TransUnion

TRANSUNION CREDIT INDUSTRY INSIGHTS REPORT

Quarterly Overview of Consumer Credit Trends Released by TransUnion Canada

Second Quarter 2026

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Executive Summary

Macroeconomic consumer trends

The Canadian consumer credit market entered the second half of 2026 against a backdrop of economic stabilization but not acceleration. While the economy has largely avoided a deeper downturn, growth remained below historical norms, increasingly shaped by a combination of elevated labour market slack, persistent trade uncertainty and cautious consumer spending. Inflation moderated significantly from peak levels, while the Bank of Canada to maintain a supportive monetary policy stance, yet policymakers remained alert to risks associated with tariffs and commodity prices. For lenders, this environment represents a transition from managing rapid interest rate changes to navigating slower economic growth, uneven borrower resilience and evolving sector-specific risks.

Following consecutive contractions in late 2025 and early 2026, economic activity showed signs of improvement through Q2 as exports, business investment, government spending and energy sector activity contributed to renewed growth. Although Canada remains on track for positive GDP growth in 2026, forecasts continue to point to a modest expansion that is well below long-term averages.[1] For lenders, a slow-growth environment typically results in more measured borrowing demand, slower portfolio growth and increased focus on customer retention and portfolio quality rather than aggressive acquisition strategies.

Labour market conditions remain an important indicator for consumer credit performance. While unemployment improved modestly during Q2, overall employment conditions continued to reflect excess capacity and cautious hiring activity.[2] As a result, household income growth remained constrained and pockets of financial vulnerability persisted within certain borrower segments.

Inflation largely returned to a range consistent with the Bank of Canada's target framework, providing welcome relief for households and businesses. However, inflation remains susceptible to upside risks associated with energy prices and trade-related disruptions. Against this backdrop, the Bank of Canada has maintained its policy rate at 2.25%, signaling confidence current monetary settings are appropriately balanced between supporting growth and preserving price stability.[3]

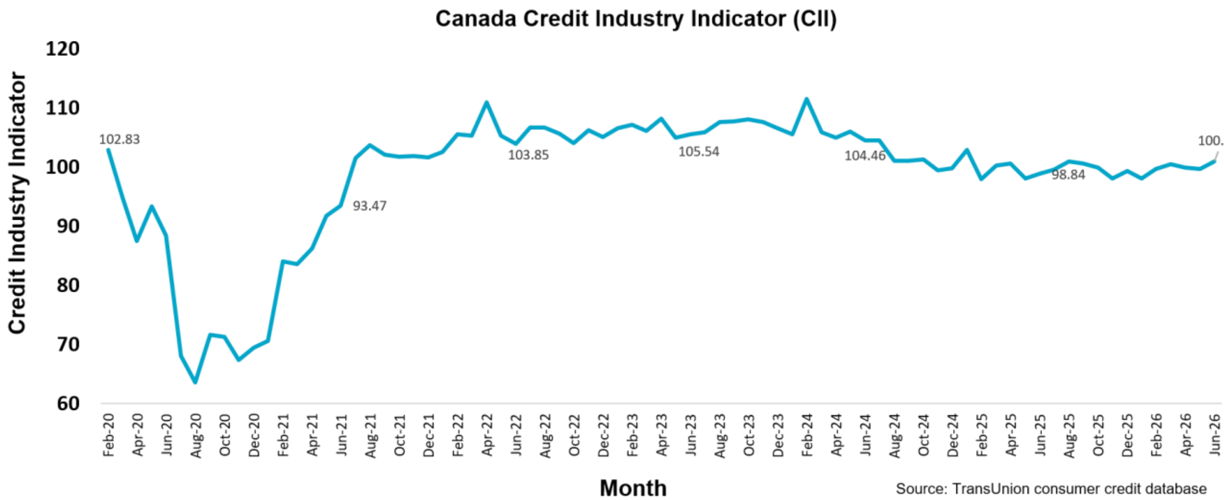
Consumer spending continued to provide support for the economy, but growth remained modest. Households benefitted from lower borrowing costs and moderating inflation — yet spending behavior remained cautious as consumers continue to navigate affordability challenges and uncertain employment conditions.[4] This suggests while consumer demand is unlikely to contract meaningfully, broad-based acceleration in borrowing and spending activity is also unlikely in the near term. Lenders may expect continued demand for credit but with greater emphasis on value, affordability and financial flexibility.

Trade policy emerged as one of the most significant macroeconomic risks facing Canada. Persistent tariffs and trade uncertainty have the potential to dampen export activity, delay business investment, slow hiring and place upward pressure on costs throughout the economy.[5] For lenders, these dynamics could create concentrated risks in trade-sensitive industries, regions dependent on manufacturing and cross-border commerce, and households whose income depends on affected sectors. As a result, tariff-related developments may become an increasingly important factor in portfolio risk.

[1,3,4] S&P Global Economics: Canada Economic Outlook, July 21, 2026. spglobal.com/marketintelligence
[2] Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle
[5] Oxford Economics. Country Economic Forecast – Canada, July 9, 2026

TransUnion's Canada Credit Industry Indicator

Canada's Q2 2026 CII increased half a point from the prior quarter and rose two points YoY to 100.9. The June 2026 reading suggests stabilization rather than strength as demand has recovered and supply has moved closer to neutral, lifting the index above 100. Still, softer consumer behaviour and uneven delinquency trends indicate the credit market has improved from the 2025 slowdown but remains below the stronger conditions seen in earlier expansionary periods.



Total consumer balances and participation

Canadian consumer credit balances reached a record $2.636 trillion in the second quarter of 2026. Total outstanding balances grew $116.7 billion (+4.6%) year over year (YoY), while the number of consumers with access to credit expanded more modestly to 32.5 million, a 1.1% YoY increase. The data points to a credit market where balance growth is outpacing borrower growth, suggesting higher balances among existing borrowers are contributing to overall expansion.

Credit growth in Q2 2026 was strongest at both ends of the risk spectrum. Super prime balances grew 6.5% YoY to $1.737 trillion, while subprime balances grew 5.9% YoY to $62.0 billion. By contrast, the middle tiers saw substantially slower growth as near prime balances grew 1.7% and prime plus grew 1.2%, while prime balances were essentially flat YoY.

Total Outstanding Credit Balances for All Products

	Q2 2025	Q2 2026	YoY Change
Subprime	$ 58,536,991,515	$ 61,993,202,861	5.9%
Near prime	$ 198,816,402,457	$ 202,166,464,466	1.7%
Prime	$ 273,112,331,344	$ 273,115,973,648	0.0%
Prime plus	$ 349,607,103,136	$ 353,870,919,926	1.2%
Super prime	$ 1,631,759,293,417	$ 1,737,168,307,549	6.5%

Notably, available credit limit growth closely tracks balance growth within each risk tier. Super prime consumers saw available credit grow 6.4% YoY alongside a 6.5% balance increase, while subprime consumers saw available credit grow 5.8% alongside a 5.9% balance increase. This tight alignment suggests lenders are actively extending more credit capacity in these segments and utilization rates have remained largely stable YoY.

This points to a healthy and expanding credit market supported by continued borrowing demand and lender confidence, especially among highly creditworthy Canadians. The key risk is growing divergence between super prime and subprime segments where credit supply and borrowing growth are outpacing the middle of the market and signaling more polarized consumer borrowing behavior.

Average non-mortgage debt per Canadian consumer with a balance rose to $28,118 in Q2 2026, up 7.6% YoY. Debt growth was observed across all major product categories, led by auto loans at 7.9%, lines of credit at 7.4%, personal loans at 7.1% and credit cards at 5.1%. Average non-mortgage balances grew across all risk tiers except subprime, with the strongest growth among prime plus and super prime consumers (approximately 5% YoY each).

Average non-mortgage balances rose across nearly all credit tiers except subprime, with the strongest growth among prime plus and super prime consumers at approximately 5% YoY. This suggests lower-risk consumers drove most balance growth, while the barbell-shaped risk distribution was only partly reflected in outstanding balances.

Average Non-mortgage Balance per Consumer

	Q2 2025	Q2 2026	YoY change
Subprime	19,225	19,181	-0.2%
Near prime	23,054	23,852	3.5%
Prime	24,974	26,124	4.6%
Prime plus	25,655	26,927	5.0%
Super prime	30,663	32,232	5.1%

Consumer delinquency stability masks rising insolvencies

Consumer credit performance remained broadly resilient through Q2 2026, with national delinquency rates showing only modest variation over the past two years. Consumer credit performance remained resilient and may be showing early signs of normalization. Fewer consumers entered delinquency on a YoY basis, with 30+ days past due (DPD) rates declining to 4.27%, the lowest level observed in the period. While 60+ and 90+ DPD rates remained modestly above last year's levels, roll-rate analysis indicates cure rates among delinquent accounts stayed stable or improved, and charge-off emergence declined across most delinquency buckets. This suggests persistent financial stress is concentrated among a relatively small and identifiable segment of consumers rather than reflecting a broad-based deterioration in credit quality.

Consumer Delinquency by Stage

	Consumers 30+ DPD	Consumers 60+ DPD	Consumers 90+ DPD
Q2 2024	4.41%	2.51%	1.74%
Q3 2024	4.44%	2.55%	1.73%
Q4 2024	4.60%	2.65%	1.83%
Q1 2025	4.62%	2.71%	1.88%
Q2 2025	4.34%	2.52%	1.77%
Q3 2025	4.38%	2.57%	1.77%
Q4 2025	4.45%	2.63%	1.83%
Q1 2026	4.51%	2.67%	1.86%
Q2 2026	4.27%	2.56%	1.81%

Beneath the stable national average, provinces are moving in different directions, highlighting uneven economic conditions across the country. The most significant deterioration in serious consumer delinquency (90+ DPD) was concentrated in Alberta, Saskatchewan and Ontario, which together accounted for most of the upward pressure observed in the national delinquency rate. While fewer consumers are entering delinquency nationally, a smaller group of financially stressed borrowers continues to struggle, suggesting an uneven recovery.

Consumer 90+ DPD Delinquency by Province

	Q2 2025	Q2 2026	Y/Y
AB	2.29%	2.41%	12
NB	1.96%	1.98%	1
ON	1.90%	1.96%	6
NS	1.92%	1.91%	-1
MB	1.93%	1.90%	-3
SK	1.78%	1.89%	10
NL	1.71%	1.76%	5
PEI	1.69%	1.70%	1
BC	1.68%	1.67%	-1
QC	1.27%	1.25%	-2

Beneath the apparent stability in delinquency, consumer insolvency rates continued to climb. The insolvency rate rose to 1.10% in Q2 2026, up from 0.94% in Q2 2024, reaching the highest level observed in the period. Quarter-over-quarter growth has been consistent throughout, suggesting more consumers are turning to formal debt relief solutions.

The increase in insolvencies has been driven primarily by non-mortgage holders whose filing rates have moved modestly above pre-pandemic levels — while mortgage holders remain below their pre-2020 levels. This divergence indicates financial stress isn't being evenly distributed across the population as consumers without mortgages appear to be facing greater difficulty managing rising living costs and unsecured debt obligations, while homeowners have remained comparatively more resilient.
The composition of insolvency filings has remained largely unchanged despite growing overall volumes. Consumer proposals continued to account for nearly 80% of all filings, up from approximately 60% before the pandemic, while bankruptcies represented only about one-fifth of filings. This mix suggests the increase in insolvencies reflects consumers turning to formal debt restructuring options.

Looking ahead

Canada's credit market entered the second half of 2026 in a more stable but increasingly segmented phase. Economic growth resumed, inflation moderated and interest rates remain supportive, yet growth is still below historical norms and consumers continue to exhibit caution. The Q2 2026 Credit Industry Indicator suggests conditions have improved from the 2025 slowdown, but do not yet reflect a broad-based expansion.

Credit growth is likely to remain measured and concentrated among existing borrowers. Balance growth continues to outpace consumer growth, while the strongest expansion is occurring at both ends of the risk spectrum, with super prime and subprime balances growing faster than the middle tiers. This increasingly polarized borrowing environment presents growth opportunities but also requires closer monitoring of emerging risk concentrations.

Consumer credit performance remains generally resilient, with fewer consumers entering delinquency and stable or improving cure rates. However, rising insolvencies and worsening serious delinquency in Alberta, Saskatchewan and Ontario highlight financial stress remains concentrated among specific borrower segments and regions. The continued increase in insolvency filings among non-mortgage holders may suggest affordability pressures persist for some households despite broader signs of stabilization.

Looking ahead through the remainder of 2026, lenders may be well positioned for disciplined growth, but success will depend less on broad economic tailwinds and more on identifying where resilience and risk are diverging within portfolios.

Implications for Canadian lenders:

Lenders may wish to consider targeted growth strategies that balance opportunities among resilient borrowers with heightened monitoring of rising insolvencies, regional delinquency pressures and expanding exposure within higher-risk segments. Dynamic segmentation, proactive line management and affordability-focused underwriting may become increasingly important.

At the same time, trade uncertainty, slowing economic growth and uneven borrower performance reinforce the need for strong portfolio monitoring and early intervention capabilities. In a market characterized by stabilization rather than acceleration, lenders that can identify emerging pockets of risk while selectively pursuing growth opportunities may be better positioned to manage portfolio performance and capture market share.

Bankcard Summary

BANKCARD METRICS	Q2 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	52.7M	0.46%	2.46%
Outstanding Balance	$128.9B	5.26%	4.18%
Total Credit Lines	$550.5B	1.41%	5.96%
Average Balance	$3,174	3.39%	1.41%
Average Credit Line	$10,619	0.96%	3.58%
Number of Consumers With Access to an Active Trade	28.9M	0.28%	1.48%
Number of Consumers Carrying a Balance	25.4M	1.03%	1.61%
Origination Volumes (Q1 2026)	1.7M	(3.84%)	1.83%
Average New Account Credit Line	$6,961	9.09%	3.91%
Account Delinquency Rate (90+ DPD)	0.59%	(5 bps)	2 bps
Consumer Delinquency Rate (90+ DPD)	0.90%	(8 bps)	2 bps
Balance Delinquency Rate (90+ DPD)	1.22%	(12 bps)	9 bps

The Canadian credit card market continued to expand in Q2 2026, with growth increasingly concentrated among prime plus and super prime consumers. Outstanding balances, credit lines and average balances all increased year over year — while average newly assigned credit limits declined in the subprime segment. Although overall delinquency metrics deteriorated modestly, the increase was primarily concentrated among subprime consumers, while prime and above segments remained stable.

Credit card originations remained relatively stable, with total new account volume reaching 1.7 million accounts in Q1 2026, up 1.8% year over year. Growth, however, varied significantly across risk tiers.

The strongest origination growth occurred at the extremes of the credit spectrum. Subprime originations increased 19.0% year over year, while super prime originations rose 8.5%. Prime plus originations also strengthened, increasing 5.8%, while prime was essentially flat at 0.6% growth. Near prime remained the only segment experiencing contraction, declining 5.8% year over year.

Despite increased subprime origination volumes, lenders materially tightened risk exposure. Average newly assigned subprime credit limits fell 22.5% year over year to $1,396, while average first-quarter balances on newly originated subprime cards declined 20.2% to $975. In contrast, super prime consumers received larger limits, with average new credit lines increasing 2.8% year over year to $11,763 and average new balances increasing 3.4%.

Overall, the origination data suggests lenders are continuing to grow account volumes while directing a larger share of credit exposure toward higher-credit-quality consumers and actively managing risk within subprime portfolios.

Credit card balance trends signal continued growth

Outstanding balances continued to grow across the market, reaching $128.9 billion in Q2 2026, an increase of 4.2% year over year. Total credit lines expanded even faster, rising 6.0% year over year to $550.5 billion, while average balances per account increased 1.4% to $3,174.

Growth was driven primarily by higher-credit-quality consumers. Super prime outstanding balances increased 6.9% year over year to $42.6 billion, while prime plus balances also grew 6.9% to $18.5 billion. Together, these two segments accounted for the majority of incremental balance growth across the market.

Average balances per card showed a similar pattern. Prime balances increased 3.5% year over year, prime plus increased 2.4% and super prime increased 2.1%. Subprime was the only segment to experience a decline as average balances fell 0.6% year over year.

Credit line growth further highlighted lenders' risk strategies. Average credit limits increased 4.7% year over year for super prime consumers, 3.9% for prime plus and 3.3% for prime. In contrast, subprime average limits declined 4.2% year over year.

While overall delinquency rates increased, the deterioration was highly concentrated

At the market level, account-level 90+ DPD increased to 0.59%, up two basis points year over year, while balance-level 90+ DPD rose to 1.22%, up nine basis points. The faster increase in balance delinquency suggests larger balances are becoming delinquent rather than a broad-based increase in delinquent accounts.

Subprime continued to be the primary source of portfolio stress. Account-level delinquency rates rose across every stage of delinquency, with 90+ DPD increasing 42 basis points year over year to 9.27%. Balance-level deterioration was even more pronounced; 90+ DPD balances increased 137 basis points to 14.50%. Early-stage delinquency also worsened significantly, with 30+ DPD balances rising 167 basis points year over year to 29.79%.

Near prime performance remained relatively stable. Account-level delinquency rates were flat to slightly improved year over year, although balance-level delinquency increased modestly. Near prime 90+ DPD balances rose just two basis points year over year to 0.29%. Prime, prime plus and super prime segments continued to demonstrate exceptionally strong performance.

The delinquency data reinforces the broader portfolio story. The segments driving balance growth (prime plus and super prime) continued to exhibit extremely strong credit performance, while rising credit stress remained concentrated in subprime borrowers. Lenders appeared to be responding appropriately by reducing limits and balances in higher-risk segments, helping preserve overall portfolio quality despite modest deterioration in aggregate delinquency measures.

Installment Loan Summary

<table>
<tr><th>INSTALLMENT LOAN METRICS</th><th>Q2 2026</th><th>Q-O-Q Change</th><th>Y-O-Y Change</th></tr>
<tr><td>Number of Accounts</td><td colspan="3" rowspan="3">Note: Installment loan back-book metrics are unavailable for this reporting period and have therefore been omitted from this quarter's report.</td></tr>
<tr><td>Outstanding Balance</td></tr>
<tr><td>Average Balance</td></tr>
<tr><td>Number of Consumers Carrying a Balance</td><td>2.7M</td><td>0.56%</td><td>(1.73%)</td></tr>
<tr><td>Origination Volumes (Q1 2026)</td><td>316.2K</td><td>(2.59%)</td><td>(7.60%)</td></tr>
<tr><td>Average New Account Balance</td><td colspan="3">See note above on Q2 reporting below</td></tr>
<tr><td>Account Delinquency Rate (60+ DPD)</td><td>2.86%</td><td>28 bps</td><td>39 bps</td></tr>
<tr><td>Consumer Delinquency Rate (60+ DPD)</td><td>2.95%</td><td>36 bps</td><td>42 bps</td></tr>
<tr><td>Balance Delinquency Rate (60+ DPD)</td><td colspan="3">See note above on Q2 reporting below</td></tr>
</table>

The combination of declining originations and accelerating delinquencies points to a transition from a growth-focused market toward a risk-management environment. Credit quality deterioration is occurring despite lower lending volumes, indicating that consumer affordability pressures are outweighing the risk reduction benefits typically associated with slower origination growth.

Originations in Q1 2026 fell 8% from the prior year quarter. While total originations contracted, growth in the Super Prime segment more than offset balance declines in higher-risk tiers, resulting in a pronounced migration of new lending toward the lowest-risk borrowers. Subprime and Near Prime lending contracted significantly, with year-over-year originations declined to 44% and 21%, respectively, accompanied by substantial reductions in originated balances. Prime originations declined 9%, but balances remained stable, indicating higher average loan amounts. Prime Plus balances increased 9% despite a modest 4% decline in loan volumes. Super Prime was the primary growth driver, with originations increasing 9% and originated balances rising 26% year-over-year. Overall, lenders are prioritizing portfolio quality over volume growth, concentrating new lending among lower-risk borrowers to strengthen portfolio performance and manage rising credit risk.

Credit performance weakened further in Q1 2026, with both account-level and consumer-level delinquency rates rising significantly year-over-year. The 60+ days past due (DPD) account delinquency rate increased to 2.86%, up 39 basis points from Q1 2025, while the consumer delinquency rate rose to 2.95%, an increase of 42 basis points. Notably, consumer-level delinquency growth outpaced account-level growth, suggesting that a greater number of borrowers are experiencing repayment difficulties across one or more credit obligations. The simultaneous rise in delinquencies and decline in originations indicates that consumer financial pressures continue to build despite tighter lending conditions, reinforcing the need for continued focus on portfolio monitoring, early-stage collections, and risk management strategies.

Auto Loan Summary

AUTO LOAN METRICS	Q2 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	6.2M	(0.03%)	0.08%
Outstanding Balance	$167.3B	0.78%	3.45%
Average Balance	$27,421	0.86%	3.42%
Number of Consumers Carrying a Balance	6.3M	(0.14%)	(0.04%)
Origination Volumes (Q1 2026)	389.5K	(6.37%)	(2.03%)
Average New Account Balance	$39,749	(0.29%)	2.25%
Account Delinquency Rate (60+ DPD)	0.91%	2 bps	10 bps
Consumer Delinquency Rate (60+ DPD)	0.98%	2 bps	11 bps
Balance Delinquency Rate (60+ DPD)	0.77%	(1 bp)	7 bps

The Canadian auto finance market continued to expand in Q2 2026 despite softer origination activity. Total outstanding balances grew 3.5% year over year to $167.3 billion, supported by higher average loan balances and continued growth in prime plus and super prime portfolios. While overall delinquency rates increased modestly, credit deterioration remained concentrated in the subprime segment, with performance across near prime and higher tiers remaining relatively stable.

Origination activity moderated during the quarter, with total new auto loan volumes declining 2.0% year over year. Volume declines were concentrated in the near prime (-3.2%), prime (-6.0%) and prime plus (-1.6%) segments, while super prime originations remained essentially flat, declining only 0.6%. Subprime was the only segment to post year-over-year growth, increasing 4.4%; however, volumes remained well below levels observed in 2024. Despite lower origination volumes, the average balance on newly originated loans increased 2.3% year over year to $39,749, which may reflect vehicle prices and consumer demand for higher-value vehicles. Average new loan balances increased across all prime segments, while subprime balances were largely unchanged.

Balance growth remained concentrated in higher-credit-quality segments. Total outstanding balances reached $167.3 billion, supported by a 3.4% increase in average balances per account, while the total number of accounts remained essentially flat year over year. Super prime continued to be the primary growth driver, with outstanding balances increasing 7.2% year over year to $69.6 billion. Prime plus balances grew 2.1%, while near prime and prime balances increased by less than 1%. Subprime balances rose modestly by 0.7% following declines in the prior year. These trends indicate portfolio growth is being driven more by higher loan amounts and stronger performance among prime borrowers than by growth in the overall borrower base.

Credit performance remained generally healthy at the market level, although signs of stress continued to emerge within the subprime segment. Overall account-level 60+ day delinquency increased 10 basis points year over year to 0.91%, while balance-level 60+ day delinquency rose 7 basis points to 0.77%. The increase was overwhelmingly driven by subprime borrowers: 30+, 60+ and 90+ day delinquency rates increased by 136, 123, and 118 basis points, respectively. In contrast, delinquency rates across near prime, prime, prime plus and super prime portfolios remained low and generally increased by only a few basis points year over year. Super prime performance remained exceptionally strong, with delinquency rates effectively unchanged and near historical lows.

Overall, the data points to a market characterized by slower origination growth, continued balance expansion driven by larger loan sizes, and stable credit performance across prime segments. The ongoing concentration of growth in prime plus and super prime portfolios has helped offset emerging stress within the subprime segment and supported overall portfolio quality.

Lines of Credit Summary

LINE OF CREDIT METRICS	Q2 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	12.6M	0.33%	0.72%
Outstanding Balance	$293.9B	1.61%	4.91%
Total Credit Lines	$816.9B	1.52%	5.61%
Average Balance	$41,733	1.62%	3.51%
Average Credit Line	$65,832	1.25%	4.88%
Number of Consumers With Access to an Active Trade	12.1M	0.09%	0.24%
Number of Consumers Carrying a Balance	7.1M	(0.13%)	0.75%
Origination Volumes (Q1 2026)	360.2K	8.32%	0.33%
Average New Account Credit Line	$76,594	(11.51%)	13.50%
Account Delinquency Rate (60+ DPD)	0.40%	(2 bps)	1 bps
Consumer Delinquency Rate (60+ DPD)	0.43%	(2 bps)	1 bps
Balance Delinquency Rate (60+ DPD)	0.42%	(2 bps)	(0 bps)

The Canadian line of credit market continued to expand in Q2 2026, with most key indicators showing positive year-over-year growth. The strongest trends were increases in credit exposure, higher outstanding balances and larger credit limits, while delinquency rates remained stable and low. Growth appeared to be driven more by increased utilization and larger credit facilities than by significant growth in the borrower base.

Origination activity remained relatively flat compared with the prior year, suggesting lenders are maintaining a steady pace of new account acquisition rather than aggressively expanding the market. Origination volumes reached 360.2 thousand accounts, up only 0.33% year over year. Despite modest account growth, the average new account credit line increased substantially by 13.5% year over year to $76,594. This divergence indicates lenders are extending larger initial credit limits to new borrowers even though the number of newly originated accounts has remained largely unchanged. The trend suggests confidence in borrower quality and continued competition for higher-value customers.

Balance growth outpaced account growth, indicating increasing borrower utilization and larger credit facilities. While overall outstanding balances increased 4.91% to $293.9 billion, total credit lines increased 5.61% to $816.9 billion as average balance increased 3.51% to $41,733.

These results suggest portfolio growth is being driven primarily by larger balances and higher available credit rather than a significant expansion in the number of borrowers. The faster growth in total credit lines relative to accounts also indicates lenders are increasing available credit to existing customers. Utilization remains relatively stable. Estimated utilization based on balances and total credit lines was approximately 36.0%, slightly below prior-year levels given that total credit lines grew faster than balances.

Credit performance remained strong and largely unchanged despite higher balances and increased credit availability. The account-level delinquency rate (60+ days past due) increased by just one basis point year over year to 0.40%, while the consumer-level delinquency rate increased by one basis point to 0.43%. The balance delinquency rate remained unchanged at 0.42%. The stability of these measures indicates borrowers have generally been able to manage increased credit exposure without a corresponding deterioration in repayment performance. Overall, the portfolio continued to exhibit healthy growth characteristics supported by stable credit quality and low levels of delinquency.

Mortgage Loan Summary

MORTGAGE LOAN METRICS	Q2 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	6.6M	(0.20%)	(0.23%)
Outstanding Balance	$1928.9B	0.73%	3.94%
Average Balance	$293,270	0.94%	4.15%
Number of Consumers Carrying a Balance	8.6M	(0.24%)	(0.02%)
Origination Volumes (Q1 2026)	249.8K	(14.24%)	7.81%
Average New Account Balance	$354,683	(3.69%)	(2.37%)
Account Delinquency Rate (60+ DPD)	0.29%	1 bps	3 bps

MORTGAGE LOAN METRICS	Q2 2026	Q-O-Q Change	Y-O-Y Change
Consumer Delinquency Rate (60+ DPD)	0.30%	1 bps	3 bps
Balance Delinquency Rate (60+ DPD)	0.31%	2 bps	6 bps

Canada's mortgage market remained resilient in Q2 2026, though affordability pressures and lingering effects of higher interest rates continued to influence borrowing activity and credit performance. Mortgage balances continued to grow despite a slight decline in the number of mortgage holders, while delinquency rates remained low by historical standards even as they increased modestly from a year earlier.

Origination trends remain solid

Mortgage origination activity remained below the elevated levels observed during the low-interest-rate environment of 2020 and 2021. New mortgage balances averaged $354,683 in Q1 2026, down 2.4% from a year earlier, suggesting borrowers are increasingly adapting their purchasing decisions to affordability constraints. The decline in new loan sizes points to greater price sensitivity among homebuyers, potentially reflecting increased down payments, purchases of lower-priced homes or a shift toward more affordable housing markets.

First-time homebuyers continued to play a significant role in the market, accounting for approximately 39%–40% of mortgage originations from 2022 through 2024 and 36% in 2025. The relative stability of first-time homebuyer participation throughout both the rate-hiking and rate-cutting periods suggests changes in borrower composition have not been a major driver of recent mortgage performance trends.

Balance growth trends

Despite softer origination activity and a 0.2% year-over-year decline in the number of mortgage accounts, outstanding mortgage balances increased 3.9% to $1.93 trillion. The average outstanding mortgage balance rose 4.2% year over year to $293,270.

The divergence between declining new mortgage sizes and rising portfolio balances highlights an important market dynamic. While borrowers are taking on somewhat smaller mortgages today, the existing mortgage portfolio continues to be dominated by larger loans originated during years of elevated home prices. As a result, mortgage debt continues to grow even as new borrowing becomes more constrained by affordability considerations. The data suggests portfolio growth is increasingly being driven by the stock of existing mortgages rather than larger newly originated loans or growth in the number of borrowers.

Delinquency Trends

Mortgage credit performance remains strong overall, with 99.7% of consumers remaining current on their mortgage obligations. However, serious mortgage delinquency (60+ days past due) continued to increase modestly year-over-year. Account-level delinquency rose three basis points to 0.29%, consumer-level delinquency increased three basis points to 0.30% and balance-level delinquency rose six basis points to 0.31%.

The faster increase in balance-level delinquency suggests larger mortgage balances are becoming increasingly represented among delinquent loans, indicating payment pressures remain concentrated among borrowers carrying higher debt loads.

Mortgage vintage data provides important context for these trends. Borrowers who originated mortgages during the Bank of Canada's rapid tightening cycle in 2022 and 2023 faced the most challenging borrowing environment as policy rates increased from 0.25% to 5.00%. As a result, the 2023 vintage exhibited the weakest delinquency performance across most credit tiers, with subprime 12-month delinquency rates rising to 2.27% compared with 0.94% for mortgages originated in 2021.

More recent 2024 vintages (originated after interest rates stabilized and began to decline) are showing improved early performance among subprime and near-prime borrowers. Importantly, this improvement has occurred despite continued participation from first-time homebuyers and a recovery in mortgage origination activity, suggesting easing borrowing conditions and smaller loan sizes are beginning to support credit performance among newer cohorts.

Overall, the data suggests mortgage credit stress remains contained and concentrated among higher-balance borrowers and mortgages originated during the peak interest-rate period. While delinquency rates continue to rise modestly, recent vintage performance indicates mortgage credit conditions may be stabilizing as borrowers and lenders adapt to a more normalized interest-rate environment.

Report Overview and Definitions

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

Data is pulled from TransUnion's consumer credit database of nearly 30 million files — which profile 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	TRUVISION® RISK SCORE RANGE
Super prime	800+
Prime plus	765–799
Prime	715–764
Near prime	620–714
Subprime	< 620

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 department store, furniture store, appliance store, home improvement store
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

PRODUCT CATEGORY	DEFINITION
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

Data Definitions

DATA CATEGORY	DEFINITION
Total Account Volumes	Total number of accounts that are open or closed-with-a-balance or closed-and-delinquent at quarter-end
Total Account Balances	Total dollar amount of accounts that are open or closed-with-a-balance at quarter-end
Total Credit Lines	Total dollar amount of the credit lines of open revolving-type accounts at quarter-end
Total Open-to-Buy	Total dollar amount of the open-to-buy (open account credit lines minus balances) of open revolving-type accounts at quarter-end
Average Account Balance	Total account balances divided by the number of open-with-a-balance and closed-with-a-balance accounts at quarter-end
Average Credit Line	Total credit lines divided by the total number of open revolving-type accounts with a credit line greater than zero at quarter-end
Average Open-to-Buy	Total Open-to-Buy divided by the total number of open revolving-type accounts with a credit line greater than zero at quarter-end
Unit Delinquency Rates	Total number of delinquent open and closed accounts (including accounts in credit counselling, repossession or charge-off) at quarter-end divided by the total number of open or closed-with-a-balance or closed-and-delinquent accounts
Dollar Delinquency Rates	Total dollar amount of delinquent open and closed accounts (including accounts in credit counselling, repossession or charge-off) at quarter-end divided by the dollar balances of open or closed-with-a-balance accounts
Total New Account Volumes	Total number of new accounts reported opened during the calendar quarter
Total New Account Balances	Total dollar balances of new accounts reported opened during the calendar quarter, including open and closed-with-a-balance accounts, at quarter-end
Total New Account Credit Lines	Total dollar amount of the credit lines of new, open revolving-type accounts reported opened during the calendar quarter at quarter-end
Total New Account Open-to-Buy	Total dollar amount of the open-to-buy (open account credit lines minus balances) of new, open revolving-type accounts reported opened during the calendar quarter at quarter-end
Average New Account Balance	Total new account balances divided by the number of new accounts open-with-a-balance and closed-with-a-balance reported opened during the calendar quarter
Average New Account Credit Line	Total new account credit lines divided by the total number of new, open revolving-type accounts reported opened during the calendar quarter

DATA CATEGORY	DEFINITION
Average New Account Open-to-Buy	Total new account open-to-buy divided by the total number of new, open revolving-type accounts reported opened during the calendar quarter
Number of Consumers With Access to an Active Trade	Total number of consumers with access to at least one open revolving-type account, including authorized account users, at quarter-end
Number of Consumers With a Balance Present	Total number of consumers with at least one open or closed account with a balance greater than zero (not including authorized users) at quarter-end
Percentage of Borrowers With a Delinquent Balance	Total number of consumers with at least one open or closed account with a past-due balance greater than zero (30+, 60+, 90+ days past due) divided by the number of consumers with at least one open or closed-with-a-balance account at quarter-end
Average Number of Accounts per Consumer	Total number of open and closed-with-a-balance accounts divided by the total number of consumers with at least one open or closed-with-a-balance or closed-and-delinquent accounts at quarter-end
Average Total Balance per Consumer, of Consumers With a Balance	Total dollar balances of all open and closed accounts divided by the number of consumers with at least one open or closed account with a balance or closed account that is delinquent at quarter-end
Average Credit Line per Consumer, of Consumers With a Credit Line	Total dollar credit lines of all open revolving-type accounts divided by the number of consumers with at least one open account with a credit line greater than zero at quarter-end
Average Open-to-Buy per Consumer	Total dollar open-to-buy of all open revolving-type accounts divided by the number of consumers with at least one open account with a credit line greater than zero at quarter-end
Number of New Collections Accounts	Total number of new collections accounts reported during the quarter
Total New Collections Account Dollars	Total dollar amount of new collections accounts reported during the quarter

Report Generation Timing

Each quarter's data and calculations are generated from the data available on the last day of the quarter. There is typically a time lag between a new account opening date and when lenders report new accounts to credit reporting companies. As a result of this time lag, a significant number of new accounts opened during a quarter may not yet be reported as of the quarter-end date. To enable more accurate and robust reporting of new accounts, all new account counts and balances in this report are measured one quarter in arrears, with the latest quarter of data reflected being the quarter prior to the current report date.

A note about the calculation of Total Utilization

To derive Total Utilization, we use the following formula:

$$\text{Total Utilization} = 1 - \left[\frac{\text{Total Open-to-Buy}}{\text{Total Credit Lines}}\right]$$

We do not calculate utilization as the ratio of Total Balance to Total Credit Lines because the Total Balance measure includes balances on closed accounts that have balances, while Total Credit Lines are zeroed out for closed accounts. Credit lines are only calculated where credit is actually available — a closed account cannot be used for further purchases and hence, should have a credit line of $0. Thus, calculating Total Utilization as total balances divided by total credit lines may lead to inaccurate utilization rates under certain circumstances.