



# TransUnion Unsecured Personal Lending Industry Insights Report

Q1 2024

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# Q1 2024 Quarter Highlights



# Key Takeaways

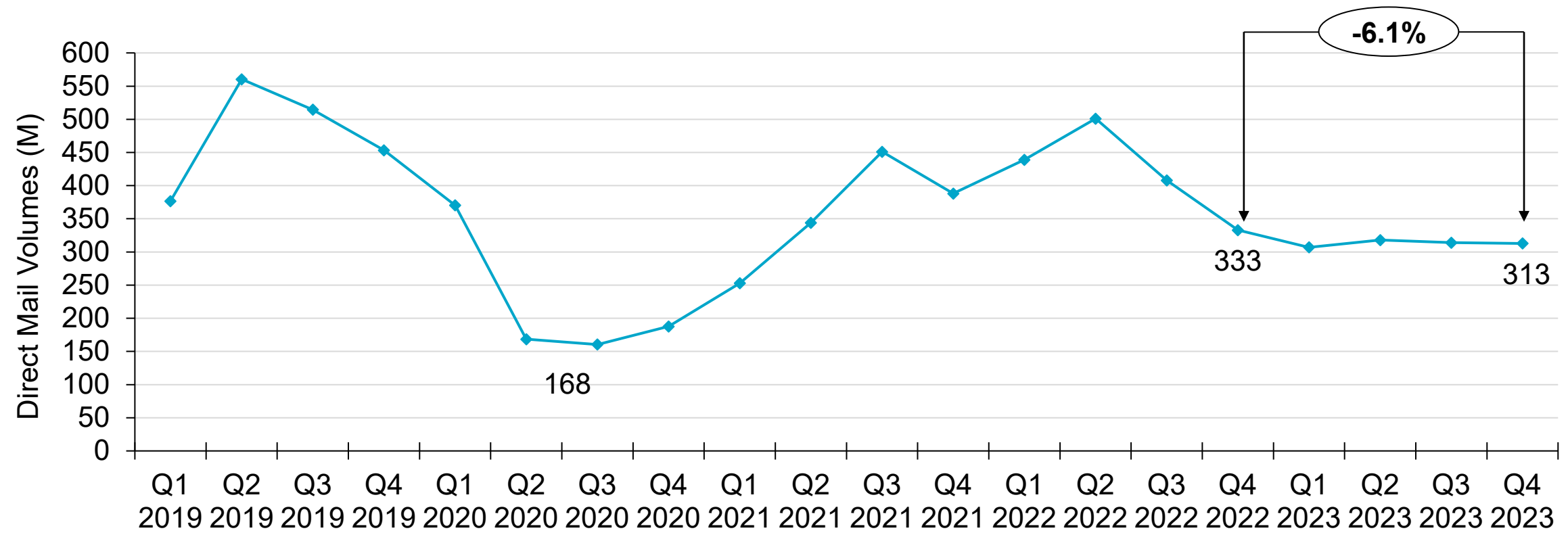
- Demand for unsecured personal loans (UPLs), per online inquiry volume, was generally depressed in 2023 compared to 2022; and similarly, direct mail prescreen volume and origination volume continue to lag prior year totals in aggregate
- The distribution of originations has shifted towards super prime borrowers with banks growing the most in share, on a year-over-year basis; meanwhile, FinTech's share of origination volumes and of new balances has fallen
- Average origination loan amount and average length of loans decreased in Q4 2023 compared to the same quarter last year by 6% and 8%, respectively; meanwhile, estimated APR has remained mostly stable at around 19%
- Total balances held steady at \$245B in Q1 2024 compared to prior quarter (a 9% increase versus prior year), but the average balance per consumer increased to \$11.8K with all risk tiers generally seeing an upward trend
- Consumer-level delinquency rates eased up in Q1 2024 after two consecutive quarters of increases; additionally, for account-level vintage delinquencies, in aggregate H1 2023 vintages are not becoming delinquent as quickly but there is variation in the trend by risk tier

# Demand and Supply



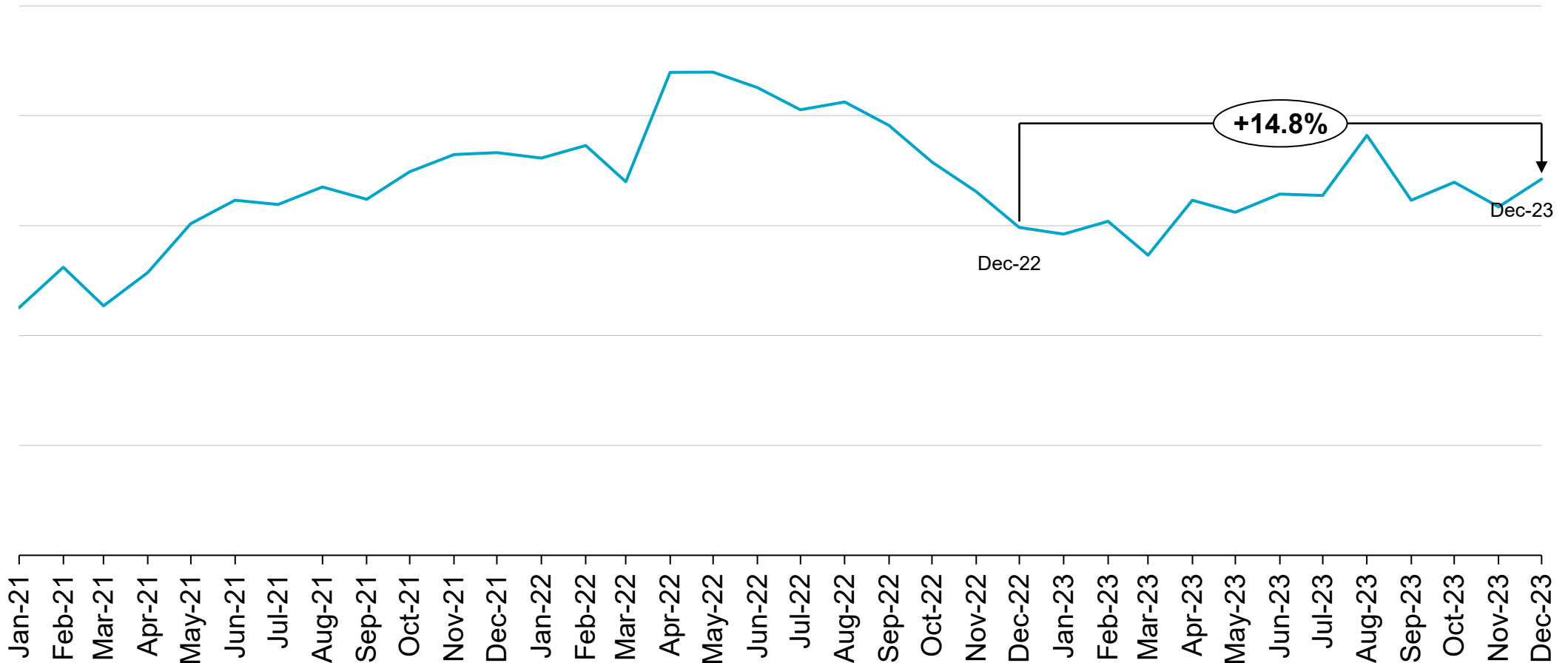
# Unsecured personal loan (UPL) prescreen mail volumes in 2023 lagged prior years but held steady in the low 300M range quarterly

## UPL Prescreen Direct Mail



# UPL online inquiry volumes in 2023 fluctuated but were generally depressed from prior year

## UPL Online Inquiry Volume



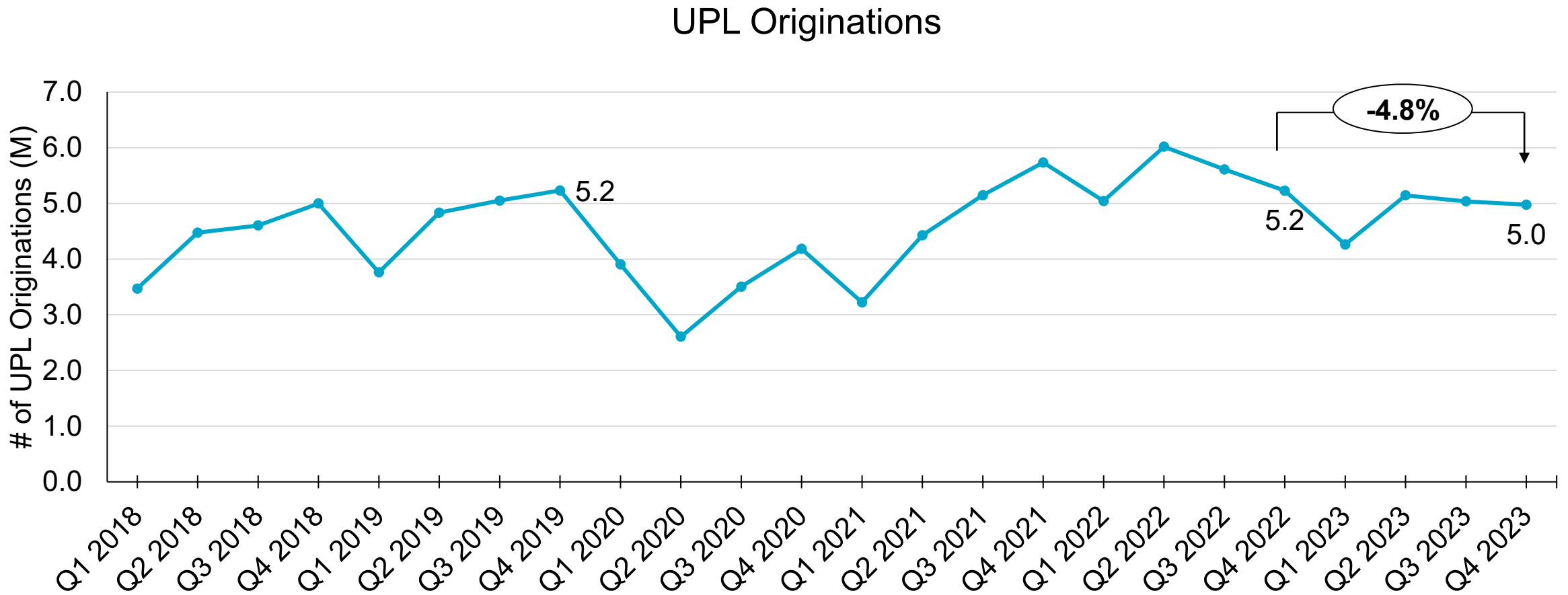
Note: Volumes exclude POS volumes

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Source: TransUnion US consumer credit database



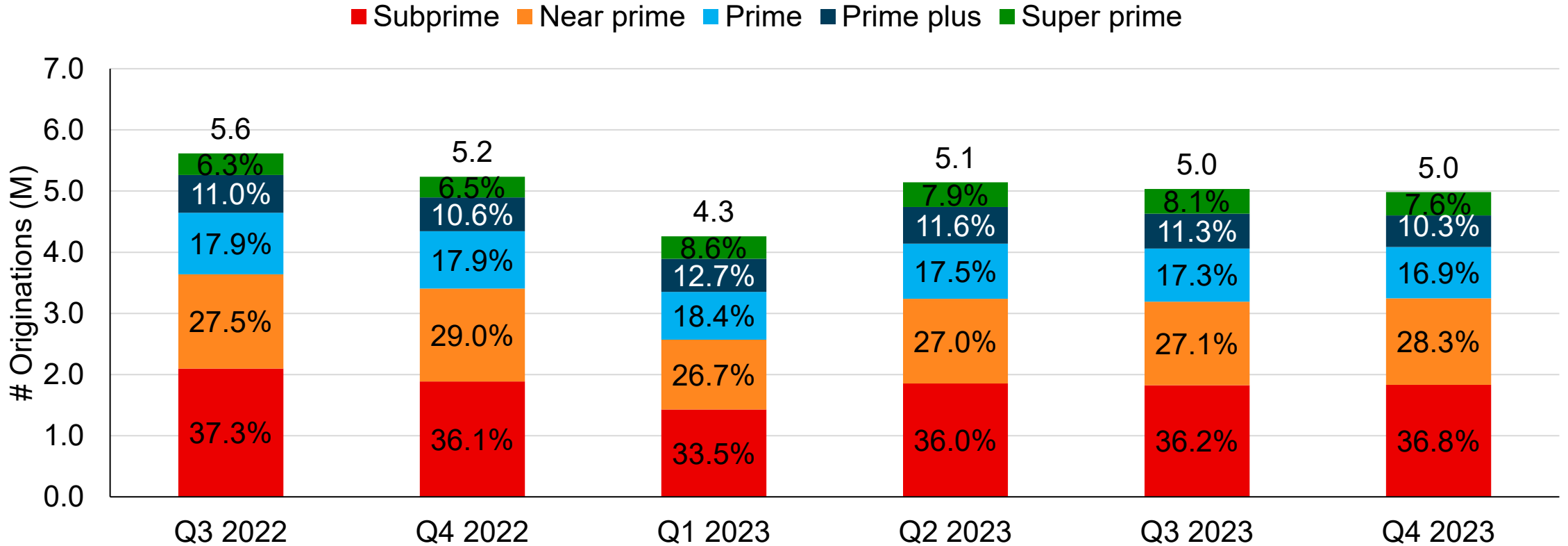
# UPL origination volume is lower in Q4 2023 as compared to the prior year and versus pre-pandemic volume in Q4 2019





# As originations contract, the share of volume by risk tier has shifted versus prior year with super prime growing the most

Total Number of Unsecured Personal Loan Originations by Risk Tier



VantageScore® 4.0 risk ranges:  
 Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+  
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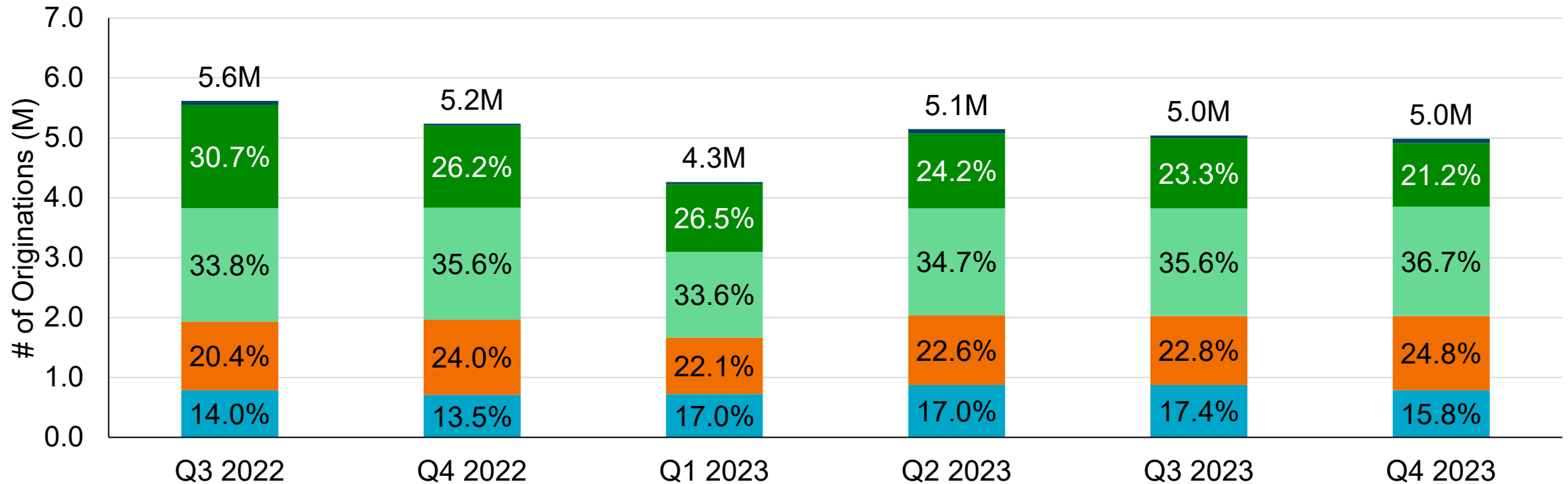
Totals may not equal 100 due to rounding  
 Source: TransUnion US consumer credit database



# FinTechs' share of originations has decreased consistently throughout recent quarters

UPL Originations by Lender Type

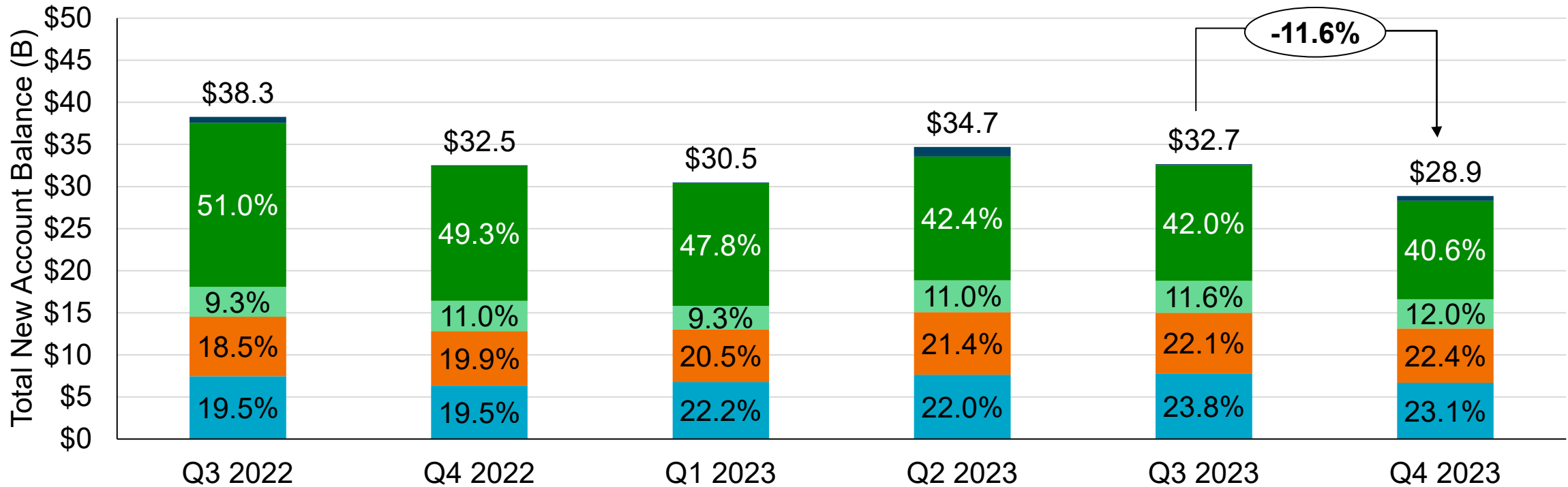
Bank Credit Union Finance Company FinTech Others



# Total new account balance is lower versus prior year, with FinTechs' share continuing to fall as banks' share grew the most

UPL New Account Balance by Lender Type

■ Bank ■ Credit Union ■ Finance Company ■ FinTech ■ Others



# Key Takeaways: Demand & Supply

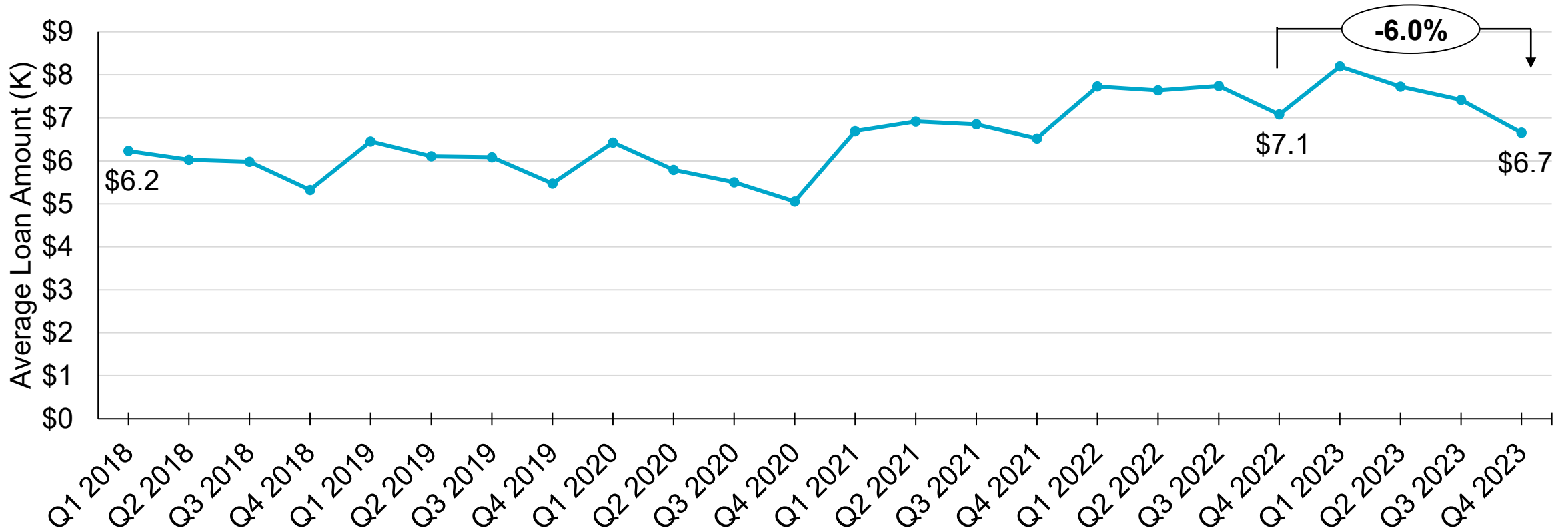
- Prescreen direct mail volume for UPLs continues to trail behind prior year volumes
- Online inquiry volume for UPL is also trending lower than prior year
- Similarly, UPL originations continued to lag prior year in Q4 2023 – about 5% lower than the same quarter from last year
- Origination distribution by risk tier has shifted toward super prime with subprime recovering some share recently
- Origination share by lender type shows FinTech consistently losing share to other lender types
- FinTechs also have a smaller share of total new account balance, just 41% from 49% a year ago; meanwhile, banks' share grew from just under 20% to 23%

# Loan Terms



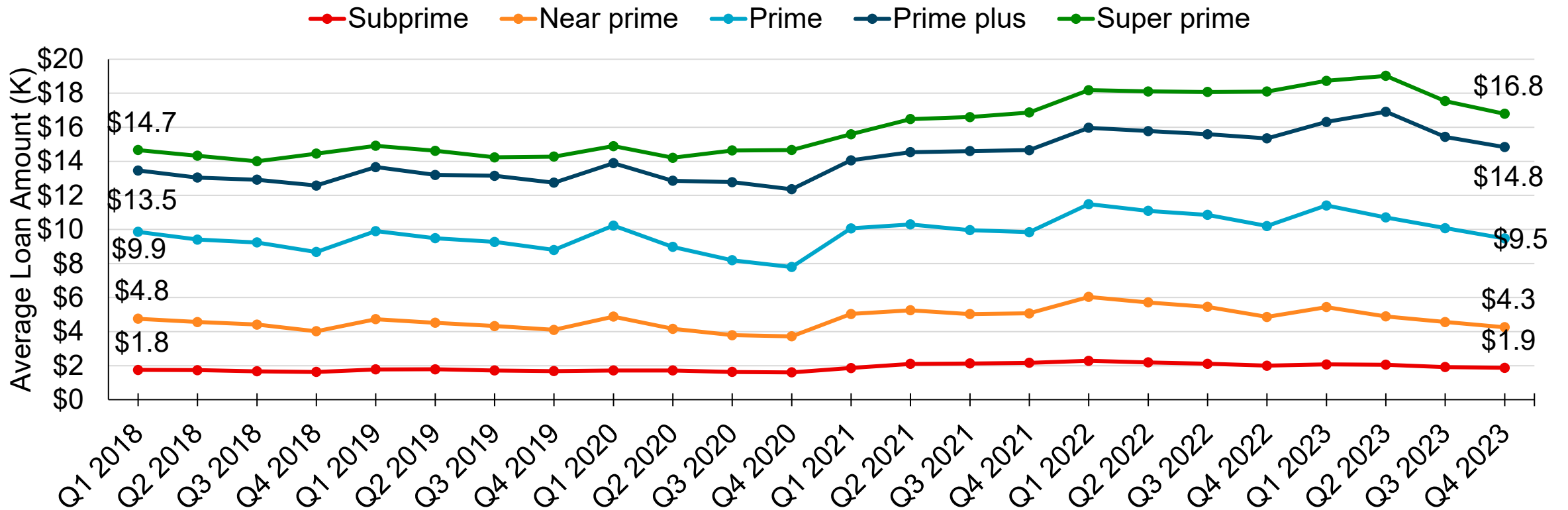
# Average origination loan amount declined 6% from a year ago to \$6.7K

## Average Origination Loan Amount



# The average origination loan amount decreased in Q4 2023 for all risk tiers

## Average Origination Loan Amount by Risk Tier



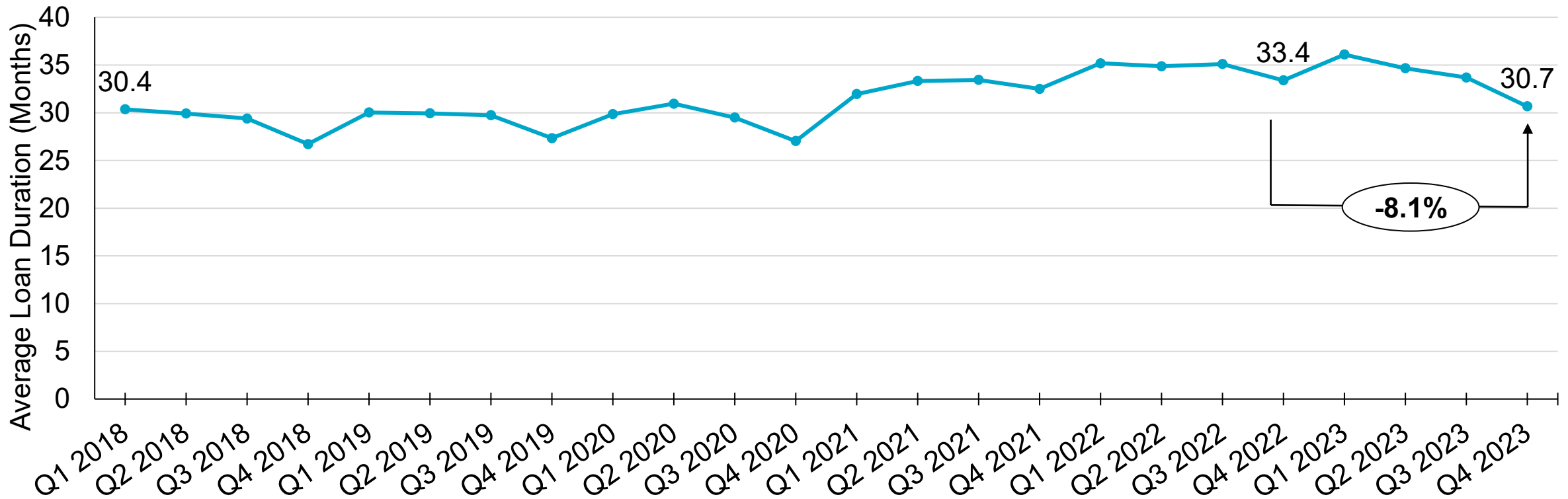
NOTE: Consumers' risk tiers is determined at the end of the quarter prior to origination to approximate risk tier at time of origination  
 VantageScore® 4.0 risk ranges:

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+



# Average origination loan duration dropped just over 8% in Q4 2023 compared to the prior year

Average Origination Loan Duration

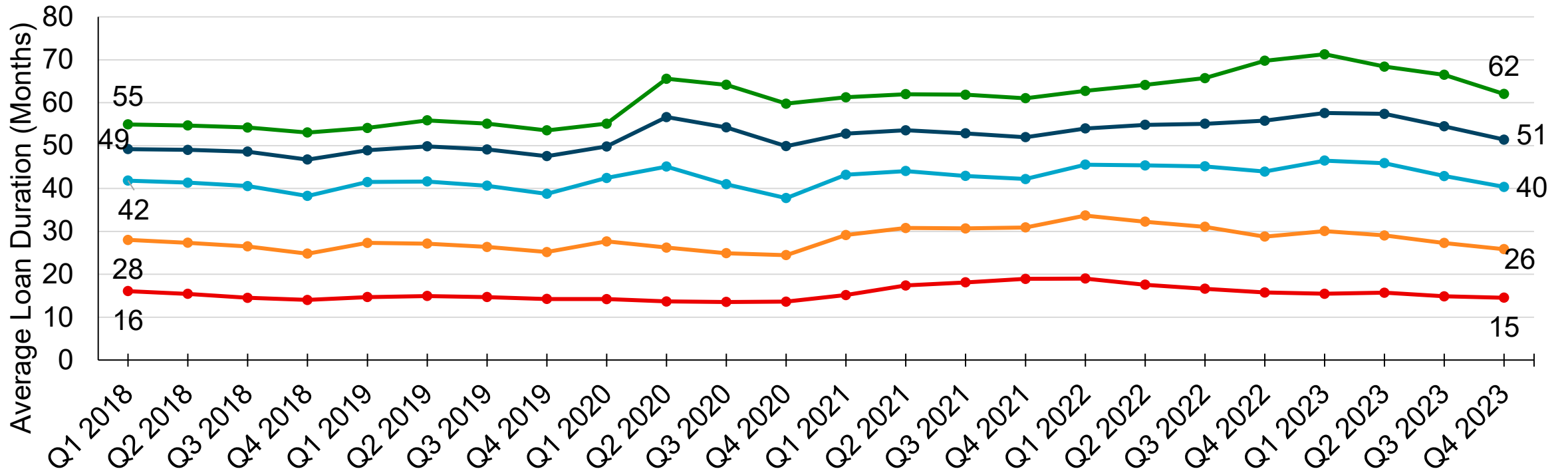




# Average loan duration declined for all risk tiers in Q4 2023

## Average Origination Loan Duration by Risk Tier

● Subprime ● Near prime ● Prime ● Prime plus ● Super prime



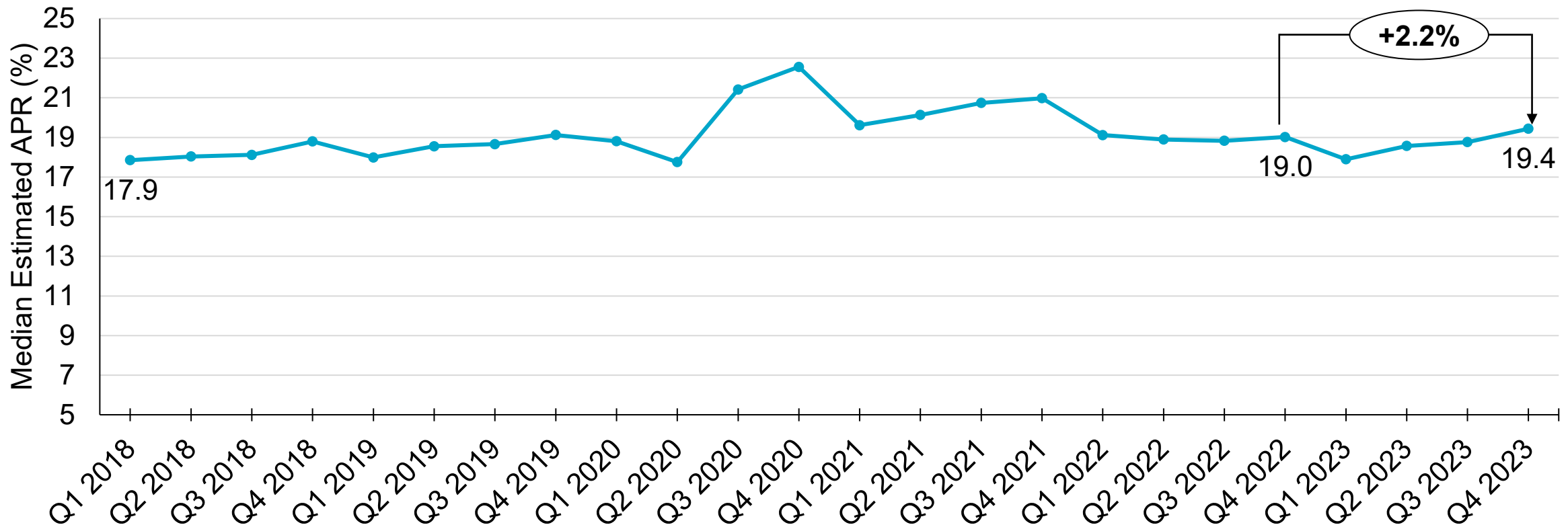
NOTE: Consumers' risk tiers is determined at the end of the quarter prior to origination to approximate risk tier at time of origination  
 VantageScore® 4.0 risk ranges:

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+



# Median estimated APR increased slightly versus prior year, but continues to hold steady at around 19% since 2022

## Median Estimated Origination APR



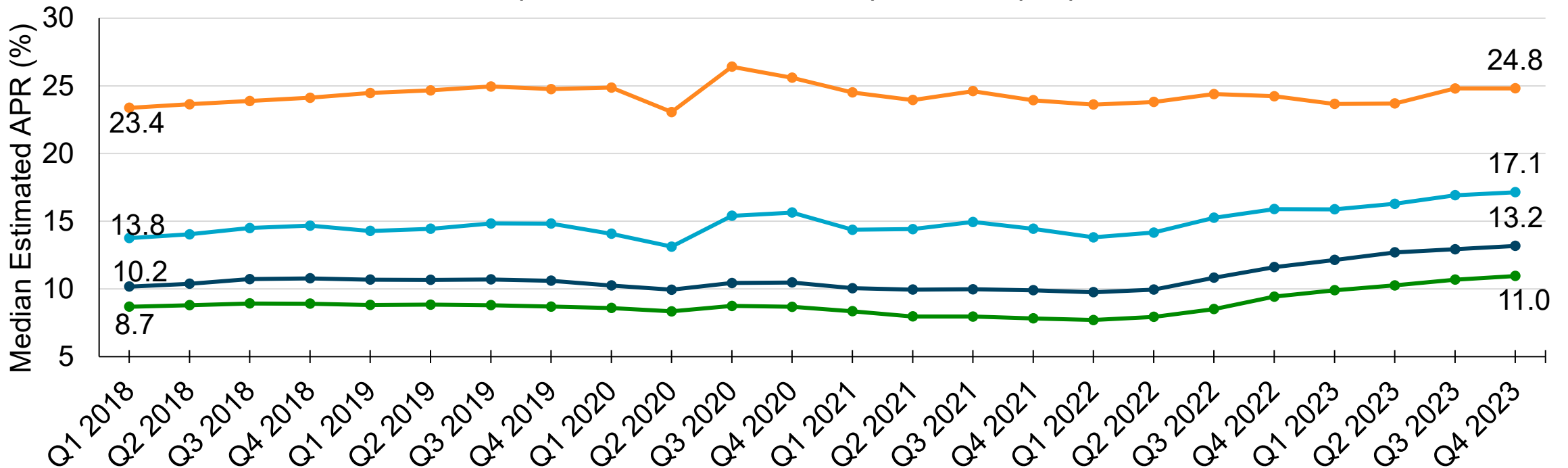
NOTE: Estimated APR is a calculated field based on payment frequency, loan amount, and the due amount; it does not account for fees.



# Median estimated APRs increased in Q4 2023 across tiers, continuing a several quarters trend for the prime and above tiers

Median Estimated Origination APR by Risk Tier

— Near prime — Prime — Prime plus — Super prime



NOTE: Subprime is not shown as it is too sensitive to outliers; hence, its trendline is not reflective of what is occurring in the marketplace overall versus what is occurring with specific lenders. Consumers' risk tiers is determined at the end of the quarter prior to origination to approximate risk tier at time of origination

VantageScore® 4.0 risk ranges:

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+



# Key Takeaways: Loan Terms

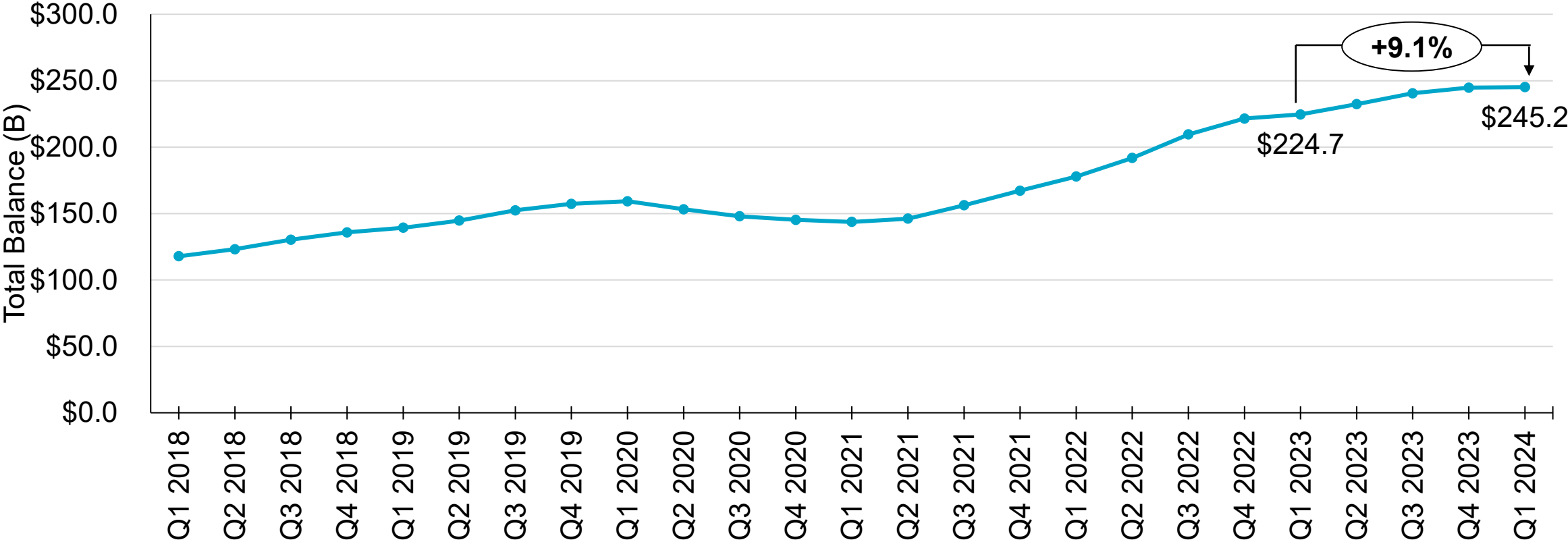
- The average origination amount for UPLs dropped to \$6.7K in Q4 2023 – 6% lower than the same quarter last year – driven by lower origination amounts across all risk tiers
- The average duration of UPLs in Q4 2023 dropped to just under 31 months – which is a decrease of 8% (or nearly three months) from last year
- Estimated median APRs continue to move higher in recent quarters by risk tier – especially for the prime and above tiers – but the overall median APR in Q4 2023 is stable compared to the same quarter last year at about 19%

# Balances



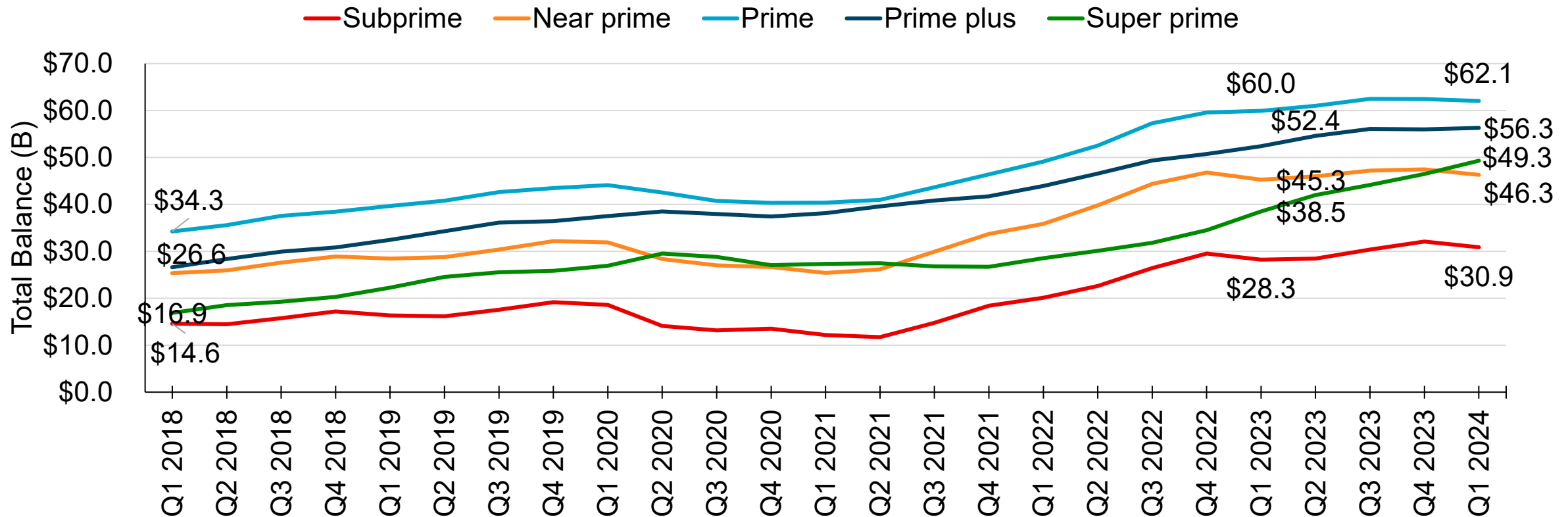
# Total UPL balance held steady in Q1 2024 versus prior quarter, but was 9% higher than the same quarter last year

Total UPL Balance



# Total UPL balance continues to grow across risk tiers on a year-over-year basis, with the super prime risk tier realizing the largest gain

Total UPL Balance by Risk Tier



VantageScore® 4.0 risk ranges:  
 Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

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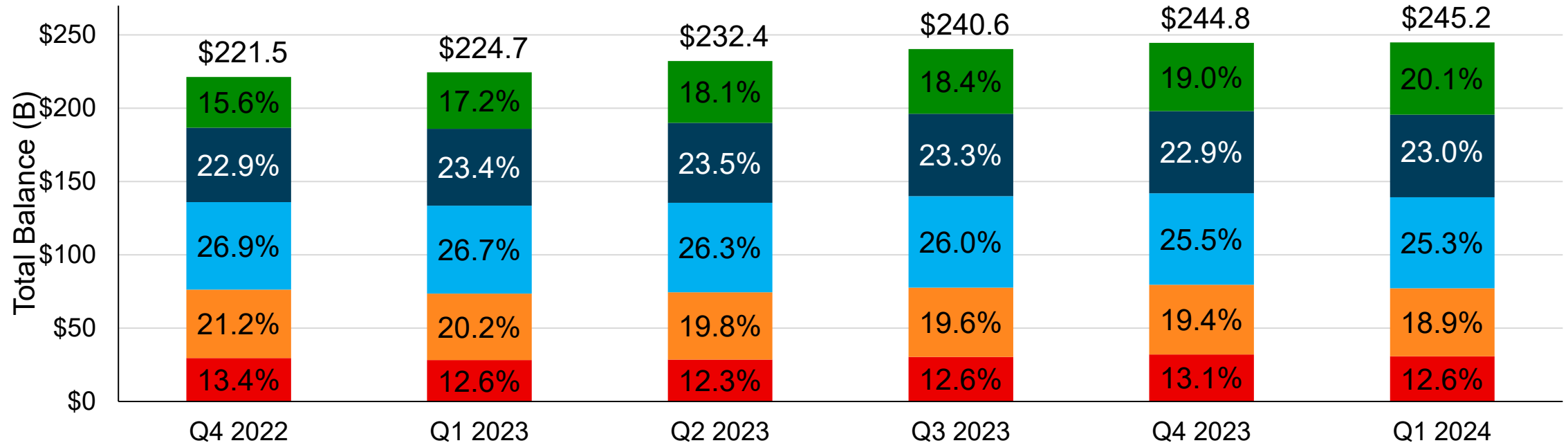
Source: TransUnion US consumer credit database



# As total UPL balance has grown, the risk tier distribution has shifted towards super prime borrowers

Total Unsecured Personal Loan Balances by Risk Tier

■ Subprime ■ Near prime ■ Prime ■ Prime plus ■ Super prime



VantageScore® 4.0 risk ranges:  
 Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+  
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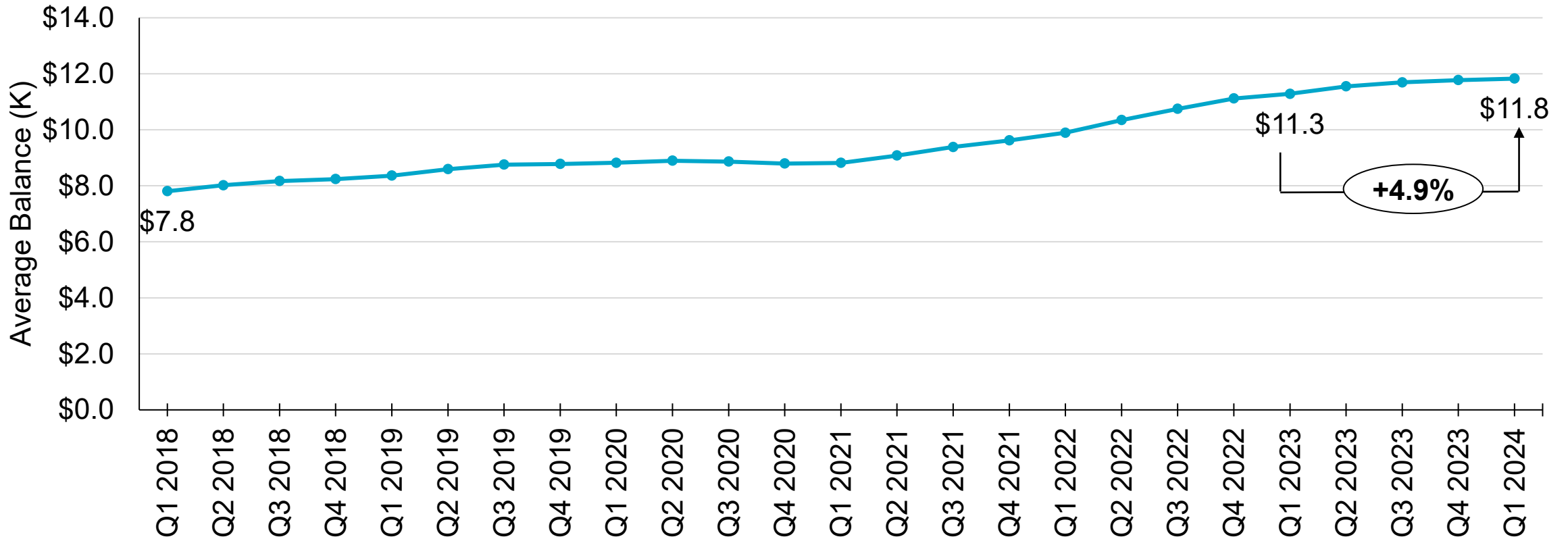
Totals may not equal 100 due to rounding  
 Source: TransUnion US consumer credit database





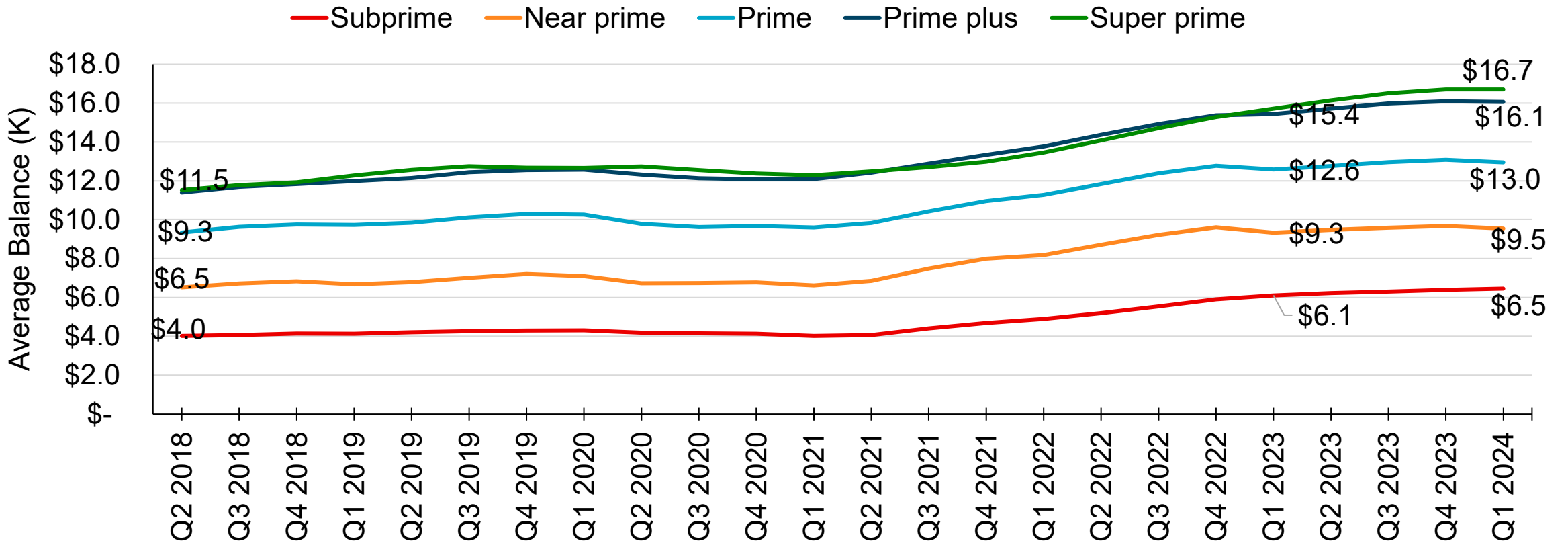
# Consumers' average UPL balance has gone up for the past several quarters and now is at a new record high of \$11.8K

Average Balance per Consumer



# There continues to be an upward trend across risks tiers in consumers' average balance

Average Balance per Consumer by Risk Tier



VantageScore® 4.0 risk ranges:  
 Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

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Source: TransUnion US consumer credit database



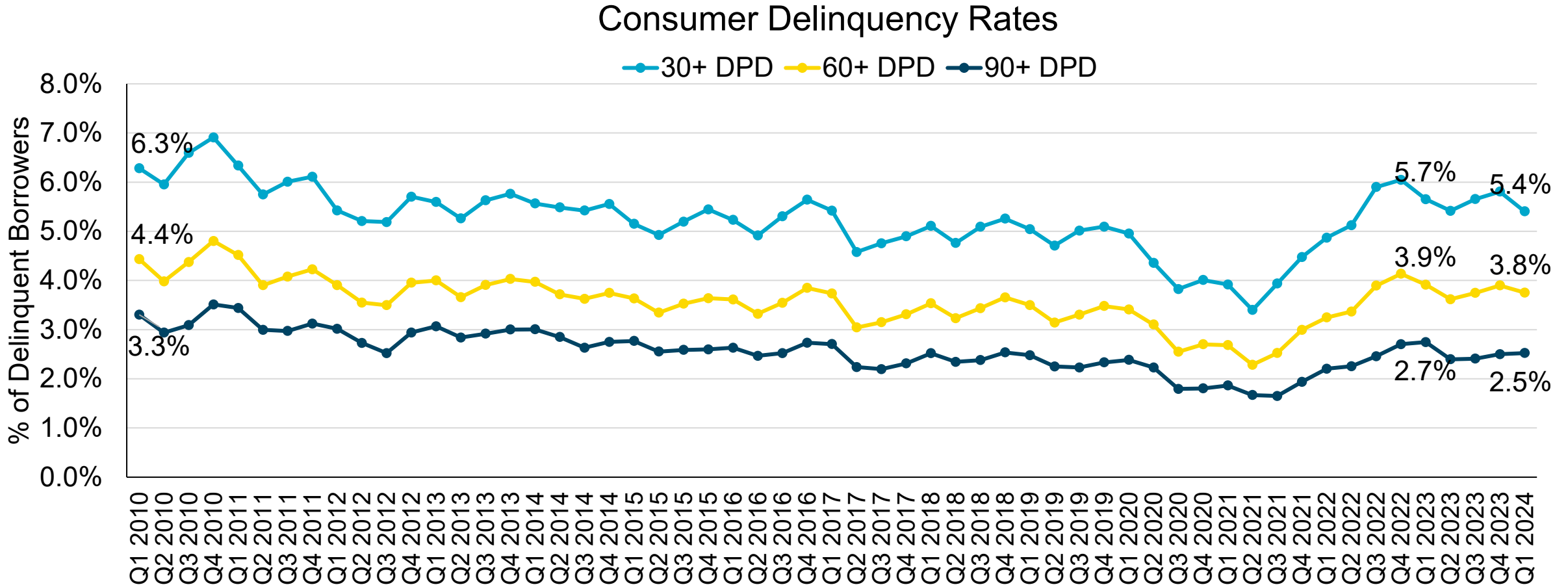
# Key Takeaways: Balances

- Total UPL balance held steady in Q1 2024 at the record high of \$245B – a 9% increase from the same quarter last year
- All risk tiers saw higher balances in Q1 2024 versus prior year, with the super prime tier once again realizing the biggest year-over-year gain
- The distribution of balances by risk tier continues to evolve with super prime growing in share
- The average balance per consumer increased to a new record of \$11.8K – nearly a 5% increase versus prior year – with the per consumer balance generally increasing across risk tiers

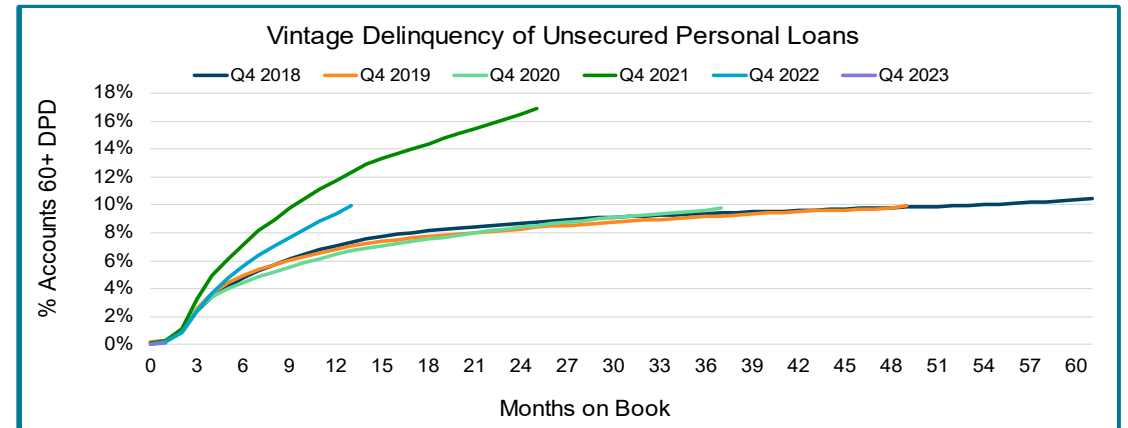
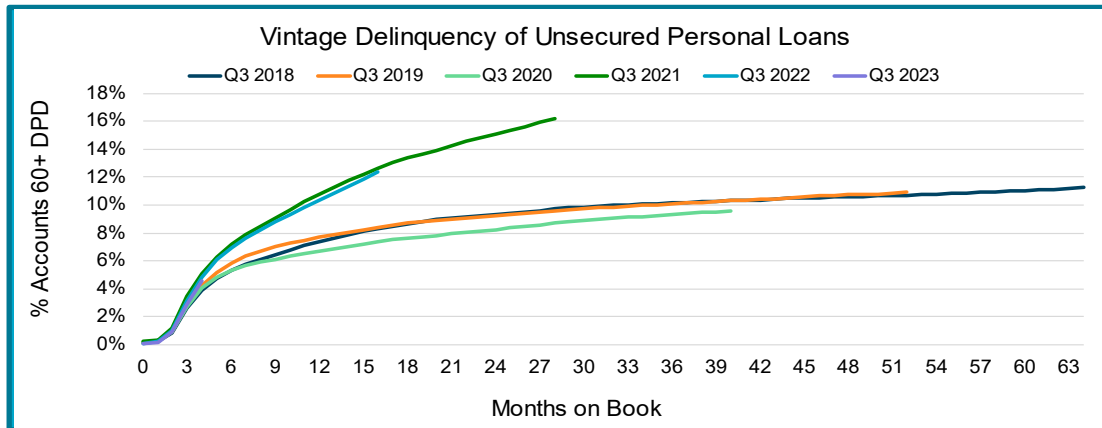
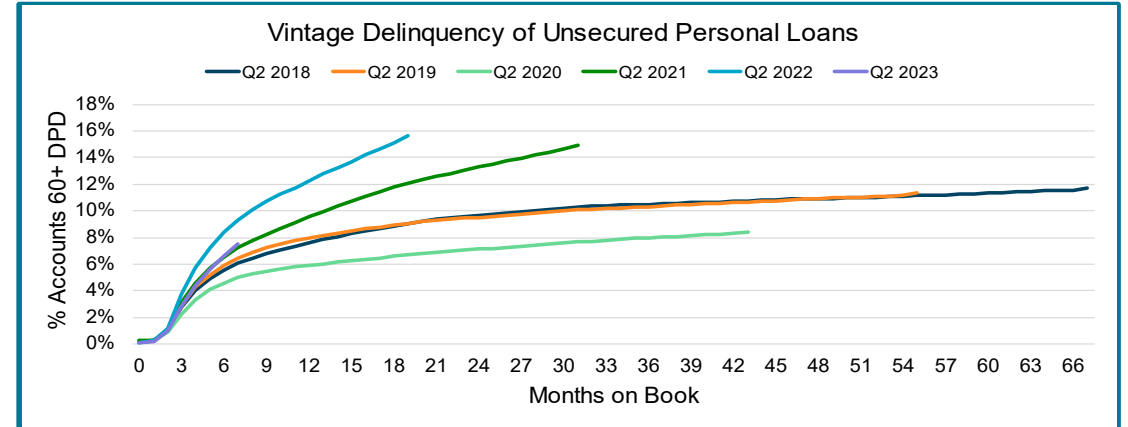
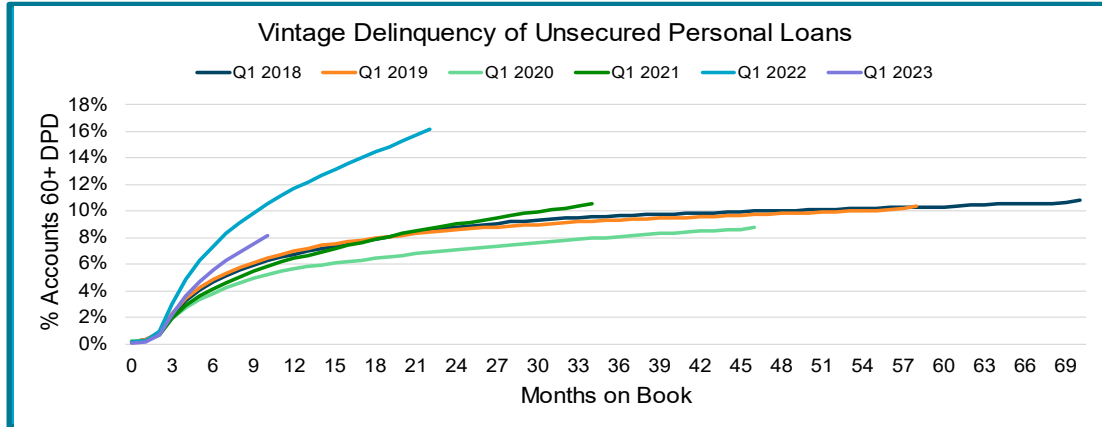
# Delinquencies



# 30+ and 60+ days past due (DPD) consumer-level delinquency rates decreased in Q1 2024, while 90+ rates held steady from prior quarter



# Quarterly vintage delinquency trends for UPLs highlights that to date 2023 vintages are not becoming delinquent as quickly

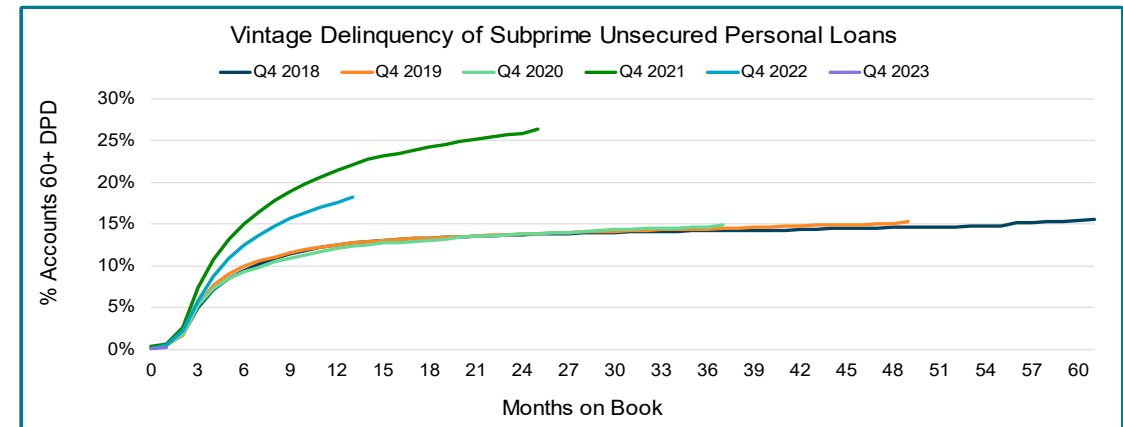
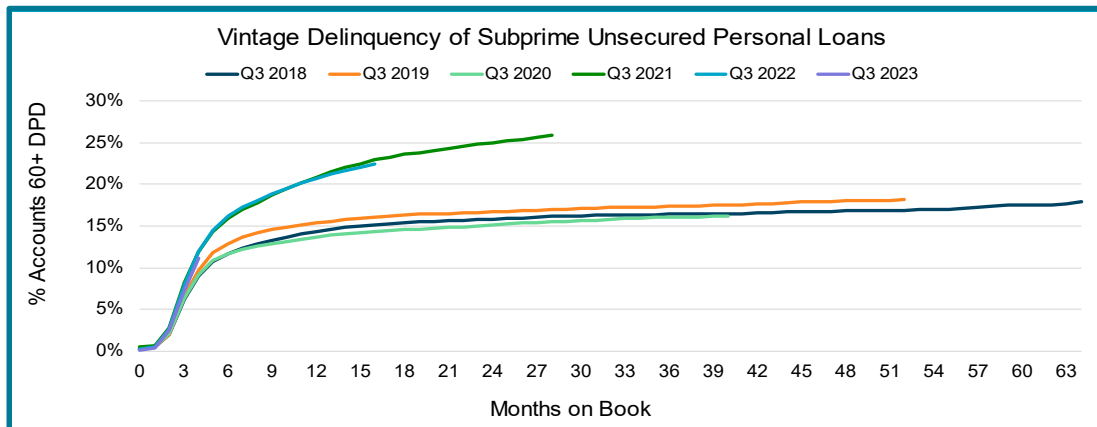
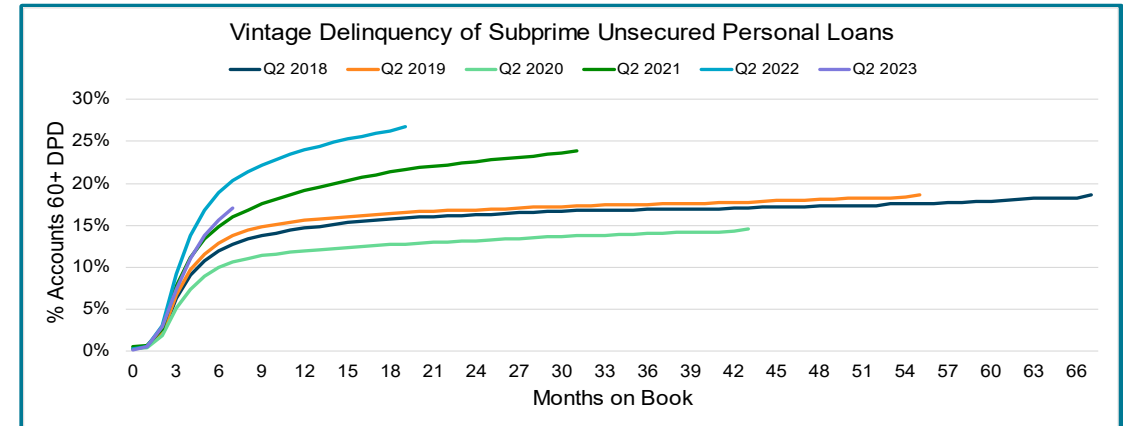
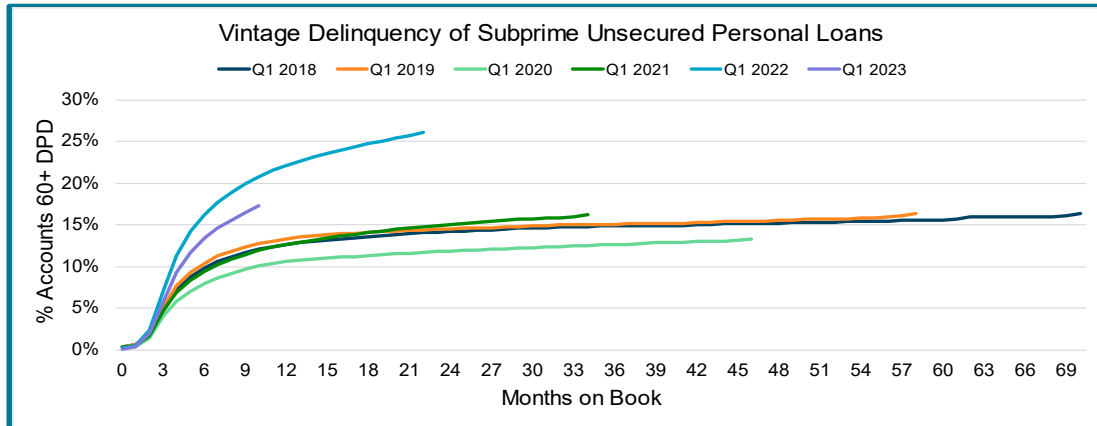


Vintage curves contain data through January 2024

Source: TransUnion PRAMA™ Vintage Analysis



# H1 2023 subprime vintage delinquencies lag prior year but are still elevated over historical trends



Vintage curves contain data through January 2024

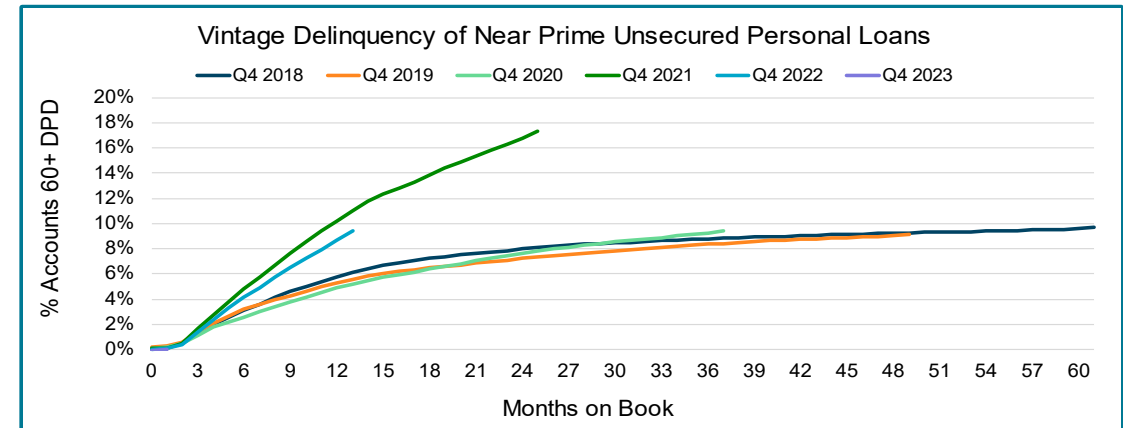
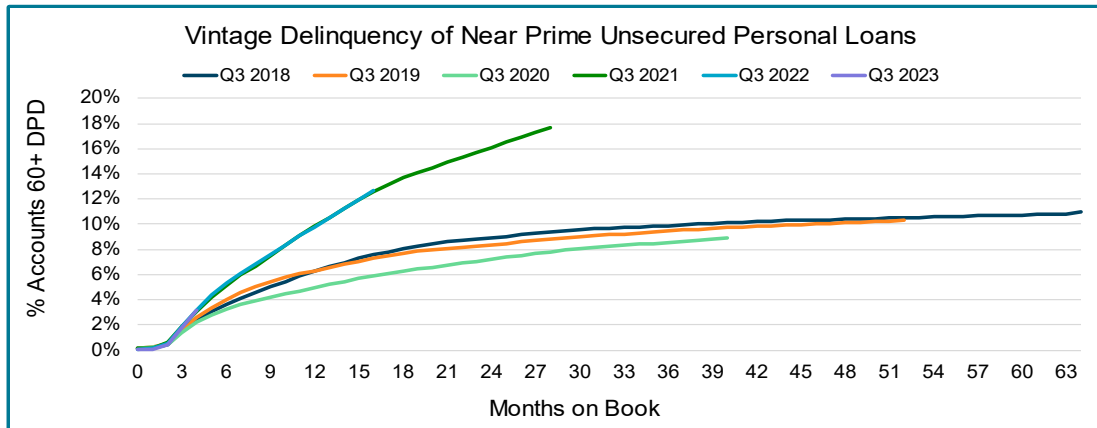
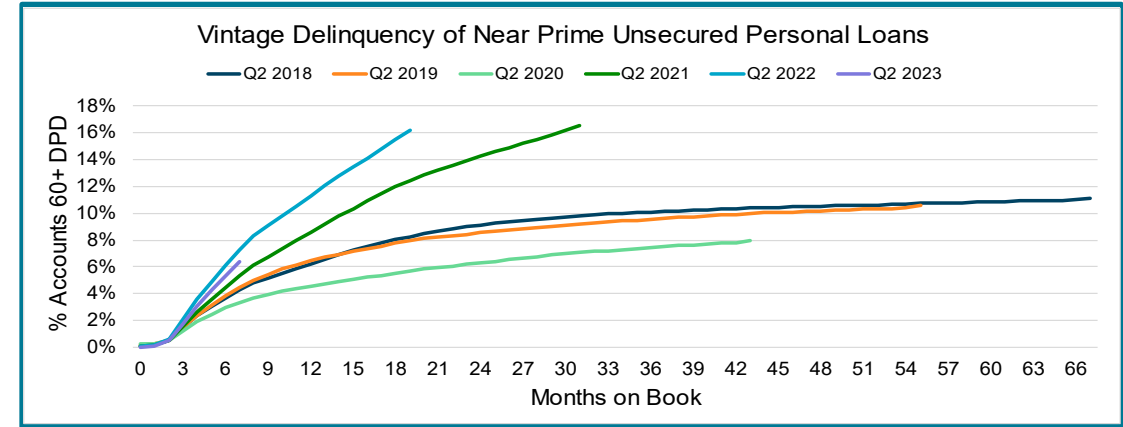
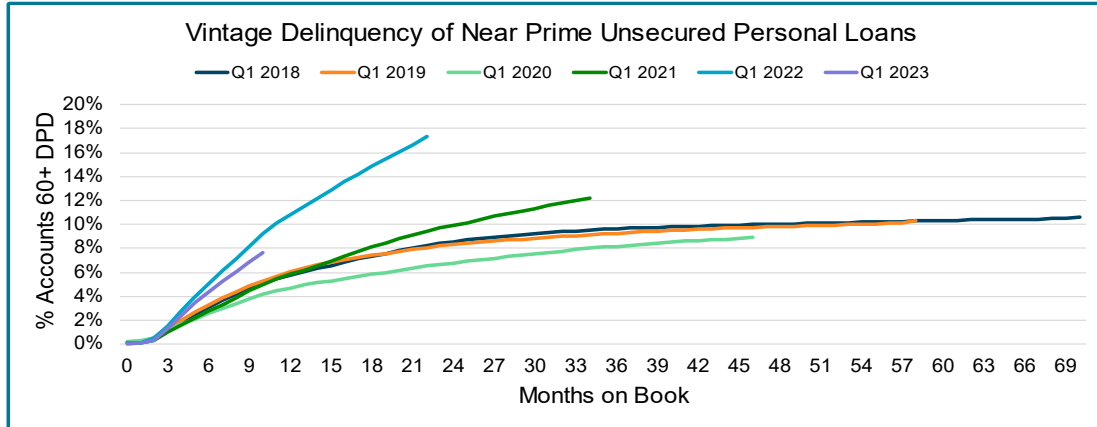
VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion PRAMA™ Vintage Analysis



# H1 2023 near prime vintage delinquencies are trending near 2022 and so are still elevated compared to older vintages



Vintage curves contain data through January 2024

VantageScore® 4.0 risk ranges

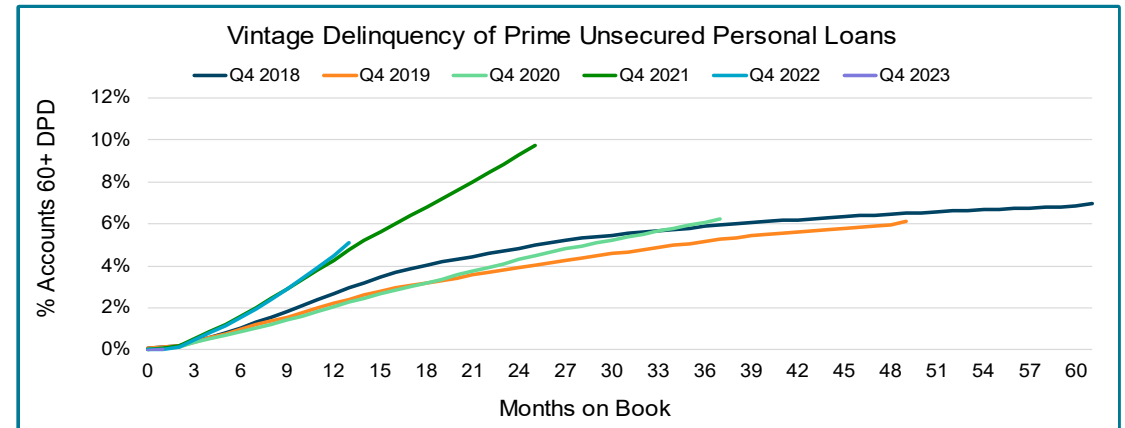
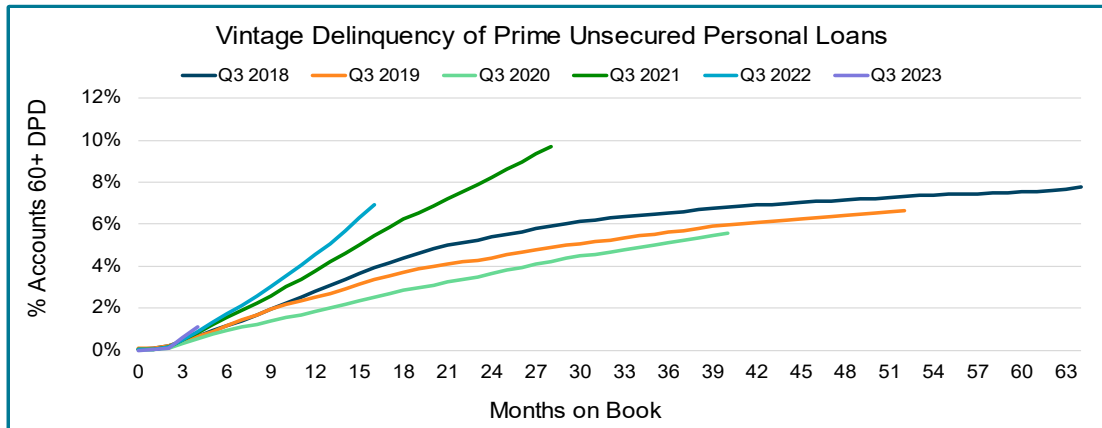
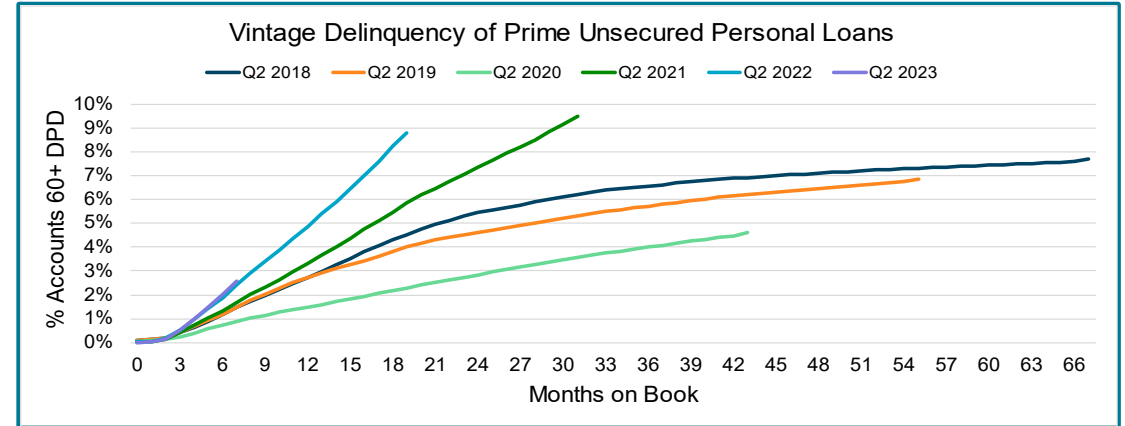
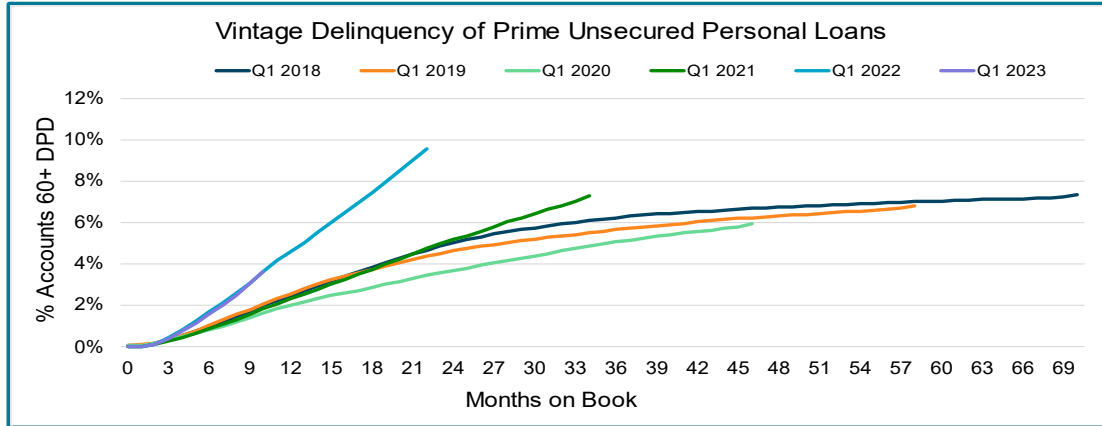
Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion PRAMA™ Vintage Analysis





# Prime H1 2023 vintage delinquencies are trending at the same pace as 2022 and so are elevated versus earlier vintages



Vintage curves contain data through January 2024

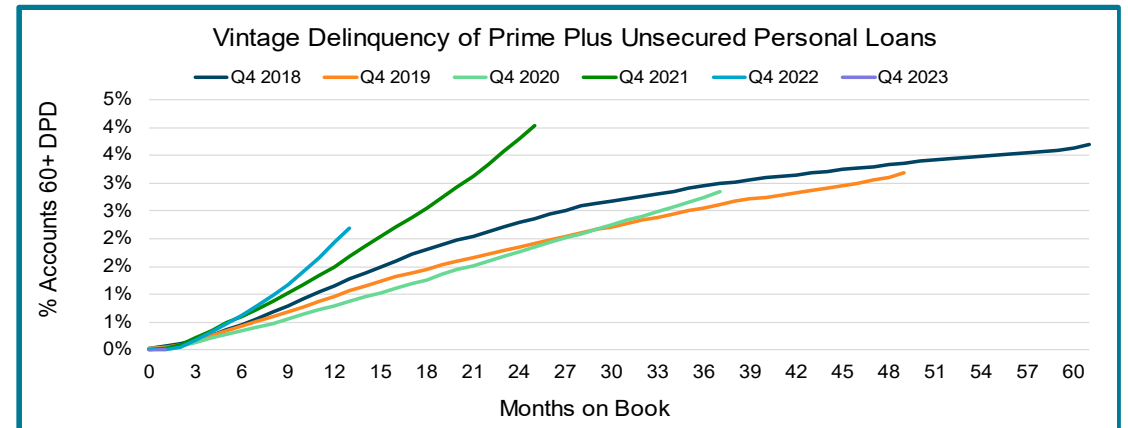
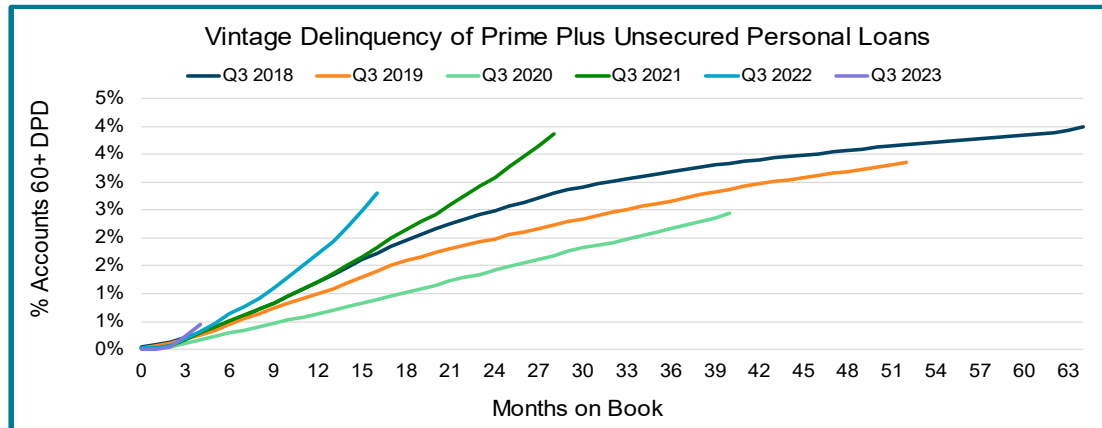
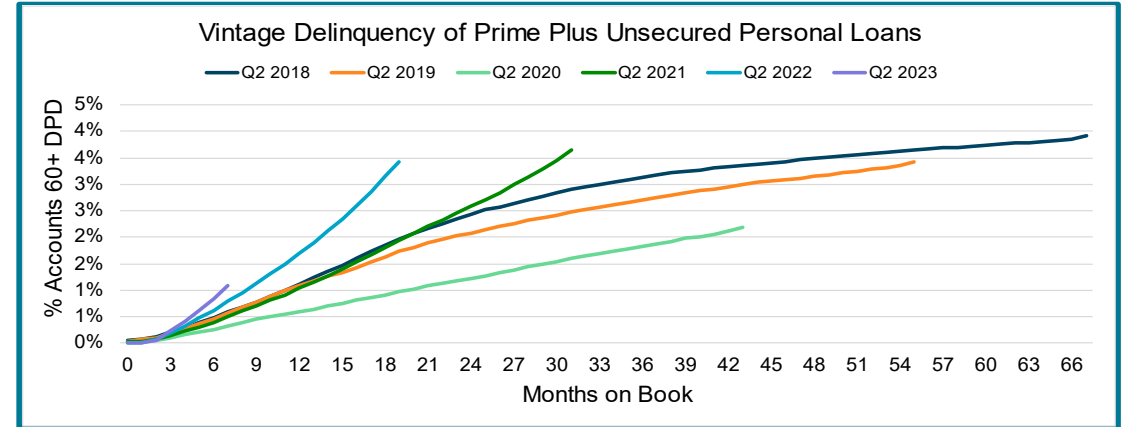
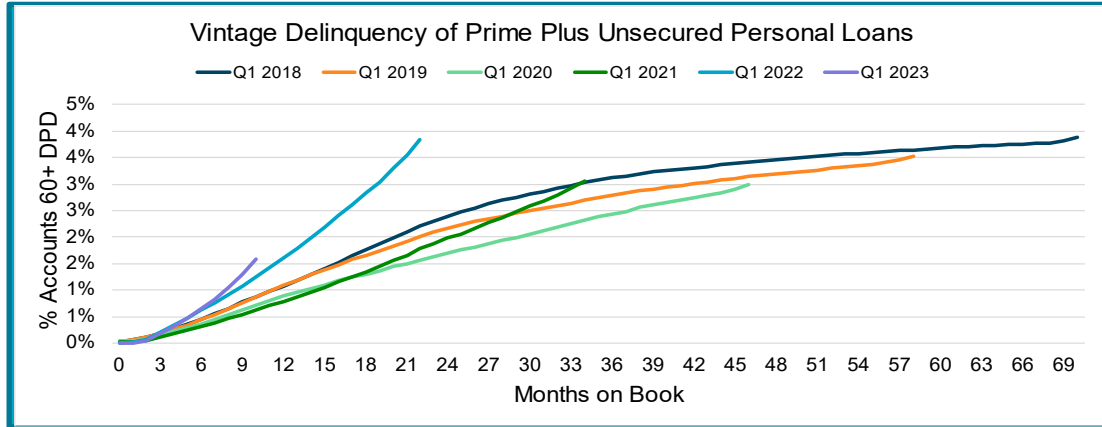
VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion PRAMA™ Vintage Analysis



# Q1-Q3 2023 prime plus vintage delinquencies are trending higher than prior years



Vintage curves contain data through January 2024

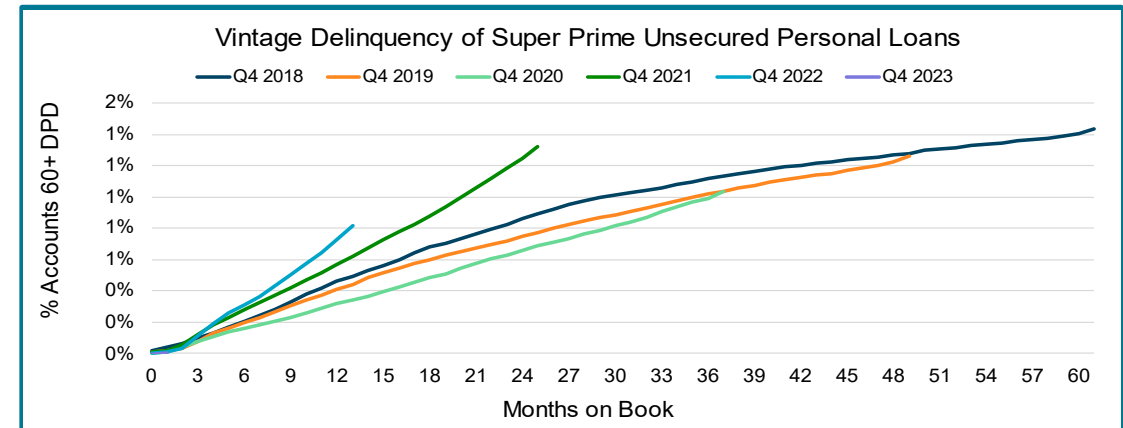
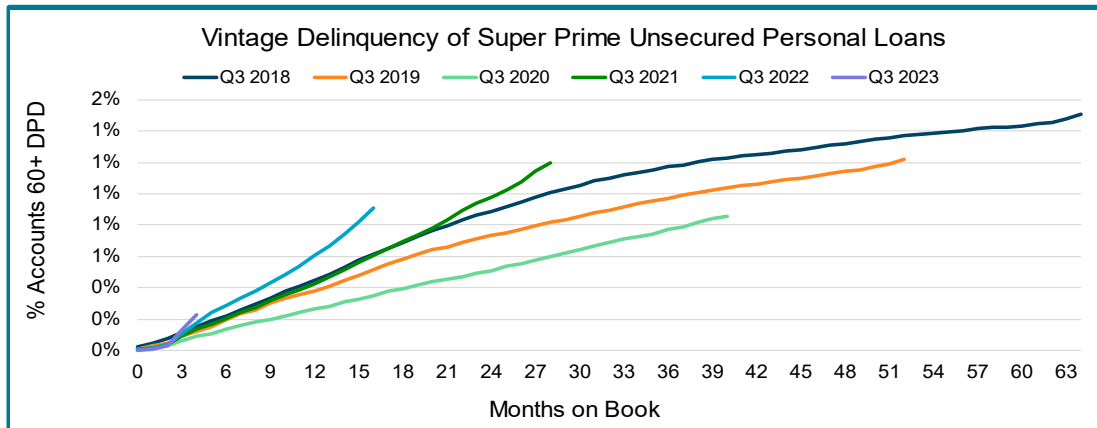
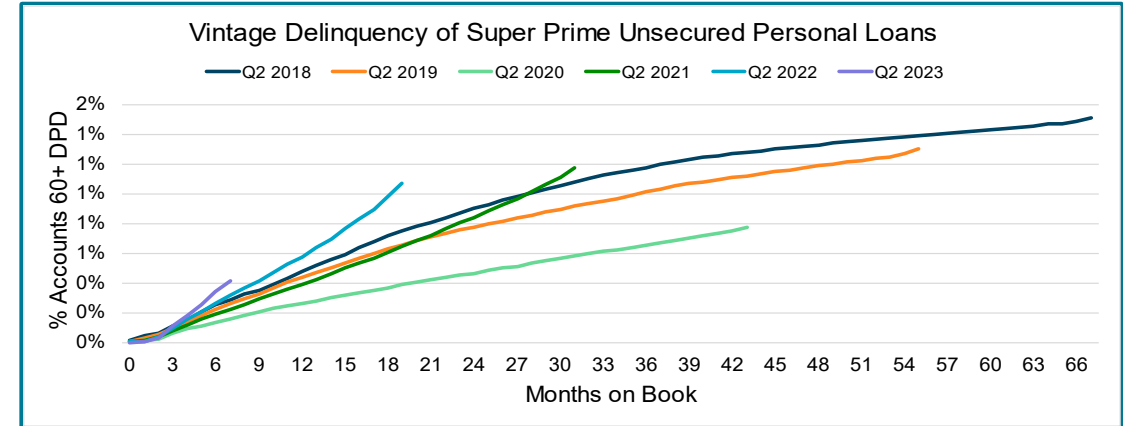
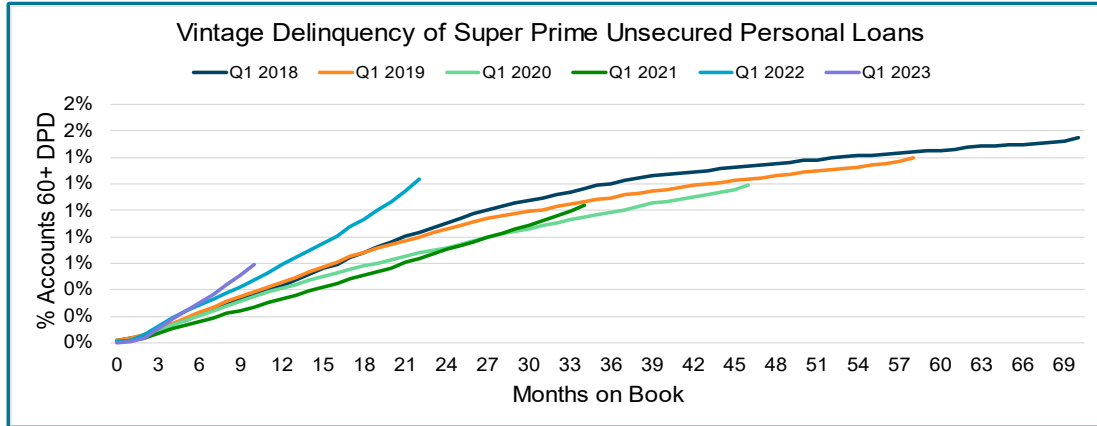
VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion PRAMA™ Vintage Analysis



# Q1-Q3 2023 super prime vintage delinquencies are trending higher than prior years



Vintage curves contain data through January 2024

VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion PRAMA™ Vintage Analysis



# Key Takeaways: Delinquencies

- Point-in-time consumer-level delinquency rates for 30+, 60+ days passed due (DPD) decreased in Q1 2024, whereas 90+ DPD rates held steady
- Aggregate account-level vintage delinquencies highlight that H1 vintages in 2023 are not becoming delinquent as quickly as the prior year
- However, vintage delinquency trends vary by risk tier: subprime and near prime have decelerating delinquencies in H1 2023 compared to prior year, while all other tiers are trending basically at par or higher than the prior year

VantageScore® 4.0 risk ranges:

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

