



News Release Issued: September 1, 2009 6:01 AM EDT

## **TransUnion.com: National Auto Loan Delinquency Rates Continued To Fall In Second Quarter 2009**

CHICAGO, Sept. 1 /PRNewswire/ -- TransUnion.com released today the results of its analysis of trends in the auto lending industry for the second 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 at [www.transunion.com/trenddata](http://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) dropped between the first and second quarters of 2009 (0.83 percent to 0.73 percent). However, the year-over-year delinquency rate at the national level increased 7.35 percent in the second quarter.

Auto loan delinquency was highest in Mississippi and Louisiana at 1.29 percent and 1.27, respectively. The lowest auto loan delinquency rates were found in Alaska (0.33 percent), North Dakota (0.37 percent) and Wyoming (0.39 percent). The largest improvements in delinquency from the previous quarter were found in the District of Columbia (64.1 percent decrease from 1.17 percent) and Alaska (50 percent decrease from 0.66 percent).

Average auto debt nationally continued to decrease slightly in the second quarter of 2009 from \$12,596 to \$12,560. Likewise, the year-over-year auto debt fell by 2.4 percent. The state with the largest auto debt burden was Nevada at \$14,900, followed by the District of Columbia at \$14,777. The lowest average auto debt was in Nebraska at \$10,712. The steepest annual increases in average auto debt as a percentage occurred in Michigan (+2.6 percent), Rhode Island (+2.21 percent) and Connecticut (+2.02 percent), while Alaska experienced the sharpest drop in average auto debt (-3.8 percent) followed by Arizona (-2.66 percent).

## Analysis

"The drop in the second quarter 60-day auto delinquency rate reflects more seasonal patterns rather than a change in the current lending environment," said Peter Turek, automotive vice president in TransUnion's financial services group. "On a state-level basis, 42 states experienced a drop in their quarter-to-quarter delinquency rates while only 10 showed a drop on a year-over-year basis.

"As in recent quarters, both the availability of funding (liquidity crisis) 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 reflects the maturation of existing loans and the corresponding decreases in new auto loan originations over the past several months," continued Turek.

## Forecast

"TransUnion's national 60-day auto delinquency rate forecast for the second quarter of 2009 correctly predicted a decline, as this time of year typically reflects the greatest changes due to seasonality effects. Our current forecasting models indicate that the national 60-day auto delinquency rate will rise to almost 0.90 percent by year-end, which is a 4.65 percent increase over the prior year," said Turek. "Although the effects of the government's various stimulus programs seem popular and the auto industry is reporting sales increases or a leveling-off of losses, the weak labor market should continue to negatively impact the consumer into 2010. Additionally, with the recent federal government funded 'clunkers' program, there is a good possibility that average auto debt will increase in the second half of the year, as new and higher auto loan amounts start showing up on consumer credit files."

## Overview of U.S. Consumer Credit Status - Second Quarter 2009

- Mortgage loan delinquency (the ratio of borrowers 60 or more days past due) increased for the tenth straight quarter, hitting an all-time national average high of 5.81 percent for the second quarter of 2009. This statistic is up 11.3 percent from the previous quarter's 5.22 percent average. For comparison purposes, fourth quarter 2008 to first quarter 2009 saw an increase of almost 16 percent, indicating a continuing deceleration in delinquencies for the second quarter. Year-over-year, mortgage loan delinquency is up approximately 65 percent (from 3.53 percent).

- The average national mortgage debt per borrower dropped (0.86 percent) to \$193,811 from the previous quarter's \$195,500. On a year-over-year basis, the second quarter 2009 average represents a 0.59 percent increase over the second quarter 2008 average mortgage debt per consumer of \$192,681.
- Average bankcard borrower debt (defined as the aggregate balance on all bank-issued credit cards for an individual bankcard borrower) drifted downward nationally 0.98 percent to \$5,719 from the previous quarter's \$5,776, but was up 1.74 percent compared to the second quarter of 2008 (\$5,621).
- The national bankcard delinquency rate (the ratio of bankcard borrowers 90 days or more delinquent on one or more of their bankcards) fell to 1.17 percent in the second quarter of 2009, down 11.36 percent over the previous quarter. Year over year, bankcard delinquencies increased 12.5 percent from 1.04 percent.

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

<http://newsroom.transunion.com/index.php?s=43&item=538>

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

<http://newsroom.transunion.com/index.php?s=43&item=539>

### **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.



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## 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.

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