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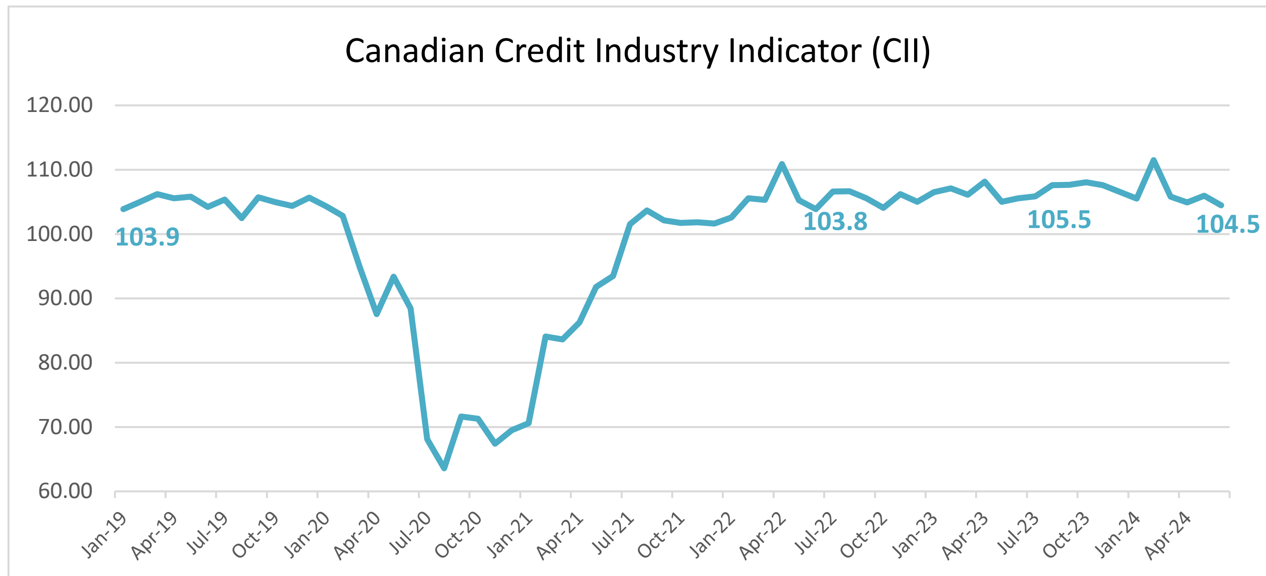
TRANSUNION CREDIT INDUSTRY INSIGHTS REPORT

Quarterly Overview of Consumer Credit Trends Released by TransUnion Canada

Second Quarter 2024

Executive Summary

TransUnion's Canada Credit Industry Indicator



TransUnion's Credit Industry Indicator (CII) is a measure of consumer credit health in Canada that's an integral part of our Credit Industry Insights Report (CIIR) package. It offers a Canada-specific measure of depersonalized and aggregated consumer credit health trends and metrics over time summarized into a single indicator. It covers lender credit supply and consumer credit demand, behaviours, performance and delinquencies. Some specific examples include credit inquiry volumes, account origination volumes, balance changes and delinquency rates. The CIIR provides a way for lenders to benchmark their portfolios and look at trends in the market.

In June 2024, the CII for Q2 2024 in Canada was 104.5, having dropped slightly (-1 pt) from the prior year due to slowing origination volumes and slight increase in delinquency rates. This was offset by some balance building and continued strong demand for credit.

It's important to note the CII is not an index, so it should not be seen as an absolute measure of whether the credit market is healthy or not. Rather, the current CII should be viewed in comparison to prior periods to understand the direction the market is moving, where it's trending, and how the underlying variables are impacting the indicator.

Macroeconomic consumer trends

The Canadian economy demonstrated resilience amid substantial challenges. Following more than two years of economic turbulence, the economy is stabilizing. Inflation has been gradually declining, leading the Bank of Canada to initiate monetary policy easing, fostering conditions for economic expansion. However, the trajectory of future interest rate reductions remains uncertain, and persistently low productivity may pose risks to long-term stability.

Canadian GDP growth moderated to 1.5% through the first half of 2024 as consumer spending decelerated and residential investments weakened. Lower GDP through the middle of this year will mainly

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be driven by slower inventory accumulation, and a slight contraction in consumer spending from Q2–Q3 as the persistent impacts of mortgage renewals at higher interest rates, rising job losses and still high price levels constrain household budgets. As the impact of lower interest rates and inflation continue to filter into the economy, our expectations are that productivity should start to normalize late into 2024. Additionally, with ongoing population growth, household consumption will likely be a key driver of overall real GDP.

Annual consumer price inflation remained within the Bank of Canada's target range. Core inflation softened, dipping below 3%. Most items within the Consumer Price Index basket of goods and services show an annual inflation rate of 3% or lower. Higher interest rates directly influenced consumer credit behaviour in Canada. As borrowing costs increase, consumers are becoming more cautious about taking on new debt. Housing costs remain a significant concern for many. Households and businesses showed resilience in meeting debt obligations despite high interest rates. Nevertheless, elevated debt servicing costs have led households to curtail discretionary spending and businesses to defer investments, hindering growth.

The Bank of Canada reduced the overnight interest rate by 25 basis points to 4.5%, marking its second consecutive cut in line with market expectations. Governor Macklem emphasized a shift in focus toward downside risks to growth and inflation, signaling potential further rate reductions. The Bank appears confident that inflation is on a sustainable track toward 2%. The Bank's Governor noted that if inflation continues to ease in line with the Bank's expectations, further rate cuts are likely. Although the Bank remains concerned with elevated services, inflation, and wage growth, it chose to more prominently highlight downside risks to the economy and inflation — particularly weaker-than-expected consumer spending.

The labor market has been a relative pillar of stability during this economic cycle. This may reflect employment as a lagging indicator or employers' reluctance to lay off staff previously difficult to hire. However, labor market conditions are cooling. The unemployment rate increased by nearly a percentage point year over year and would have risen further without a sharp decline in labor force participation. Although wage growth remained elevated compared to other Canadian economic indicators, it may gradually decrease as job openings dwindle and unemployment rises. A concerning trend is while Canada's unemployment rate drifted upward, the share of EI beneficiaries in the labor force remained relatively flat. This divergence implies an increasing share of unemployed workers are not receiving income support. The labor market slowdown disproportionately impacts young workers and newcomers, including recent immigrants and temporary residents. Eligibility restrictions for EI benefits hinder those without a long-established work history in Canada, increasing their risk of financial insecurity.

Consumer debt levels in Canada remained high, particularly for credit cards and personal loans. The higher cost of living, driven by inflation, led many Canadians to rely more heavily on credit to cover everyday expenses. This reliance is exacerbated by stagnant wage growth, making it difficult for many households to keep pace with rising costs without resorting to credit. As a result, the average household debt-to-income ratio remained high, indicating many Canadians are financially stretched.

Delinquency rates, an important indicator of financial health and stability, have shown a nuanced pattern in recent months. While overall delinquency rates have not spiked dramatically, there was an observable uptick in missed payments on credit cards and unsecured loans. This trend suggests while many Canadians are managing to meet their mortgage obligations, possibly due to the prioritization of securing housing, they're struggling with other forms of debt. The increasing financial strain could lead to a broader rise in delinquencies if inflation persists and economic conditions do not improve significantly.

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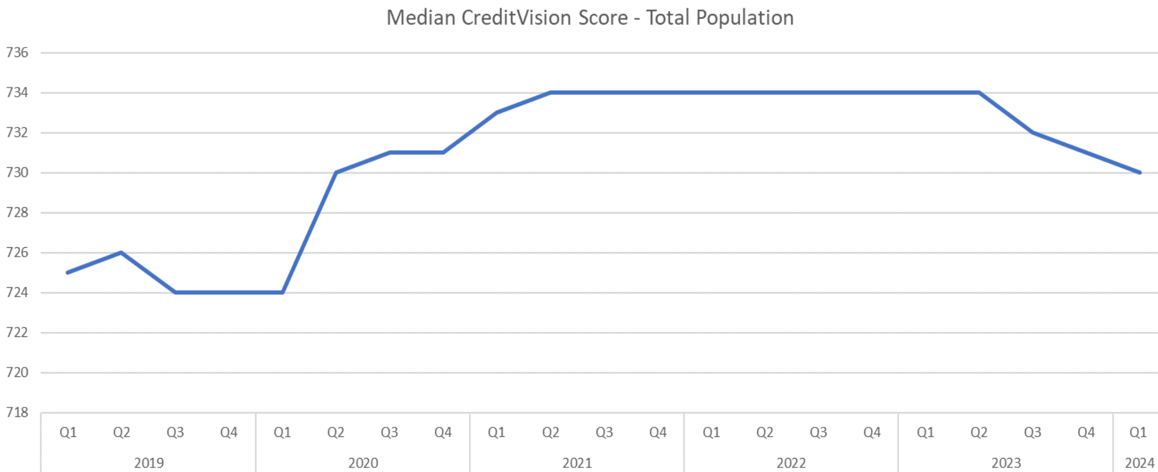
The implications of these trends are significant for both the financial sector and the broader economy. Financial institutions are facing higher default risks, prompting tighter lending standards and more rigorous credit assessments. For consumers, the increased financial strain may lead to reduced spending — which could dampen economic growth. Policymakers are closely monitoring these developments, balancing the need to control inflation with the potential adverse effects on consumer credit and overall economic stability. As Canada navigates these challenges, the interplay between interest rates, consumer debt and economic health remains an important area of focus.

Risk scores and distributions

Median CreditVision® scores trended higher for several years up to and through the pandemic, but growth has been slowing in recent months. In the chart below, we can see the recent downward trend as the median score decreased slightly to 731 in Q1 2024. This was primarily related to higher utilization rates and a rising percentage of delinquent consumers — which puts downward pressure on scores. However, the overall trend remains positive as the rise in delinquency and utilization rates has not been enough to outweigh notable gains in the median CreditVision® score over the past few years. Rates have slowed the upward trend, and a number of consumers have returned to their prior risk tiers.



The significant increase in the cost of living in Canada over the past three years has negatively impacted many consumers. Meanwhile, another segment of consumers has been better able to handle rising inflation as they were able to lock in low interest rates on their homes, providing an additional level of stability to their monthly debt obligations.

The consumer risk distribution in the chart below is reflective of these recent trends. While we see this shift denoting some vulnerability in a segment of Canadian credit consumers, the vast majority remains prime or above — and this has stayed consistent for over a decade.

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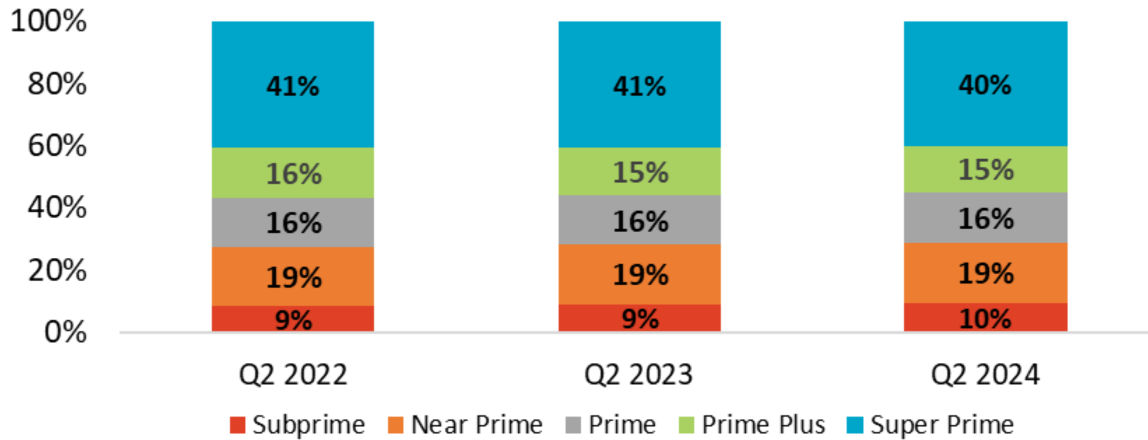
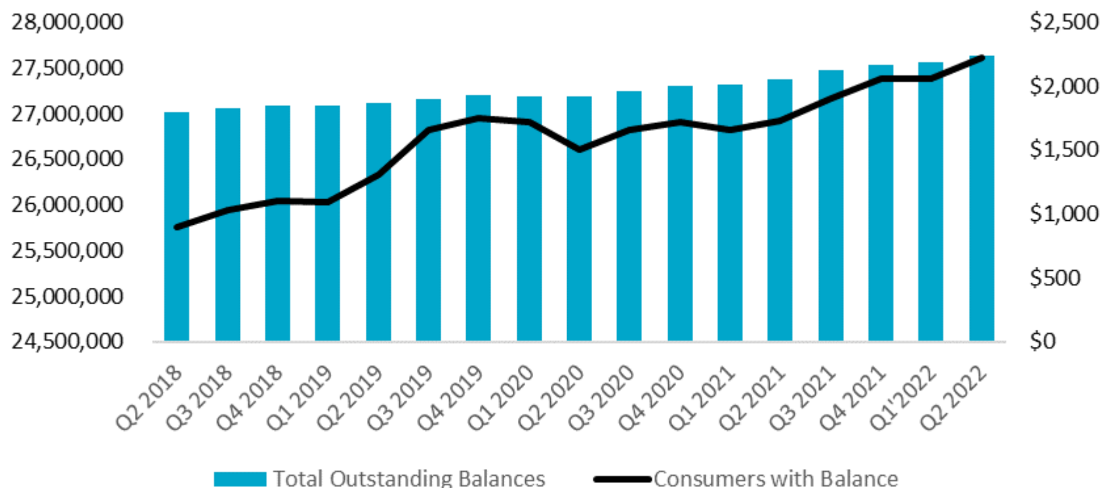


Total consumer balances and participation

Total credit debt continues to grow as Canada reached a new historic mark of $2.41 trillion in outstanding credit balances. Notably, mortgage balances made up the greatest composition of debt, representing 74% ($1.8 trillion) and all non-mortgage debt at 26% ($634 billion). While $2.4 trillion is a substantial number, the majority was made up of secured debt given out to Canadian consumers with generally better risk scores.

While mortgages drove most of this balance growth in dollar terms (up $45 billion YoY, a 2.6% growth rate), credit cards were the fastest growing balances in percentage terms (up 11.7% or $6.9 billion). Canadian credit expansion continued to accelerate, growing 3.7% from prior year. There are now 32 million Canadians with at least one active credit product — which is approximately 92% of credit-eligible Canadians (based on Statistics Canada population forecast of 35 million Canadians aged 18+).

Younger Canadians sparked the bulk of the increase with Millennials and Gen Z driving $98 billion in growth year over year. Gen Z consumers continued to be the fastest growing segment as more consumers enter the credit market.



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Average minimum payment due per Canadian consumer

Balances continued to rise across products, translating into ever-increasing minimum payment due obligations for consumers. As we see in the chart below, average balances held by consumers continued to grow across all products. Auto loans led the increase driven by higher ticket prices followed by credit cards. Credit card balance growth was primarily driven by consumers spending more on cards while paying down less on their monthly balances due. Card spend increased 4.1% YoY, at the same time, payment towards outstanding balance fell 156 bps from prior year. The proportion of consumers who are only making the minimum required payment was up 6 bps from the prior year. These trends tend to indicate likely cash flow challenges, as well as increased reliance on revolving debt to make ends meet for a growing number of consumers in these segments.

The surge in balance growth across products translated into higher monthly payment due obligations. Mortgage payments continued to lead this growth driven by continued high interest rateswith an average increase of 14% year over year. Following mortgage payments were card payments which were up 11% Year over year. While mortgage delinquency rates were up, they were still notably below rates seen in the pre-Covid period, and stronger qualifying rules initiated in 2018 have been effective in driving improved risk quality in the mortgage portfolio. The chart below shows the average minimum payment due has been climbing higher across most products. Although rising minimum payment obligations have pressured consumers, strength in the job market and positive real wage growth helped them address this challenge.

Change in Minimum Payment Due by Product

	Q2 2024	YoY growth rate
Mortgage	$ 2,350	13.5%
Credit cards	$ 115	10.6%
Personal loans	$ 84	10.5%
Line of credit	$ 489	9.9%
Auto finance	$ 682	6.6%

As the Bank of Canada continues to reduce the interest rate, we expect some of this payment shock to lessen, providing future relief to many consumers struggling to maintain payments.

Originations

While some tightening among lenders and slight pullback in demand for new credit remained, origination volumes contributed to the growth in debt as new credit grew 10.4%, representing $ 77.9 billion in balances. The majority of this growth was in credit cards where new balances grew 7.5%. The continued growth in credit cards was driven partly by the influx of Gen Z consumers into the credit market — as their first products are typically credit cards. New mortgage originations stalled as real estate supply increased more than expected, and still elevated interest rates continued to leave some buyers on the sidelines.

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Delinquencies

The economy weathered a few major pitfalls since the pandemic, including high cost of living, supply chain shortages and housing dynamics that drove up prices, as well as headwinds from rising rates. While Canada's credit market has been resilient overall, we continue to see segments of consumers become less resilient as these conditions wear on over time. Delinquencies have picked up in 2024 and will likely increase among weaker borrowers into next year.

Overall serious consumer-level delinquency (proportion of consumers with a delinquency greater than 90 DPD) increased 20 bps YoY to 1.76%. The velocity of these increases in delinquency grew for the third consecutive quarter. However, these performance numbers were still largely below pre-pandemic delinquency rates. As the volume of credit participation increases, we expect to see a subsequent uptick in delinquency rates reflective of an active credit market in Canada.

Looking at credit and delinquency trends, one theme that emerged is different groups of consumers are on different paths. As debt and delinquency rates rise, the variation in both among age groups and credit categories suggest many households and individuals are experiencing economic impacts differently. While some are experiencing greater debt and delinquency, many others are thriving in an economy characterized by resilient consumer demand.

Overall serious consumer-level delinquency rates (90+ DPD) continued to rise, up 22 bps YoY to 1.74% as the pressure of higher cost of living combined with higher interest rates put more pressure on certain consumer segments — yet, this distribution is not equally felt across all segments.

The current situation for subprime borrowers is worsening. These consumers are already in a state of higher risk due to poorer credit histories and struggling to maintain payments during the current inflation context. Subprime serious consumer delinquency was up 131 bps from prior year and up 178 bps from two years ago. Near prime consumers also exhibited some deterioration (down 11 bps year over year) but not to the magnitude of the subprime category. All prime and better risk segments showed reduced or no delinquencies. The impact of delinquency was not uniform as the impact of current higher cost of living varies across Canada's provinces, which in turn influences payment capacities and delinquency rates. Furthermore, specific regional economies can be more susceptible to economic shifts in unemployment and productivity — further placing strain on consumers.

The table below shows the regional variance in performance. Alberta led all provinces with 2.18% serious consumer delinquency, followed by Manitoba (2.03%) and New Brunswick (2.03%). Manitoba continued to experience the highest rise in delinquency at 30 bps YoY, followed by Ontario.

Total Consumer-Level 90 Days Past Due by Province

	Q2 2023	Q2 2024	YoY bps
Canada	1.52%	1.74%	22
AB	1.88%	2.18%	30
MB	1.78%	2.03%	25
NB	1.97%	2.03%	5
NS	1.88%	1.96%	8
SK	1.84%	1.96%	12
NL	1.82%	1.87%	5

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ON	1.56%	1.83%	27
PEI	1.70%	1.74%	4
BC	1.53%	1.66%	12
QC	1.05%	1.24%	19

Delinquency rates are a lagging indicator, and we expect lowered inflation combined with interest rate reductions may provide a relief valve for some struggling consumers. Lenders should continue to distinguish between resilient and more vulnerable consumers in risk strategies, as well as monitor for early warning signals of delinquency. Consumers facing pressure should focus on making at least minimum payments on outstanding credit where possible.

Bankcard Summary

BANKCARD METRICS	Q2 2024	Q-O-Q change	Y-O-Y change
Number of accounts	49.6M	2.96%	7.16%
Outstanding balance	$118.1B	6.21%	11.73%
Total credit lines	$483.3B	3.23%	10.60%
Average balance	$3,094	2.77%	4.69%
Average credit line	$9,889	0.21%	3.16%
Number of consumers with access to an active trade	28.1M	0.93%	3.72%
Number of consumers carrying a balance	24.5M	1.44%	3.71%
Origination volumes (Q1 2024)	1.8M	0.21%	3.00%
Average new account credit line	$6,363	3.59%	7.23%
Account delinquency rate (90+ DPD)	0.57%	(3 bps)	8 bps
Consumer delinquency rate (90+ DPD)	0.88%	(3 bps)	13 bps
Balance delinquency rate (90+ DPD)	1.07%	(5 bps)	22 bps

Bankcard originations trended lower in recent quarters, though totals remained elevated in longer-term comparisons. The recent decline in origination totals was primarily attributed to a pull-back within the non-prime tiers, with growth concentrated within super prime. Lenders have become more conservative within their risk tier mixes at origination in an effort to bring down delinquency rates. Bankcard originations grew 3% year over year; however, momentum remained relatively flat to the previous quarter. Originations grew across all risk tiers except subprime — with leading volume growth at 9.4% year over year followed by near prime at 4.5%. Subprime originations fell -11%. Prime and better tiers accounted for 64% of all originations in Q1 2024, a slight increase from 62% in Q2 2023.

A record 28.1 million consumers had access to an active bankcard, with 24.5 million consumers carrying a balance. The number of consumers carrying a balance grew 3.7% from the previous year as average

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monthly payment amounts shrunk in recent months. Despite the recent decline in origination totals, bankcard balances continued to rise. Total outstanding balances in the Canadian market hit a historic high of $118 billion, improving 11.7% year over year, fueled primarily by elevated levels of inflation, as well as decreasing consumer savings rates.

The rise in total balances also resulted in an increase in the average balance per consumer which climbed 4.7% year over year. Growth in this category was reflected across the risk spectrum, but growth was most pronounced within the non-prime tiers, up 5.6%. The rise in balances coupled with higher interest rates pressured consumers as a declining percentage were able to make payments beyond the minimum due. Pressure on the consumer has contributed to the rise in bankcard delinquency rates.

Overall pressure on the consumer related to the higher costs of living and lower savings rates contributed to the rise in bankcard delinquency rates. Bankcard serious consumer-level delinquency totals (90+ DPD) continued to climb higher to 0.88% in Q2 2024. Totals increased 13 bps year over year; however, serious delinquency improved 3 bps quarter over quarter, potentially signaling some early impacts of improving economic conditions. Dollar weighted delinquency (% balance 90+ DPD) also increased 22 bps to 1.07%. Recent bankcard vintage curves reflected deterioration as well. The combination of higher delinquency rates and deteriorating vintage curves resulted in the recent rise in bankcard charge-off totals.

Installment Loan Summary

INSTALLMENT LOAN METRICS	Q2 2024	Q-O-Q change	Y-O-Y change
Number of accounts	2.9M	(0.24%)	(0.80%)
Outstanding balance	$49.9B	1.33%	3.55%
Average balance	$17,500	1.11%	4.39%
Number of consumers carrying a balance	2.7M	(0.27%)	(1.82%)
Origination volumes (Q1 2024)	320.3K	0.13%	(4.34%)
Average new account balance	$16,918	1.60%	3.45%
Account delinquency rate (60+ DPD)	1.98%	(2 bps)	(12 bps)
Consumer delinquency rate (60+ DPD)	2.03%	(3 bps)	(11 bps)
Balance delinquency rate (60+ DPD)	1.27%	2 bps	26 bps

Unsecured personal loan originations reflected slowing growth over the past several quarters as lenders reduced exposure to below prime tiers. For Q1 2024, originations declined 4.3% year over year, marking continued slowing in loan origination. All risk tiers saw an origination decline in Q1 2024, led by super prime decreasing 9.7% year over year followed by prime plus (-6.9%), subprime (-4%), prime (-2.4%) and near prime (-2.3%). Growth in originations was also down across all lender types. Year-over-year decline was led by alternative lenders — including FinTech (-9%) of which many are shifting strategies in a high-rate environment — followed by regional banks, credit unions (-5%) and major banks (-4%).

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While originations declined, total outstanding balances continued to grow to $50 billion. This represents an increase of 3.6% year over year and 1.3% over the previous quarter. Year-over-year total balance growth was seen, driven primarily by subprime (up 19%) followed by near prime (7.5%) and prime (1.3%). These gains were slightly offset by declines in above prime lending, with prime plus and super prime falling -2.1% and -1.7%, respectively. These numbers were partially driven by the increasing volume share of alternative lenders in the Canadian market that are generally targeting higher risk consumers.

The number of consumers carrying an unsecured personal loan balance fell 1.8% year over year and 1.6% over the previous quarter to 2.7 million. The average new account balance increased (3.5%) to $16,918. Major bank lenders saw the highest growth in new balances (4%) followed by alternative lenders (2%). Regional banks and credit unions saw a slight decline in overall new volume (-6%).

Lender strategies at origination had a significant impact on delinquency rates. Unlike other products, unsecured personal loan serious delinquency rates actually declined year over year. This was due in large measure to the shift lenders have implemented at origination, significantly increasing the share held by super prime and reducing that of non-prime. Serious consumer-level delinquency rate (60+ DPD) fell 11 bps to 2.03%. In addition, recent vintage performance outperformed the previous year and helped slow the overall rate in charge-off growth. Changes to lender origination strategies over the past few quarters impacted delinquency rates and are likely to continue in the months ahead. As lenders navigate elevated levels of delinquency and a potential slowing rate of economic growth, they may choose to remain conservative in their origination and portfolio distribution strategies.

Auto Loan Summary

AUTO LOAN METRICS	Q2 2024	Q-O-Q change	Y-O-Y change
Number of accounts	6.2M	(0.10%)	(1.07%)
Outstanding balance	$154.4B	1.76%	5.07%
Average balance	$25,154	1.83%	6.16%
Number of consumers carrying a balance	6.3M	(0.09%)	(1.15%)
Origination volumes (Q1 2024)	407.5K	1.53%	11.13%
Average new account balance	$36,571	(2.12%)	(3.87%)
Account delinquency rate (60+ DPD)	0.83%	(1 bps)	7 bps
Consumer delinquency rate (60+ DPD)	0.90%	(1 bps)	8 bps
Balance delinquency rate (60+ DPD)	0.71%	(1 bps)	10 bps

An influx of new immigrants and demand from consumers who couldn't get cars during the Covid-19 pandemic helped automotive sales stay resilient in Canada. Auto sales continued to recover, pushing up loan volumes — driven by rising new vehicle inventory levels as gradual inventory improvements were matched by pent-up demand. Auto origination volumes grew 11.1% year over year. Originations ended the quarter at 408,000. In year-over-year terms, origination growth was observed across all risk tiers led

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by super prime (+20.8%), prime (+8.5%), prime plus and subprime (+7.9% each) followed by near prime (+4.4%).

Auto balances ended Q1 2024 at $154 billion, representing a 5.1% year-over-year increase and 1.8% quarter-over-quarter increase. While the number of accounts decreased slightly, total balances saw a more significant rise due to higher average balances for newer accounts. Affordability remained a major challenge with average monthly payments climbing for both new and used vehicles, primarily due to elevated interest rates. Year-over-year average balance growth was up 6.2% led by super prime (6.8%), followed by subprime (6.3%), prime plus (5.9%), near prime (54%) and prime (3.7%).

Affordability remained a challenge as auto prices were significantly elevated in comparison to 2020 and 2021 levels. The upward trend in auto prices and interest rates led to significant increases in average monthly payments for both new and used vehicles since 2021. Fortunately, prices have eased for both new and used vehicles over the past year, leading to slight declines in average monthly payments at time of origination as well. In Q1 2024, the average amount financed for new vehicles decreased 3.9% year over year to $36,571; however, continued high interest rates drove average monthly payments up 7% to $682.

Higher monthly payments pressured consumer wallets, contributing to a recent rise in auto delinquency rates. Auto serious account-level delinquency rates (60+ days past due) ended Q1 2024 at 0.83%, up 7 bps from the prior year. Auto serious consumer-level delinquency totals (60+ DPD) increased 8 bps year over year to 0.90%. Vintage delinquency curves also reflected recent weakness in comparison to previous years. This was primarily concentrated within the below prime vintages however, as prime and better vehicle vintages performed well in comparison to previous cohorts. Improvement is not expected until there's more certainty around inventory levels, interest rates and payment performance — which will impact underwriting standards.

Lines of Credit Summary

LINE OF CREDIT METRICS	Q2 2024	Q-O-Q change	Y-O-Y change
Number of accounts	12.3M	0.40%	2.22%
Outstanding balance	$269.8B	1.09%	1.83%
Total credit lines	$740.B	1.09%	2.54%
Average balance	$39,488	1.07%	0.12%
Average credit line	$60,835	0.67%	0.45%
Number of consumers with access to an active trade	12.0M	0.59%	1.32%
Number of consumers carrying a balance	7.0M	(0.30%)	(0.18%)
Origination volumes (Q1 2024)	334.8K	(0.61%)	(19.15%)
Average new account credit line	$51,640	(6.87%)	19.82%
Account delinquency rate (60+ DPD)	0.38%	1 bps	11 bps
Consumer delinquency rate (60+ DPD)	0.41%	1 bps	12 bps
Balance delinquency rate (60+ DPD)	0.47%	2 bps	13 bps

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Lines of credit (LOCs) continued to lag in new account volume offset by slight growth in balances. In Q1 2024, account volume had a modest increase of 2.2% compared to the prior year's quarter as growth was inhibited by slowing originations driven by higher interest rates. The number of consumers carrying a balance was relatively flat at 0.2%, and of those who had a balance, the average balance saw a slight uptick of 0.12%. Contributing to these flat account and balance trends, originations in Q1 2024 were down -19.2% compared to the prior year period, while average new loan amounts grew quickly, up 19.8% YoY. Many lines of credit (especially HELOCs) had a variable interest rate and were generally in lower demand during a period of possible rising interest rates. Homeowners continued to enjoy near-record levels of equity. As interest rates inevitably fall, we're likely to see improvement in home equity originations in coming quarters.

On the delinquency front, the national 60+DPD rates increased but still remained low overall. Consumer-level delinquency was up 11 bps to 0.4% year over year. Similarly, balance delinquency was also up 13 bps to 0.47%. It's important to note these delinquency rates are still at relatively low levels, which is in line with the risk profiles of LOC borrowers: nearly 63% of balances in Q2 2024 were held by borrowers in the super prime and prime plus risk tiers.

Mortgage Loan Summary

MORTGAGE LOAN METRICS	Q2 2024	Q-O-Q change	Y-O-Y Change
Number of accounts	6.5M	(0.02%)	(0.28%)
Outstanding balance	$1779.2B	0.92%	2.61%
Average balance	$273,719	0.82%	3.10%
Number of consumers carrying a balance	8.5M	(0.07%)	(0.68%)
Origination volumes (Q1 2024)	153.2K	(13.99%)	(0.80%)
Average new account balance	$339,789	0.81%	3.81%
Account delinquency Rate (60+ DPD)	0.24%	1 bps	5 bps
Consumer delinquency rate (60+ DPD)	0.24%	1 bps	6 bps
Balance delinquency rate (60+ DPD)	0.20%	2 bps	7 bps

The buyer-seller stalemate persisted through the first half of 2024 — with nationwide home resales and prices declining marginally by 0.6% and 0.2%, respectively. Persistent high interest rates and affordability challenges continued to dampen market activity. The anticipation of a Bank of Canada rate cut in early June likely induced some buyers to defer purchases until market conditions stabilized.

The first Bank of Canada interest rate cut in four years brought some energy to Canada's housing market in June, offsetting a continued soft market. In Q1 2024, origination volumes were relatively flat, down 0.8% from the prior year albeit from elevated origination volumes in prior years. Despite slowing origination volumes, higher average financing amounts offset slower originations. The average new home finance loan increased 3.8% to $339,789. Purchase and renewal originations continued to be the primary driver in Q2 2023 as elevated mortgage rates eroded demand for rate and term refinance.

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Mortgage consumer-level serious delinquency rates (90+ DPD) have been climbing over the past several quarters, increasing by six basis points year over year and one basis point quarter over quarter to 0.24%. Mortgage roll-forward delinquency rates remained elevated, with recent vintage curves reflecting declining performance compared to prior years. Despite rising delinquency rates, the strength of the job market and prevalence of consumers with a credit score of 760+ within the mortgage portfolio limited the impact on delinquencies. Mortgage delinquency rates are expected to continue rising in 2024 but are projected to remain low in long-term comparisons.

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Report Overview and Definitions

The TransUnion Industry Insights Report is a quarterly overview summarizing data, trends and insights regarding the Canadian consumer lending industry.

Data pulled from TransUnion's consumer credit database of nearly 30 million files — which profiles nearly every credit-active consumer in Canada.

Full view of all data records (not a sample) over the most recent nine quarters

Both account-level and consumer-level views of key metrics and trends

Data and trends for the national population overall, as well as breakdowns within consumer credit score risk tiers

Analysis of individual consumer loan product types: bankcard, installment loan, auto loan, and line of credit – as well as aggregate views of all revolving and all non-revolving loans

Risk Tier Definitions

RISK TIER	CREDITVISION® RISK SCORE RANGE
Super prime	800+
Prime plus	760–799
Prime	720–759
Near prime	640–719
Subprime	300–639

Product Definitions

PRODUCT CATEGORY	DEFINITION
Bankcard	Revolving account, open account or line of credit reported by a bank, finance company, national card or credit union; loan types include credit card, business credit card, and secured credit card
Installment	Secured or unsecured fixed payment loans reported by a bank, finance company or credit union, or a department store, furniture store, appliance store, home improvement store

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PRODUCT CATEGORY	DEFINITION
Auto	Loans reported by an auto dealer or auto finance company for financing of new and used vehicles; loan types include auto loans and auto leases
Line of credit	Revolving account, open account or line of credit reported by a bank, finance company, national card or credit union; can be secured or unsecured
All revolving loans	All revolving accounts, open accounts or line of credit accounts, including the above bankcard, and line of credit categories, as well as other revolving-type accounts not included in the above categories, including private Label credit cards
All non-revolving loans	All installment accounts and fixed payment accounts, including the above installment and auto categories, as well as other non-revolving accounts not included in the above categories, including student loans and other installment loans

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