CreditGauge

Powered by VantageScore

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In October 2023, after declining by one point earlier in the year, the average VantageScore credit score held steady for the last four months at 701. However, continuing increases in delinquencies will likely drive the average VantageScore credit score lower in the next few months. Credit Card balances and delinquencies are higher than a year ago. In addition, new credit card originations declined for the second consecutive month pointing to a modest holiday shopping season.

Across All Products, Lenders and Consumers Exercised Caution in New Account Originations

Key Metrics/October 2023*

Avg. VantageScore 4.0 Credit Score:

	Vs. Prior Month	Vs. Prior Year
701	+0.1 PTS	+4.5 PTS

Overall Delinquency Rates:

		Vs. Prior Month	Vs. Prior Year
30-59 DPD:	0.90%	Decrease	Increase
60-89 DPD:	0.32%	Increase	Increase
90-119 DPD:	0.14%	No Change	Increase

Balance-to-Loan Ratio:

		Vs. Prior Month	Vs. Prior Year
Auto Loan:	64.12%	No Change	Decrease
Credit Card:	30.91%	Increase	Increase
First Mortgage:	81.88%	Decrease	Decrease
Personal Loan:	71.67%	Decrease	Decrease

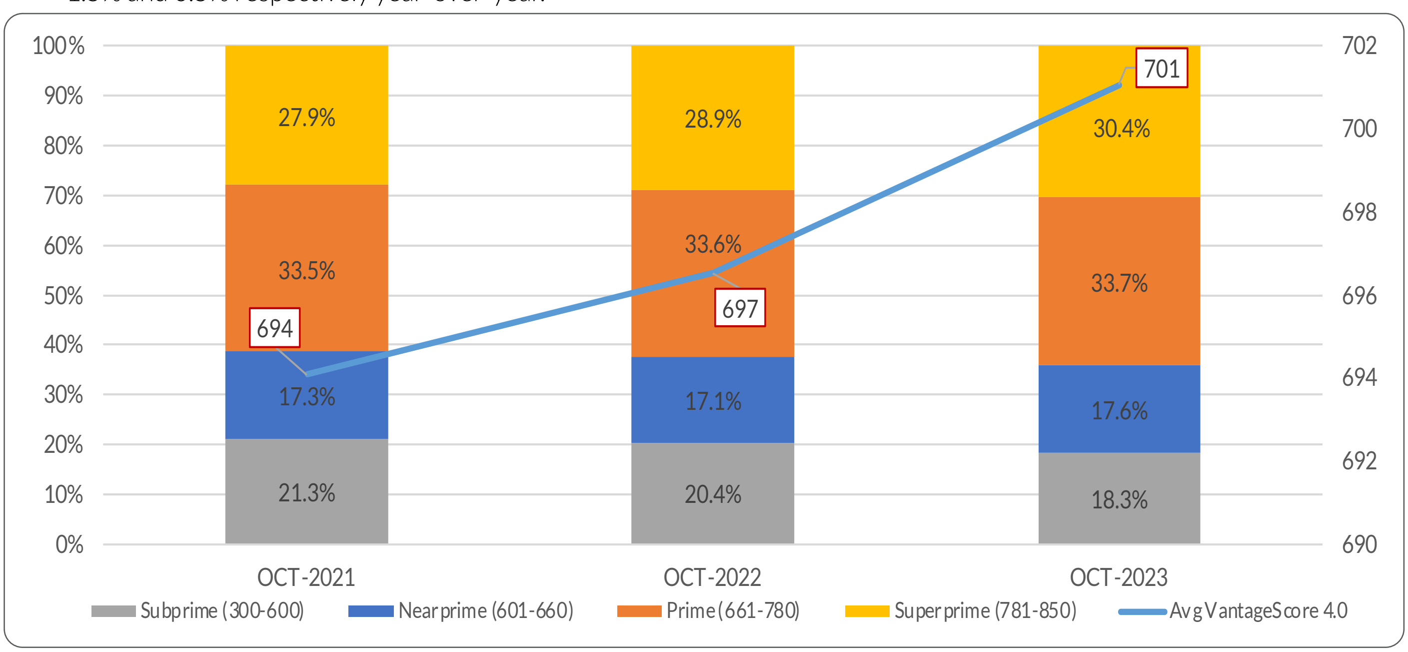
Total % Newly Opened Accounts on File:

		Vs. Prior Month	Vs. Prior Year
Auto Loan:	1.46%	Decrease	Decrease
Credit Card:	3.09%	Decrease	Decrease
First Mortgage:	0.26%	Decrease	Decrease
Personal Loan:	2.43%	Decrease	Decrease

Increase · Decrease · No Change

Year-Over-Year Subprime Credit Segment Shrank, All Other Segments Grew

- In October, the average VantageScore credit score remained at 701 for the fourth consecutive month. The exclusion of medical debt from the VantageScore models earlier this year contributed to a 4.5-point rise from the October 2022 average credit score of 697.
- The VantageScore Superprime and Nearprime segments experienced the greatest increases in October, expanding by 1.5% and 0.5% respectively year-over-year.

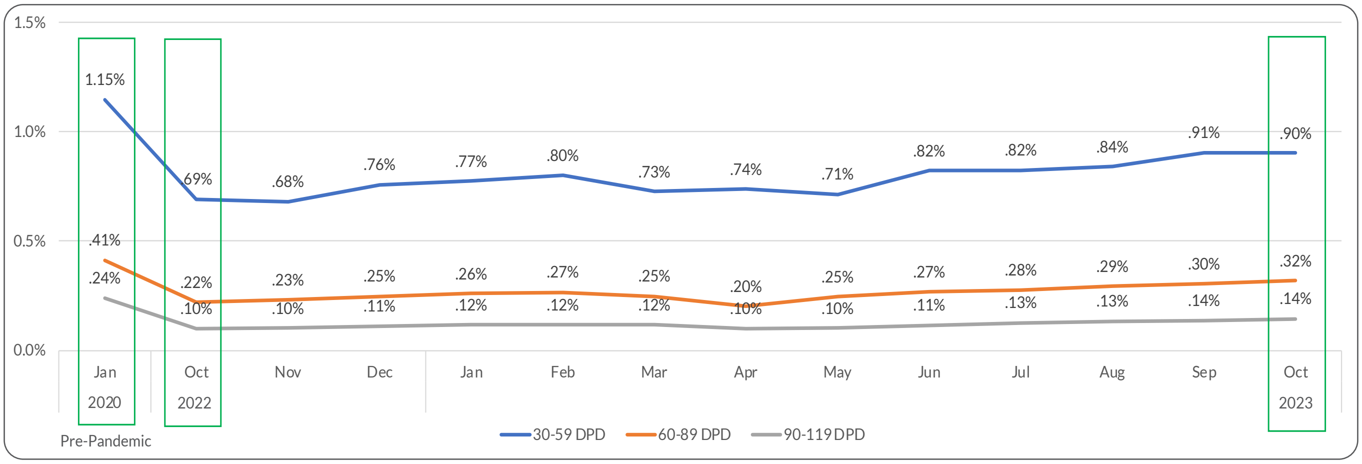


*For definitions, see page 6

In October, Delinquency Rates Began to Show Some Signs of Stabilization

Overall Delinquency Trends as a % of Outstanding Balance

- Early-stage delinquency rates (30–59 DPD) slowed slightly month-over-month from 0.91% to 0.90%. This marks the first month-to-month improvement since May 2023. Although not yet a trend, this modest improvement signals that consumers are managing their debt obligations in the early stages of the credit cycle.

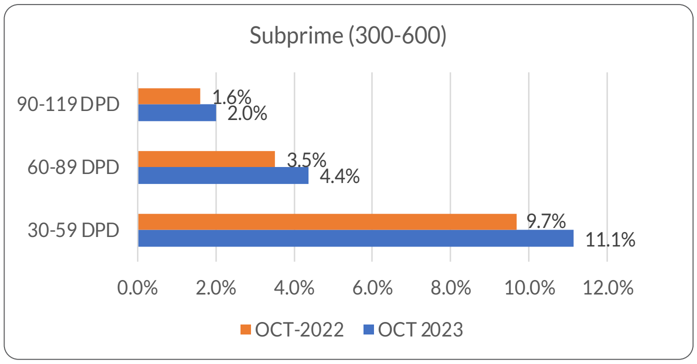


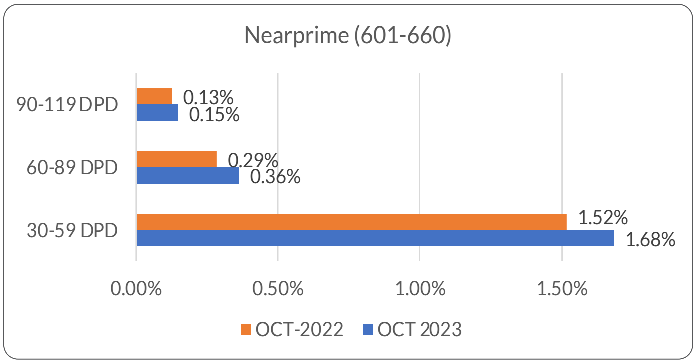
- Among early-stage delinquencies (30-59 DPD), Auto Loan was the highest, rising by 0.29% year-over-year.
- In 60-89 DPD, Credit Card and Auto Loan delinquencies saw a year-over-year uptick of 0.14%, marking the largest increase among other products.

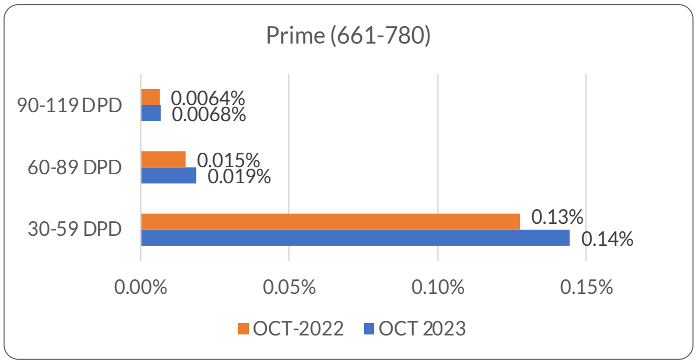
		30-59 DPD	60-89 DPD	90-119 DPD
Auto Loan	Oct-2023	2.17%	0.79%	0.29%
	Oct-2022	1.88%	0.65%	0.25%
Credit Card	Oct-2023	0.78%	0.42%	0.26%
	Oct-2022	0.60%	0.28%	0.16%
Mortgage	Oct-2023	0.87%	0.28%	0.11%
	Oct-2022	0.64%	0.18%	0.07%
Personal Loan	Oct-2023	0.87%	0.51%	0.37%
	Oct-2022	0.77%	0.43%	0.32%

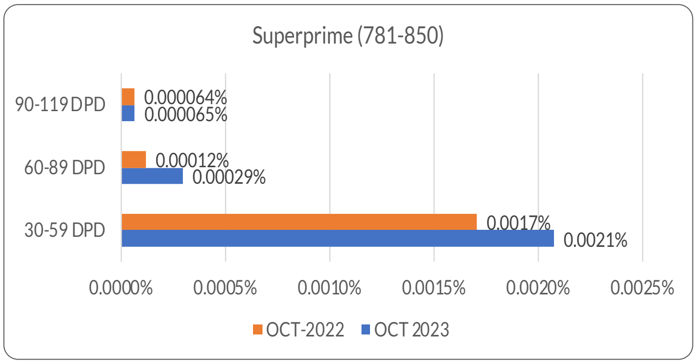
Year-Over-Year Delinquency Rates Across All Credit Segments Were Higher Than a Year Ago

- Consumers continued to show signs of payment difficulties across credit segments, likely due to pressures from inflation and higher interest rates.



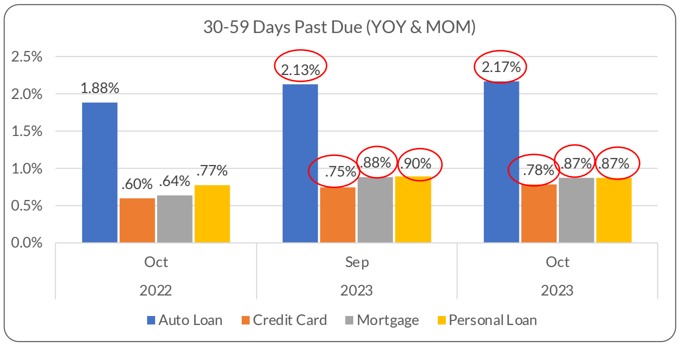




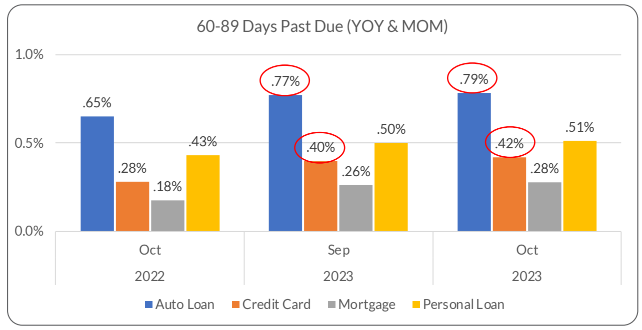


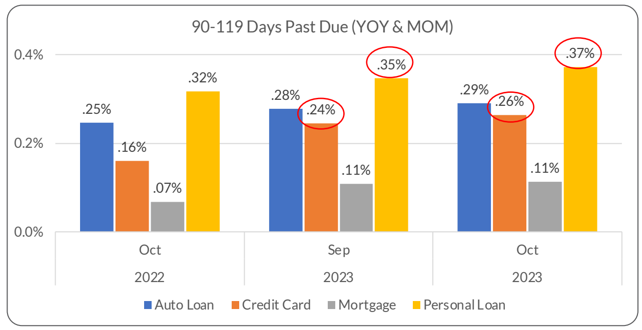
Delinquency Rates by Product and Days Past Due (DPD) Bands (YOY & MOM)

- While overall year-over-year delinquencies have increased, there has been some improvement compared to last month, with early-stage delinquencies slowing and late-stage delinquencies remaining flat.
- In the 30-59 DPD category, Mortgage and Personal Loan delinquencies bucked the trend, down 0.01% and 0.03% respectively compared to September 2023, while Auto Loan and Credit Card delinquencies rose by 0.04% and 0.03% month-over-month.



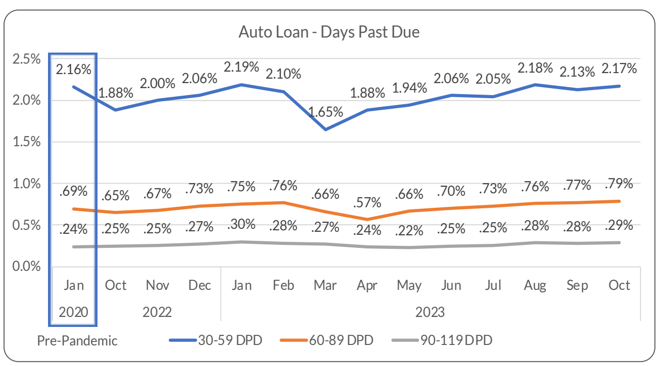
- Credit Card and Auto Loan delinquencies both rose by 0.02% month-over-month in the 60-89 DPD category.
- In late stage delinquencies (90-119 DPD category), Credit Card and Personal Loan delinquencies both rose by 0.02% from the September 2023 figure.

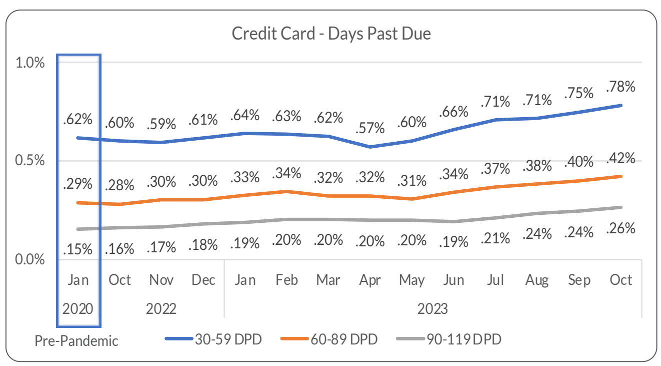


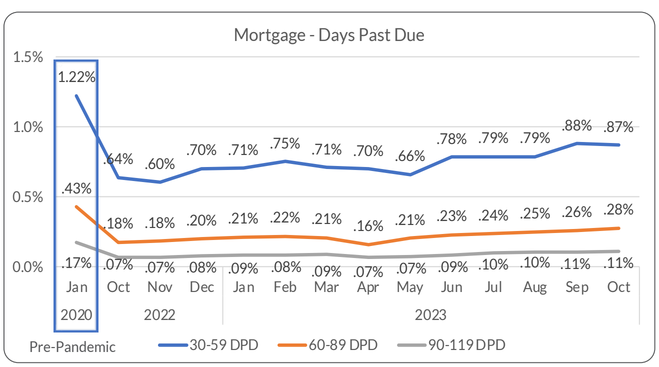


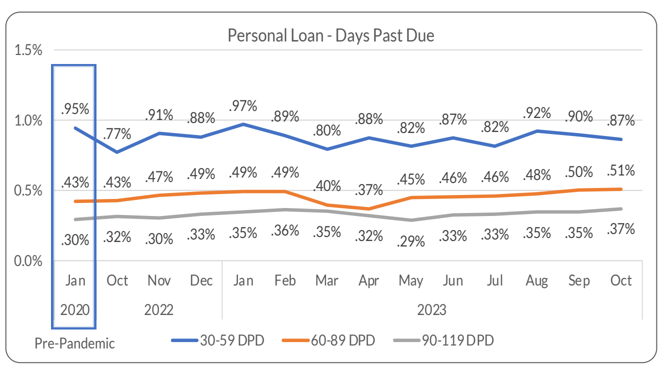
13-Month Delinquency Rate Trends by Product and Days Past Due

- Mortgage delinquencies remained significantly below pre-pandemic levels across all delinquency stages, experiencing a minor increase of 0.02% month-over-month in the 60-89 DPD category.
- Late-stage delinquencies (90-119 DPD) among Personal Loan, Credit Card, and Auto Loan continued to top pre-pandemic levels.





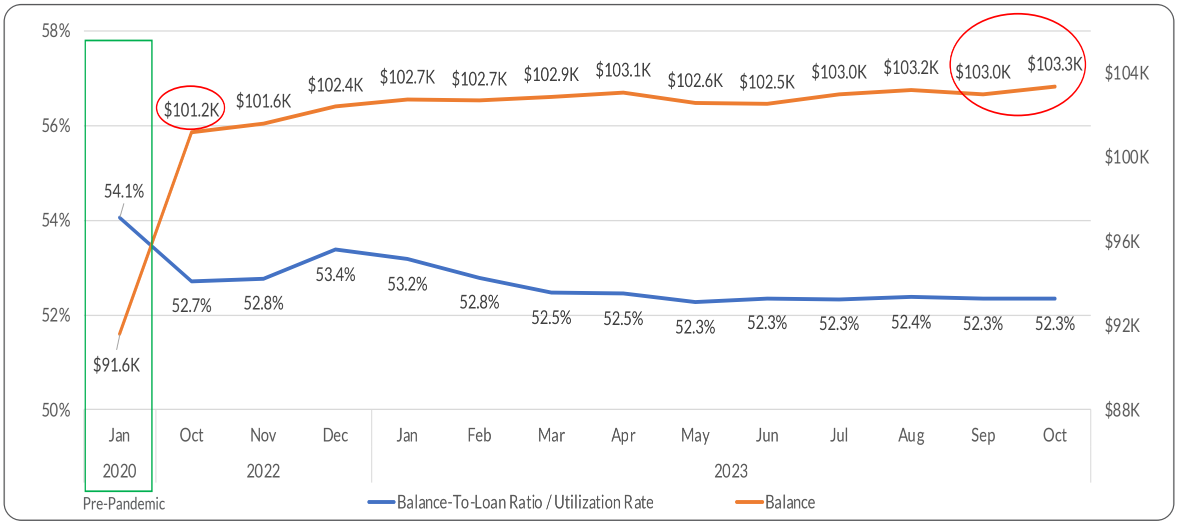




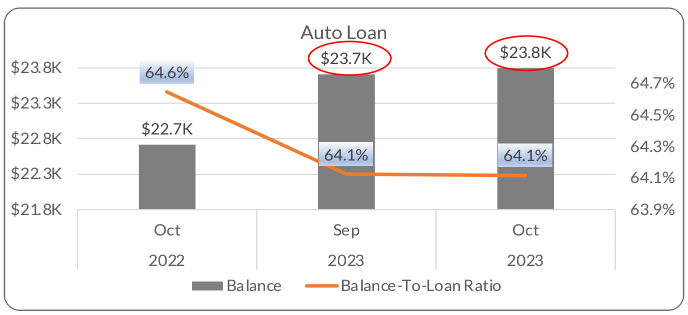
Overall Average Balances Inched Higher, Credit Utilization Remained Flat

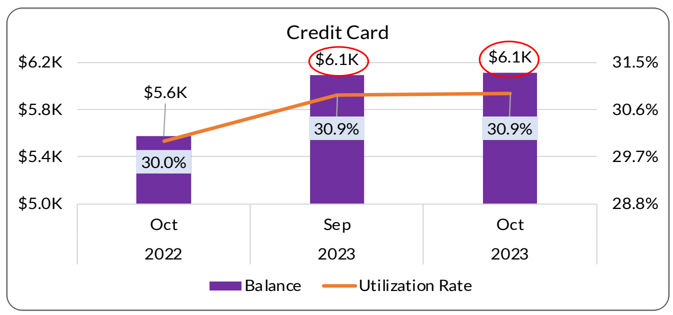
Total Average Balance and Utilization Rate/Balance-To-Loan Ratio

- In October, total average balances rose by $2,158 (+2.1%) year-over-year and inched up by $372 compared to September 2023. The overall utilization rate fell by 0.4% year-over-year while remaining flat on the previous month. Consumers continued to manage their credit responsibly despite rising costs over the past year.

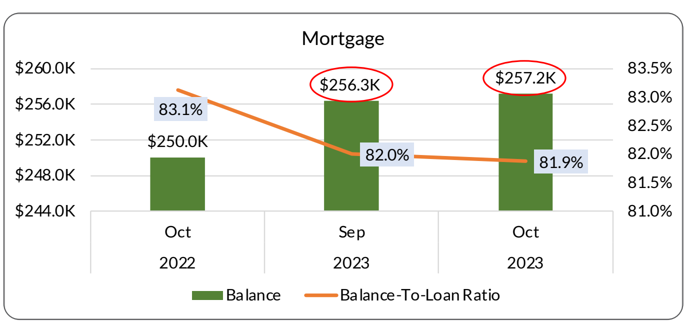


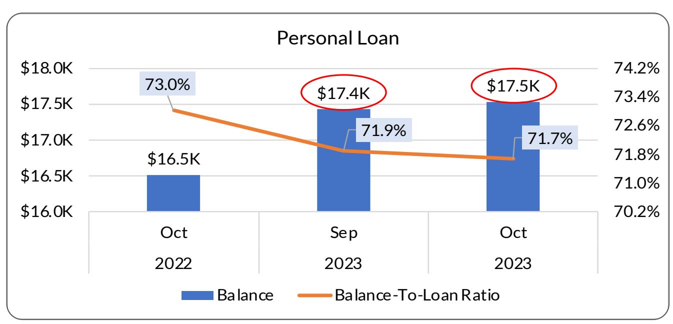
Average Balance and Utilization Rate/Balance-To-Loan Ratio by Product





- The average Auto Loan balance rose by $1,085 (+4.8%) since October 2022, driven by both higher interest rates and prices. In October 2023, the balance-to-loan ratio remained flat compared to previous month.
- The average Credit Card balance remained flat month-over-month in October, as did the utilization rate but year-over-year Credit Card balances rose 10%. The higher balances year-over-year are due to increased spending, higher prices and soaring interest rates.

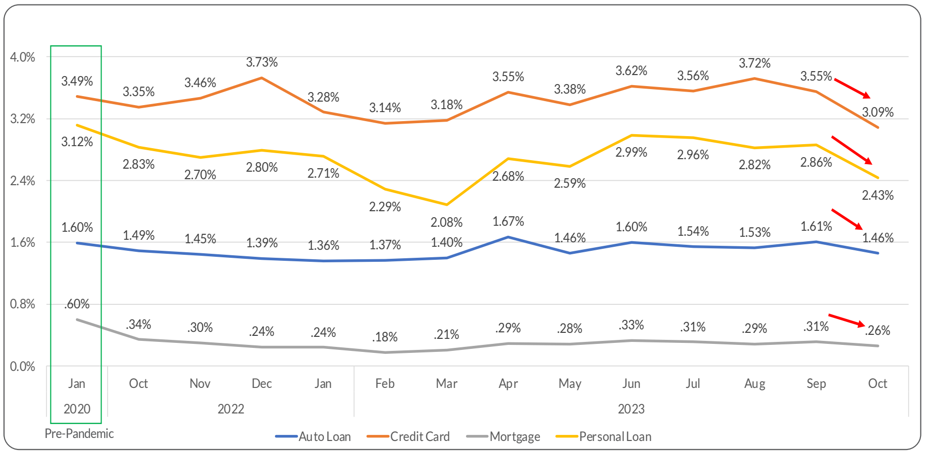




- Mortgage balances increased by $851 over September 2023 while the balance-to-loan ratio edged down by 0.1% month-over-month. Home buyers continued to bear the brunt of higher interest rates.
- The Personal Loan balance-to-loan ratio fell by 0.2% month-over-month, while the average balance was up by only $100 since September. Consumers exhibited a moderate borrowing pace in their behavior.

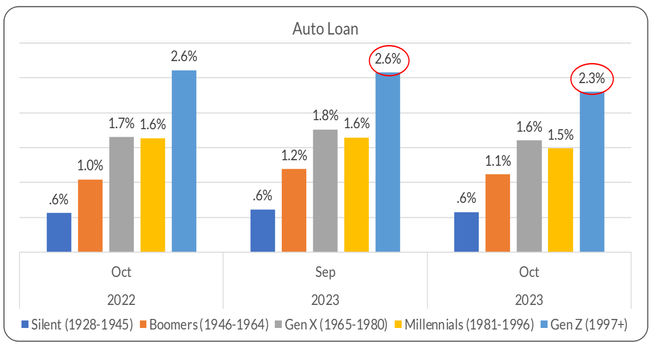
Across All Products, New Account Originations Slowed Year-Over-Year and Month-Over-Month

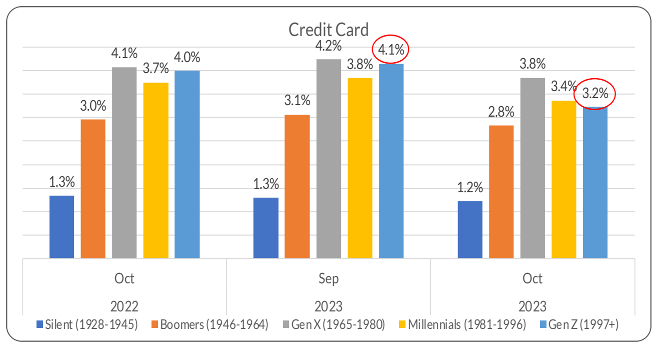
Percentage of Consumers with Newly Opened Accounts on File



- In October, new account originations declined across all products compared to both October 2022 and September 2023.
- Credit Card originations fell the most month-over-month, down 0.46%. Stricter lender requirements combined with higher interest rates have contributed to this slowdown.
- Mortgage originations fell the least, declining 0.05% compared to September 2023. The impact of higher interest rates, rising home costs and limited inventory is evident with the decline in new Mortgage activity.

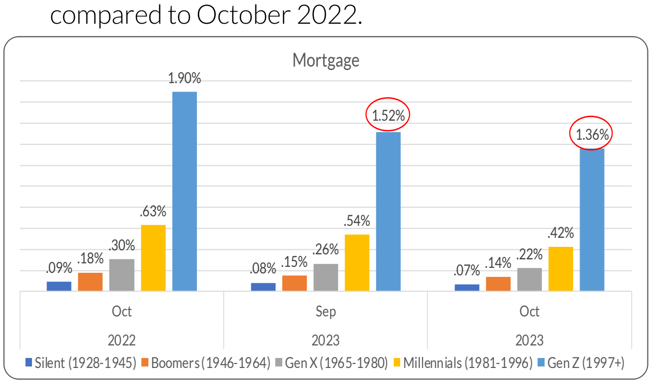
Percentage of Consumers with Newly Opened Accounts on File by Generation Groups (YOY & MOM)

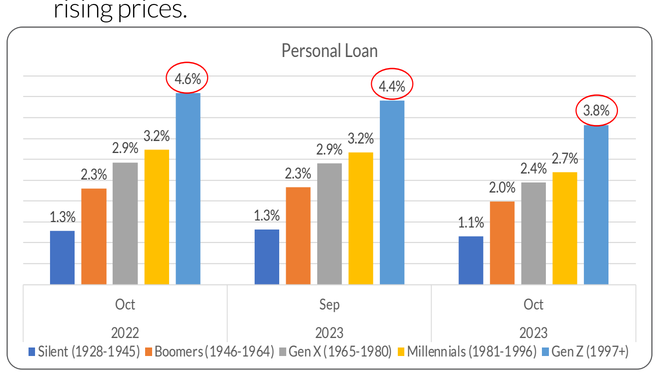




- Auto Loan originations fell by the greatest amount among Generation Z and declined by 0.3% on both a year-over-year and month-over-month basis. More than any other generation, Gen Z continued to feel significant financial pressure.
- Among Boomers, Auto Loan originations rose by 0.1% compared to October 2022.

- Across all generations, Credit Card originations fell both year-over-year and month-over-month. Originations fell the most among Gen Z, by 0.8% year-over-year and 0.9% month-over-month.
- Younger consumers continue to be impacted the most by inflationary pressures, such as higher interest rates and rising prices.





- Mortgage originations were down across the board both year-over-year and month-over-month.
- The Mortgage market is stalled across all generations due to increasing interest rates, rising home prices and limited inventory.

- Personal Loan originations declined the most among Gen Z, down 0.6% compared to September 2023 and 0.8% since October 2022.
- Millennials and Gen X saw originations fall by 0.5% both month-over-month and year-over-year while Boomer originations were down 0.3% for both periods.

Key Terms/Data Source Defined:

Data Source: The data used to create CreditGauge Powered by VantageScore is sourced from credit file data from the three credit bureaus (Equifax, Experian, and TransUnion). The data in the credit files is combined with VantageScore credit score data to prepare the monthly analysis.

Terms Defined:

Average VantageScore 4.0 Credit Score: The average VantageScore credit score provided in this analysis is a monthly average and it is compared to the same period prior year to measure change.

Credit Tiers: In this report there are four Credit Tiers. Subprime (300-600), Nearprime (601-660), Prime (661-780) and Superprime (781-850). The credit tiers are defined ranges of VantageScore 4.0 credit scores.

Products: The products included in this analysis include: Auto (Loans + Leases), Mortgage, Credit Card, and Personal Loan.

Delinquency Rates: In this analysis, delinquency rates are calculated as a percentage of the DPD (Days Past Due) balance compared to the total open and active balance. Delinquency tiers are 30 – 59 DPD (Days Past Due), 60 – 89 DPD (Days Past Due), and 90 – 119 DPD (Days Past Due).

Balance-To-Loan Ratio: BTL reflects the average balance-to-loan amount on open and active installment accounts.

Utilization Rate: Reflects the total outstanding balance divided by the total credit limit on open and active revolving accounts.

Percentage of Newly Opened Accounts: The percent of newly opened accounts reflects the percentage of consumers who had at least one account opened in the past month.

Generation Groups: The generation groups used in this analysis are industry standards. Silent (1928-1945), Boomers (1946–1964), Gen X (1965–1980), Millennials (1981-1996), and Gen Z (1997 +).

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VantageScore Digital Tools:

About VantageScore:

Over 3,000 banks, fintechs and other companies use VantageScore credit scores every day to assess consumer creditworthiness. Last year, over 19 billion VantageScore credit scores were used, representing a 30% yearly increase. Most top 10 US banks, large credit unions and leading fin-techs use VantageScore credit scores in one or more lines of business including Credit Card, Auto Loan, Personal Loan and more.

VantageScore is an independently managed joint venture company of the three Nationwide Credit Reporting Agencies (NCRAs) – Equifax, Experian, and TransUnion.