



Q2 2026

Lending Conditions Chartbook

June 2026

Prepared by:

Joseph Mayans, Chief Economist

Josee Farmer, Senior Economic Analyst

The quarterly Lending Conditions Chartbook captures key trends important for the financial services industry. By bringing together Experian-only and external-market data sets on the economy, credit activity, lending standards, loan demand, originations, delinquency, and consumer sentiment, this report provides a broad view of what is happening in the credit environment.

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Macro backdrop

Charts on economic growth, labor market activity, spending and income data, consumer and business sentiment, inflation, and fed funds projection



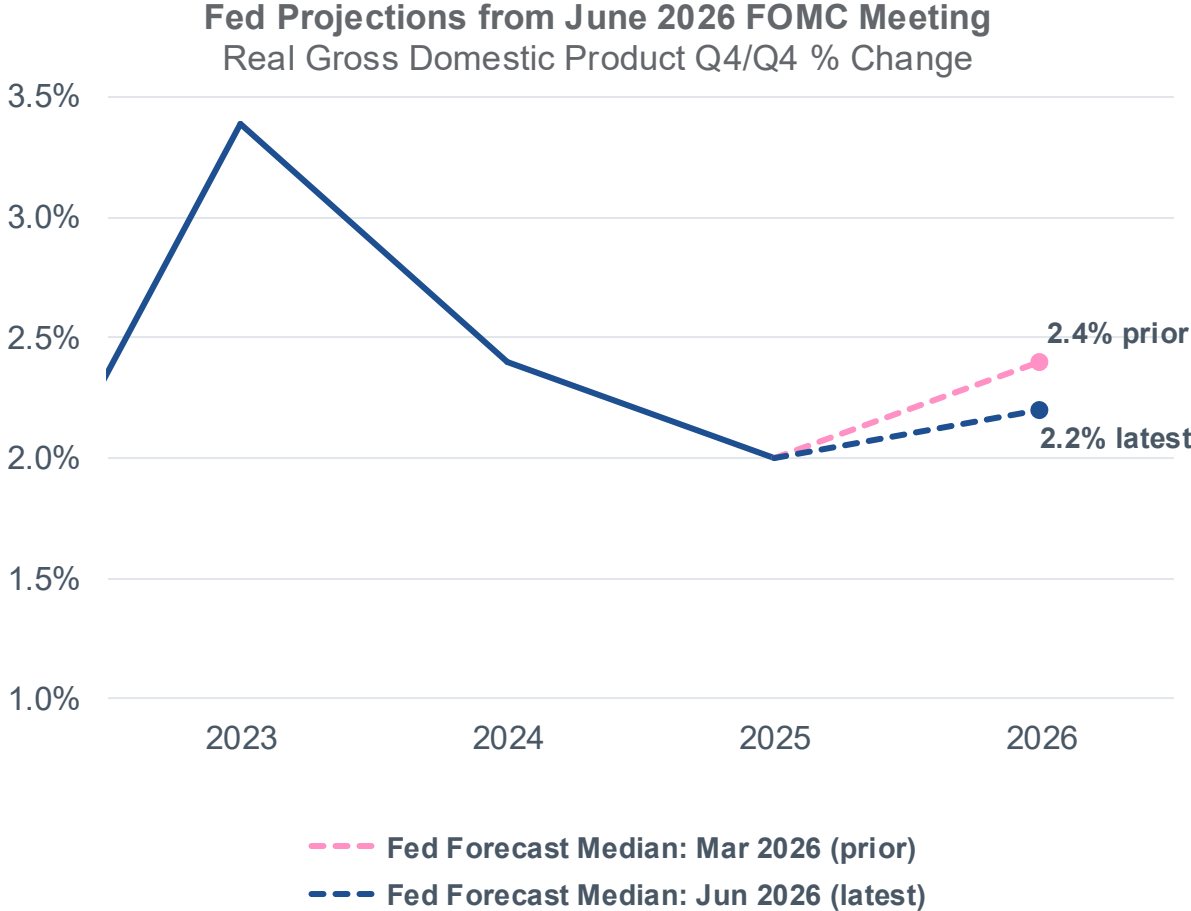
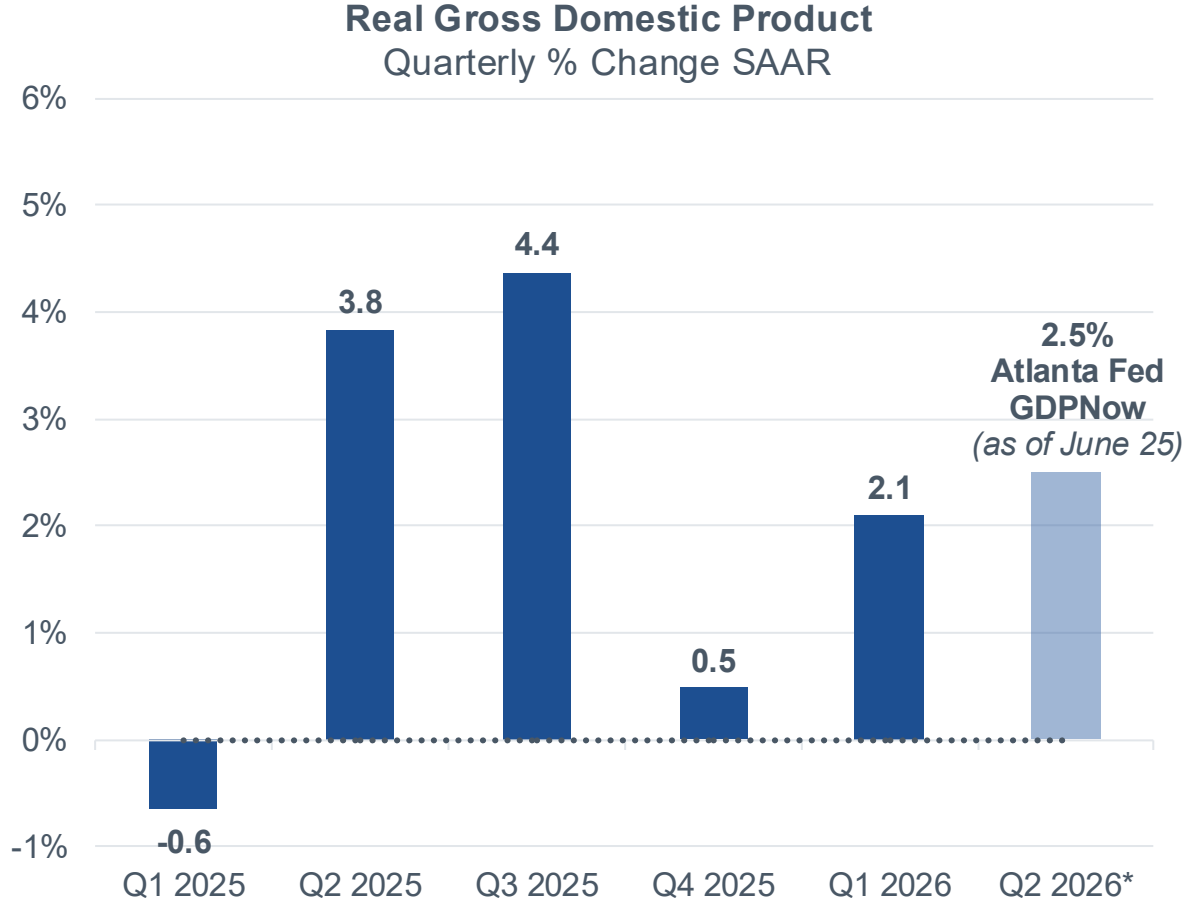
Key Takeaways: Macro Backdrop

- **The US economy continues to expand** as investment in the AI buildout continues and consumer spending (especially of higher-income households) remains resilient and supported by the wealth effect of strong equity market and home value gains. However, while many economists – including the Fed – see a positive growth outlook and low chance of recession, **there is reason to remain cautious as the narrow drivers of growth (AI investment and higher-income spend) leave the economy vulnerable if these dynamics fade.**
- At their June 2026 meeting, Fed officials slightly lowered their 2026 growth outlook from 2.4% to 2.2% but signaled a stronger labor market, lowering their year-end projection for unemployment from 4.4% to 4.3%. **The biggest changes to the outlook were the significant pickup in projected inflation** – driven by higher-energy prices due to the Iran war – **and the shift from *one 25 bp rate cut in 2026 to one 25 bp rate hike*.** The June meeting was the first for the new incoming Fed Chair, Kevin Warsh, and he announced **five new taskforces that may change how the Fed achieves its congressional remit** of maximum employment and stable prices.
- The **labor market accelerated in recent months** as job creation has outpaced expectations and layoffs remain low. However, employment growth in the core white collar sectors continues to struggle and unemployment is picking up among higher-educated workers. **The number of layoffs attributed to AI so far in 2026 has already eclipsed the combined total of the last three years.**
- While inflation has risen sharply – eclipsing wage gains - in response to higher energy prices, **the latest negotiations to end the Iran War have allowed the Strait of Hormuz to reopen and oil prices to return to near pre-war levels.**



Economic growth remains solid, outlook positive

— Fed officials slightly lower the growth outlook, but economy appears resilient to the shock of the Iran War



Sources: Bureau of Economic Analysis, Federal Reserve Summary of Economic Projections – June 2026, Experian Economic Strategy Group

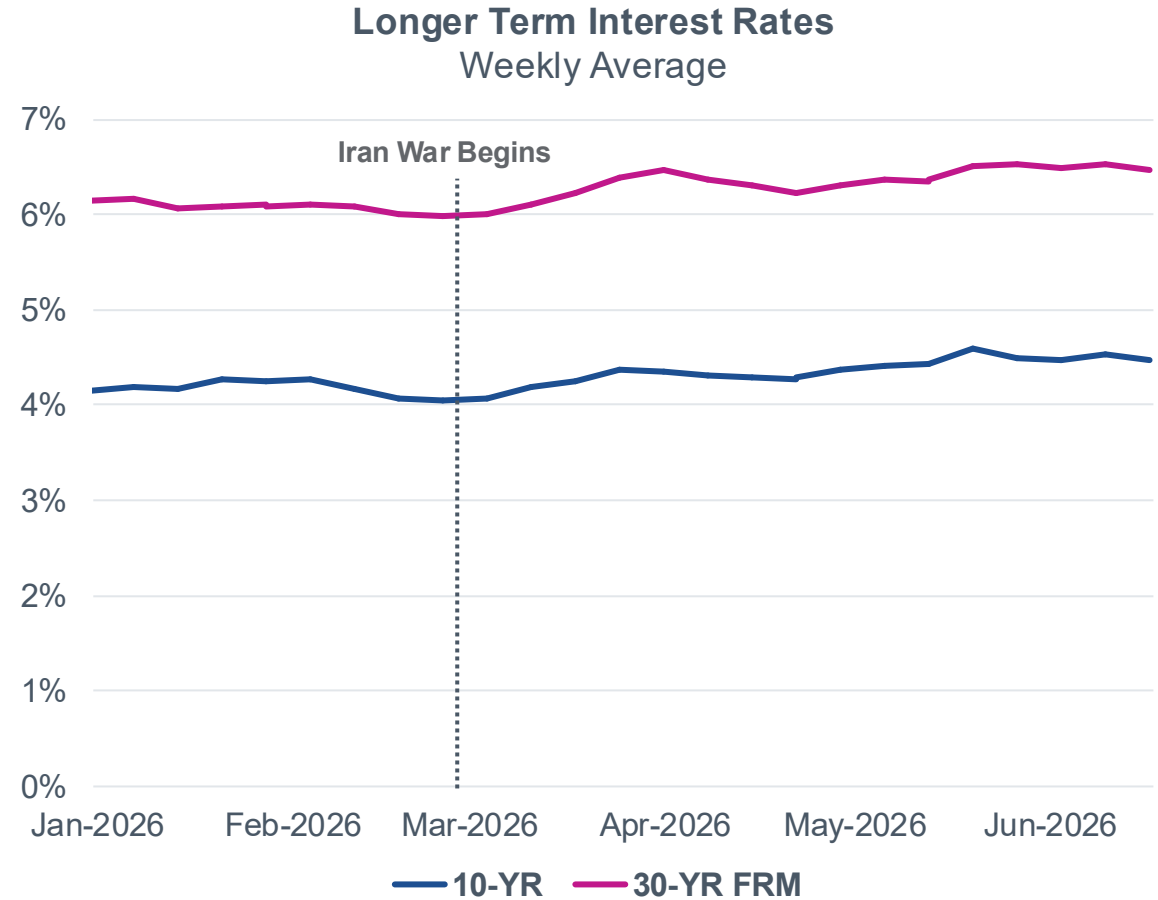
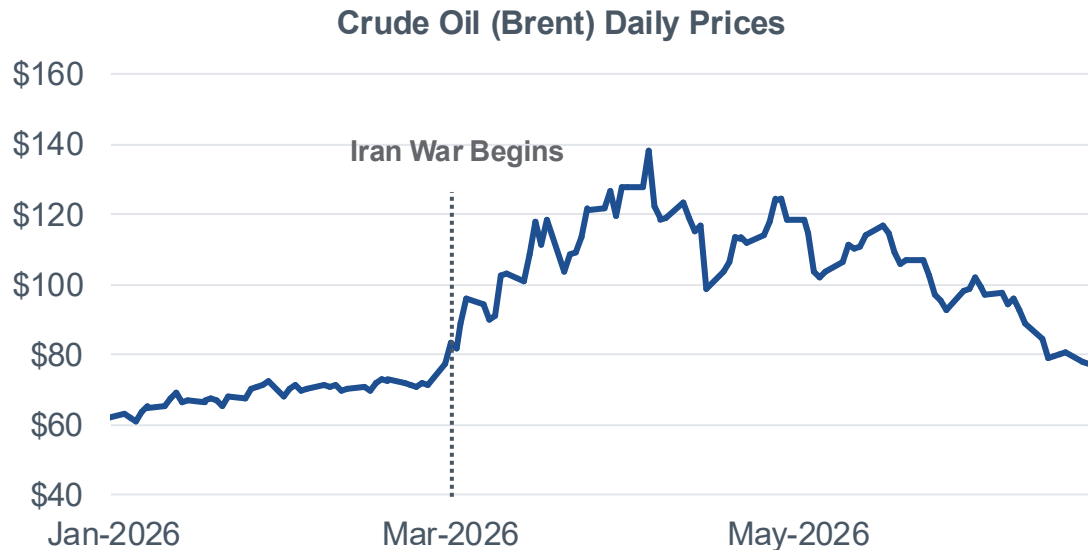


Oil prices drop as negotiations to end war begin

— However, longer term rates have only improved slightly

Strait of Hormuz to reopen, U.S. to lift Iran sanctions under 14-point deal seeking to end Iran war

The interim agreement declares an intent to bring about an “immediate and permanent termination of military operations” in the U.S.-Israeli war with Iran.

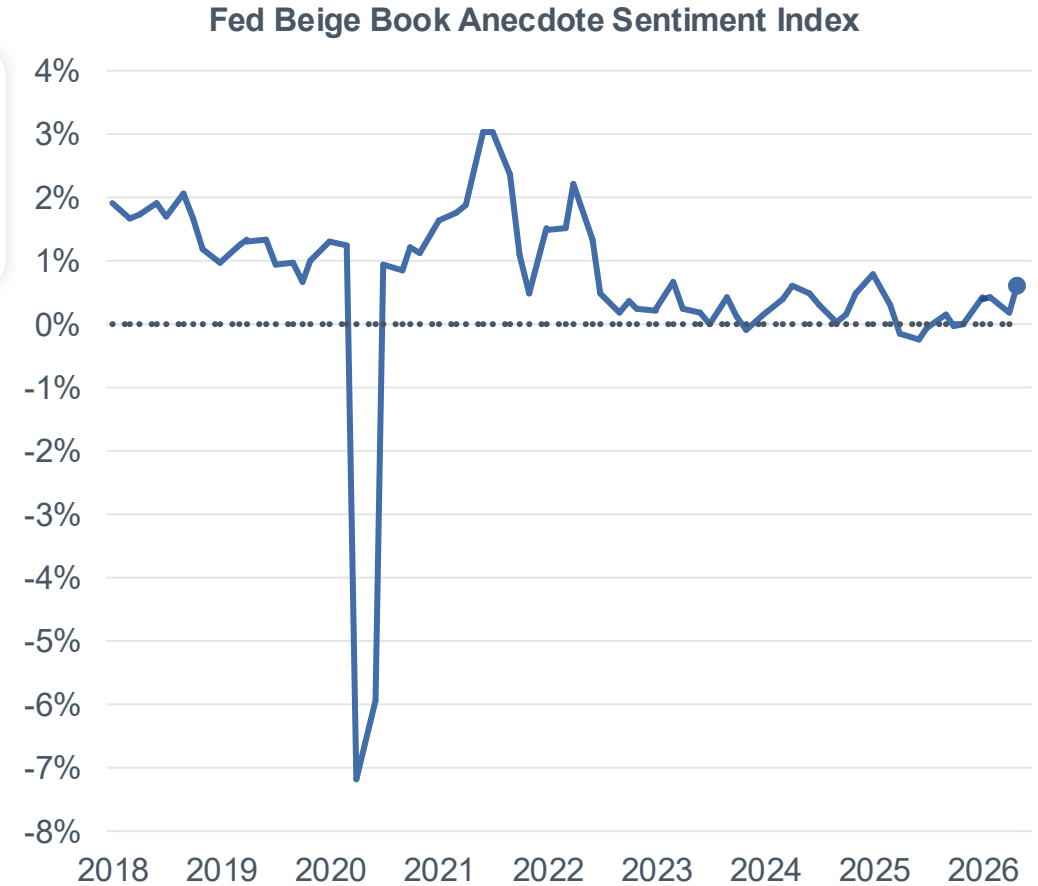
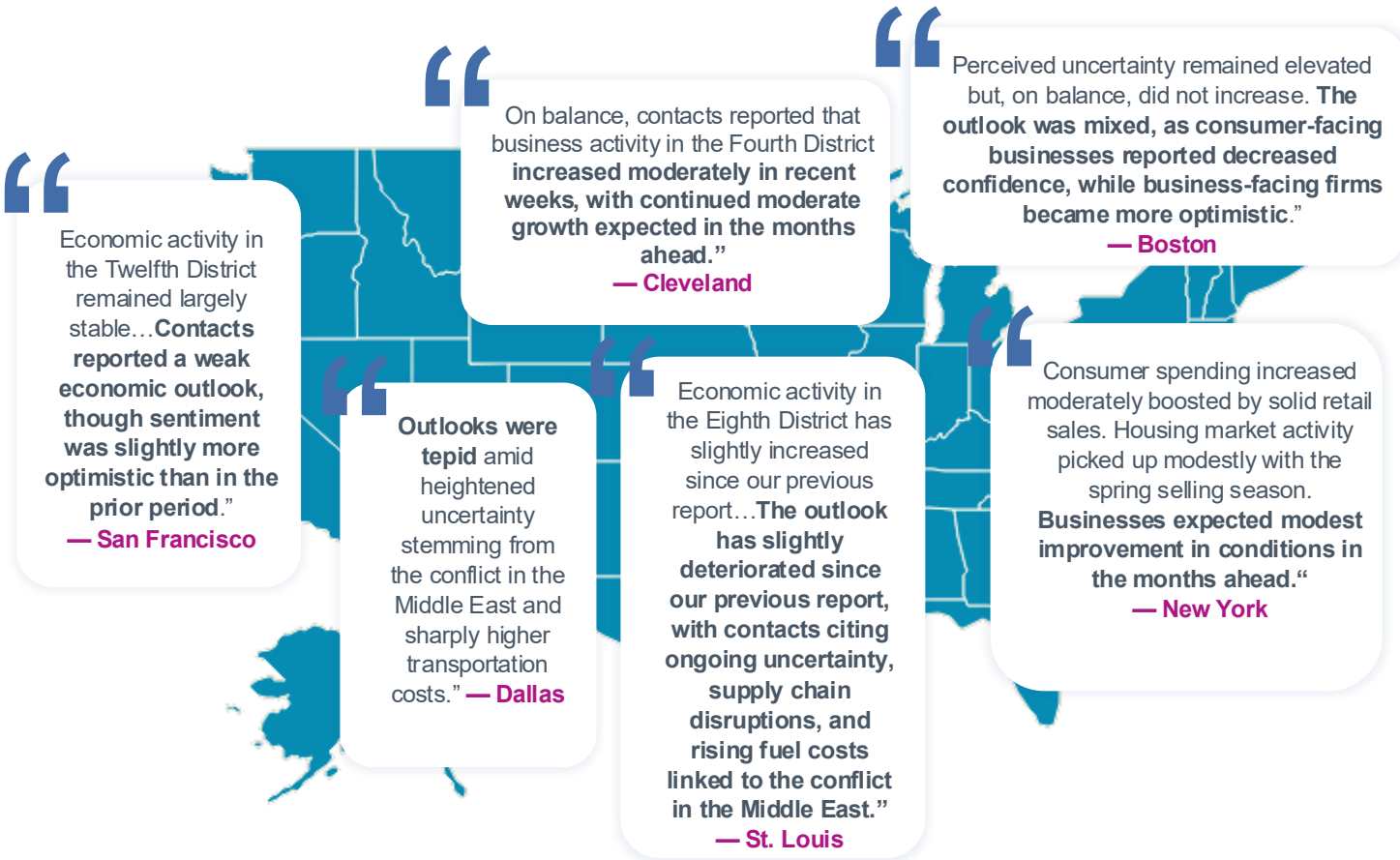


Sources: US Energy Information Administration, Federal Reserve, Freddie Mac, NBC News, and Experian Economic Strategy Group



Anecdotes signal solid economic activity, mixed views of outlook

— Our Beige Book Anecdote Sentiment Index showing continued improvement since start of year

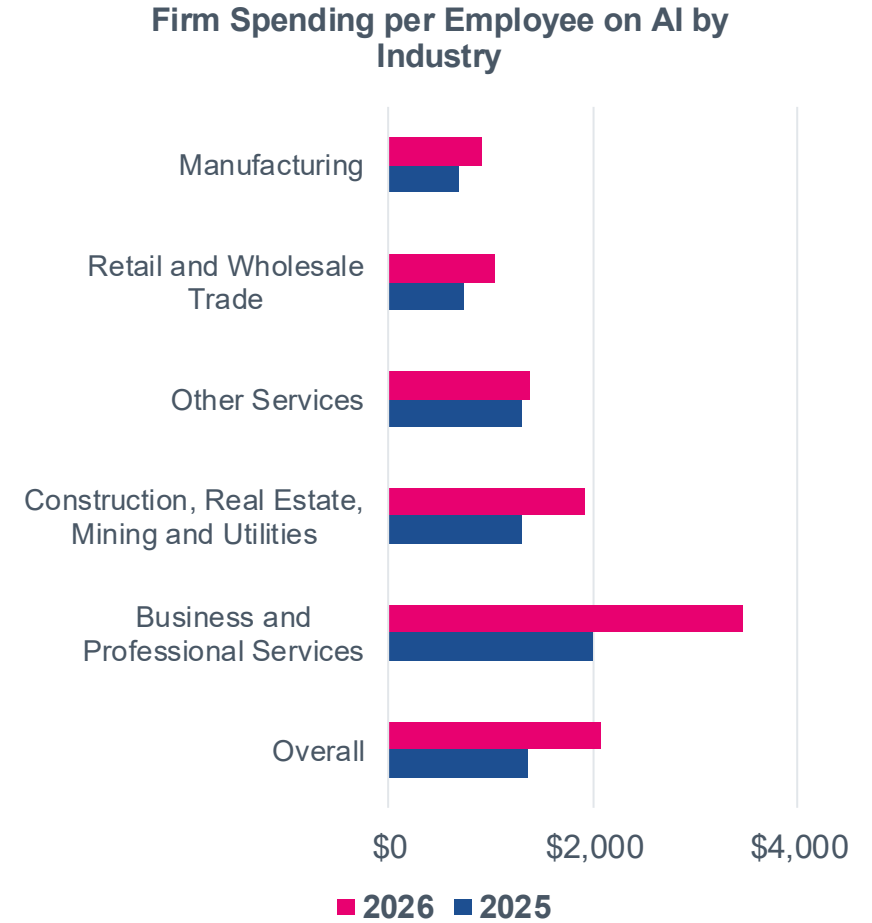
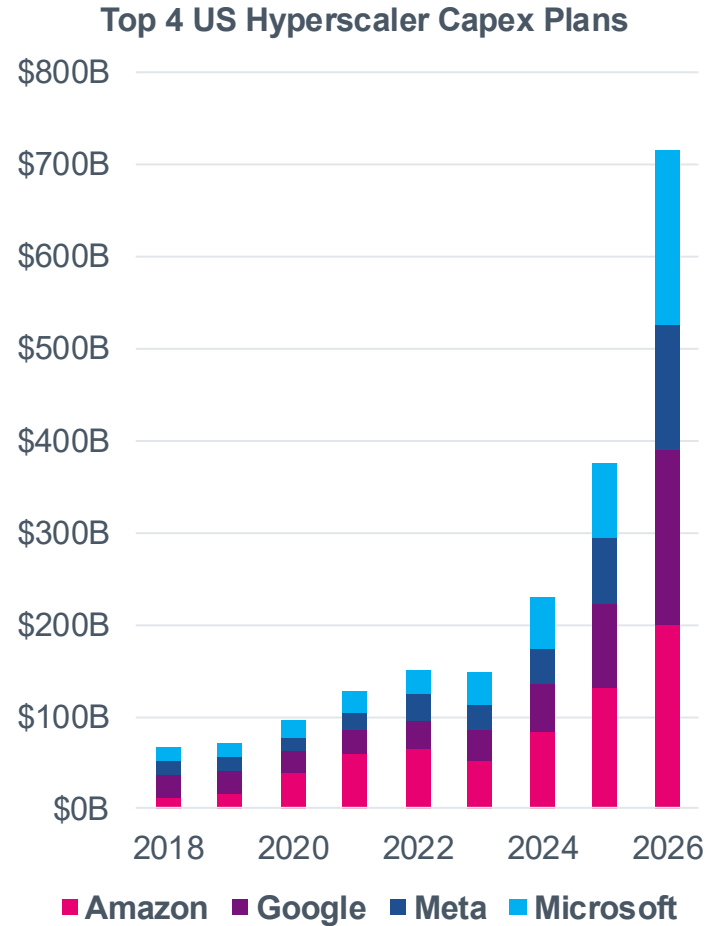


Sources: Federal Reserve May 2026 Beige Book and Experian Economic Strategy Group



AI infrastructure and investment continues to drive economy

— Because AI remains a key driver, any trend that threatens this dynamic bears watching closely

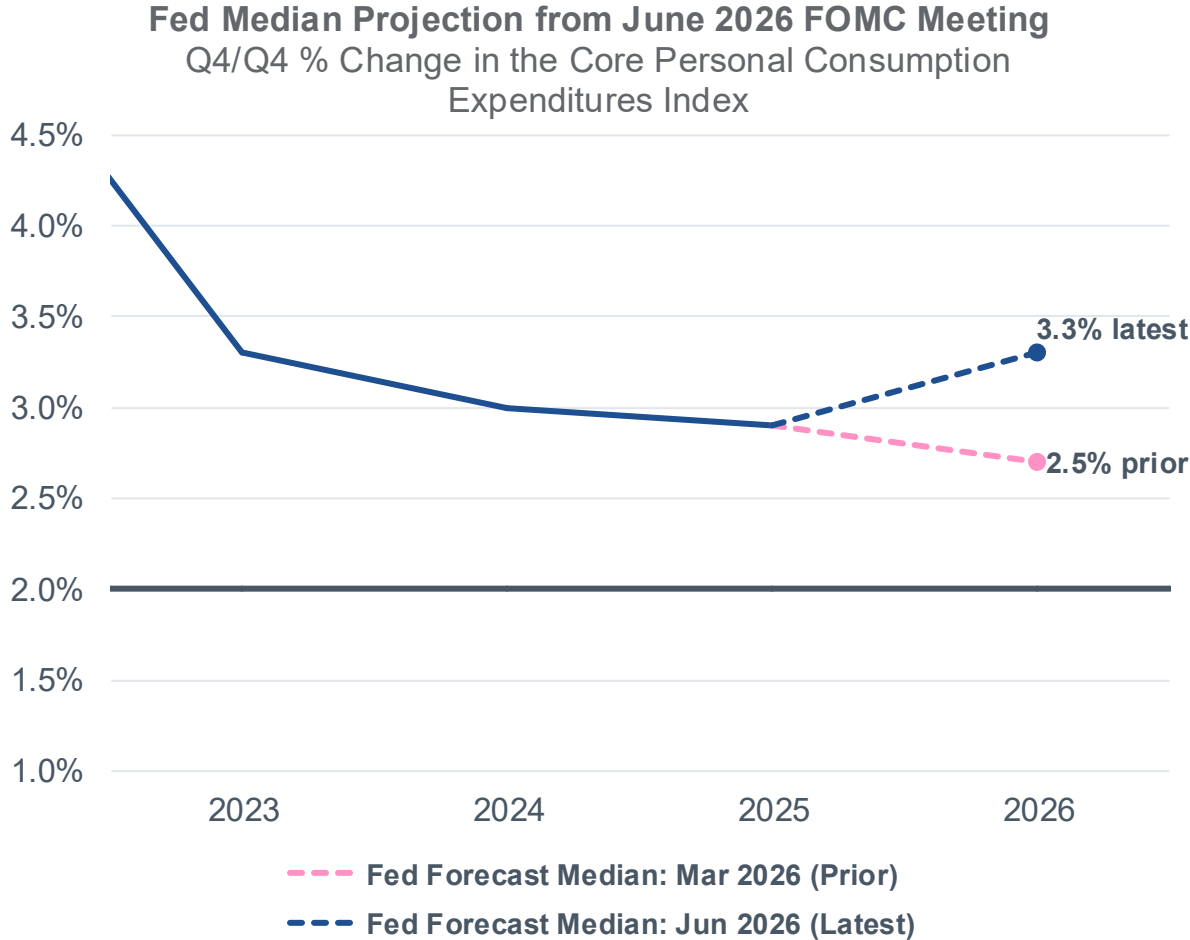
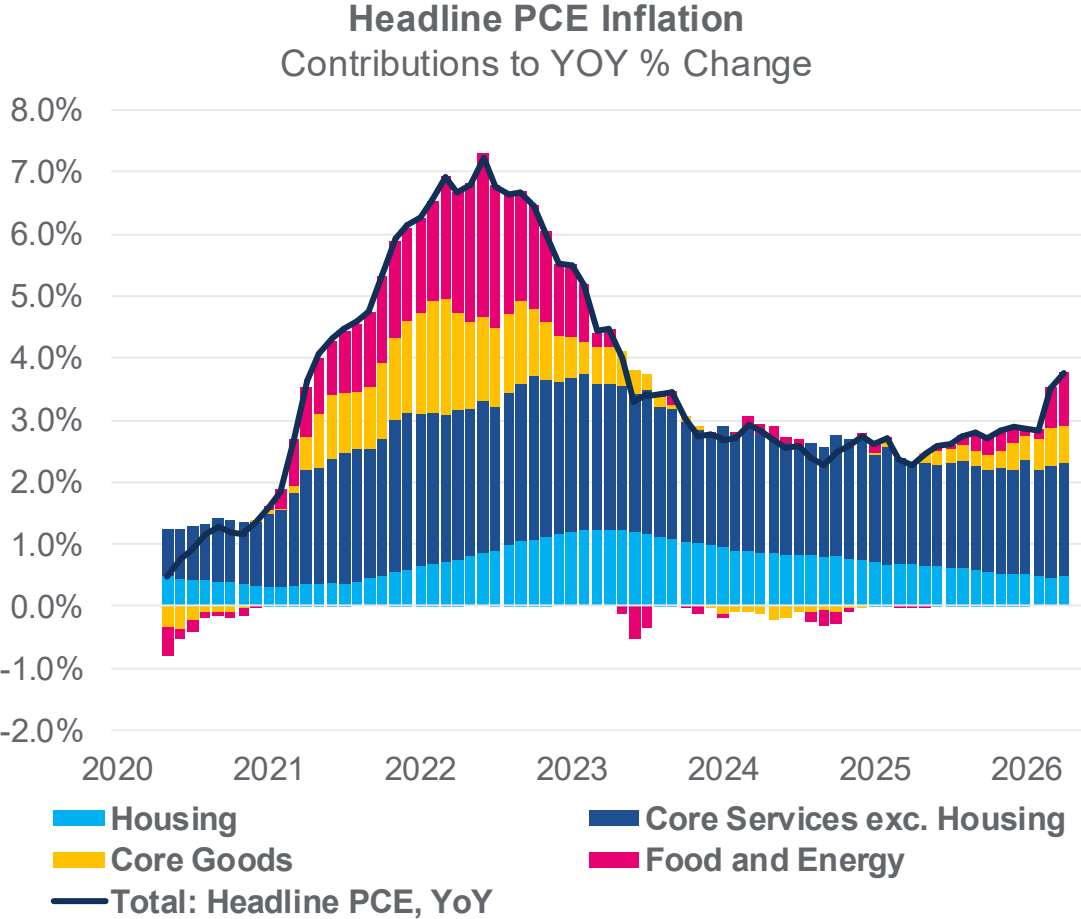


Sources: Bureau of Economic Analysis, Bloomberg and Corporate Earnings, Federal Reserve Bank of Atlanta, and Experian Economic Strategy Group



Iran war has pushed inflation even higher above Fed's target

— Fed officials lift inflation forecast and reiterated their stance to bring it down

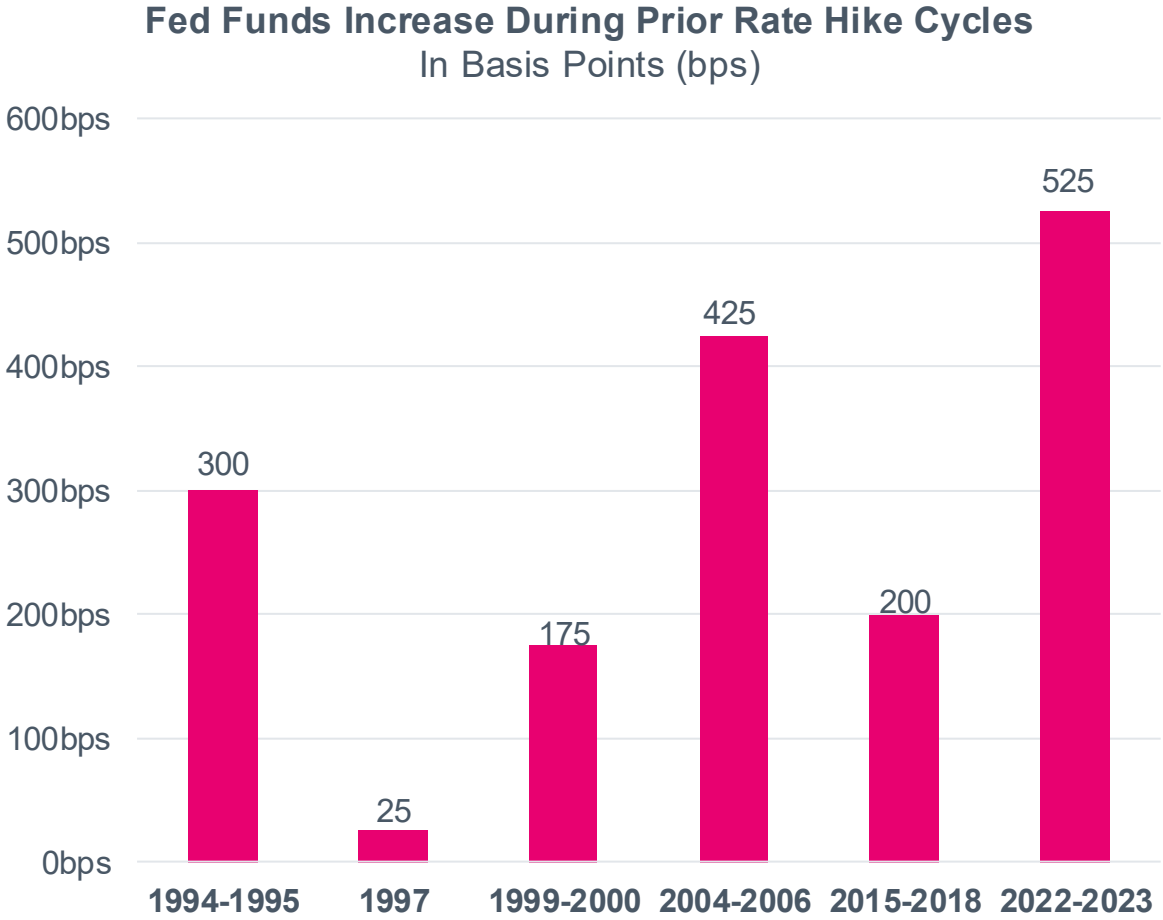
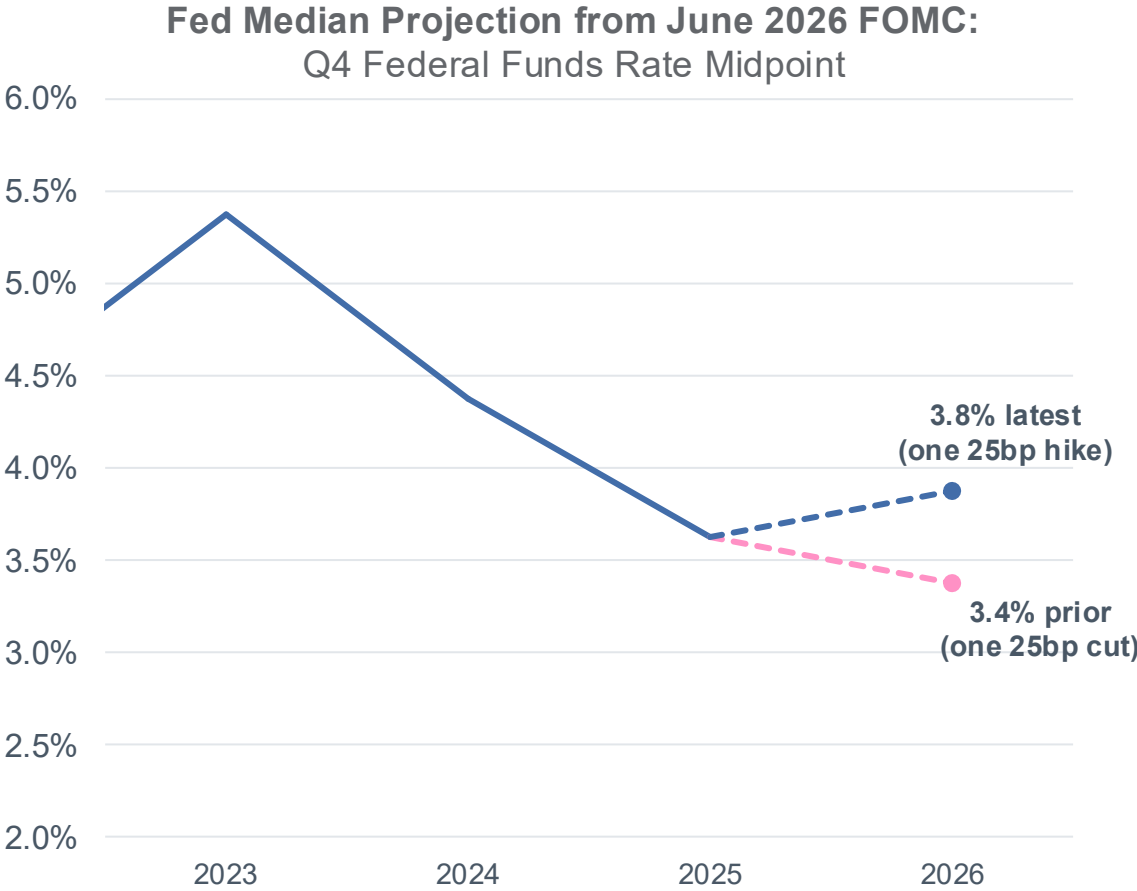


Sources: Federal Reserve Summary of Economic Projections – June 2026, Bureau of Economic Analysis, Federal Reserve Bank of San Francisco, and Experian Economic Strategy Group



Fed officials pivot and pencil in one 25bp rate hike in 2026

— However, history shows, *if the Fed raises rates, they rarely hike only once*



Sources: Federal Reserve Summary of Economic Projections – June 2026, Federal Reserve, and Experian Economic Strategy Group



New Fed Chair Kevin Warsh launches 5 new taskforces

— Taskforce conclusions could meaningfully change how the Fed approaches its congressional remit

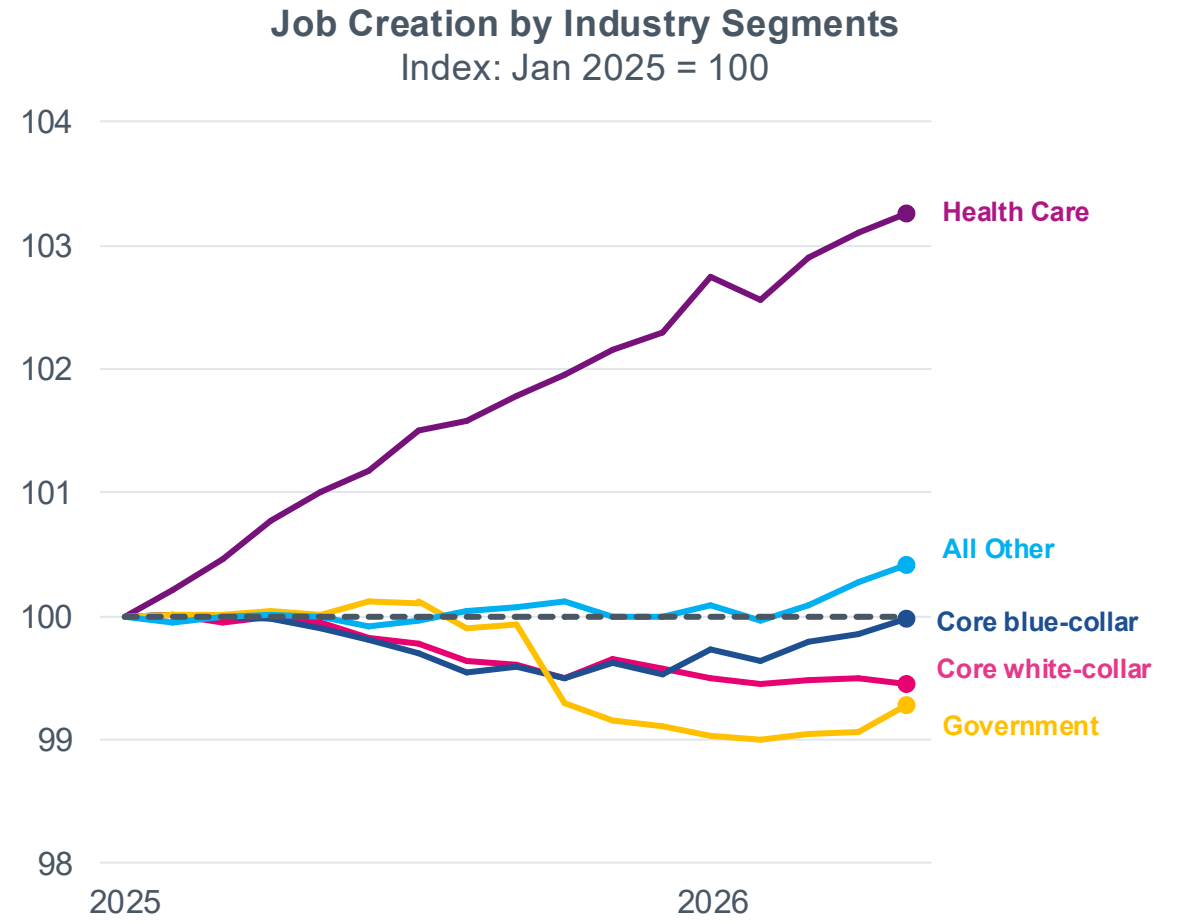
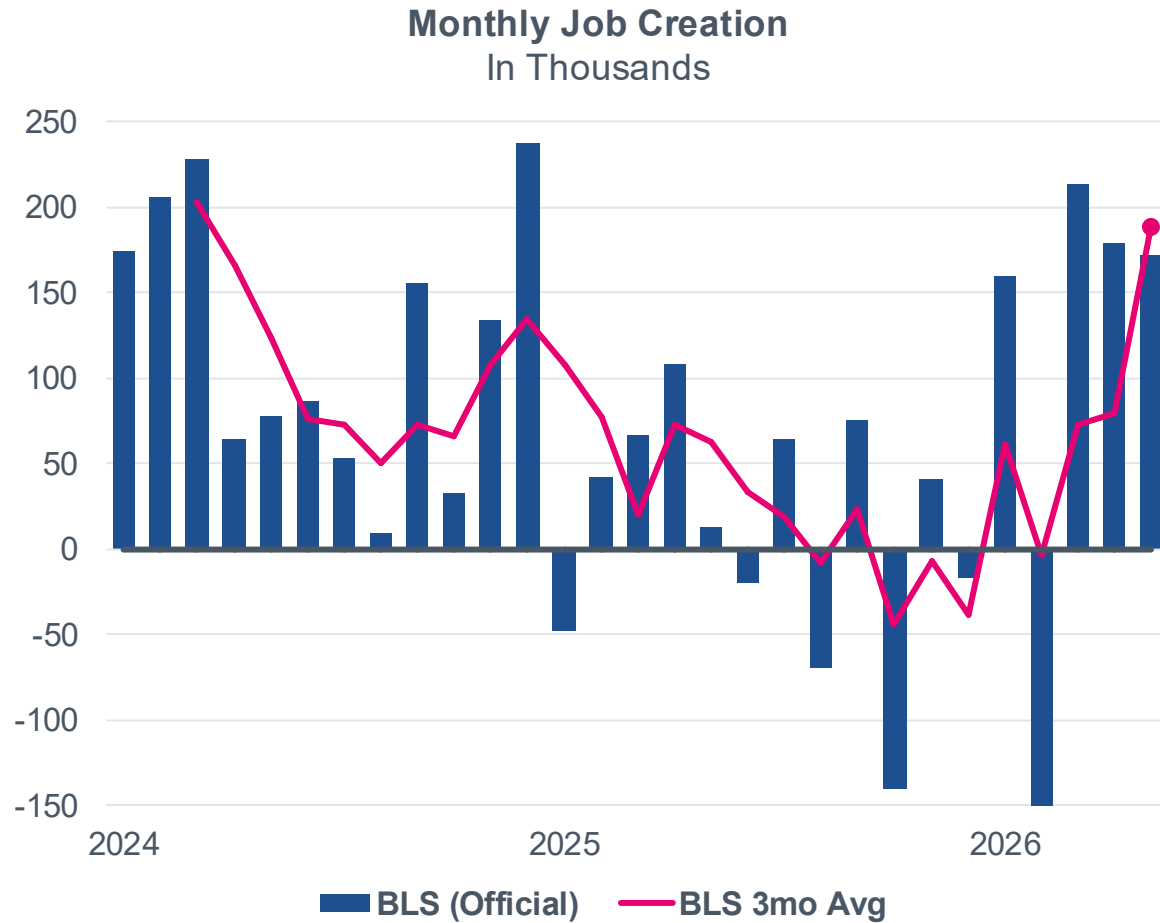


Sources: Federal Reserve June 2026 FOMC Press Conference Transcript and Experian Economic Strategy Group



Job creation has picked up solidly in recent months

— However, employment gains have been narrow and white-collar industries continue to struggle



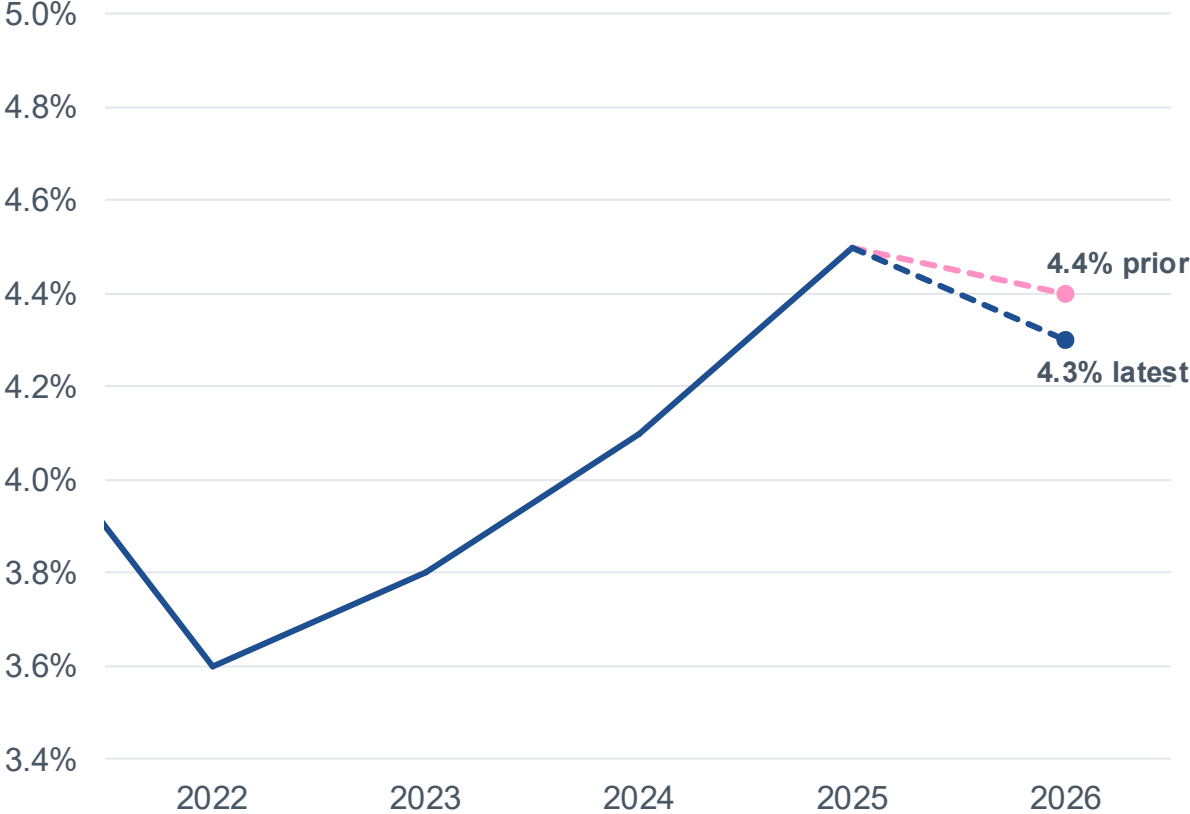
Sources: Bureau of Labor Statistics (Core White Collar – Professional and Business Services, Financial Activities, and Information, Core Blue Collar – Manufacturing, Construction, and Mining and Logging) and Experian Economic Strategy Group



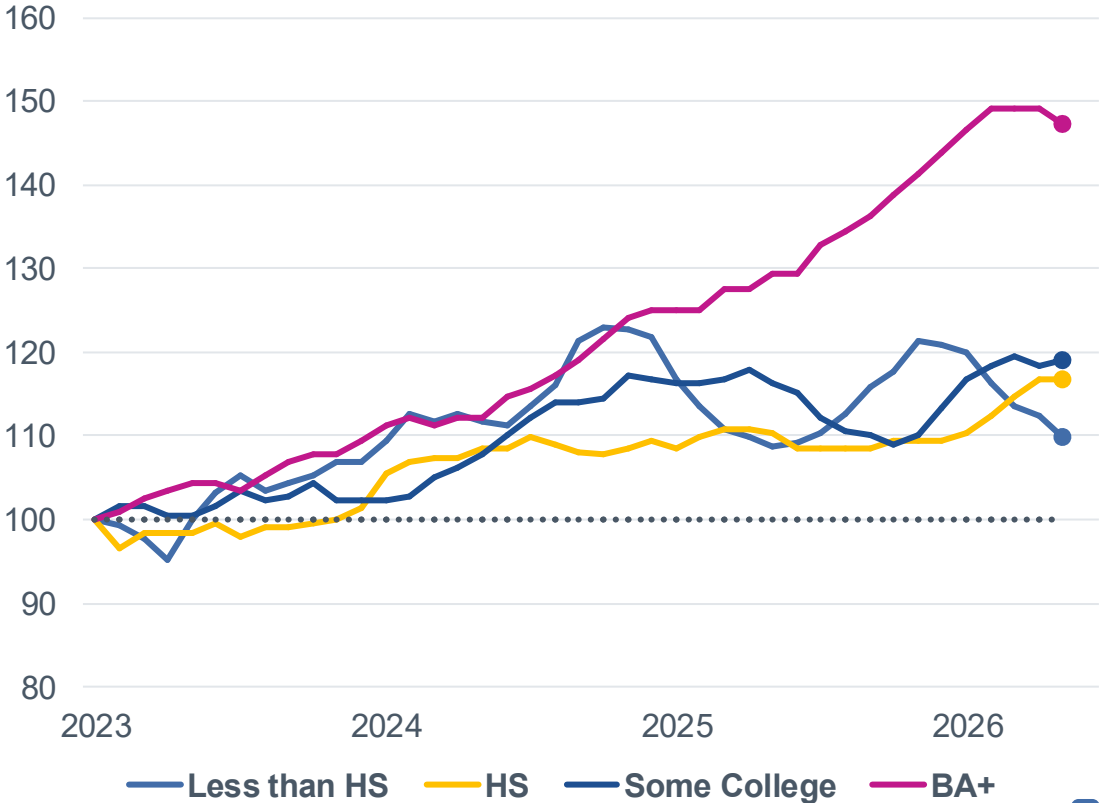
Fed officials continue to project low unemployment

— However, the mix of unemployment is shifting as higher-educated workers struggle

Fed Median Projection from June 2026 FOMC
Unemployment Q4 Average



Increase in Unemployment Rate (6-MMA) by Education (Ages 25+)
Index: Jan 2023 = 100

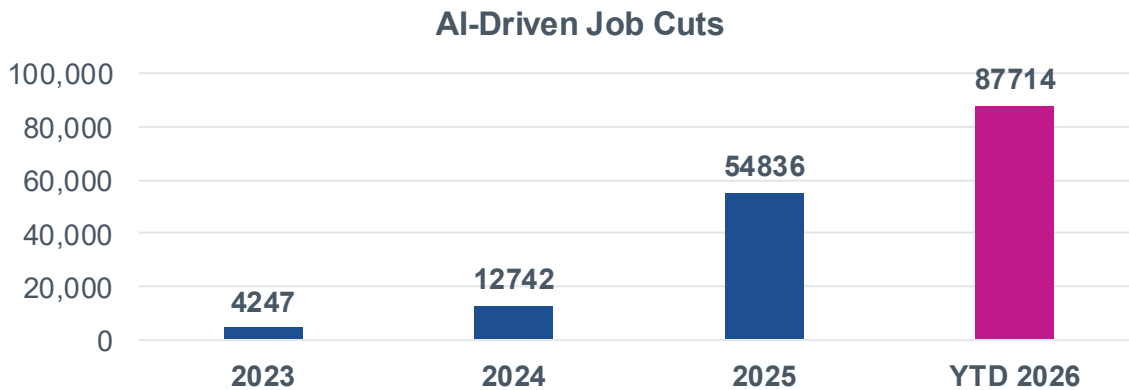
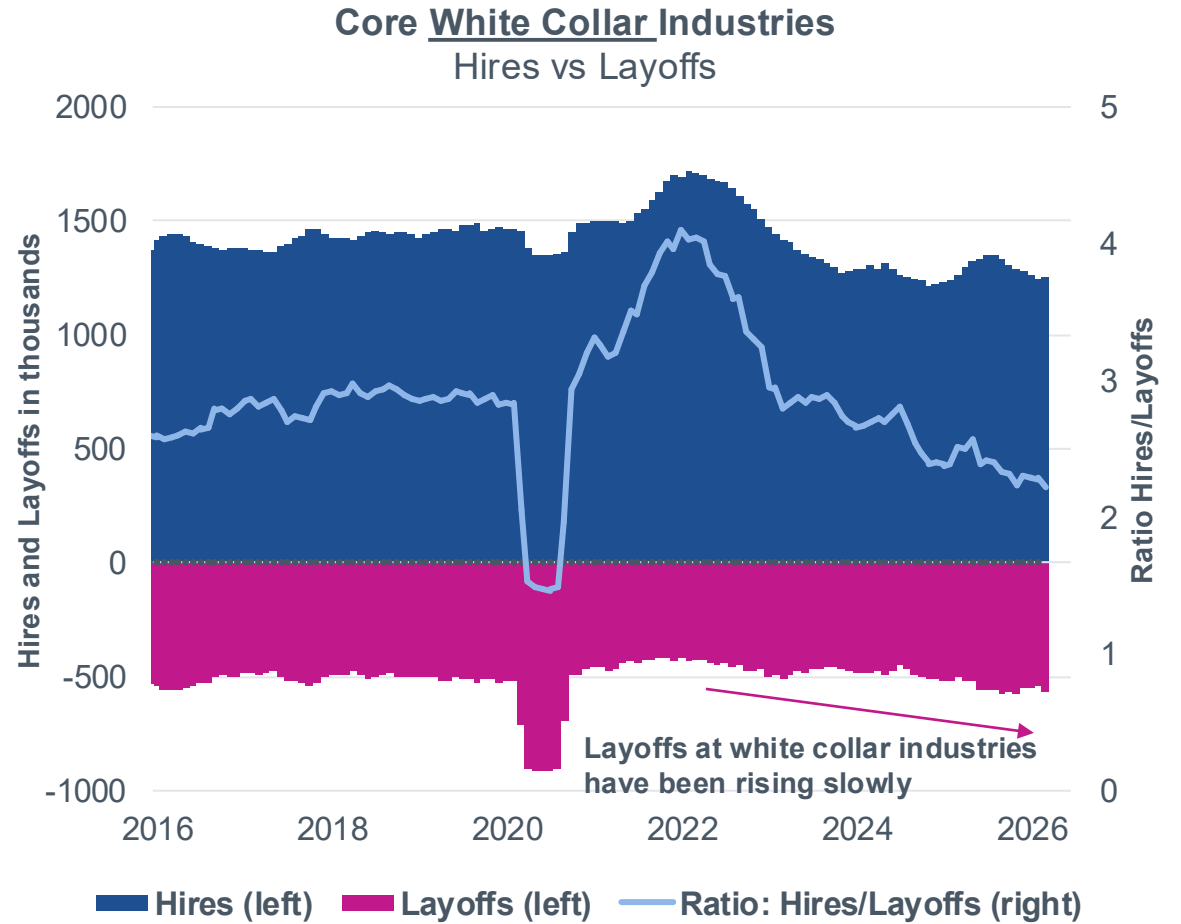
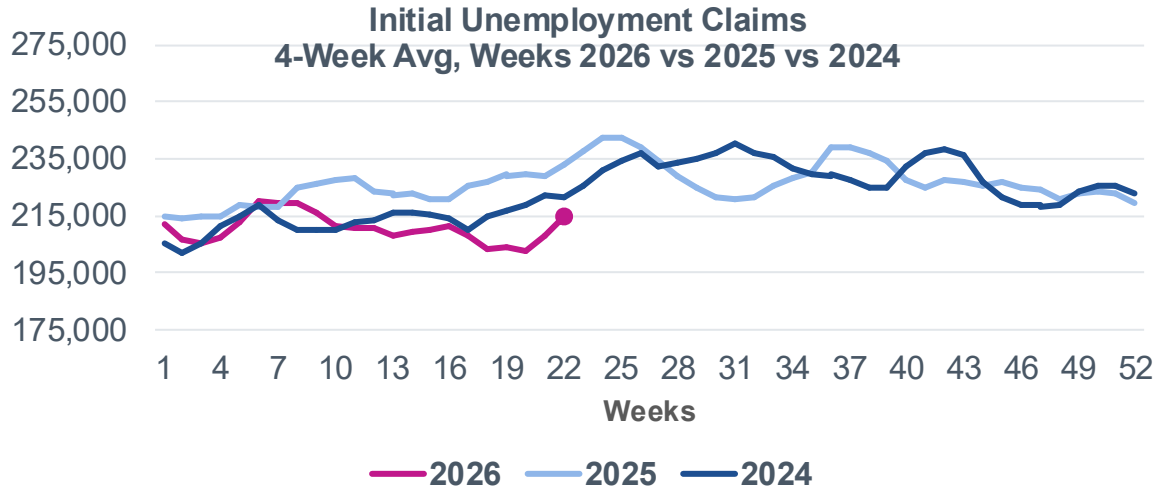


Sources: Federal Reserve Summary of Economic Projections – June 2026, Bureau of Labor Statistics, and Experian Economic Strategy Group



Overall layoffs remain low but AI playing a bigger role in job cuts

— Slow but steady layoffs in white-collar industries since late 2022



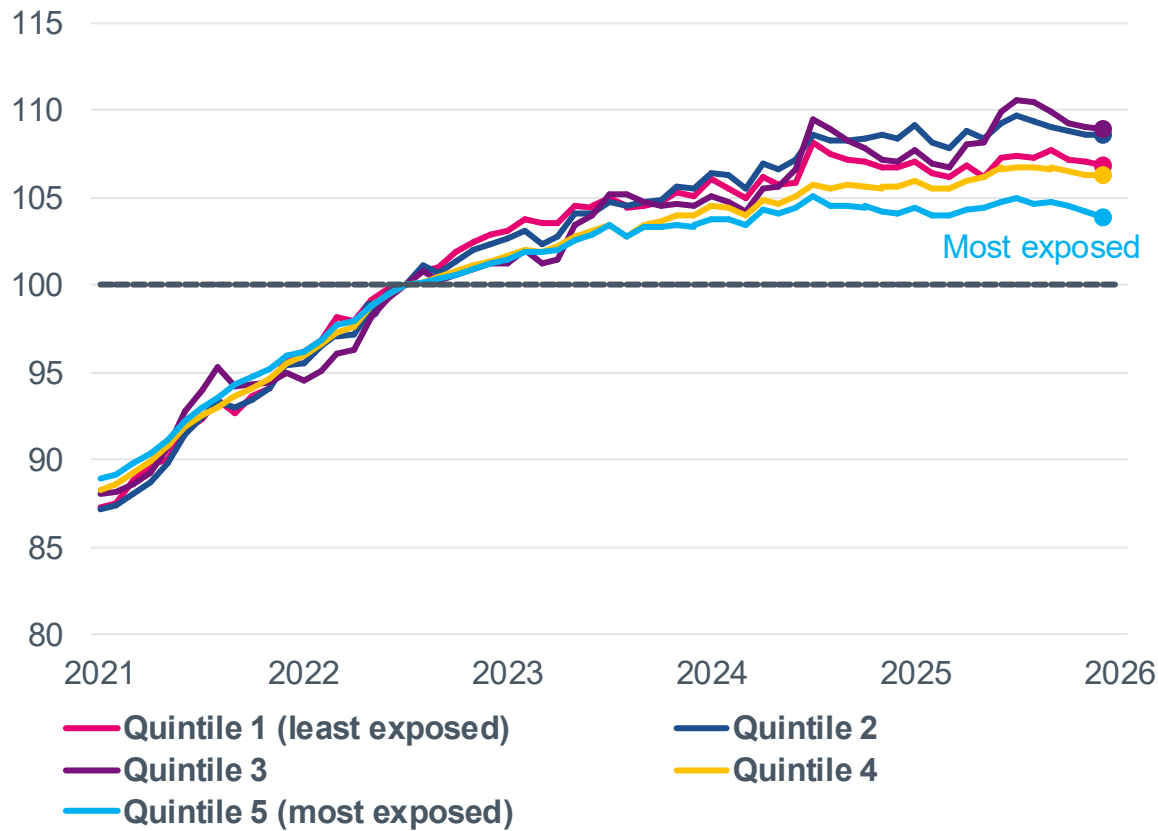
Sources: Department of Labor, Challenger, Gray & Christmas, Bureau of Labor Statistics (JOLTS: Core White Collar – Professional and Business Services, Financial Activities, and Information) and Experian Economic Strategy Group



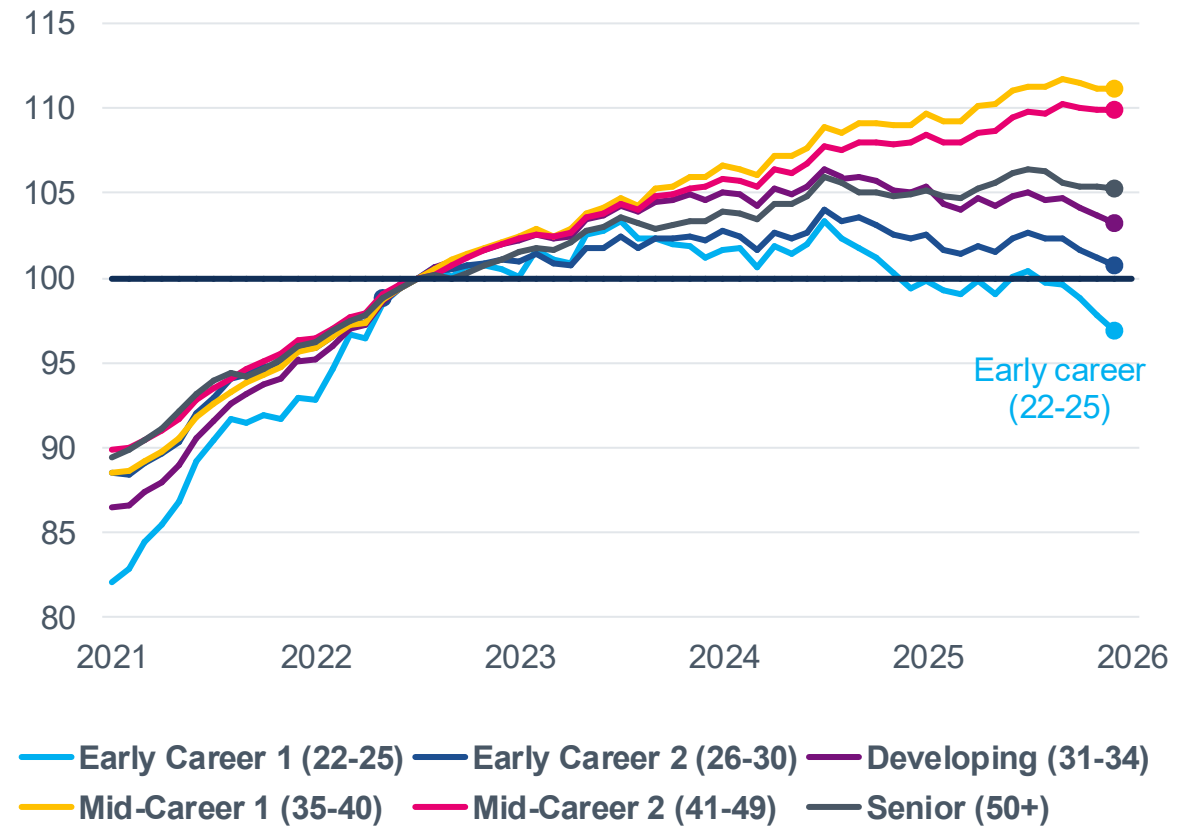
Job gains muted among workers in high-AI-exposed roles

— Early career workers also seeing the biggest impact

Employment by AI Exposure
Index: Nov 2022 (ChatGPT Launch) = 100



Employment by Age Group/Career Stage
Index: Nov 2022 (ChatGPT Launch) = 100



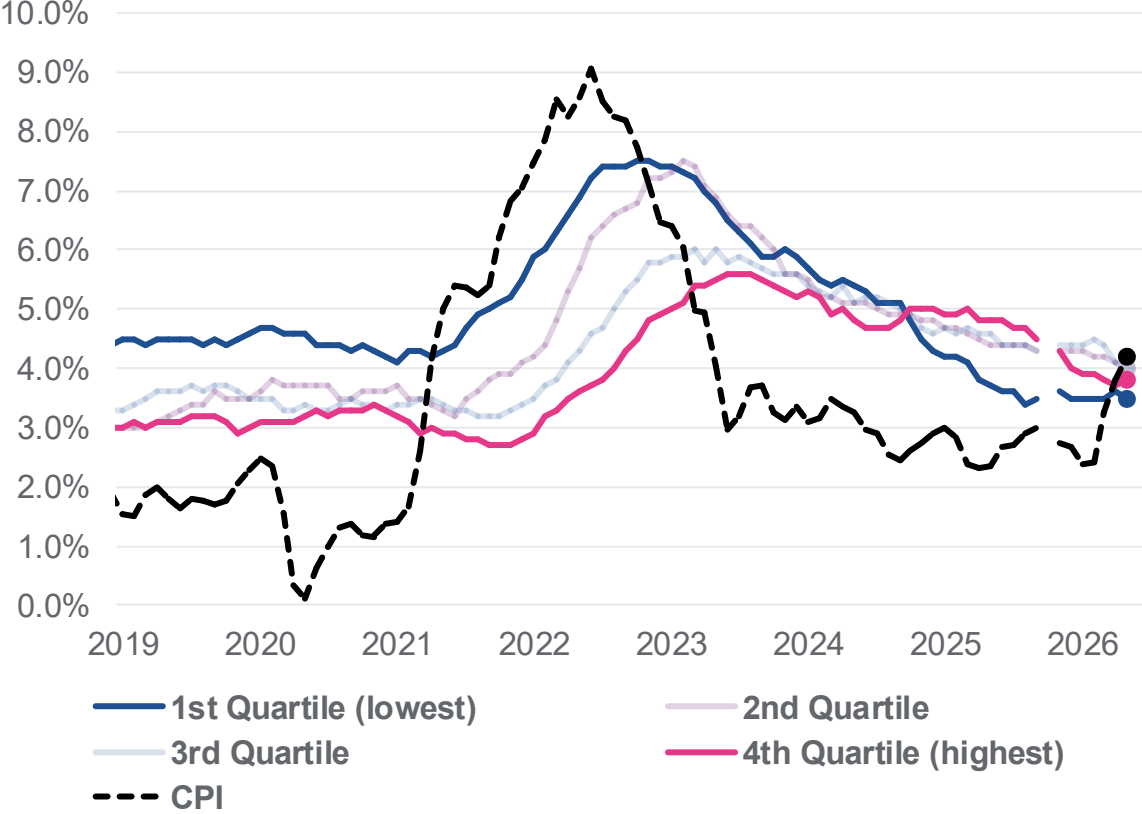
Sources: Stanford Digital Economy Lab (AI Economic Indicators - Canaries Dashboard) and Experian Economic Strategy Group



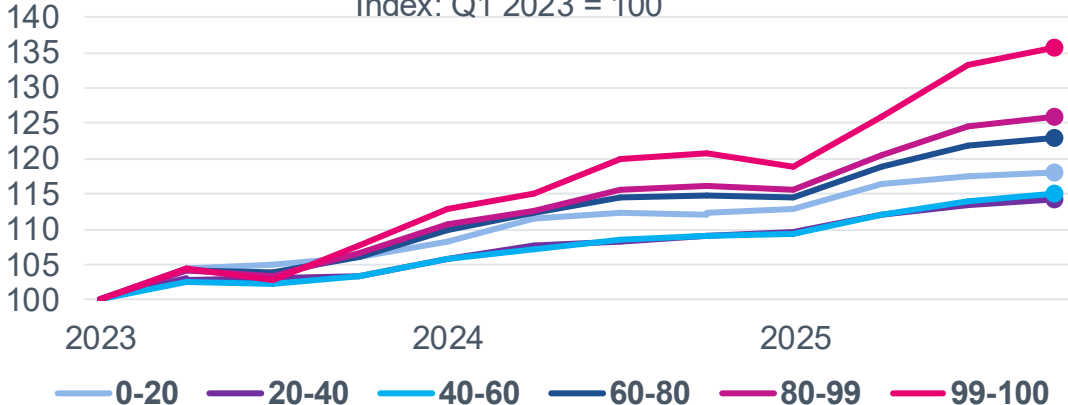
Inflation has eclipsed wage growth in recent months

— Households still supported by higher net worth and liquid assets

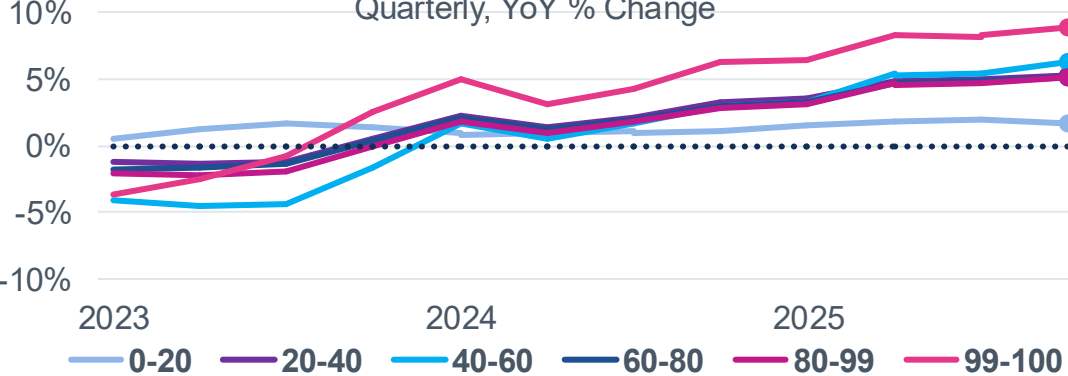
Wage Growth by Wage Level vs Inflation:
12-Month Average Median Wage Growth



Household Net Worth by Income Percentile
Index: Q1 2023 = 100



Liquid Assets by Income
Quarterly, YoY % Change

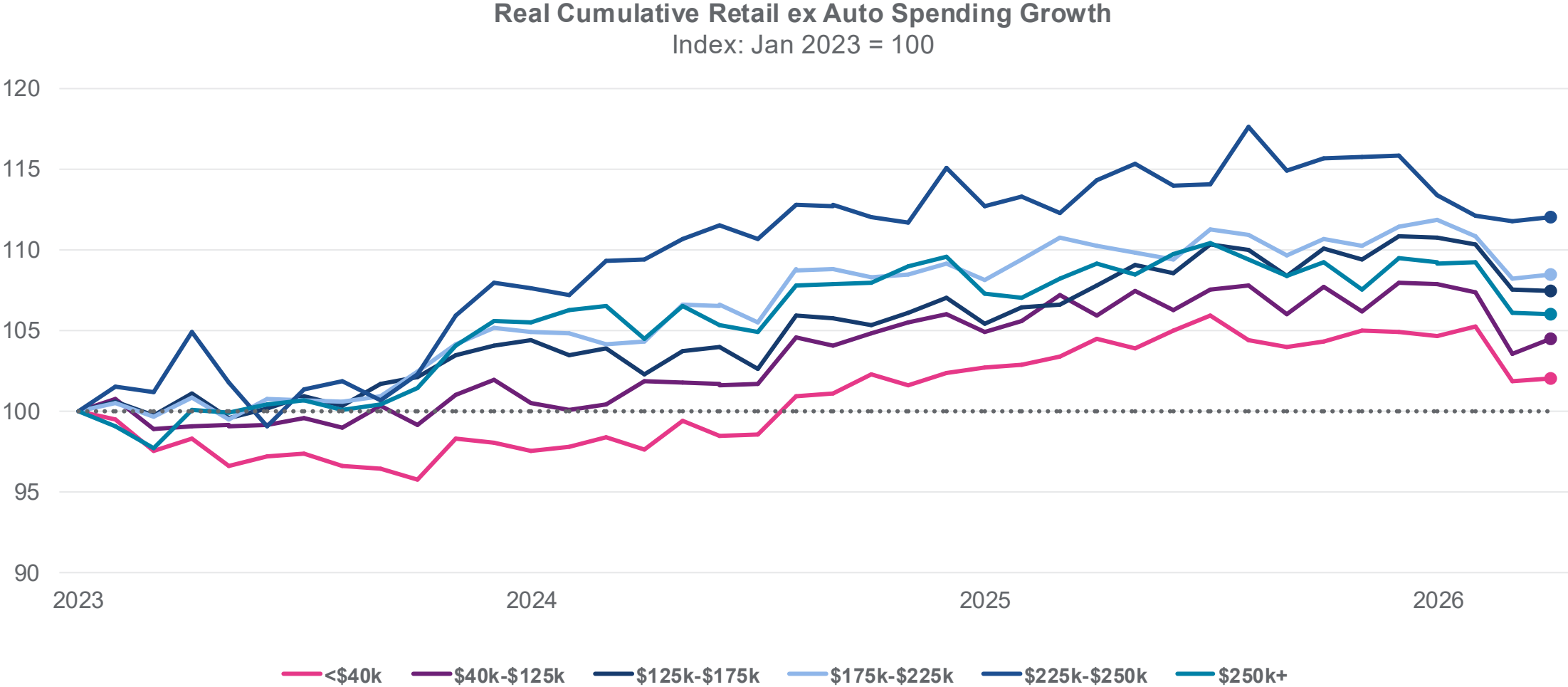


Sources: Federal Reserve Bank of Atlanta, Federal Reserve, and Experian Economic Strategy Group



Higher-income households continue to drive spending

— Real spending slowed due to the war’s inflationary impact, but consumers still appear resilient



Sources: Federal Reserve Bank of New York, Numerator Consumer Spending Data, and Experian Economic Strategy Group



A man and a woman in business attire are standing in an office hallway, smiling and talking. The man is on the left, wearing glasses and a light blue shirt. The woman is on the right, wearing a light blue shirt and a grey skirt, holding a tablet. The background is a blurred office environment with blue lighting.

Lending Activity Overview

Charts on bank lending standards and credit demand, bank and credit union lending, Experian origination data by product, score and state, delinquency



Key Takeaways: Credit Backdrop

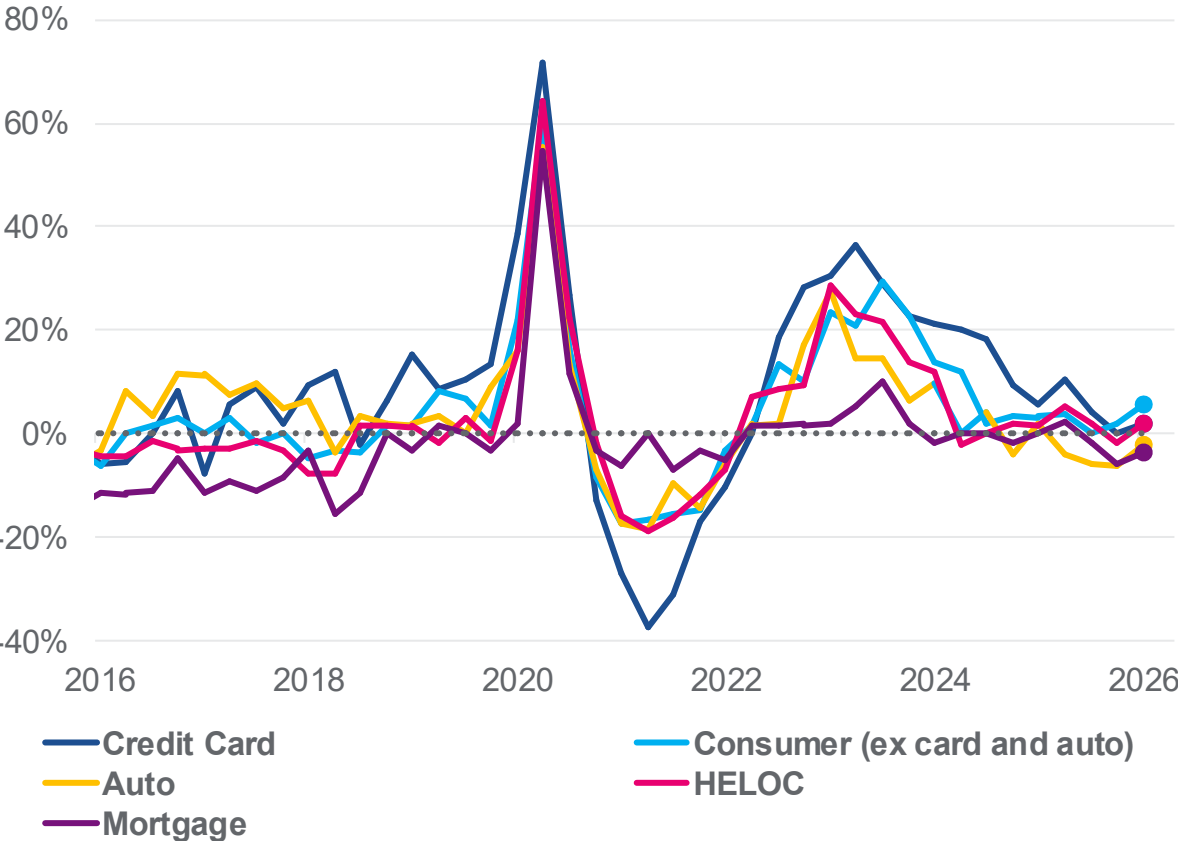
- **The lending environment appears on stable footing despite the Iran War and its impact on inflation and consumer stress.** While lenders have become more cautious in recent months and interest rate sensitive areas like housing are still struggling, the overall market remains poised for continued (though perhaps more moderate) growth.
- **In Q1, a slight number of lenders tightened lending standards for credit cards, consumer loans, and HELOCs, while standards continued to ease modestly for autos and mortgage loans.** Reported consumer demand generally remained soft with only HELOC and mortgage seeing a small net pickup. Overall, consumers still see a relatively tight credit market.
- **Total origination activity rose 5% year-over-year as of May 2026 - the softest pace of growth in nine months.** Overall, across market segments, the strongest origination growth was seen in credit cards (+16% yoy), among subprime borrowers (+11% yoy), among the Gen Z generation (+16% yoy) and at large regional banks (+11% yoy).
- **Consumer stress appears relatively stable/improving with delinquency declining across products.** In May, 30+DPD delinquency was down year-over-year for credit card, unsecured personal loan, auto, HELOC, mortgage, and was flat for auto. And despite recent headlines, late-stage delinquency (90-119 DPD) is improving, notably so for credit card and unsecured personal loan. One area to watch is mid-stage delinquency (60-89DPD) that has risen the most year-over-year for Prime borrowers.



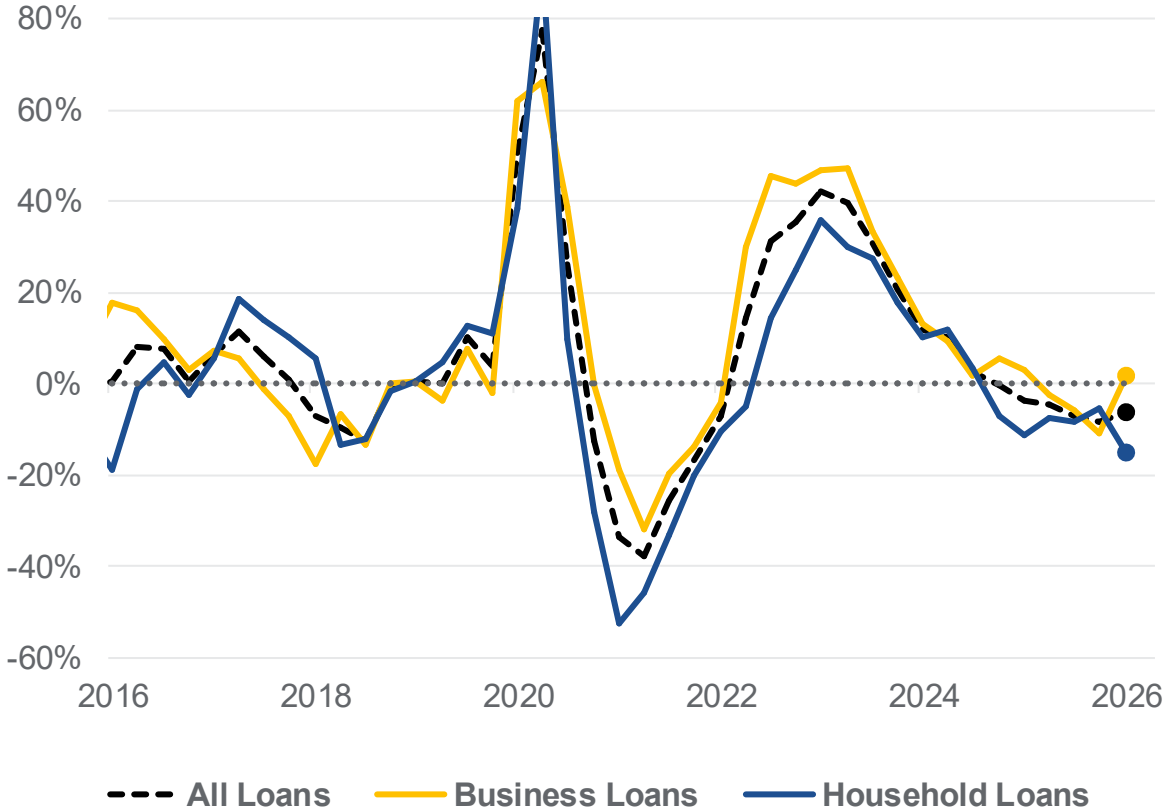
Slight increase in caution from lenders in Q1

— Lending standards tightened slightly for some products as uncertainty rose

Net % of Banks Tightening Lending Standards on Loans for Consumers



Net % of Banks Tightening Lending Standards on Loans Weighted by Outstanding Balance



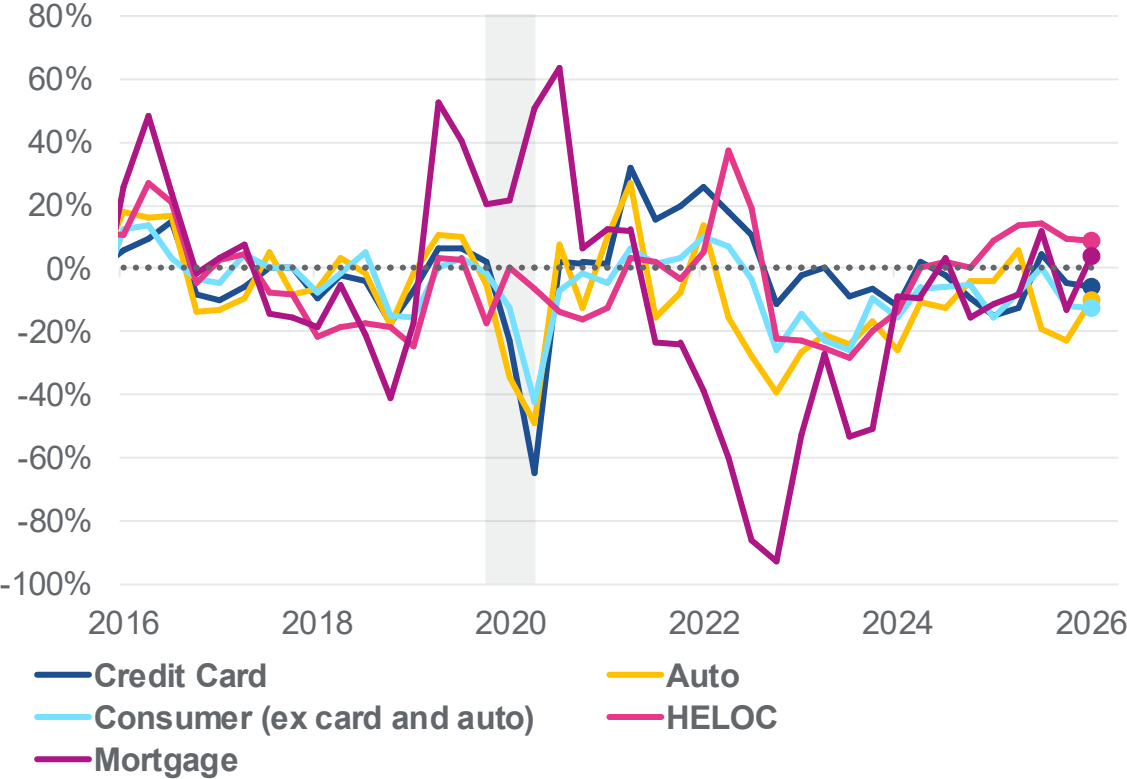
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



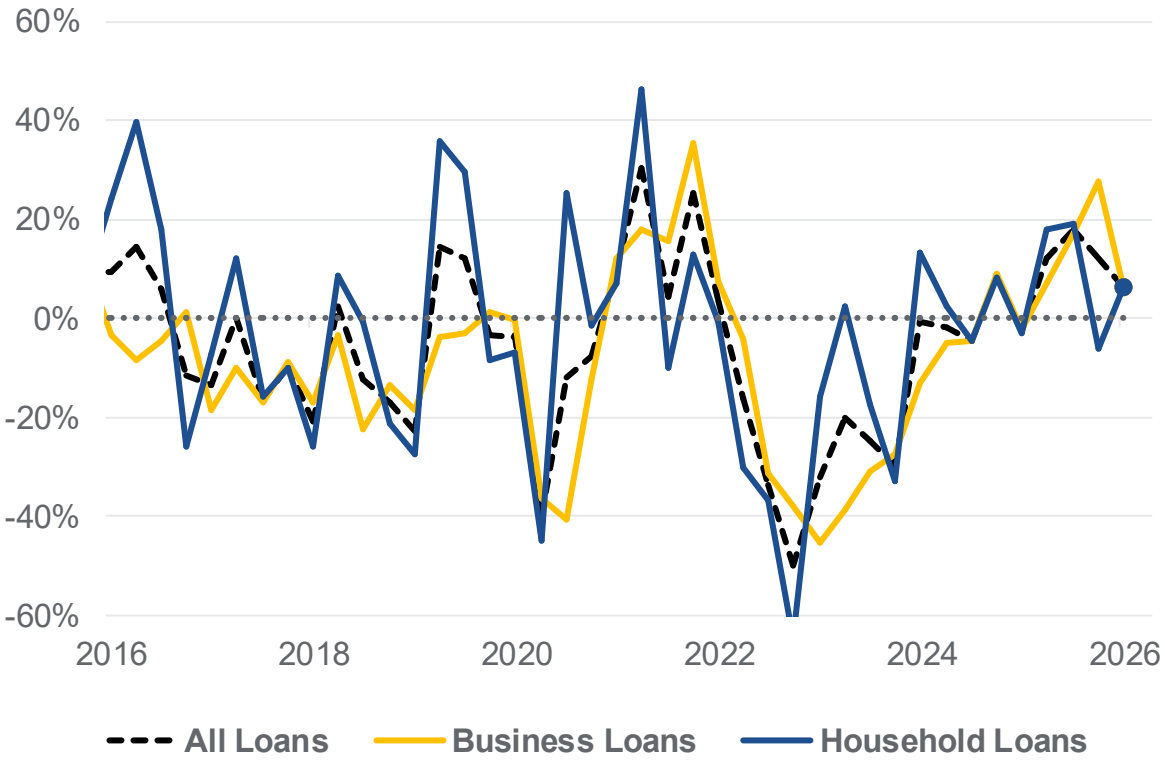
Reported demand remains relatively unchanged though Q1

— Demand has been solid for HELOC

Net % of Banks Reporting Stronger Demand on Loans for Consumers



Net % of Banks Reporting Stronger Loan Demand Weighted by Outstanding Balance



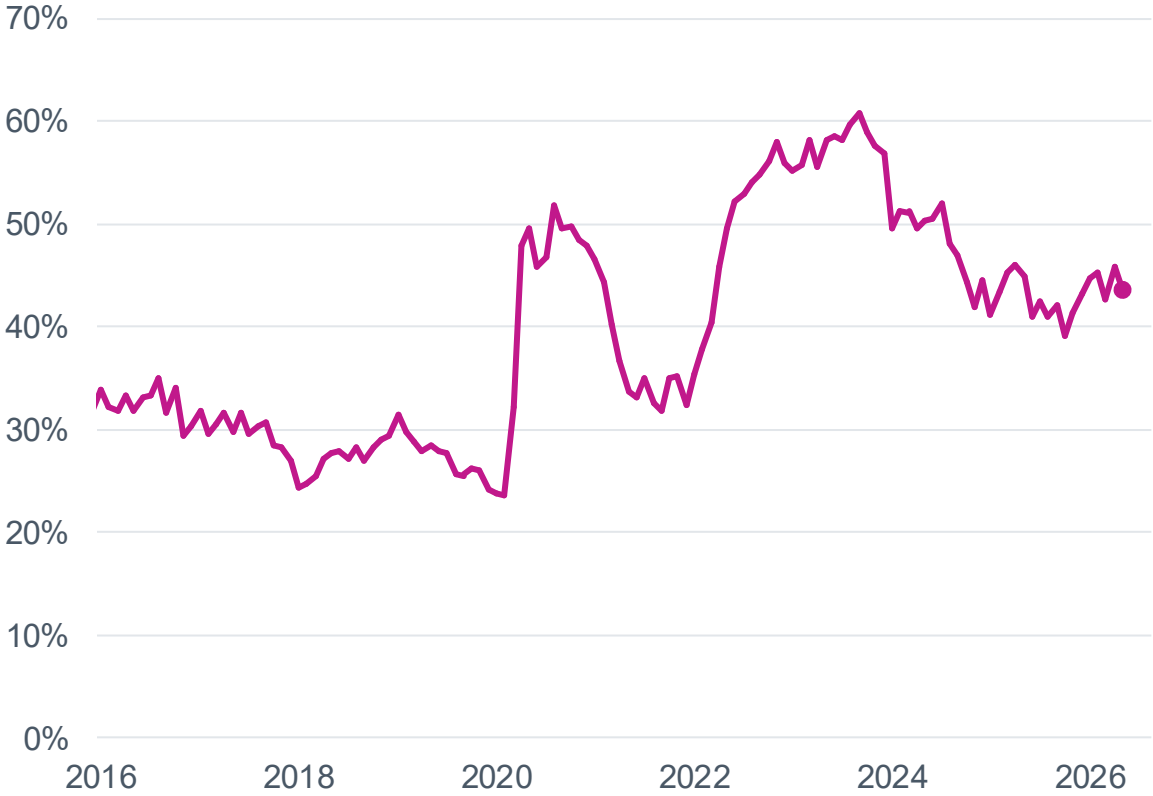
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



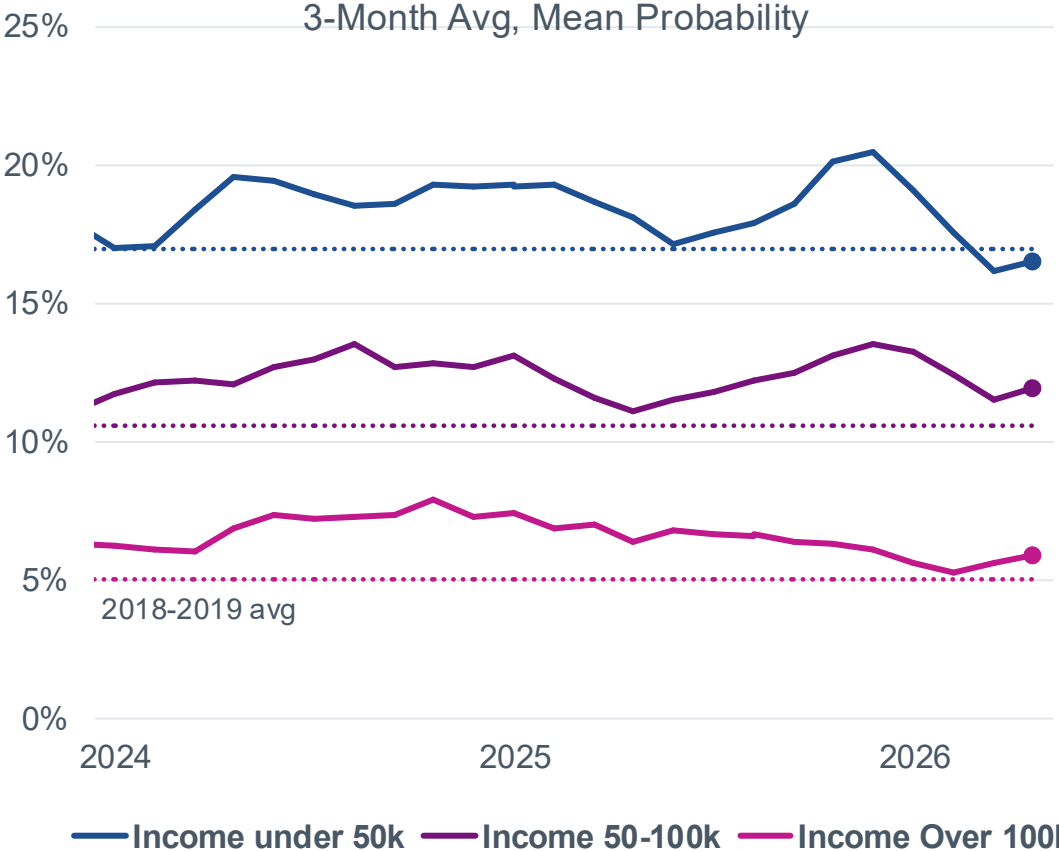
Consumers still see relatively tight credit conditions

— Missed payment expectations have picked up slightly; above pre-pandemic level for mid & upper-income groups

Harder to obtain credit than one year ago (much harder or somewhat harder)



Expectation of Missing Min Payment in Next 3 Months



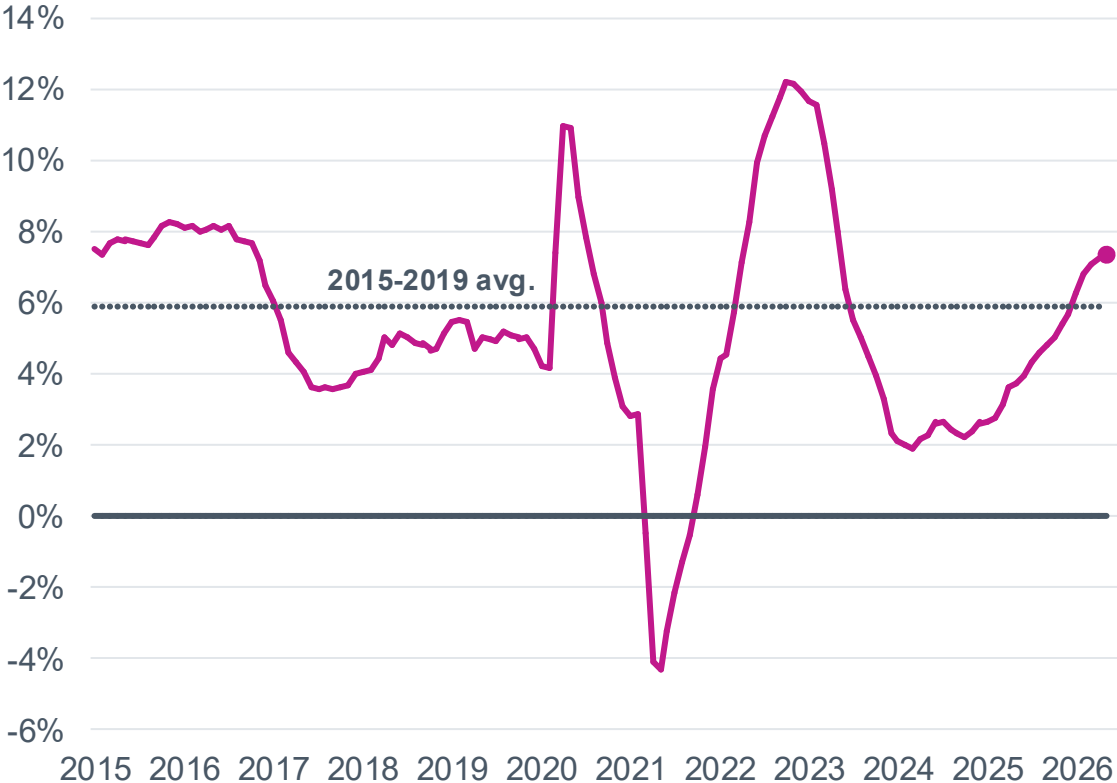
Sources: Federal Reserve Bank of New York and Experian Economic Strategy Group



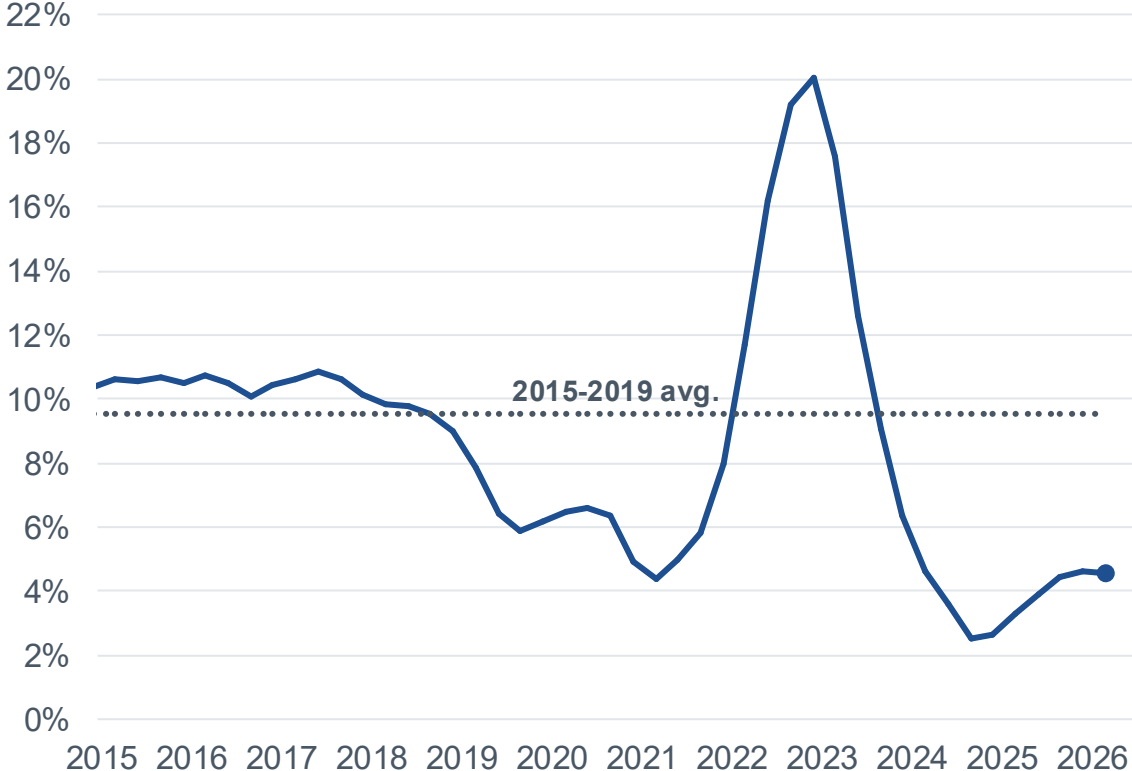
Loan growth at banks continues to rise

— Lending expansion at credit unions remains subdued

Total Loans and Leases Held at Commercial Banks, Monthly: YoY % Change



Total Loans and Leases Held at Credit Unions, Quarterly: YoY % Change

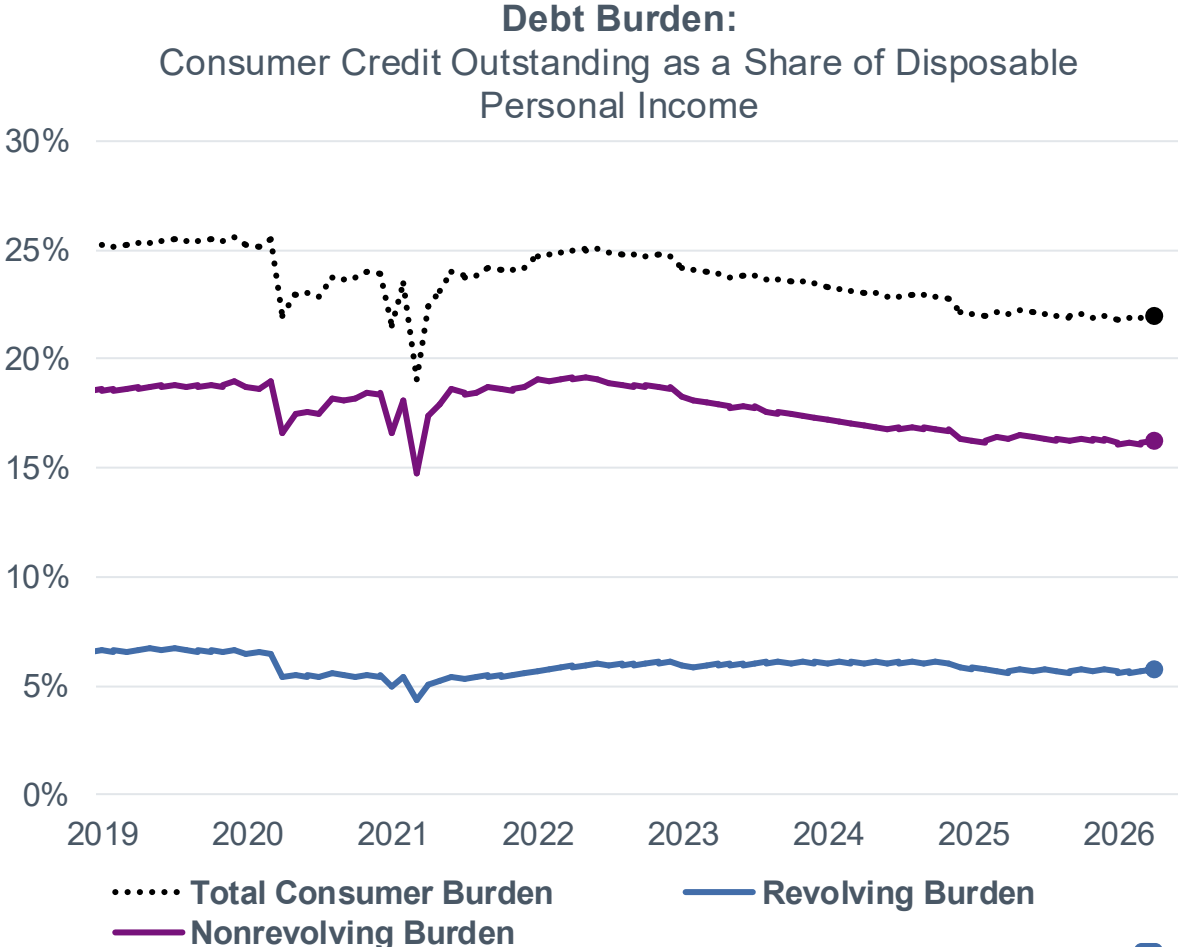
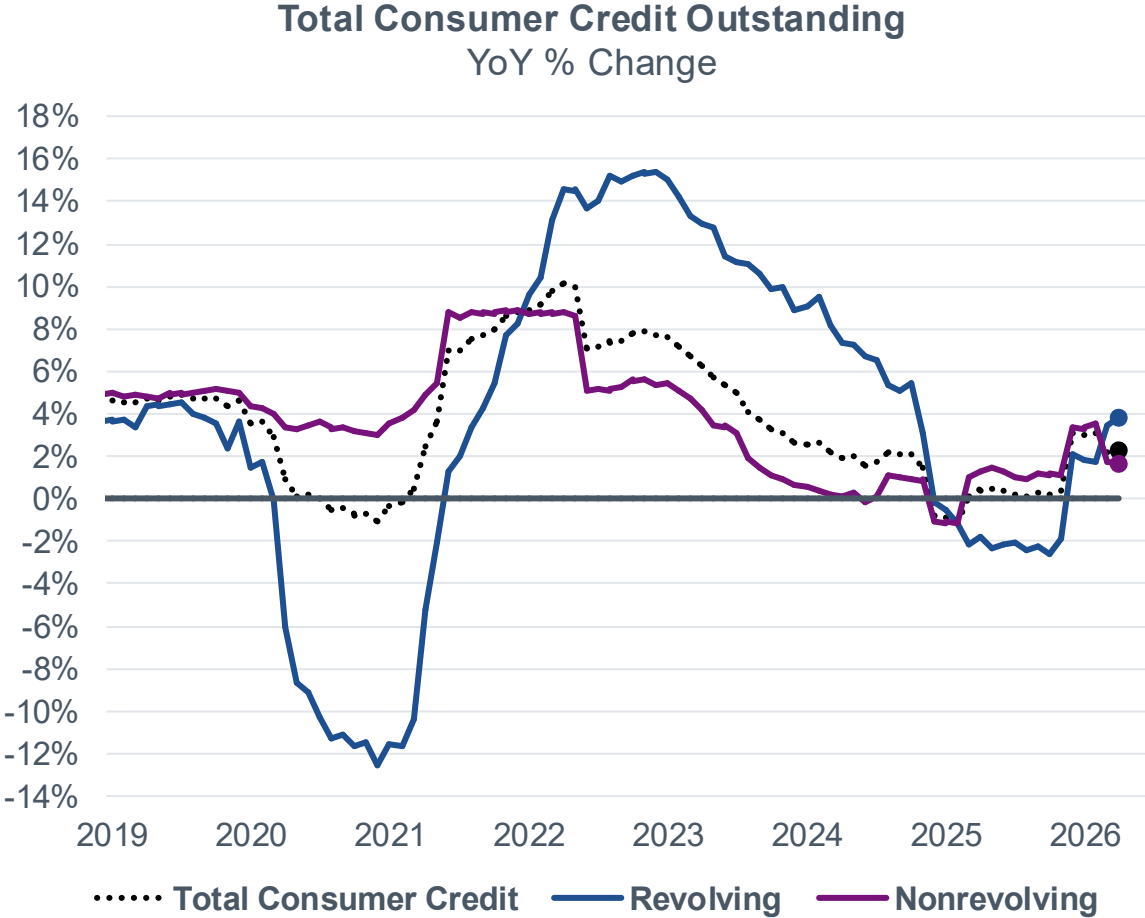


Source: Federal Reserve H.8, National Credit Union Administration and Experian Economic Strategy Group



Growth in revolving consumer credit (mainly card) rising

— Even with the increase, aggregate debt burdens remain low

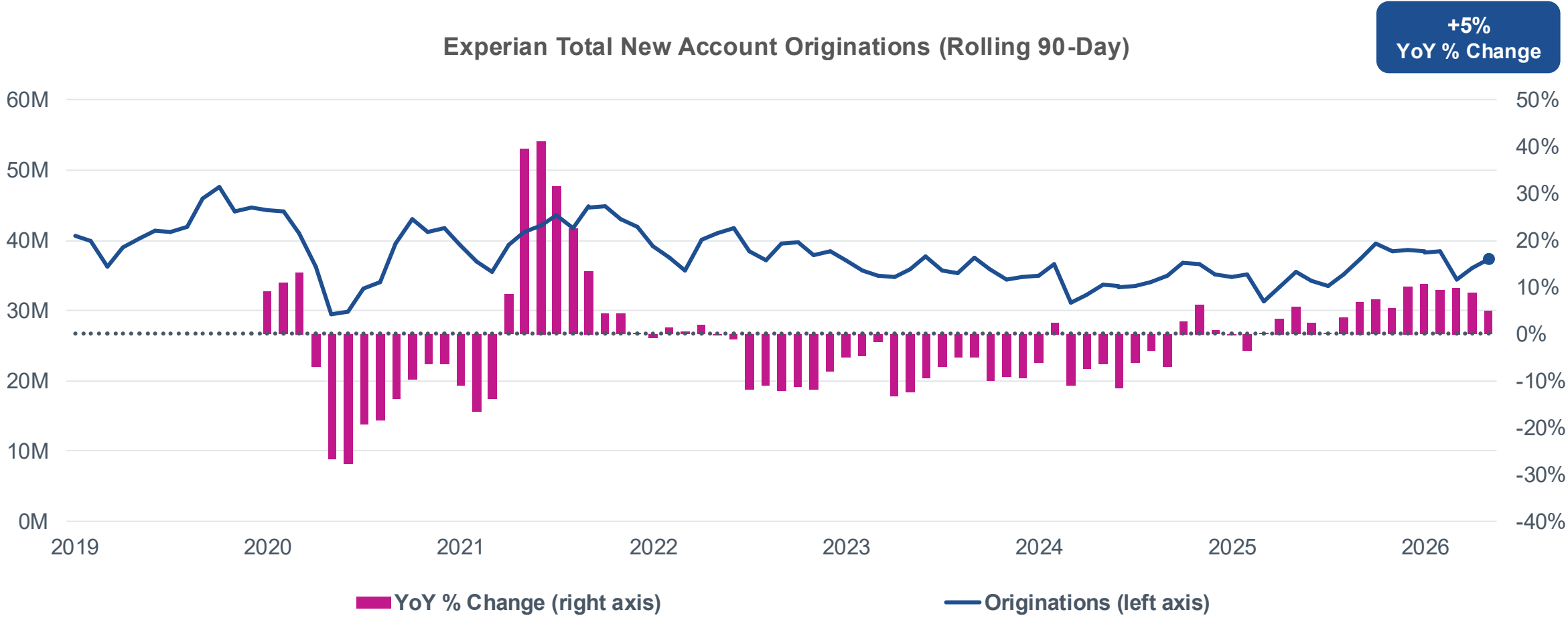


Source: Federal Reserve G. 19, Federal Reserve and Experian Economic Strategy Group



Originations still rising but pace of growth has eased

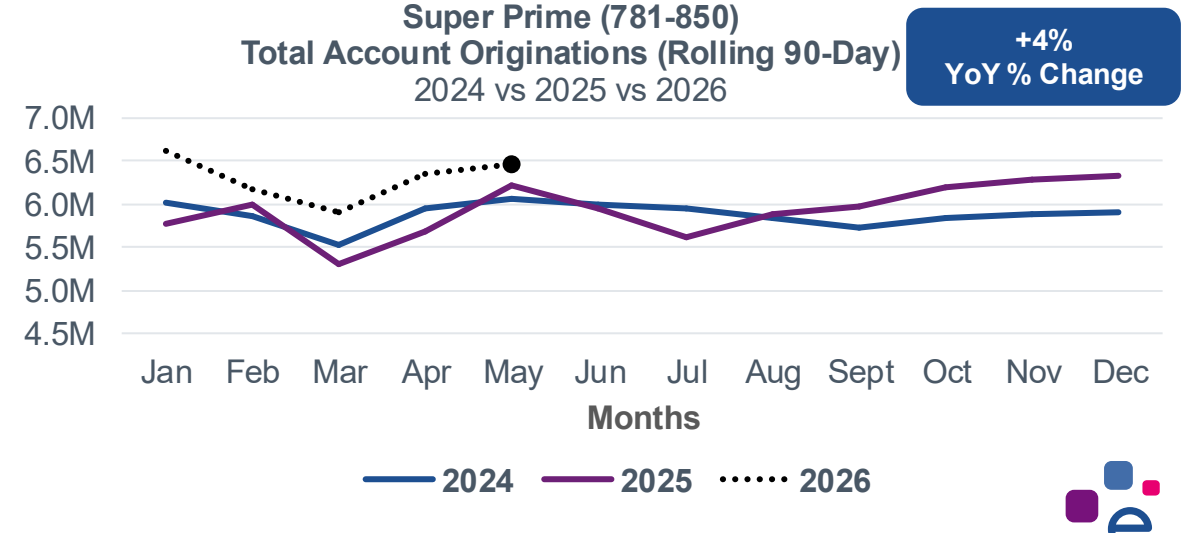
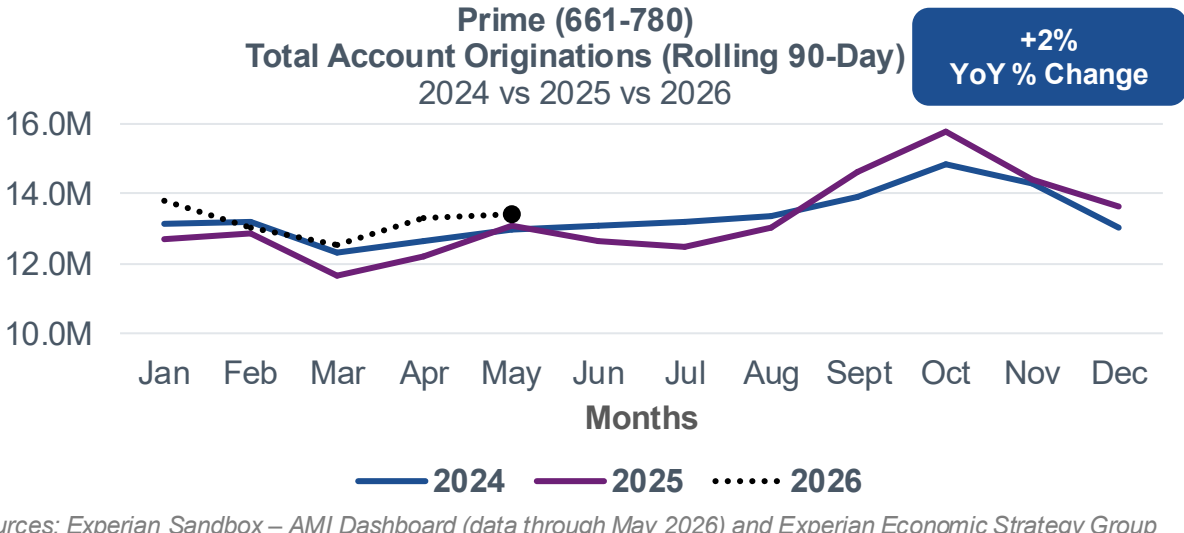
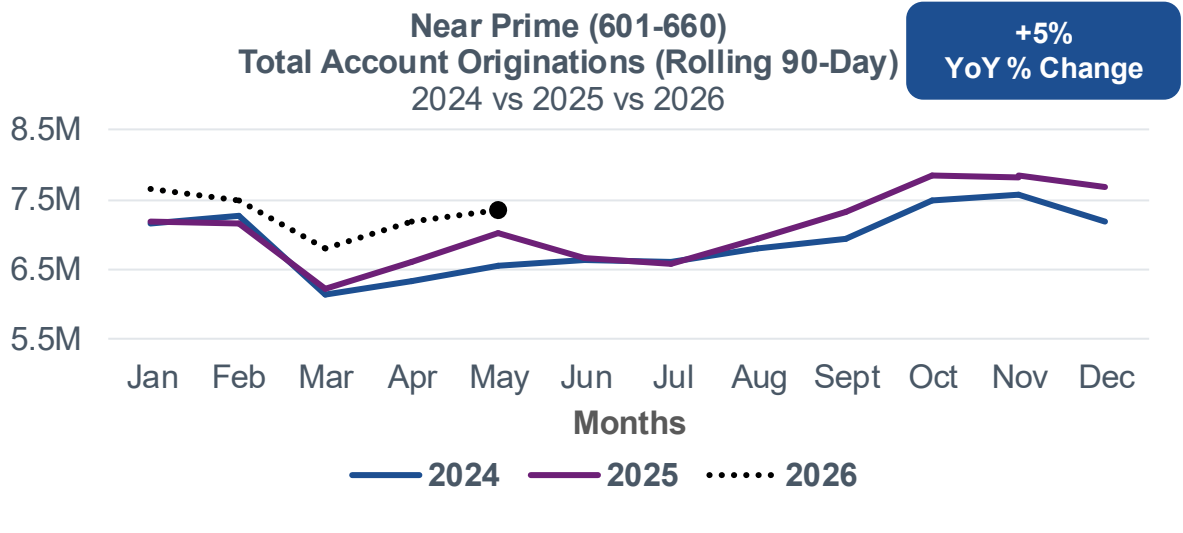
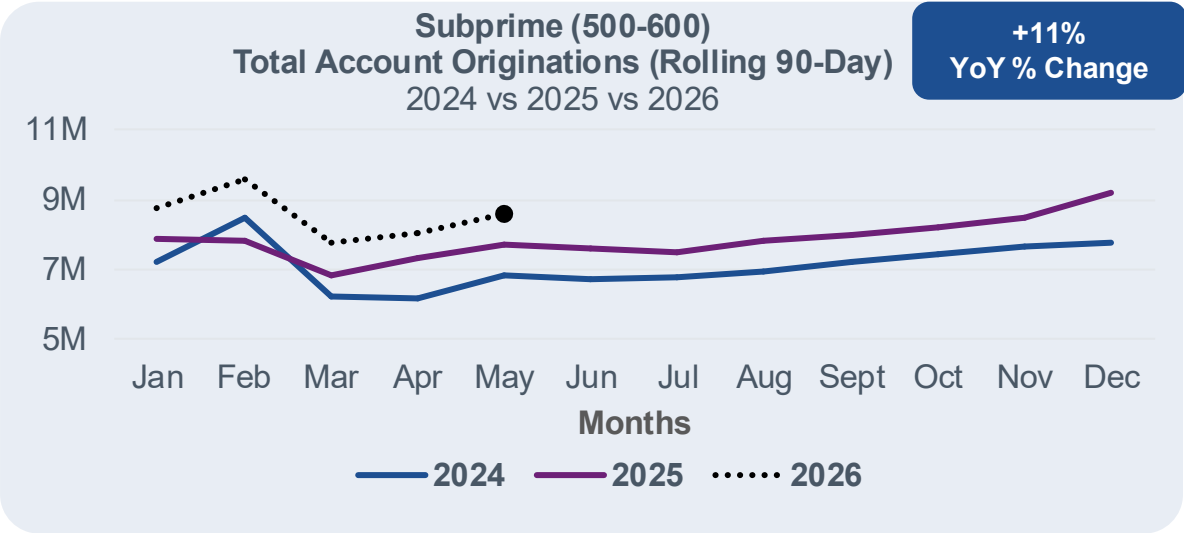
— Total account originations up 5% from May 2025



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



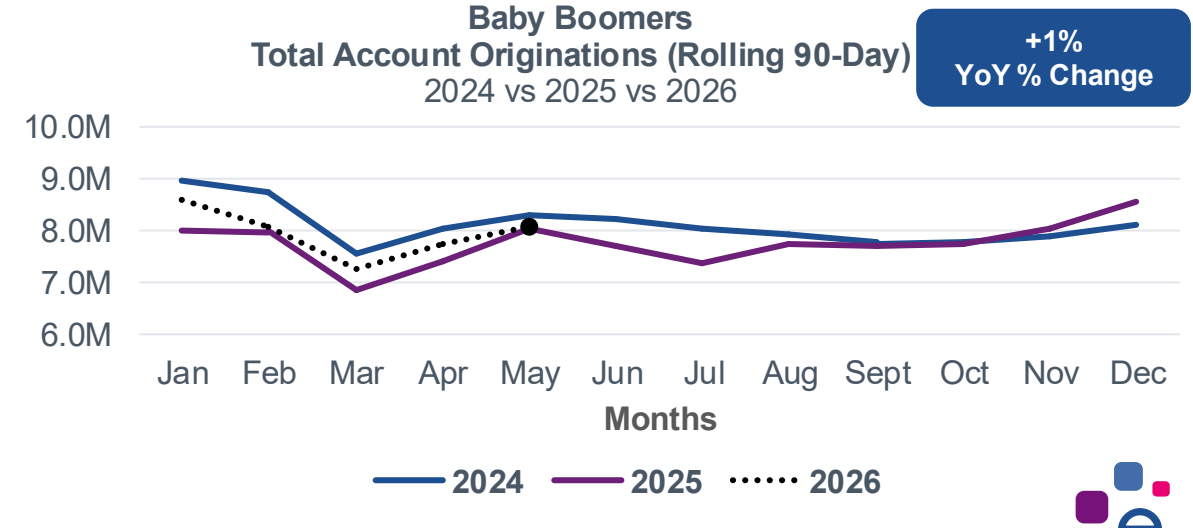
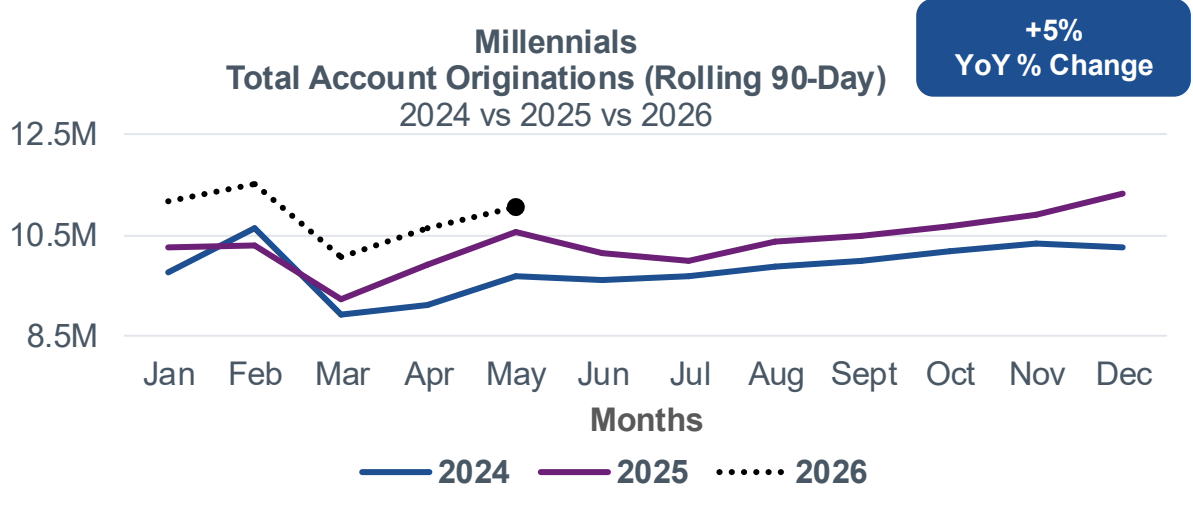
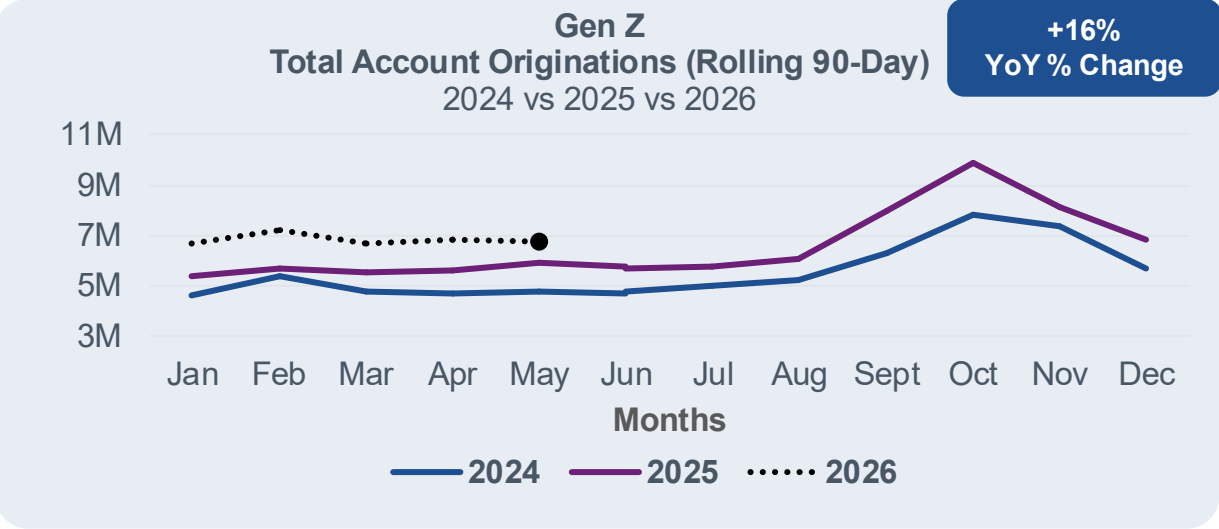
Overall origination growth continues to be led by Subprime segment



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



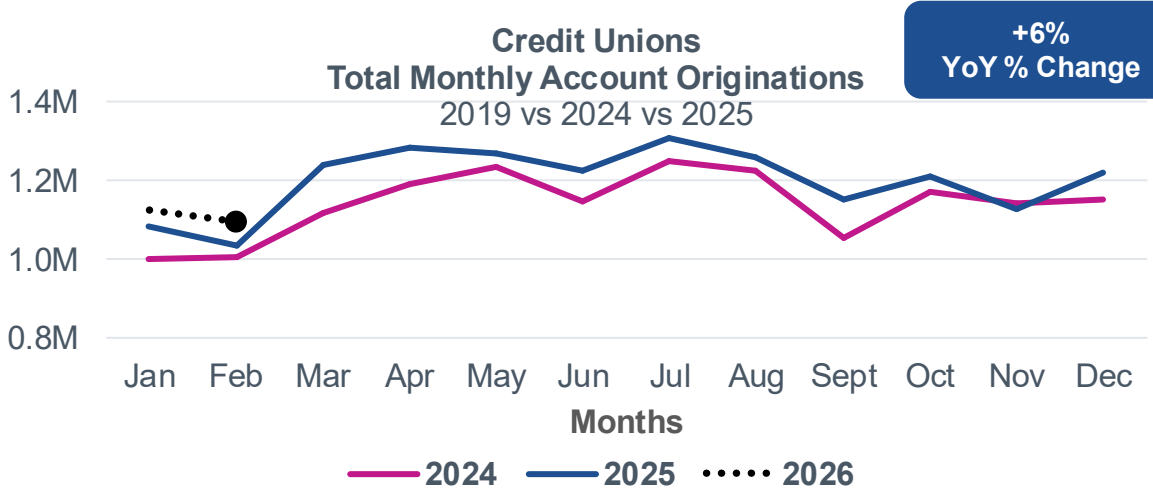
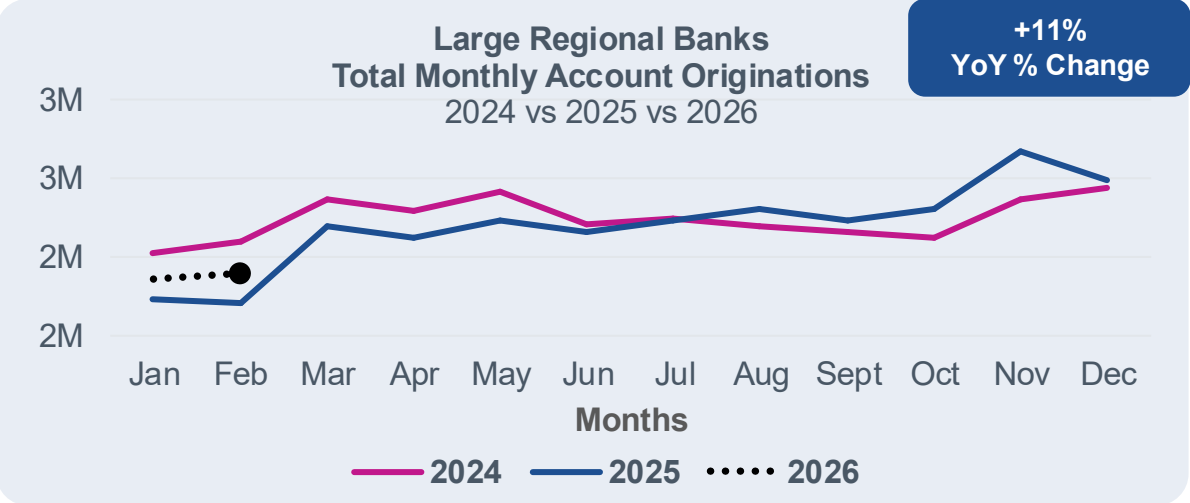
Gen Z leading YoY growth in new credit originations



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Large regional banks leading origination growth



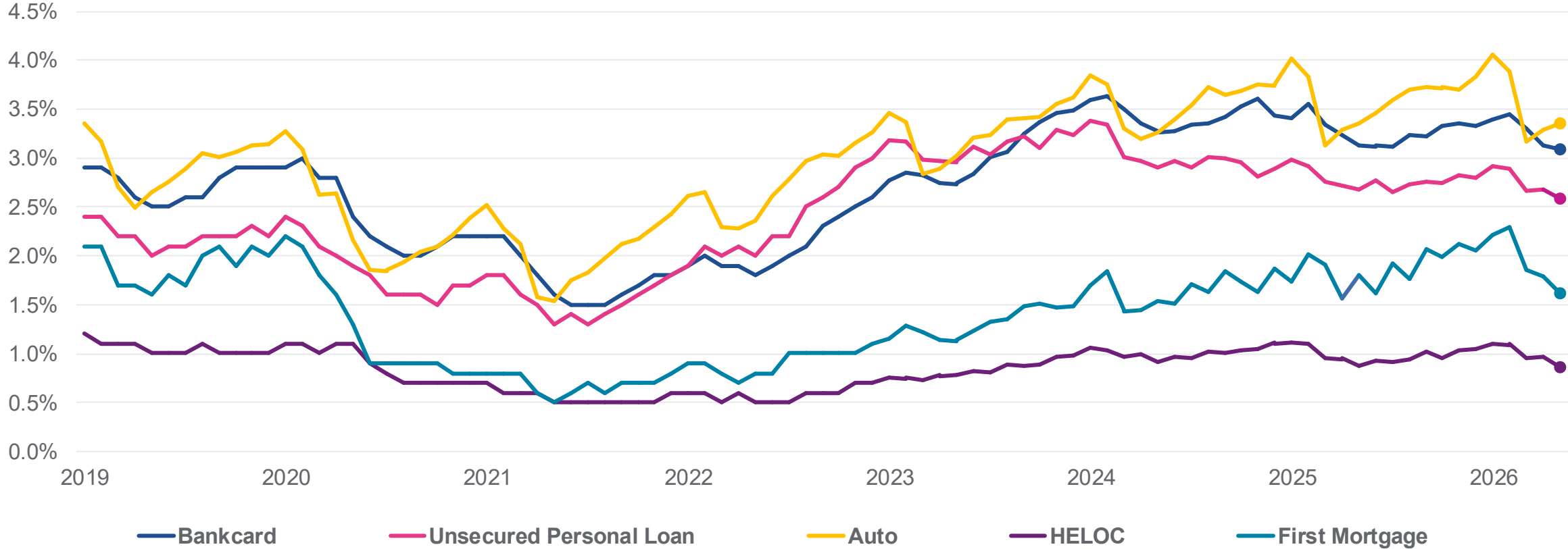
Sources: Experian Sandbox - Credit Trends Dashboard (data through Feb 2026) and Experian Economic Strategy Group



Delinquency improving across most products

— Card, unsecured personal loan, HELOC and mortgage delinquency down YoY, flat for auto

Percent of Balance 30+ Days Past Due by Product

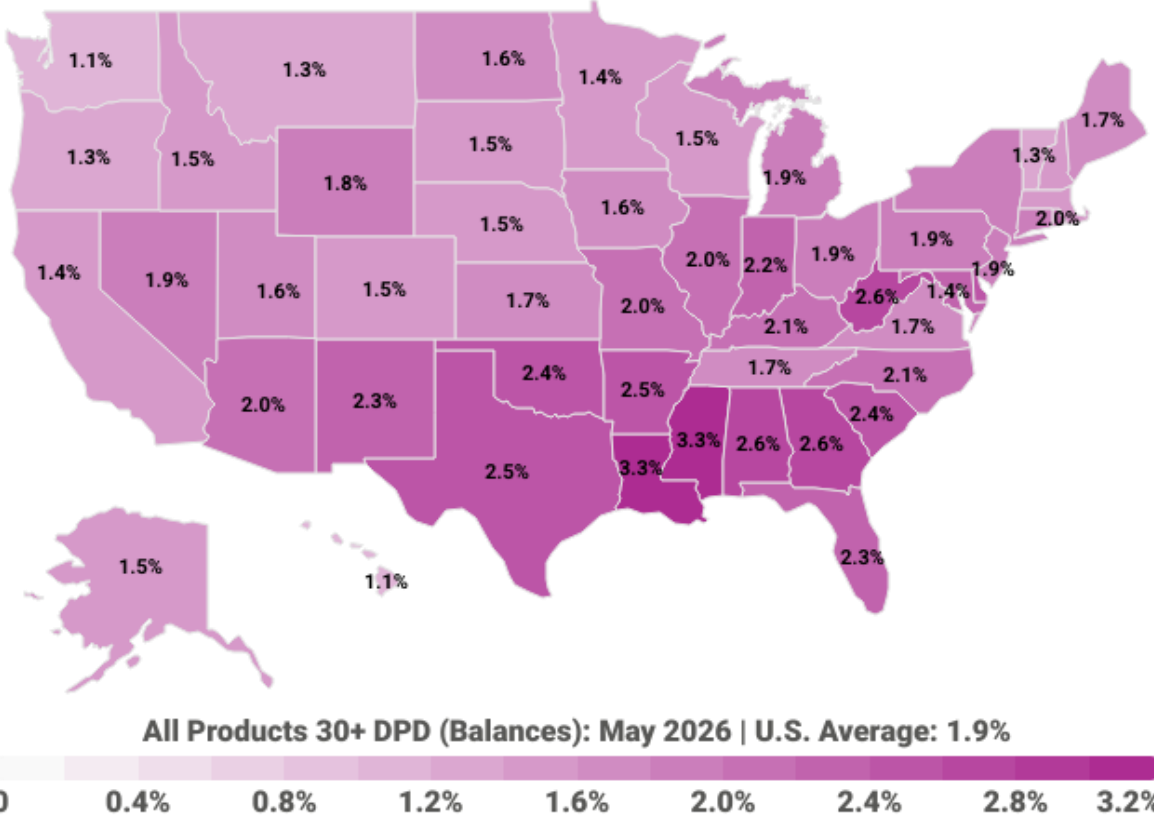


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Overall delinquency highest in the South

— WA and HI boast lowest overall delinquency



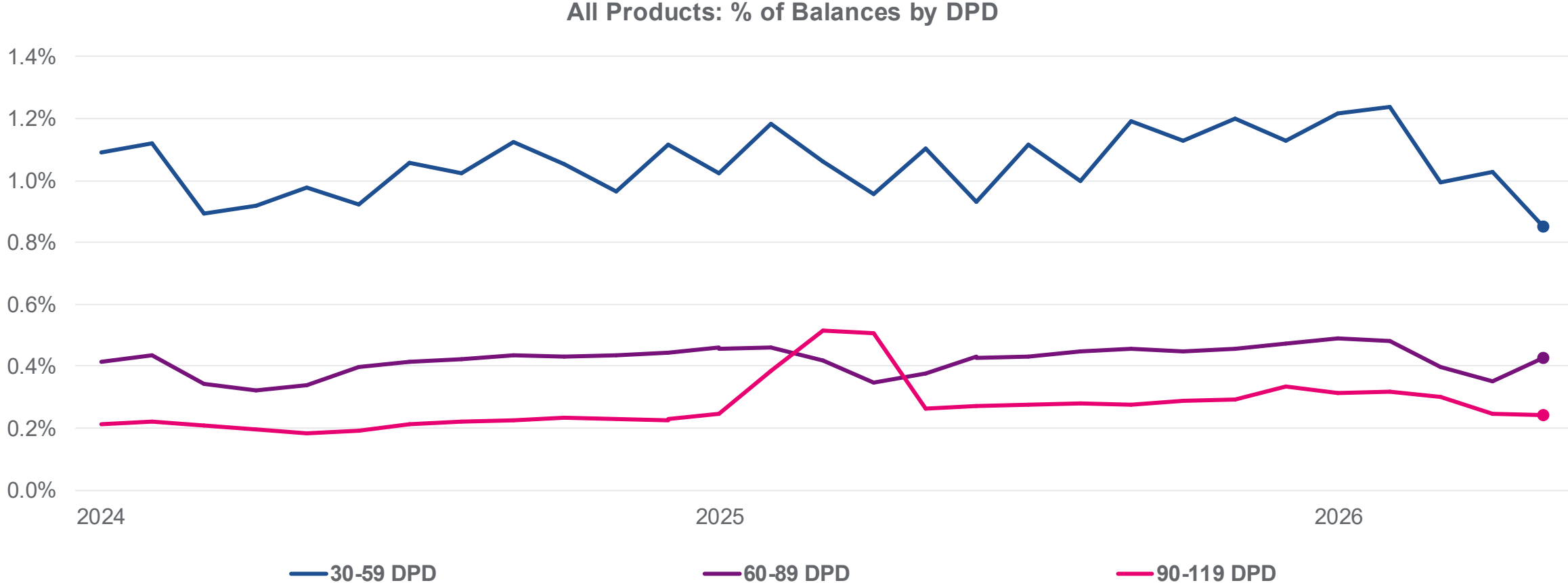
State	30+ DPD: All Products
Highest	
Louisiana	3.3%
Mississippi	3.3%
Georgia	2.6%
Lowest	
Washington	1.1%
Hawaii	1.1%
Oregon	1.3%

Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Early-stage delinquency moderating across products

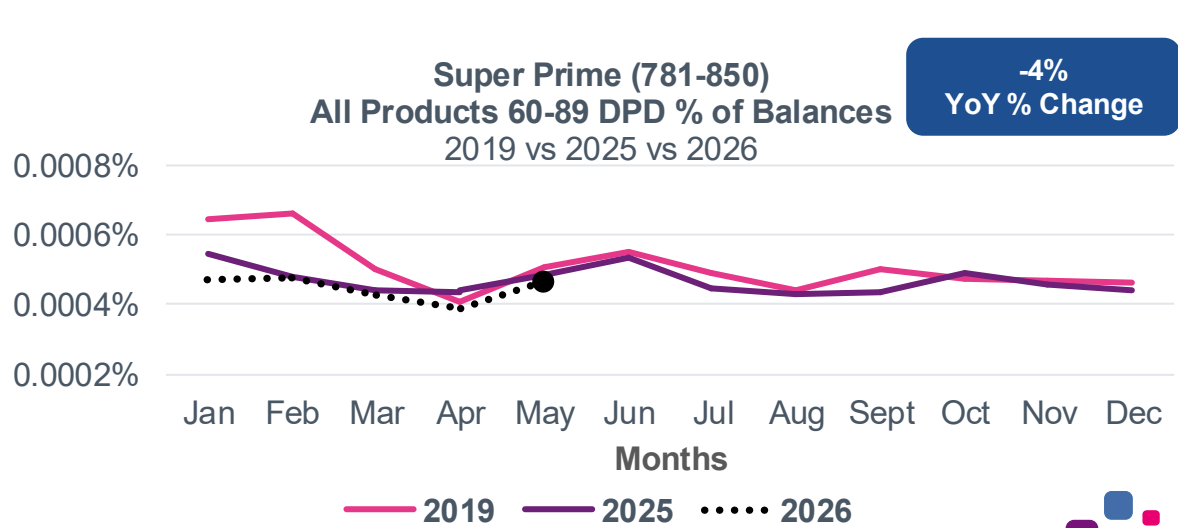
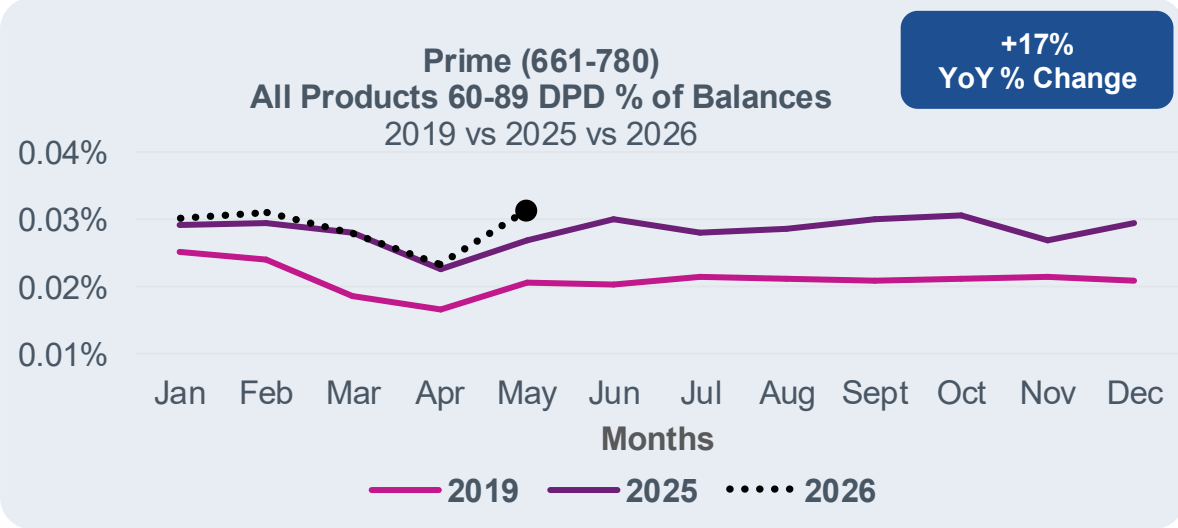
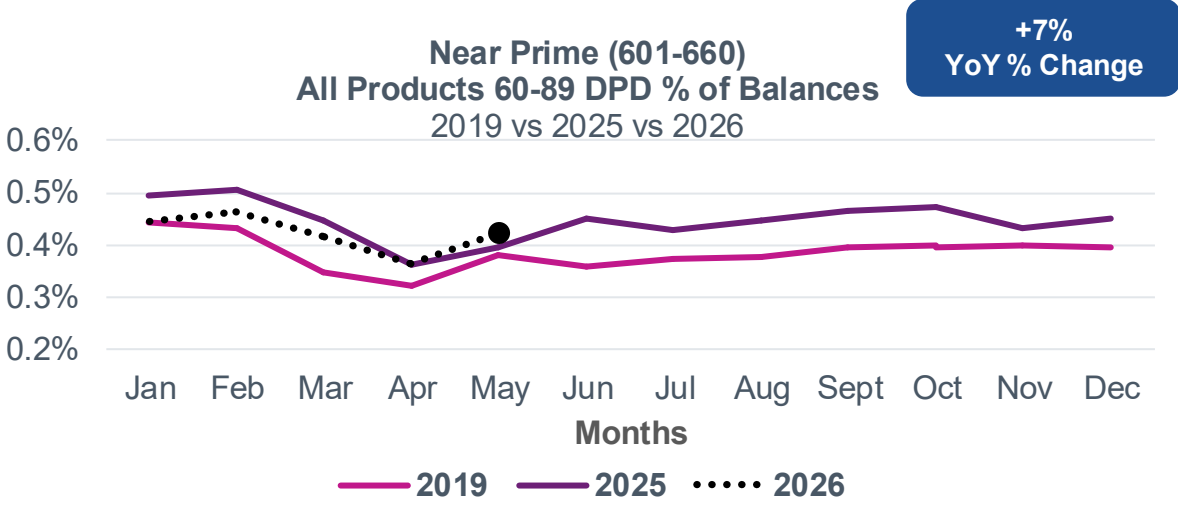
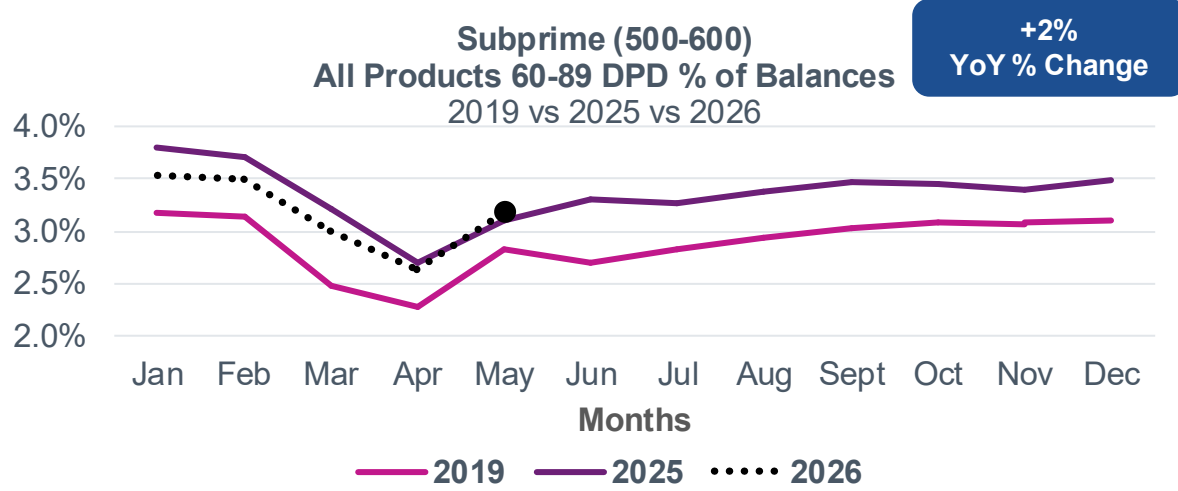
— However, mid-stage delinquency increased YoY across products in May



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Mid-stage delinquency rising most among Prime borrowers



Sources: Experian Sandbox - Credit Trends Dashboard (data through May 2026) and Experian Economic Strategy Group



Anecdotes suggest current lending conditions are stable

Some districts expecting weaker loan performance in coming months

“

Activity in the broad finance sector **grew moderately after a period of sluggishness**. Small- to medium-sized regional banks reported a pickup in residential mortgage demand, although demand for consumer loans, business loans, and commercial mortgages was flat or down slightly.”

— New York

“

Although loan quality remains stable overall with little change expected for most respondents, **one-third are experiencing some level of credit deterioration, and one-quarter expected further deterioration over the next six months.**”

— Kansas City

“

Although many businesses were being described as “cautious,” they were still moving forward with projects and fulfilling immediate needs. **Consumer loan demand remained stable** with most activity found within the home equity line of credit portfolio.”

— Richmond

“

Banking contacts said loan volumes, loan pricing, loan demand, and nonperforming loan shares were stable but expected the latter to rise in the coming months. The same contacts became **less optimistic in response to growing signs of financial strain** on local businesses and households. In contrast, the **outlook improved slightly among non-bank financial services firms**, with one citing support from resilient corporate earnings and AI-related capital expenditures.”

— Boston

“

Lending activity for other consumer loans was flat or down, as some consumers reportedly reduced credit card spending. **Credit conditions tightened somewhat, with more loan delinquencies reported across the District.**”

— San Francisco

“

Contacts expect strong growth in loan demand, but also slightly worsening loan performance. Bankers anticipate moderate growth in business activity over the next six months, while their **top outlook concerns include fraud, economic uncertainty, and liquidity.**”

— Dallas

Source: Federal Reserve May 2026 Beige Book and Experian Economic Strategy Group



Credit Cards

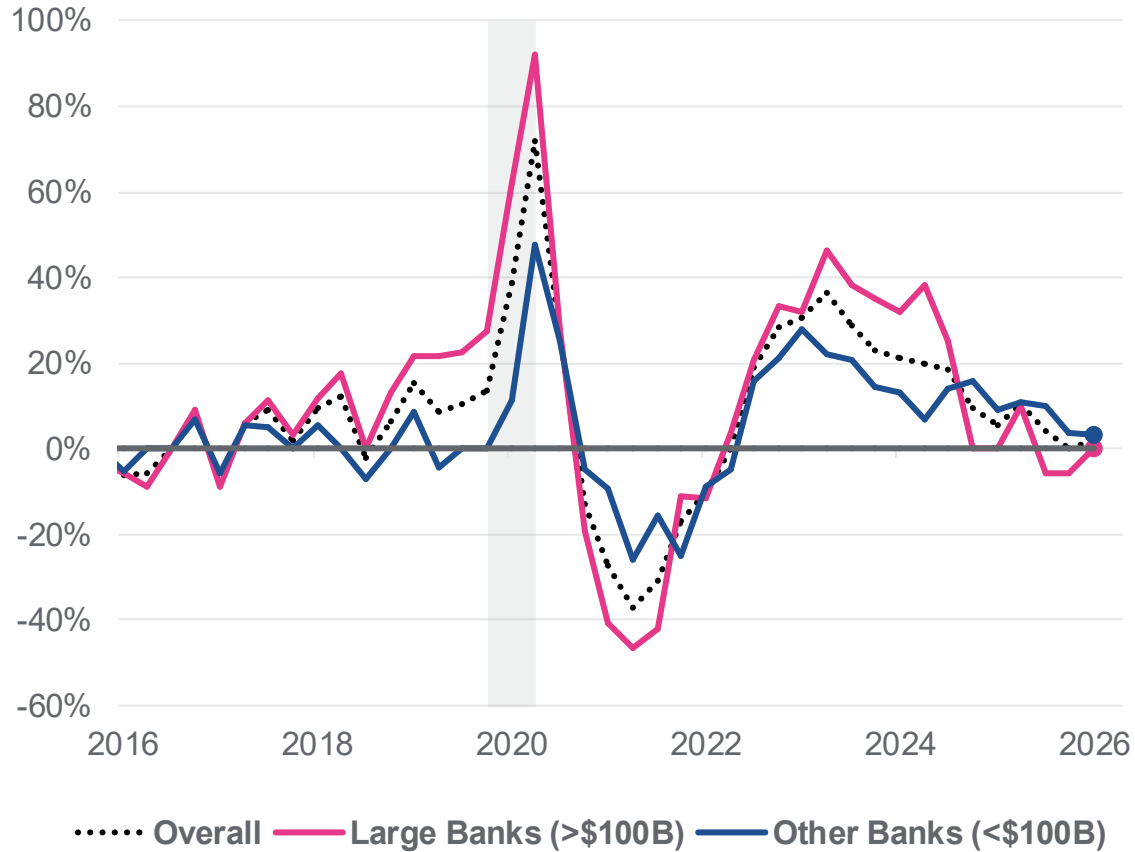




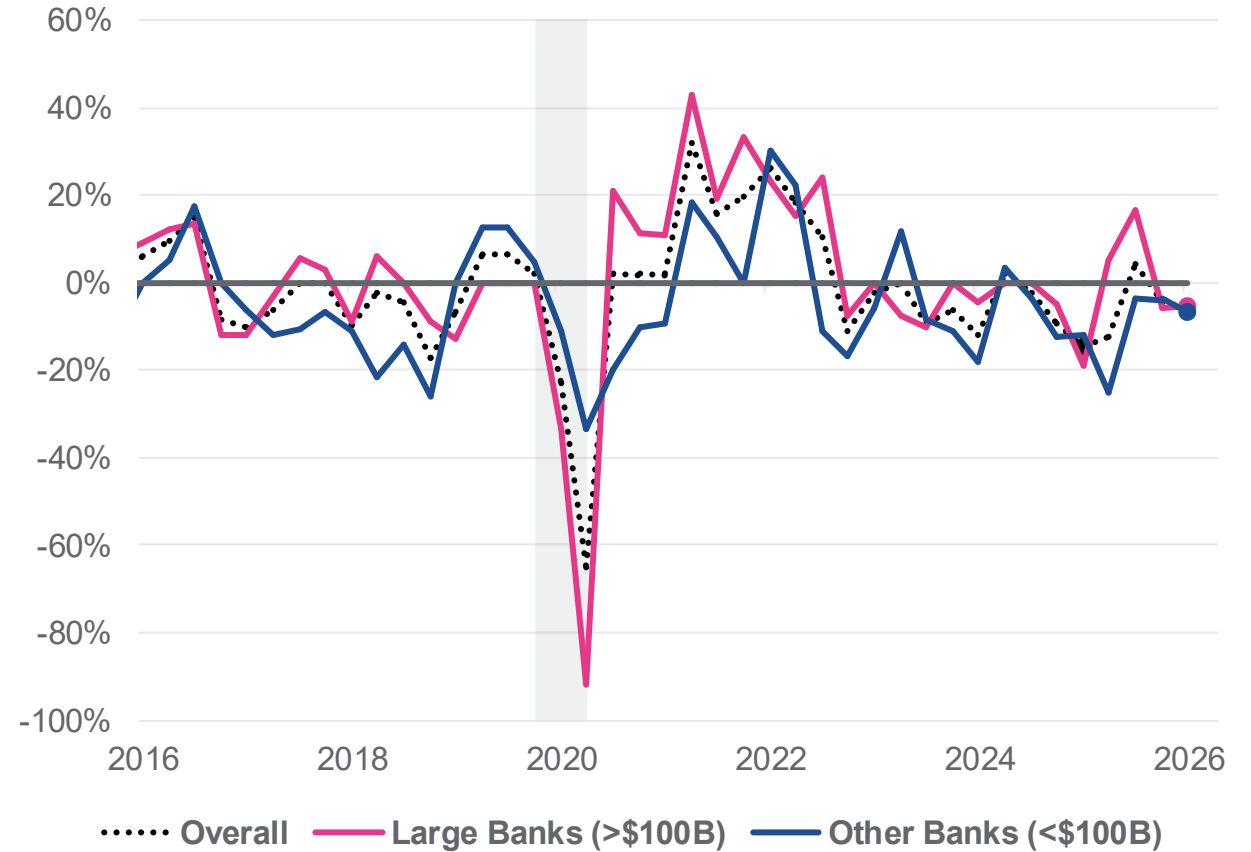
Credit card standards tightened slightly overall in Q1

— Slightly weaker card demand reported across banks

Net % of Banks Tightening Lending Standards on Credit Card Loans



Net % of Banks Reporting Stronger Demand for Credit Card Loans



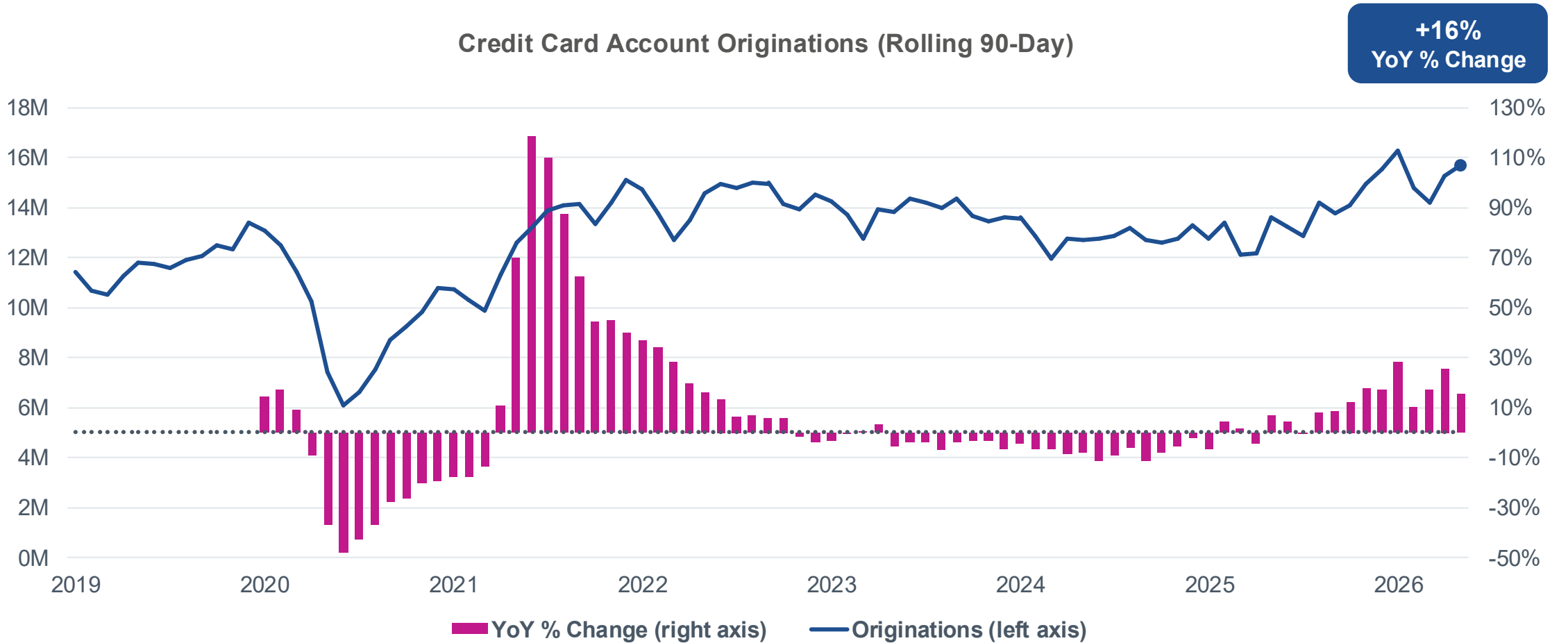
Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group





Despite reported weaker demand, card growth remains solid

— Card originations up YoY for the past ten months

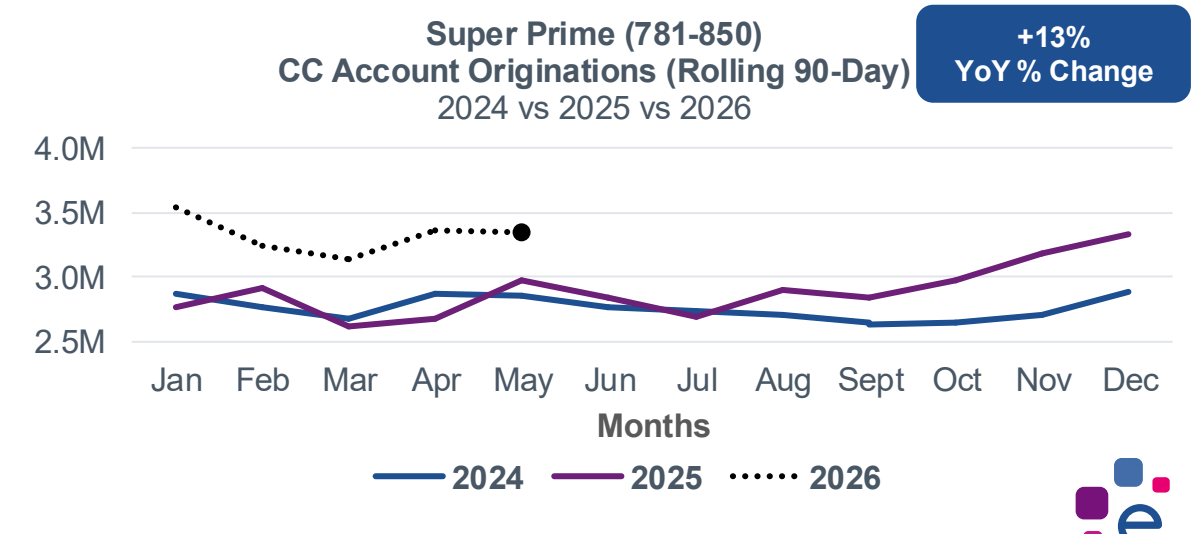
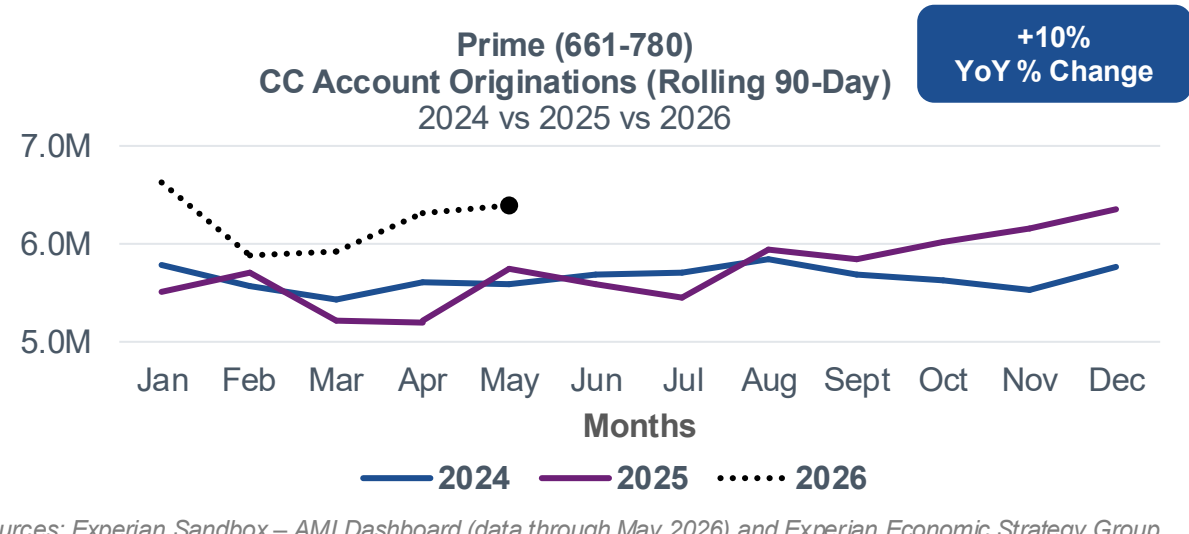
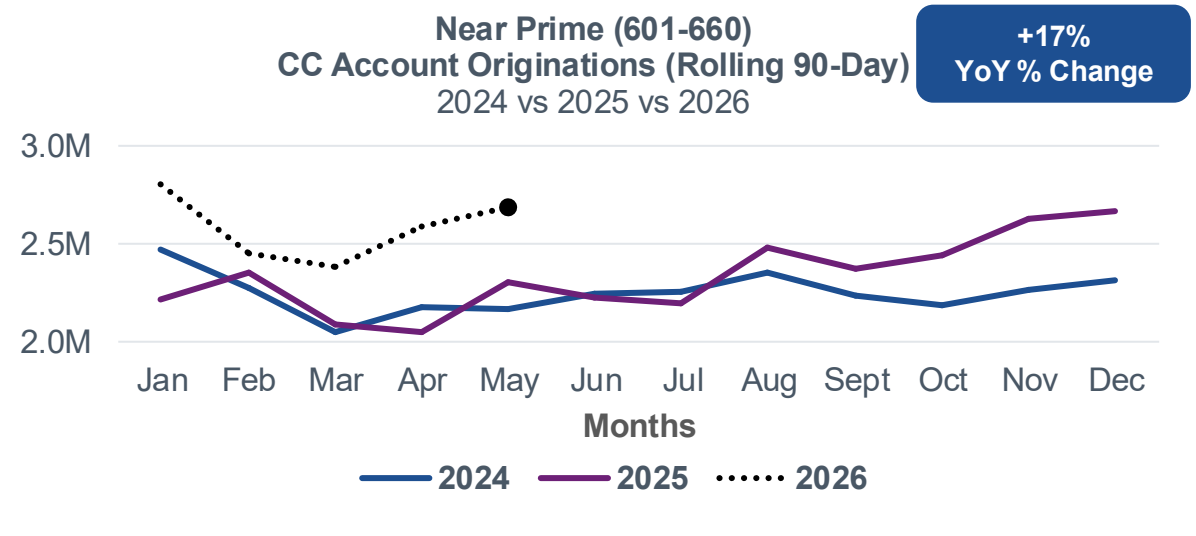
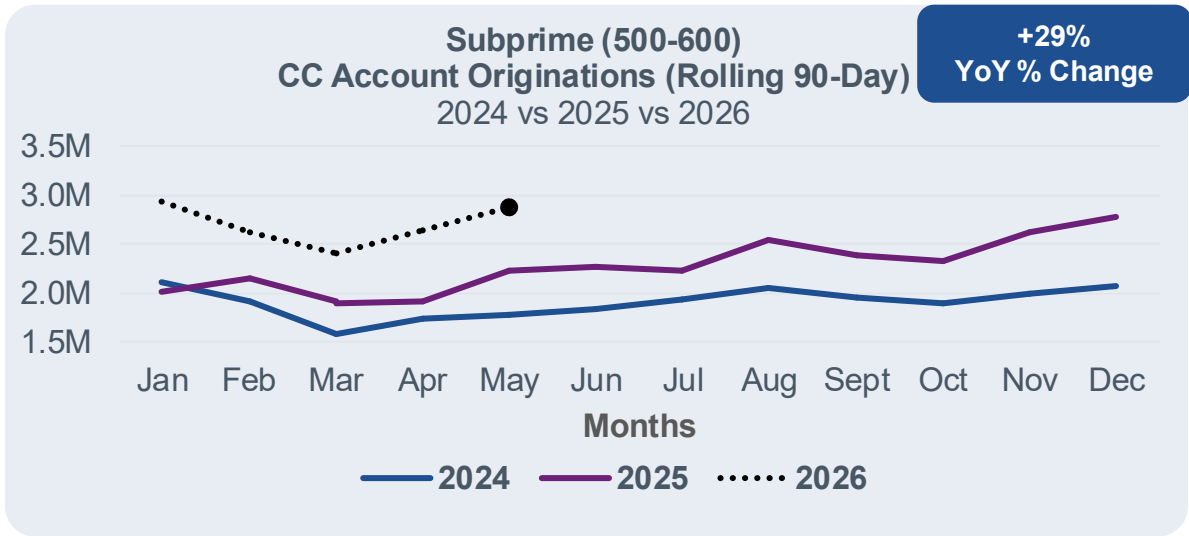


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Subprime continues to lead YoY card origination growth

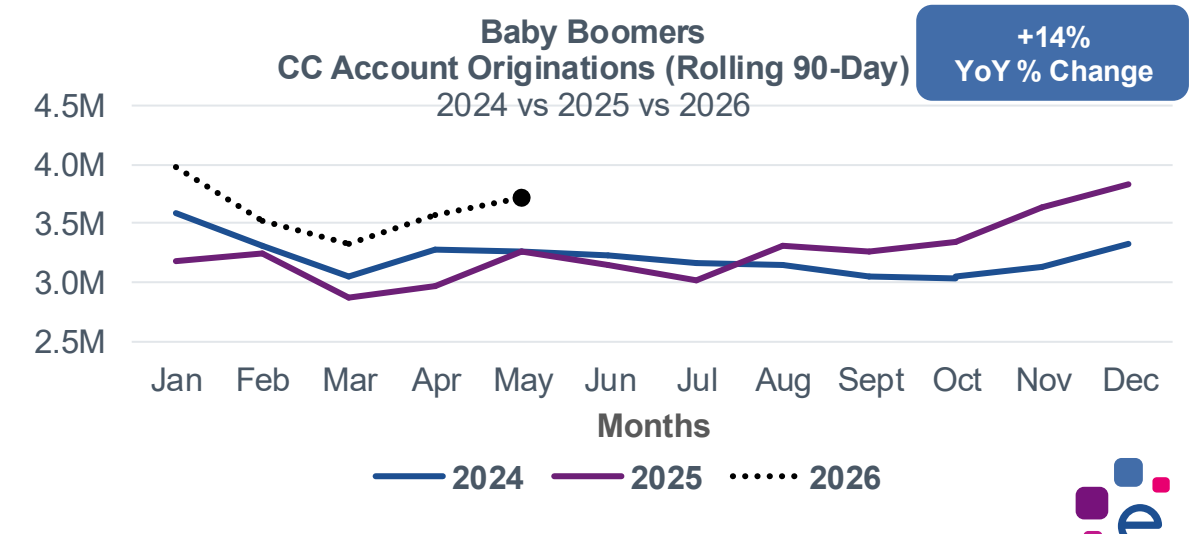
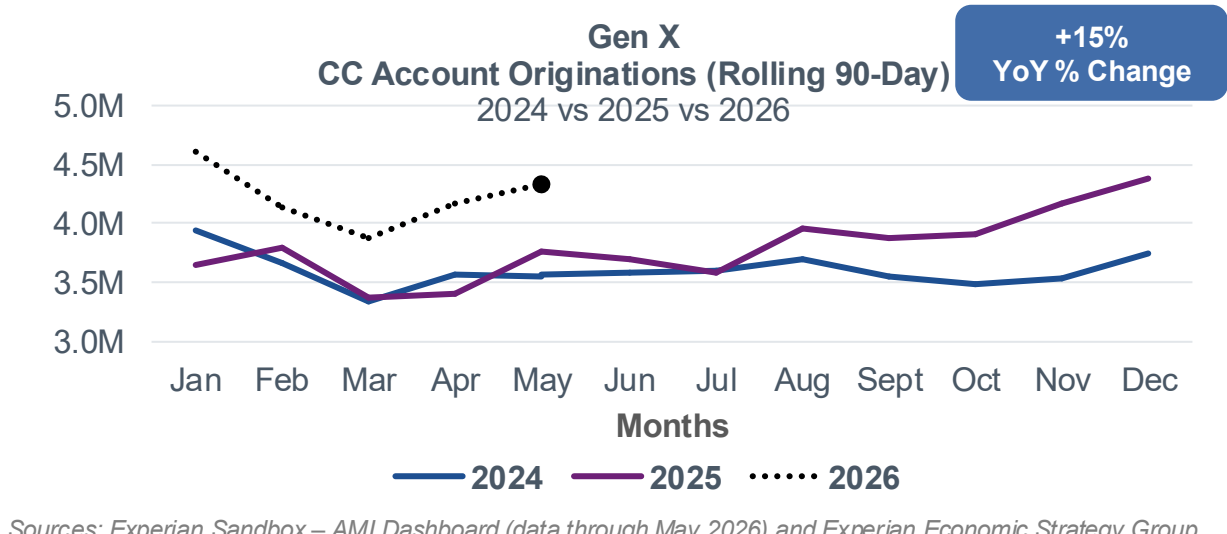
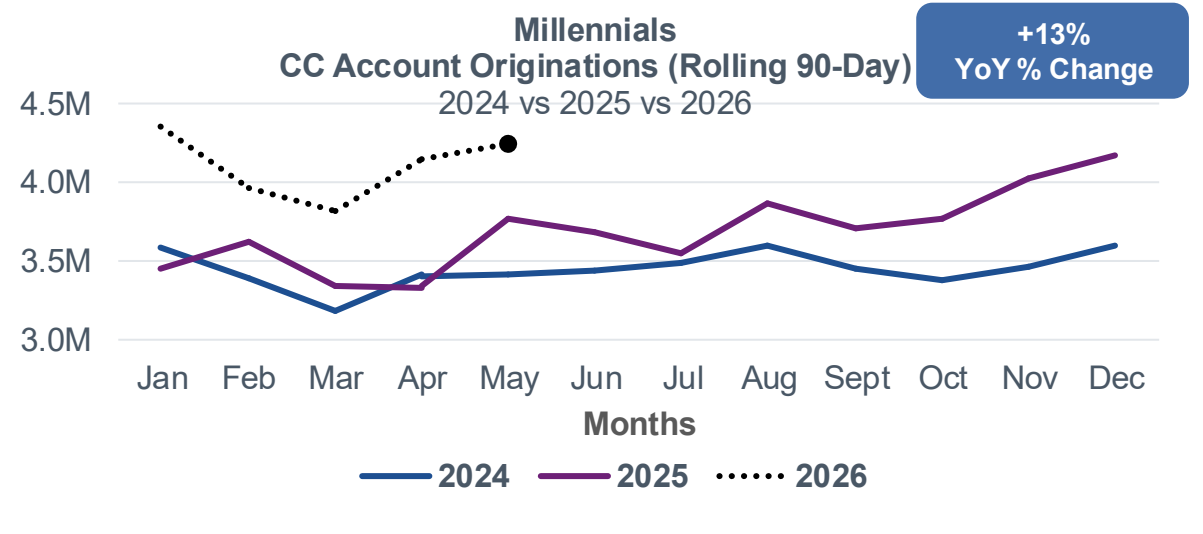
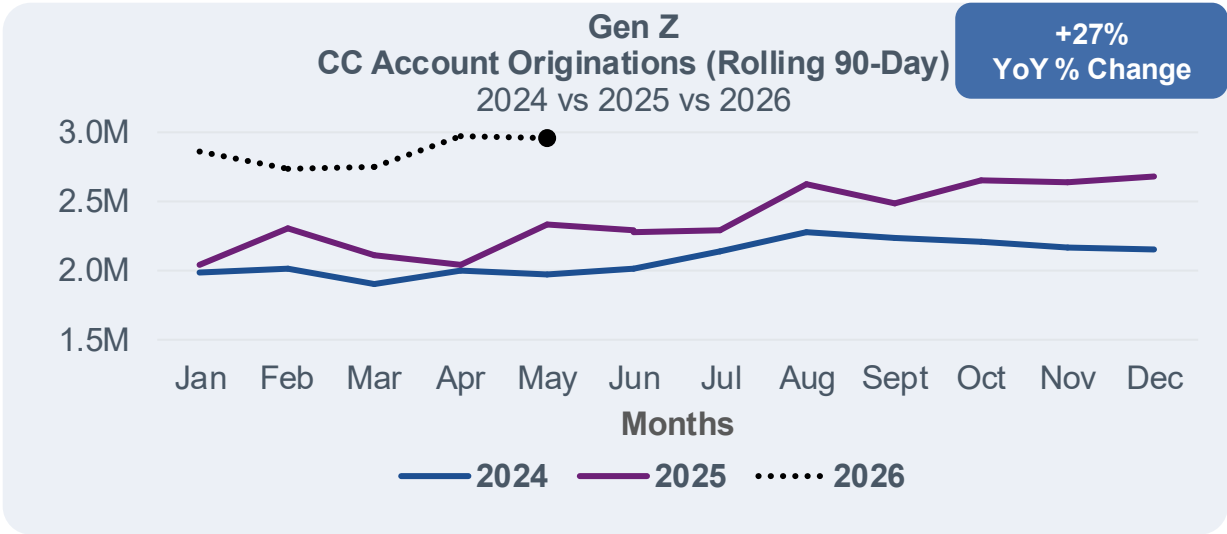


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Solid card origination growth across generations, led by Gen Z

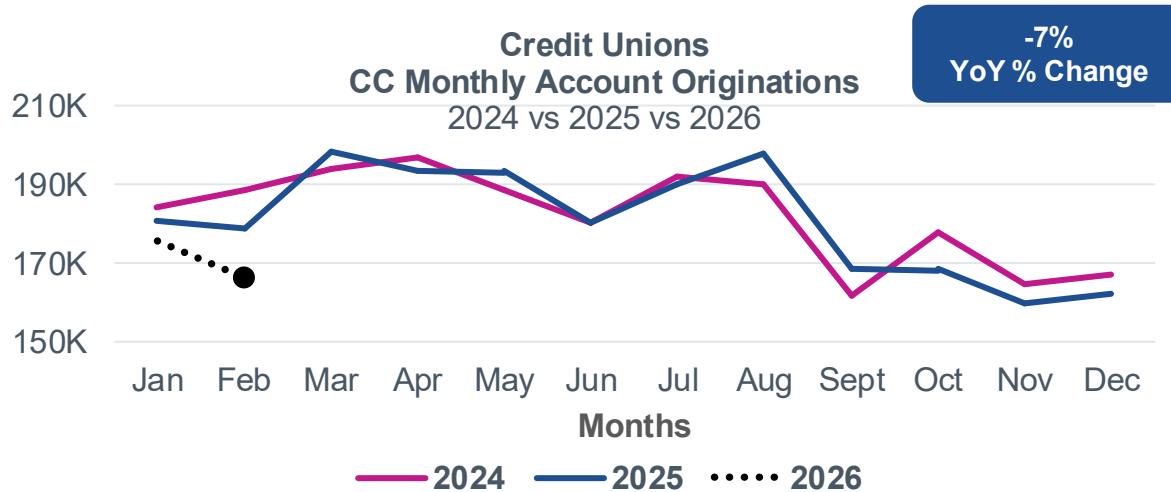
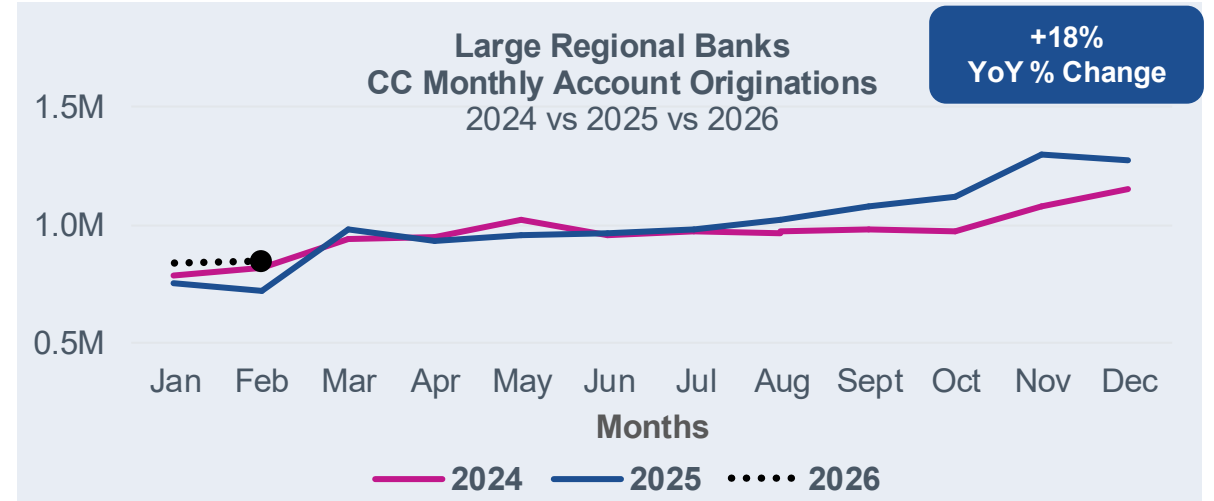


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Regional Banks leading card origination growth



Sources: Experian Sandbox - Credit Trends Dashboard (data through Feb 2026) and Experian Economic Strategy Group

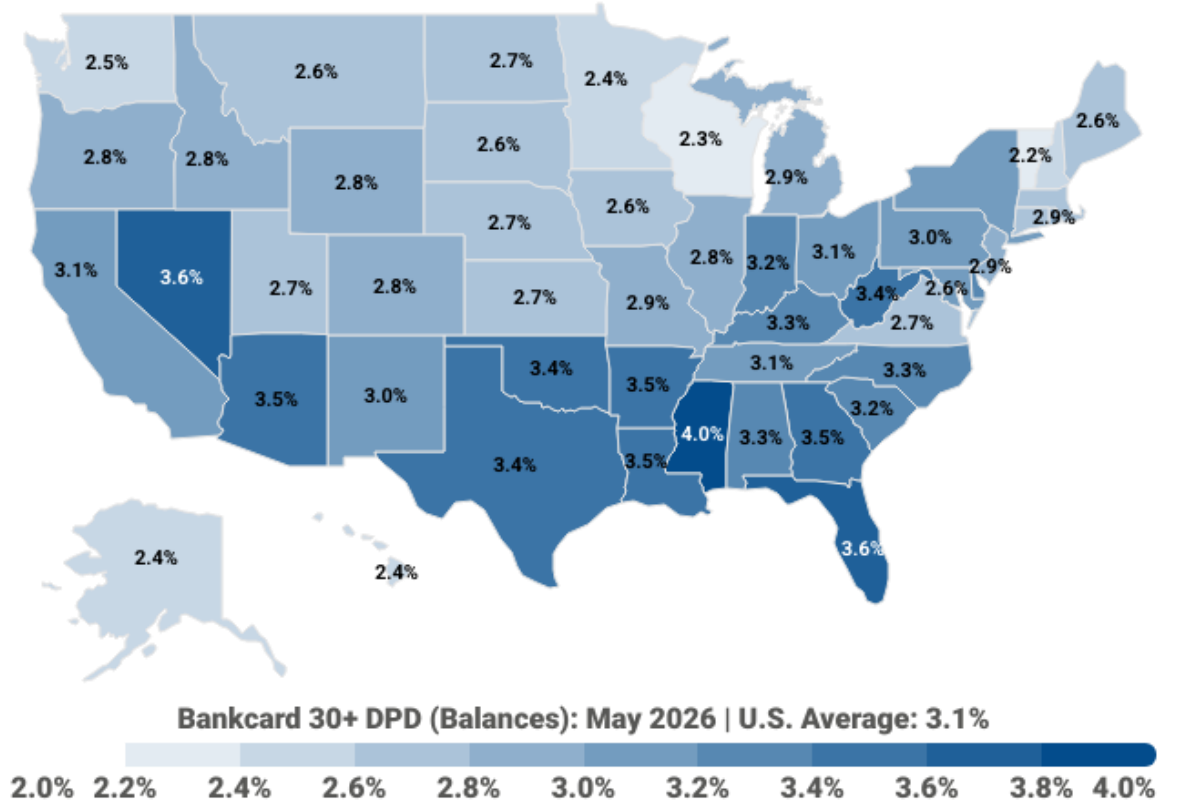
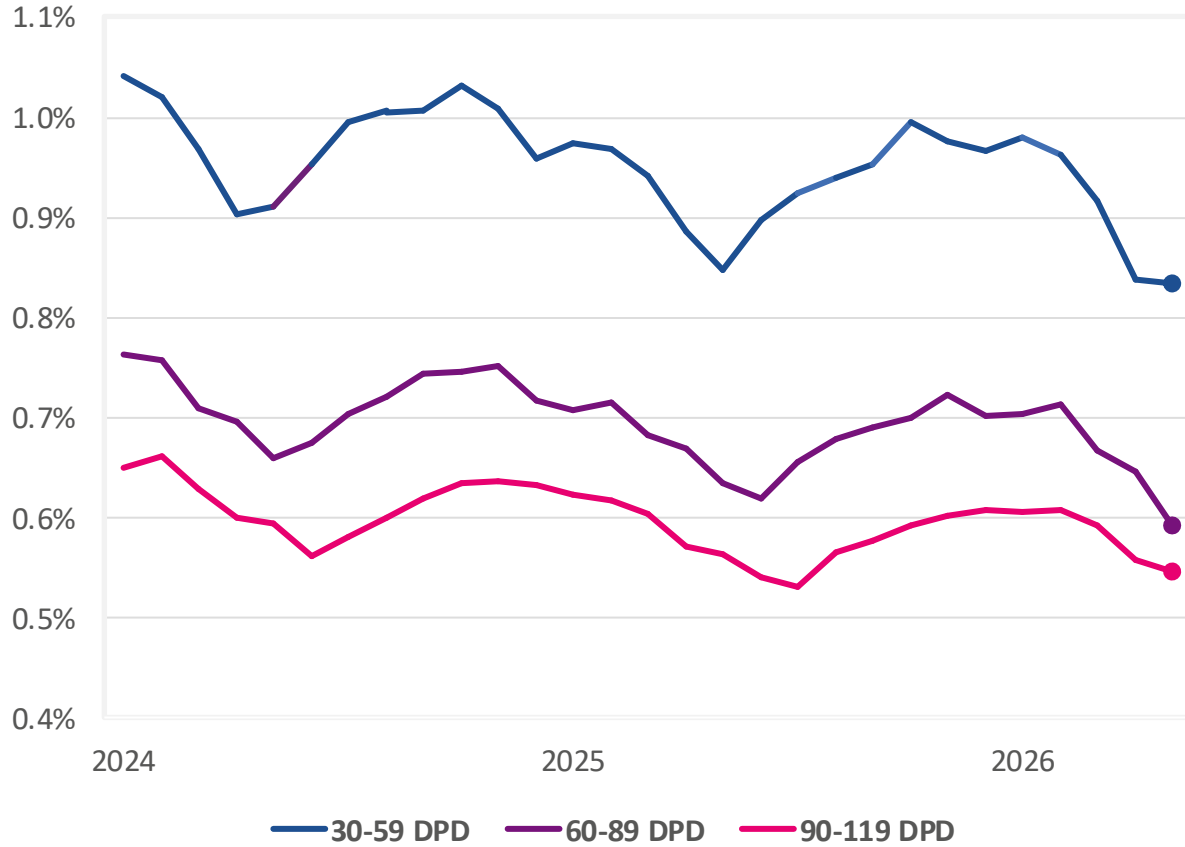




Card delinquency down YoY in May across stages

— Highest card delinquency in Mississippi, Nevada and Florida

Bankcard: % of Balances by DPD



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Unsecured Personal Loans

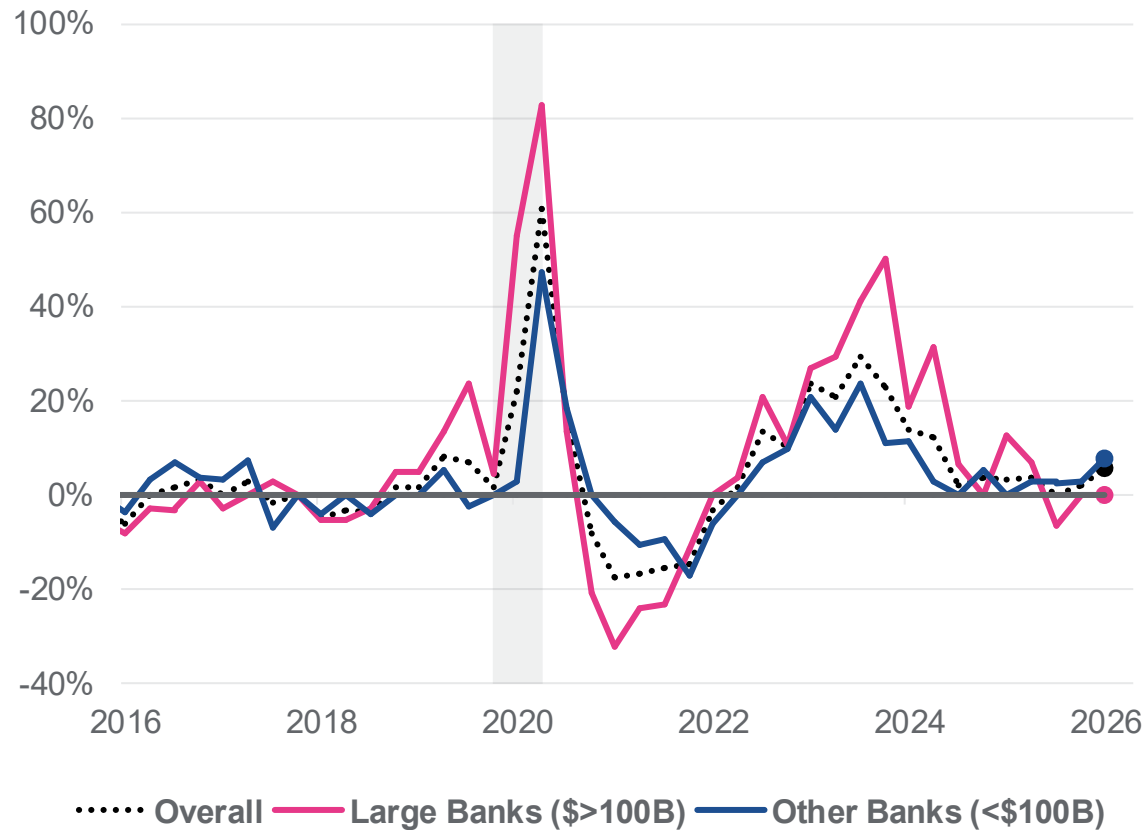




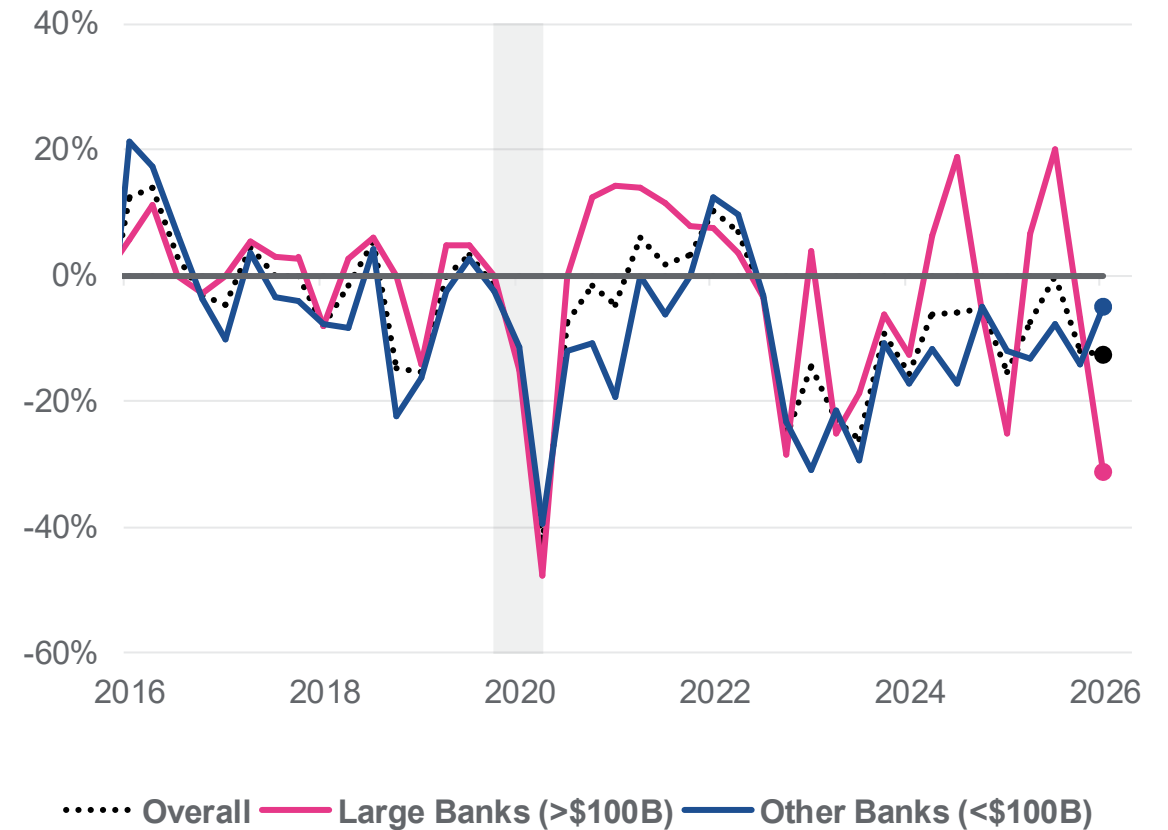
Standards continue to tighten slightly for consumer loans

— Reported demand weakened further across large banks in Q1

Net % of Banks Tightening Lending Standards on Consumer Loans Other than Credit Card and Auto



Net % of Banks Reporting Stronger Demand for Consumer Loans other than CC and Auto



Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



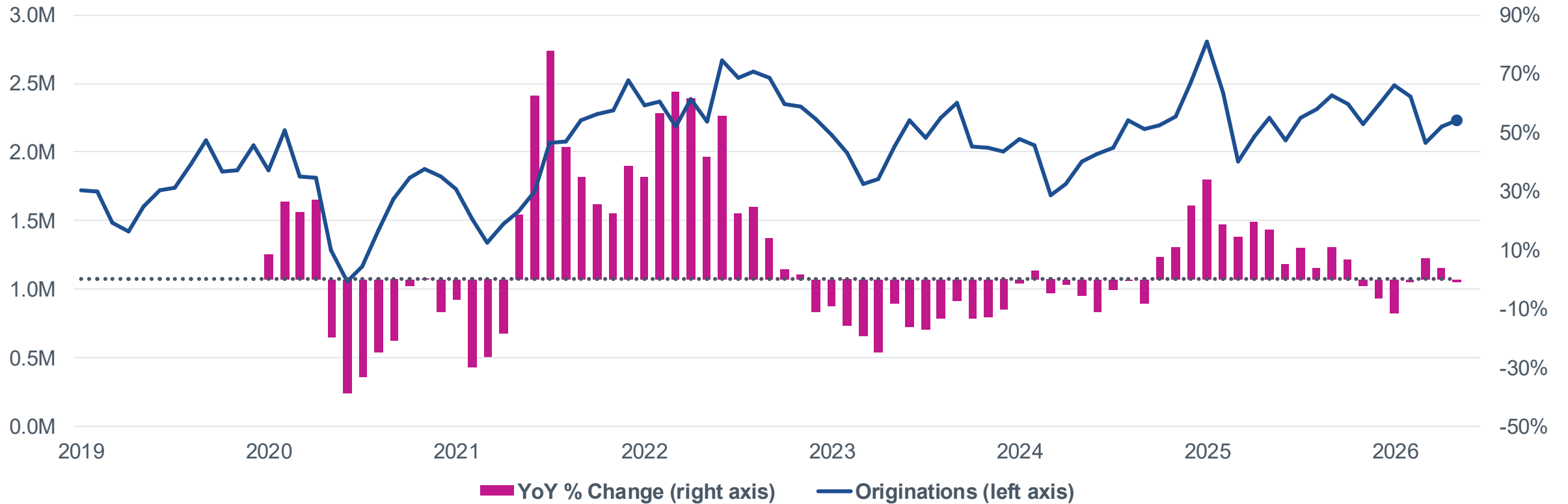


Unsecured PL originations up over the past two months

— However, unsecured PL originations down YoY in May

Unsecured Personal Loan (UPL) Account Originations (Rolling 90-Day)

-1%
YoY % Change

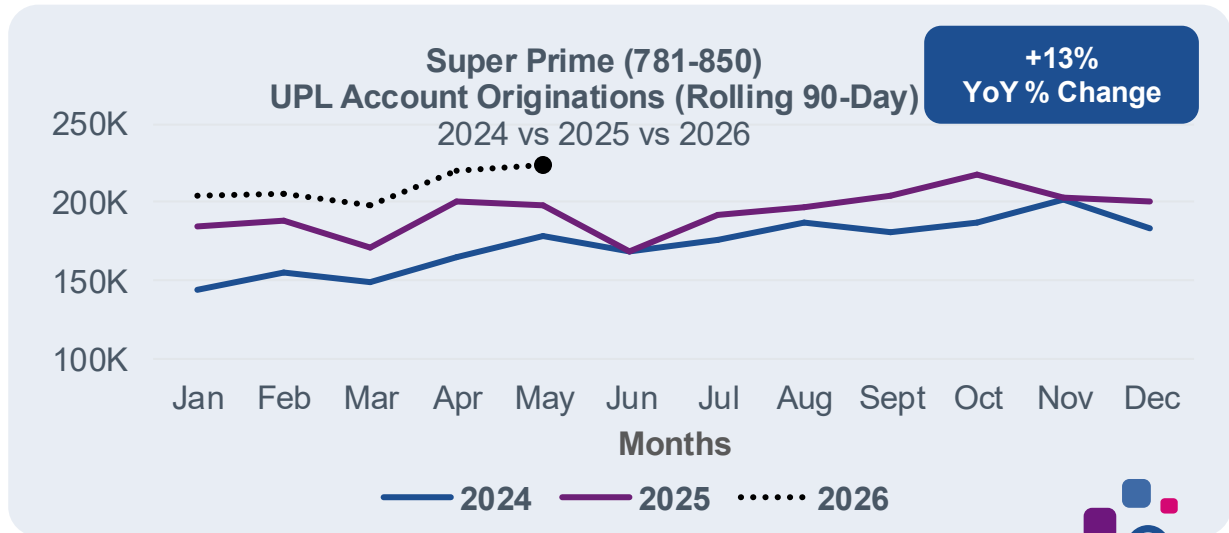
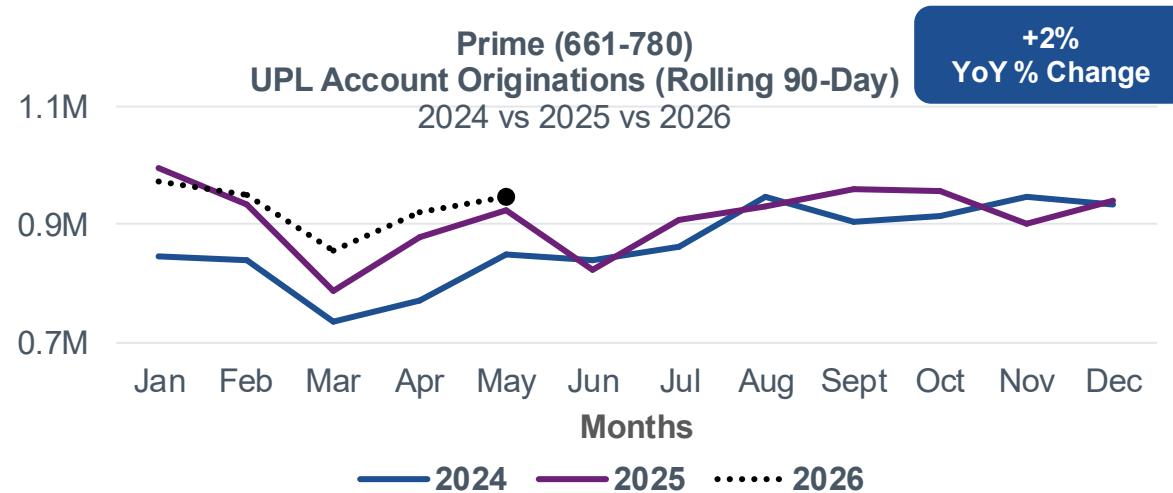
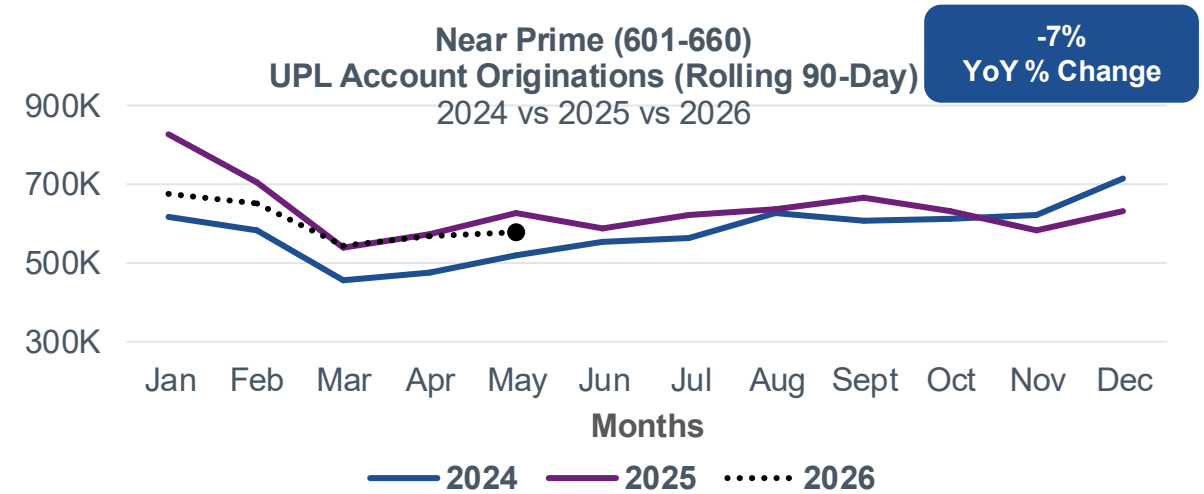
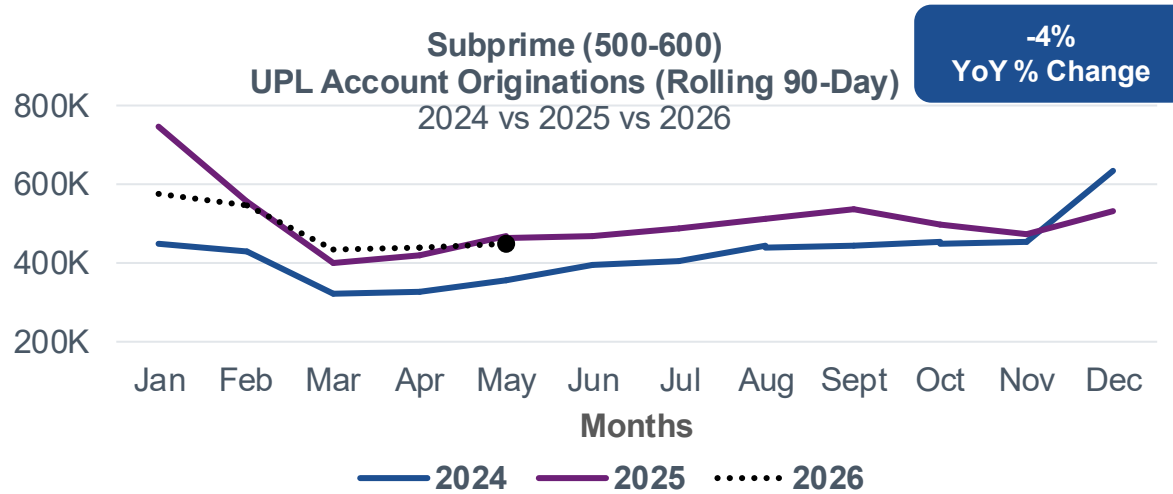


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Super Prime borrowers lead YoY unsecured PL growth

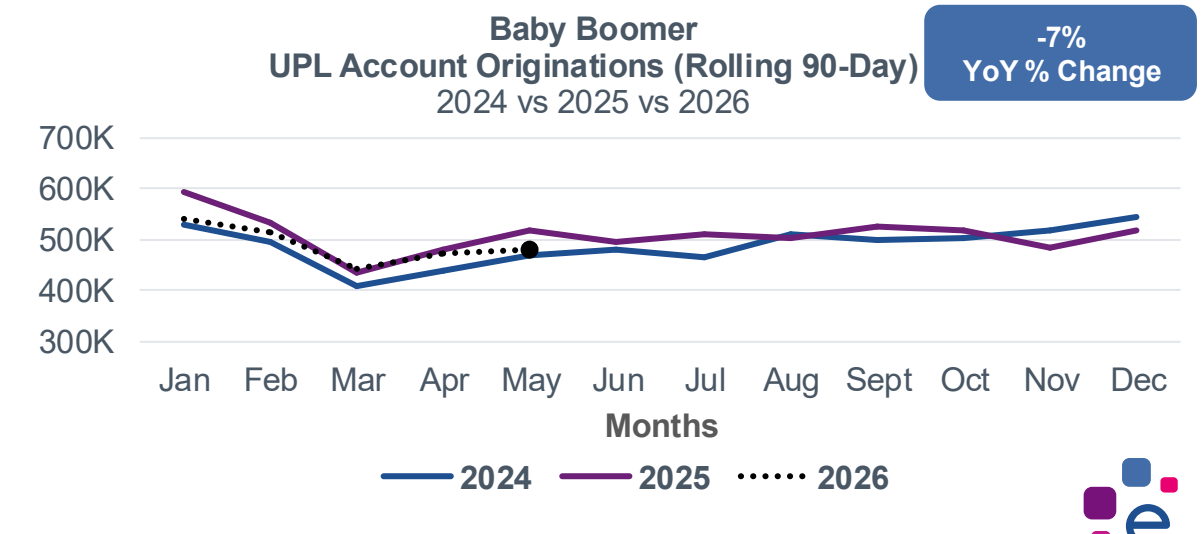
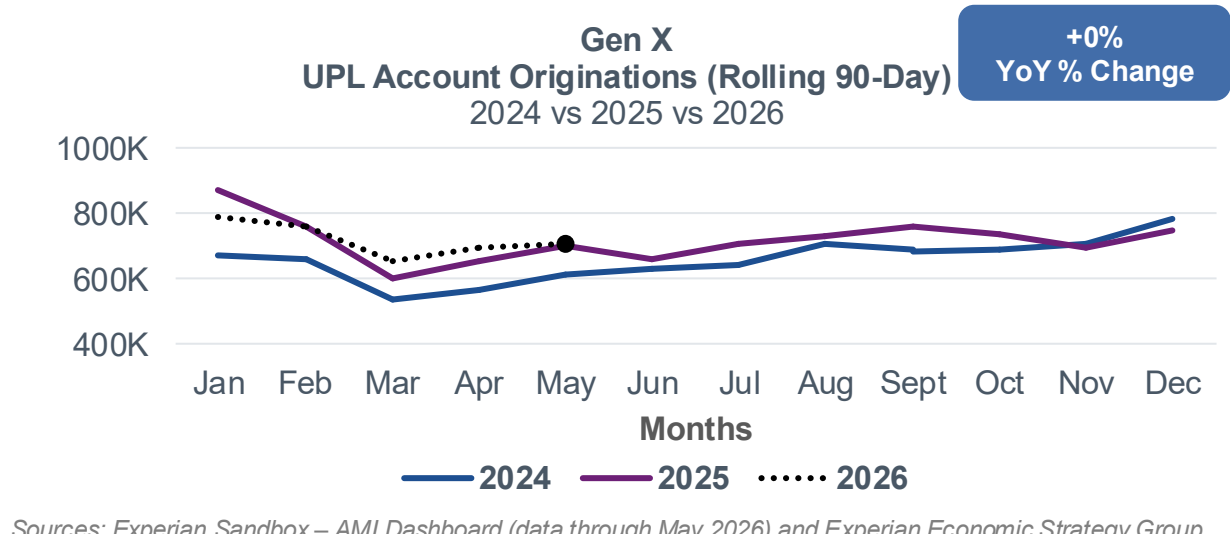
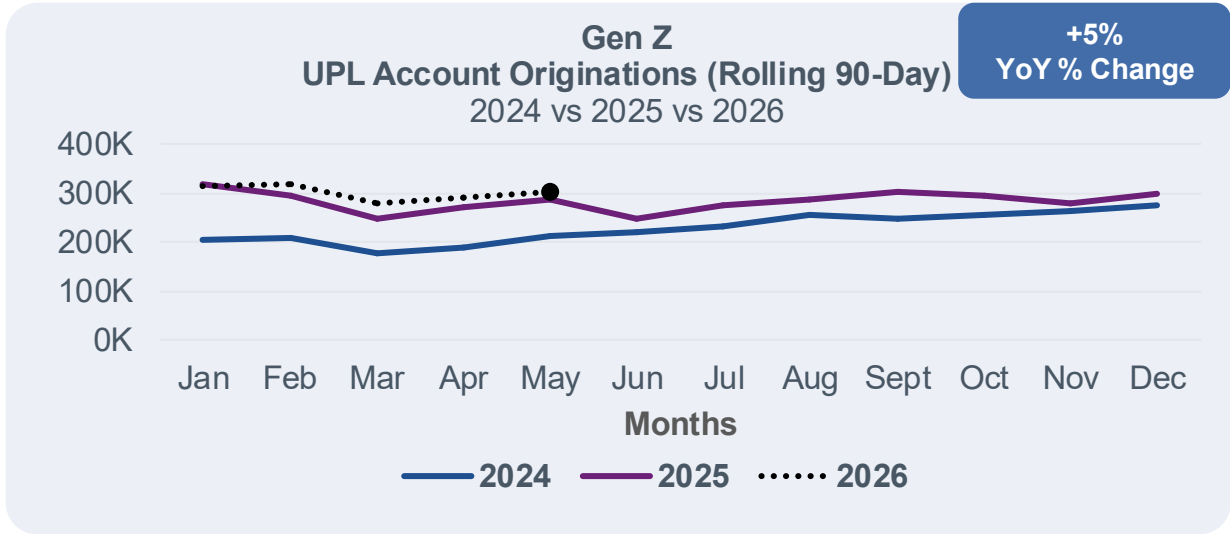


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Gen Z continues to lead unsecured PL growth

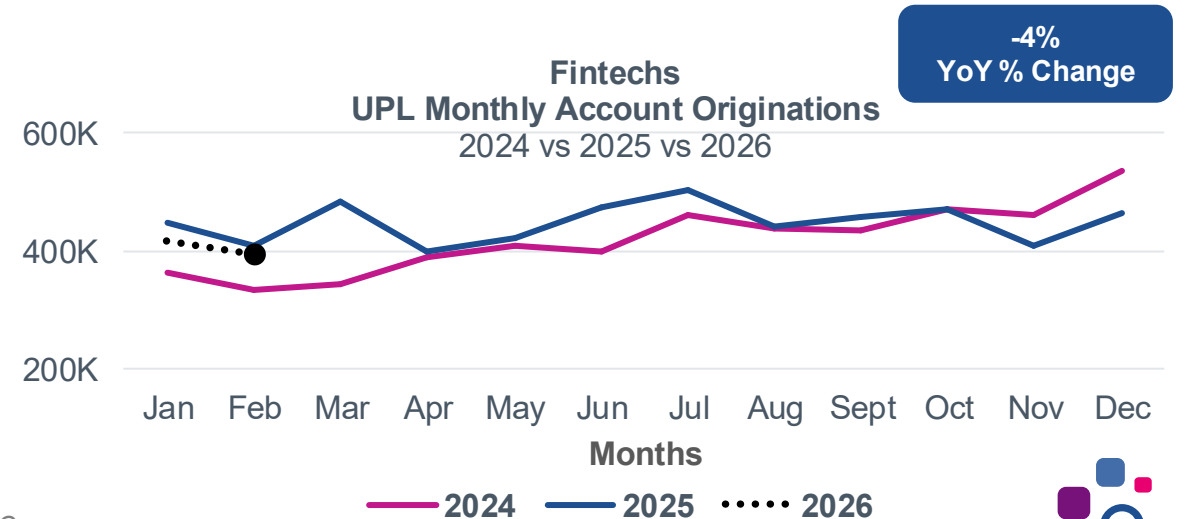
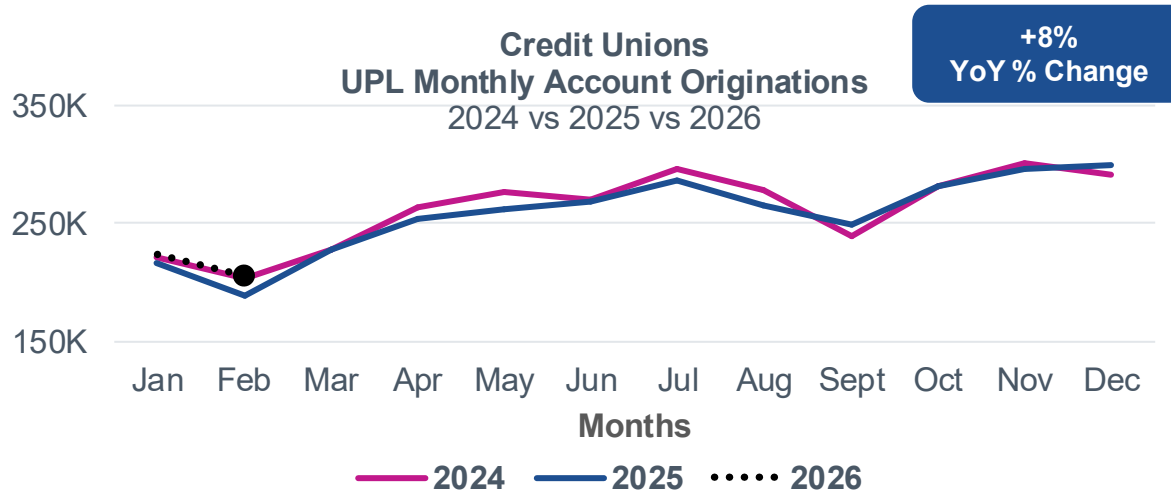
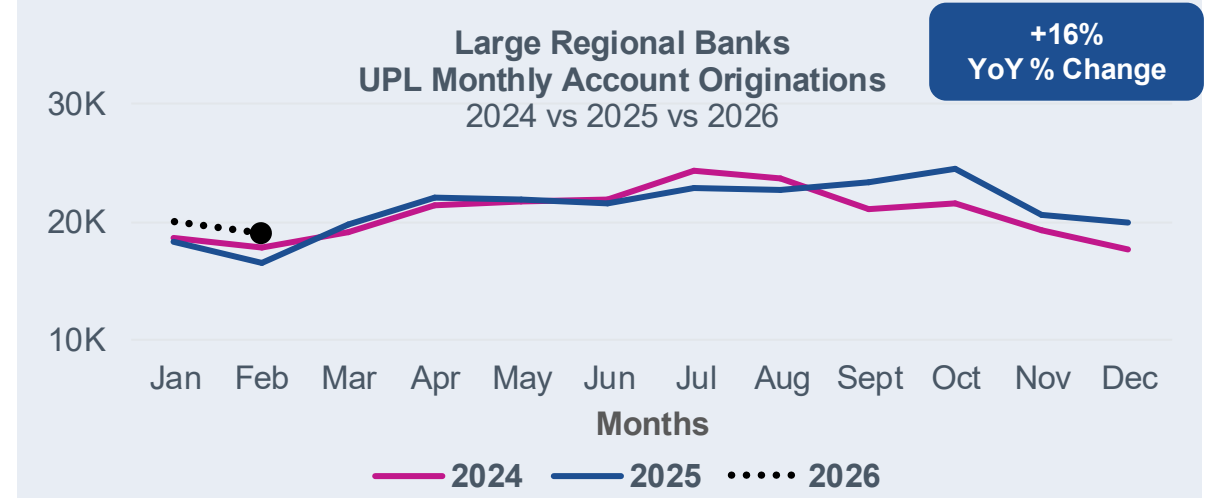
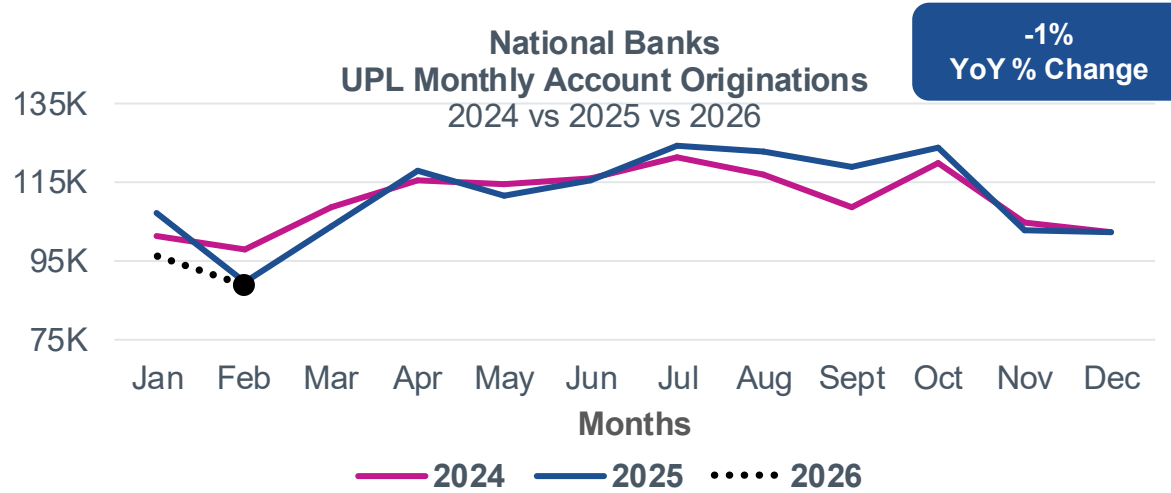


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Regional Banks leading YoY unsecured PL growth



Sources: Experian Sandbox - Credit Trends Dashboard (data through Feb 2026) and Experian Economic Strategy Group

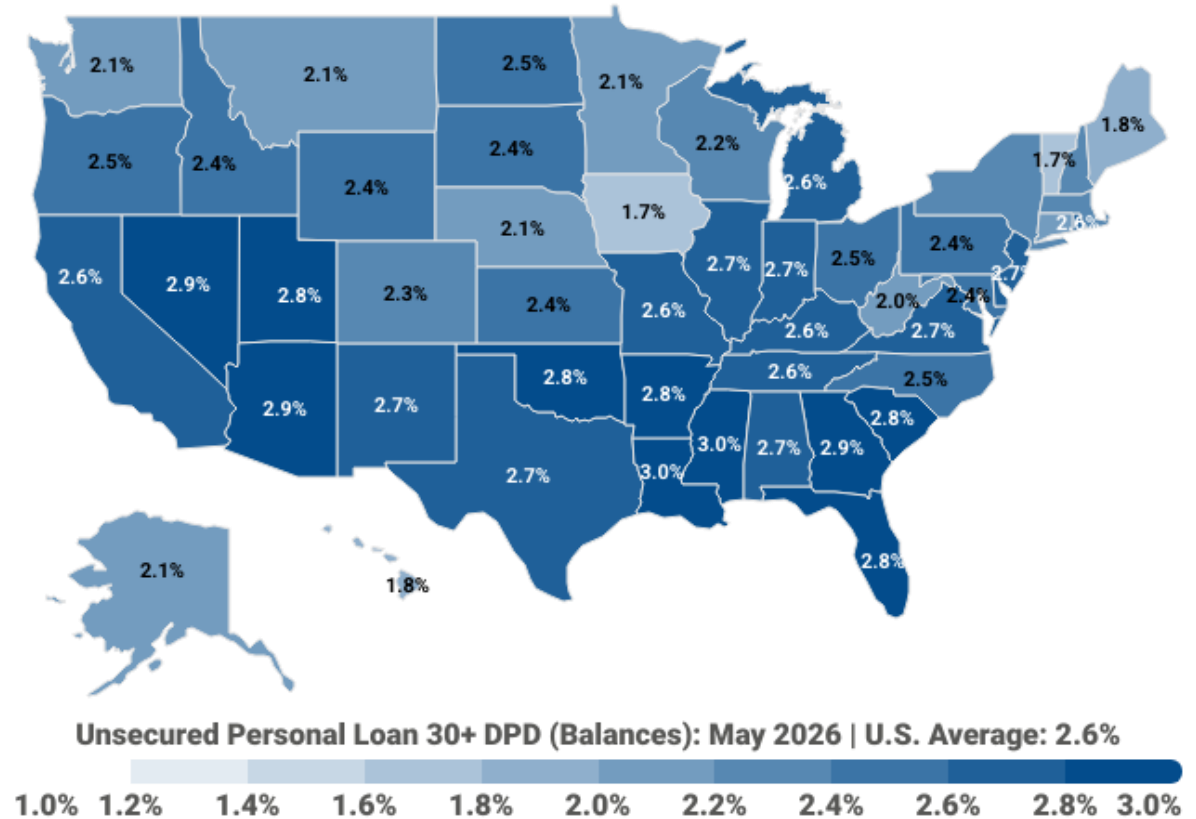
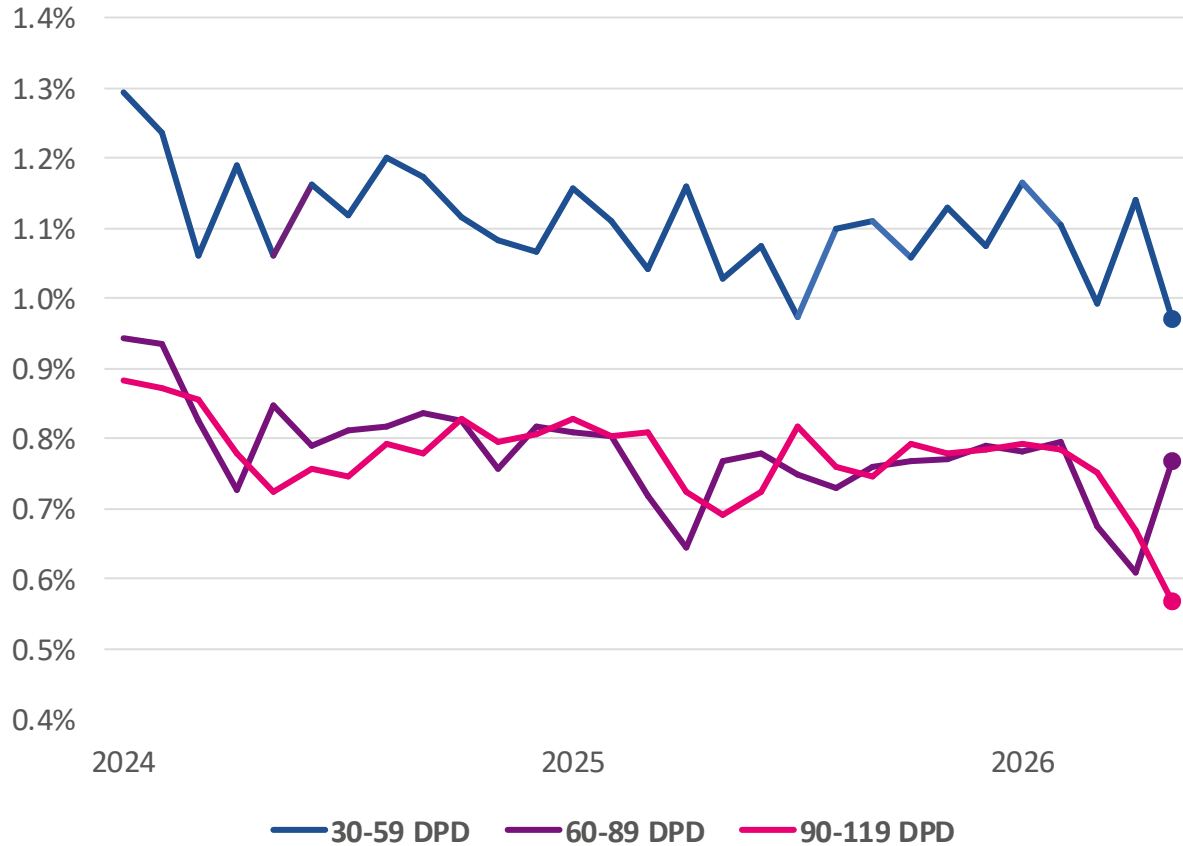




Late-stage unsecured PL delinquency declining

— Highest unsecured PL delinquency rates in Louisiana and Mississippi

Unsecured Personal Loan: % of Balances by DPD



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Auto Loans

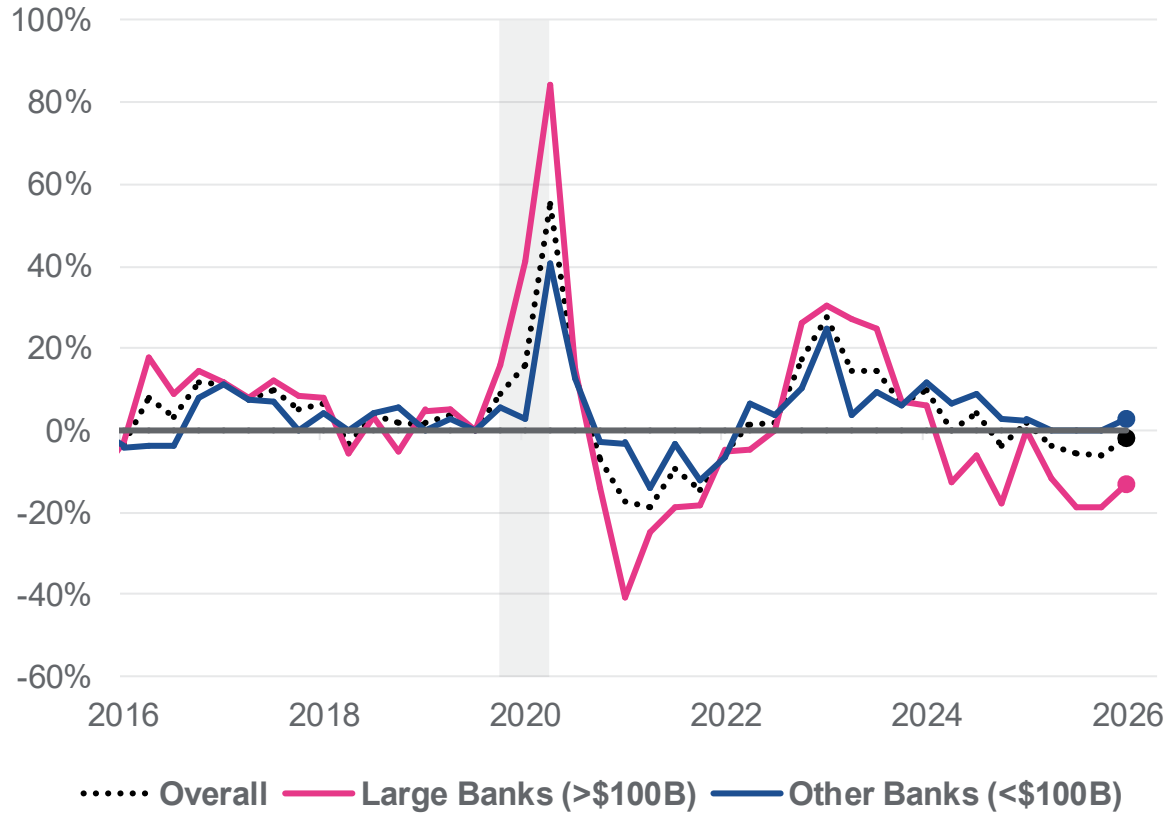




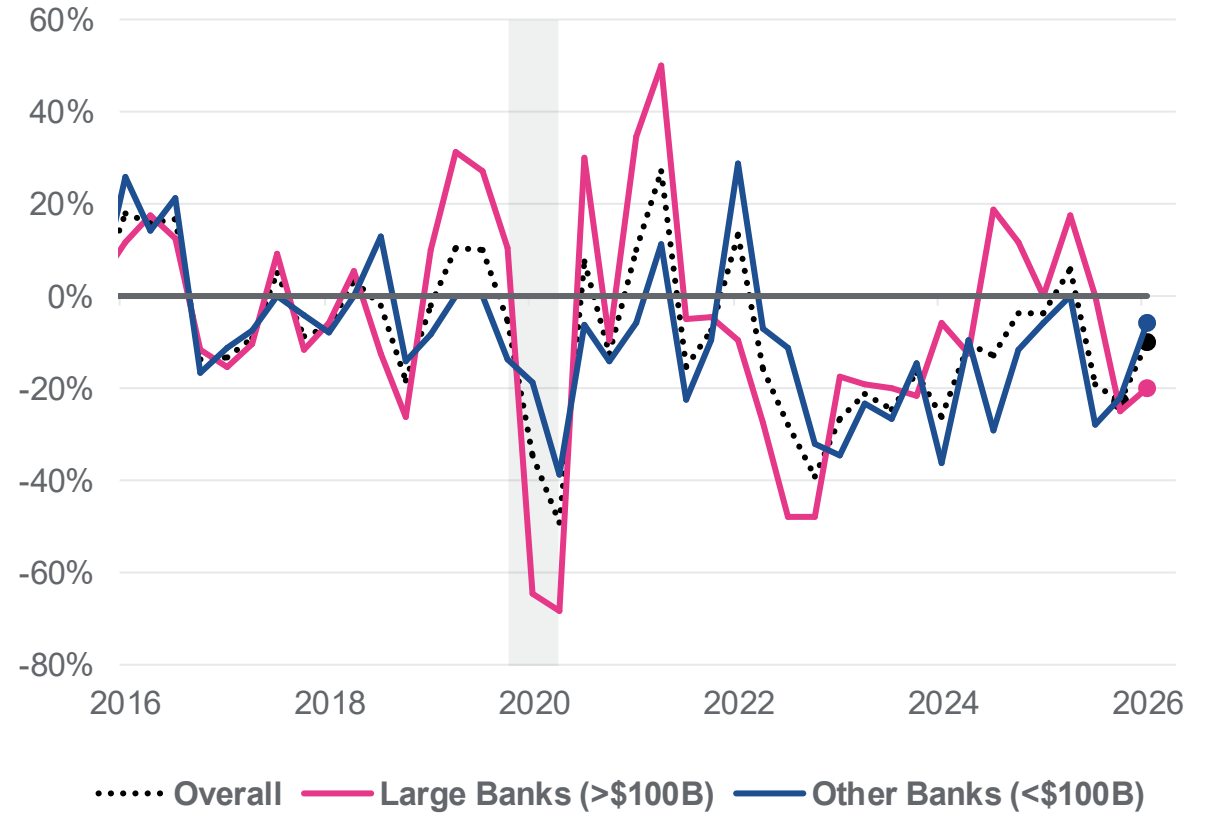
Fewer banks reported easing standards in Q1 for auto loans

— Reported demand rose modestly in Q1 but remains weaker on net

Net % of Banks Tightening Lending Standards on Auto Loans



Net % of Banks Reporting Stronger Demand for Auto Loans



Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



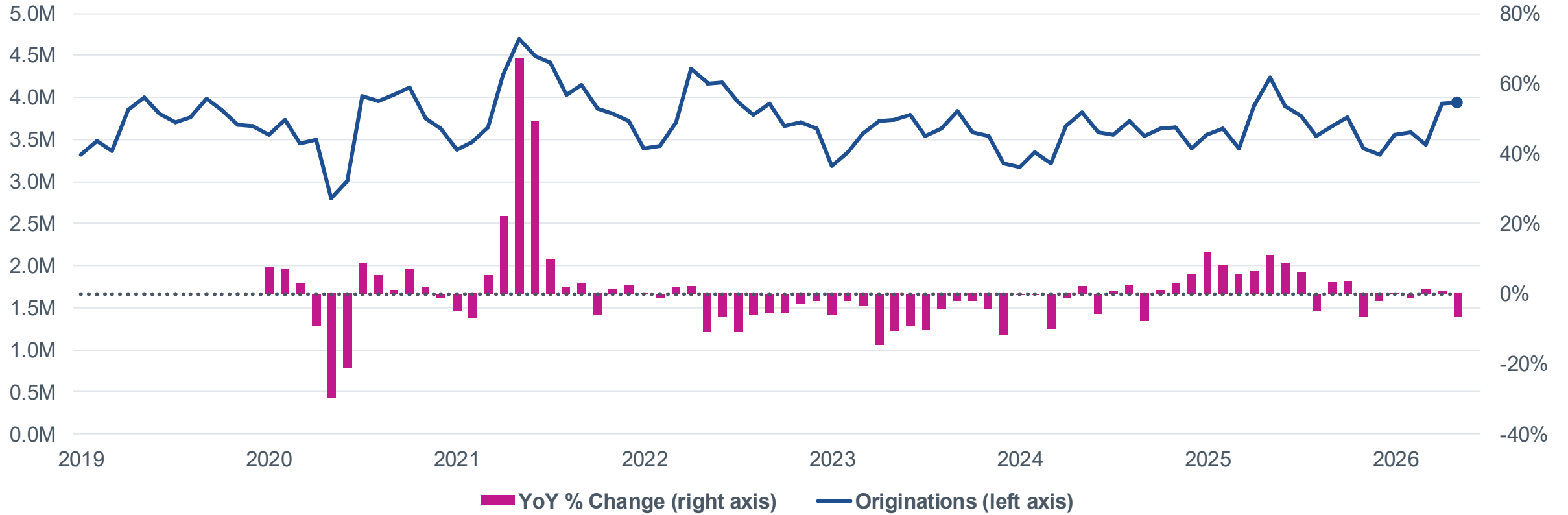


Auto loan originations increased over the past two months

— However, auto loan originations down YoY

-7%
YoY % Change

Auto Loan Account Originations (Rolling 90-Day)

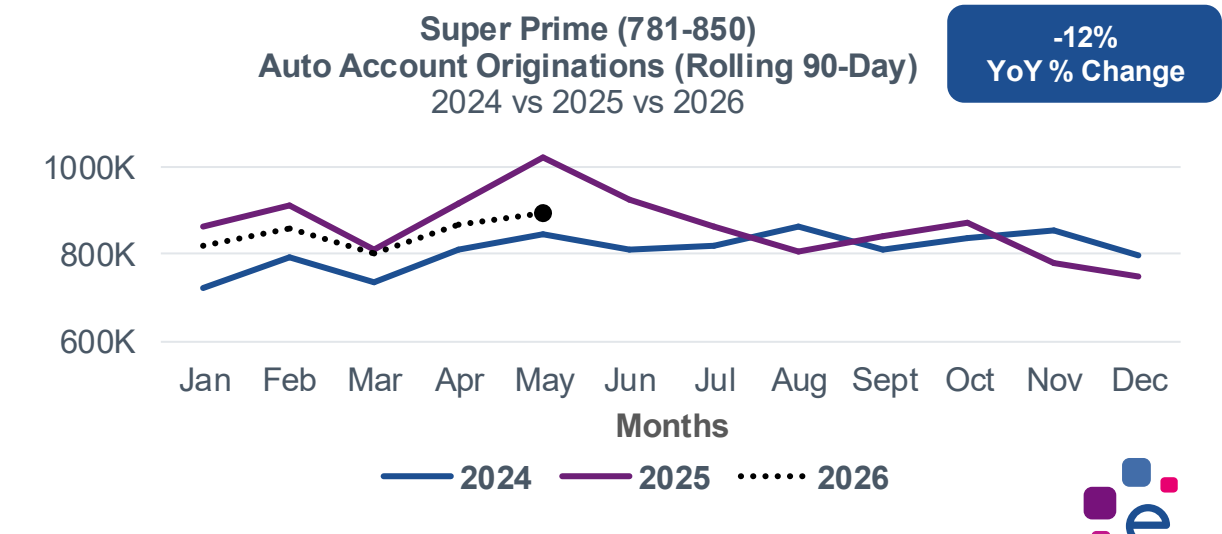
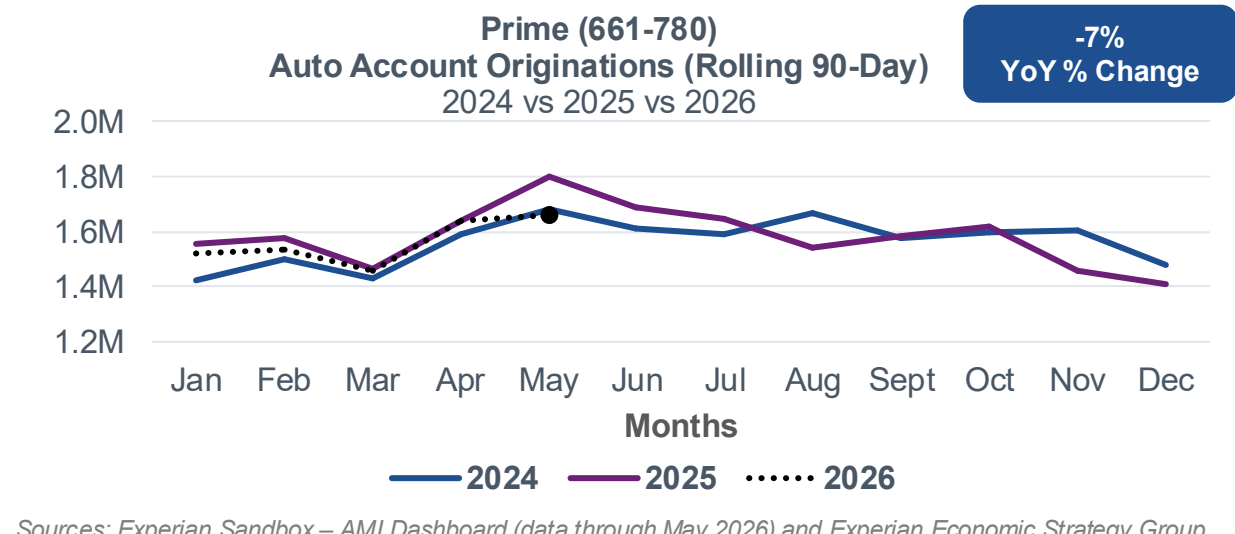
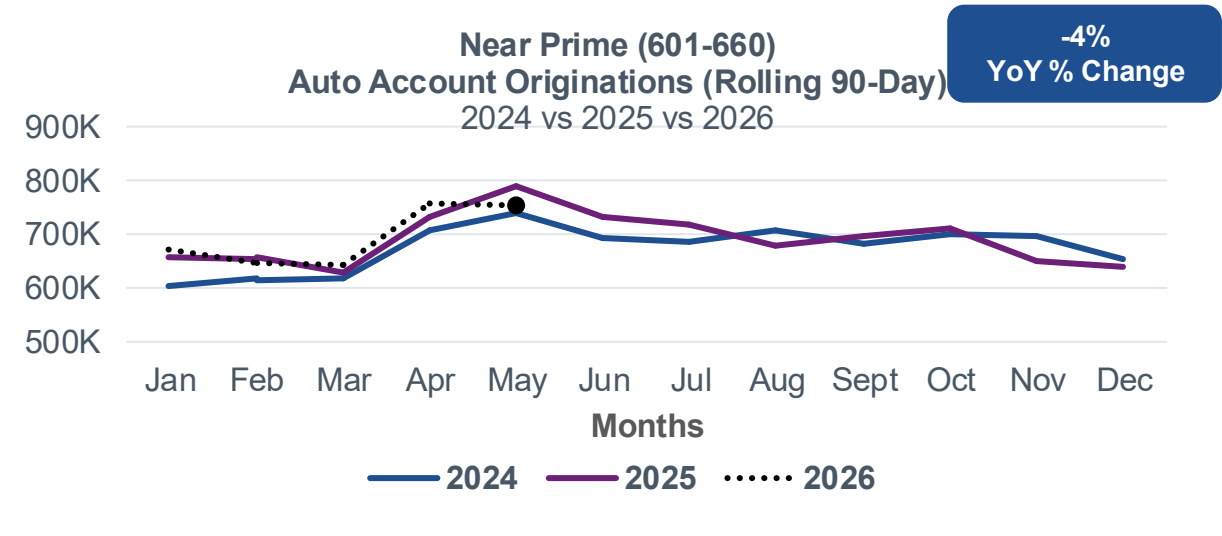
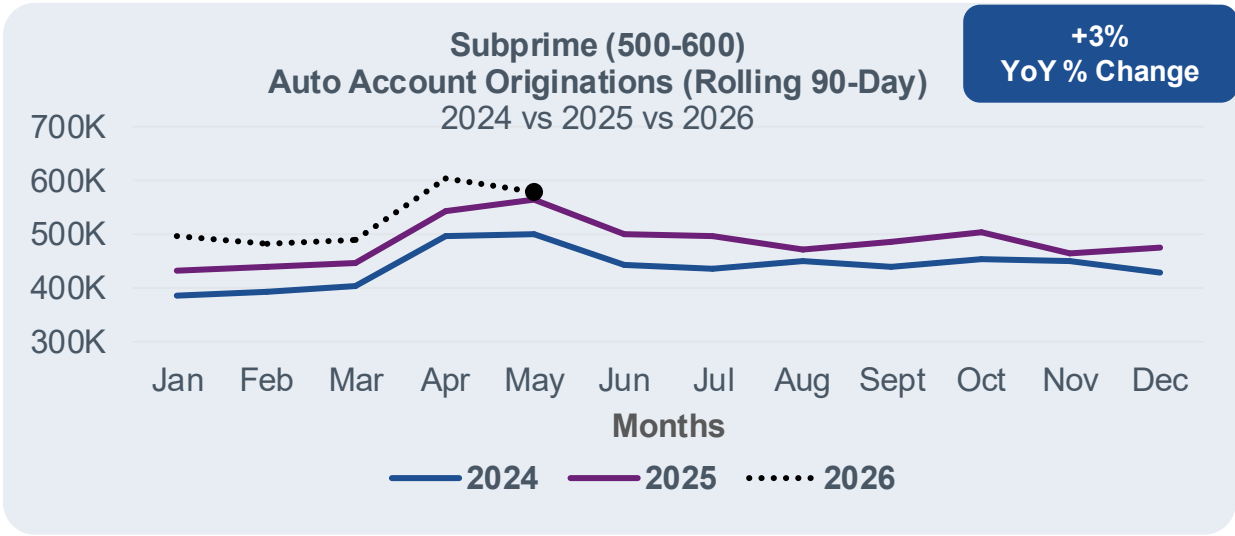


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Auto originations down YoY for all segments except Subprime

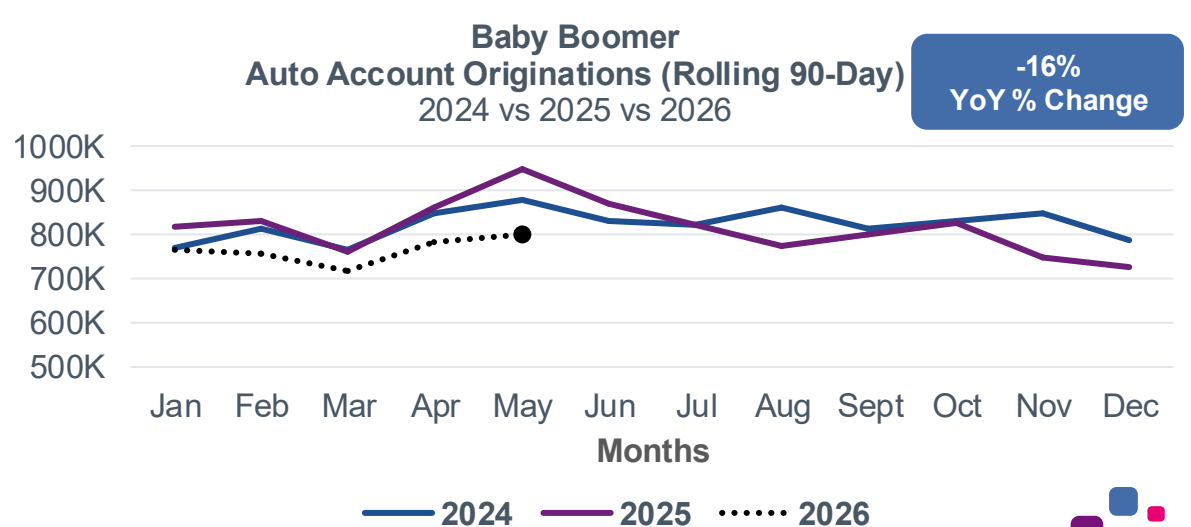
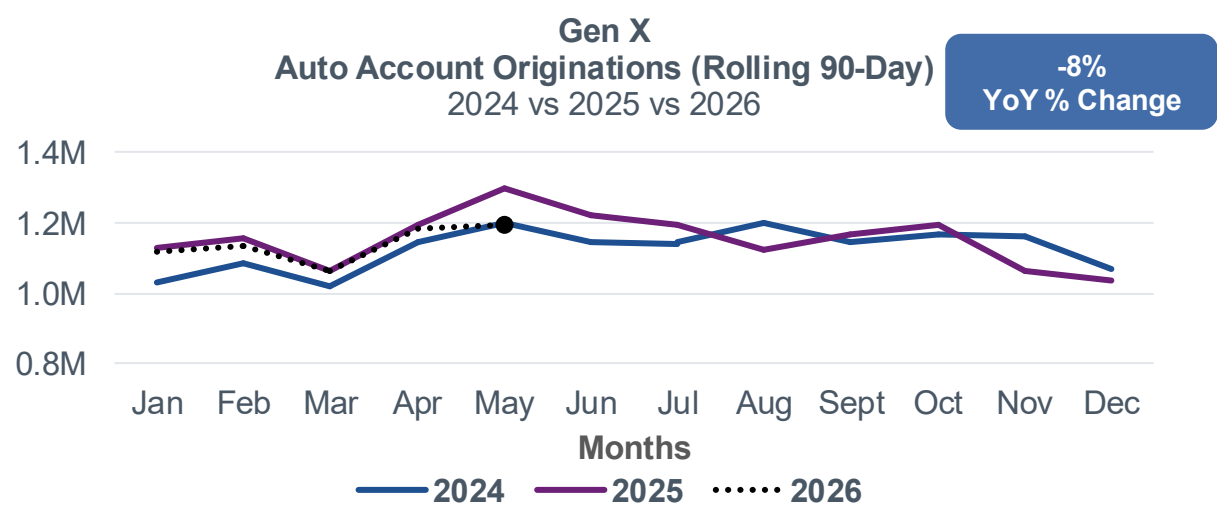
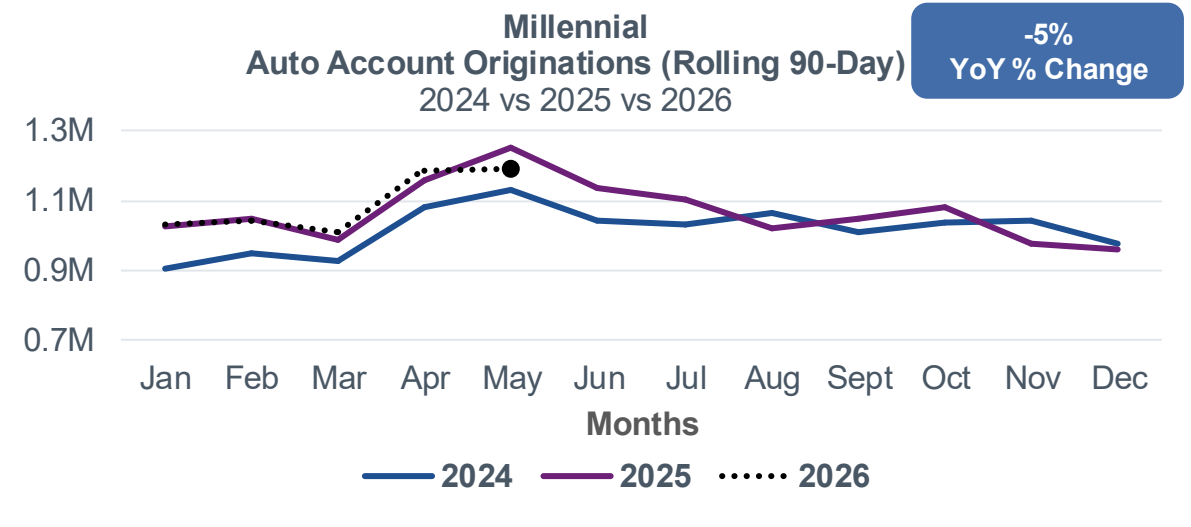
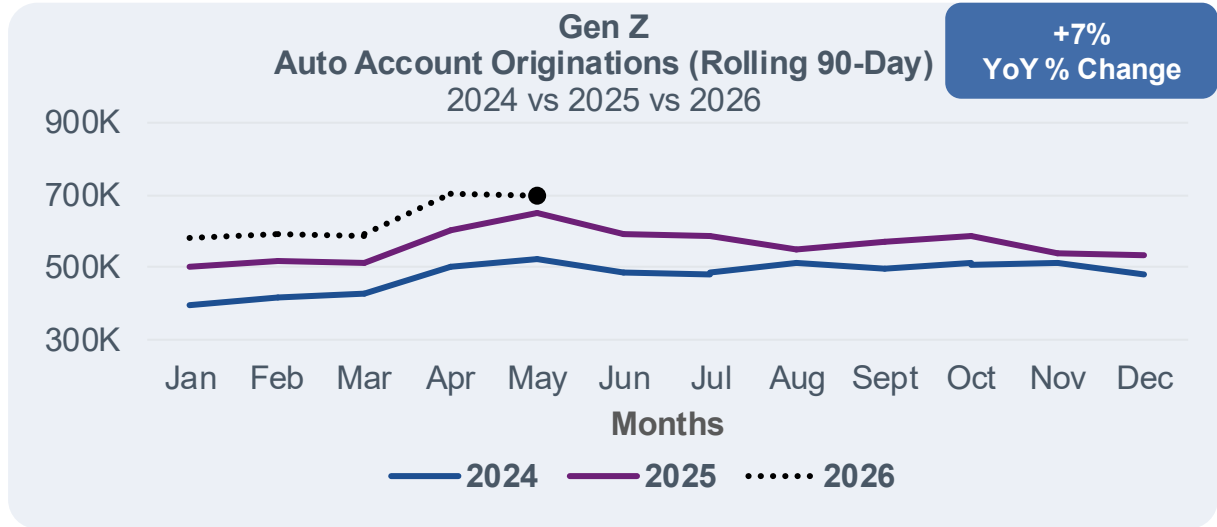


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Auto originations down YoY across generations except Gen Z

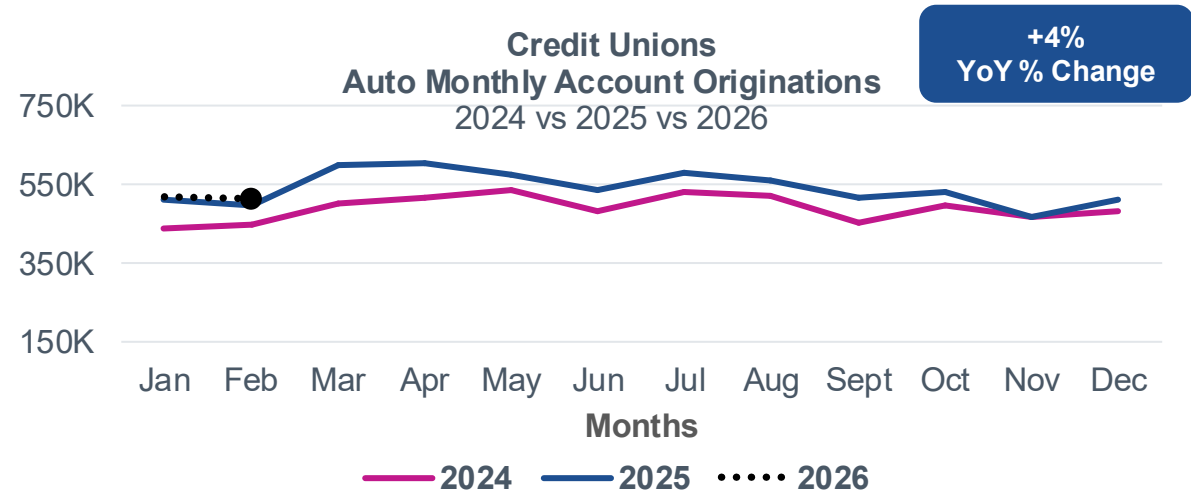
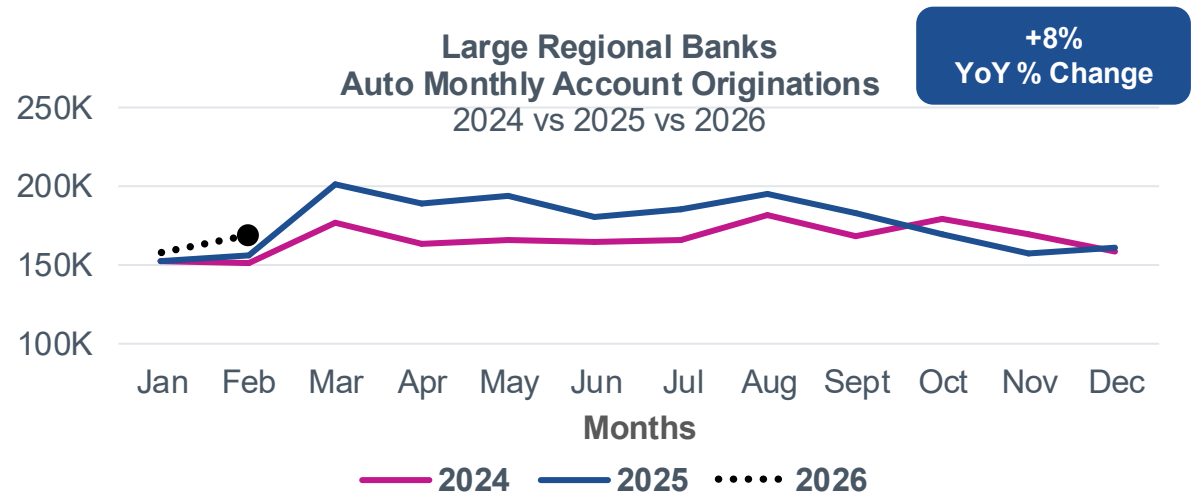
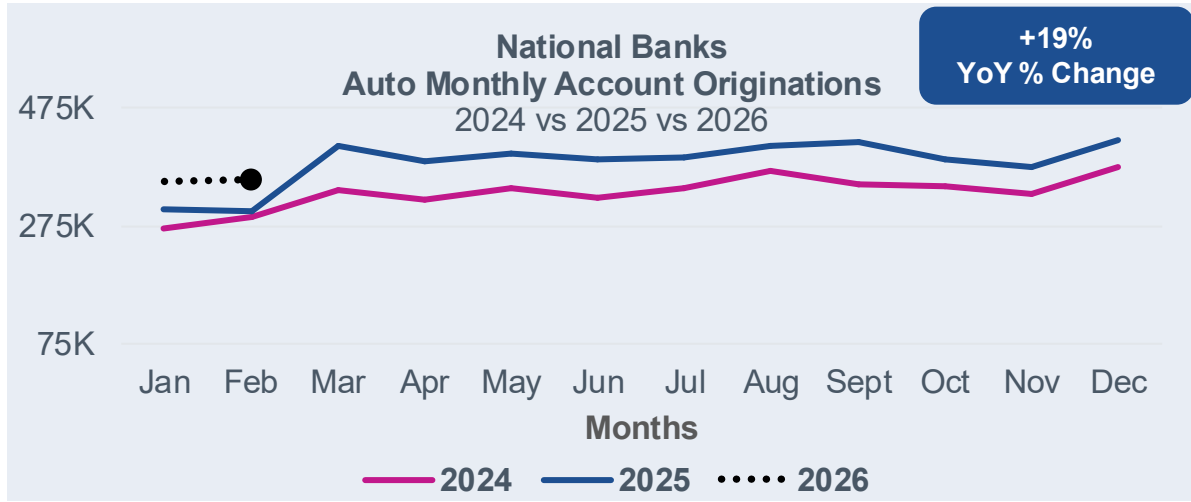


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





National Banks leading YoY auto originations



Sources: Experian Sandbox - Credit Trends Dashboard (data through Feb 2026) and Experian Economic Strategy Group

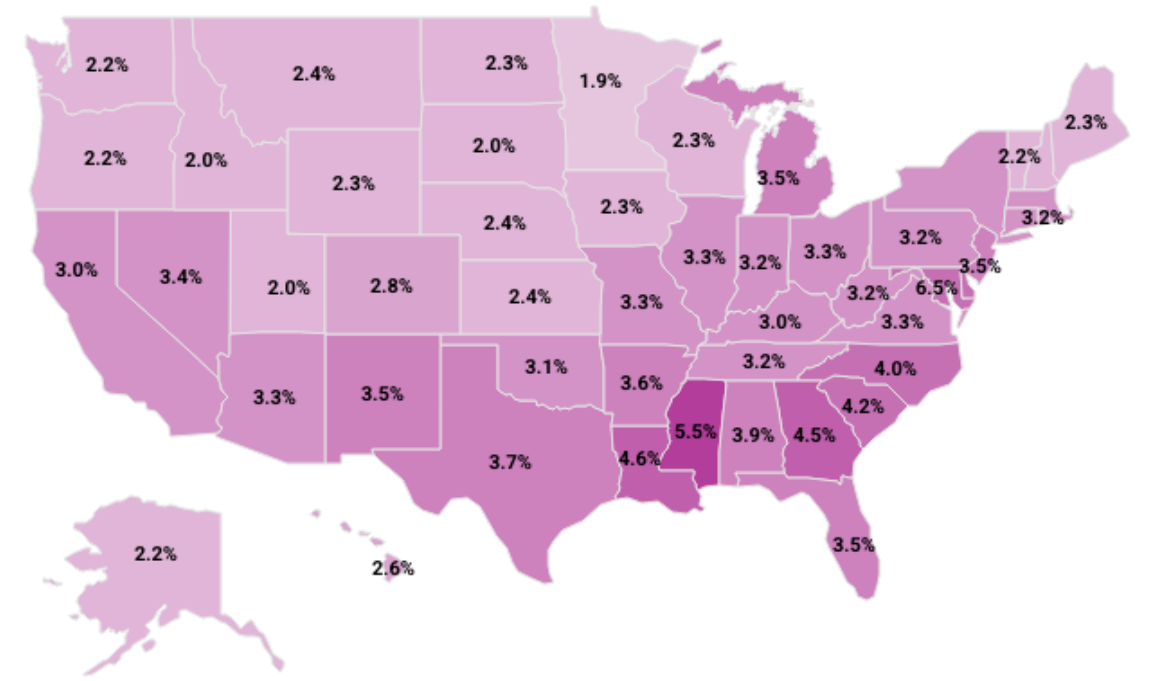
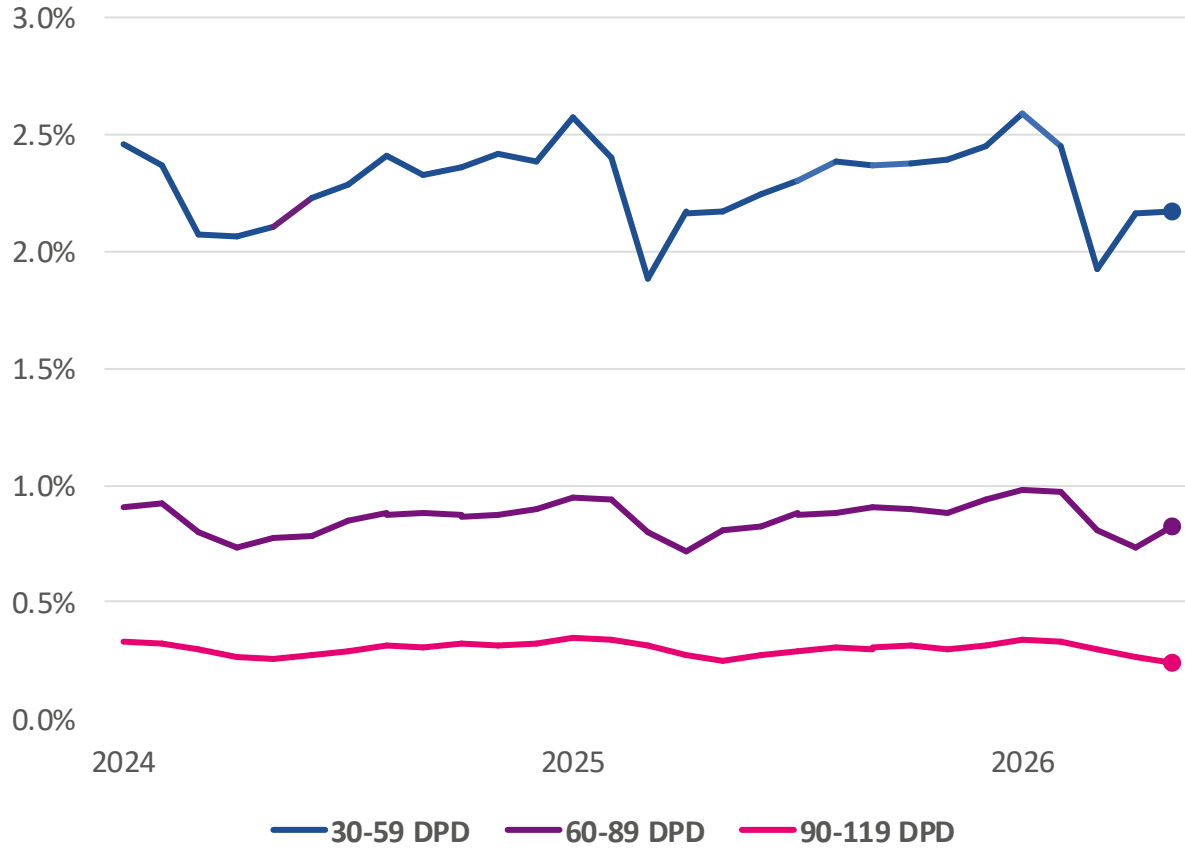




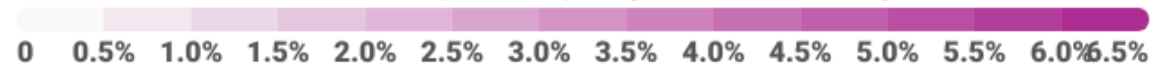
Auto loan delinquency stable YoY across stages

— Highest auto loan delinquency in D.C. at 6.5%

Auto Loan: % of Balances by DPD



Auto Loan 30+ DPD (Balances): May 2026 | U.S. Average: 3.4%



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



HELOC

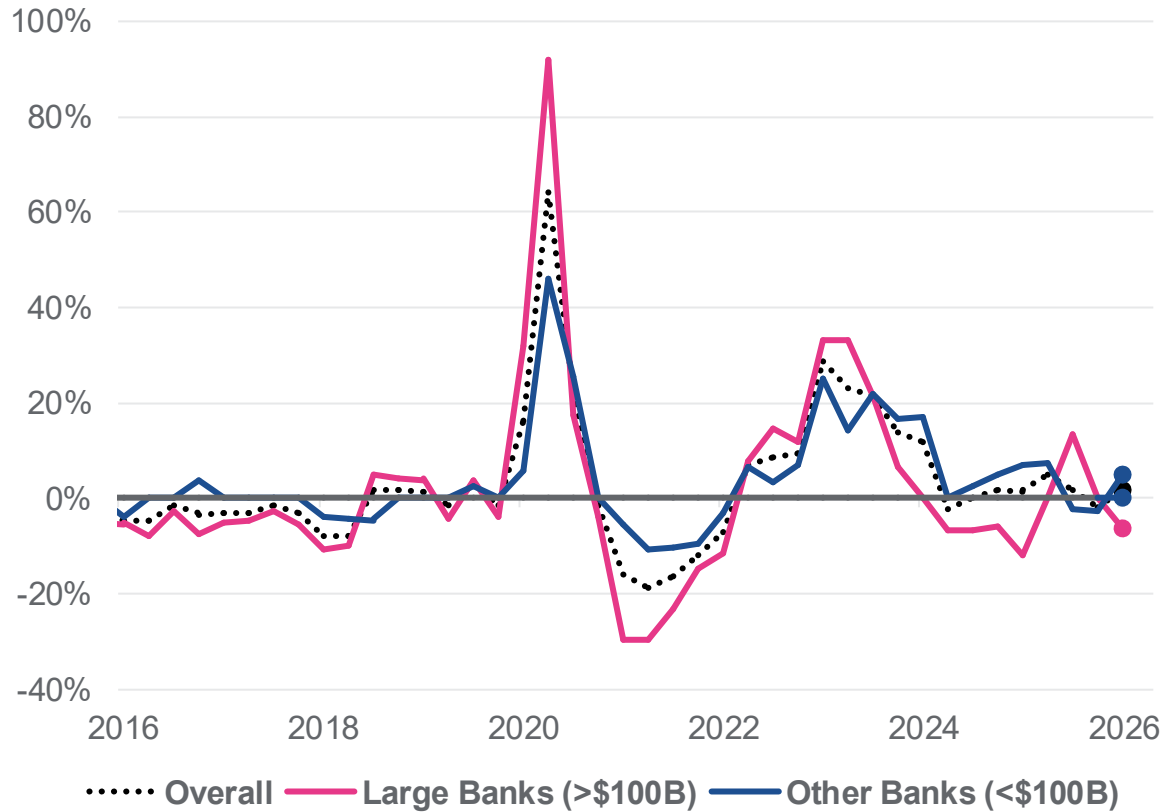




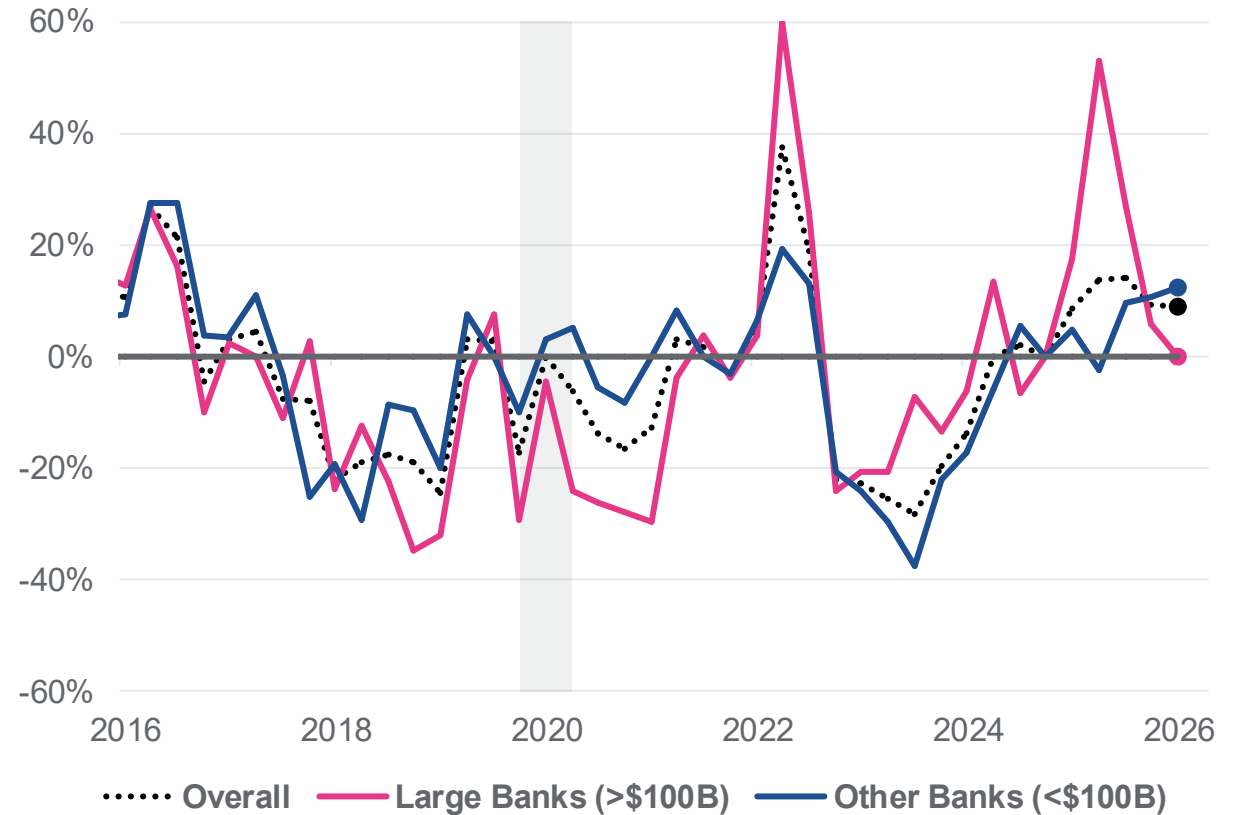
HELOC standards eased in Q1 for large banks

— Growth in HELOC demand continued to moderate among large banks, but rose across smaller banks

Net % of Banks Tightening Lending Standards on Home Equity Lines of Credit



Net % of Banks Reporting Stronger Demand for Home Equity Lines of Credit



Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



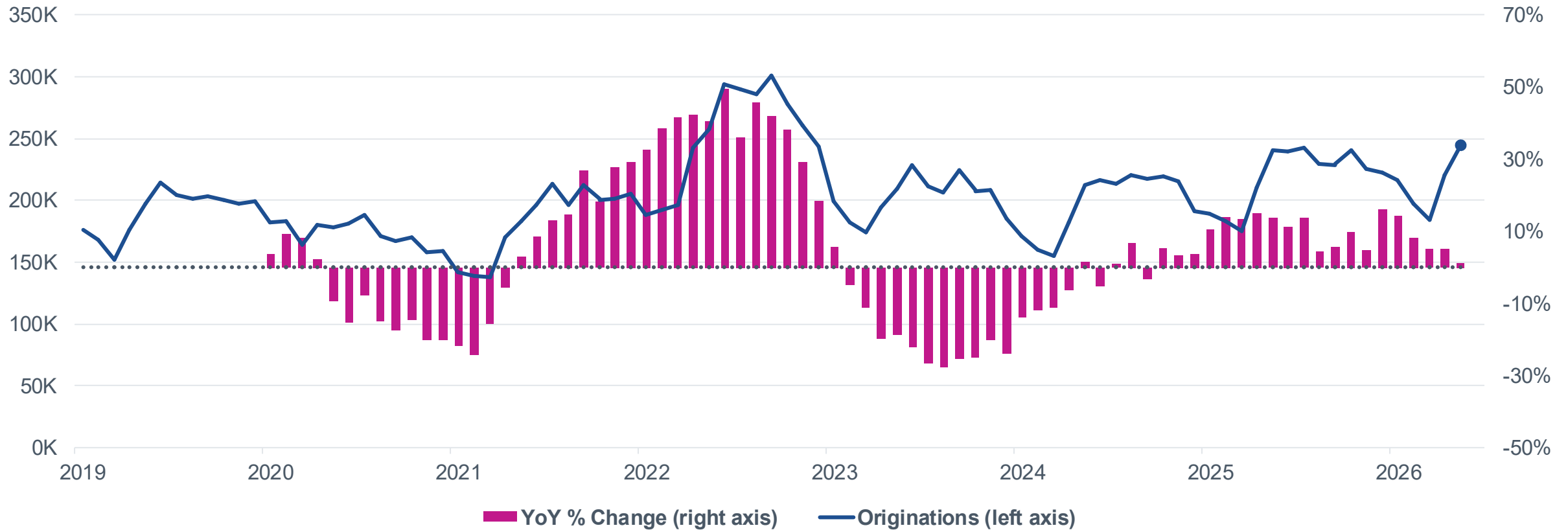


HELOC originations continue to increase modestly YoY

— Growth in HELOC originations has slowed over the past five months

HELOC Account Originations (Rolling 90-Day)

+1%
YoY % Change



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group

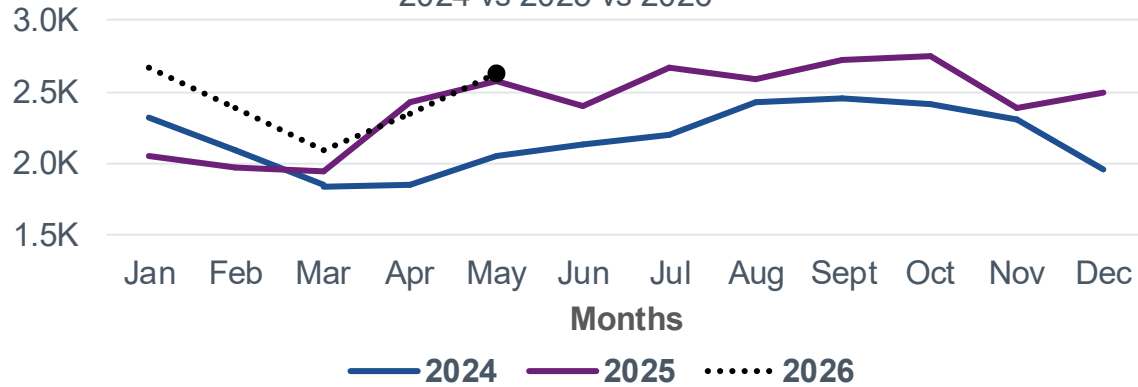




Near Prime borrowers lead YoY HELOC origination growth

Subprime (500-600)
HELOC Account Originations (Rolling 90-Day)
2024 vs 2025 vs 2026

+2%
YoY % Change



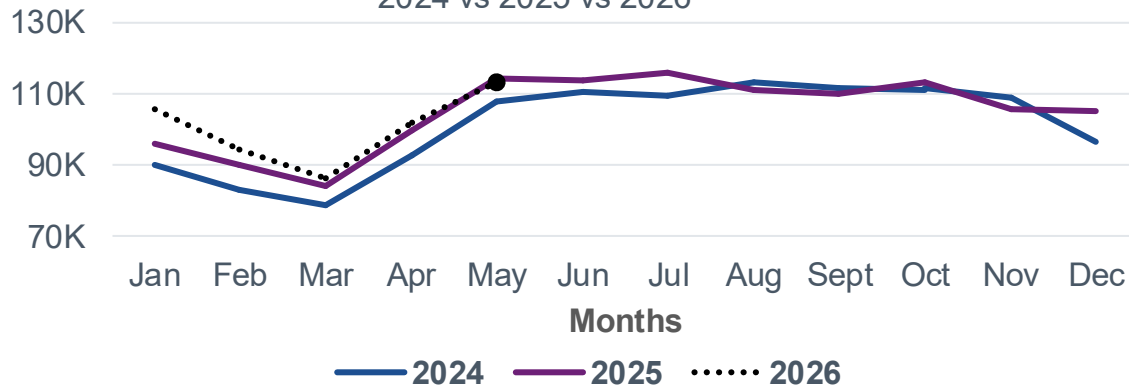
Near Prime (601-660)
HELOC Account Originations (Rolling 90-Day)
2024 vs 2025 vs 2026

+6%
YoY % Change



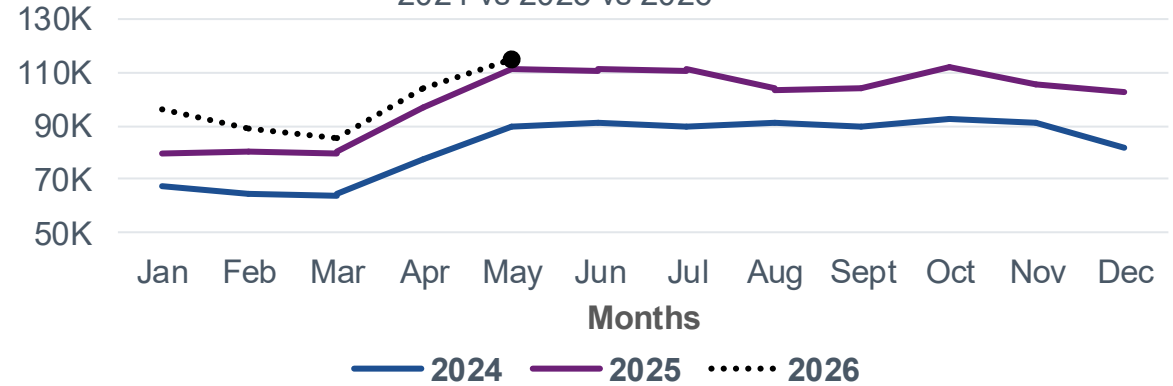
Prime (661-780)
HELOC Account Originations (Rolling 90-Day)
2024 vs 2025 vs 2026

-1%
YoY % Change



Super Prime (781-850)
HELOC Account Originations (Rolling 90-Day)
2024 vs 2025 vs 2026

+3%
YoY % Change

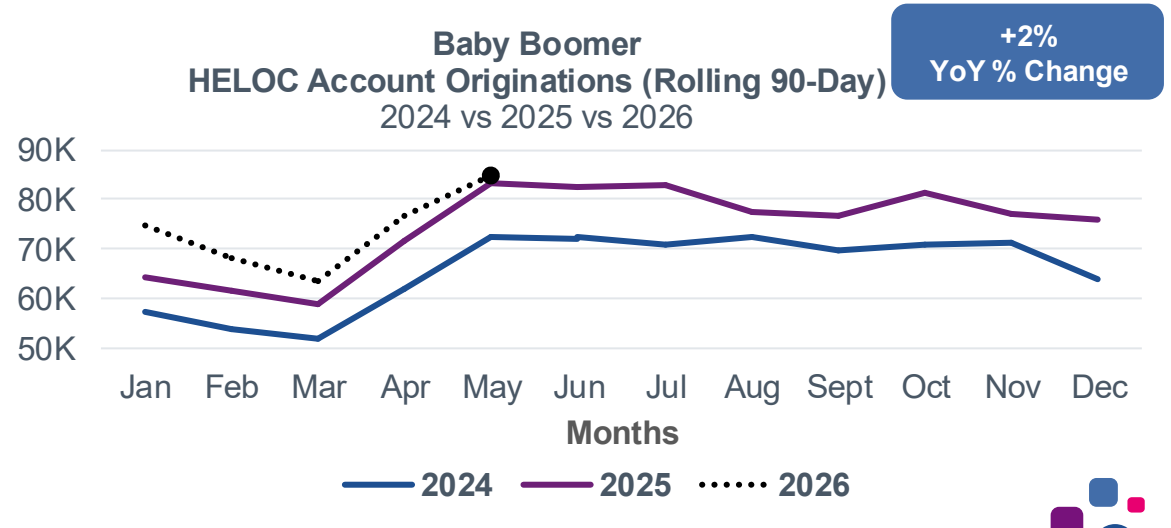
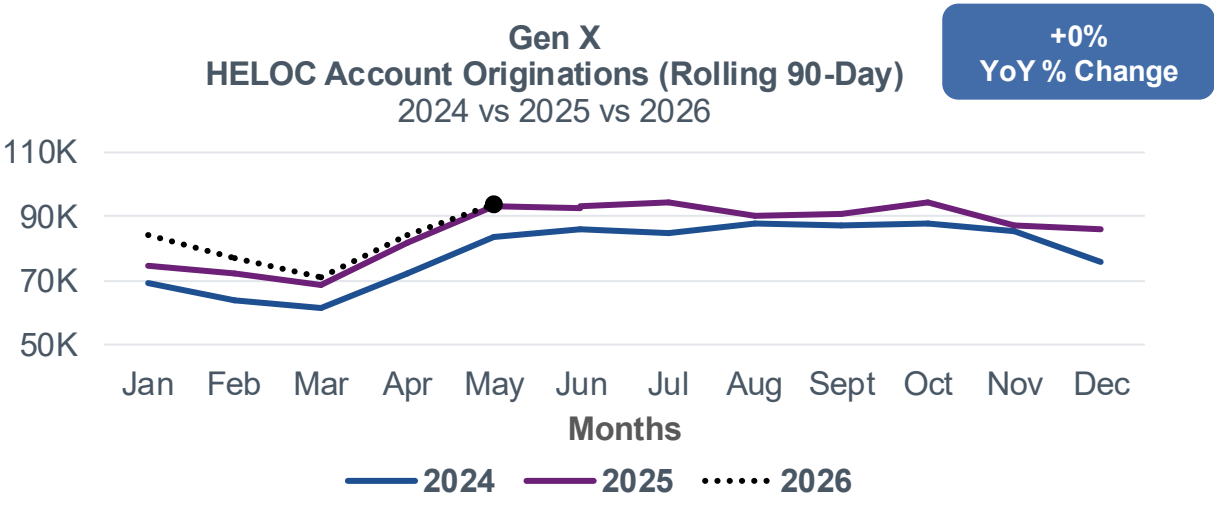
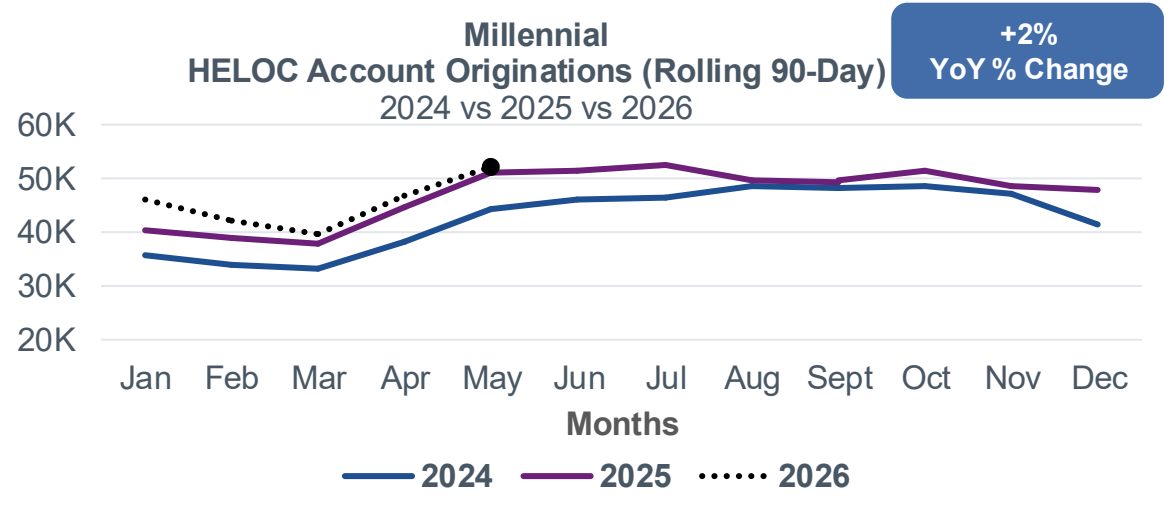
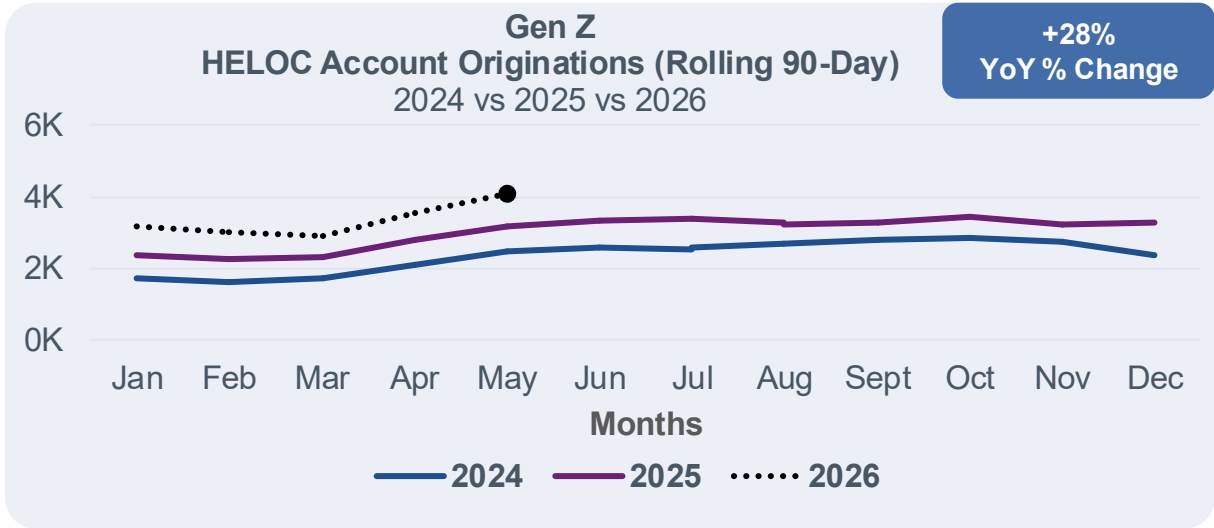


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Gen Z leading YoY growth in HELOC originations



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group

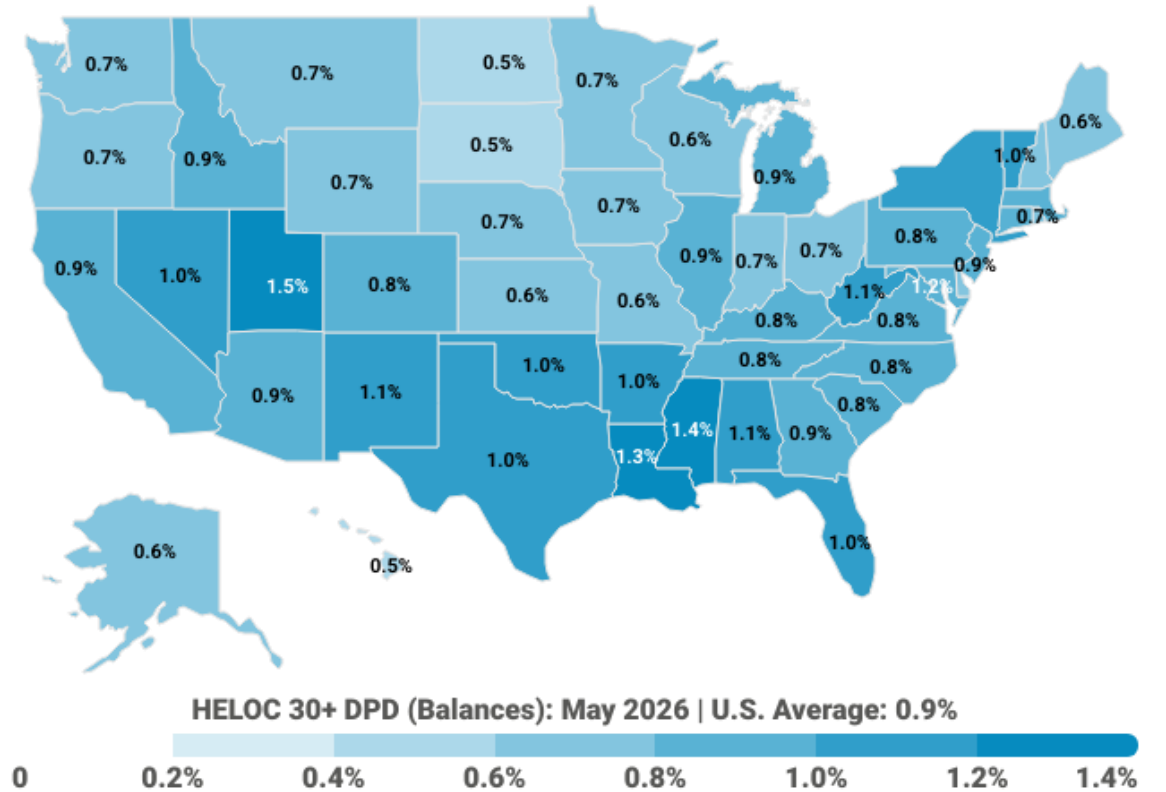
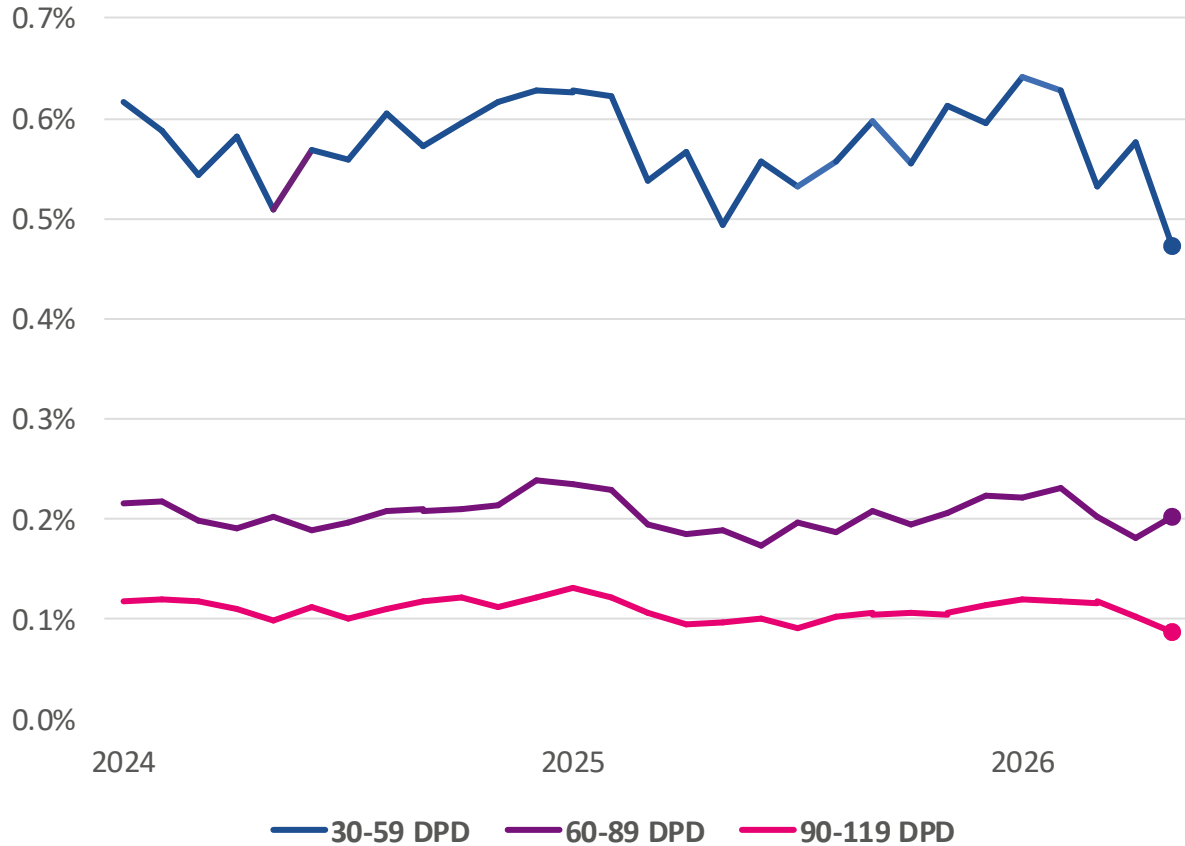




Early-stage HELOC delinquency moderating

— Mid-stage delinquency increased YoY in May, while late-stage delinquency declined

HELOC: % of Balances by DPD



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group



Mortgage

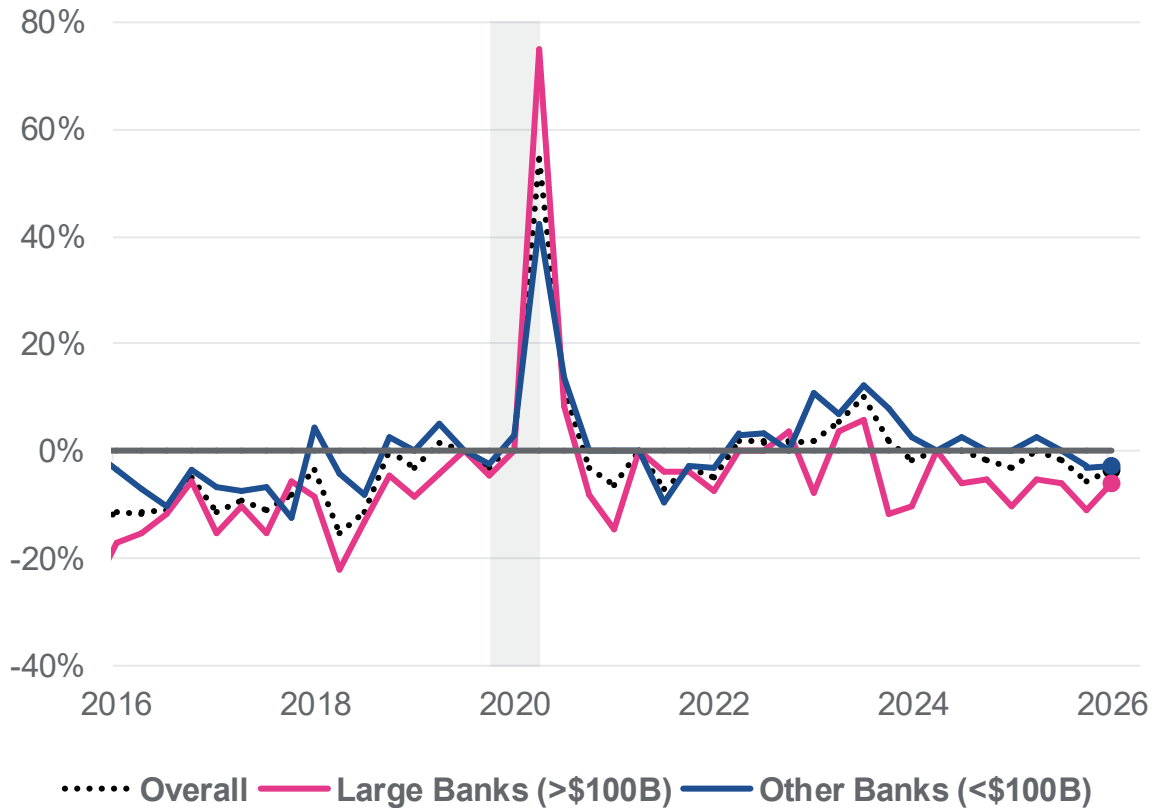




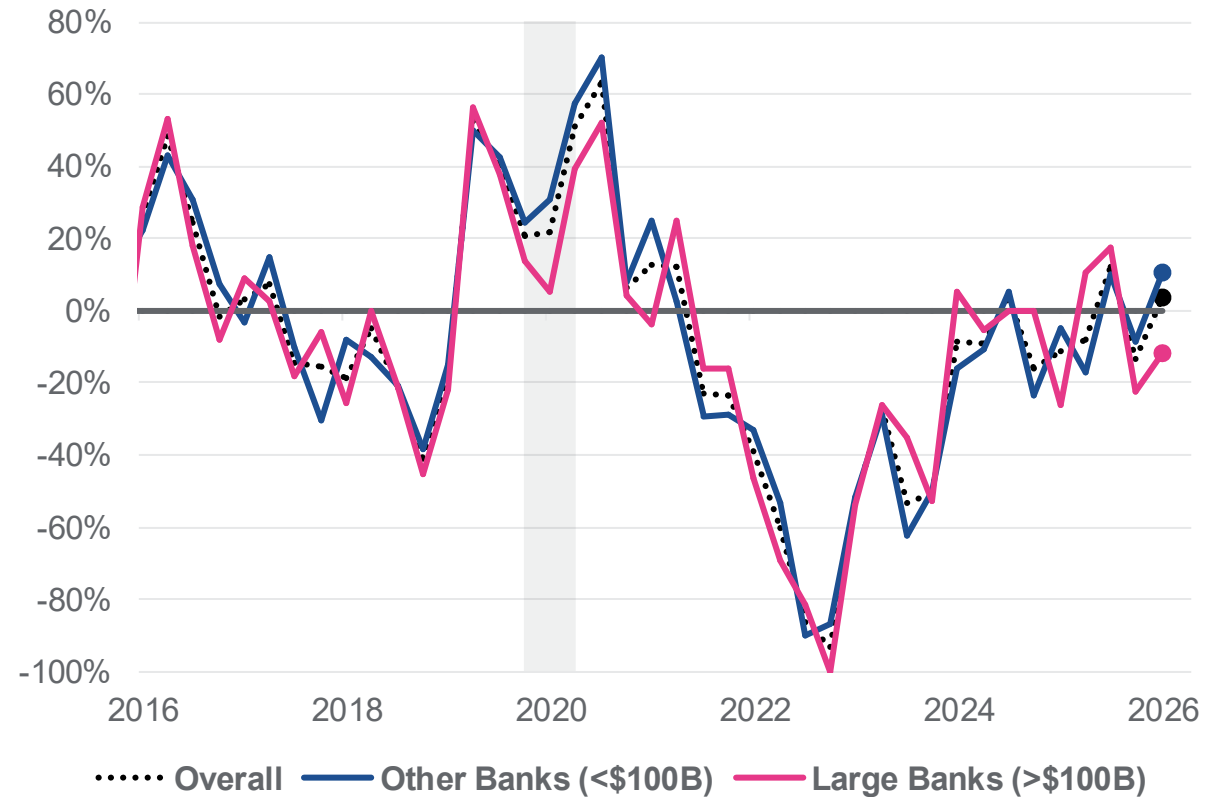
Standards for mortgages continued to ease on net in Q1

— Net % of banks reporting stronger loan demand rose overall

Net % of Banks Tightening Lending Standards on GSE-Eligible Mortgage Loans



Net % of Banks Reporting Stronger Demand for GSE-Eligible Mortgage Loans



Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group



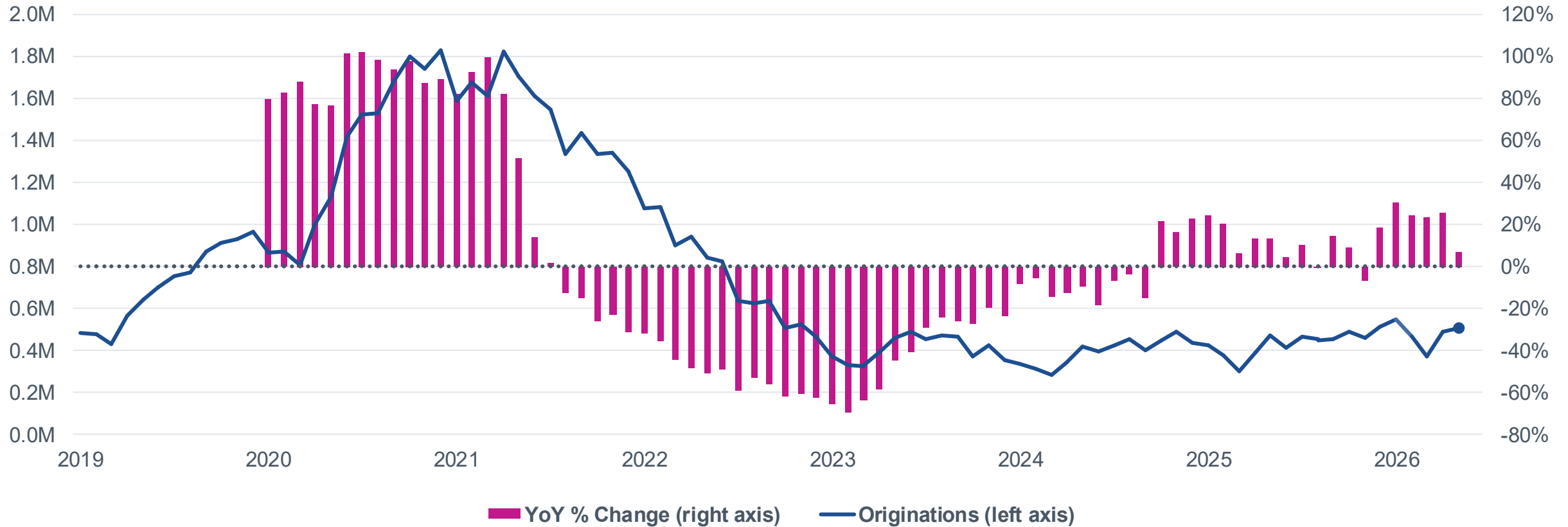


Mortgage originations up YoY for the past six months

— Despite YoY gains, overall mortgage originations remain subdued

First Mortgage (incl refi) Account Originations (Rolling 90-Day)

+7%
YoY % Change

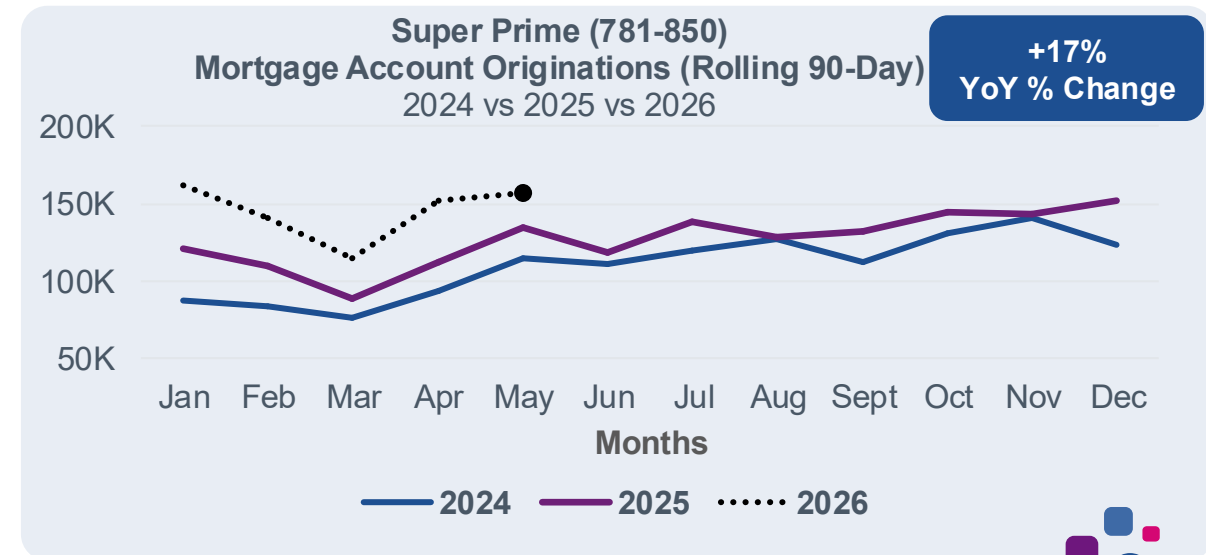
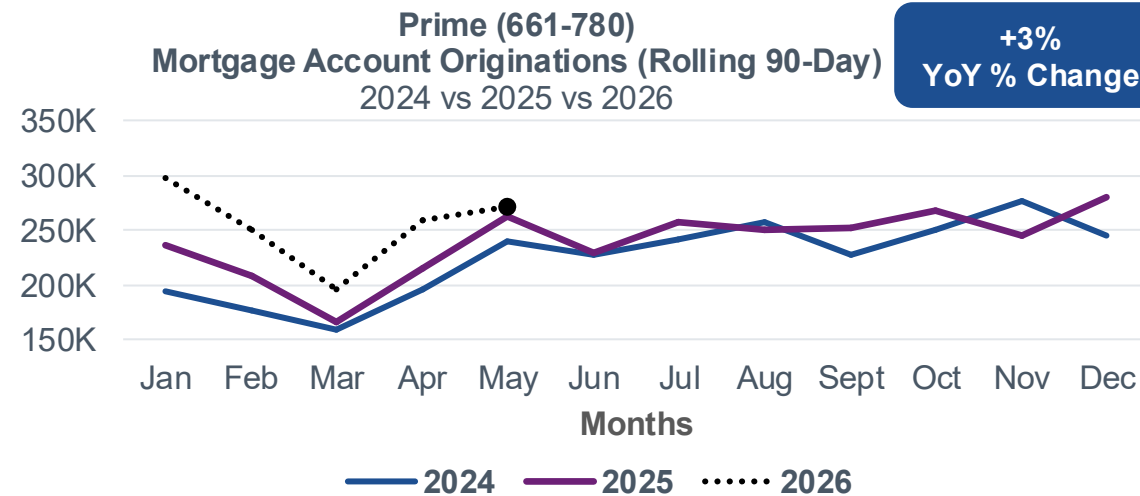
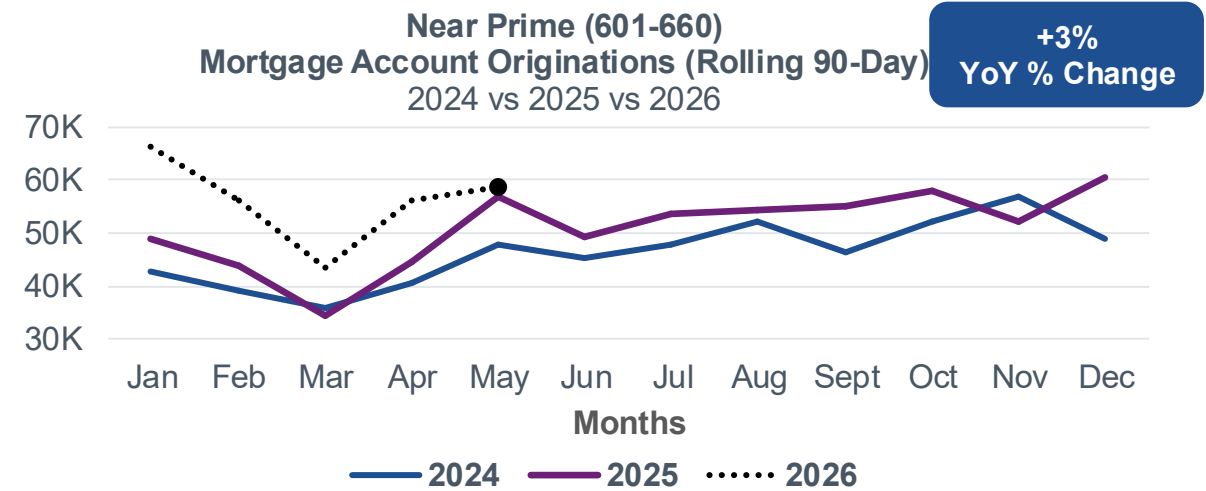
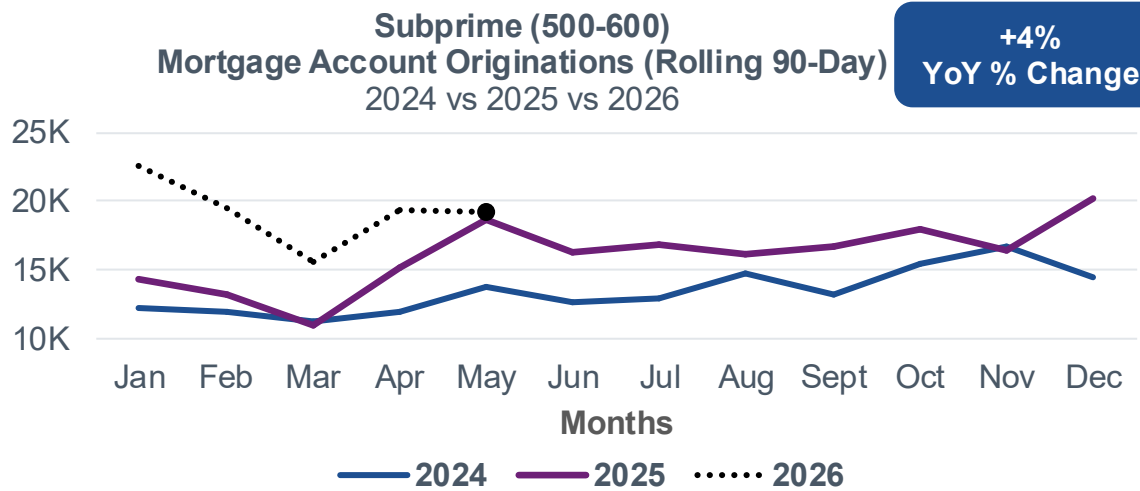


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Super Prime borrowers lead YoY mortgage origination growth

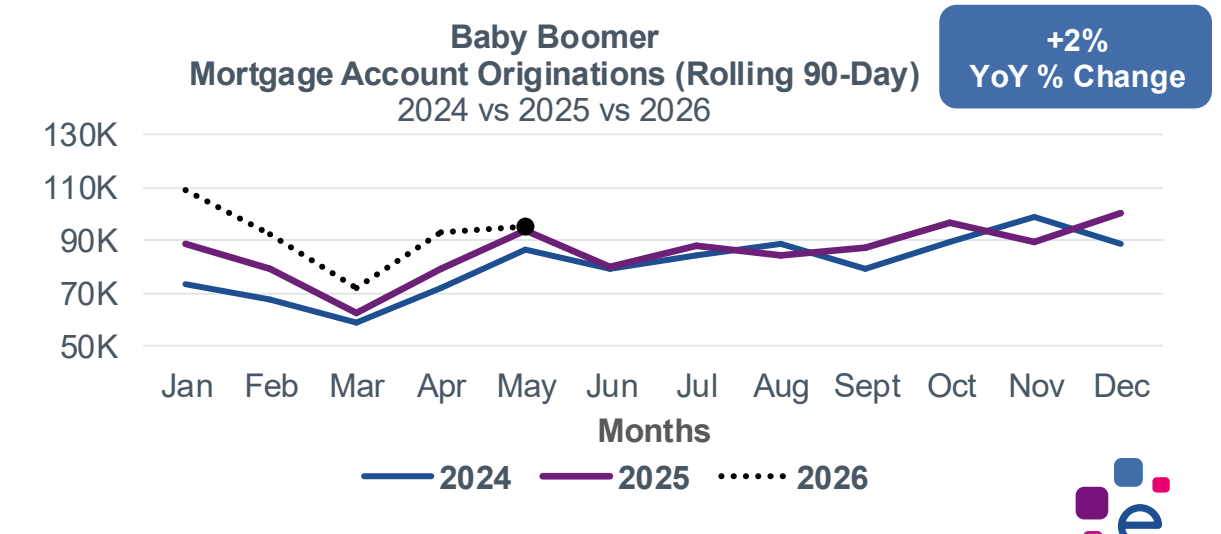
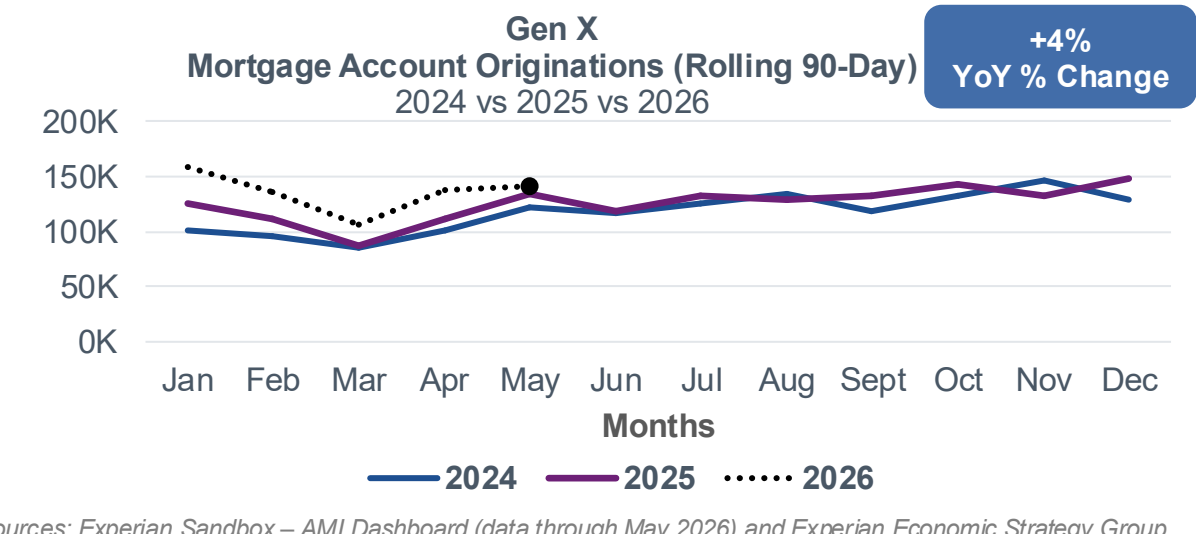
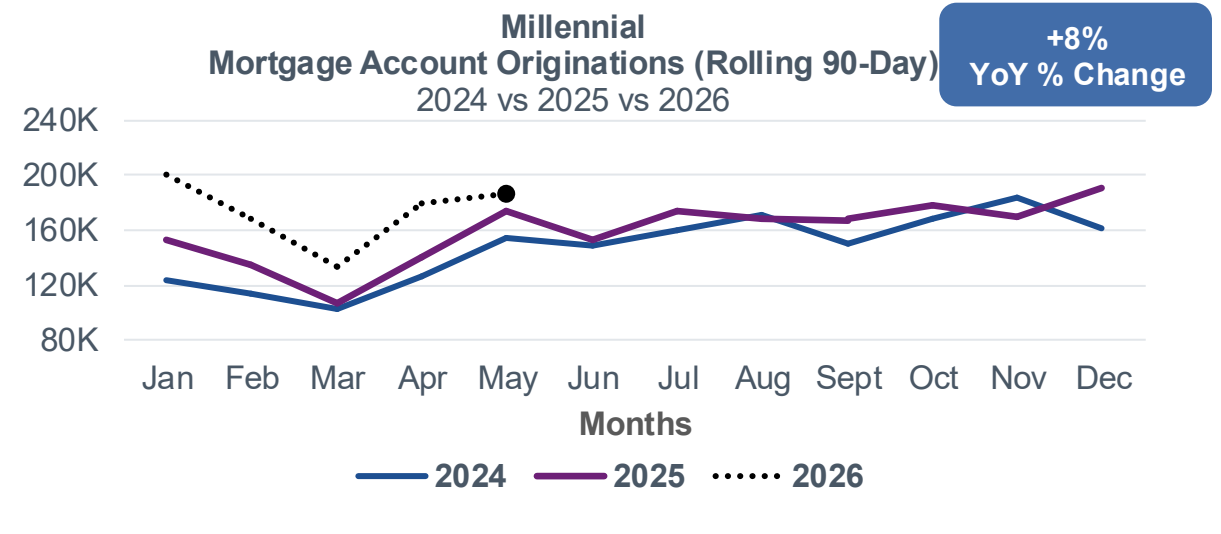
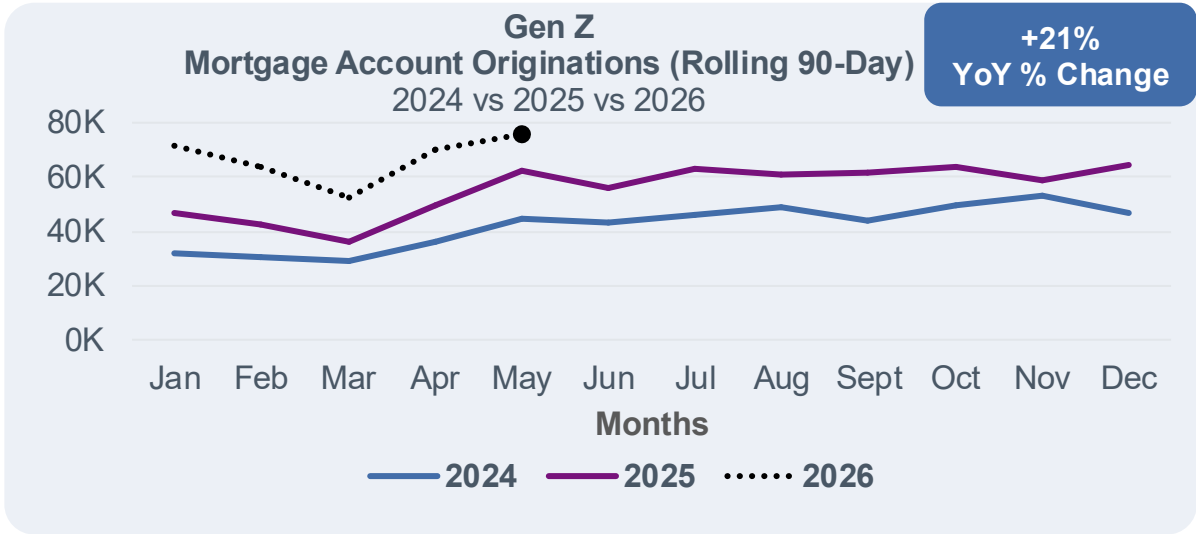


Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





Gen Z continues to lead mortgage origination growth



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group

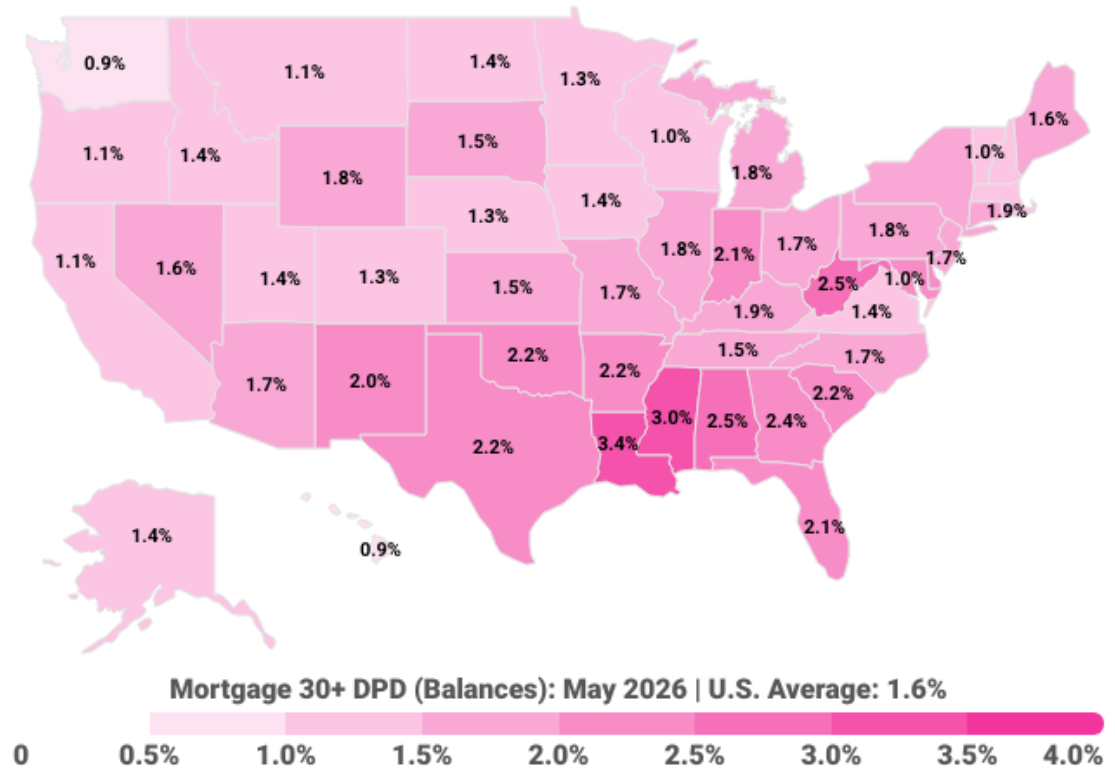
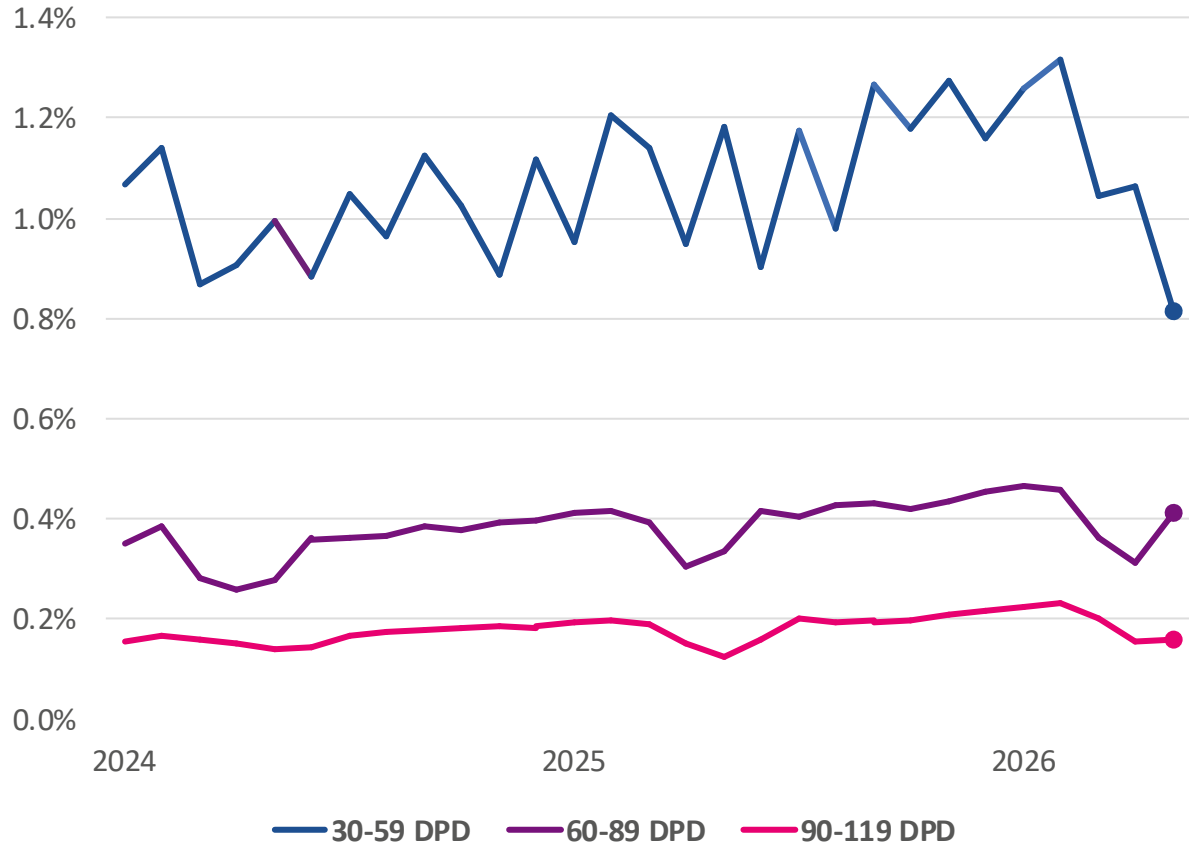




Early-stage mortgage delinquency declined over past quarter

— Mid-stage mortgage delinquency up YoY

Mortgage: % of Balances by DPD



Sources: Experian Sandbox – AMI Dashboard (data through May 2026) and Experian Economic Strategy Group





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