Community Credit
A new perspective on America's communities

Curious about the credit experience of your community?

Residents’ ability to access credit, to pursue economic dreams or meet emergencies, is a source of community strength and financial resiliency. How does your community compare with others in the U.S.? Have conditions changed over time?

Community Credit is a new way to assess the financial well-being of communities by examining the local credit environment, also called the local credit economy. A new data interactive by the Federal Reserve Bank of New York (NYFed.org/CommunityCredit) provides Community Credit statistics at the U.S., state, and county levels using the NYFedConsumerCreditPanel/Equifax dataset.

GOALS
The information can help develop priorities, assess policy actions, and track program impacts by:
- Identifying community needs
- Situational smaller geographies within larger regions
- Make intra- and inter-comparisons and rank regions
- Assess disparities across regions
- Identify trends over time
- Benchmarking effectiveness of local programs
- Identifying areas for strategic interventions
- Anticipating community inflow points

METHODOLOGY
- The local credit economy is defined as all adults (18+ age) in a location with a credit file and an Equifax Risk Score
- Being part of the credit economy is not sufficient to ensure timely access to credit. So we look at other measures of Credit Inclusion
- Present credit behavior is good for the community as well as the individual. To characterize the credit experience of the community, we use individuals’ four quarter credit history to derive a single category Credit Stress score (shown on the right)
- Metrics are calculated by aggregating across individuals on all credit card obligations
- Data Source: NYFedConsumerCreditPanel/Equifax

NOT IN CREDIT ECONOMY | 2007-2014
Percent of adult (18+) population not in NYFedConsumerCreditPanel/Equifax dataset

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>4.8%</td>
<td>5.7%</td>
<td>6.9%</td>
<td>8.0%</td>
<td>9.8%</td>
<td>10.9%</td>
<td>8.8%</td>
<td>7.5%</td>
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</tbody>
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CREDIT STRESS | Credit quality based on borrowers’ four quarter payment history, 2014

CREDIT STRESS RANKED BY CREDIT STRESS

CREDIT DYNAMICS | Did the subprime segment of the community grow over the past year?

MAIN DRIVERS OF CHANGE

MEASURES & DEFINITIONS
Credit Economy
- Inclusion: Percent of adult (18+) population with a credit file and Equifax Risk Score
- Not Included: Percent of adult population not in NYFedConsumerCreditPanel/Equifax data source

Available Credit
- Inclusion: Percent of credit economy with no collections in past 5 years
- Exclusion: Percent of credit economy who had collections in past 5 years

Credit Quality
- In Time Payments: Percent of credit economy current on all credit obligations for the past 4 quarters
-وبر: Percent of credit economy that is prime (Equifax Risk Score < 700)

CREDIT STRESS
- In Good Standing: Percent of credit economy in good standing for at least 50 days
- In Performance: Percent of credit economy in performance for at least 50 days

CREDIT DYNAMICS EXAMPLE
Drivers of Subprime Growth in the Credit Economy

MEASURES & DEFINITIONS
- Growth in Subprime: Growth in subprime (Equifax Risk Score < 400)
- Age of Subprime: Age of subprime individuals

DATA DEFINITIONS
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