

# Banking Watch

## US

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Economic Analysis

US

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## Consumer Credit: Monthly Situation Report

- Total outstanding consumer credit increased \$16.5B in February. Revolving credit was down \$2.4B while non-revolving credit rose \$18.9B, the biggest increase since February 2013. Non-seasonally adjusted (NSA) data tell another story, with total consumer credit down \$14.7B
- On a non-seasonally adjusted basis, credit issued by commercial banks fell \$10.6B in February after a similar dip in January. Federal government credit rose a modest \$6.2B while credit issued by finance companies declined \$5.2B, the biggest drop since May 2012

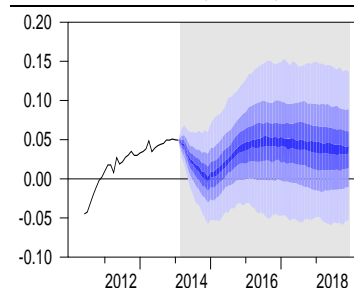
### Breakdown of the Recent Data

NSA data in February show total consumer credit down \$14.7B, the largest decline in two years. Revolving credit nosedived \$18.5B, mostly due to a drop in credit issued by commercial banks. Non-revolving credit growth was also subdued on a NSA basis, rising only \$3.8B after a \$33.1B increase in January. The government component continues to be a significant driver, mostly due to outstanding student loan debt.

### Consumer Credit Outlook

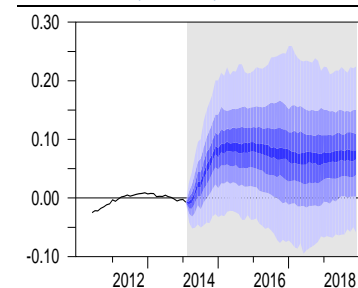
Personal consumption data over the last year has been healthy, and we project consumer credit growth to be a reflection of a steady increase in expenditures in 2014. Consistent economic growth and an elevated level of confidence should facilitate consumer spending; additionally, personal income continues to outpace inflation which should further encourage borrowing by consumers.

Chart 1  
Commercial Banks, YoY%, NSA



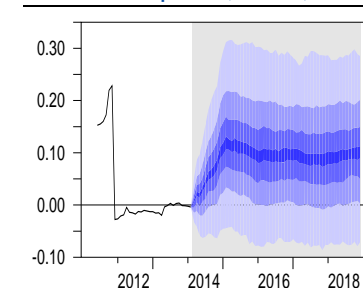
Source: BBVA Research. Note: FASB-adjusted

Chart 2  
ABS Issuers, YoY%, NSA



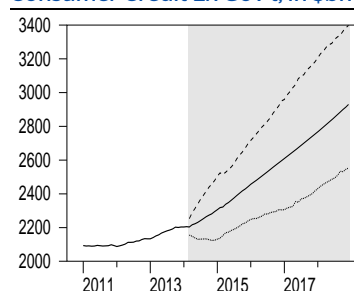
Source: BBVA Research. Note: FASB-adjusted

Chart 3  
Finance Companies, YoY%, NSA



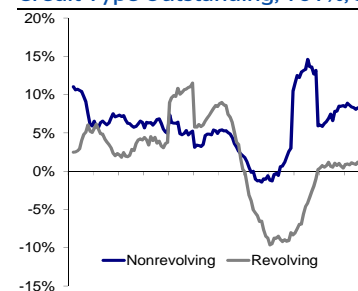
Source: BBVA Research. Note: FASB-adjusted

Chart 4  
Consumer Credit Ex Gov't, in \$bn



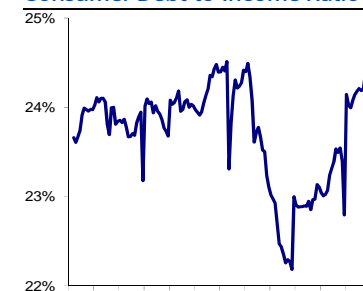
Source: BBVA Research. Note: FASB-adjusted

Chart 5  
Credit Type Outstanding, YoY%, SA



Source: Federal Reserve & BBVA Research

Chart 6  
Consumer Debt-to-Income Ratio



Source: BEA, Federal Reserve, BBVA Research

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