



EQUIFAX®

Navigating Uncertainty

Strategies for optimizing your business performance
in a slowing economy

U.S. economy experiencing uncertainty...

“ The line between an expanding economy and recession is crossed when investors, businesses and—most important—consumers lose faith. ”

U.S. Macro Outlook: COVID-19 Loss of Faith

Mark Zandi, Chief Economist,
Moody's Analytics | March 9, 2020

Apprehension abounds...

Nobel prize winning economist Robert Shiller says this economic disruption is different

Events like the Great Depression can often be traced to an idea that spreads virally.

By John Detrixhe, Future of finance reporter | March 13, 2020

Markets Plunge. Economies Stall. Panic Spreads. It All Feels Very 2008.

Ineffective monetary policy, scant action from governments, and fear of a leadership void is raising alarm about the pandemic's economic shock.

By Peter S. Goodman, The New York Times | March 13, 2020

Throughout history, pandemics have had profound economic effects

Long-run economic effects are not always dreadful

The Economist | March 12, 2020

More states extend school closures, some through the end of the school year

More states are extending the time their schools will remain closed, some even through the rest of the school year, as the number of novel coronavirus cases continues to rapidly rise.

By Theresa Waldrop, CNN | March 23, 2020

Key indicators fuel recession speculation

In recent weeks, the media has been filled with speculation of a near-term recession, fuelled by the coronavirus pandemic:



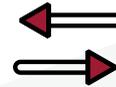
A sudden steepening of the curve following an inversion is cause for alarm

Barron's, Mar 2020



Slowing economic growth as GDP increased at 2.1% in the fourth quarter of 2019

Bureau of Economic Analysis, Feb 2020



Potential lift of tariffs on certain Chinese imports that could help the US battle the coronavirus pandemic

CNBC Report, Mar 2020



Continued fluctuation in stocks resulting from coronavirus pandemic reaction



U.S. consumer confidence holds at higher levels through February despite coronavirus

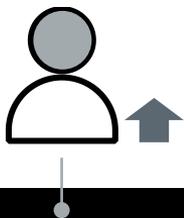
Consumer Confidence Survey®, Feb 2020



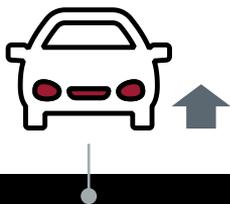
Coronavirus pandemic fuels concerns of a global recession

Consumer debt points to potential recession

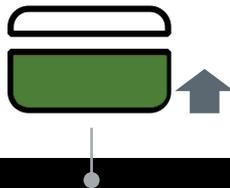
As of February 2020, consumer debt outstanding has increased in many areas, supporting the possibility of near-term recession:



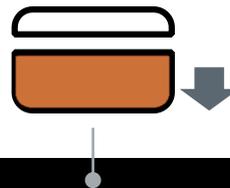
Total US consumer debt was **\$14.2 trillion in February, up 4.0% over a year ago**



Total outstanding balances on auto loans and leases **increased 4.8% year-over-year to \$1.354 trillion**



Outstanding balances on bankcards have **increased 6.0% year-over-year to \$820.5 billion**



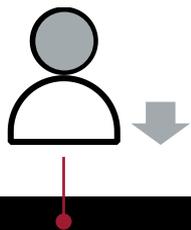
Outstanding balances on private label credit cards are **\$77.5 billion, down 5.9% from a year ago**



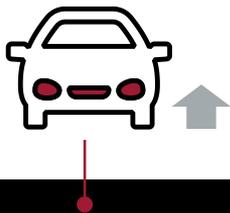
First mortgage outstanding balances are **\$9.534 trillion, up 4.4% year-over-year**

Source: Equifax US National Consumer Credit Trends Portfolio Report, March 17, 2020

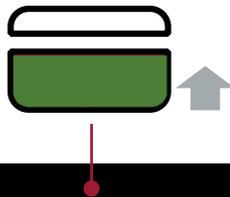
However delinquency rates hold strong



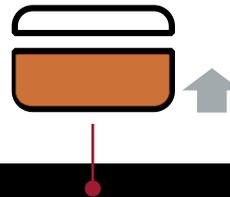
In February 2020, non-mortgage consumer debt write-offs **decreased 5.8% year-over-year to \$8.72 billion**



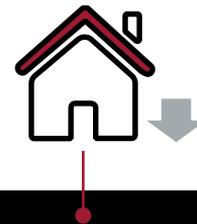
Severe delinquency rate (share of balances 60+ DPD) for auto loans and leases in February 2020 is **up 2.5% year-over-year, at 1.16%**



The severe delinquency rate (share of balances 60+ DPD) for bankcards is **2.54%, up from 2.41% in February 2019**



The severe delinquency rate (share of balances 60+ DPD) for private label credit cards is **4.87%, up 9 bps from February 2019**



The severe delinquency rate (share of balances 90+ DPD, in bankruptcy or foreclosure) is **0.79%, down 8 bps from a year ago, when it stood at 0.87%**

Source: Equifax US National Consumer Credit Trends Portfolio Report, March 17, 2020

We're Here to Help

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Response FREE

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Challenge	Solution	Use Cases	Offer
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Access to frequently updated data driven trends, for comparison to their own internal trends.	Credit Trends Report Weekly reports that review originations and portfolio performance across multiple sectors (Auto, Mortgage, Consumer Finance, Commercial).	Benchmark prior week, prior month, & prior year trends of accounts and balances; Track VantageScore distributions by product across time. Track accounts, balances, delinquency, write-offs, utilization, credit limit shifts for revolving. Leverage insights to drive strategy modification based on industry trends.	FREE Through 12/31/20
Identifying further separation within standard FICO score bands impacted by current economic stress, to segment for incremental risks and opportunities.	FICO Resilience Index (FRI) Pinpoints those consumers who are most likely to have issues during an economic downturn.	Use with FICO Score , ie dual matrix or decision key. Generate an adjusted FICO Score, tuned to the lender's view of macroeconomic forecasts. Conduct Stress Testing: CECL, CCAR, DFAST or internal; model scenarios of varying levels of severity Adjust Portfolio Management: Measure & monitor resilience, adjust line management strategies Provide Investor Assessments: Evaluate risk appetite and financial volatility Forecast Portfolio Health: Measure expected credit loss	FREE* Through 8/31/20; Must be used in conjunction with FICO Scores
Understanding available tools and best practices to address key objectives.	Consulting Varying levels of consulting in a few different formats depending on your business and needs.	Consulting around Economy, Benchmarking, Incremental Data Insights, Using FICO Resilience Index (FRI) w/ FICO Score, Stress Testing, Line Management, Forecasting.	FREE Through 12/31/20

*Processing costs may apply based on how customer is receiving data from Equifax.