CONSUMER BANKERS ASSOCIATION

# The CBA Chart Book

## May 2025

(Data as of Q1 2025)

Questions? Contact the CBA Data Desk at
DataDesk@consumerbankers.com

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# Consumer Banking at a Glance

# At a Glance

## Overall

We are starting to see broader alignment in how consumers say they feel about the economy and how they spend and borrow. Consumer sentiment, spending, and loan demand are declining driven by heightened economic uncertainty. Small business demand for new loans has slowed significantly as well. Greater certainty over trade agreements and economic policy is subject to change the trends in consumer spending, borrowing, and demand. That said, performance on consumer debt, excluding student loans, continues to improve as balances have declined and movement to delinquency moderates.

**Consumers:** Total consumer debt balances continued to increase, though balances on credit card and auto loans dropped slightly. Delinquency flows for credit card and auto debt decreased as well. The resumption of federal student loan repayment and credit reporting created large increases in delinquencies leading to drops in credit scores, especially among higher-scored consumers. Consumers are starting to tap the equity in their home for liquidity as deposit balances come back down to pre-pandemic levels.

**Small Business:** Small businesses continue to stay on the sidelines in terms of taking on new debt financing. Demand for new term loans, lines of credit, and even SBA 7(a) loans are down significantly. Banks continue to tighten credit standards and economic uncertainty continues, making future expansion and capital decision-making difficult.

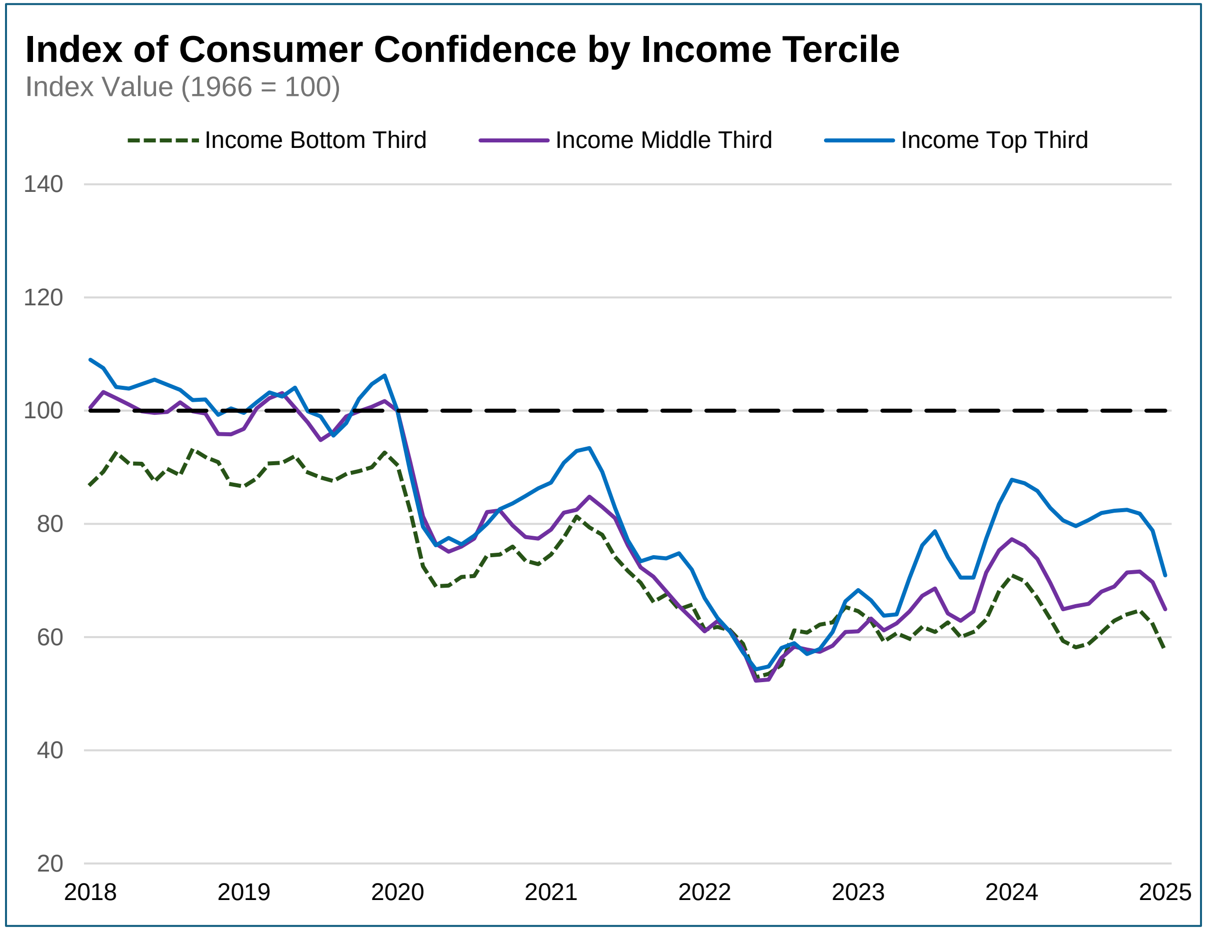
# Consumer Sentiment

# Consumer Confidence

- The University of Michigan preliminary data from May shows the Index of Consumer Sentiment declining for the fifth straight month. The index is down nearly 30 percent since January, with growing pessimism about current and future economic conditions being driven by income and trade uncertainty.

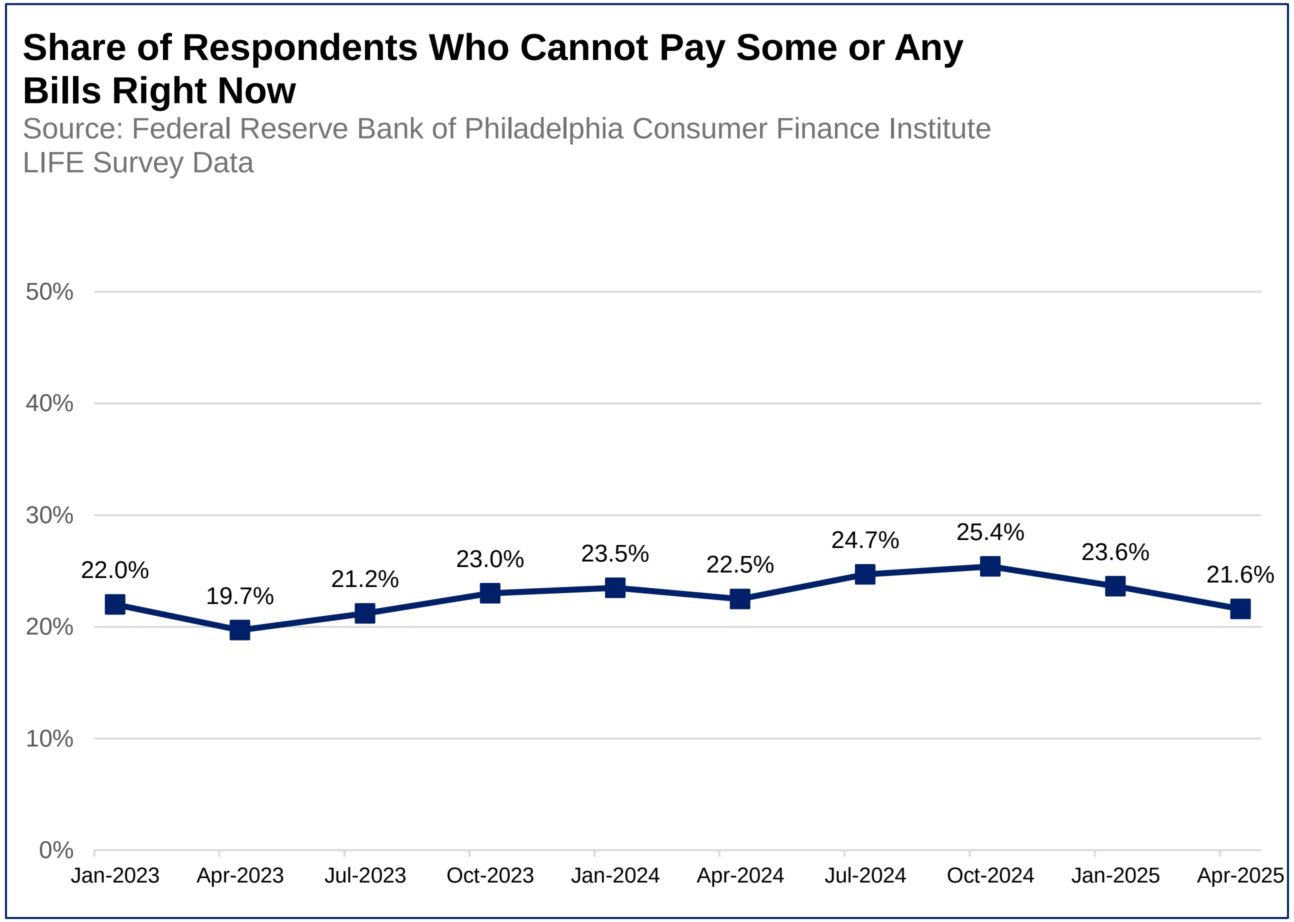
- Consumer confidence remains highly dispersed by income, but the downward trend is consistent at all income levels (chart right).

- Final numbers for May could change as the initial survey was conducted between April 22 and May 13, before recent trade deal announcements and tariff pauses.



# Consumer Confidence

- The share of consumers who report challenges with paying their bills fell in January and April of 2025.
- While inflation has yet to reach the Fed's overall target, prices have started to moderate adding some relief for consumers.



# Consumer Spending & Lending

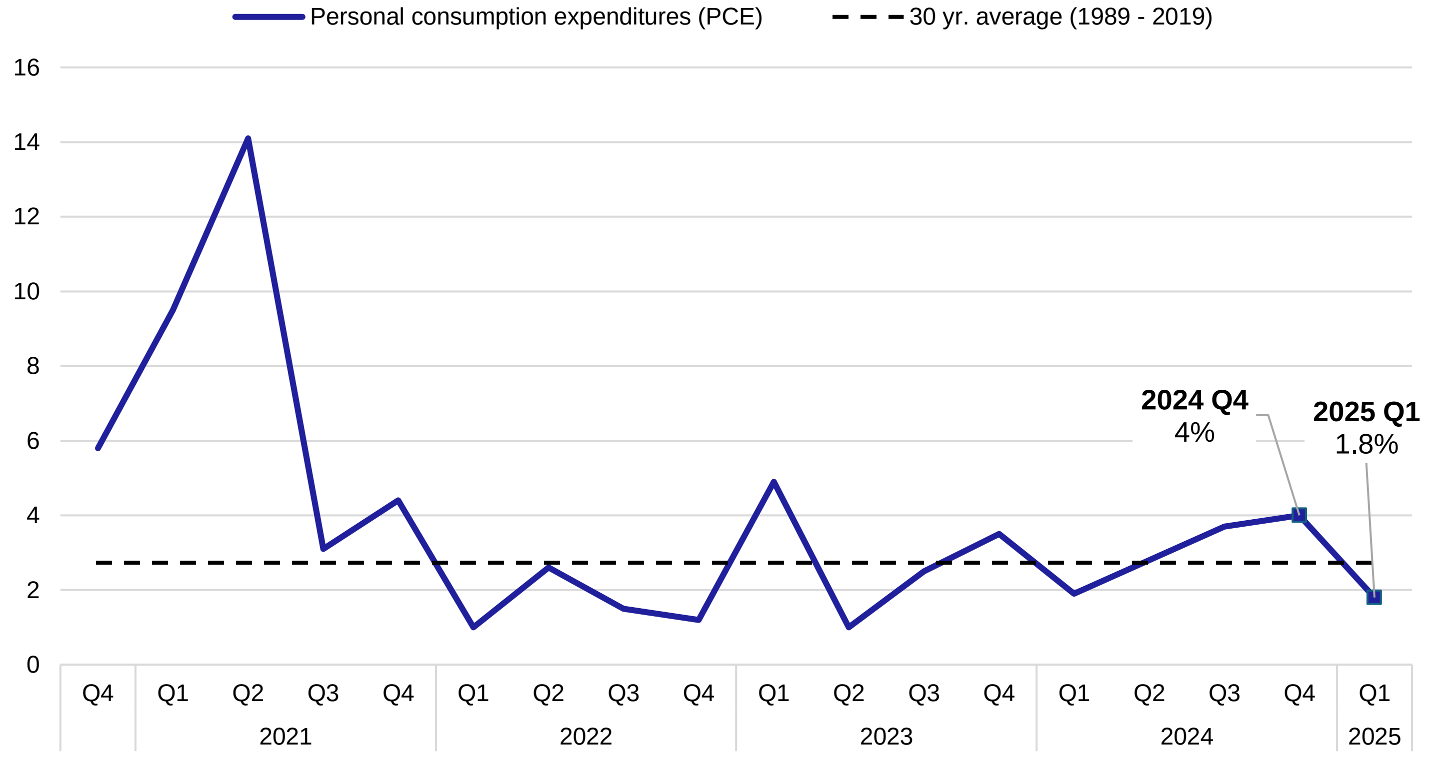
# Consumer Spending

- Year over year (YoY) growth in real personal consumption moderated to 1.8 percent in the first quarter of January on a seasonally adjusted basis reflecting an overall slowdown in consumer spending.

- Consumer spending could continue to moderate depending on new developments in trade policies and their impact on prices, the labor market, and consumer sentiment.

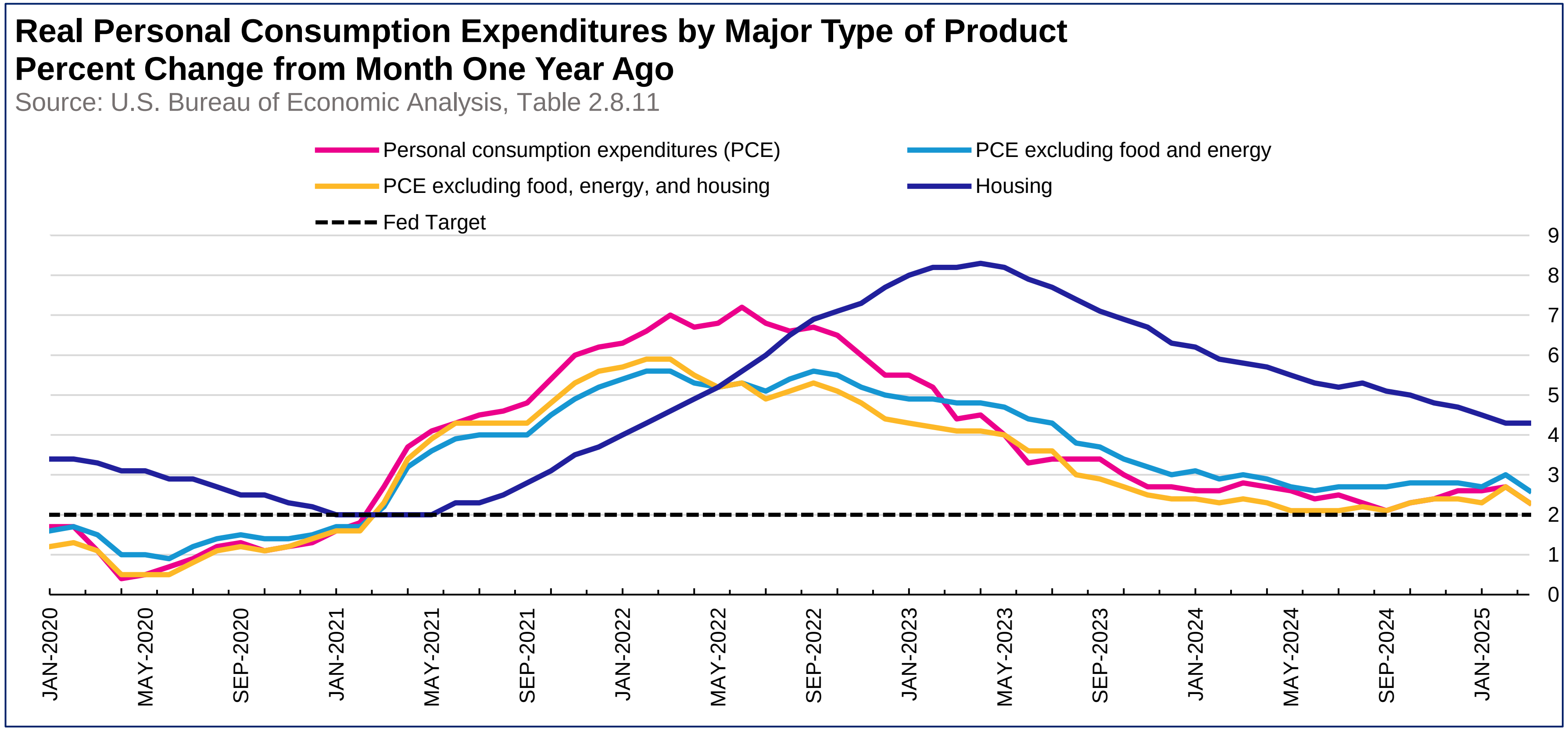
**Percent Change From Preceding Period in Real Personal Consumption Expenditures** (Percent; Seasonally adjusted at annual rates)

Source: Bureau of Economic Analysis



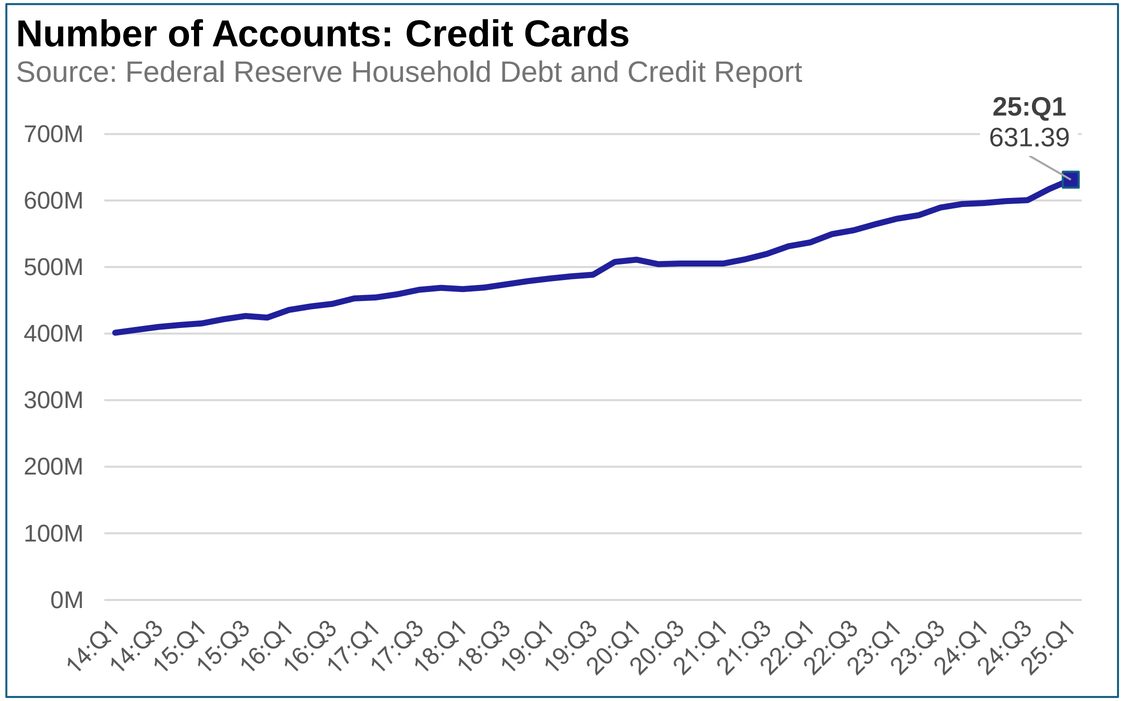
# Inflation

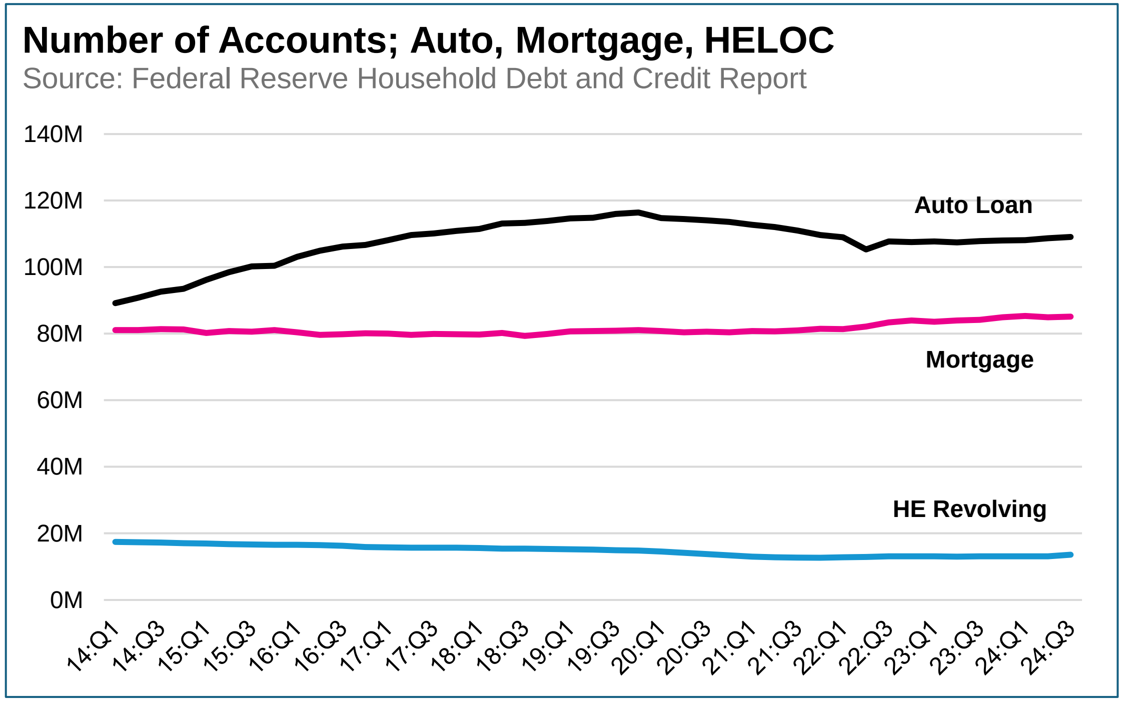
Inflation remains sticky, with Personal Consumption Expenditures (PCE) growth remaining above the Federal Reserve's 2 percent target but dropping to an increase of 2.3 percent YoY in March compared to 2.7 percent in February. Most measures of PCE have continued to moderate with housing remaining a driver of high overall inflation.



# Consumer Lending Totals: Accounts

- The number of credit card accounts among U.S. consumers in 2025Q1 grew 5.8 percent from the same quarter a year ago to over 630 million. Growth had been slowing slightly in the previous three quarters.
- Mortgage accounts continue moderately slower growth as auto loan and growth remains slow. The number of HELOC accounts remains consistent,  though 2025Q1 saw increase applications and bookings.



# Consumer Lending Totals: Balances

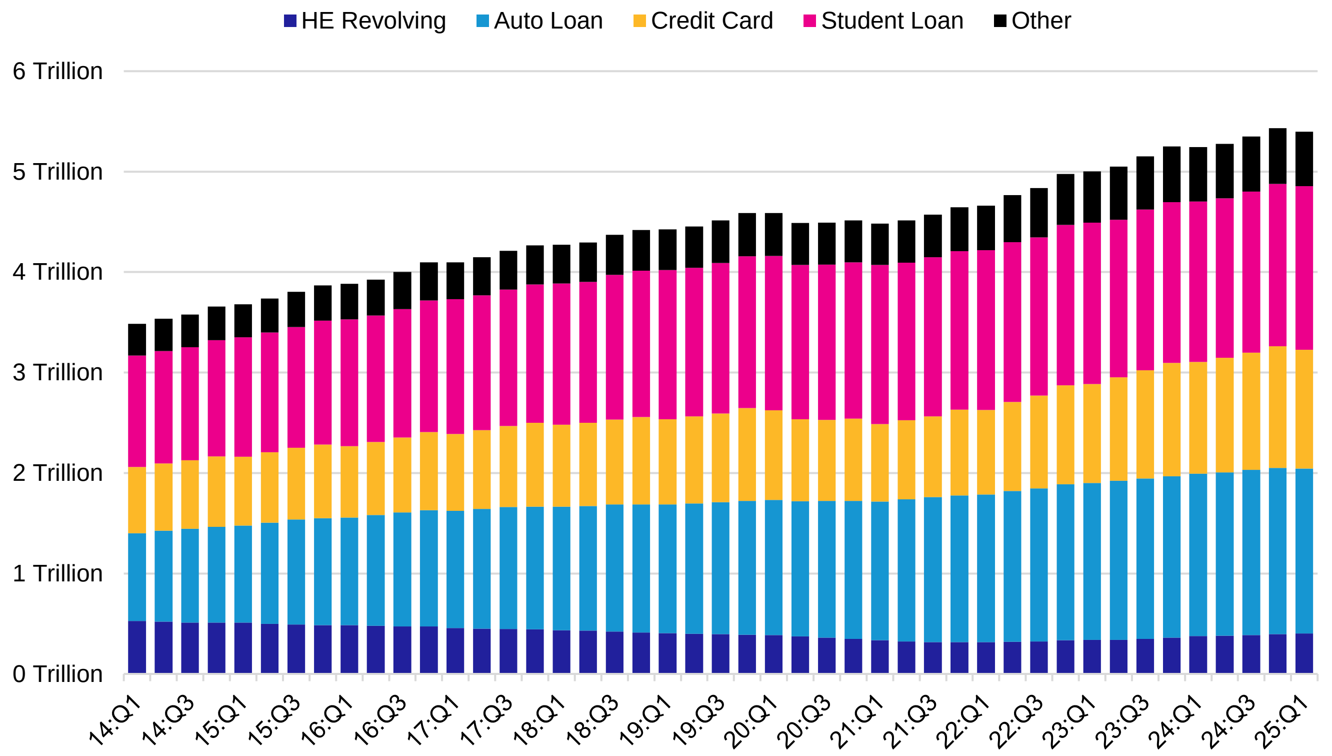
- Non-mortgage debt balance growth continued to slow to 2.9 percent compared to the same quarter a year ago driven mostly by small increases in HELOC and student loan balances.

- Credit card balances declined slightly compared to last quarter, falling 2.4 percent mostly due to expected seasonal changes as consumers pay down holiday spending balances.

- Auto loan balances declined by $13 billion only the second time since 2011.

**Non-Mortgage Debt Balance by Product (Trillions $)**

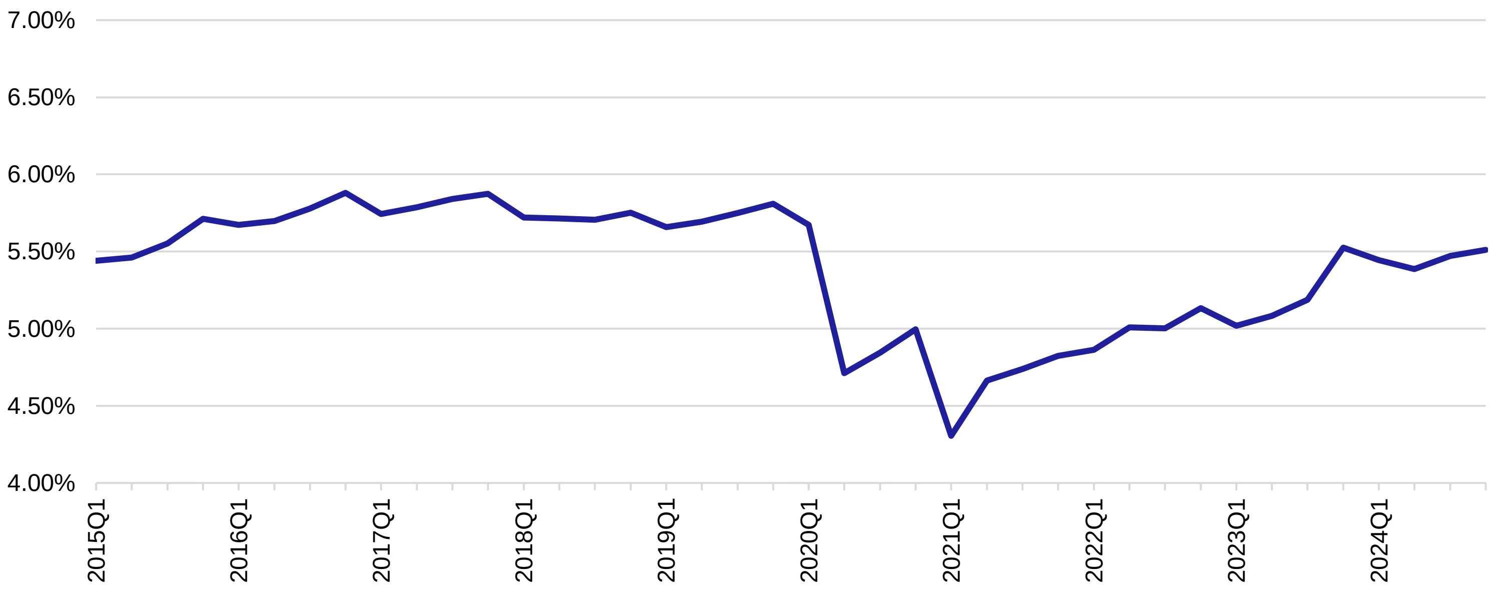
Source: Federal Reserve Household Debt and Credit Report



# Consumer Debt Burden

The Consumer Debt Payment Ratio (the ratio of non-mortgage required household debt payments to total disposable income) continues to trend back toward pre-pandemic levels as of the fourth quarter of 2024. Resumption of federal student loan repayments in 2025Q1 is likely to increase debt payment ratios further.

**The Consumer Debt Payment Ratio continues to trend back toward pre-pandemic levels.**
Source: Federal Reserve Bank of St. Louis; FRED

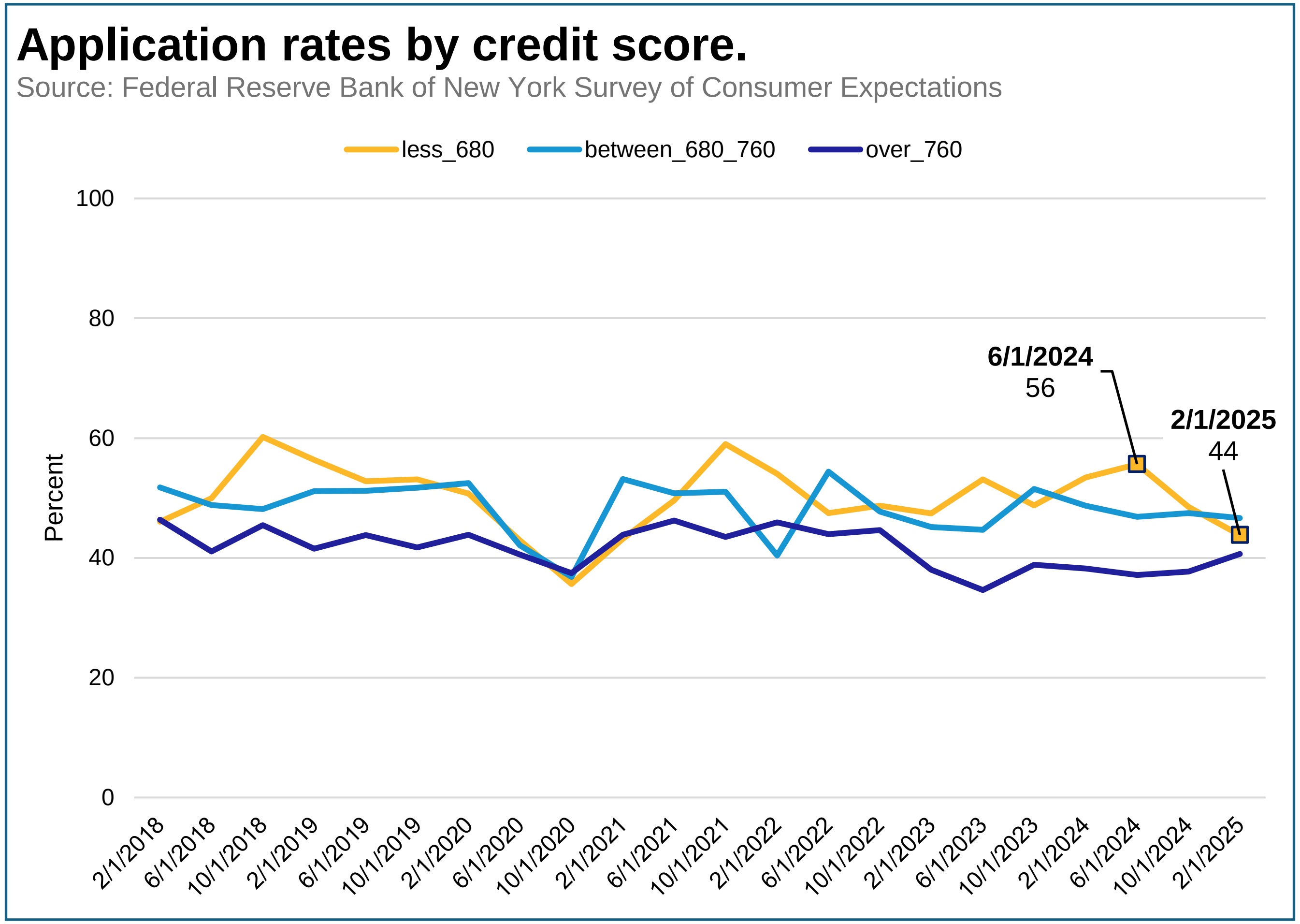


# Credit Supply & Demand

# Consumer Lending Demand

- Application rates (percent of surveyed consumers stating they applied for any form of credit in the last 12 months) remained constant for prime and above-prime consumers but decreased sharply for below-prime consumers (credit score below 680; yellow line).

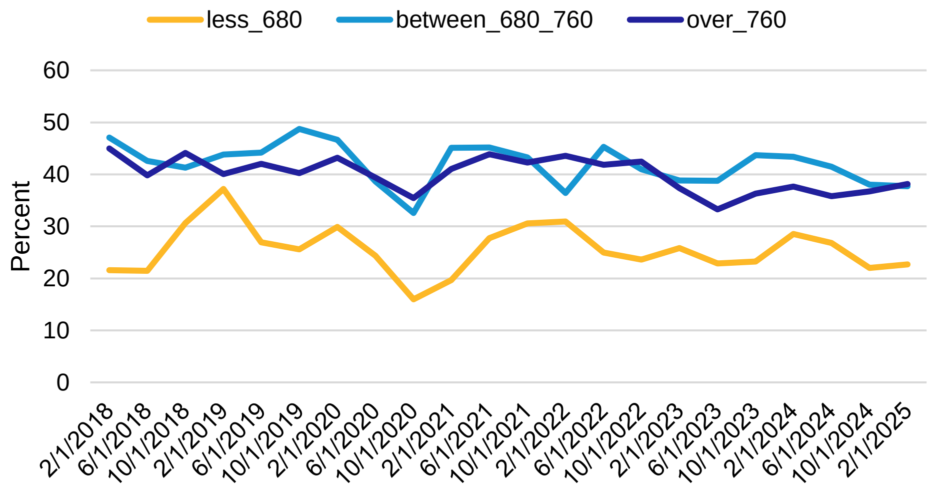
- The share of below-prime consumers stating they applied for any form of credit dropped 12 percentage points from June 2024 to February 2025 indicating greater sensitivity to higher rates and bank credit tightening.



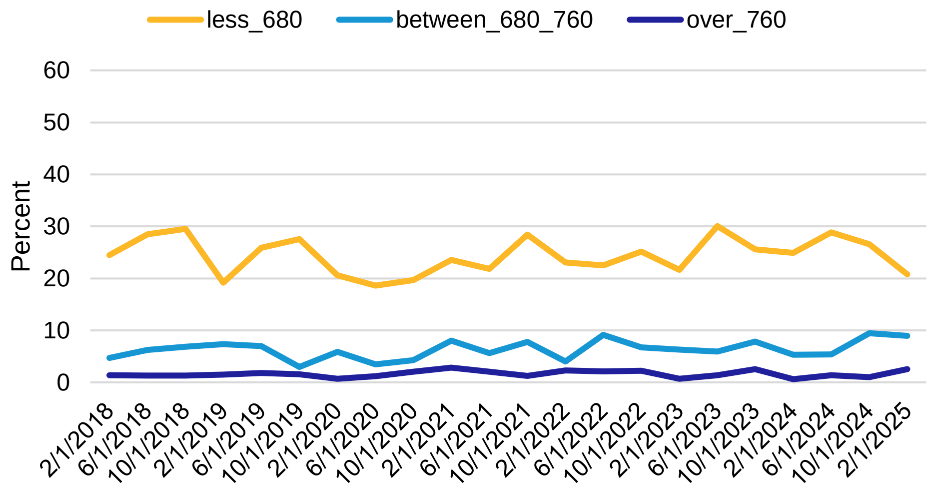
# Consumer Lending Demand

- The percentage of consumers who have had their application accepted (chart left) remained mostly flat except for those consumers with credit scores over 760 which increased.
- Rejection rates for below-prime consumers (yellow) continued to trend lower, driven mostly by lower application rates.

**Application acceptance rates by credit score.**
Source: Federal Reserve Bank of New York Survey of Consumer Expectations

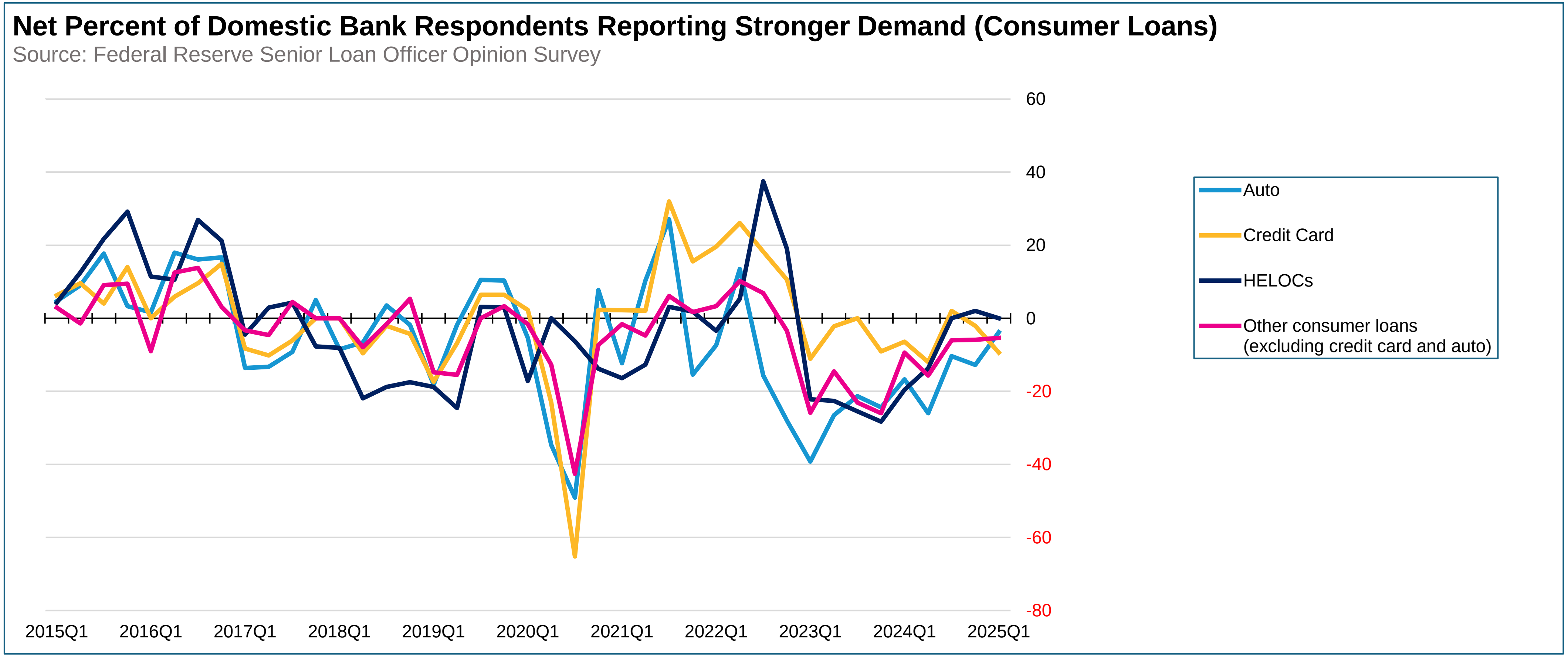



**Application rejection rates by credit score.**
Source: Federal Reserve Bank of New York Survey of Consumer Expectations



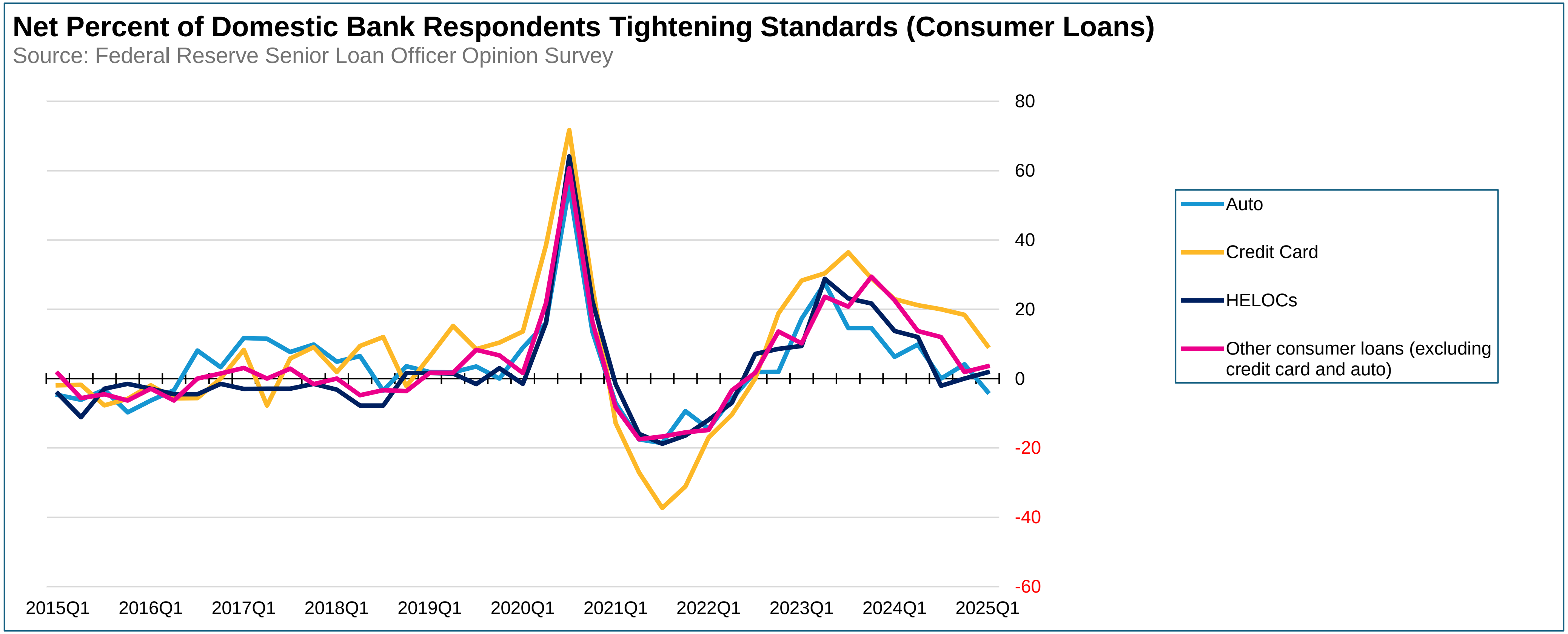
# Consumer Lending Demand

Bank-reported demand for auto and “other” loans continued to increase while demand for HELOCs remained relatively stable and credit card demand dropped for the second straight quarter.



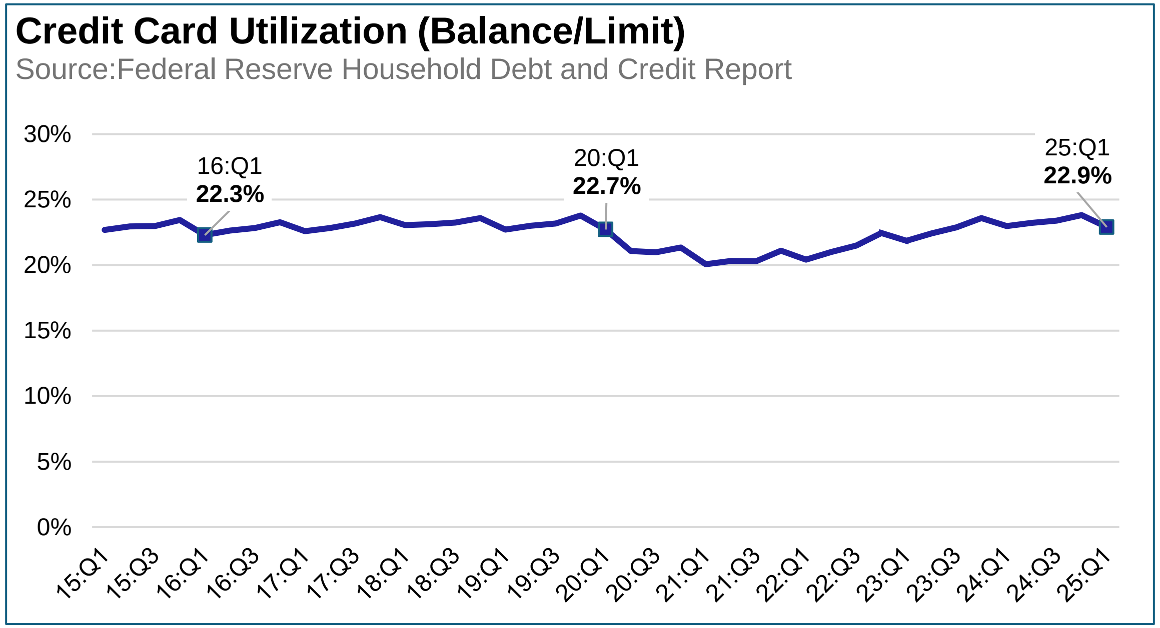
# Consumer Lending Supply

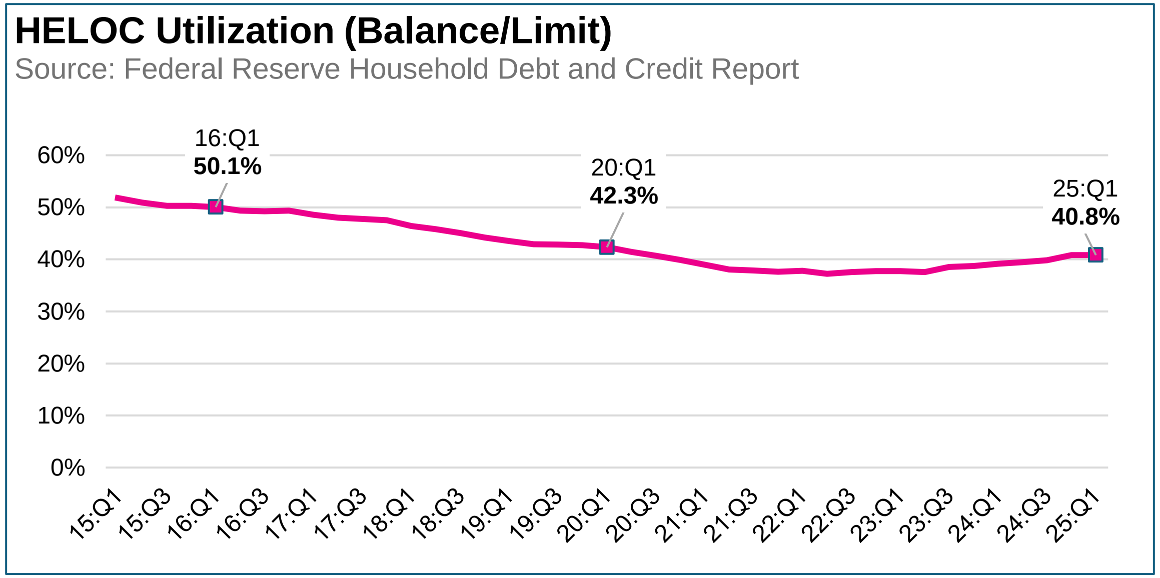
The number of banks reporting tightening credit standards continued to decrease. The number of banks tightening standards for credit cards is higher than for other consumer loans as recent credit card vintages continue to display elevated delinquencies (see Credit Card section).



# Utilization

- Credit card utilization (measured by balances over credit limits) continued to decreased slightly compared to the previous quarter mostly due to expected seasonal declines in balances.
- Card utilization has continued to slow in recent quarters as limit growth outpaces the growth in balances—signaling greater liquidity in consumer credit cards.
- HELOC utilization remained flat compared to last quarter and is still well below pre-pandemic level average of 47 percent.



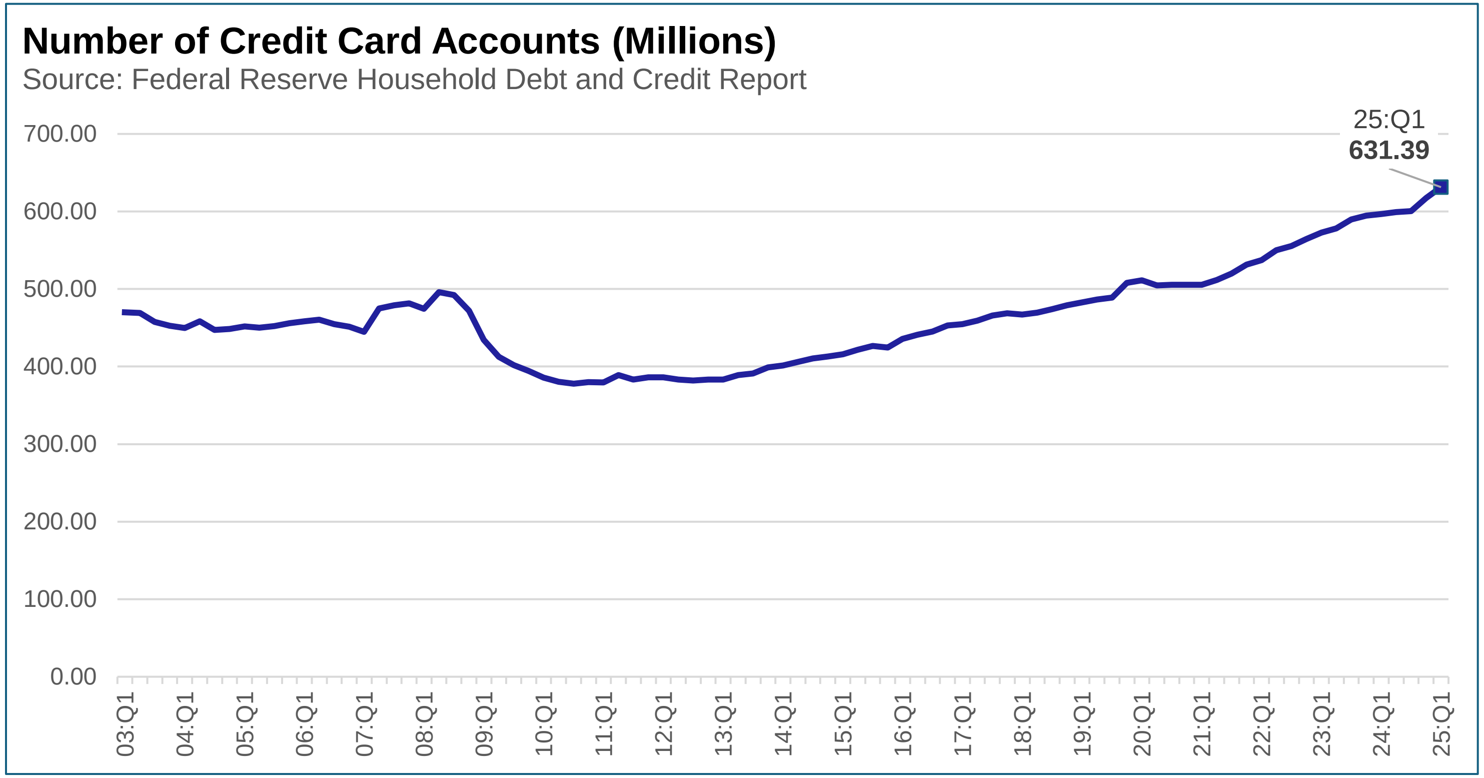



# Credit Cards

# Credit Card Accounts

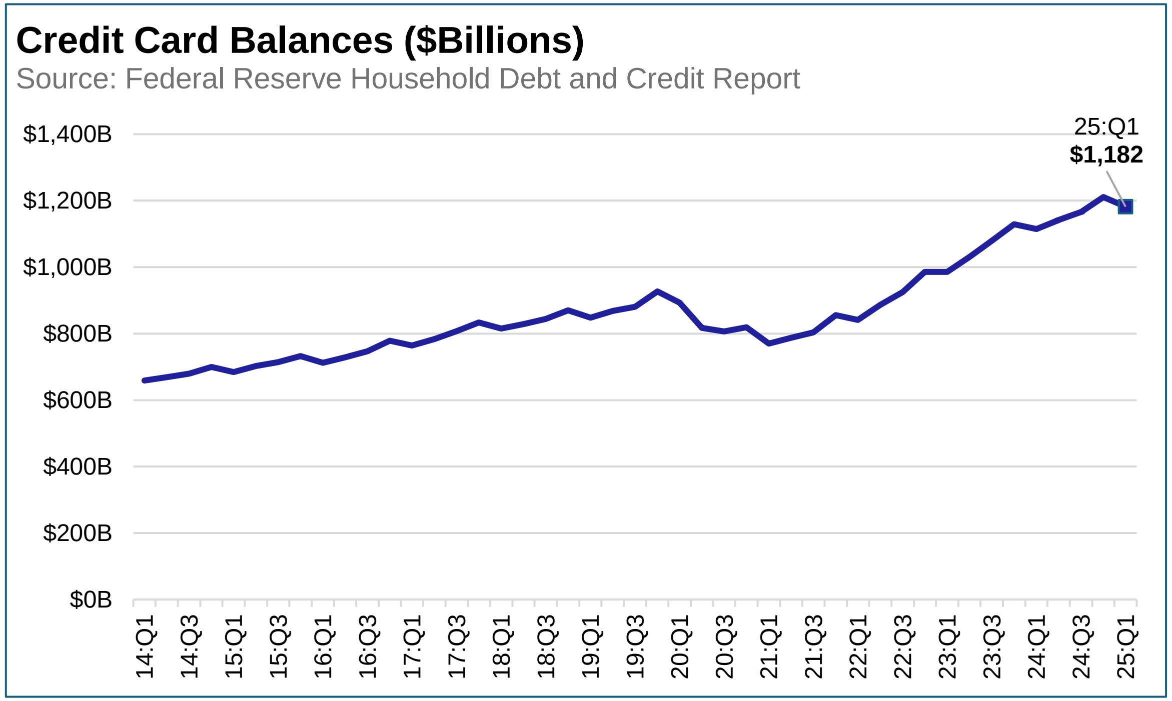
- The number of credit card accounts increased 5.8 percent from the same period a year ago after slower growth in the last few quarters.

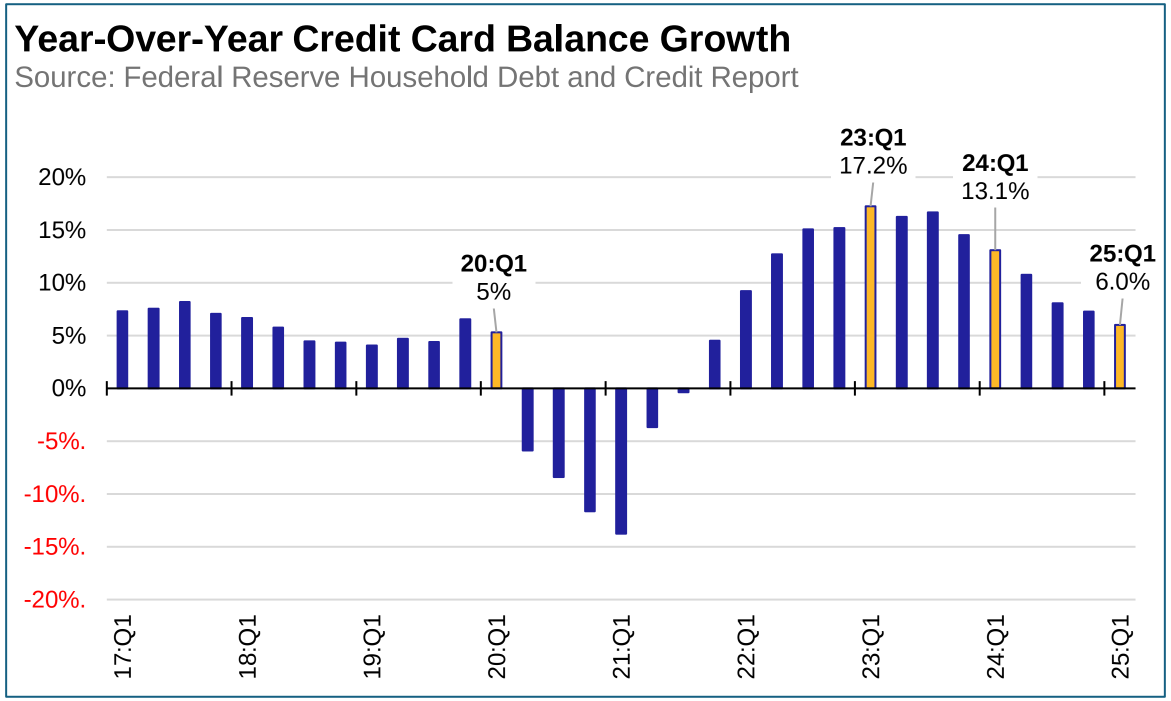
- Total credit card accounts increased from 617 million in 2024Q4 to 631 million in 2025Q1 despite lower applications rates, weaker demand, and tighter standards (see previous slides).



# Credit Card Balances

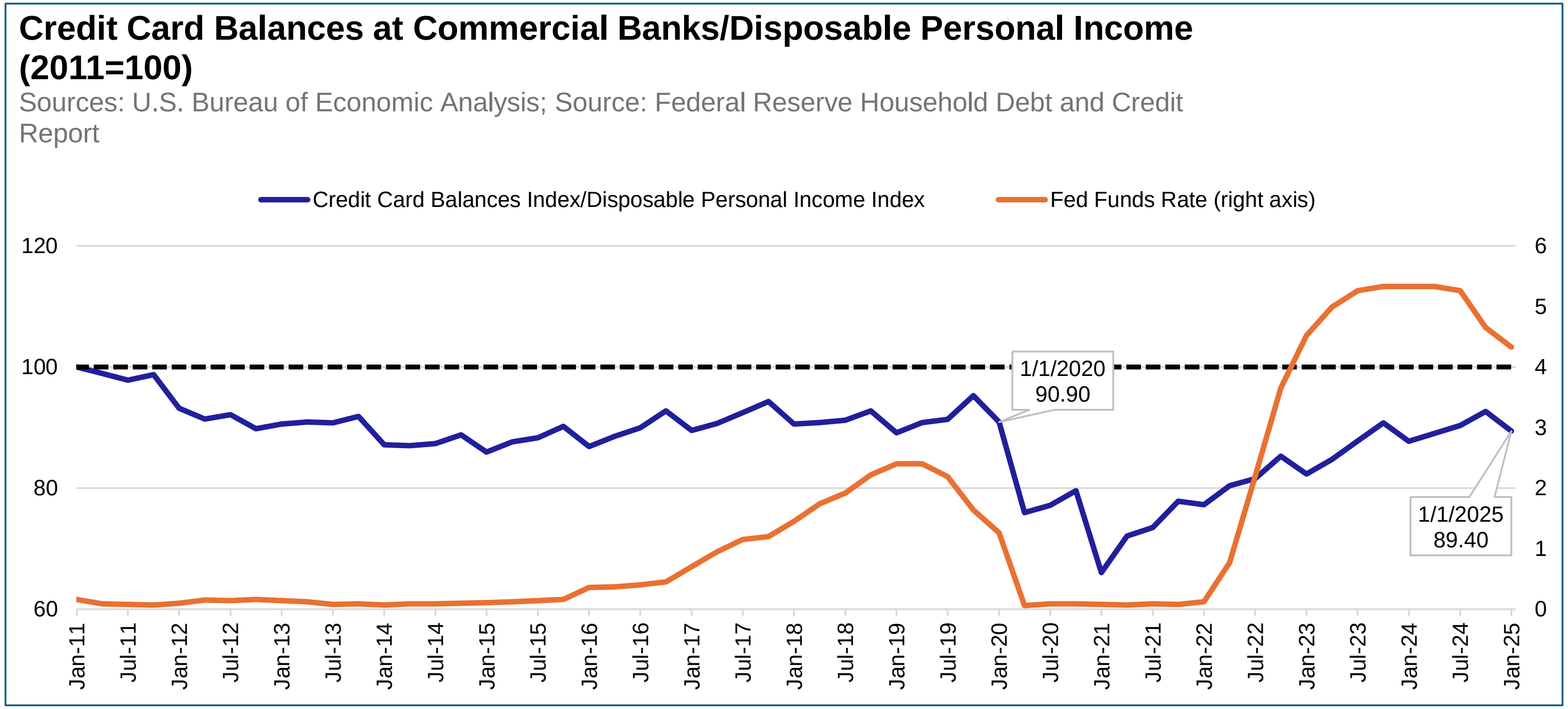
- Credit card balances (left chart) declined in the first quarter of 2025 compared to the previous quarter mostly due to expected seasonal variation.
- Year-over-year growth in credit card balances continues to slow down, moving from 13.1 percent in 2024Q1 to 6 percent in 2025Q1. Balance growth continues to move back to pre-pandemic levels (right chart).



# Consumer Debt Burden

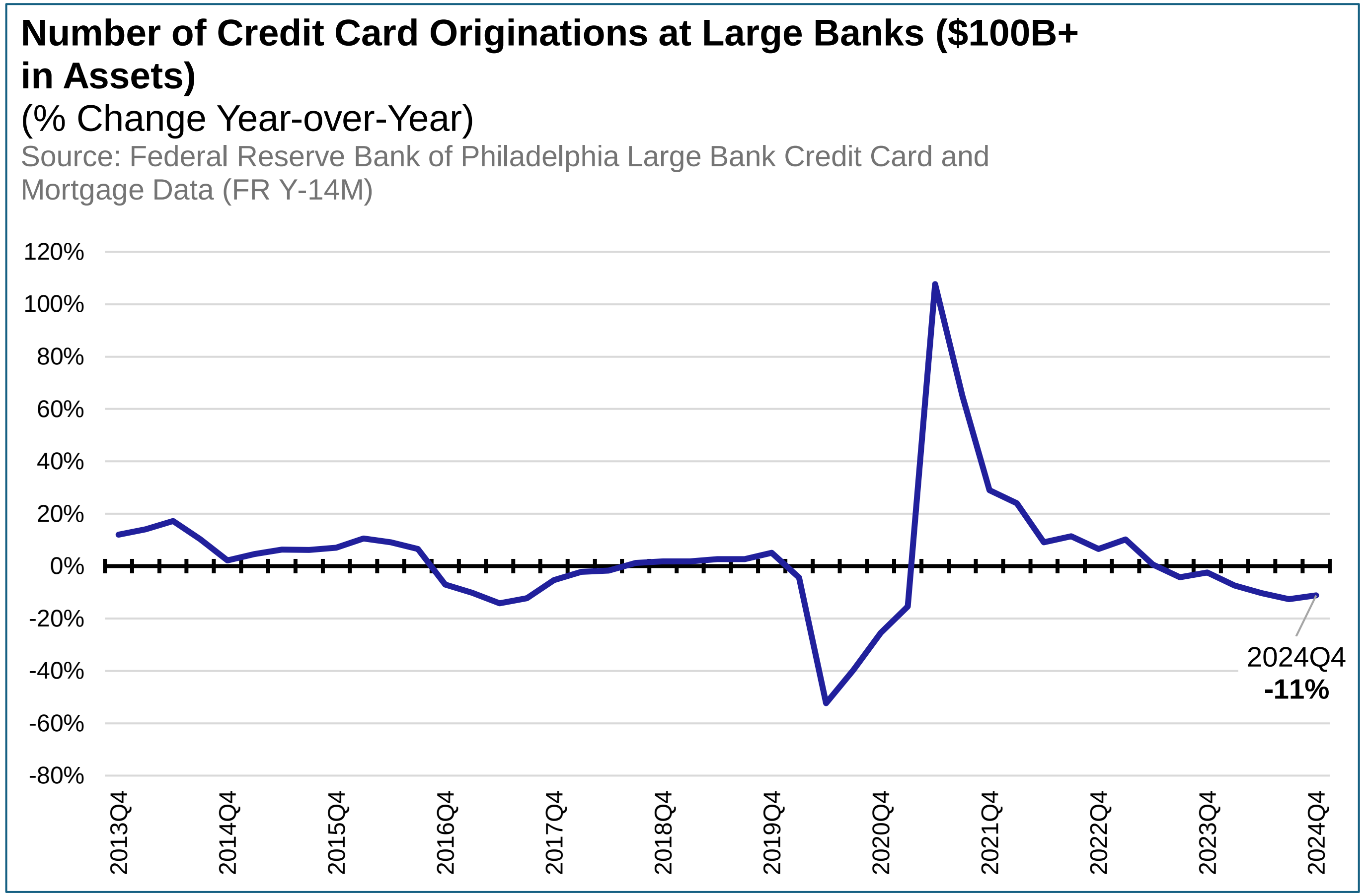
Relative to disposable income, credit card balances remain lower compared to pre-pandemic. Though the recent data is somewhat related to seasonal variation in balances, real wage gains and slowdowns in balance growth continue to reduce consumer stress from credit card debt.



# Credit Cards: Originations (Large Banks)

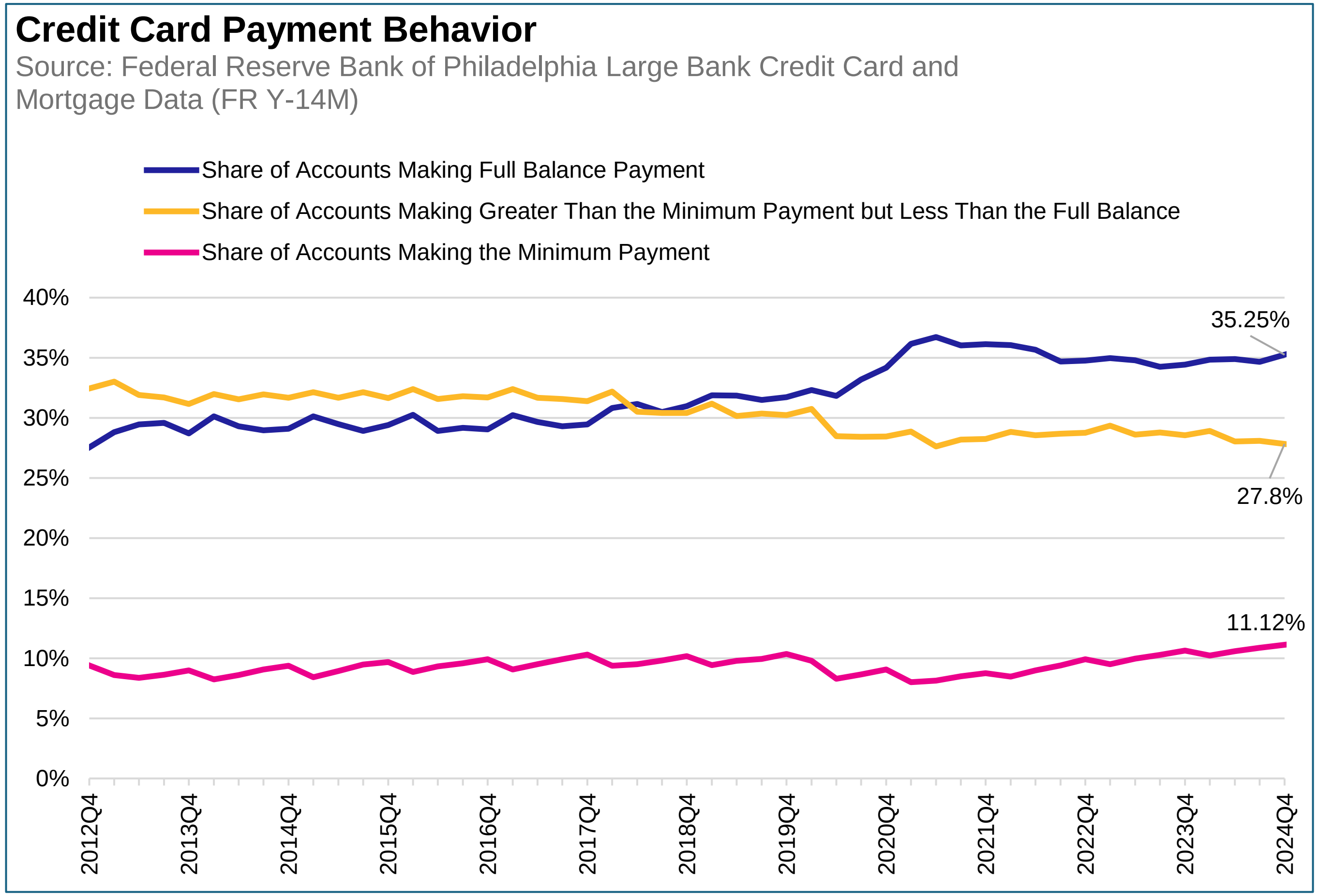
- Year over year growth in credit card originations at large banks ($100B+ in Total Assets) continues to slow down, with negative growth over the last six quarters.

- New originations were down 11 percent in the in the fourth quarter of 2024 compared to the same quarter in 2023, underscoring the slowdown in demand from consumers and tightening standards by banks.



# Credit Cards: Payment Rates (Large Banks)

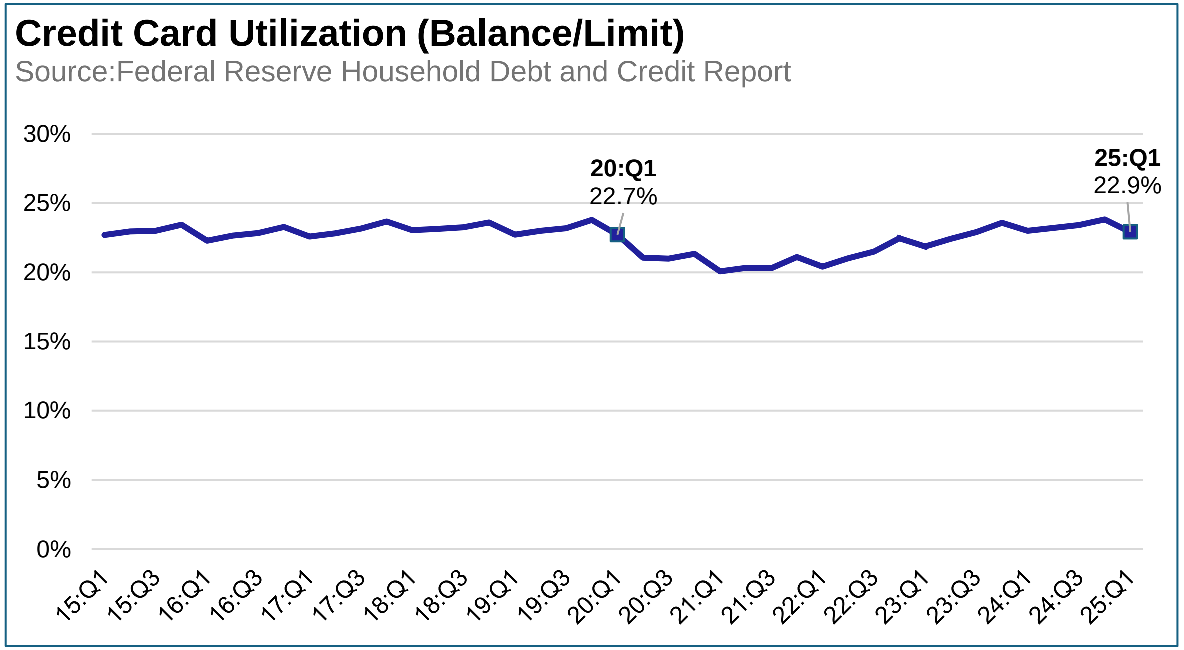
- For large banks' cardholders, a higher percentage of customers are paying their entire balance off each month compared to pre-pandemic.
- The share of accounts paying the full balance has remained relatively stable over the past two years.
- The share of consumers making the minimum payment continues to increase while those paying between the minimum and full balance has decreased slightly.



# Credit Card Utilization

- Credit card utilization (measured by balances over credit limits) continues to increase from historic lows during the pandemic and remains in line with historic averages.

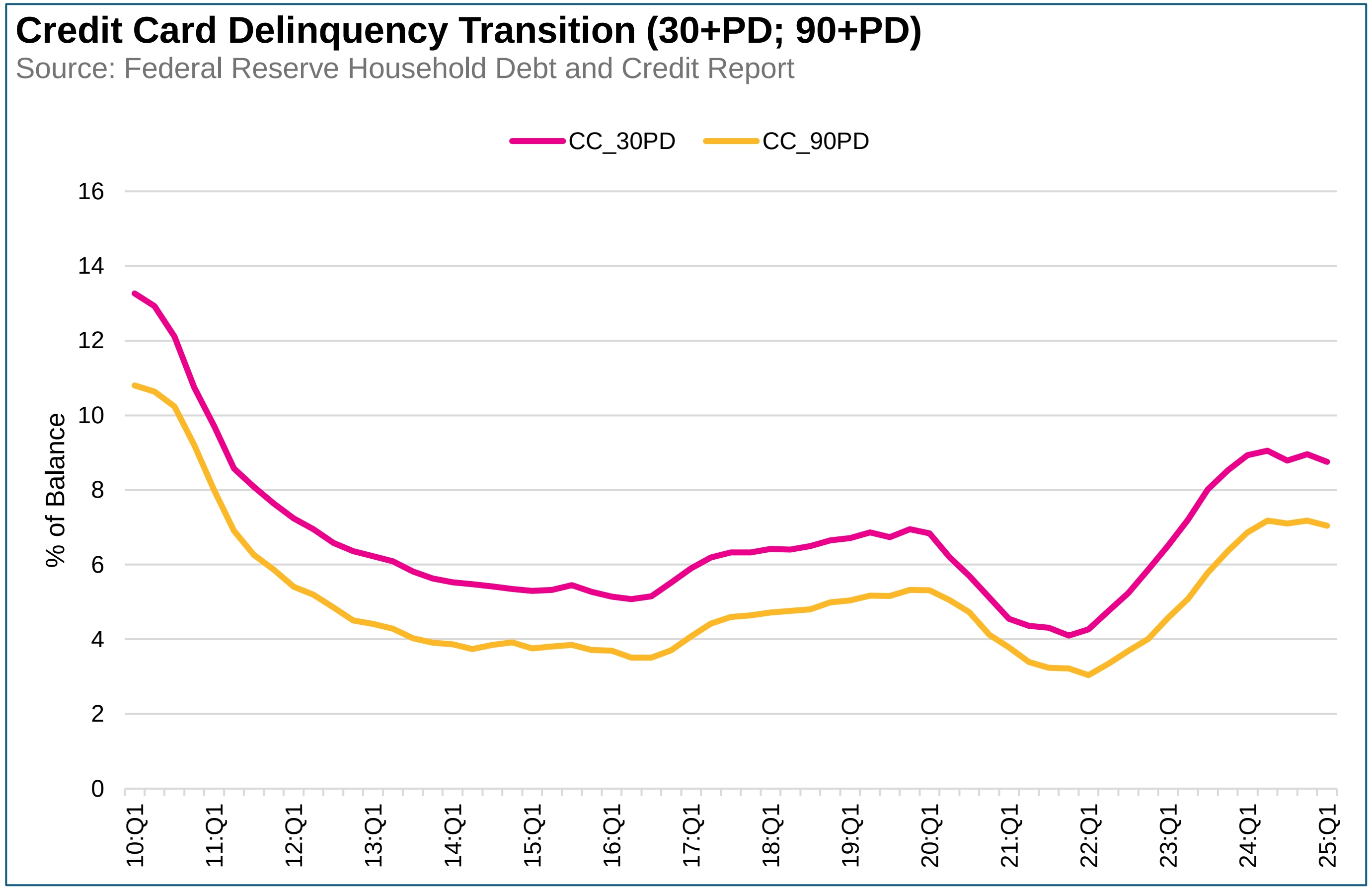
- Card utilization is slowing in recent quarters as limit growth outpaces the growth in balances—signaling greater liquidity in consumer credit cards.



# Credit Cards: Delinquencies (Transition)

- While the percent of overall balances 90+ days delinquent increased, the percent of balances transitioning into early and serious delinquency (chart right) have continued to level out with slight declines in the last three quarters.

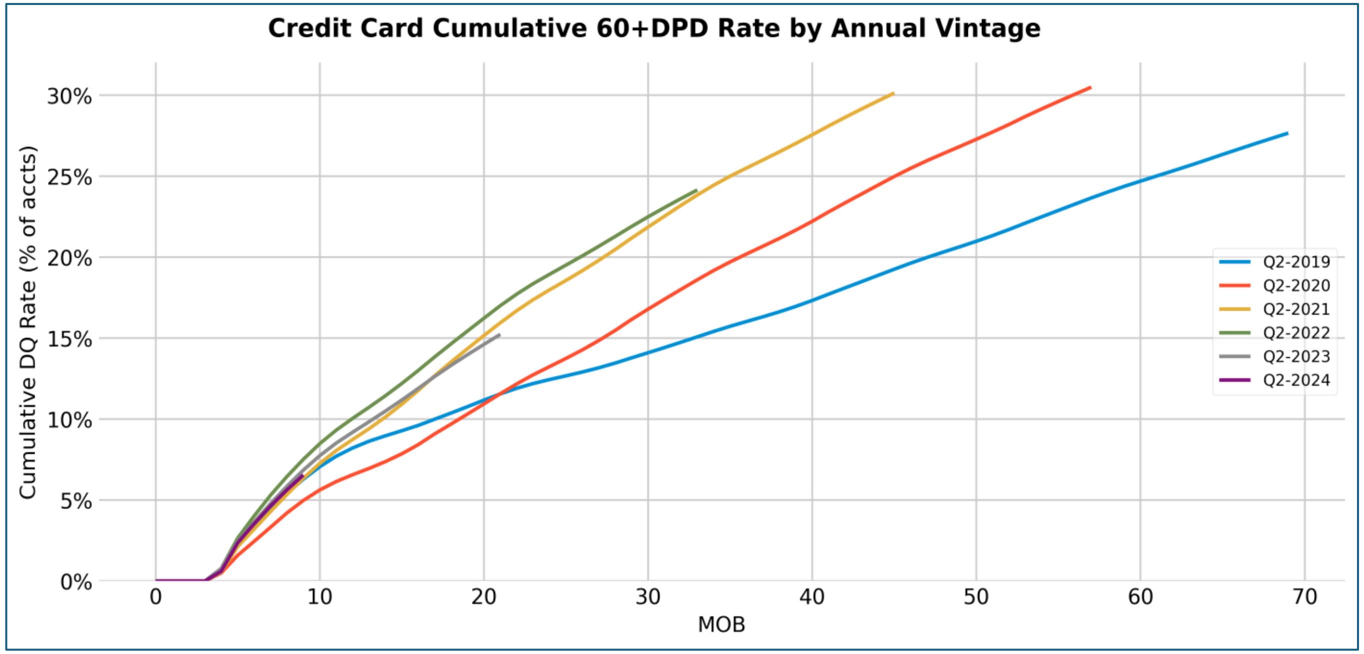
- The first quarter of 2025 marked the second decline in transition to early delinquencies since early 2021.



# Credit Cards: Delinquencies

- Performance among more recent vintages (grey and purple lines) has improved and suggests a gradual return to pre-pandemic trends as banks tightened standards on new originations.

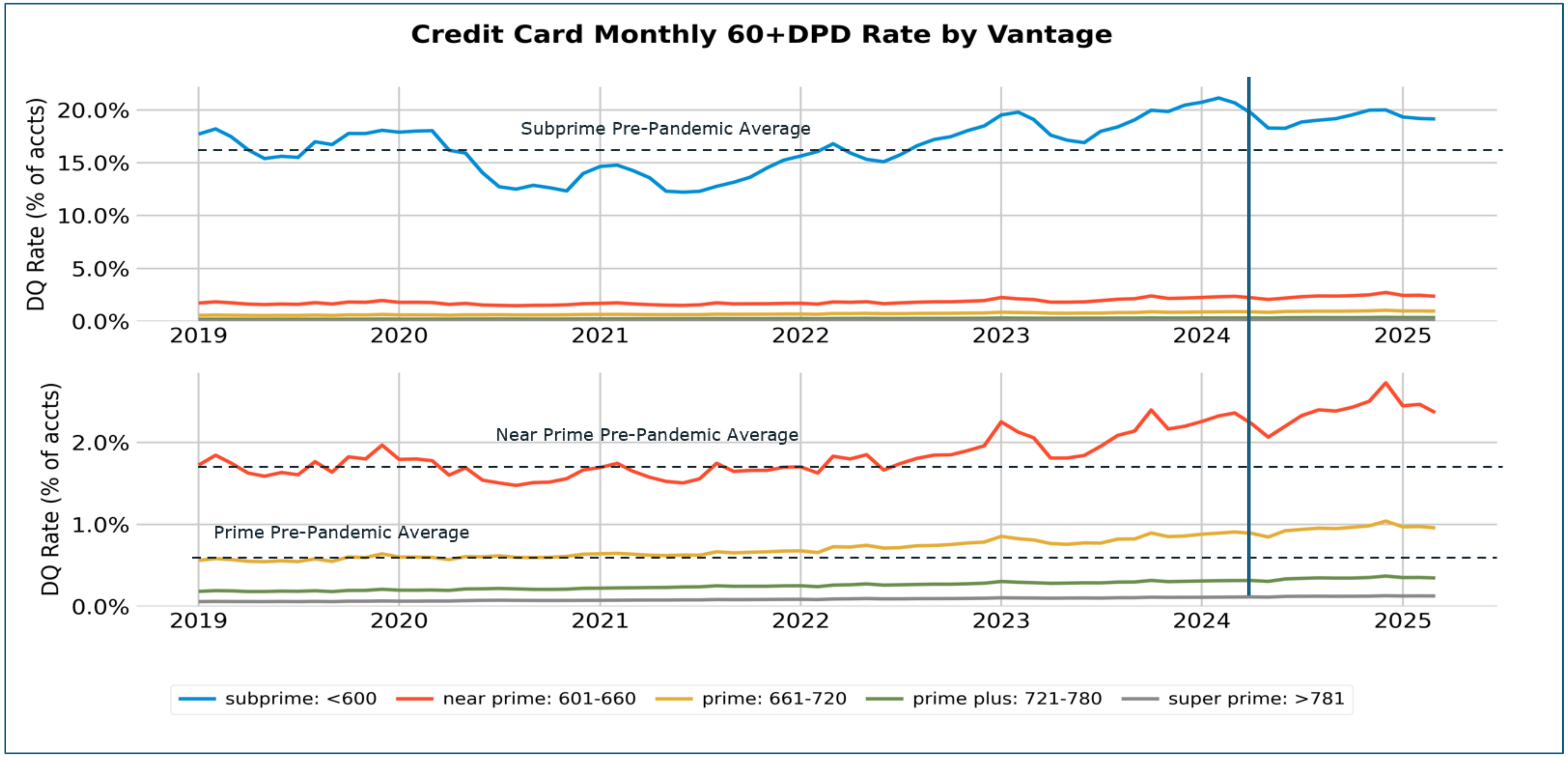
- Delinquency trends for credit cards issued during the pandemic are still above pre-pandemic levels but are starting to level out from their peak (green and grey lines).




**Source:** 2nd Order Solutions. *2025 Q1 Credit Risk Review (powered by Equifax Ignite).*

# Credit Cards: Delinquencies

Subprime, near prime, and prime delinquencies eased over the last quarter, particularly in near prime (orange line), but remain well above pre-pandemic averages (dashed line).

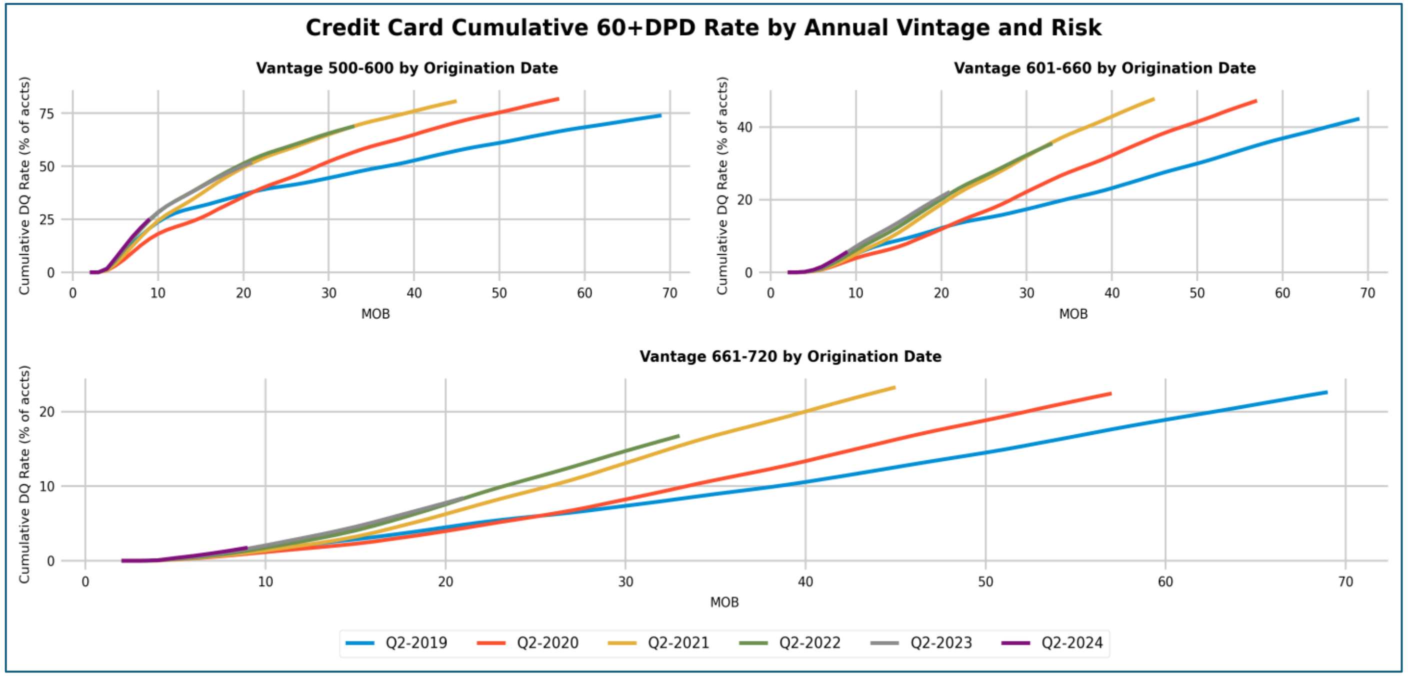



**Source:** 2nd Order Solutions. *2025 Q1 Credit Risk Review (powered by Equifax Ignite).*

# Credit Cards: Delinquencies

- Within credit score band performance remains consistent with more recent origination vintages.

- The shift in recent originations from lower-score tiers to higher ones has improved overall performance among these new cards as they display better overall portfolio performance.




**Source:** 2nd Order Solutions. *2025 Q1 Credit Risk Review (powered by Equifax Ignite).*

# Auto

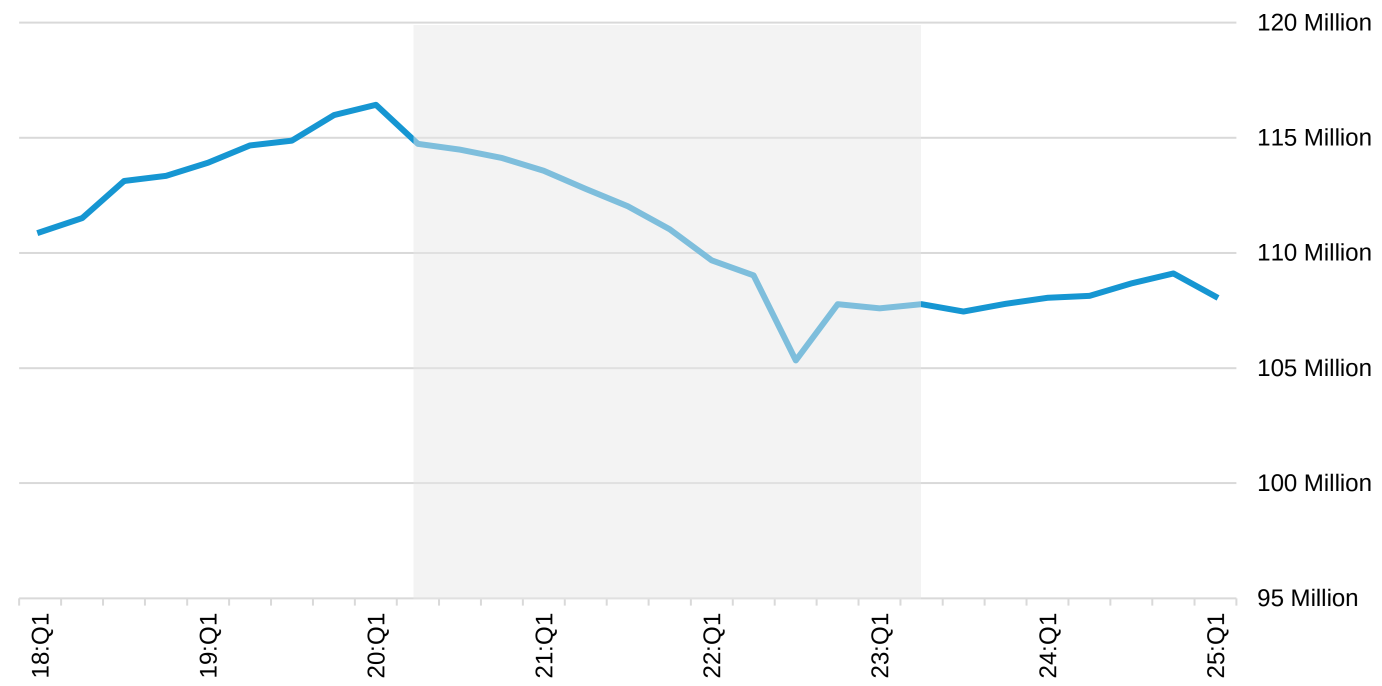
# Auto Loan Accounts

- The number of auto loans is still below pre-pandemic levels and growth has been much slower following the pandemic (grey area).

- The number of loans declined  in the first quarter of 2025 compared to the previous quarter as higher interest rates and vehicle prices continue to play a role in slower loan growth.

**Number of Auto Loan Accounts (Millions)**

Source: Federal Reserve Household Debt and Credit Report

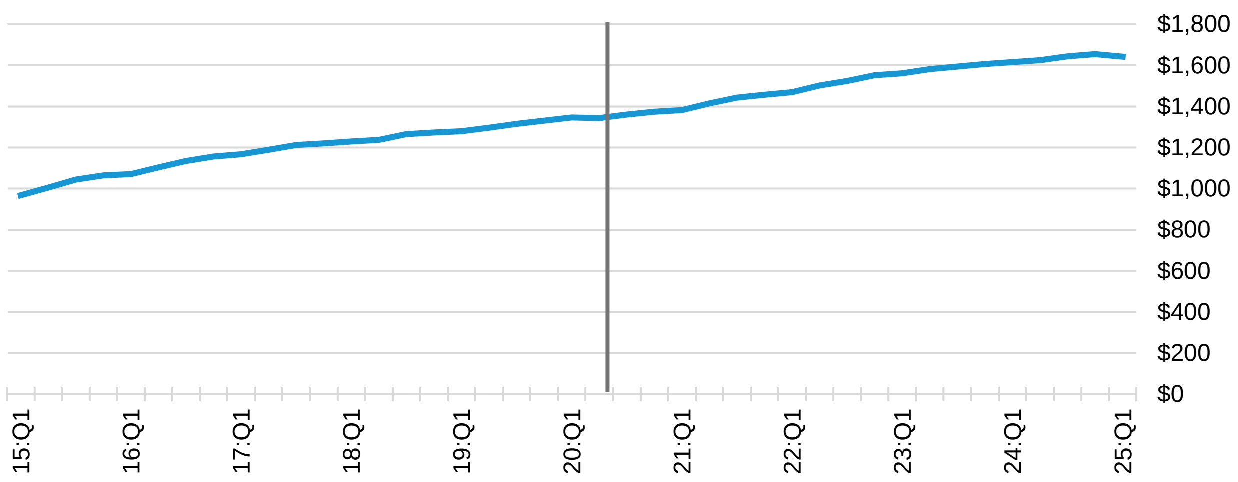


# Auto Loan Balances

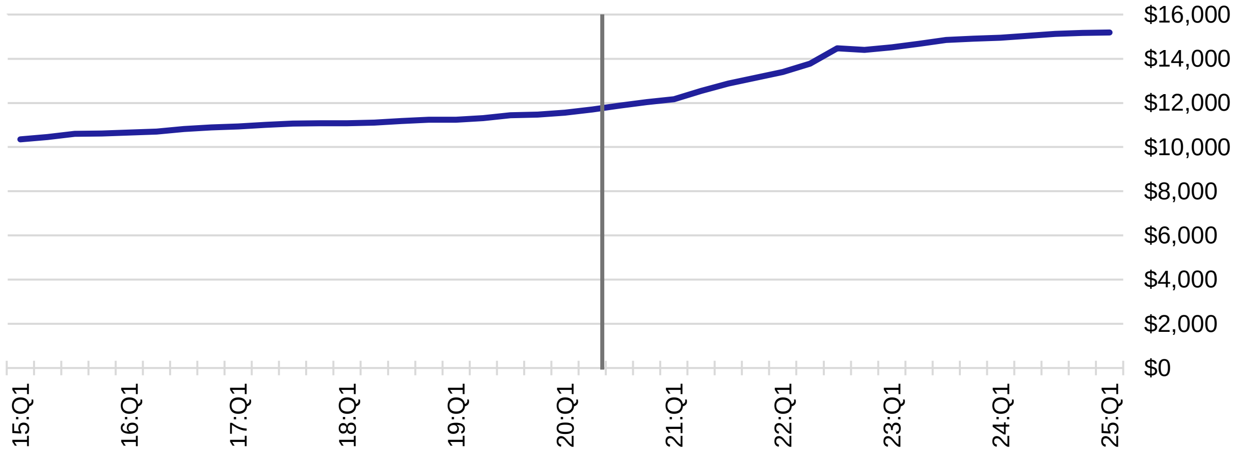
- The decline in both the number of loans and auto loan balances (top chart) have led to further moderation in the overall average loan size.

- The number of loans, balances and average could continue to moderate, decline, or increase depending on developments in trade policy and its impact on vehicle pricing.

**Auto Loan Balances ($Billions)**
Source: Federal Reserve Household Debt and Credit Report




**Average Loan Size ($)**
Source: Federal Reserve Household Debt and Credit Report



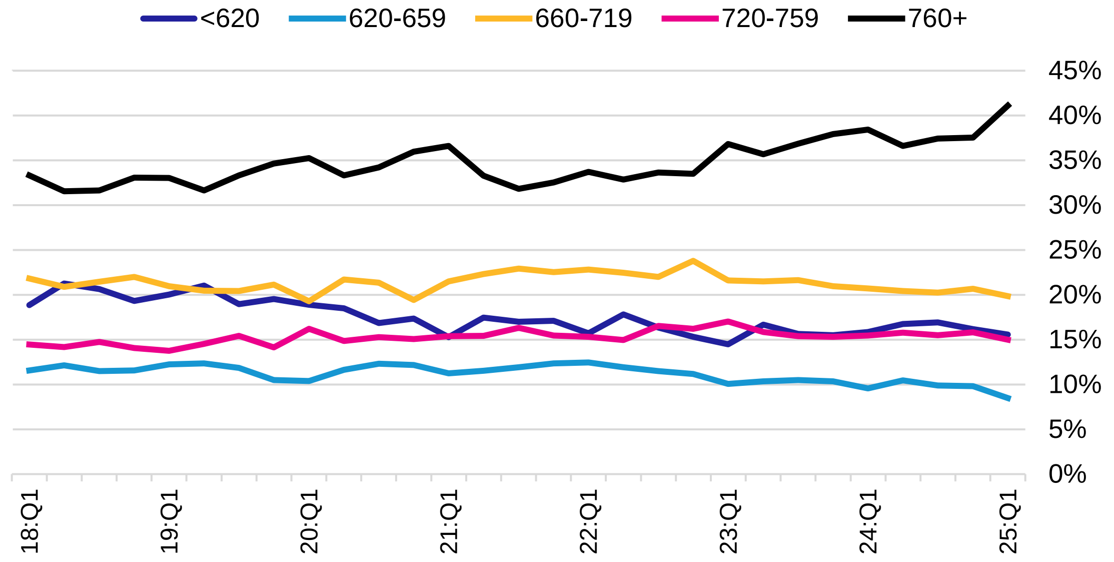
# Auto Loan Originations

- Both the amount and share of auto loan originations for all credit score bands except the highest (760+) declined in the first quarter of 2025.
- Though fewer banks reported tightening standards, a combination of higher rates and prices continue to suppress demand for consumers further down the credit score spectrum.

**Auto Loan Originations by Risk Score* (%Total)**

Source: Source: Federal Reserve Household Debt and Credit Report

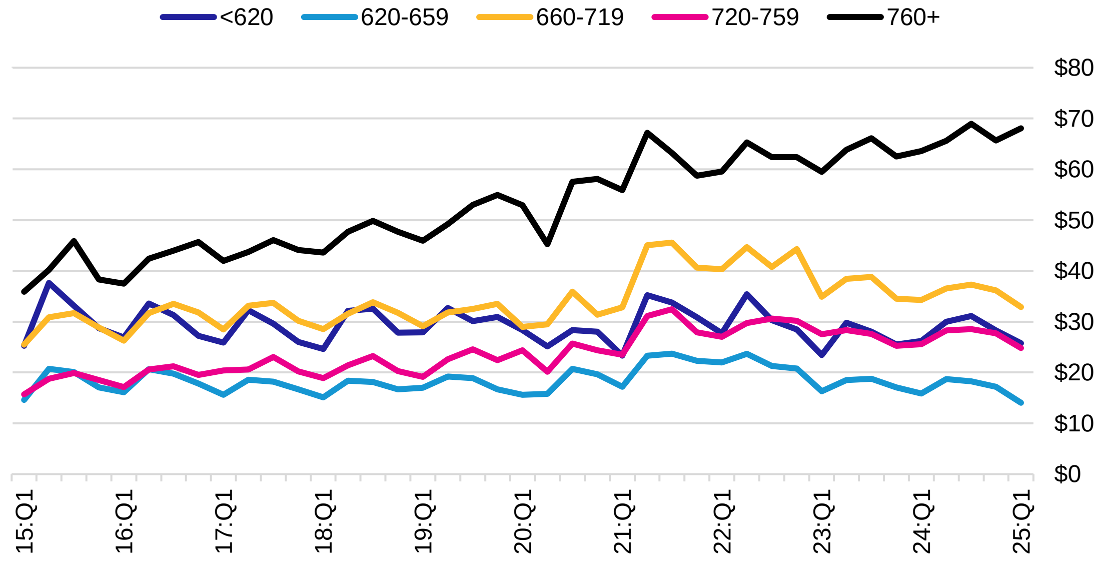
*Equifax Riskscore 3.0




**Auto Loan Originations by Risk Score* ($Billions)**

Source: Source: Federal Reserve Household Debt and Credit Report

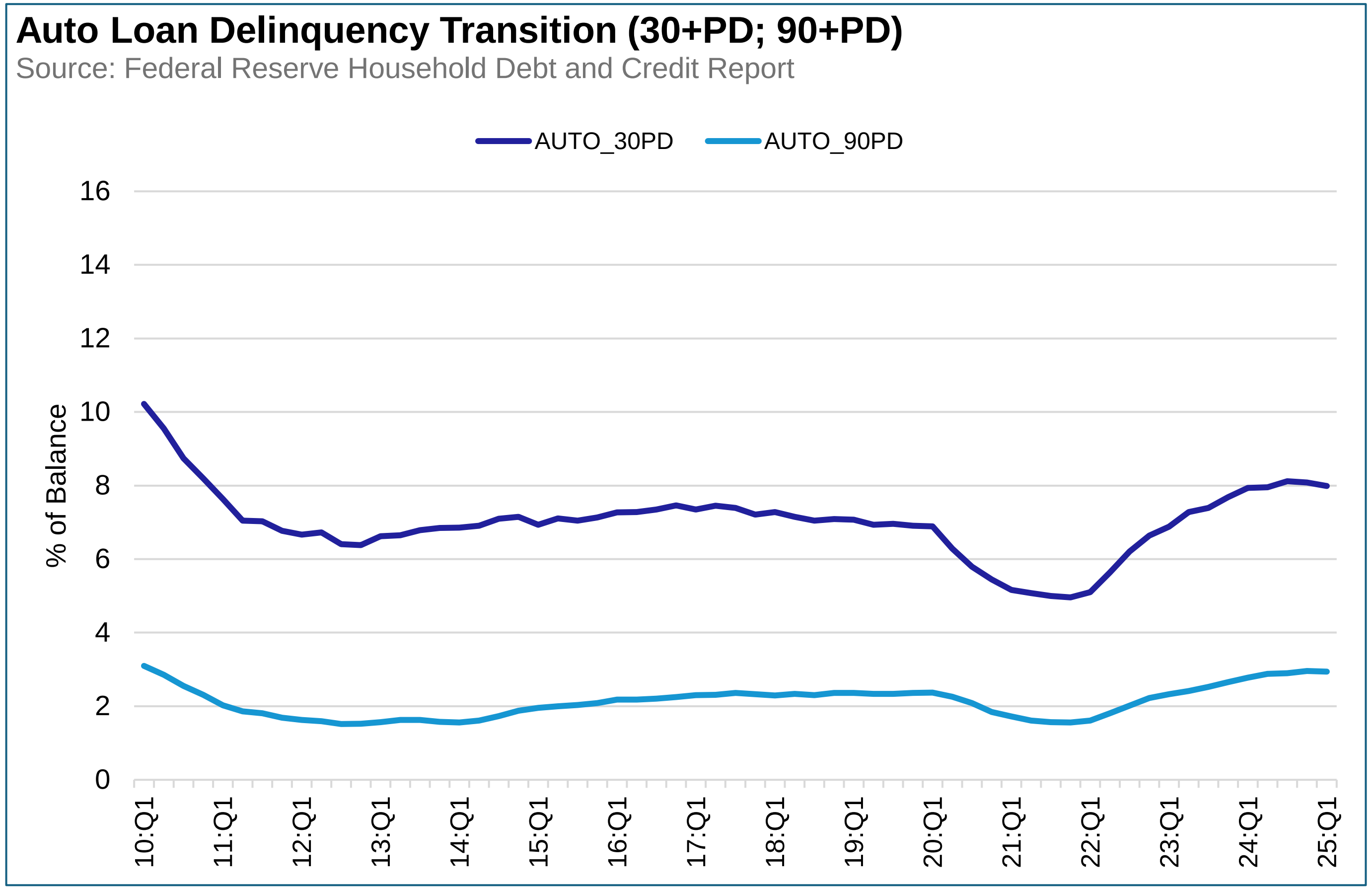
*Equifax Riskscore 3.0



# Auto Loan: Delinquencies (Transition)

- Both 30+ and 90+ days past due (PD) delinquency transitions on auto loans have largely leveled out.

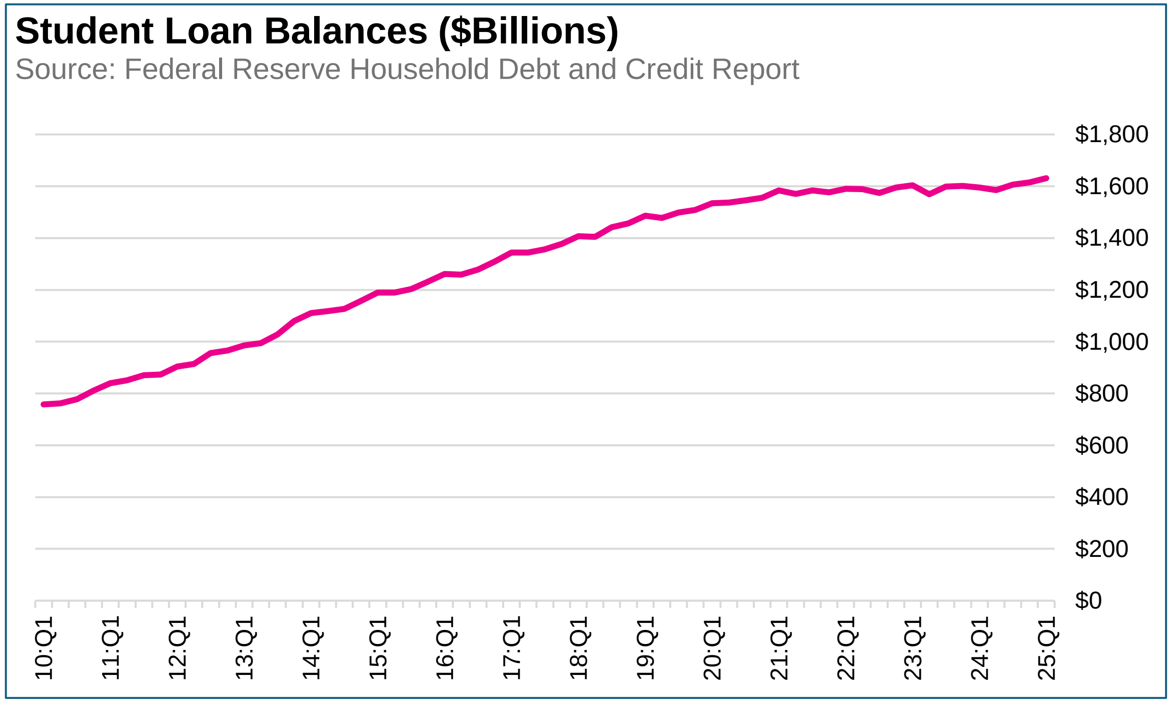
- Both measures declined slightly in the first quarter of 2025 with flows for 30+PD declining over the last two quarters signaling ongoing improvement in early delinquencies.

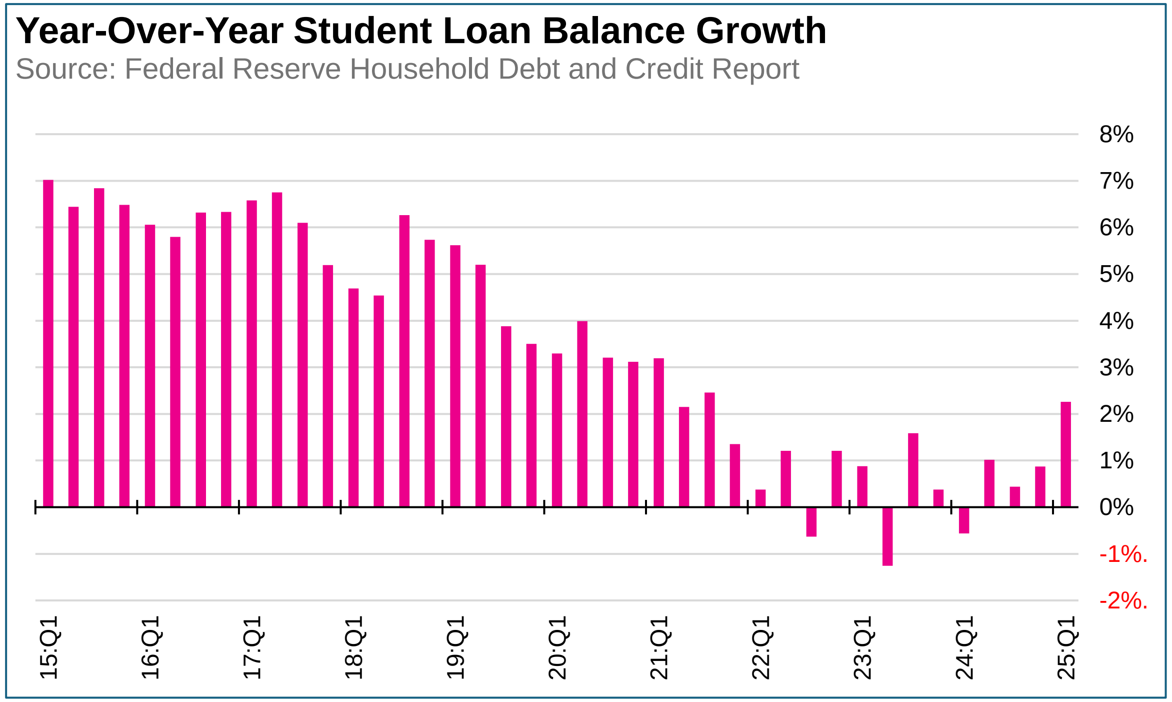


# Student Loans

# Student Loan Balance and Accounts

- Student loan balance growth increased in the first quarter by 2.25 percent to $1.63 Trillion (left chart).
- Balance growth has been suppressed or negative in recent years (right chart) as payment and interest accrual pauses continued throughout the pandemic and post-pandemic periods.



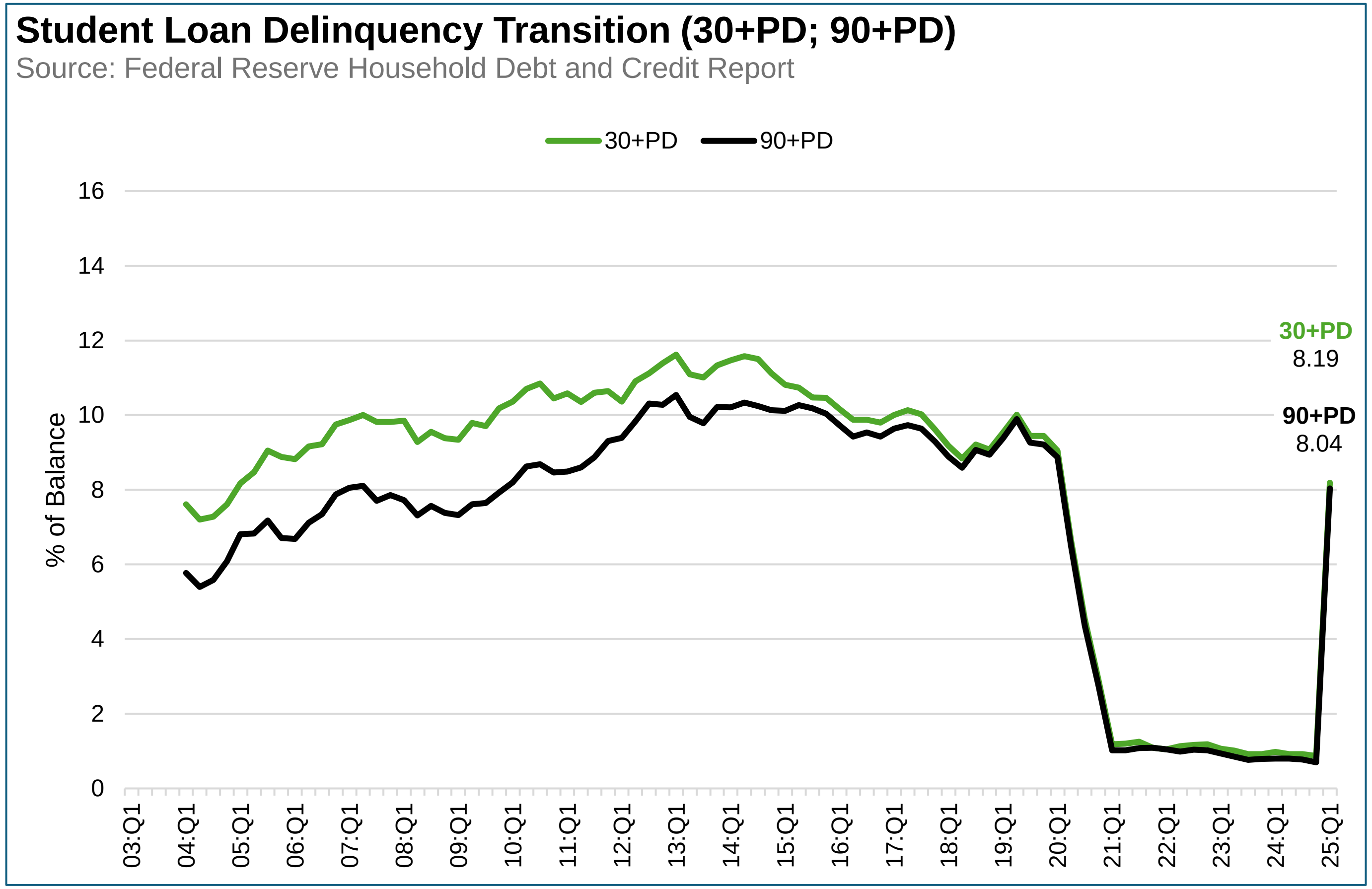



# Student Loan Delinquencies

- The first quarter of 2025 marked the resumption of federal student loan delinquencies being reported to credit bureaus, increasing delinquency transitions from 0.7 percent to just over eight percent of balances data and impacting credit scores.

- Delinquencies on all student loans increased to just below pre-pandemic trends, but [delinquencies on Federal loans were much higher](#).

- The share of balances transitioning into early and later delinquency may increase as additional loans are reported and borrowers struggle to keep up with newly mandated payments.



# Student Loan Delinquencies

- **Table 1** shows that while higher credit score consumers make up a smaller share of newly delinquent borrowers, they experience larger drops in their credit scores, on average, compared to other groups.

- As additional delinquencies are reported and the impact of lower credit scores take hold there could be impacts on demand for other credit products and consumer spending, especially for the higher scored group discussed here.

**Table 1**: Change in credit score for newly delinquent student loan borrowers by credit score group

| Credit score group | Count (millions) | Share of newly delinquent population | Average credit score change |
|---|---|---|---|
| Less than 620 | 3.2 | 56.60% | -74 |
| 620 – 719 | 2 | 35.90% | -140 |
| Greater than 720 | 0.4 | 7.50% | -177 |

Andrew F. Haughwout, Donghoon Lee, Daniel Mangrum, Joelle Scally, and Wilbert van der Klaauw, “Student Loan Delinquencies Are Back, and Credit Scores Take a Tumble,” Federal Reserve Bank of New York Liberty Street Economics, May 13, 2025, https://libertystreeteconomics.newyorkfed.org/2025/05/student-loan-delinquencies-are-back-and-credit-scores-take-a-tumble/.

Source: New York Fed Consumer Credit Panel/Equifax; author’s calculations.

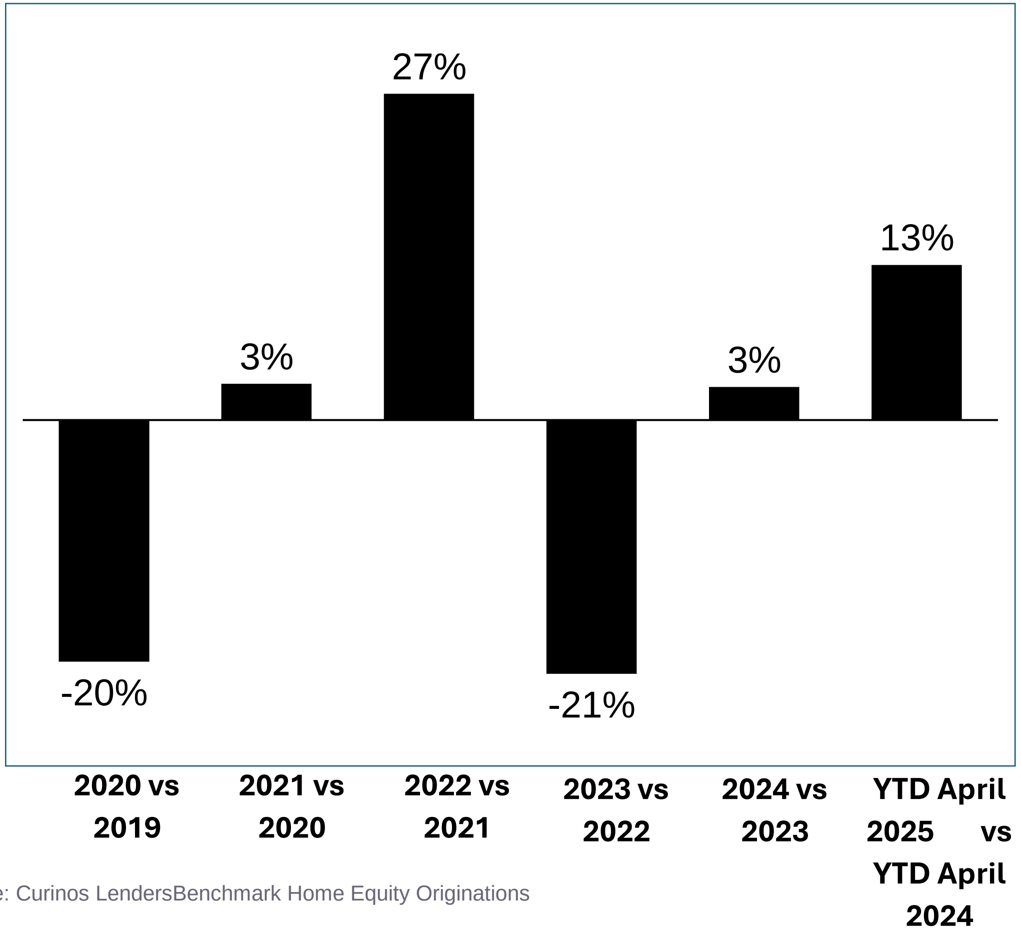
# Home Equity

*Insights Provided by:*

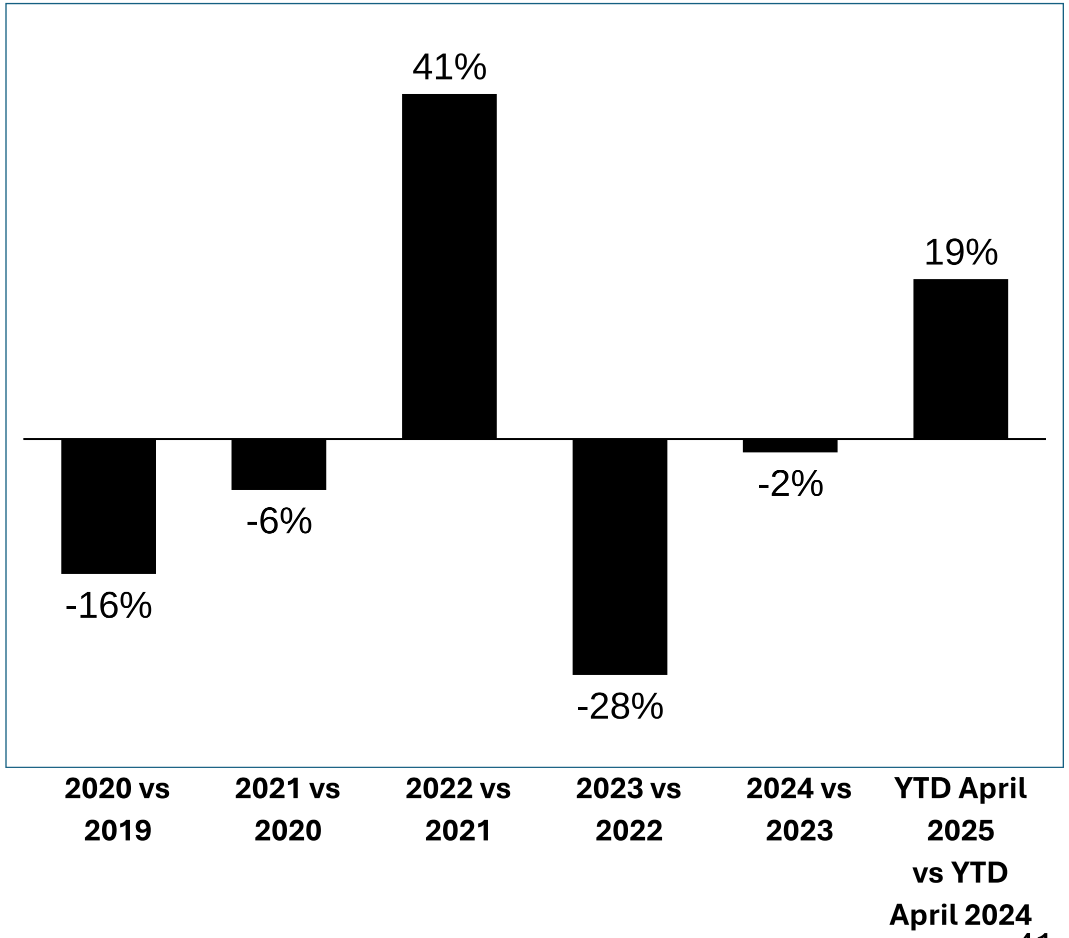
curinos

# Through April 2025, applications and bookings are both showing positive growth, compared to the same time frame last year, with bookings up nearly 20 percent.

## Application Growth Trends




## Booking Growth Trends

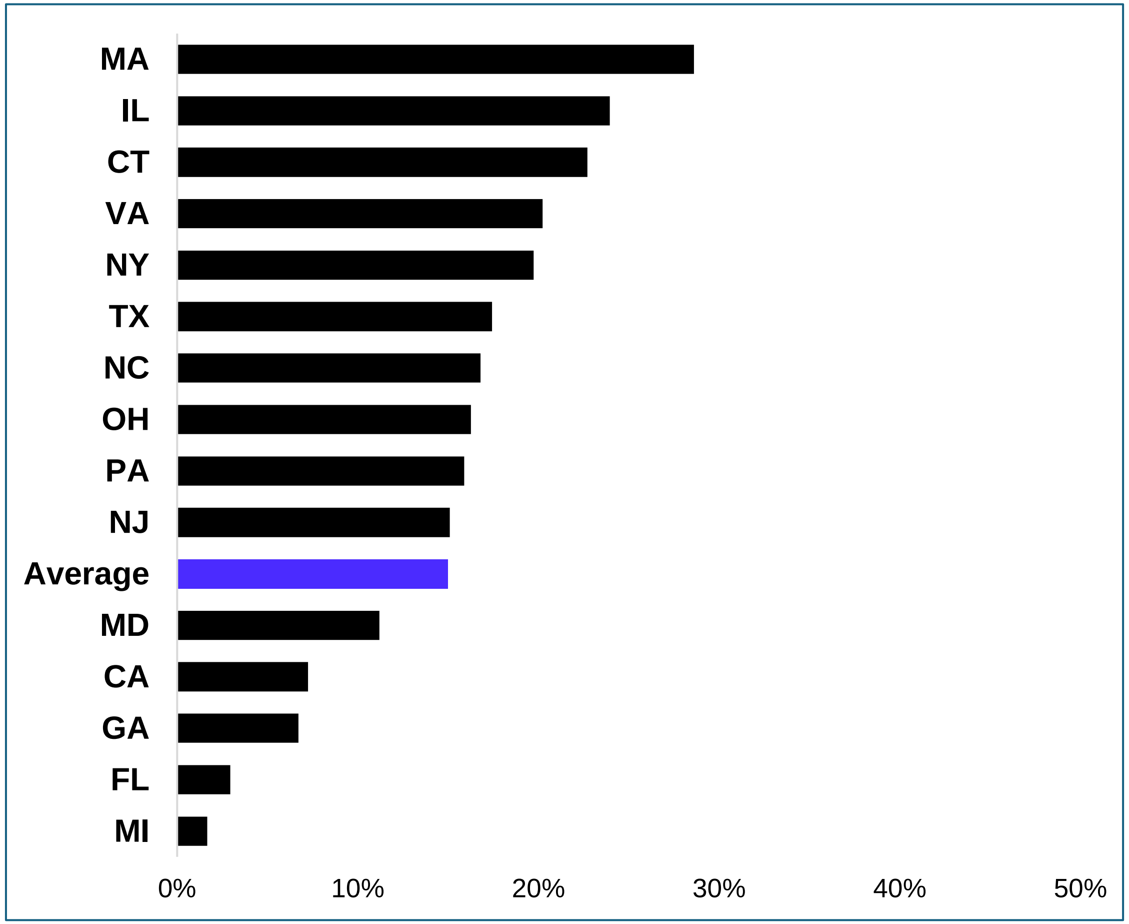



Source: Curinos LendersBenchmark Home Equity Originations

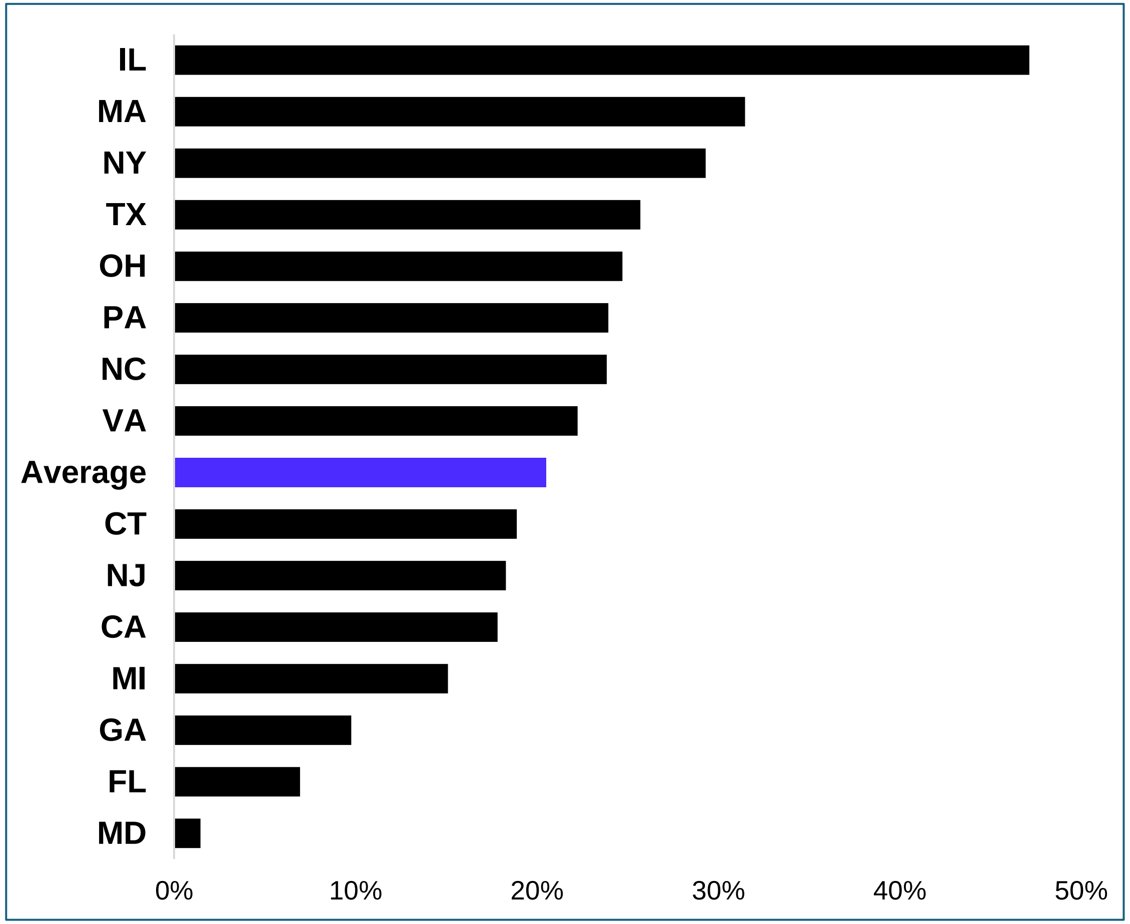
# Application and Booking volume growth across top origination states reflect some similarities, but mostly differences in ranked YTD performance.

## Top 15 Largest Home Equity Origination States (YTD April 2025 vs YTD April 2024)

### Application Volume



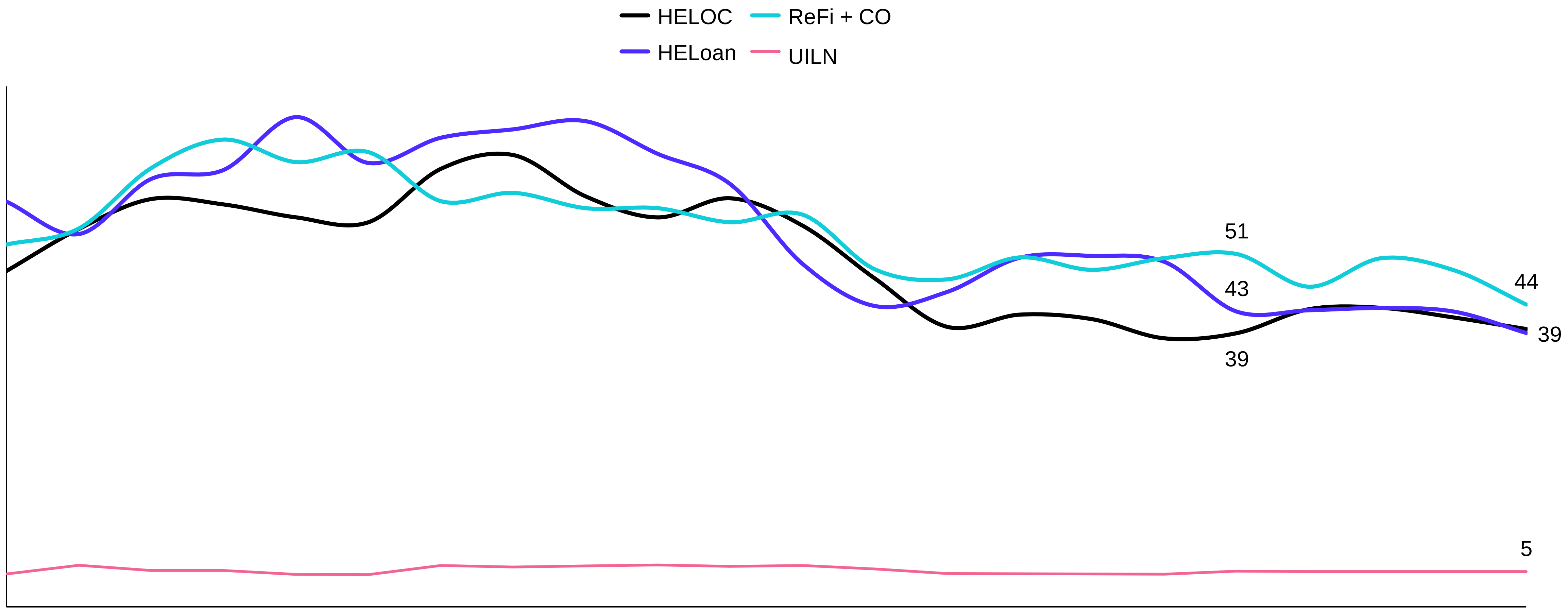

### Booked Volume




Source: Curinos LendersBenchmark Home Equity Originations

# Refinance and Cash-Out (ReFi+CO) cycle times (in days) still sitting above HELOC/HELoan, but all three real estate secured products are strides above unsecured by 30+ days.

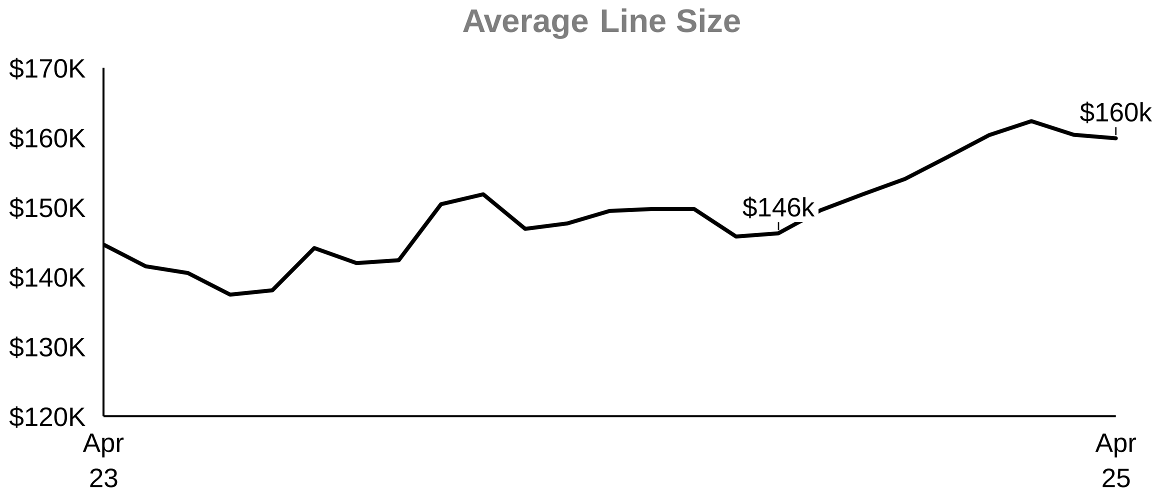
## Application to Booking Cycle Time by Lending Product

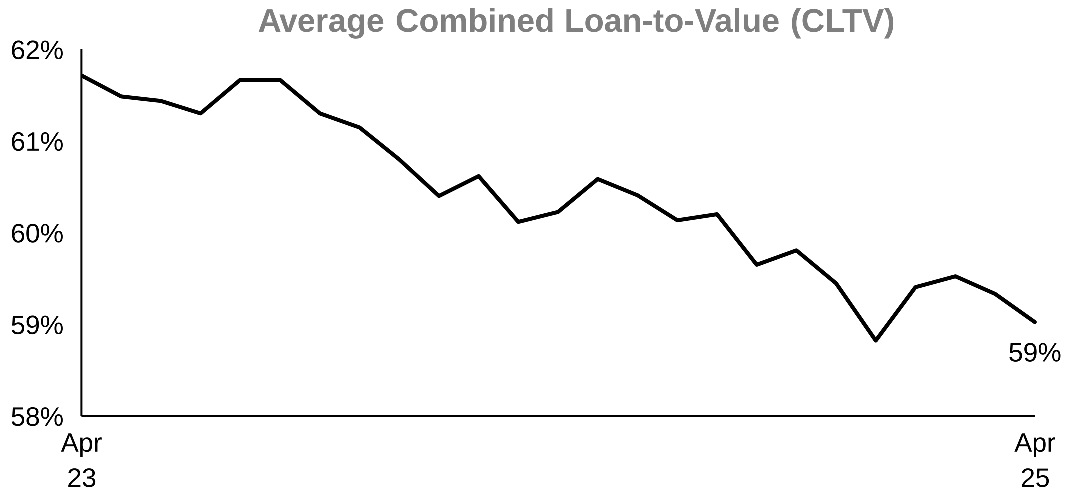


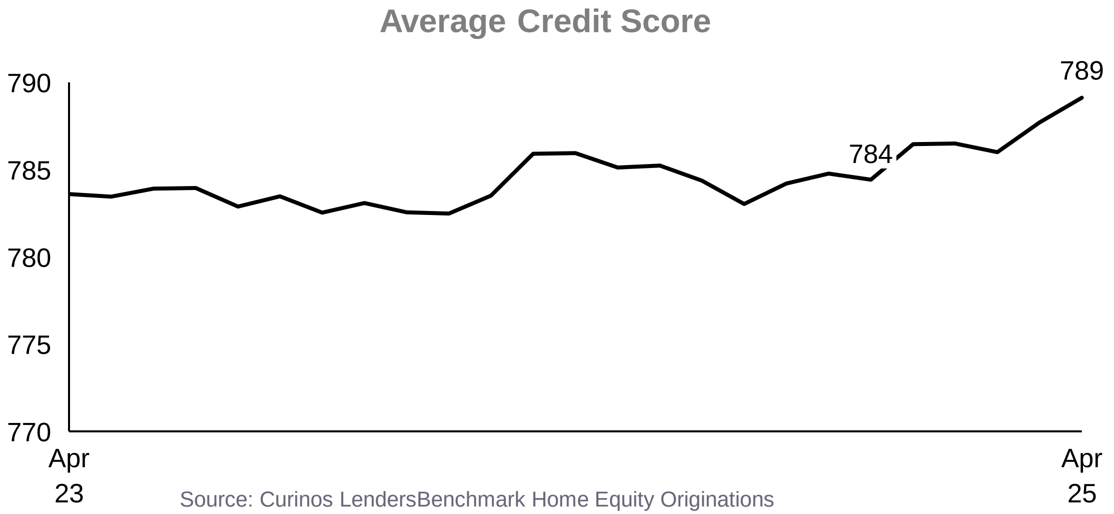

Source: Curinos LendersBenchmark Home Equity Originations

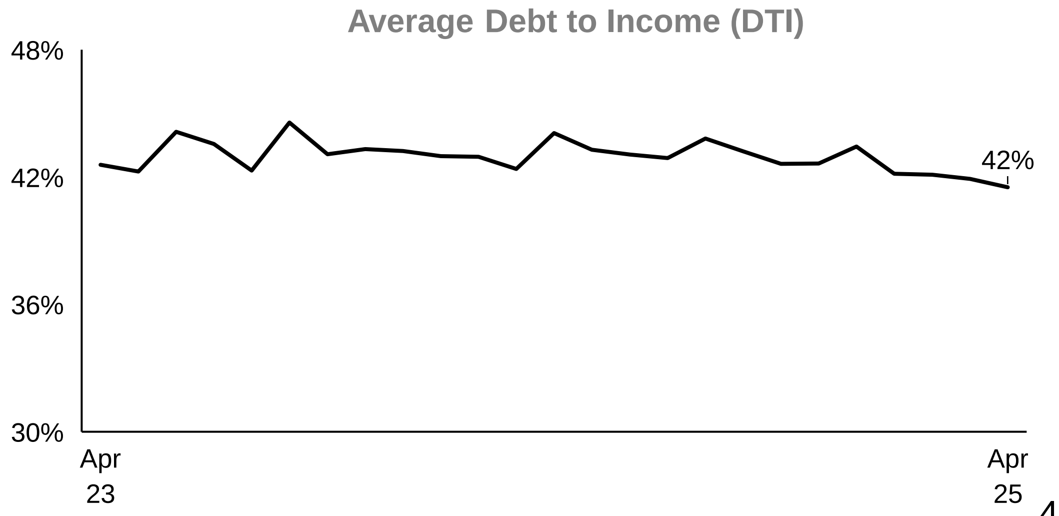
# Improved home values have allowed lenders to increase average line sizes while simultaneously decreasing CLTV exposure over the last 12 months.

## HELOC Booked Risk Metrics



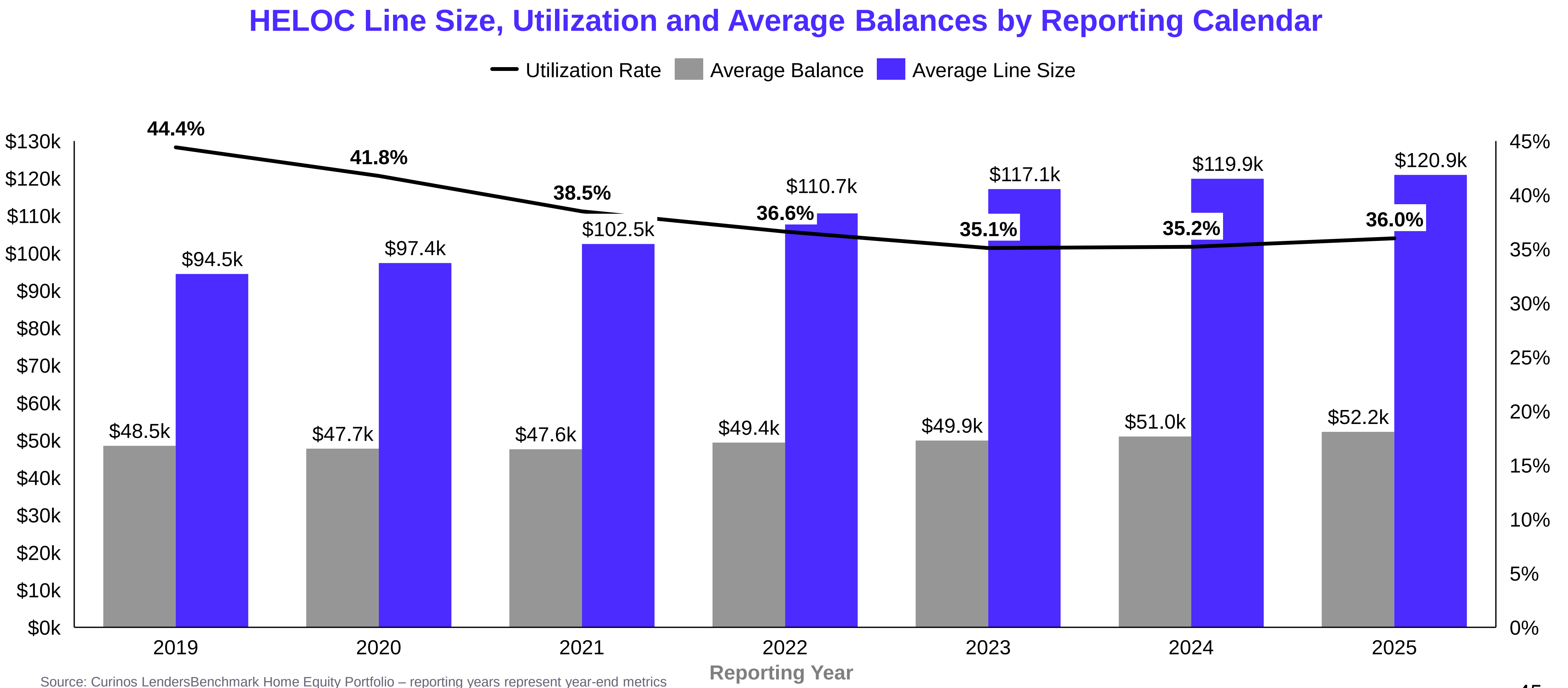




Source: Curinos LendersBenchmark Home Equity Originations

# HELOC utilization levels remains lethargic as the growth in average HELOC line sizes have outpaced the actual balance usage from borrowers.




Source: Curinos LendersBenchmark Home Equity Portfolio – reporting years represent year-end metrics

# Retail Deposits

*Insights provided by:*

curinos

# Average customer balances have rebounded to and maintained a pre-COVID trajectory.

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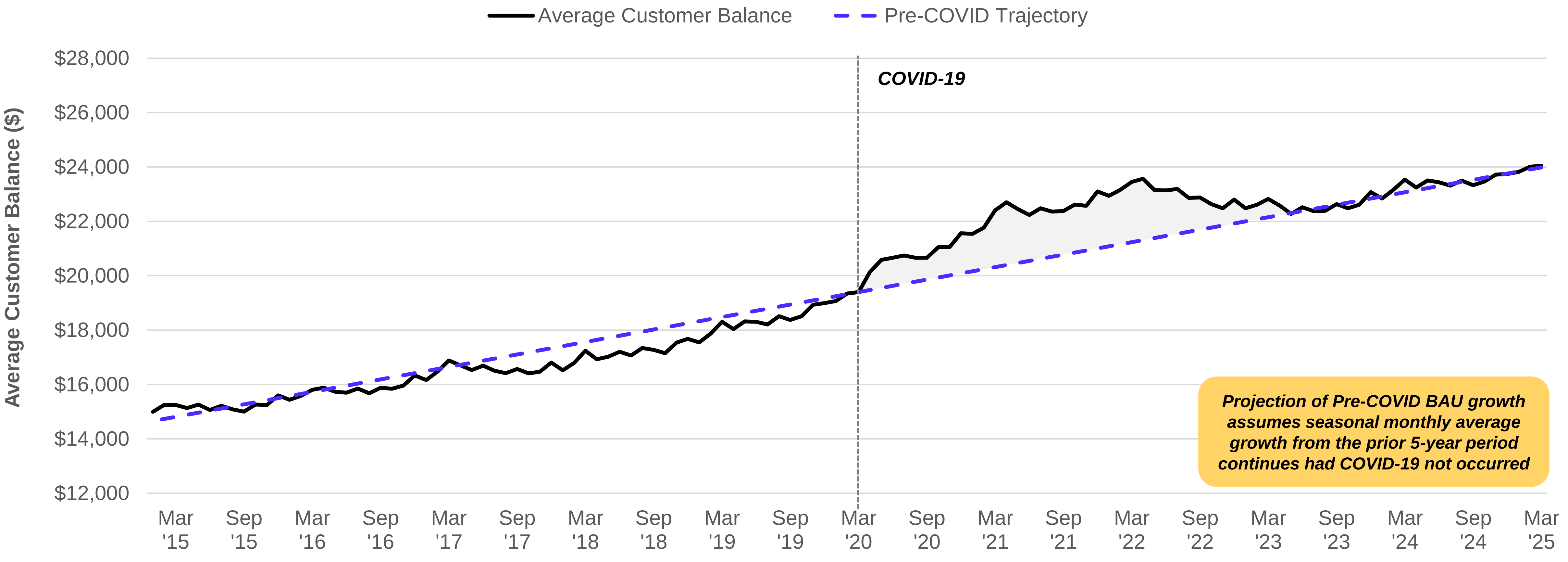
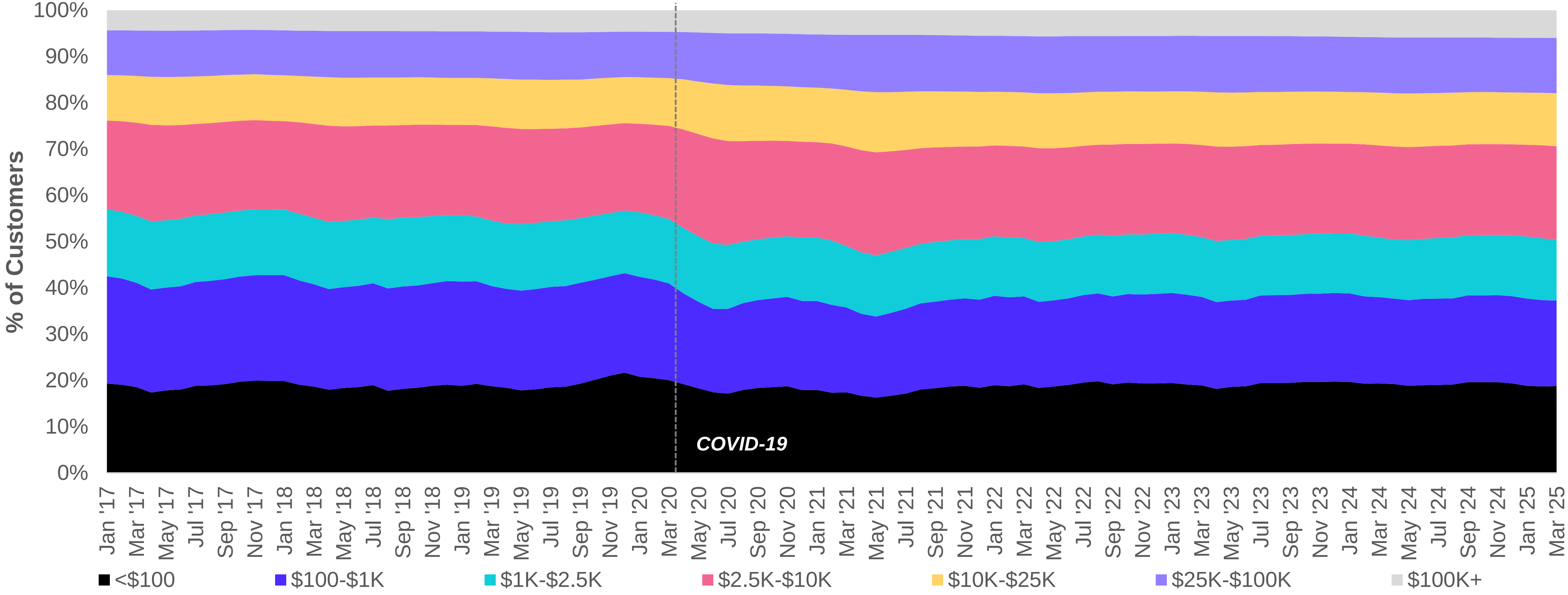
## Average Customer Balances | All Products | Traditional Banks | Jan 2015 – Mar 2025




Source(s): Curinos Consumer Deposit Analyzer | Note(s): Direct banks excluded. Simple averages displayed.

# Fewer consumers today are in the lowest balance tiers than pre-pandemic.

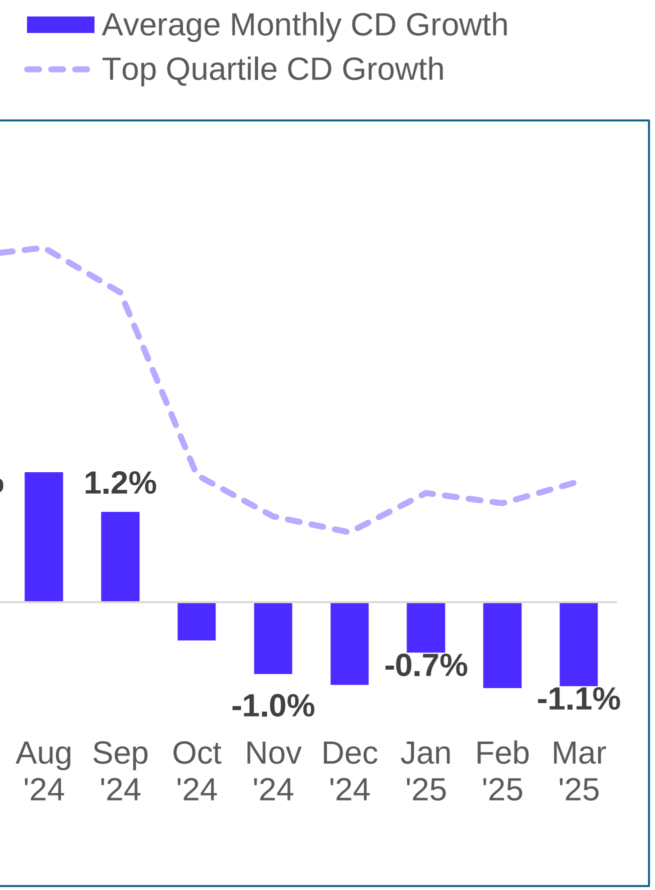
**Percent of Customers by Customer Balance Tier | 3M Moving Average | Branch Banks | 2017 – Mar 2025**

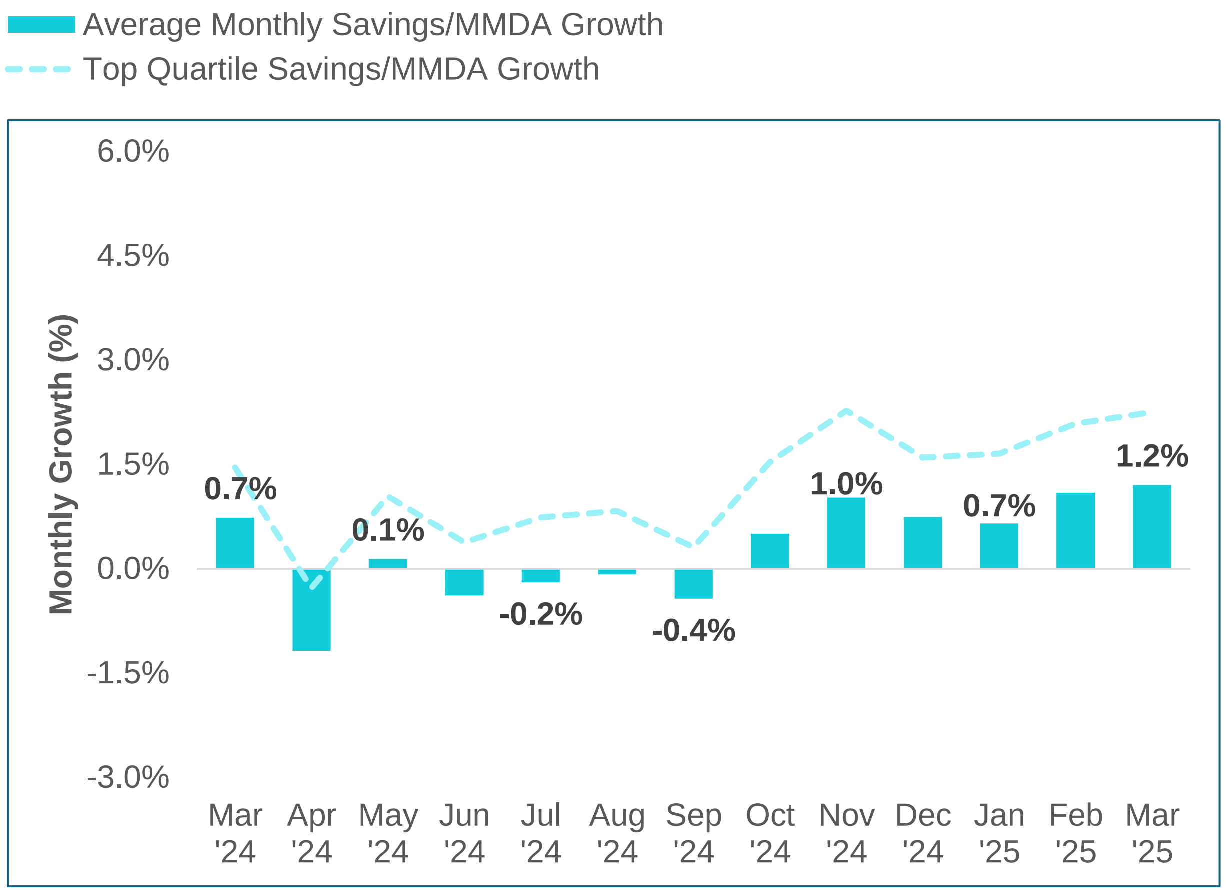



Sources: Curinos Consumer Deposit Analyzer, Curinos Analysis. | Notes: Branch banks only. Simple averages displayed. Higher balance tiers are not displayed.

# CD balances at most traditional financial institutions declined since Oct 2024; meanwhile, Savings/MMDA growth has increased since Oct 2024.

## Monthly Growth | Traditional FI Average vs. Top Quartile | Mar 2024 – Mar 2025



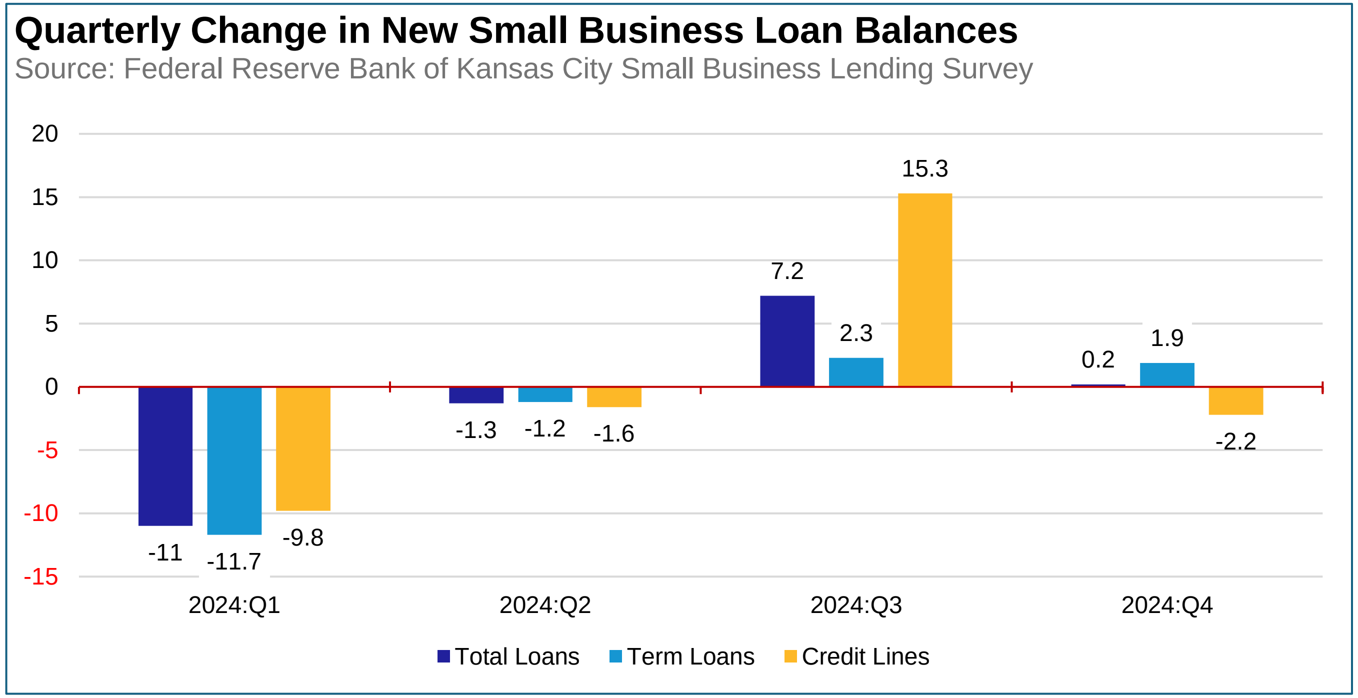



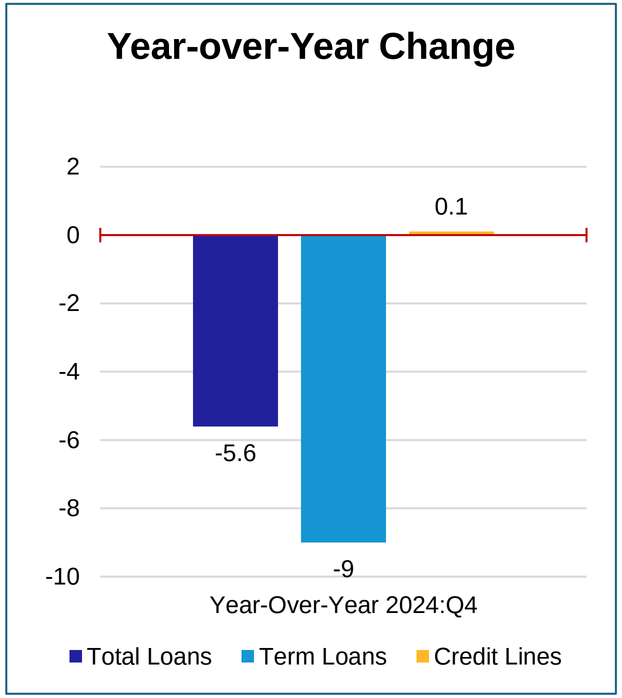

Source: Curinos Consumer Deposit Analyzer. | Note(s): Consumer balances only. Online FIs excluded. Simple averages displayed

# Small Business

# Small Business: New Loans

- New balances (new loans) to small businesses decreased in the fourth quarter of 2024, mostly driven by decreases in new term loans.*
- The reduction in new loans reflects both lower demand and tighter bank standards for new small business loans (see other slides in this section).



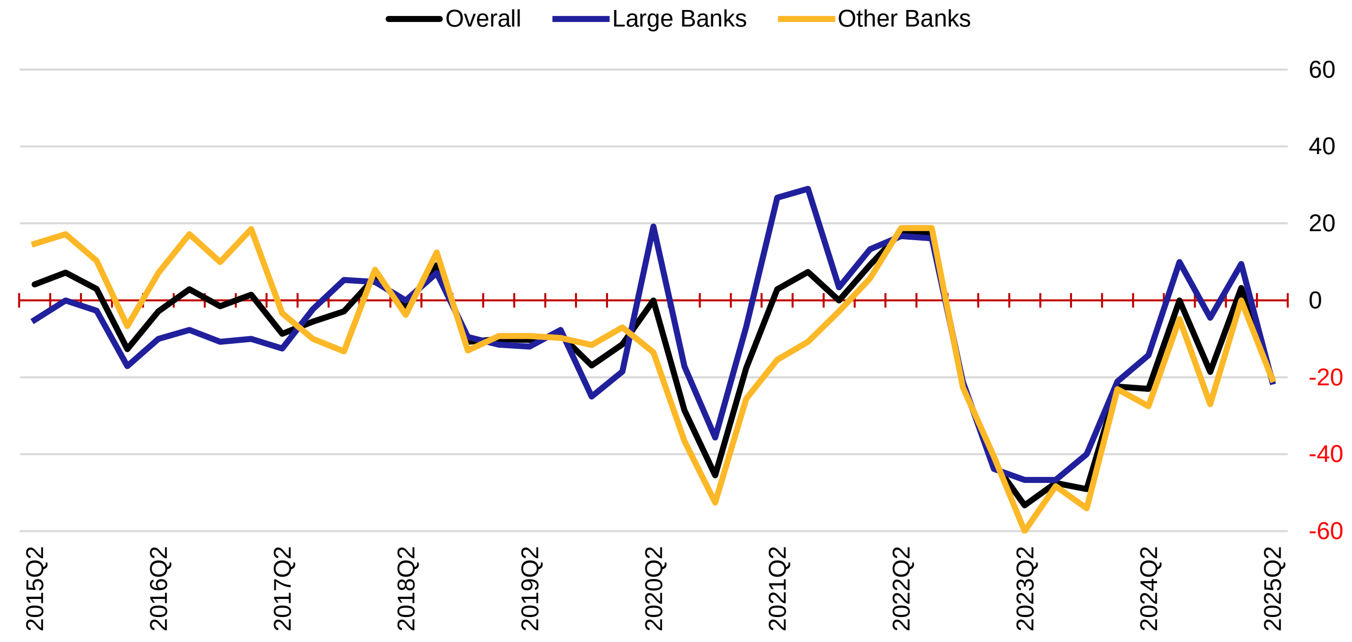

*based on the most recent data from the Kansas City Federal Reserve Bank

# Small Business: Demand

- Demand for small business loans declined sharply per the most recent Senior Loan Officer Opinion Survey (SLOOS) conducted in early April.[1]

- The net percent of banks reporting higher demand declined from +3.2 to -20.6 reflecting declining business sentiment around the time of the then-proposed and enhanced tariff policies.

**Net percentage of domestic banks reporting stronger demand for C&I loans from small firms**
Source: Federal Reserve Senior Loan Officer Opinion Survey




**Small firms** = firms with annual sales of less than $50 million.
**Large banks** = total assets of $100 billion or more.
**Other banks** = total assets of less than $100 billion.

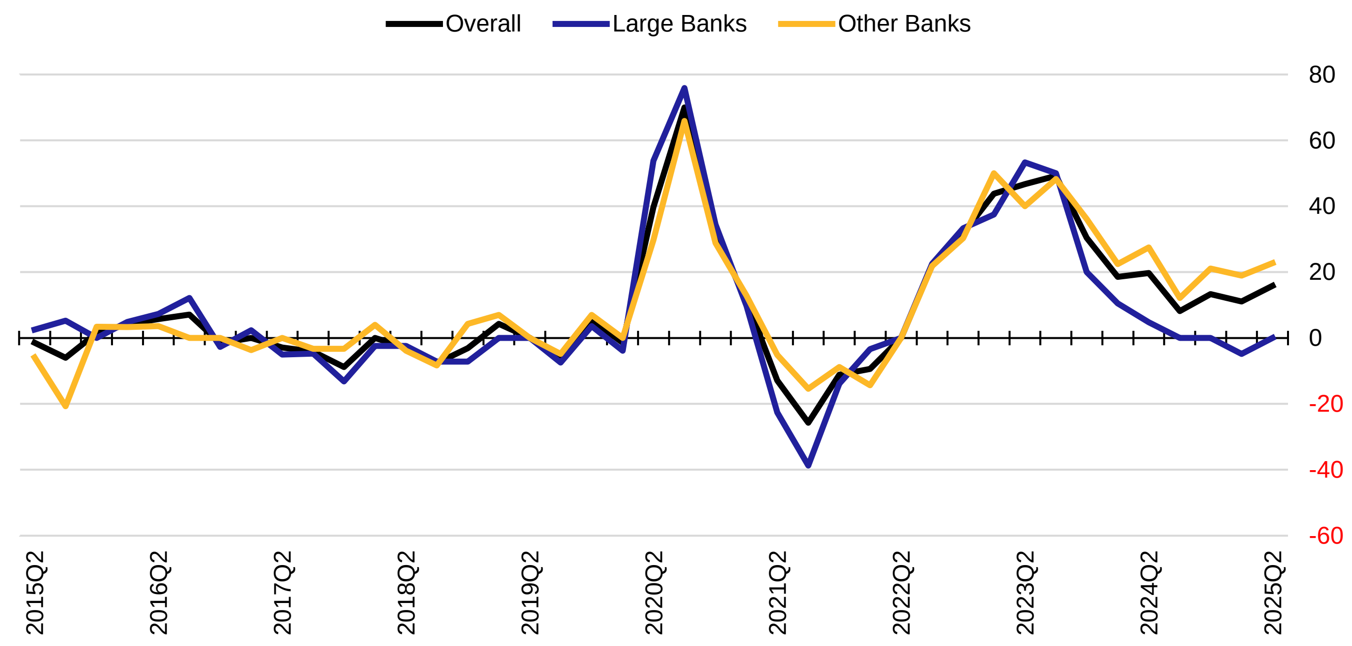
[1] *Respondent banks received the survey on March 31, 2025, and responses were due by April 11, 2025.*

# Small Business: Supply

- Overall, banks reported tightening standards for loans to small businesses in the most recent survey.
- Most of this was driven by an increase in smaller banks reporting tighter standards.
- The number of large banks reporting tighter standards remained mostly unchanged, reflecting a growing divide among institutions of different sizes.

**Net percentage of banks tightening standards for C&I loans to small firms**

Source: Federal Reserve Senior Loan Officer Opinion Survey

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[1] *Respondent banks received the survey on March 31, 2025, and responses were due by April 11, 2025.*

# Small Business: Credit Line Usage

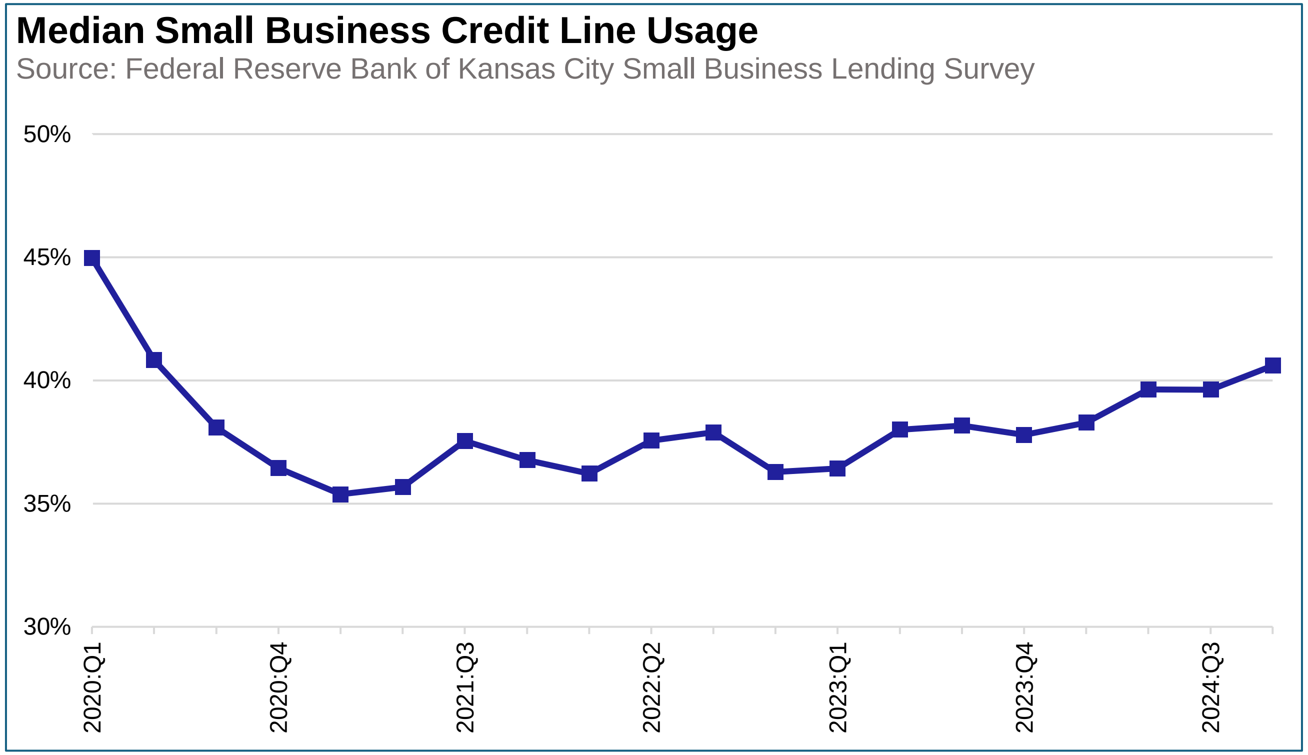
- The number of banks, on net, reporting an increase in credit line usage increased sharply in the fourth quarter of 2024.
- Lower interest rates during 2024Q4 after the Federal Reserve dropped rates made debt financing on revolving lines more attractive for small businesses, especially during the holiday season.
- Tracking line usage during the next 2025Q1 update may reveal any uptick in usage due to tariff announcements during that time and a surge of imports and inventories that followed in the GDP data.


**Small banks** = total assets of $1 billion or less
**Midsized banks** = total assets between $1 billion - $10 billion
**Large banks** = total assets greater than $10 billion.

# Small Business: Credit Line Usage

- Credit line usage by small businesses remained relatively stable at 40.6 percent with a slight increase in 2024Q4 reflecting similar conditions as revealed in the SLOOS (previous slide).

- Median credit line usage continues to slowly increase back to early-pandemic levels, but is still well-below the pre-pandemic rate of 45 percent.



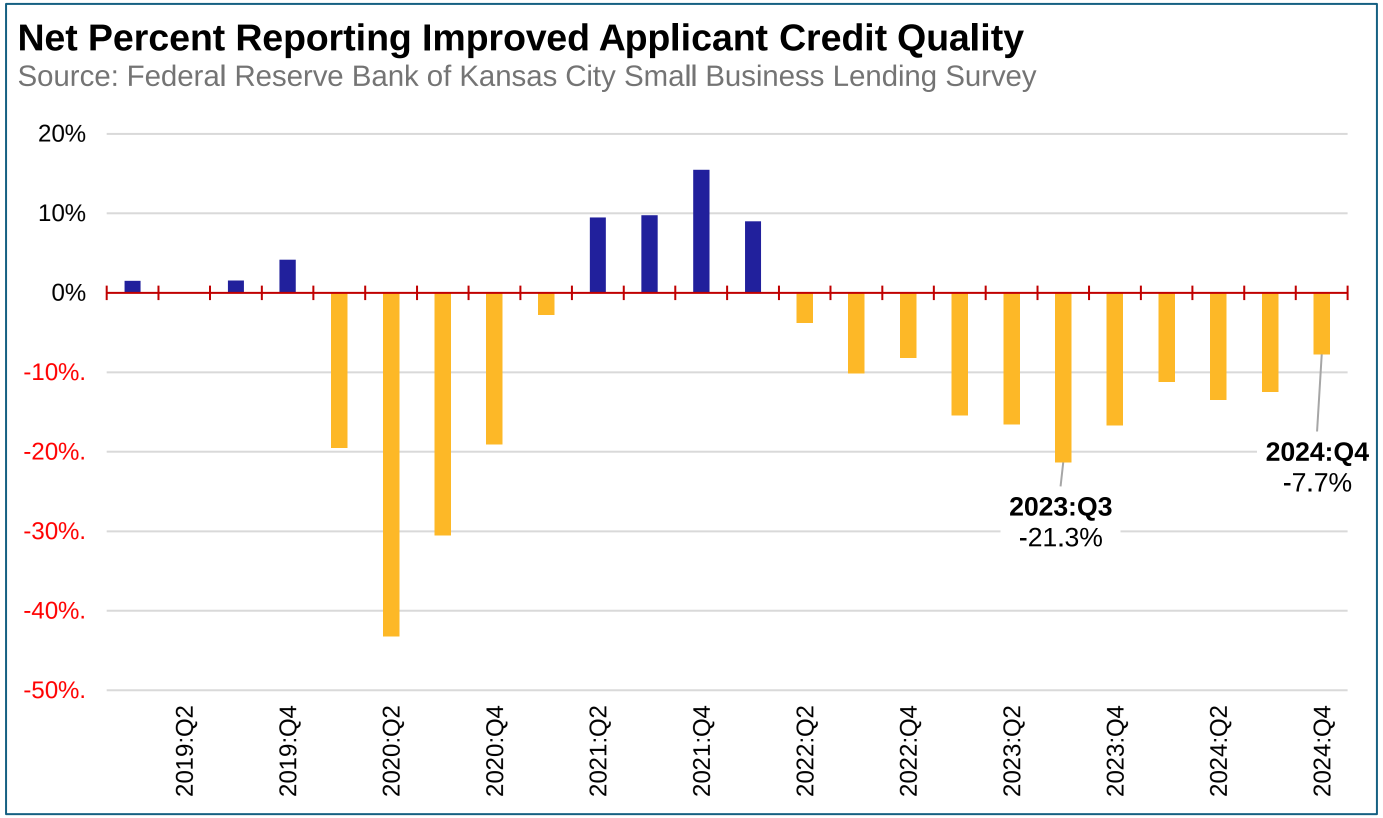

*NOTE: A previous version of this chart used "Total credit Line usage" (total balances/line amount).*

# Small Business: Credit Quality

- The net number of banks reporting improved applicant credit quality was negative for the eleventh consecutive quarter.

- Business owner debt-to-income and liquidity remain the most important reasons for these assessments.

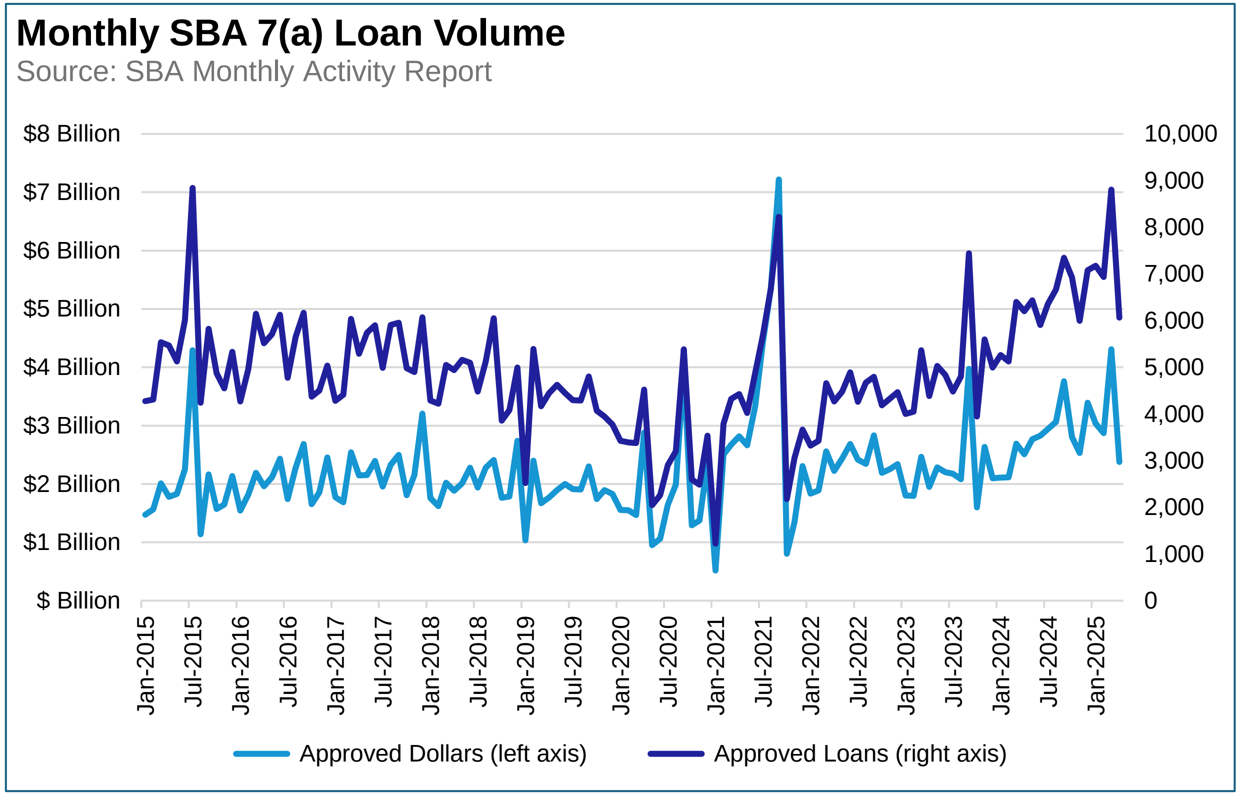
- As inflation and interest rates continued to decrease at the end of 2024, the number of banks reporting worse applicant quality has continued to decrease and from a high of 21 percent in 2023Q3 to 7.7 percent in 2024Q4.



# Small Business: SBA Lending

- The number and amount of approved SBA 7(a) loans decreased substantially in April after increasing dramatically since the pandemic. The number of approved loans fell by about a third from March to April.

- This follows additional data showing decreased demand correlating with trade and other economic uncertainty keeping small businesses in a “wait-and-see” mode before taking on additional debt and capital projects.



# Disclosure

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