



FLORIDA CUREN MEETING

July 20, 2017



Agenda:

- Credit Reporting Changes
- Market Share Analysis
- Florida Credit Trends



National Consumer Assistance Program (NCAP)

- New rules for minimum required consumer identifying information & update timelines
- We anticipate no change to bankruptcy public record data

FAQs:

- How do these changes impact risk models?
- Does the credit union need to make changes to how it reports data?
- How will these changes impact our members?

EQUIFAX



IMPORTANT COMMUNICATION

As industry and consumer needs evolve, the nationwide Credit Reporting Agencies (“CRAs”) Equifax®, Experian®, and TransUnion® continually seek ways to ensure the data we maintain on our consumer credit files is accurate and timely, thereby serving the needs of our business clients and consumers.

To further this goal, and as part of the previously announced National Consumer Assistance Plan, our focused effort is on ensuring that the Public Record data we maintain is as accurate and timely as possible. This communication is intended to provide some early and preliminary details about enhanced Public Record data standards being adopted by the CRAs.

The CRAs successfully collaborated and developed Public Record data standards and service levels for the collection and timely updating of public records supplied by their shared public record vendor. Our focus was on: (i) minimum required consumer identifying information (name, address, social security number and/or date of birth) (“PII”) and (ii) minimum frequency of courthouse visits to obtain newly filed and updated public records (at least every 90 days). These enhanced Public Record standards will apply to new and existing Public Record data on our respective credit reporting databases.

At this time, the CRAs continue to work with their public records vendor to refine the requirements and service level expectations in a manner to ensure adherence, but still addresses the challenges and variances at the data sources themselves. These challenges include varying PII availability on original record documents, differences in automation and electronic docket availability from court to court, variances in courthouse and recorder’s office accessibility to collectors, and dissimilar timeframes for making public record updates available at the point of collection.

While we cannot yet provide final details or fully gauge the impact of implementing the new data standards on our respective consumer reporting databases, our preliminary understanding and analysis reveals the following:

- We anticipate no change to **bankruptcy** public record data.
- We anticipate significant change to **civil judgment** public record data as preliminary analysis shows approximately 96% of this data may not meet the enhanced PII requirements. It is very likely that civil judgment public record data will not be part of the CRAs’ core consumer credit database after the effective date.
- We anticipate significant change to **tax lien** public record data as preliminary analysis shows that as much as 50% of this data may not meet the enhanced PII requirements. Data changes and impacts associated with the enhanced collection frequency

Market Share Analysis

Total Portfolio

ABC CU Consumer Portfolio as of 2/2017						
<u>Product</u>	<u>Accounts</u>	<u>Balance</u>	<u>Average Balance</u>			
Auto Loan	4,448	\$ 74,029,794	\$ 16,643.39			
Bankcard	10,669	\$ 31,069,680	\$ 2,912.15			
First Mortgage	1,782	\$244,750,736	\$ 137,346.09			
Home Equity Loan	210	\$ 6,638,627	\$ 31,612.51			
Home Equity LOC	1,280	\$ 45,328,007	\$ 35,412.51		First Mortgage	
Other	1,620	\$ 17,662,066	\$ 10,902.51		Unit Market Share	12%
Grand total	20,009	\$419,478,910	\$ 20,964.51		\$ Market Share	10%

Accounts opened in the last 12 months by Credit Union Members with an existing loan.

***does not include DDA only members**

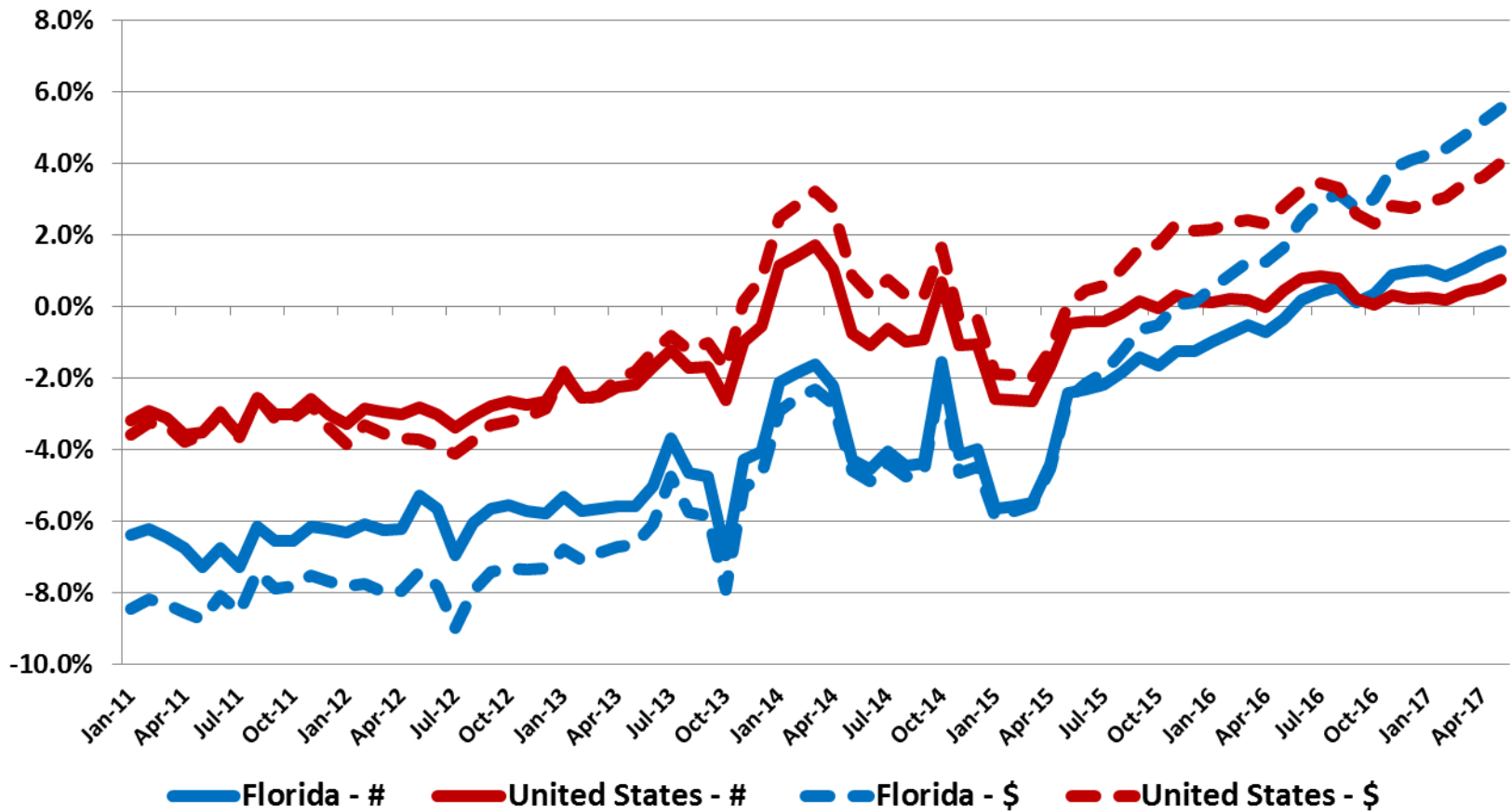
	ABC CU			Competitor Institution		
<u>Product</u>	<u># Accounts</u>	<u>\$ Balances</u>	<u>Avg \$ Balance</u>	<u># Accounts</u>	<u>\$ Balances</u>	<u>Avg \$ Balance</u>
Auto Lease				695	\$ 9,876,999	\$ 14,212
Auto Loan	1,655	\$ 37,878,156	\$ 22,887	2,809	\$ 71,100,344	\$ 25,312
Bankcard	1,717	\$ 5,585,139	\$ 3,253	10,556	\$ 15,867,428	\$ 1,503
Consumer Finance				1,973	\$ 7,098,689	\$ 3,598
First Mortgage	248	\$ 44,110,071	\$ 177,863	1,807	\$ 400,624,728	\$ 221,707
Home Equity Loan	34	\$ 1,382,401	\$ 40,659	53	\$ 2,005,659	\$ 37,843
Home Equity LOC	217	\$ 9,151,918	\$ 42,175	187	\$ 10,544,315	\$ 56,387
Other	432	\$ 10,045,453	\$ 23,253	1,108	\$ 12,891,273	\$ 11,635
Retail				8,924	\$ 6,933,118	\$ 777
Student Loan				1,377	\$ 18,776,943	\$ 13,636
Grand total	4,303	108,153,138	310,090	29,489	\$ 555,719,496	\$ 18,845

CREDIT TRENDS: 1ST MORTGAGE



Outstanding Loans - #, \$

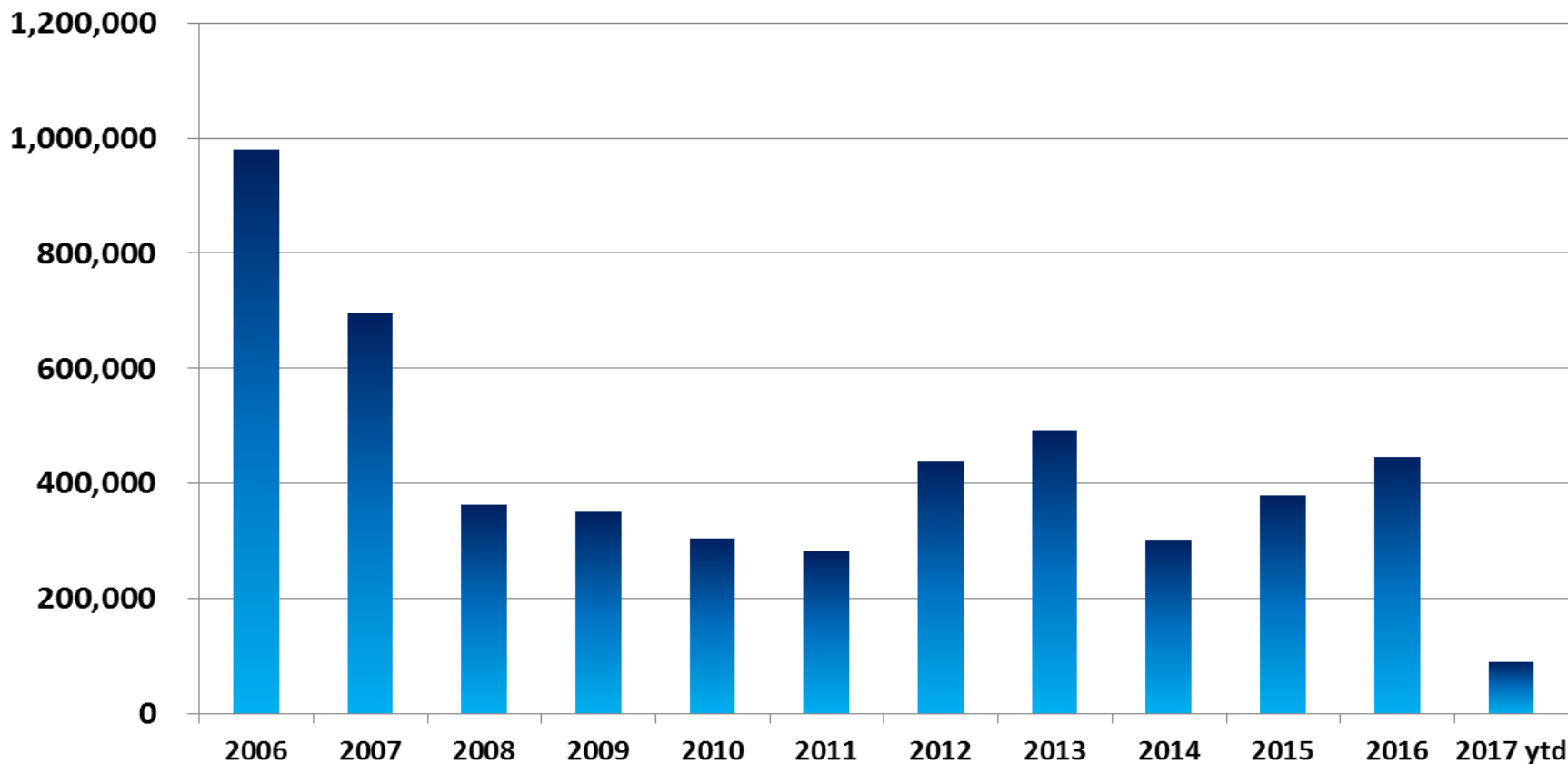
Yr/Yr % chg



Data as of May 2017

First Mortgage Originations: Accounts - Florida

of Accounts

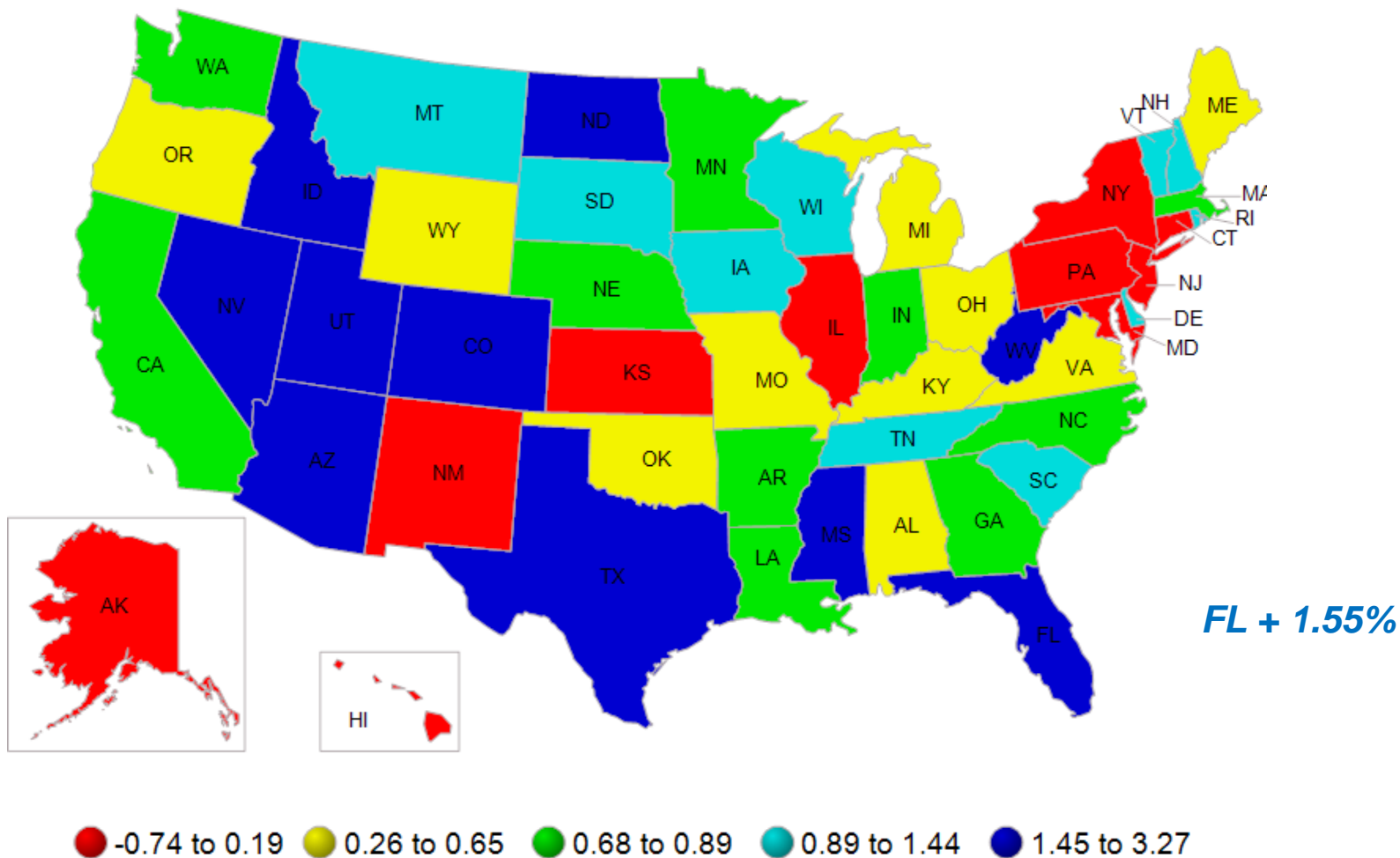


Note - typical lag in reporting of mortgage loans

Data as of May 2017

First Mortgage Account Growth

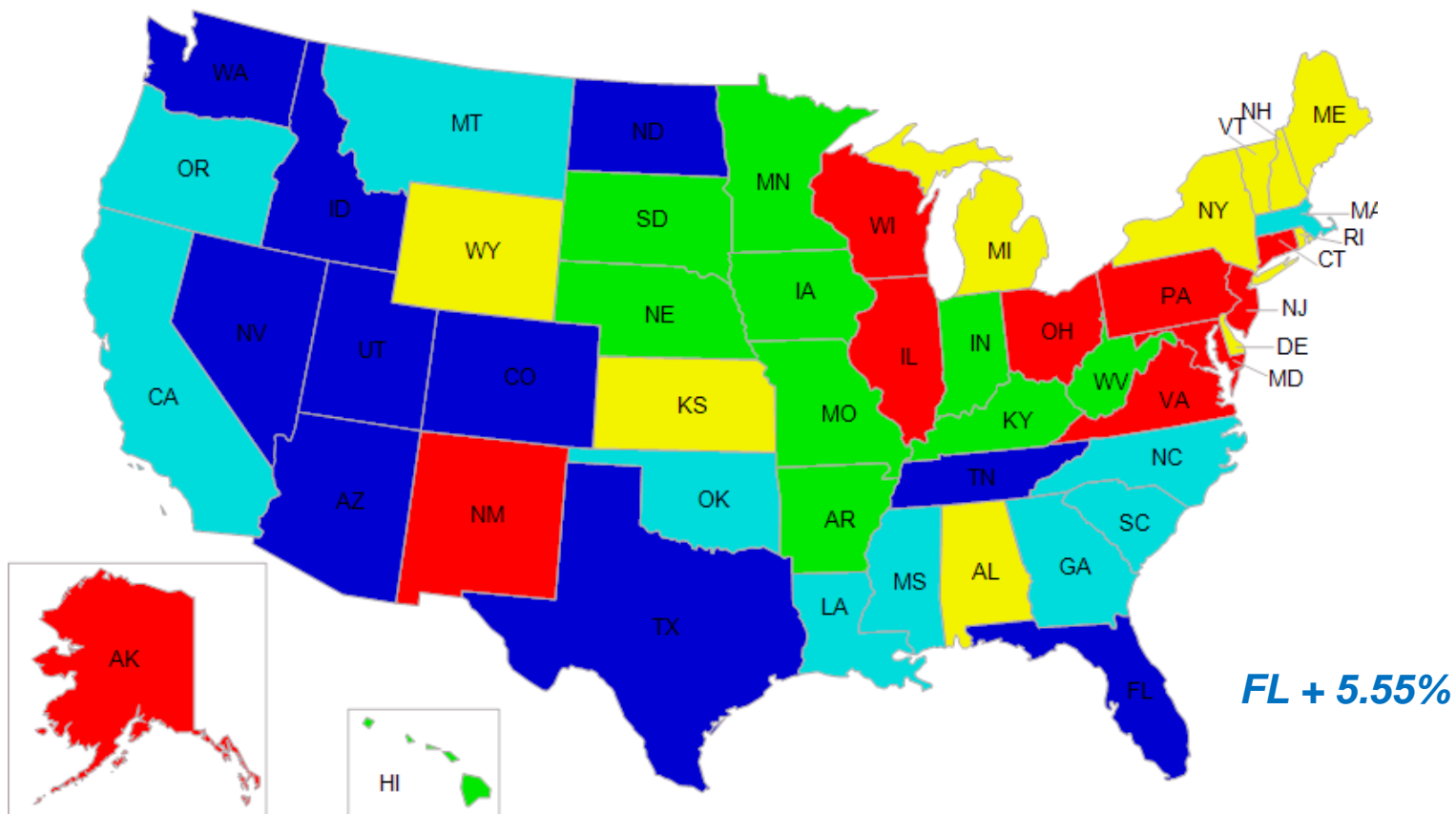
Yr/Yr % Chg - # of accounts



Data as of May 2017

First Mortgage Balance Growth

Yr/Yr % Chg - \$ of accounts

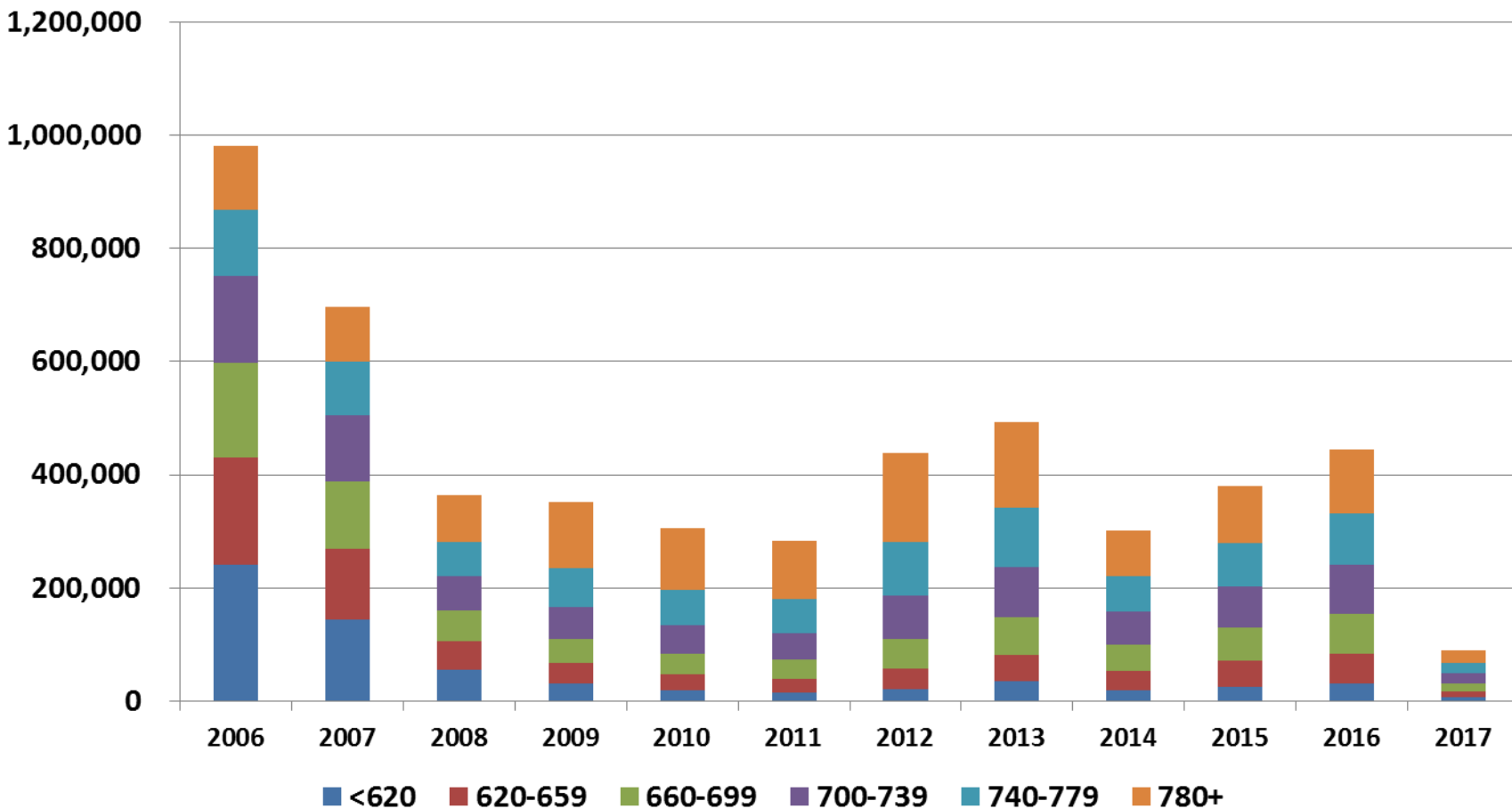


● 0.62 to 2.64 ● 2.69 to 3.19 ● 3.20 to 3.80 ● 3.81 to 5.13 ● 5.22 to 7.90

Data as of May 2017

First Mortgage Originations: Accounts - Florida

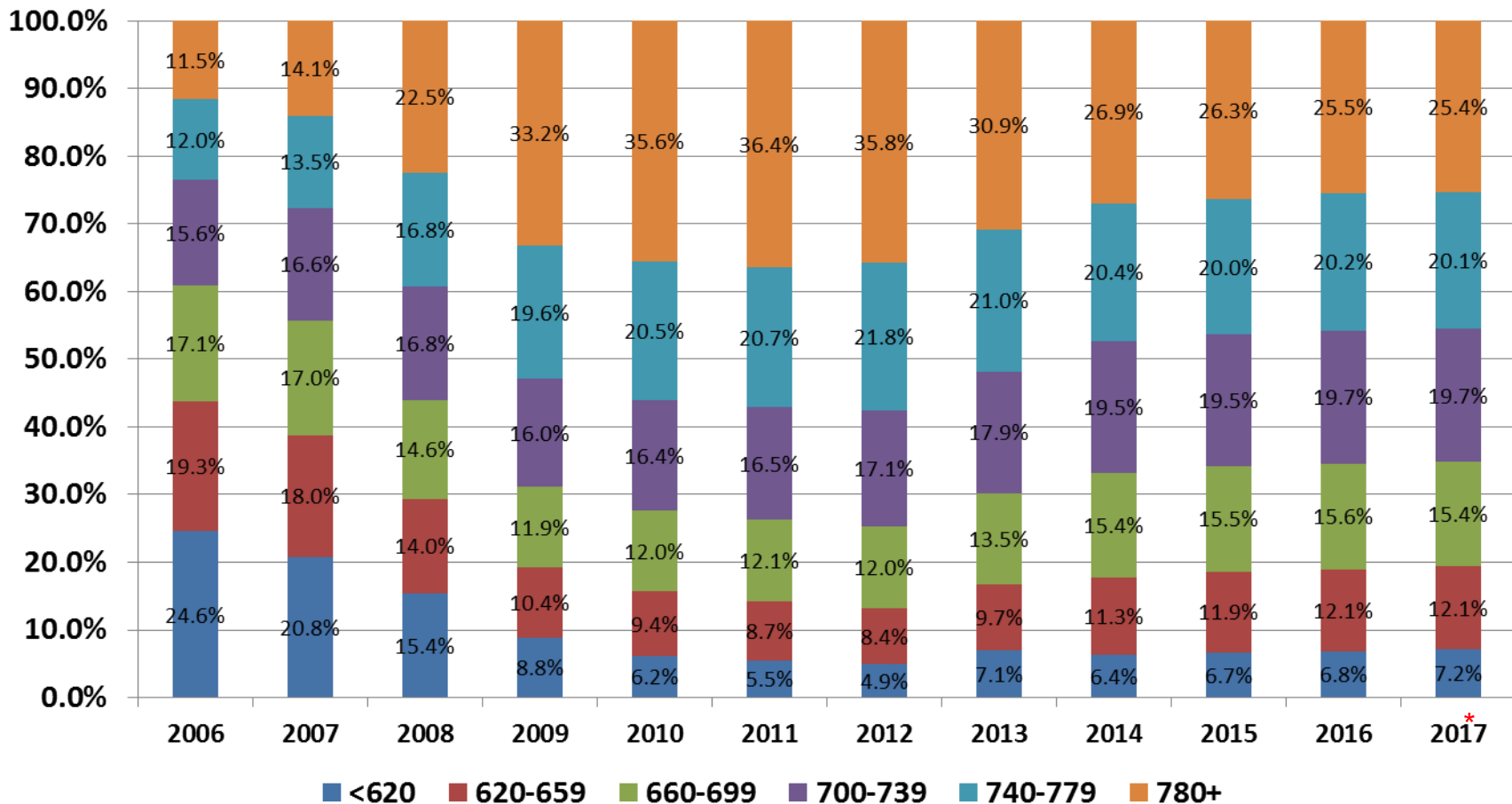
By Origination Risk Score
of Accounts



Data as of May 2017

First Mortgage Originations: Accounts - Florida

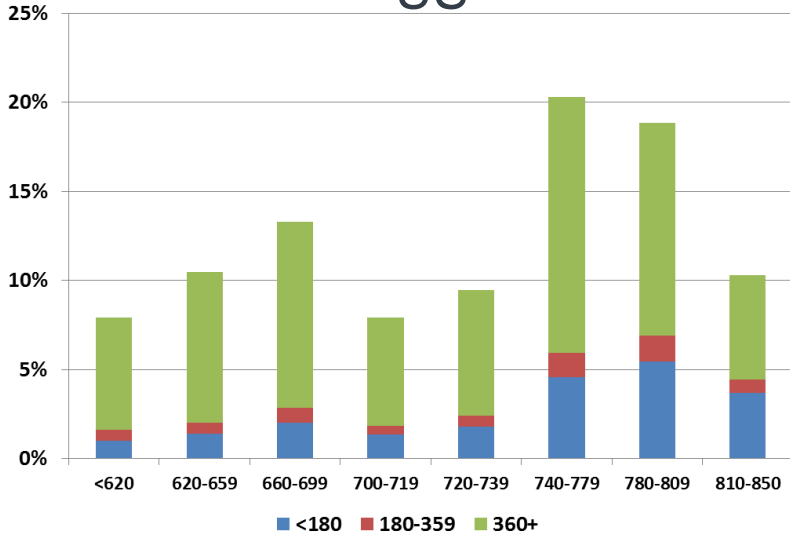
By Origination Risk Score



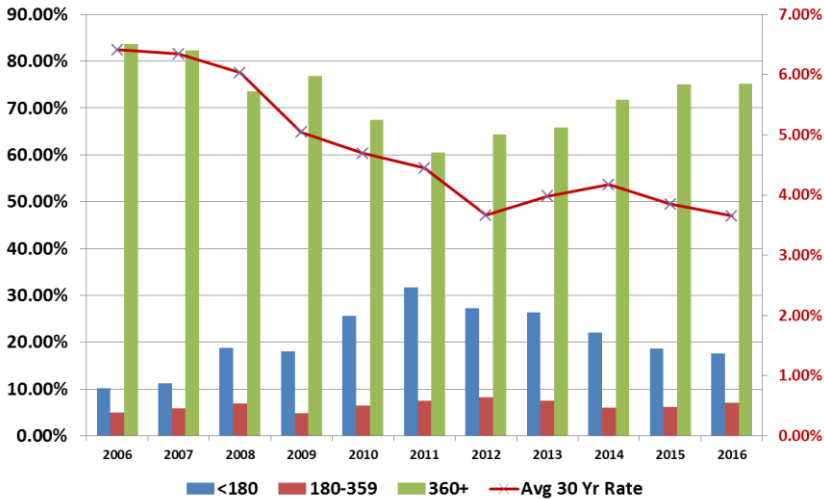
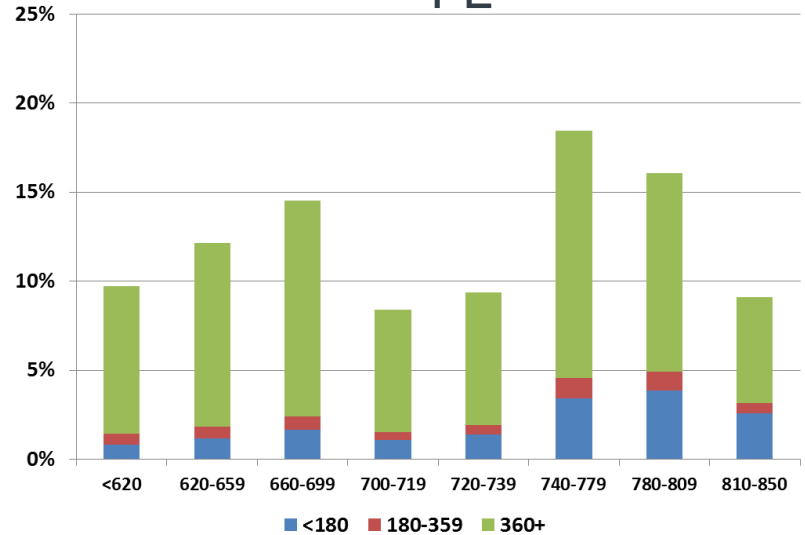
Data as of May 2017

First Mortgage Term

US



FL



Terms available in Credit Trends

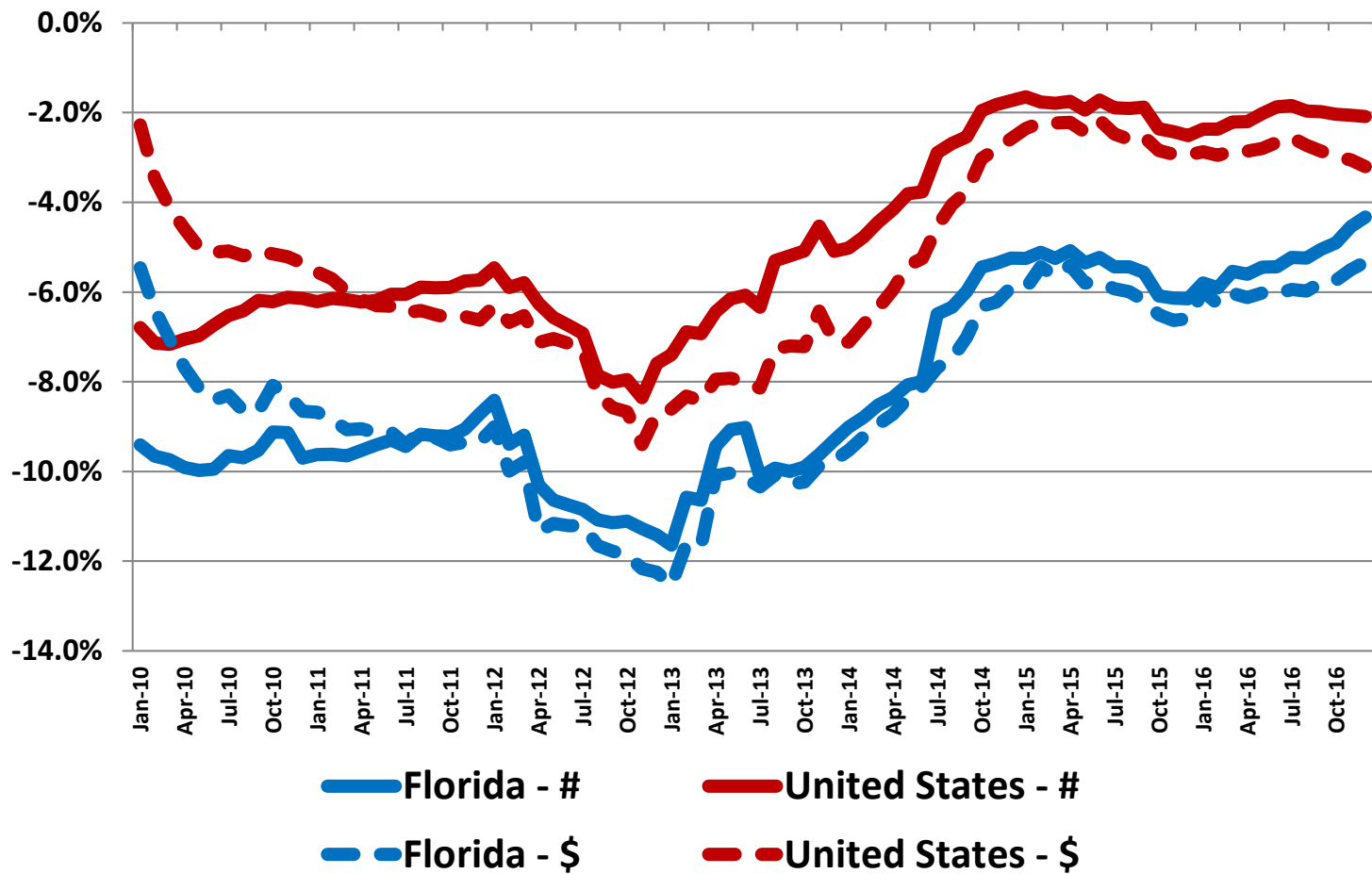
Data as of May 2017

CREDIT TRENDS: HOME EQUITY REVOLVING



Outstanding Loans - #, \$

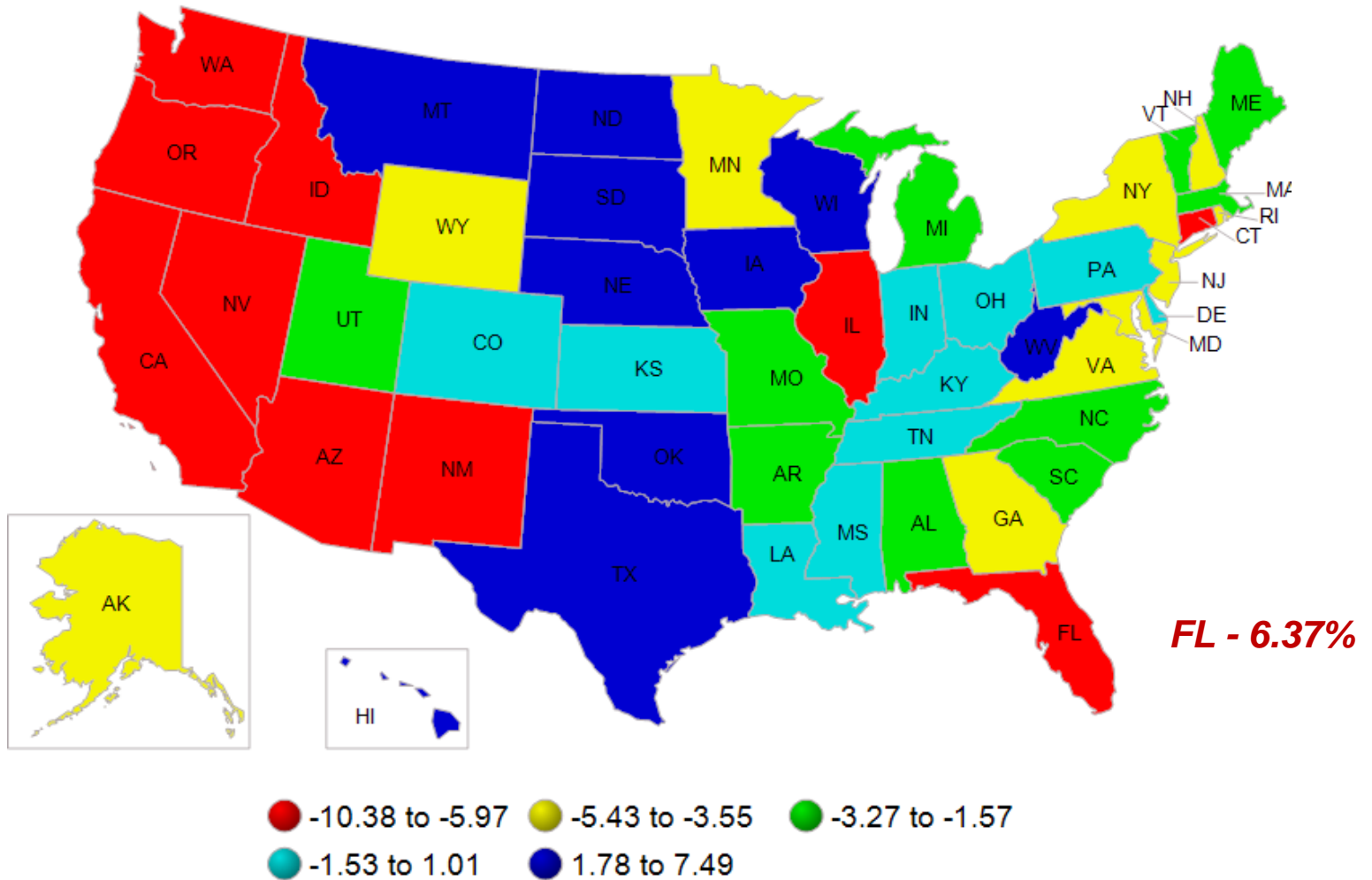
Yr/Yr % chg



Data as of May 2017

HELOC Balance Growth

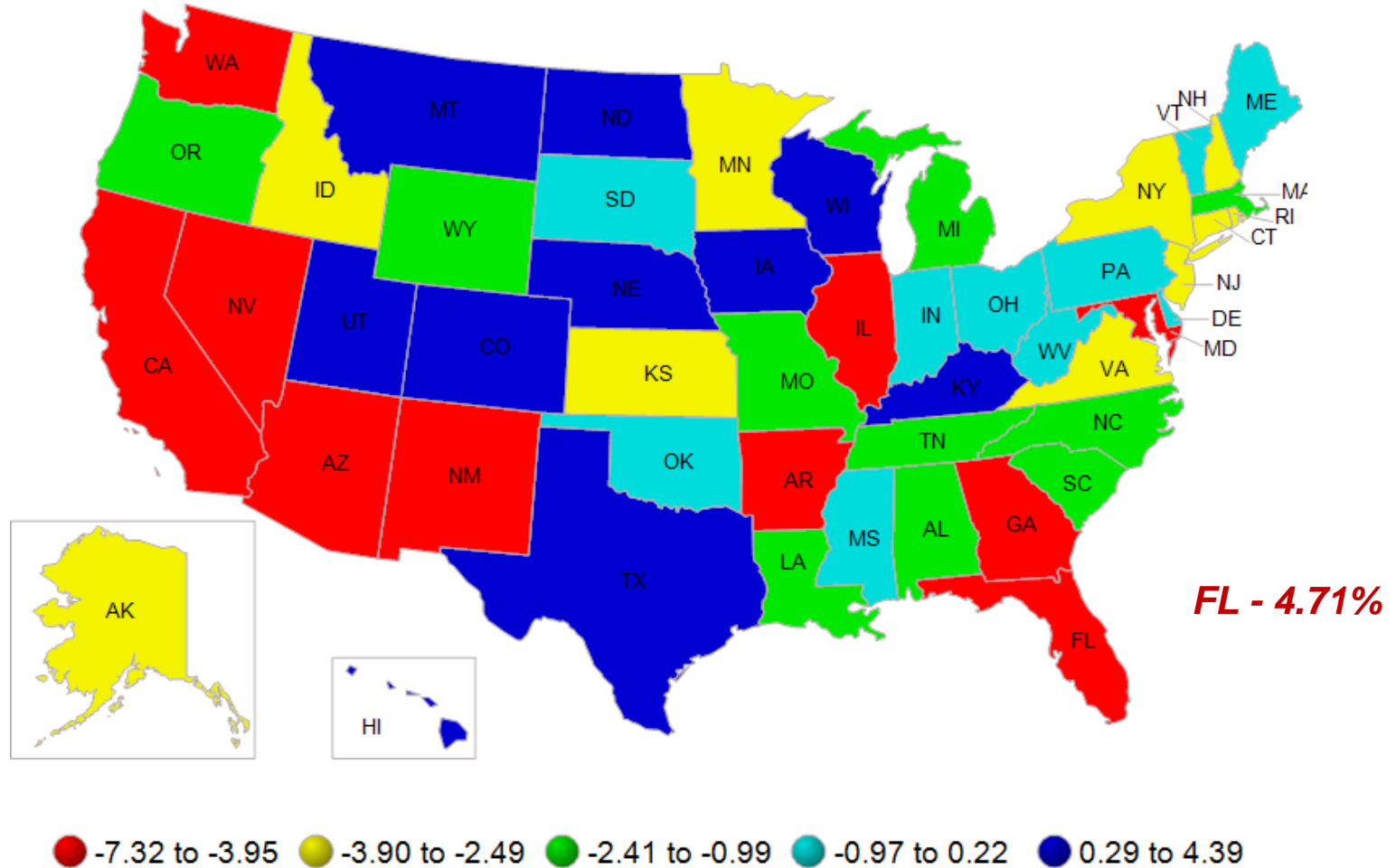
Yr/Yr % Chg - \$ of balances



Data as of May 2017

HELOC Account Growth

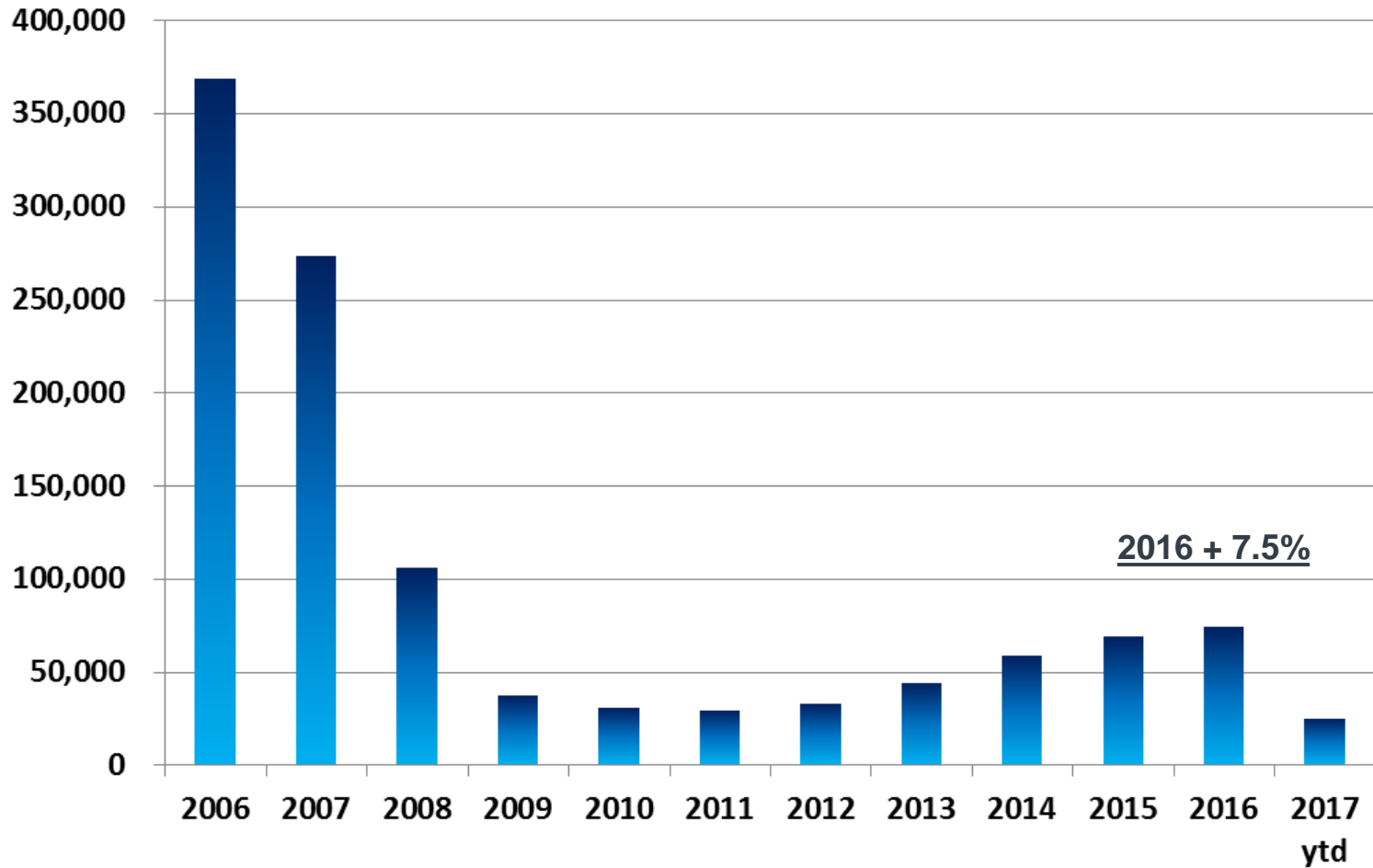
Yr/Yr % Chg - # of accounts



Data as of May 2017

Originations: Accounts - Florida

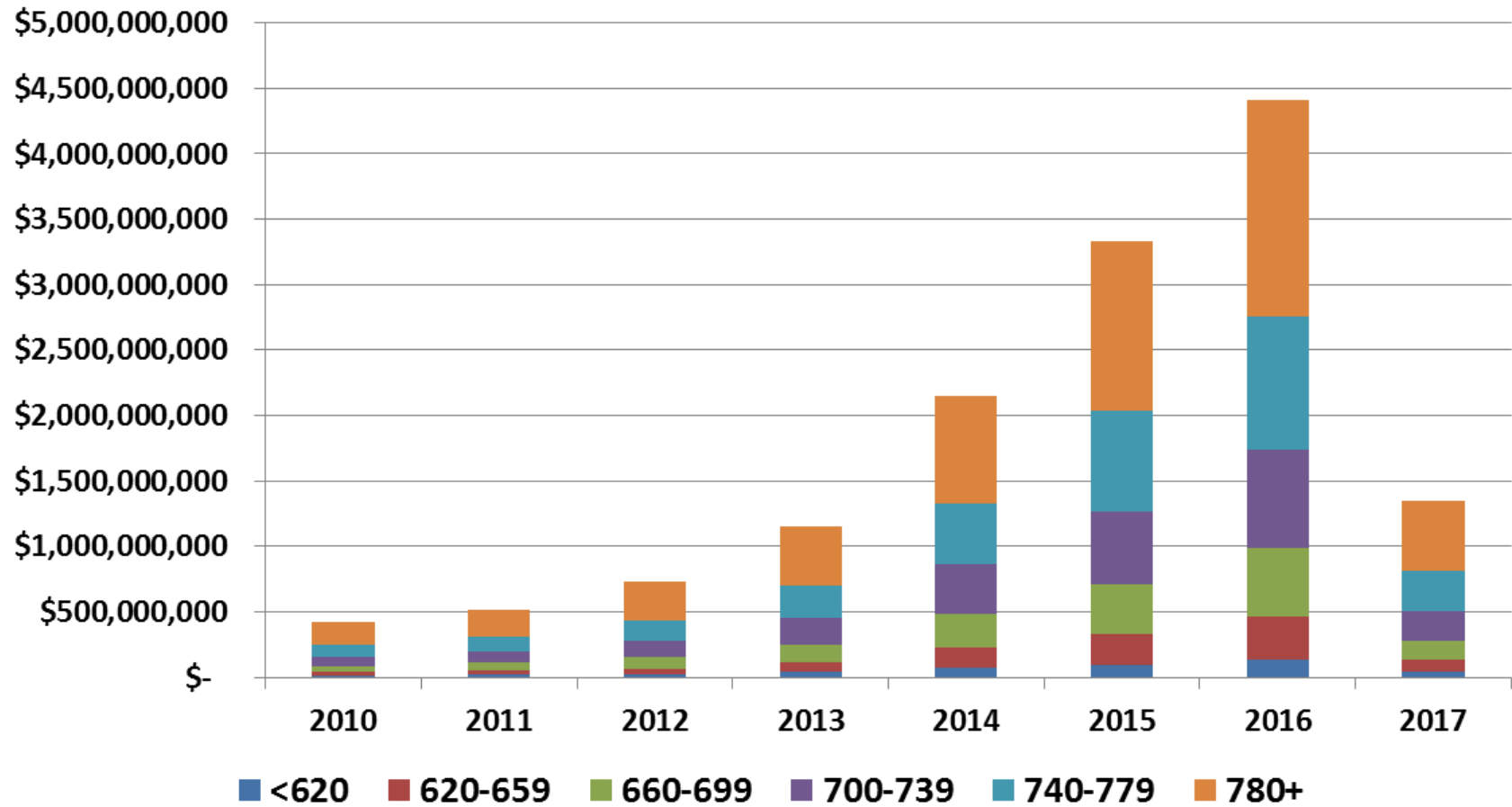
of Accounts



Data as of May 2017

HELOC - Florida

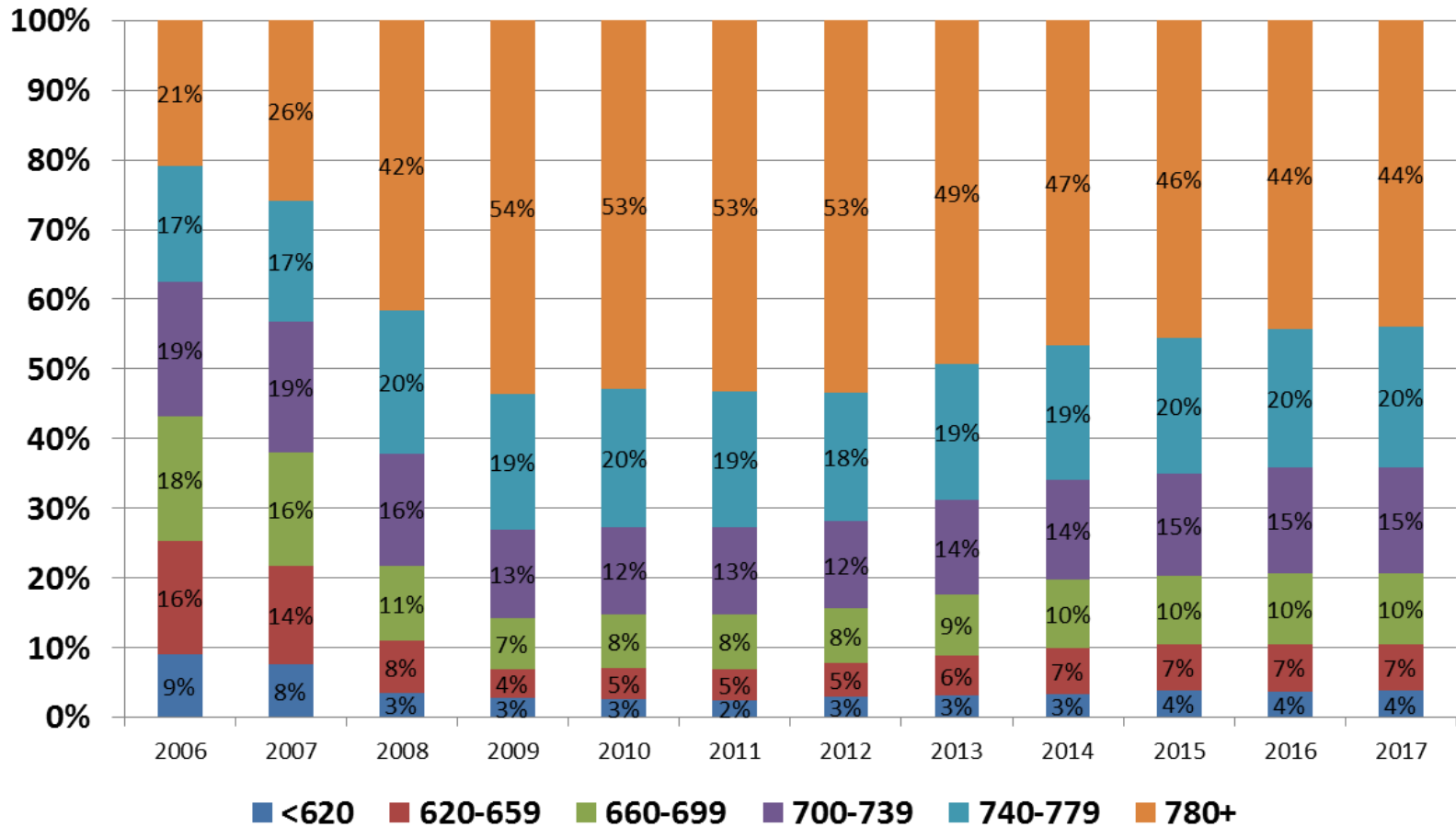
New balances, by year, by origination risk score



Data as of May 2017

HELOC Originations: Accounts - Florida

By Origination Risk Score

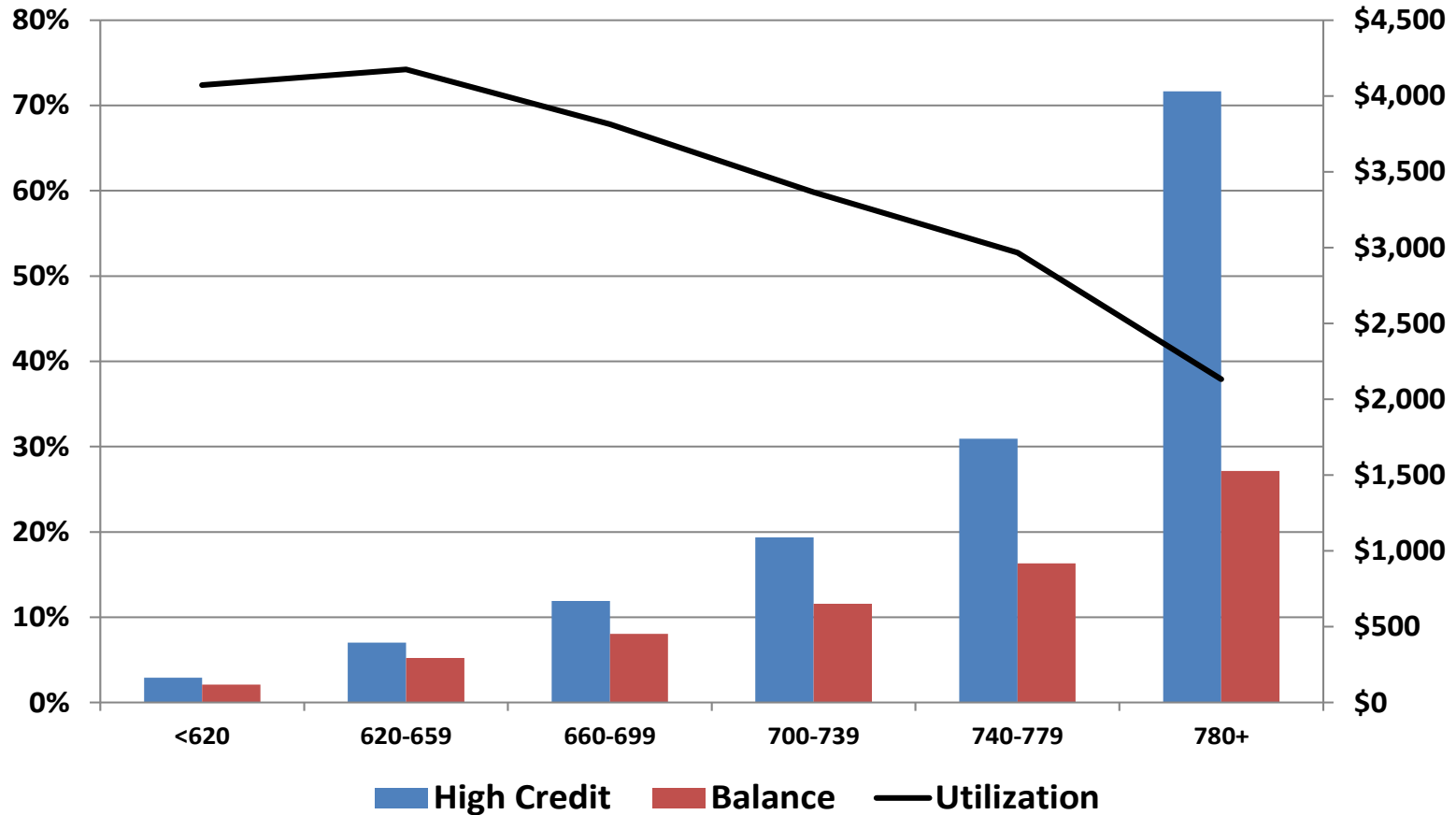


Data as of May 2017

Home Equity Line – Originations 2016

Florida

Utilization %; Credit Limit, Balances
(\$ mil)



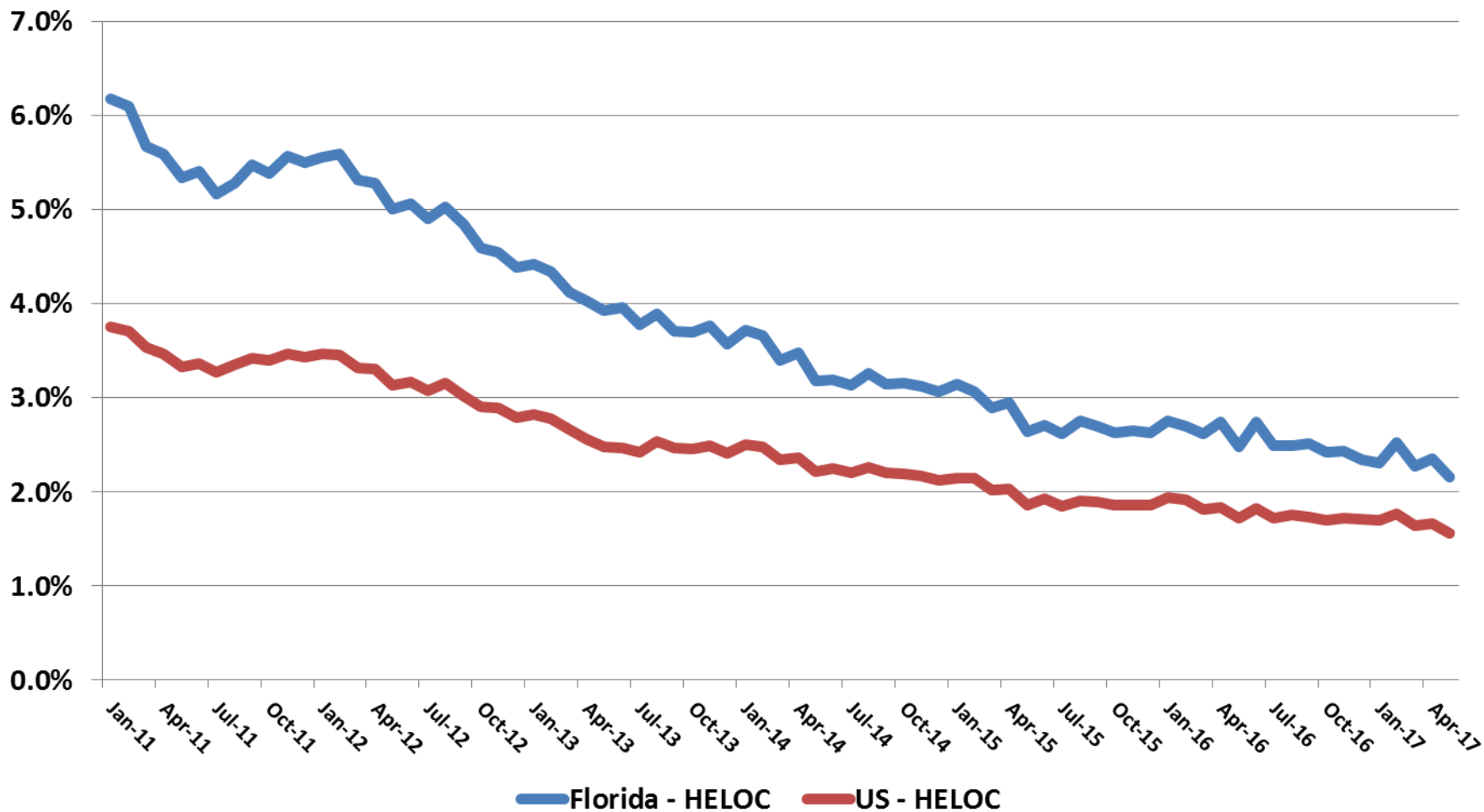
Data as of May 2017

Home Equity Line

Delinquency Rates

30+ Days Past Due

% of \$ Outstanding Balances

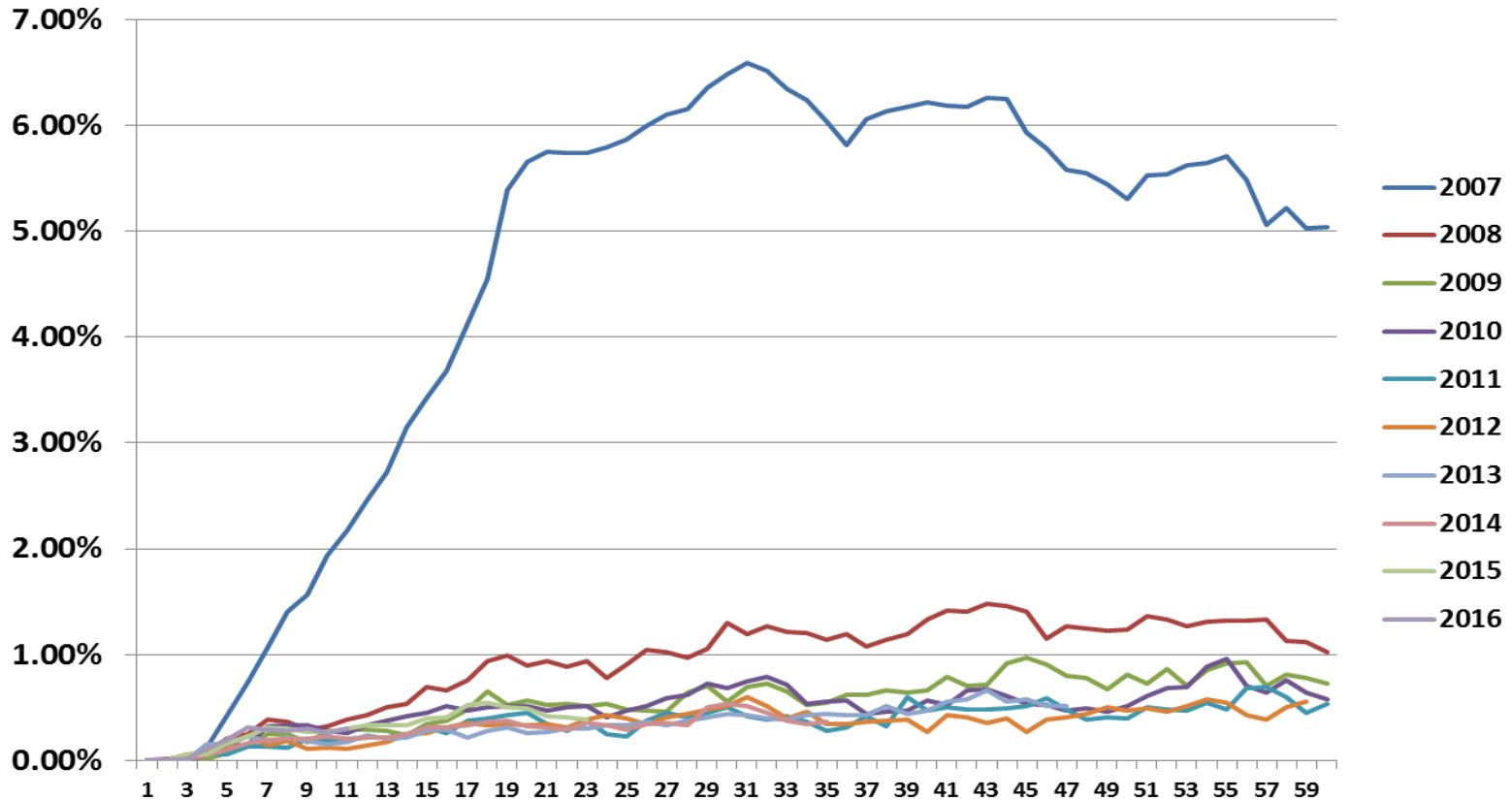


Data as of May 2017

Delinquency Rates by Vintage (3Q vintages) – Florida

30+ Days Past Due

% of \$ Outstanding Balances



› Vintage analytics available, such as a delinquency metric shown here

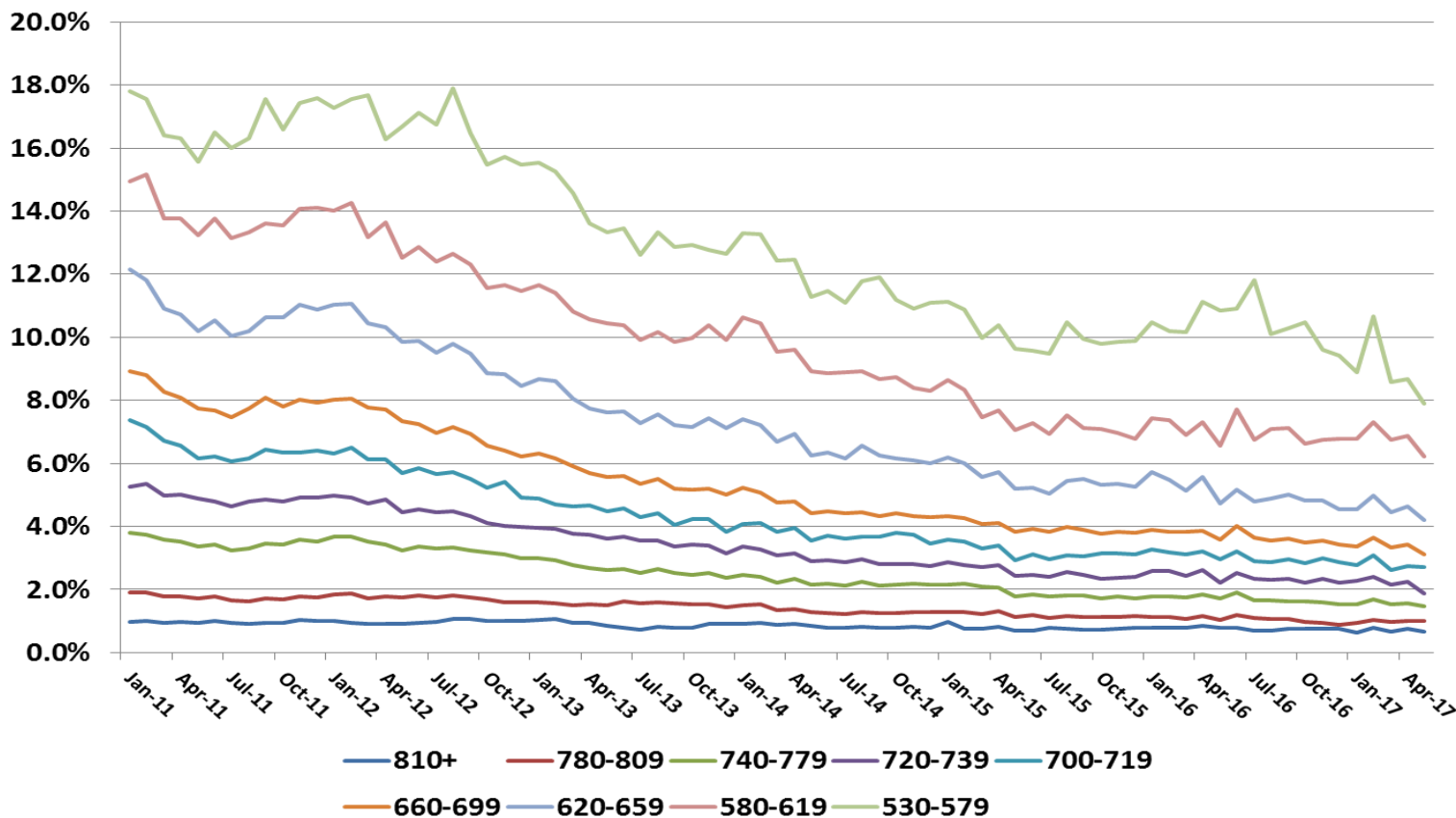
- Monitor changes in risk policy and market conditions by vintage, risk score, geography, etc

Data as of May 2017

Delinquency Rates by Origination Risk Score - Florida

30+ Days Past Due

% of \$ Outstanding Balances



- › Risk scores rank order risk; good/bad odds shift over time
- › Utilize periodic score validations to update good/bad odds, scoring strategies

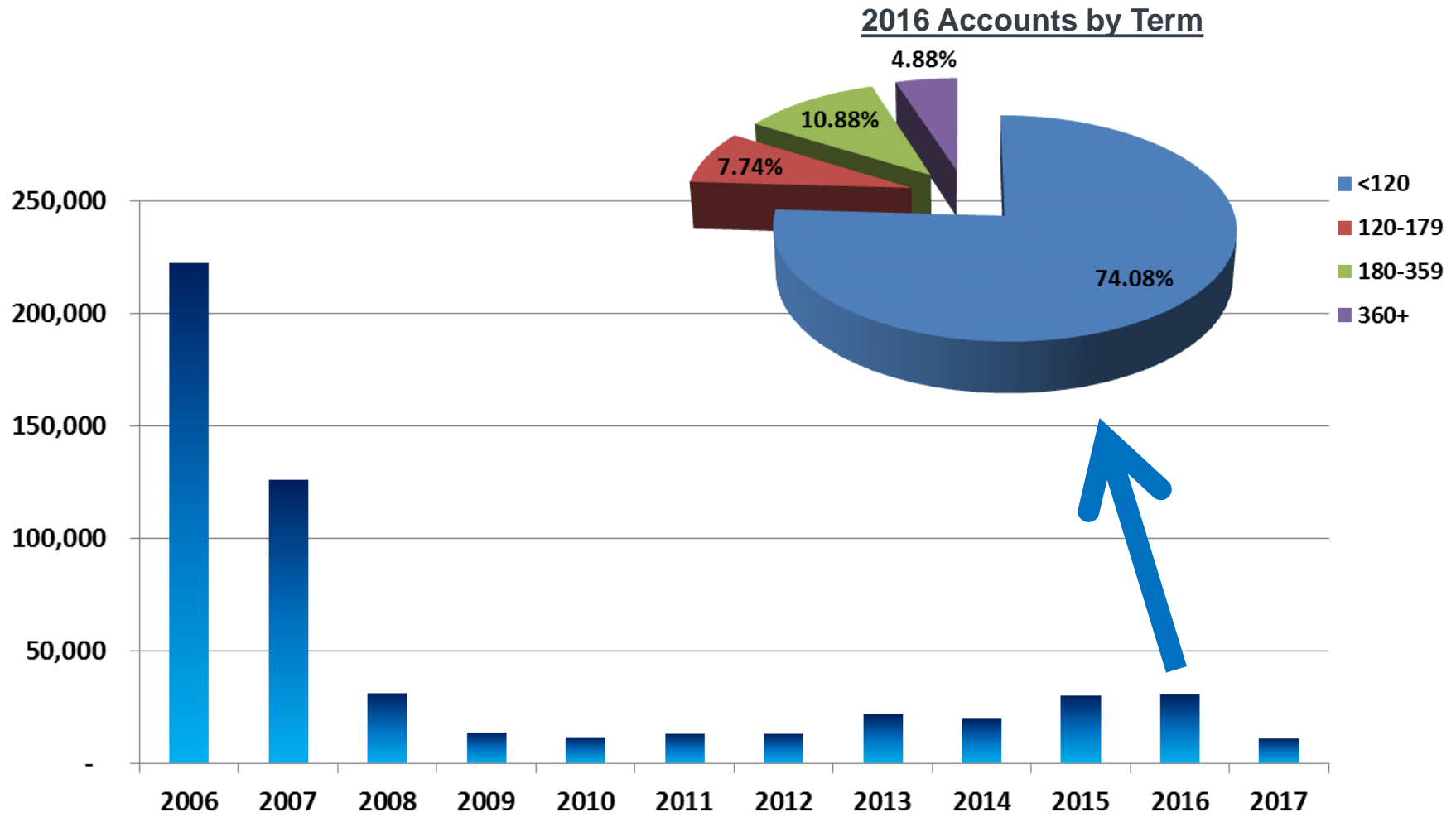
Data as of May 2017

CREDIT TRENDS: HOME EQUITY INSTALLMENT



Originations: Accounts - Florida

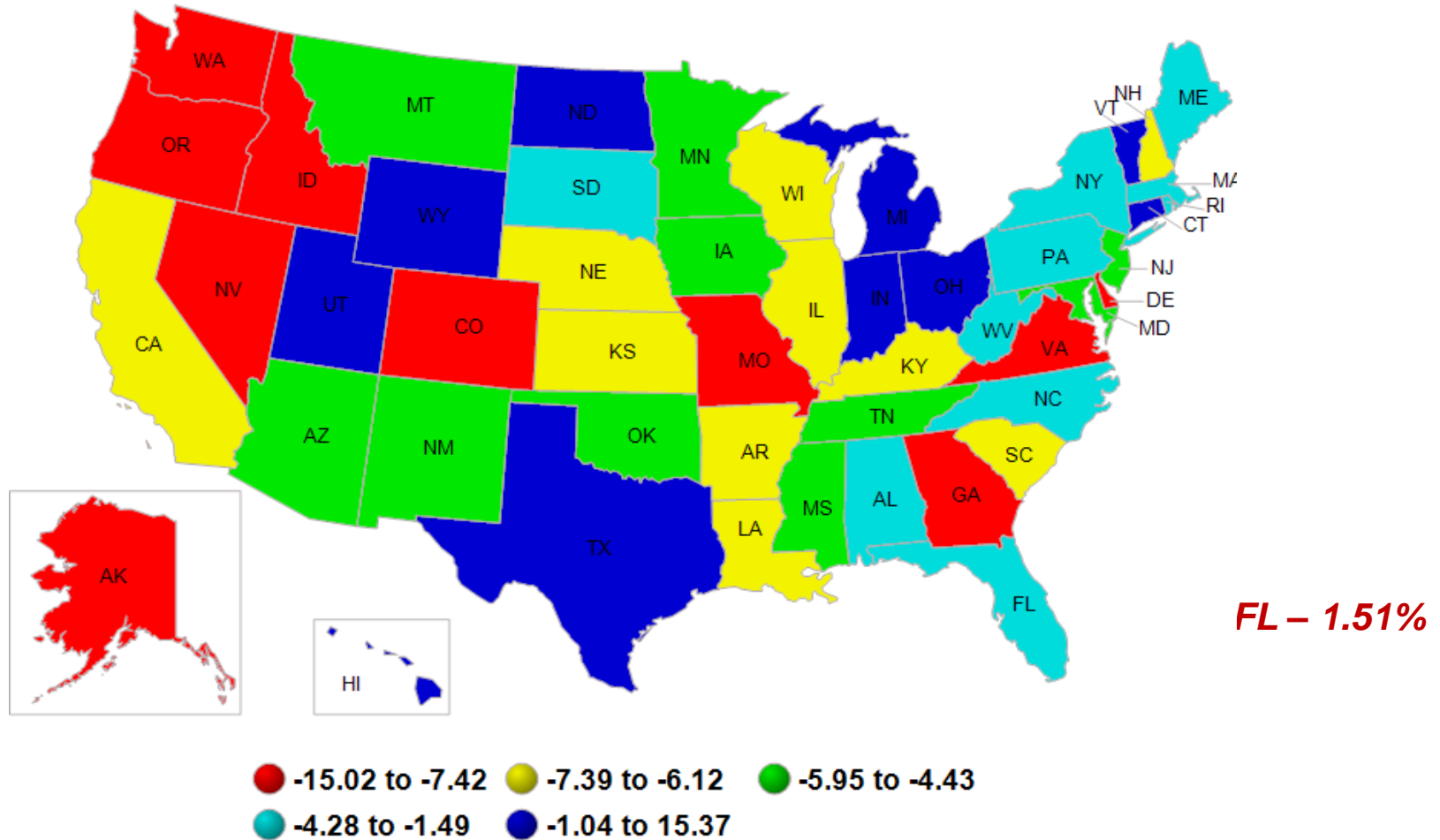
of Accounts



Data as of May 2017

HE - Loan Balance Growth

Yr/Yr % Chg - \$ of balances

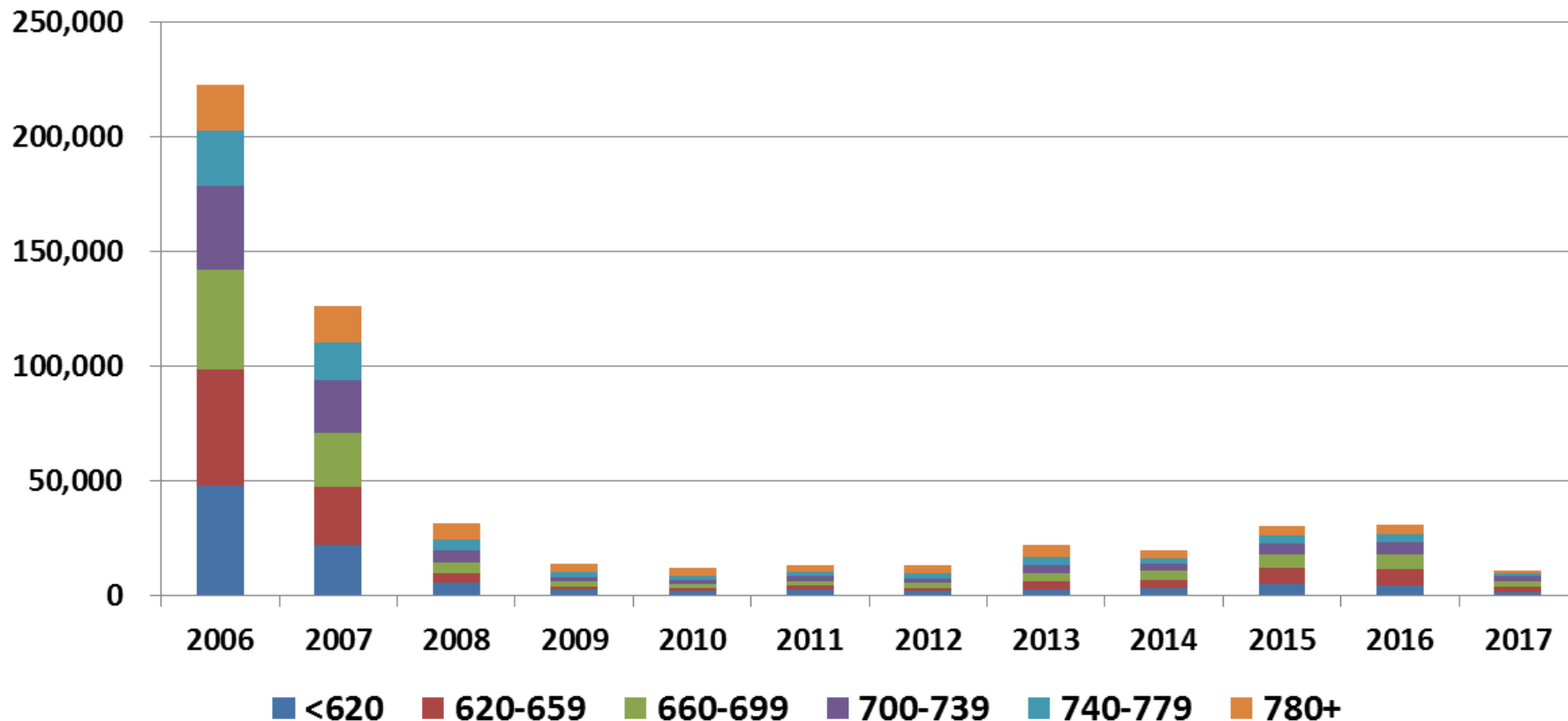


FL - 1.51%

Data as of May 2017

Originations: Accounts by Risk - Florida

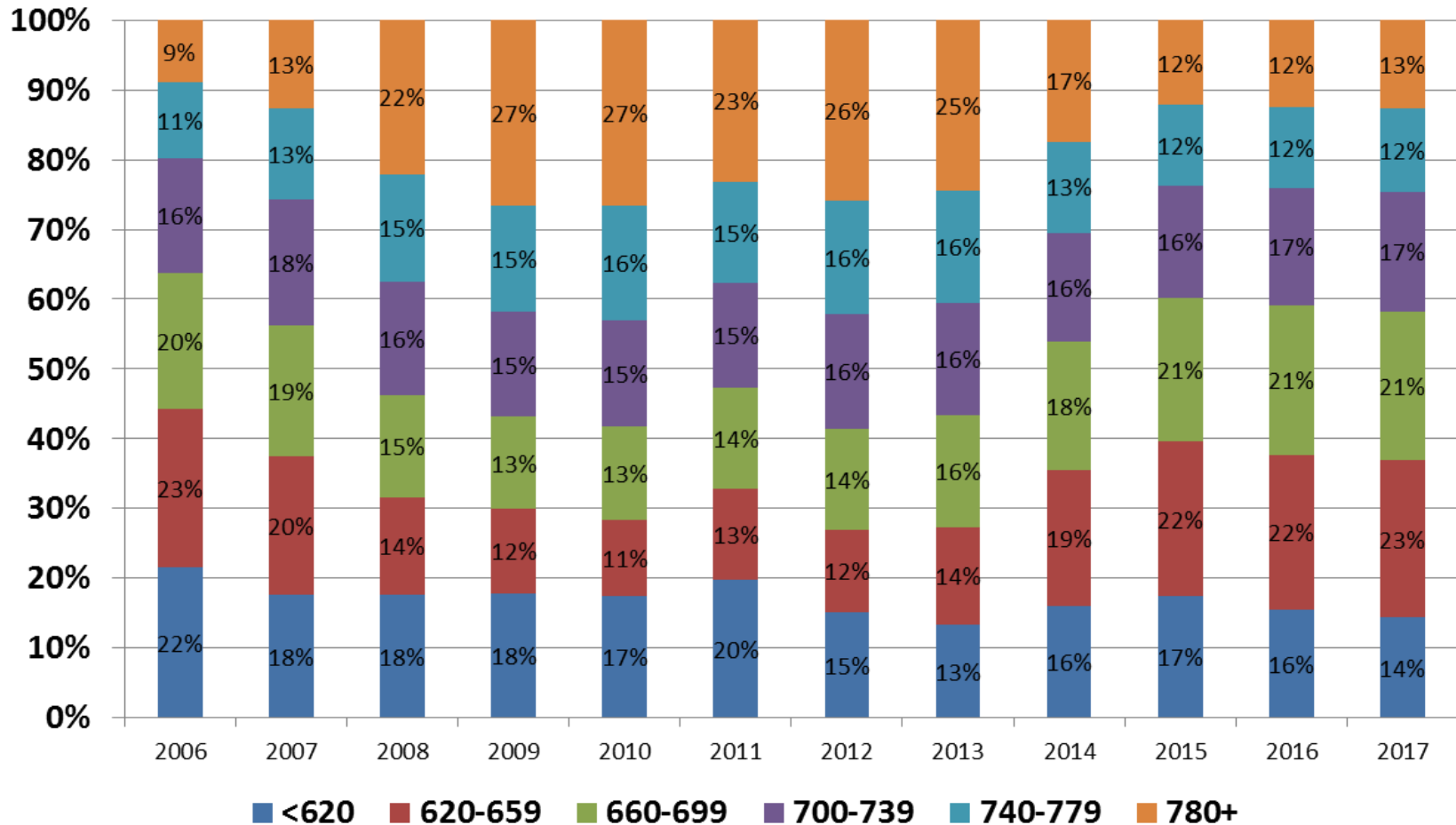
of Accounts



Data as of May 2017

HE-Loan Originations: Accounts - Florida

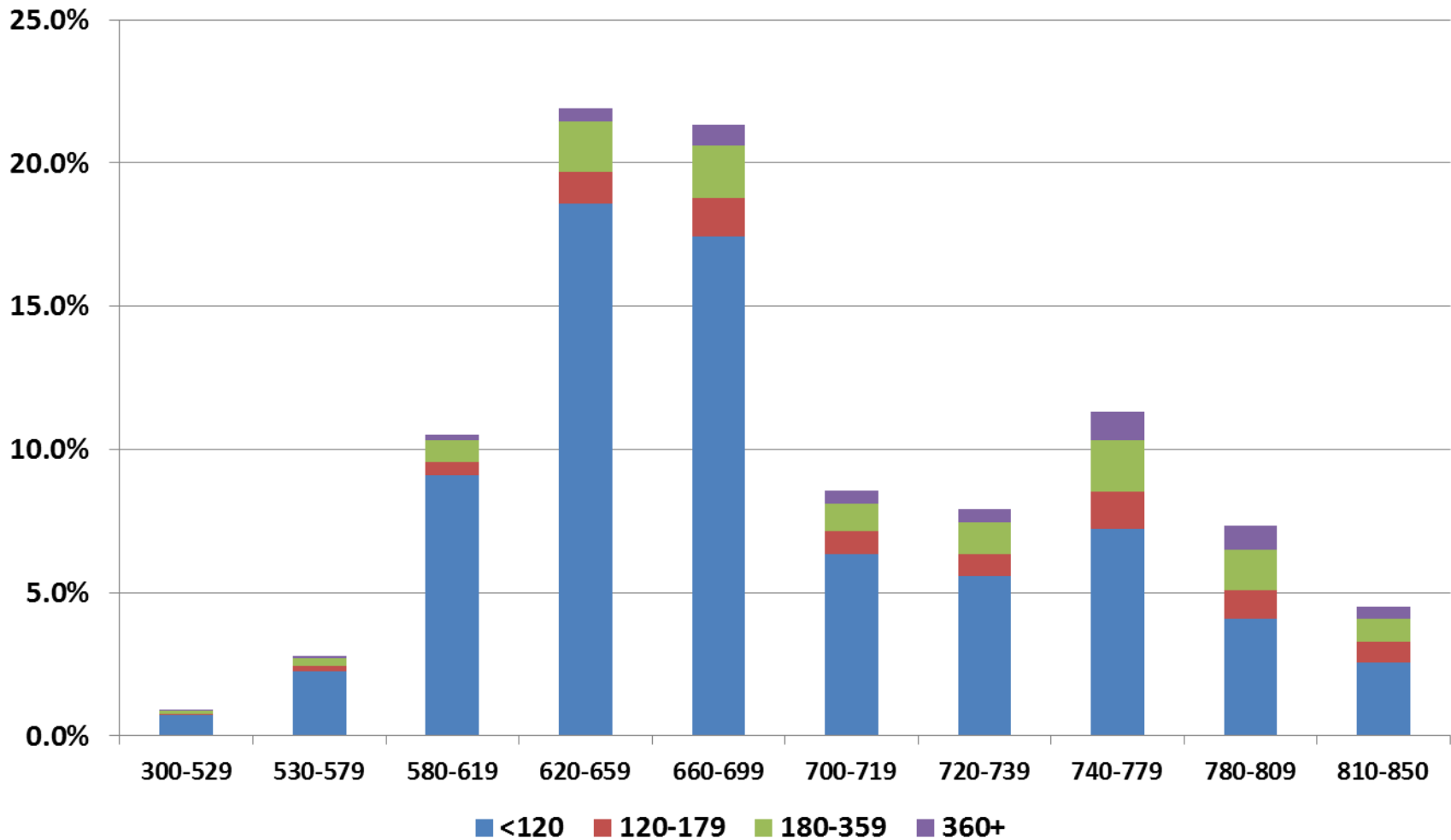
By Origination Risk Score



Data as of May 2017

HE-Loan Originations: Accounts - Florida

By Origination Risk Score & Term



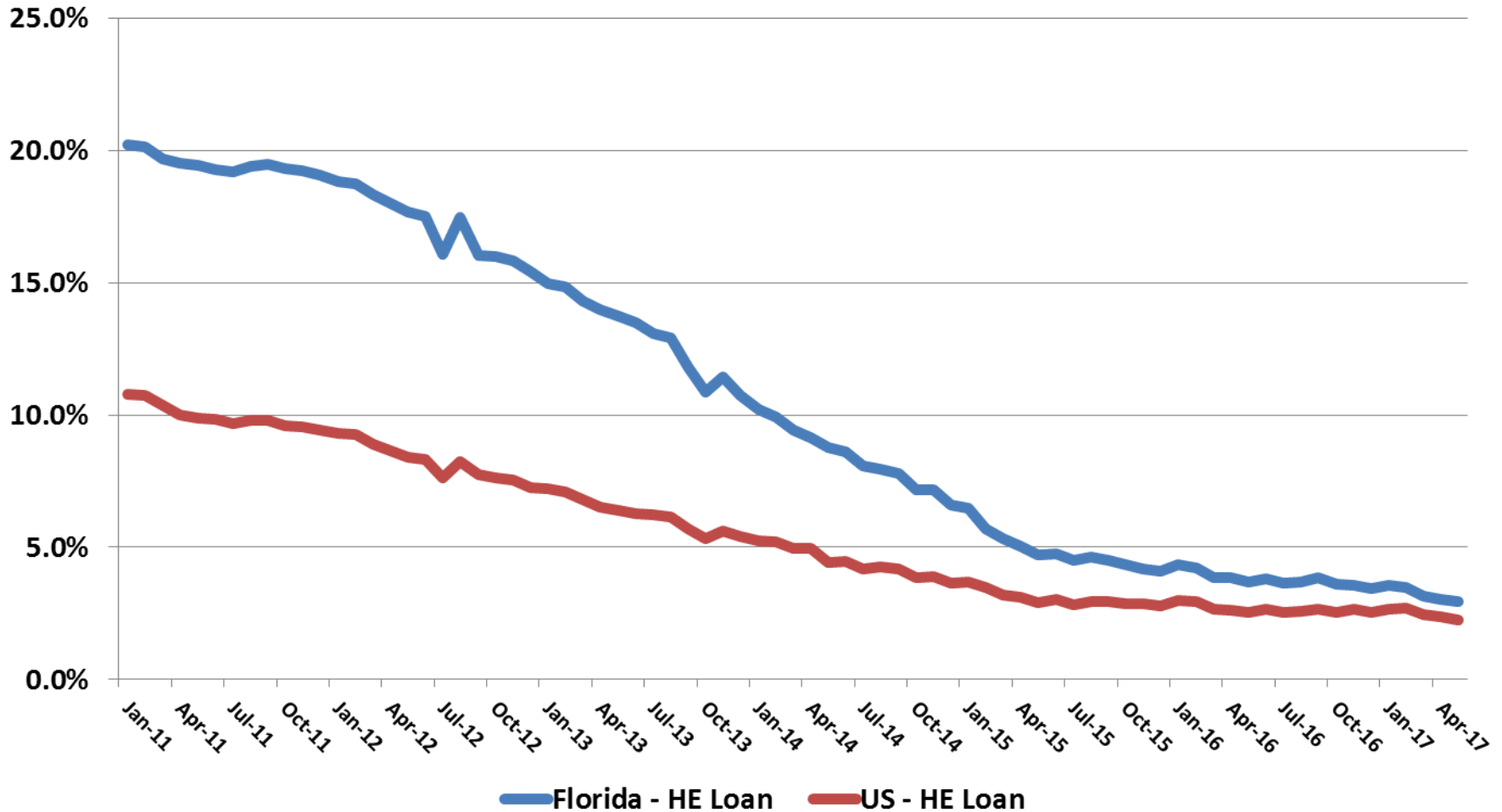
Data as of May 2017

Home Equity Loan

Delinquency Rates

30+ Days Past Due

% of \$ Outstanding Balances



Data as of May 2017