



News Release Issued: September 15, 2009 6:07 AM EDT

TransUnion Consumer Credit Risk Index Continues to Rise, Though 13 States See Decline

CHICAGO, Sept. 15 /PRNewswire/ -- The TransUnion Credit Risk Index, a statistic developed to measure the changes in average consumer credit risk within various geographies, increased 0.83 percent from 127.26 in the first quarter of 2009 to 128.32 in the second quarter of 2009. While 13 states experienced quarterly declines in the Credit Risk Index, this measure at a national level reached an all-time high for the third consecutive quarter. The Credit Risk Index (CRI) is defined as the weighted average probability of 90-day delinquency or worse among consumers in a given region relative to the nation as a whole.

"After several quarters of significant increases in the Credit Risk Index, it appears that consumers are adapting their financial management approaches to cope with the difficult times we are experiencing," said Chet Wiermanski, global chief scientist at TransUnion. "However, the nation's credit risk level remains at the highest it's been this decade, and though the level needs to decrease to reflect a strong lending environment, the deceleration of the growth in the index is a positive sign."

The rate of increase between the first and second quarters was the lowest since 2006, when the nation experienced a 3.35 percent decline from 115.37 to 111.51. On a year-over-year basis, the CRI increased 6.15 percent (from 120.89 in the second quarter of 2008).

On a state basis, Mississippi continues to rank as the riskiest state in the nation with a Credit Risk Index of 166.21. It is followed closely by Nevada (162.74) and Texas (162.21). As in the first quarter of 2009, the least risky states are concentrated in New England and the Upper Midwest, with North Dakota (82.24), Minnesota (89.67) and Vermont (92.44).

The states that experienced the largest quarterly increases included Florida (2.67 percent increase), Oregon (2.65 percent increase) and Nevada (2.37 percent increase). Of the states experiencing quarterly decreases, Delaware (-0.80 percent), New Mexico (-0.62 percent) and Montana (-0.60 percent) led the way.

On a year-over-year basis, four states had double digit increases in the CRI, including Nevada (13.20 percent), Arizona (12.49 percent), California (12.47 percent) and Florida (12.40 percent). North Dakota was the only state that saw a decrease in the CRI, albeit a small one at -0.08 percent. Alaska increased only 0.08 percent while South Dakota's CRI moved up 0.83 percent.

"While we are expecting the CRI to continue to increase for the remainder of 2009, we also anticipate a greater number of states to show improved risk levels in the coming months," continued Wiermanski. "A unique differentiator of the CRI is its ability to break down risk by geographic regions, providing additional insight into pockets of the U.S. where risk levels are decelerating in their rise, leveling off, or even abating. It is through analysis of this type that financial institutions are better able to manage portfolio risks, marketing efforts and resource spend."

The Credit Risk Index uses the fourth quarter of 1998 as a baseline for comparison. Therefore it measures changes in consumer credit score distributions relative to the national distribution and delinquency rates as a whole at the end of 1998. This is considered by TransUnion as a representative year of credit performance within the usual dynamic of the historical credit cycle. A value of more than 100 represents a higher level of relative risk.

TransUnion's Credit Risk Index reflects the distribution of consumer credit risk as measured by TransUnion's TransRisk Account Management Credit Risk Model and is a key metric within TransUnion's Trend Data database. For comparison purposes, the Credit Risk Index in recent years has generally ranged between 110 and 120, experiencing a one- or two-point shift between quarters.

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.

www.transunion.com/trenddata



Page 3

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

SOURCE: TransUnion

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