



ABA: Consumer Credit Delinquency Rate Improvements Lose Steam in Third Quarter

The American Bankers Association's Consumer Credit Delinquency Bulletin reported that consumer delinquency rates were largely unchanged in the third quarter.

The composite ratio, which tracks delinquencies in eight closed-end installment loan categories, was virtually flat, rising just one basis point from the second quarter to 3.01 percent of all accounts in the third quarter.

Bank card delinquencies were stable, after dropping significantly over the last year, rising a mere two basis points to 3.64 percent of all accounts. Bank card delinquency rates remain well below the 15-year average (3.92 percent).

The ABA report defines a delinquency as a late payment that is 30 days or more overdue.

ABA Chief Economist James Chessen said he isn't surprised that delinquency rate improvements slowed as the job market stumbled in the third quarter. "The economy just skipped a beat in the third quarter," Chessen said.

However, Chessen believes that delinquencies will improve over the next six months. "There's less uncertainty about the economy now, and consumers and businesses feel more confident," Chessen said. "Improvements hinge on a consistent increase in new jobs."

Full press release can be found [here](#).

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