

# Consumer Credit Pandemic Journey

Frank Tian

May 2023



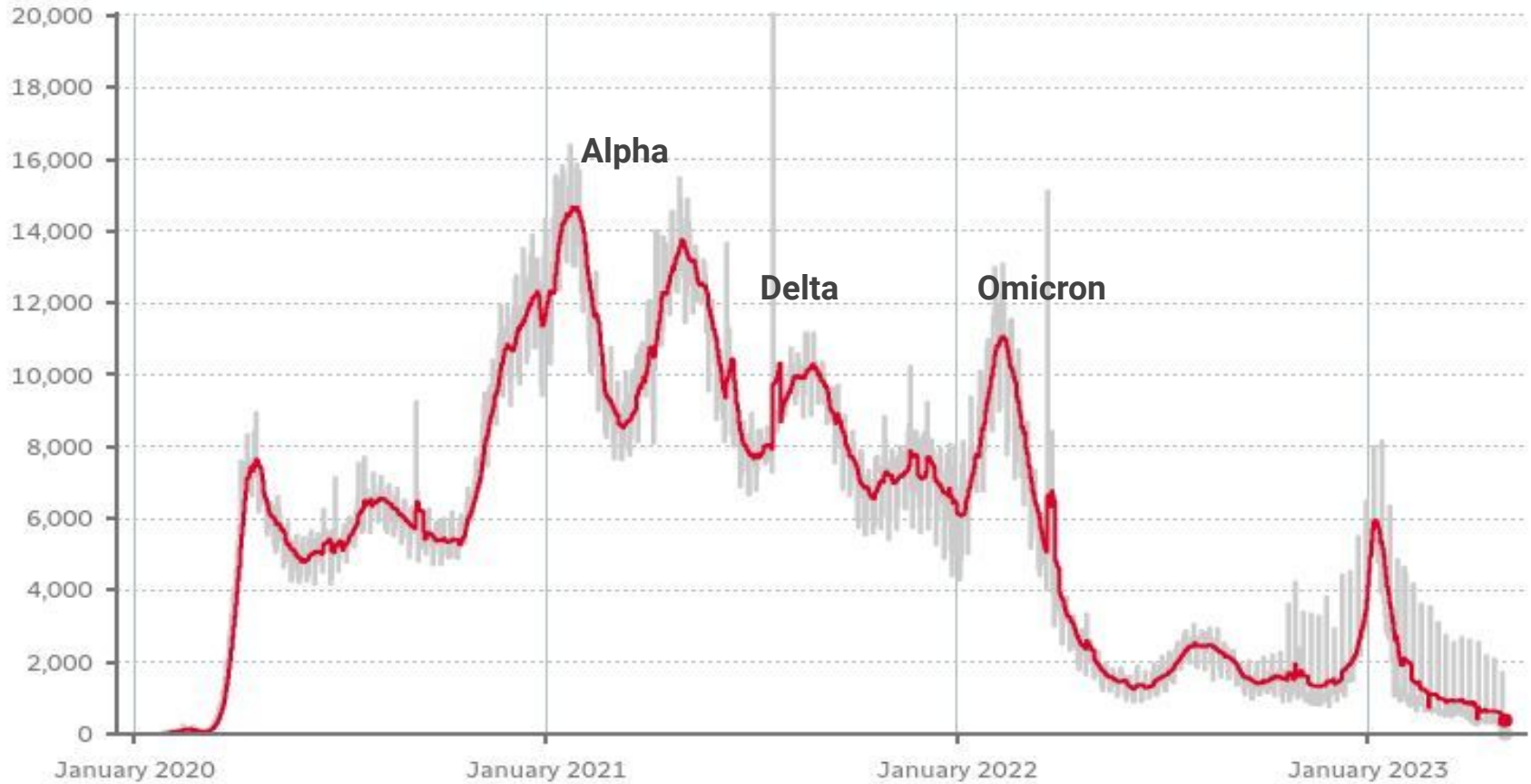
# Agenda

- Macroeconomy through the pandemic
- Major consumer credit products
- Pandemic learnings

# The Pandemic

## Daily reported COVID-19 deaths worldwide

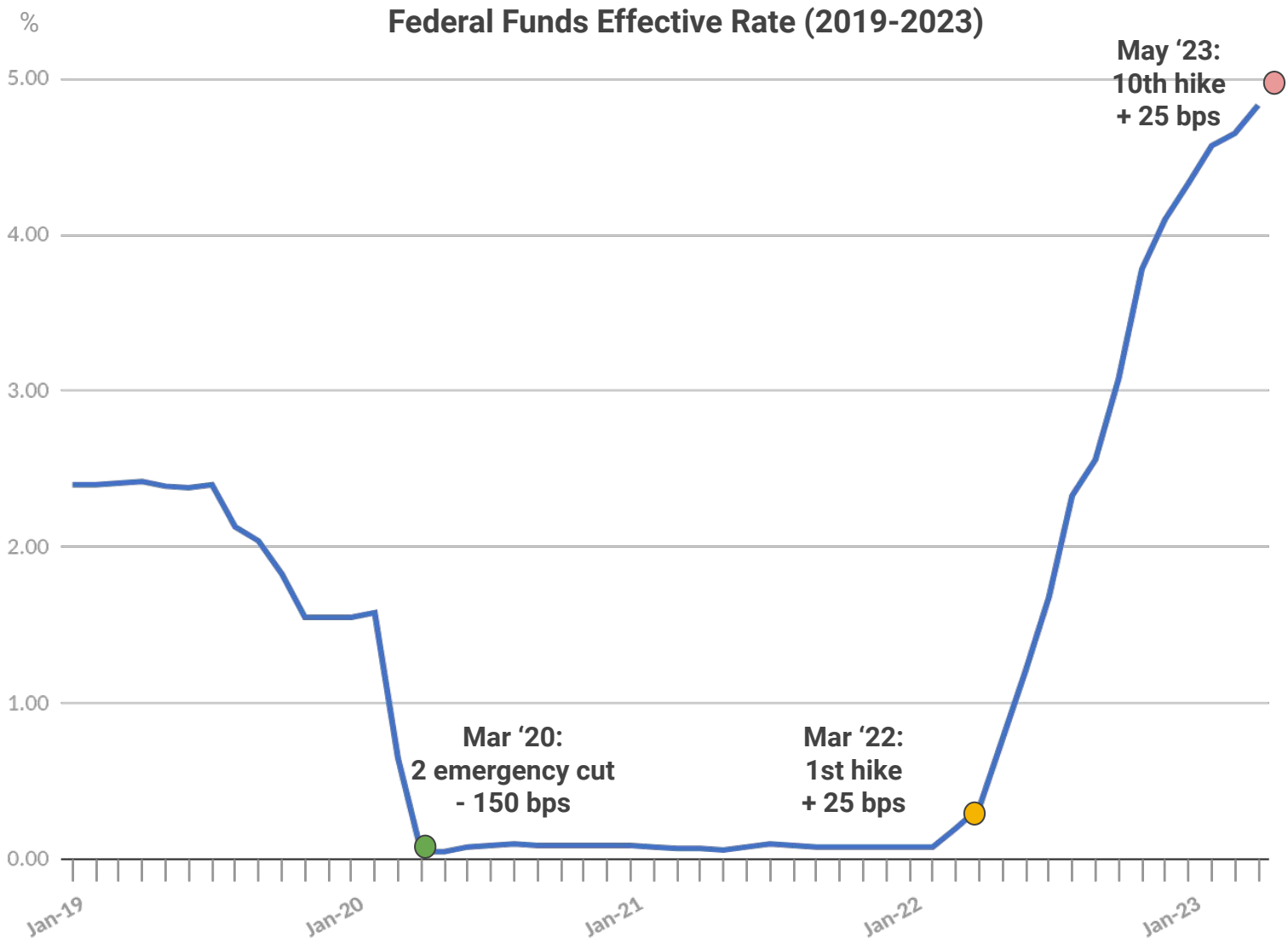
— New daily deaths — 7-day average



Source: [Our World in Data](#) (Graeme Bruce/CBC)

# Macro

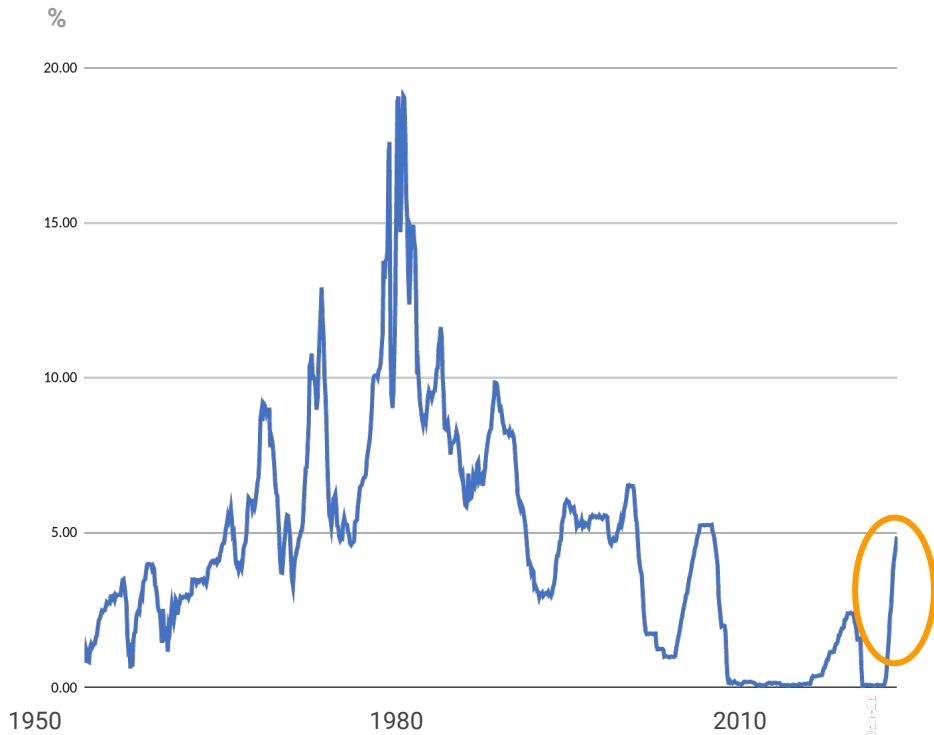
# Interest Rate



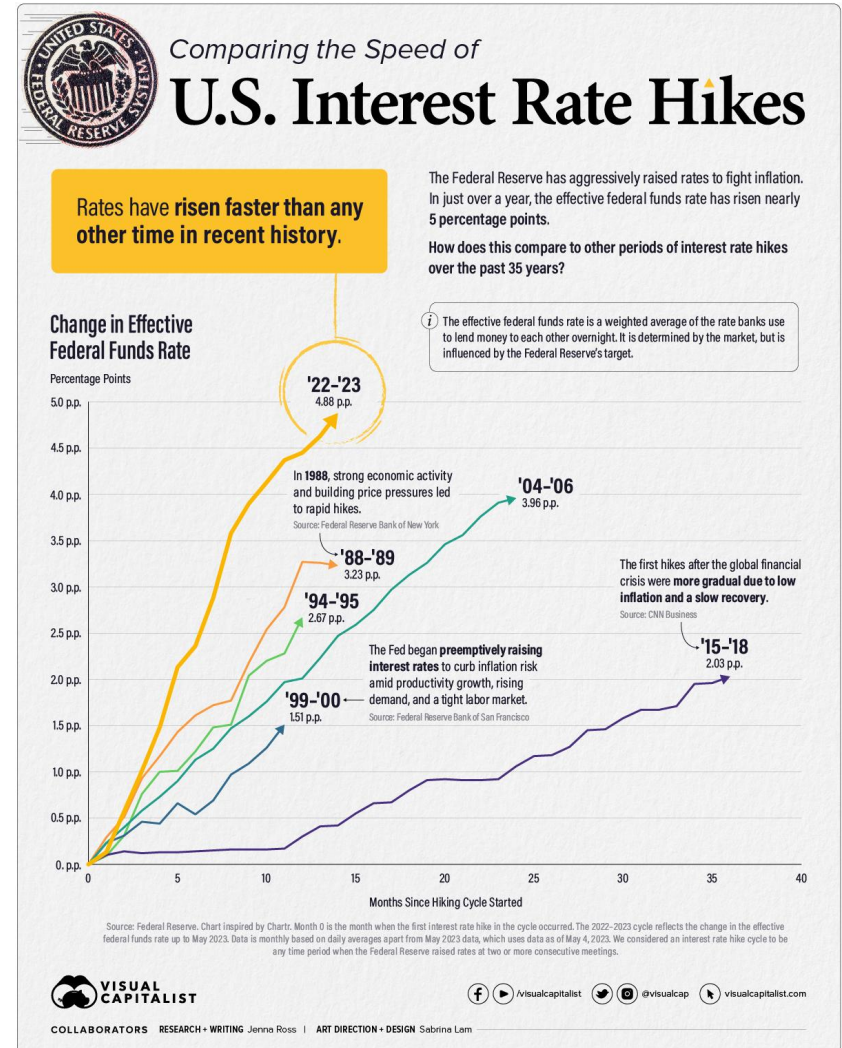
Source: Fed, FRED.

# Interest Rate - The Fastest Hike

## Federal Funds Effective Rate (1954-2023)

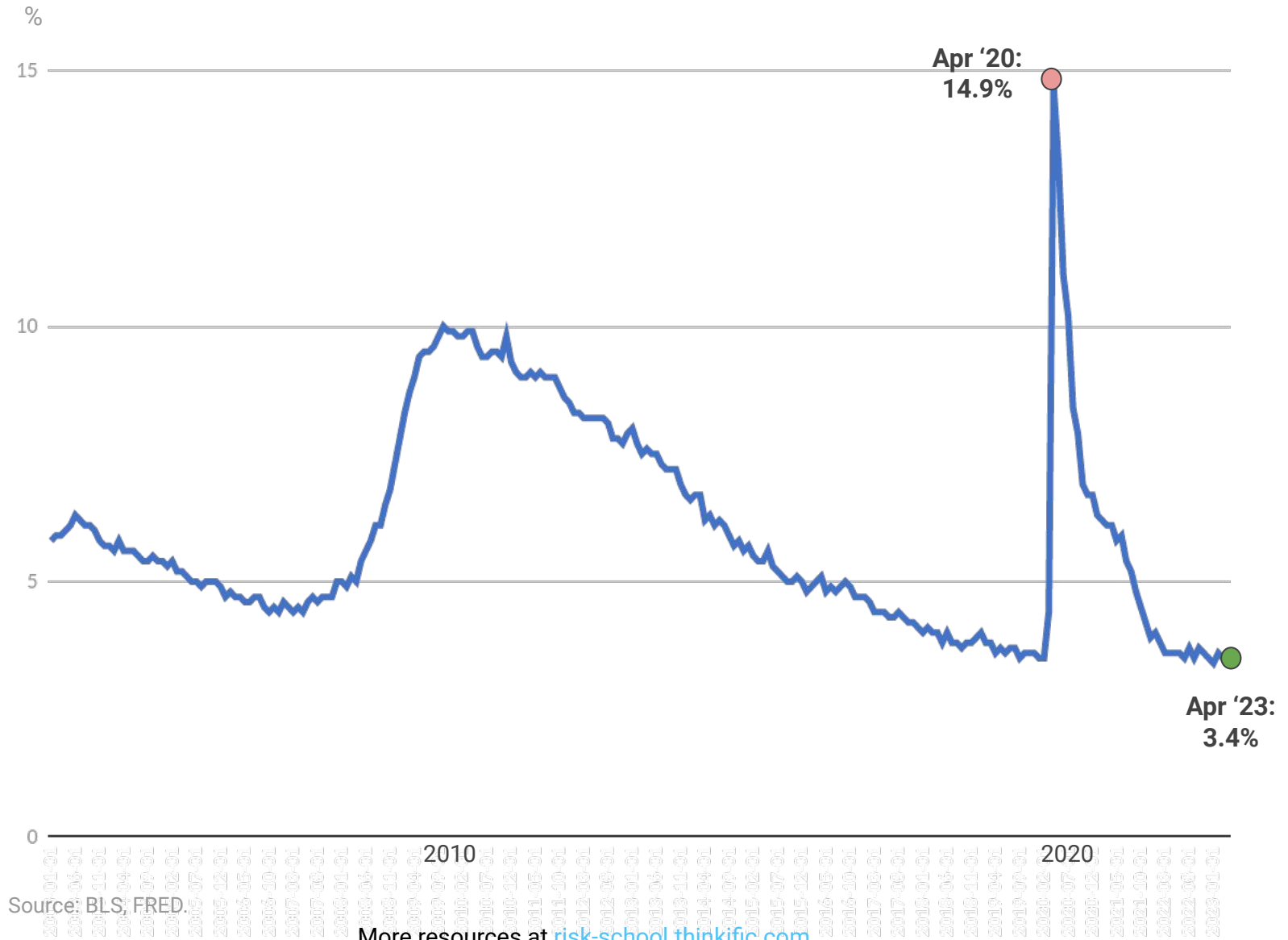


Source: Fed, FRED, Visual Capitalist.

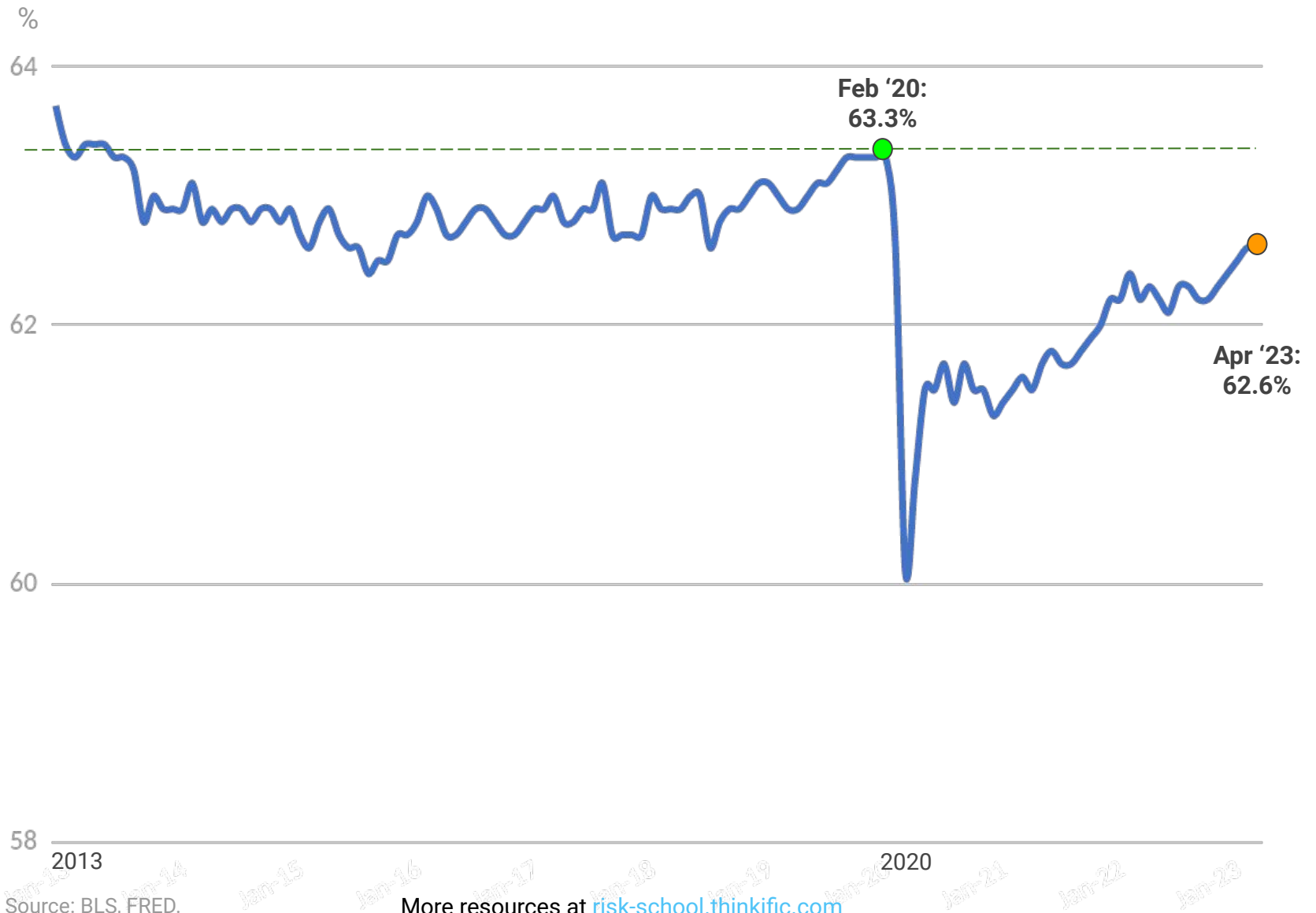


More resources at [risk-school.thinkific.com](https://risk-school.thinkific.com)

# Unemployment Rate



# Labor Participation Rate



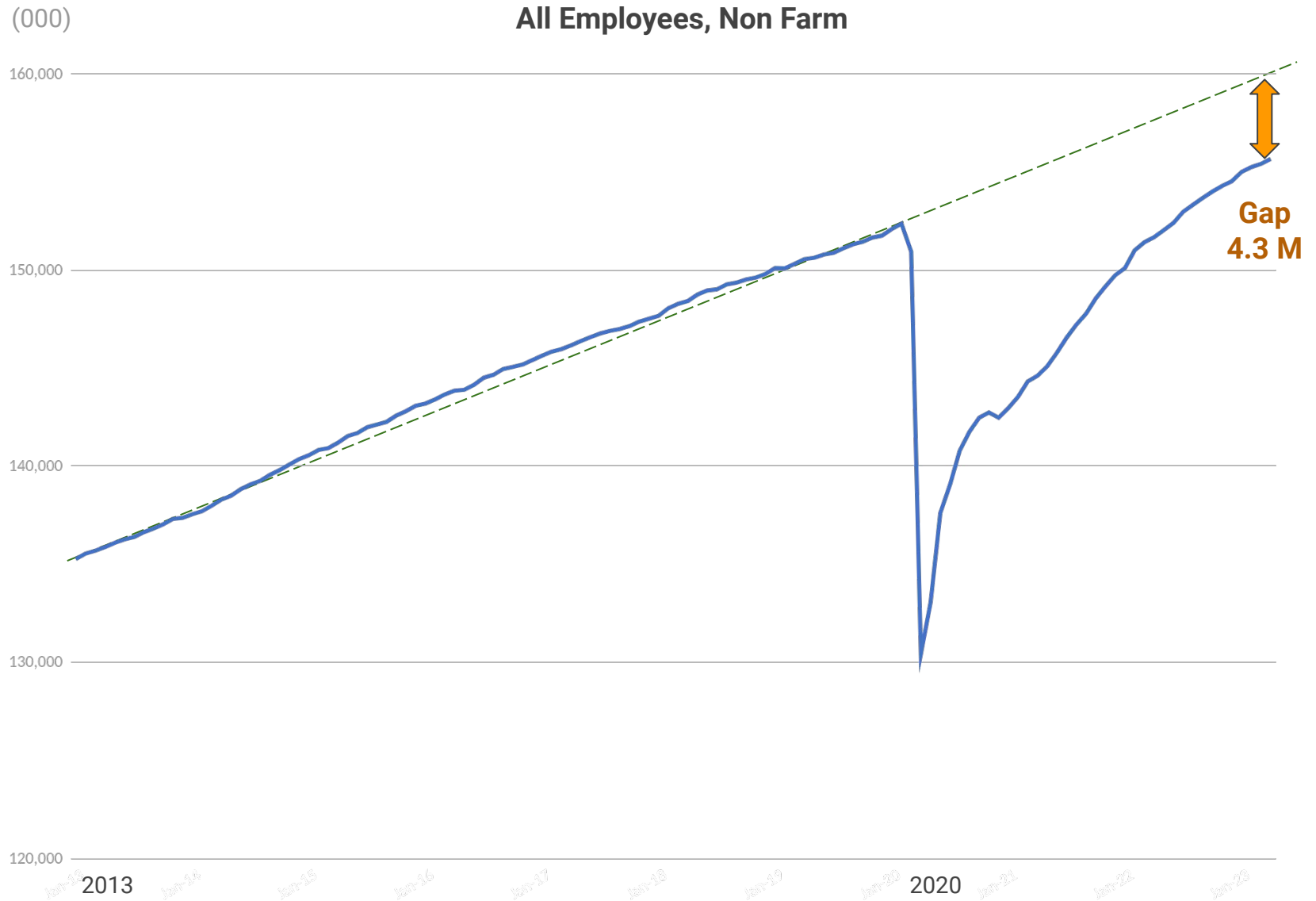
58 2013

Source: BLS, FRED.

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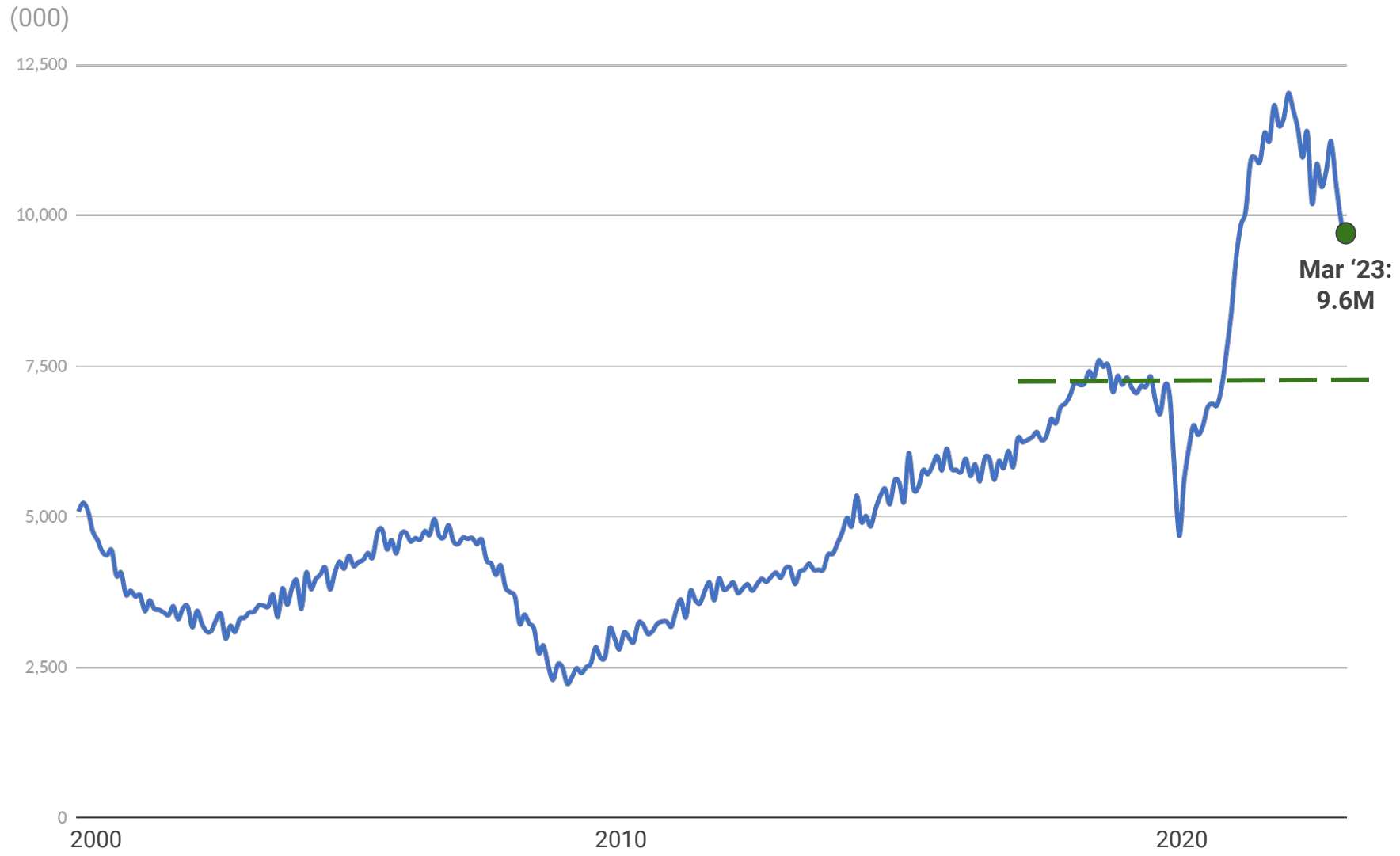
# Number of Employed



Source: BLS, FRED.

More resources at [risk-school.thinkific.com](https://risk-school.thinkific.com)

# Job Openings



Source: BLS, FRED.

More resources at [risk-school.thinkific.com](https://risk-school.thinkific.com)

# Inflation

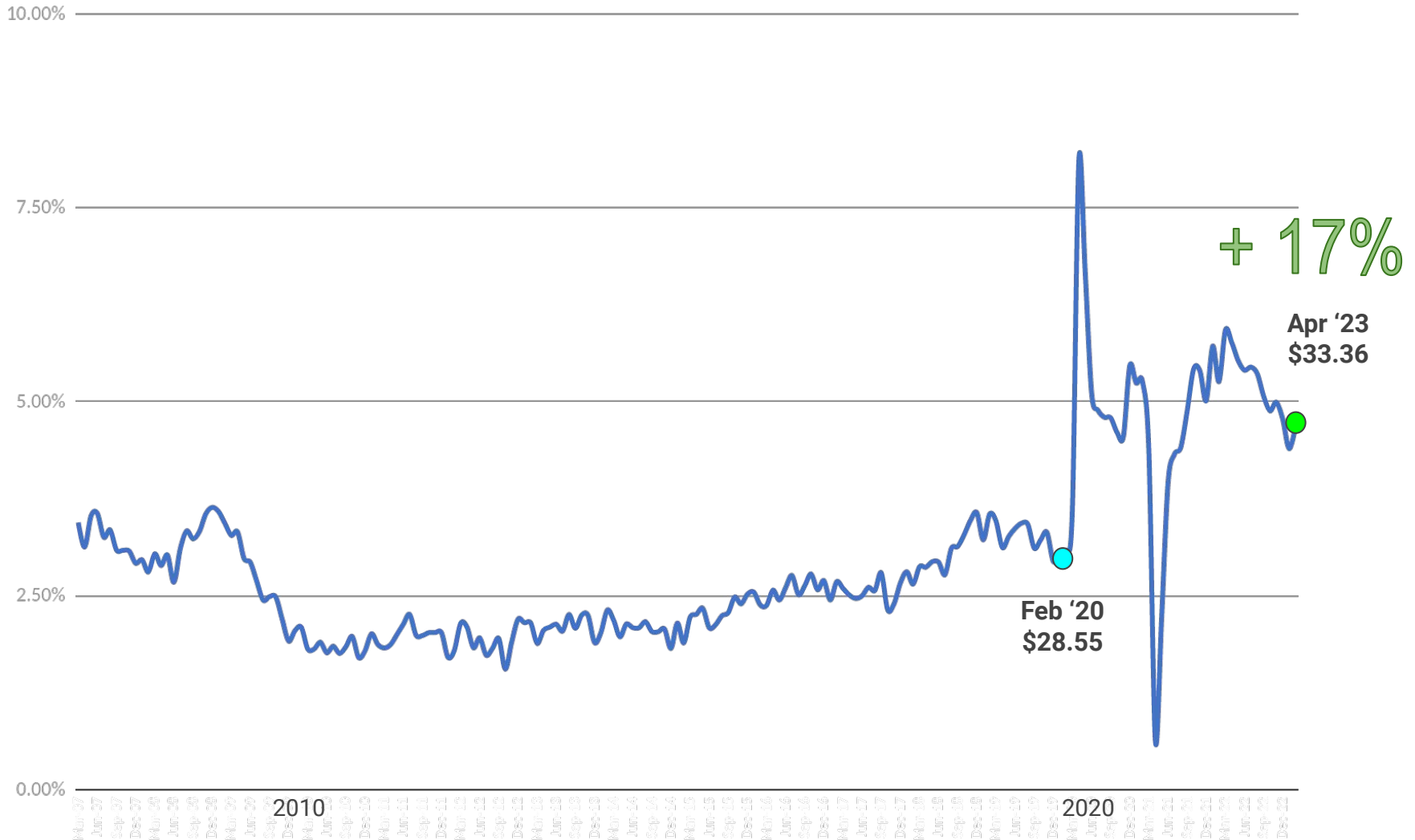


Source: BLS, FRED.

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# Wage Growth

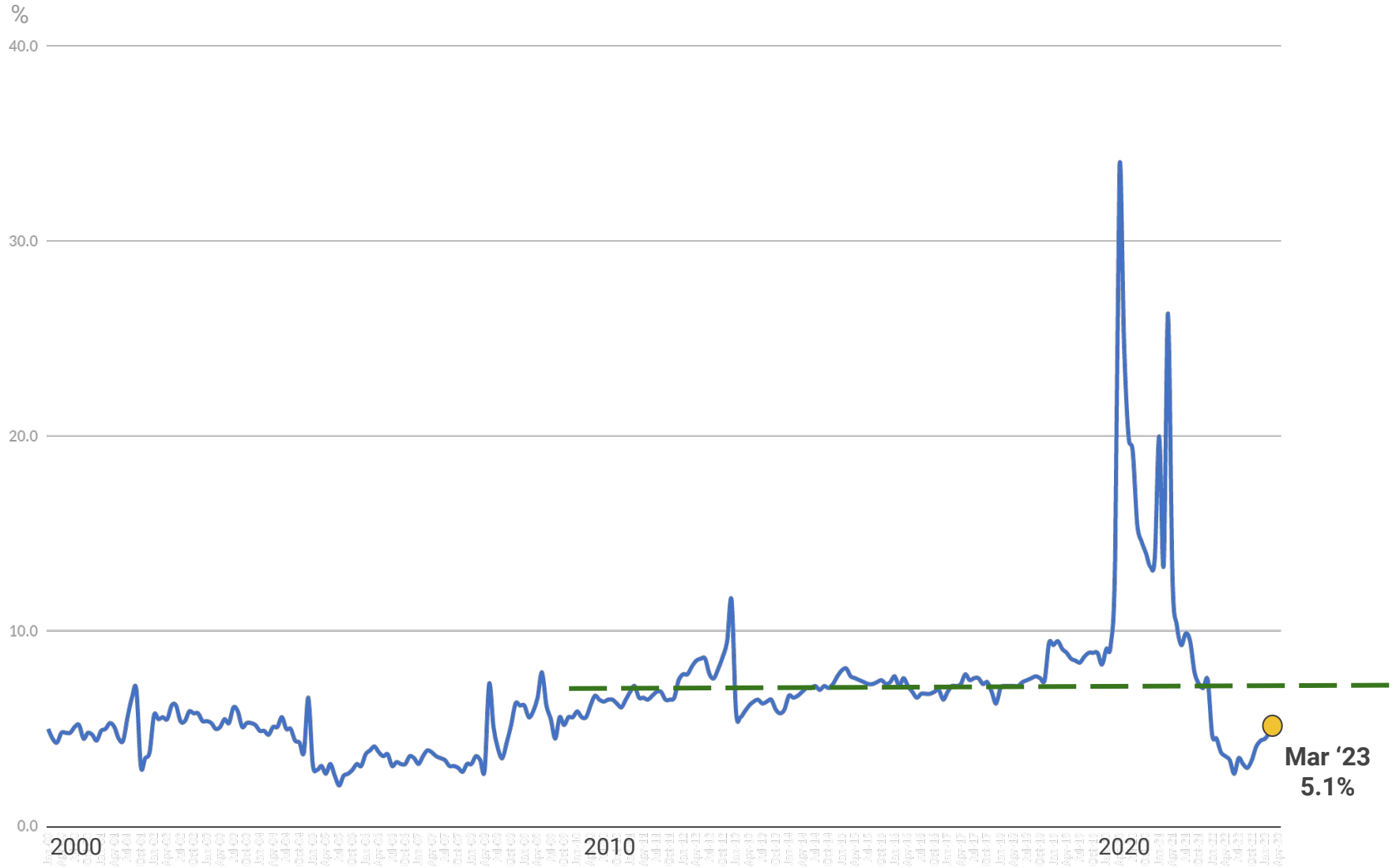
## Average Hourly Earnings, Total Private



Source: BLS, FRED.

More resources at [risk-school.thinkific.com](http://risk-school.thinkific.com)

# Personal Saving Rate

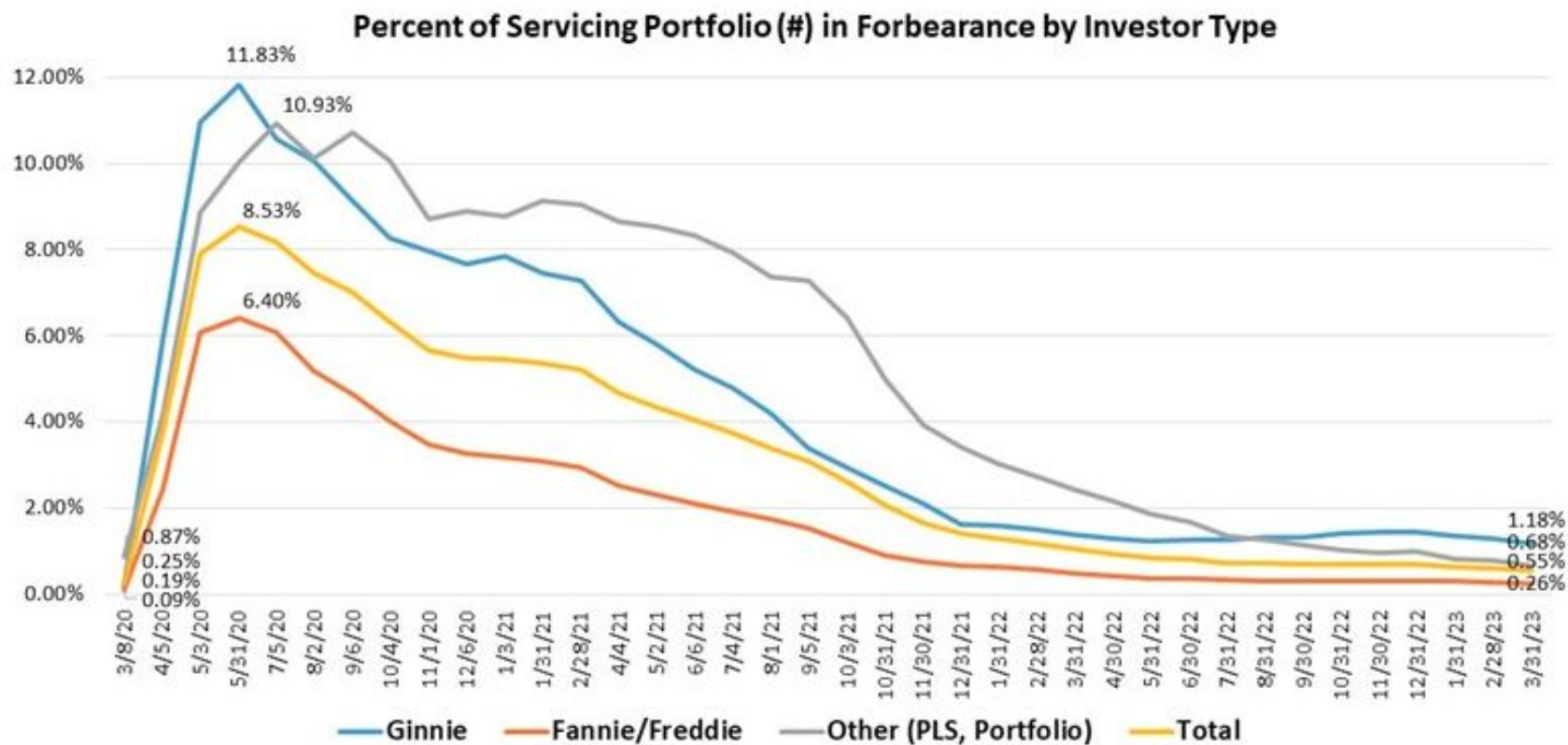


Source: BEA, FRED.

More resources at [risk-school.thinkific.com](https://risk-school.thinkific.com)

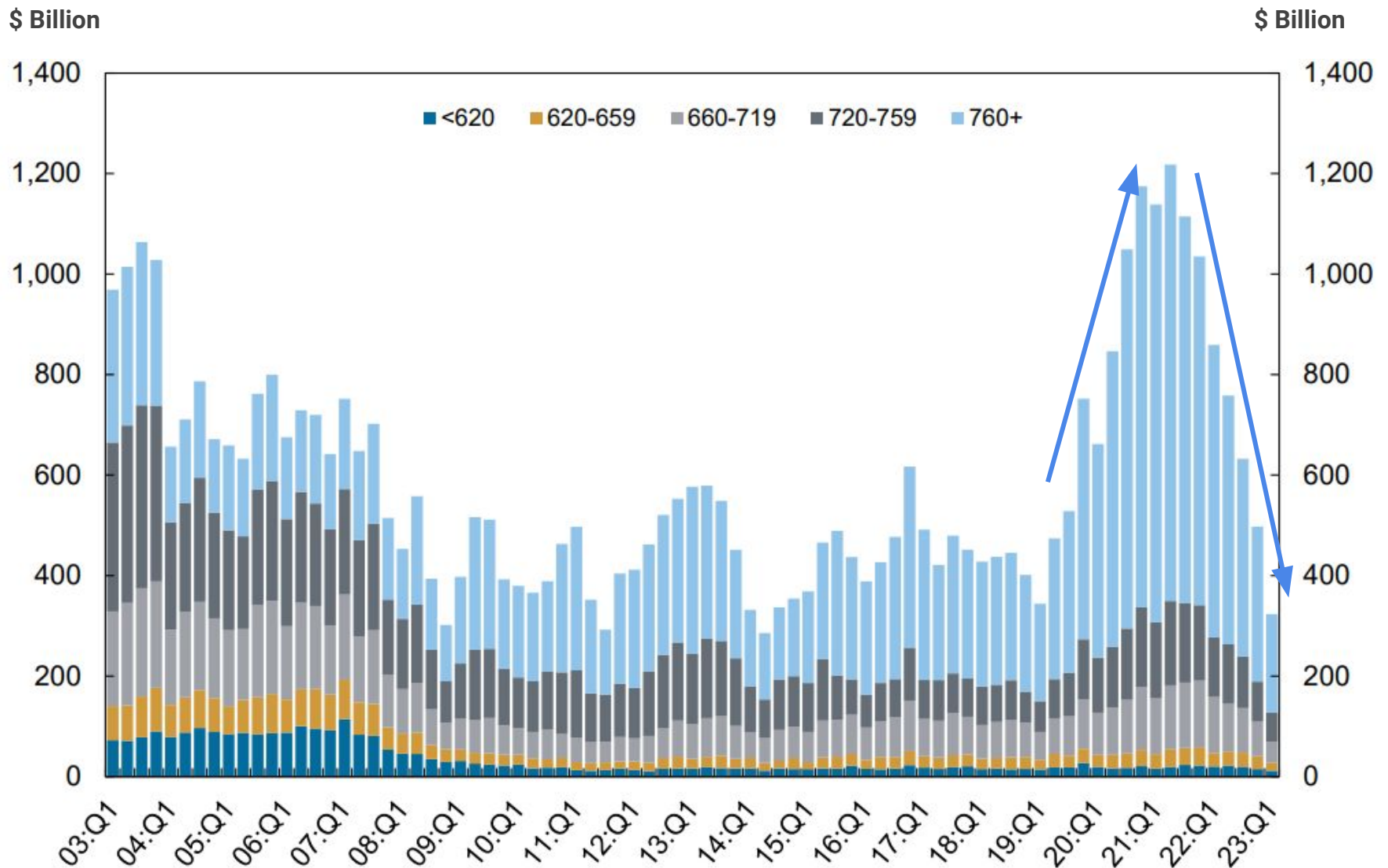
# Consumer Lending Products

# Lending Products Forbearance Curves



Source: MBA

# Mortgage Origination

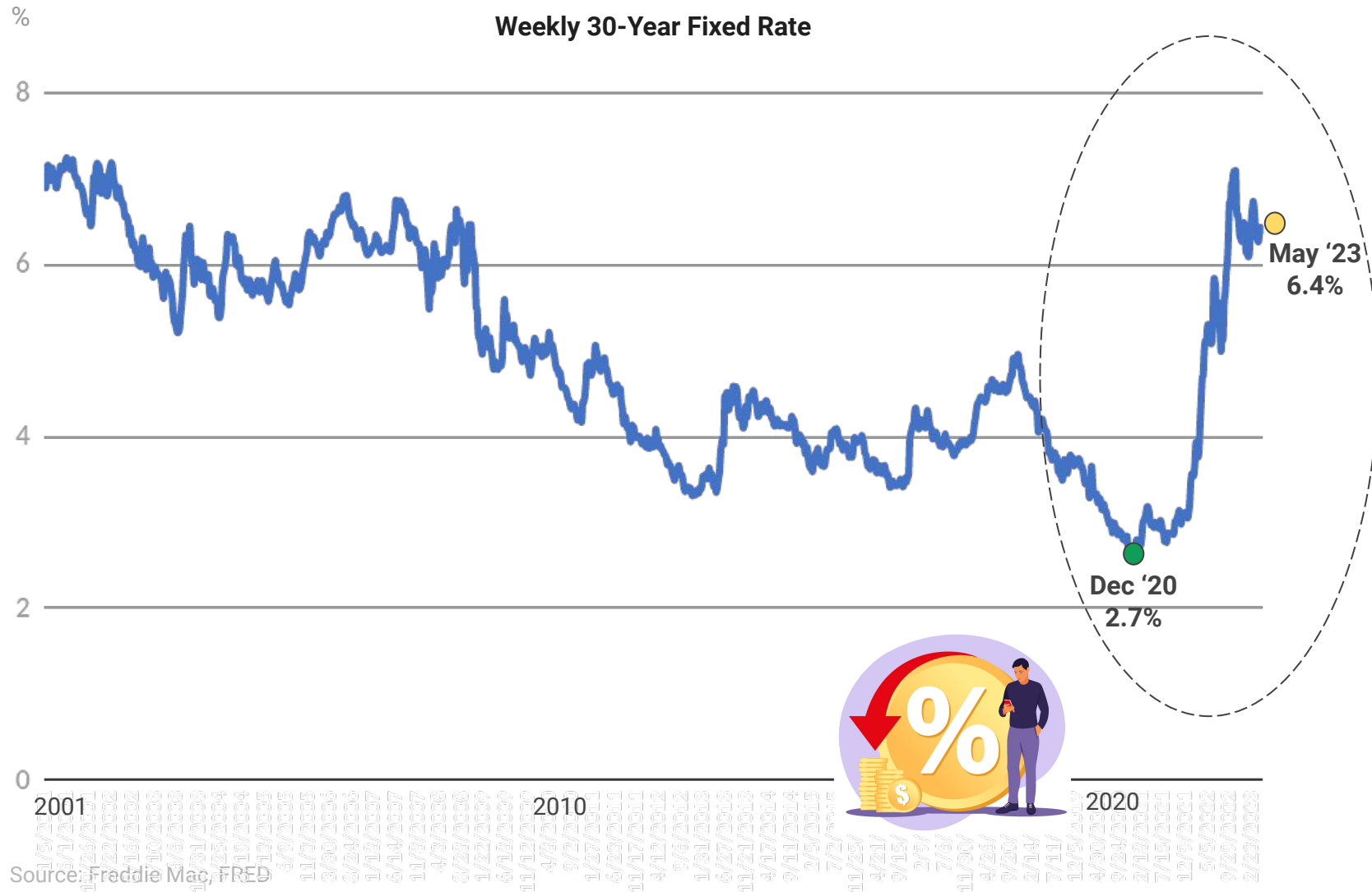


Source: New York Fed/Equifax

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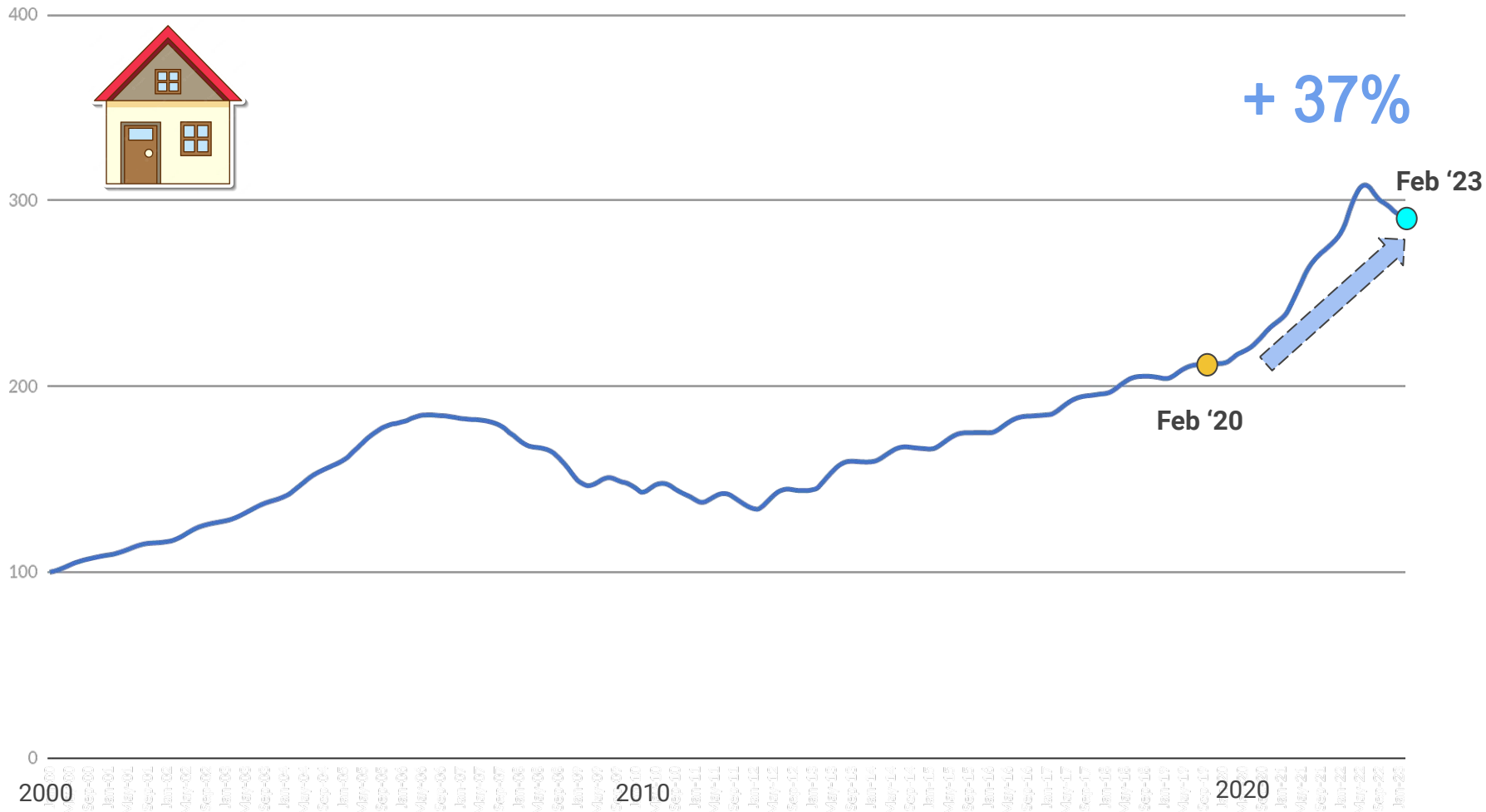


# Mortgage Rate



# Housing Price

S&P/Case-Shiller U.S. National Home Price Index

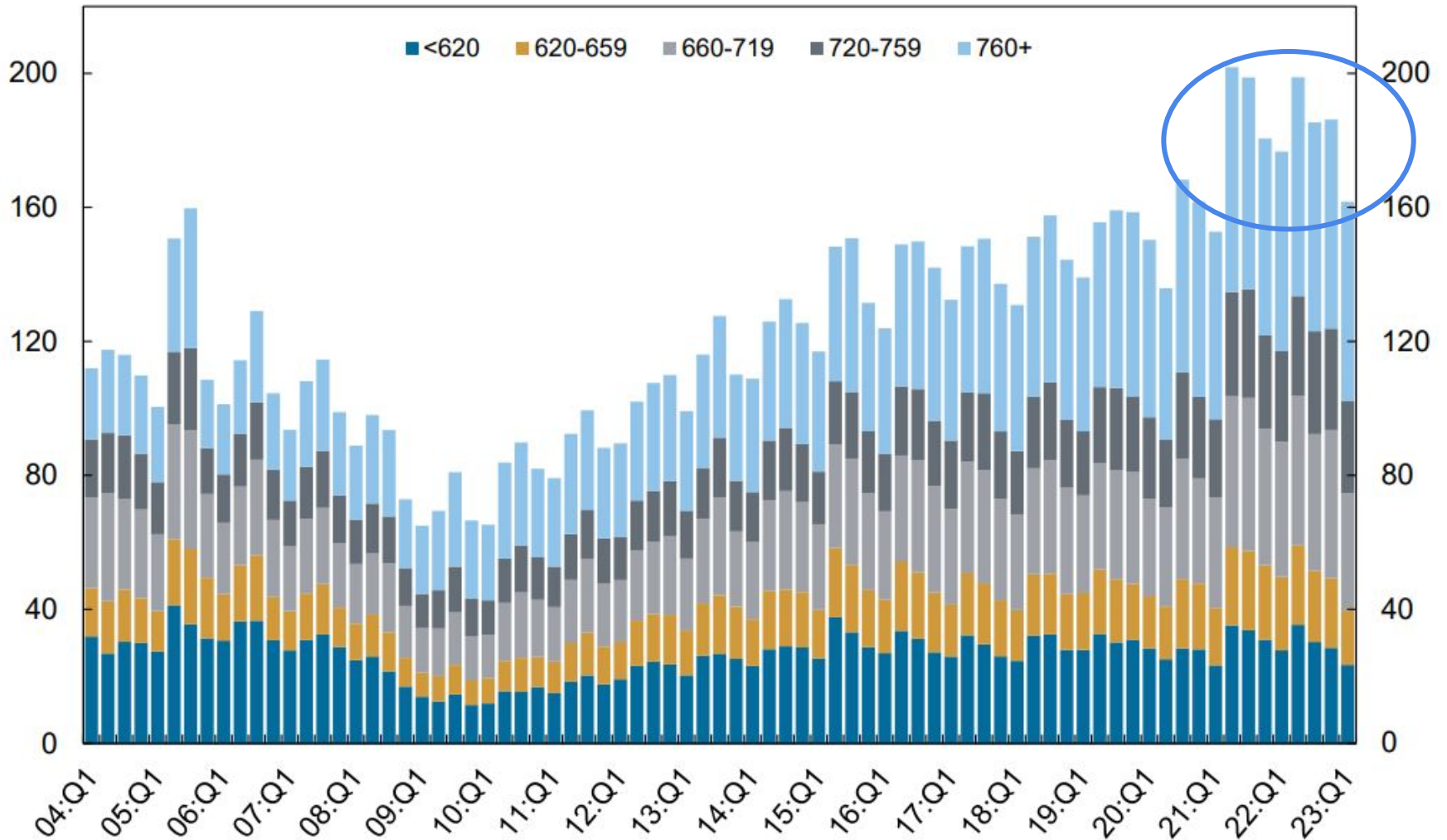


Source: S&P, FRED. Image source: Freepik.

# Auto Loan Origination

\$ Billion

\$ Billion

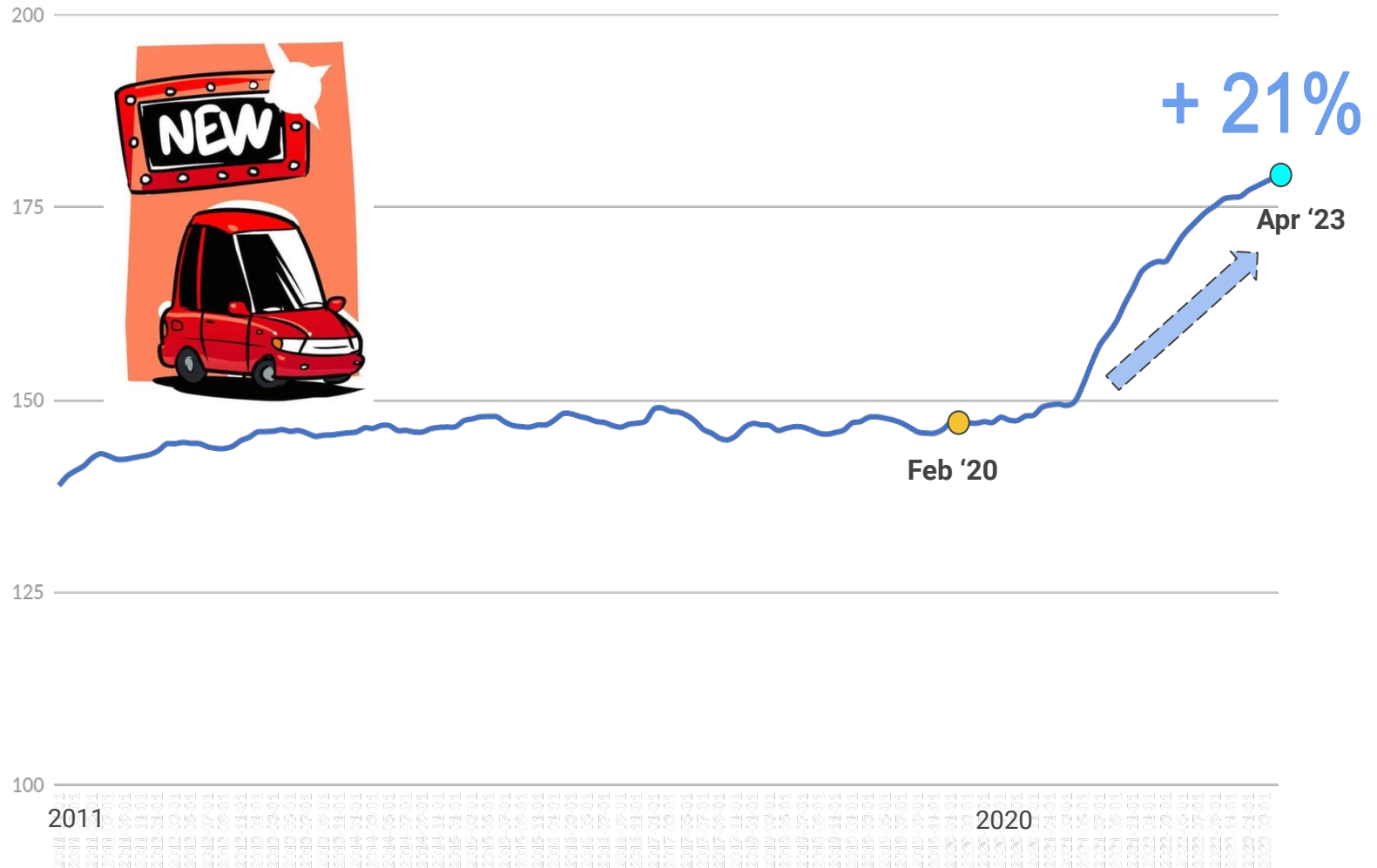


Source: Fed New York/Equifax

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# New Vehicles Price

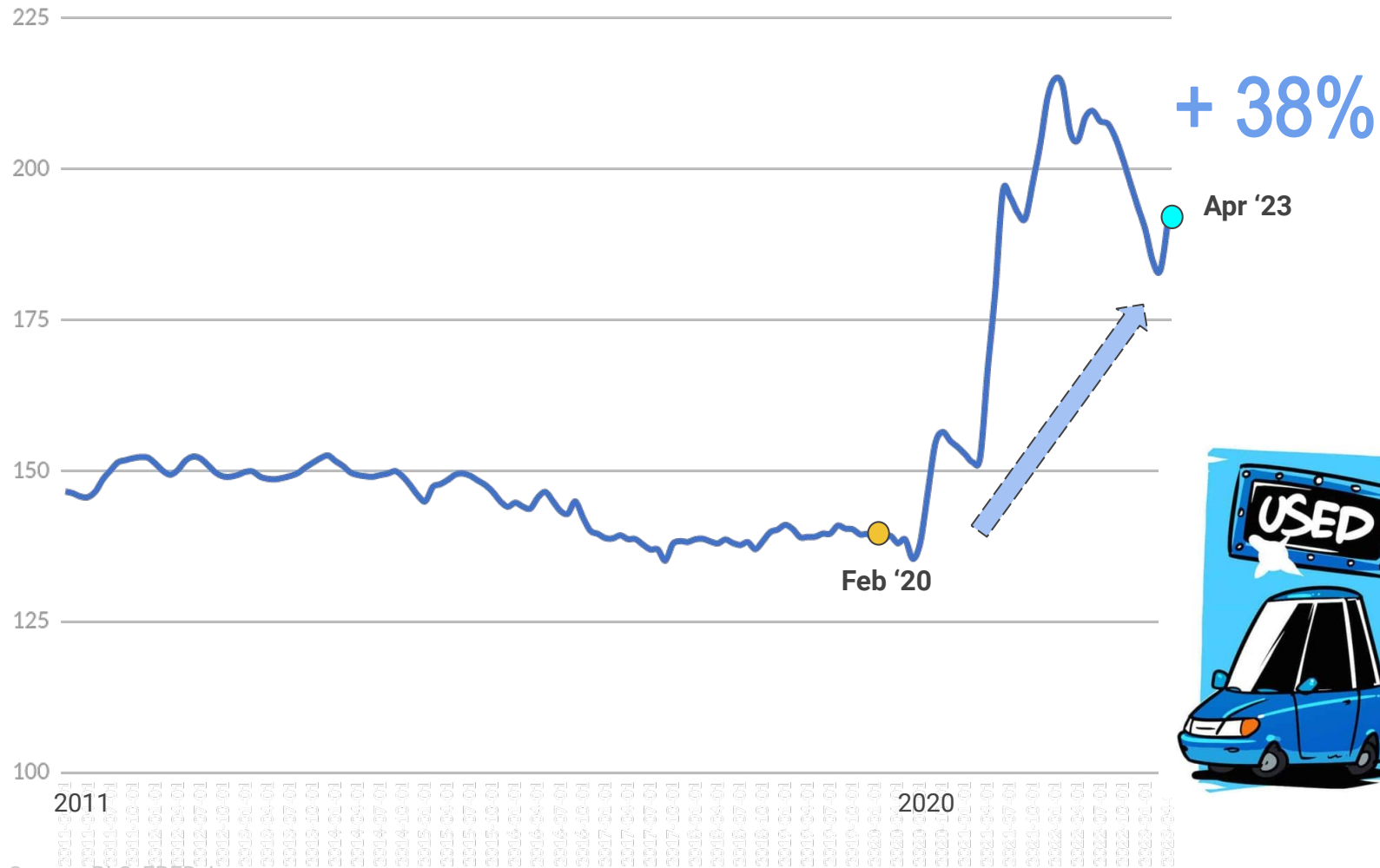
## New Vehicles Price Index



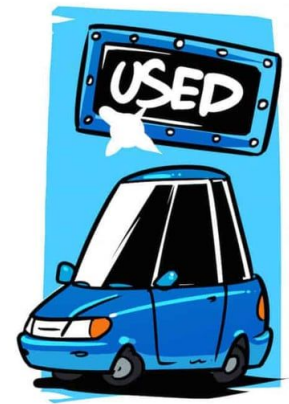
Source: BLS, FRED. Image source: carpro.com.

# Used Vehicles Price

## Used Vehicles Price Index

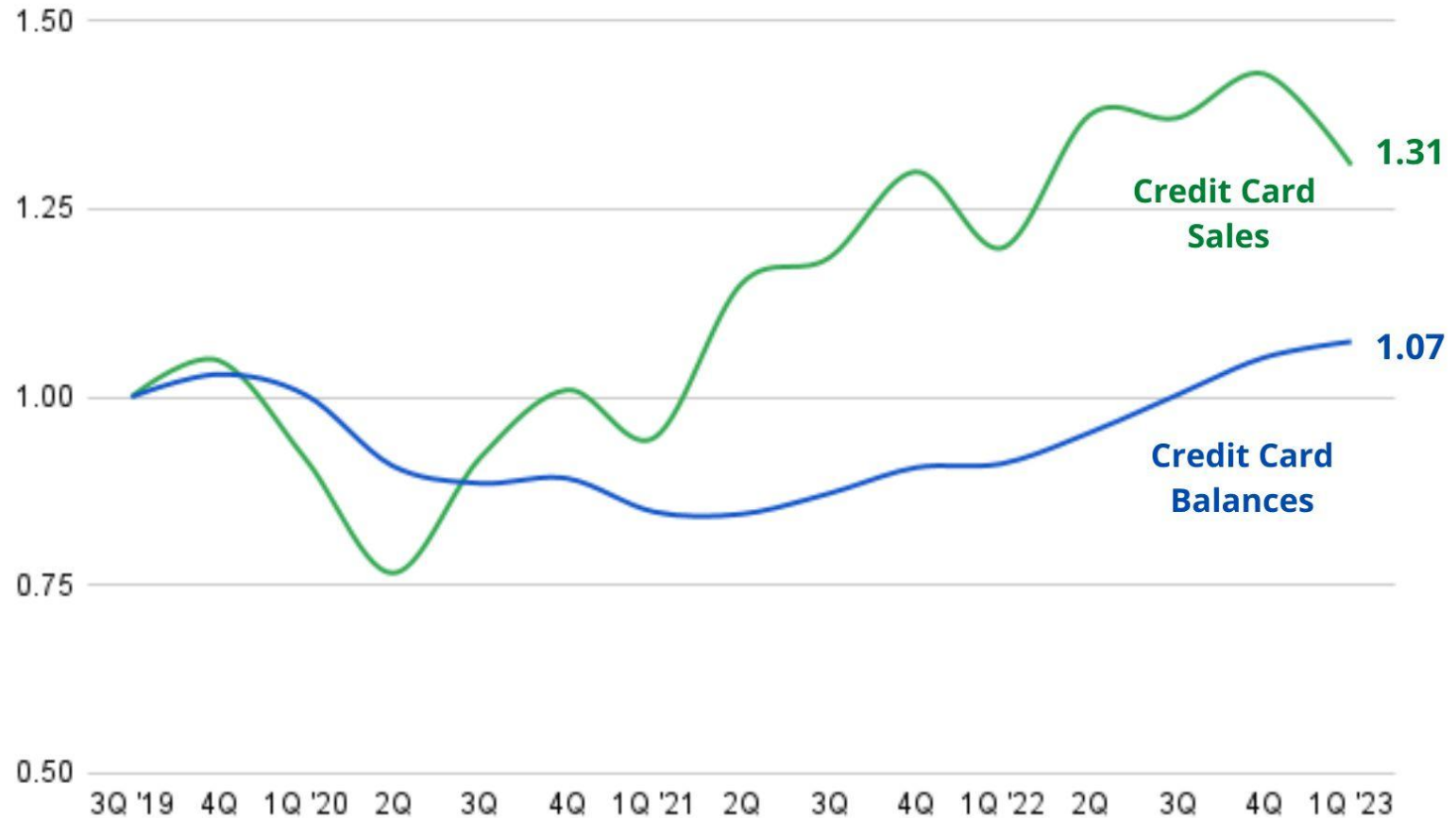


Source: BLS, FRED. Image source: carpro.com.



# Credit Card Purchase and Balance

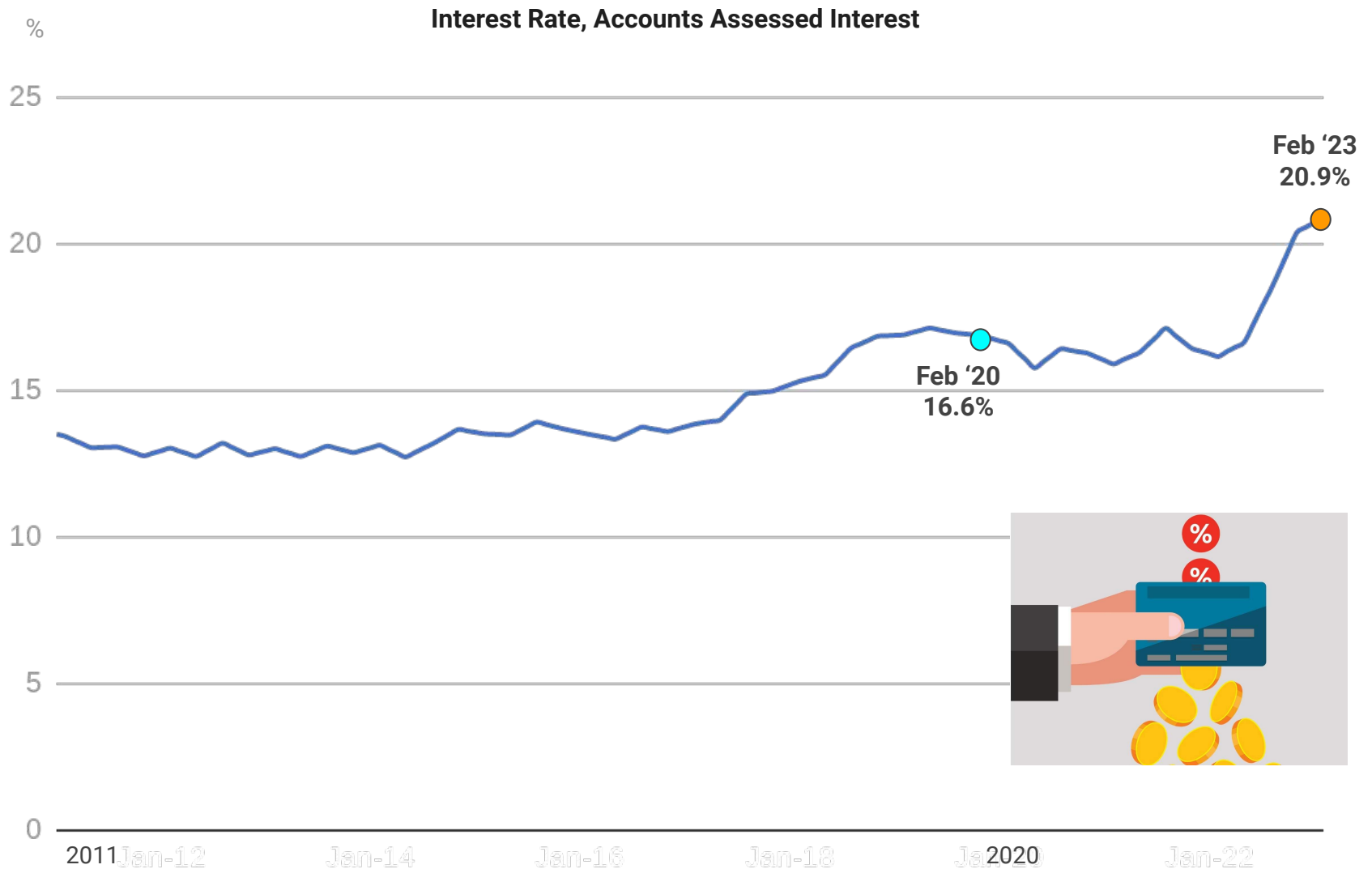
## Credit Card Trends at Top 4 US Banks



Sources: Quarterly financial reports of JPM, BOA, CITI, and WFC.

Compiled by Frank Tian

# Credit Card Interest Rate



Source: FED, FRED. Image source: Gettyimage, The Economic Times.

# Credit Card Offering

## ➤ New rewards cards

- Grocery
- Travel
- Crypto



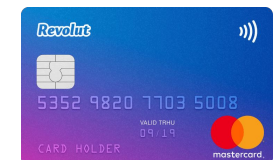
## ➤ BNPL

- Amex, Citi
- Mastercard Installment



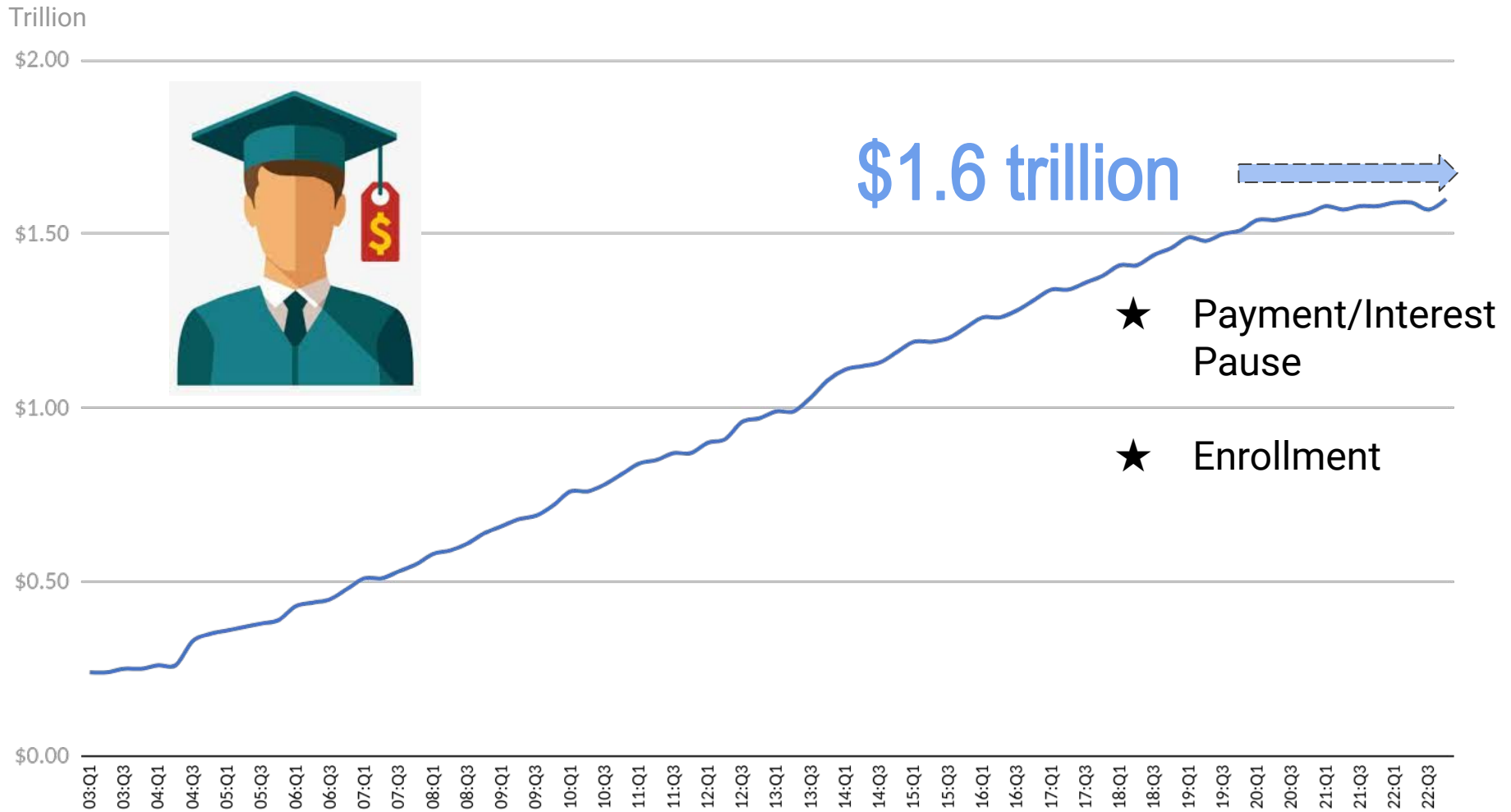
## ➤ Fintech cards

- Klarna
- Revolut





# Student Loan Balance

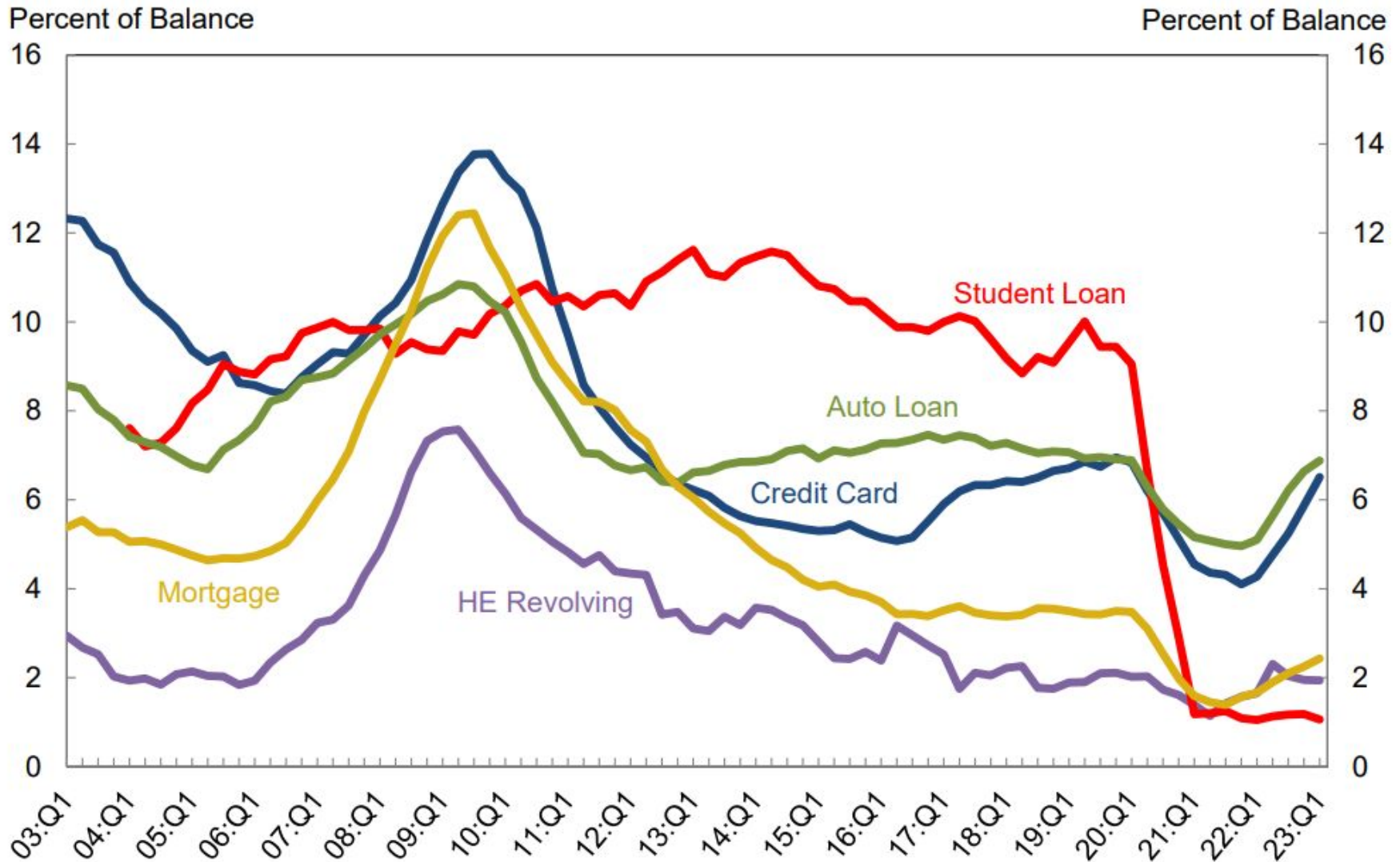


Source: Fed New York/Equifax. Image source: NicePNG.

# Latest Risk Performance

# Early Stage \$ Roll Rate

## Transition into 30+ Days Delinquent

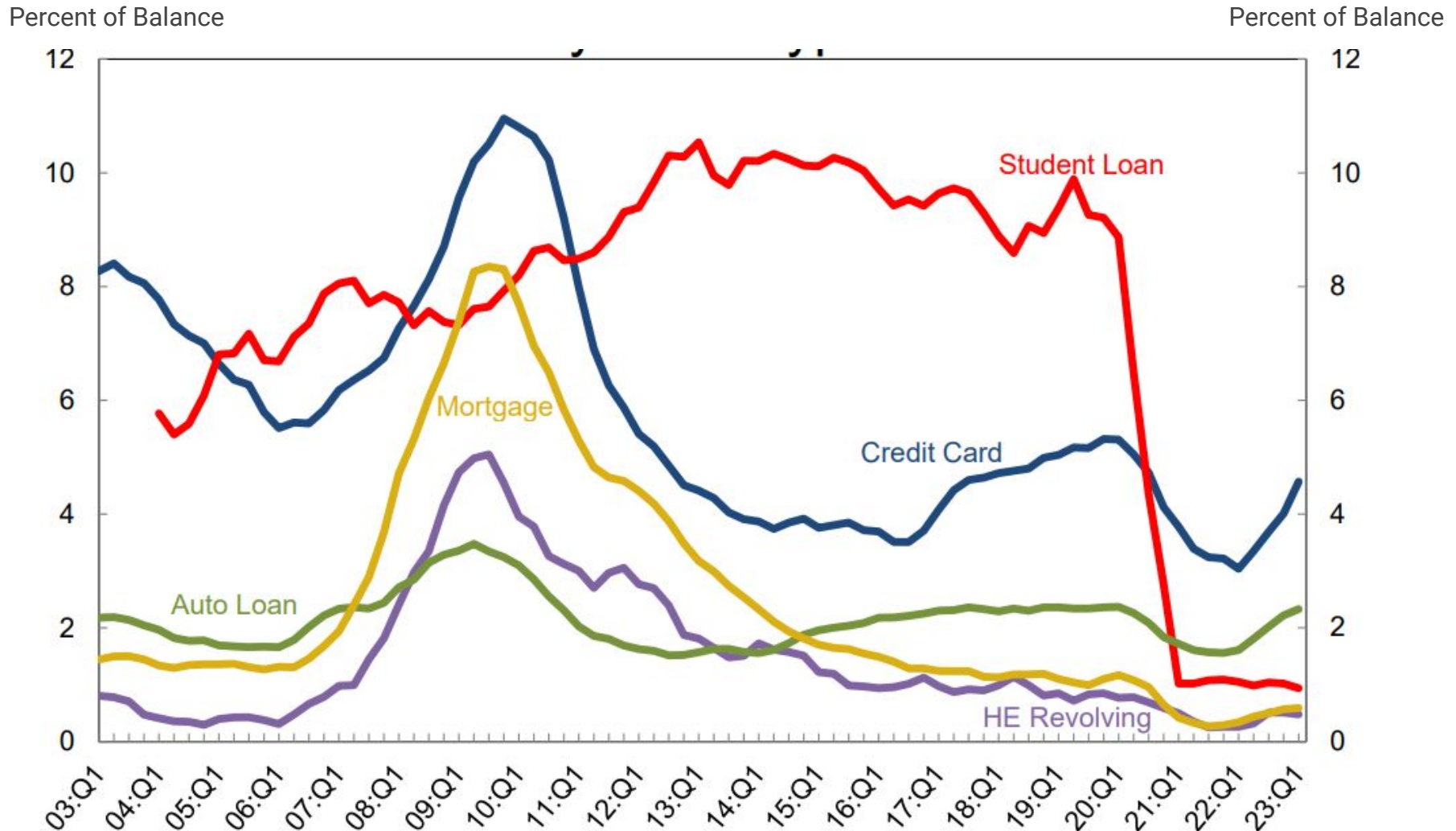


Source: Fed New York/Equifax

More resources at [risk-school.thinkific.com](http://risk-school.thinkific.com)

# Late Stage \$ Roll Rate

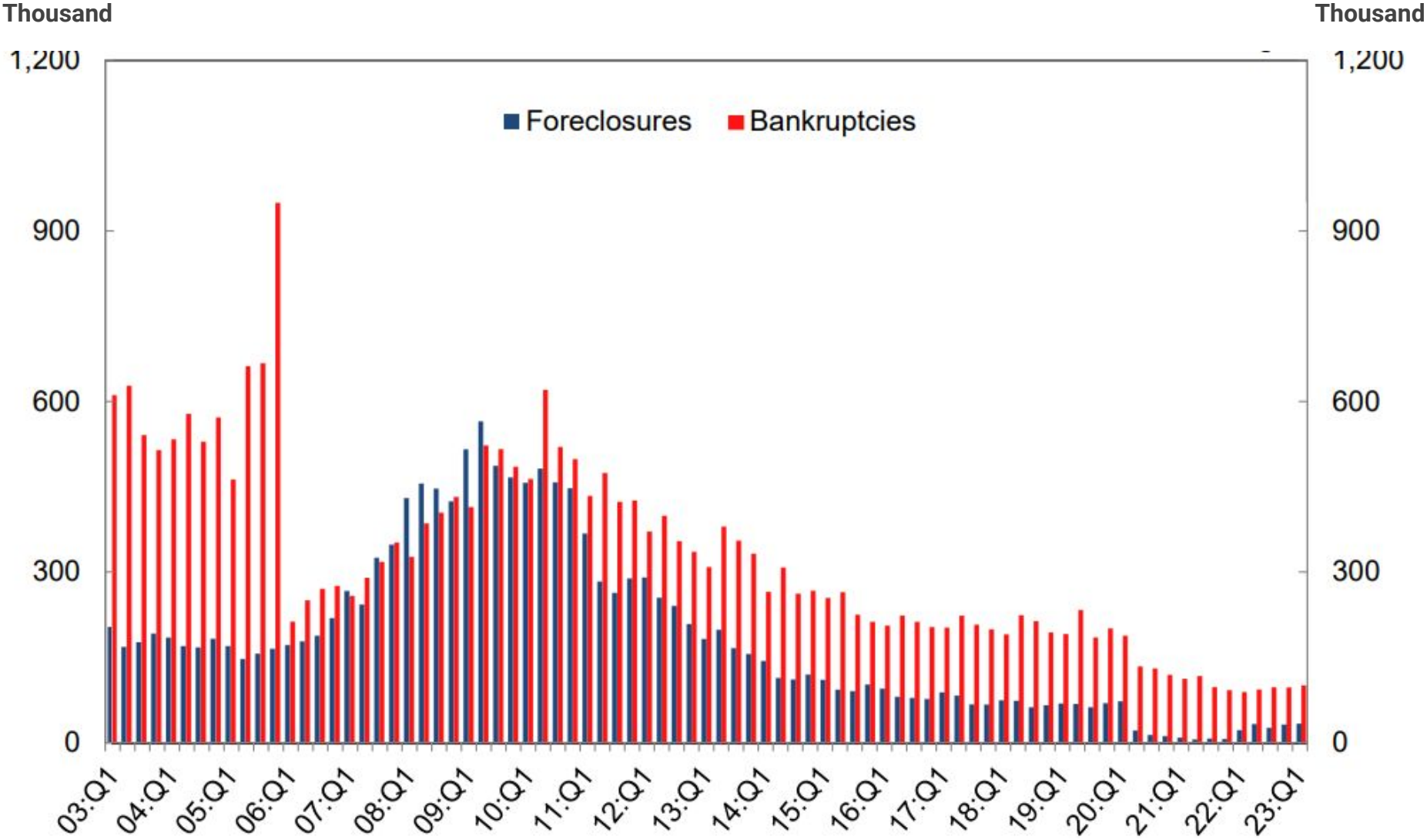
## Transition into 90+ Days Delinquent



Source: Fed New York/Equifax

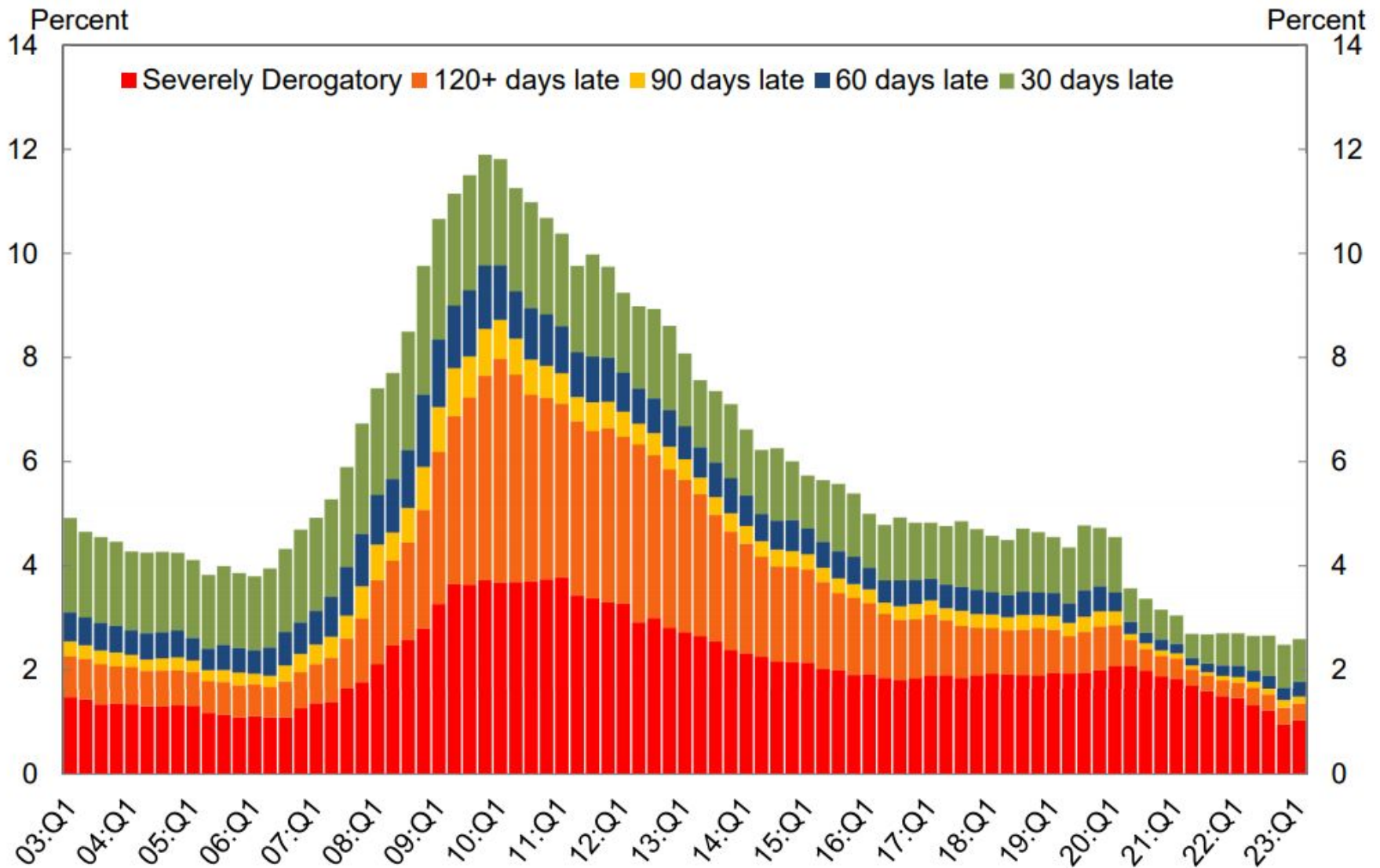
More resources at [risk-school.thinkific.com](https://risk-school.thinkific.com)

# # New Foreclosures and Bankruptcies



Source: Fed New York/Equifax

# Loan Delinquency % - Balance Based



Source: Fed New York/Equifax

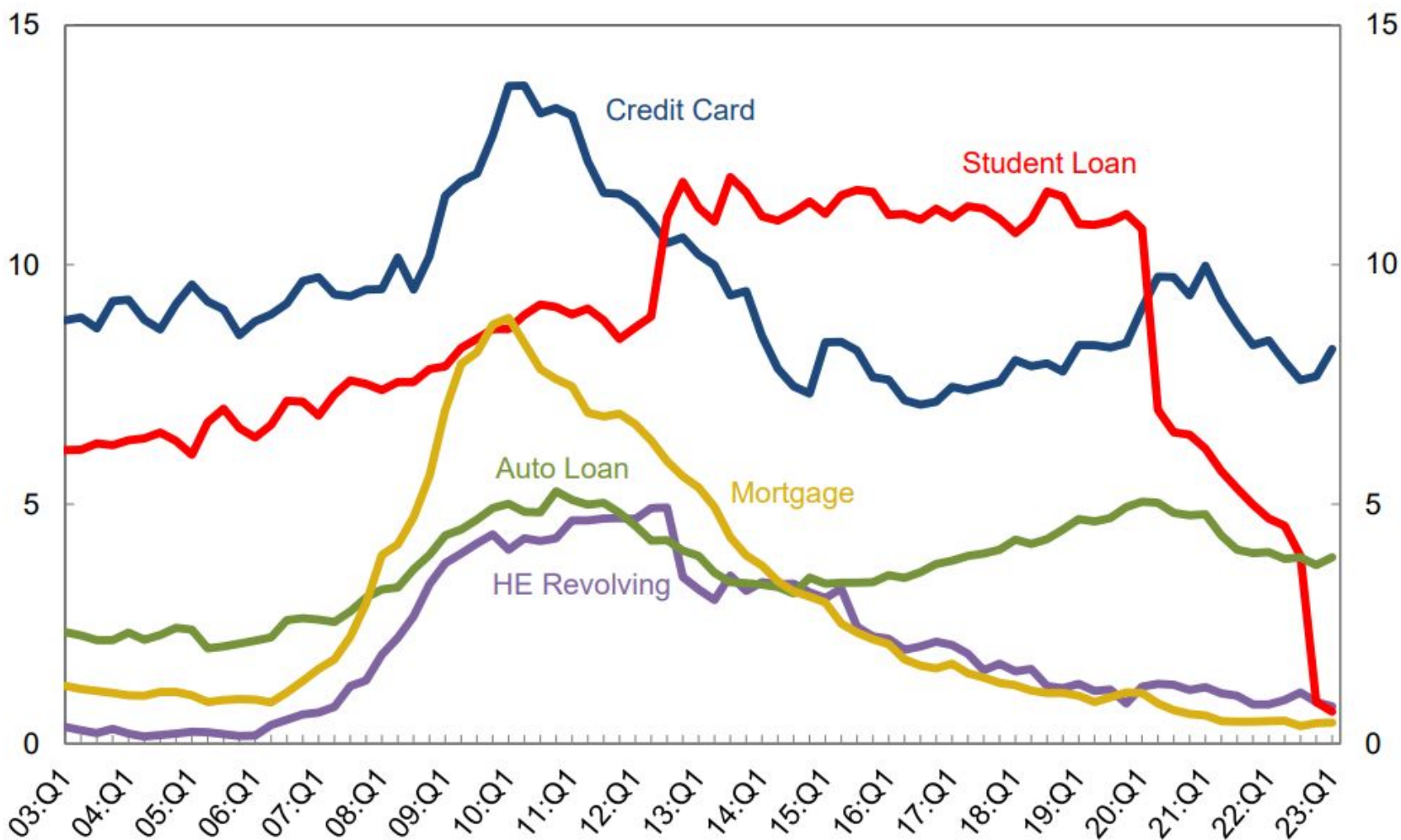
More resources at [risk-school.thinkific.com](http://risk-school.thinkific.com)

# Late Stage \$ Delinquency Rate

## 90+ Days Delinquency Rate

Percent of Balance

Percent of Balance



Source: Fed New York/Equifax

More resources at [risk-school.thinkific.com](http://risk-school.thinkific.com)

# Outlook

- Recession or soft landing?
  - Job market
  - Inflation
  
- Rolling recession
  - Services
  - High tech
  - Regional banks
  - Commercial real estate



Image source: [www.sovereignman.com](http://www.sovereignman.com)



# Learnings

# Data-driven and Beyond

- What is outside the numbers?
- What is behind the numbers?
- What is beyond the numbers?

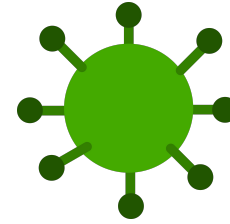


Image source: Wikimedia Commons,  
freeicons.io, flaticon.com.

# Learnings

- Be Humble
- Be Critical
- Be Resilient

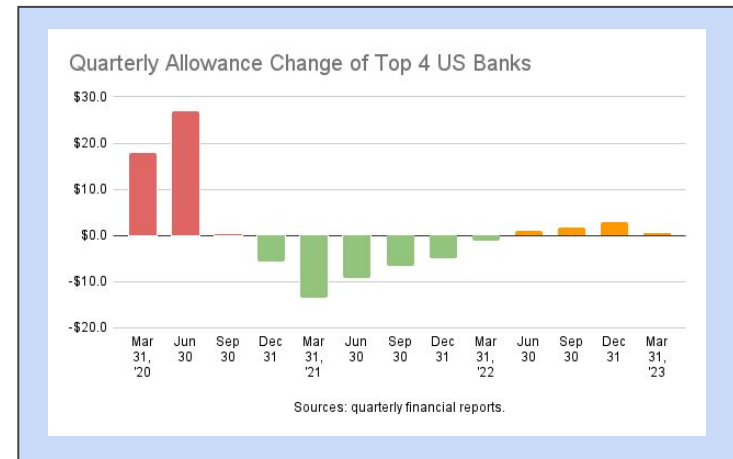


Image source: Gove.org.

# Thank You

Free consumer credit resources:

[risk-school.thinkific.com](http://risk-school.thinkific.com)