

# Aftershock: The Impact of COVID-19 on Lending in the 2nd Half of 2020

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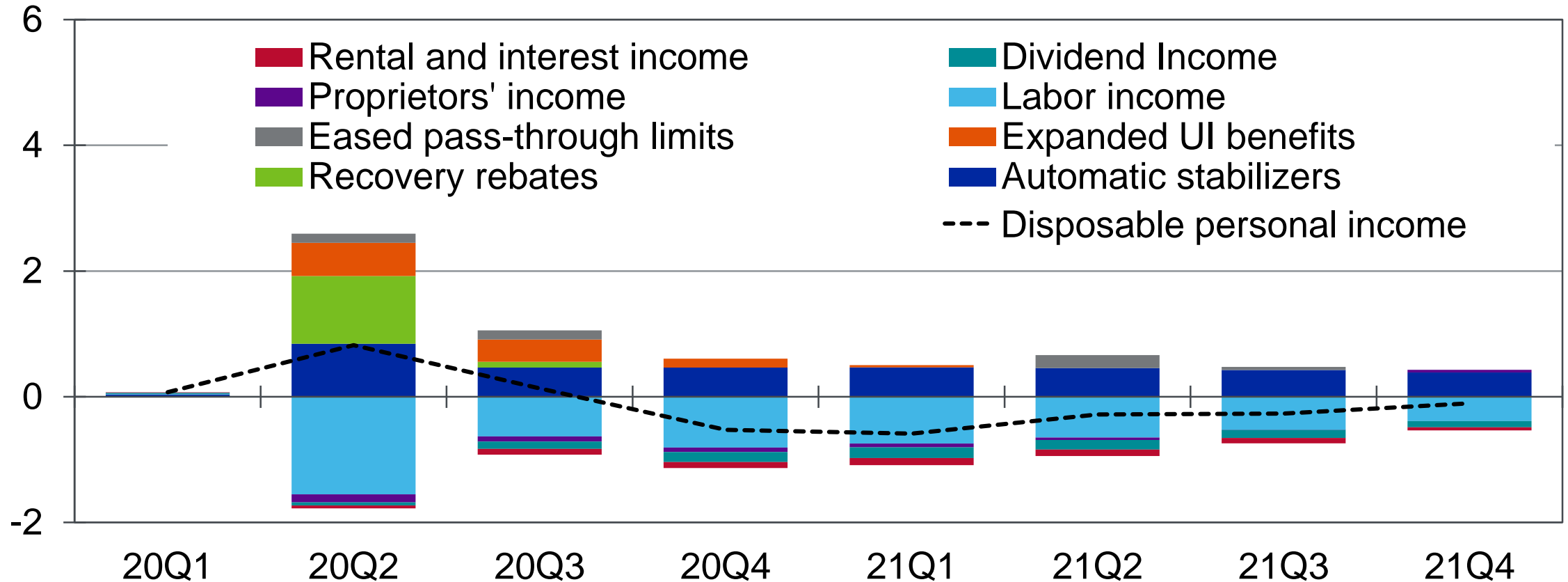
September 2020

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From Recession to  
Recovery

# CARES Act Supports Income Through Q3

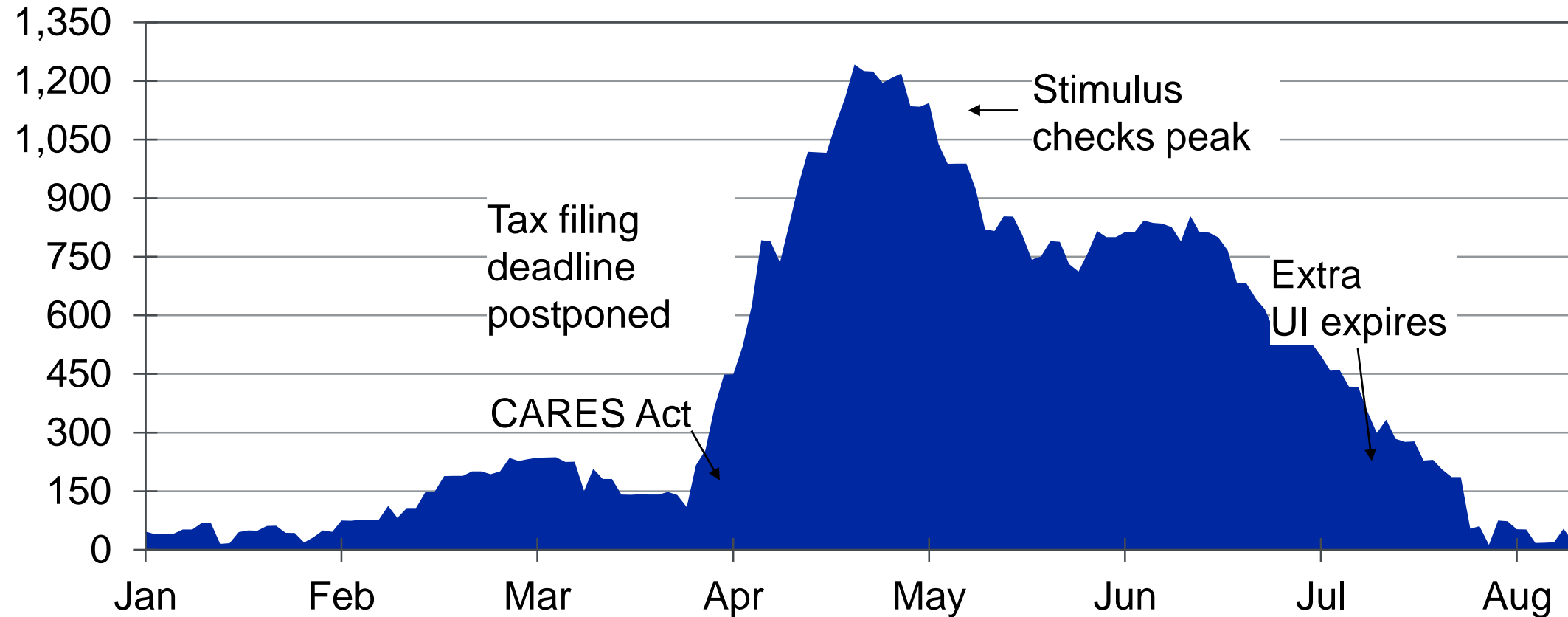
Disposable personal income, \$ tril, SAAR, change from 2019Q4



Sources: BEA, CBO, JCT, Moody's Analytics

# Going Off the Fiscal Cliff

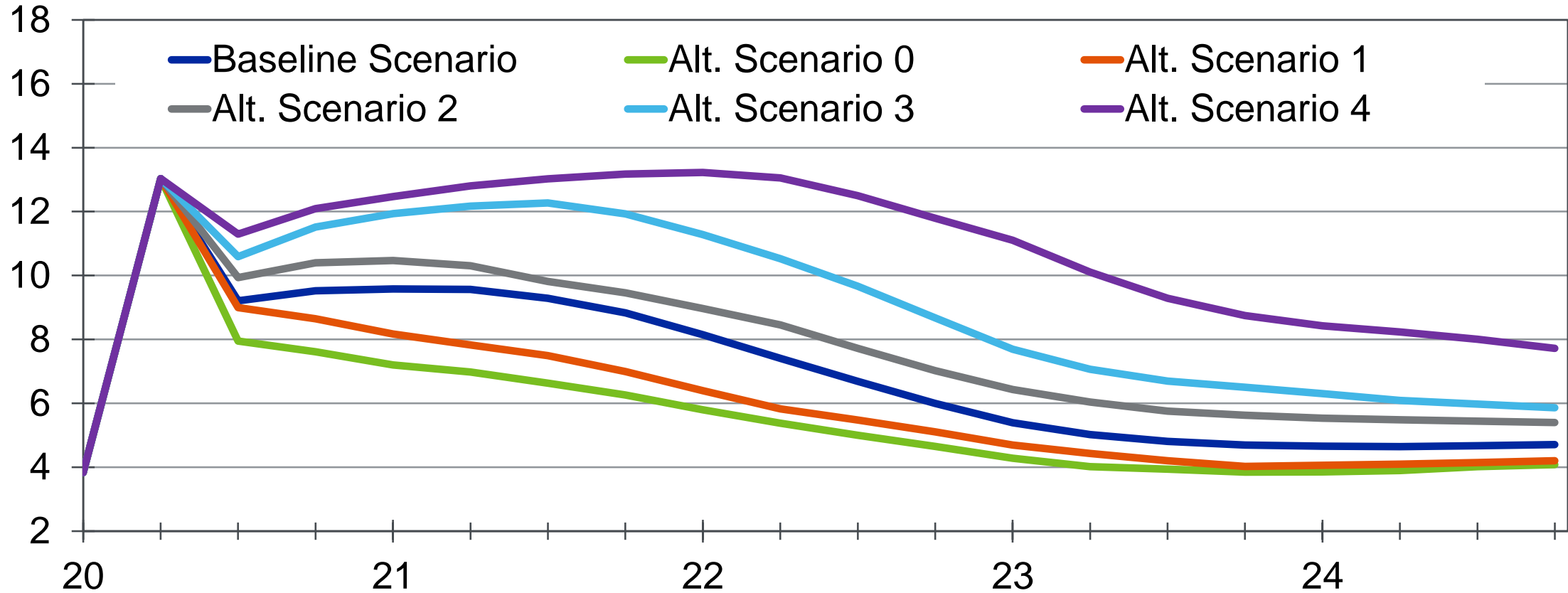
Monthly change in federal debt, \$ bil, 2020



Sources: U.S. Treasury, Moody's Analytics

# A Second Wave of Structural Unemployment

U.S. Unemployment Rate (U-3), %



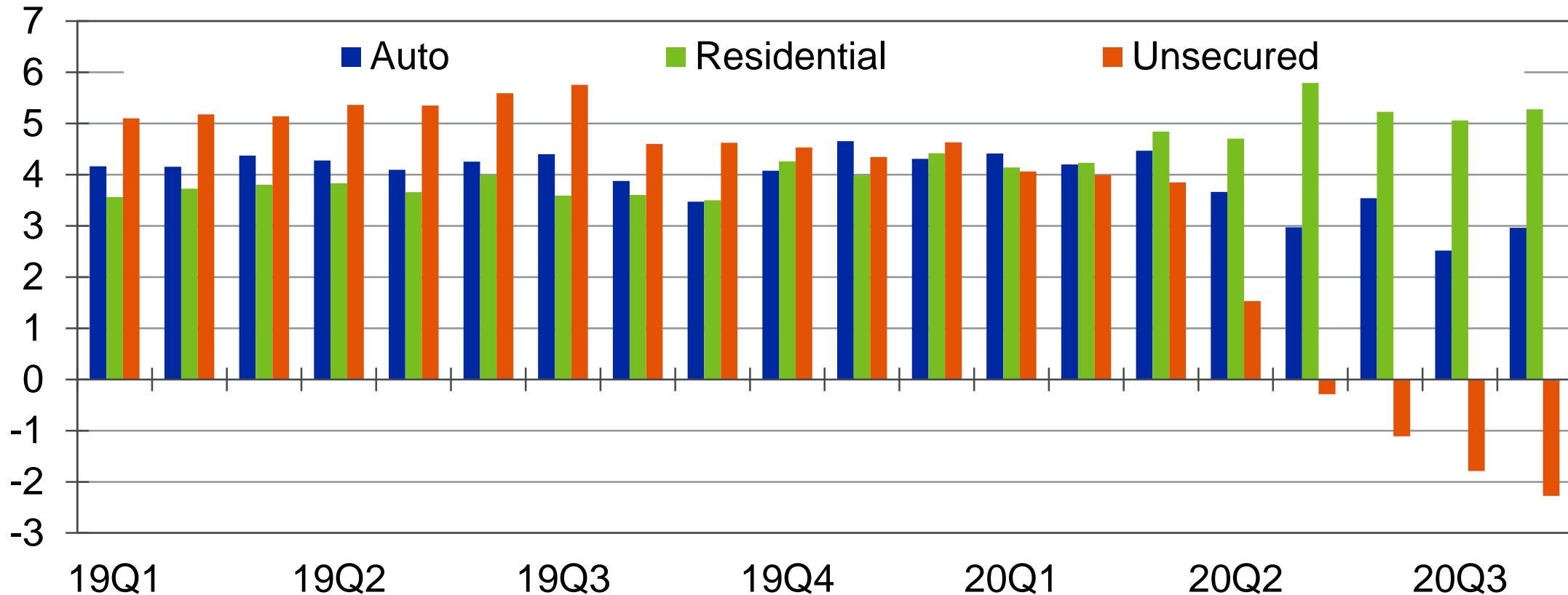
Source: Moody's Analytics

# 2

An Update on Credit Cards,  
Consumer Loans and  
Fintech Lending

# Secured and Unsecured Markets Split

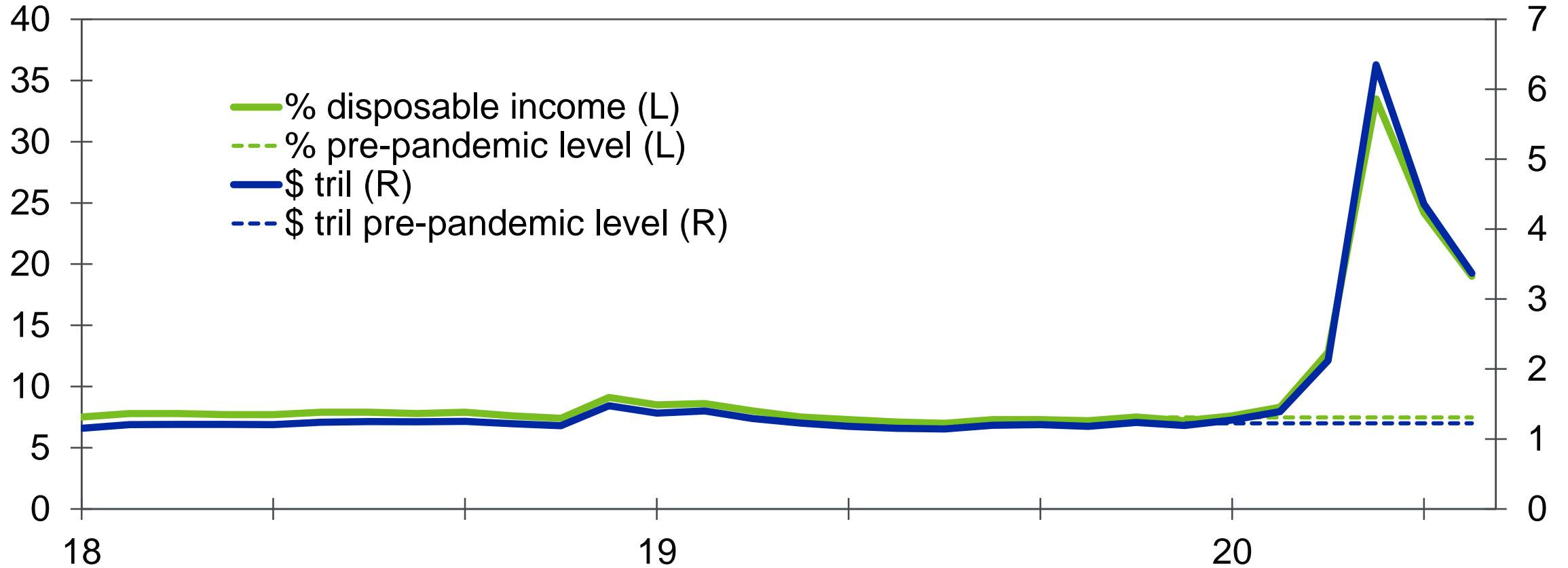
Outstanding balances, % change yr ago



Sources: CreditForecast.com, Moody's Analytics

# Savings Soared

Outstanding balances, % change yr ago

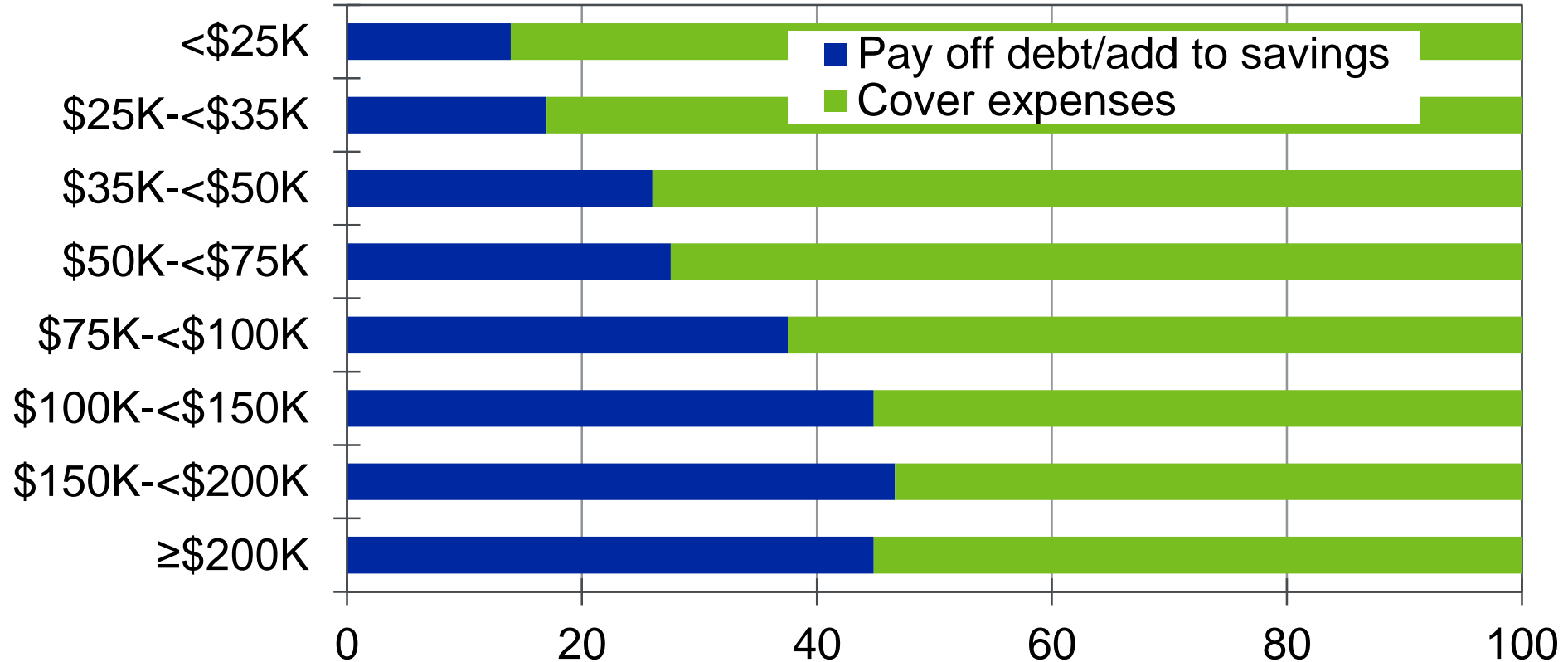


Sources: BEA, Moody's Analytics



# Uneven Spending Effects by Income Class

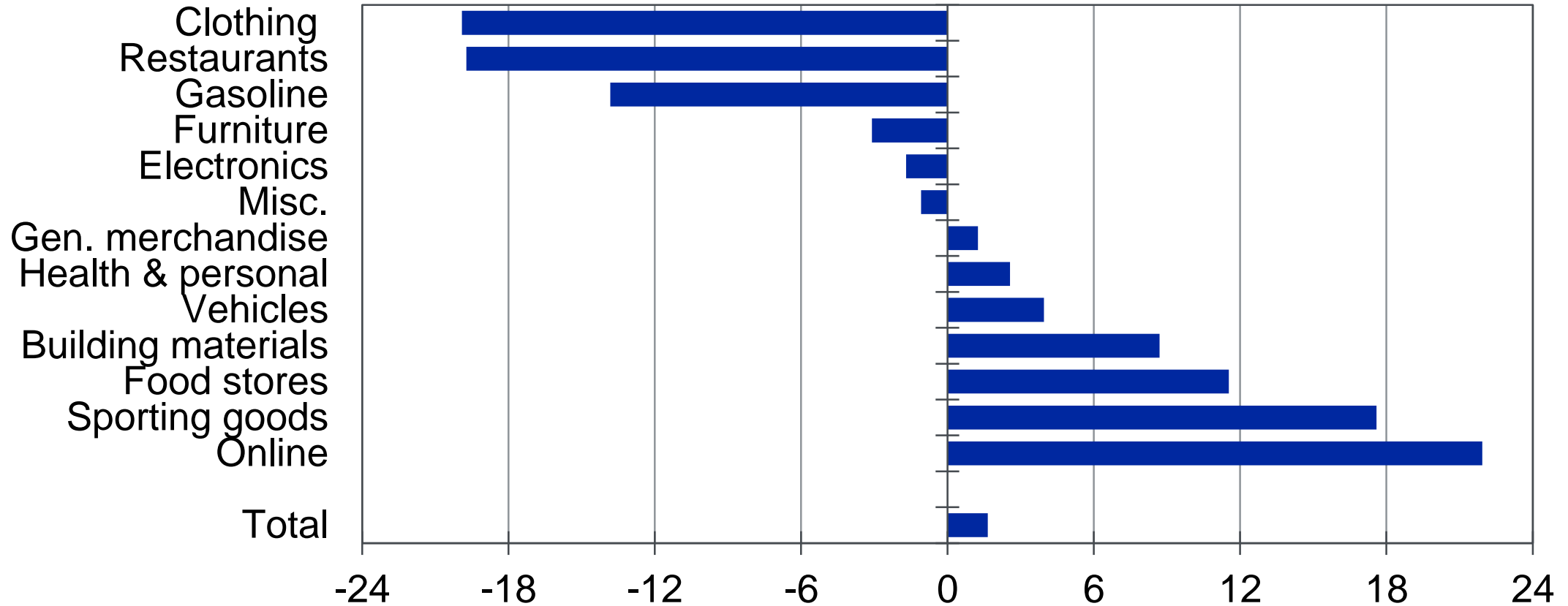
% of households by income group reporting that CARES Act stimulus payments were used or will be used mostly to...



Sources: Census Bureau, Moody's Analytics

# Retail Winners & Losers

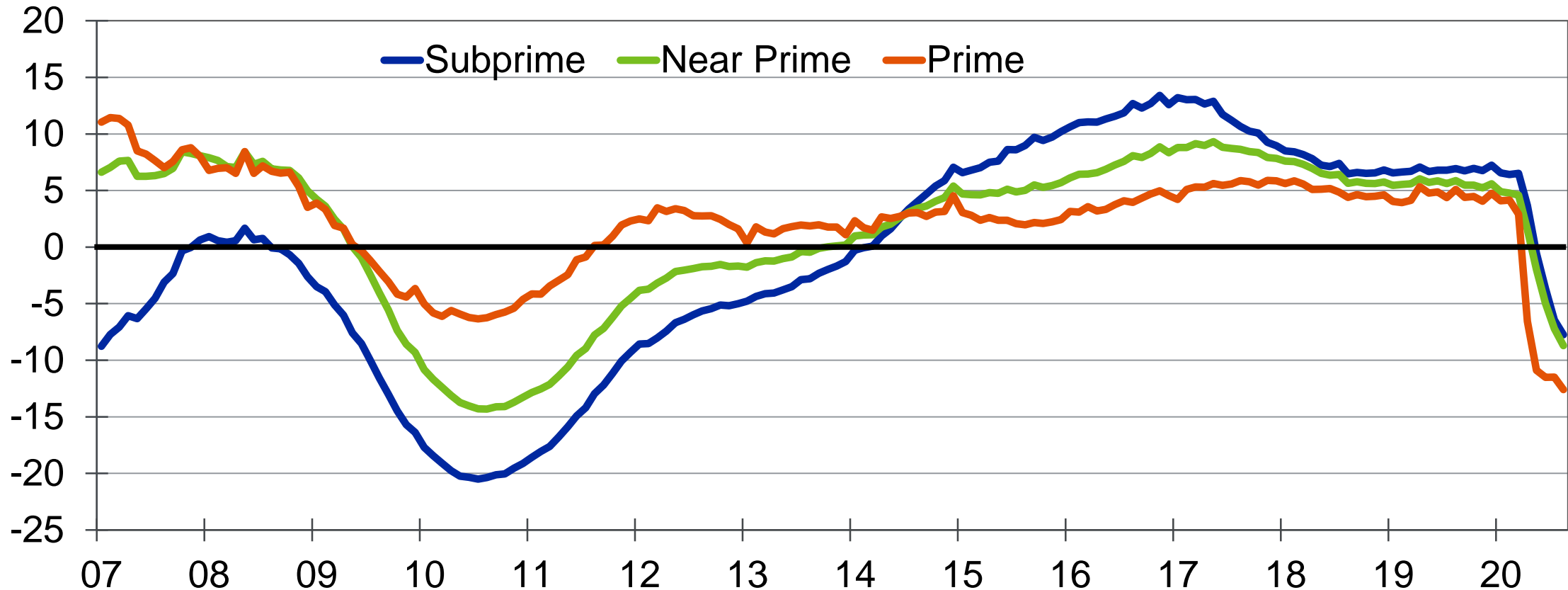
% change, Jul vs Feb 2020



Sources: Census Bureau, Moody's Analytics

# Bank Card Borrowers Pull Back: Prime More So

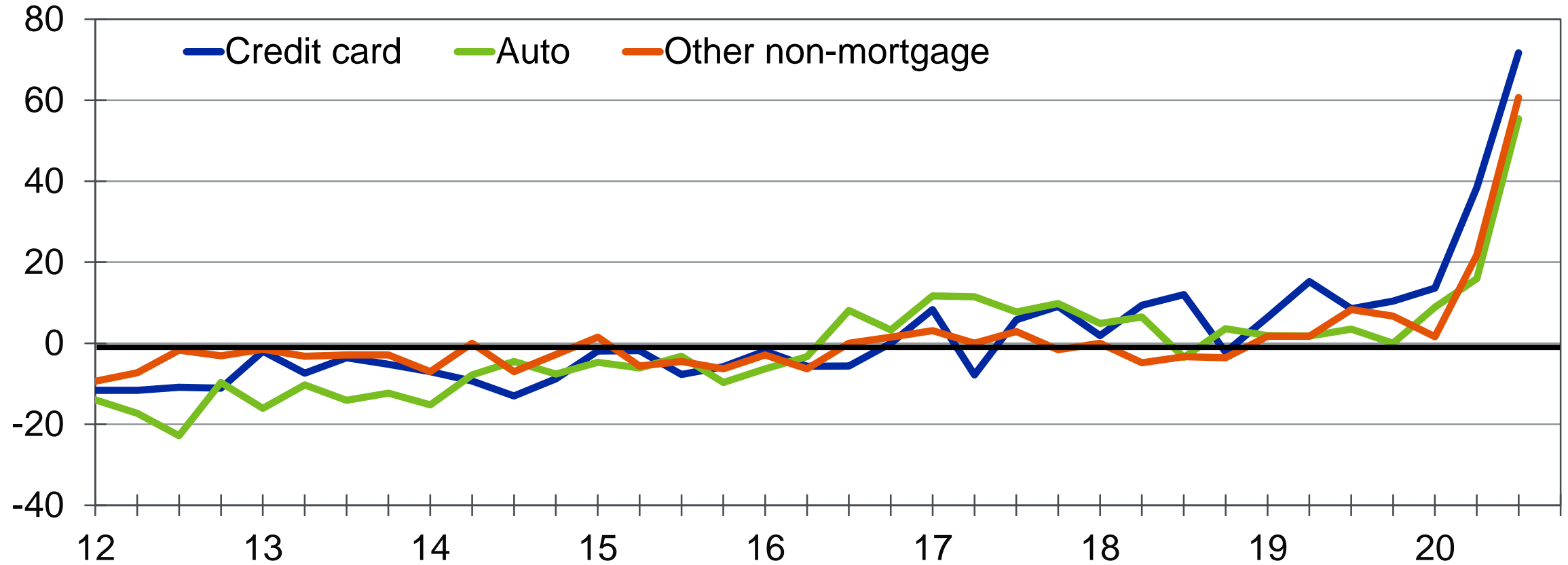
%, YoY balance difference



Sources: CreditForecast.com, Moody's Analytics

# Lending Standards Are Tight

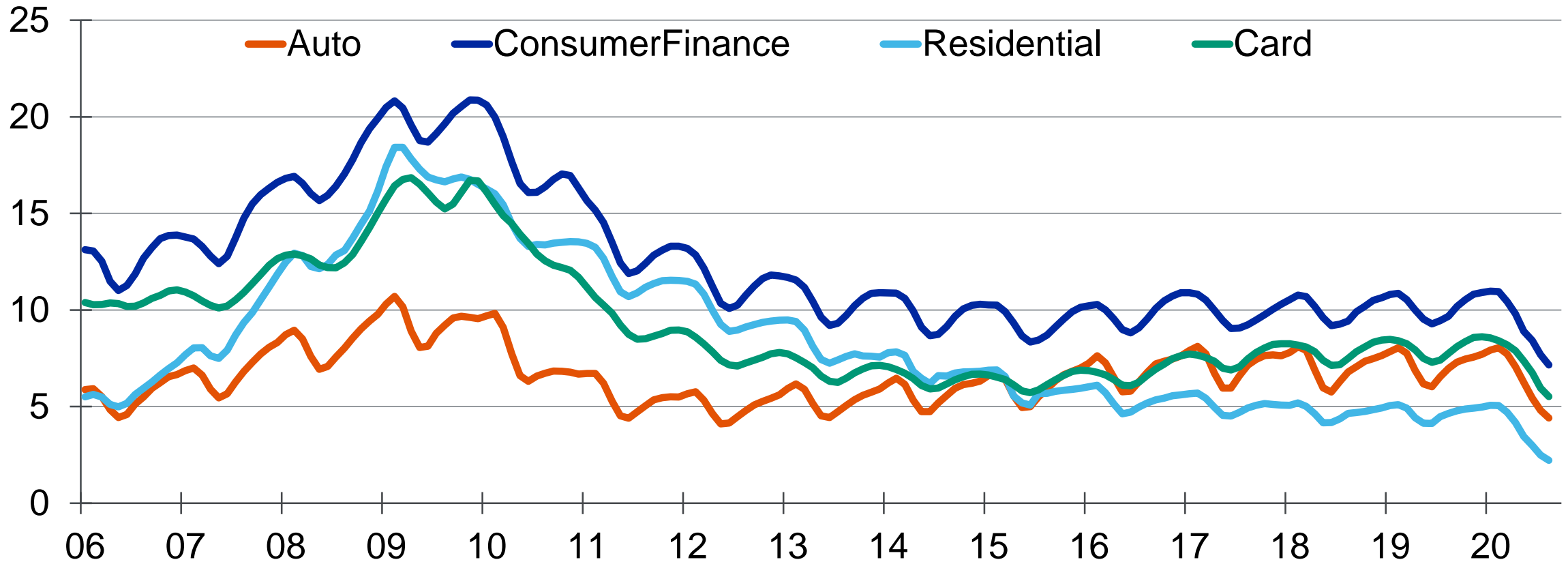
Net % tightening, Senior Loan Officer Survey



Sources: Federal Reserve, Moody's Analytics

# Delinquency Rates Trend Down

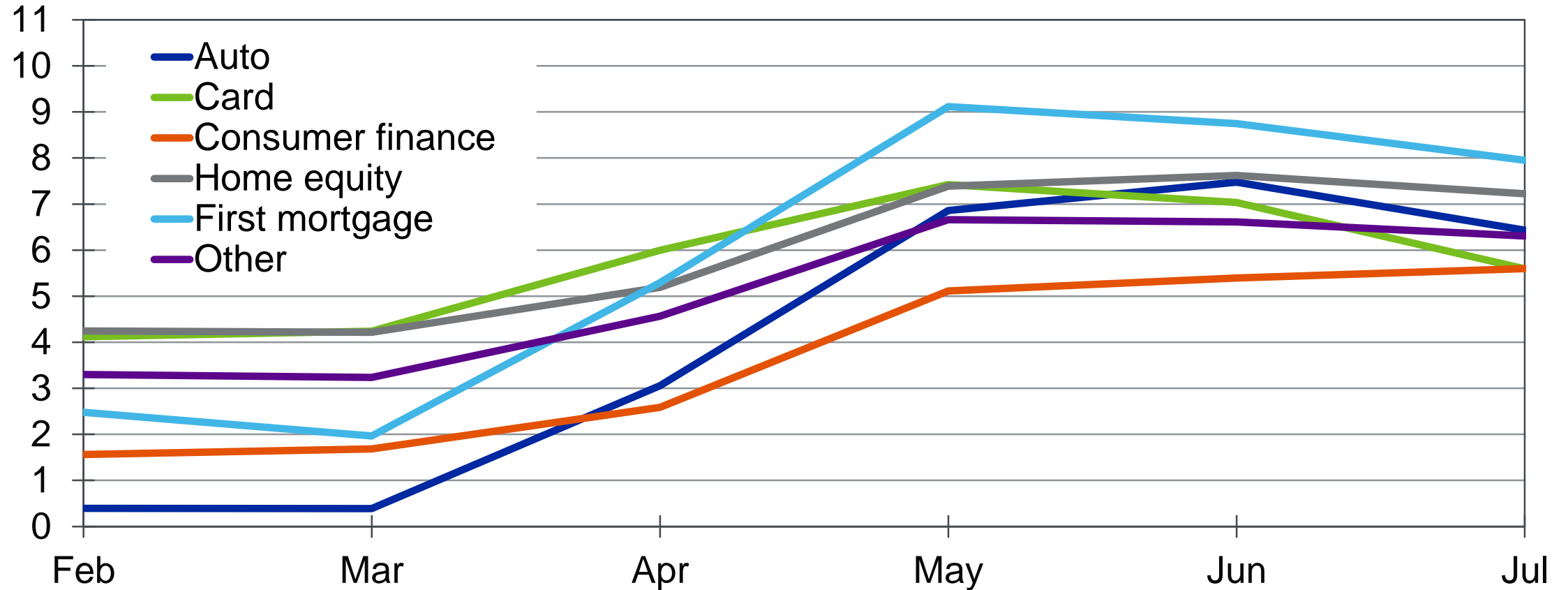
60 days delinquent, % of outstanding balance, 3-mo MA, ann



Sources: CreditForecast.com, Moody's Analytics

# Accommodations Level Off

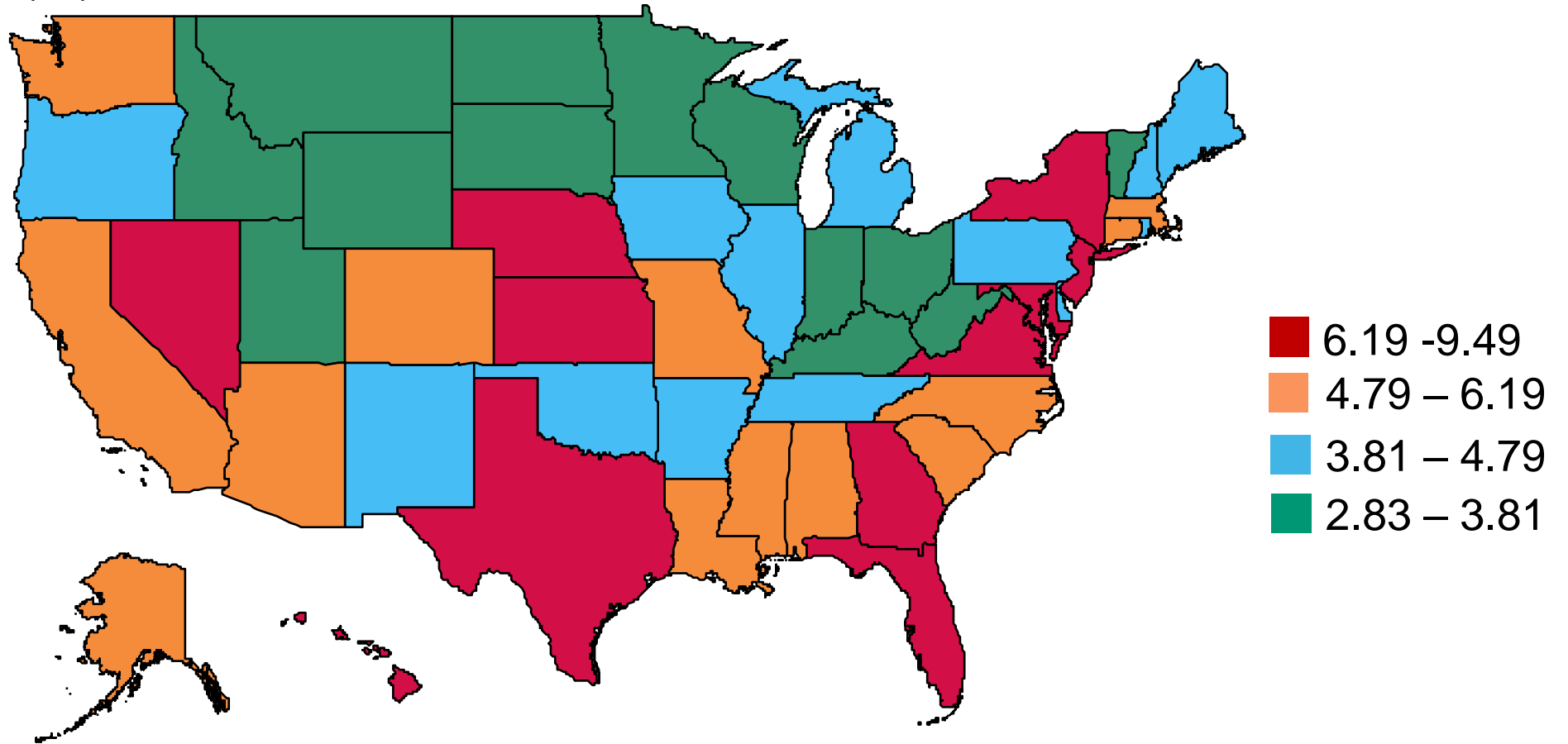
Share of balances with possible accommodations, %



Sources: Equifax, Moody's Analytics

# Card Accommodations Vary By Geography

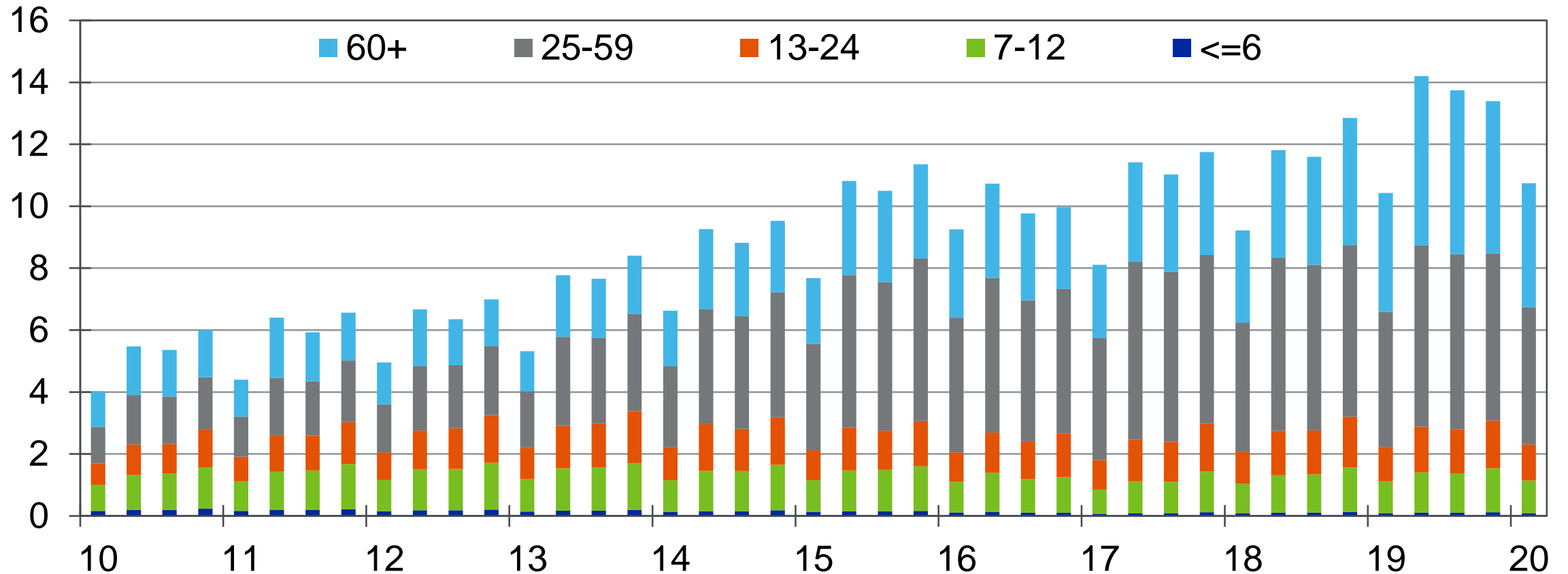
Card Balances (%) in Possible Accommodation



Sources: Equifax, Moody's Analytics

# Longer Terms Drive Personal Loan Growth

Consumer installment originations, \$ bil, NSA

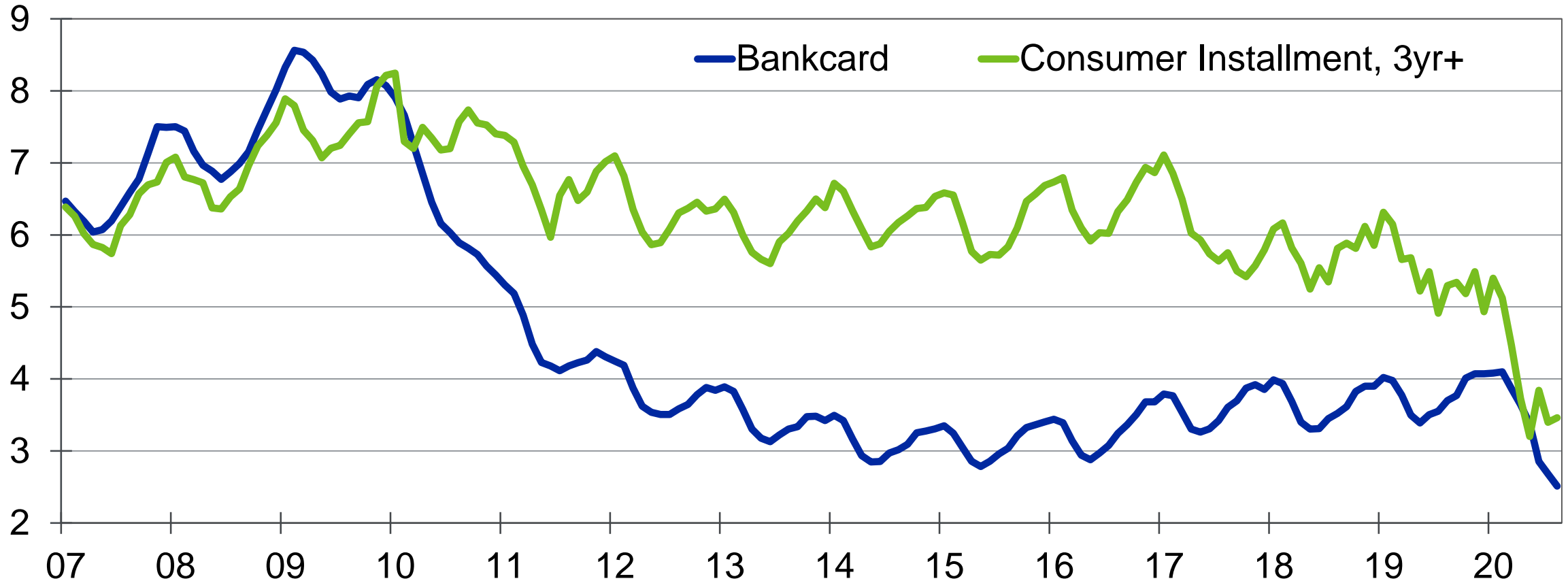


Sources: CreditForecast.com, Moody's Analytics



# Fintech Finds Risk/Opportunity With Younger Borrowers

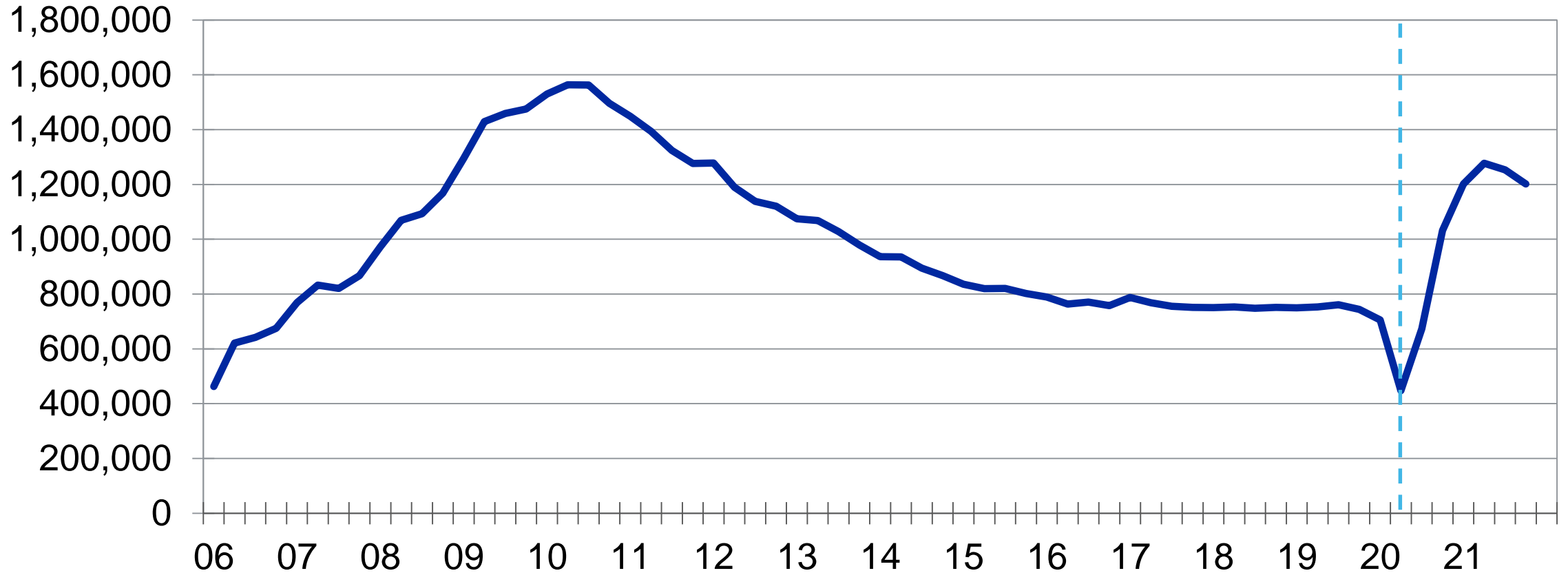
Total delinquency rate, % of \$, <35 years old



Sources: CreditForecast.com, Moody's Analytics

# Personal Bankruptcy Expected to Rise Next Year

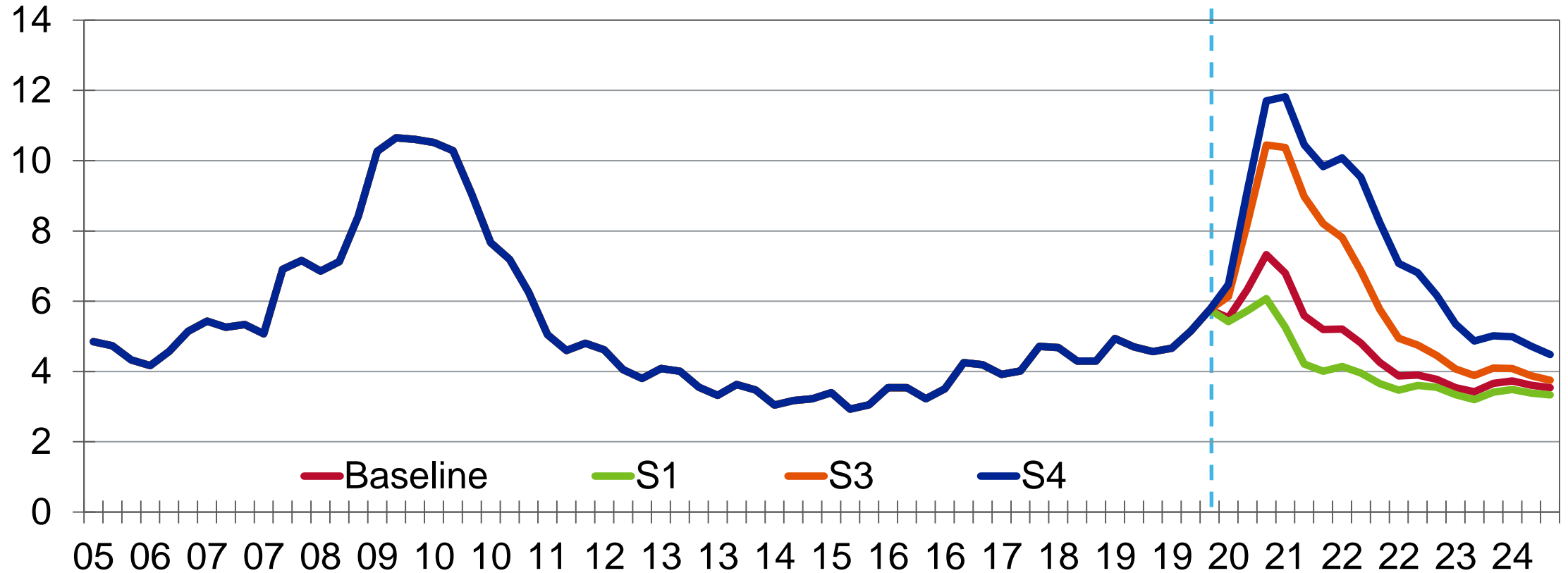
Bankruptcies: Personal - Total, (#, SAAR) for United States



Sources: Administrative Office of U.S. District Courts, Moody's Analytics

# Uncertainty in Bankcard

Default rate, % of \$, annualized



Sources: CreditForecast.com, Moody's Analytics



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