2024 Q4 Credit Risk Review

Trends and Early Risk Indicators in Consumer Credit

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February 2025

Executive Summary – Overall Consumer Credit

Credit Card

- Delinquency rates continue to rise, especially in near-prime and prime

- 2023 and early 2024 vintages' risk levels stable relative to 2022

- Origination volumes trending down

- $8 late fee regulation unlikely to go into effect

Personal Loans

- Delinquencies remain below pre-pandemic levels due to early tightening

- Recent prime/ super prime PL origination vintages seeing worsening risk

- High credit card interest rates creating debt consolidation opportunity

Auto Loans

- Auto loan delinquency rates continued to rise in Q4

- Origination volumes remained low in the 4th quarter compared to prior years

- Recent origination vintage risk levels look mostly stable, with some deterioration for super prime customers

Student Loans

- The student loan repayment grace period ended in September

- 30% of borrowers have missed at least one payment as of January 2024

- Full extent of delinquency impact will appear in Jan 2025 bureau data

Mortgage & HELOC

- Mortgage originations are still yet to rebound, driven by still-elevated interest rates and high home prices

- Recent vintages are still performing in line with pre-pandemic (2018/2019) originations

- Homeowner equity reached an all-time high in Q4, boosting HELOC limits and utilization

Recent Quotes from Industry Leaders

"Debt Settlement volumes continue to creep up despite overall delinquencies flattening. **We're starting to see more activity outside of Cards and PLs**, in areas like Auto (deficiency balances) and Student Loans."

"Who knows what inflation is going to do…it's **tough forecasting for such a wide range** of potential outcomes from the new policies"

"**I'm wondering when I'll get pressure to loosen credit** but not in this environment"

"It's been encouraging to see stability (in credit card delinquencies), but **I can't help but think there's another shoe to drop.** Increased unemployment? Tariff-driven inflation? **Student loan delinquencies spilling over to other asset classes?"**

"Things look good now, but I have no way to know what the new administration is going to do with tariffs and other policies…**my worry is that it's quiet before the storm**"

"I had trouble explaining to the EC **why credit risk was so benign in December**"

"**Feels like the dam is about to break on AI**, we're starting to design use cases that would have been impossible a year ago."

Executive Summary – Credit Cards

Performance

- Delinquency (DQ) rates were up for all risk bands over the last few months, most acutely in near prime

- 2023 and 2024 vintages showed improved performance relative to 2022 as originations shifted towards less risky customers, but still performed worse than earlier years

- Roll rates remained high, and the 30-to-60 DPD rate was well above pre-pandemic levels
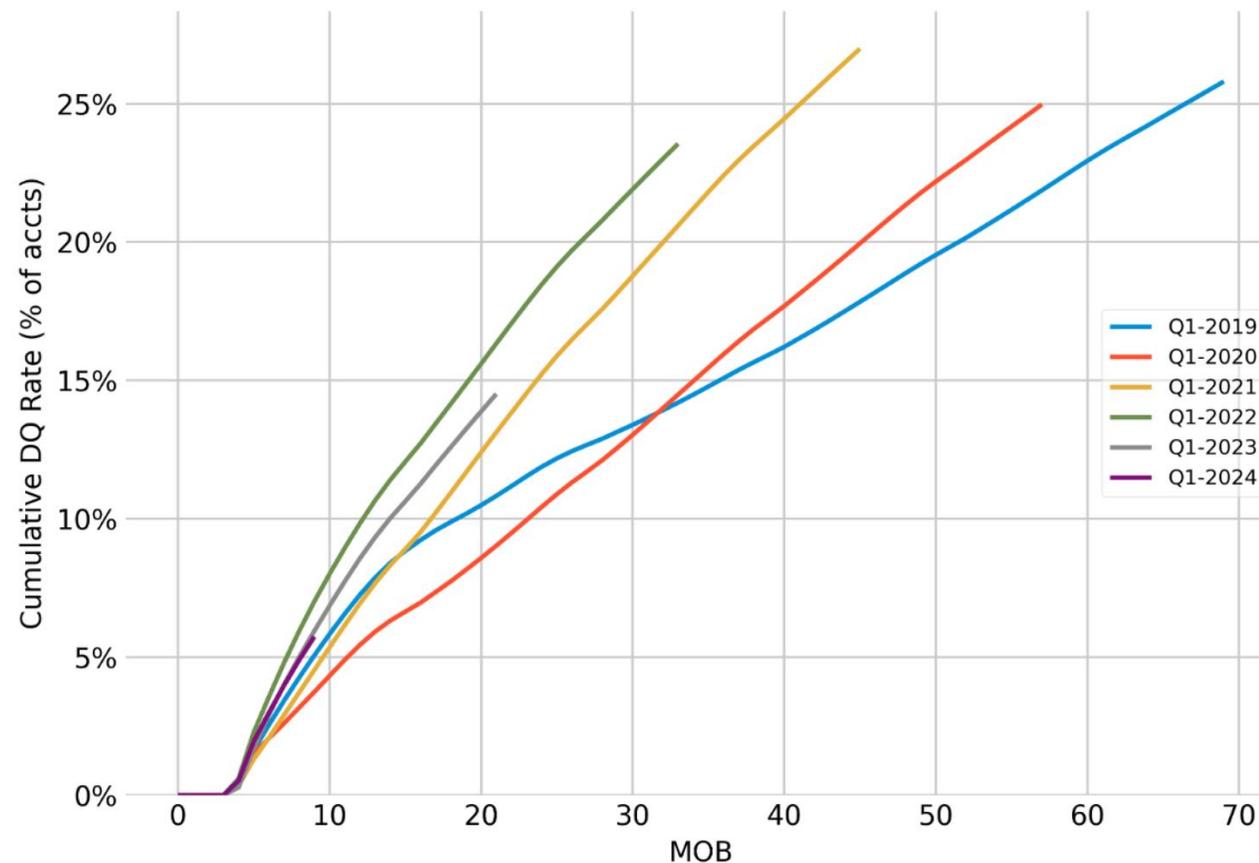
Balance

- Credit card debt continued growing across all risk bands and hovers around $1.2T

- Subprime balances saw the largest increase from Q3

Originations

- Originations have fallen since 2023 and are stabilizing close to pre-pandemic levels

- The risk distribution among originated accounts reflected some continued tightening with a reduction in subprime originations and an increase in super prime originations

- Credit limits were stable this quarter, near pre-pandemic levels

Credit Card Cumulative 60+DPD Rate by Annual Vintage

Legend:
- Q1-2019
- Q1-2020
- Q1-2021
- Q1-2022
- Q1-2023
- Q1-2024

Y-axis: Cumulative DQ Rate (% of accts)
X-axis: MOB

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

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Executive Summary – Personal Loans

Performance

- 60+ DPD rate continues to be stable since 2022 at levels lower than pre-pandemic

- Newer vintages (2022 and on) perform worse than older vintages despite a lower proportion of subprime originations
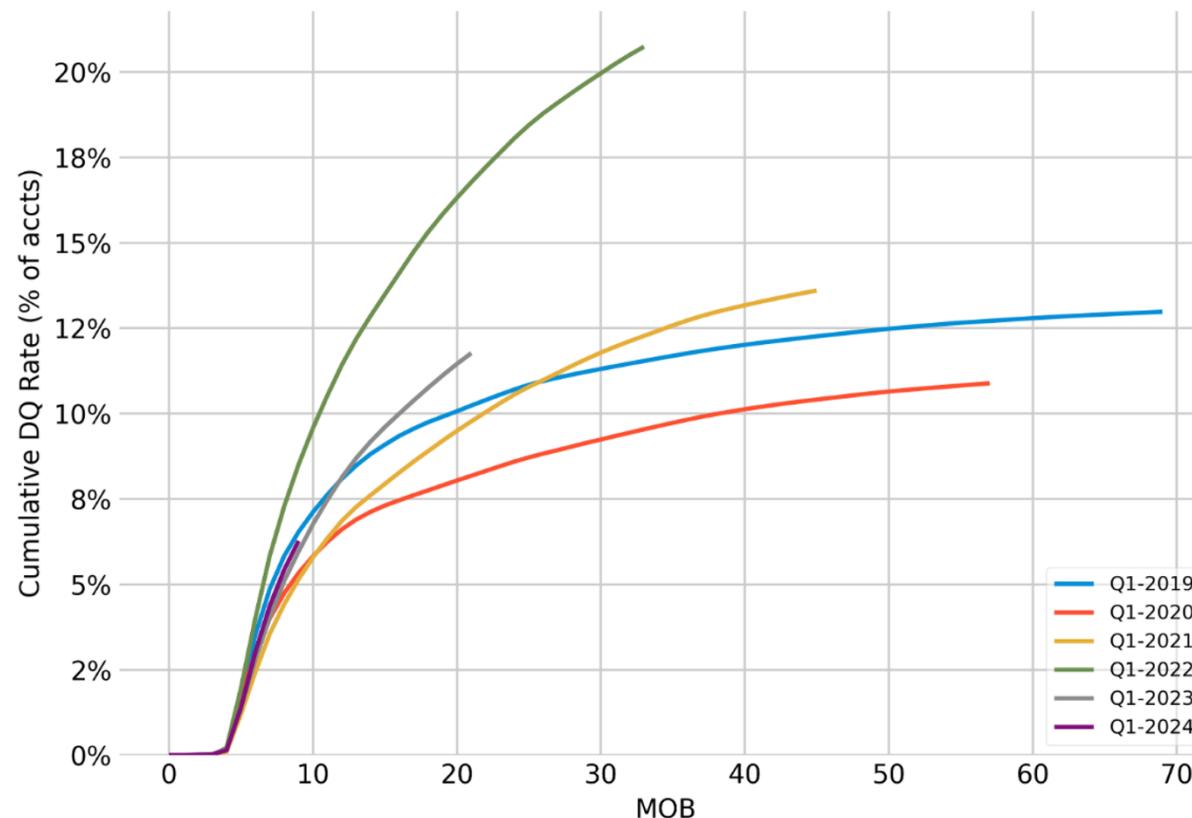
Balance

- Total industry PL has remained relatively steady since 2023 after an increasing trend over the past decade

- Super prime and subprime balance increases this quarter were offset by other bands' balances

Originations

- Origination volumes began decreasing in 2022 but appear to be leveling off as of late

- Subprime borrowers still took out more loans than other risk bands in recent originations, but fewer than they did pre-pandemic

- Average loan size remained well above pre-pandemic levels, primarily driven by a shift towards less risky consumers

Personal Loan Cumulative 60+DPD by Annual Vintage

Legend:
- Q1-2019
- Q1-2020
- Q1-2021
- Q1-2022
- Q1-2023
- Q1-2024

Y-axis: Cumulative DQ Rate (% of accts)
X-axis: MOB

Executive Summary – Auto Loans

Performance

- Vehicle prices increased in Q4 after a gradual reduction through the first half of 2024, but are still below 2022 and early 2023 levels

- Delinquency rates continued to rise to unprecedented levels (+18.6 bps compared to Q4 '23), with higher risk borrowers acting as the main driver of the increase

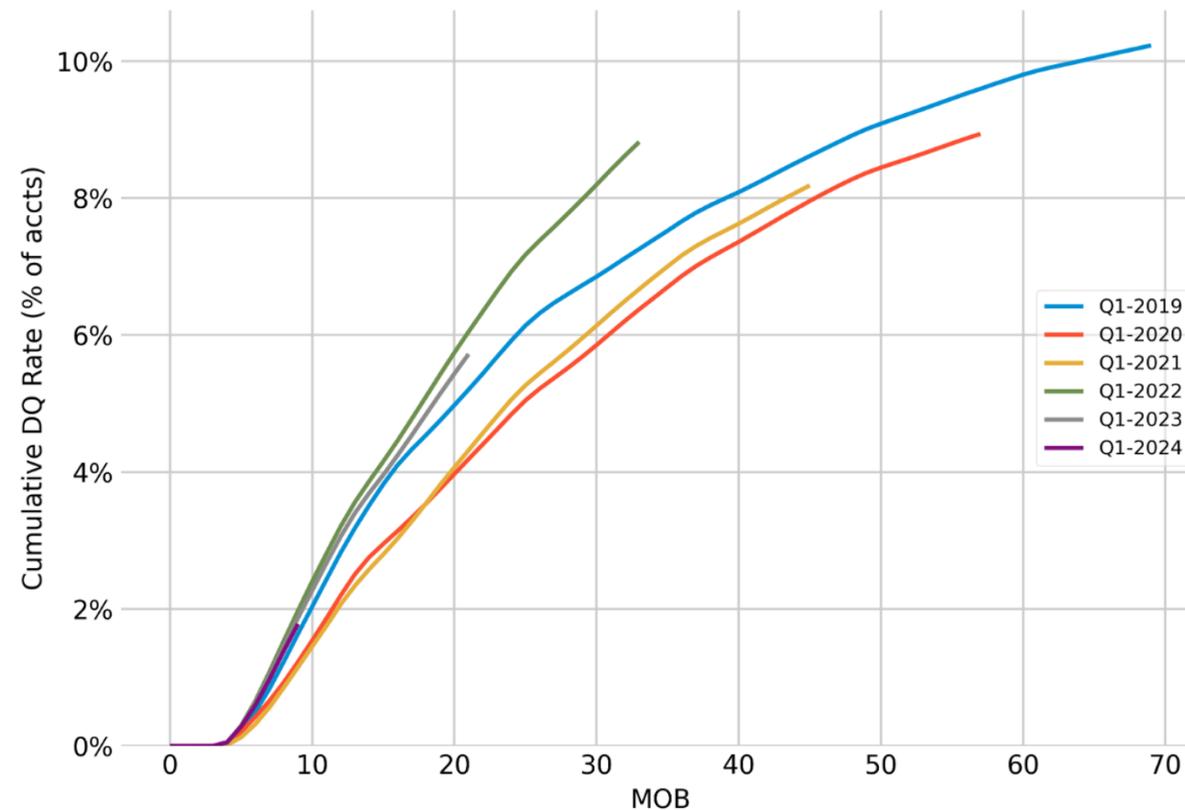- Early 2024 vintages are slightly outperforming 2022 and 2023 but remain worse than 2019-2021 vintages

Balance

- Total auto debt was relatively stable this quarter, hovering around $1.62 T

- Total balance owed by subprime and super prime borrowers grew, while balances dropped across all other risk bands

Originations

- Originations increased slightly over the last few months, but remained relatively stable throughout 2024

- The distribution of originated accounts shifted towards super prime borrowers, emphasizing the persistence of tightened underwriting and elevated costs

Auto Loan Cumulative 60+DPD by Annual Vintage

Legend:
- Q1-2019
- Q1-2020
- Q1-2021
- Q1-2022
- Q1-2023
- Q1-2024

Y-axis: Cumulative DQ Rate (% of accts), ranging 0% to 10%
X-axis: MOB, ranging 0 to 70

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

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Executive Summary – Student Loan and Mortgage

Student Loan

- While delinquencies are expected to be reported to the bureaus in January, we observed an early increase in severe delinquency rate in Q4 2024

- The severe delinquency rate could increase significantly as delinquencies flow through early stages

- Early data after the on-ramp period show student loan balances beginning to increase

- Average student loan borrowers age increased in Q4

Mortgage

- HELOC utilization and limits continued growing, likely due to the all-time high home equity and increasing house values in the US

- Mortgage rate increased in Q4 2024, reaching the high levels seen in early 2024

- 2024's mortgage originations continue underperforming pre-pandemic originations, but with some improvement relative to 2023

- Mortgage originations remained lower than pre-pandemic, in line with last year's trends
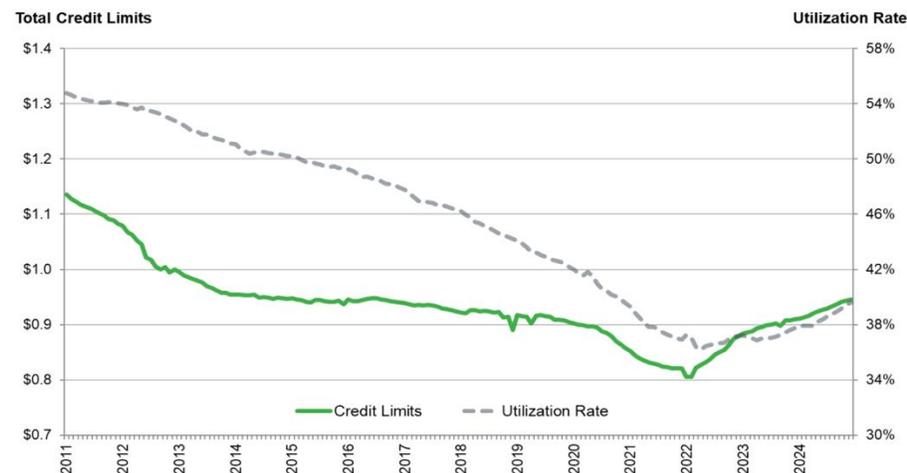
Severe Delinquency Rate
90+ Days Past Due or in Bankruptcy
Percent of Non-deferred Accounts and Balances; NSA; Excludes Severe Derogatory
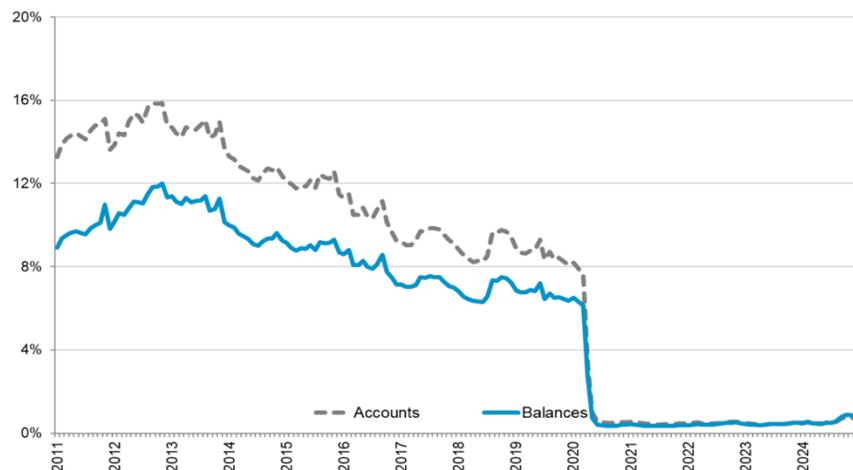
Utilization and Credit Limit
Utilization Rate in %; NSA
Credit Limit in $Trillions; NSA

Special Topic: Continued monitoring on potential post-inauguration impacts to consumer lending

Following President Donald Trump's re-election and inauguration, reporters and regulatory experts have been analyzing potential impacts on the consumer lending ecosystem.

- **CFPB Administration Changes and Operational Hold**: CFPB Director Rohit Copra was removed from his post on February 1, 2025, with Treasury Secretary Bessent replacing him as acting director. Bessent immediately instituted a hold on most of the CFPB's operations. (Bloomberg)

- **Late Fees:** The CFPB's attempt to dissolve an injunction restricting the new late fee rule was recently rejected. With the expected pull-back of the CFPB, issuers are starting to assume late fees will not be capped at $8. (ABA)

- **NSF Fees:** CFPB withdrew its proposal on barring banks from charging fees when transactions are declined in real time. The CFPB suggests it will reconsider its proposal for more comprehensive rules. (Federal Register)

- **Credit Card Interest Rate Cap Proposal**: A bill proposed by Senators Hawley and Sanders would cap credit card interest rates at 10% for five years. The proposal already faces high levels of scrutiny from financial institutions and credit card issuers. (American Banker, Payments Dive)

- **Basel III Endgame:** The Bank of England announced that it would postpone implementing its version of global bank capital reforms by a year to January 2027 due to uncertainty over whether Trump might delay or repeal the regulations in the U.S. (Reuters)

- **Open Banking:** With political support and industry momentum for the CFPB's Final 1033 Rule released in October, the rule continues to have a good chance to go into effect pending the outcome of an ongoing judicial challenge. (Bloomberg Law)

- **SEC Cryptocurrency Bulletin Reversal**: The SEC recently reversed a 2022 bulletin that required banks to record and account for their customers' crypto assets at the assets' fair value. The reversal of the bulletin, along with President Trump's executive order on cryptocurrency, point towards the easing of regulation surrounding digital assets. (ABA)

- **Executive Orders**: President Trump's flurry of executive actions at the start of his second term, including tariffs, government shrinkage, restructuring of AI guidance, and trade deals could have macroeconomic effects on consumer prices and spending. (NPR)

- State of the Consumer

- Credit Card

- Personal Loan

- Auto Loan

- Student Loan

- Mortgage

Unemployment remained low in Q4

Unemployment Rate (Not Seasonally Adjusted)

Source: 2OS, FRED. Data as of Jan. 10th, 2025
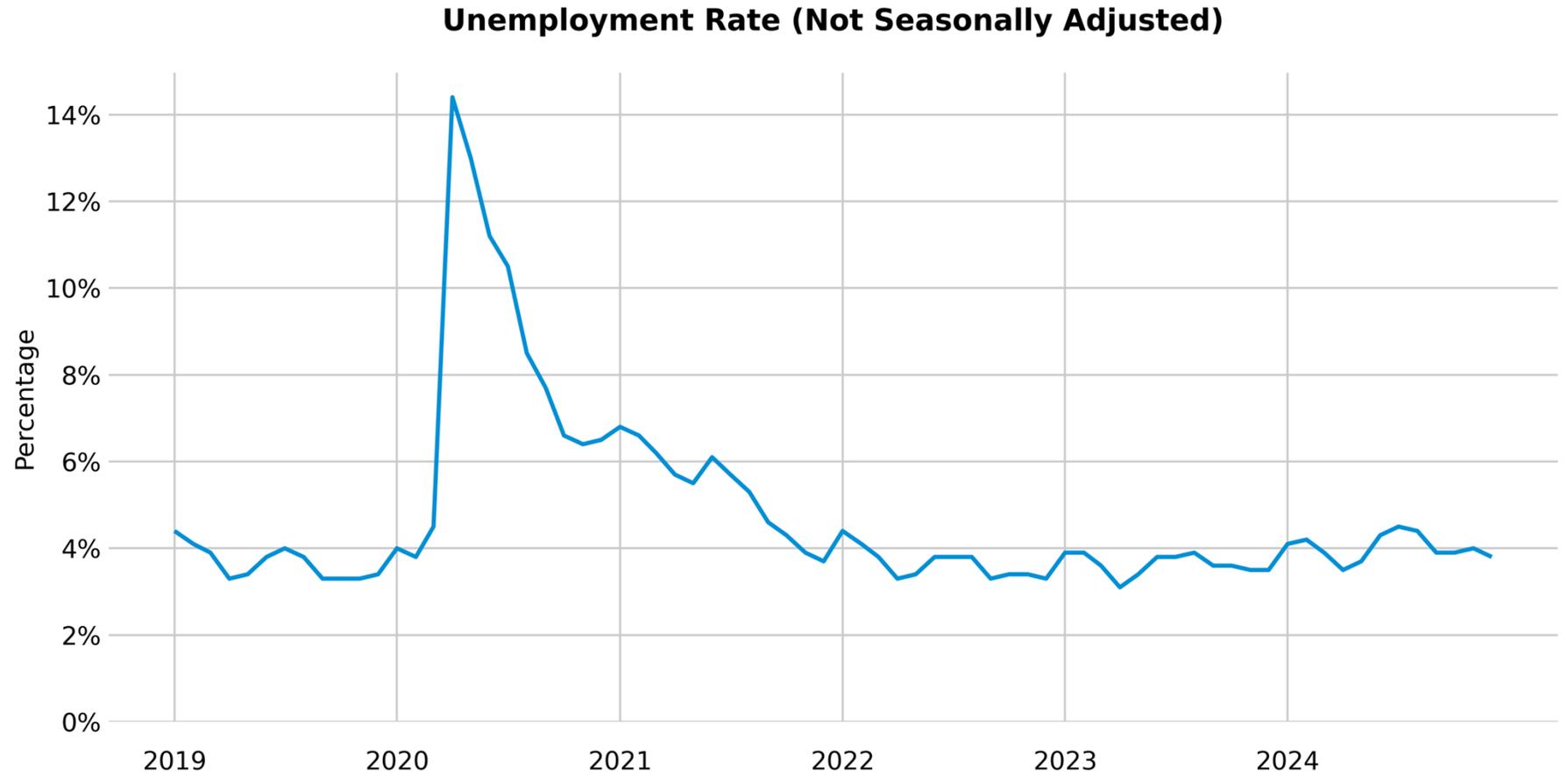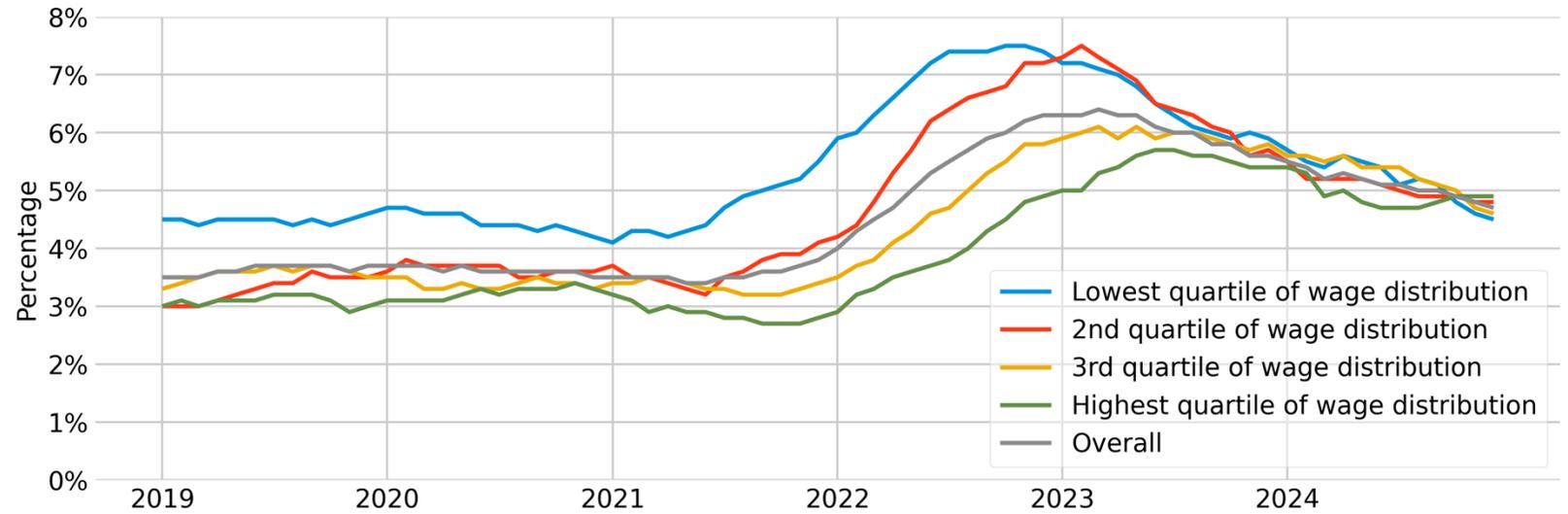
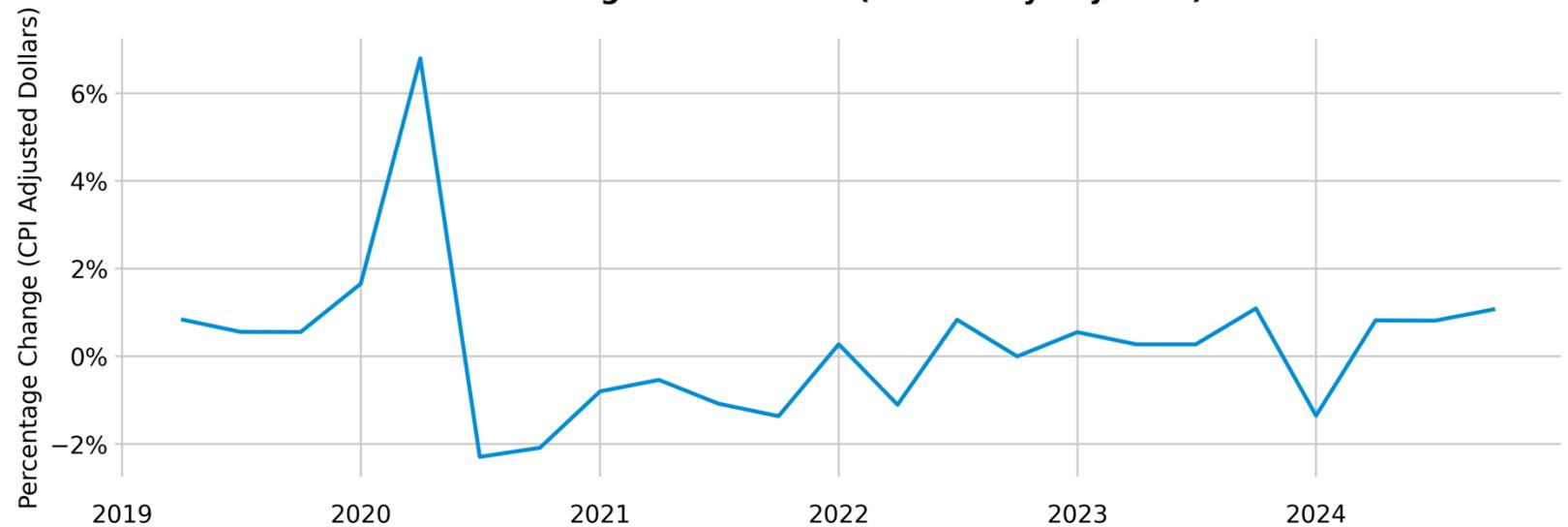# Overall wage growth continued decelerating and rank ordering shifted after recent convergence

Wage Growth Rate By Wage Distribution

Legend:
- Lowest quartile of wage distribution
- 2nd quartile of wage distribution
- 3rd quartile of wage distribution
- Highest quartile of wage distribution
- Overall

Real Wage Growth Rate (Seasonally Adjusted)

Source: 2OS, Atlanta Fed, FRED. Data as of Jan. 15th, 2025

The personal saving rate decreased modestly this quarter but remained consistent with 2023 patterns at levels lower than pre-pandemic

Personal Saving Rate

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Source: 2OS, FRED. Data as of Dec. 31st, 2024
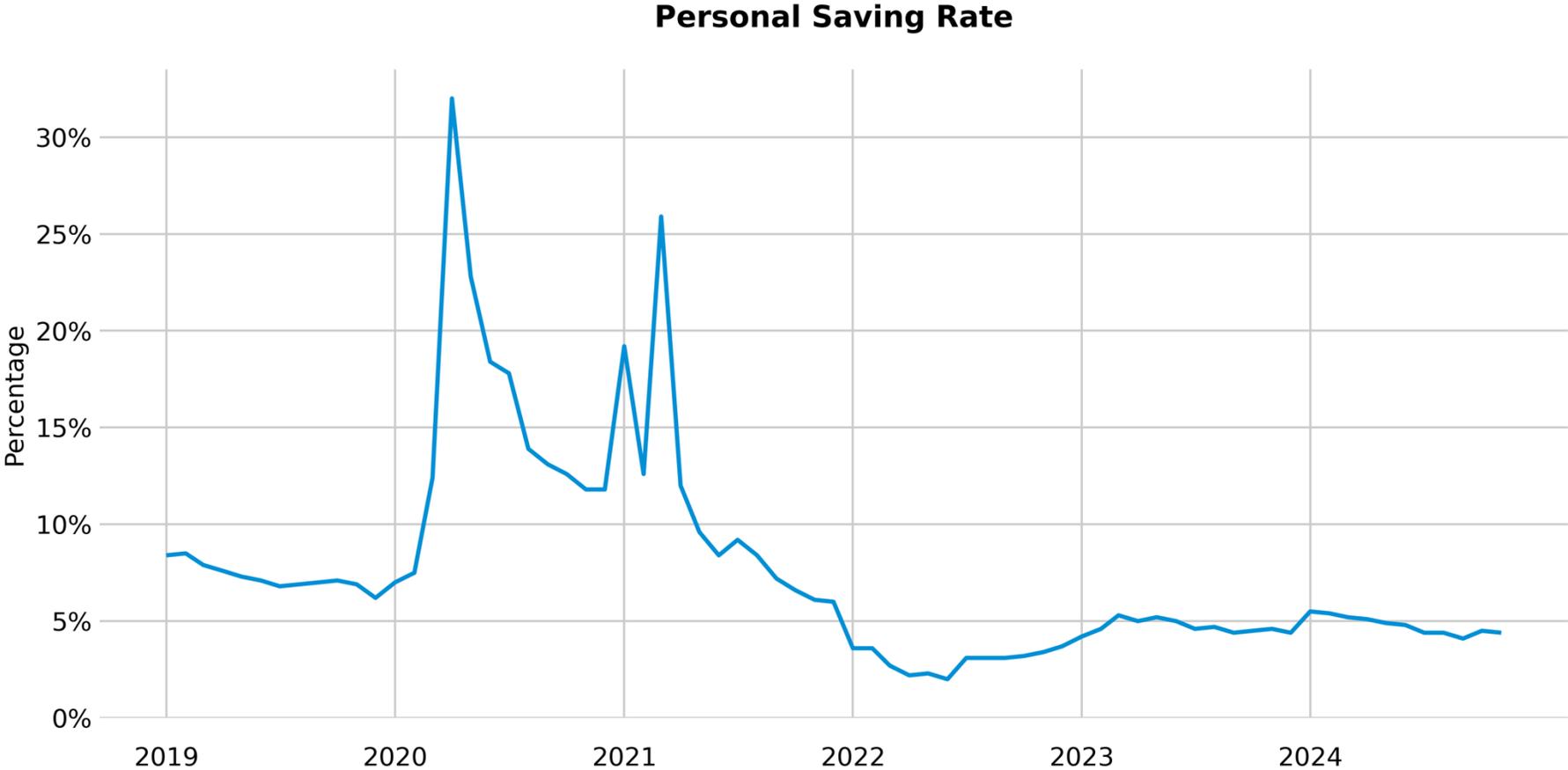
- State of the Consumer

- Credit Card

- Personal Loan

- Auto Loan

- Student Loan

- Mortgage

Credit card 60+ delinquencies continued rising in recent months, remaining well above pre-pandemic levels

Credit Card Monthly 60+DPD Rate
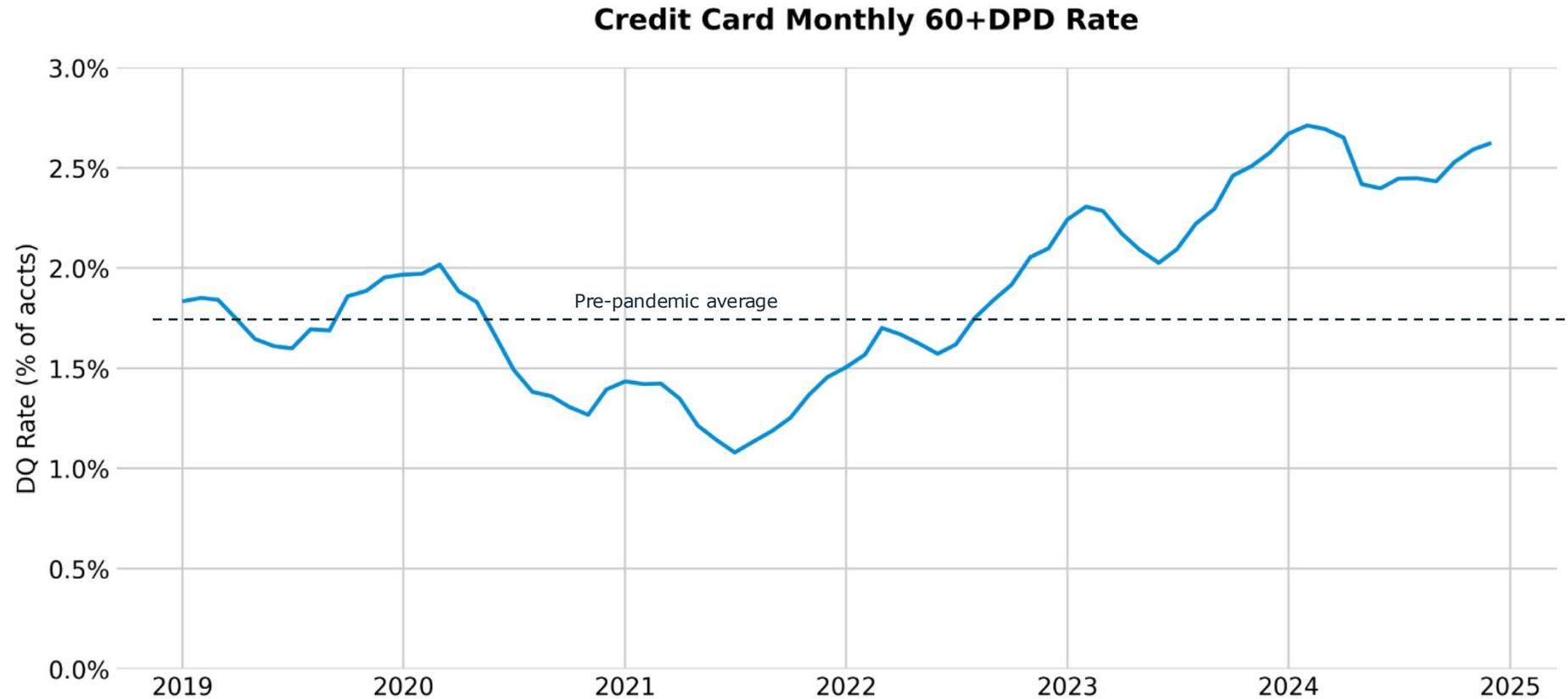
Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Near prime and prime delinquencies rose to post-pandemic highs, with acute impacts in near prime
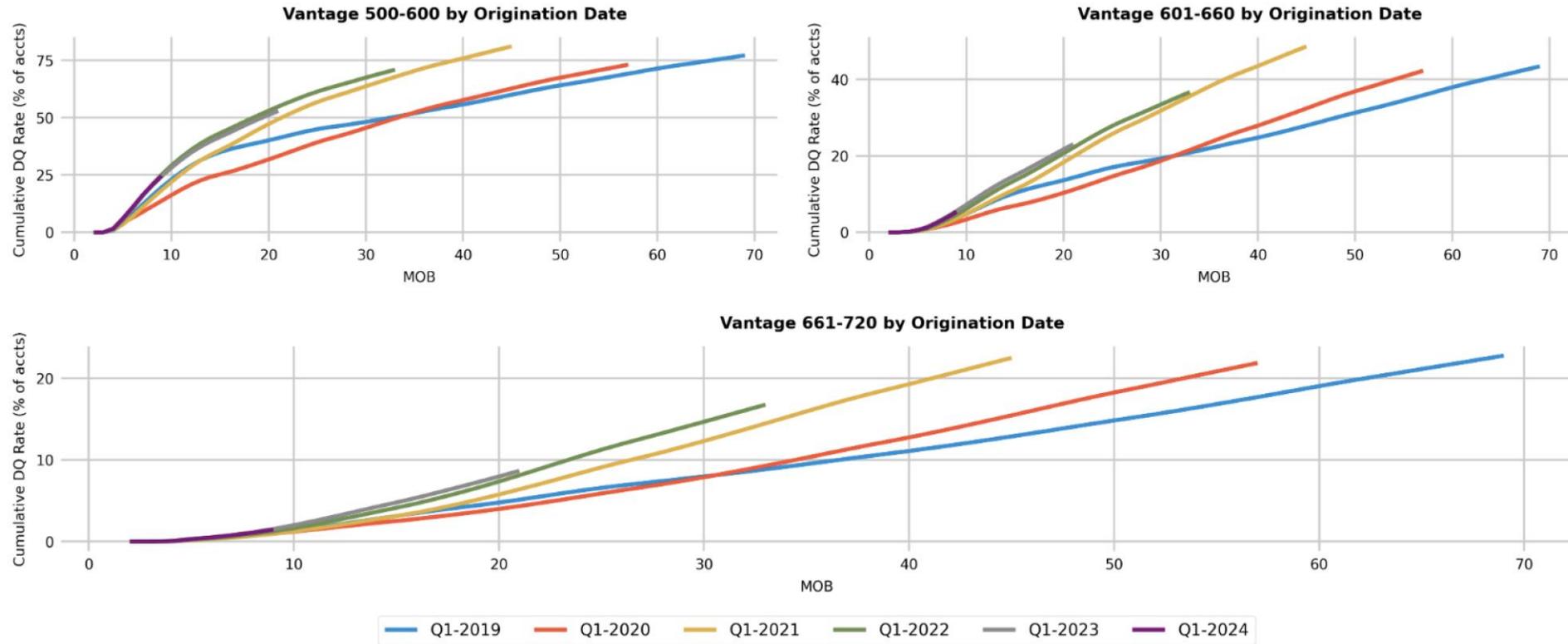

Credit Card Monthly 60+DPD Rate by Vantage
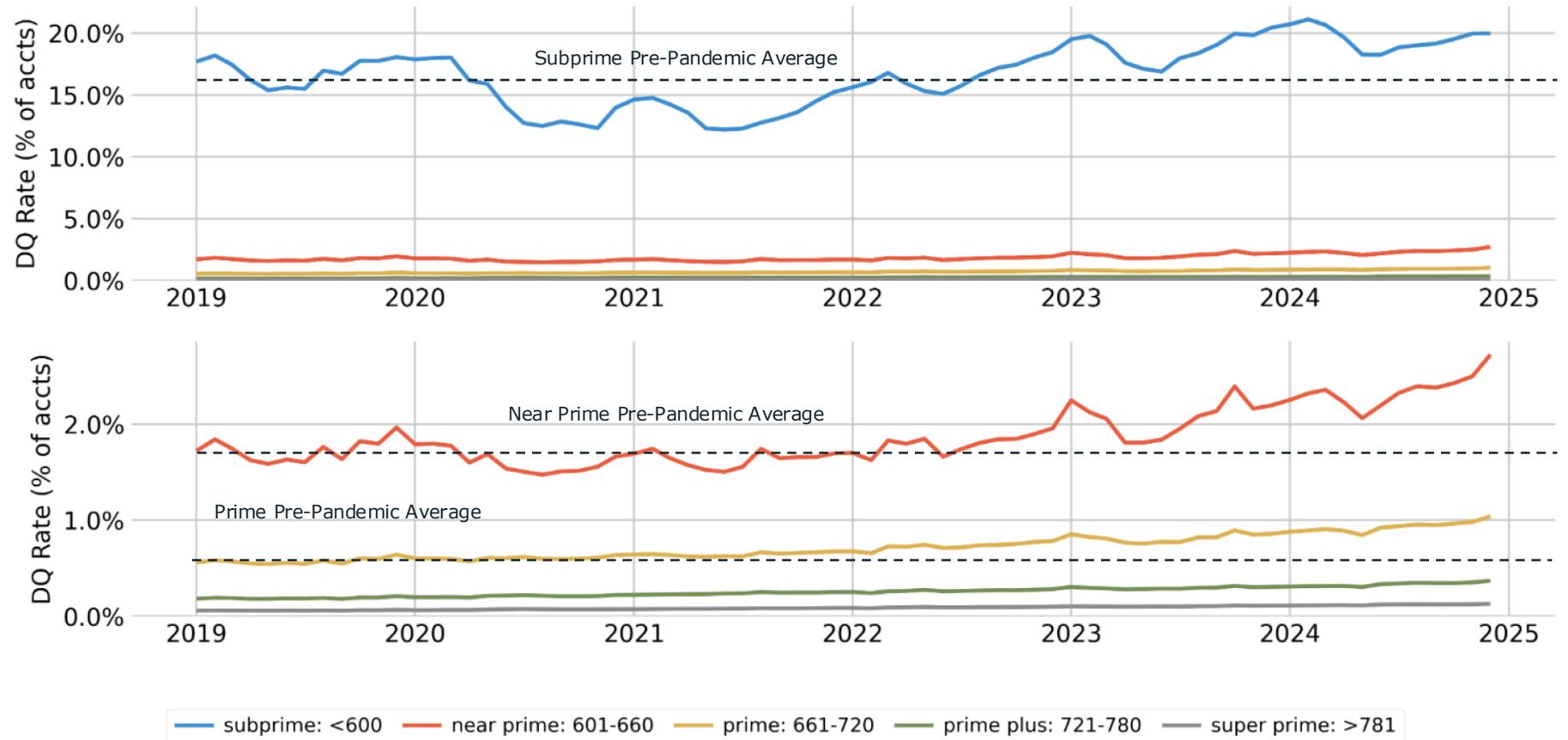
legend: subprime: <600 — near prime: 601-660 — prime: 661-720 — prime plus: 721-780 — super prime: >781

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Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Across risk bands, early 2024 vintages performed in-line with recent vintages and worse than older vintages (Slide 1 of 2)

Credit Card Cumulative 60+DPD Rate by Annual Vintage and Risk

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Across risk bands, early 2024 vintages performed in-line with recent vintages and worse than older vintages (Slide 2 of 2)

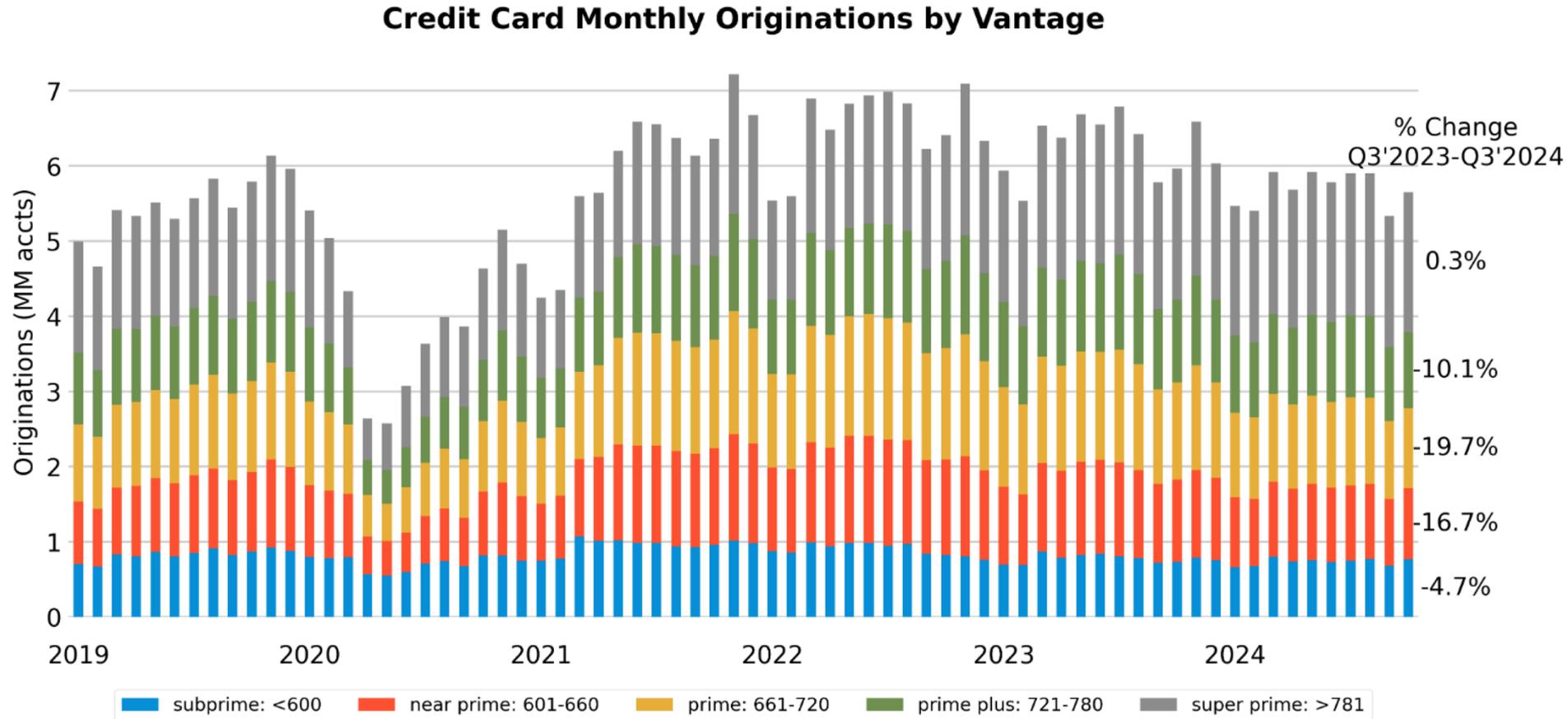Credit Card Cumulative 60+DPD Rate by Annual Vintage and Risk
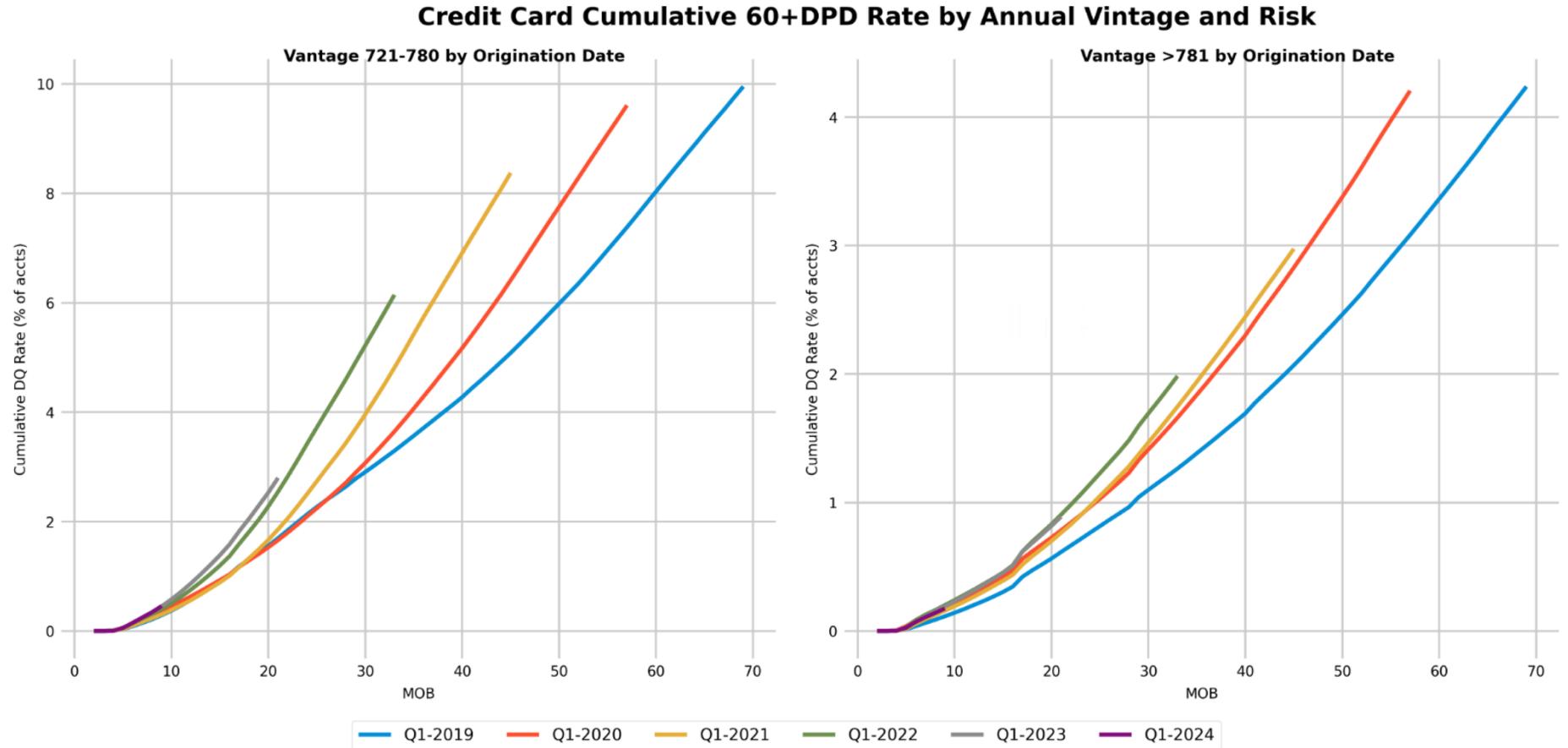
Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

2024 originations continued shifting towards less risky customers

Credit Card Monthly Originations by Vantage

% Change Q3'2023-Q3'2024

0.3%

-10.1%

-19.7%

-16.7%

-4.7%

Legend: subprime: <600 | near prime: 601-660 | prime: 661-720 | prime plus: 721-780 | super prime: >781

18

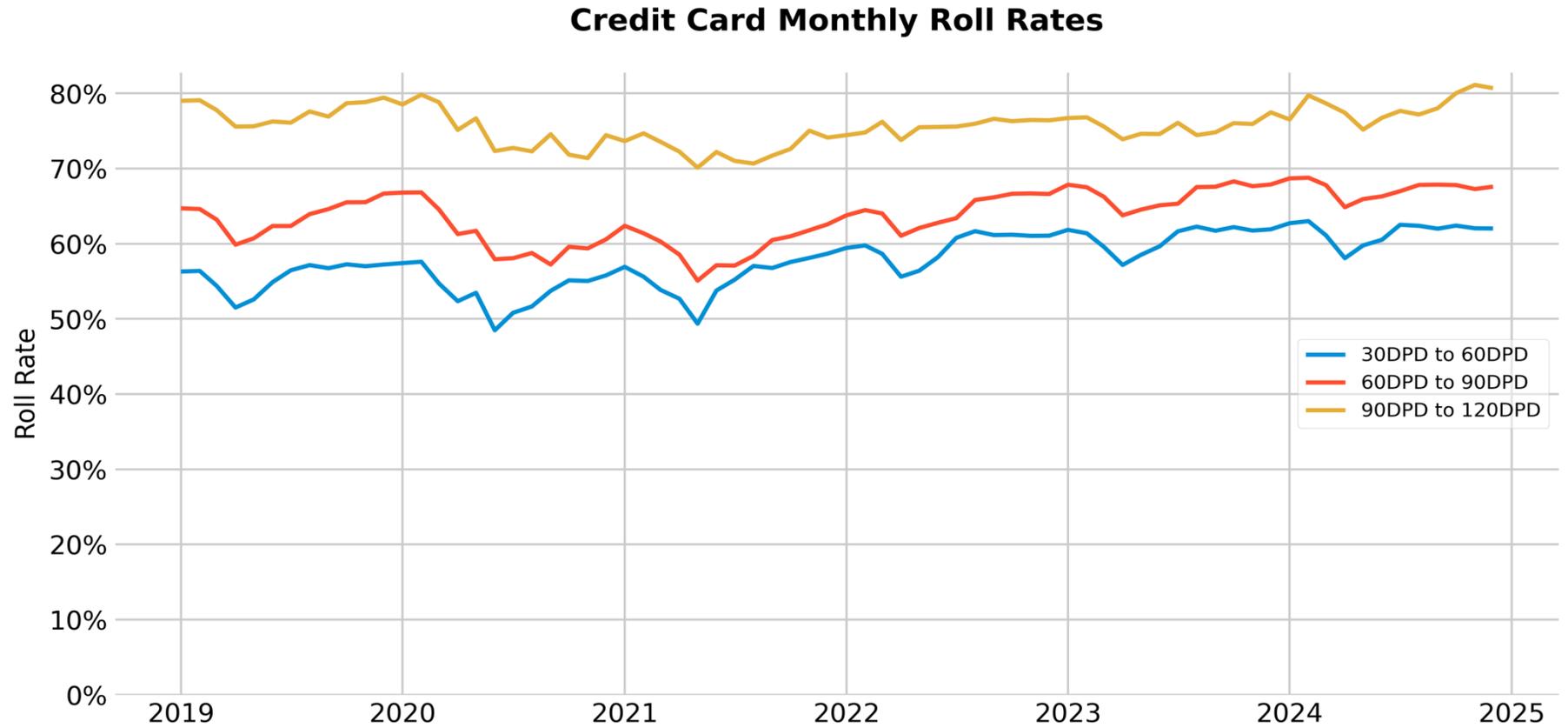Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

This shift towards less risky customers drove improved overall performance for 2023 and 2024 vintages relative to 2022, despite similar performance at risk band level

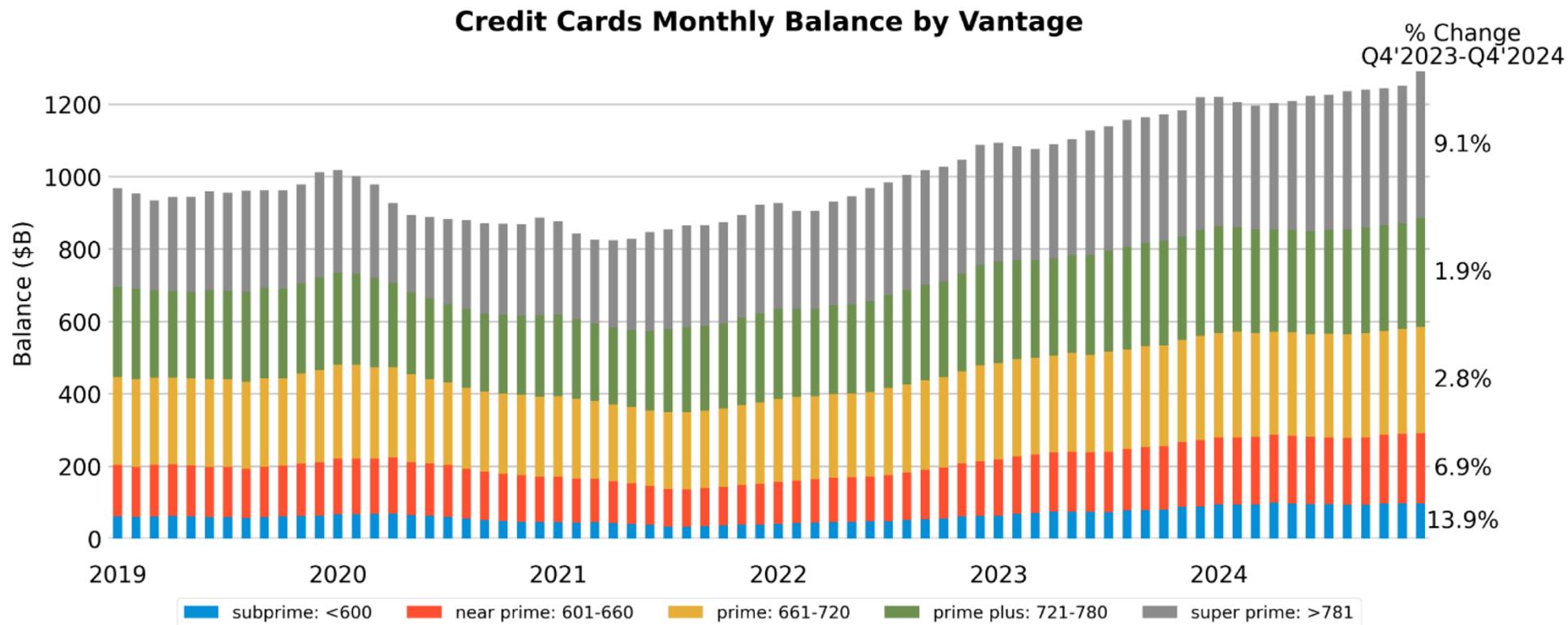Credit Card Cumulative 60+DPD Rate by Annual Vintage
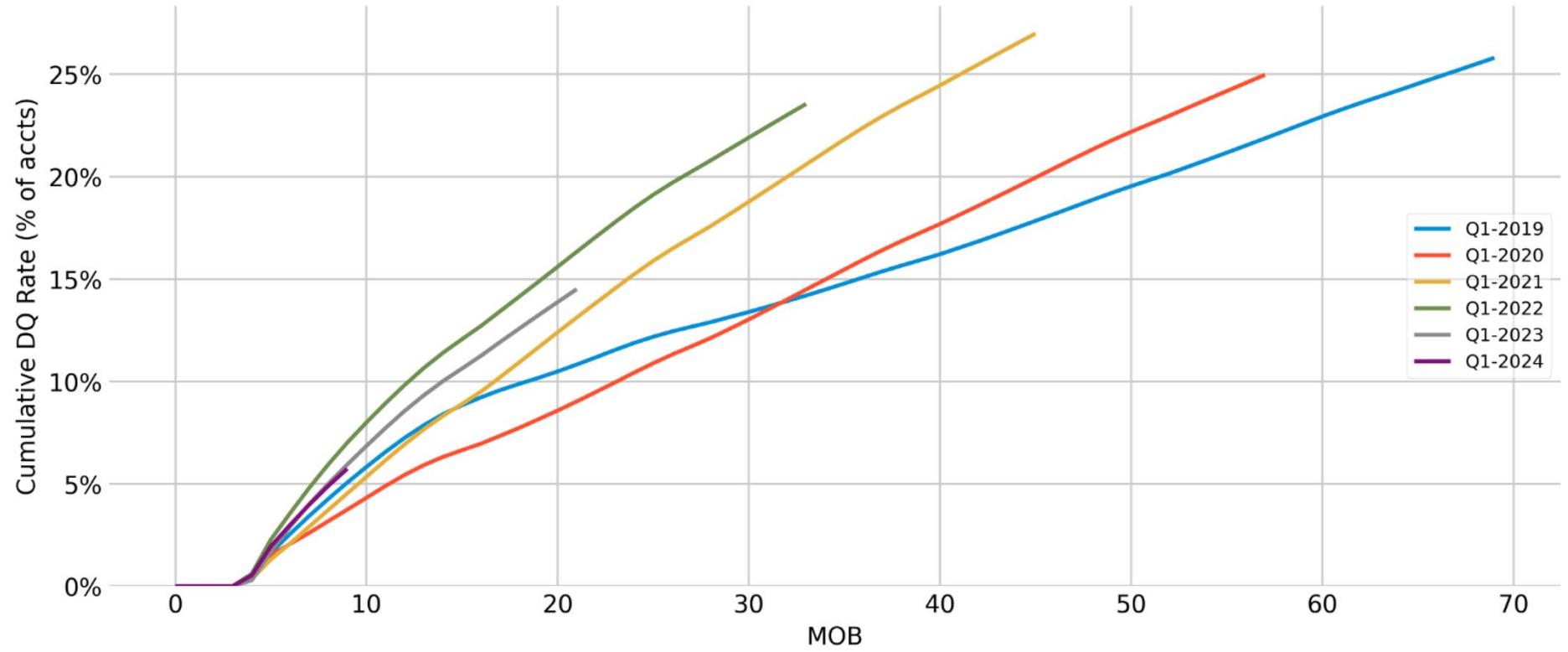
Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

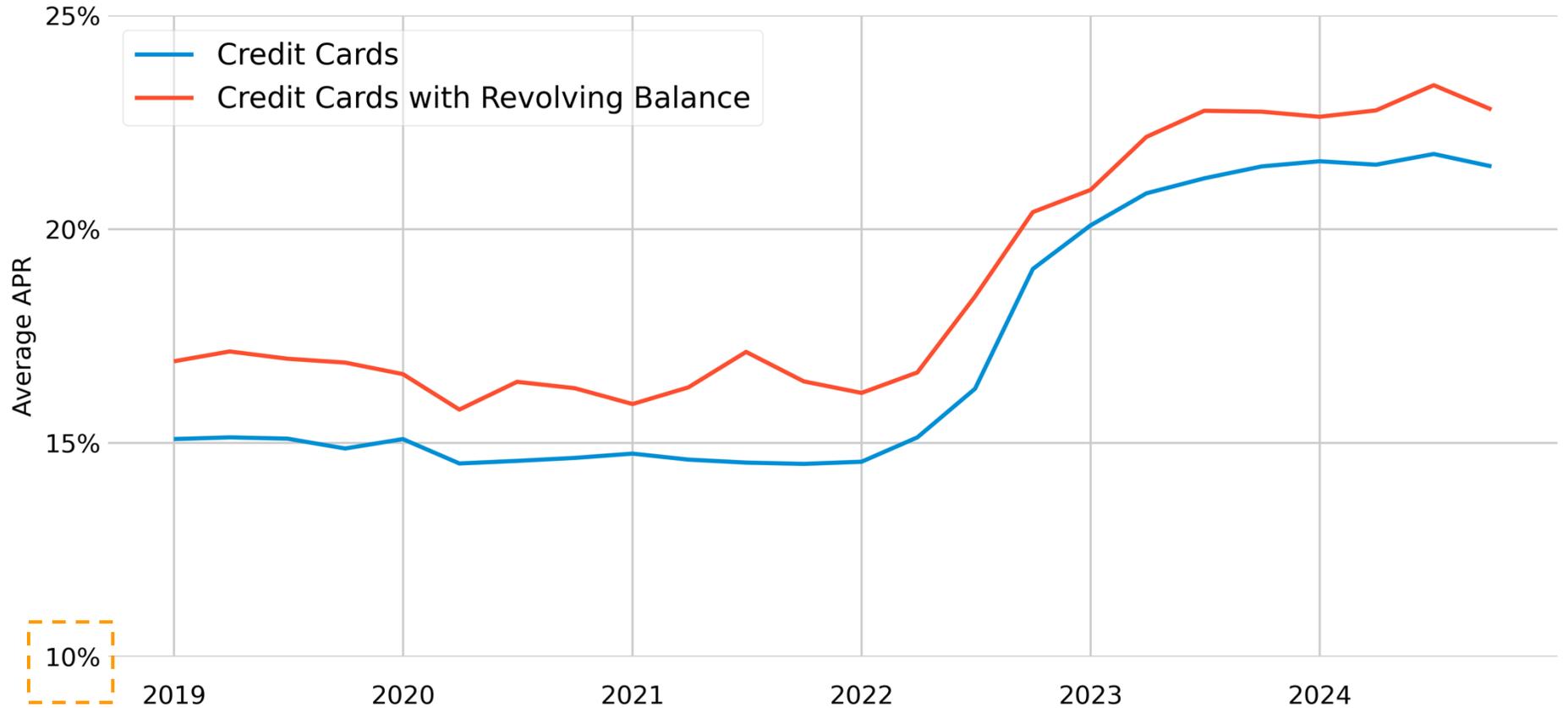**Early-stage roll rates remained well above pre-pandemic levels**

Credit Card Monthly Roll Rates

Roll Rate

- 30DPD to 60DPD
- 60DPD to 90DPD
- 90DPD to 120DPD

20

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Overall credit card debt grew across all risk bands, with subprime customers' balance growing the most year over year

Credit Cards Monthly Balance by Vantage

% Change Q4'2023-Q4'2024

9.1%
1.9%
2.8%
6.9%
13.9%

Legend: subprime: <600, near prime: 601-660, prime: 661-720, prime plus: 721-780, super prime: >781

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Credit card APRs decreased slightly over the past few months, in alignment with broader rate decreases

Average APR for Credit Cards

Legend:
- Credit Cards
- Credit Cards with Revolving Balance

Y-axis: Average APR (10%, 15%, 20%, 25%)
X-axis: 2019, 2020, 2021, 2022, 2023, 2024

22
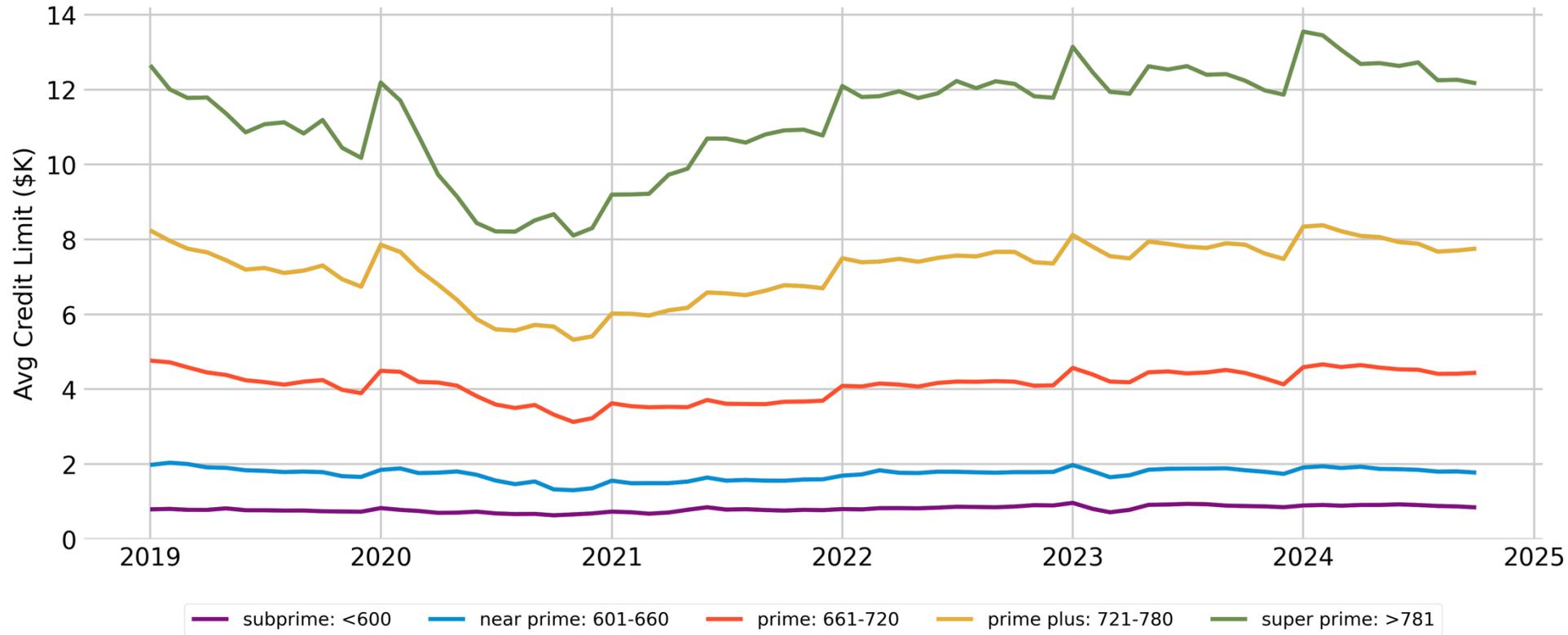
Source: 2OS, Federal Reserve G19 report. Data as of Dec. 31st, 2024

Average credit limit at origination remained stable across risk bands

Credit Card Monthly Originations Average Credit Limit by Vantage

Legend: subprime: <600 | near prime: 601-660 | prime: 661-720 | prime plus: 721-780 | super prime: >781

23

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

- State of the Consumer
- Credit Card
- Personal Loan
- Auto Loan
- Student Loan
- Mortgage

60+ DPD rate has remained relatively stable since 2022, reflecting the mix shift towards lower risk originations
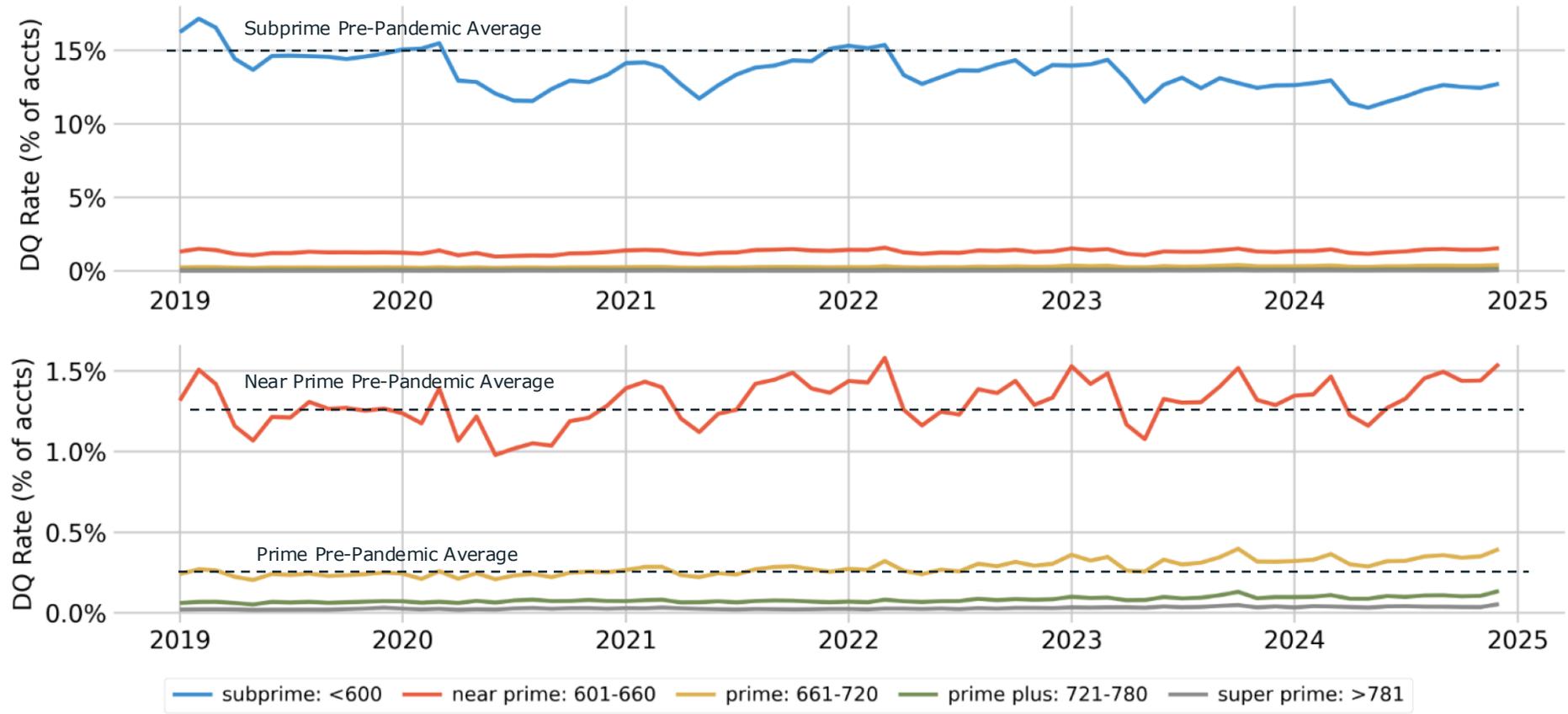

Personal Loan Monthly 60+DPD Rate

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Subprime 60+ DPD rates remained lower than pre-pandemic averages while the opposite held for prime and near prime

Personal Loan Monthly 60+DPD Rate by Vantage

Legend: subprime: <600 | near prime: 601-660 | prime: 661-720 | prime plus: 721-780 | super prime: >781

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

2023 and 2024 vintages performed worse than 2021 vintages, but showed improvement over 2022

Personal Loan Cumulative 60+DPD by Annual Vintage

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024
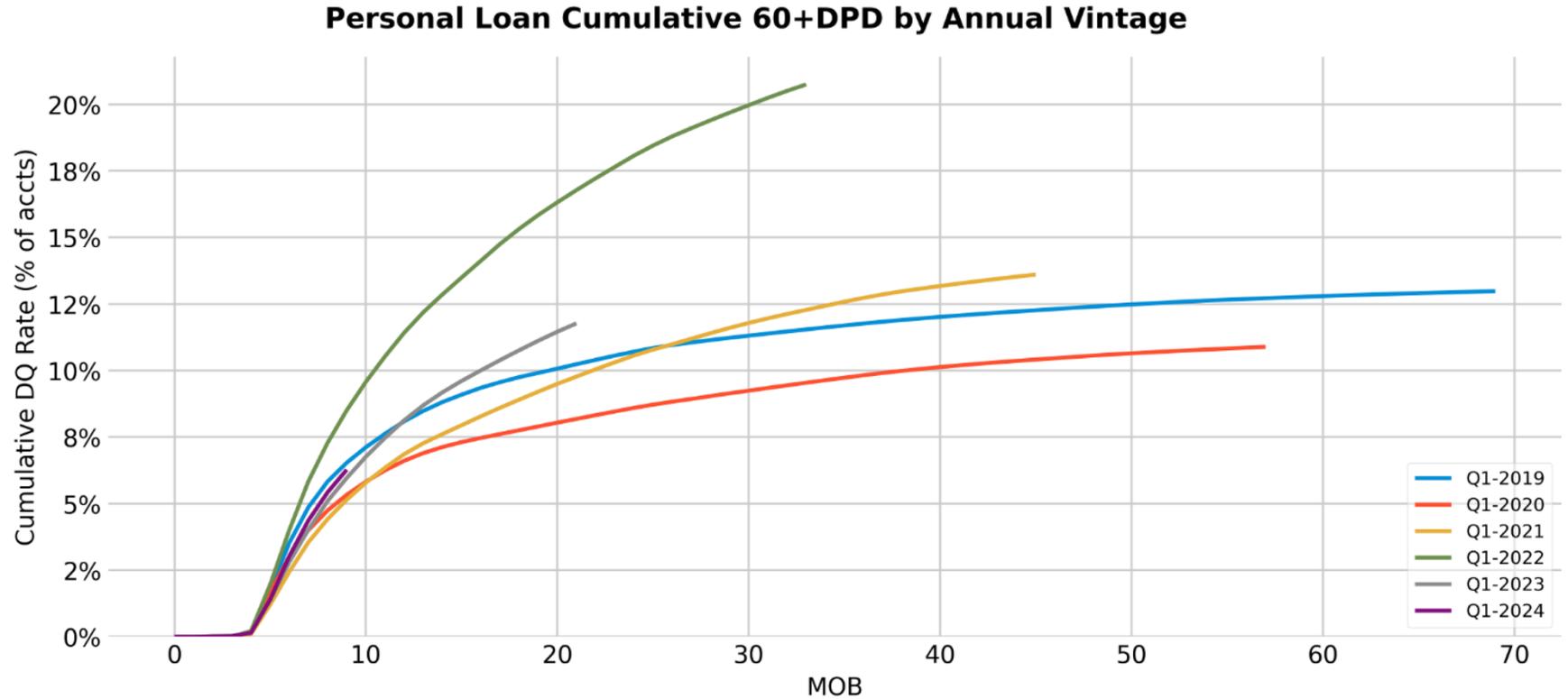
The trends seen in overall PL delinquency rates persist for higher risk bands

Personal Loans Cumulative 60+DPD Rate by Annual Vintage and Risk

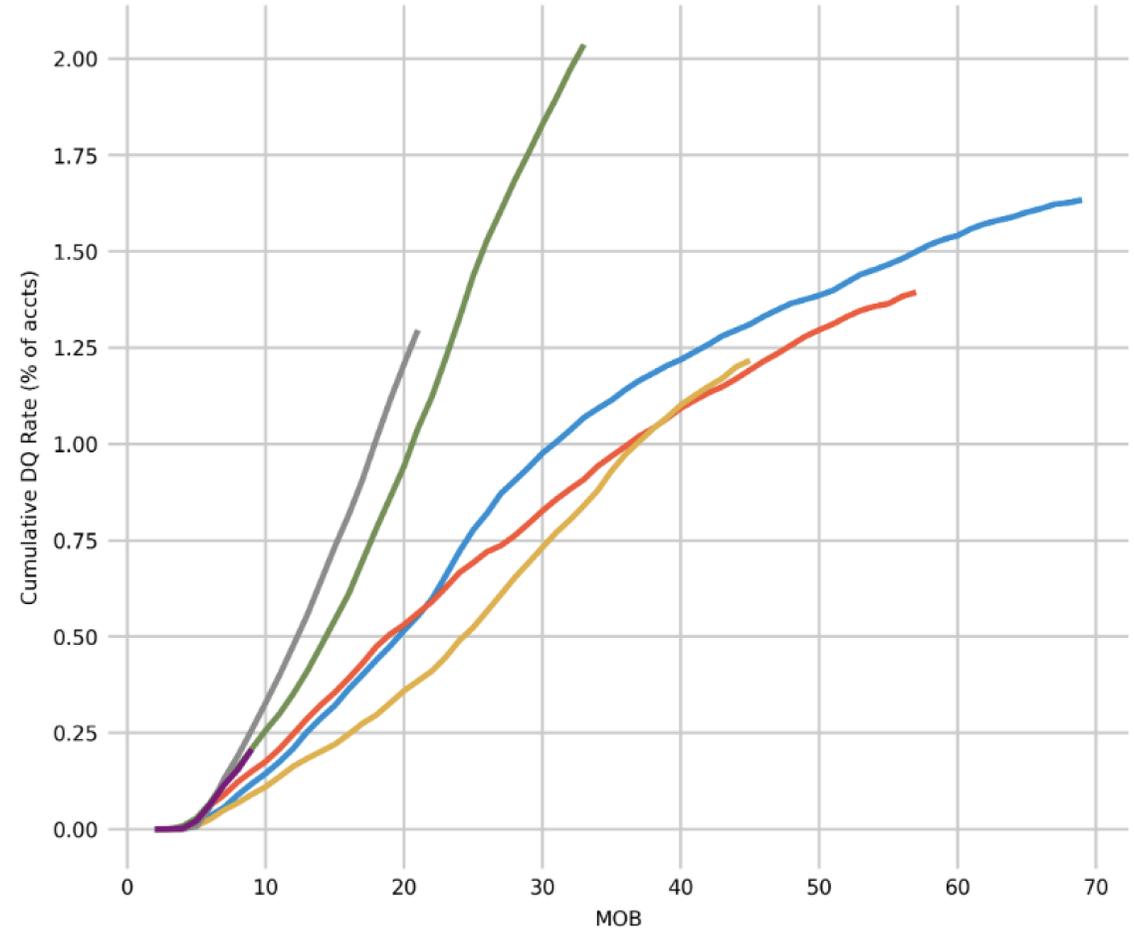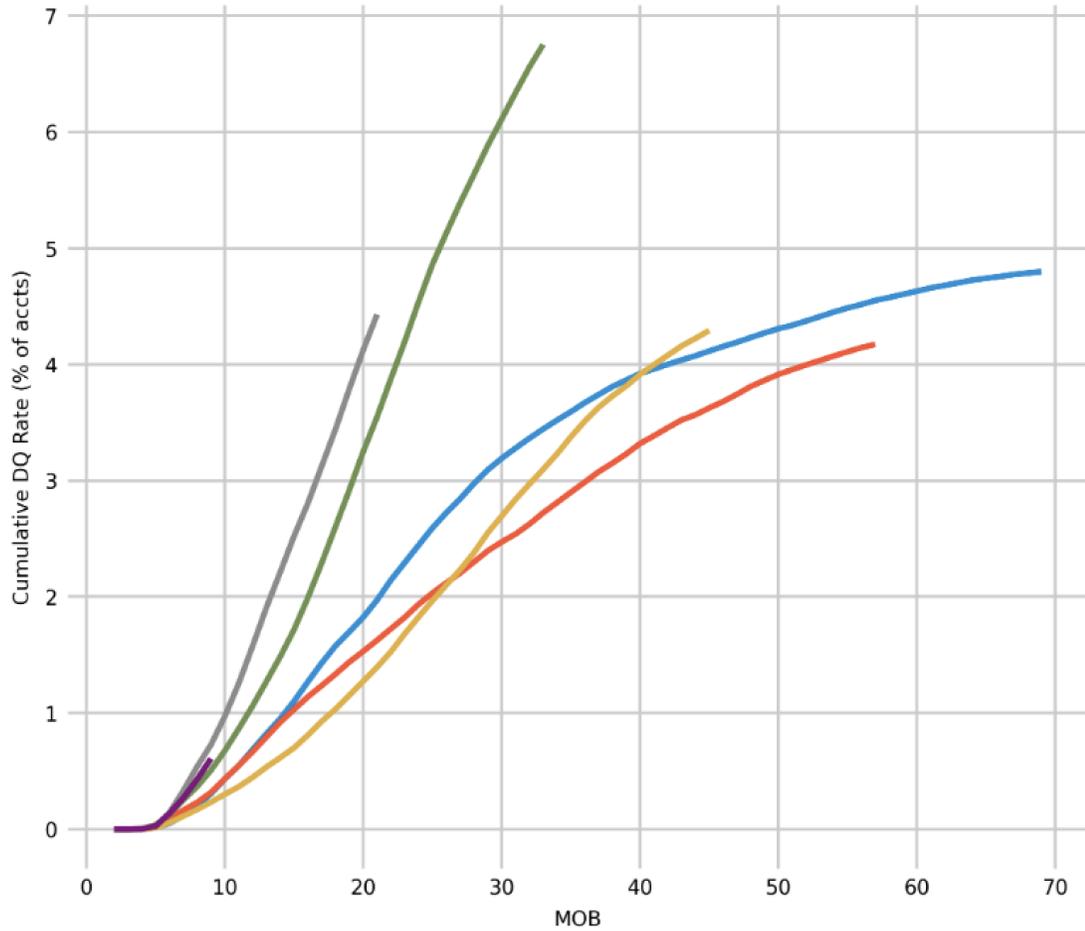Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

28
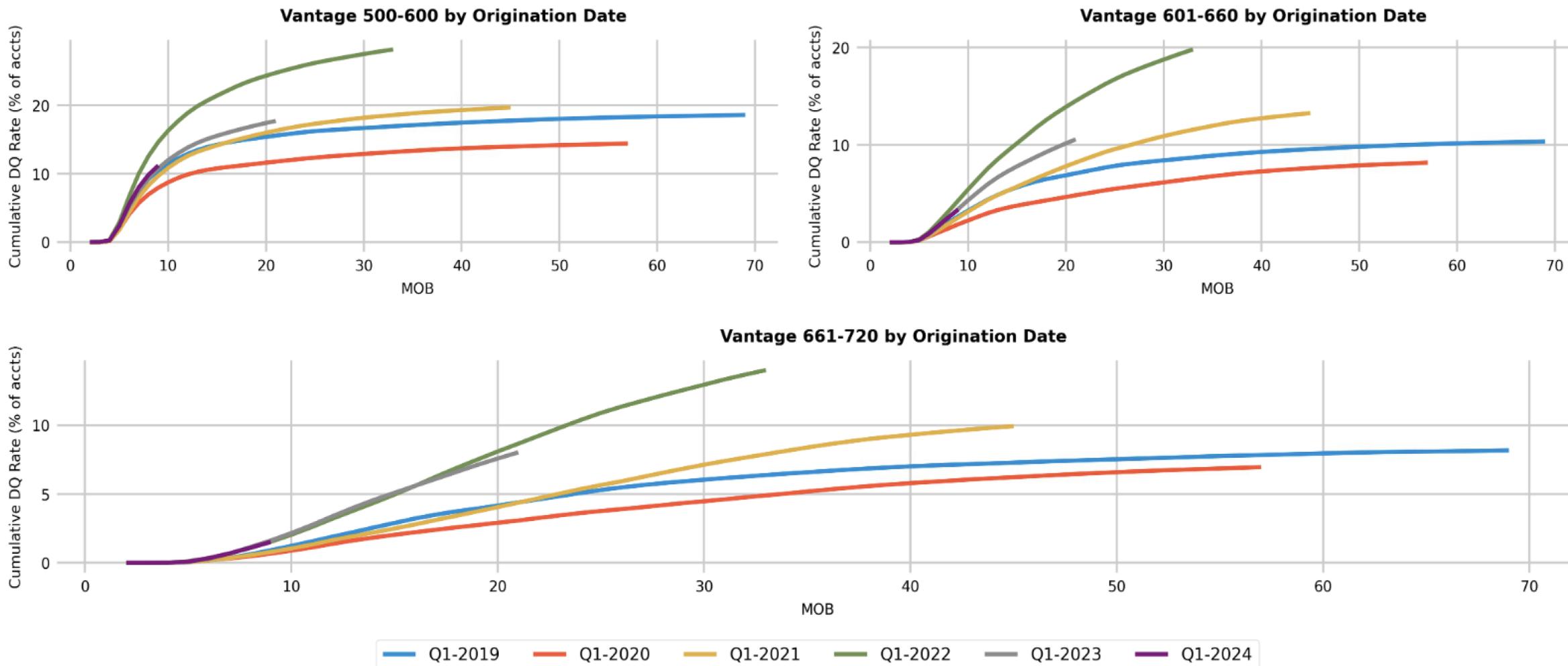
For lower risk bands, newer vintages still exhibit worse performance than pre-2022 vintages, but 2023 and 2024 are in-line with or performing worse than 2022

Personal Loans Cumulative 60+DPD Rate by Annual Vintage and Risk

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Total personal loan balances have remained relatively stable since 2023

Personal Loan Monthly Balance

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Super prime and subprime borrowers held an increasing balance of personal loan debt while other risk band balances shrunk this quarter

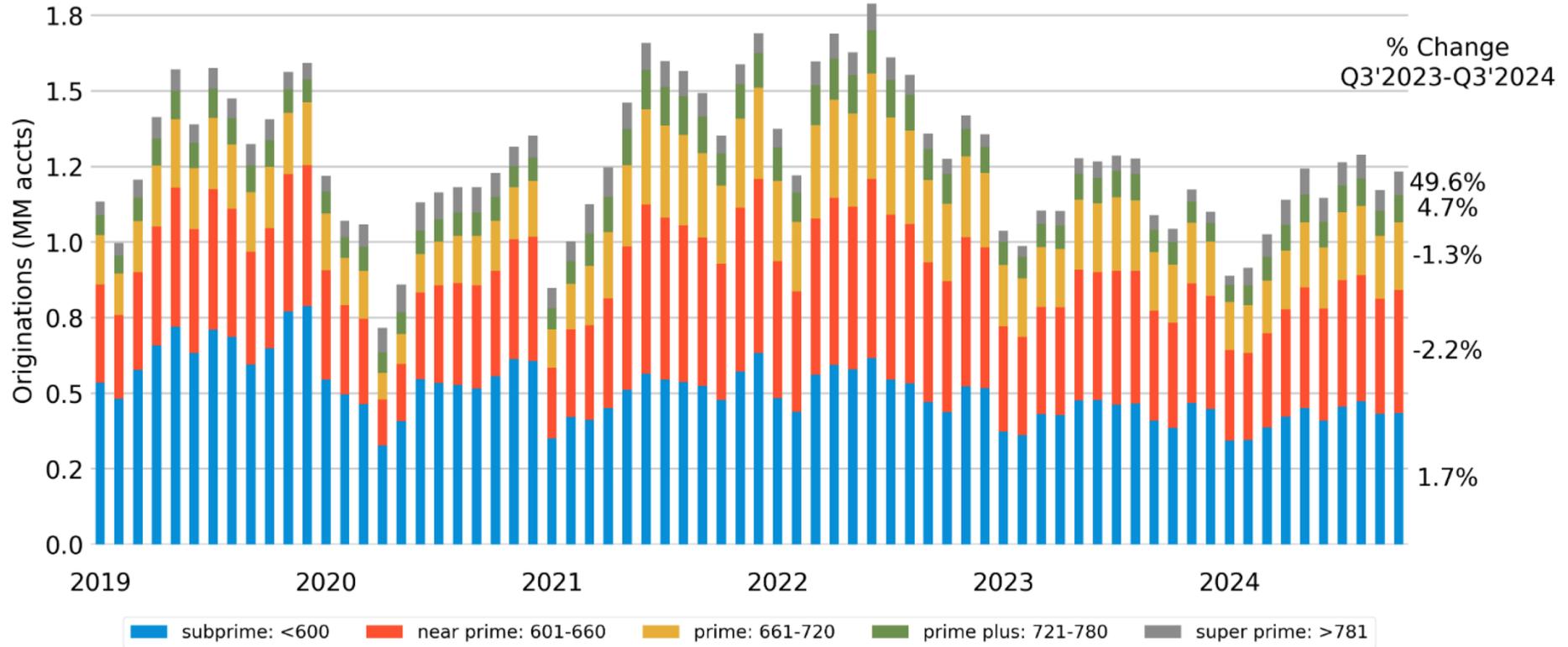
Personal Loan Monthly Balance by Vantage

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

31
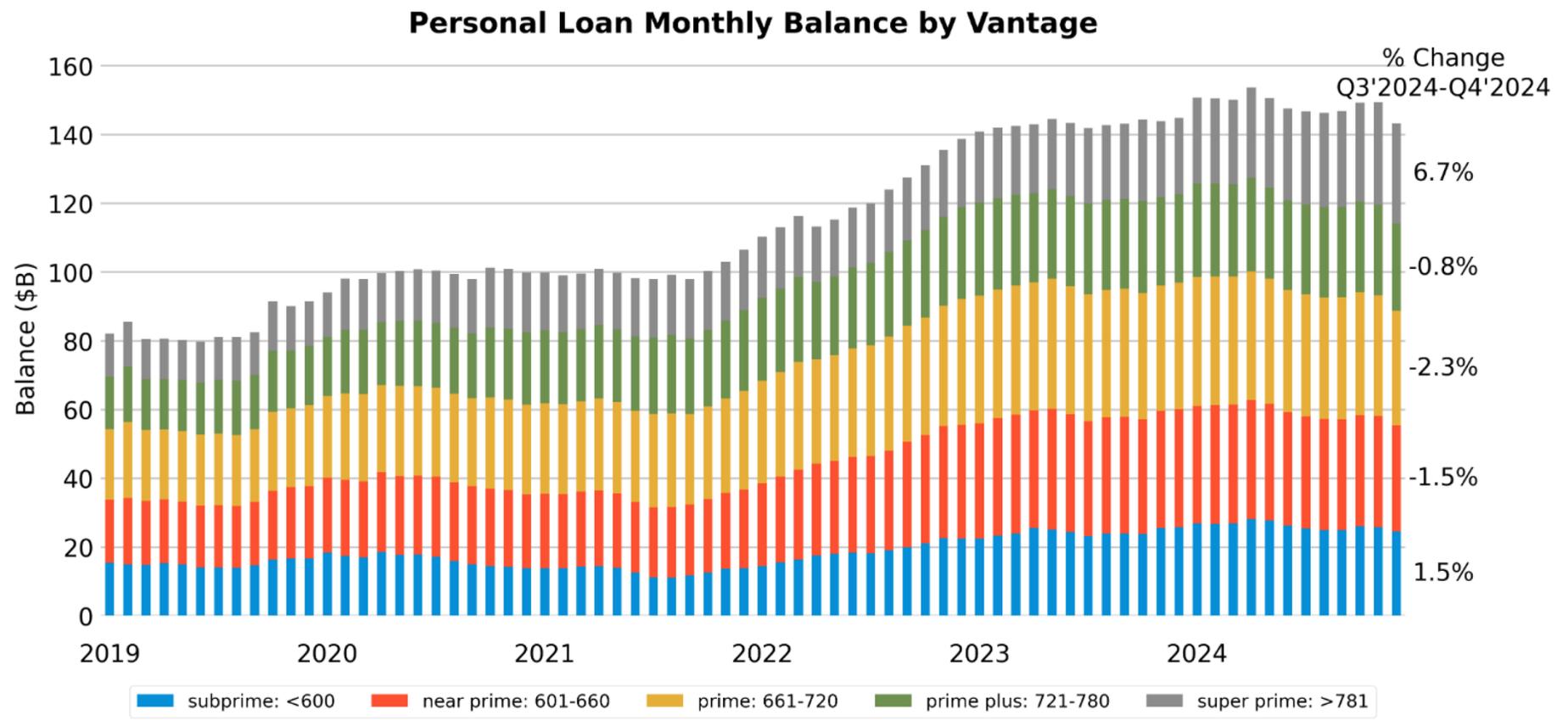
**The increasing balance among super prime borrowers aligns with a significant increase in recent super prime originations**

Personal Loan Monthly Originations by Vantage

% Change Q3'2023-Q3'2024: 49.6%, 4.7%, -1.3%, -2.2%, 1.7%

Legend: subprime: <600 | near prime: 601-660 | prime: 661-720 | prime plus: 721-780 | super prime: >781

32

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Average loan amount remained significantly above pre-pandemic levels, driven by the origination shift towards super prime
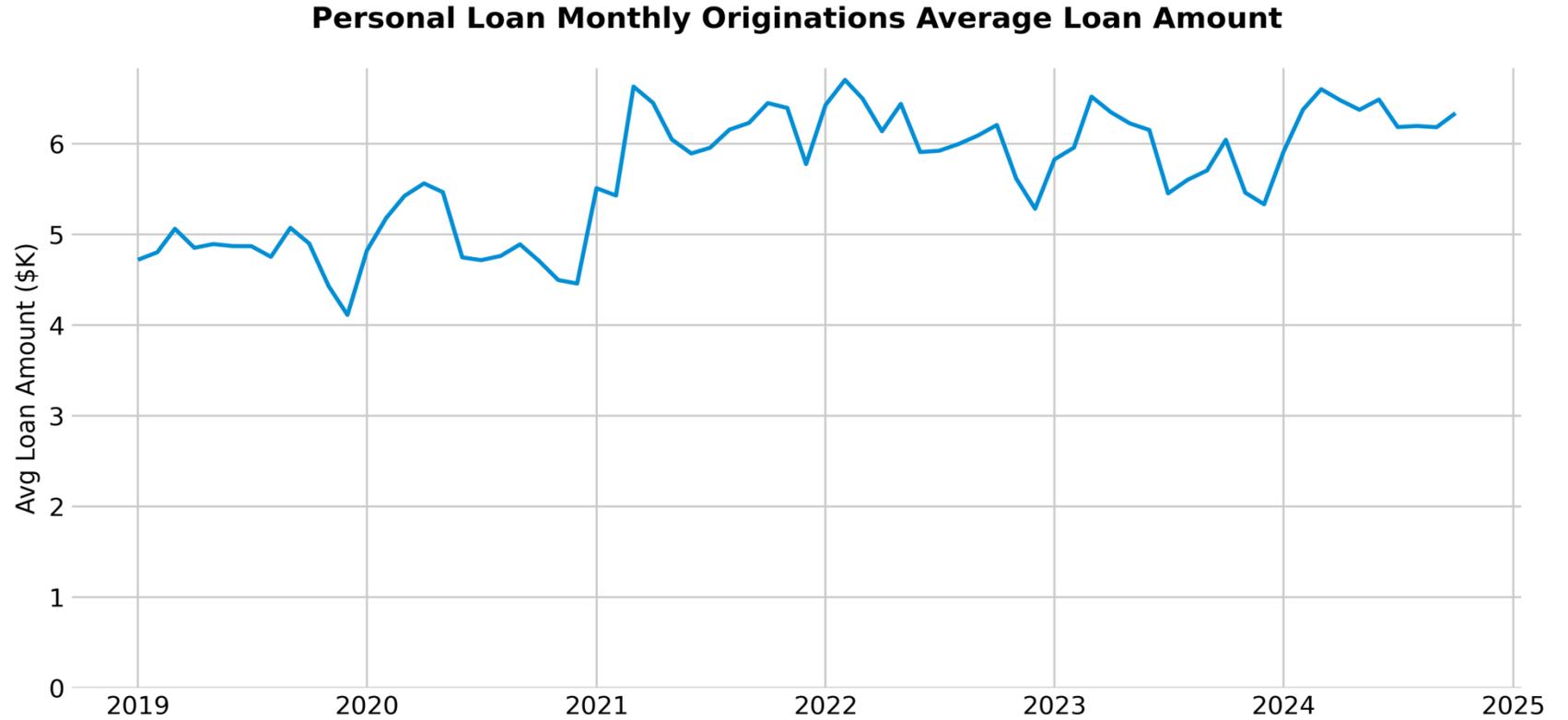
**Personal Loan Monthly Originations Average Loan Amount**

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

- State of the Consumer

- Credit Card

- Personal Loan

- Auto Loan

- Student Loan

- Mortgage

New and used vehicle prices slightly increased in Q4 after a declining through the first half of the year
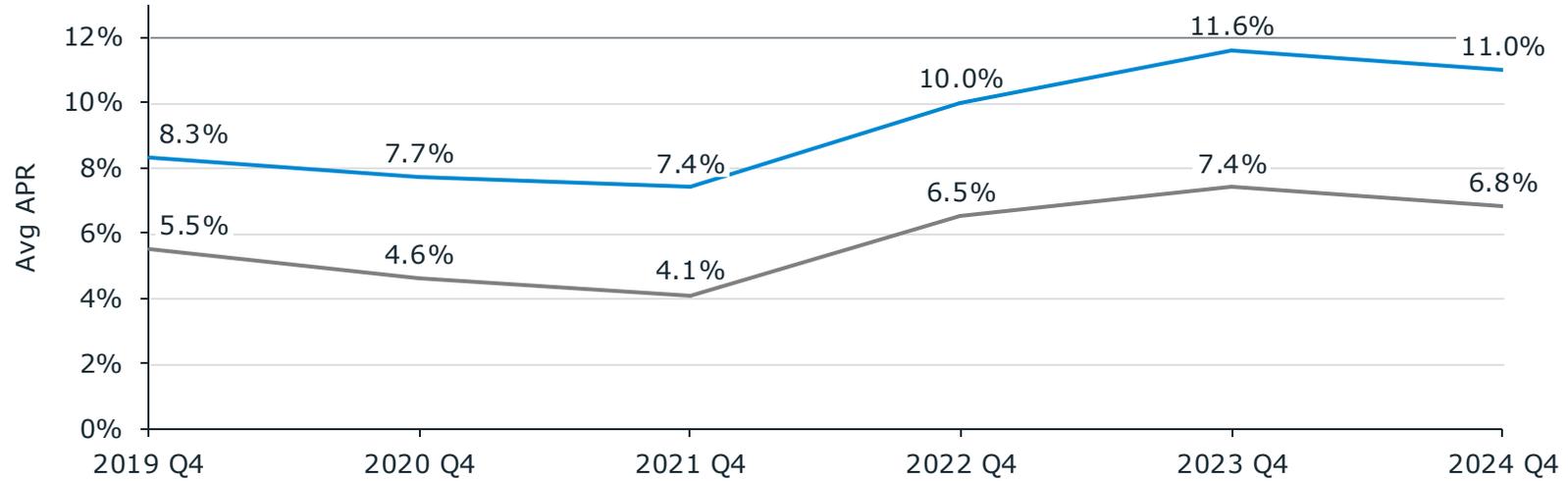
Average Consumer Price Index for New and Used Motor Vehicles

Y-axis: CPI Index (Jan 2019 = 100), ranging 80 to 140
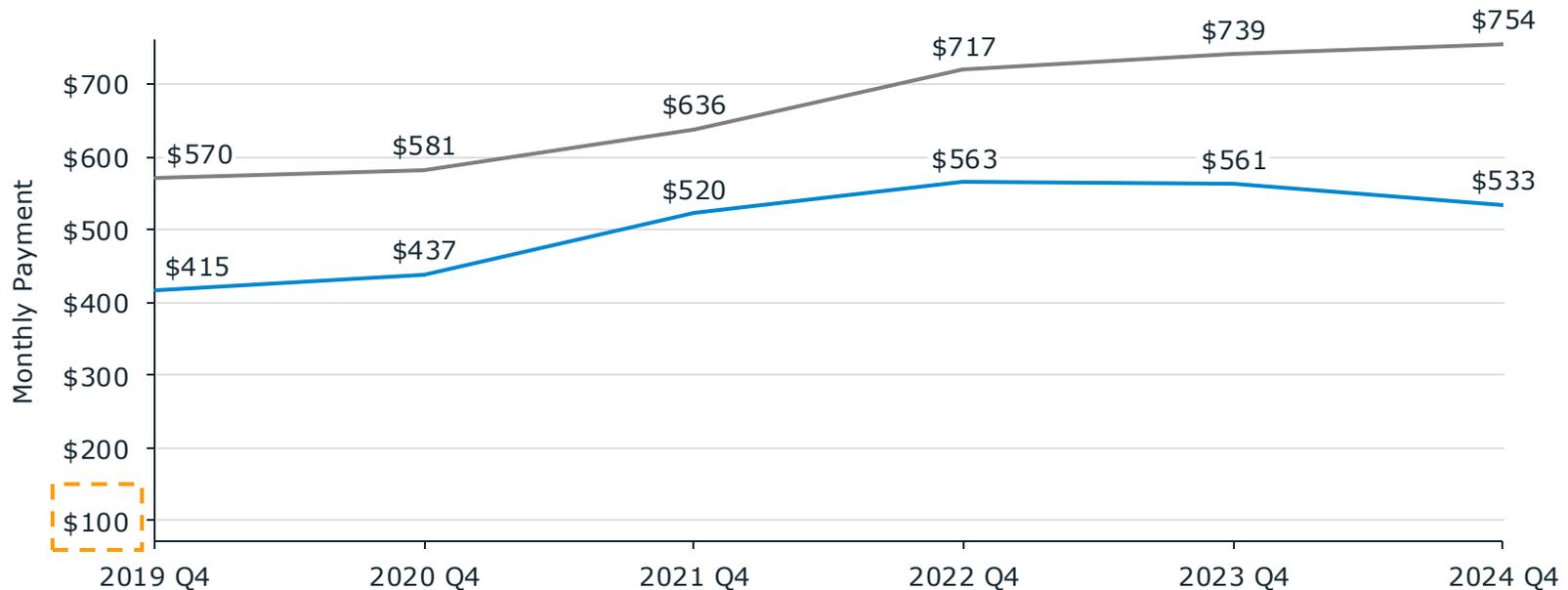
X-axis: 2019, 2020, 2021, 2022, 2023, 2024
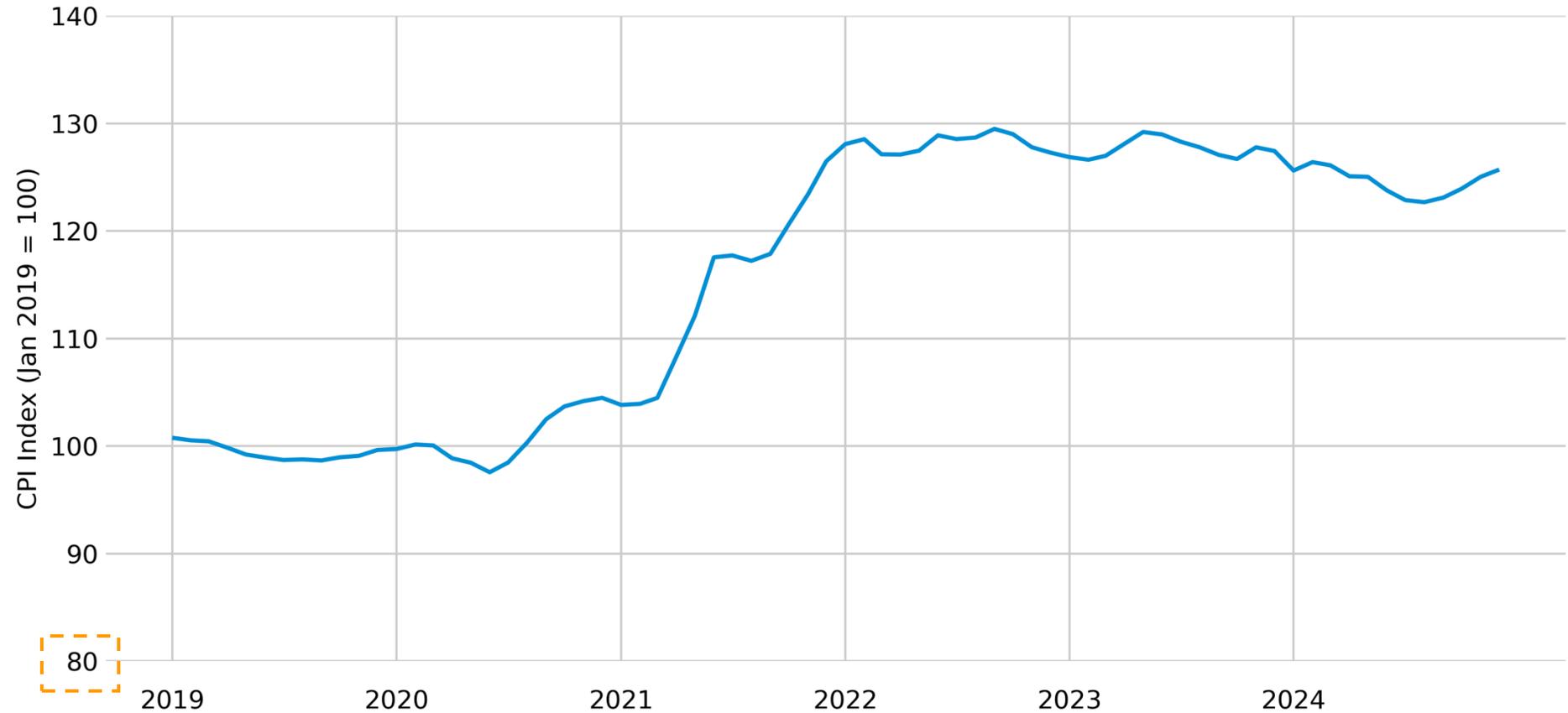
Source: 2OS, FRED. Data as of Dec. 31st, 2024

Auto Loan APRs slightly decreased in Q4, while average monthly payments for new cars hit an all-time high

Average APR on New & Used Cars

- 2019 Q4: New Car 5.5%, Used Car 8.3%
- 2020 Q4: New Car 4.6%, Used Car 7.7%
- 2021 Q4: New Car 4.1%, Used Car 7.4%
- 2022 Q4: New Car 6.5%, Used Car 10.0%
- 2023 Q4: New Car 7.4%, Used Car 11.6%
- 2024 Q4: New Car 6.8%, Used Car 11.0%

— New Car
— Used Car

Average Monthly Payment on New & Used Cars

- 2019 Q4: New Car $570, Used Car $415
- 2020 Q4: New Car $581, Used Car $437
- 2021 Q4: New Car $636, Used Car $520
- 2022 Q4: New Car $717, Used Car $563
- 2023 Q4: New Car $739, Used Car $561
- 2024 Q4: New Car $754, Used Car $533

Source: Edmunds reports 2019-2024. Data as of Dec. 31st, 2024

The auto loan delinquency rate continued climbing through Q4, consistent with the trend starting in mid-2021
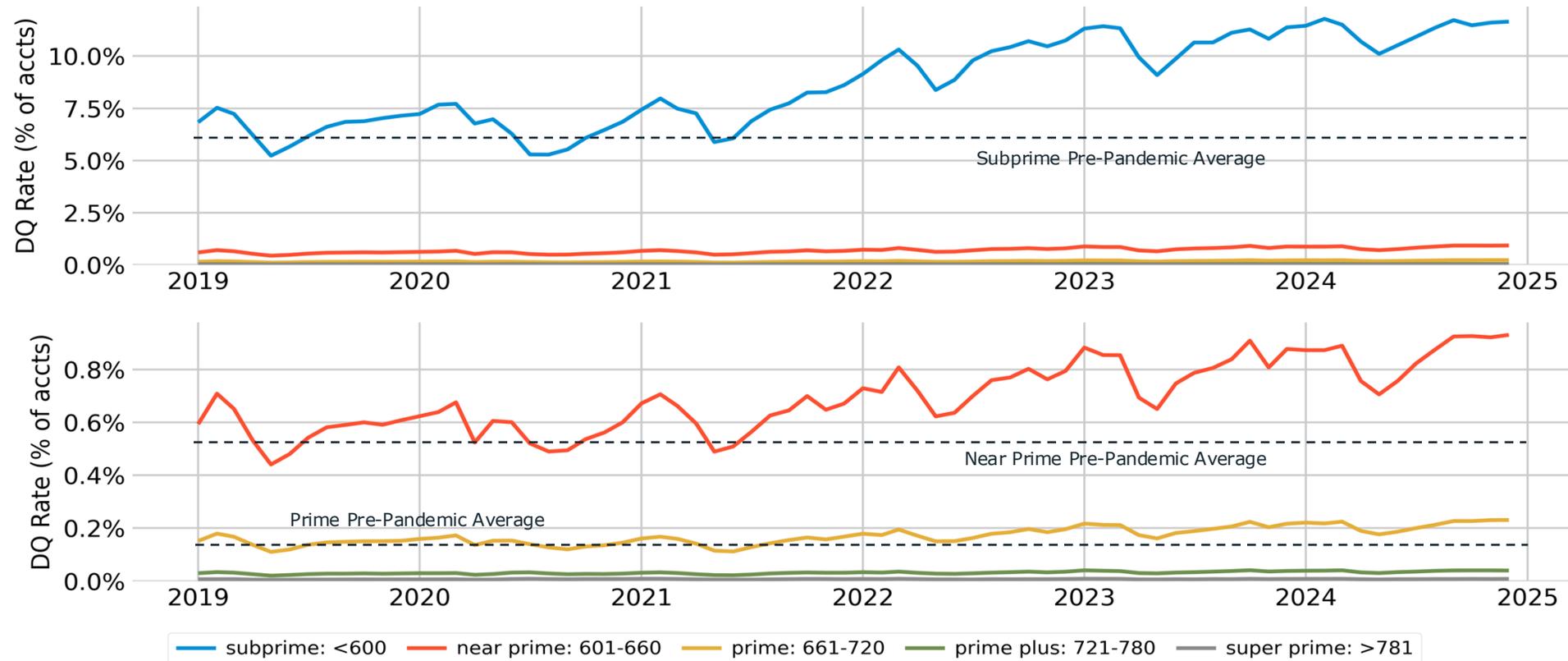
Auto Loan Monthly 60+DPD Rate

DQ Rate (% of accts)

Pre-pandemic average

1.8%
1.5%
1.2%
1.0%
0.8%
0.5%
0.2%
0.0%

2019 2020 2021 2022 2023 2024 2025
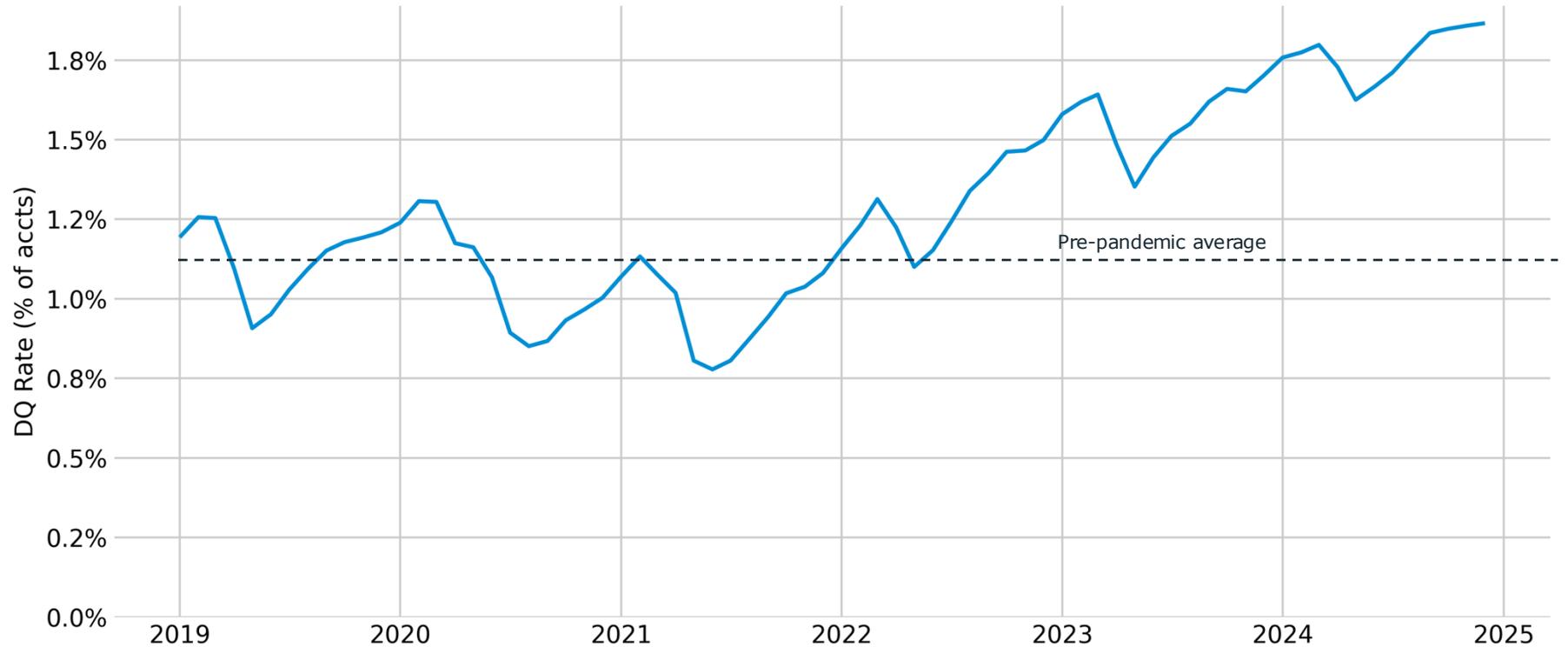
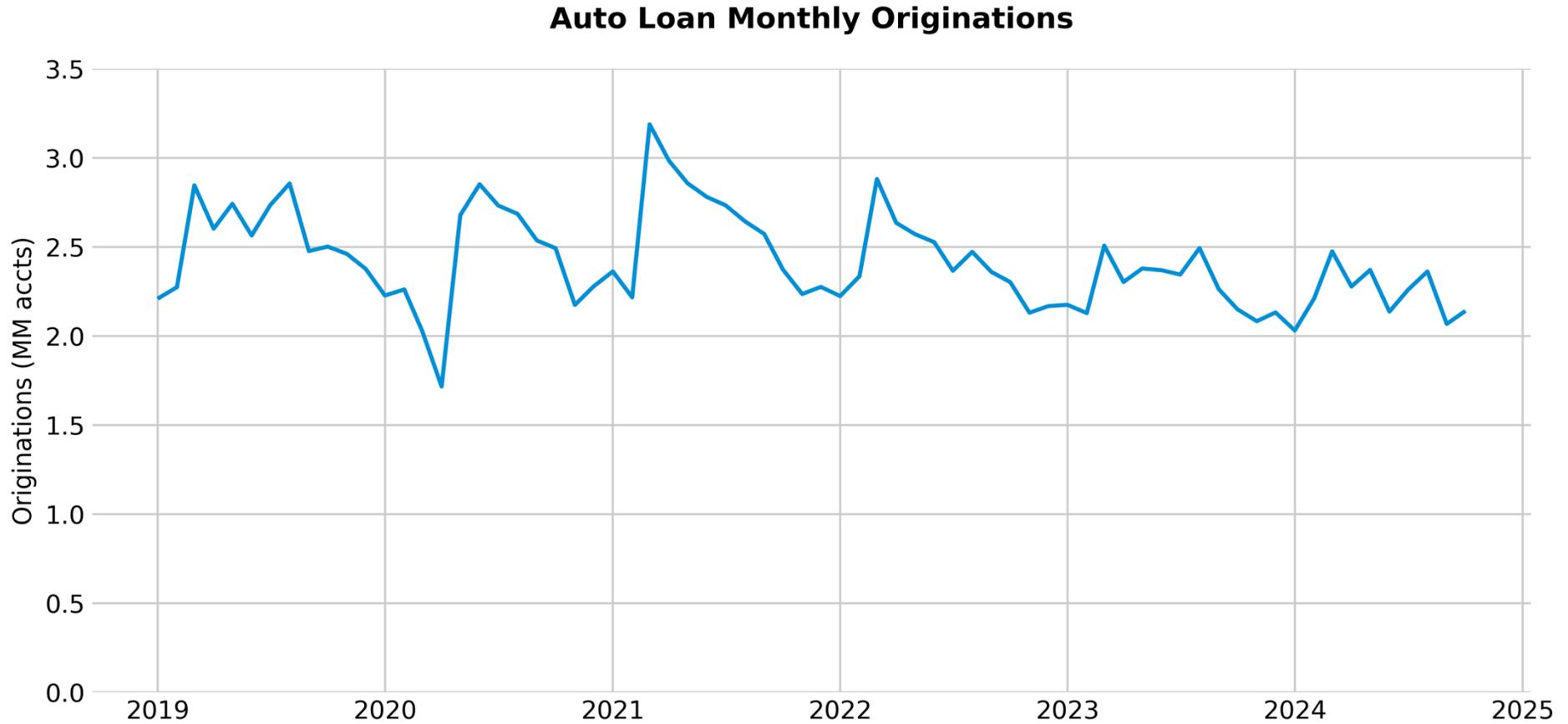Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Delinquency rates rose across all risk bands, particularly among near prime and subprime borrowers

Auto Loan Monthly 60+DPD Rate by Vantage

Subprime Pre-Pandemic Average

Near Prime Pre-Pandemic Average

Prime Pre-Pandemic Average

subprime: <600 — near prime: 601-660 — prime: 661-720 — prime plus: 721-780 — super prime: >781
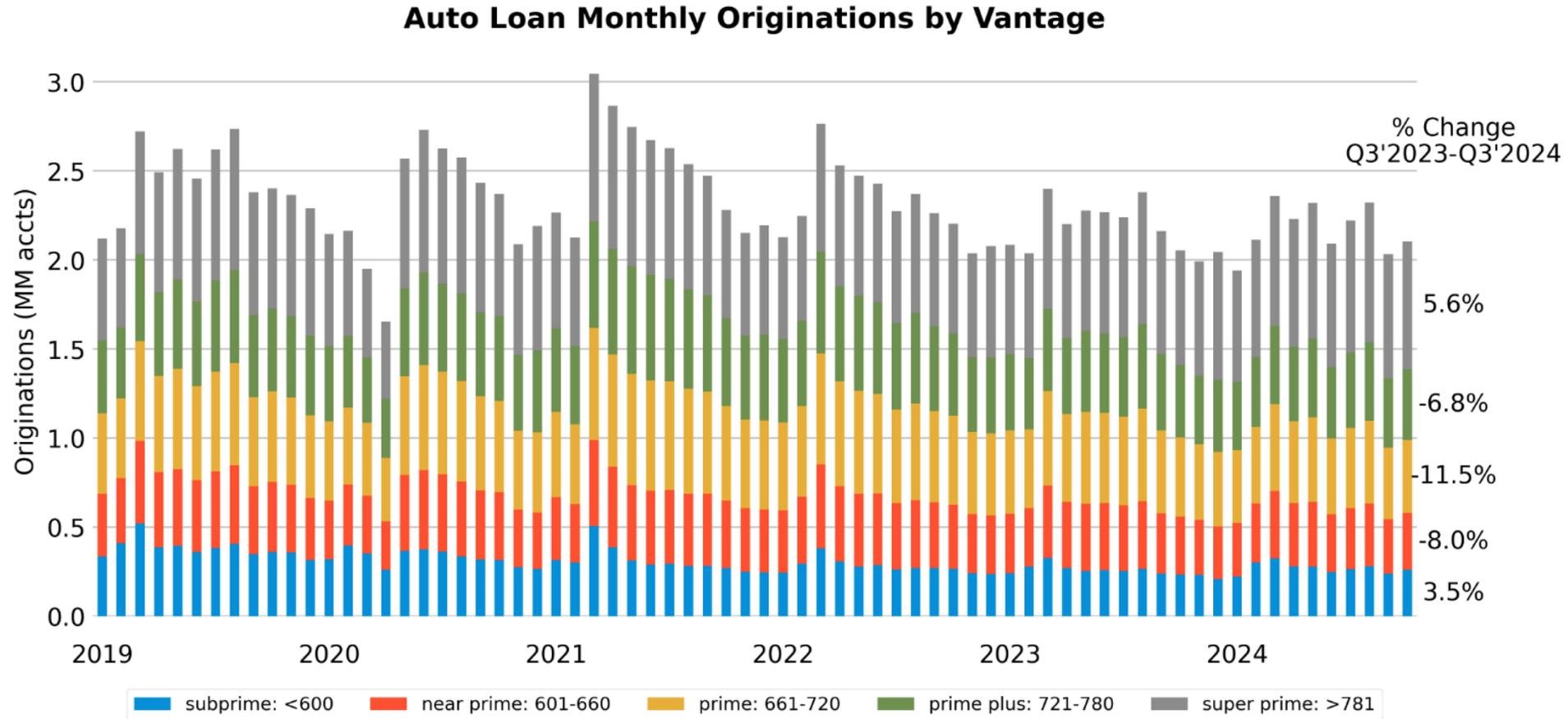
38

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Overall auto loan originations remained low in response to increasing delinquency rates and were relatively stable through 2024
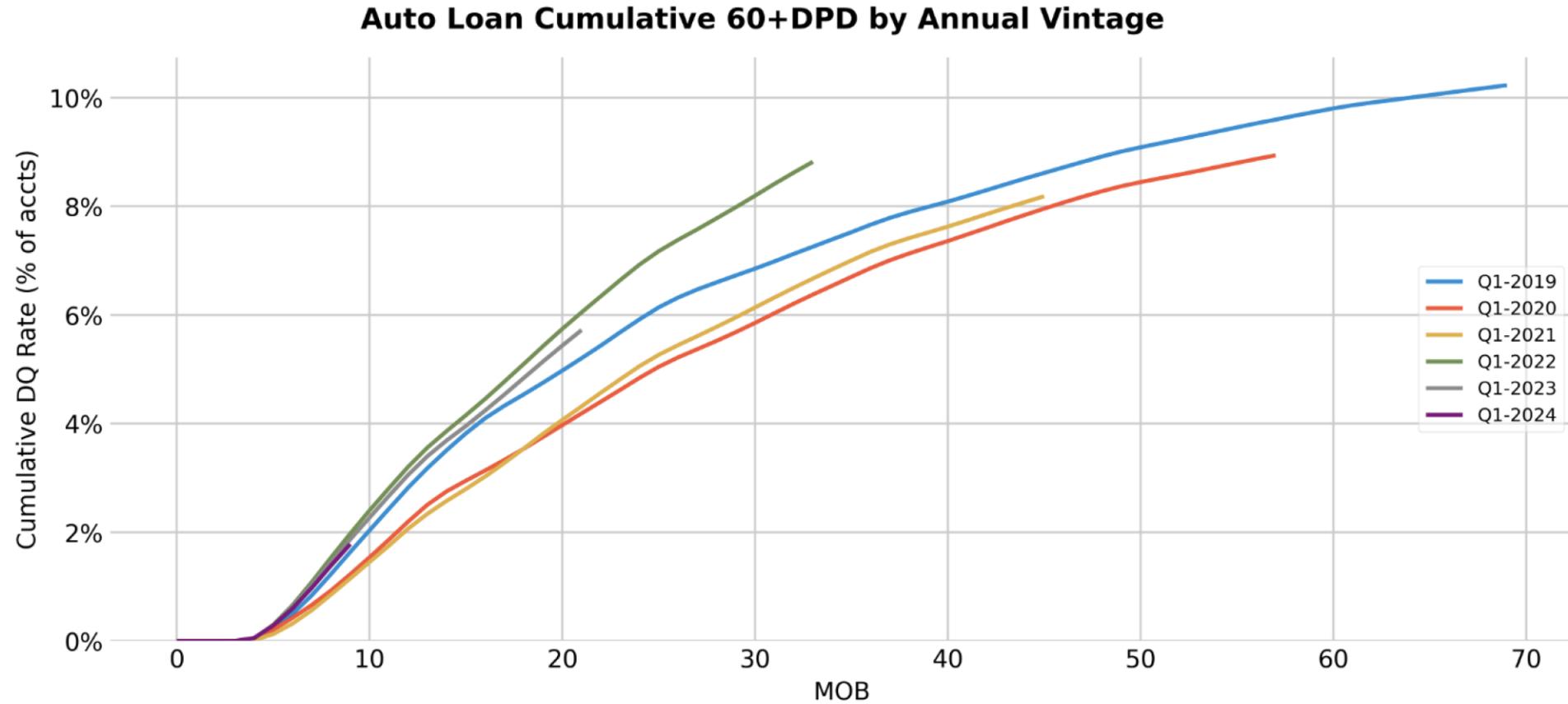
Auto Loan Monthly Originations

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Originations grew in Q4, driven primarily by super prime and subprime

Auto Loan Monthly Originations by Vantage

Legend: subprime: <600 | near prime: 601-660 | prime: 661-720 | prime plus: 721-780 | super prime: >781

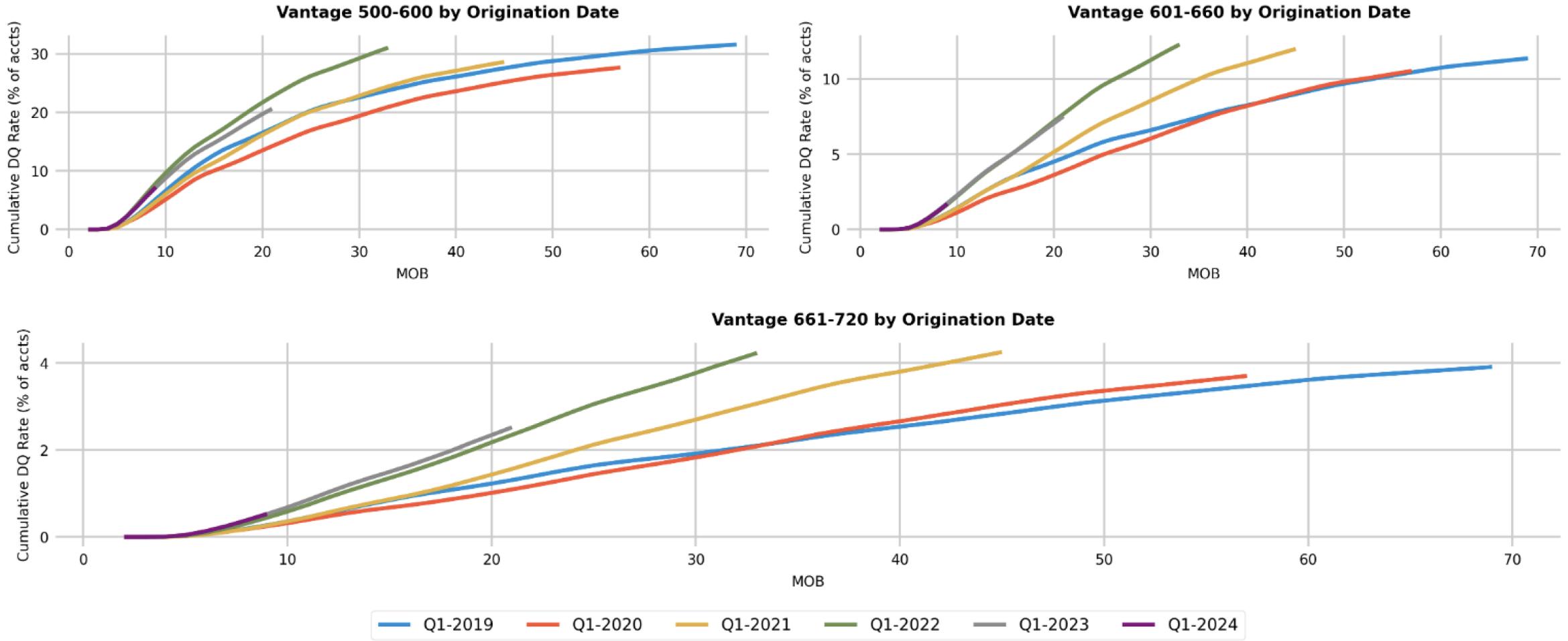% Change Q3'2023-Q3'2024:
- 5.6%
- -6.8%
- -11.5%
- -8.0%
- 3.5%

40

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Overall, early 2024 delinquency rates are slightly lower than recent years' rates

Auto Loan Cumulative 60+DPD by Annual Vintage

Legend:
- Q1-2019
- Q1-2020
- Q1-2021
- Q1-2022
- Q1-2023
- Q1-2024

Y-axis: Cumulative DQ Rate (% of accts)
X-axis: MOB

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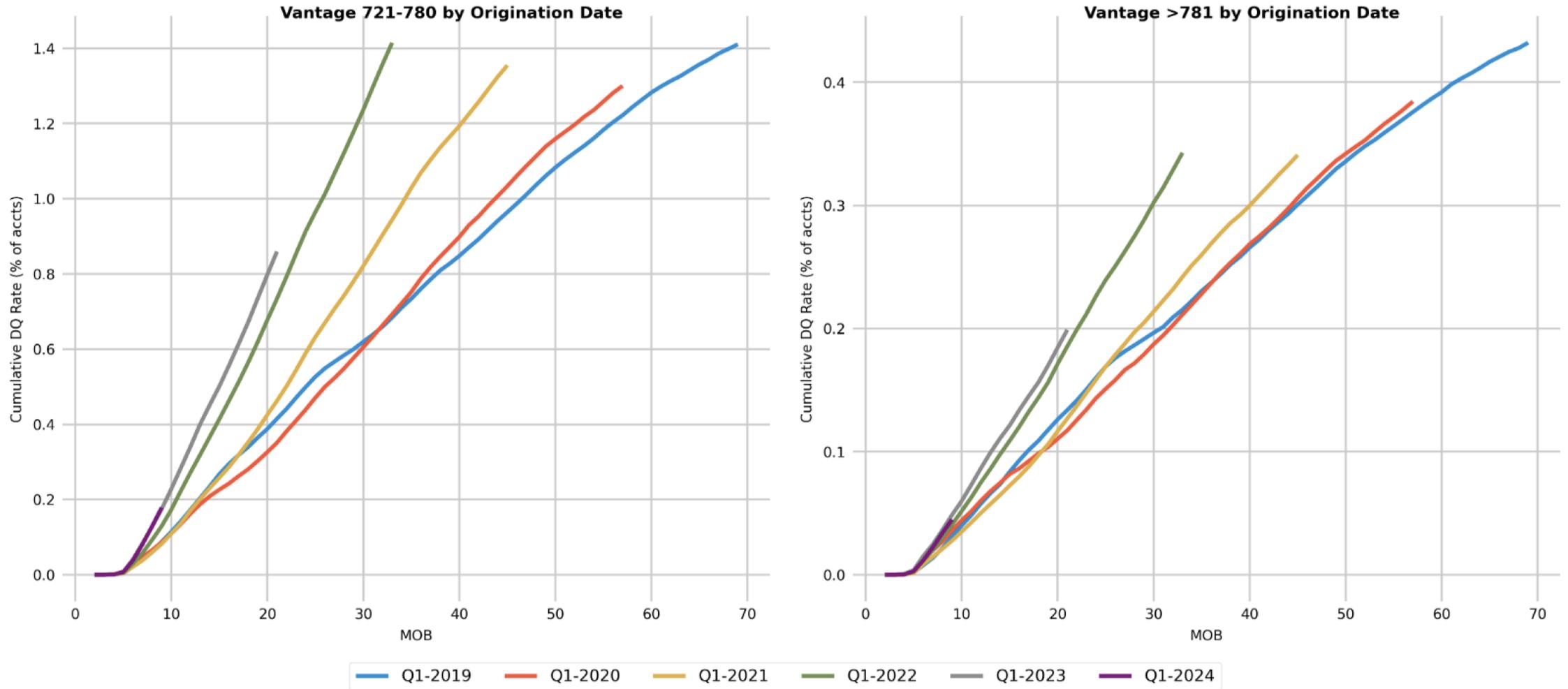Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

The improved performance of early 2024 vintages is less apparent when broken out by risk, as it aligns with recent years across all Vantage groups

Auto Cumulative 60+DPD Rate by Annual Vintage and Risk

Vantage 500-600 by Origination Date

Vantage 601-660 by Origination Date

Vantage 661-720 by Origination Date

Legend: Q1-2019, Q1-2020, Q1-2021, Q1-2022, Q1-2023, Q1-2024

Early 2024's lower overall delinquencies are likely driven by the higher share of low-risk borrowers rather than improved performance within risk bands

Auto Cumulative 60+DPD Rate by Annual Vintage and Risk

Vantage 721-780 by Origination Date

Vantage >781 by Origination Date

Legend: Q1-2019 · Q1-2020 · Q1-2021 · Q1-2022 · Q1-2023 · Q1-2024

Average loan amount remained high, aligning with high vehicle prices and the shift of originations towards lower-risk accounts

Auto Loan Monthly Originations Average Loan Amount

Avg Loan Amount ($K)
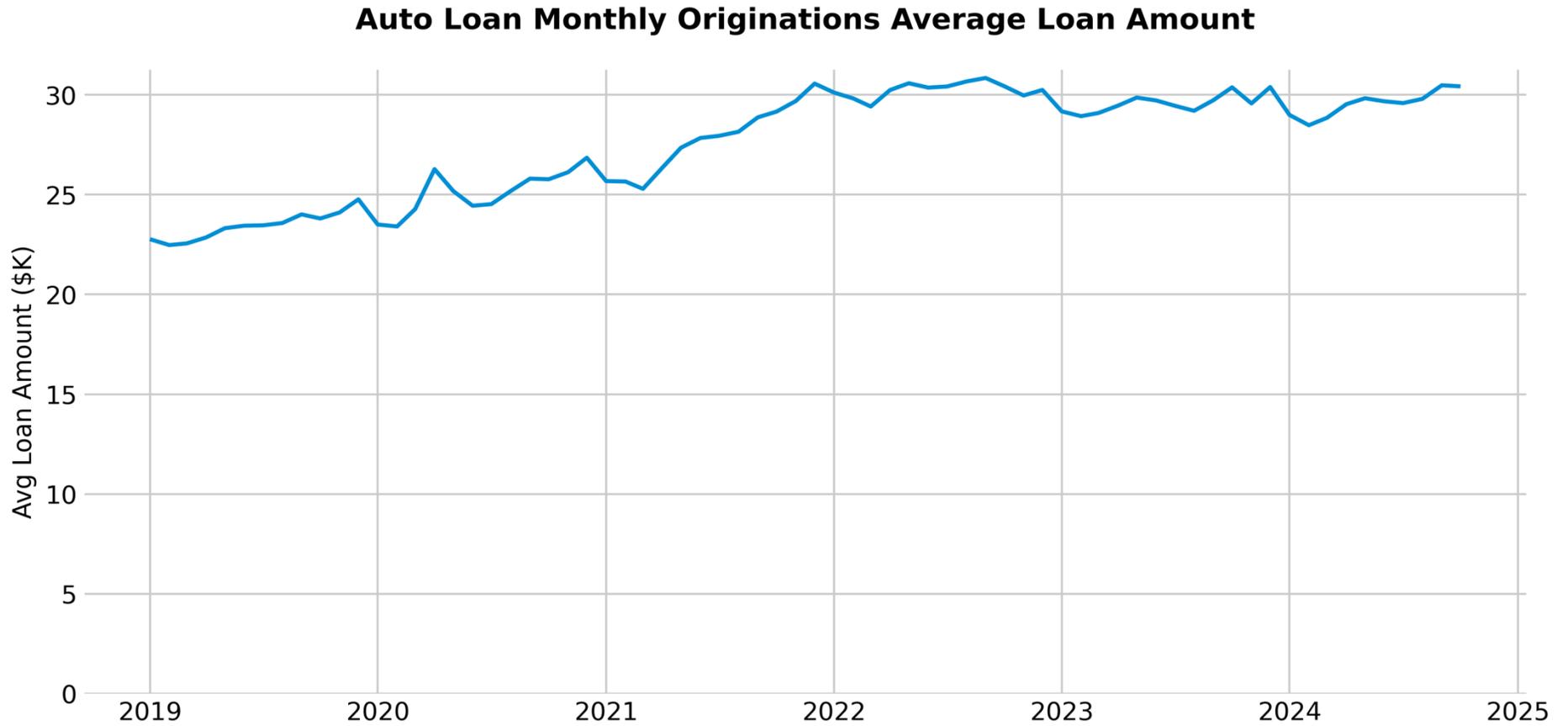
Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

Total loan balances remained relatively stable with moderate continued growth in subprime

Auto Loan Monthly Balance by Vantage

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024
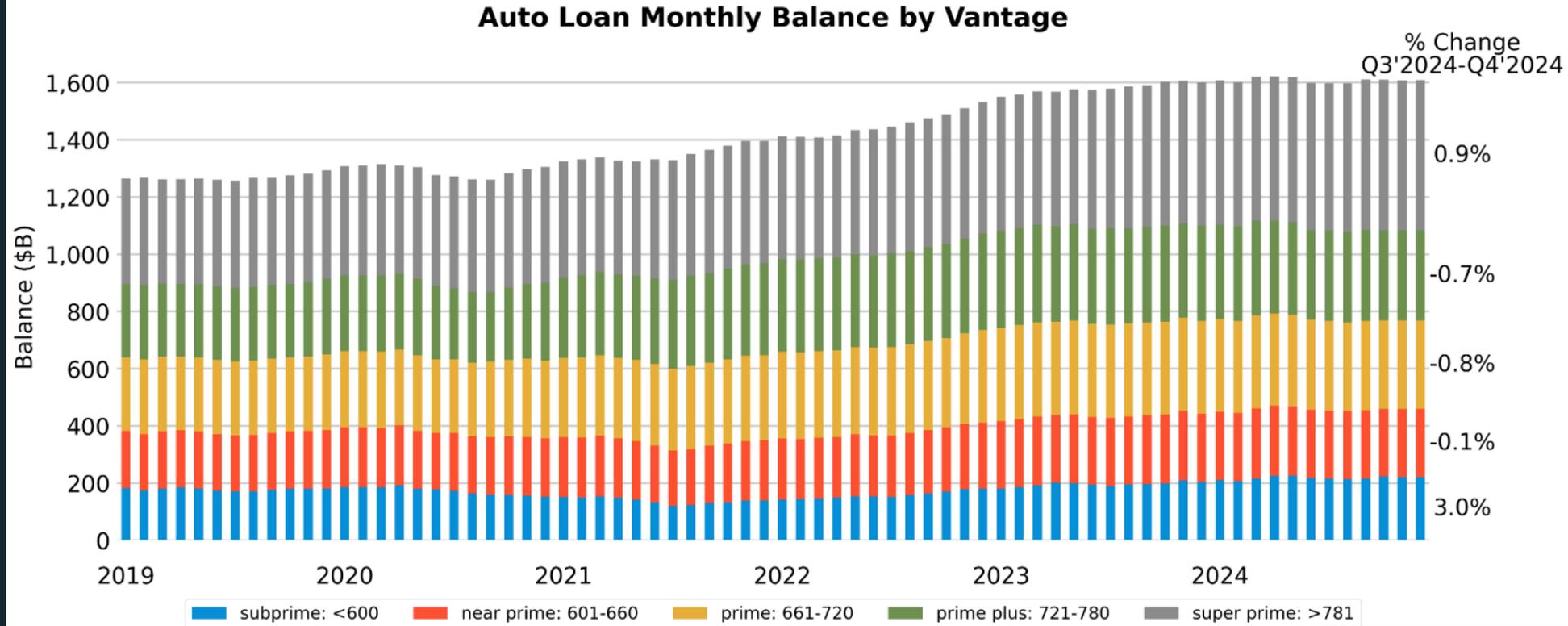
- State of the Consumer

- Credit Card

- Personal Loan

- Auto Loan

- Student Loan

- Mortgage

Both the total student loan balance* and total federal student loan balance continued to rise in late 2024

Balance for All Student Loans and Federal Student Loans

Legend:
- All Student Loans
- Federal Student Loans

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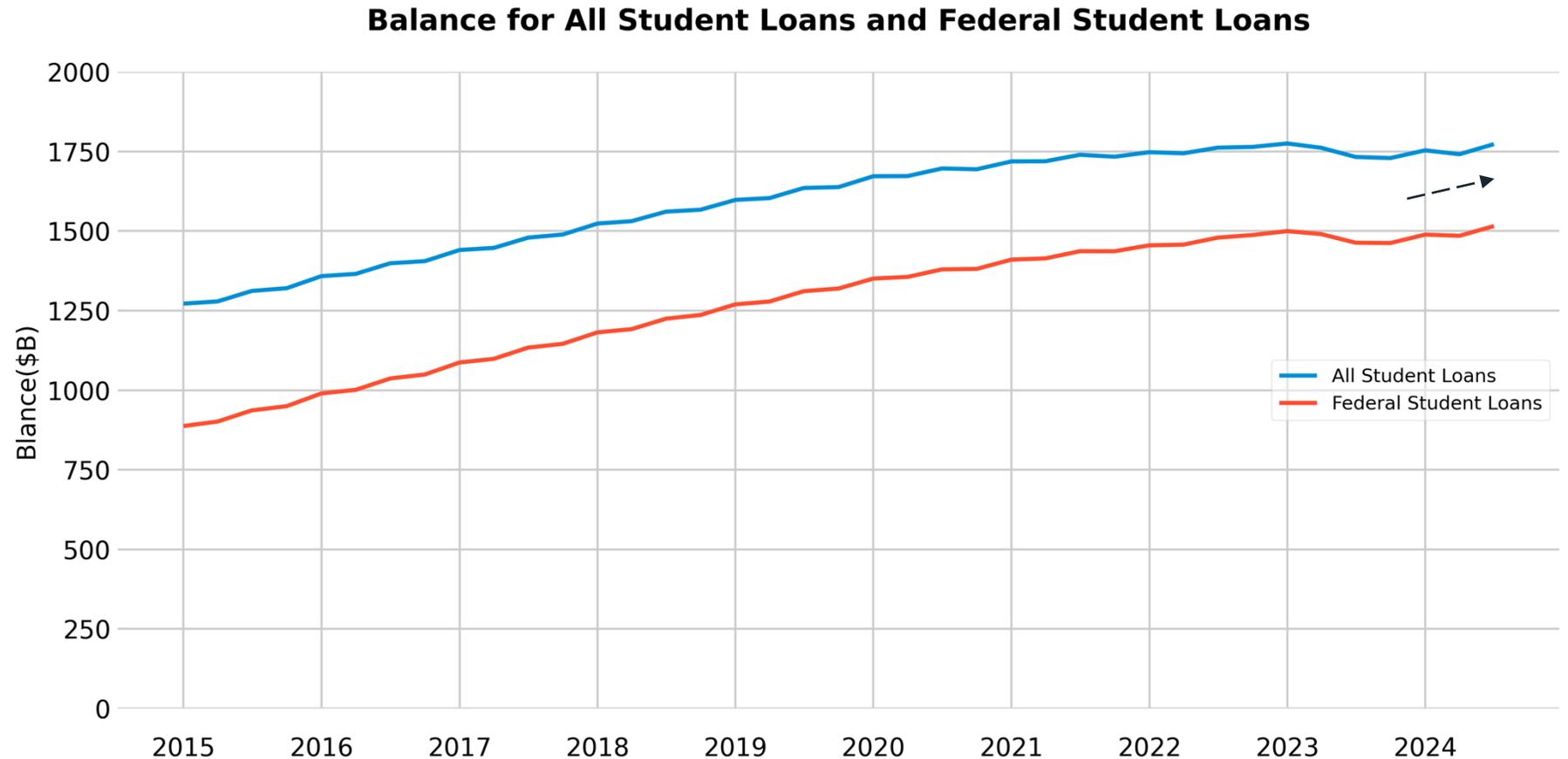
Source: 2OS, Total SL, Federal SL. Data as of Dec. 31st, 2024

*Note: Slight discrepancies may be found in student loan balance totals depending on the government source used

Severe Delinquency Rate
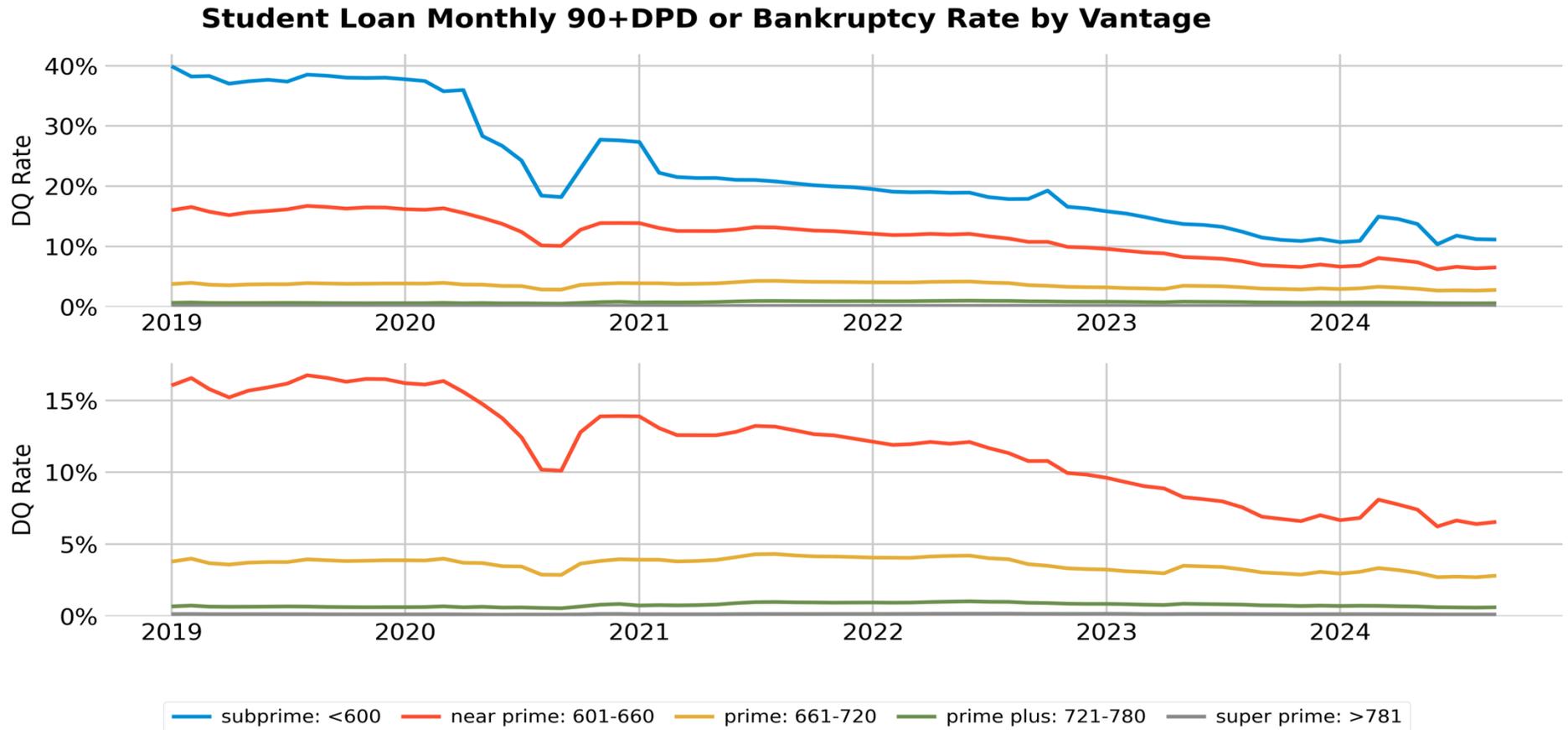
90+ Days Past Due or in Bankruptcy
Percent of Non-deferred Accounts and Balances; NSA; Excludes Severe Derogatory

Recent data showed a slight uptick in severe student loan delinquencies, which are expected to increase once the 90-day post-on-ramp period ends
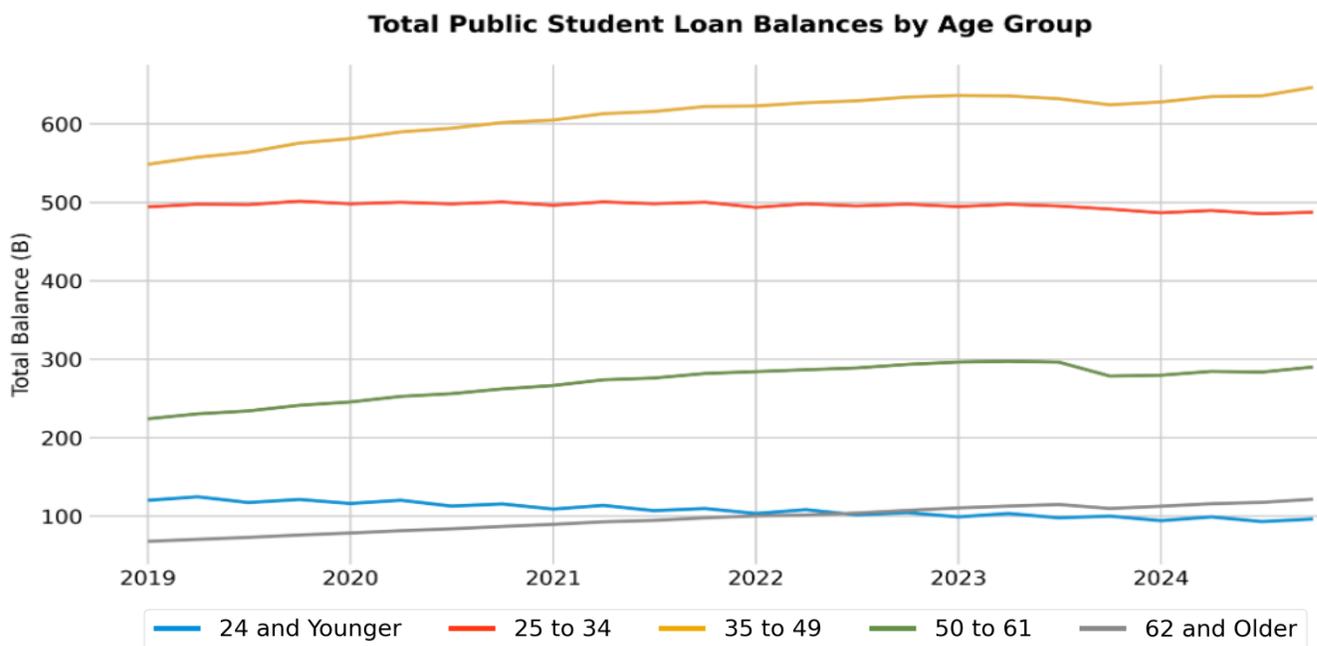

Legend: - - - Accounts — Balances
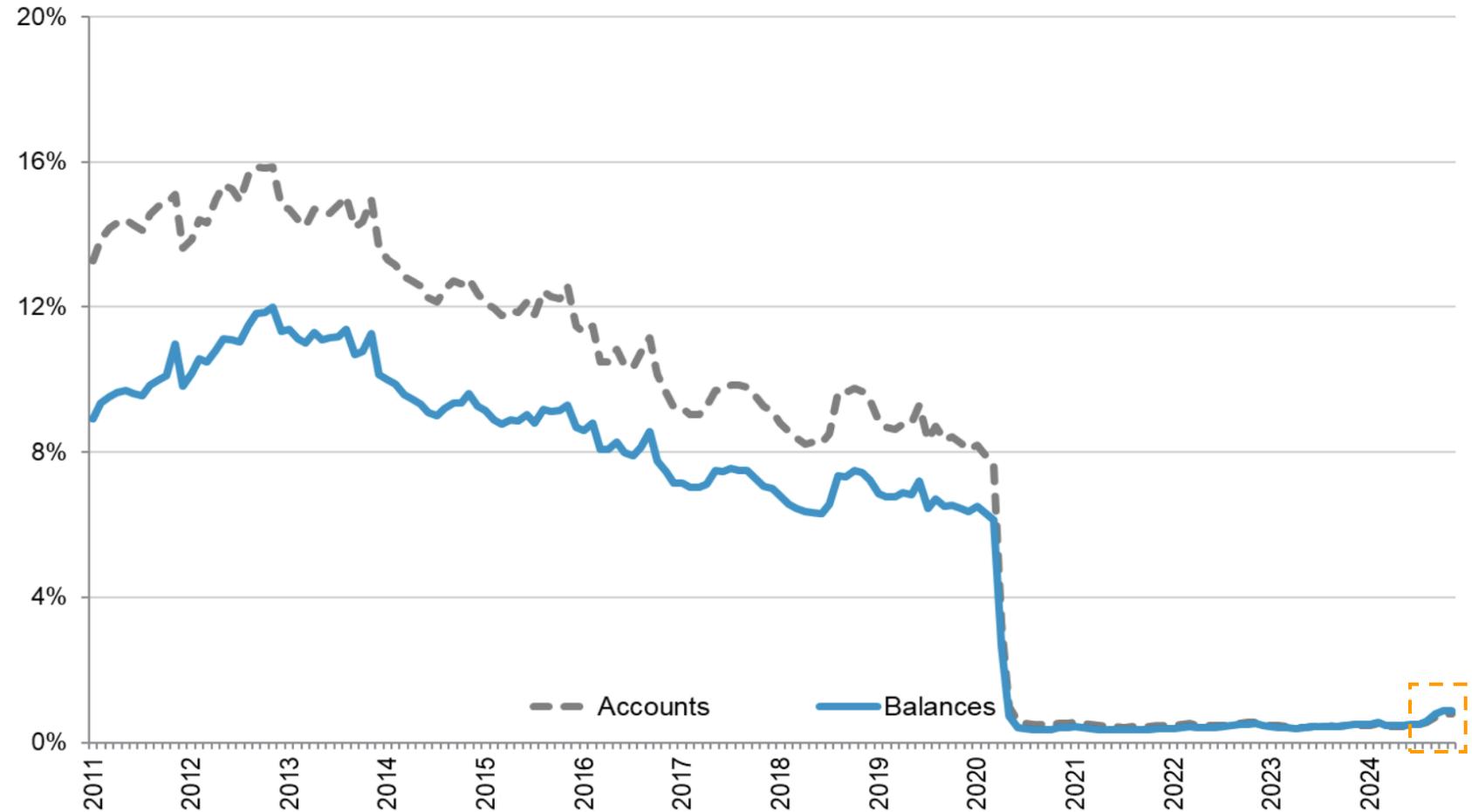
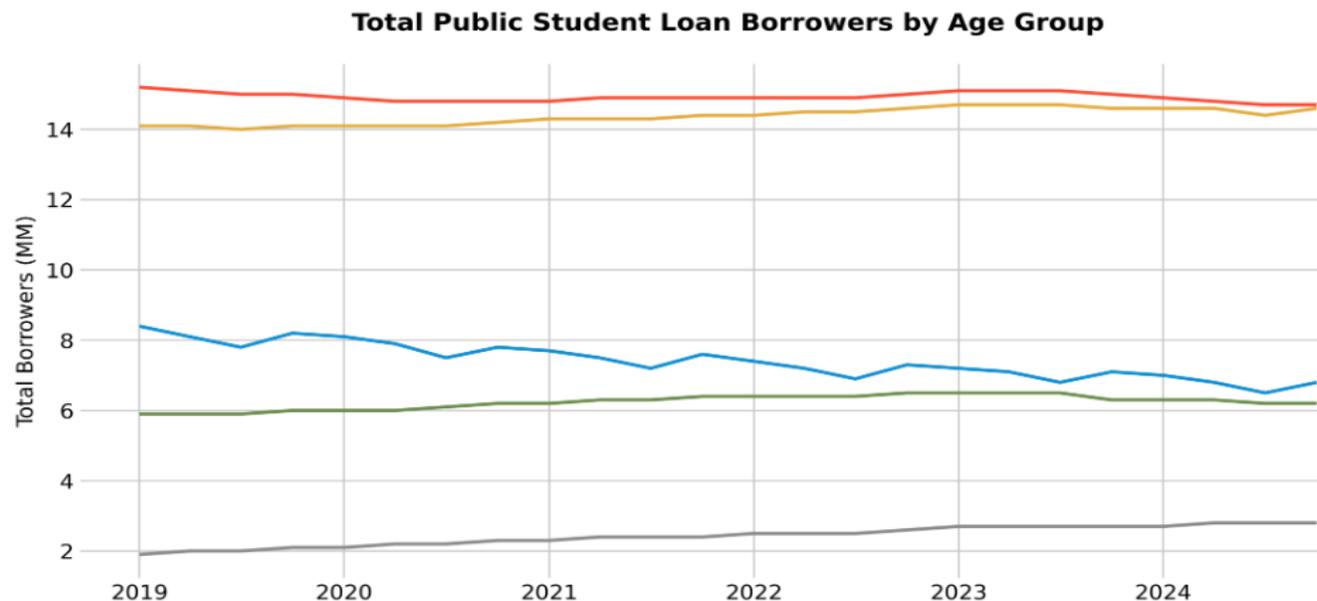Source: 2OS, Equifax. Data up to Dec. 31st, 2024

As student loan DQ rates begin to increase, credit scores for millions of student borrowers are expected decrease

Student Loan Monthly 90+DPD or Bankruptcy Rate by Vantage

Legend: subprime: <600 — near prime: 601-660 — prime: 661-720 — prime plus: 721-780 — super prime: >781

49

Source: 2OS, Equifax Ignite. Data as of Dec. 31st, 2024

The volume of older student loan borrowers continued growing while the volume of younger borrowers continued decreasing

Total Public Student Loan Borrowers by Age Group

Total Public Student Loan Balances by Age Group

Legend: 24 and Younger — 25 to 34 — 35 to 49 — 50 to 61 — 62 and Older

50

Source: 2OS, FSA Data. Data as of Dec. 31st, 2024

- State of the Consumer

- Credit Card

- Personal Loan

- Auto Loan

- Student Loan

- Mortgage

Homeowner equity reached an all-time high in 2024

Homeowner Equity
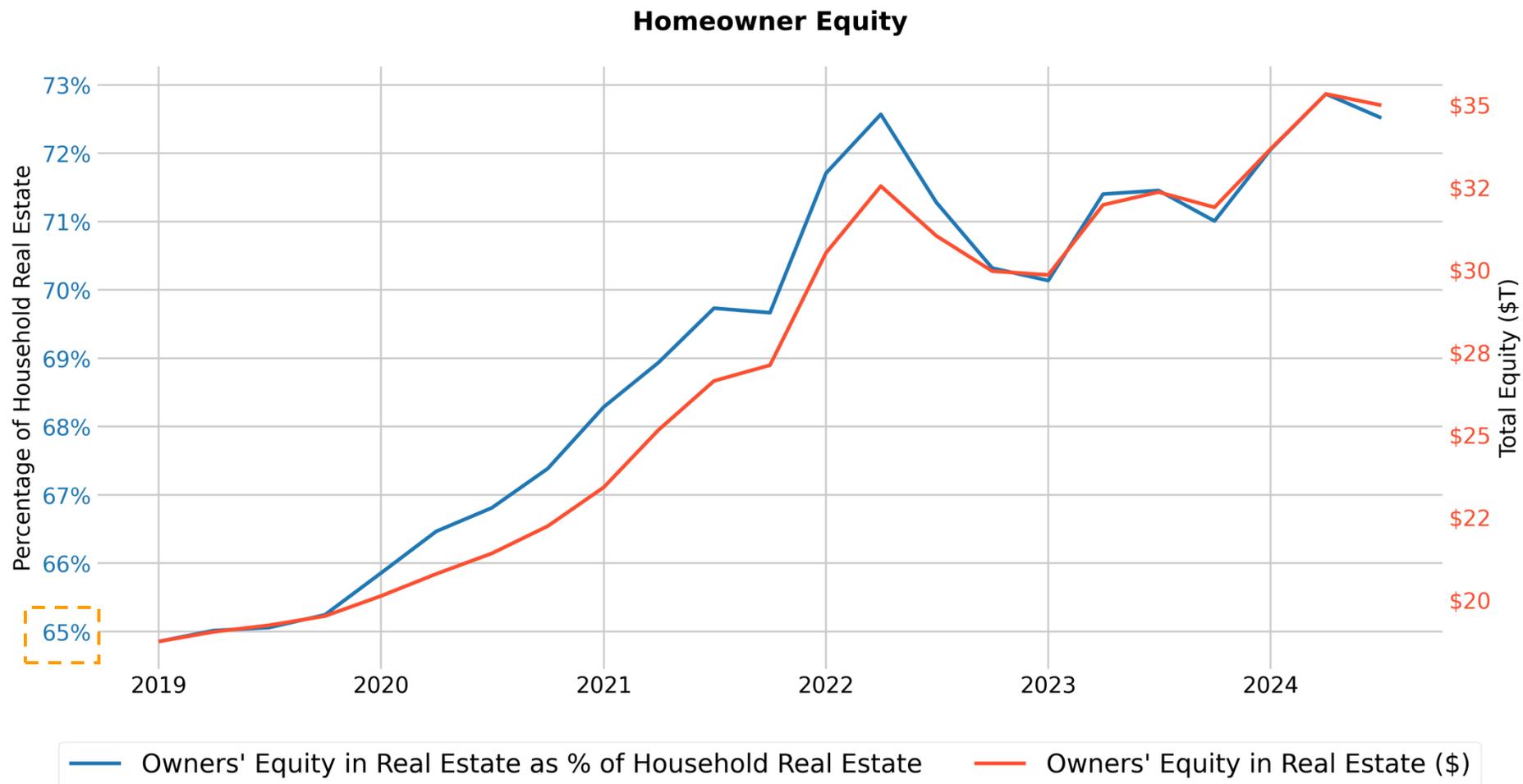
Source: 2OS, FRED (blue line, red line). Data as of Dec. 31st, 2024

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US housing prices and overall home value continued to grow in Q4

US House Price Index (1980 Q1 = 100)
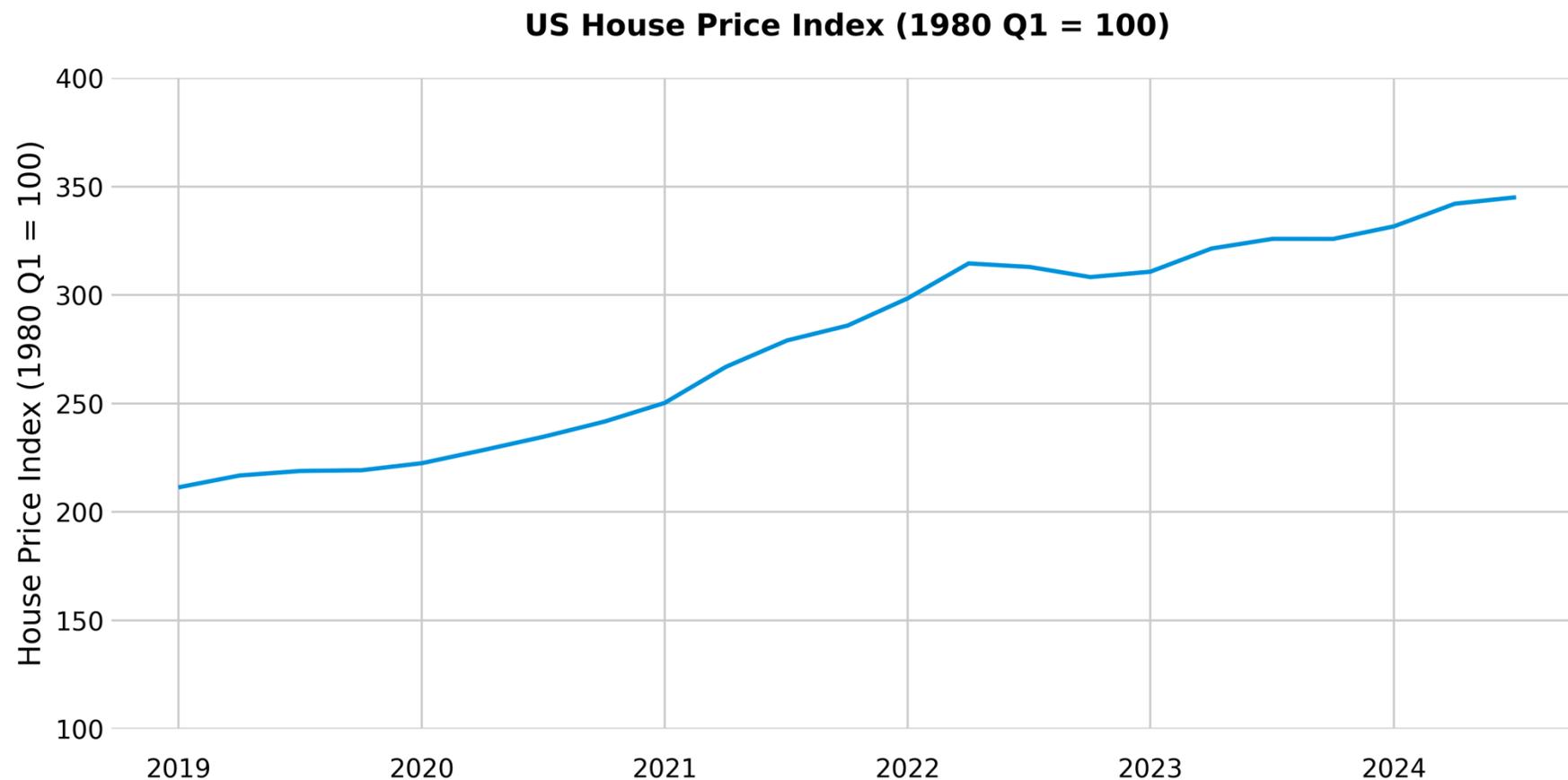
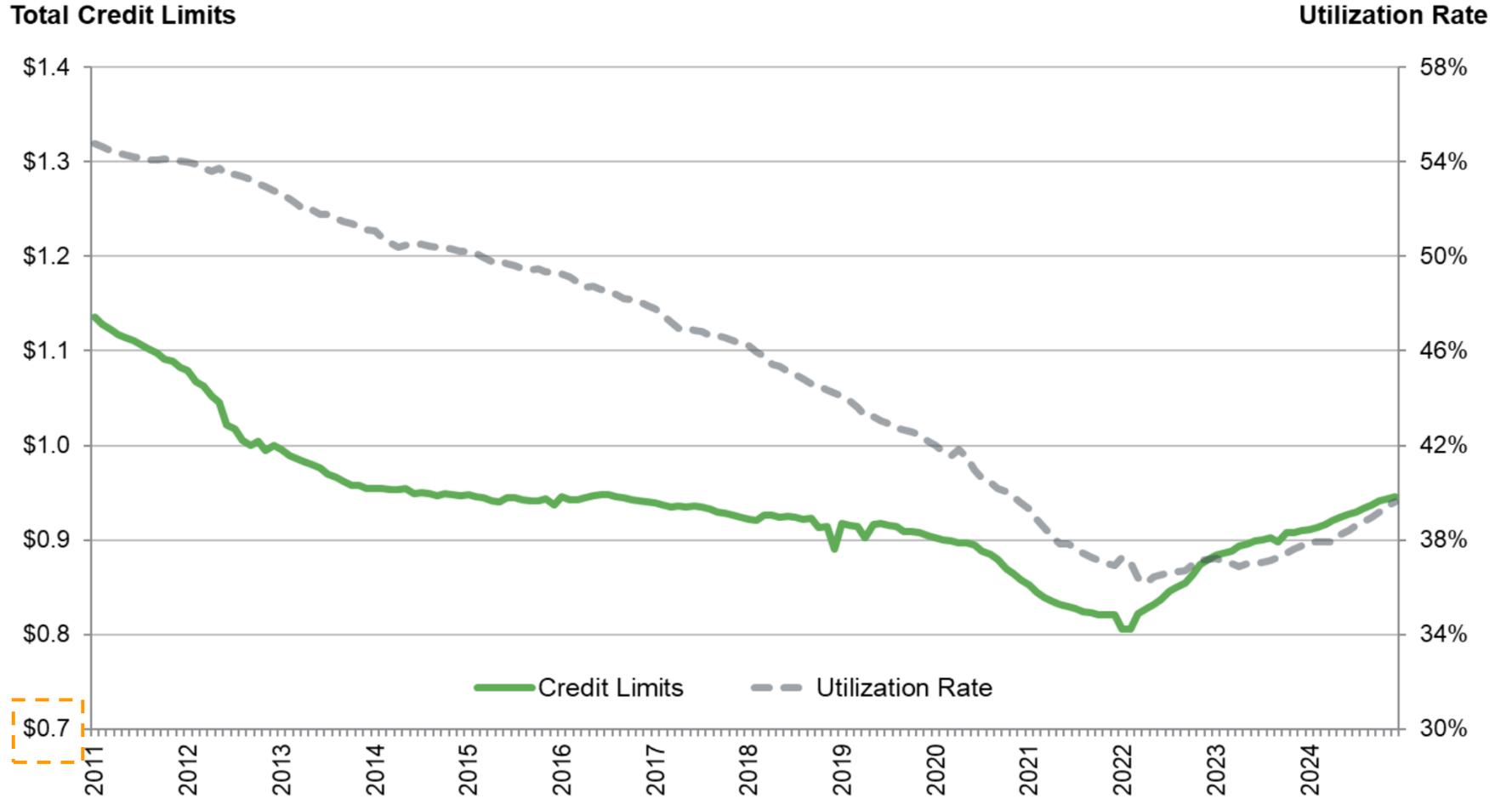Source: 2OS, FRED. Data as of Dec. 31st, 2024

Utilization and Credit Limit

Utilization Rate in %; NSA
Credit Limit in $Trillions; NSA

Increased homeowner equity and housing value drove an increase in both HELOC total credit limit and utilization in 2024

Total Credit Limits

Utilization Rate

Legend: —— Credit Limits - - - Utilization Rate

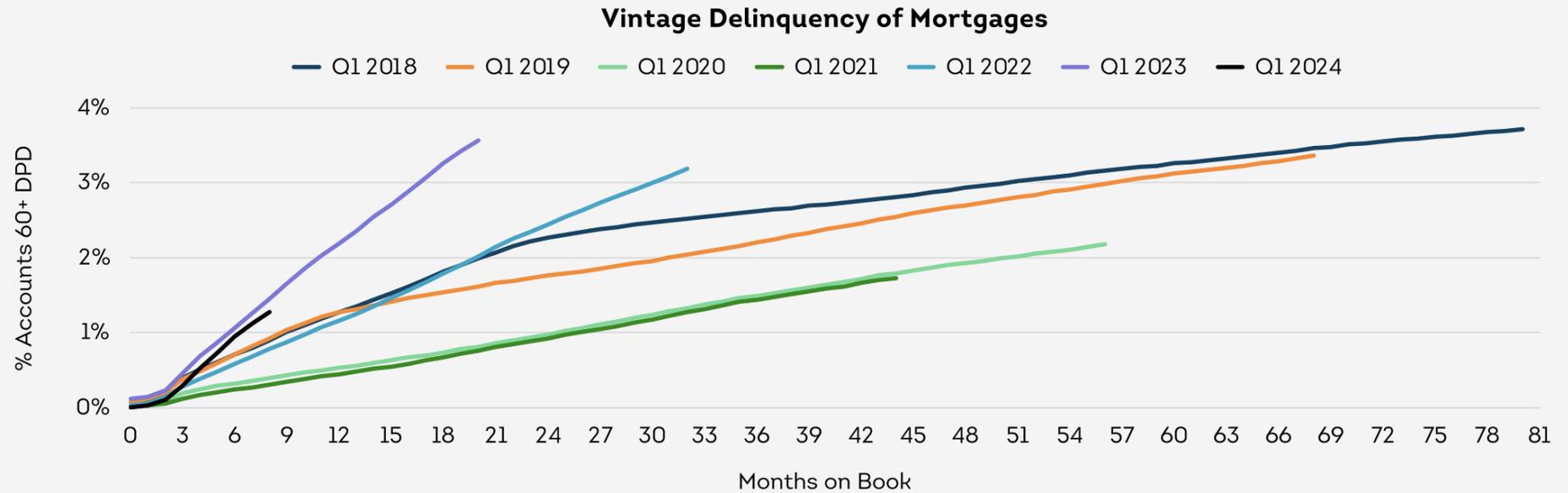Source: Equifax. Data as of Dec. 31st, 2024

The average mortgage rate saw an uptick in recent months after softening over the last two quarters

30 Year Fixed Rate Mortgage Average

Source: 2OS, FRED. Data as of Dec. 31st, 2024

Early 2024's mortgage origination vintage is slightly outperforming 2023, but remains worse than other recent vintages

Vintage Delinquency of Mortgages

Legend: Q1 2018 — Q1 2019 — Q1 2020 — Q1 2021 — Q1 2022 — Q1 2023 — Q1 2024

Y-axis: % Accounts 60+ DPD (0% to 4%)
X-axis: Months on Book (0 to 81)

Source: Transunion. Data as of Dec. 2024. DQ rates are cumulative

Mortgage account originations in 2024 mirrored 2023 levels, yet remained below pre-pandemic levels

First Mortgage Originations: Accounts
Number of Accounts in Millions; NSA
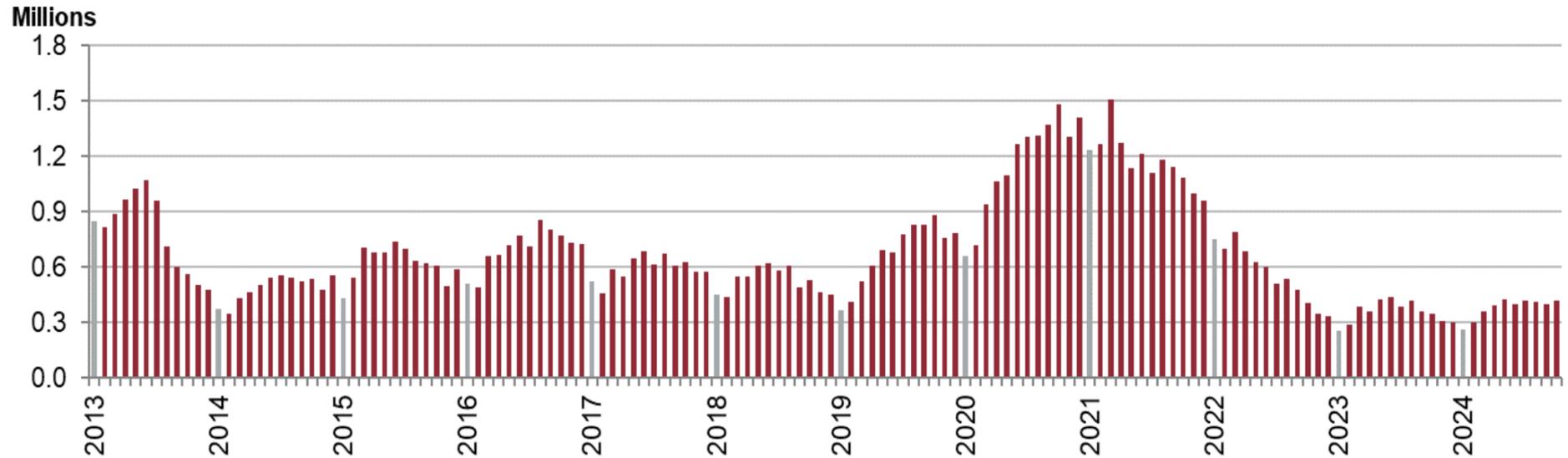
Source: Equifax. Data as of Dec. 31st, 2024

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- **Isaac Du** is a Data Scientist at 2nd Order Solutions with experience building quantitative models and performing analysis in the lending industry. He is experienced in analyzing and utilizing Credit Bureau data.

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- **Johnny Antoun** is a Senior Data Scientist at 2nd Order Solutions with experience building machine learning and financial models for clients in the credit card and student loan industries.

- **Walker Flythe** is a Senior Manager of Business Analysis at 2nd Order Solutions with expertise spanning the credit lifecycle from marketing to collections. His decade of industry experience draws from time as a consultant and operator at firms ranging from de novo fintechs to international banks.

- **Scott Barton** is the Founder and Managing Partner at 2nd Order Solutions; he has led hundreds of major initiatives for major banks and fintechs, including overhauls of Collection strategies, overarching model redesigns, and major architectural changes to organizational credit risk assessment. He previously was one of a handful of Senior Credit Officers at Capital One and led several business units, including Partnerships, Collections, Recoveries, and Fraud.

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About 2OS

2nd Order Solutions (2OS) is a boutique credit risk advisory firm that specializes in solving the world's most challenging credit problems. 2OS was founded 12 years ago and consults to a wide range of banks, card issuers, fintechs, and specialty finance companies in the US and abroad.

2OS has deep experience with lending businesses across Card, Auto, Small Business, and Personal Loans, at all points in the credit lifecycle. 2OS partners have vast expertise in all aspects of Collections, both as operating executives and as consultants.

For more insights and commentary on the lending industry, visit us at https://2os.com/insights/

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Equifax Ignite Definitions

Active Accounts: This includes all accounts that have a reported status in the most recent three months. Accounts categorized as closed are included in the month in which that status was first reported and are excluded from active accounts thereafter.

Credit Cards: Our credit card cohort is limited to what Equifax Ignite categorizes at general purpose bankcards, which excludes Private Label Credit Cards.

Definition of delinquency: For credit car, auto loans, and personal loans, accounts are classified as delinquent at 60+ days past due. Specifically, they are included in 60-90 DPD, 90-120 DPD, and 120+ DPD buckets; charged off/severe derogatory and bankrupt accounts are excluded. For student loans, accounts are classified as delinquent at 90+ DPD. These accounts are included in 90-120 DPD, 120+ DPD and bankruptcy buckets; charged off accounts are excluded. Vintage performance views are cumulative. Due to reporting lags, slight variations in DQ rate may occur between quarterly reports as data is updated.

Definition of Personal Loans: Personal finance installment trades that are non-revolving, non-HELOC, and non-mortgage related are classified as personal loans.

Origination timing: Originations are lagged by 2 months from the current archive date. Hence, the most recent origination datapoint is from July 31st, 2024.

Pre-pandemic average: Where specified on charts, pre-pandemic average is the average from January to December 2019.

Vantage bucket: In any charts where borrowers are split out by Vantage bucket, borrowers without a Vantage score are excluded. They are included in overall views. We did not observe any notable correlation between missing Vantage score and performance.

Vantage bucket timing: To better observe movements within Vantage buckets (and reduce the effect of re-classification of accounts across buckets), the vantage score is observed at a 3-month lag from the current archive date.

Vantage 4.0 Overview

Starting from Q3 2024, 2OS quarterly reports will be using Vantage 4.0 instead of Vantage 3.0 as the consumer credit score metric. Despite of the score shift between Vantage 4.0 and Vantage 3.0, the credit tiers and their corresponding scores were not changed. We did not observe significant changes to our analysis using Vantage 4.0.

The official statistics on score shift between Vantage 3.0 and Vantage 4.0 is as follows:

Score Range	VantageScore 4.0								
VantageScore 3.0	300-450	451-500	501-550	551-600	601-650	651-700	701-750	751-800	801-850
300-450	51.5%	38.4%	8.9%	1.1%	0.1%	0.0%	0.0%	0.0%	0.0%
451-500	7.5%	41.1%	41.8%	8.8%	0.7%	0.0%	0.0%	0.0%	0.0%
501-550	0.7%	11.7%	45.6%	36.0%	5.7%	0.3%	0.0%	0.0%	0.0%
551-600	0.0%	1.1%	14.6%	48.0%	32.1%	4.1%	0.1%	0.0%	0.0%
601-650	0.0%	0.0%	0.9%	13.6%	48.4%	31.5%	5.3%	0.2%	0.0%
651-700	0.0%	0.0%	0.1%	1.7%	16.2%	47.1%	30.7%	4.0%	0.1%
701-750	0.0%	0.0%	0.0%	0.0%	1.0%	16.6%	52.4%	26.3%	3.7%
751-800	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	15.5%	51.5%	32.0%
801-850	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	23.1%	76.6%

For more information regarding vantage 4.0, please visit VantageScore 4.0 Model