



# CONSUMER CREDIT TRENDS US, FLORIDA REAL ESTATE LENDING

July 14, 2016

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Equifax Financial Services Group - Florida



# Agenda

- › Scoring Model Update
- › Consumer Credit Products
- › First Mortgage Lending
- › Home Equity Line Lending
- › Credit Trends & SmartView
- › Notes

Data as of May 2016

# Score Update

## › FICO 9

- Latest FICO model released in Q4 2015. Adds new logic around the weighting of paid collection items and medical collections.

## › FICO XD

- No-Hit/Underbanked model leveraging Equifax's TELCO & Utilities database as well as LexusNexus data.

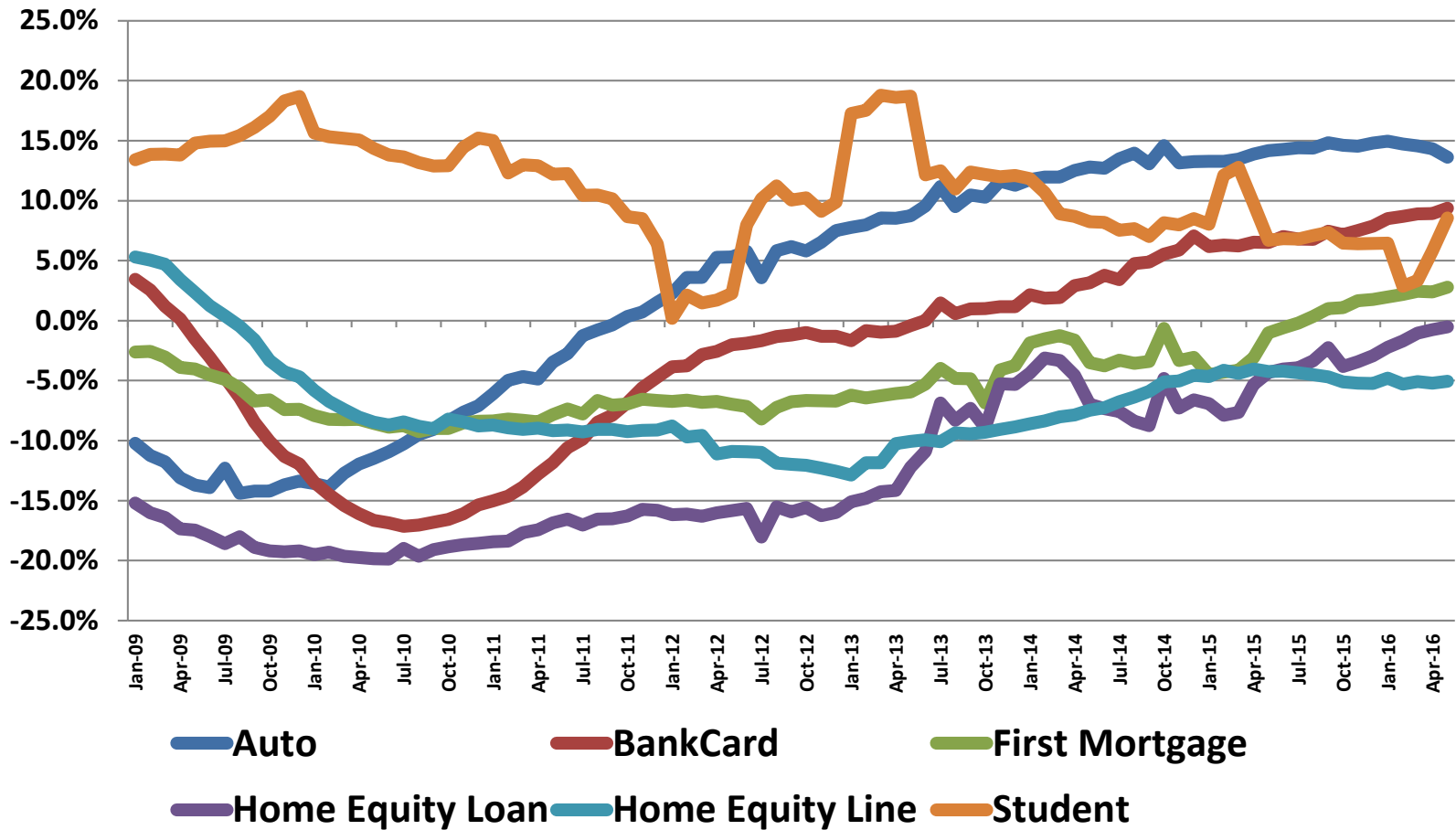
## › PowerView

- Equifax model leveraging Equifax and LexusNexus alternative data designed specifically for automotive lending

Data as of May 2016

# Growth Rates by Product - Florida

Yr/Yr % Chg - \$ of Outstanding Balances

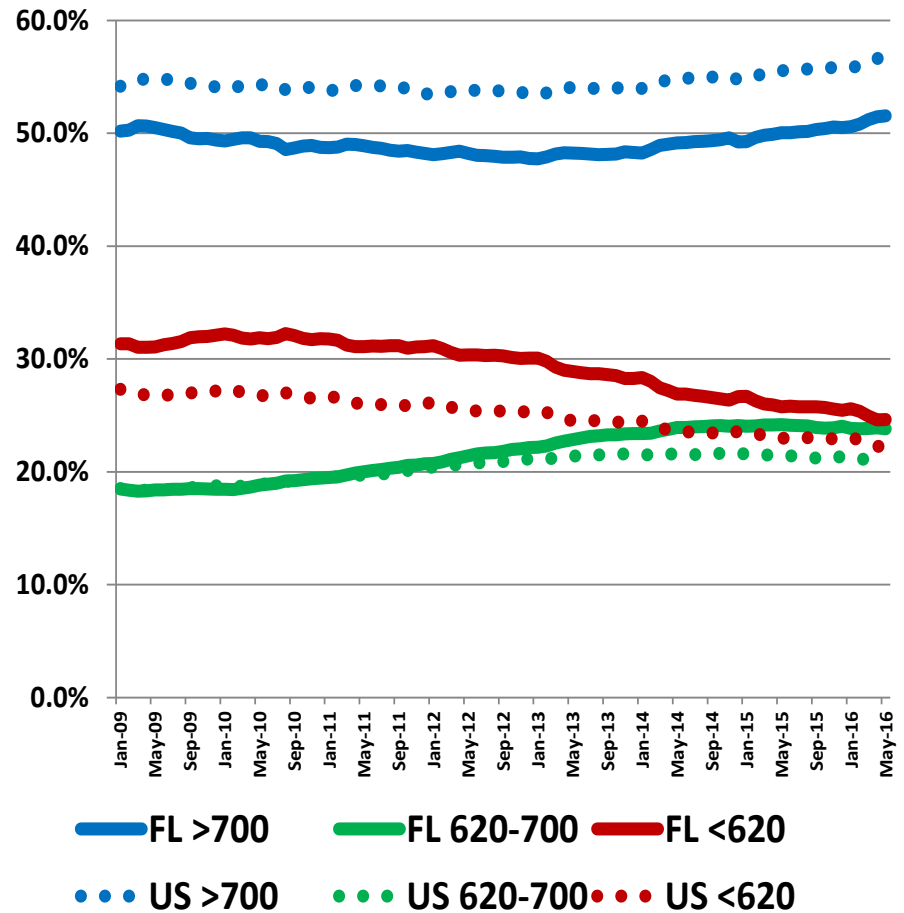
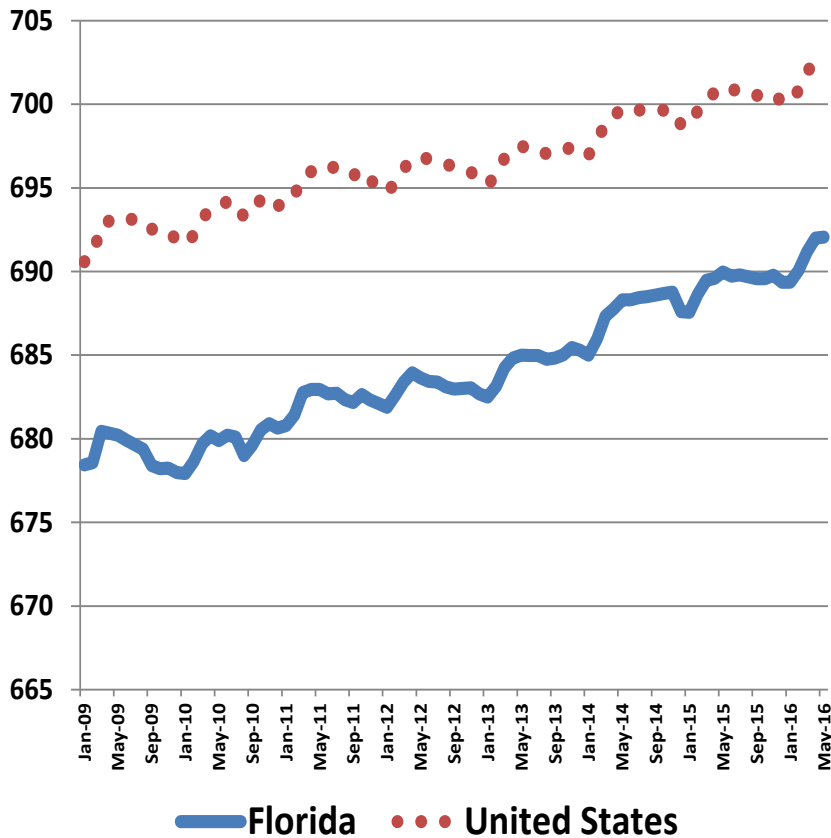


Source: Equifax Inc.

Data as of May 2016

# Equifax Risk Score – Florida, US

Average ERS 3.0  
% by ERS Range



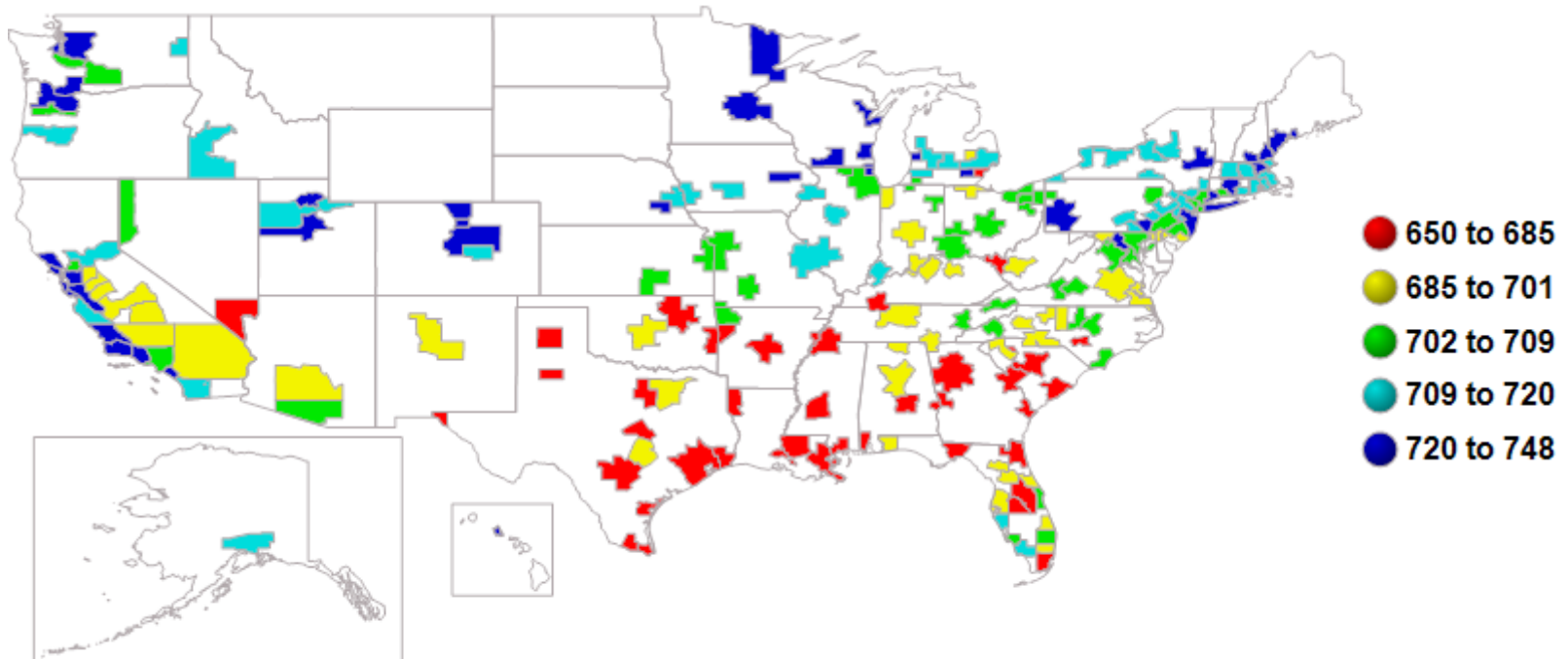
Source: Equifax Inc.

Data as of May 2016

# Equifax Risk Score

MSA level

Average ERS 3.0



- › Equifax Credit Trends data is available by geography, including zip code & MSA levels
- › **FL County level score distribution available**

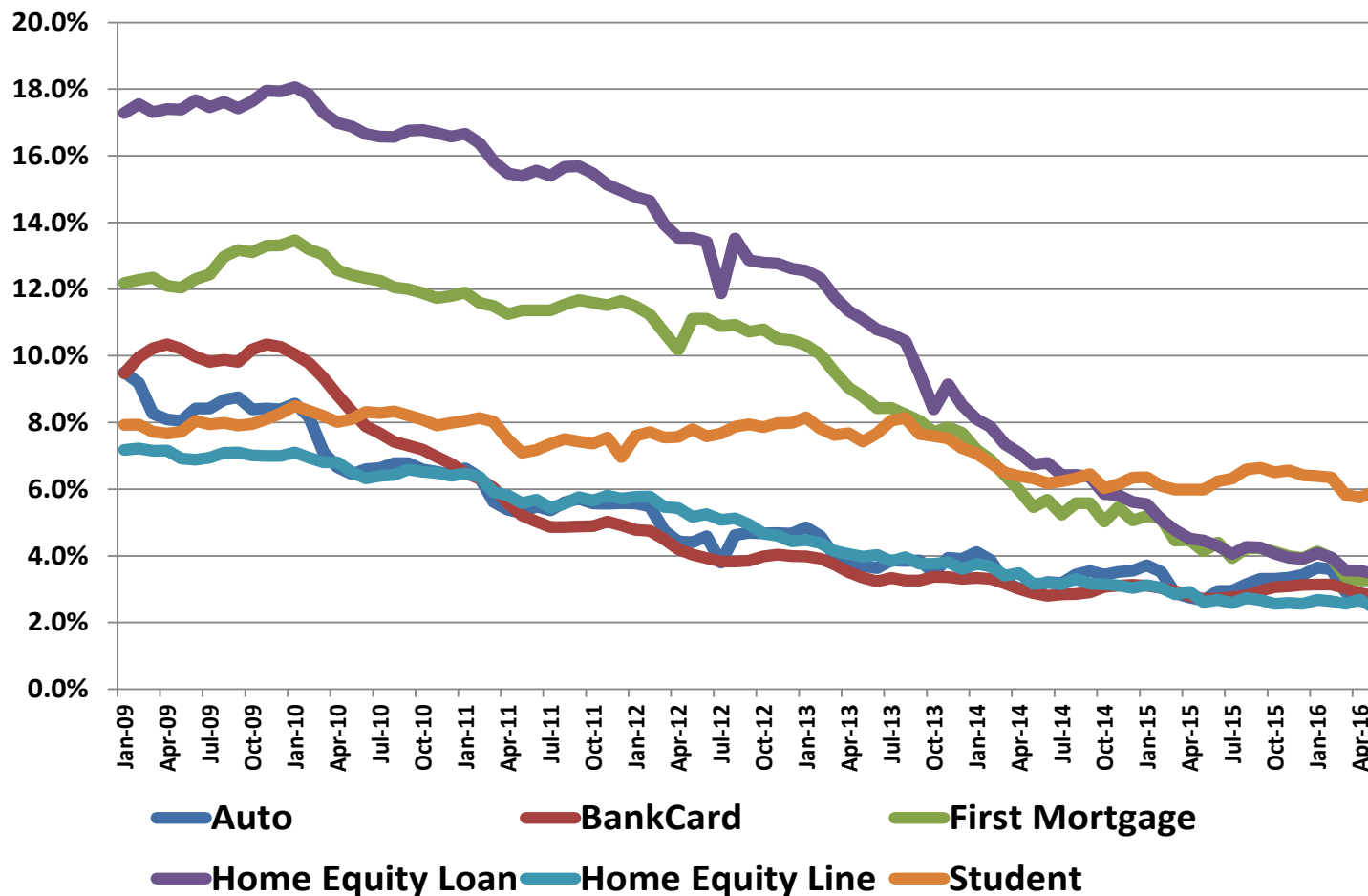
Source: Equifax Inc.

Data as of May 2016

# Delinquency Rates by Product - Florida

30+ Days Past Due

% of \$ Outstanding Balances



Source: Equifax Inc.

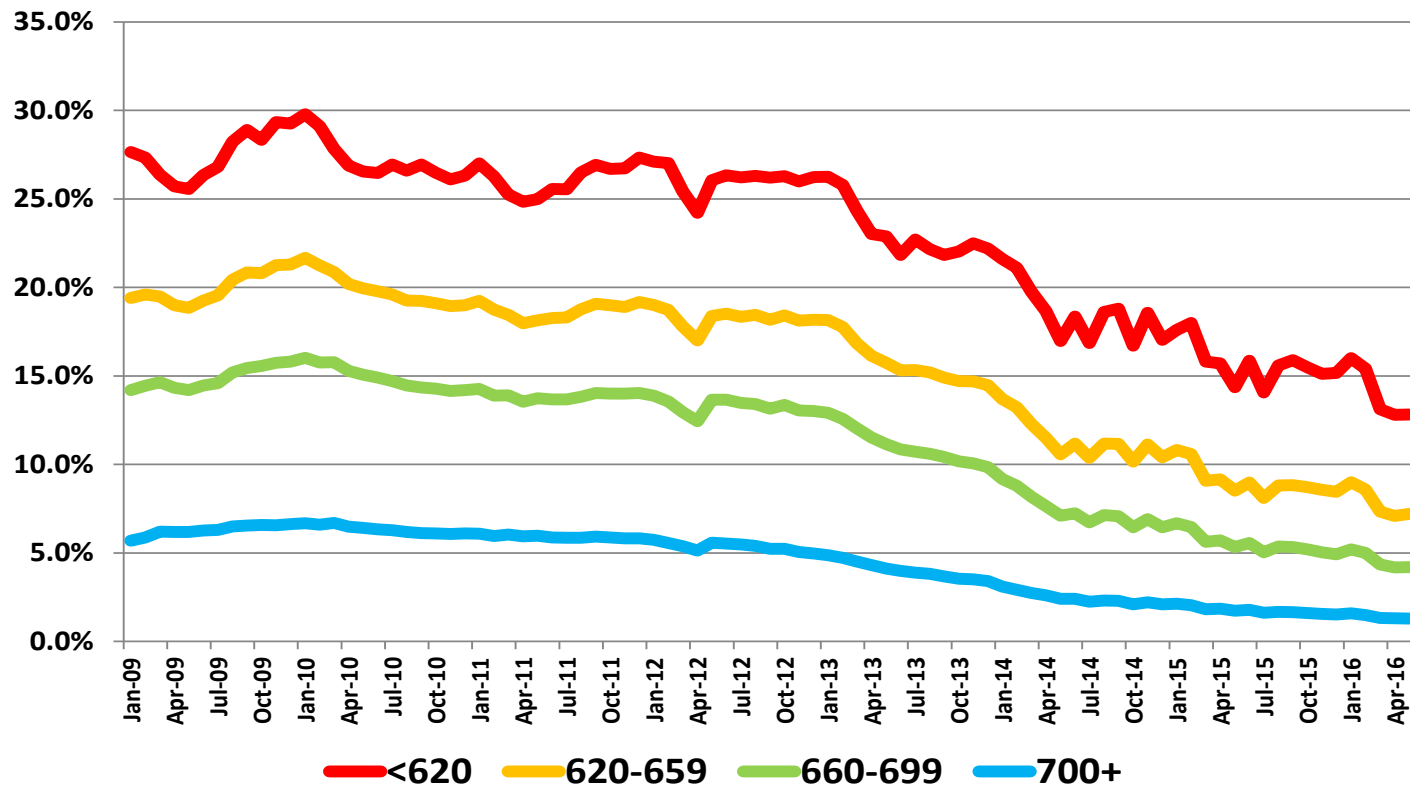
Data as of May 2016

## Mortgage Delinquency Rates by Origination Risk Score - Florida

30+ Days Past Due

% of \$ Outstanding Balances

First Mortgage and Home Equity Lines and Loans



› Risk scores rank order risk; good/bad odds shift over time

› Periodic score validations are recommended

Source: Equifax Inc.

Data as of May 2016

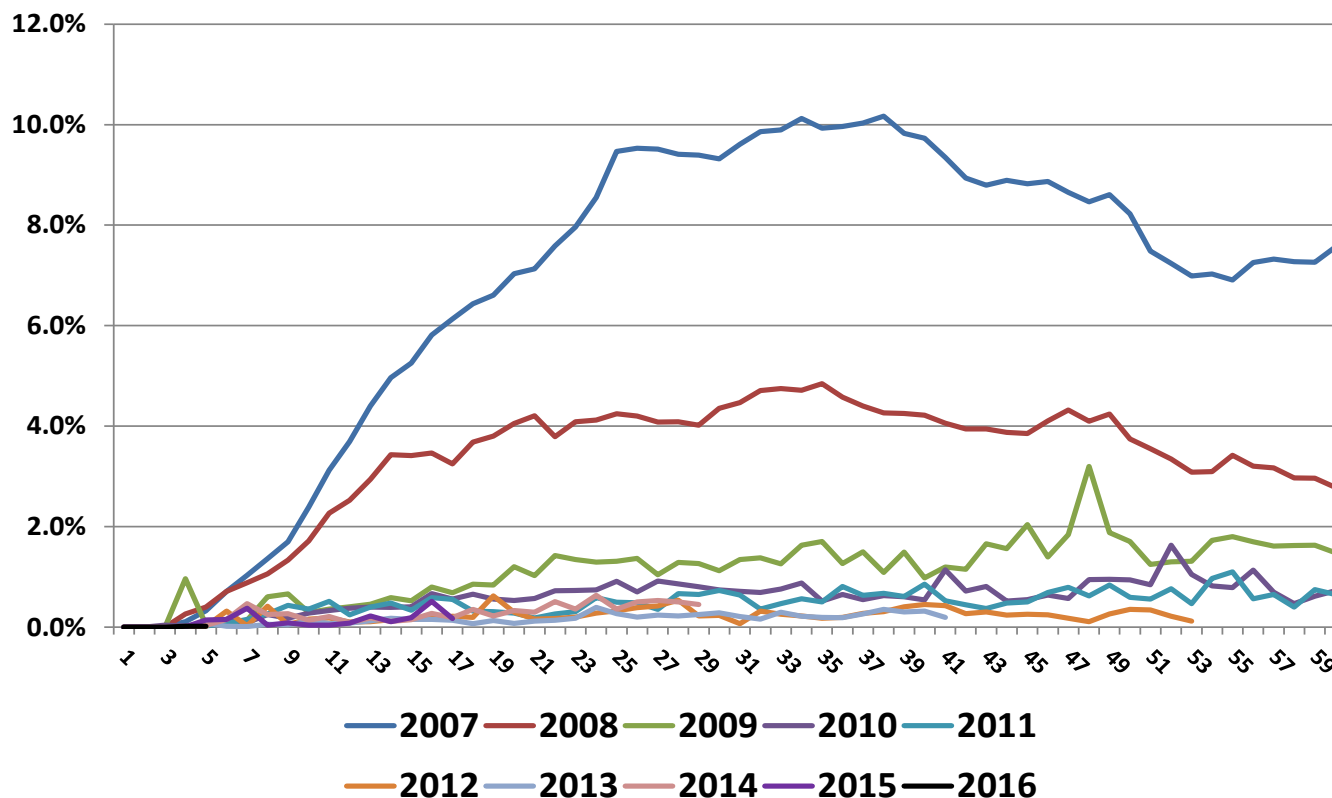


# HELOC Delinquency Rates By Vintage - Florida

30+ Days Past Due

% of \$ Outstanding Balances

Vintages from 1<sup>st</sup> Quarter 2007-2015



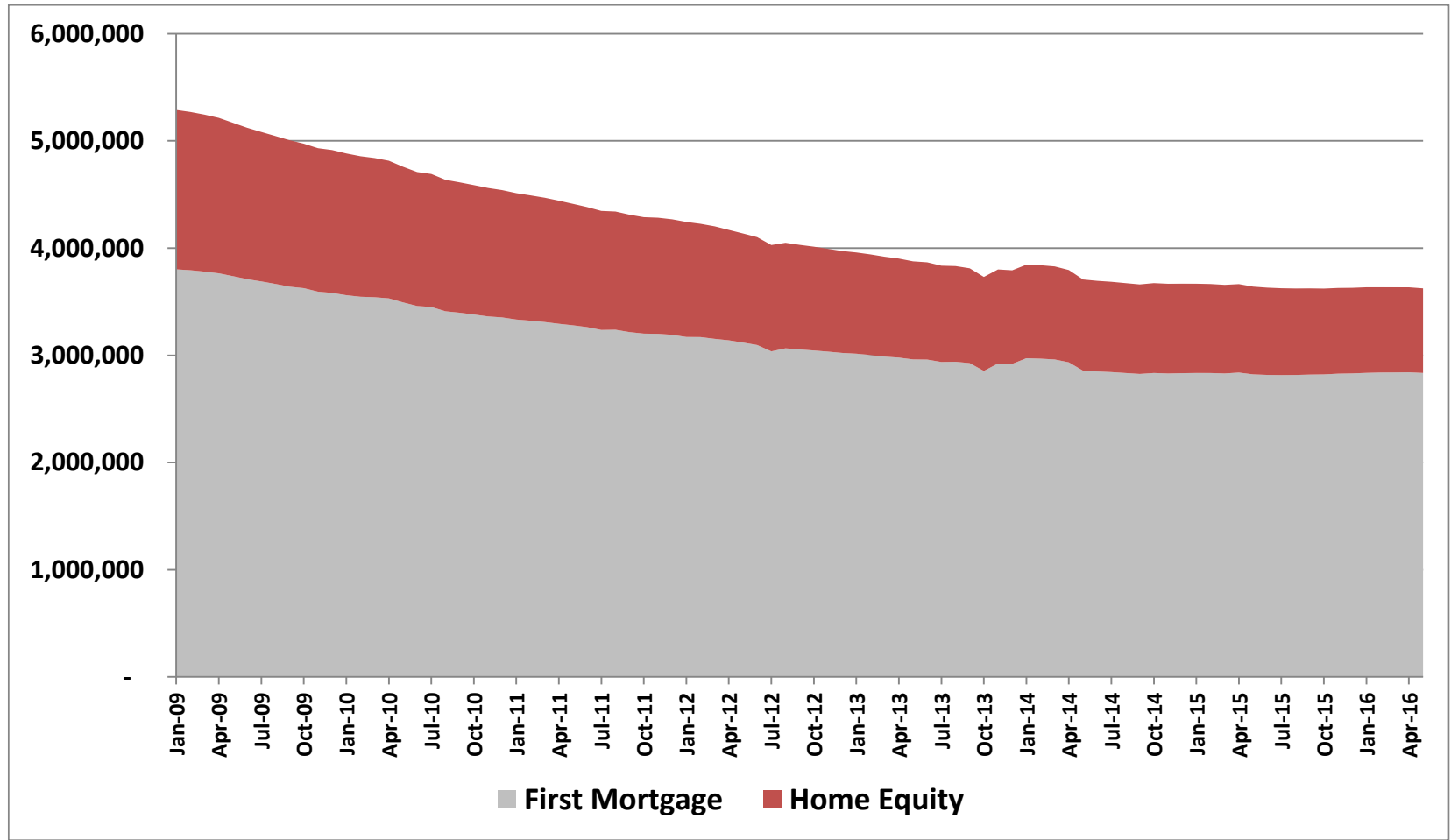
› Credit Trends data includes risk and growth metrics by vintage, which assists with benchmarking the impact of changes in strategy

Source: Equifax Inc.

Data as of May 2016

# Total Mortgage Accounts - Florida

First Mortgage and Home Equity Lines and Loans  
 # of Accounts (000); NSA

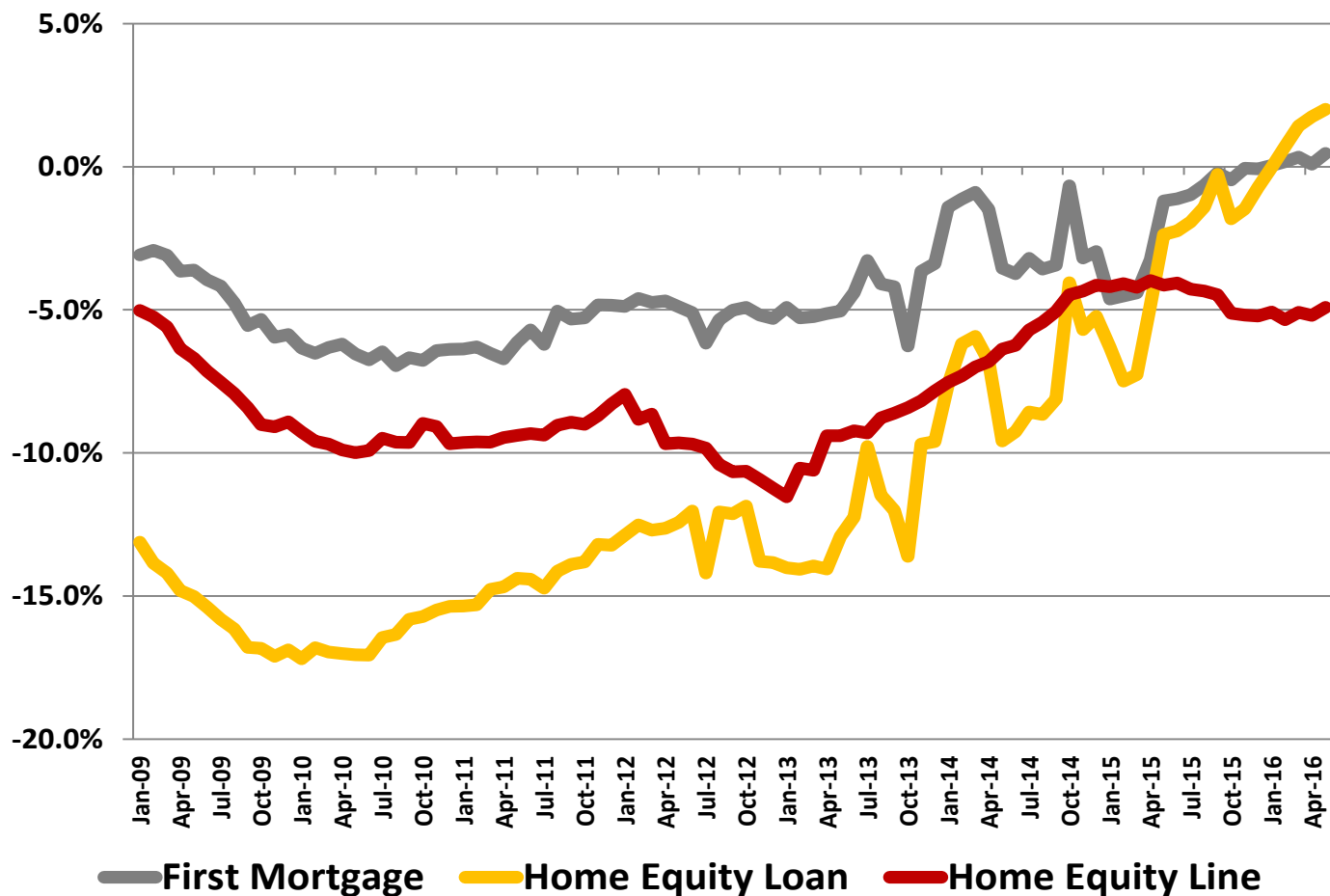


Source: Equifax Inc.

Data as of May 2016

# Total Mortgage Accounts - Florida

First Mortgage and Home Equity Lines and Loans  
Yr/Yr % Chg

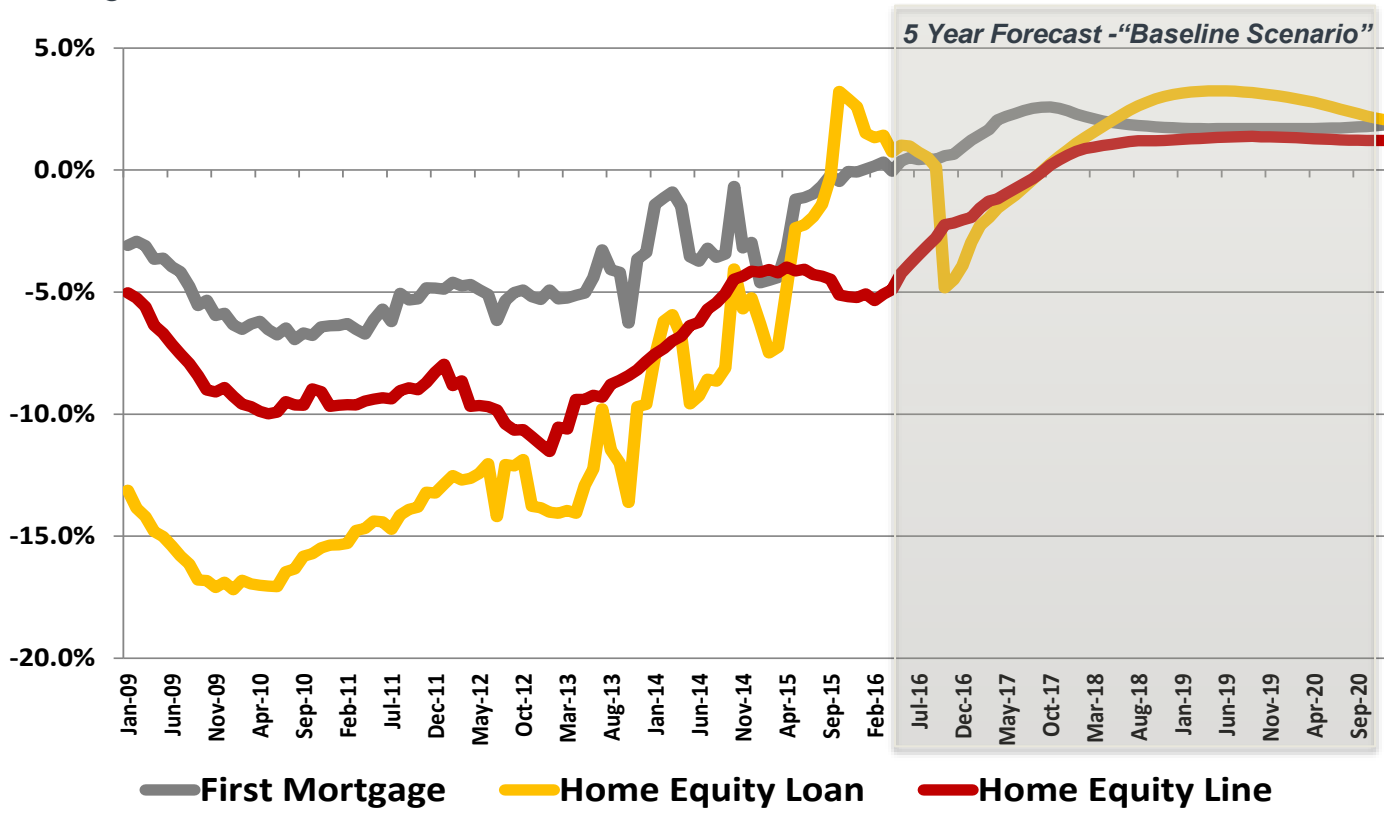


Source: Equifax Inc.

Data as of May 2016

# Total Mortgage Accounts - Florida

First Mortgage and Home Equity Lines and Loans  
Yr/Yr % Chg



- › CreditForecast.com, a joint product offering with Moody’s Analytics, provides multiple 5 year forecasts on all credit variables
  - Includes all CCAR/Regulatory economic scenarios
  - Quarterly Updates

Source: Equifax Inc, Moody’s Analytics

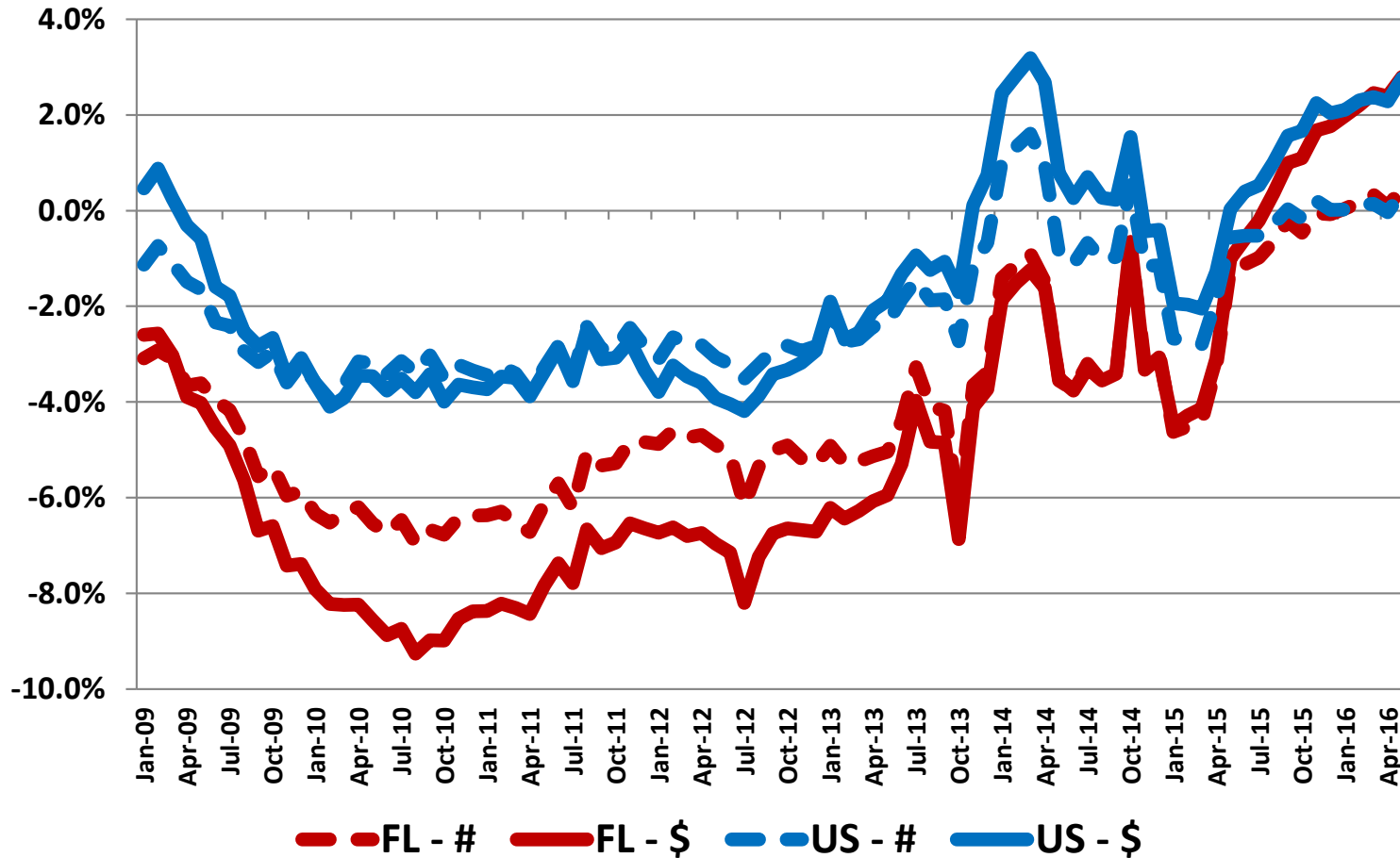
Data as of May 2016

# CREDIT TRENDS: FIRST MORTGAGE



# Outstanding Loans - #, \$

Yr/Yr % chg

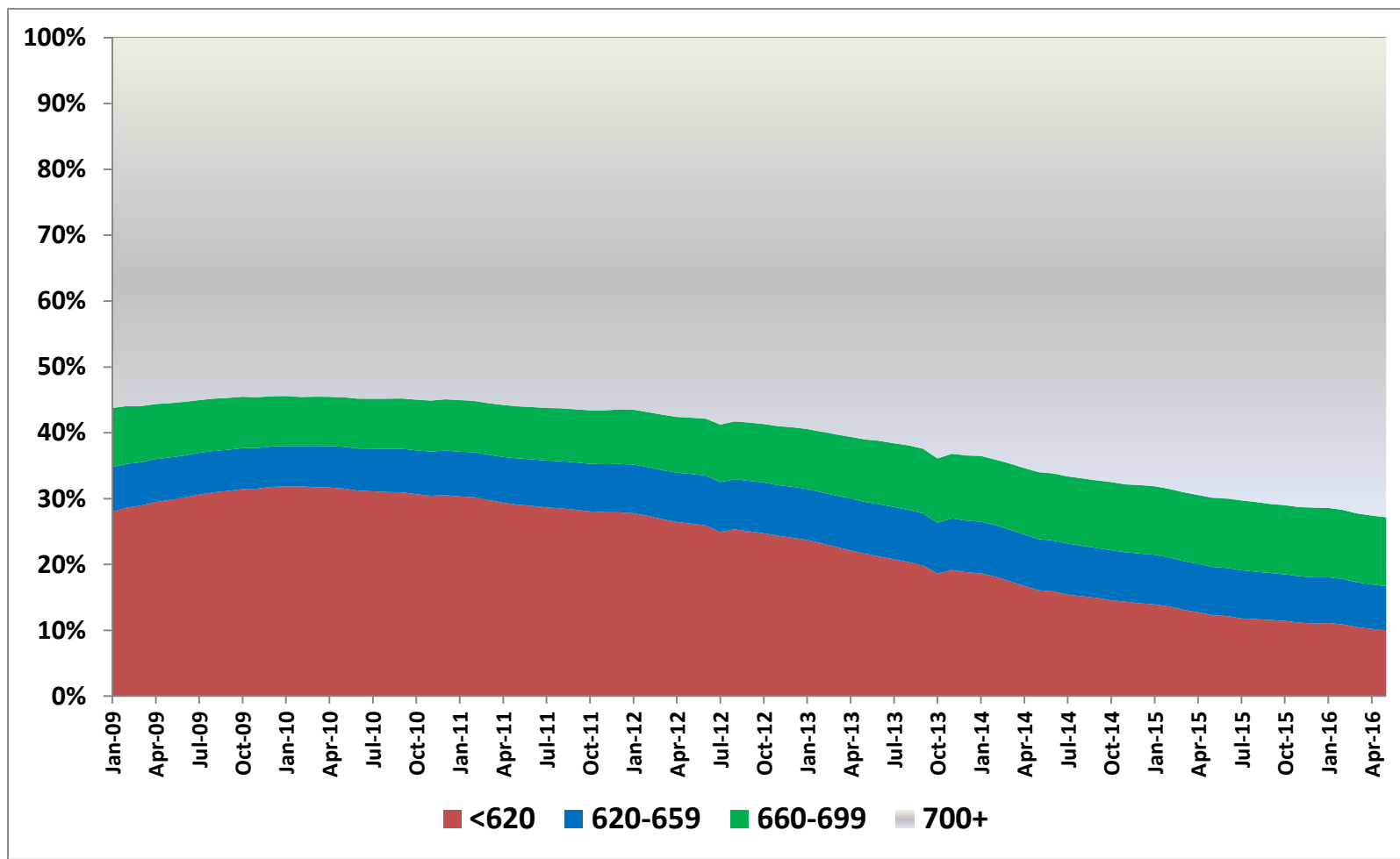


Source: Equifax Inc.

Data as of May 2016

# First Mortgage Accounts - Florida

% of \$ Balances by Current Equifax Risk Score

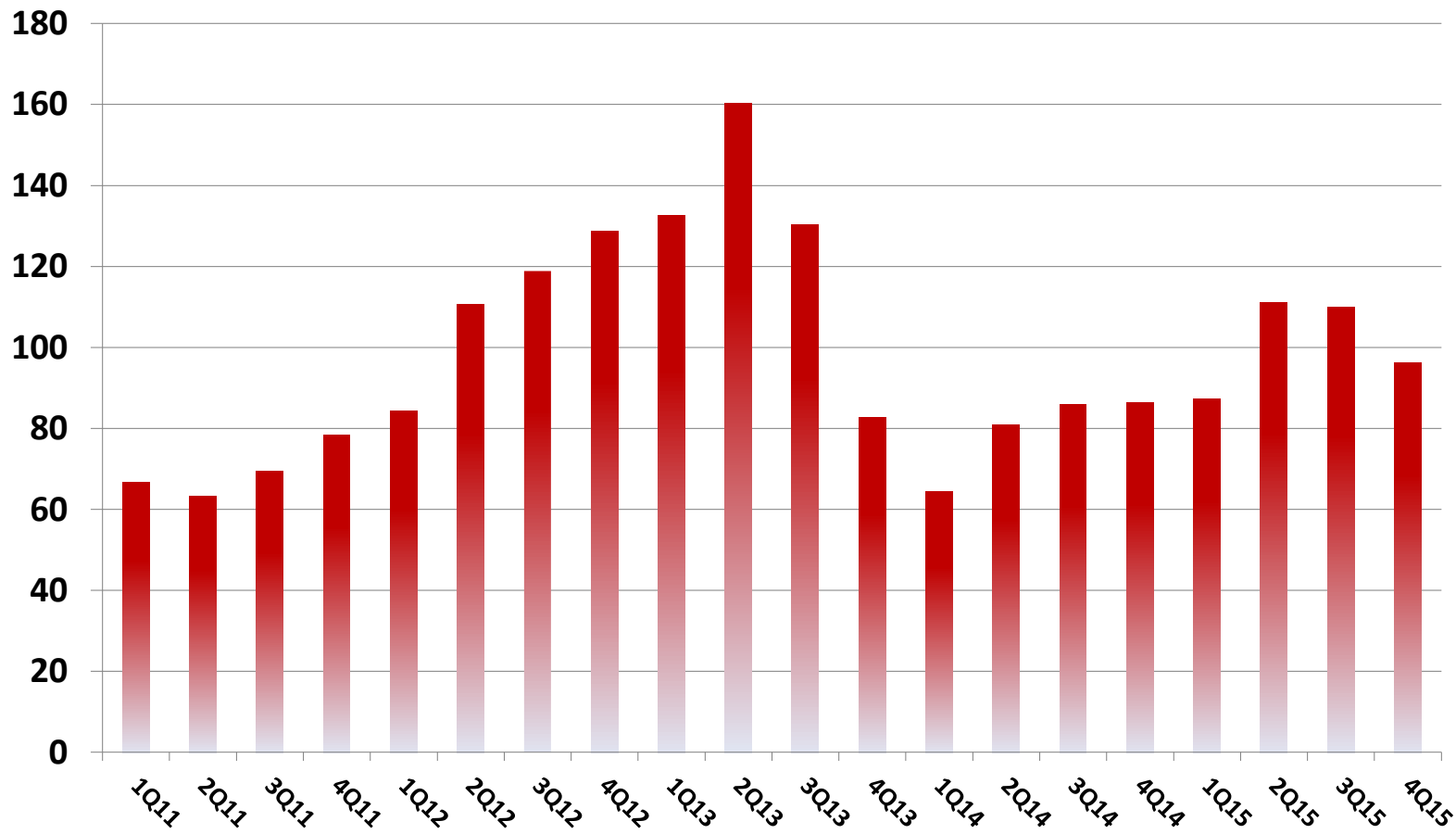


Source: Equifax Inc.

Data as of May 2016

# First Mortgage Originations: Accounts - Florida

# of Accounts (000)



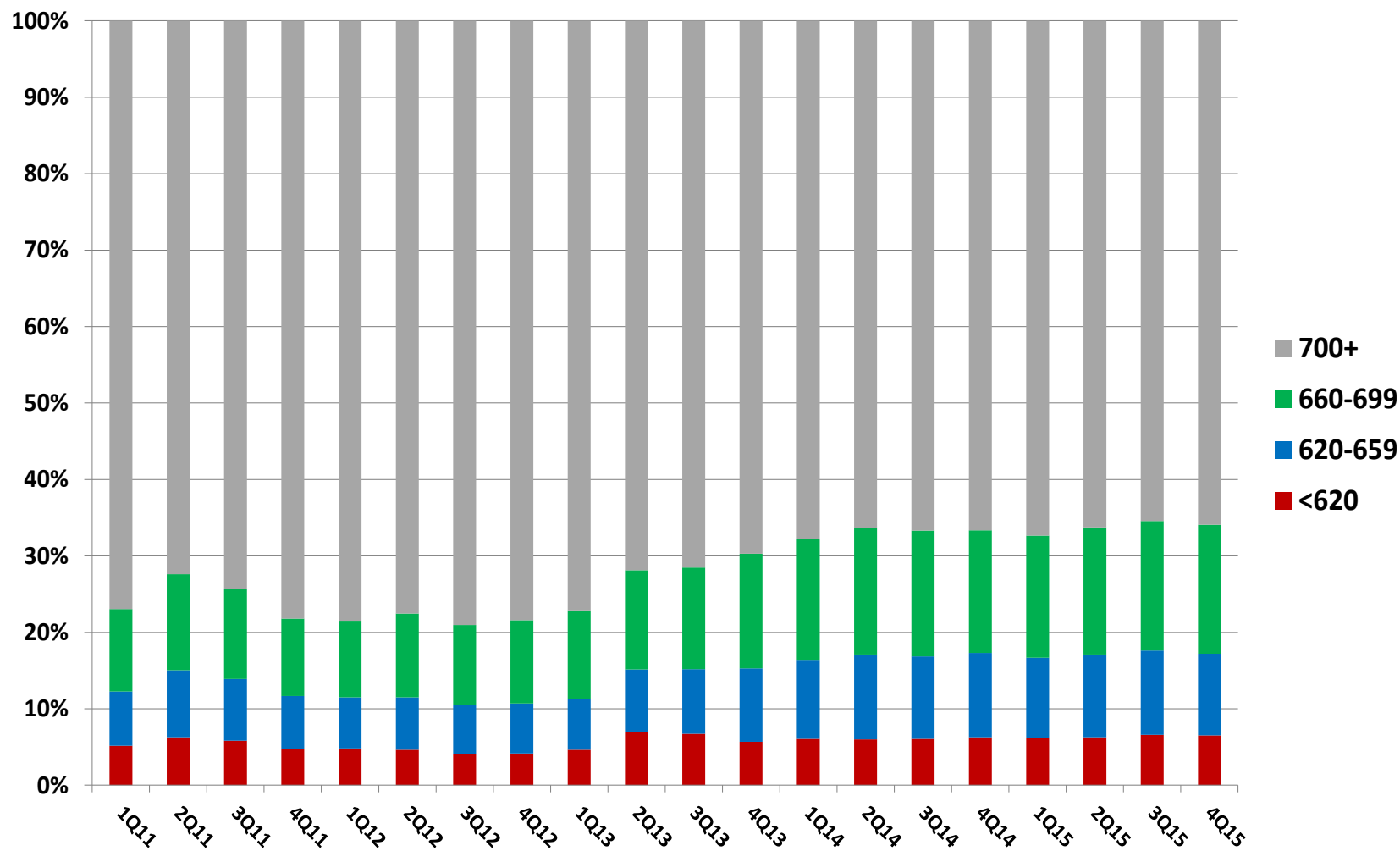
Source: Equifax Inc.

Data as of May 2016



# First Mortgage Originations - Florida

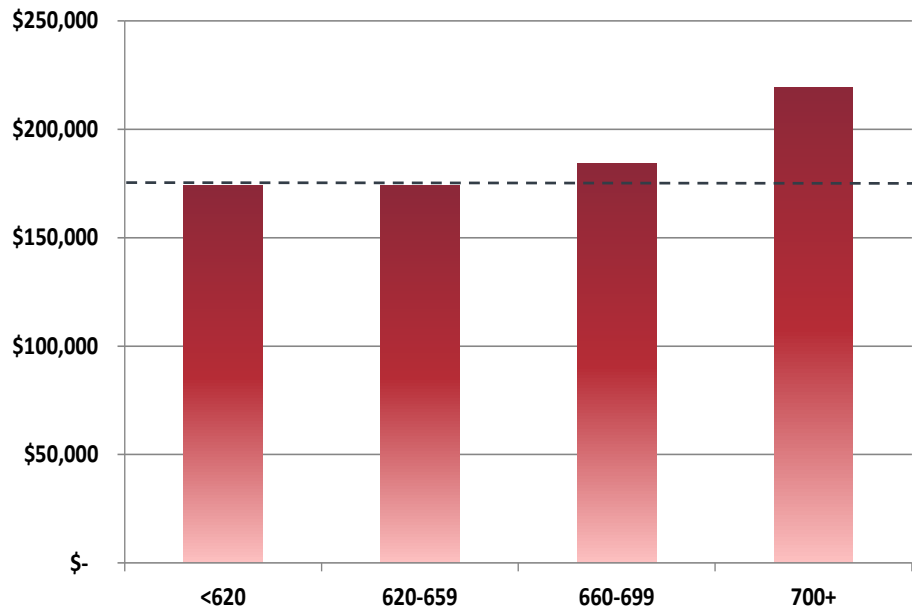
% by Origination Risk Score



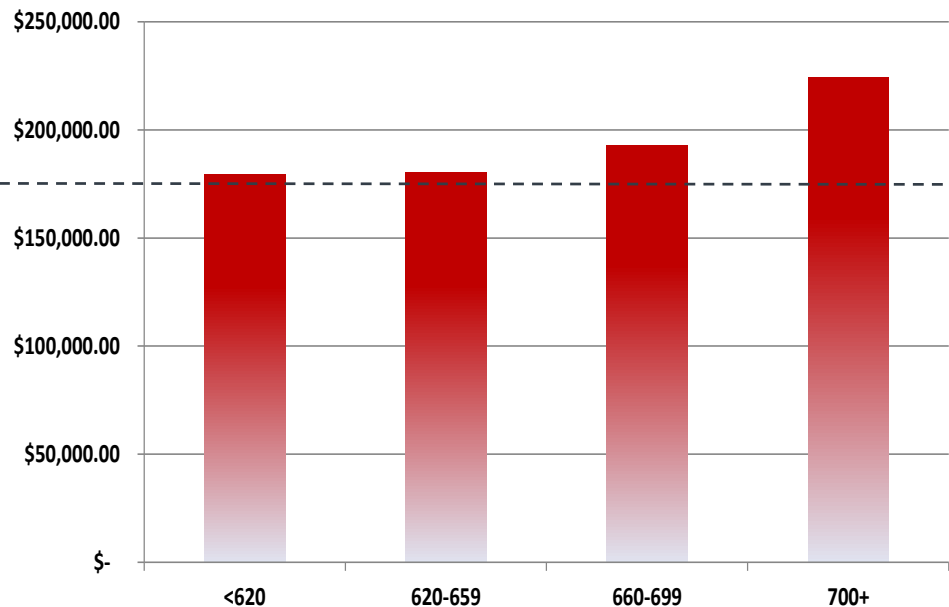
# First Mortgage Originations - Florida

Average Origination Loan Amount

1Q2015



1Q2016

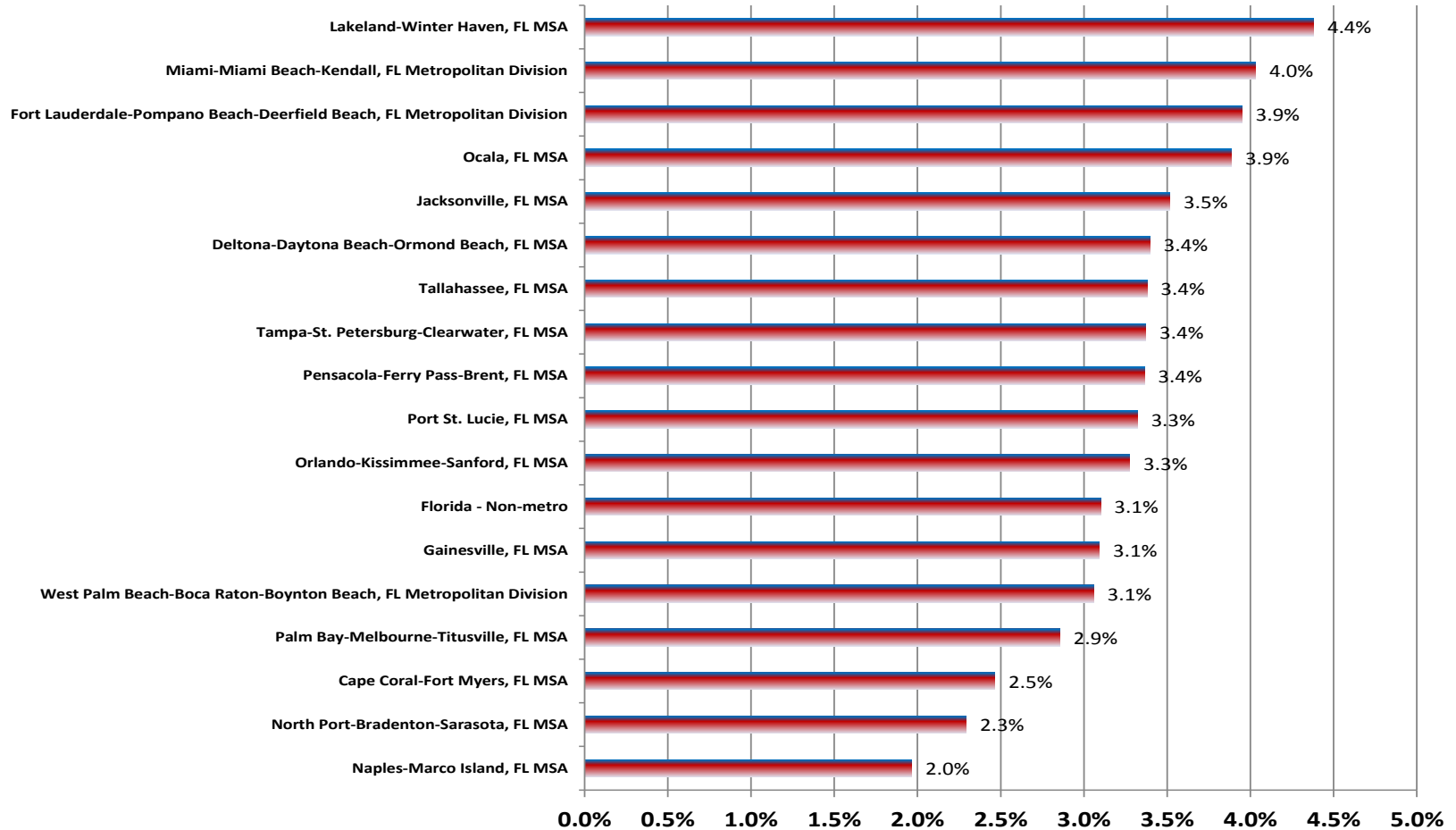


Source: Equifax Inc.

Data as of May 2016

# Delinquency Rates by Area - Florida

30+ Days Past Due  
% of # Accounts

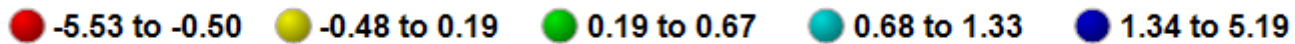
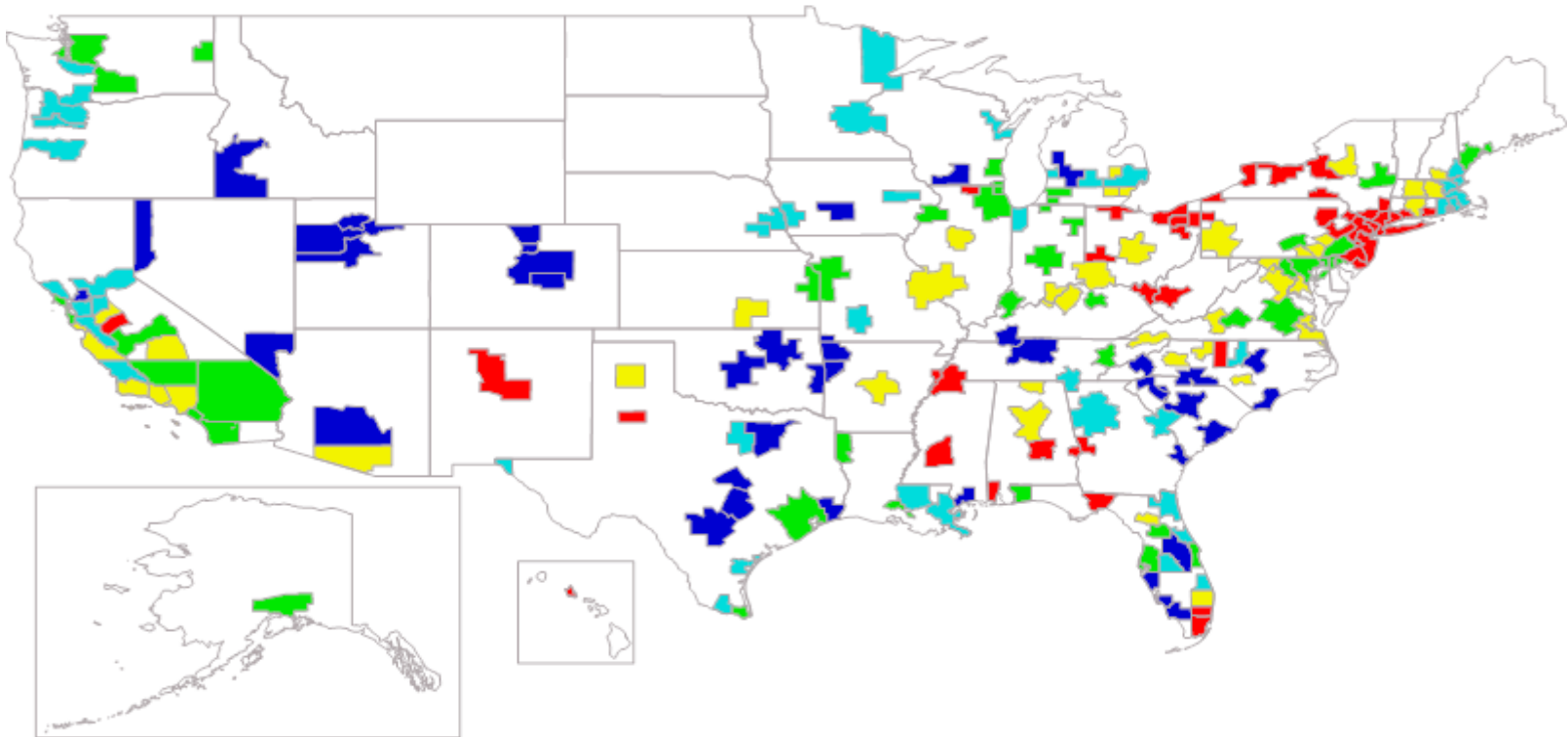


› Equifax Credit Trends data is available by geography, including MSA, zip code

Data as of May 2016

## First Mortgage Account Growth

Yr/Yr % Chg - # of accounts



Source: Equifax Inc.

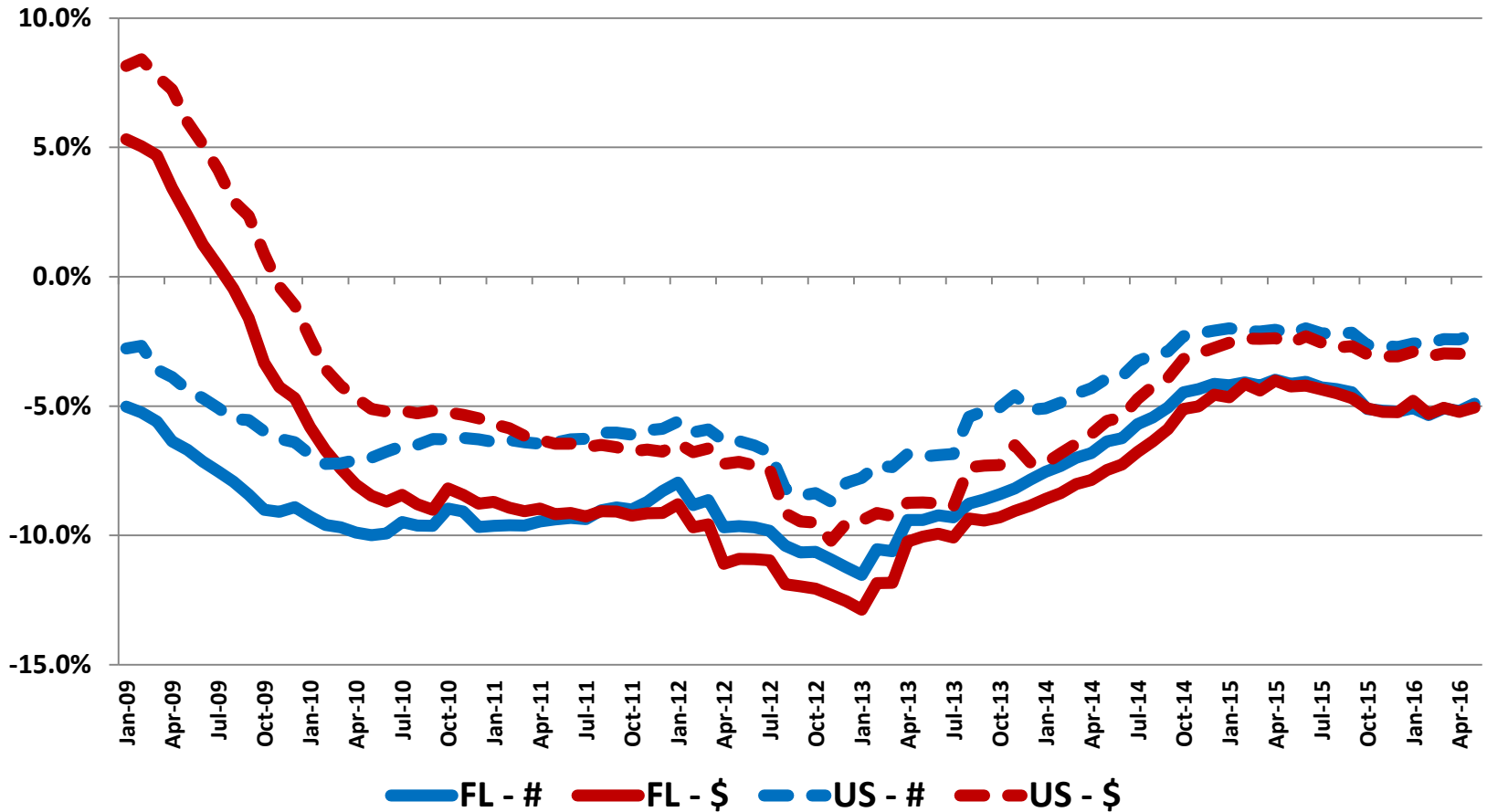
Data as of May 2016

# CREDIT TRENDS: HOME EQUITY REVOLVING



## Outstanding Loans - #, \$

Yr/Yr % chg

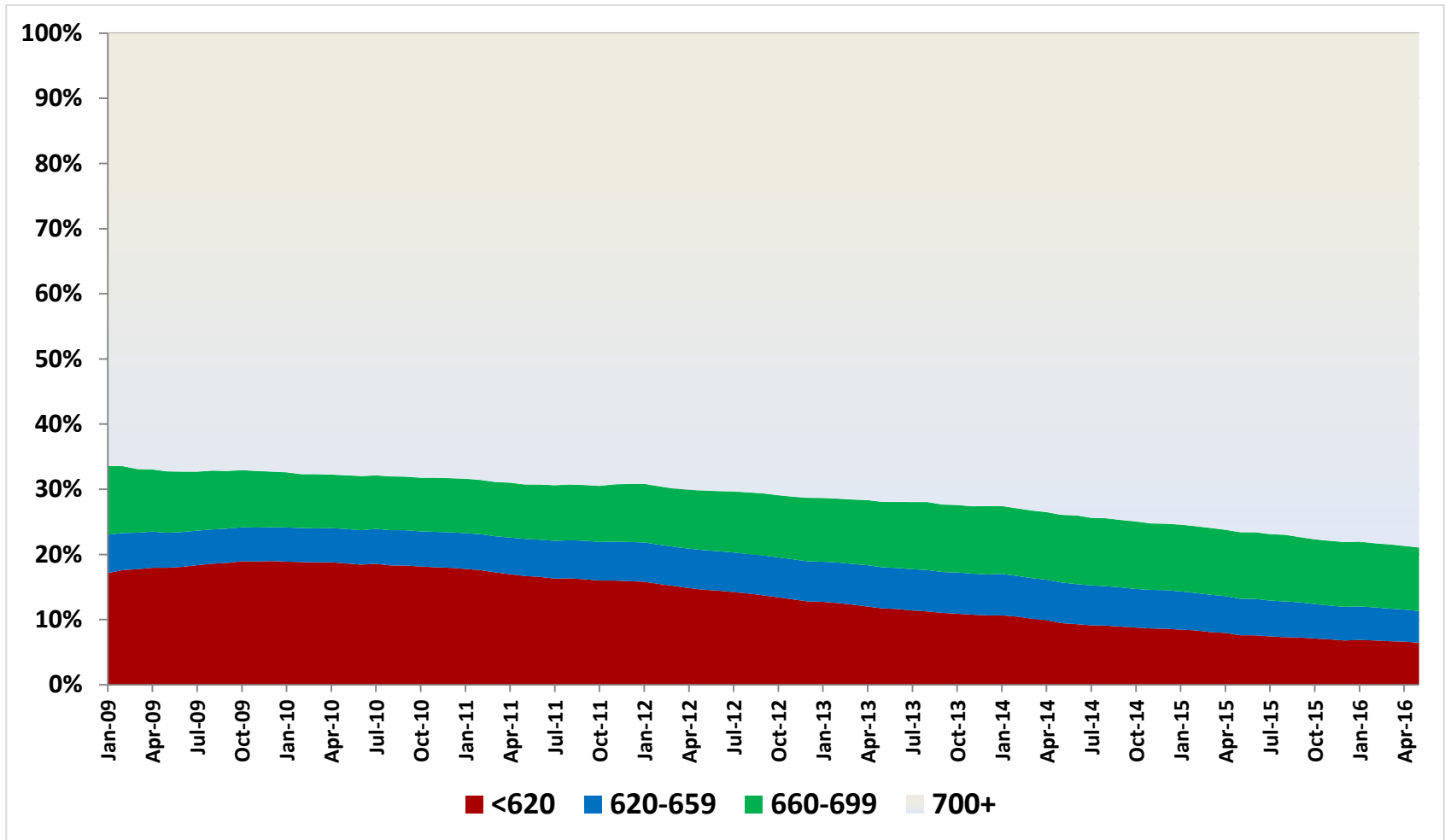


Source: Equifax Inc.

Data as of May 2016

# Home Equity Line - Florida

% of \$ Balances by Current Equifax Risk Score

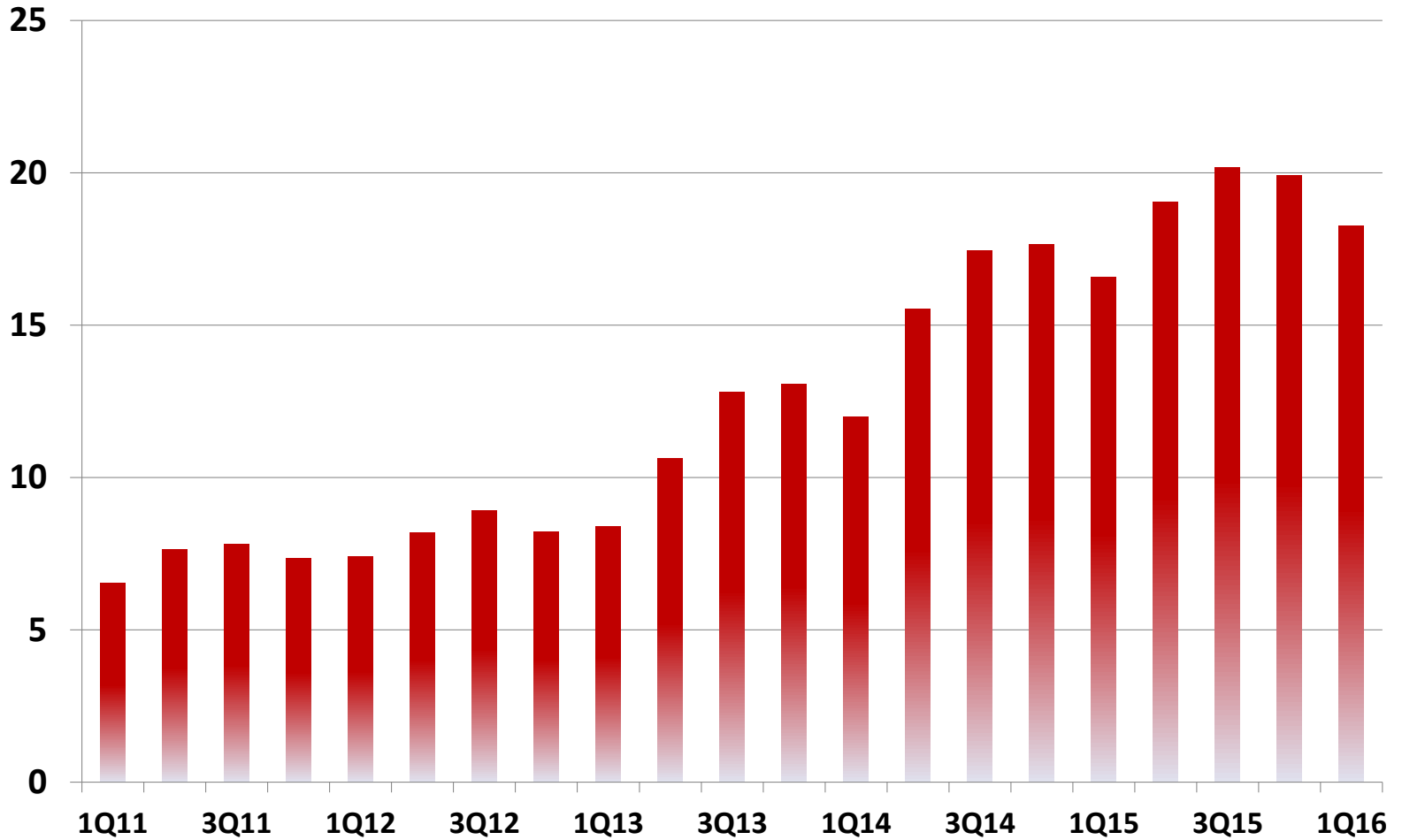


Source: Equifax Inc.

Data as of May 2016

# HELOC Originations: Accounts - Florida

# of Accounts (000)



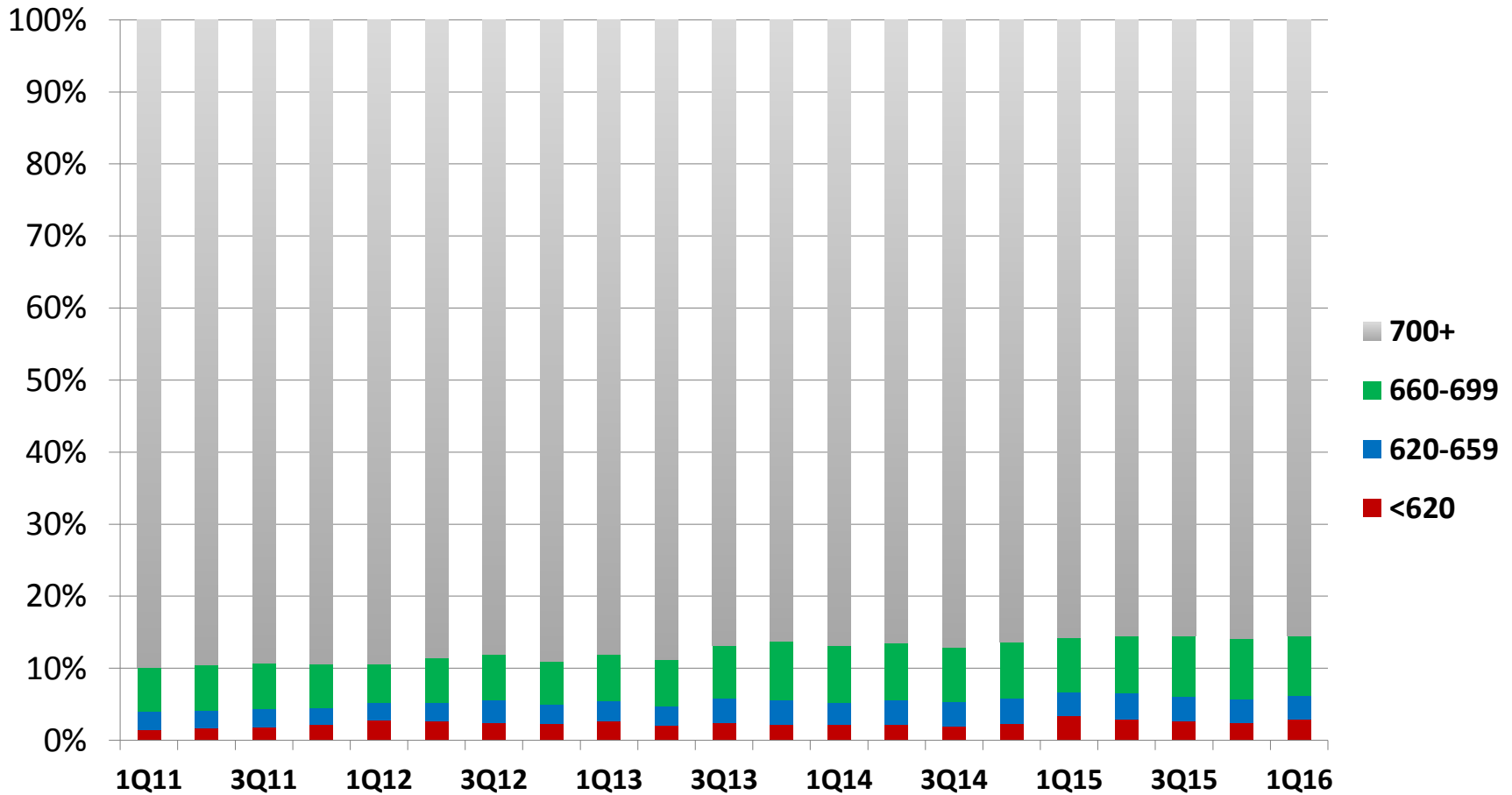
Source: Equifax Inc.

Data as of May 2016



# HELOC Originations - Florida

% by Origination Risk Score



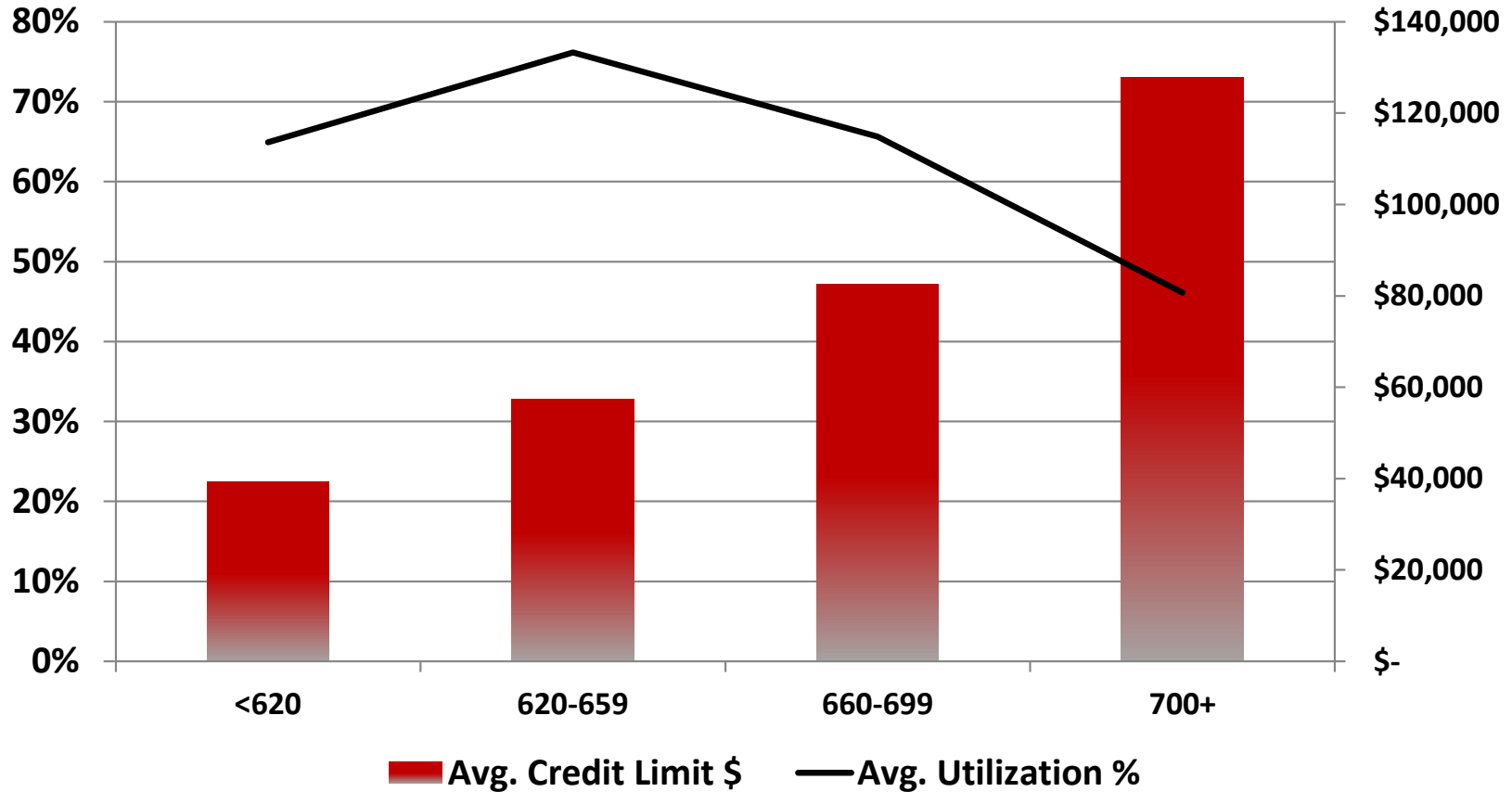
Source: Equifax Inc.

Data as of May 2016

# Home Equity Line – Originations 1Q2016

## Florida

Average Origination Credit Limit (000); Utilization %

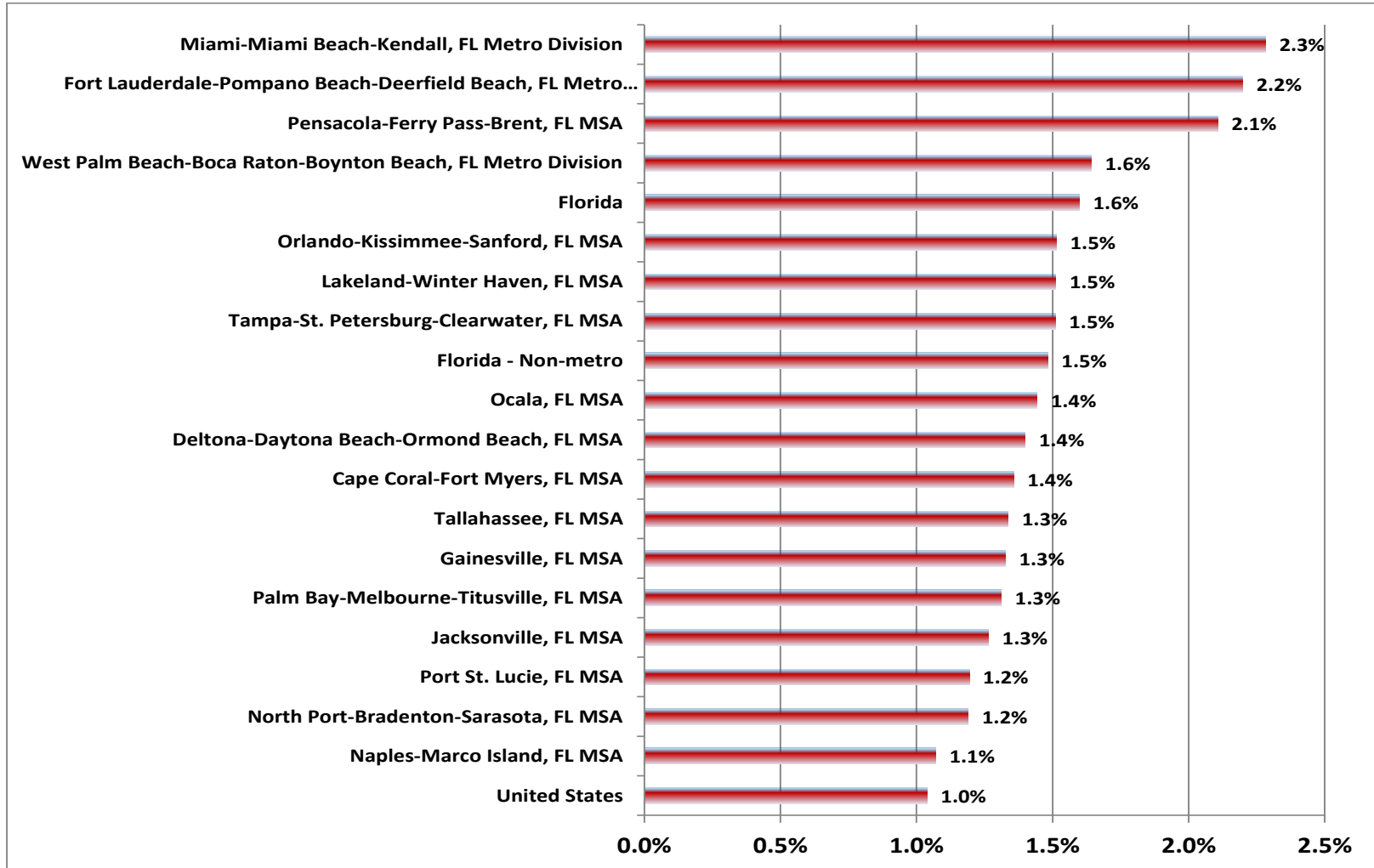


Source: Equifax Inc.

Data as of May 2016

## Delinquency Rates by Area - Florida

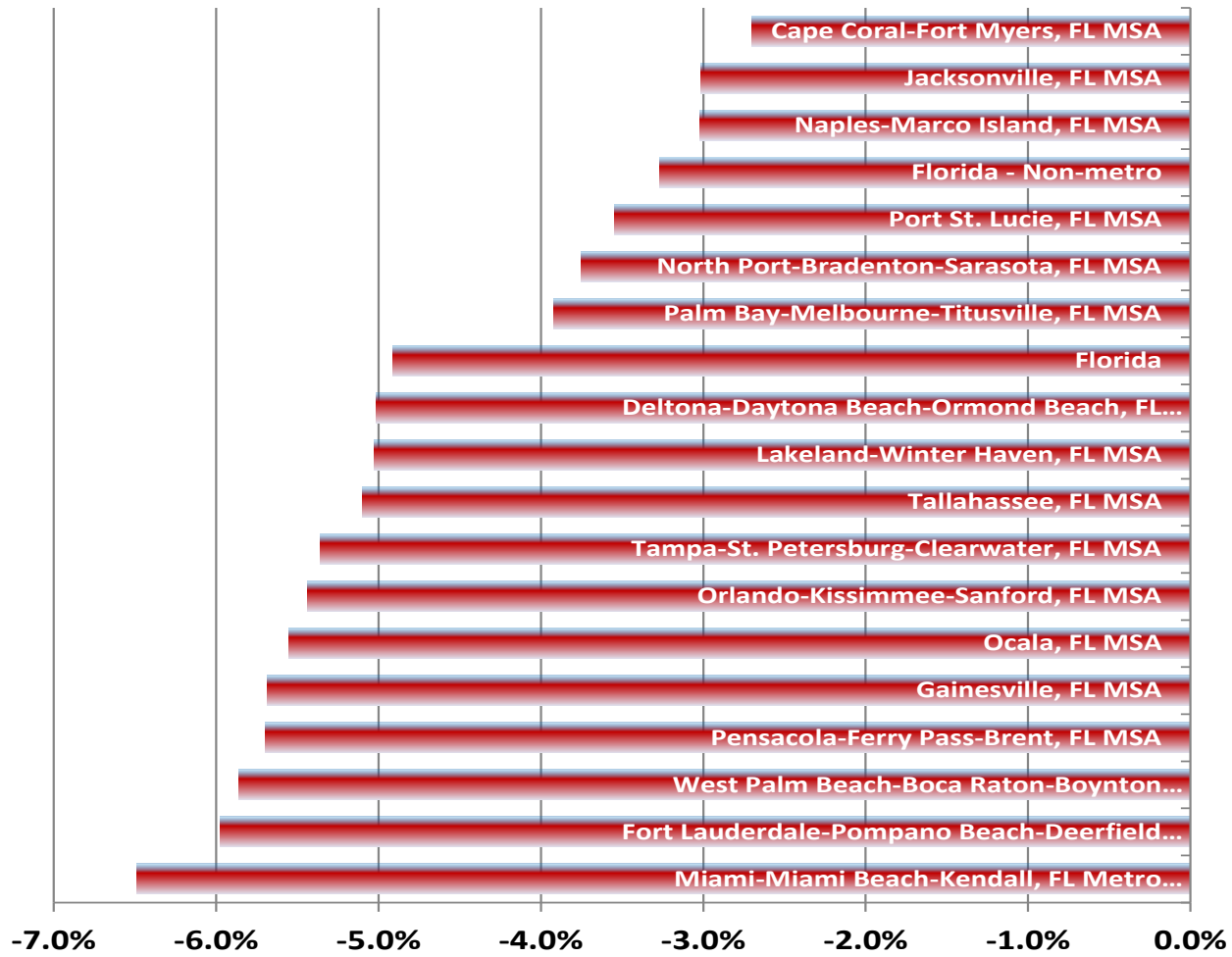
30+ Days Past Due  
% of # Accounts



Data as of May 2016

## HELOC Account Growth

Yr/Yr % Chg - # of accounts

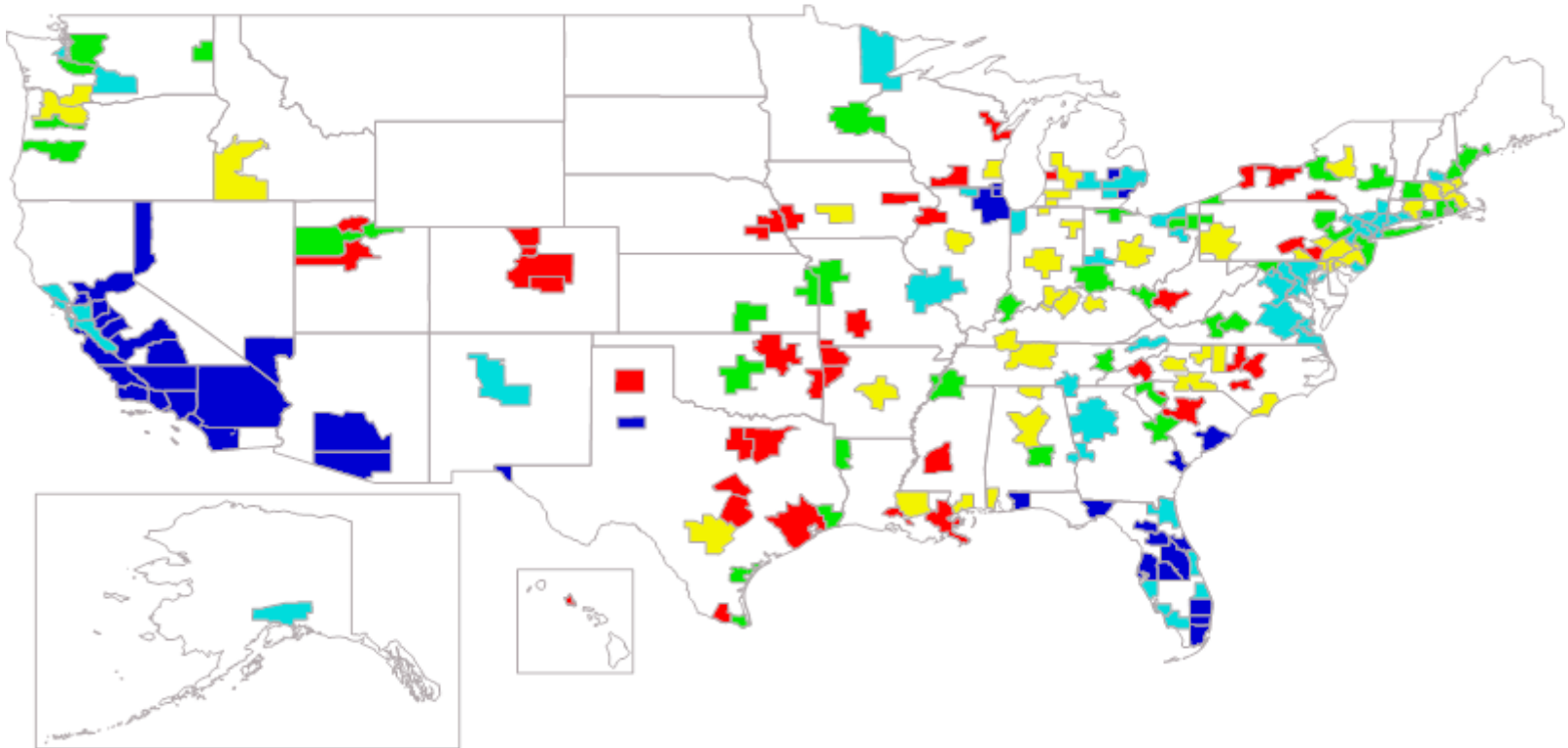


Source: Equifax Inc.

Data as of May 2016

## HELOC Account Growth

Yr/Yr % Chg - # of accounts



Source: Equifax Inc.

Data as of May 2016

A proprietary, **anonymous time-series consumer credit data** solution...  
specifically attributed for trending, benchmarking, forecasting, research and analytics...  
to improve credit, risk, marketing, policy, investment and strategic planning decisions.

Utilized a **major Equifax investment** in technology and analytics to enable the **linking** and accurate tracking of an enormous amount of account level credit data over time, across a number of different dimensions.

An extensive and **flexible data intelligence tool** that allows customization of packages and output options to best fit customers' business needs.

It is the **underlying aggregated credit data** that feeds into **CreditForecast.com**, a partnership product with Moody's Analytics.

## Credit Trends Portfolio Metrics

Data Metrics Available by Origination Vintage, Origination Risk Score Bands, Current Risk Score Bands, Product, Geography, & Firm+Peers
Number of Current Trades
Number of 30 DPD Trades
Number of 60 DPD Trades
Number of 90 DPD Trades
Number of 120 DPD or Collection Trades
Number of Trades Foreclosure Started (mortgage secured only)
Number of Trades Entering Default Status this Month
Number of Trades Entering Closed Positive Status this Month
Number of Trades Entering Bankruptcy Status this Month
Number of Trades Entering Miscellaneous Status this Month
Total Balance of Current Trades
Total Balance of 30 DPD Trades
Total Balance of 60 DPD Trades
Total Balance of 90 DPD Trades
Total Balance of 120 DPD or Collection Trades
Total Balance of Trades Foreclosure Started (mortgage secured only)
Total Balance of Trades Entering Default Status this Month
Total Balance of Trades Entering Closed Positive Status this Month
Total Balance of Trades Entering Bankruptcy Status this Month
Total Balance of Trades Entering Miscellaneous Status this Month
Total Monthly Payment on "Active" Trades (excl Final Disposition & Misc)
Total High Credit on "Active" trades (excl Final Disposition & Misc)
Number of Active Trades with Positive Balance

## Credit Trends Origination Metrics

Data Metrics Available by Origination Vintage, Origination Risk Score Bands, Product, Geography, & Firm+Peers
Number of Unique Consumers (deduped)
Number of Accounts
Balance of Accounts
Total High Credit (Loan Amount)

## Six data dimensions by which the data can be sliced

<b>Origination Vintage</b>	<ul style="list-style-type: none"> <li>Groups loans together based on when they were opened, so their unique performance can be tracked over time</li> </ul>
<b>Origination Risk Score</b>	<ul style="list-style-type: none"> <li>Reflects consumer risk level at loan origination,</li> <li>4-10 customizable score ranges</li> </ul>
<b>Current Risk Score</b>	<ul style="list-style-type: none"> <li>Reflects consumer risk level at current period</li> <li>4-10 customizable score ranges</li> </ul>
<b>Loan Product</b>	<ul style="list-style-type: none"> <li>Up to 20 mutually exclusive product categories represent all major consumer credit products</li> </ul>
<b>Geography</b>	<ul style="list-style-type: none"> <li>Options are ZIP Code, County, CBSA, MSA, State, Census Division (9), Census Region (4), National</li> </ul>
<b>Firm+Peers</b>	<ul style="list-style-type: none"> <li>Summarizes Credit Trends data elements for accounts from your portfolio and/or a chosen peer group</li> </ul>

## ➤ Customize Credit Trends output with SmartView

- web-based data visualization solution
  - ✓ No IT support required
- Intuitively extract the insights and business value from the data Credit Trends delivers, without having to rely on sophisticated hardware, software and analytical resources
- Direct benchmarking of your firm's portfolios vs. self-defined peer groups
- Understand your portfolio's composition, quality, performance, and trends relative to one or more peer groups

# NOTES





# U.S. Consumer Credit Trends

- › Data are not seasonally adjusted (NSA).
- › Due to changes in data reported to Equifax or other factors, previously reported data may change.
- › Data are sourced from Equifax's U.S. Consumer Credit database of over 210 million consumers.
  - Equifax Credit Trends is the primary source for the data in this report
  - These data are population level – not a sample.
  - Jointly held accounts are represented by a randomly selected borrower on the account. Tradelines are only counted once.
  - Exclusions for data quality are applied, such as timely reporting of the establishment of the trade ( $\leq 12$  months); completeness of the tradeline record including type, credit limit, balance outstanding and status; and other similar filters (e.g., exclude if borrower's death reported).

# Consumer Credit Trends

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