

The Current State of Household Balance Sheets

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Disclaimer: The views and findings expressed here are those of the author and do not necessarily reflect the views of the Federal Reserve Bank of New York or the Federal Reserve System.

Key Takeaways

1. **Consumer delinquency has stabilized, but at elevated levels.**

Credit card and auto loan serious delinquency rates have plateaued after two years of post-pandemic increases.

2. **Student loan delinquency is rising as repayment resumes.**

Rates approaching pre-pandemic levels, even with 7 M borrowers still shielded by SAVE plan forbearance.

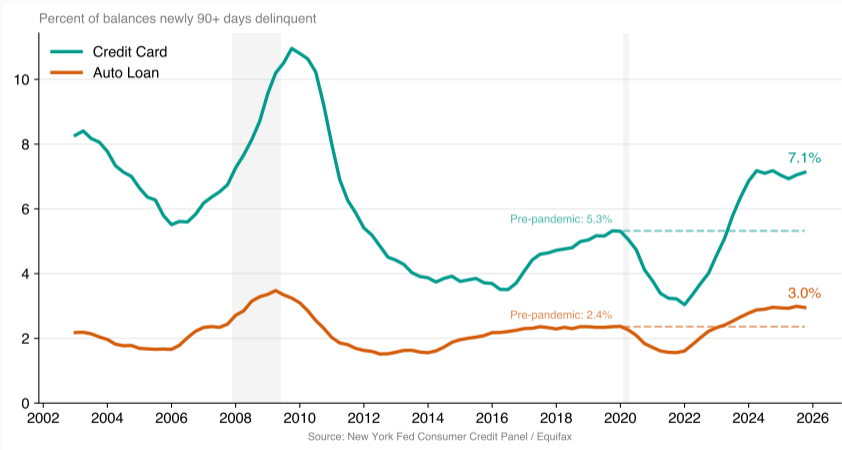
3. **Second District states faring generally better for consumer delinquency.**

CT, NY, NJ performing better than nation for credit card and auto, worse for student loans.

4. **Mortgage quality varies sharply by geography and income.**

Overall performance remains strong, but delinquencies are rising fastest in lower-income areas and regions with weakening labor markets.

Consumer Delinquency: Stabilized but Elevated



7.1%

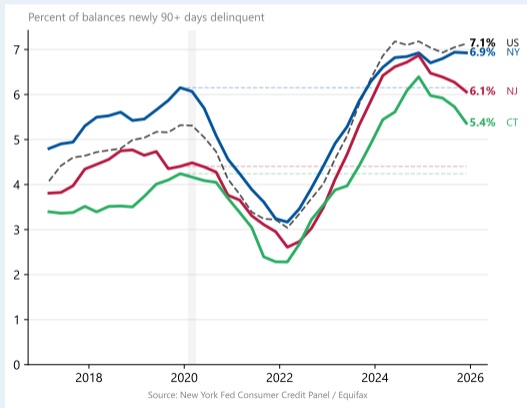
(vs. 5.3% pre-pandemic)
Credit card delinquency

3.0%

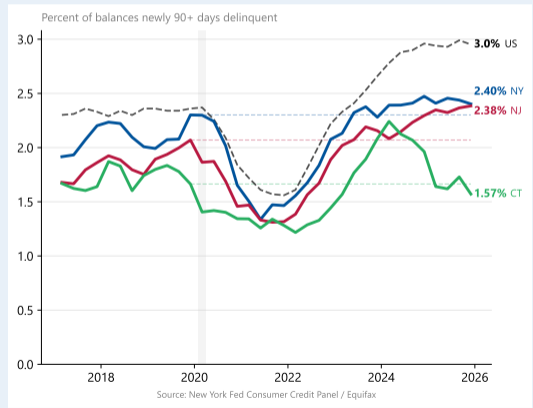
(vs. 2.4% pre-pandemic)
Auto loan delinquency

Consumer Delinquency: Second District States

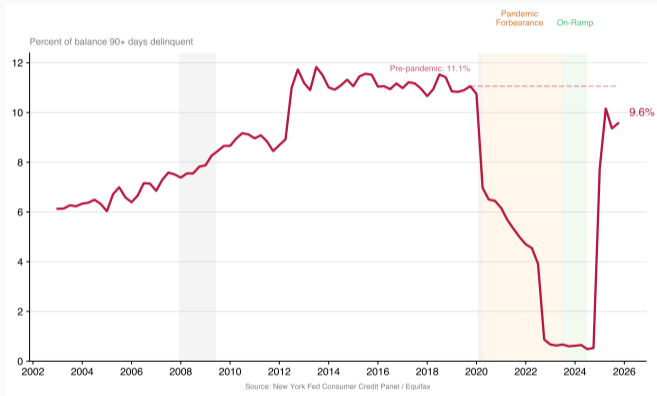
New Credit Card Delinquency



New Auto Delinquency



Student Loan Delinquency Returns with Force



9.6%

Serious delinquency rate (2025 Q4)

7 M

Borrowers still in forbearance

(SAVE plan litigation)

1 M

Defaulted on credit reports by Dec.

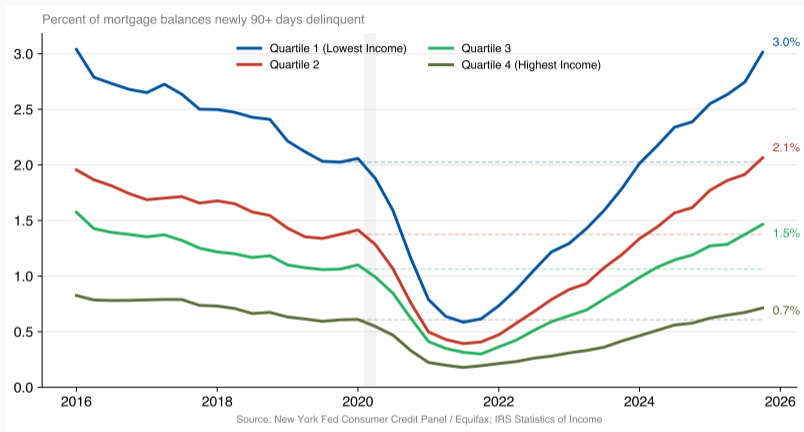
2025

Student Loan Delinquency Returns with Force

Student Loan Delinquency in the 2nd District

State/Region	2019:Q4	2025:Q4	Change (pp)
Connecticut	8.72	9.35	+0.63
New Jersey	8.91	9.26	+0.35
New York	8.62	9.02	+0.40
United States	11.06	9.57	-1.49

Mortgage Delinquency Rising in Lower-Income Areas



Lowest-income zip codes (Q1): delinquency rose from 0.6% to 3.0% since 2021.

Highest-income areas (Q4): essentially unchanged at 0.7%.

Summary and Implications

1. **Consumer credit stress is real but not worsening.**

Credit card and auto delinquency rates have plateaued. The post-pandemic normalization appears largely complete. Some declines in CT and NJ.

2. **Student loan repayment is resolving.**

SAVE plan litigation has ended. The last large group of borrowers in forbearance will be returning to payments in the coming months, meaning another wave of delinquency likely 9 months after the transition.

3. **Mortgage stress is concentrated in lower-income areas**

and regions with rising unemployment or falling home prices. Overall mortgage portfolios remain strong (median origination credit score >750 since 2009).