



News Release Issued: December 1, 2009 6:07 AM EST

TransUnion.com: National Auto Loan Delinquency Rates Rose In Third Quarter 2009

CHICAGO, Dec. 1 /PRNewswire/ -- TransUnion.com released today the results of its analysis of trends in the auto lending industry for the third quarter of 2009. The report is part of an ongoing series of quarterly consumer lending sector analyses focusing on credit card, auto loan and mortgage data available on TransUnion's Web site www.transunion.com/trenddata. Information for this analysis is culled quarterly from approximately 27 million anonymous, randomly sampled, individual credit files, representing approximately 10 percent of credit-active U.S. consumers and providing a real-life perspective on how they are managing their credit health.

Statistics

The national 60-day auto delinquency rate (the ratio of auto loan borrowers 60 or more days past due) rose between the second and third quarters of 2009 (from 0.73 percent to 0.81 percent). The year-over-year delinquency rate at the national level increased by 1.25 percent in the third quarter.

Auto loan delinquency was highest in Mississippi and California at 1.53 percent and 1.33, respectively. The lowest auto loan delinquency rates were found in the District of Columbia (0.26 percent), North Dakota (0.35 percent) and South Dakota (0.37 percent). The largest improvements in delinquency from the previous quarter were found in South Dakota (38.33 percent decrease from 0.60 percent) and the District of Columbia (38.10 percent decrease from 0.42 percent).

Average auto debt nationally continued to decrease slightly in the third quarter of 2009 from \$12,560 to \$12,542. Likewise, the year-over-year auto debt fell by 2.5 percent. The state with the largest auto debt burden was Nevada at \$14,721 per auto borrower, followed by Texas at \$14,425. The lowest average auto debt was in Nebraska at \$10,770. The steepest annual increases in average auto debt as a percentage occurred in Michigan (+3 percent), Alaska (+2.17 percent) and Vermont (+2.03 percent), while the District of Columbia experienced the sharpest drop in average auto debt (-3.78 percent) followed by Wyoming (-3.15 percent).

Analysis

"The rise in the third quarter 60-day auto delinquency rate is more indicative of a cyclical pattern since the current automotive lending environment has remained consistent in its approach over the last 12 months," said Peter Turek, automotive vice president in TransUnion's financial services group. "On a state-level basis, 7 states experienced a drop in their quarter-to-quarter delinquency rates while 22 showed a drop on a year-over-year basis. The drop in delinquency is an indicator that some states could emerge from the recession sooner than others."

"As in recent quarters, both the availability of funding in the market, consumer demand for auto financing and tighter lending standards have contributed to a significant decrease in the number of auto loans in the market, resulting in upward pressure on delinquency rates. As well, the drop in average auto loan debt, although marginal at the national level, reflects the maturation of existing loans and the corresponding decreases in new auto loan originations in the third quarter," continued Turek.

Forecast

"TransUnion's national 60-day auto delinquency rate forecast for the third quarter of 2009 correctly predicted an increase, missing only by about 1 percent. TransUnion's forecasting models currently indicate that the national 60-day auto delinquency rate will rise to almost 0.9 percent by year-end, which is a 7.5 percent increase over the prior year," said Turek. "Although the effects of the government's various stimulus programs seem popular and the auto industry has reported an increase in sales during the quarter, the weak labor market should continue to negatively impact the consumer into 2010. As the new loans from the "clunkers" program show up on credit files, there is a good possibility average auto debt will increase. Since lenders had tightened their lending criteria prior to the "clunkers" program it also is expected the new loans will experience lower delinquencies.

Overview of U.S. Consumer Credit Status - Third quarter 2009

- Mortgage loan delinquency (the ratio of borrowers 60 or more days past due) increased for the 11th straight quarter, hitting an all-time national average high of 6.25 percent for the third quarter of 2009. This statistic is traditionally seen as a precursor to foreclosure and increased 7.57 percent from the previous quarter's 5.81 percent average. While still increasing, this quarter marks the third consecutive period the delinquency rate increase has decelerated. Year-over-year, mortgage borrower delinquency is up approximately 58 percent (from 3.96 percent).

- The average national mortgage debt per borrower dropped (0.36 percent) to \$193,121 from the previous quarter's \$193,811. On a year-over-year basis, the third quarter 2009 average represents a 0.43 percent increase over the third quarter 2008 average mortgage debt per borrower level of \$192,287.
- Average credit card borrower debt (defined as the aggregate balance on all bank-issued credit cards for an individual bankcard borrower) drifted downward nationally 1.87 percent to \$5,612 from the previous quarter's \$5,719, and down 1.71 percent compared to the third quarter of 2008 (\$5,710).
- The national [credit card delinquency](#) rate (the ratio of bankcard borrowers 90 days or more delinquent on one or more of their credit cards) dropped to 1.10 percent in the third quarter of 2009, down 5.98 percent over the previous quarter. Year over year, credit card delinquencies remained essentially flat from 1.09 percent in the third quarter of 2008.

Additional information and statistics on the mortgage sector can be found at:

<http://newsroom.transunion.com/index.php?s=43&item=546>

Additional information and statistics on credit card sector can be found at:

<http://newsroom.transunion.com/index.php?s=43&item=548>

TransUnion's Trend Data database

The source of the underlying data used for this analysis is TransUnion's Trend Data, a one-of-a-kind database consisting of 27 million anonymous consumer records randomly sampled every quarter from TransUnion's national consumer credit database. Each record contains more than 200 credit variables that illustrate consumer credit usage and performance. Since 1992, TransUnion has been aggregating this information at the county, Metropolitan Statistical Area (MSA), state and national levels.



About TransUnion

As a global leader in credit and information management, TransUnion creates advantages for millions of people around the world by gathering, analyzing and delivering information. For businesses, TransUnion helps improve efficiency, manage risk, reduce costs and increase revenue by delivering comprehensive data and advanced analytics and decisioning. For consumers, TransUnion provides the tools, resources and education to help manage their credit health and achieve their financial goals. Through these and other efforts, TransUnion is working to build stronger economies worldwide. Founded in 1968 and headquartered in Chicago, TransUnion employs associates in more than 25 countries on five continents.

www.transunion.com/business

SOURCE: TransUnion.com

Web site: <http://www.transunion.com/business/>

To unsubscribe or change your settings click here:

<http://transunion.mediaroom.com/index.php?s=subscribe>