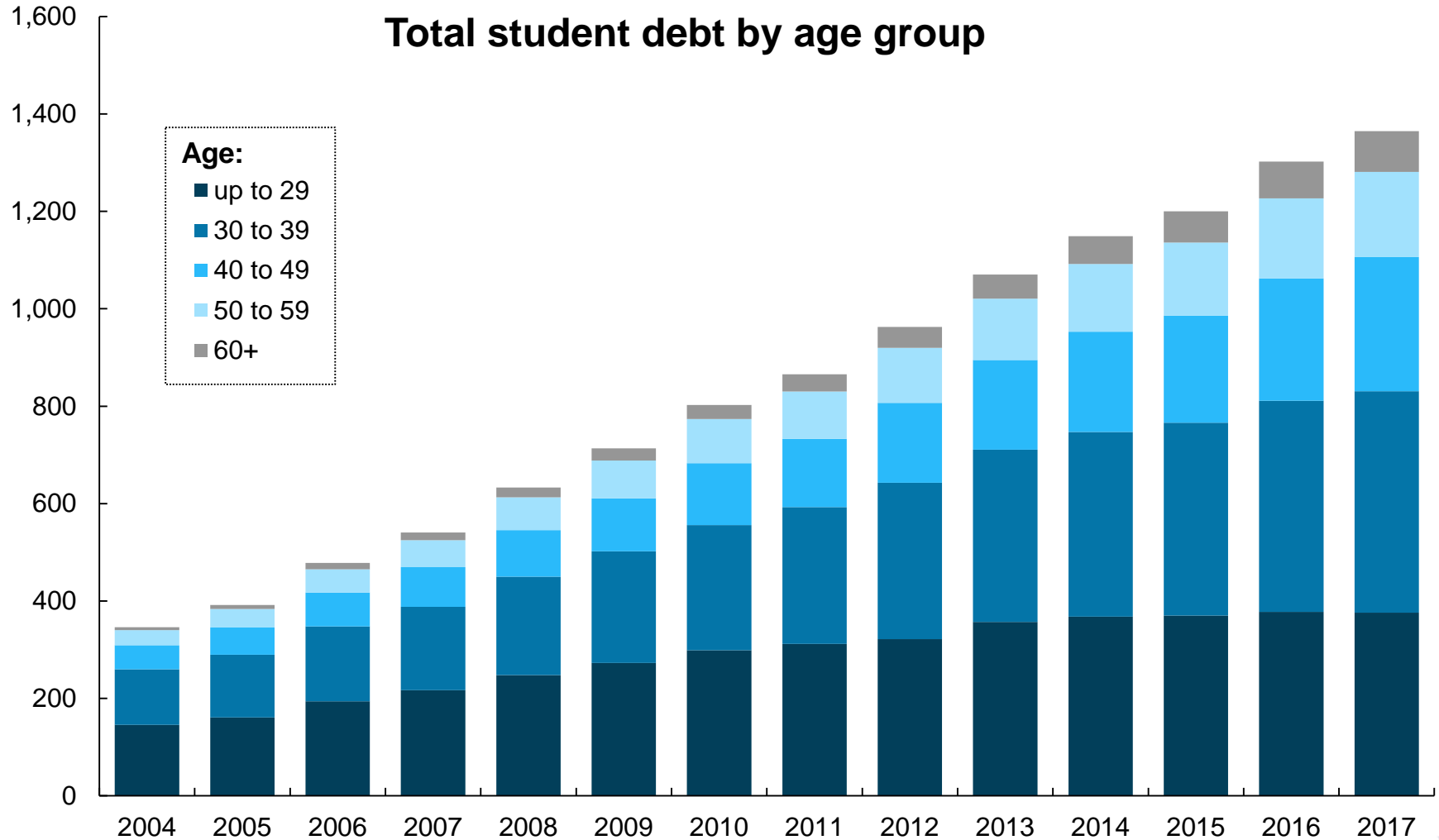
Source: New York Fed Consumer Credit Panel/Equifax



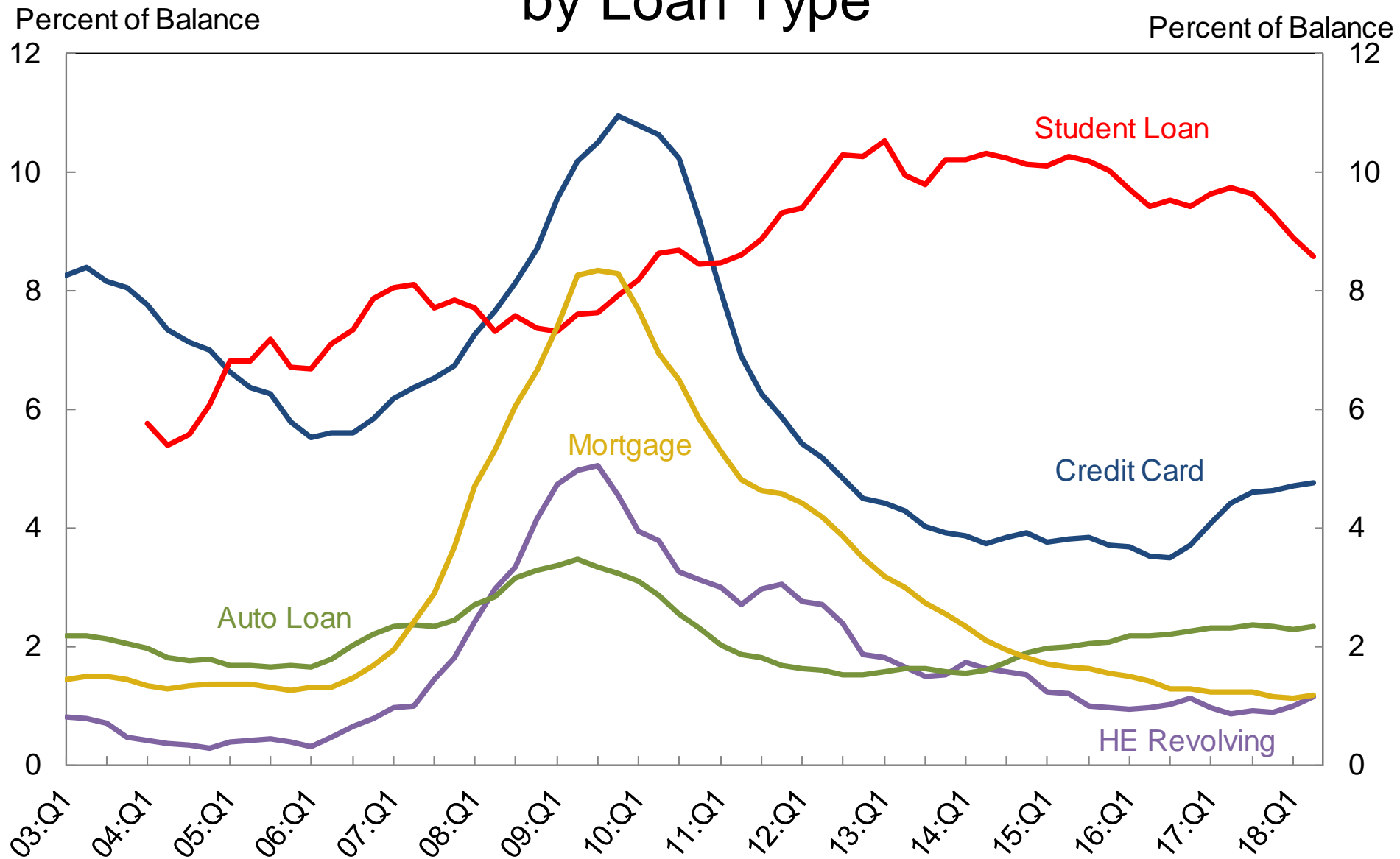
# Student Debt Grows Among Older and Younger Borrowers Alike

Billions of Dollars

## Total student debt by age group



# Transition into Serious Delinquency (90+) by Loan Type



Note: 4 Quarter Moving Sum

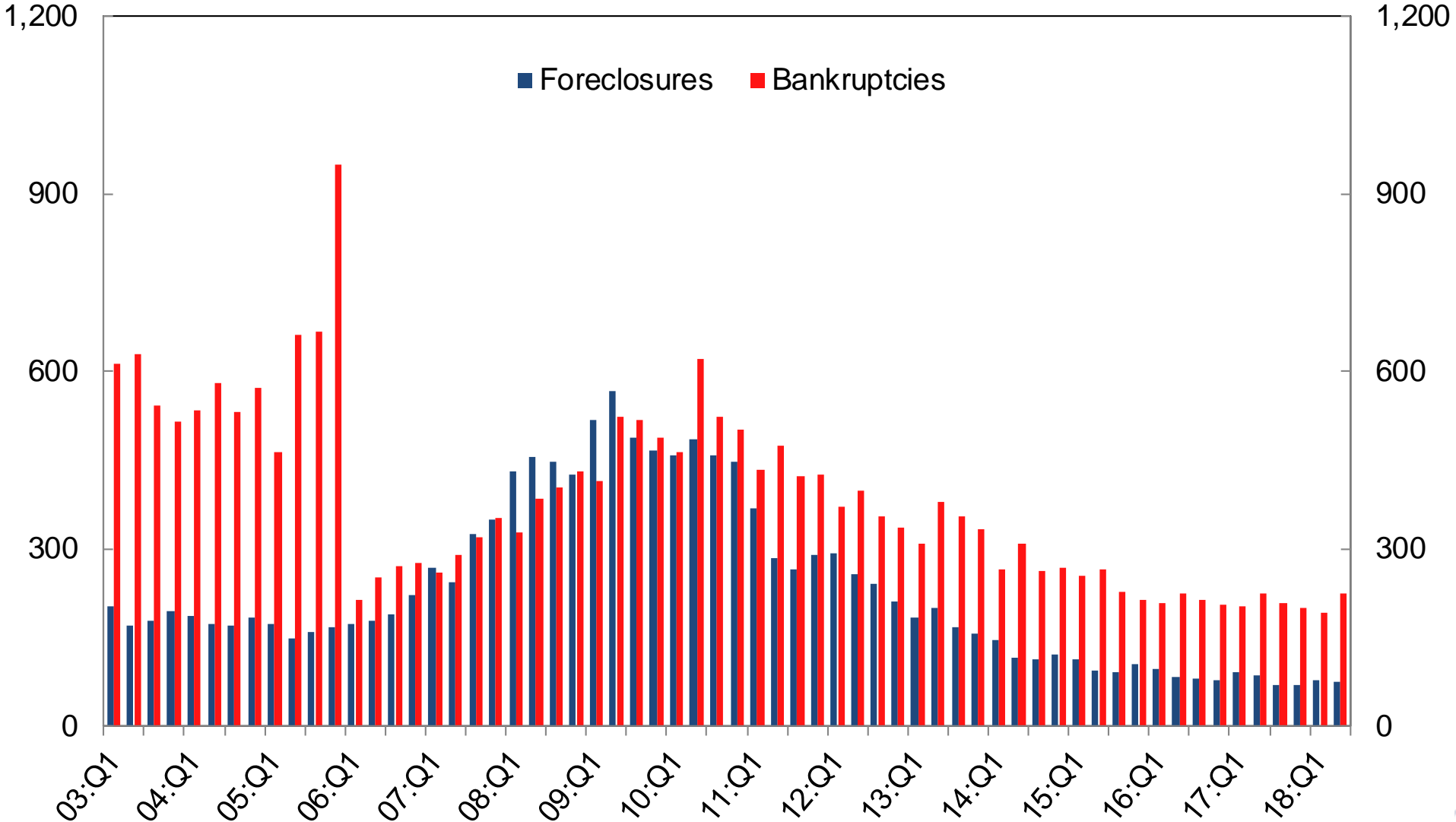
Student loan data are not reported prior to 2004 due to uneven reporting

Source: New York Fed Consumer Credit Panel/Equifax

# Number of Consumers with New Foreclosures and Bankruptcies

Thousands

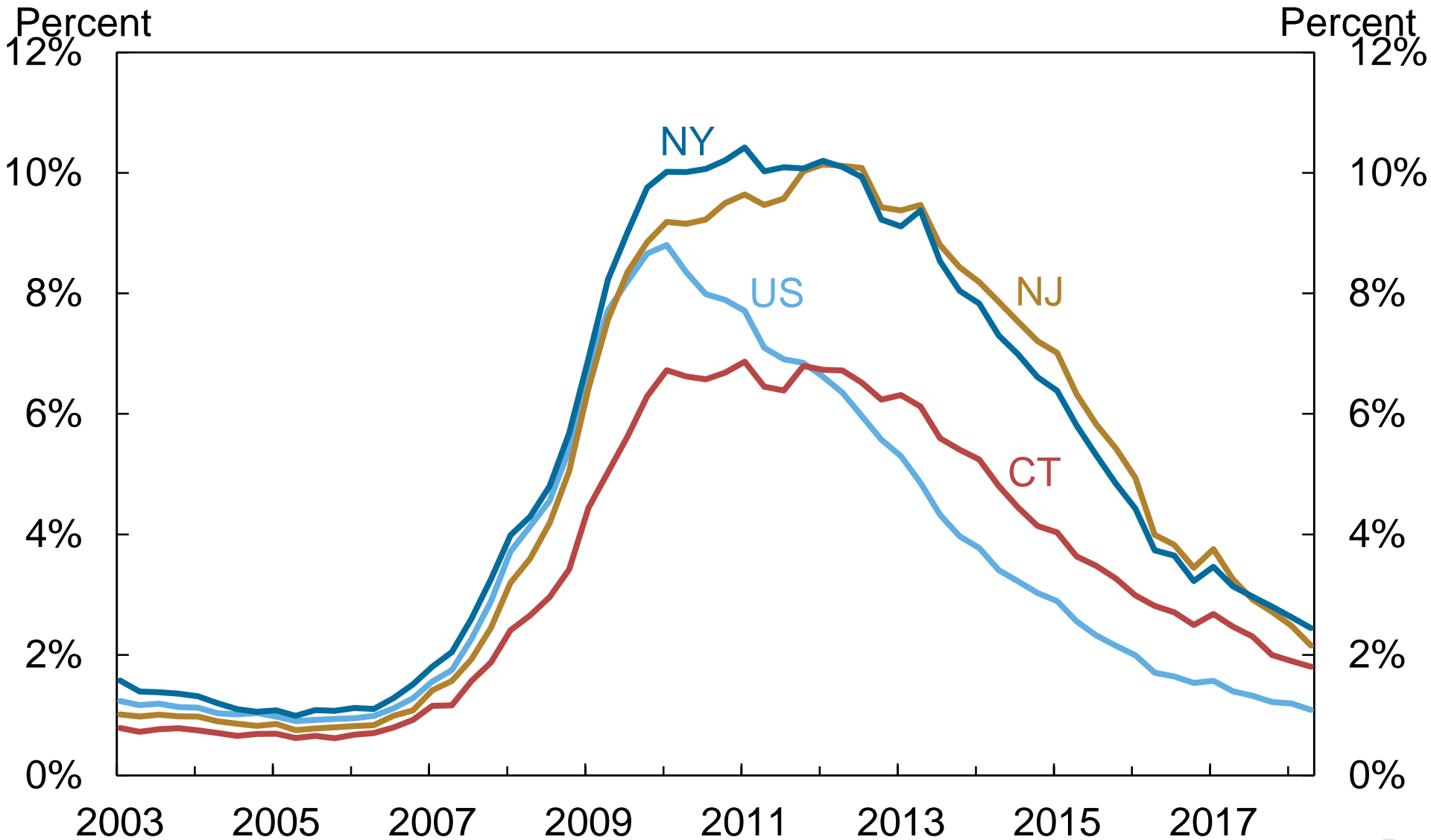
Thousands



Source: New York Fed Consumer Credit Panel/Equifax

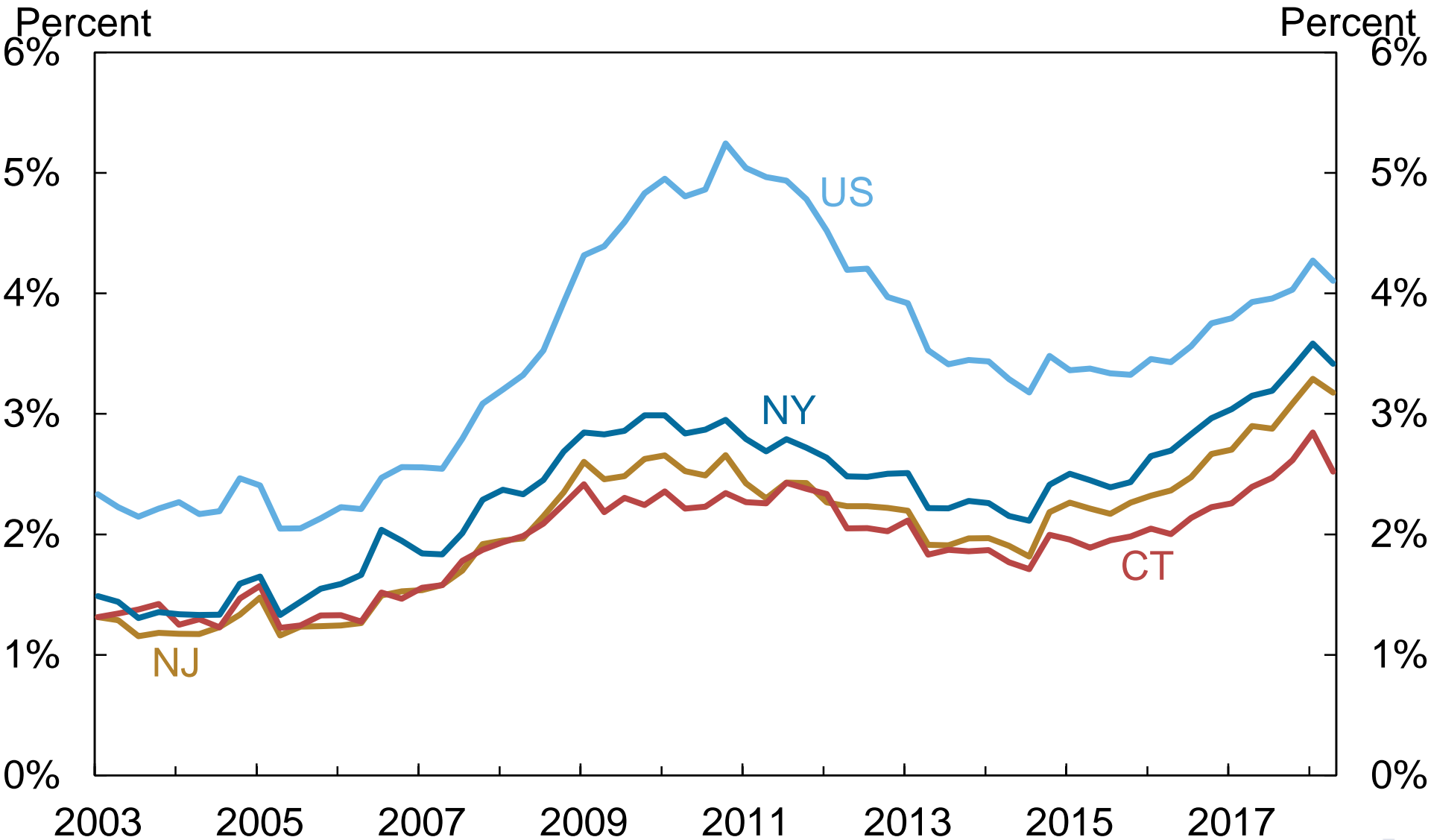


# Percent of Mortgage Balance 90+ Days Late



Source: FRBNY Consumer Credit Panel / Equifax

# Percent of Auto Balance 90+ Days Late



Source: FRBNY Consumer Credit Panel / Equifax

# Percent of Credit Card Balance 90+ Days Late

