

CreditForecast.com

Data Description

CreditForecast.com provides insight into how the U.S. and local economies affect consumer credit behavior and performance. This unique tool provides history and forecasts for a wide range of household credit, economic and demographic variables at a detailed level of geography, enabling you to examine, segment and stratify credit risk and economic data across states, metropolitan areas, and rest of states.

CreditForecast.com provides historical credit data, updated monthly, back to 2005. Forecasts have a five-year horizon and a monthly periodicity, and they are updated quarterly. CreditForecast.com is a joint product of Equifax and Moody's Analytics, leaders in the collection, analysis and forecasting of household credit trends.

Key Features

Data

- » Credit trend data for 24 product categories and subcategories, by origination and current risk score bands, as well as term bands for installment loans
- » Detailed level of geography (metropolitan areas, rest of states, states, U.S.)
- » Quarterly origination vintages
- » Detailed economic and demographic data
- » Blended credit and economic series
- » Historic and forecast risk scores (VantageScore, Equifax Risk Score, Bankruptcy Navigator Index)
- » Multiple forecasted scenarios, including a baseline most probable scenario and an alternative downside scenario, as well as the three Comprehensive Capital Analysis and Review scenarios
- » In-depth analysis across product categories

Updates

- » Monthly data updates
- » Quarterly forecasts
- » Detailed written quarterly analysis of each product line as well as a summary of all product lines
- » Quarterly webinars presented by Moody's Analytics representatives to discuss the current economic outlook and analysis performed using the CreditForecast.com data

Categories

To ensure detailed coverage of all major types of consumer credit, CreditForecast.com provides credit data for seven mutually exclusive product categories and 14 subcategories. Users can license all seven product categories for the full picture of U.S. consumer credit, or they can license just the categories that are most important to their business.

1. Auto

- » Auto Total: Auto trades opened through a dealer, auto finance company, bank or credit union
- » Auto Bank Total: Auto trades opened through a bank or credit union
 - » Auto Bank Loan: Auto loans opened through a bank or credit union
 - » Auto Bank Lease: Auto leases opened through a bank or credit union
- » Auto Finance Total: Auto trades opened through a dealer or auto finance company
 - » Auto Finance Loan: Auto loans opened through a dealer or auto finance company
 - » Auto Finance Lease: Auto leases opened through a dealer or auto finance company
- » Auto Loan Total: Auto loans opened through a dealer, auto finance company, bank, or credit union
- » Auto Lease Total: Auto leases opened through a dealer, auto finance company, bank, or credit union

2. Bankcard

- » Bankcard: Unsecured or secured credit cards issued by a bank, national card company, or credit union; includes revolving and open-type accounts

3. Consumer Finance

- » Consumer Finance Total: Loan or line of credit opened up with a sales financing company or a personal finance company; these are typically unsecured finance trades
- » Consumer Finance Revolving: Line of credit opened with a sales financing company or a personal finance company; these are typically unsecured finance trades
- » Consumer Finance Installment: Loan opened with a sales financing company or a personal finance company; these are typically unsecured finance trades

4. Retail

- » Retail: Trades opened with a clothing company, department or variety store, mail order catalog (including the internet), grocery store, home furnishing store, jewelry or camera store, building or hardware store, oil company, sporting goods store, farm or gardening supply store, other retailer, or charge card/revolving trade with an auto company

5. First Mortgage

- » Residential Total: First Mortgage trades plus Home Equity total trades (available only to clients who license both First Mortgage and Home Equity)
- » First Mortgage: Mortgage trades with a mortgage or real estate company, bank, credit union, or finance company; exclusive of Home Equity Revolving and Home Equity Installment

6. Home Equity

- » Home Equity Total: Installment or revolving trade with a mortgage or real estate company, bank, credit union, or finance company identified as home equity
- » Home Equity Installment: Installment trade with a mortgage or real estate company, bank, credit union, or finance company identified as home equity; exclusive of First Mortgage and Home Equity Revolving
- » Home Equity Revolving: Revolving trade with a mortgage or real estate company, bank, credit union, or finance company identified as revolving; exclusive of Home Equity Installment

7. Student Loan

- » Student Loan Total: Student loan from a bank, credit union, finance company or the government
- » Student Loan Deferred: Student loan from a bank, credit union, finance company or the government that is currently in deferment
- » Student Loan Non-Deferred: Student loan from a bank, credit union, finance company or the government that is currently not in deferment

8. Total

- » Total (all products): Top-line summary of all product categories
- » Other: Primarily installment loans not otherwise classified (that is, not auto, first mortgage, home equity or student loan)

Historical Data

The historical credit data is made available from the Equifax National Consumer Database, which contains information collected from more than 12,000 contributors who furnish data on tradelines, collections, public records and demographics across a broad range of industries, with updates on a daily basis.

Within a month, the database experiences on the order of 1.7 billion tradeline updates, 120 million collection updates, 350,000 public record updates, 185,000 bankruptcy updates, and 12 million address changes. Information being added to the database goes through a rigorous quality assurance process, including automated and manual reviews, to ensure the highest accuracy possible.

The credit data are sourced from the full Equifax credit database and include consumers with at least one active trade. This results in approximately 226 million consumer records in a given month. Selection always occurs at month's end so that the results are not affected by in-month reporting fluctuations. Monthly historical files starting with June 2005 were used. Therefore, full "open-to-close" vintage data are available starting with July 2005, while information on trades in older vintages—when available from the consumer credit files—is also included.

Equifax developed special credit trend attributes that aggregate the consumer file into attributes specifically intended for monthly trending. These attributes consider only trades with activity in the last three months and look only at current delinquency statuses in order to focus on the true state of credit (balances, high credits, delinquencies, etc.) in the given month. These attributes were calculated for each consumer file and then aggregated to the ZIP code, county, metropolitan statistical area, and state levels. This will allow CreditForecast.com to quickly adapt to any future changes in county or MSA definitions.

Score Bands

Origination and current risk score-level classification is done at the consumer level, based on VantageScore 3.0 – Odds Scale (score range 300-850). There are 11 score bands, allowing the user flexibility in identifying consumer risk profiles of interest.

- » Unscoreable
- » 300-529
- » 530-579
- » 580-619
- » 620-659
- » 660-699
- » 700-719
- » 720-739
- » 740-779
- » 780-809
- » 810-850

Term Bands

Installment loans (auto, consumer finance, first mortgage, HELOANS, and student) are further classified into loan term bands. Loan term is reported by lenders and financial institutions and represents the number of months an installment loan is to be paid. Creditforecast.com provides loan term on installment loans in fixed ranges or bands at the time of originations.

Geographic Segmentation

- » U.S.
- » 53 states/territories
- » 457 MSA/rest-of-state areas (complete coverage of the entire country)

Vintages

CreditForecast.com provides yearly vintages from 1999 and quarterly vintages from 2005 until current.

Forecasted vintages are available for the next five years on a quarterly basis.

Consumer Credit Data Series

For each of the categories, data are available for the following variables:

Performance Metrics

- » Total outstanding number of trades
- » Total outstanding balance in dollars
- » Current number of trades
- » Current balance in dollars
- » Total delinquent, 30 DPD, 60 DPD, 90 DPD, 120+ DPD or collections number of trades
- » Total delinquent, 30 DPD, 60 DPD, 90 DPD, 120+ DPD or collections balance in dollars
- » Number of trades that are in default, bankruptcy or closed positive
- » Balance in dollars of loans that are in default, bankruptcy or closed positive
- » Foreclosures started for residential products

Additional Metrics

- » Number of trades with positive balances
- » Scheduled payment amount in dollars
- » High credit (credit limit) in dollars
- » Utilization rates

CreditForecast.com also provides delinquencies and terminal states (default, bankruptcy, closed positive) as rates as a percentage of outstanding trades or as a percentage of outstanding dollars.

CreditForecast.com provides origination estimates such as number of trades, maximum high credit (credit limit) in dollars, as well as maximum balance drawn in dollars as relevant for installment and revolving loans.

Forecast Data

Projections of the credit, economic and demographic variables are available with a quarterly/monthly periodicity and a five-year forecast horizon. The forecast database includes a baseline most probable scenario and an alternative downside scenario, as well as the three CCAR scenarios. The forecasts are updated quarterly.

The economic and demographic forecasts are produced using a detailed econometric model system by Moody's Analytics. A description of this system is available upon request. The credit forecasts are produced with a model developed using a pooled time series, cross-sectional specification. Estimations are done at the state level with fixed effects utilized when appropriate.

Comparison With Other Data Sources

The historical CreditForecast.com data have a number of significant advantages over publicly available sources of credit data. These other sources include data on consumer loan delinquencies from the American Bankers Association, mortgage loan delinquency and foreclosures available from the Mortgage Bankers Association, and consumer and mortgage delinquency and charge-off data available from the Federal Reserve Board and FDIC.

The most significant advantage of the CreditForecast.com data is that they are available for the nation, states and metropolitan areas. The ABA and MBA data are available only for the nation and states, and the Federal Reserve Board and FDIC data are available only for the nation.

The CreditForecast.com data are also timelier than the data from the other sources. They are made available within weeks of the end of the month compared with two to three months after the end of the quarter for the other sources.

The CreditForecast.com data also are based on where the borrower resides. The ABA data, by contrast, are based on the branch or operating location of the lending institutions participating in the survey. This may or may not coincide with where the borrower lives. This is of particular importance for the ABA's data on bankcards, given that many of the cards are originated by lenders with operations in New York, Delaware and South Dakota to borrowers who live all over the country. The MBA does ask lenders to report by the state where the property is located.

