



Lending Conditions Chartbook

Q4 2025

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The quarterly Lending Conditions Chartbook captures key trends important for the financial services industry. By bringing together Experian-only and external-market data sets on the economy, credit activity, lending standards, loan demand, originations, delinquency, and consumer sentiment, this report provides a broad view of what is happening in the credit environment.



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Macro backdrop

Charts on economic growth, labor market activity, spending and income data, consumer and business sentiment, inflation, and fed funds projection



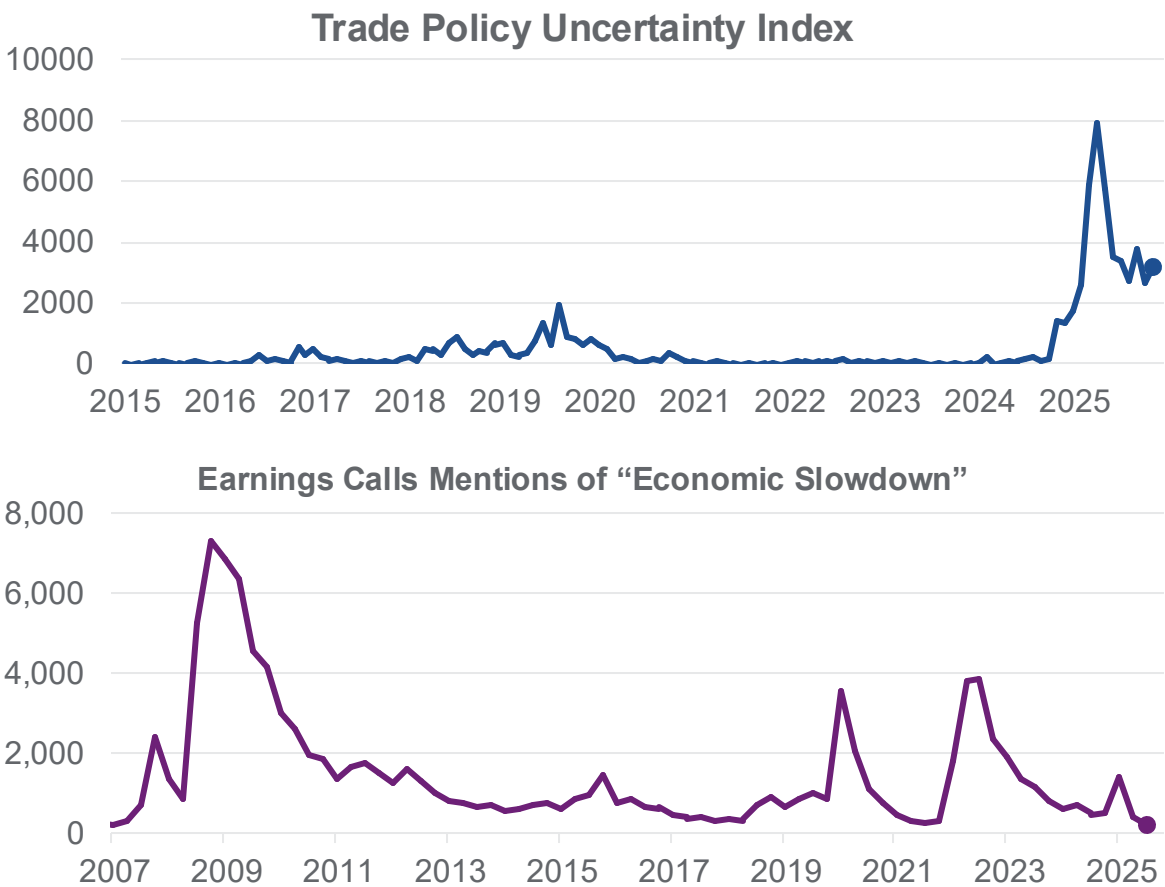
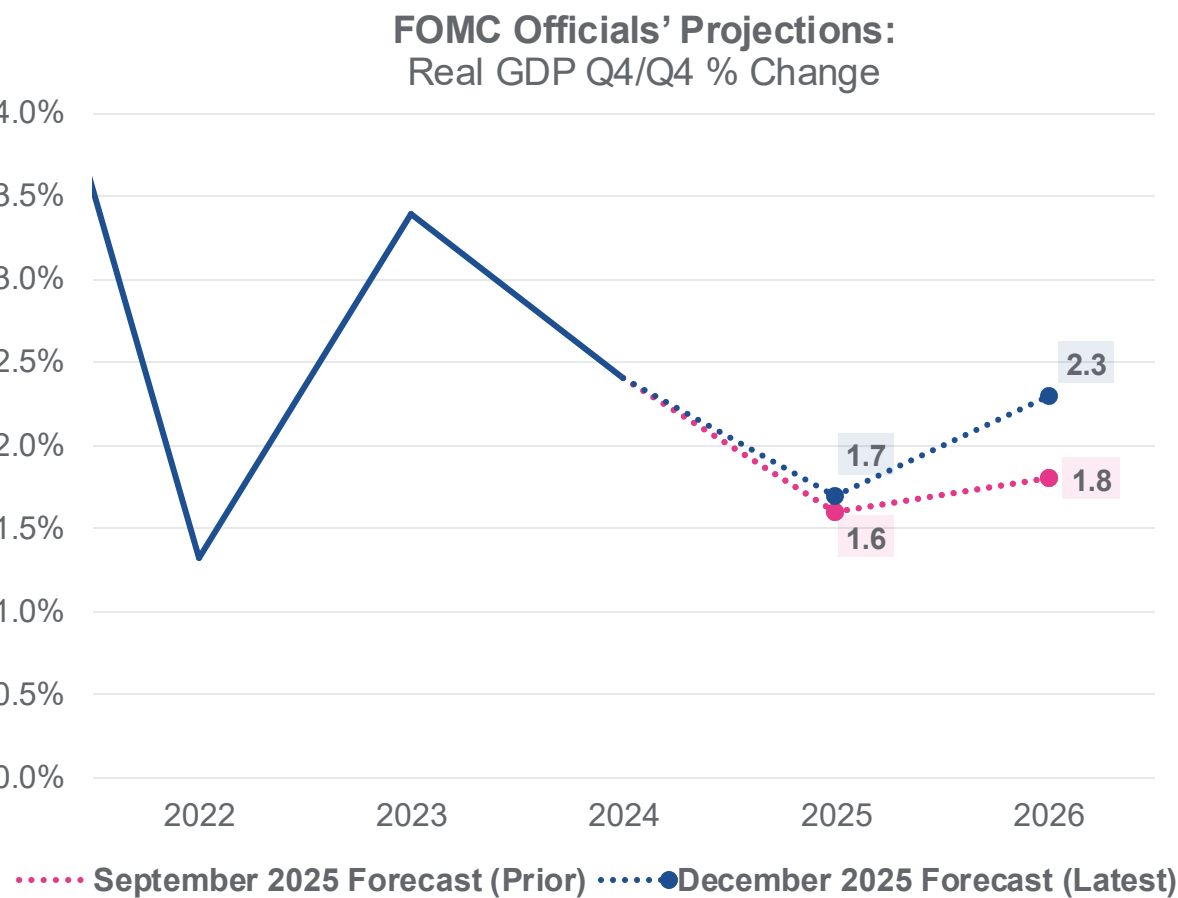
Key Takeaways: Macro Backdrop

- **Fed officials increased their projection for economic growth in 2025 and 2026 as the US economy continues to outperform expectations and measures of uncertainty have eased.** However, there remains meaningful concern over the health of the labor market, inflation and ongoing impact from tariffs.
- **The labor market remains the top concern entering the new year as job creation has slowed materially and unemployment has ticked higher.** Layoff *announcements* have also risen, but so far initial unemployment claims – which are a proxy for *realized* layoffs – remain below year-ago levels. Business uptake of AI appears likely to continue putting downward pressure on hiring and increase layoffs in some segments of the economy.
- **Inflationary pressures have risen and are likely to remain elevated but are expected to be more subdued than initially expected.** This comes as tariff-induced price pressures have been partially offset by slowing inflation in other areas of the economy. In response to the weaker labor market conditions and less-than-feared inflationary pressures, Fed officials cut the federal funds rate by 25 bps in December and signaled one more 25 bp cut in 2026.
- **Consumer spending has remained resilient throughout much of 2025 but has downshifted somewhat in recent months.** One area to watch is real income growth, which has also eased and appears to have softened more meaningfully for lower-income consumers.



Fed officials lift economic growth outlook for 2026

— Expectations have improved as uncertainty around tariffs and the economy have eased

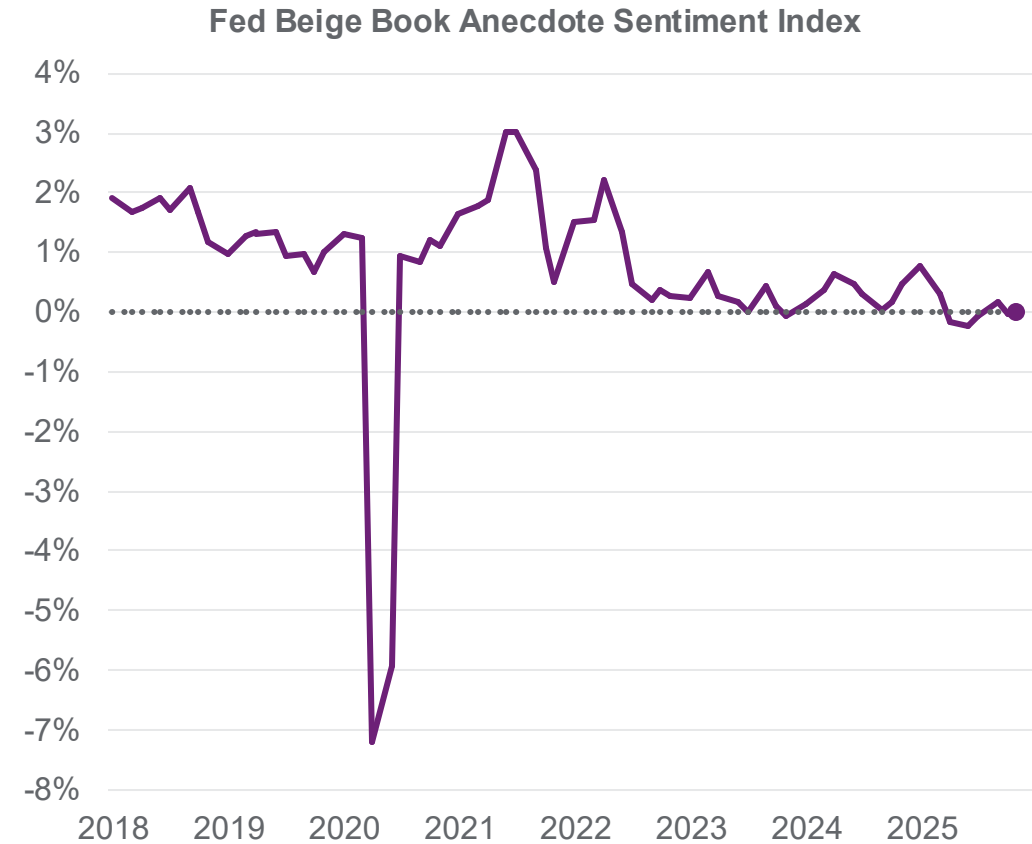
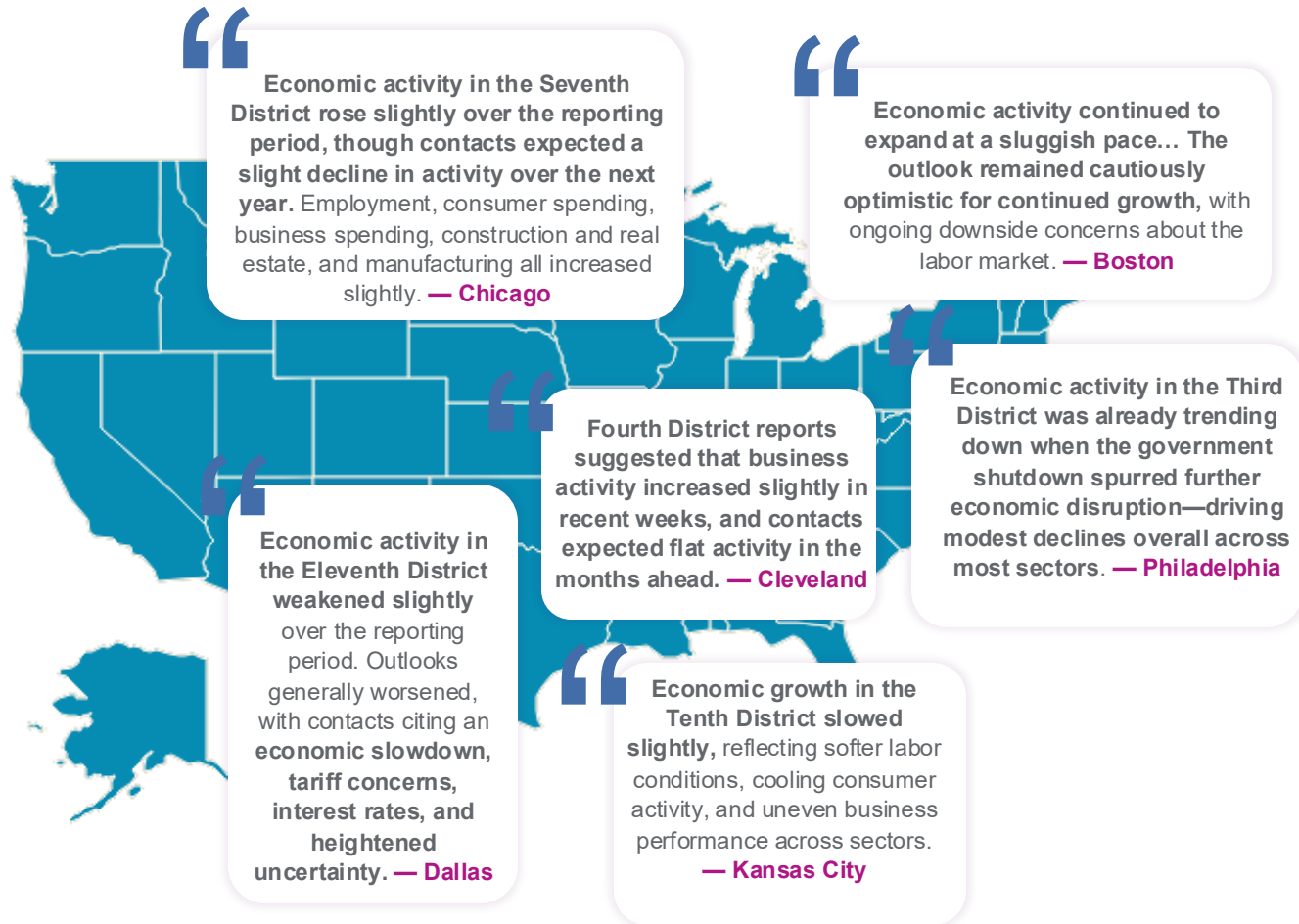


Sources: Federal Reserve, “Measuring Economic Policy Uncertainty” Scott Baker, Nicholas Bloom and Steven Davis, Bloomberg, and Experian Economic Strategy Group



However, anecdotes from businesses highlight reason for caution

— Our Beige Book Anecdote Sentiment Index continues to show weakening conditions

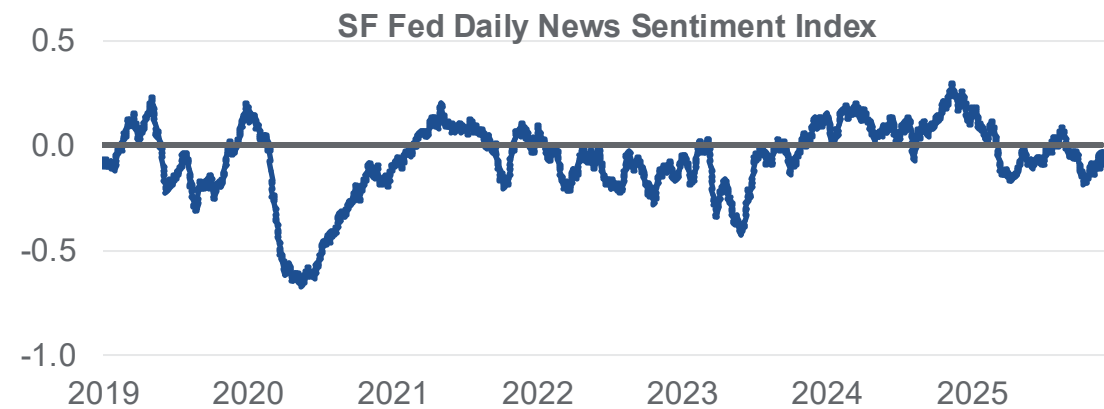
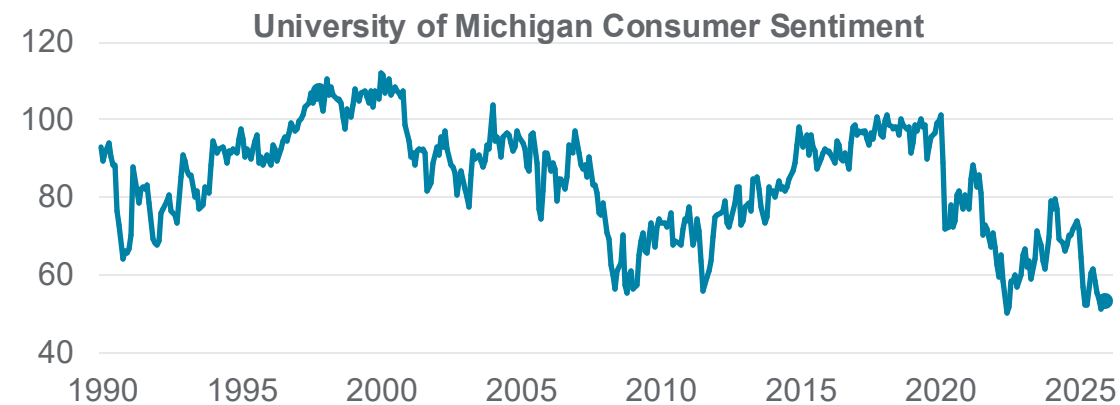
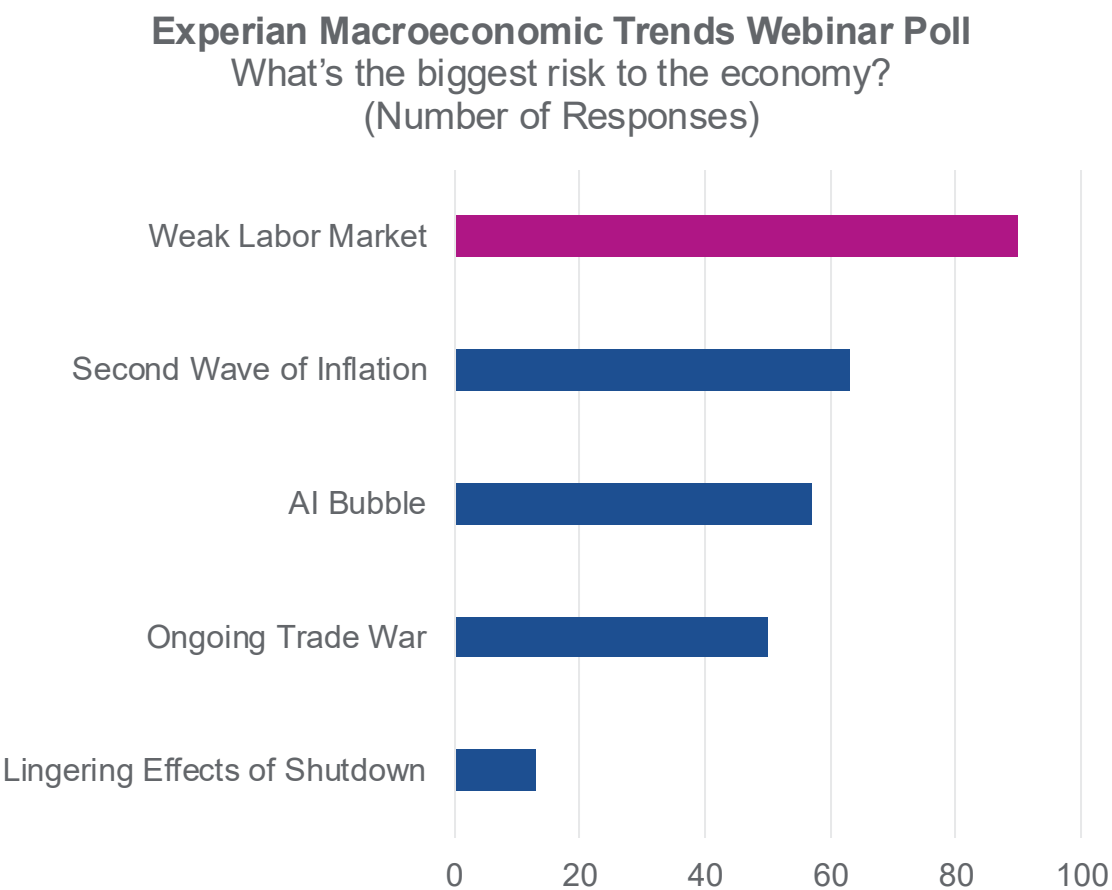


Sources: Federal Reserve and Experian Economic Strategy Group



Concern for the health of the labor market has taken center stage

— Measures of consumer sentiment continue to signal stress

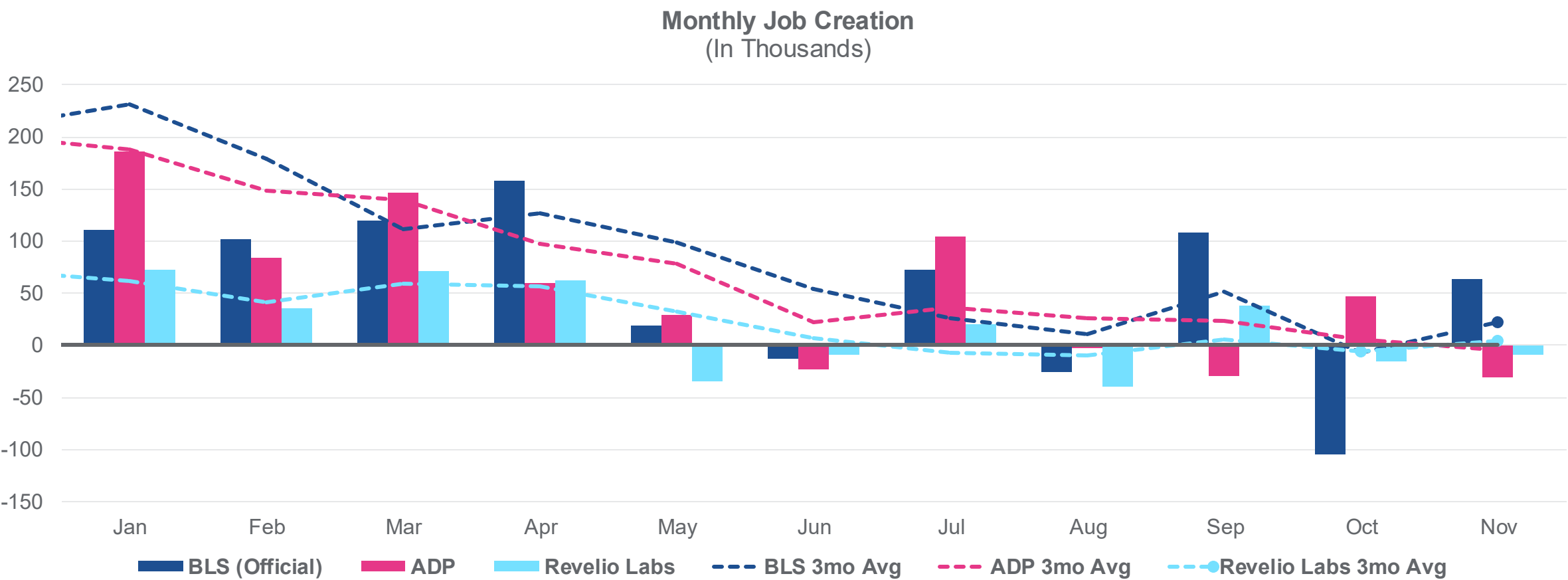


Sources: Experian Macroeconomic Trends Webinar 11.13.2025, University of Michigan, Federal Reserve Bank of San Francisco and Experian Economic Strategy Group



Job creation has slowed meaningfully throughout 2025

— Slowdown in job creation has likely been driven by weaker demand by employers and reduced immigration

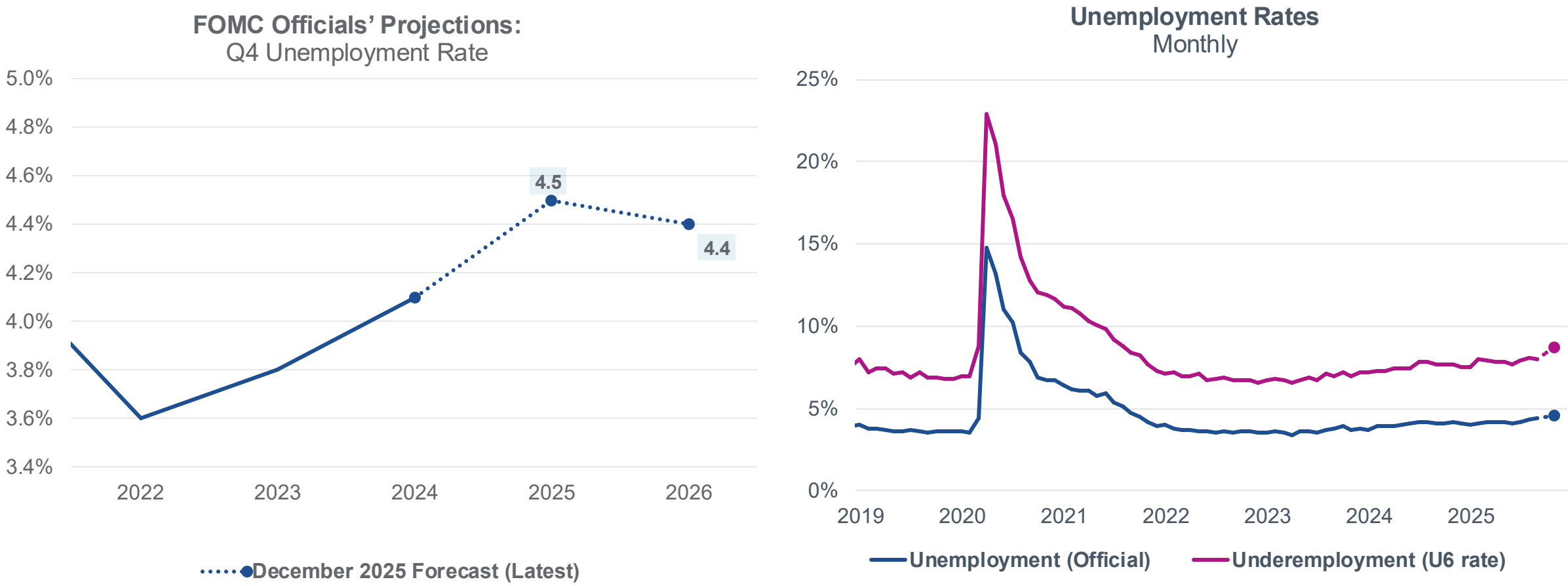


Sources: Bureau of Labor Statistics, Revelio Labs, ADP, and Experian Economic Strategy Group



Fed officials maintain unemployment outlook, expect 4.4% by end of 2026

— Both unemployment and underemployment have risen to their highest levels in four years

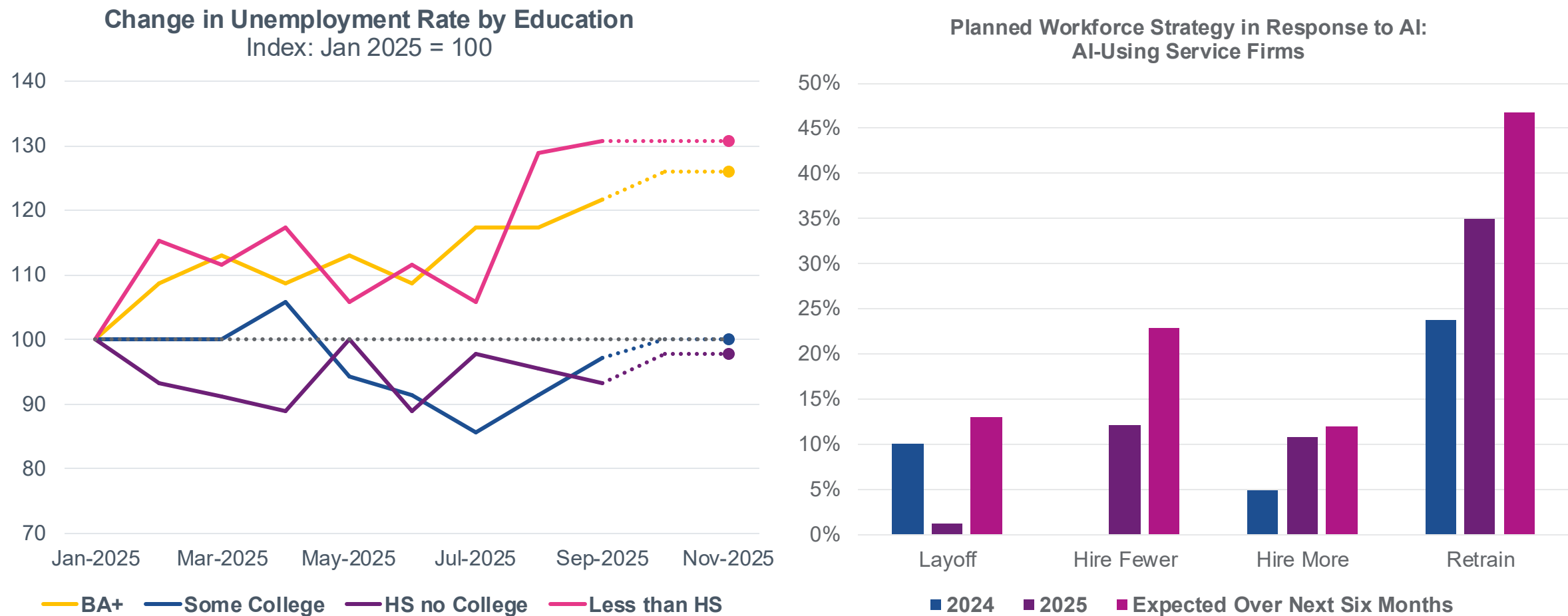


Sources: Federal Reserve – Summary of Economic Projections, Bureau of Labor Statistics (Unemployment data for October was not reported by the BLS due to the shutdown) and Experian Economic Strategy Group



Unemployment has increased most for those with no HS or have a BA+

— Impact of AI on hiring and layoffs likely to remain a challenge for the foreseeable future

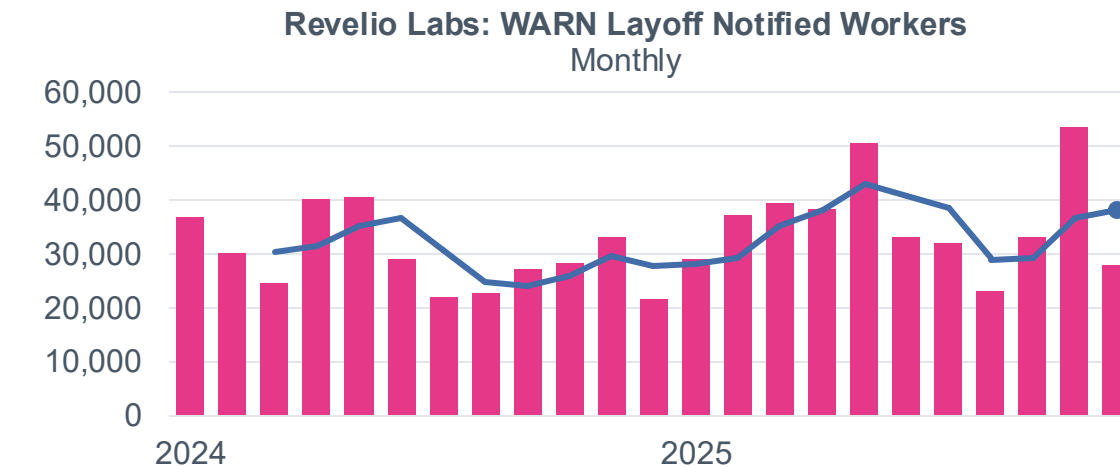
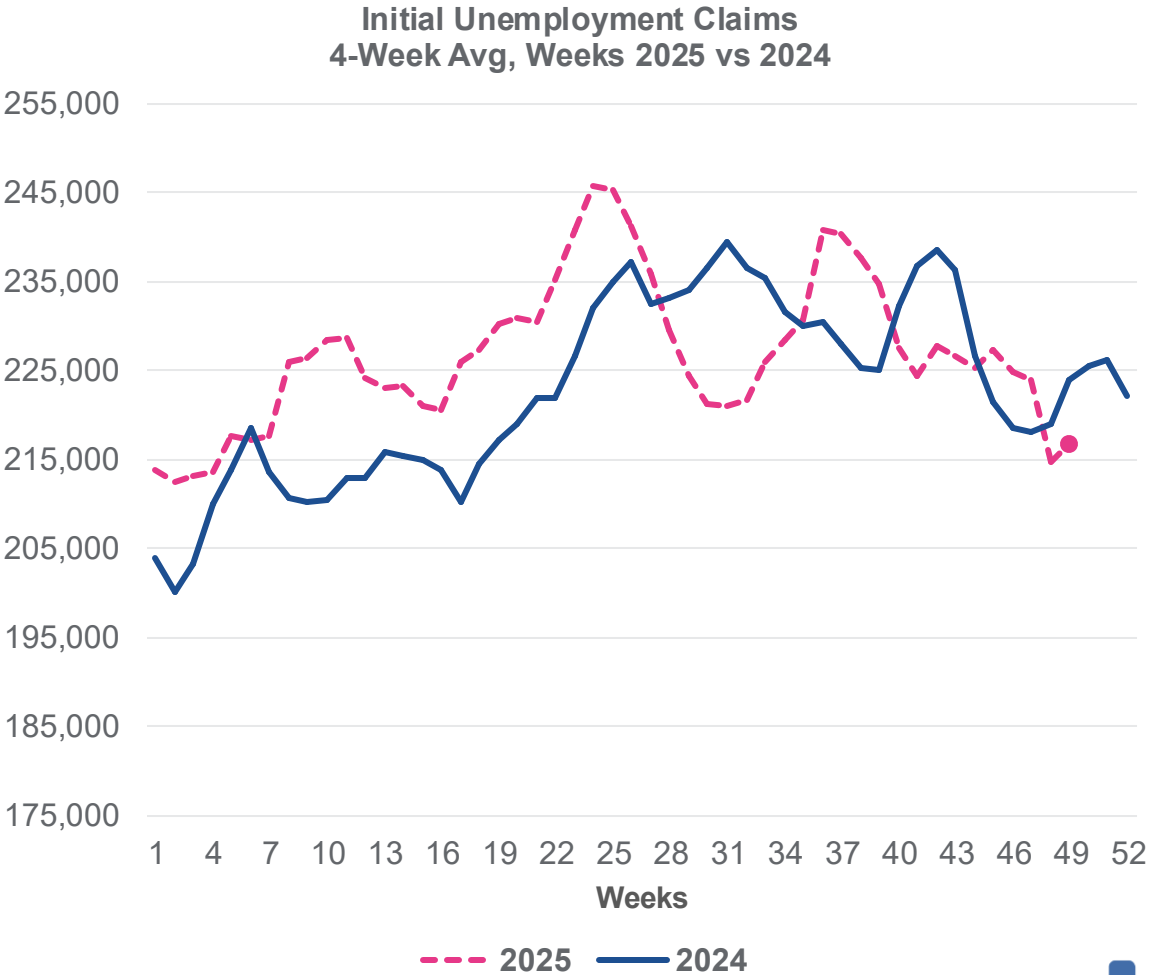
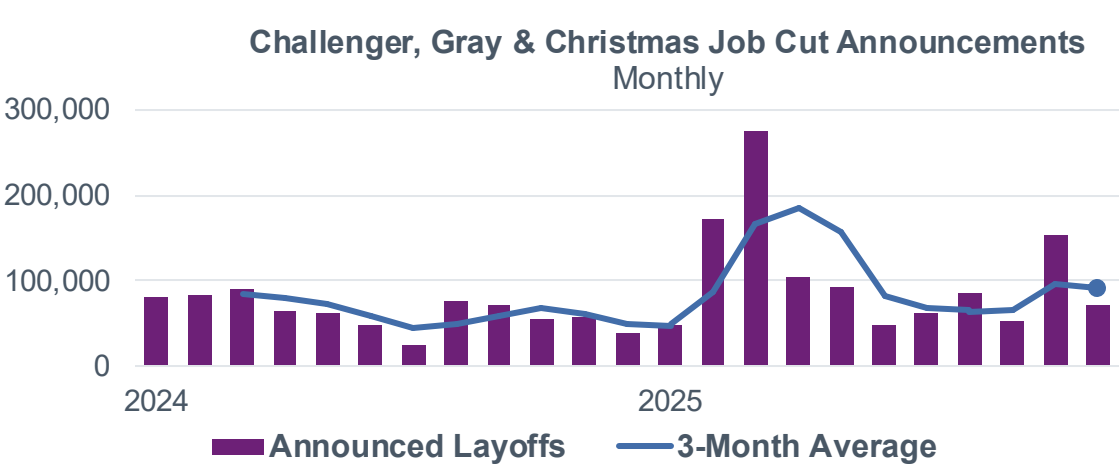


Sources: Bureau of Labor Statistics (Unemployment data for October was not reported by the BLS due to the shutdown), Federal Reserve Bank of New York Regional Business Surveys August 2025 and Experian Economic Strategy Group



Layoff notices have picked up but unemployment claims remain low

— Initial claims, which are likely the best proxy for layoffs, are below year-ago levels

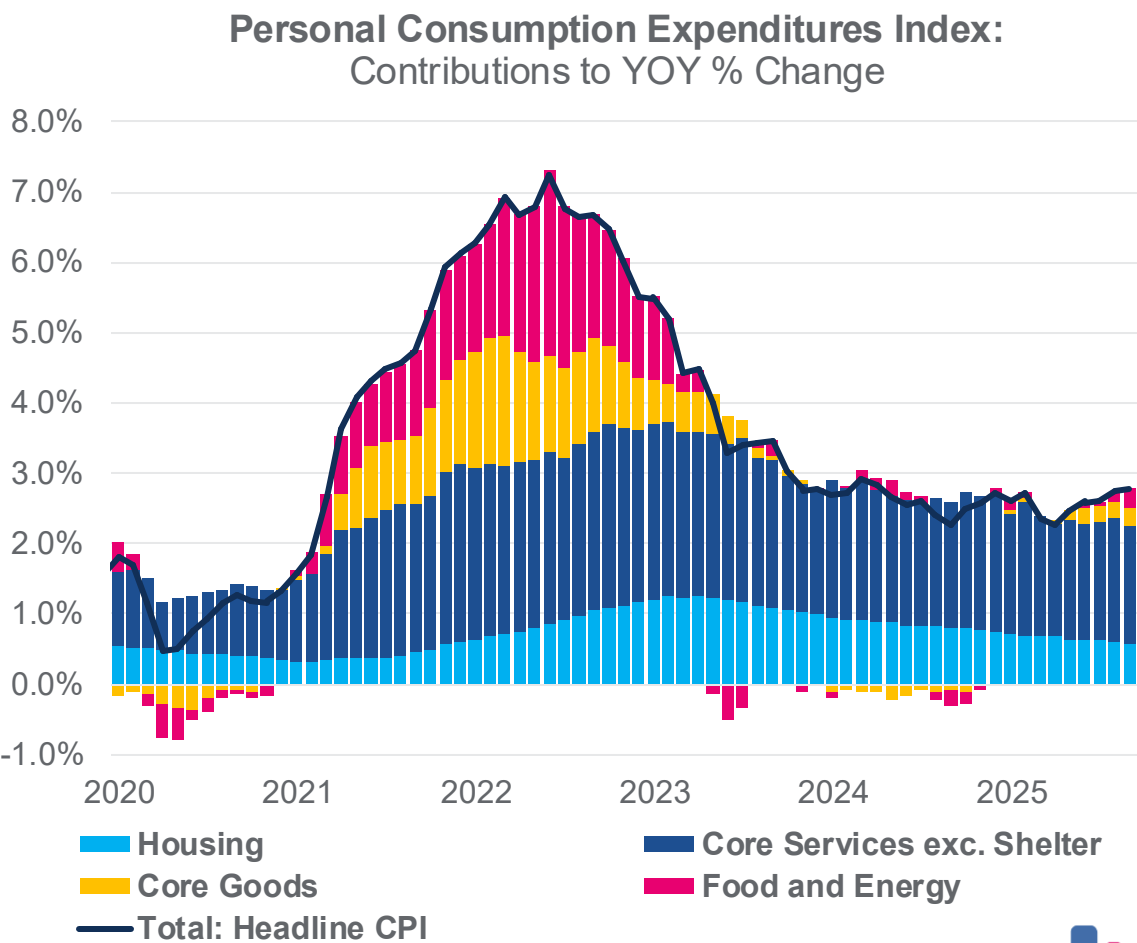
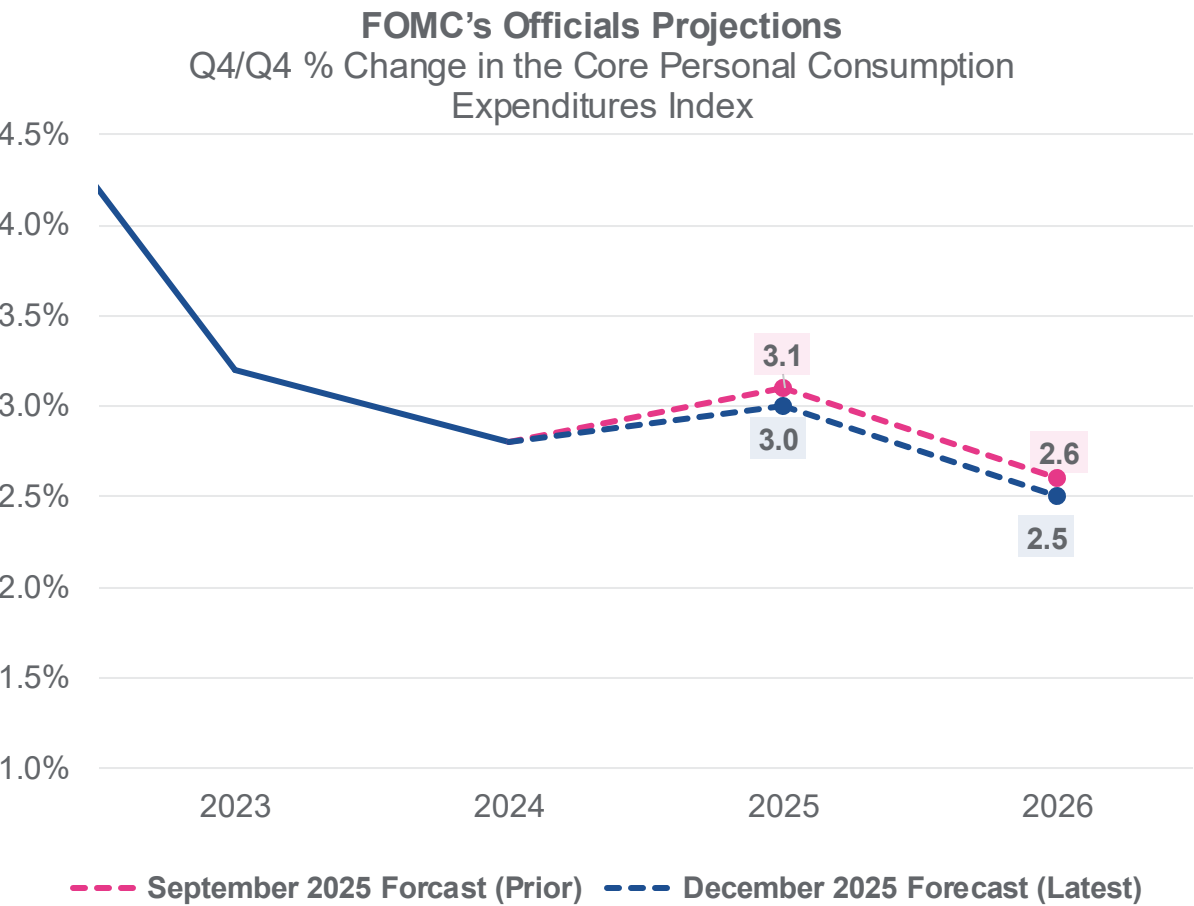


Sources: Challenger, Gray & Christmas, Revelio Labs, Department of Labor and Experian Economic Strategy Group



Latest Fed projections suggest slightly softer inflation outlook

— Tariff-driven price increases are being offset but slowing housing and service sector inflation

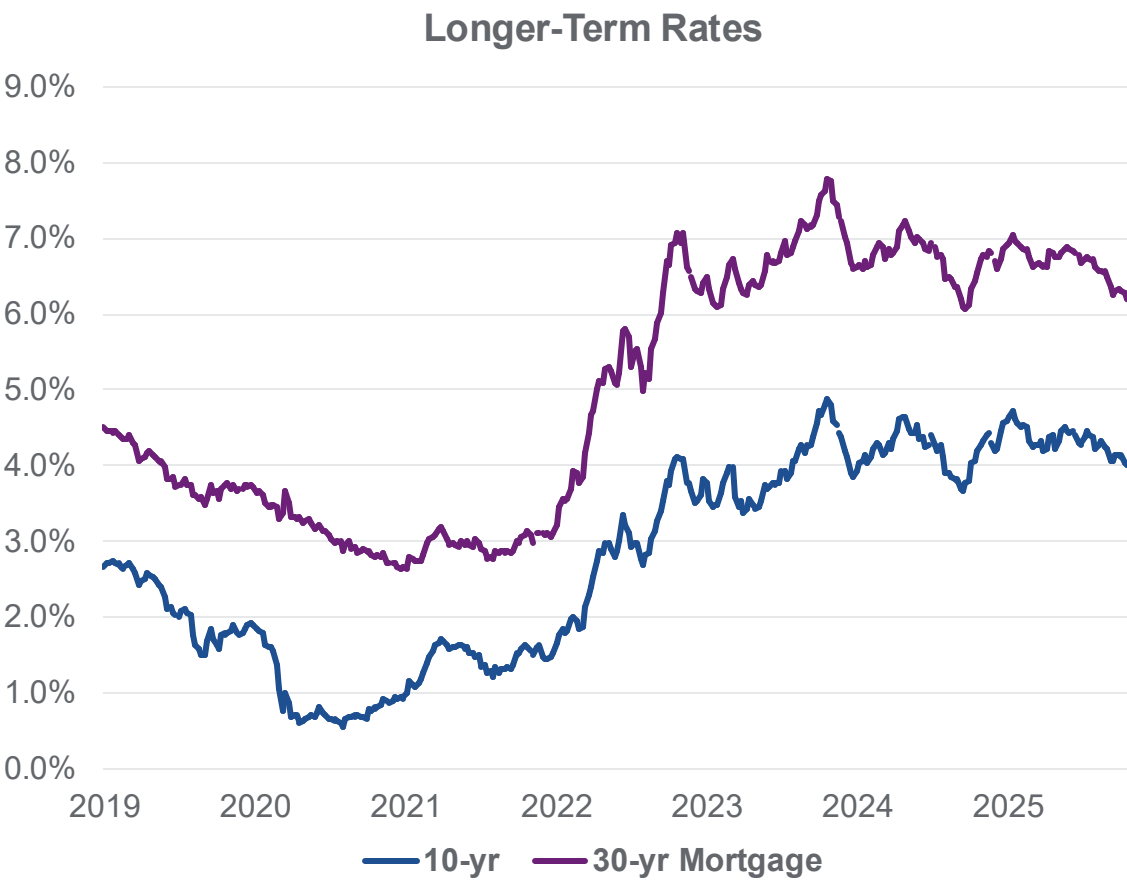
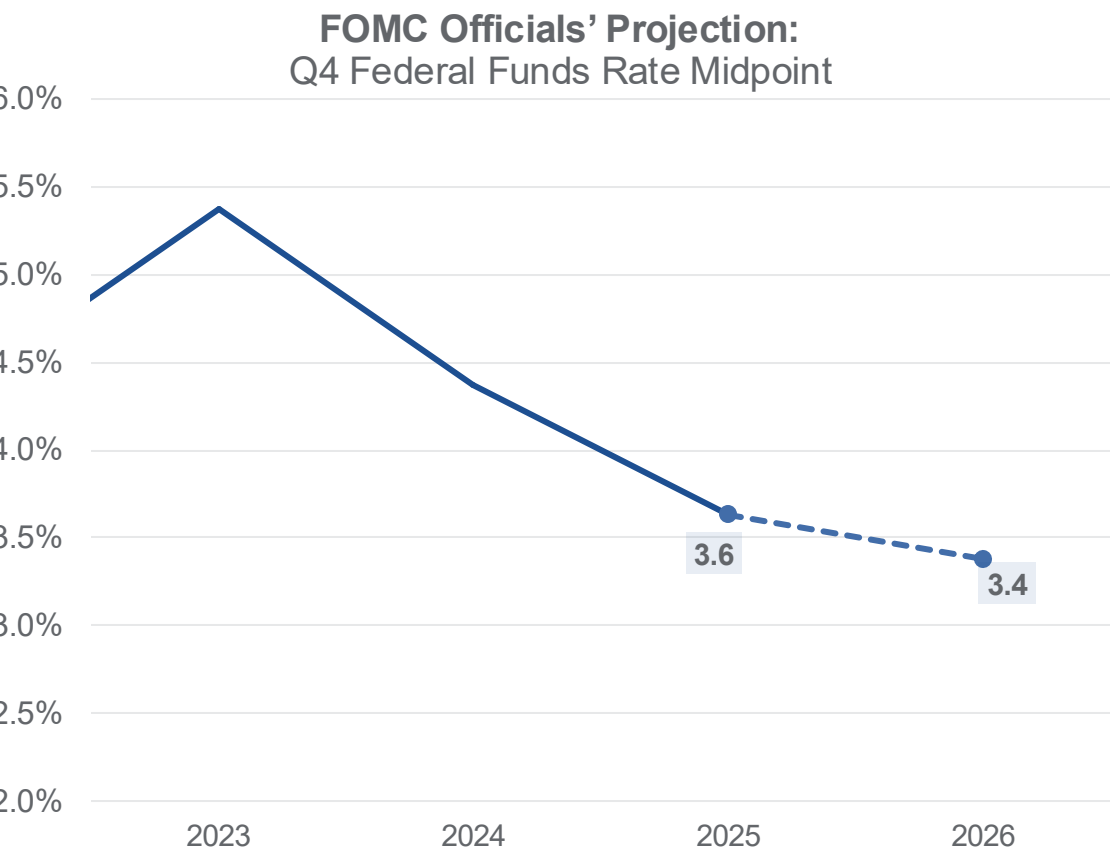


Sources: Federal Reserve Summary of Economic Projections – December 2025, Federal Reserve Bank of San Francisco and Experian Economic Strategy Group



Fed officials cut 25bps in December, see one more 25bp cut in 2026

— However, even after the latest rate cut, longer term rates remain elevated



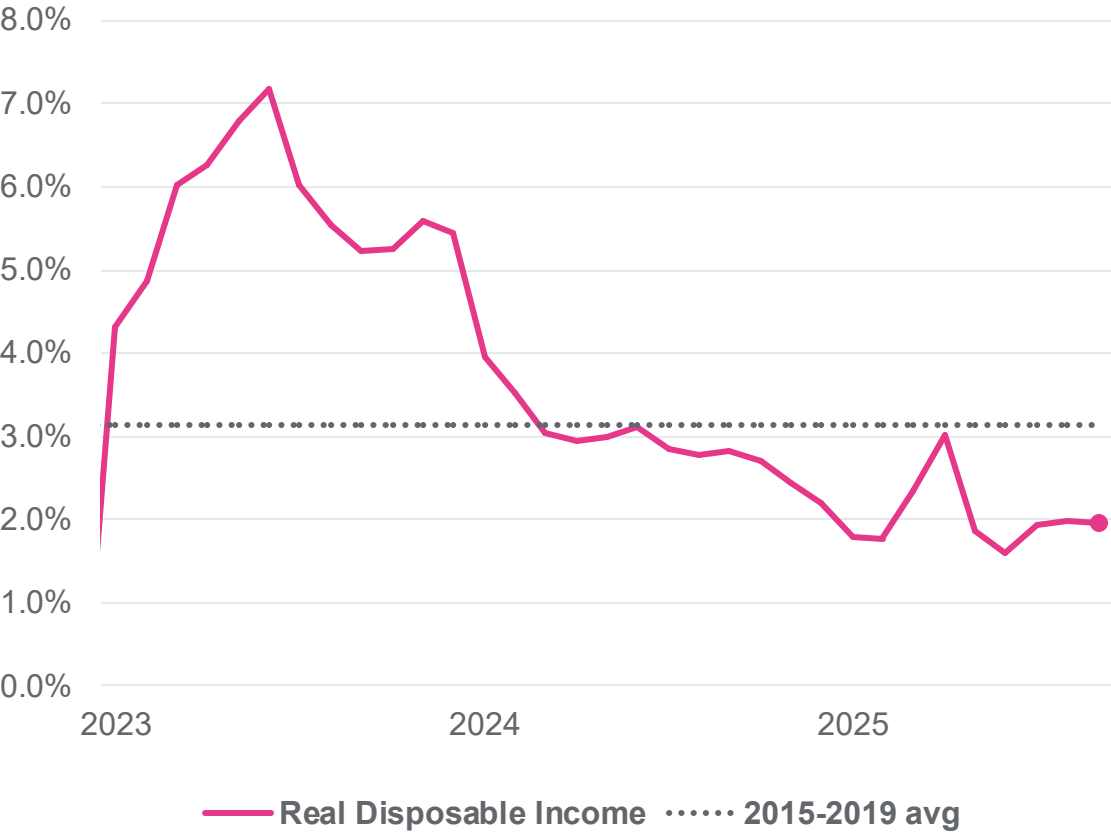
Sources: Federal Reserve Bank of San Francisco and Experian Economic Strategy Group



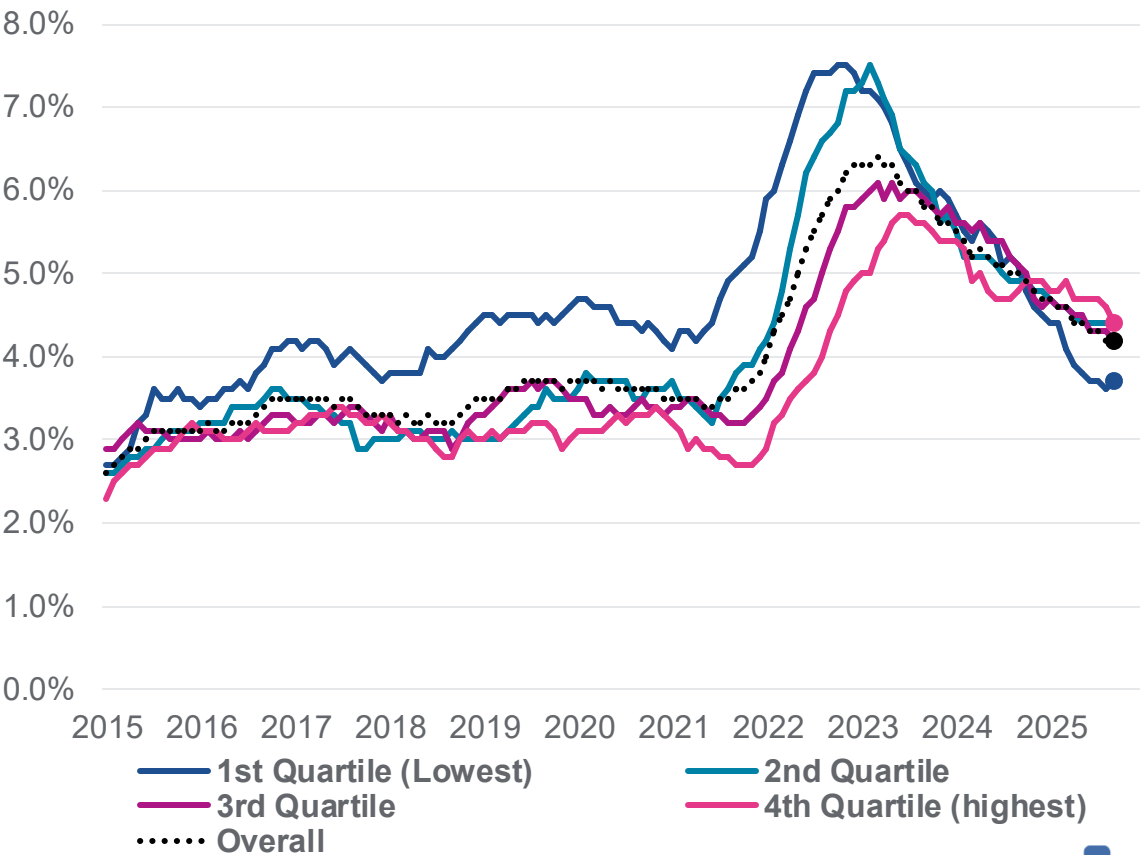
Income growth has picked up slightly but remains subdued

— Wage growth has eased across incomes, but most notably in the lowest income quartile

Real Disposable Income:
YoY % Change



Wage Growth by Wage Level:
12-Month Average Median Wage Growth



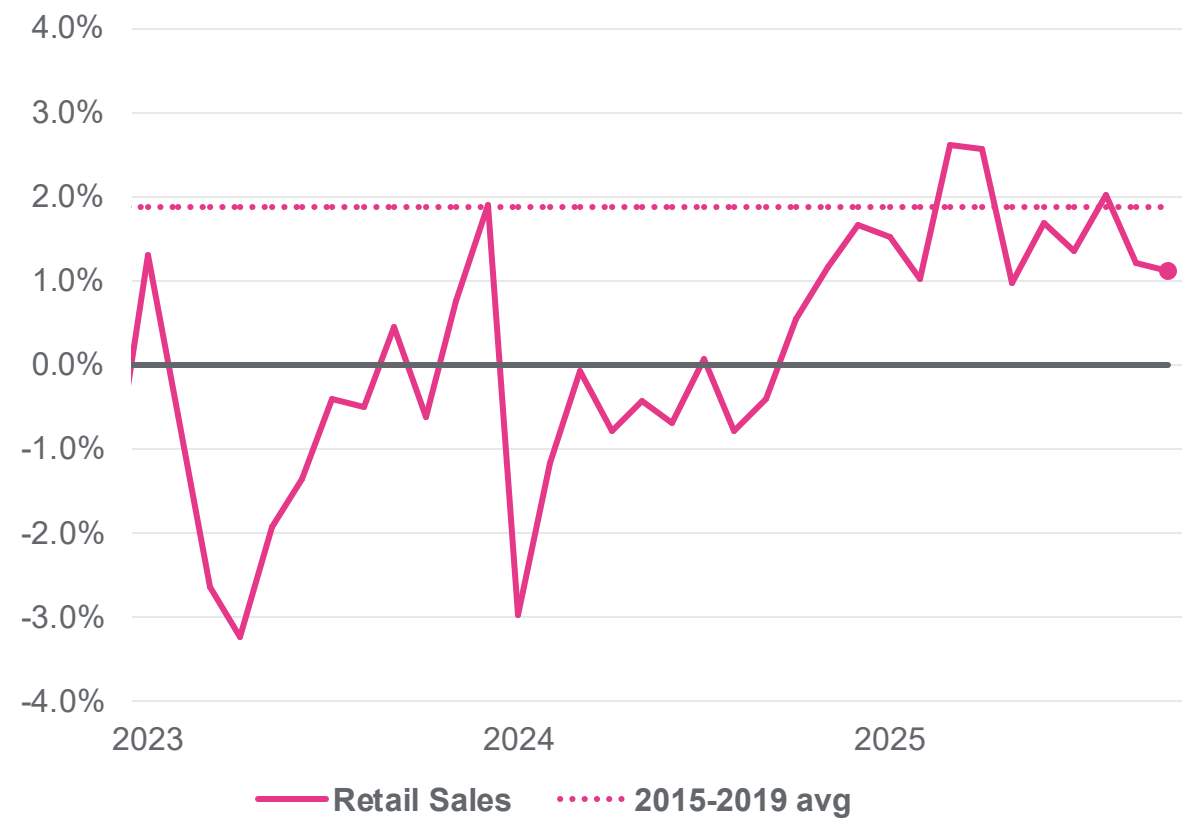
Sources: Bureau of Economic Analysis, Federal Reserve Bank of Atlanta, and Experian Economic Strategy Group



Consumer spending has softened in recent months

— Spending has downshifted somewhat but is still growing at a decent pace

Advance Real Retail Sales:
YoY % Change



Real Consumer Spending (PCE):
Goods vs Services, YoY % Change



Source: Census, Bureau of Economic Analysis and Experian Economic Strategy Group



Lending Activity Overview

Charts on bank lending standards and credit demand, bank and credit union lending, Experian origination data by product, score and state, delinquency



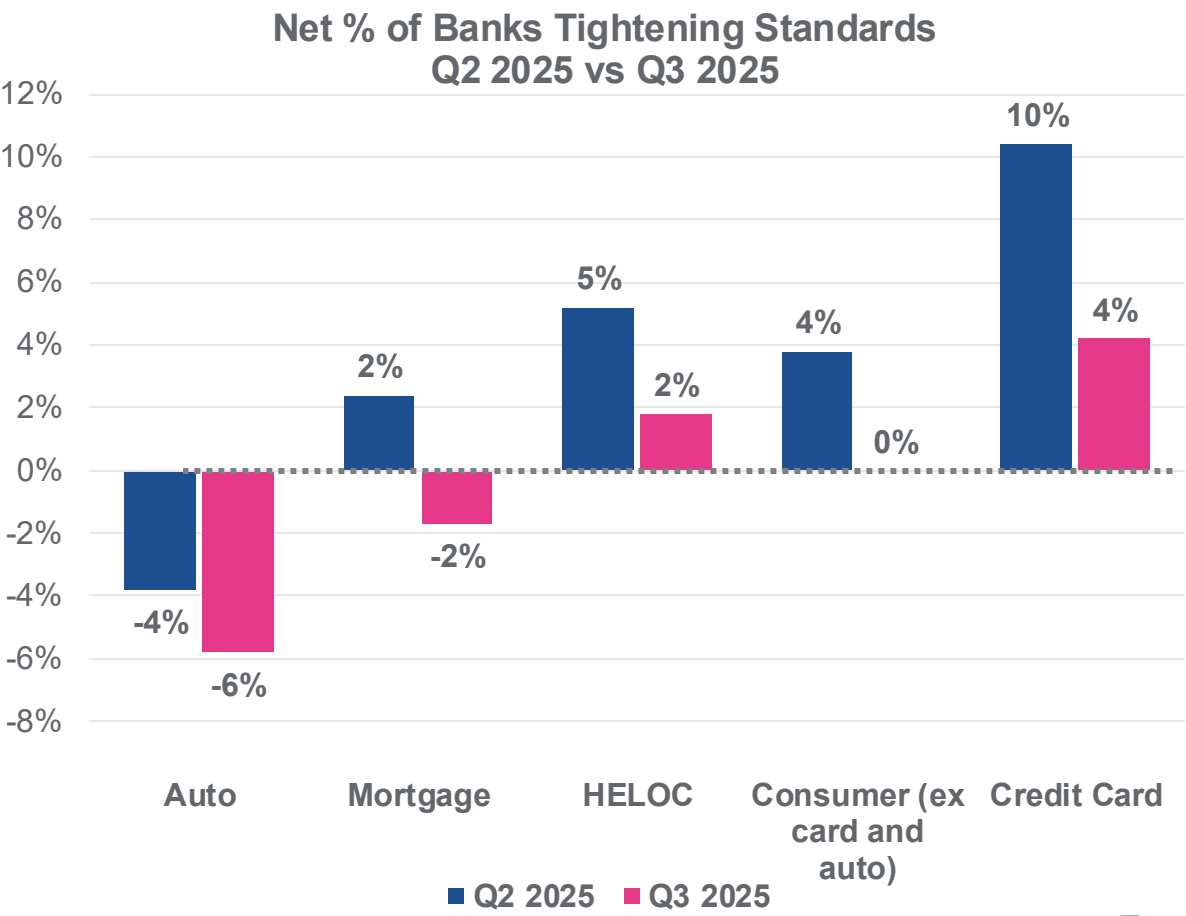
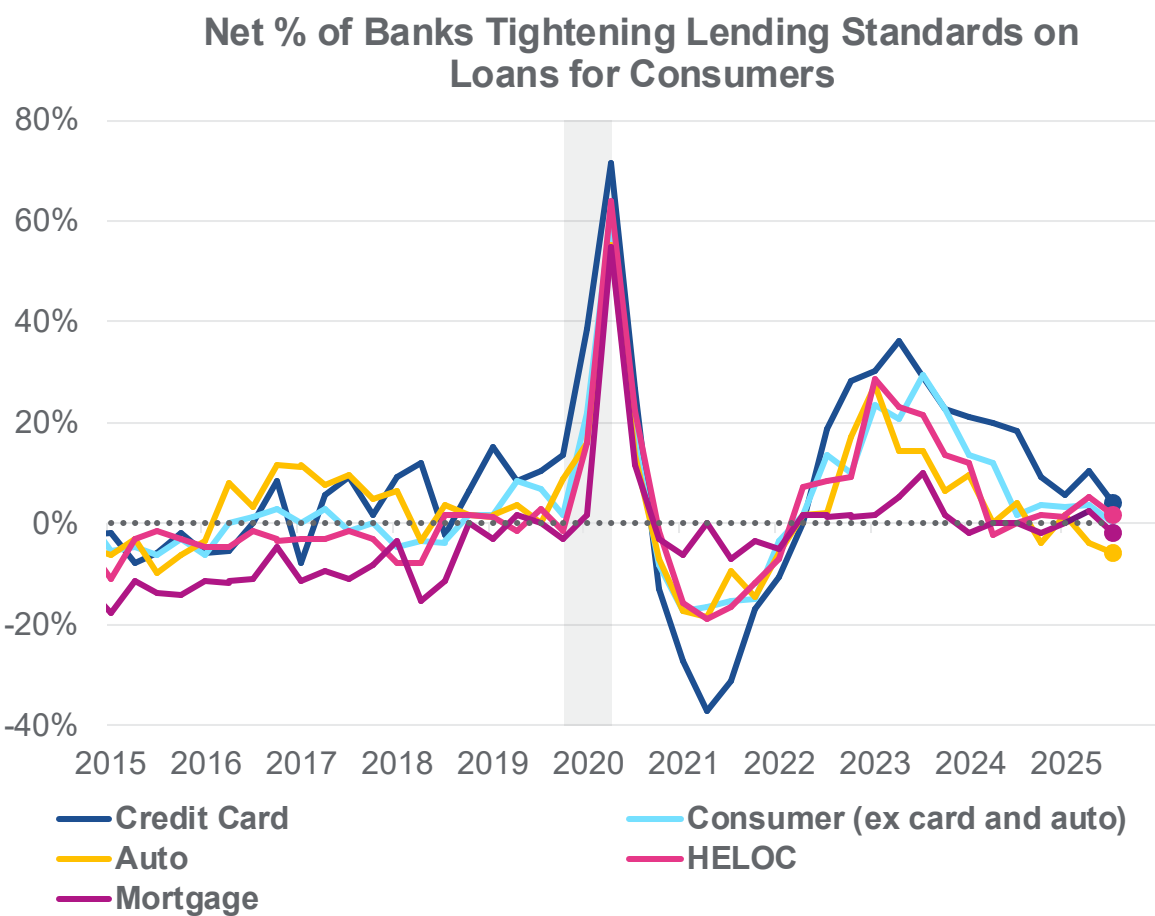
Key Takeaways: Credit growth

- Lending standard tightening at banks continued to slow in the third quarter across most products and loosened for auto and mortgage. **The recent improvement signals we may be near the end of the credit tightening cycle that has persisted over the last three years.** Given the prolonged period of tightening, consumers in October reported the highest credit application rejection rate on record going back to 2013.
- Credit growth at banks and credit unions continues to improve but is still running below pre-pandemic averages. Overall outstanding consumer credit growth remains subdued as year-over-year growth in revolving consumer credit has declined throughout 2025. **The slow pace of credit activity has reduced the aggregate debt burden relative to income and suggests households remain in solid position.** Consumers' perceived probability of applying for some type of credit in the next 12 month increased to four-year high in October, suggesting we could see higher credit activity in 2026.
- **Total origination activity increased by 5% over the last year as of November** with the most growth occurring in the Subprime segment of the market and among Gen Z borrowers. Origination activity has increased at banks in recent months and fintechs continue to gain market share across credit cards and autos.
- **30+ DPD delinquency remains stable across most products and is below year-ago levels for credit card, auto and HELOC.** For mid-stage delinquency (60-89 DPD), Subprime and Near Prime consumers are seeing the most improvement vs 2024, while Super Prime consumers have seen an increase.



Some signs we may be near the end of standard tightening cycle

— Standard tightening slowed for HELOC, consumer loans and credit cards in Q3, loosened for auto and mortgage

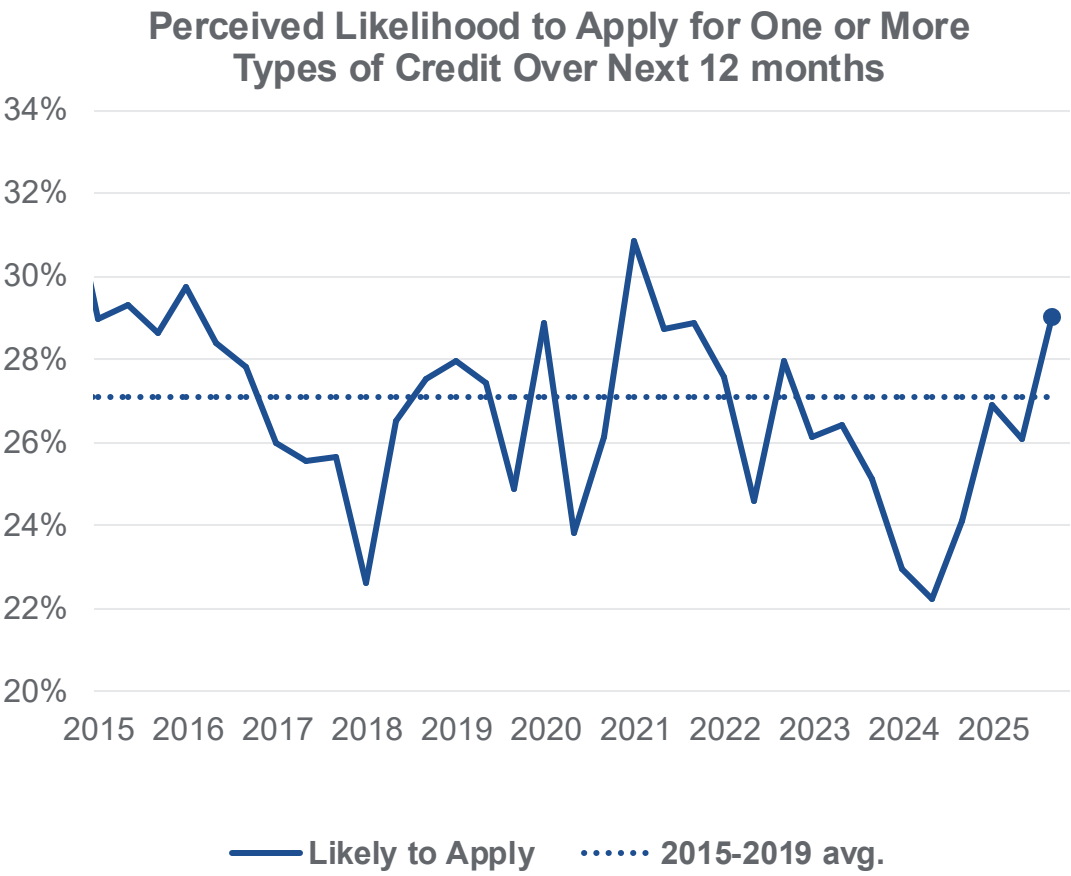
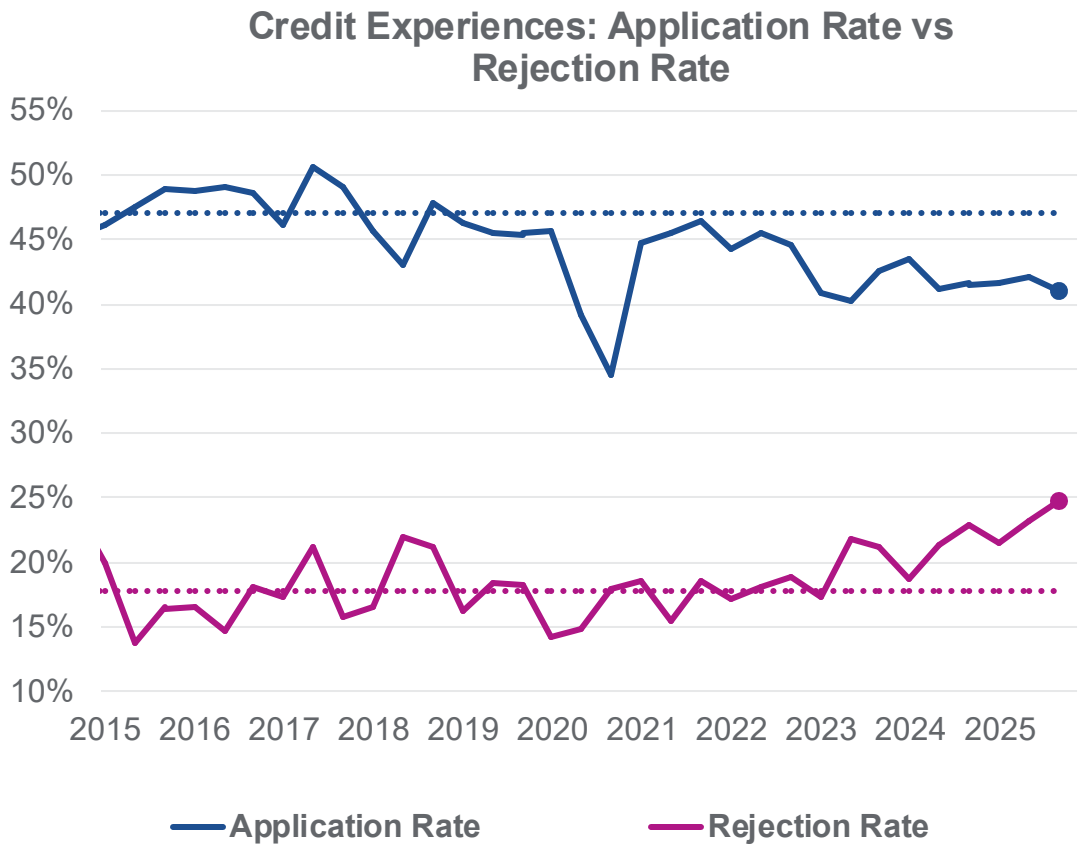


Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



Consumers reporting highest credit rejection rate on record

— Consumers expect to apply for more credit in 2026

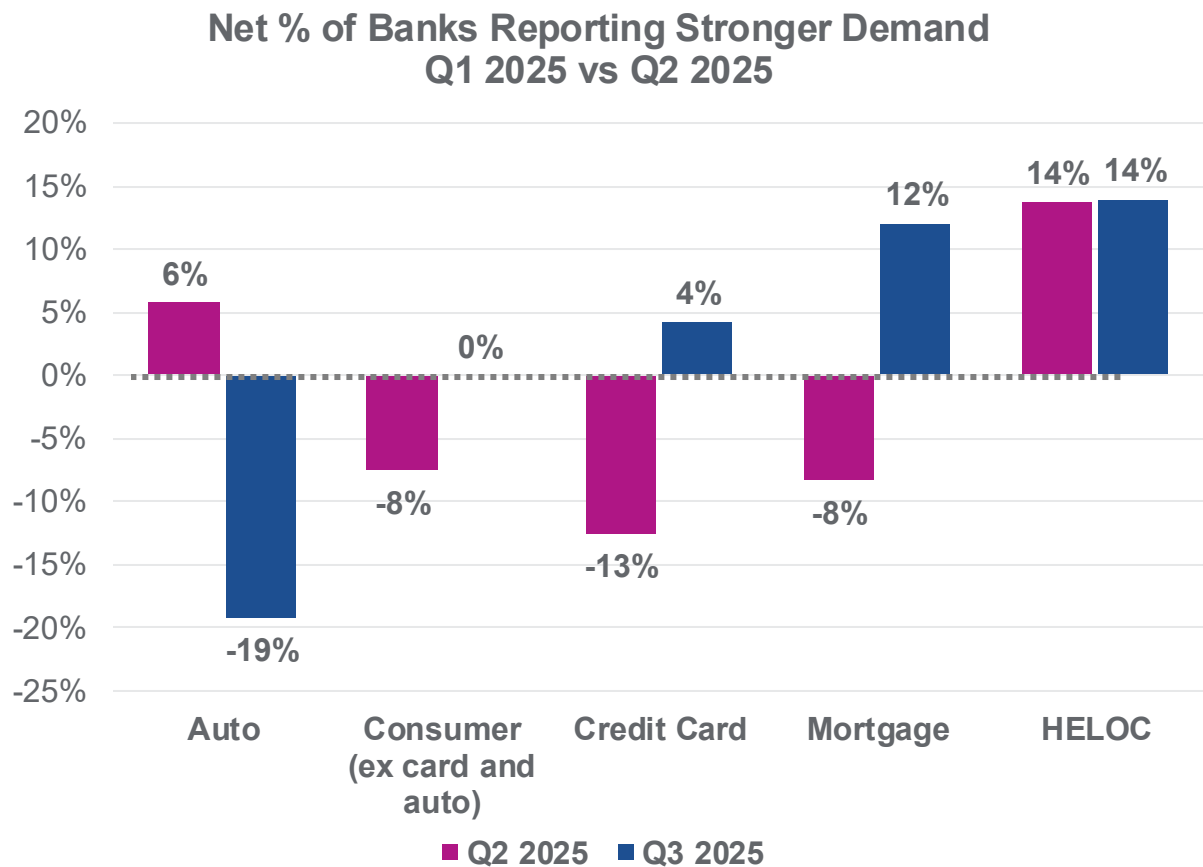
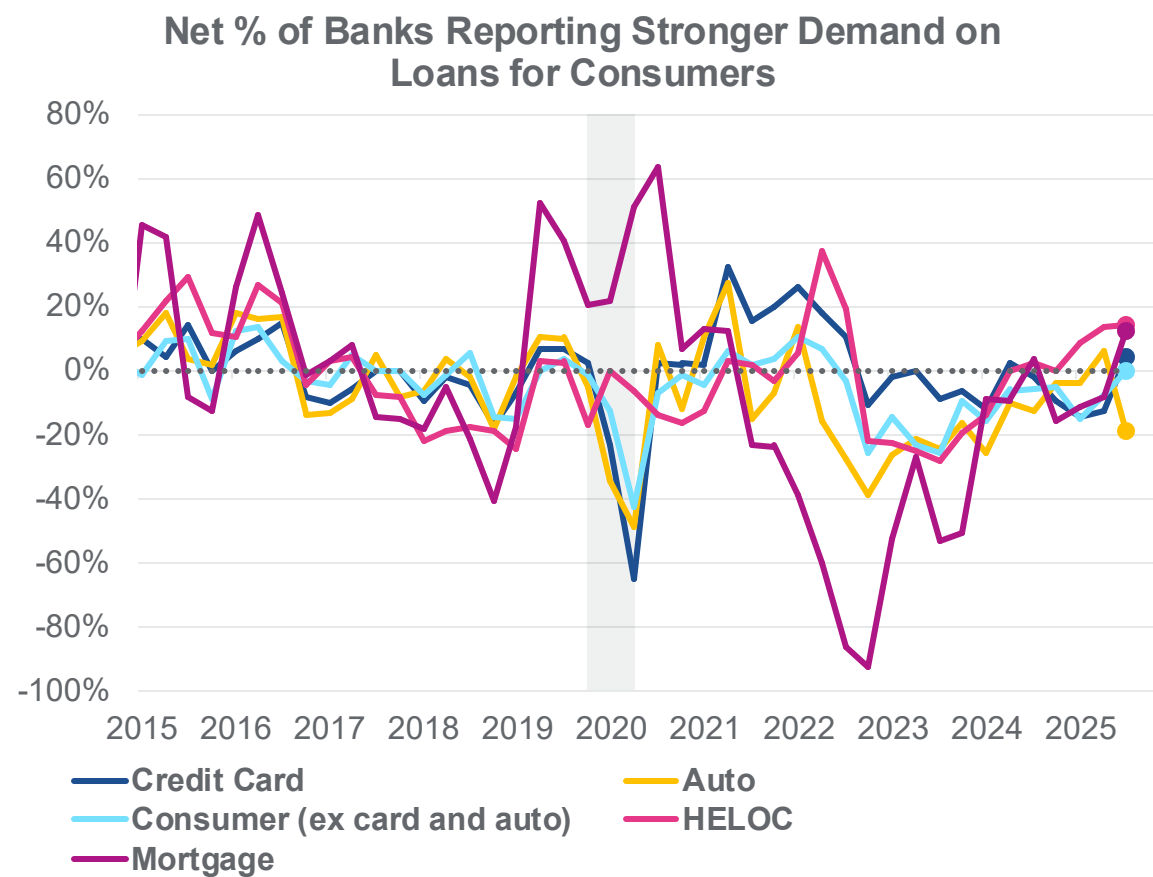


Sources: Federal Reserve Bank of New York and Experian Economic Strategy Group



Banks reported pickup in demand across most products in Q3

— Demand for auto loans was the only segment that saw weakness last quarter

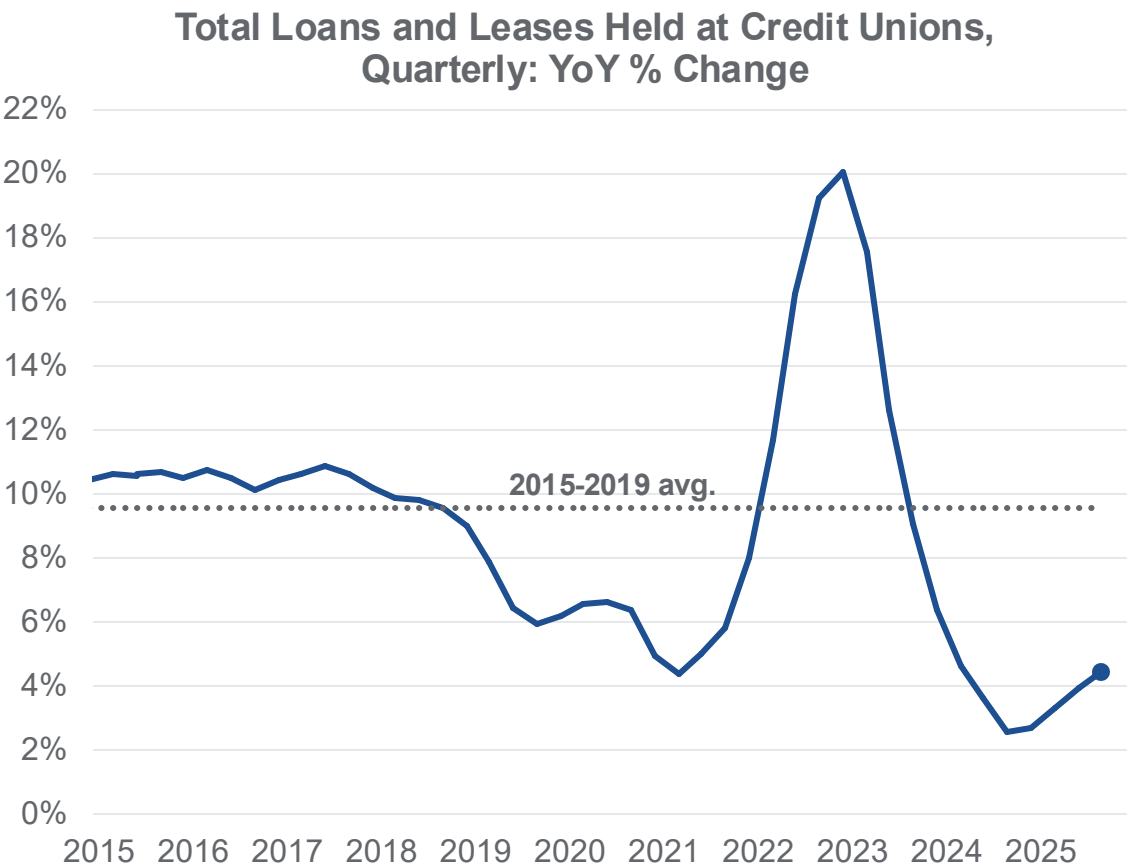
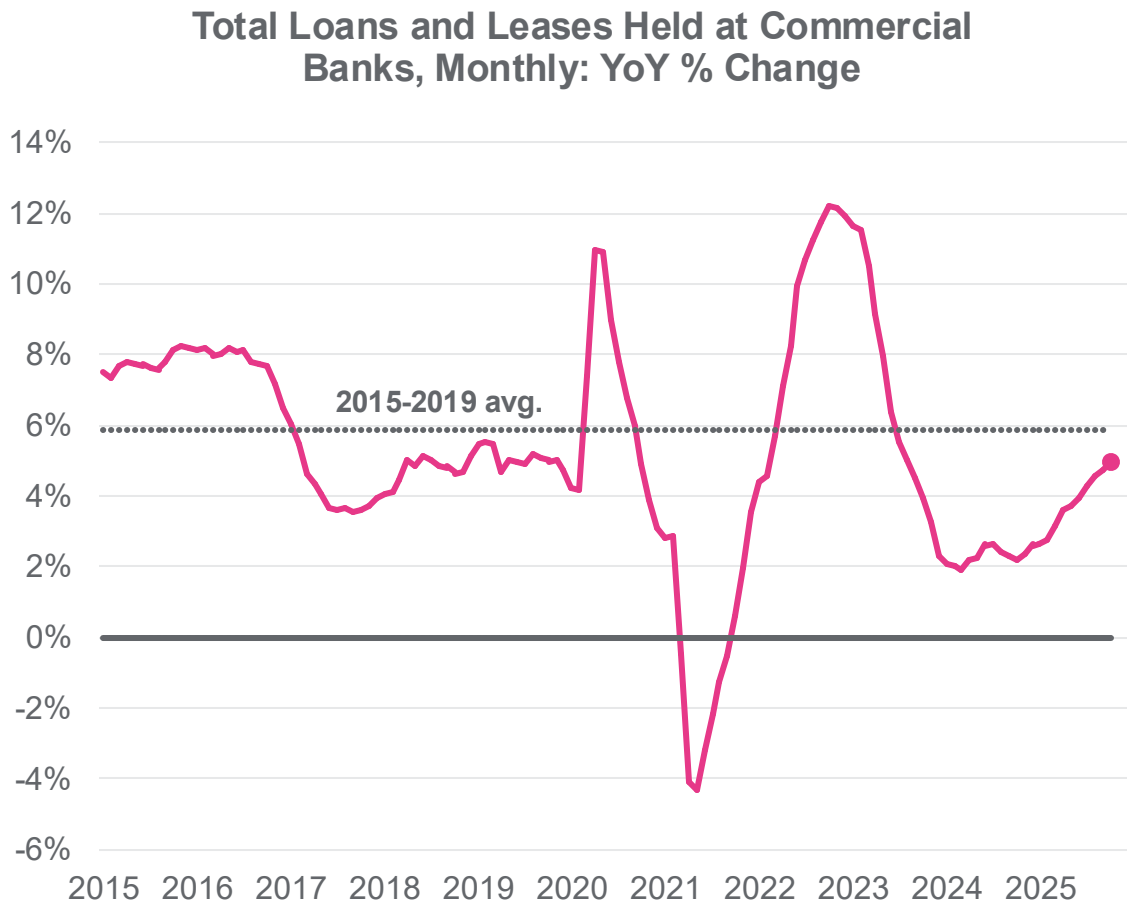


Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



Lending has been steadily improving for Banks and CUs

— However, pace of growth remains below pre-pandemic average

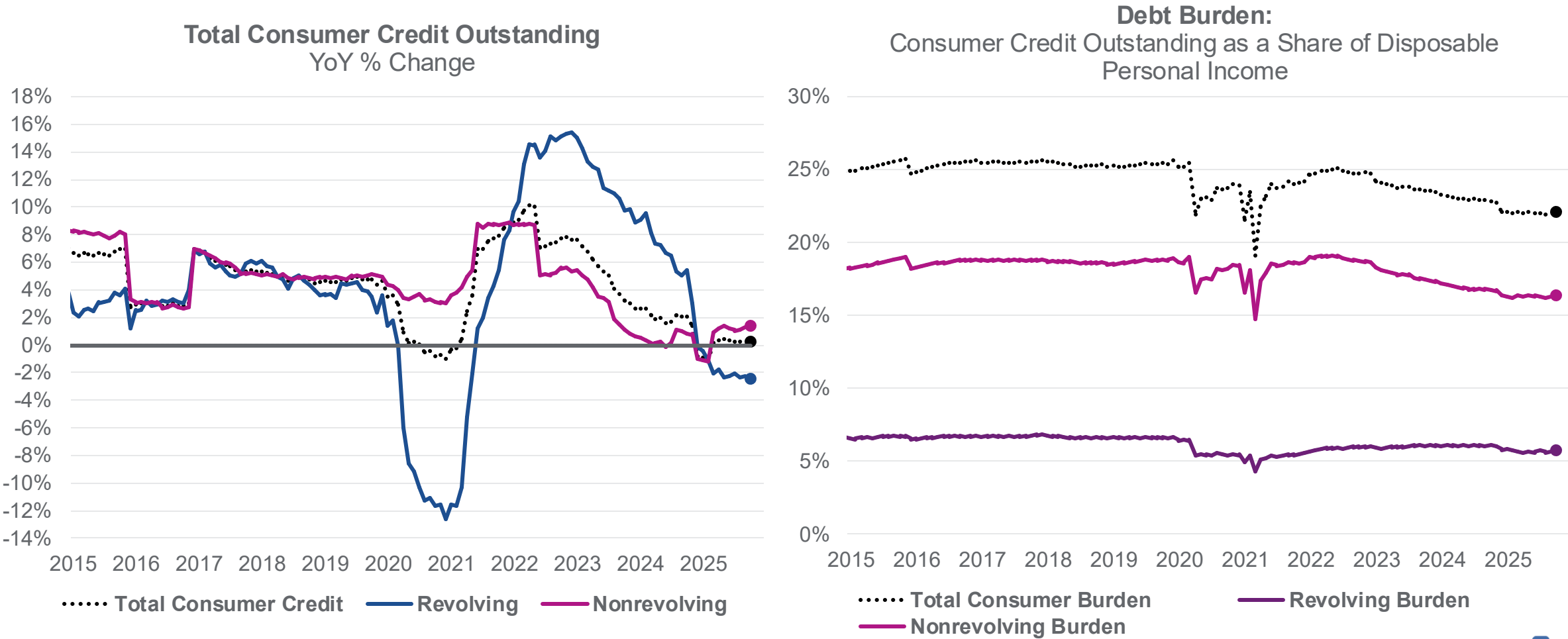


Source: Federal Reserve H.8, National Credit Union Administration and Experian Economic Strategy Group



Growth in total consumer credit remains weak

— Slower credit growth over the last couple of years has reduced overall debt burdens

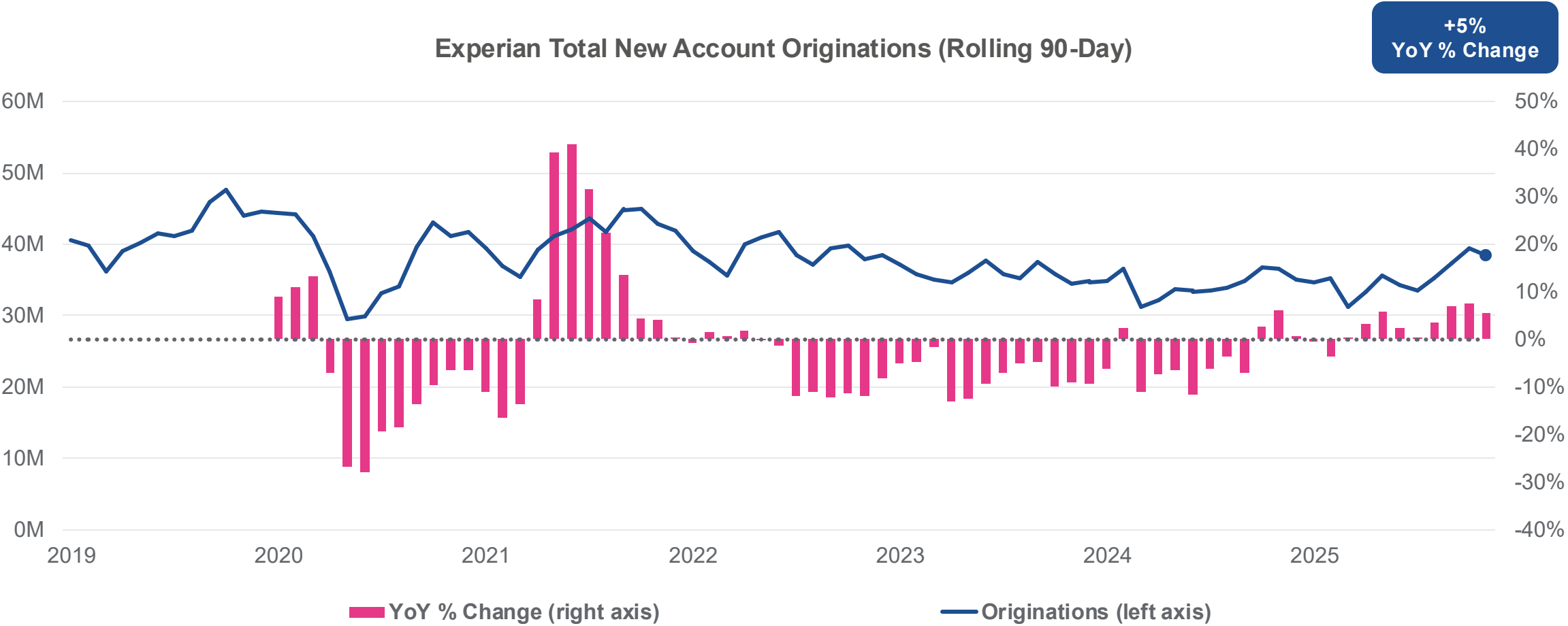


Source: Federal Reserve G.19, Federal Reserve and Experian Economic Strategy Group



Total origination activity has improved throughout 2025

— Total account originations rose by 5% in November

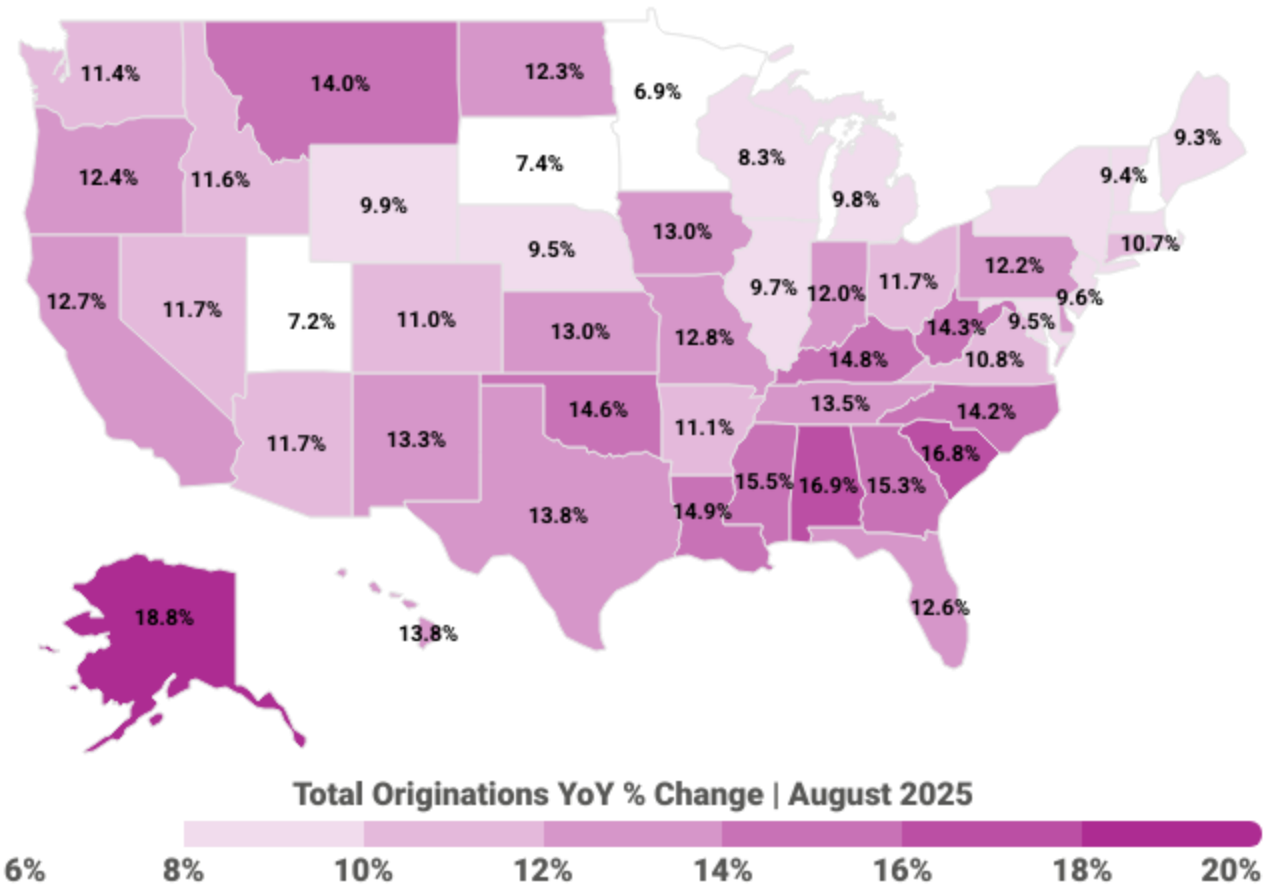


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Solid origination growth over past year across the states

— Alaska posted the highest YoY growth in August

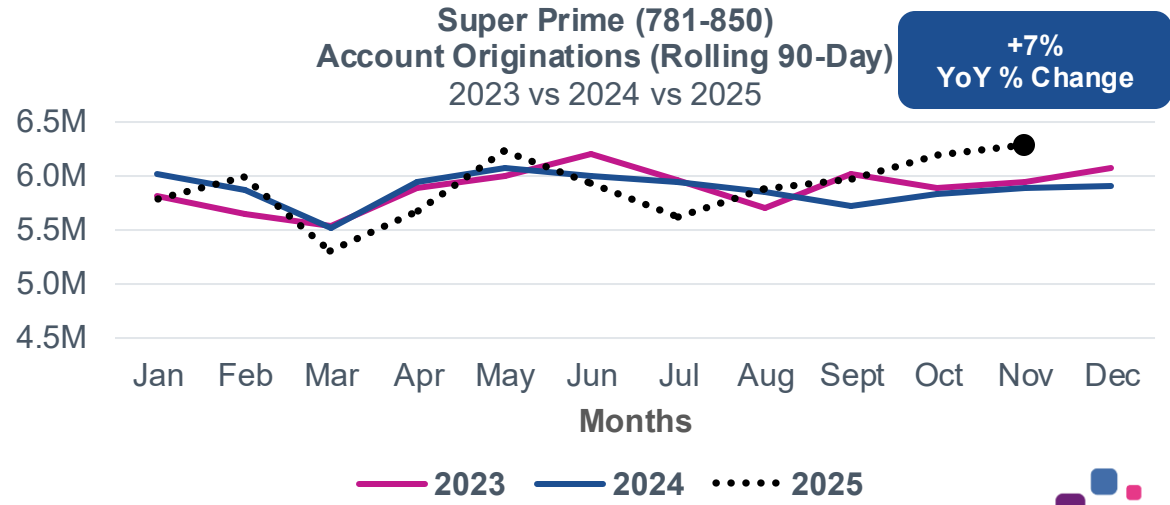
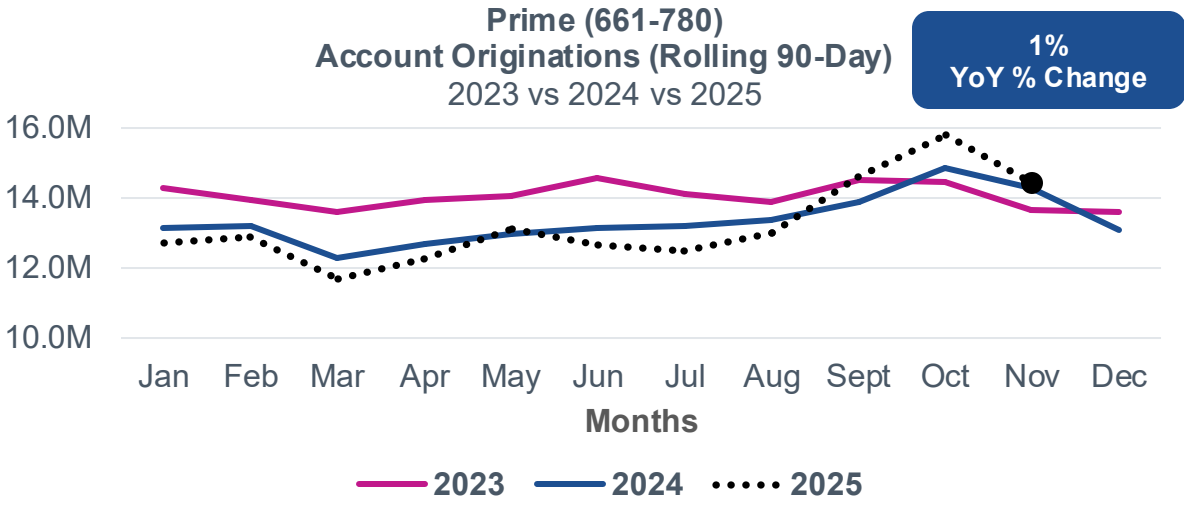
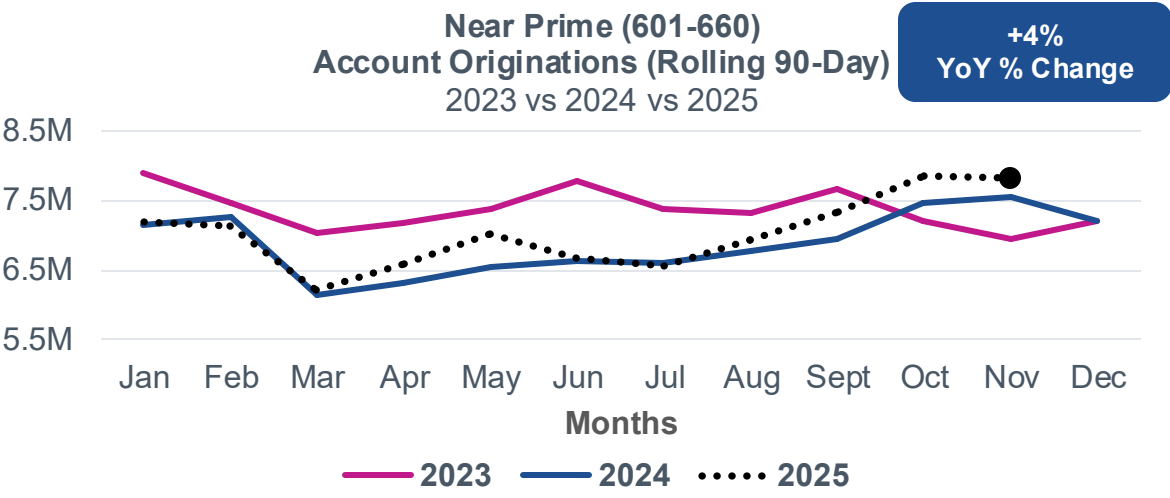
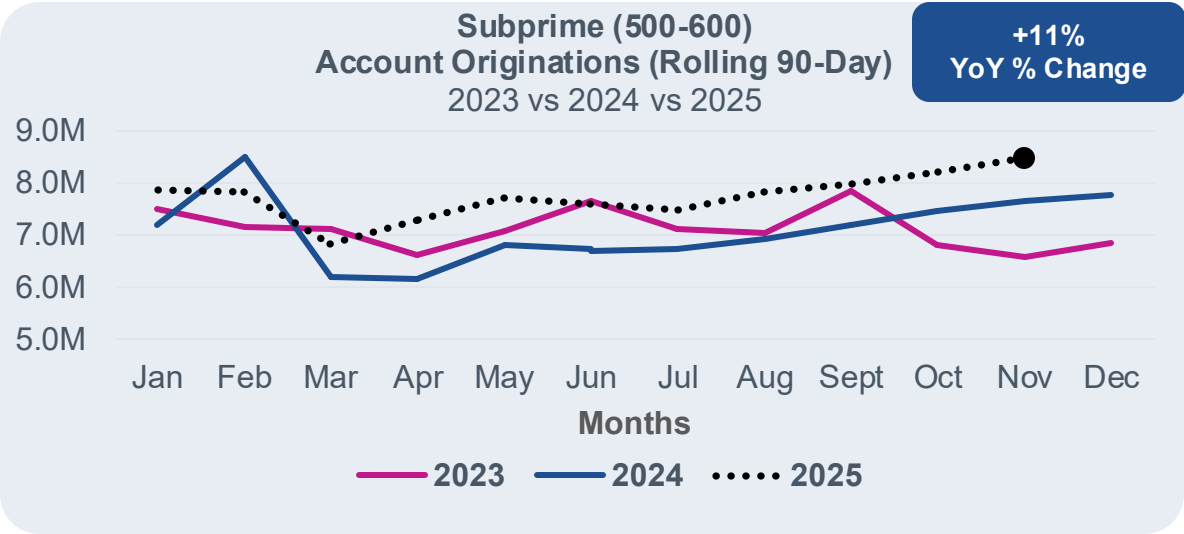


State	YoY % Change
Highest	
Alaska	+18.8%
Alabama	+16.9%
South Carolina	+16.8%
Lowest	
New Hampshire	+6.8%
Minnesota	+6.9%
Utah	+7.2%

Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group



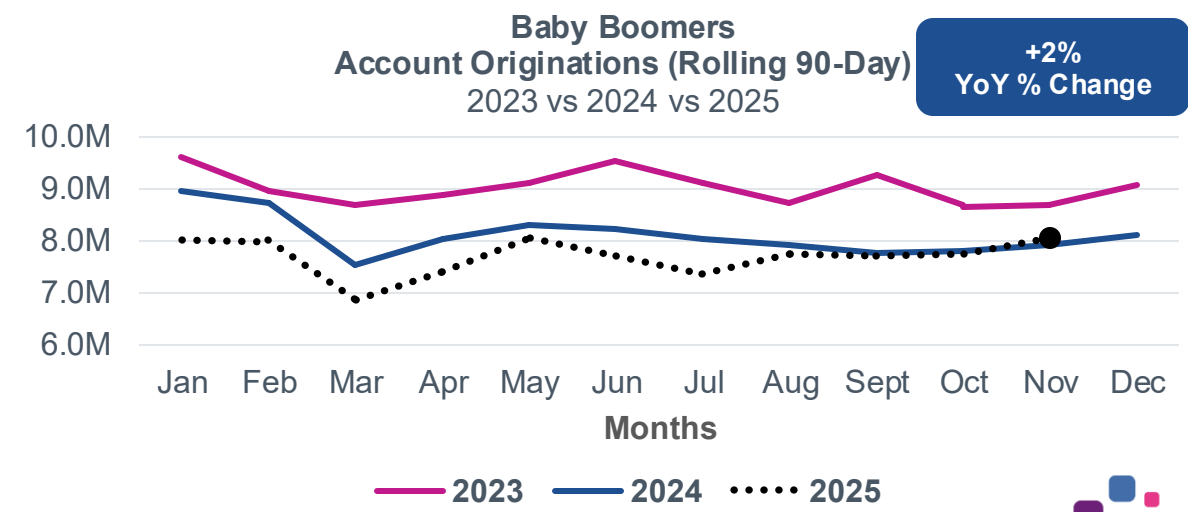
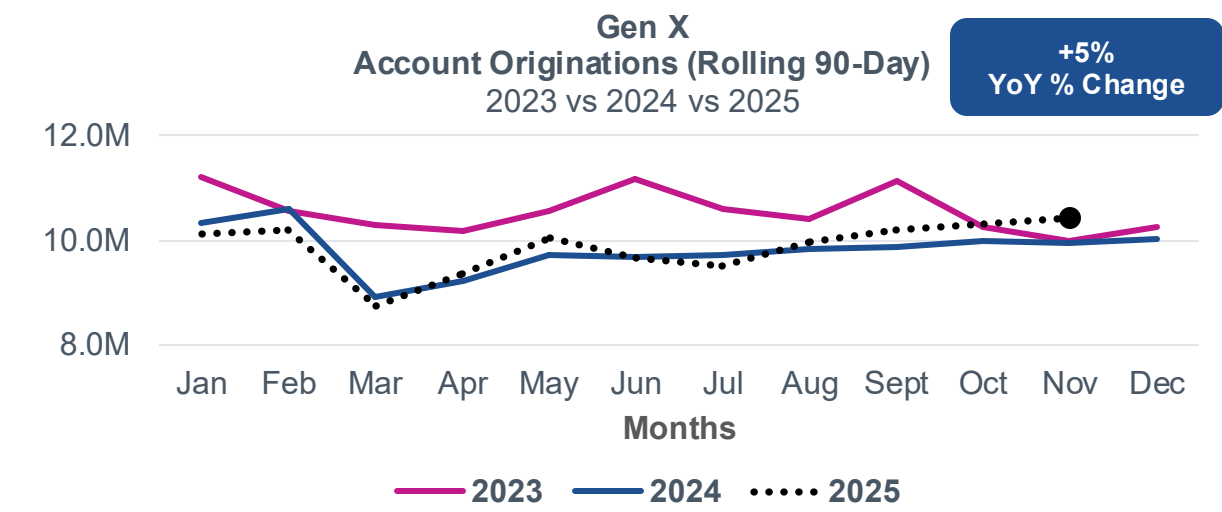
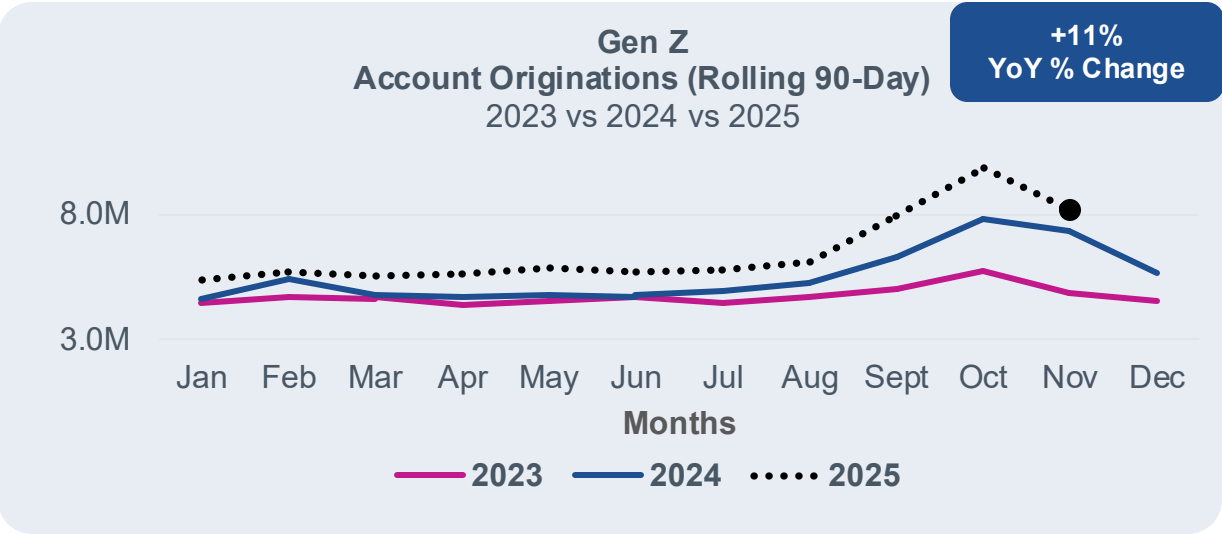
Overall origination growth fueled by Subprime and Super Prime



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



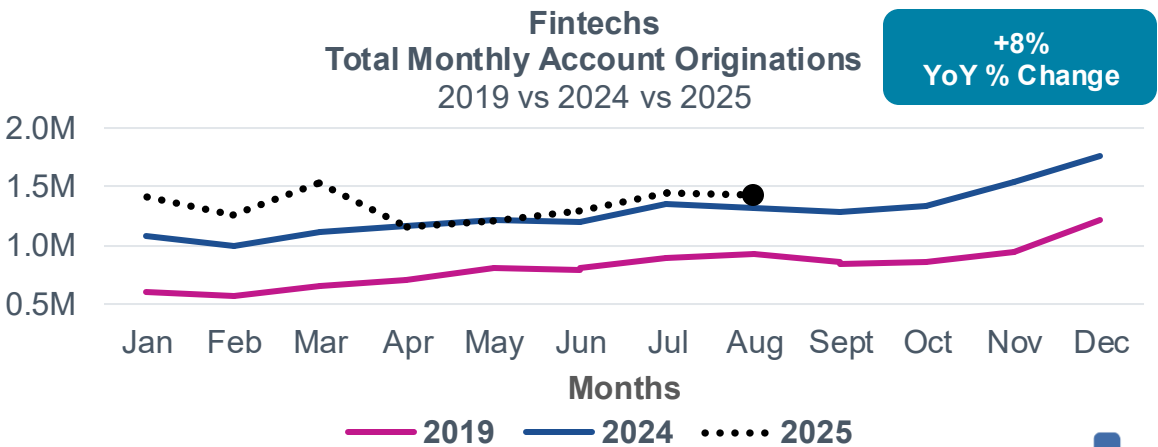
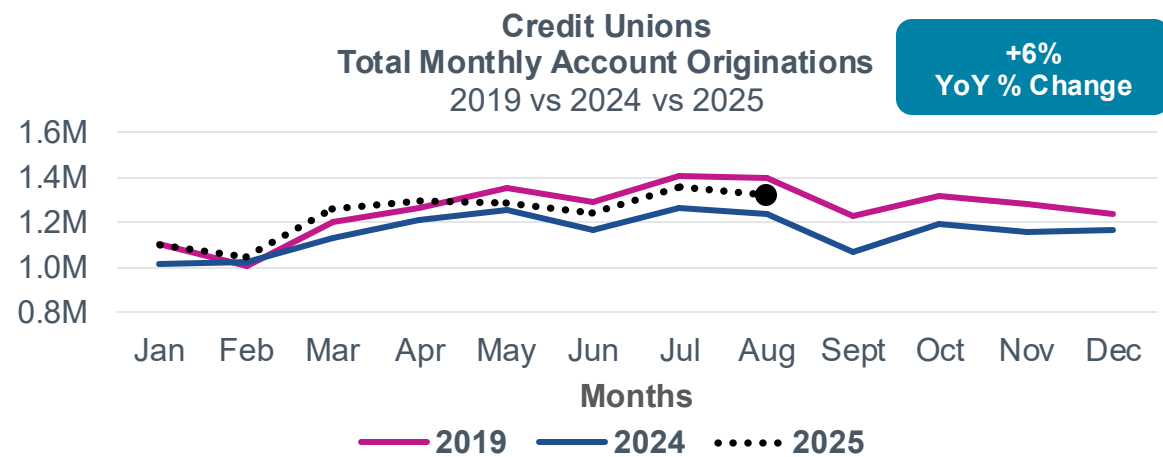
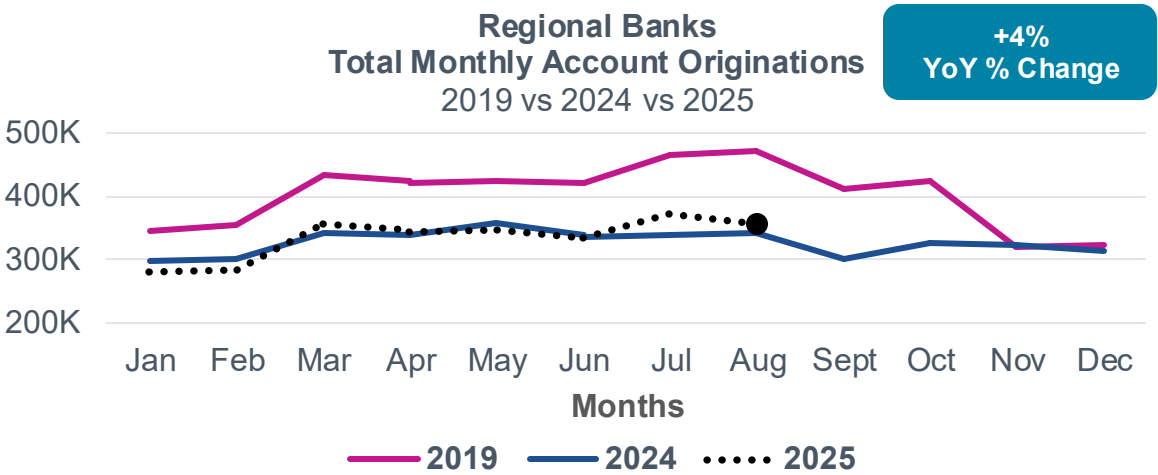
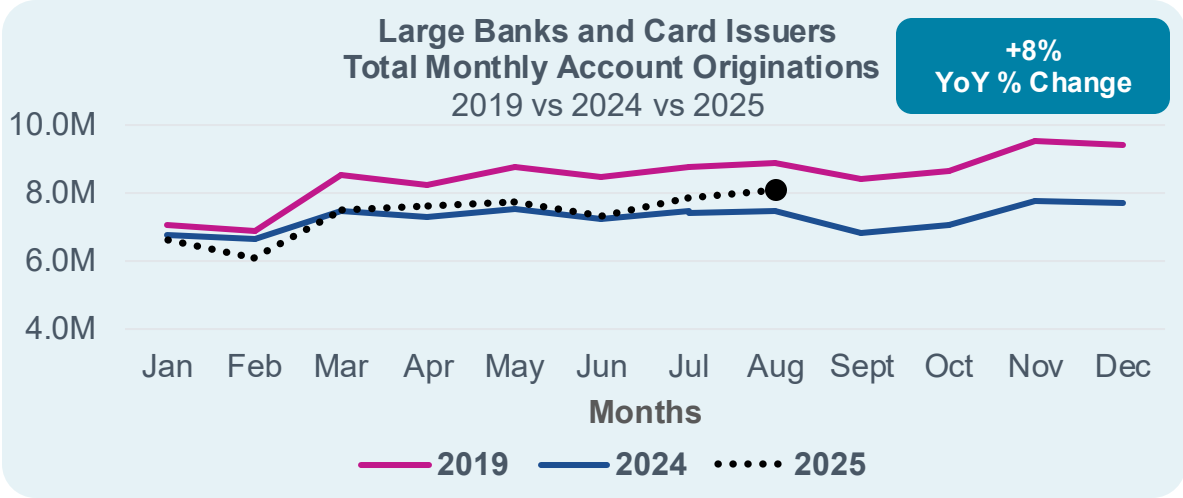
Gen Z remains largest driver of new credit originations



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Large banks and card issuers, as well as fintechs leading origination growth over last year

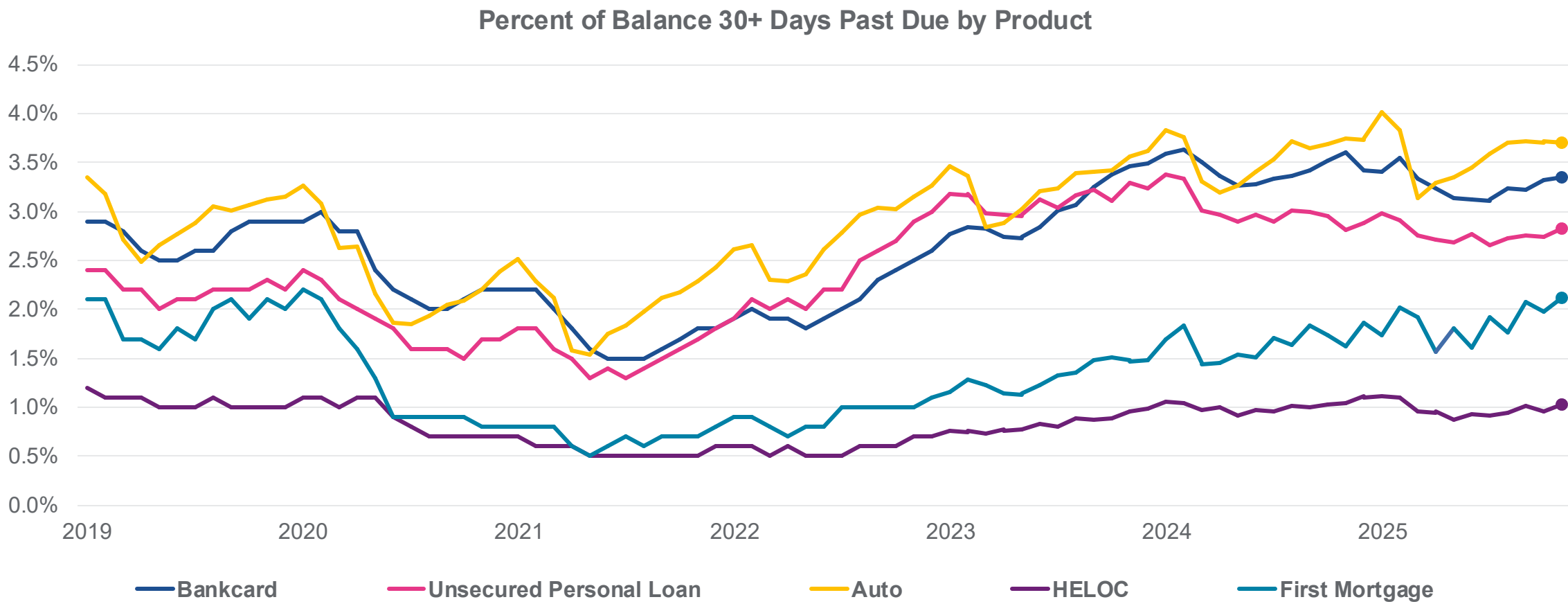


Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group



Delinquency has picked up slightly in recent months

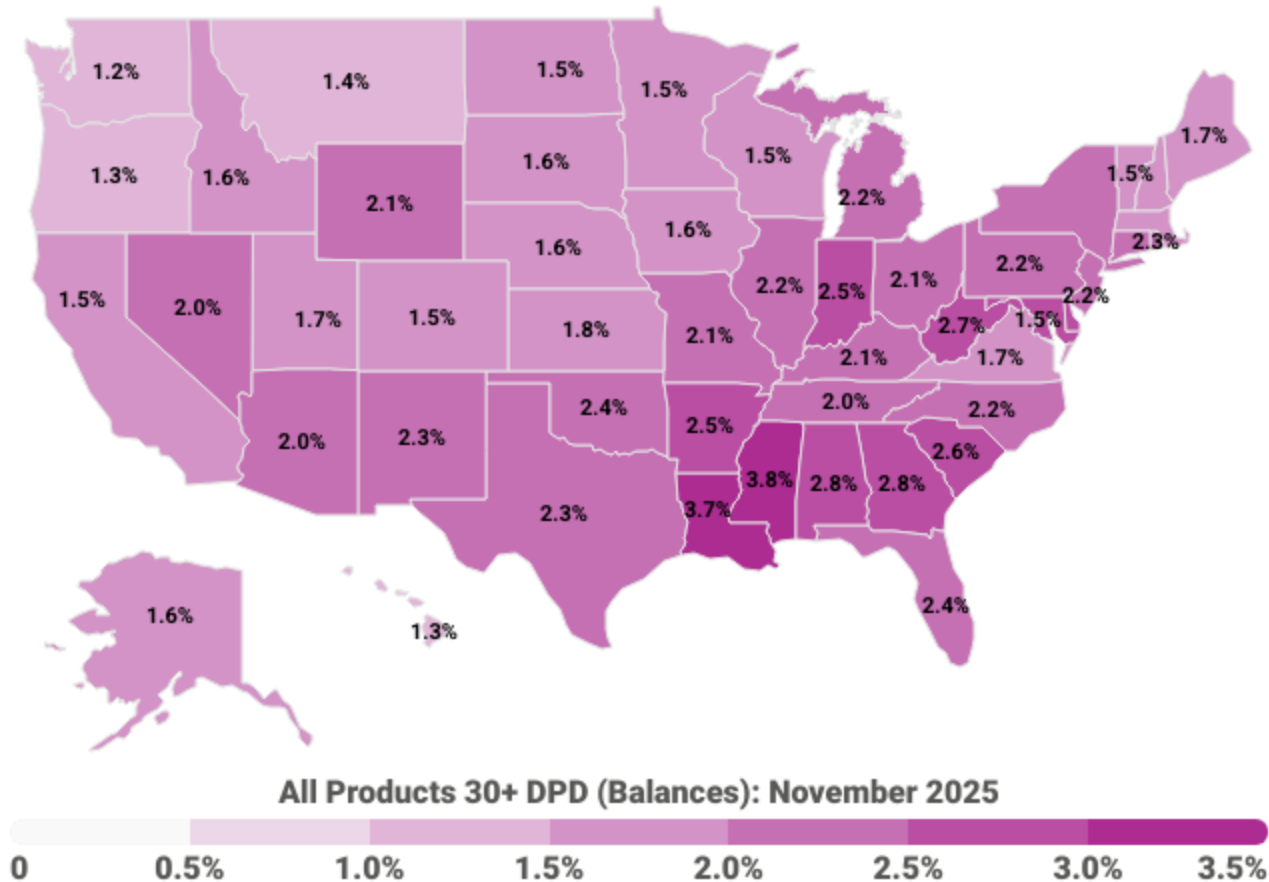
— Credit card, Auto, and HELOC are still below year ago levels, unsecured personal loan and mortgage above



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



— Western states boast lowest overall delinquency

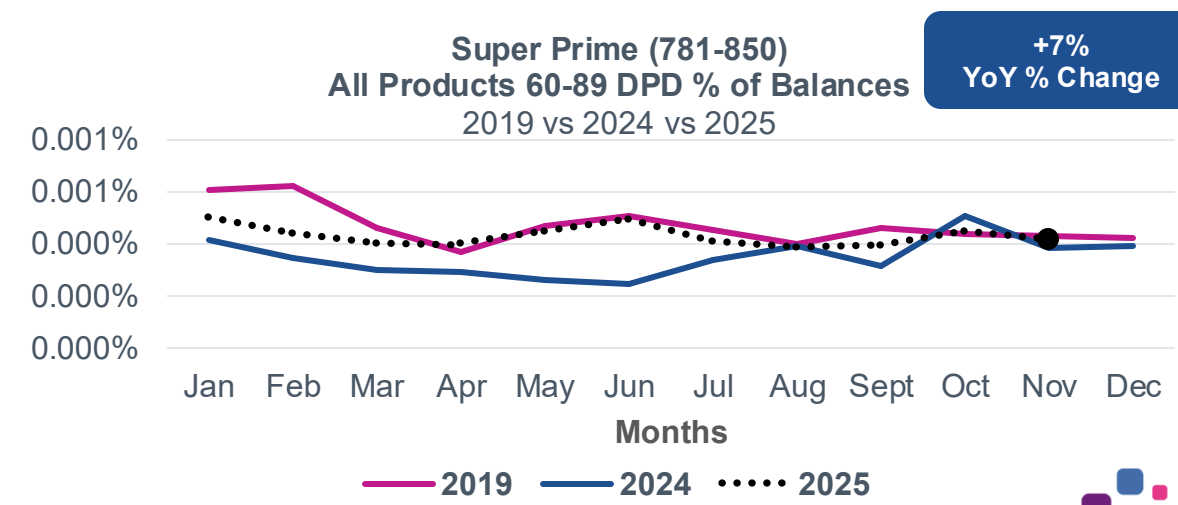
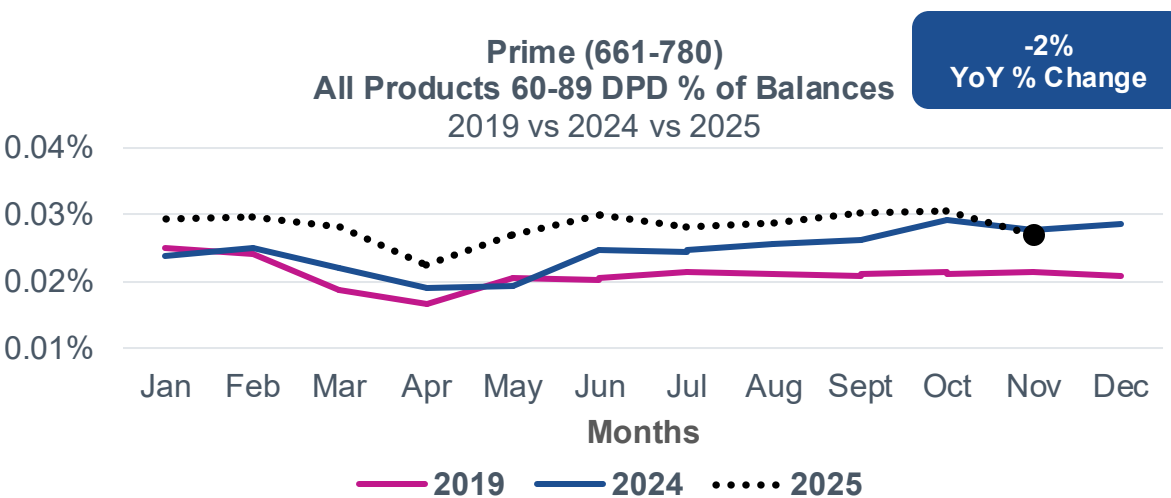
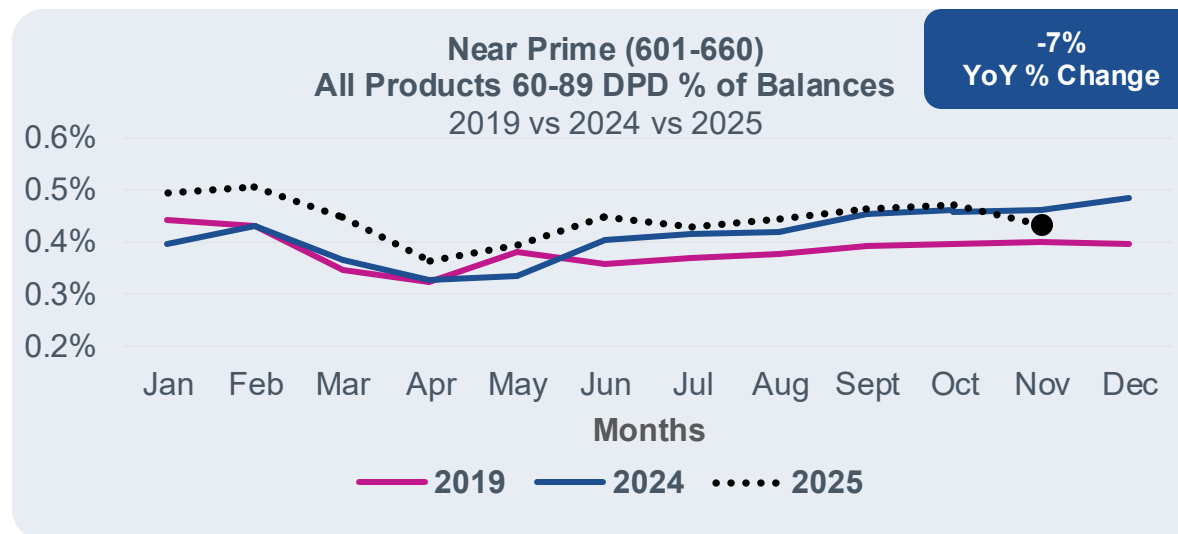
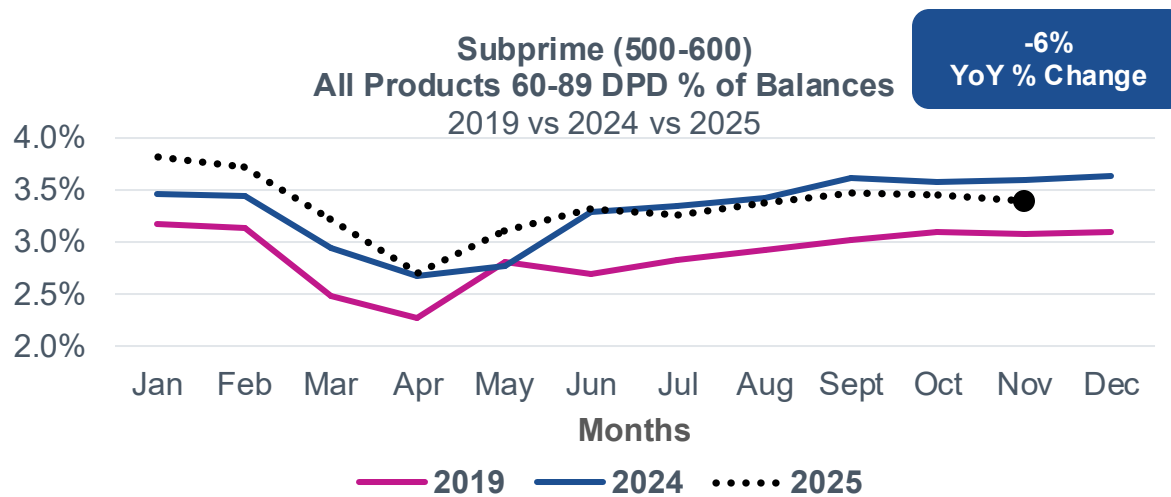


State	30+ DPD: All Products
Highest	
Mississippi	3.8%
Louisiana	3.7%
Georgia	2.8%
Lowest	
Washington	1.2%
Hawaii	1.3%
Oregon	1.3%

Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Near Prime seeing most improvement in mid-stage delinquency



Sources: Experian Sandbox - Credit Trends Dashboard (data through November 2025) and Experian Economic Strategy Group



Anecdotes suggest lending conditions and credit outlook remain stable

Backdrop appears solid for more improvement in 2026 if the labor market holds up

““

Activity in the broad finance sector expanded slightly. However, small-to-medium sized banks reported that loan demand declined since the previous reporting period, with the exception of residential mortgages where demand increased slightly.”

— New York

““

Financial institutions continued to report stable loan demand that was described as ‘well distributed’ across their various commercial lines of business. Contacts also reported stable demand within their home mortgage and equity line portfolios primarily driven by lower borrowing rates. **Deposit levels continued to be stable with a banker describing any increases in balances as happening ‘slow and steady.’**” — Richmond

““

Conditions in the financial sector strengthened marginally over the reporting period. Consumer demand for mortgages and auto loans slightly softened, while utilization of credit cards rose. Deposit flows were stable on net, and deposit rates became more competitive. **Credit and asset quality remained high, and the prevalence of delinquencies remained generally low.**” — San Francisco

““

Contacts reported that overall credit conditions remain strong. Loan demand has slightly declined, but bankers expect demand to pick up next quarter, especially for commercial real estate.” — St. Louis

““

Bankers reported that loan demand increased moderately in recent weeks as clients were encouraged by declining interest rates and decreasing economic uncertainty. Looking ahead, bankers expected loan demand to increase slightly ahead of anticipated interest rates declines, although one banker indicated that commercial clients remained cautious about investing.” — Cleveland



A man with dark curly hair and glasses, wearing a blue long-sleeved shirt, is sitting in a light-colored wooden chair. He is smiling and looking at a smartphone in his right hand. In his left hand, he holds a blue credit card. The background is a bright, minimalist room with a white wall and a wooden cabinet. A large, light blue speech bubble graphic is overlaid on the left side of the image, containing the text 'Credit Cards'.

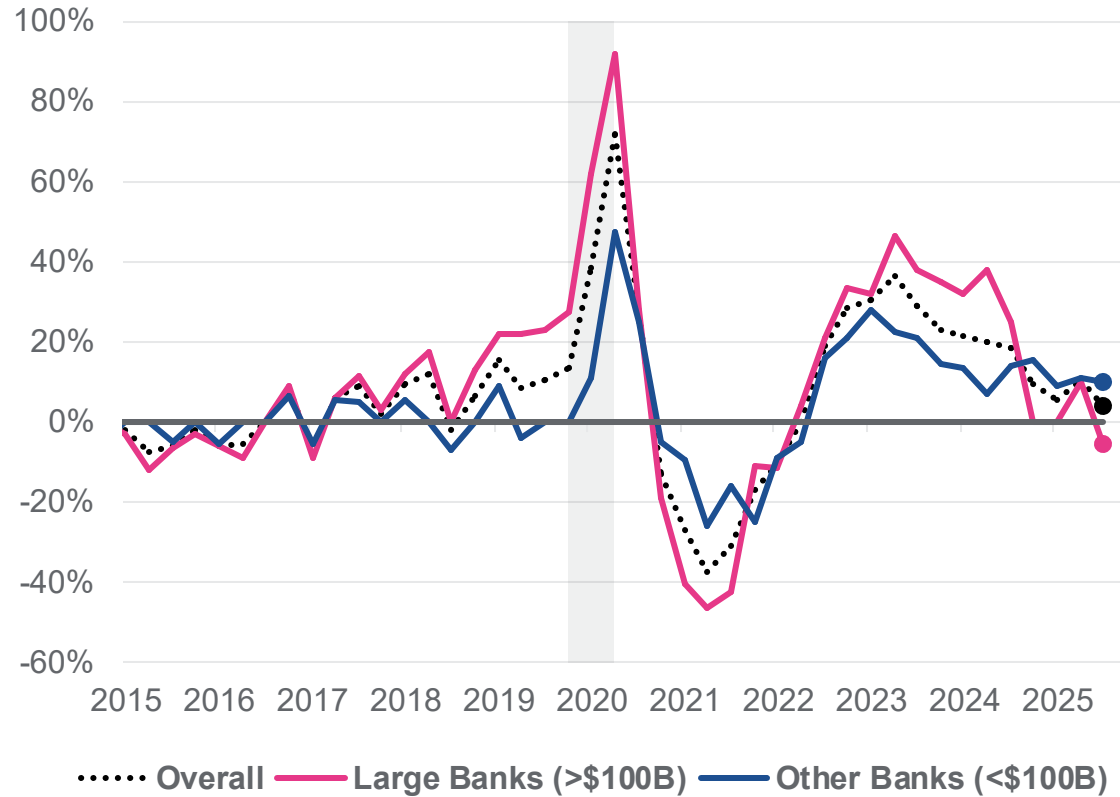
Credit Cards



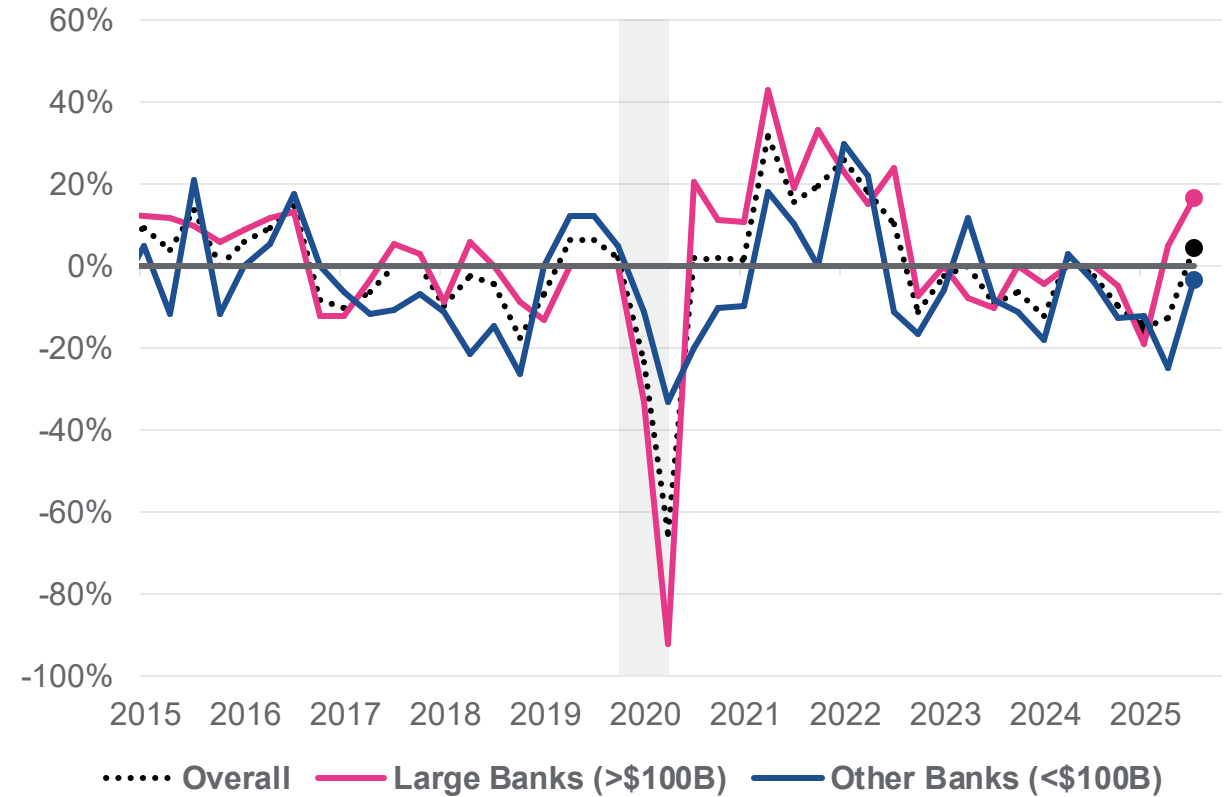
Large banks loosened standards on cards for first time in 3 years in Q3

— Large banks also reported a solid pickup in demand for cards

Net % of Banks Tightening Lending Standards on Credit Card Loans



Net % of Banks Reporting Stronger Demand for Credit Card Loans



Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group

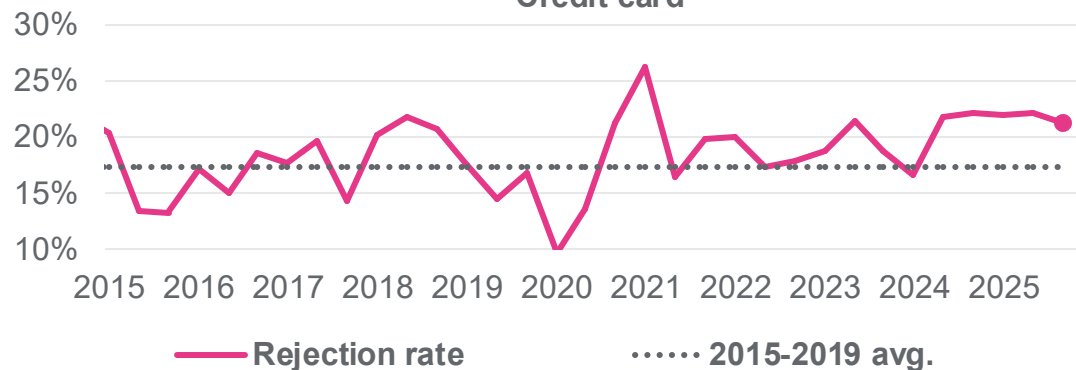




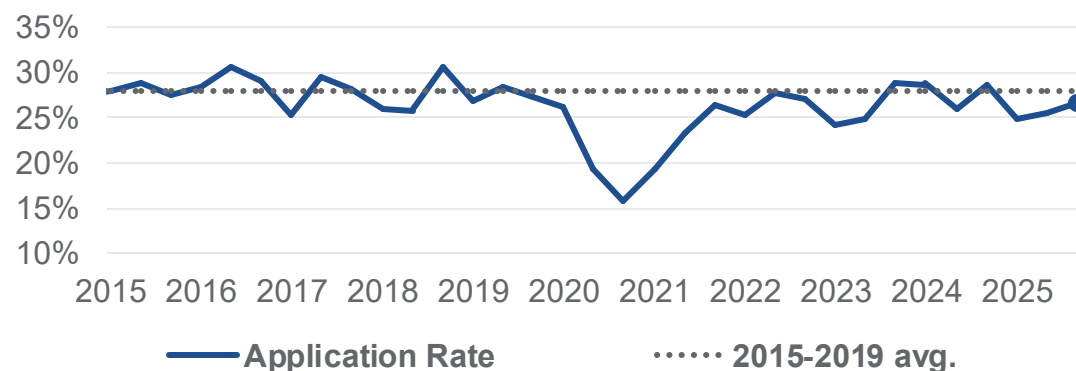
Credit card rejection rates eased slightly in Oct, applications ticked up

— Expected card application rate increased for lower scored borrowers

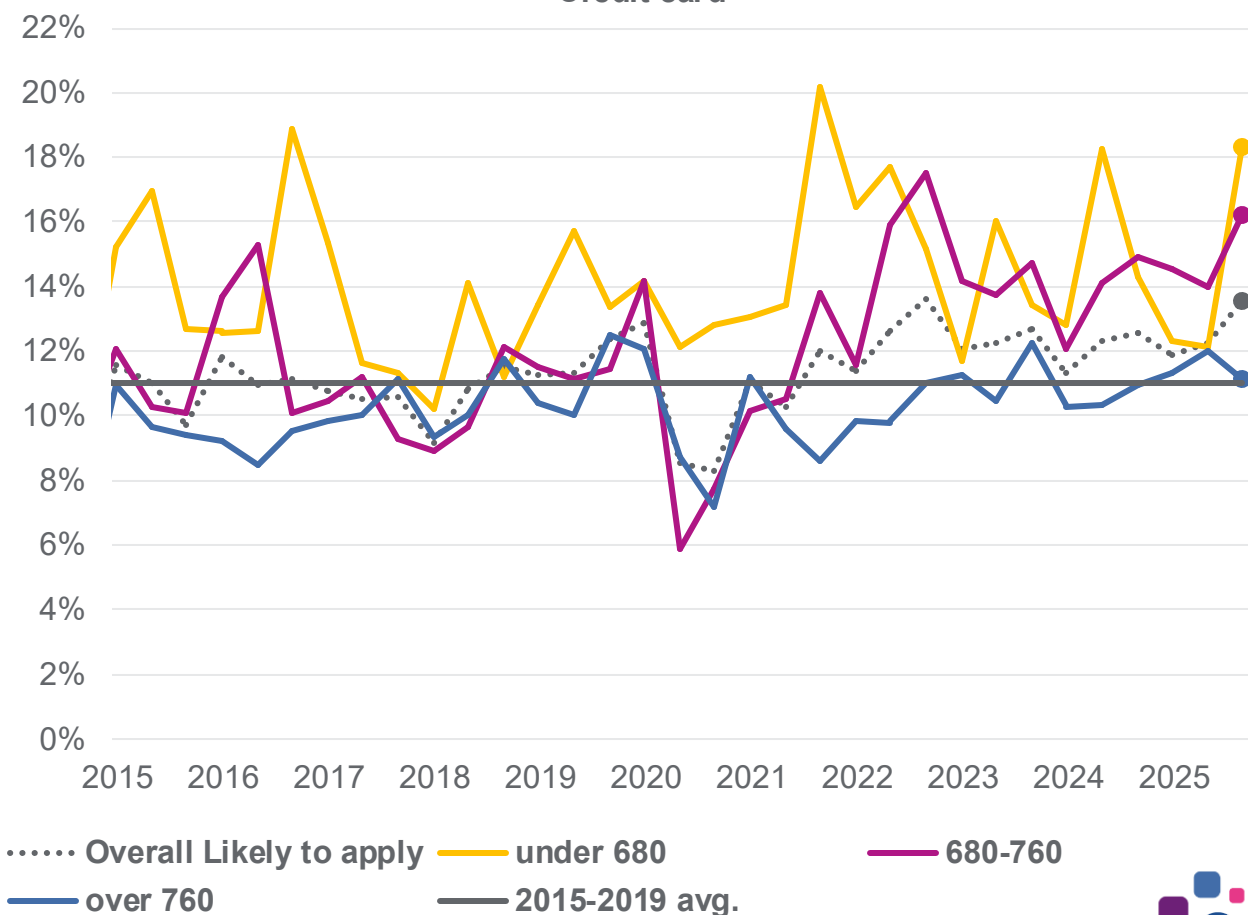
Rejection rate over the past 12 months:
Credit card



Application rate over the past 12 months:
Credit card



Expected application rate over next 12 months by Score:
Credit card



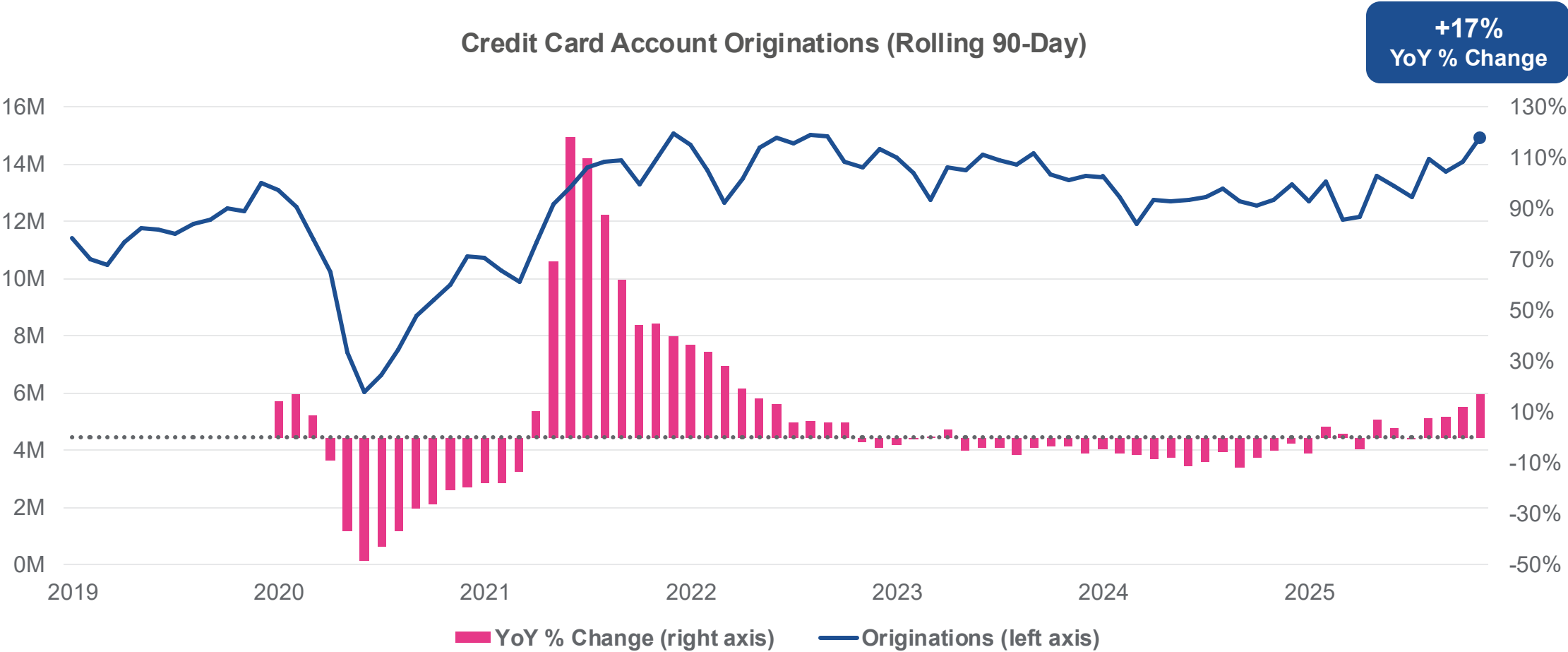
Sources: New York Federal Reserve and Experian Economic Strategy Group





Card originations up YoY for fourth consecutive month

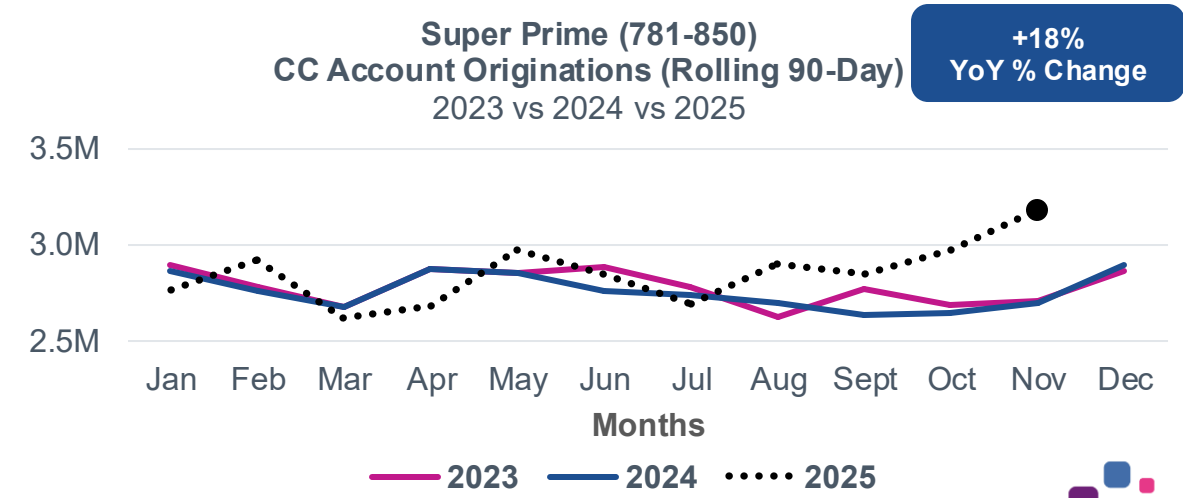
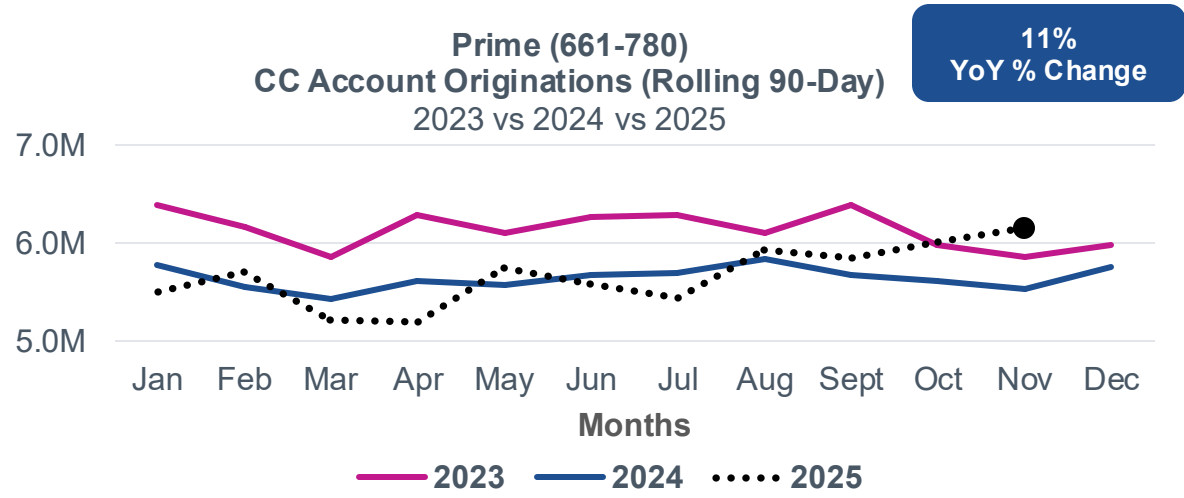
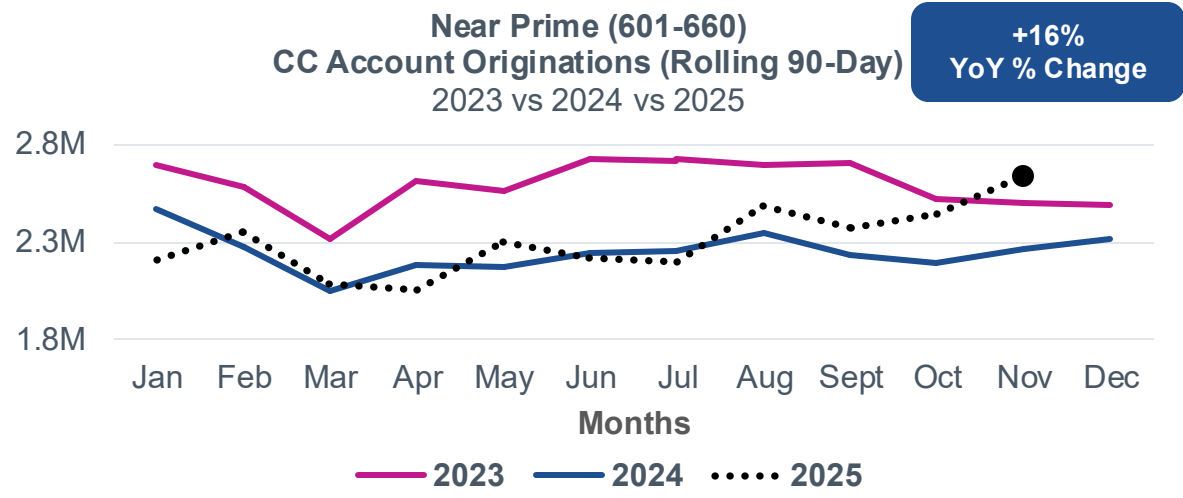
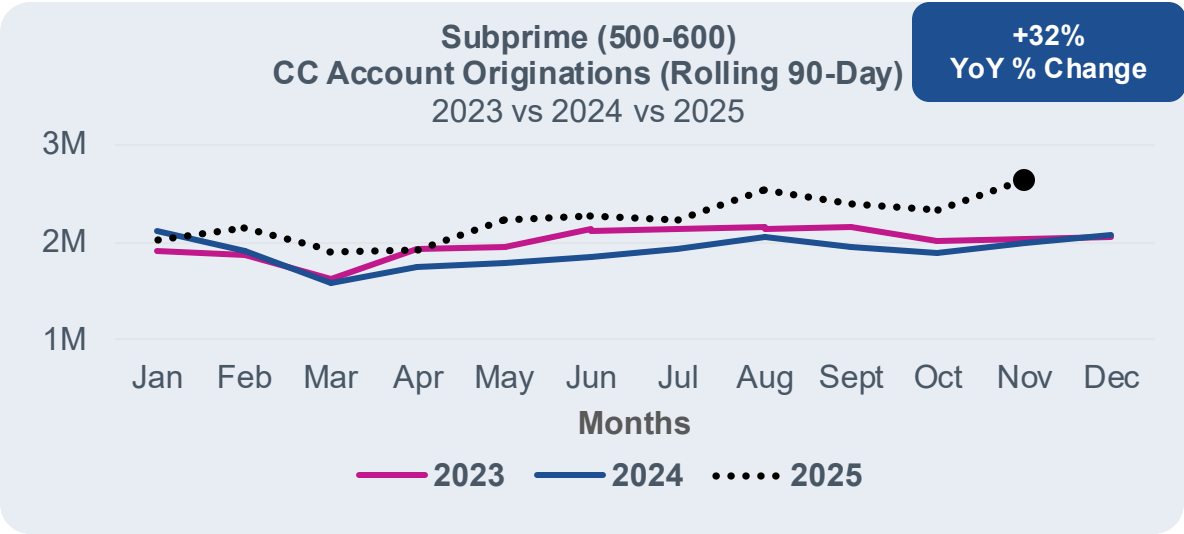
— Growth in card originations is accelerating



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Subprime leading card origination growth

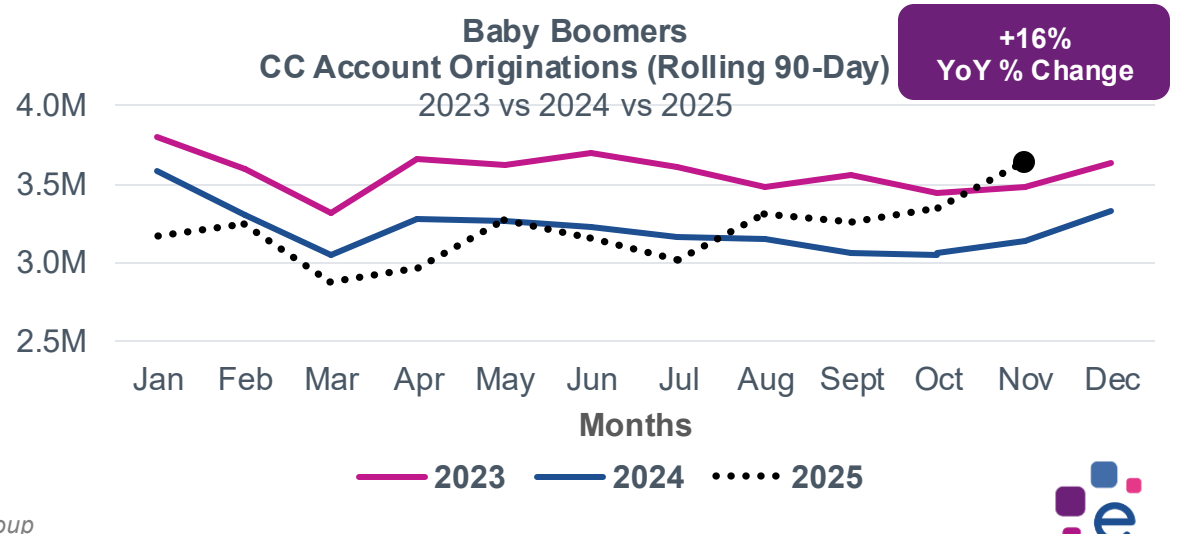
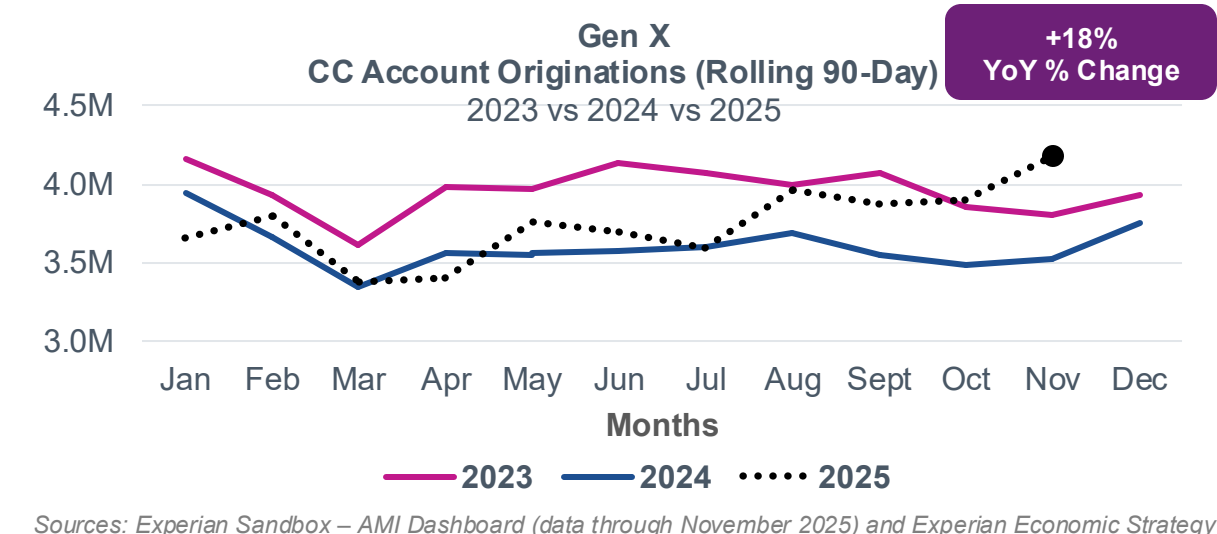
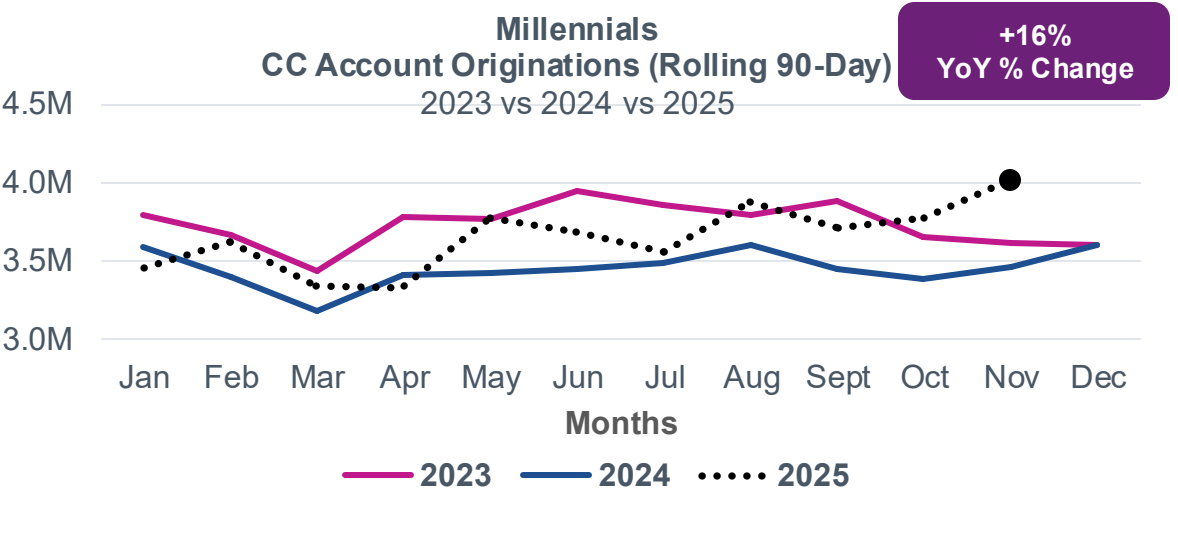
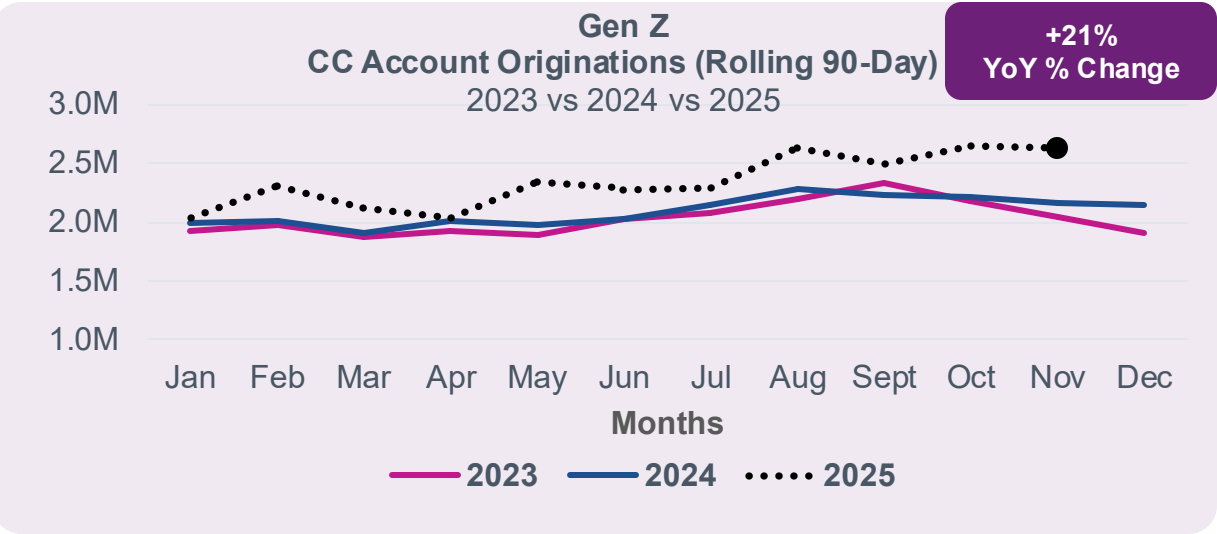


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





Solid growth in card originations across generations

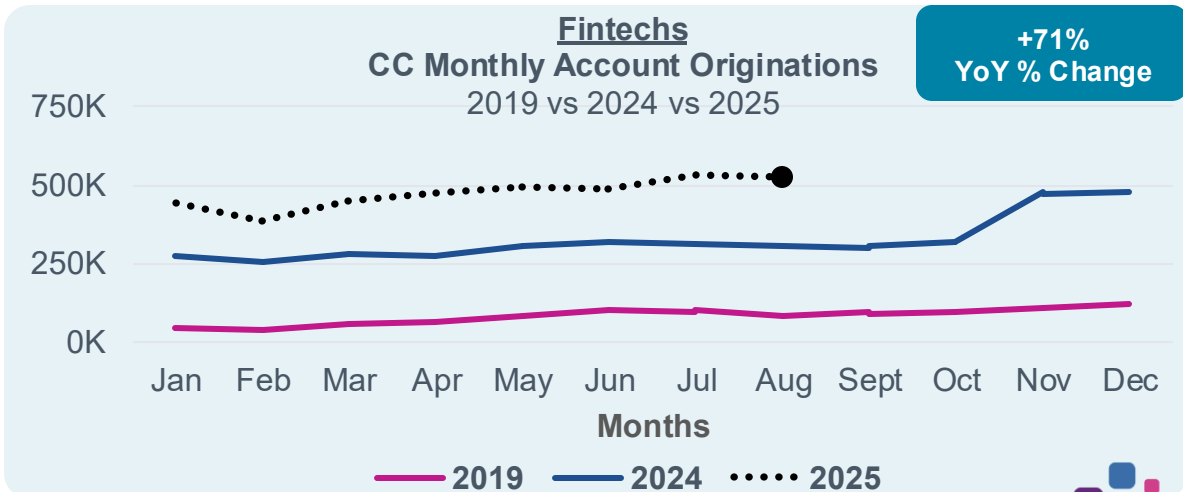
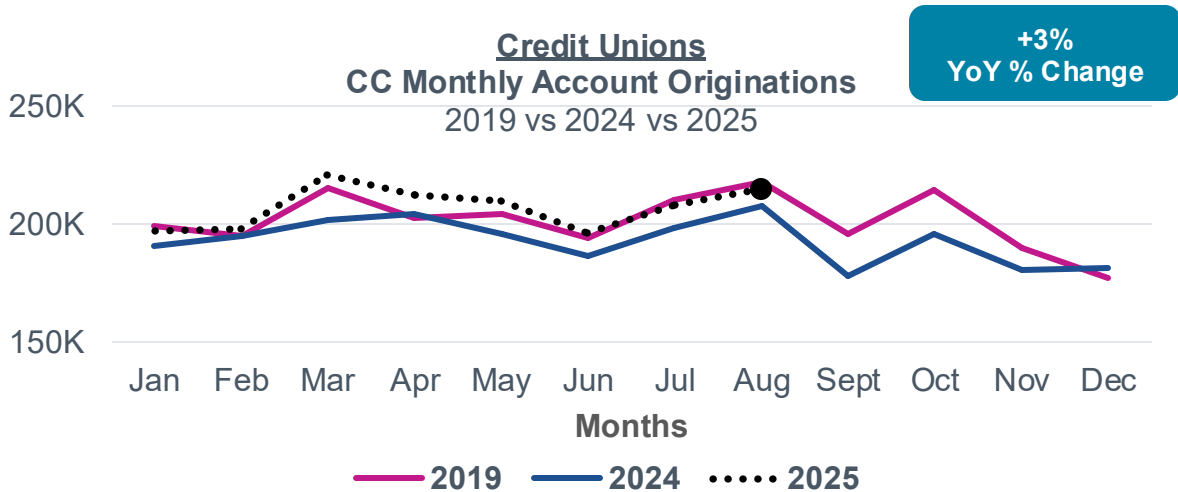
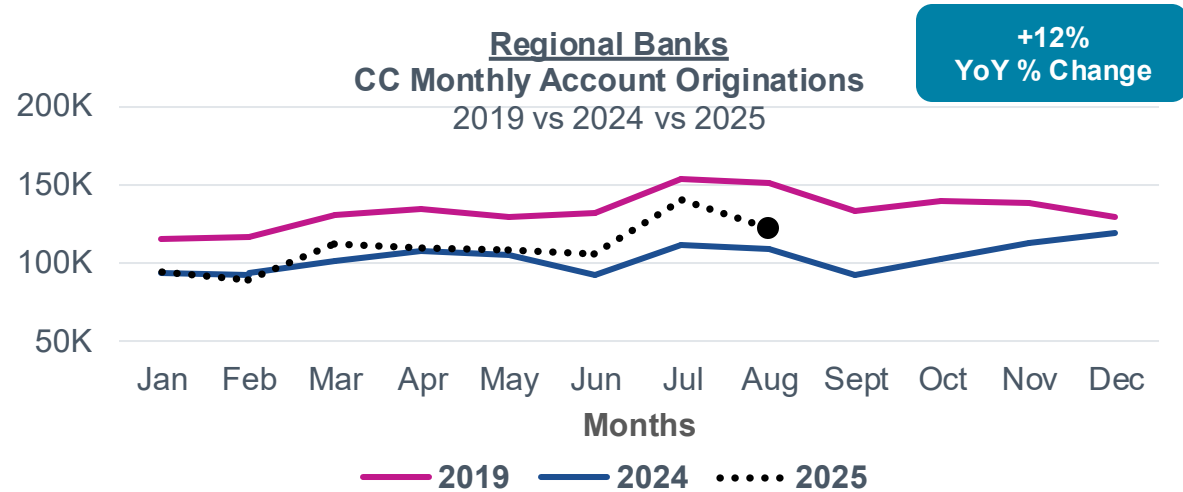
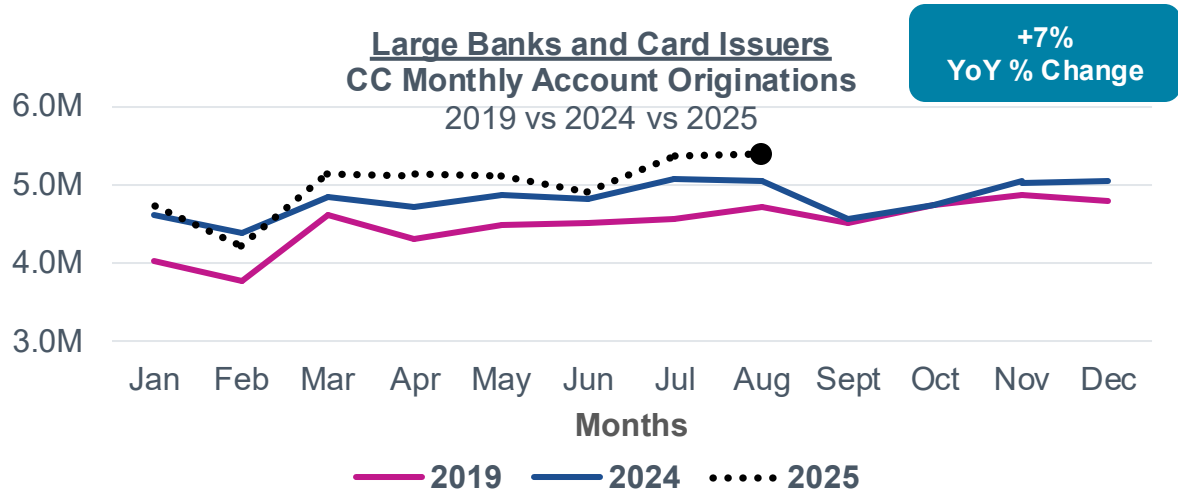


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





Fintechs continue to gain share in the card market



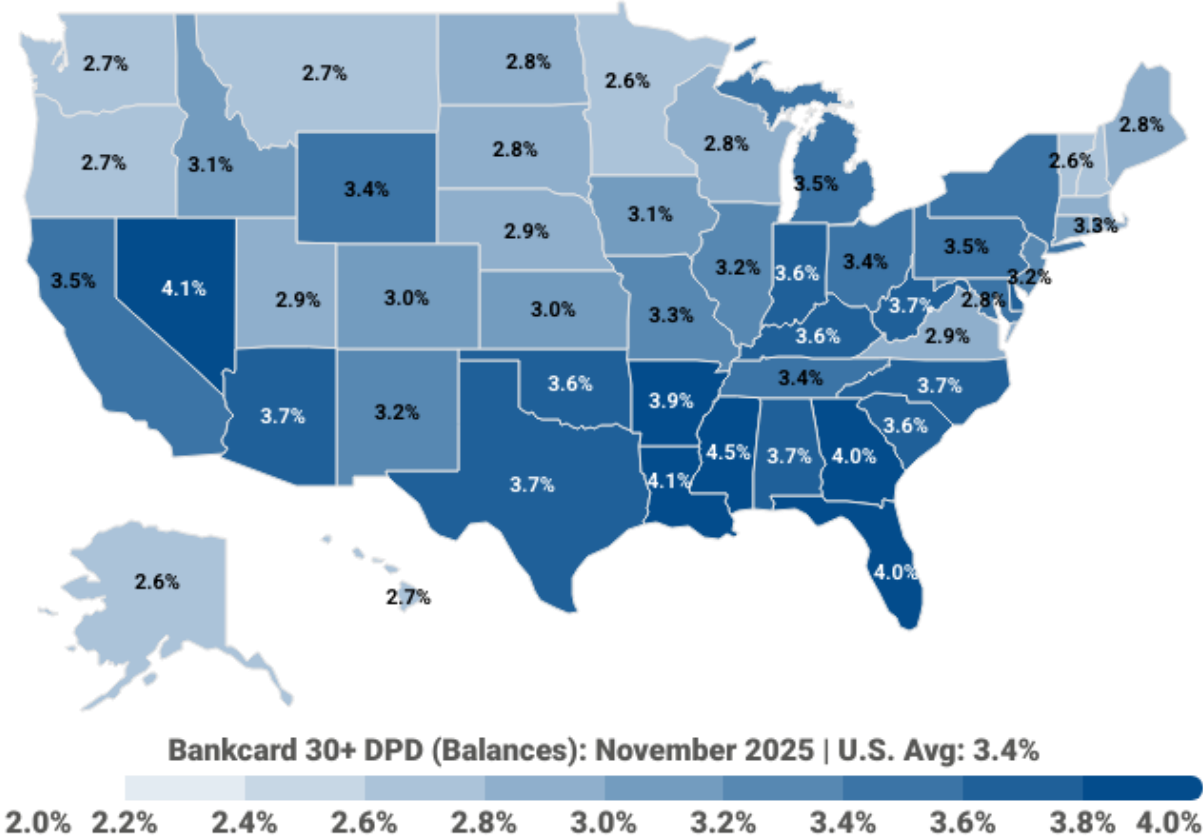
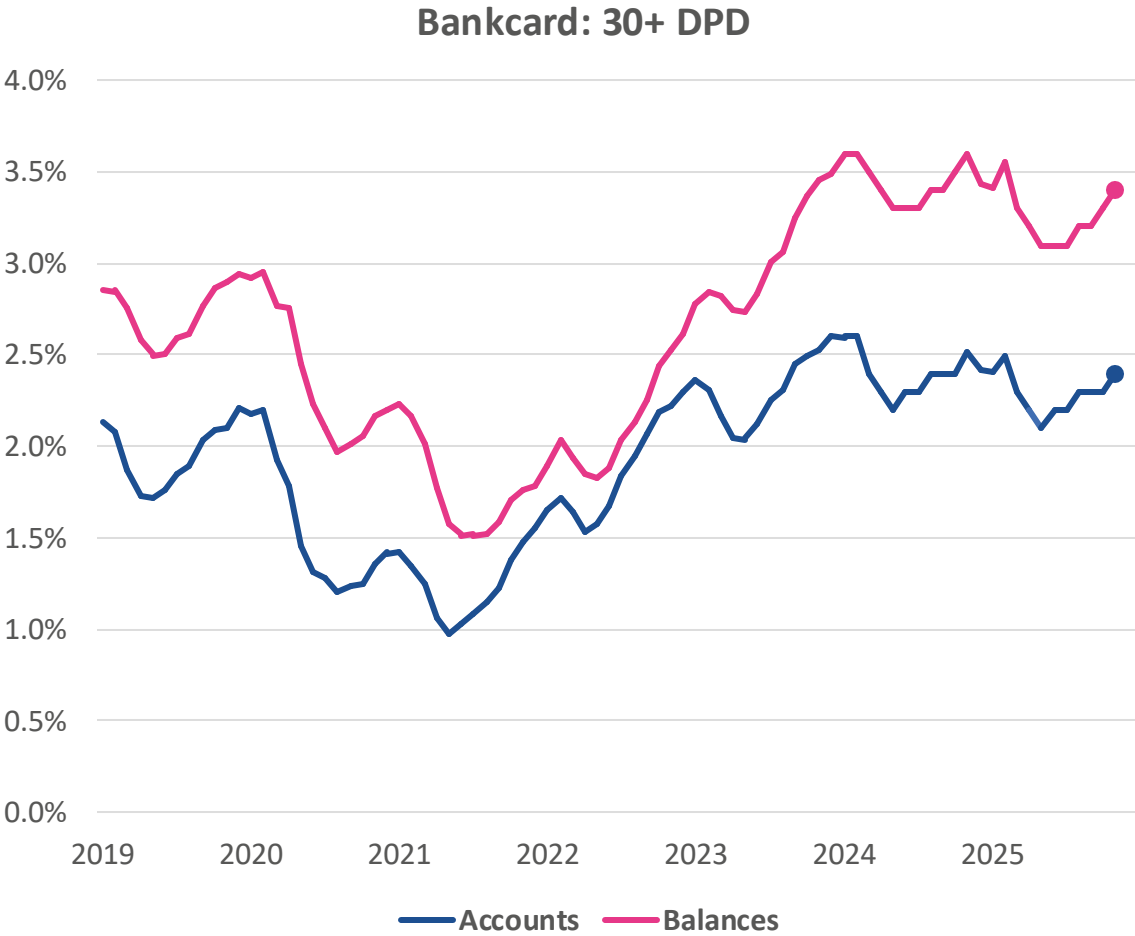
Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group





Card delinquency has been ticking higher since summer

— Highest card delinquency in Mississippi, Nevada and Louisiana



Sources: Experian Ascend Market Insights Dashboard (data through November 2025), and Experian Economic Strategy Group





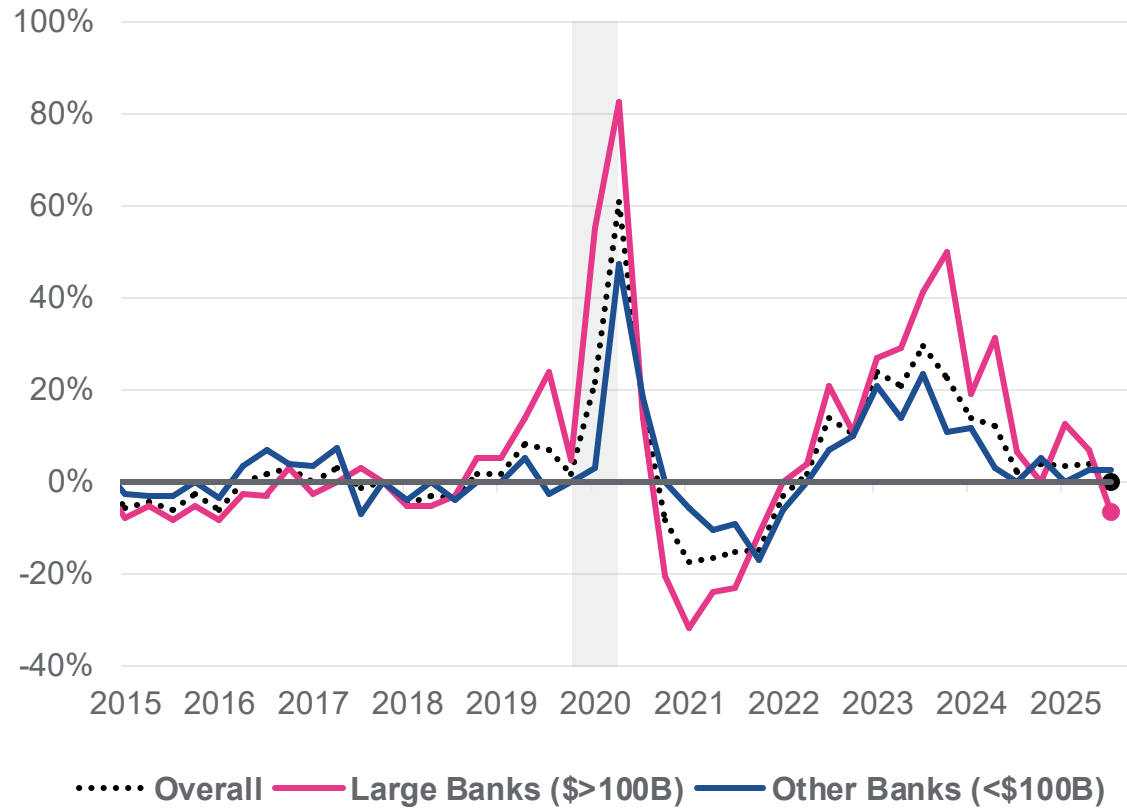
Unsecured Personal Loans



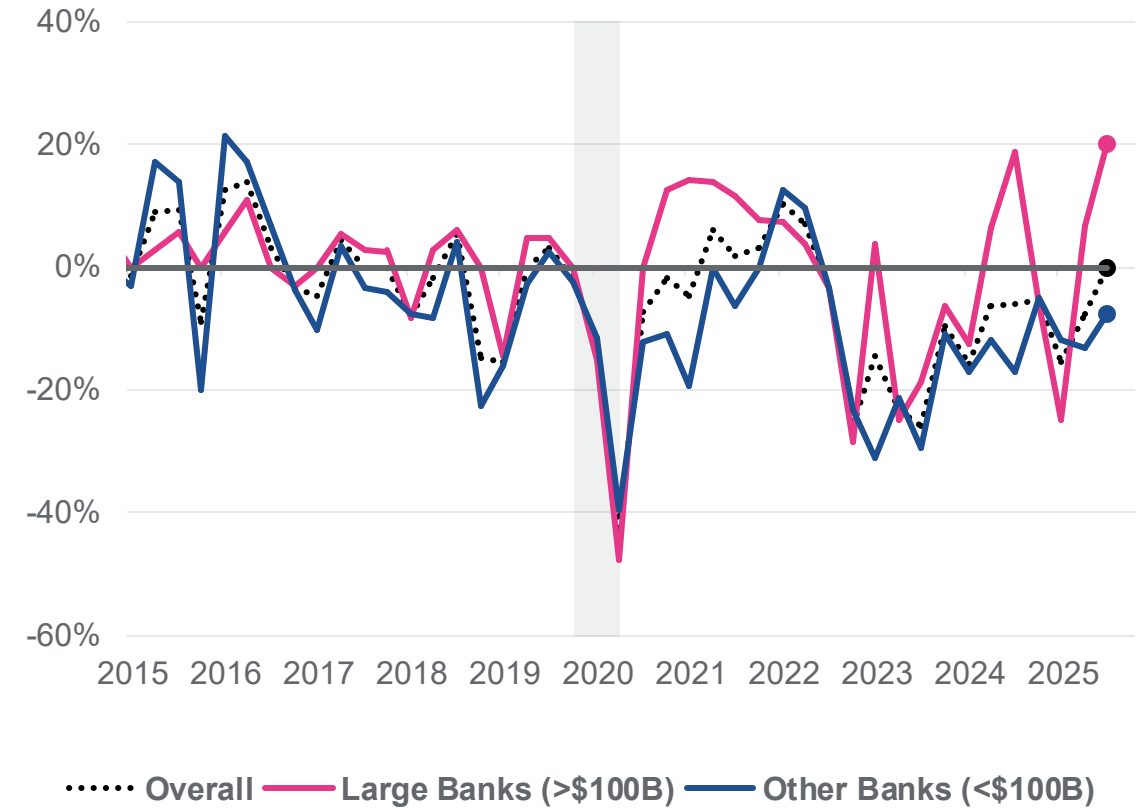
Large banks loosened standards on consumer loans for first time since 2021

— Demand at large banks continued to increase in Q3

Net % of Banks Tightening Lending Standards on Consumer Loans Other than Credit Card and Auto



Net % of Banks Reporting Stronger Demand for Consumer Loans other than CC and Auto



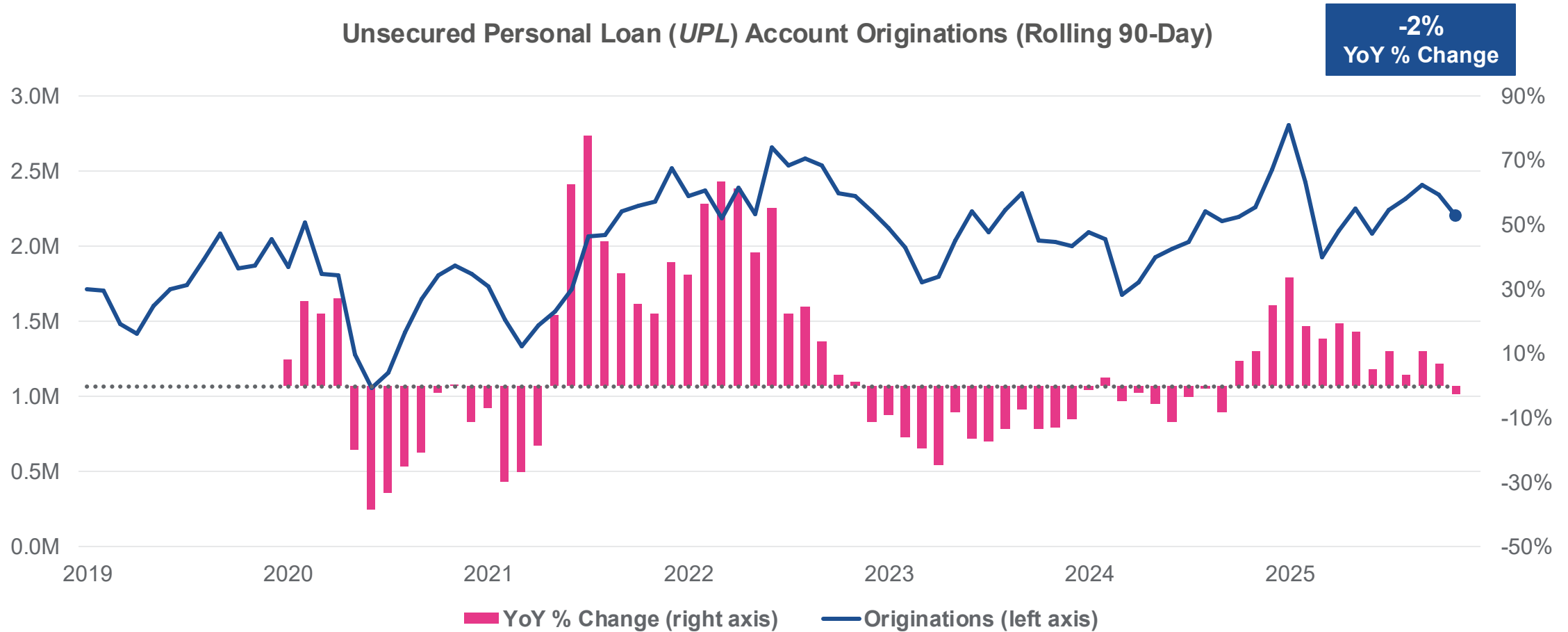
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group





Unsecured PL originations slowing

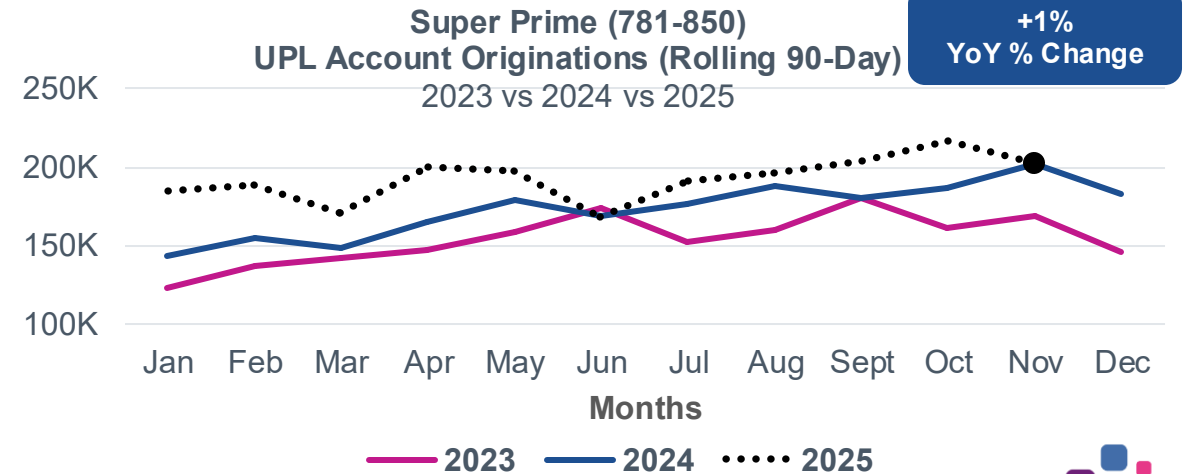
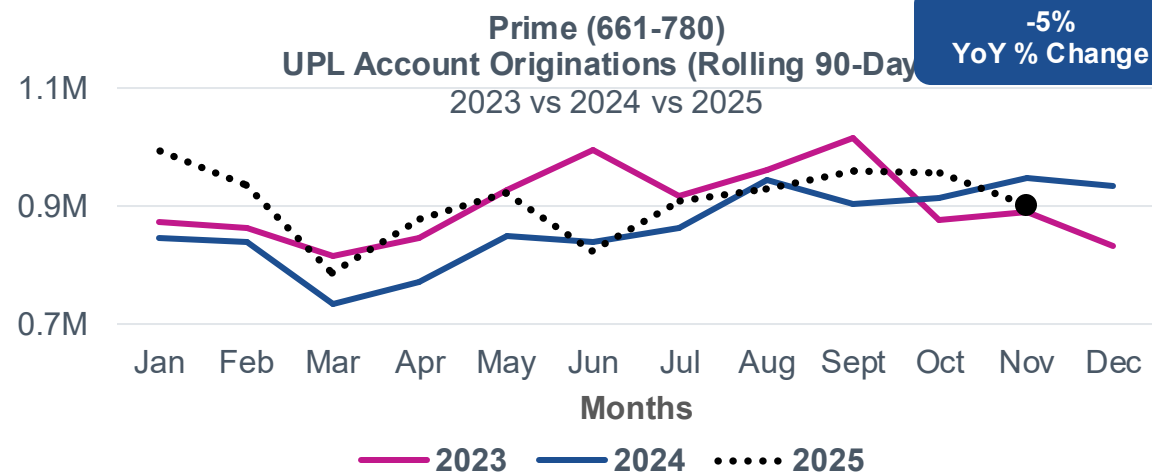
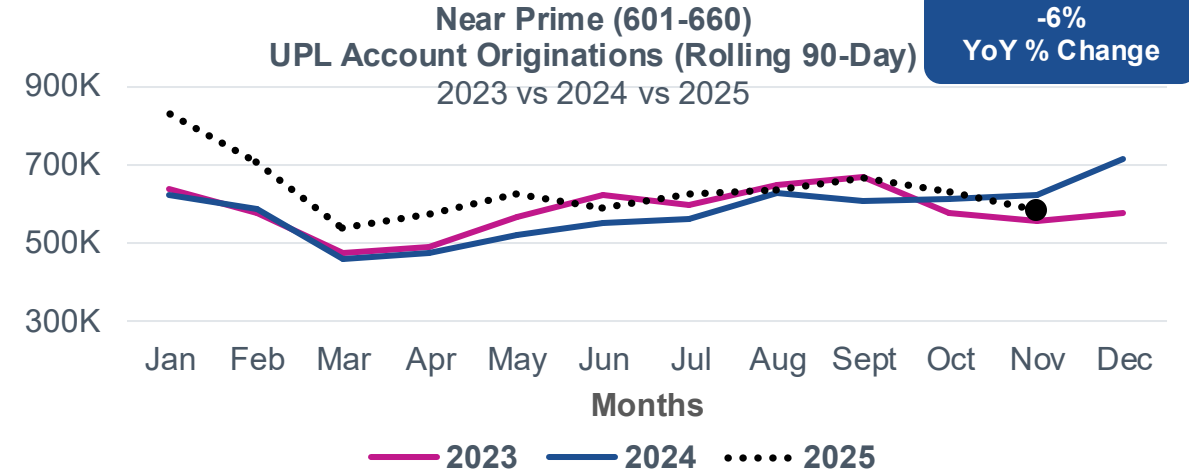
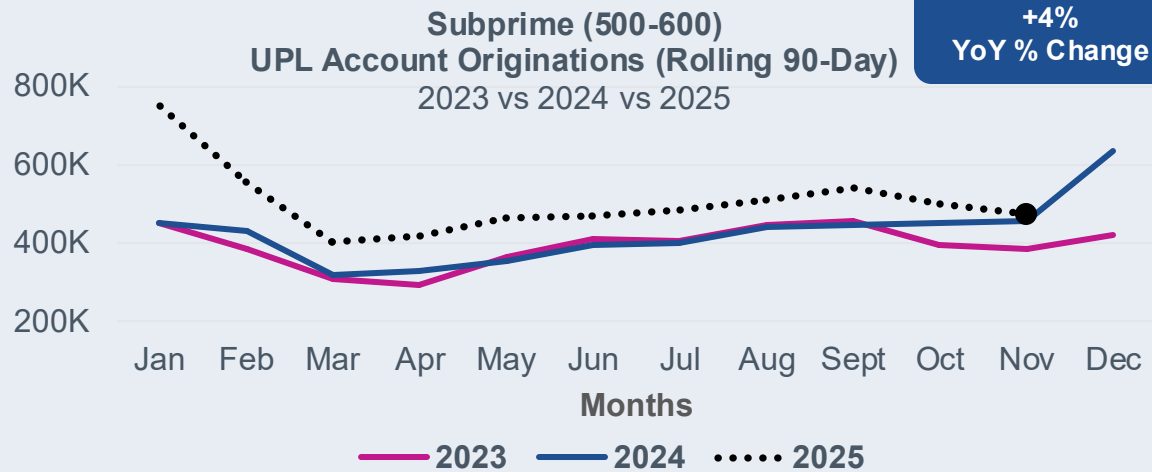
— Originations down YoY in November for the first time since September 2024



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Subprime borrowers lead growth in unsecured PL originations



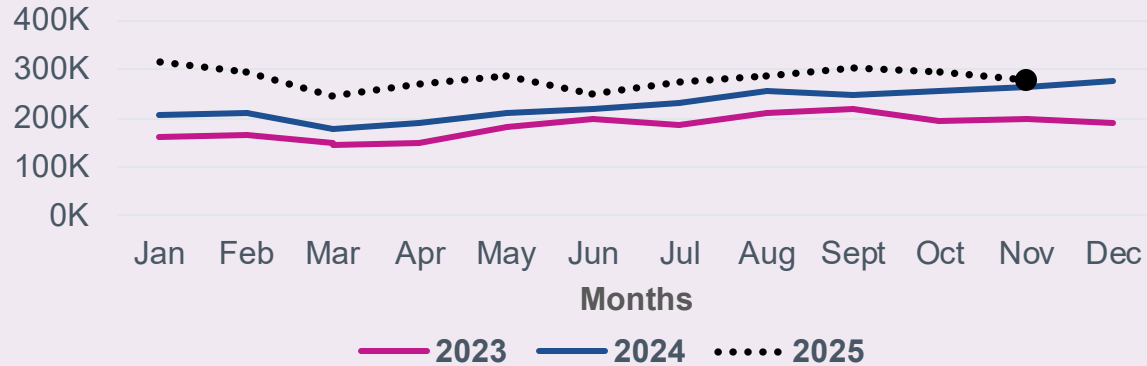
Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Gen Z leads unsecured personal loan growth

Gen Z
UPL Account Originations (Rolling 90-Day)
2023 vs 2024 vs 2025

+5%
YoY % Change



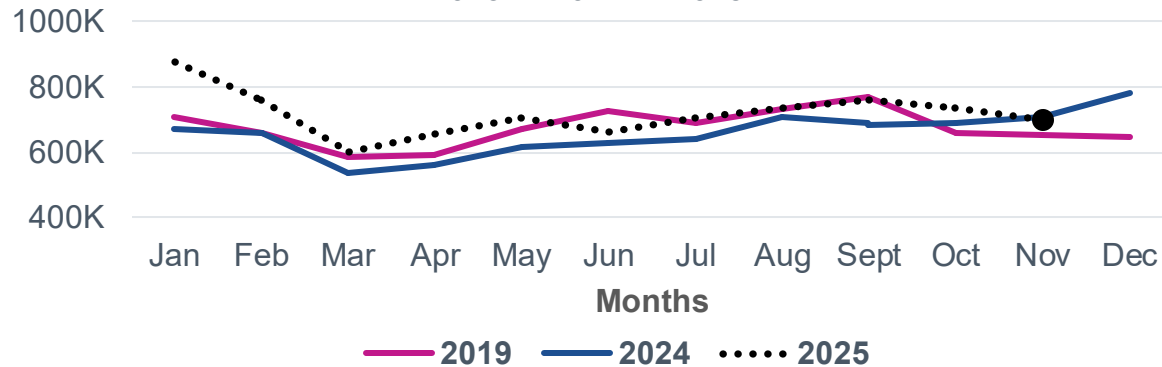
Millennials
UPL Account Originations (Rolling 90-Day)
2023 vs 2024 vs 2025

-2%
YoY % Change



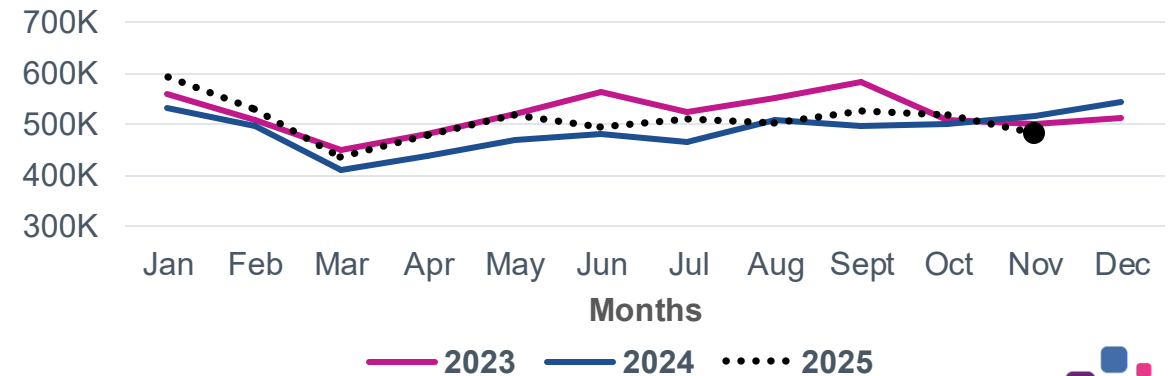
Gen X
UPL Account Originations (Rolling 90-Day)
2023 vs 2024 vs 2025

-1%
YoY % Change



Baby Boomer
UPL Account Originations (Rolling 90-Day)
2023 vs 2024 vs 2025

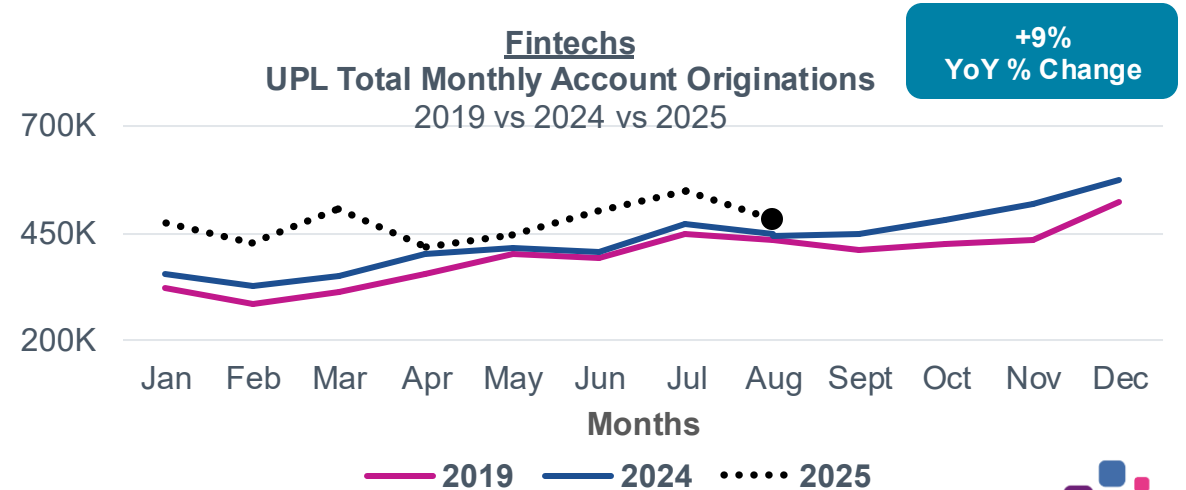
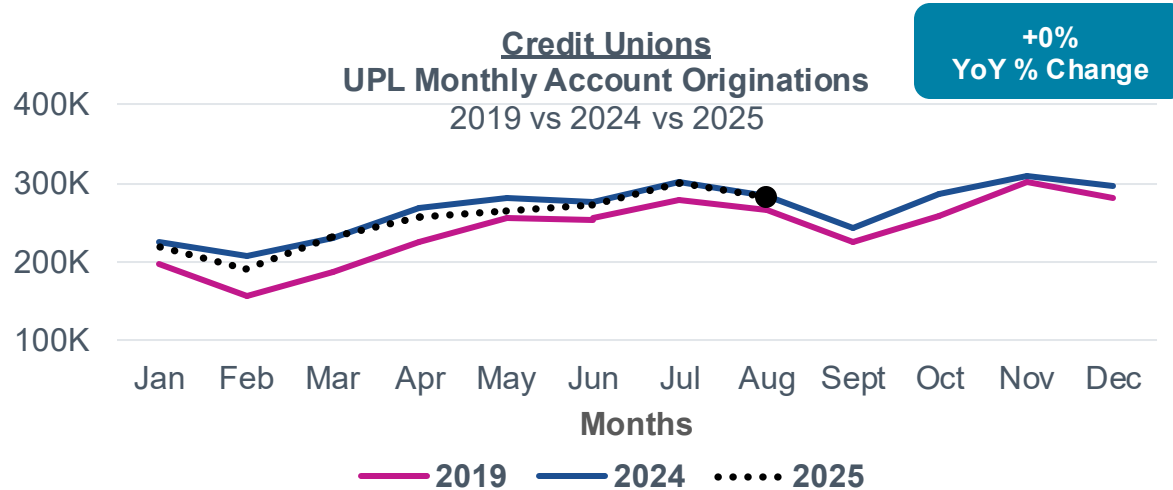
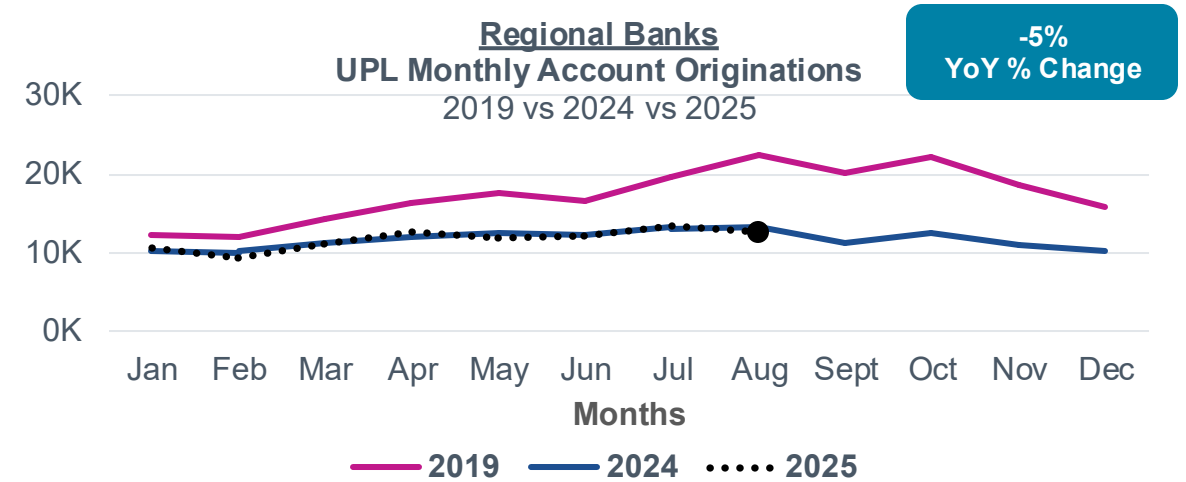
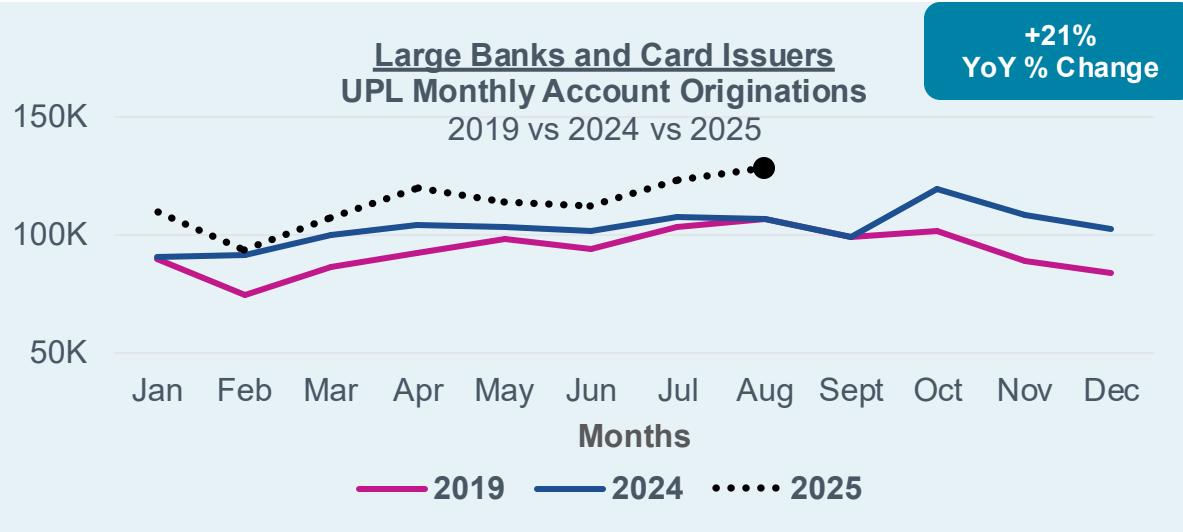
-7%
YoY % Change



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Large banks increase pace of unsecured personal loan lending



Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group

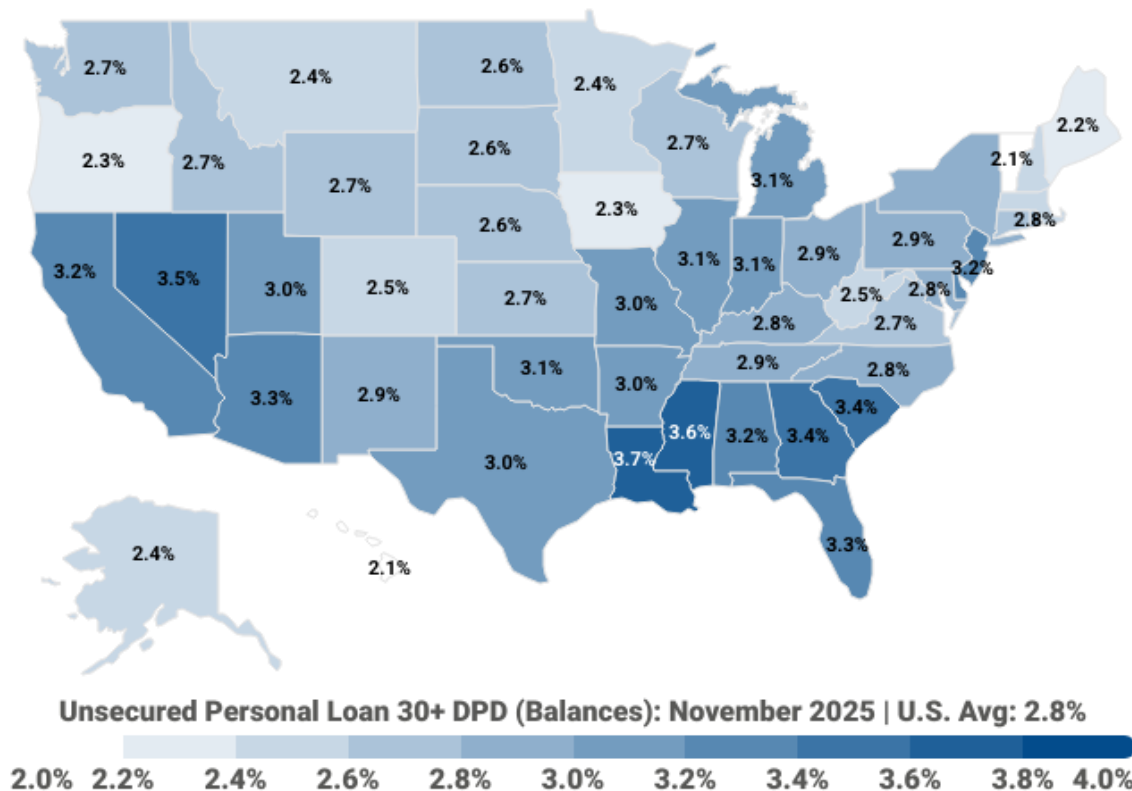
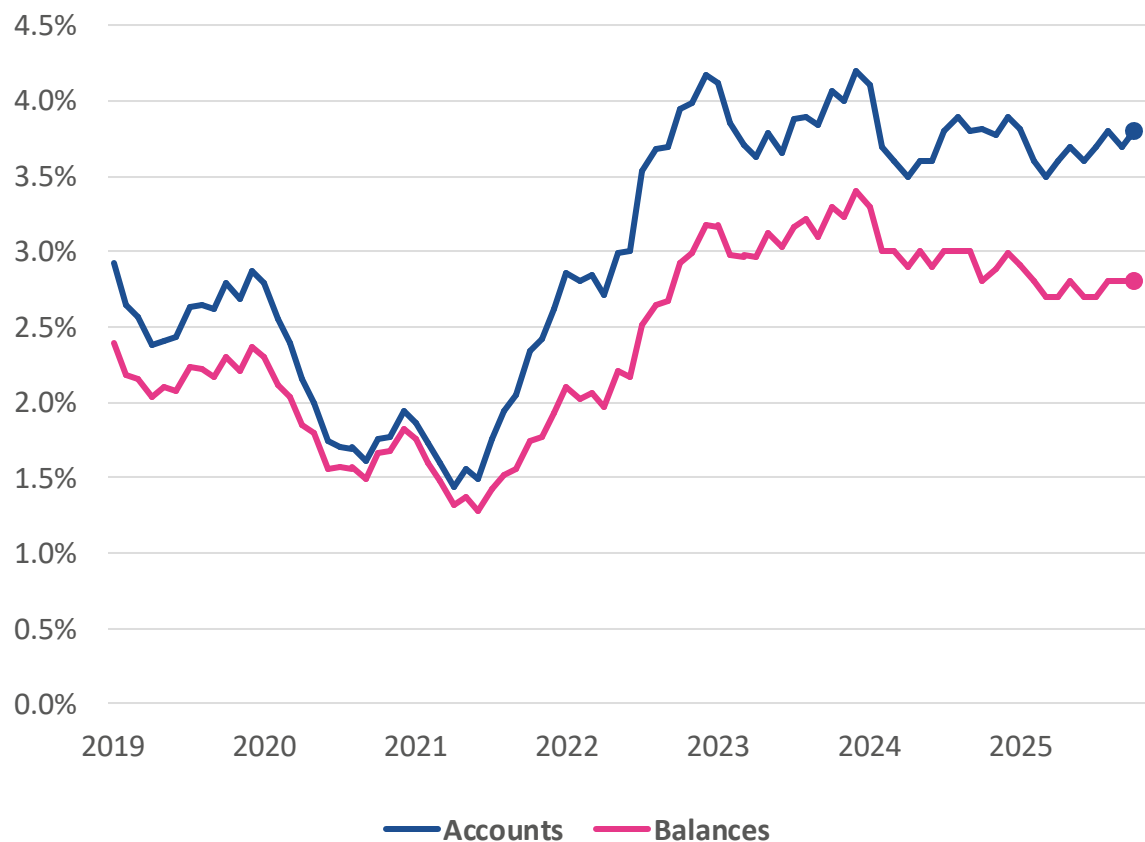




Unsecured personal loan delinquency balances remain stable

— Highest unsecured PL delinquency rates in Louisiana, Mississippi and Nevada

Unsecured Personal Loan: 30+ DPD



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



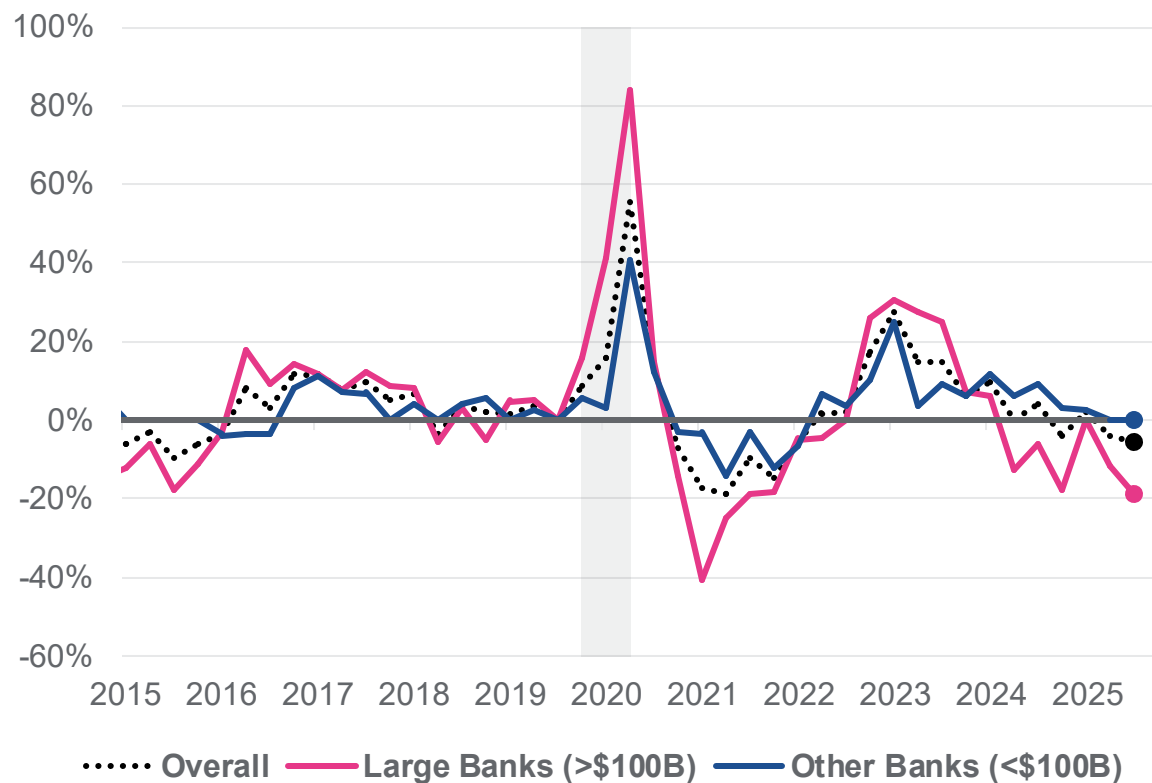




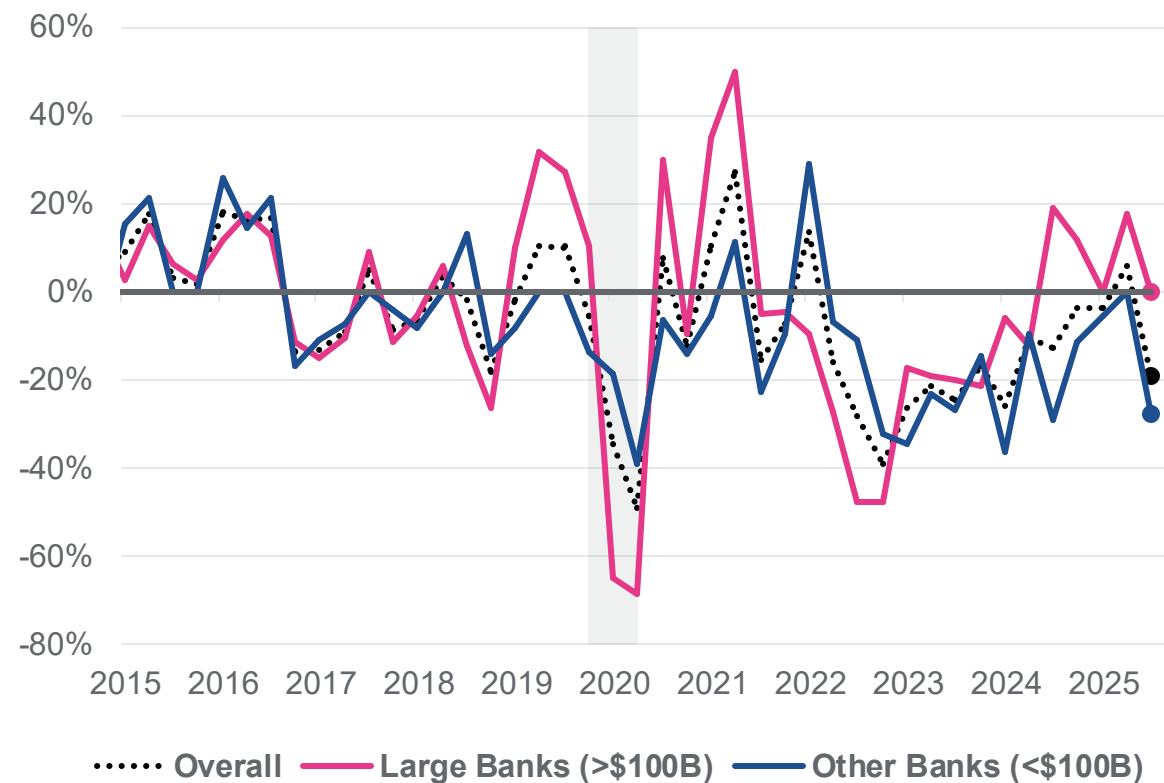
Standards for autos loosened in Q3 across large banks

— Reported demand declined in Q3 across small and mid-sized banks

Net % of Banks Tightening Lending Standards on Auto Loans



Net % of Banks Reporting Stronger Demand for Auto Loans



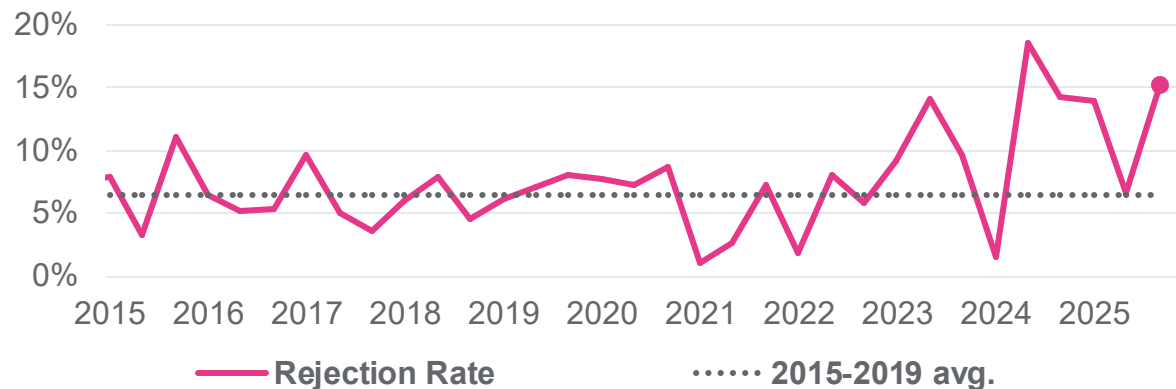
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



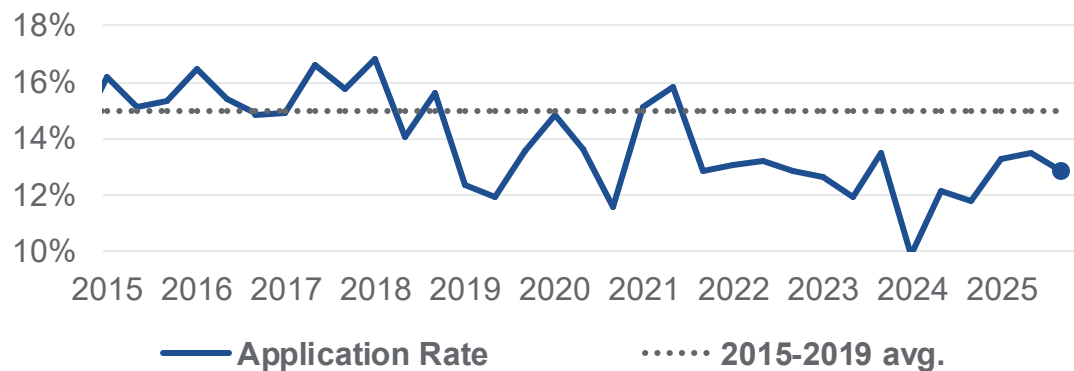
Auto loan rejection rates jump up in October

— Application rates remain below pre-pandemic level but expectations increasing across lower-scored borrowers

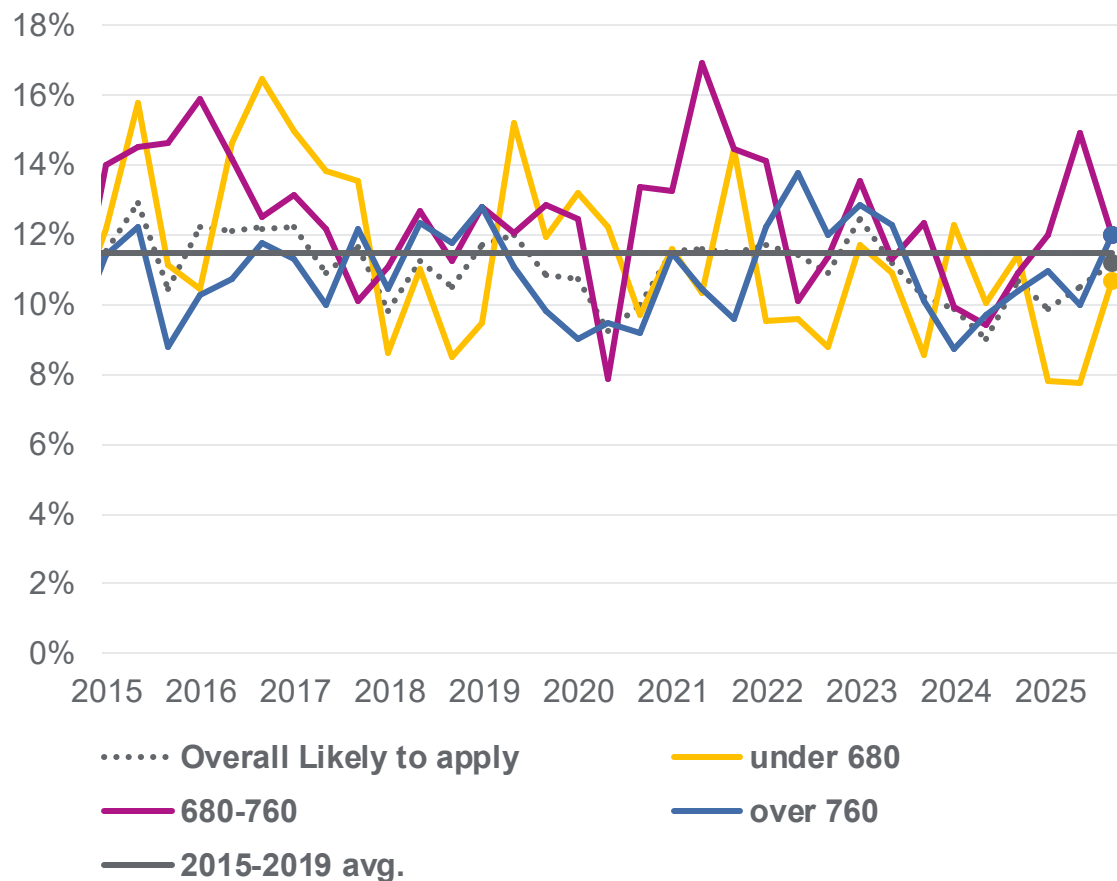
Rejection Rate Over the Past 12 Months: Autos



Application rate over the past 12 months:
Auto



Expected application rate over next 12 months by Score:
Auto

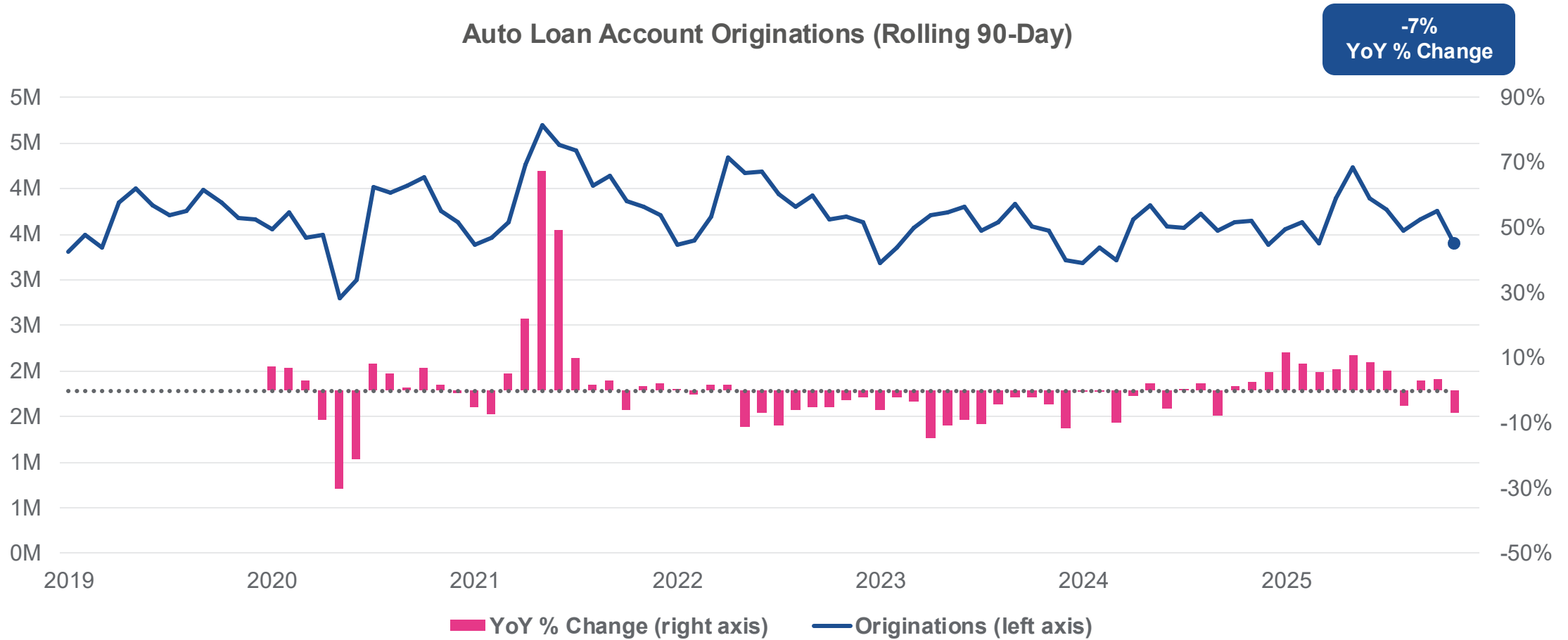


Sources: New York Federal Reserve and Experian Economic Strategy Group



Auto loan originations down YoY in November

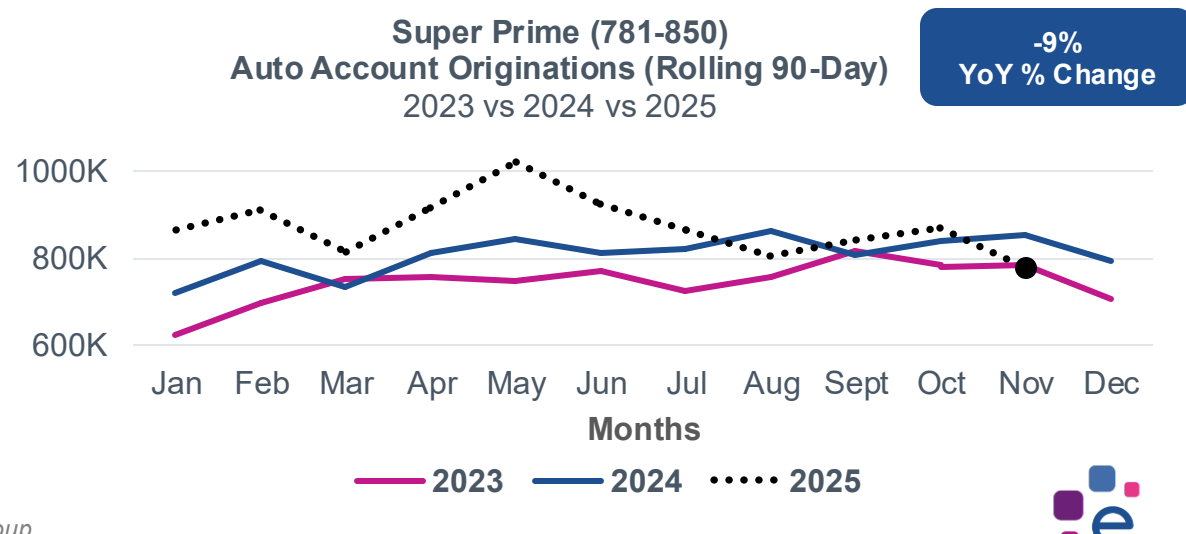
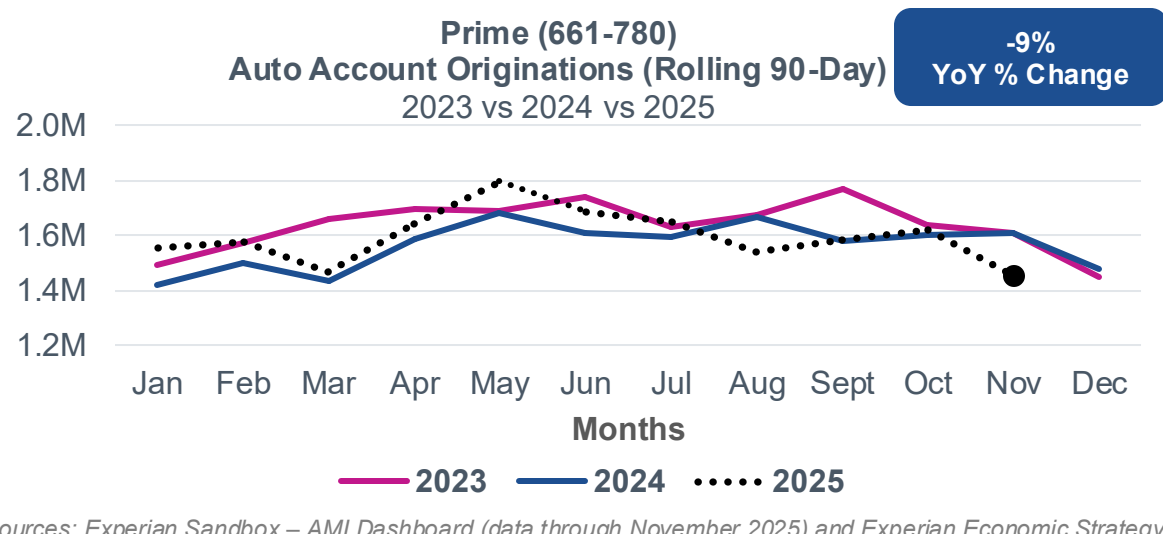
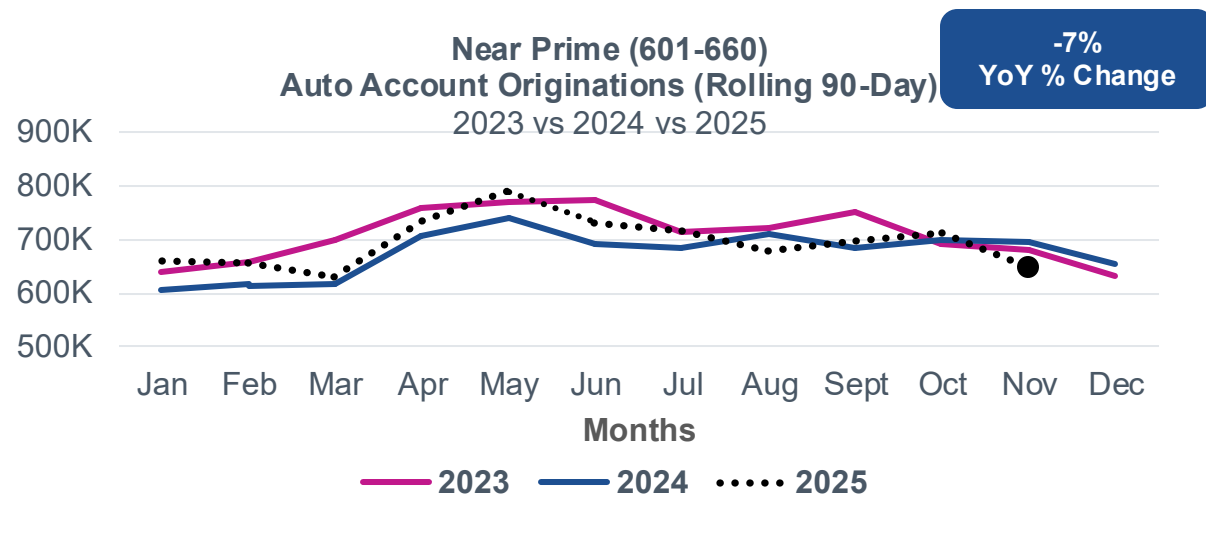
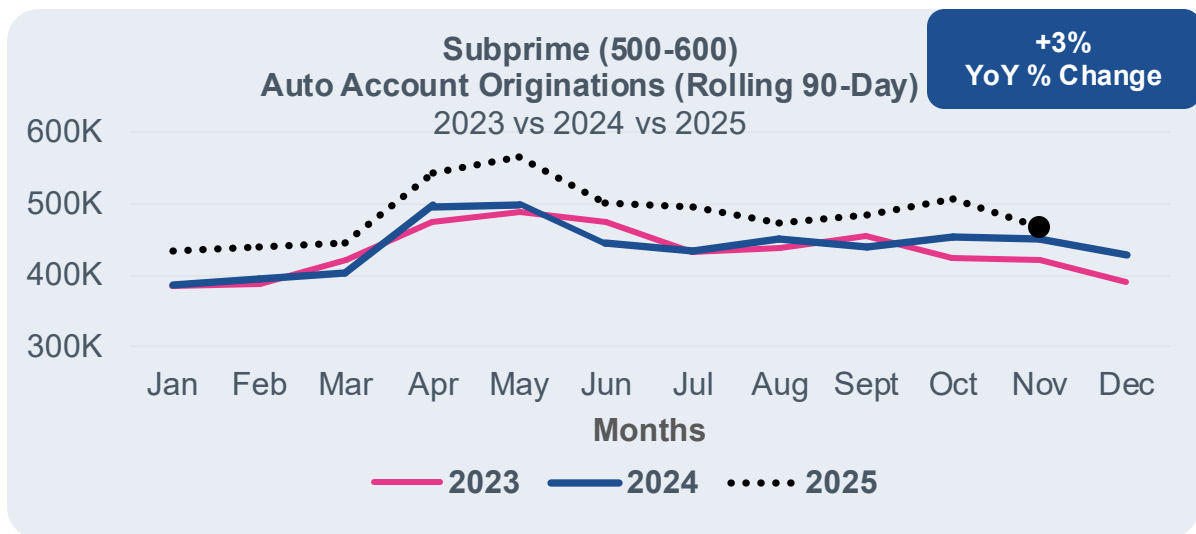
— Lower auto demand reflected in latest origination data



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



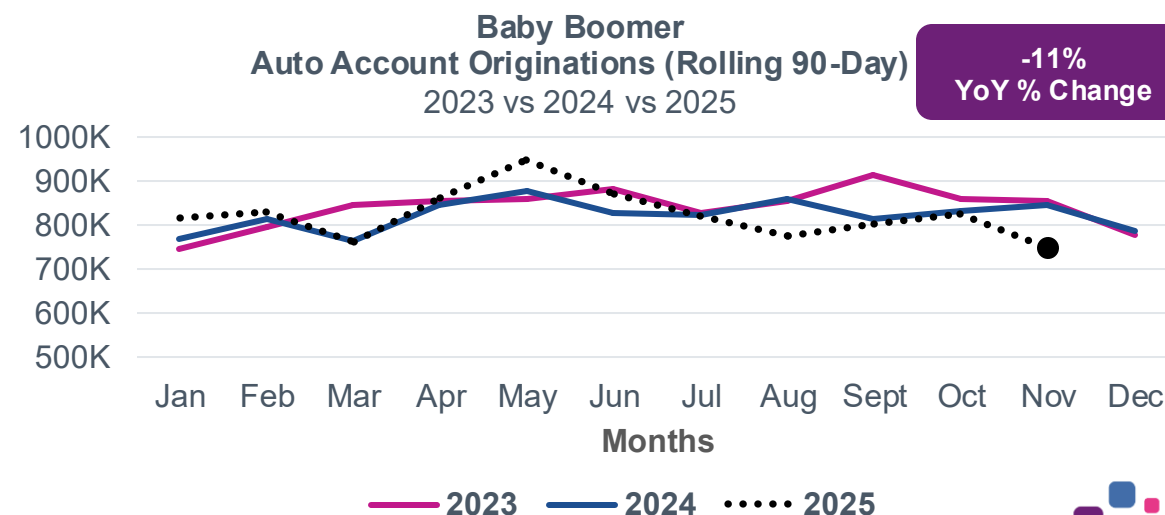
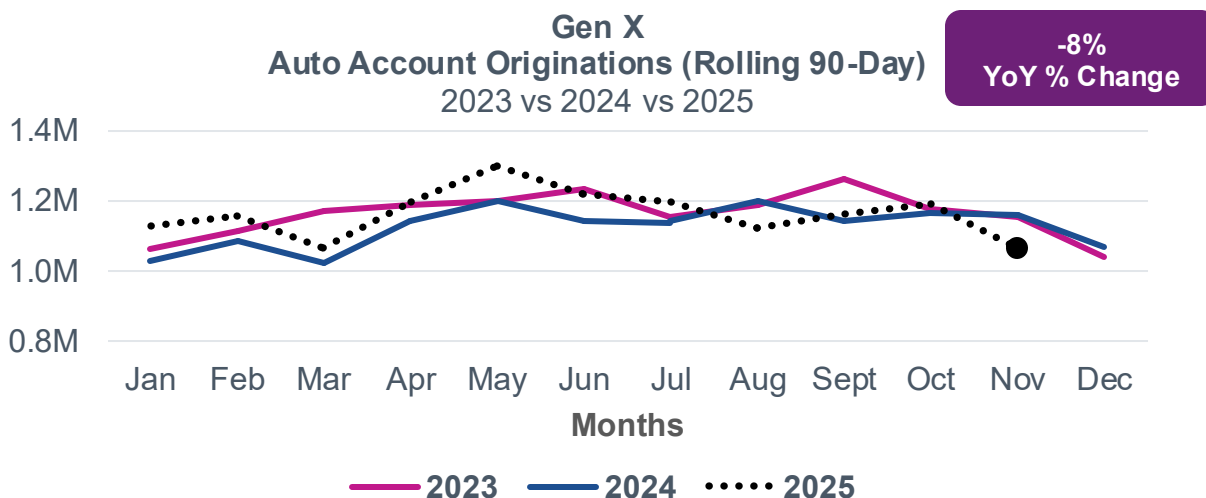
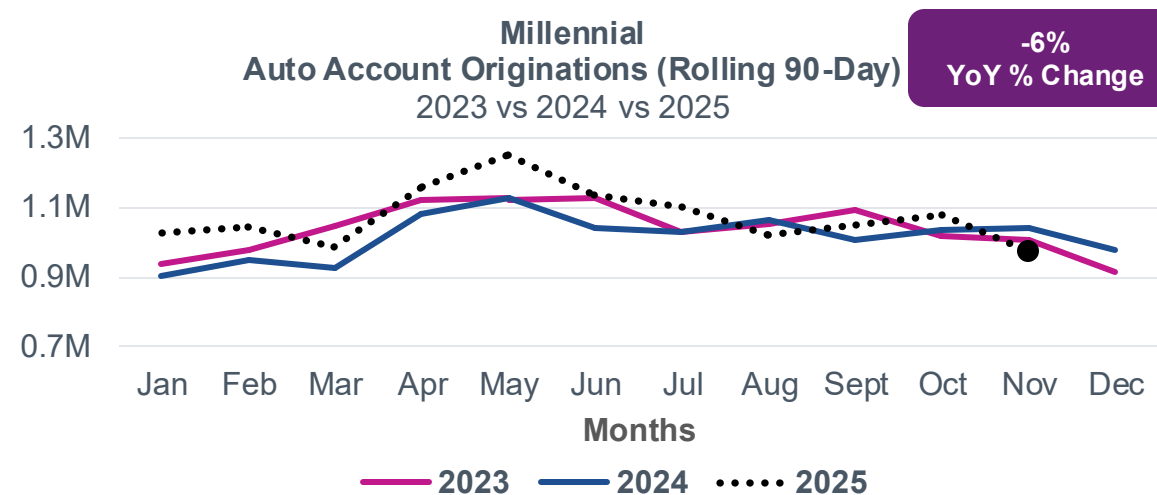
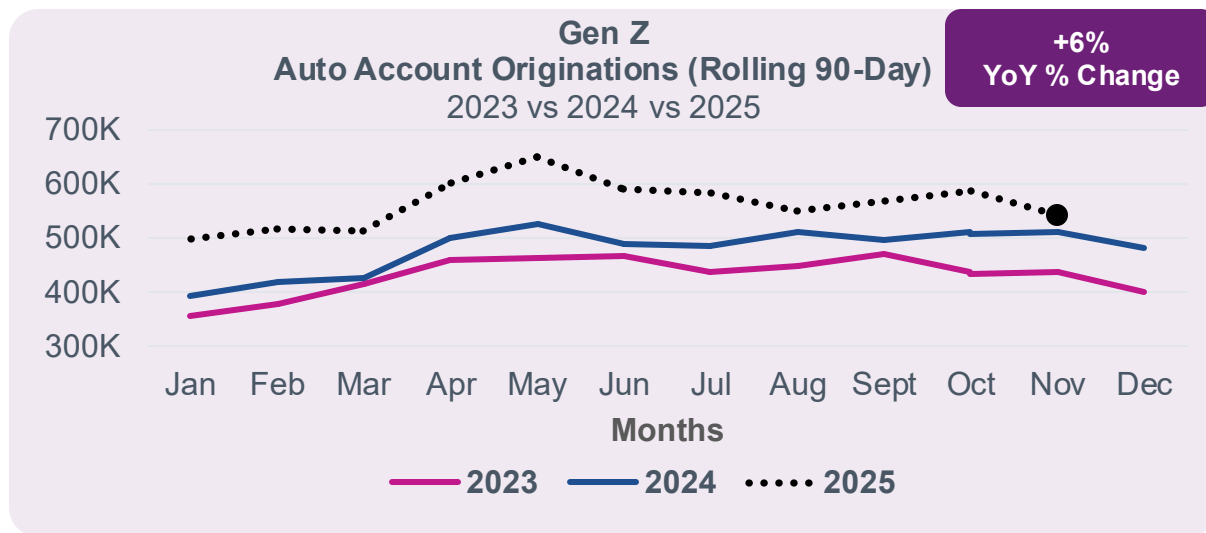
Auto loan originations down YoY for all segments but subprime



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Auto loan origination growth highest for Gen Z

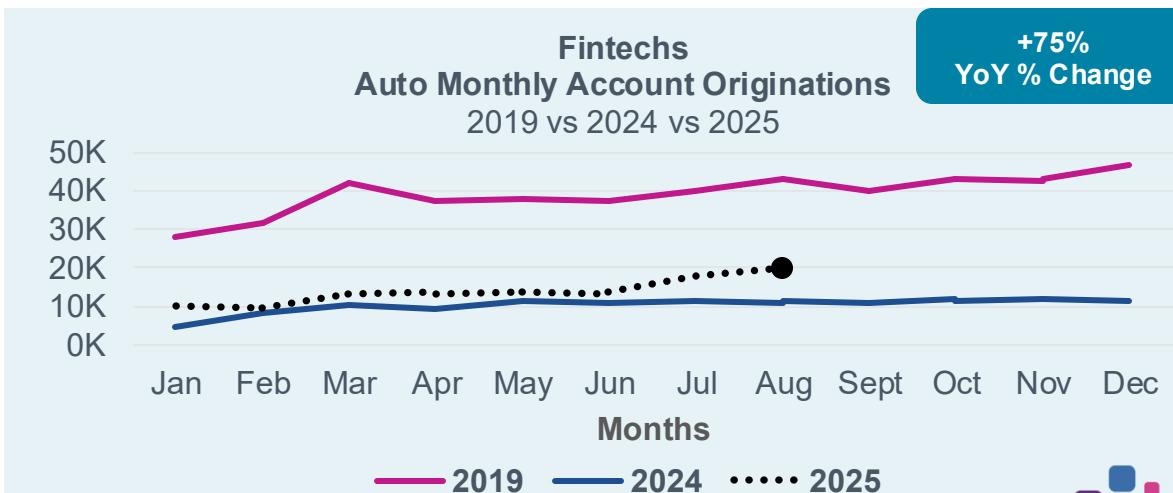
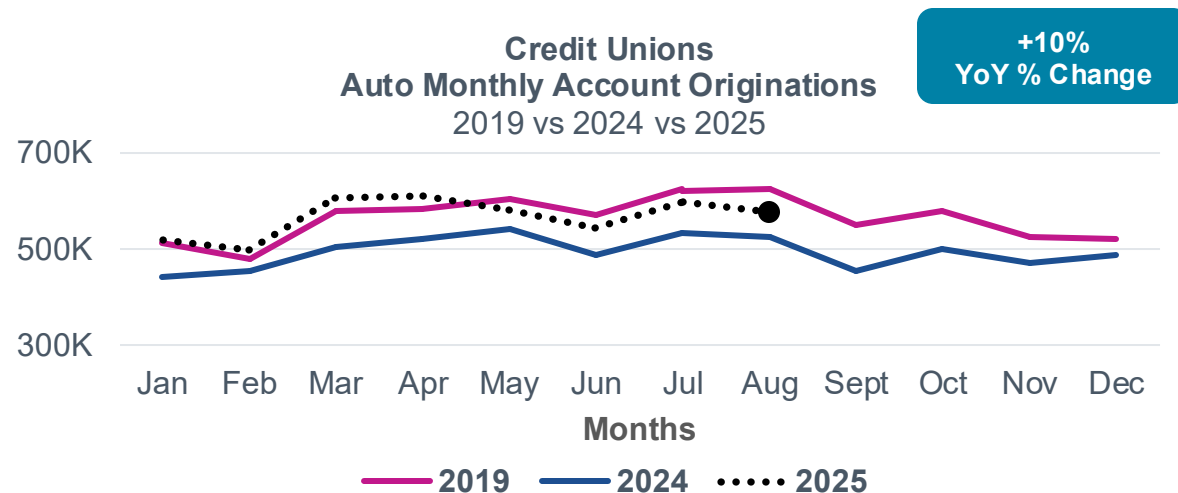
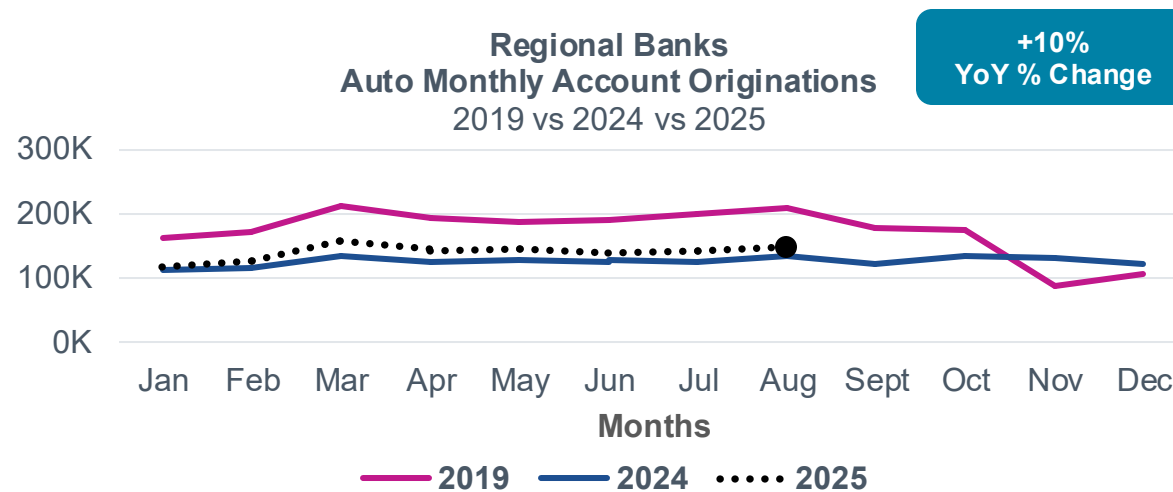
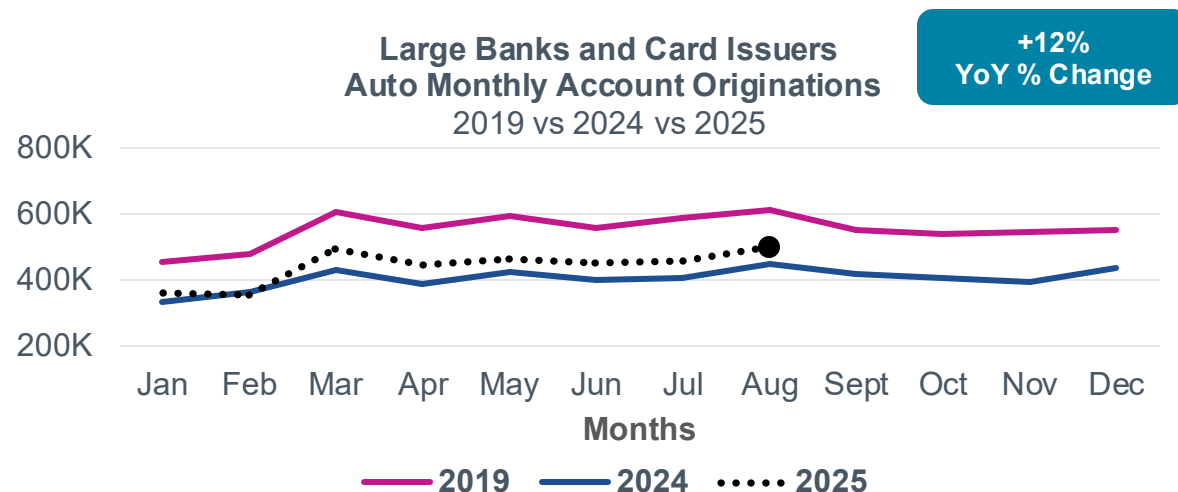


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





Although still a small share of auto market, fintech auto originations continue to grow

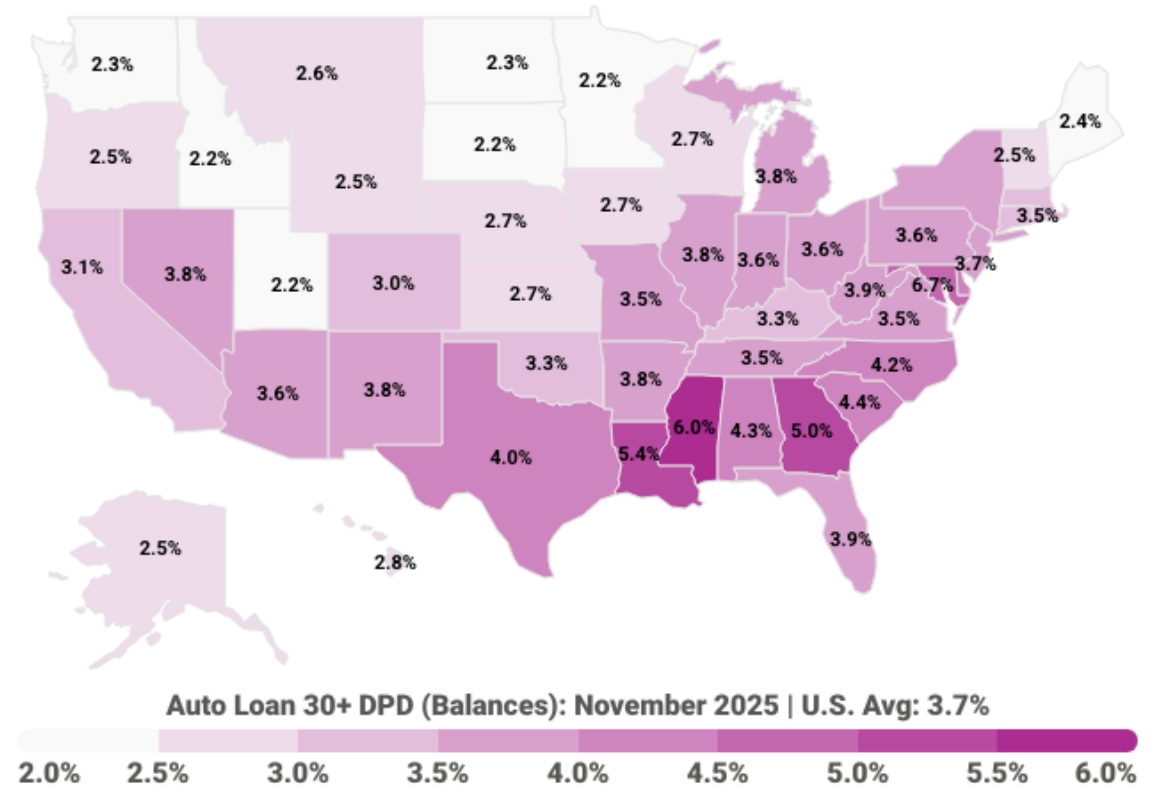
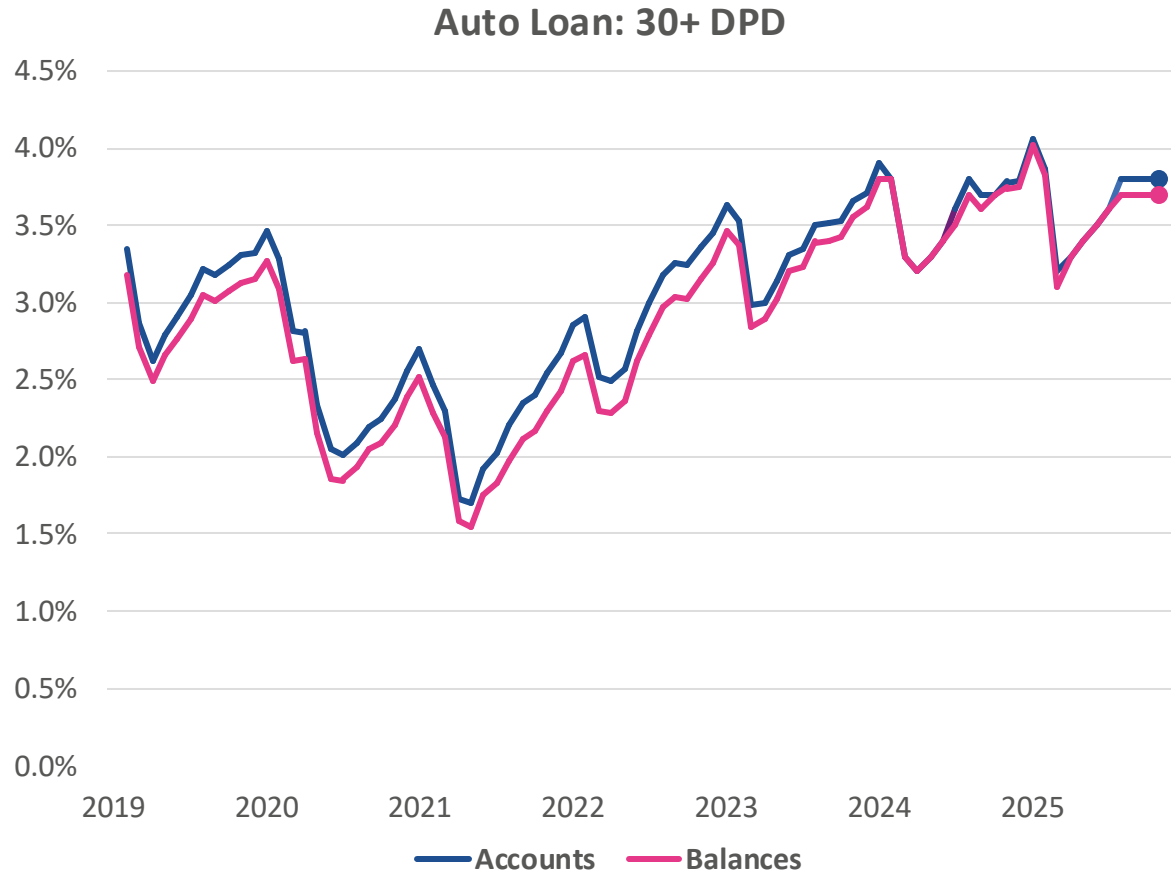


Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group



Auto loan delinquency flat over the past quarter

— Auto loan delinquency remains highest in D.C. and Mississippi



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



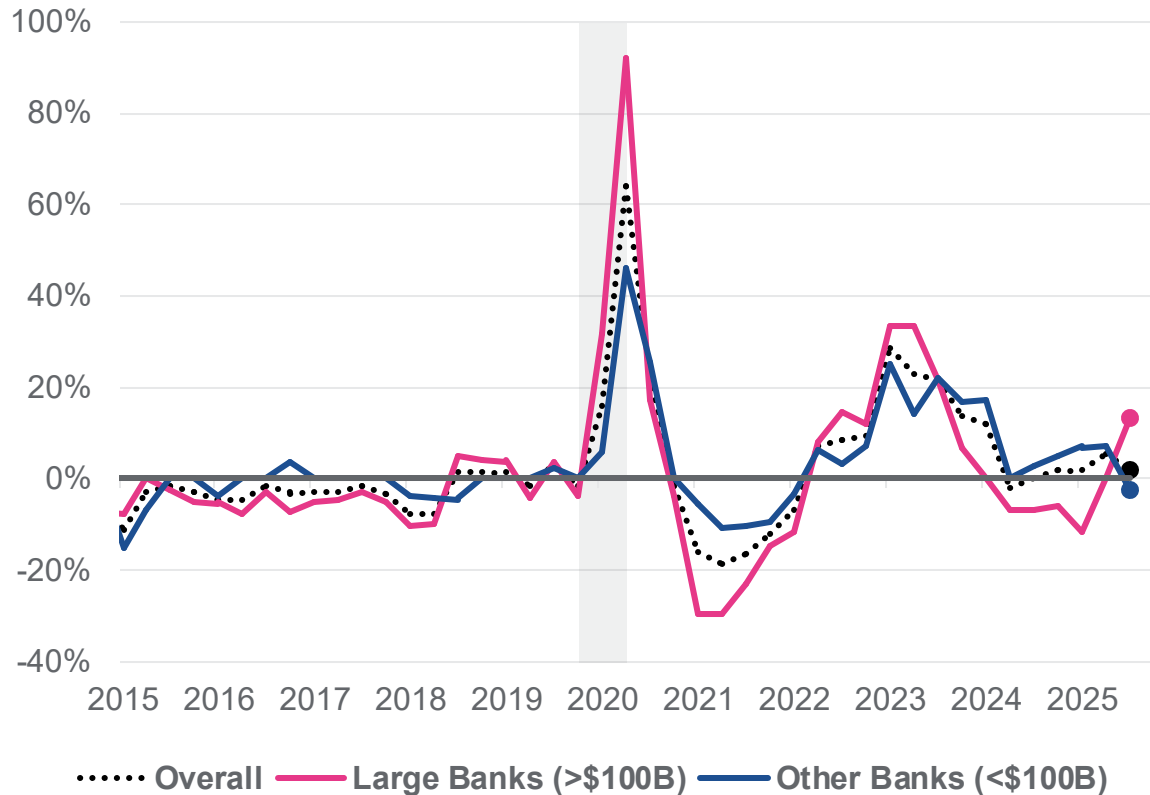




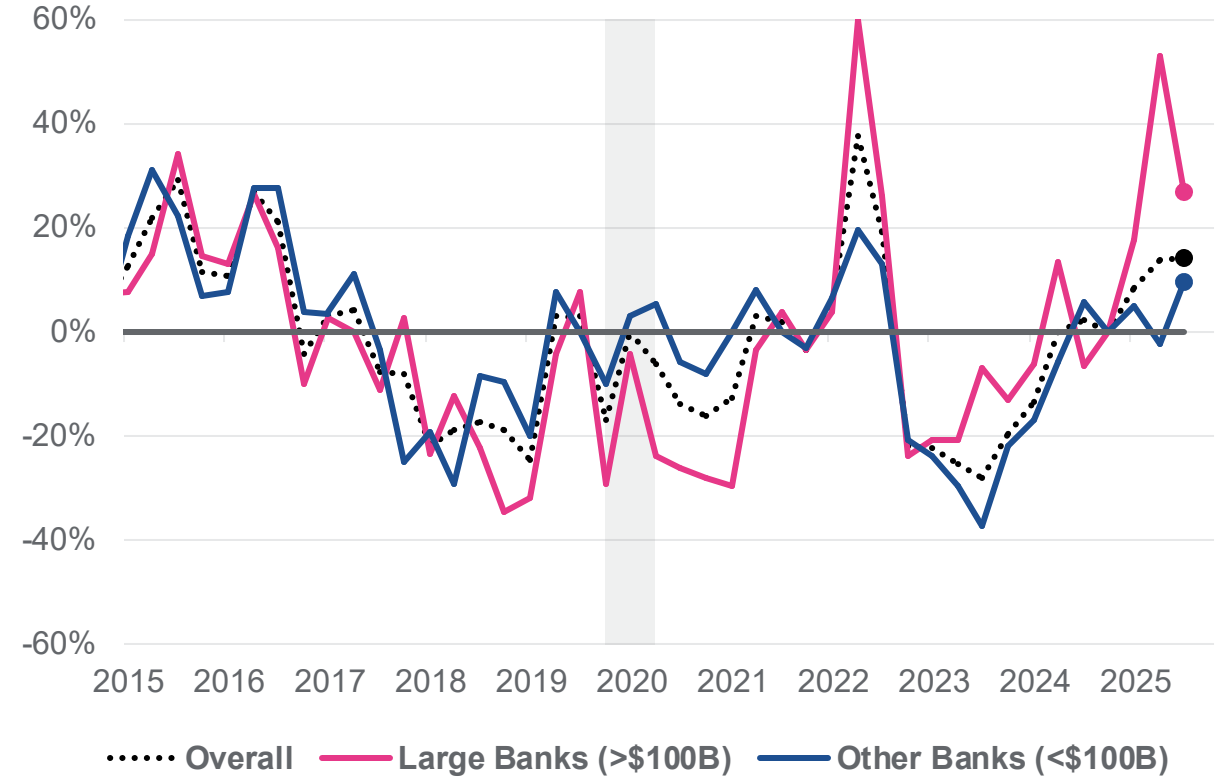
HELOC standards tightened among large banks in Q3

— Stronger HELOC demand reported across banks

Net % of Banks Tightening Lending Standards on Home Equity Lines of Credit



Net % of Banks Reporting Stronger Demand for Home Equity Lines of Credit

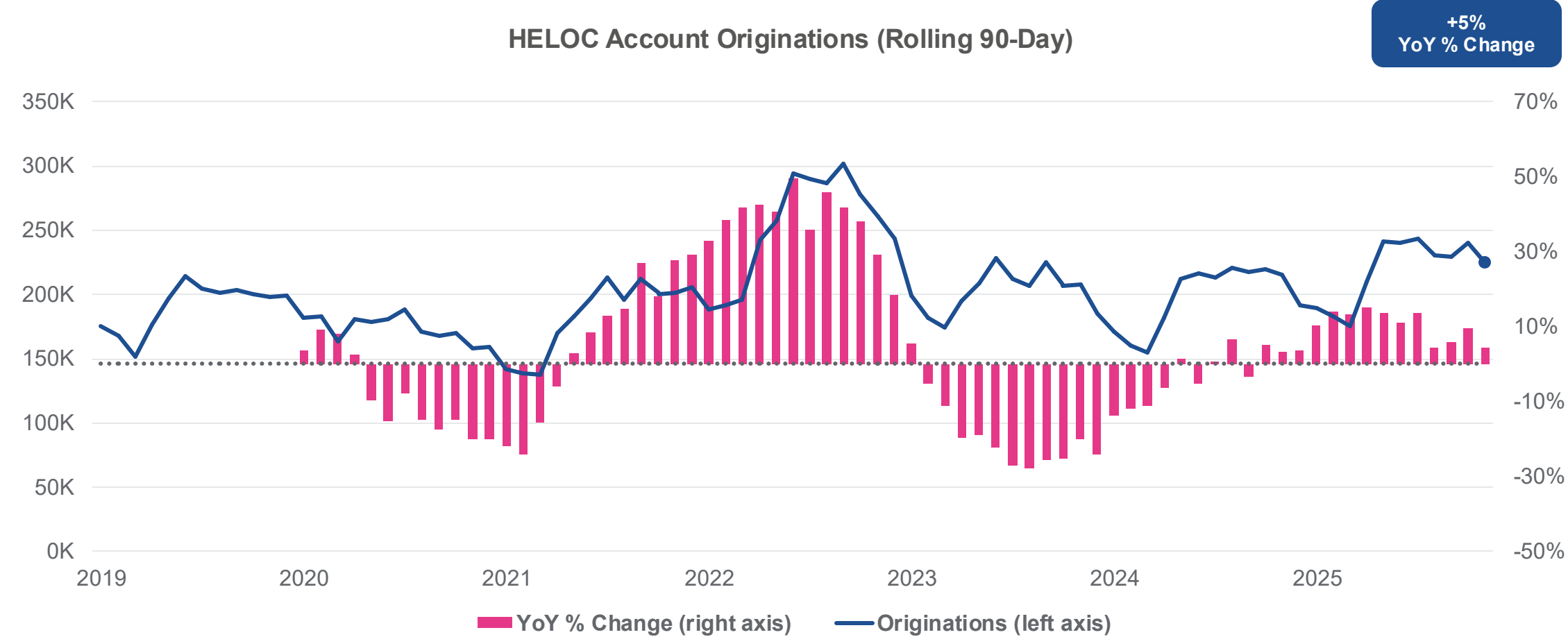


Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



HELOC originations up YoY since October 2024

— Growth in HELOC originations eased in November

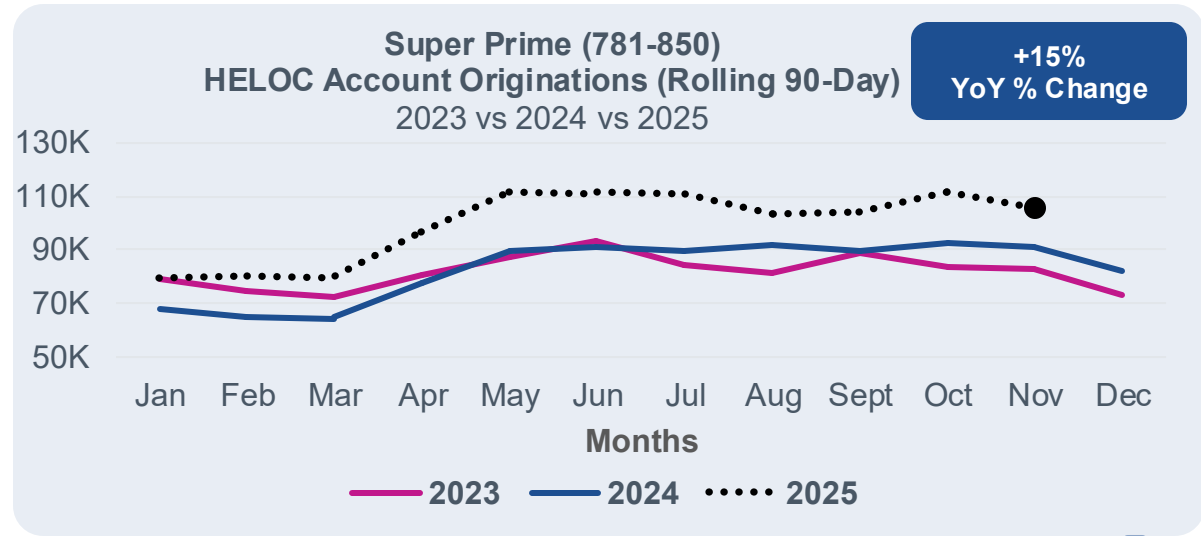
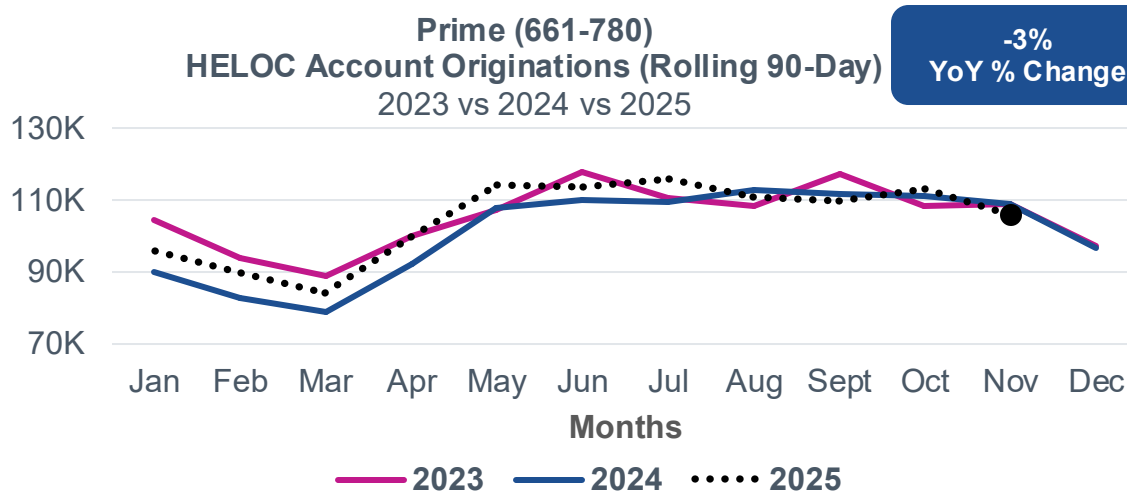
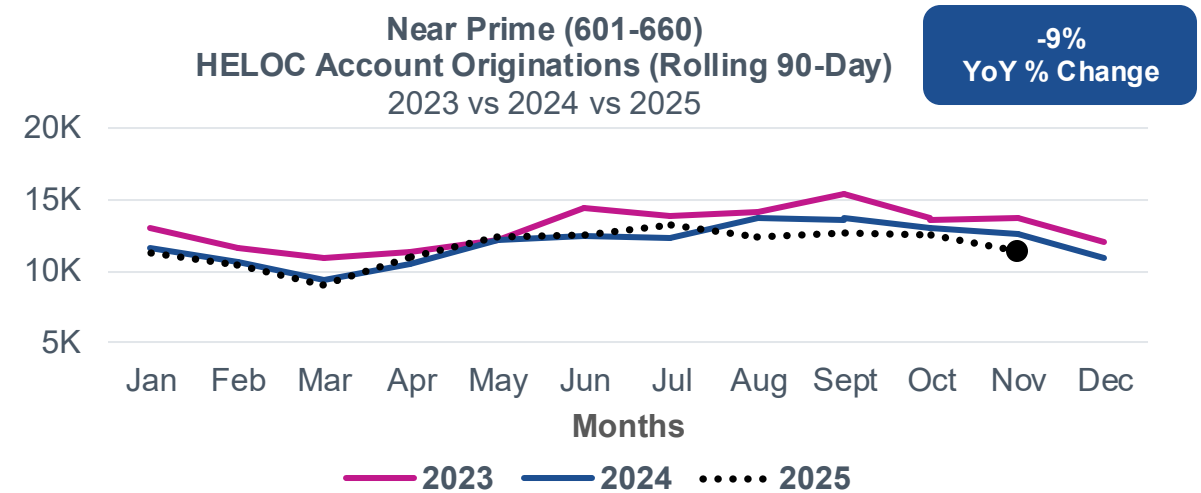
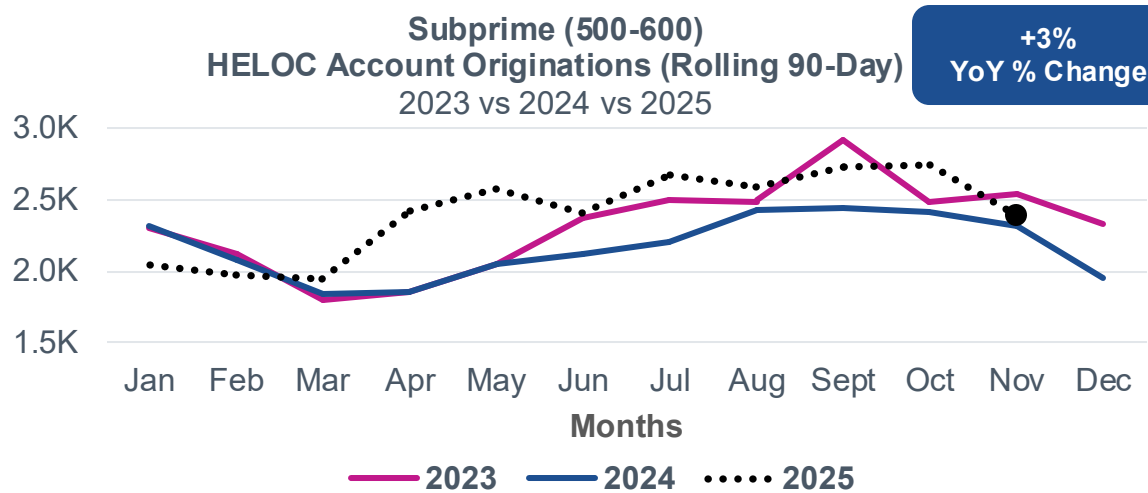


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





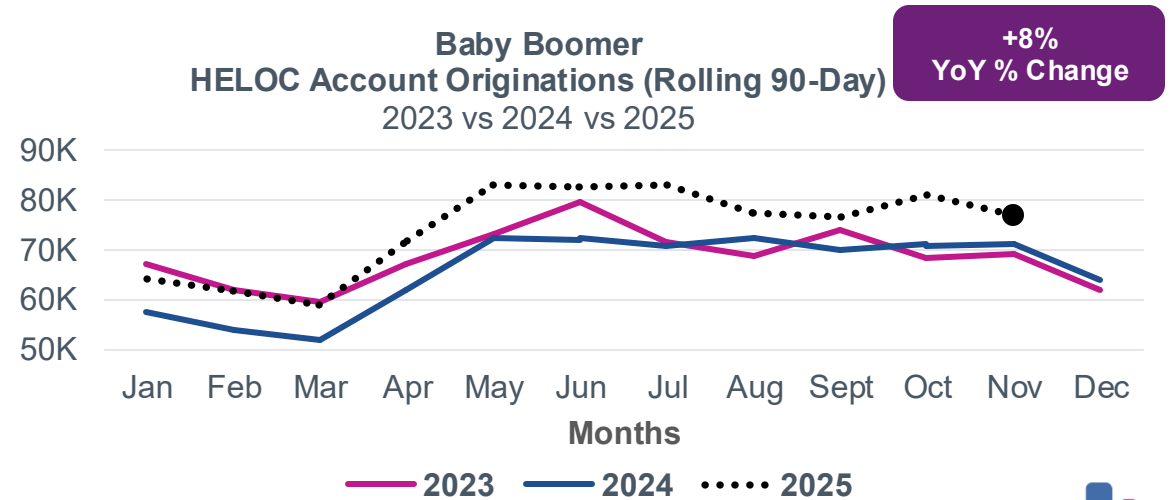
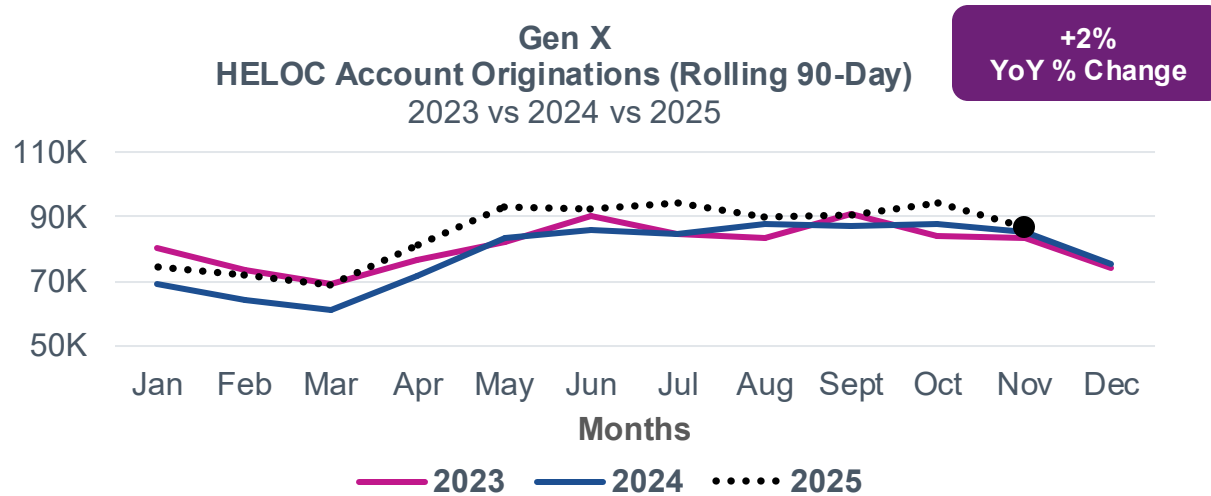
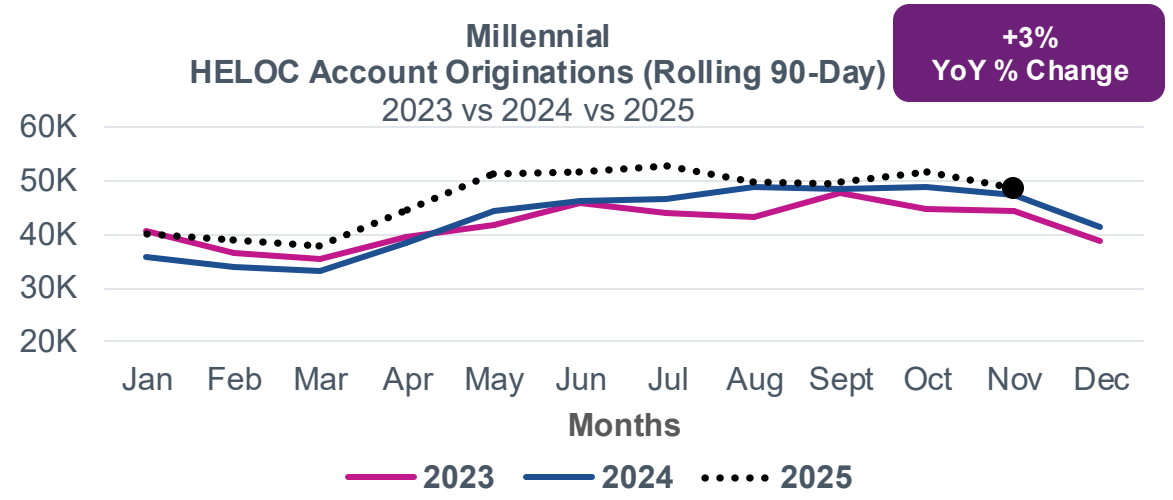
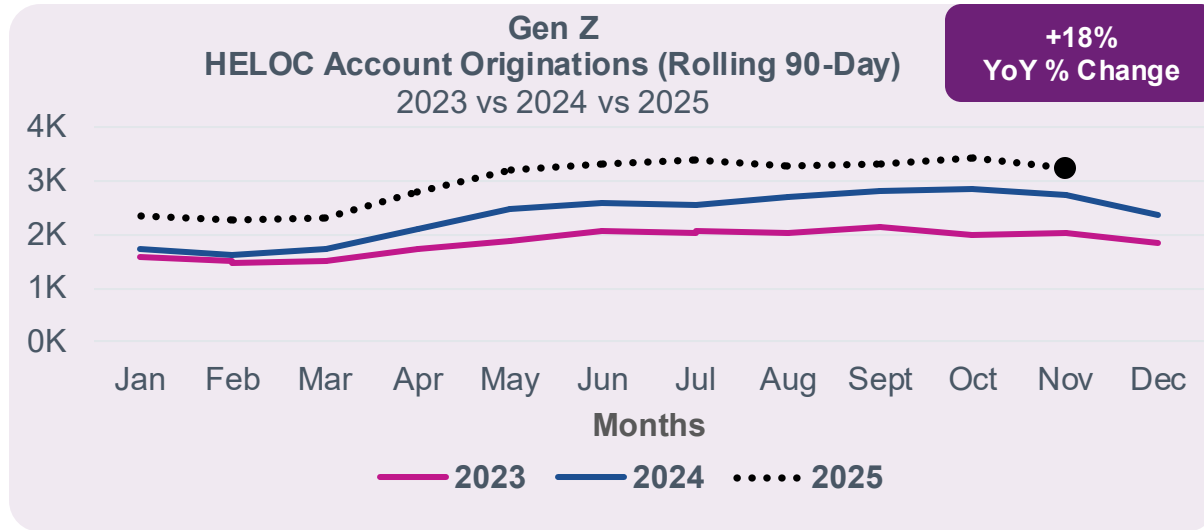
Super Prime borrowers lead HELOC origination growth



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



HELOC originations growing fastest for Gen Z borrowers

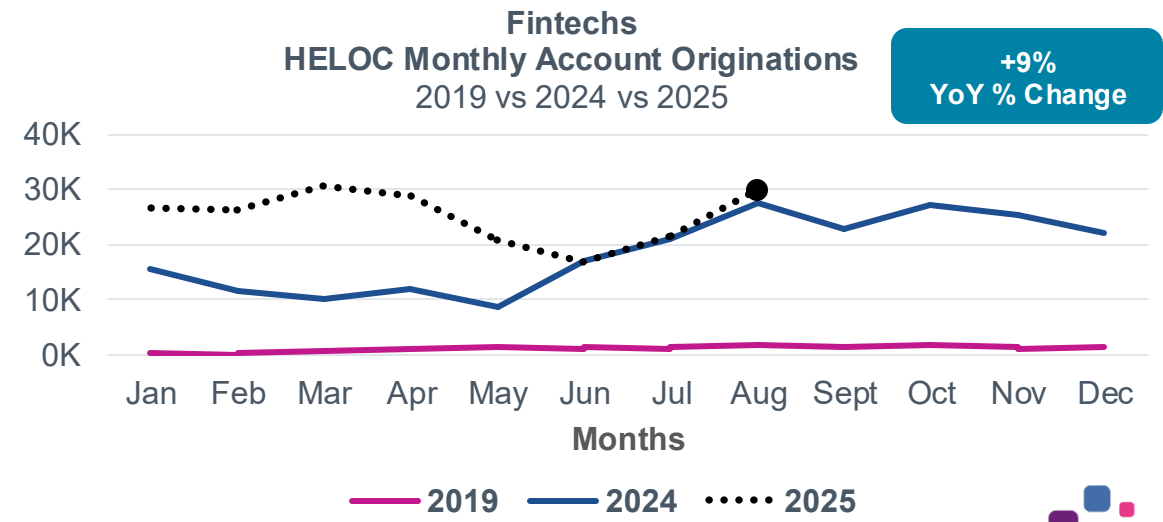
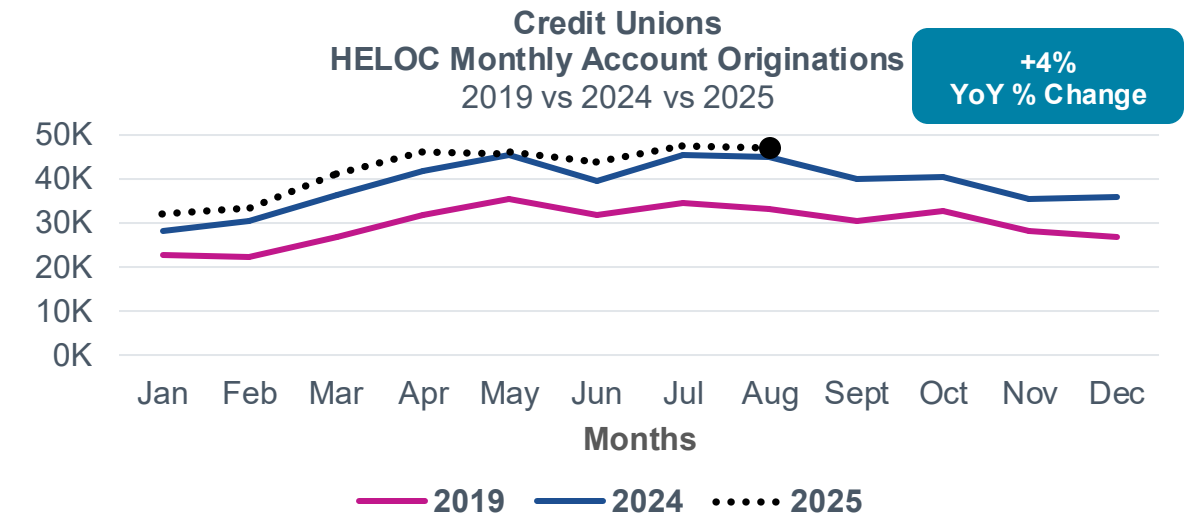
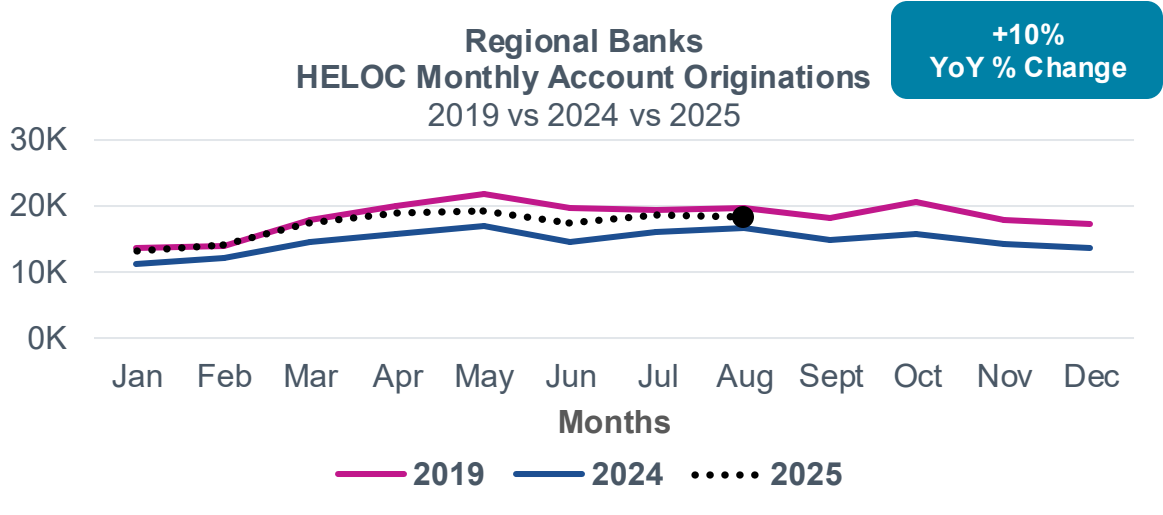
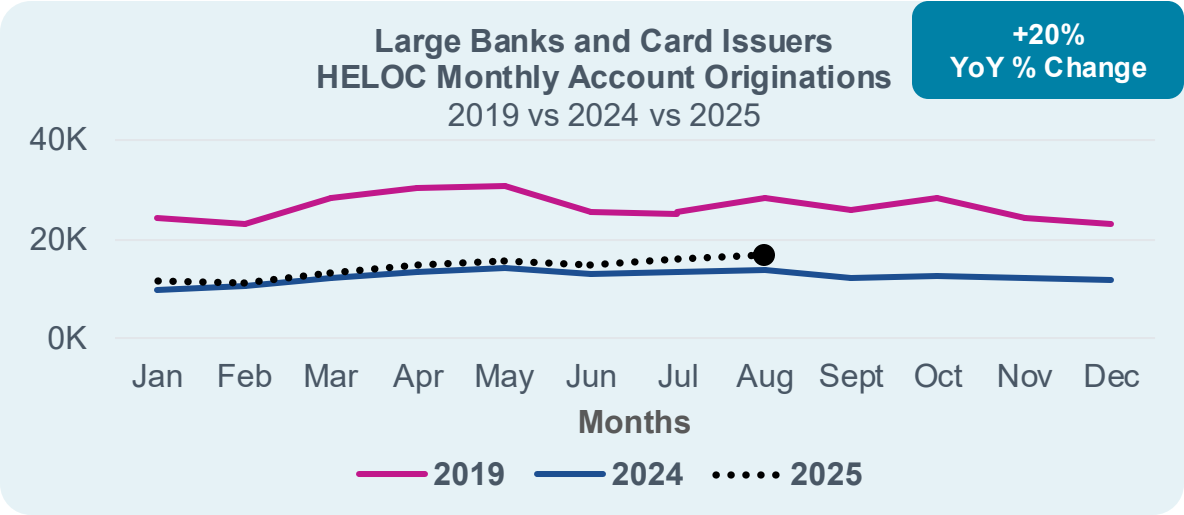


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





Large banks and card issuers lead HELOC lending

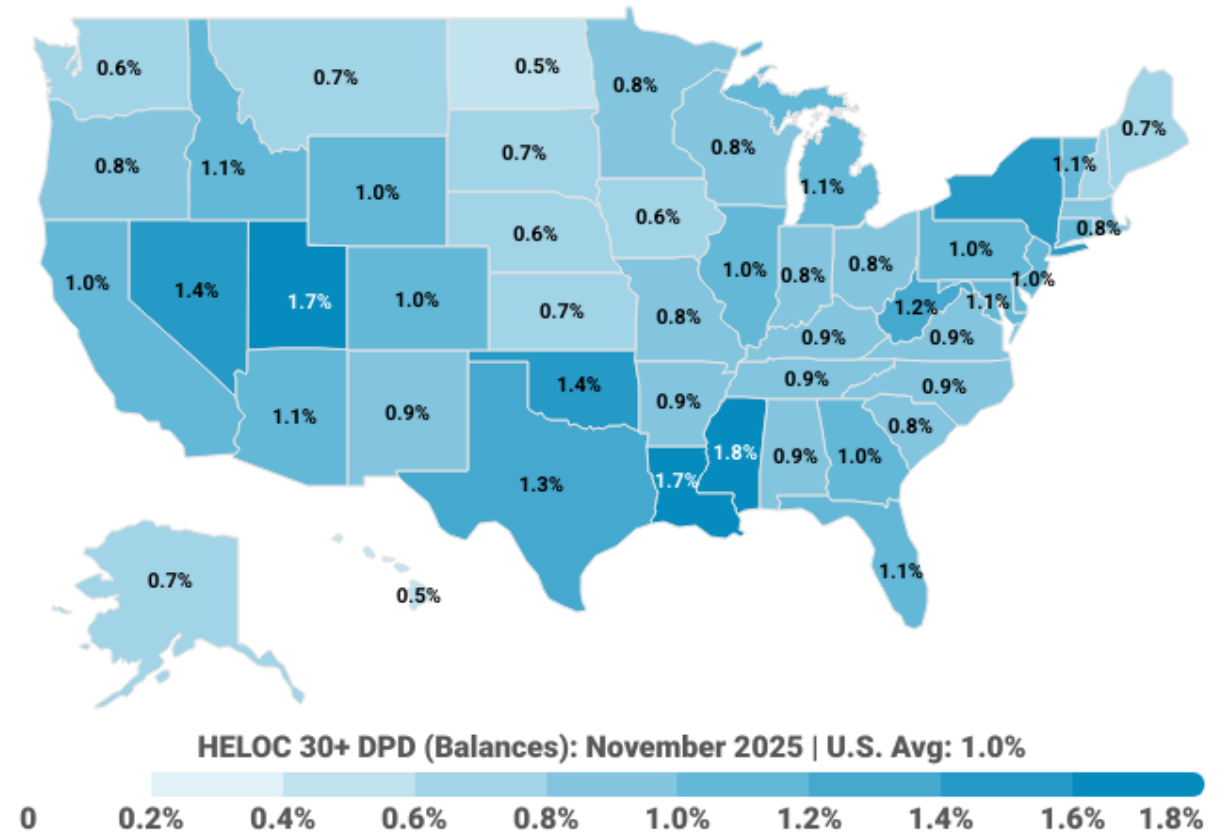
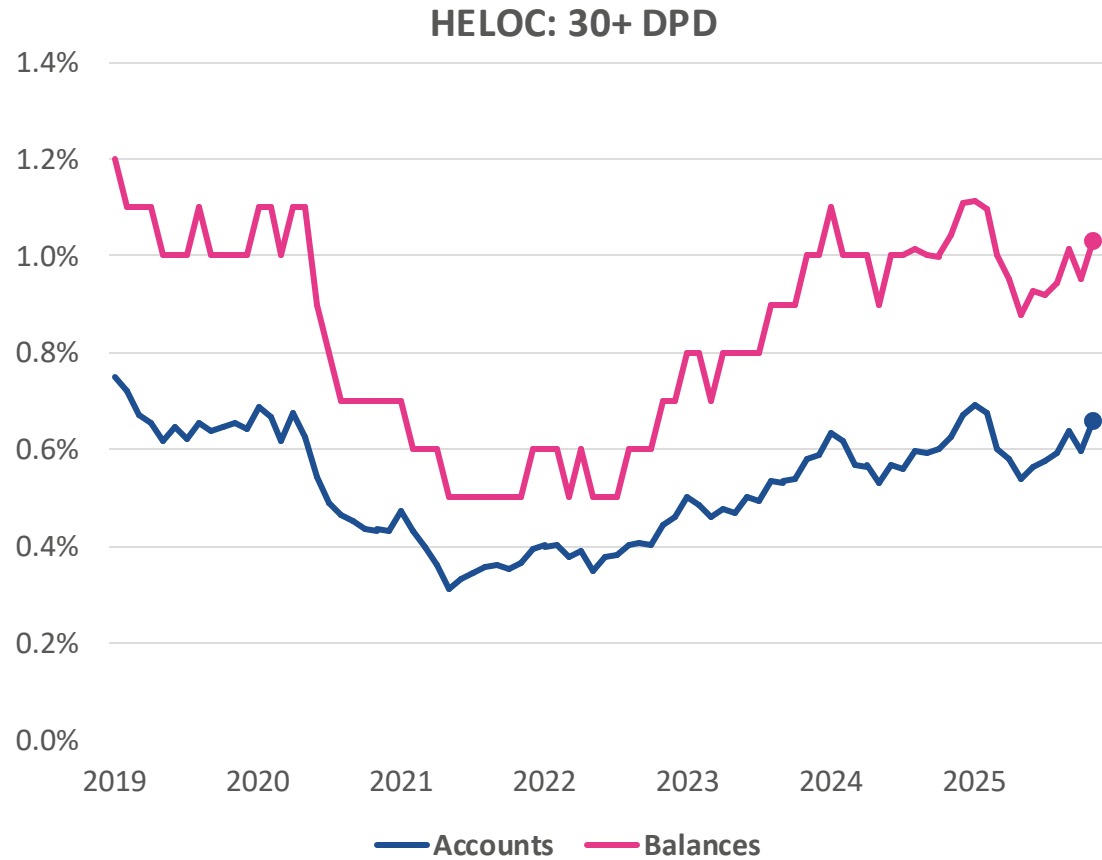


Sources: Experian Sandbox - Credit Trends Dashboard (data through August 2025. Note: data beyond June 2025 is preliminary) and Experian Economic Strategy Group



HELOC delinquency increases in November

— Highest HELOC delinquency in Mississippi, Utah and Louisiana



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



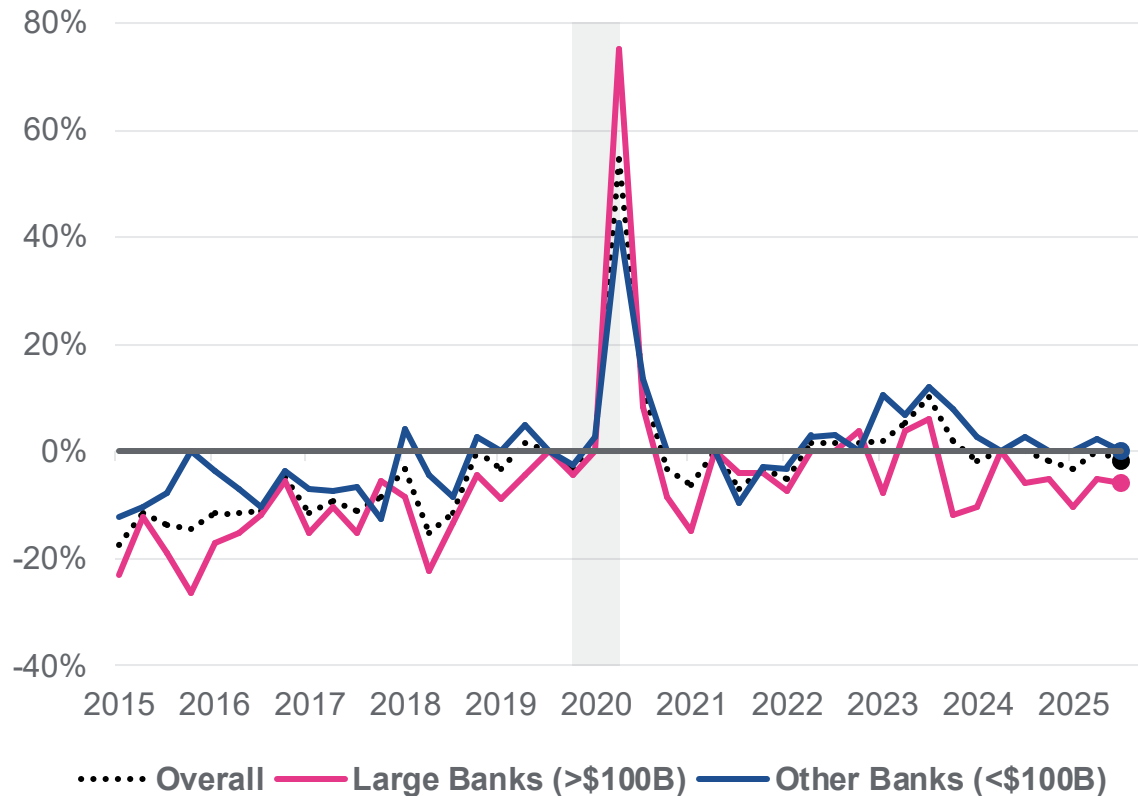
A man and a woman are sitting on a couch, smiling and looking at a tablet together. The woman is holding the tablet, and the man is pointing at the screen. They are both wearing casual clothing. In the background, there is a potted plant and a window with greenery outside. A large, light blue house icon is overlaid on the left side of the image, with the word 'Mortgage' written in dark blue text inside it.

Mortgage

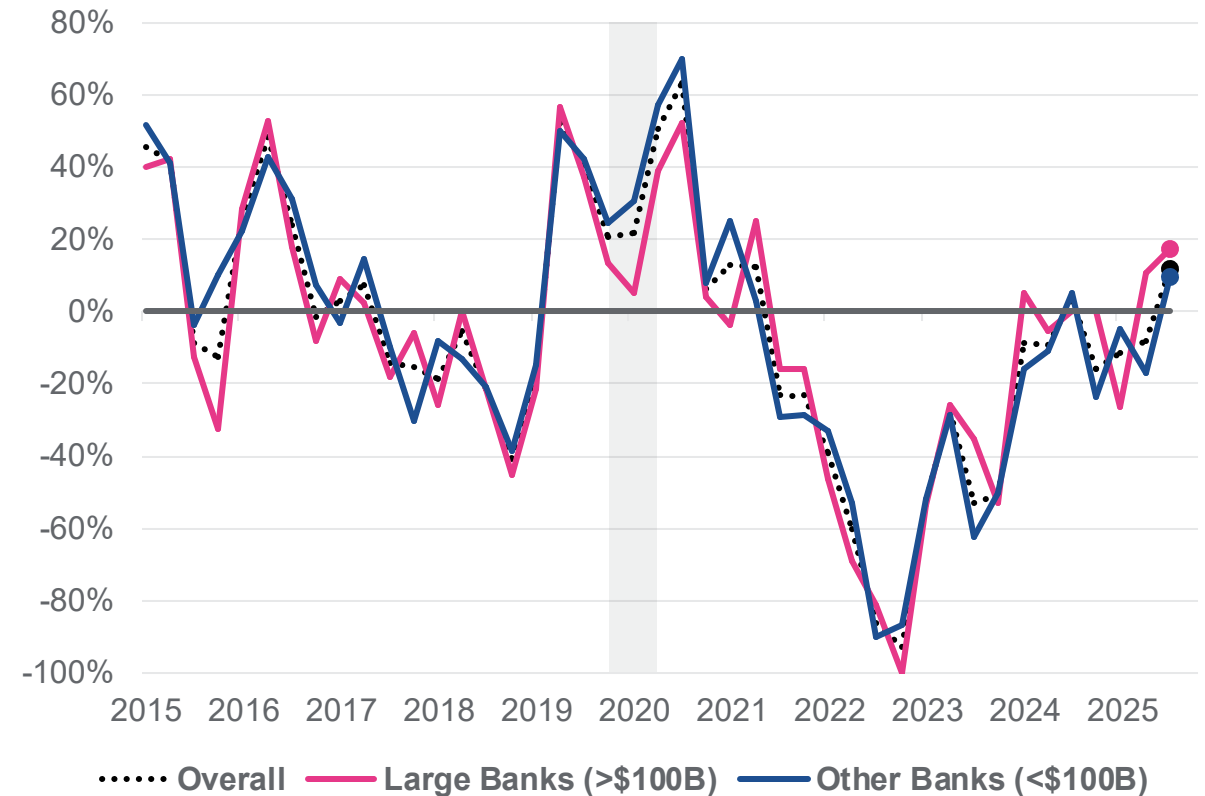
Standards for Mortgages generally remained level throughout Q3

— Net % of large banks reporting stronger loan demand increased

**Net % of Banks Tightening Lending Standards on
GSE-Eligible Mortgage Loans**



**Net % of Banks Reporting Stronger Demand for
GSE-Eligible Mortgage Loans**



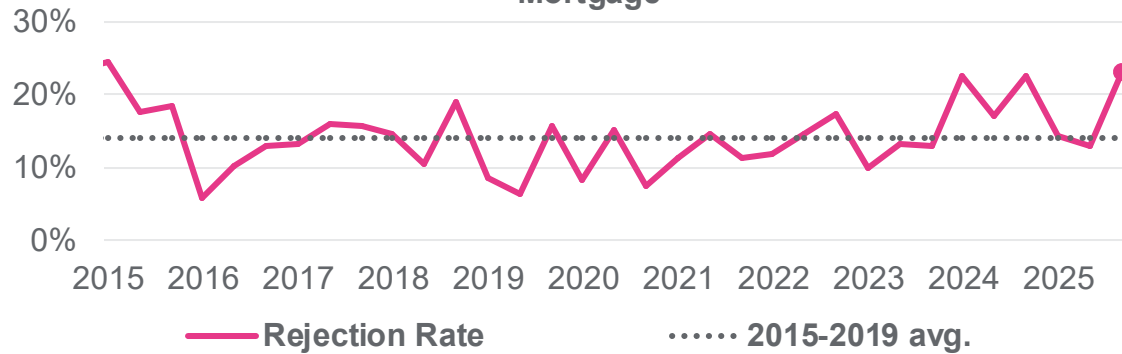
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



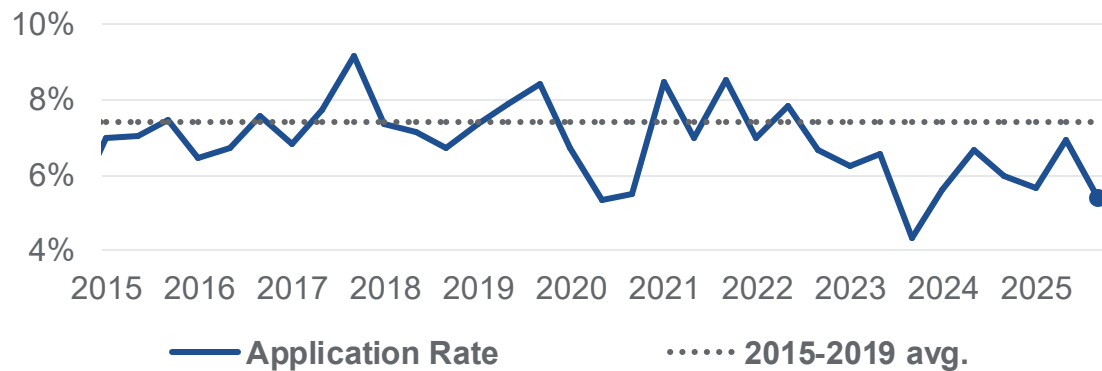
Mortgage loan rejection rates hit series high in October

— Expected application rate for mortgage increase among lower-scored consumers

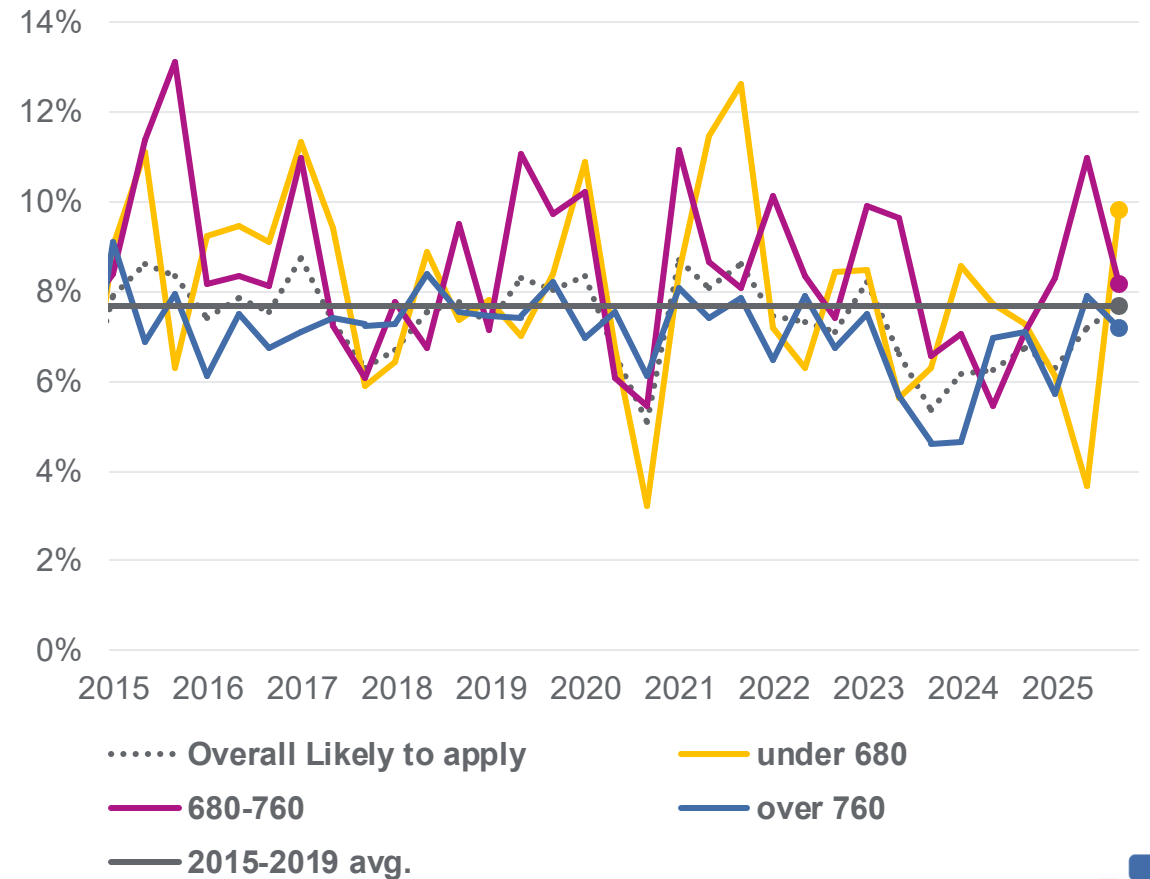
Rejection rate over the past 12 months:
Mortgage



Application rate over the past 12 months:
Mortgage



Expected application rate over next 12 months by Score:
Mortgage

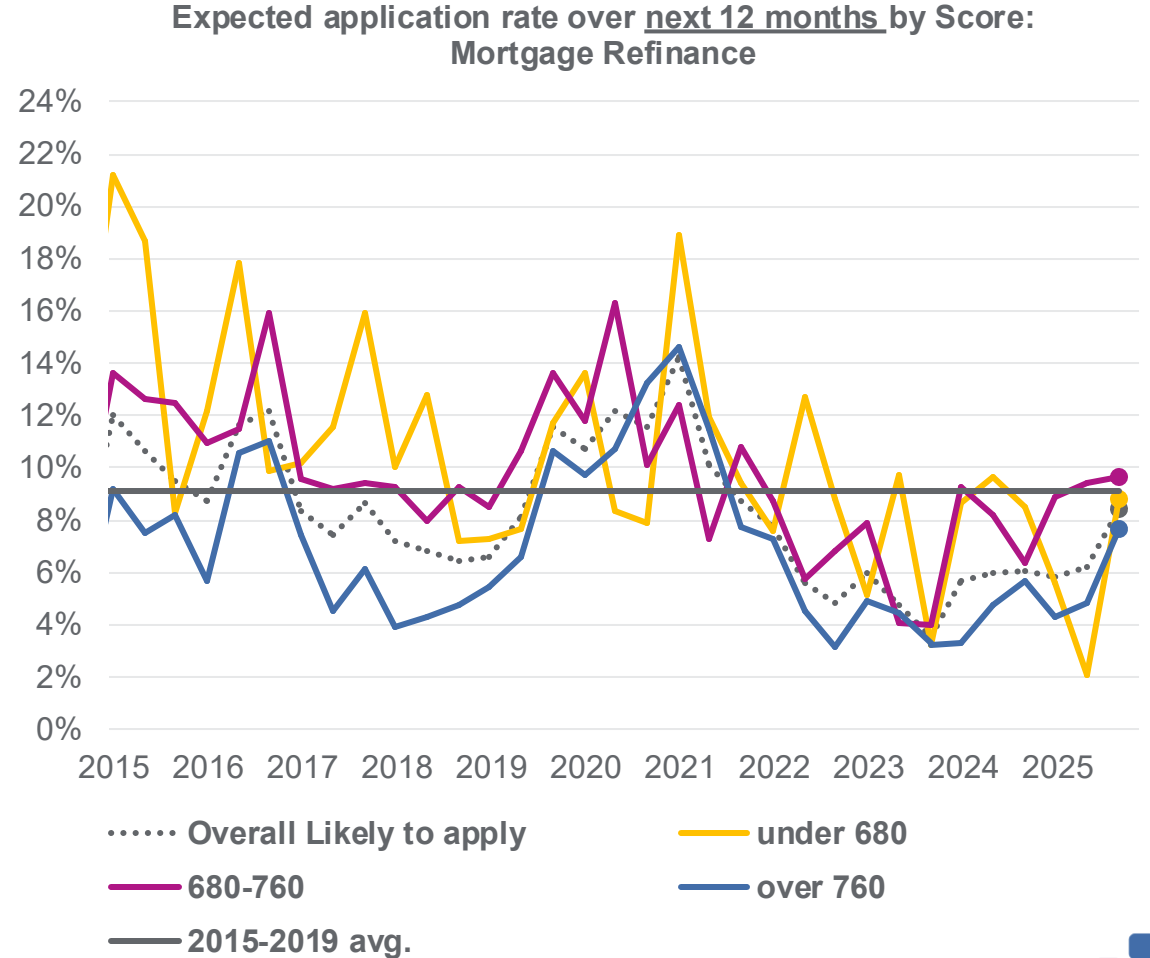
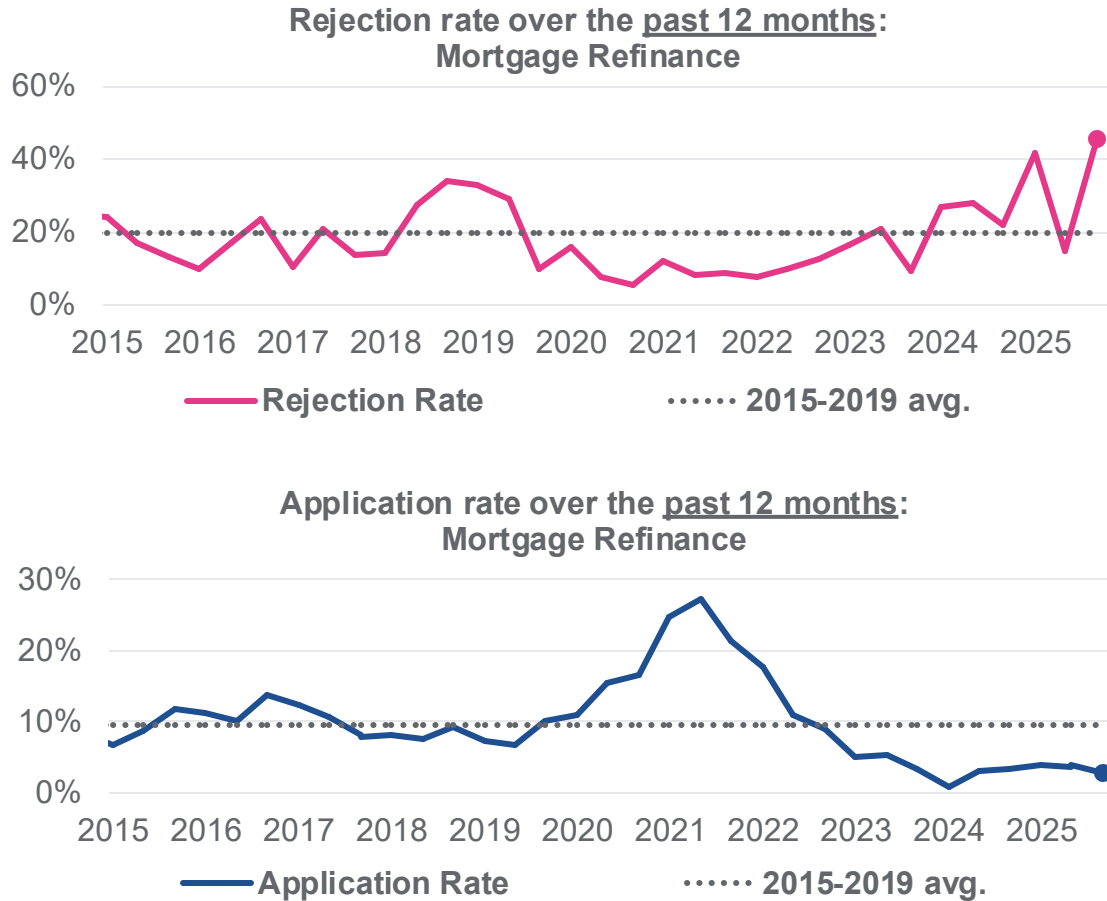


Sources: New York Federal Reserve and Experian Economic Strategy Group



Mortgage refi rate rejection rate also climbed to series high in October

—Application rates for mortgage refi remain low, while expected application rates are on the rise



Sources: New York Federal Reserve and Experian Economic Strategy Group

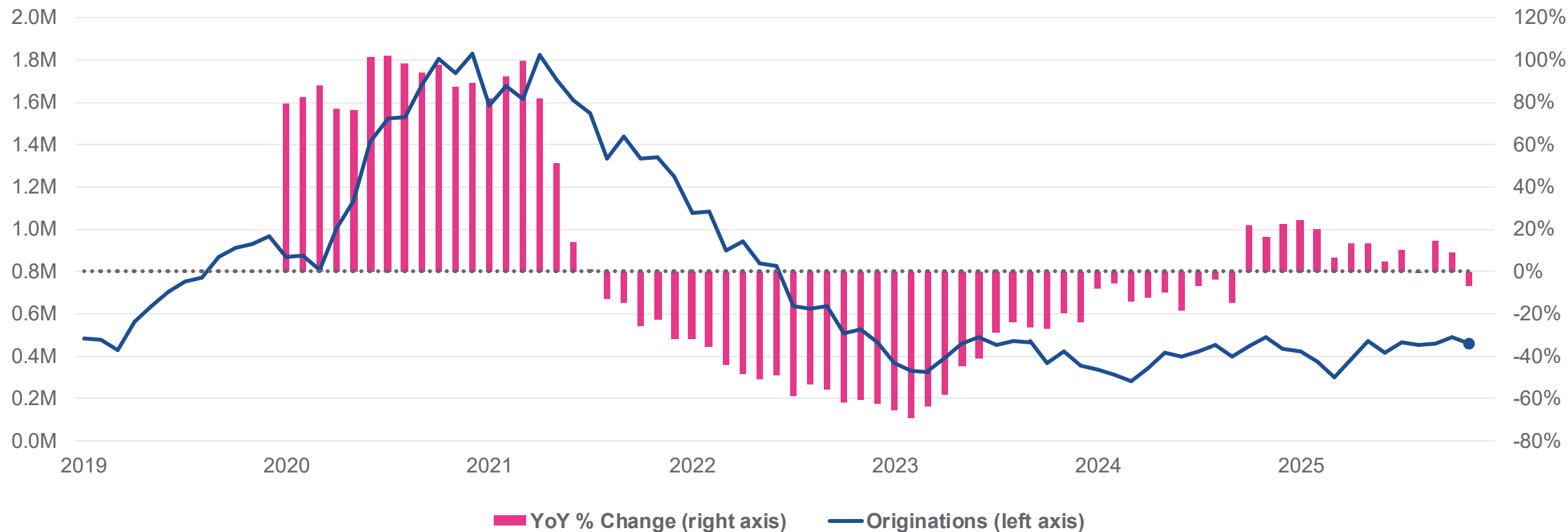


Mortgage originations down YoY in November

— Affordability constraints continue to impact mortgage market

First Mortgage (incl refi) Account Originations (Rolling 90-Day)

-7%
YoY % Change

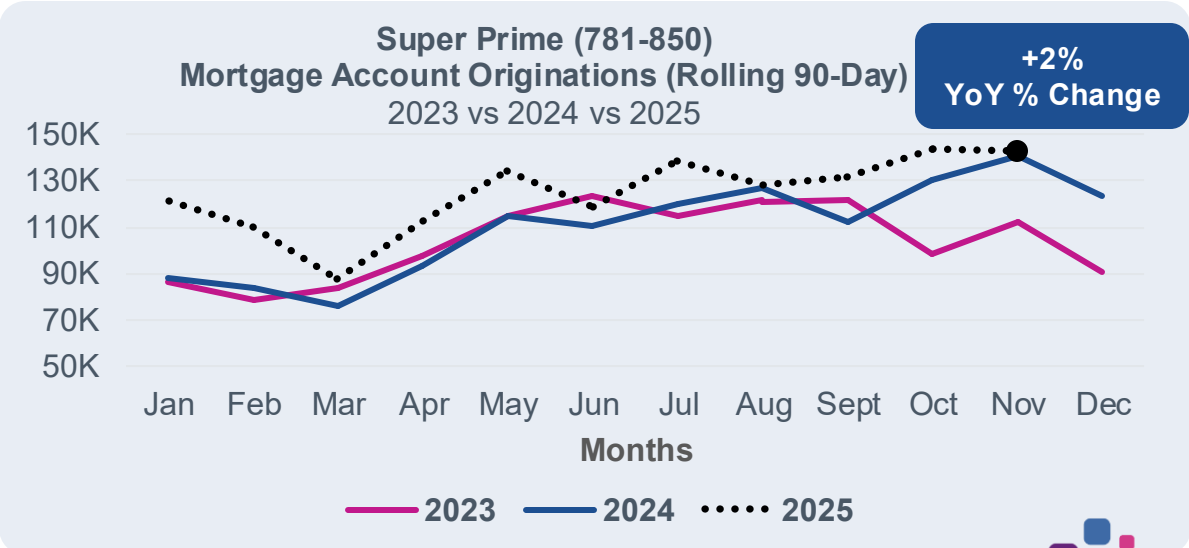
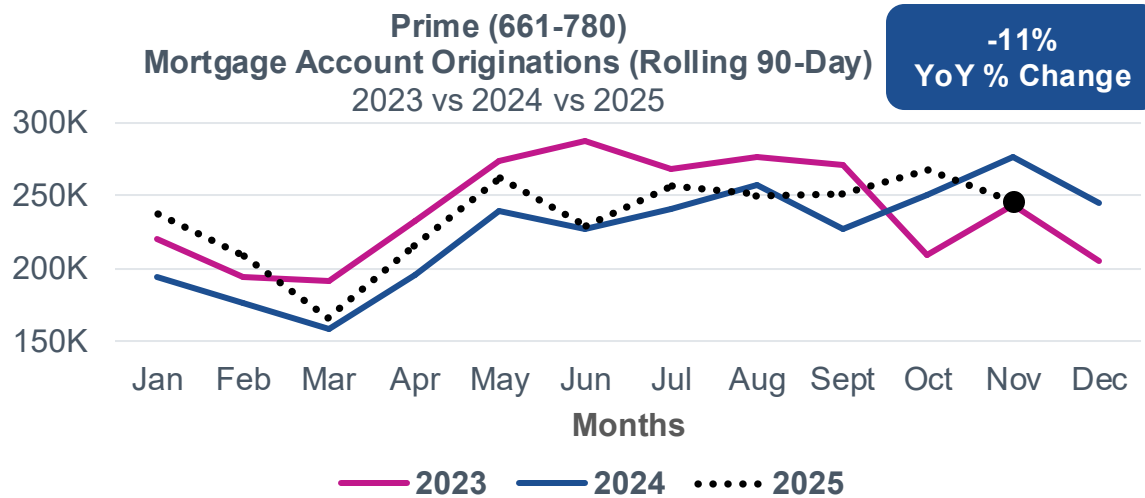
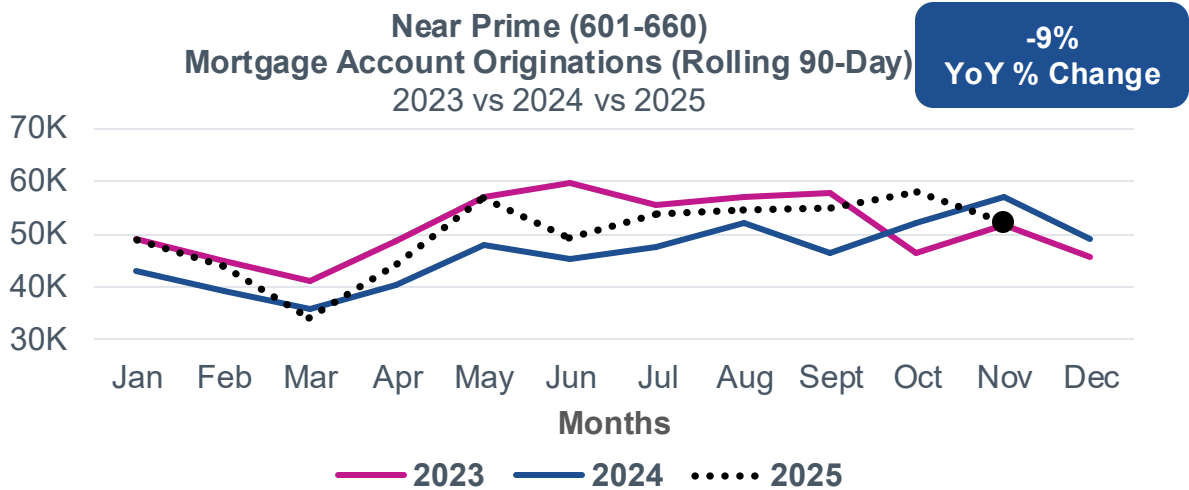
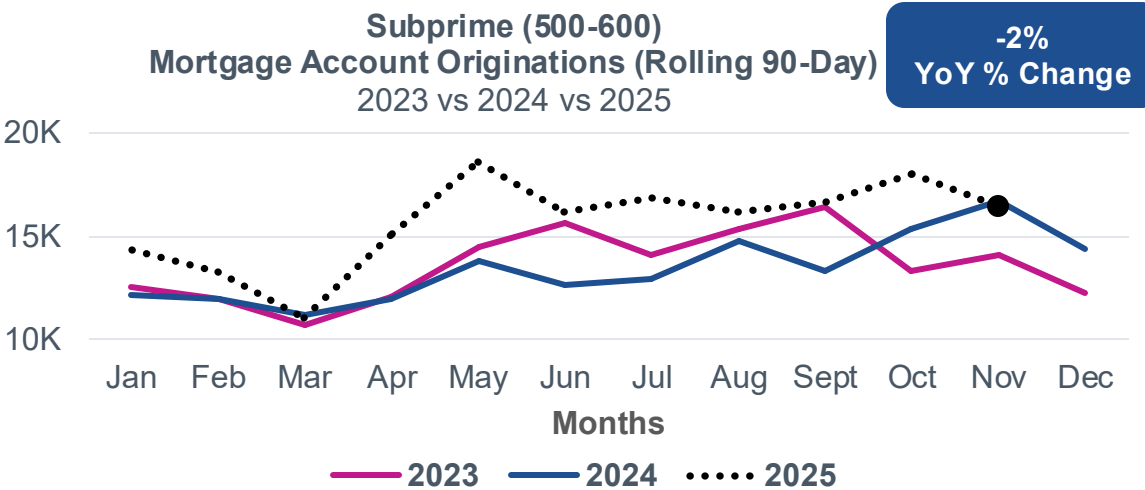


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





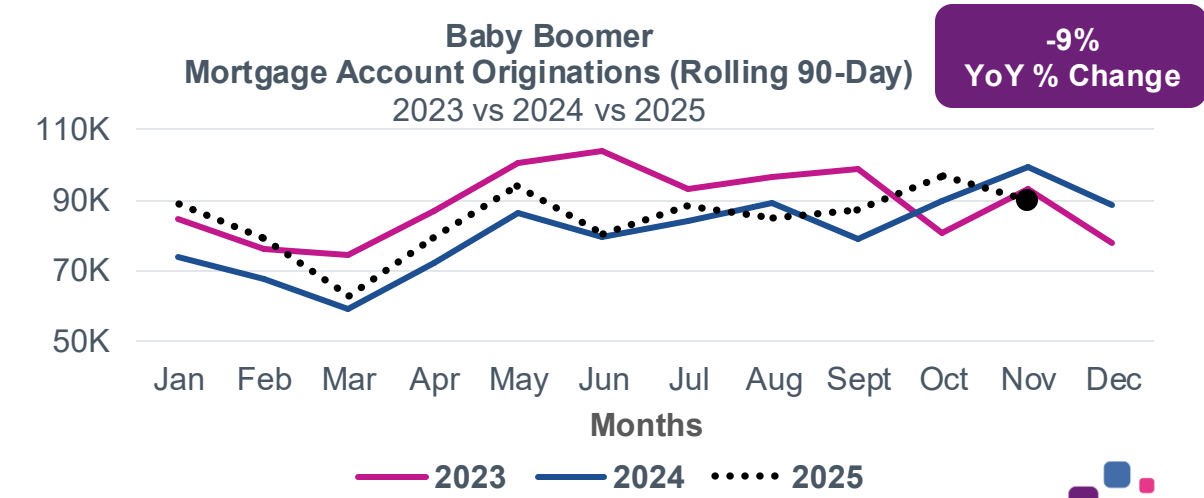
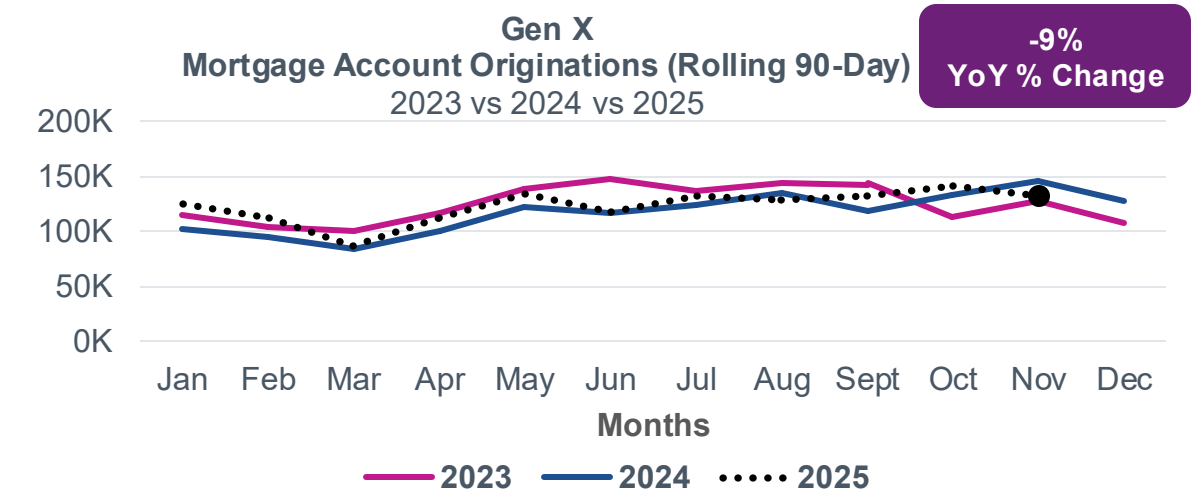
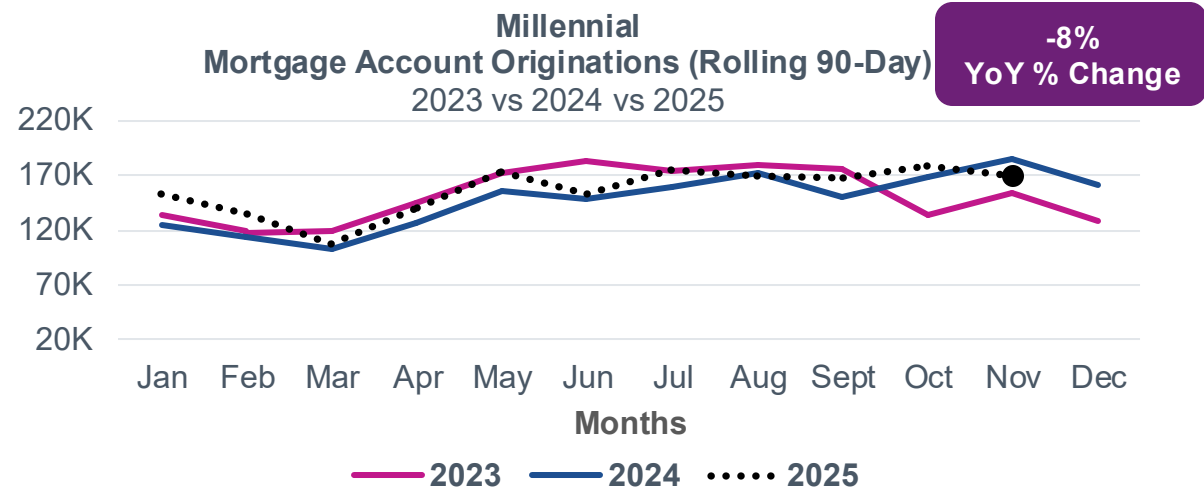
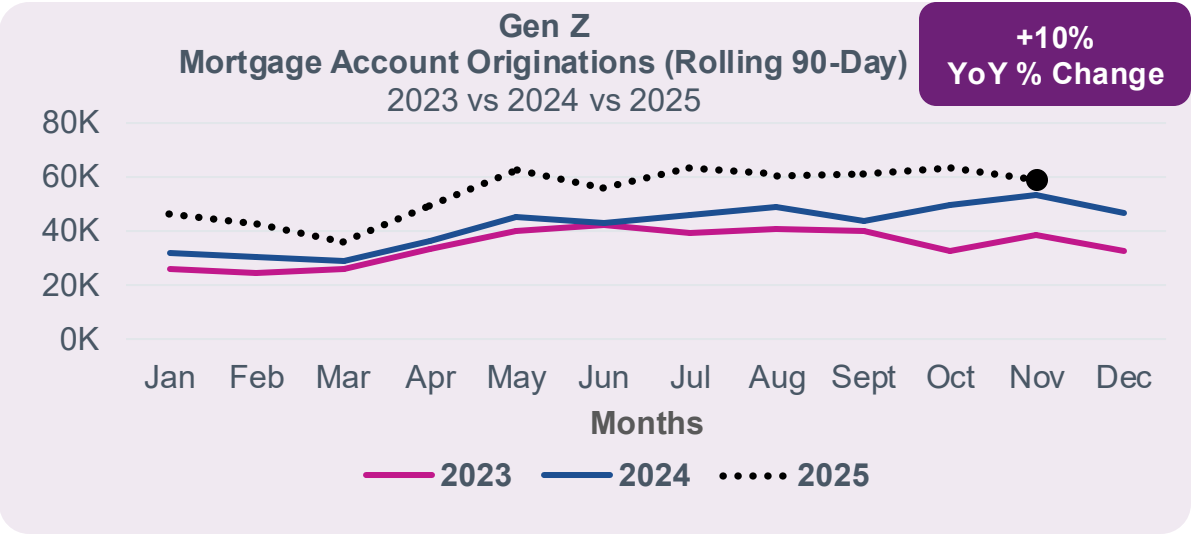
Mortgage originations down across segments except Super Prime



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Gen Z continue to lead mortgage origination growth

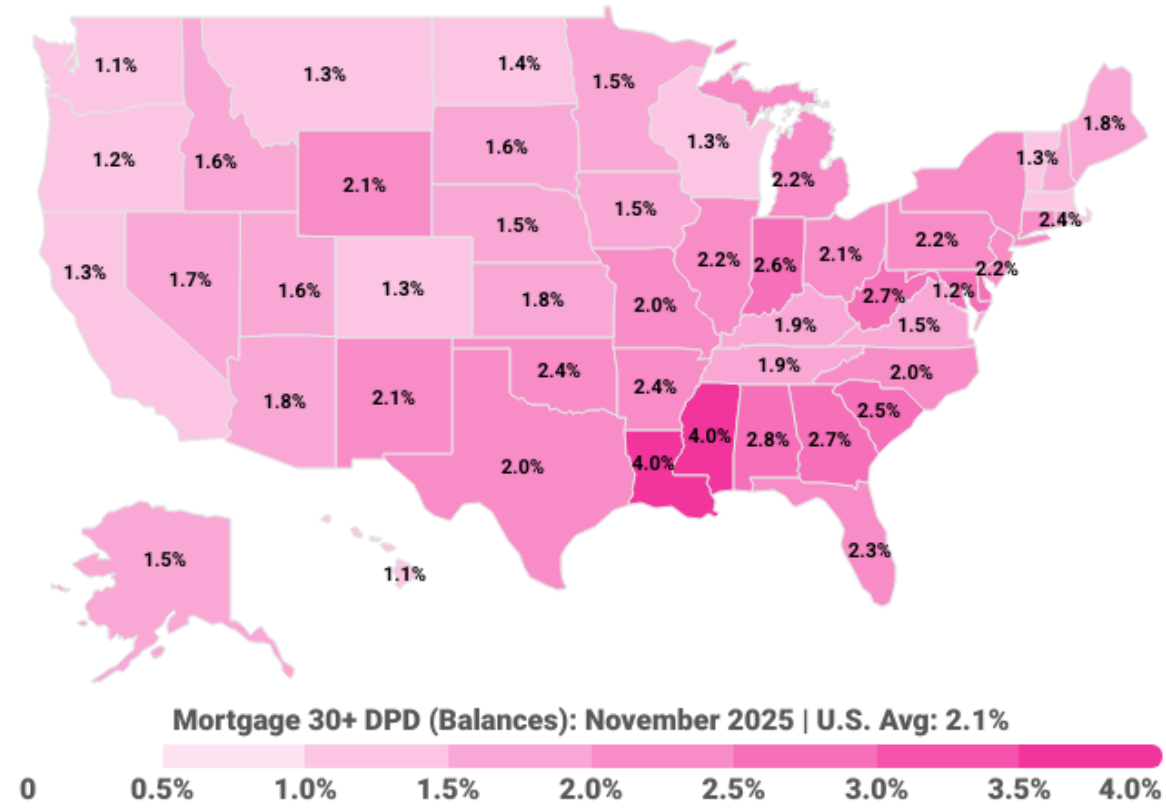
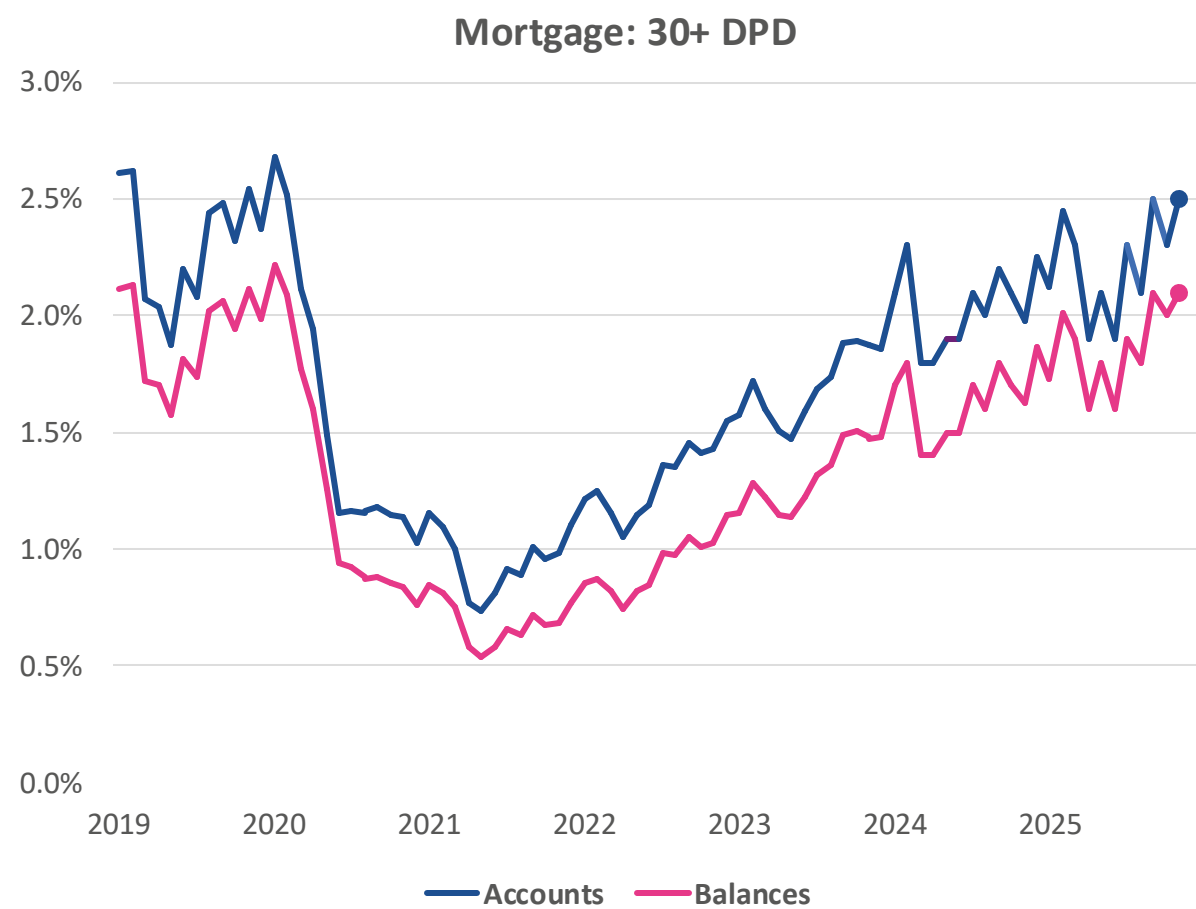


Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group



Mortgage delinquency back on the rise

— Highest mortgage delinquency in Louisiana and Mississippi



Sources: Experian Sandbox – AMI Dashboard (data through November 2025) and Experian Economic Strategy Group





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