CONSUMER BANKERS ASSOCIATION

The CBA Chart Book

August 2025

(Data as of 2025 Q2)

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

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Consumer Banking at a Glance

At a Glance

Overall

The economic outlook for consumer banking remains mixed. In terms of positive trends, consumer spending, and loan demand increased slightly in the second quarter of 2025. Additionally, performance on consumer debt, excluding student loans, continues to improve as delinquencies decline. However, consumer sentiment measures for both the current and future economy remain well-below levels seen at the start of the year. Additionally, small business demand for new loans continues to decrease, pointing to a continued “wait-and-see” approach. While delinquencies improved for most consumer loan products, delinquencies for federal student loans reached record levels. Finally, inflation remains sticky, and signs of a weakening labor market are starting to show—particularly for recent college graduates and other new entrants to the job market.

Consumers: Total consumer debt balances continued to increase, after dropping slightly in the first quarter of 2025. Delinquencies for credit card and auto debt continue to decline. The resumption of federal student loan repayments and credit reporting continues to drive large increases in delinquencies. Consumers continue to tap the equity in their home for liquidity, increasing bookings and utilization of HELOCs.

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

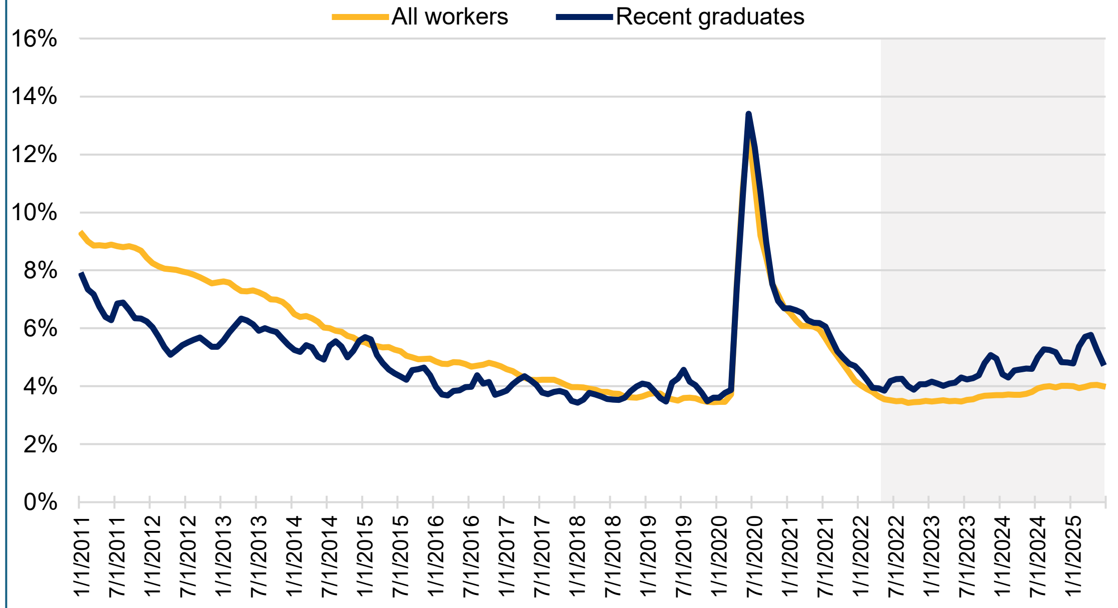
Macro Outlook

The unemployment rate for recent college graduates remains higher than for all workers, signaling a slowdown in the hiring of recent college graduates.

There has also been a spike in new entrants as a percent of total unemployed (13.4 percent as of July 2025).

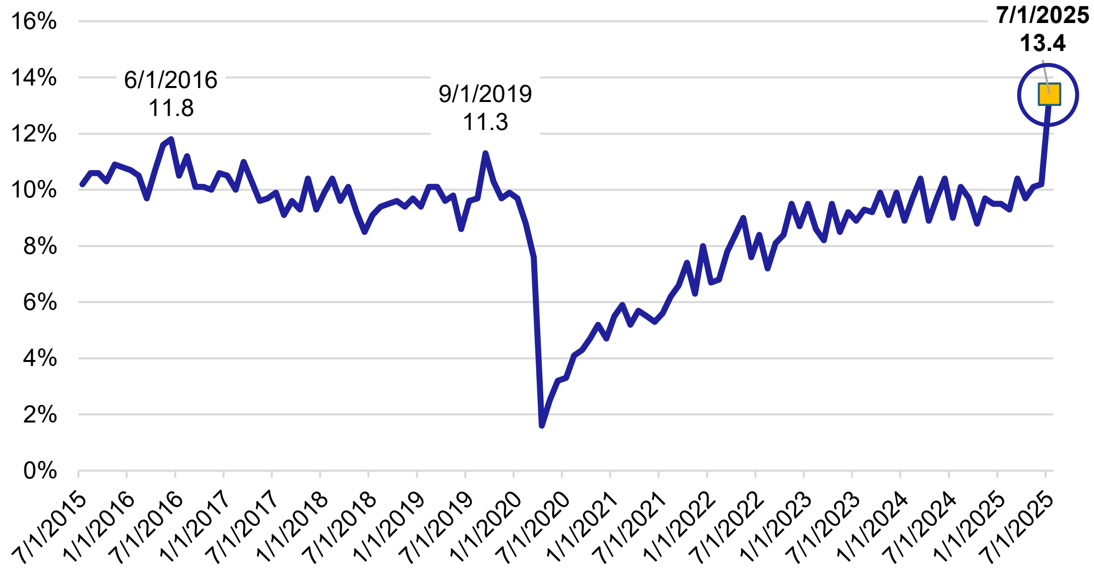
Unemployment Rate by College Graduation

Source: U.S. Census Bureau and U.S. Bureau of Labor Statistics, Current Population Survey (IPUMS).



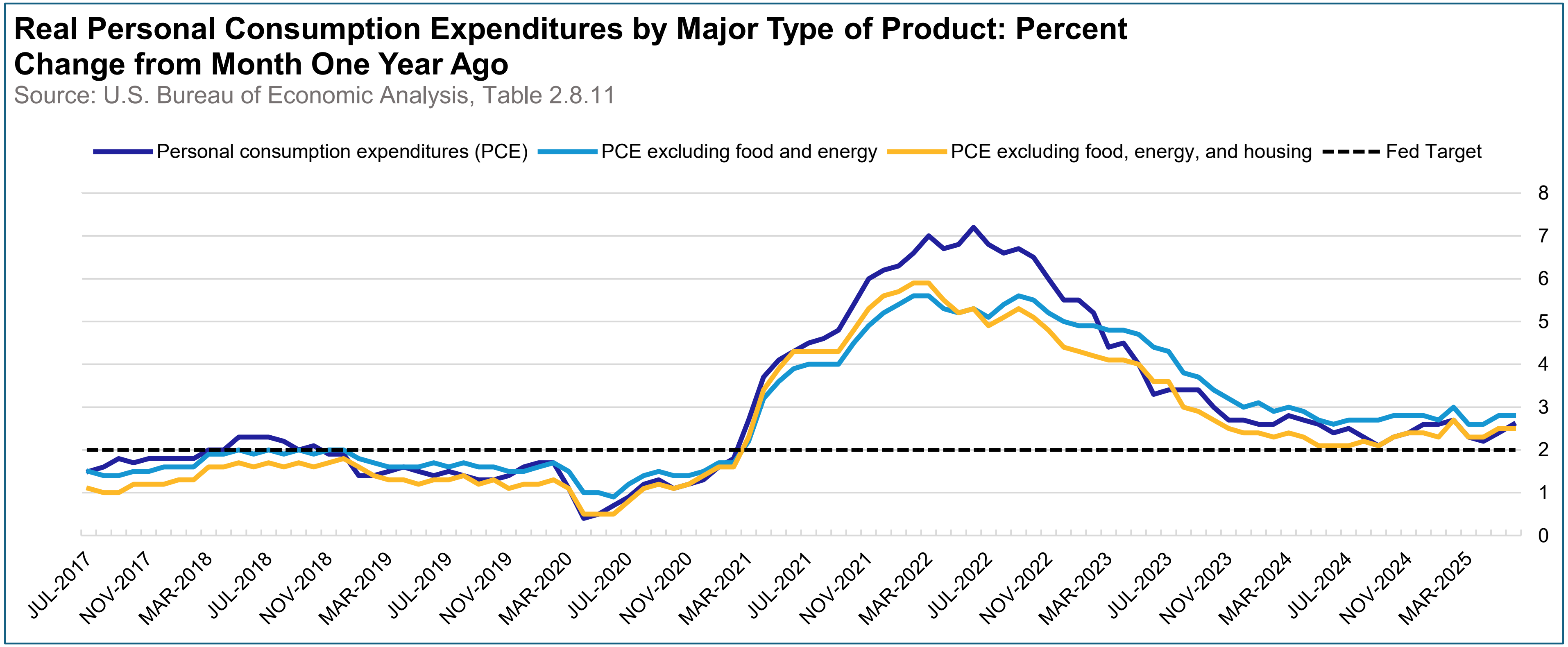
New Entrants as a Percent of Total Unemployed (Seasonally Adjusted)

Source: Bureau of Labor Statistics Table A-11. Unemployed people by reason for unemployment



Inflation increased over the second quarter of 2025, with Personal Consumption Expenditures Index growth remaining above the Federal Reserve's two percent target.

The PCE Index increased steadily from 2.2 percent in April to 2.6 percent in June. Most of this increase came from goods rather than services as the impact of tariffs starts to flow through to prices.

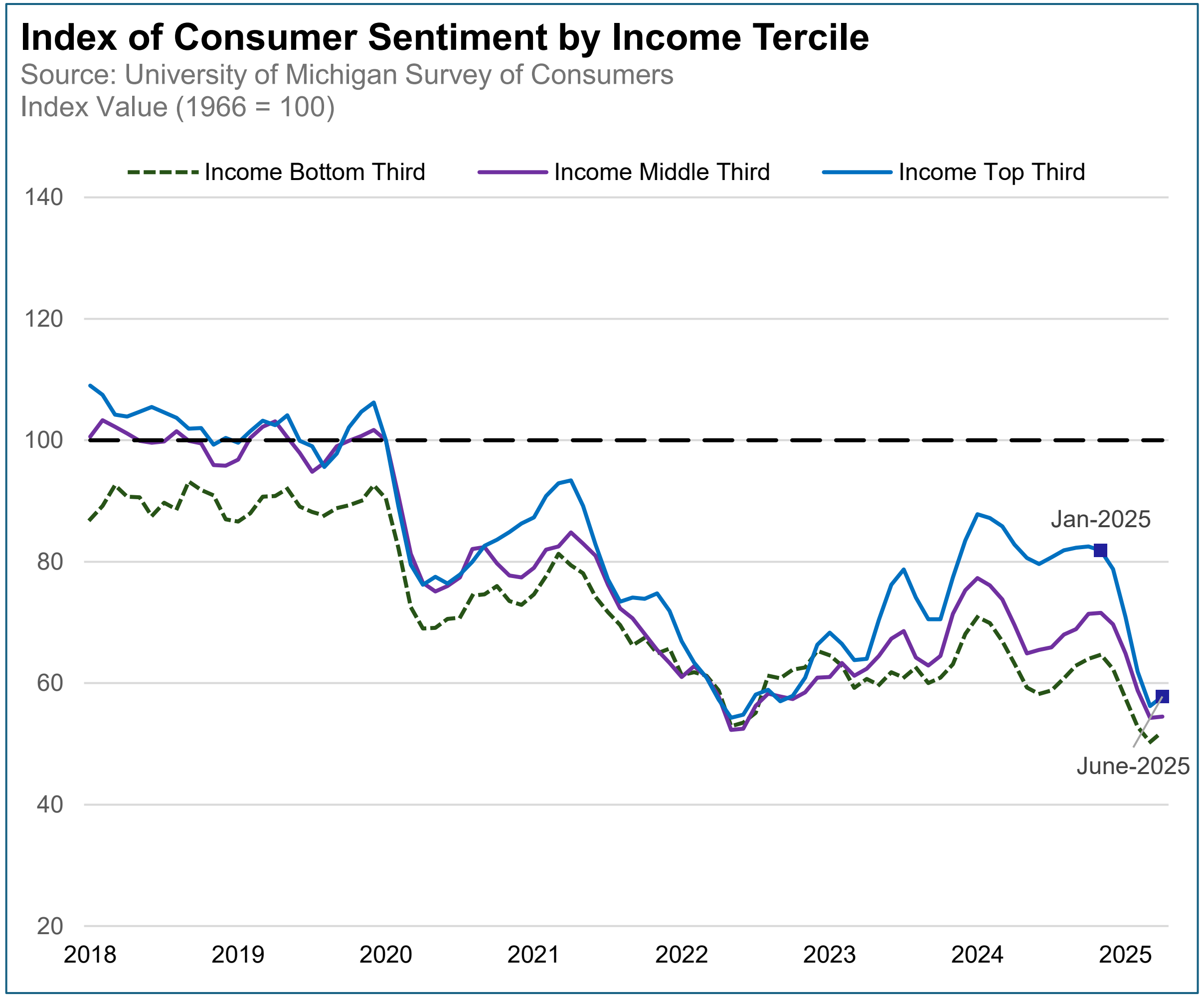


Consumer Focus

Consumer sentiment increased for the first time in six months; however, the index remains well below levels seen at the start of the year.

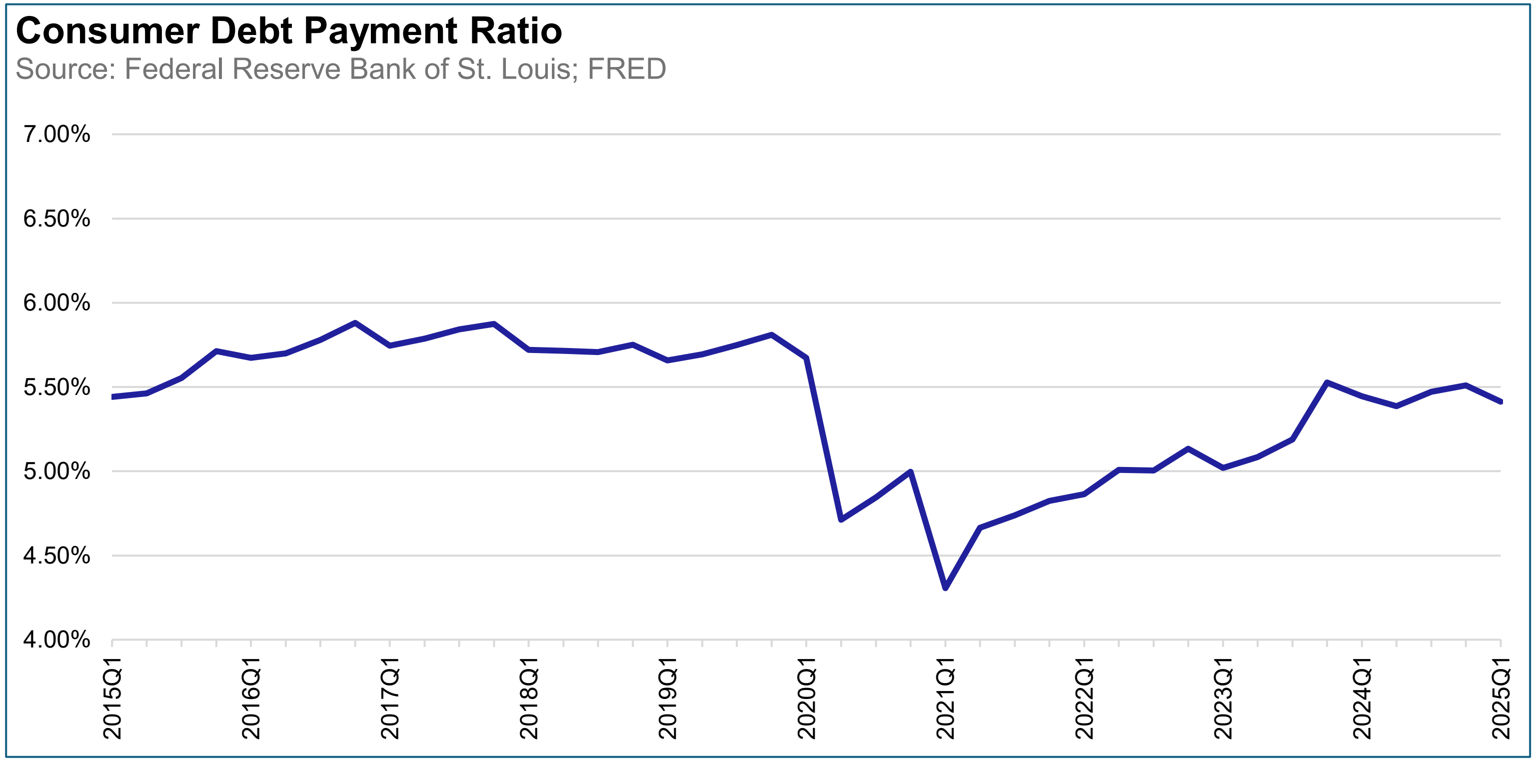
- Consumer sentiment is similar at all income levels. The increase in the index was highest for the lowest income tercile and lowest for the middle tercile (chart right).

- Some of this improvement comes from softening inflation expectations and reduced fears of an economic slowdown, though these measures remain well above pre-pandemic levels.



The Consumer Debt Burden Ratio remains below pre-pandemic levels.

The Consumer Debt Payment Ratio (the ratio of non-mortgage required household debt payments to total disposable income) remains stable, falling slightly in the first quarter of 2025.

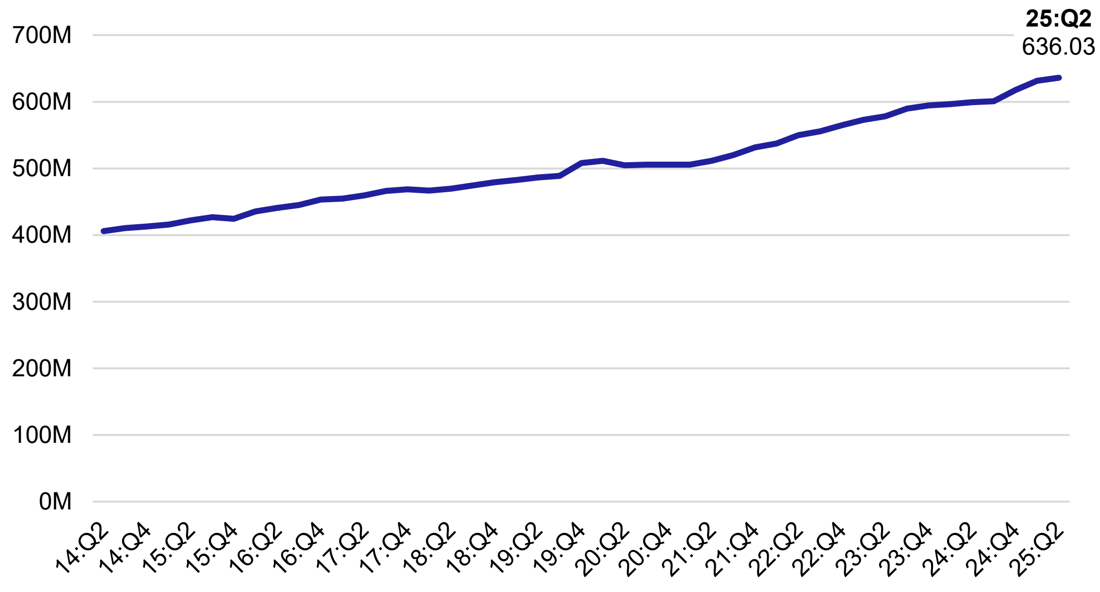


Credit Supply & Demand

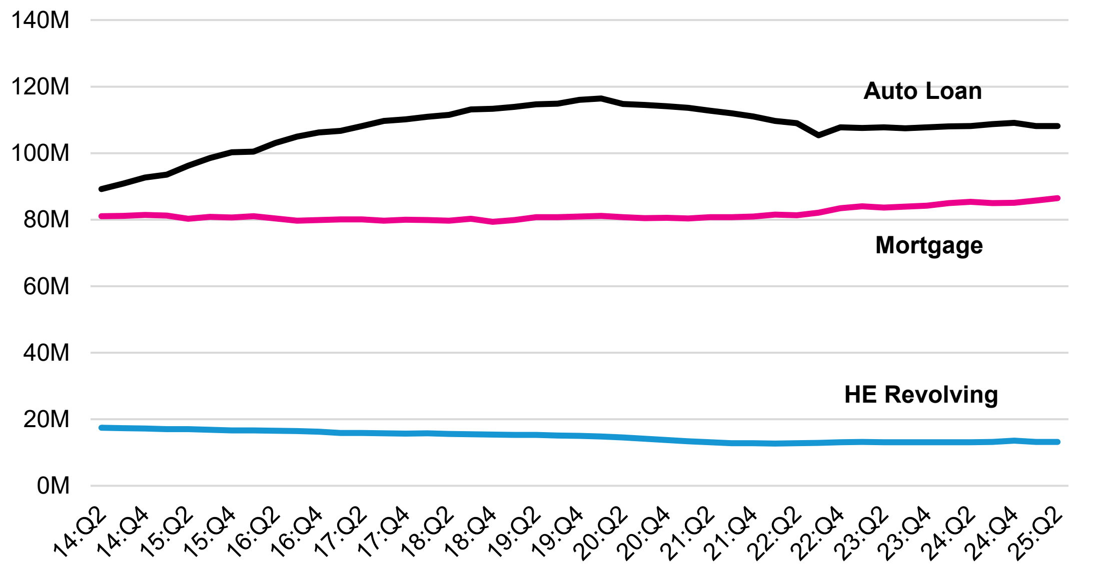
The number of consumer accounts grew slightly across loan products in the second quarter of 2025.

- The number of credit card accounts among U.S. consumers in 2025Q2 grew 0.7 percent from the last quarter to over 636 million. New card growth continues to slow after peaking in 2024Q4 (2.8 percent).
- Mortgage accounts continued moderately slower growth and auto loan account growth remains flat. The number of HELOC accounts remains relatively consistent, though 2025 YTD bookings have grown.

Number of Accounts: Credit Cards
Source: Federal Reserve Household Debt and Credit Report

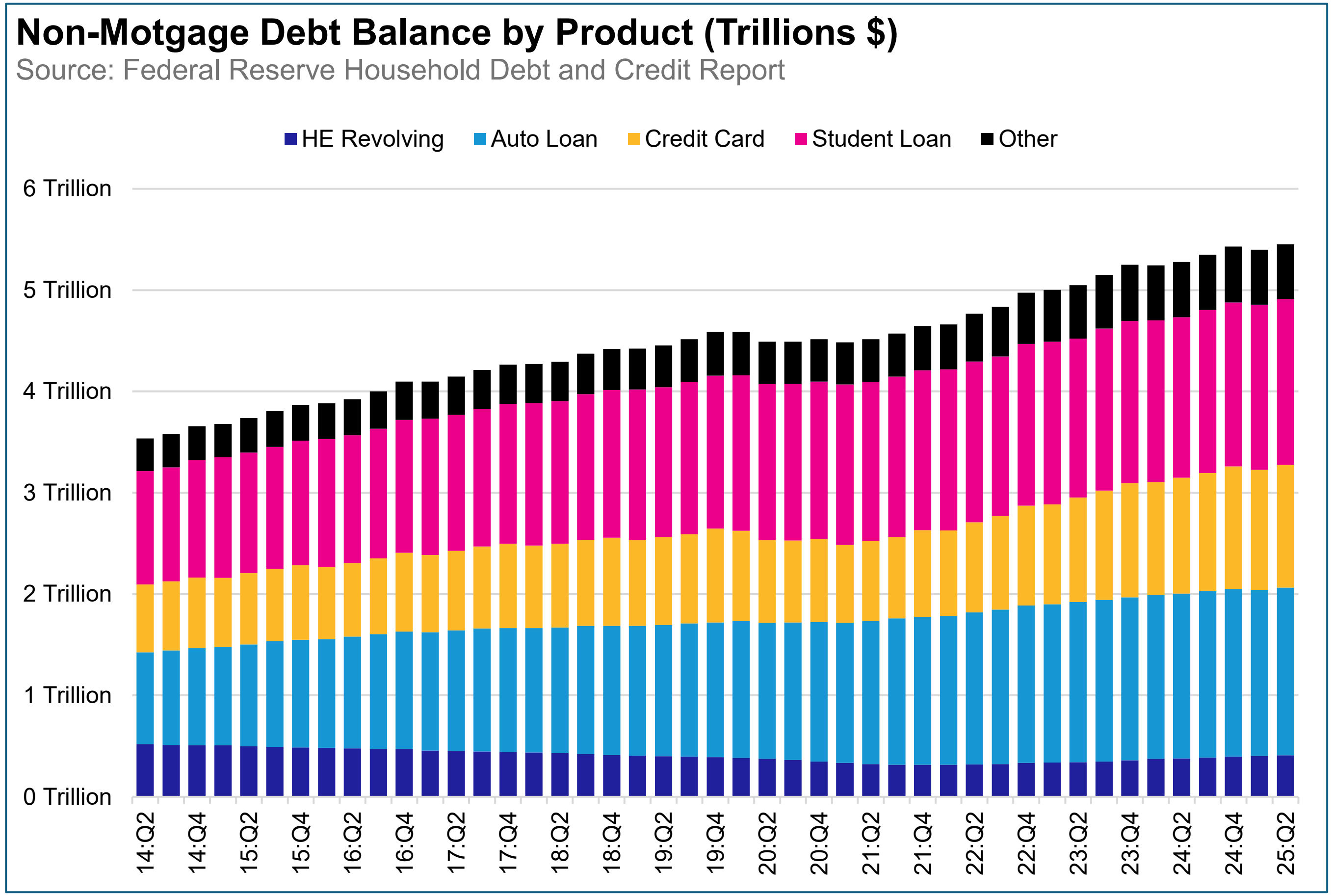


Number of Accounts; Auto, Mortgage, HELOC
Source: Federal Reserve Household Debt and Credit Report



Consumer loan balances continue to grow at a slower pace led by HELOC and credit card balance increases.

- Non-mortgage debt balance growth continued to slow to 3.3 percent compared to the same quarter a year ago.
- Credit card balances increased slightly compared to last quarter, rising 2.3 percent.
- Auto loan balances rose by $13 billion, moving back to $1.66 trillion after falling in the first quarter of 2025.
- HELOC balances rose 2.2 percent from the 2025Q1, the 13th consecutive quarterly increase. Balances are now 8.2 percent higher than 2024Q2.



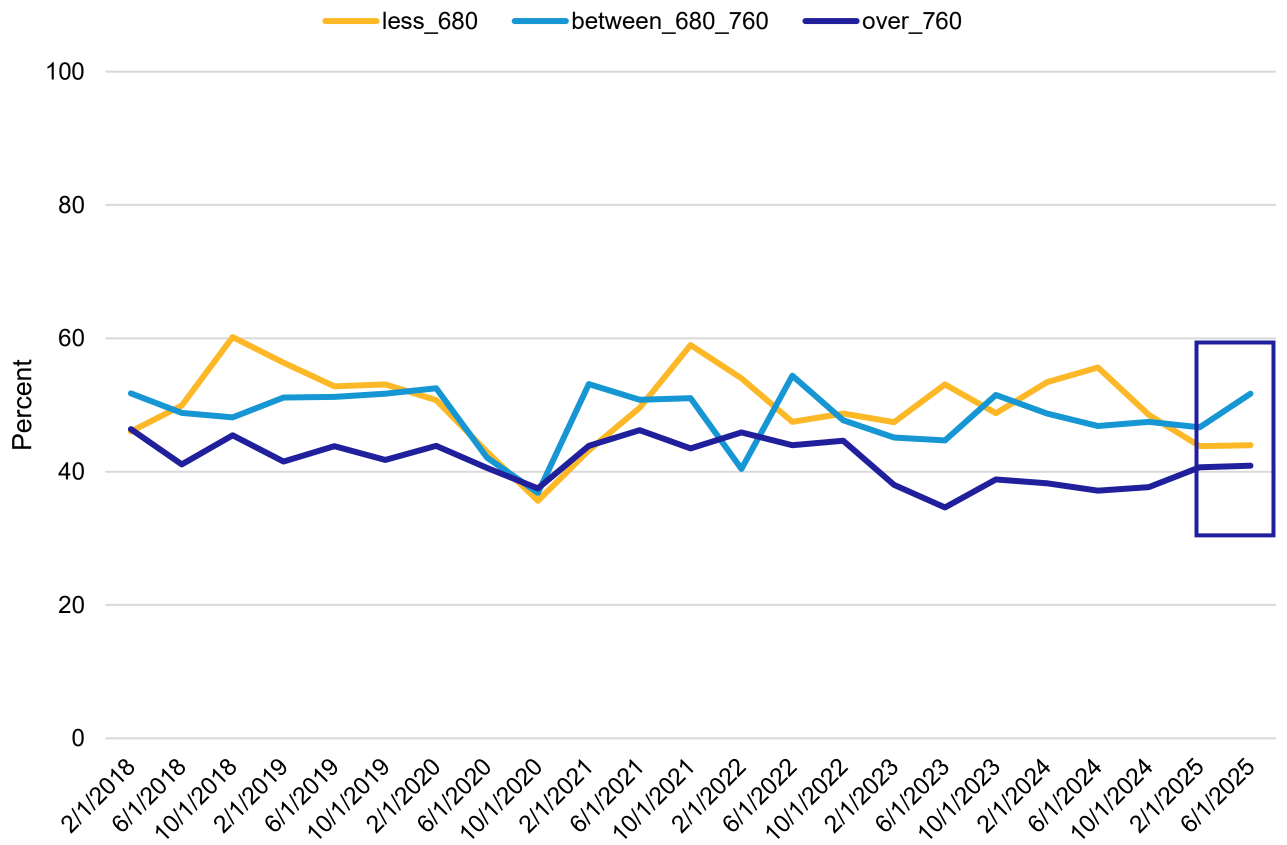
Application rates increased for prime consumers, remain flat for above- and below-prime.

- Application rates (percent of surveyed consumers stating they applied for any form of credit in the last 12 months) increased for prime consumers (light blue) but remained flat for below- and above-prime (yellow and dark blue lines) consumers in June.

- The share of below-prime consumers stating they applied for any form of credit remains lower after dropping 12 percentage points from June 2024 to February 2025.

Application rates by credit score.

Source: Federal Reserve Bank of New York Survey of Consumer Expectations

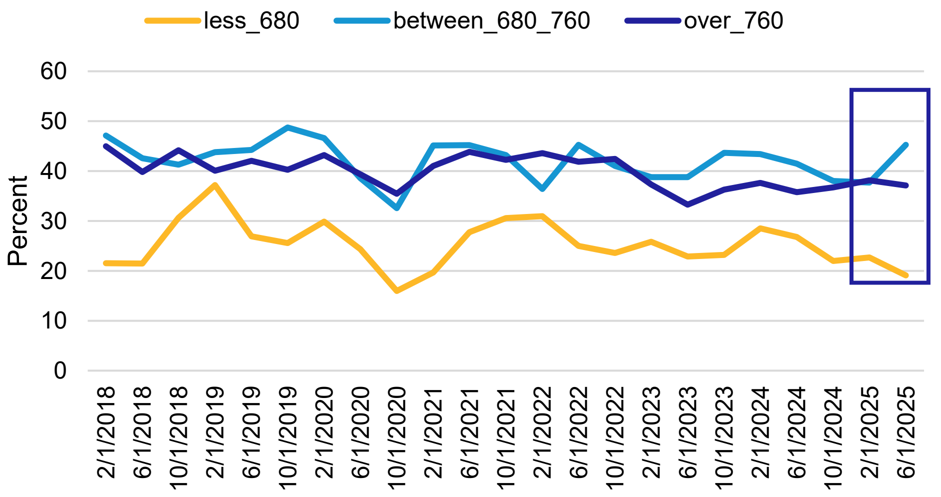


Acceptance rates fell and rejection rates rose for below-prime consumers as lending standards remained relatively tight.

- The percentage of consumers who have had their application accepted (left chart) continued to decline for below-prime consumers (yellow), reaching the lowest level since October 2020. Rejection rates for below-prime consumers increased slightly.
- Lower application and acceptance rates and higher rejection rates for below-prime consumers signals a shift in underwriting risk appetite for credit away from riskier borrowers.

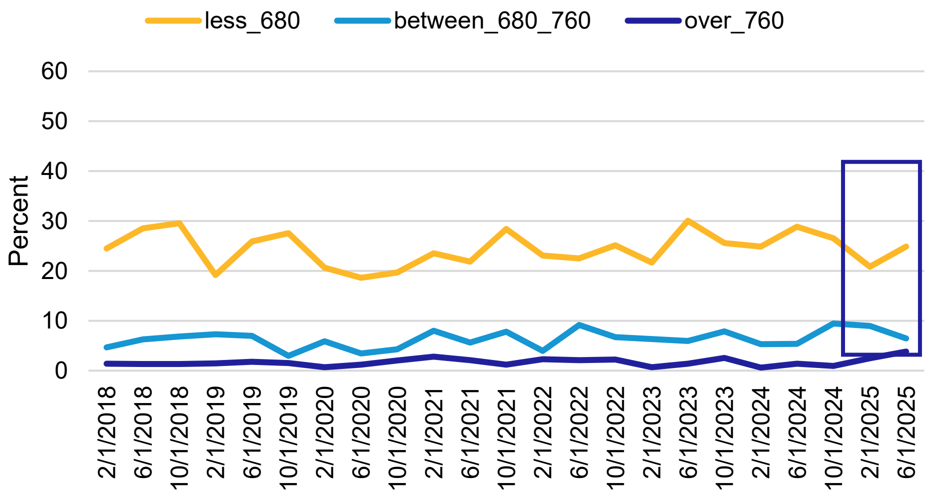
Application acceptance rates by credit score.

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

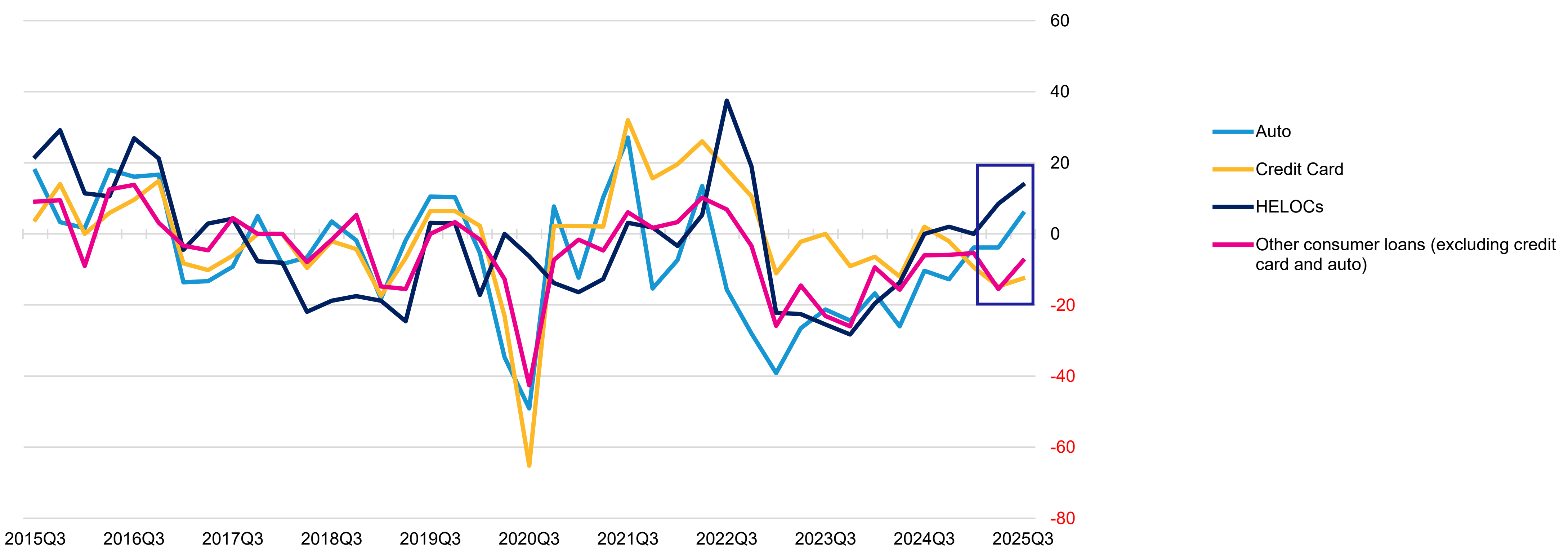


Demand for consumer loans increased, driven by HELOCs and auto loans.

The net percent of banks reporting stronger demand increased for all loan categories as of the most recent Senior Loan Officer Opinion Survey (SLOOS). Respondents reported larger increases in demand for HELOC and auto loans, while demand for credit card and other loans increased moderately.

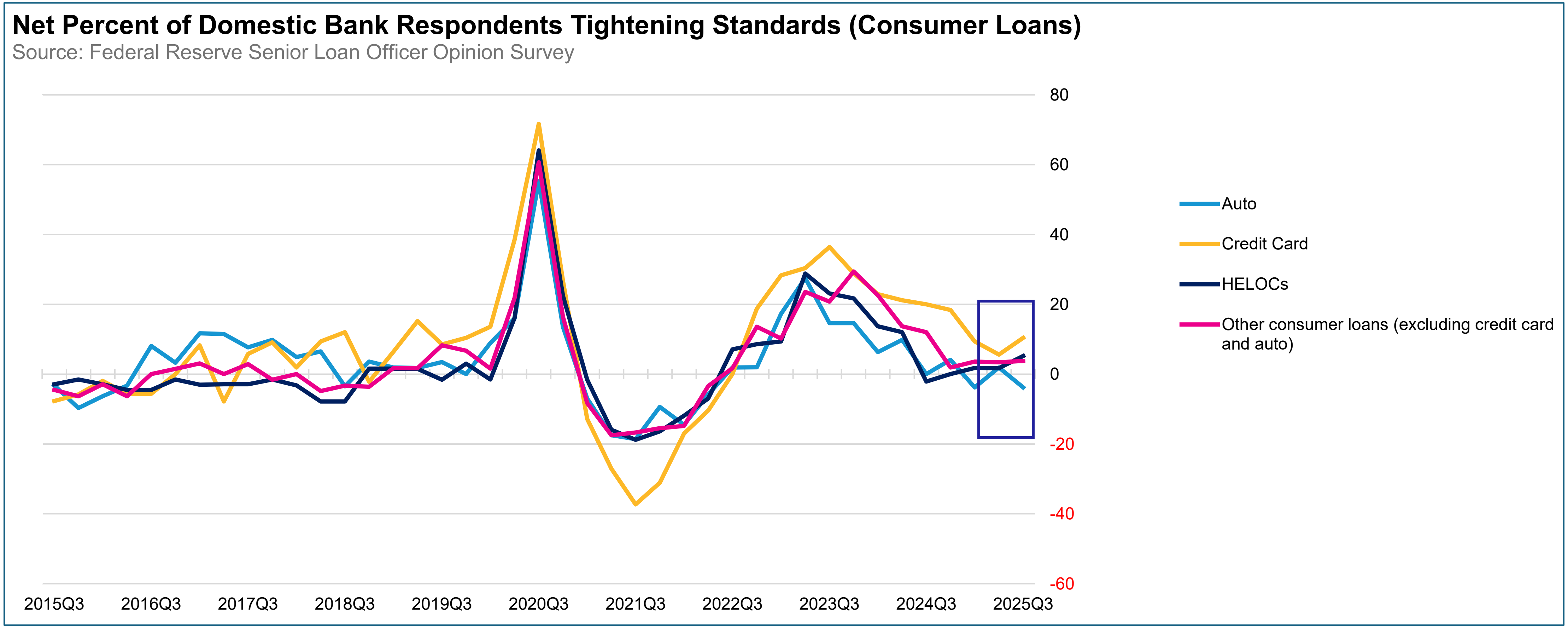
Net Percent of Domestic Bank Respondents Reporting Stronger Demand (Consumer Loans)

Source: Federal Reserve Senior Loan Officer Opinion Survey



Credit standards at banks remained moderately tight, increasing for credit cards, falling slightly for auto loans.

The number of banks reporting tightening credit standards increased for all loan categories except auto. The increase in tighter standards was largest for credit cards.

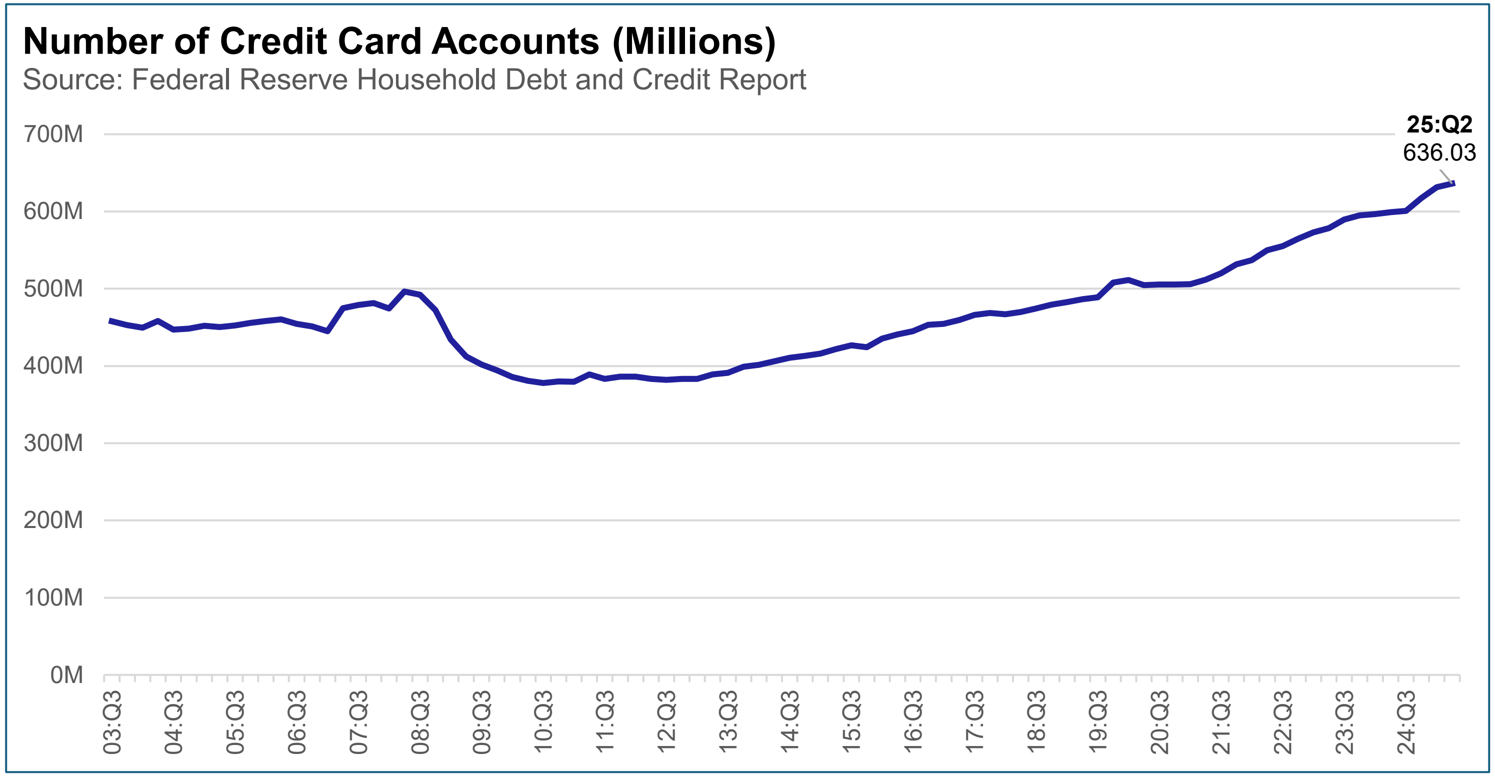


Credit Cards

The number of credit card accounts continues to reach record levels, but growth slowed considerably in the second quarter.

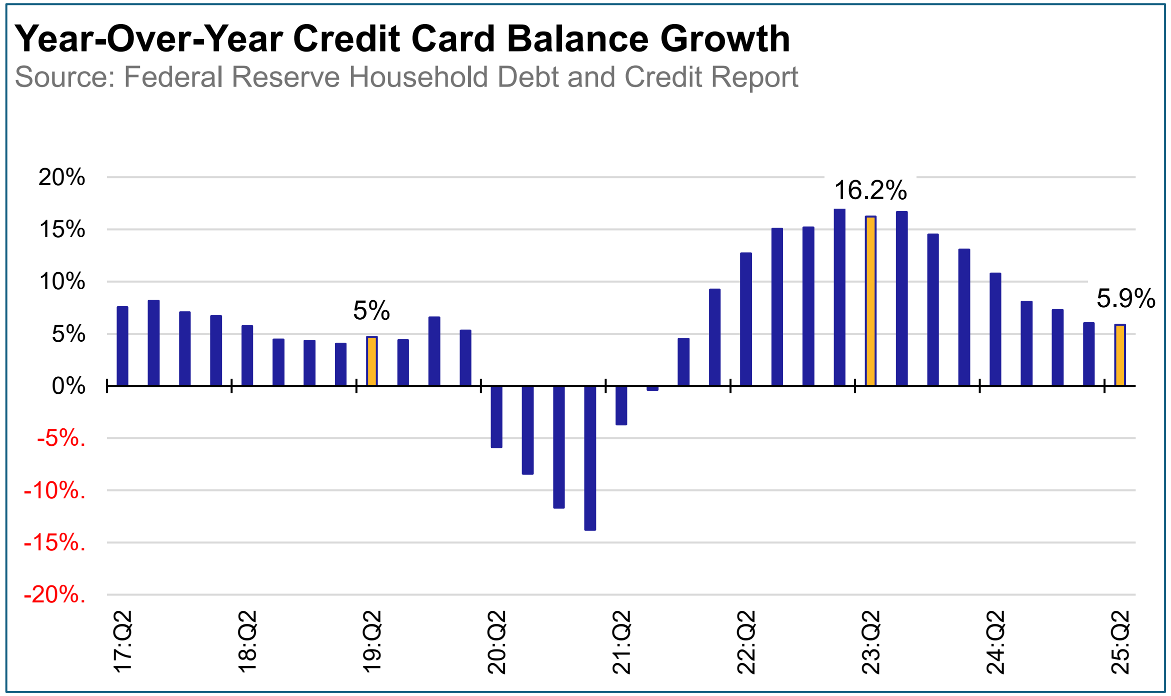
- Growth in the number of credit card accounts slowed to 0.7 percent from 2025Q1 to 2025Q2 after increasing by more than two percent in the pervious two quarters.

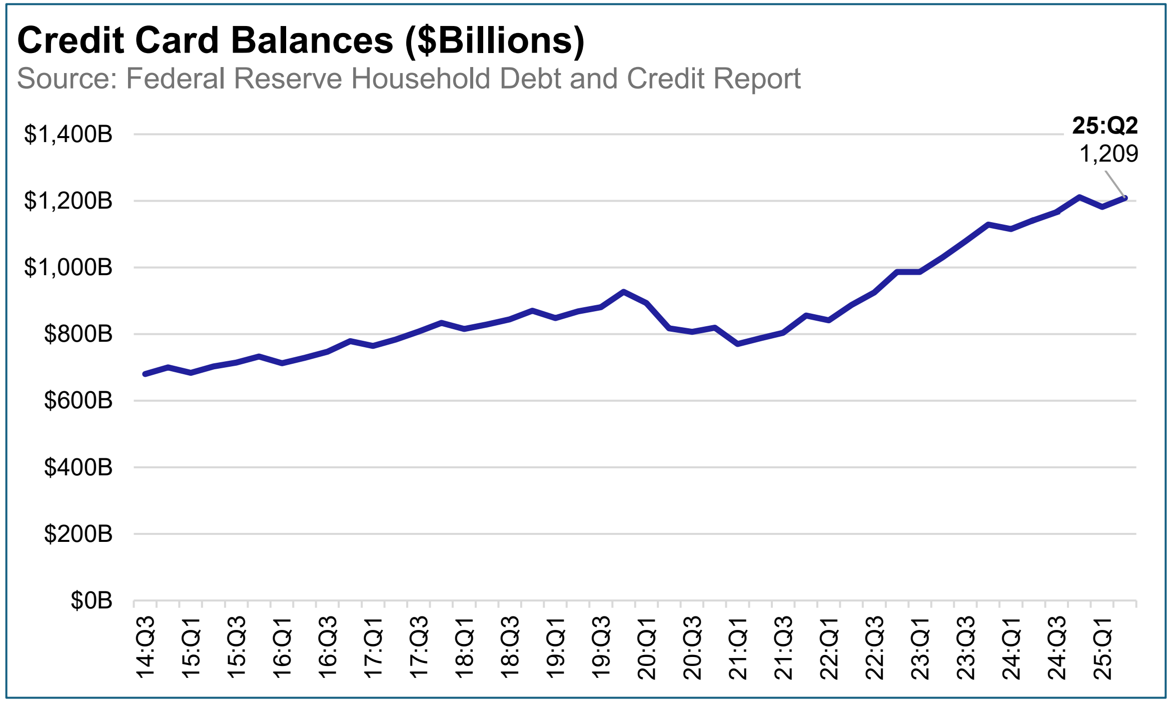
- Total credit card accounts increased by 15 million from 2024Q4 to 2025Q1 but increased by 4.6 million in 2025Q2.



Credit card balance growth has slowed to pre-pandemic levels.

- Credit card balances (right chart) increased in the second quarter of 2025 to over $1.2 trillion.
- Year-over-year growth in credit card balances continues to slow down, moving from 16.2 percent in 2024Q2 to 5.9 percent in 2025Q2. Balance growth continues to move back to pre-pandemic levels (left chart).



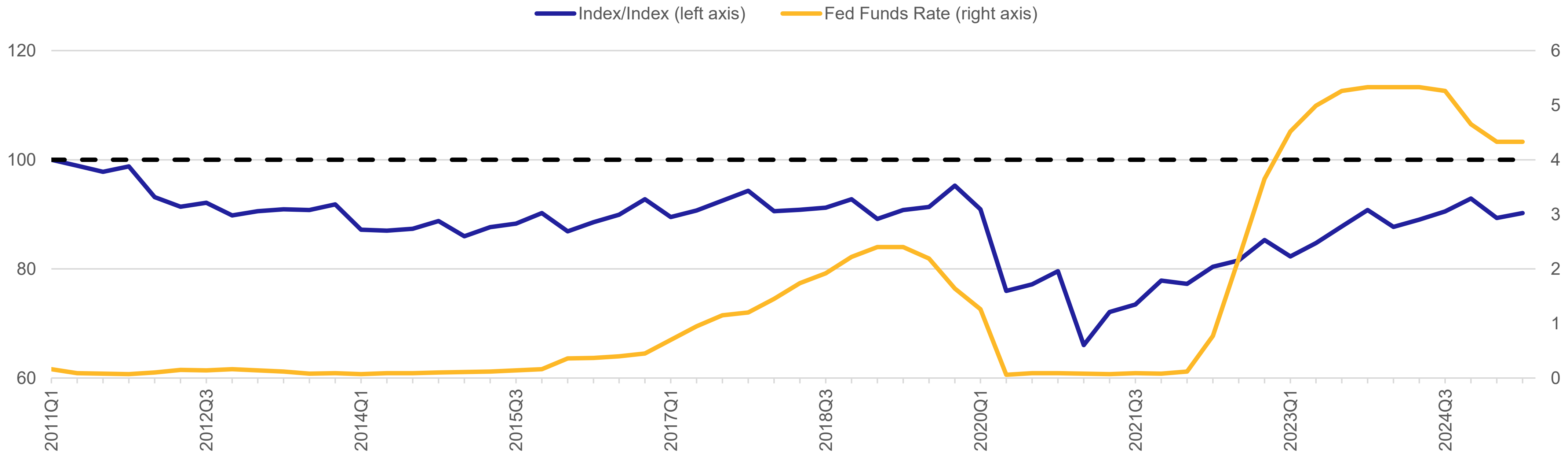


Despite the Fed Funds rate being higher, debt as a share of disposable income remains modest, slowly increasing back to pre-pandemic levels.

Relative to disposable income, credit card balances remain lower compared to pre-pandemic. The index of card balances as a share of disposable income continues to increase slowly back to pre-pandemic levels even as the Fed Funds Rate remains substantially higher. Payments as a share of disposable income show a similar trend (slide 11).

Credit Card Balances at Commercial Banks/Disposable Personal Income (2011=100)

Sources: U.S. Bureau of Economic Analysis; Federal Reserve Household Debt and Credit Report

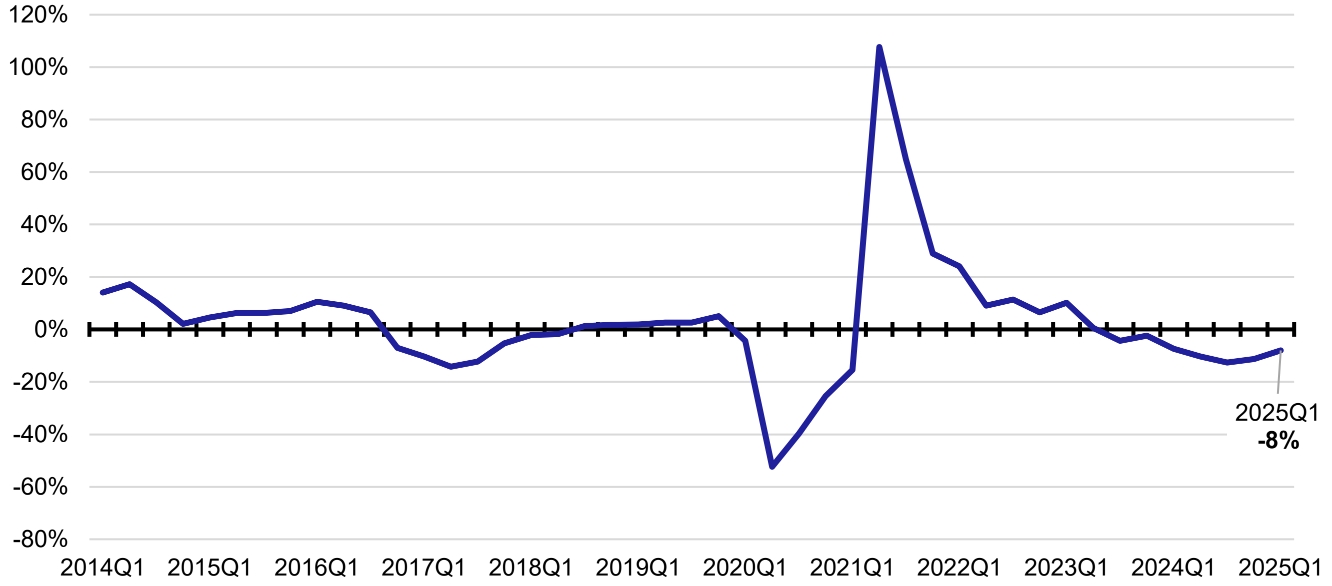


Large banks continue to issue fewer credit cards year-over-year.

- While the total number of credit cards continues to increase, year over year growth in originations at large banks ($100B+ in Total Assets) continues to slow down.

- Large banks issued 15.4 million cards in 2025Q1 compared to 16.8 in the same quarter of 2024, underscoring the slowdown in demand from consumers and tightening standards by banks.

Year-over-Year Growth in Quarterly Credit Card Originations at Large Banks ($100B+ in Assets)
(% Change)
Source: Federal Reserve Bank of Philadelphia Large Bank Credit Card and Mortgage Data (FR Y-14M)

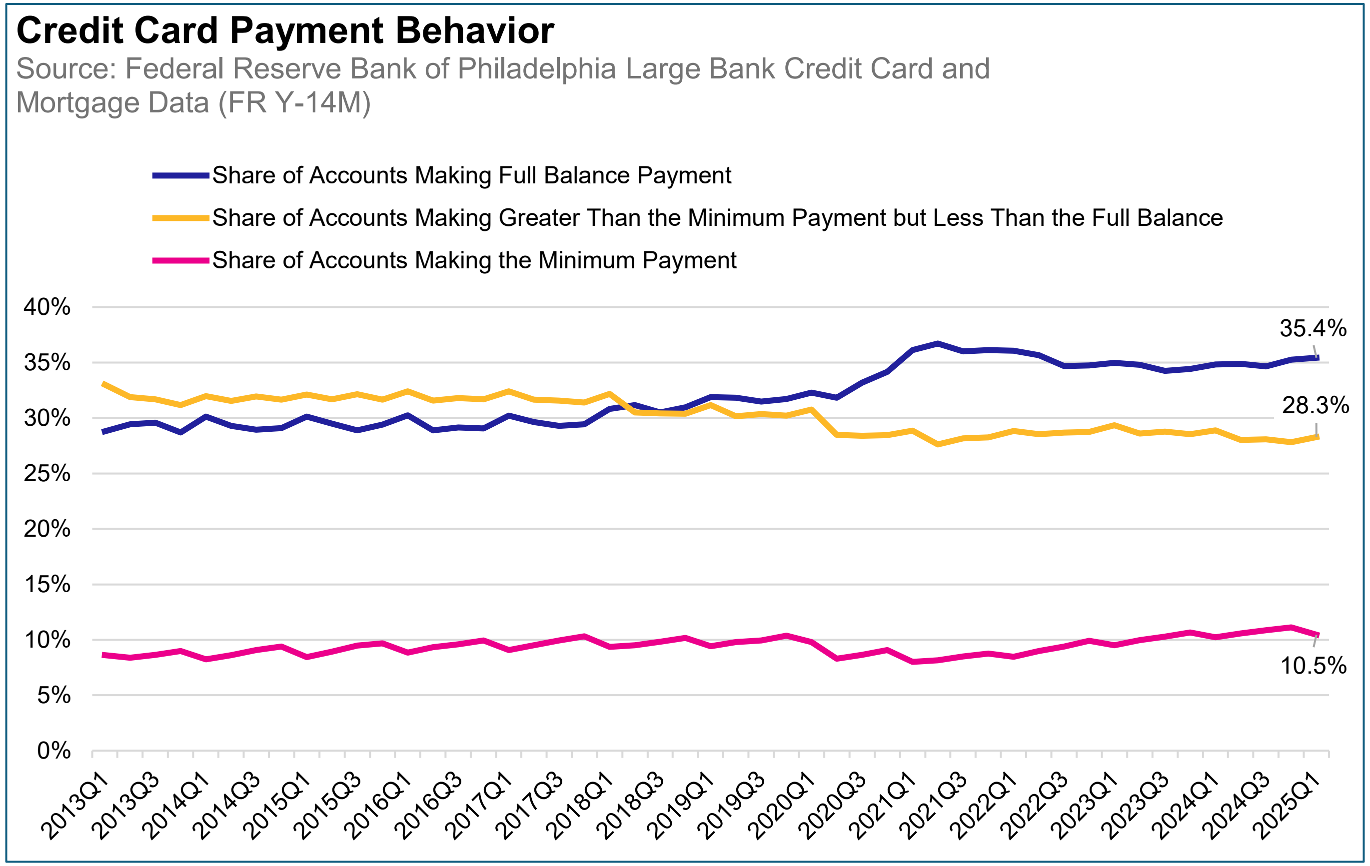


The share of consumers paying their full credit card balance off each month continues to be above pre-pandemic levels.

- 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 three years.

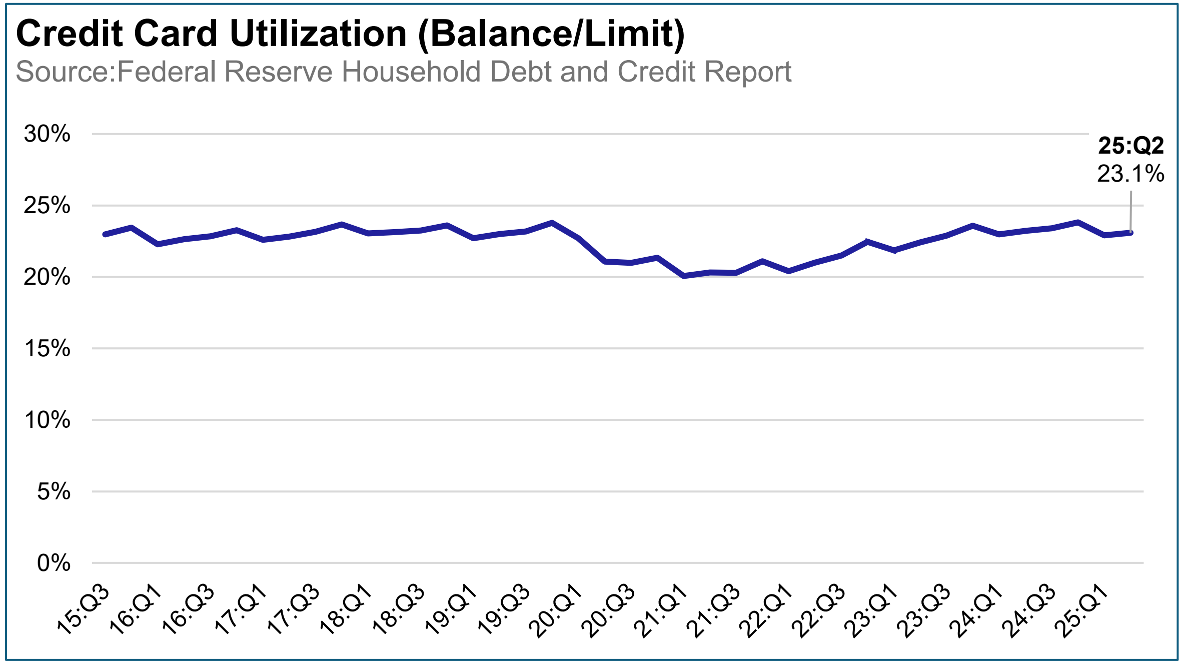
- The share of accounts making the minimum payment continues to increase while those paying between the minimum and full balance has decreased slightly.



Credit card utilization remains steady at pre-pandemic levels.

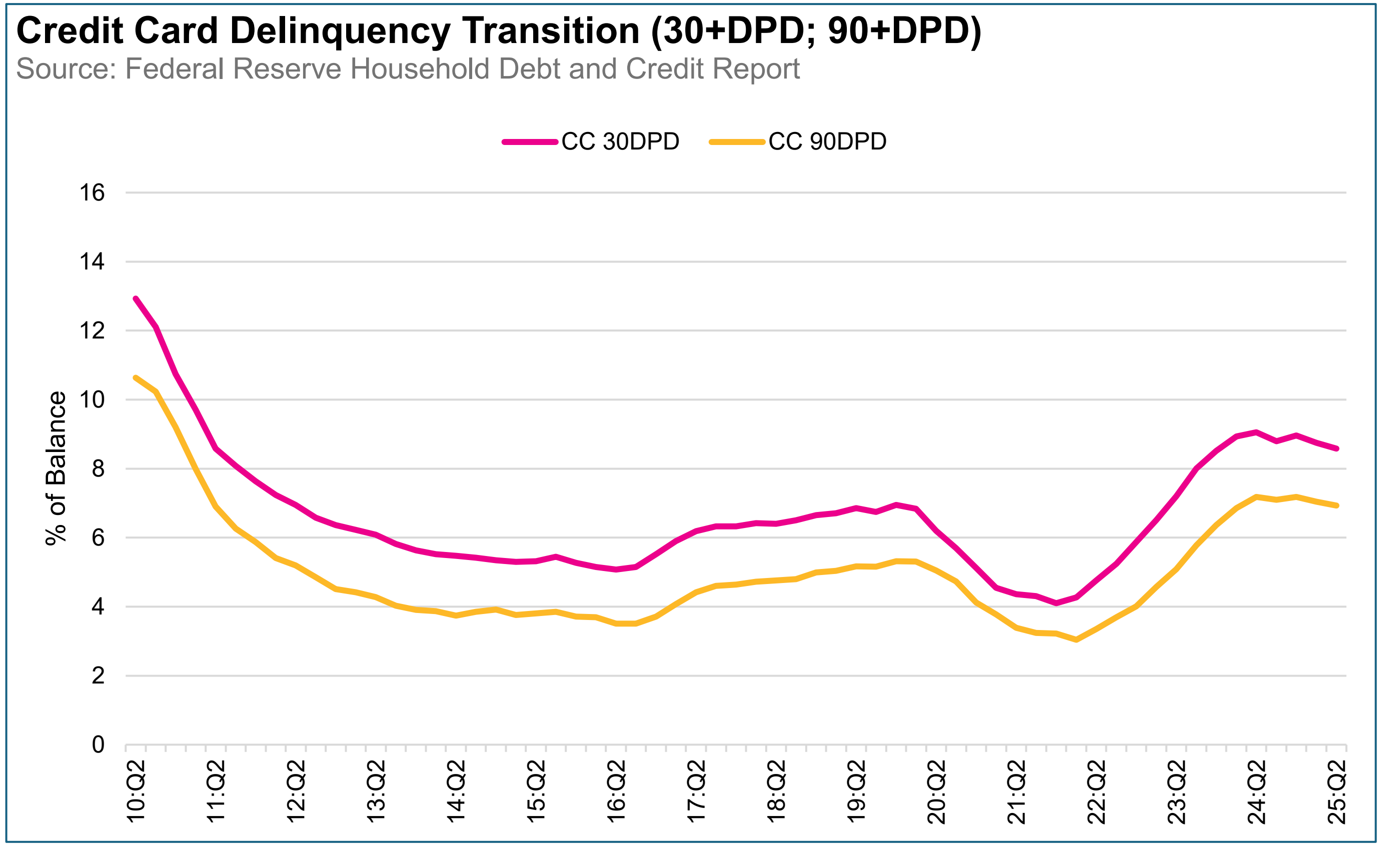
- Credit card utilization (measured by balances over credit limits) continues to increase from historic lows during the pandemic and remains in line with historic averages.

- Growth in card utilization is slowing in recent quarters as the growth in balances slows and starts to align with growth in credit limits.



Credit card delinquency transitions continue to slowly decrease in 2025.

- The percent of overall balances 90+ days past due (90+DPD) decreased as the percent of balances transitioning into early and serious delinquency (chart right) have continued to decline over the last four quarters.

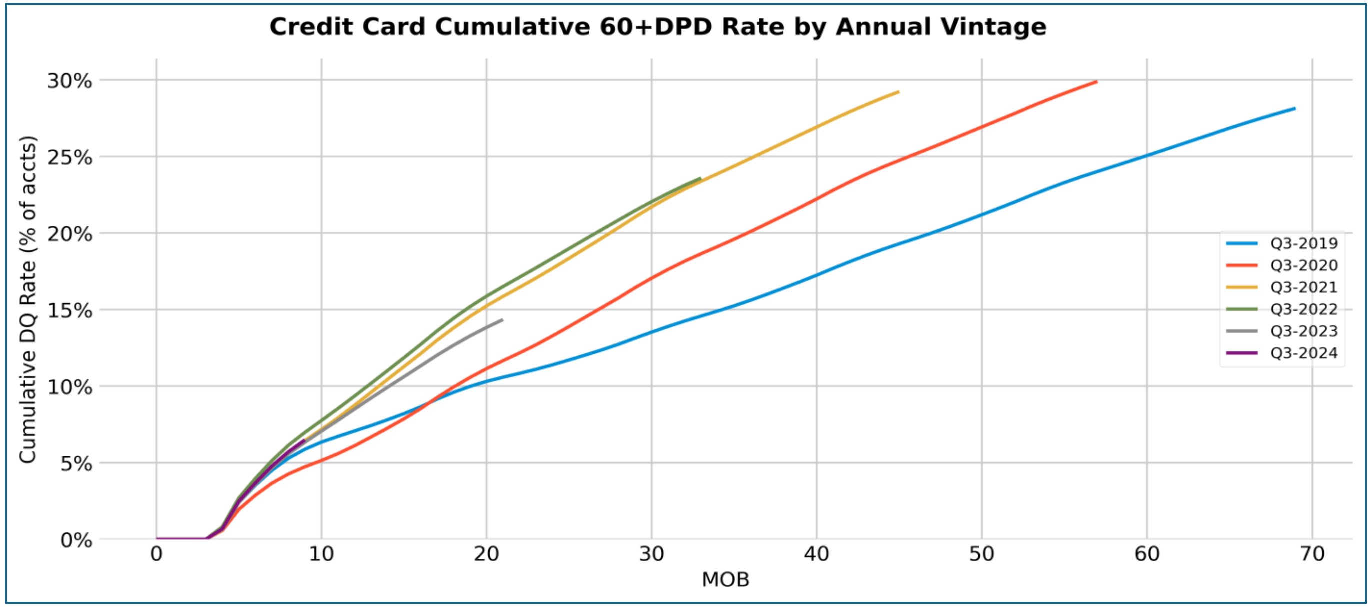


Credit cards issued more recently are performing slightly better than issued in 2021 and 2022.

- Performance (line slope) among more recent vintages (grey and purple lines) continues to improve as cumulative delinquency rates are lower than pandemic vintages (yellow and green) at the same number of months on book (MOB).

- This suggests a gradual return to pre-pandemic trends (orange and blue line) as banks tightened standards on new originations.

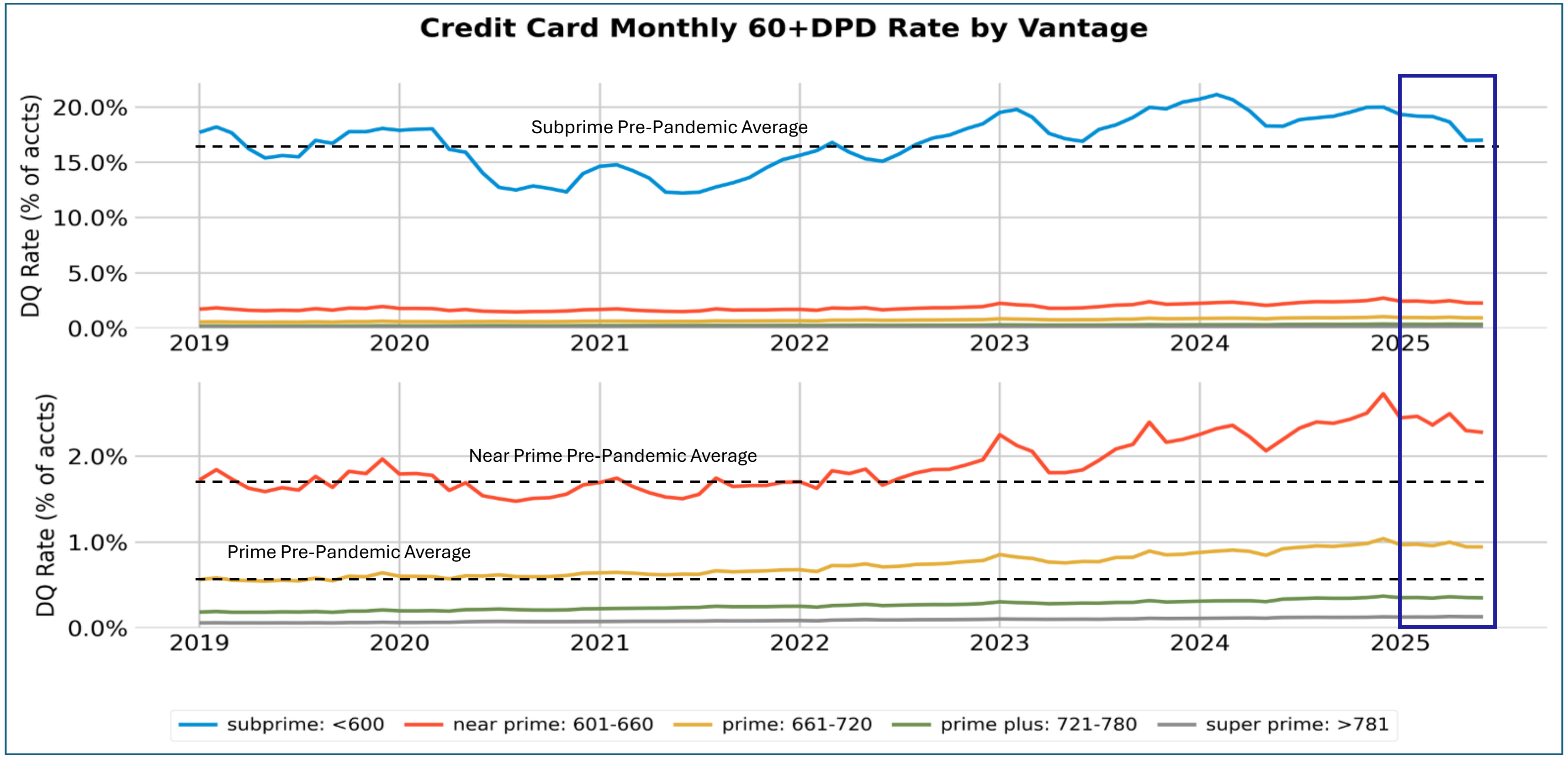
- The shift towards less risky borrowers drove improved overall performance for 2023 and 2024 vintages relative to 2022.



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

Subprime borrowers are showing the largest improvement in delinquency trends, followed by near-prime.

Delinquencies across subprime and near-prime segments (blue and orange lines) eased in line with seasonal trends. Subprime delinquency rates have eased back to pre-pandemic trends, while others (orange and yellow) remain above pre-pandemic averages (dashed lines).

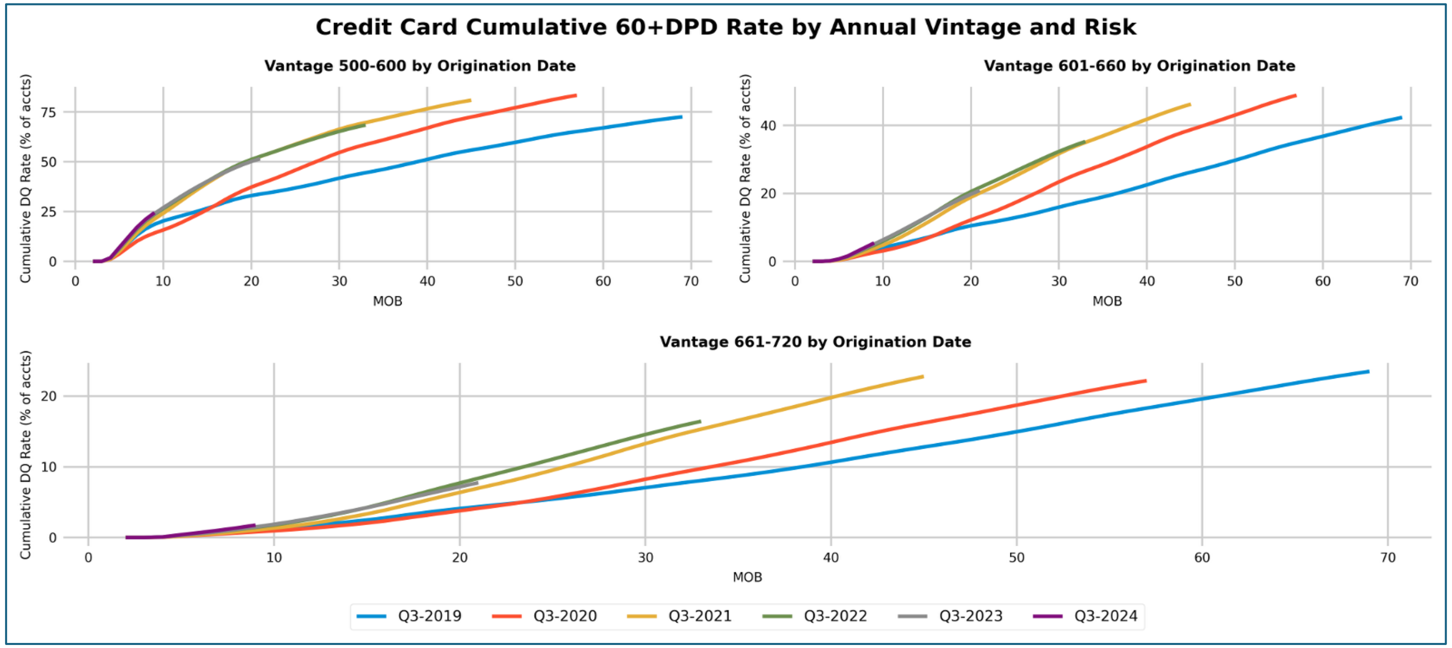


Source: 2nd Order Solutions. *2025 Q1 Credit Risk Review (powered by Equifax Ignite).*

It will still take time to see performance across risk bands return to pre-pandemic levels.

- Across risk bands, Q3 2024 vintages performed in-line with recent vintages.

- Differences in performance will be become clearer as loans in more recent vintages stay on books longer.



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

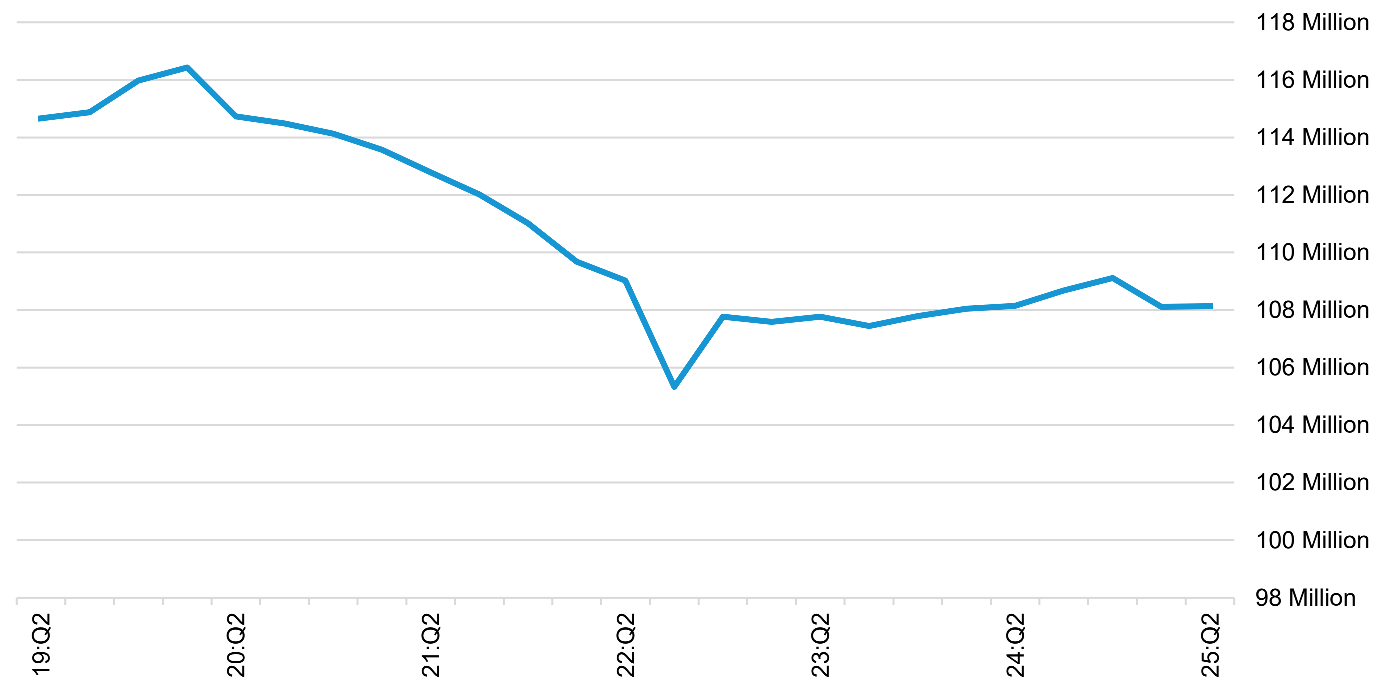
Auto

Auto loan account growth remains relatively flat, and the number of accounts remains below pre-pandemic levels.

- The number of loans remained relatively flat in the second quarter of 2025 as higher interest rates and vehicle prices[1] continue to play a role in slower loan growth.

- While total outstanding balances held by lenders continues to rise steadily, the number of net new loans being made remains flat year-over-year and quarter-over-quarter.

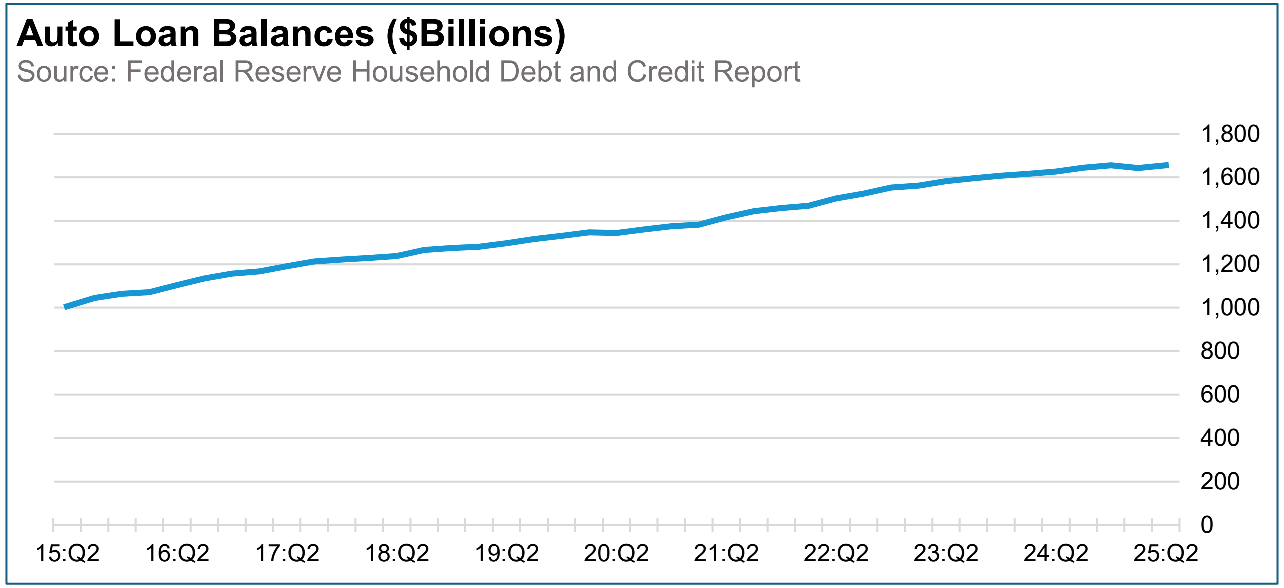
Number of Auto Loan Accounts (Millions)
Source: Federal Reserve Household Debt and Credit Report

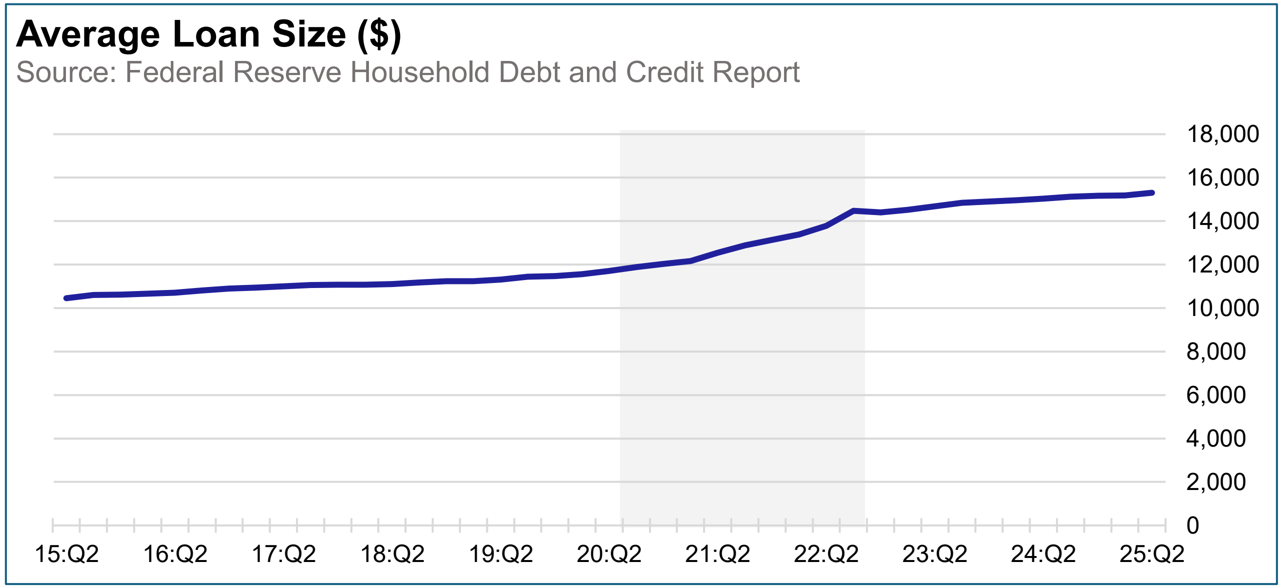


[1]See price data from CPI Consumer Price Index for All Urban Consumers: New Vehicles in U.S. City Average [CUUR0000SETA01], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CUUR0000SETA01 , August 14, 2025.

Both total and average auto loan balances continue to increase steadily.

- Both total and average auto loan balances increased slightly in 2025Q2 compared to the previous quarter.
- Despite lower account growth, persistently higher vehicle prices and rates have driven total and average loan balance growth.
- Growth in average loan balances has returned to pre-pandemic levels after accelerating during the pandemic (grey area).

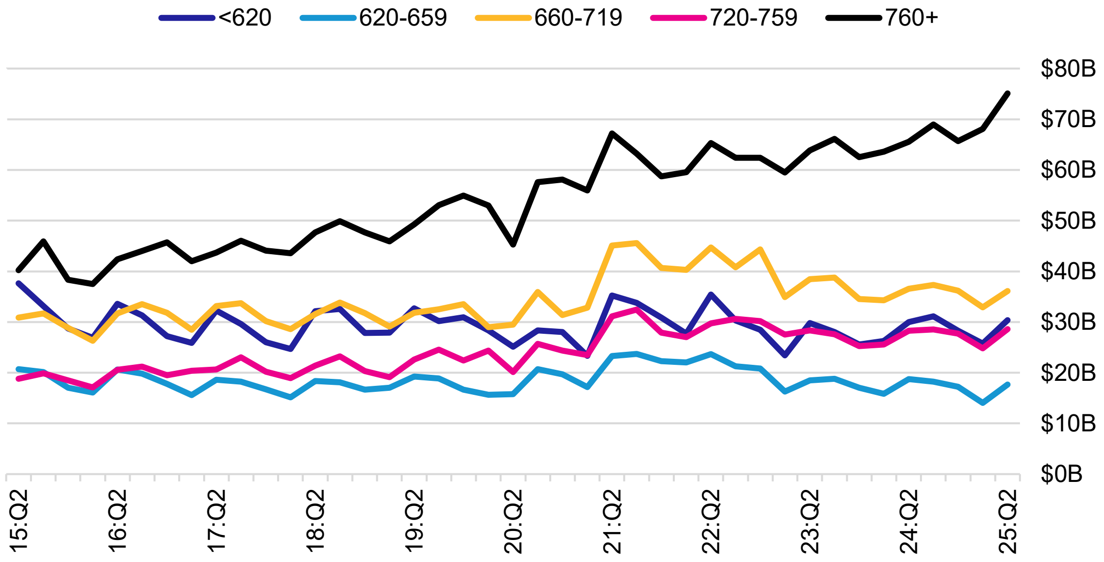




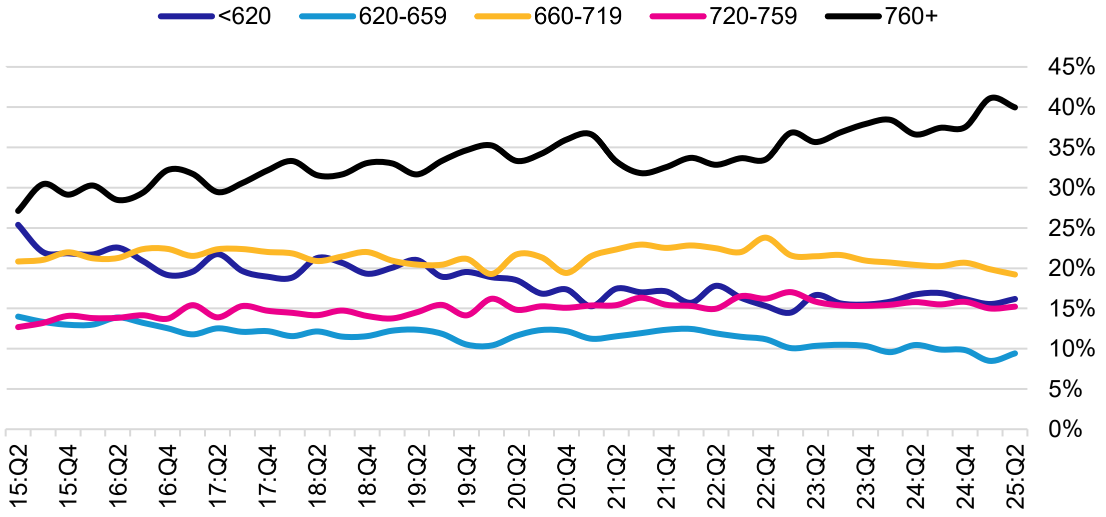
Auto loan originations increase across all risk scores.

- The number of auto loans originated (left chart) increased at all risk scores in the second quarter of 2025 with the largest increase seen at the highest score tier (760+).
- Originations in score tiers 660-719 and 760+ (yellow and **black** lines) made up a smaller share of new originations (right chart).

Auto Loan Originations by Risk Score* ($Billlions)
Source: Source: Federal Reserve Household Debt and Credit Report
*Equifax Riskscore 3.0



Composition of Auto Loan Originations by Risk Score* (%Total)
Source: Source: Federal Reserve Household Debt and Credit Report
*Equifax Riskscore 3.0

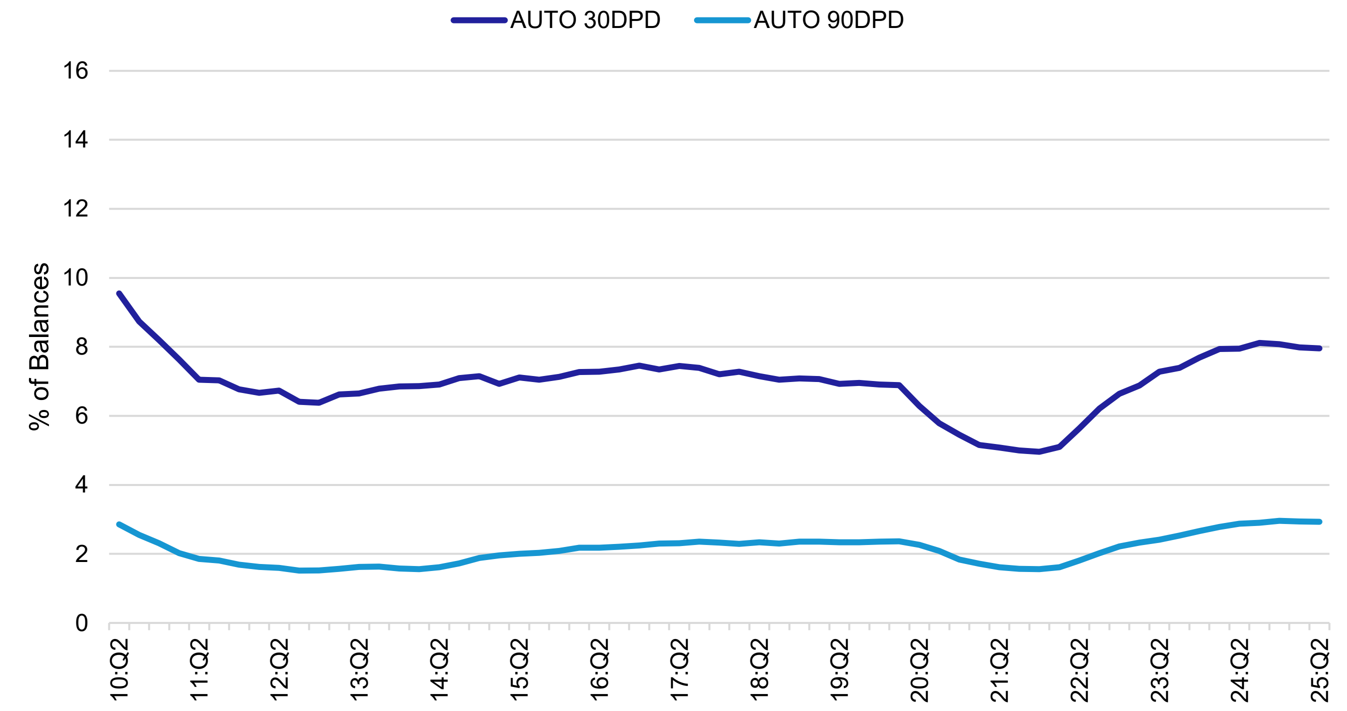


Auto loan transitions to delinquency remains relatively flat, declining slightly in the second quarter.

- Auto loan transitions to early (30+ days past due) and late (90+ days past due) delinquencies declined in the second quarter of 2025.

- Balances flowing into both early delinquencies have now declined over the last three quarters and late-stage delinquency transitions declined for the past two quarters signaling ongoing improvement in loan performance.

Auto Loan Delinquency Transition (30+DPD; 90+DPD)
Source: Federal Reserve Household Debt and Credit Report

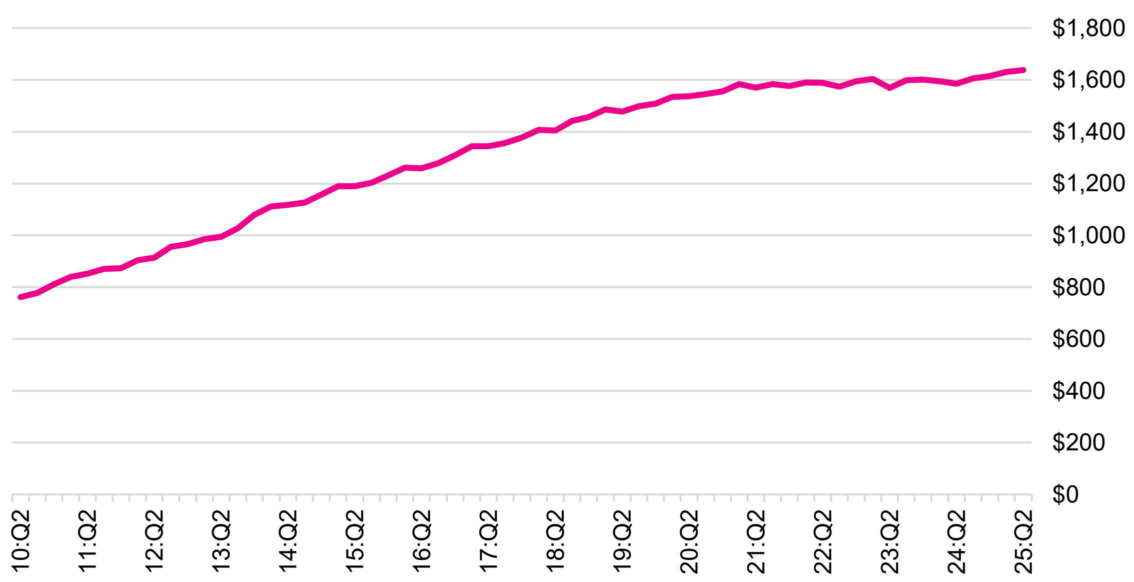


Student Loans

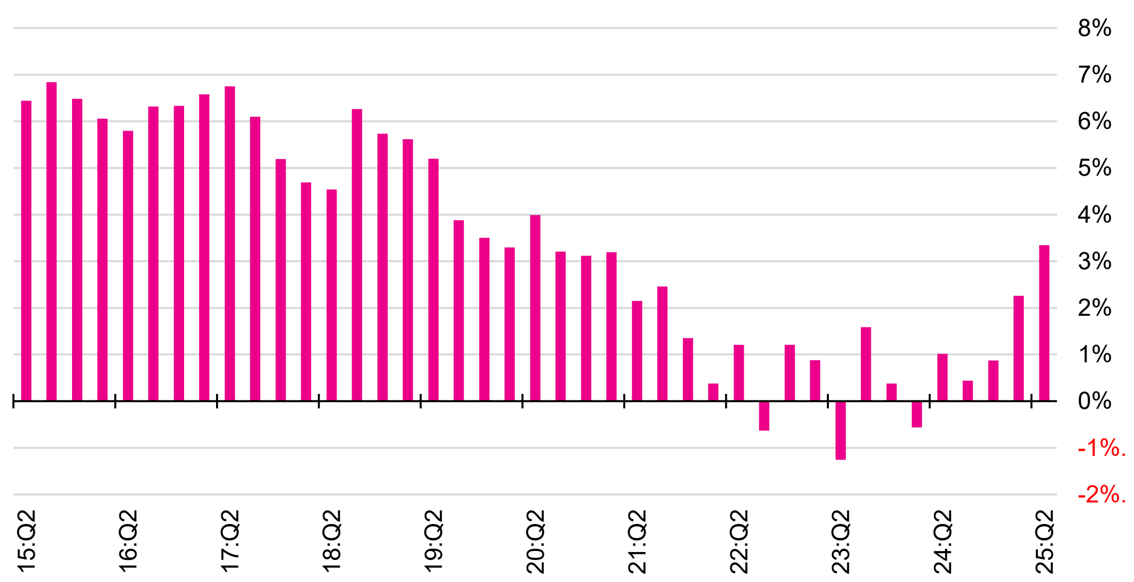
Student loan balances started to increase as payment and reporting pauses ceased in early 2025.

- Student loan balance growth increased in the second quarter by 3.3 percent year-over-year to $1.64 Trillion (left chart).
- Balance growth has started to increase (right chart) as payment and interest accrual pauses have ceased and borrowers begin to fall behind on payments.

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



Year-Over-Year Student Loan Balance Growth
Source: Federal Reserve Household Debt and Credit Report



Student loan transitions to delinquency surpassed levels seen before payment pauses went into effect.

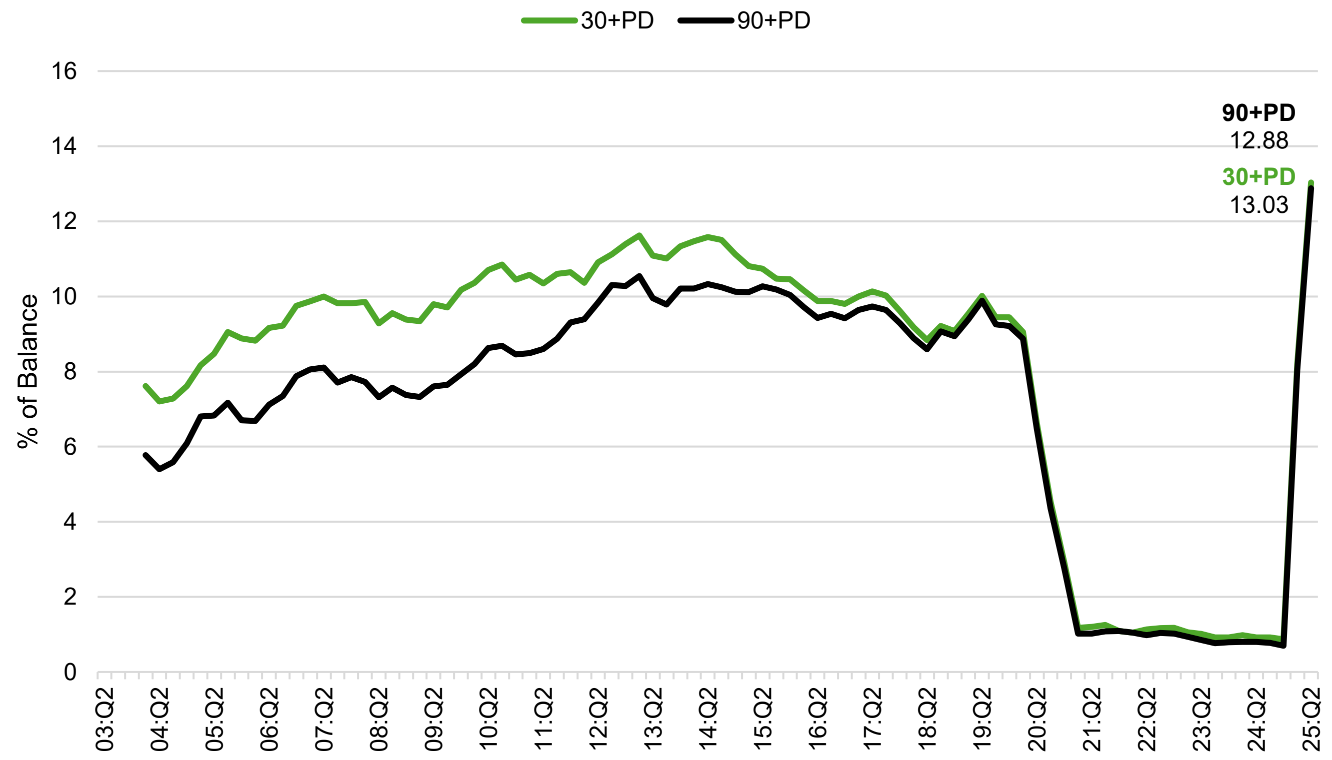
- Flows into both early and late-stage delinquencies are now above pre-pandemic levels as federal student loan payments resumed in 2025.

- Accordingly, nearly the entire rise in delinquencies is from federal loans.

- Recent changes to federal loan repayment plans may continue to impact delinquencies in the second half of 2025 as these loans enter repayment and/or accrue interest.

Student Loan Delinquency Transition (30+PD; 90+PD)

Source: Federal Reserve Household Debt and Credit Report



Federal Direct Loan recipients in repayment are seeing much higher delinquencies than other borrowers.

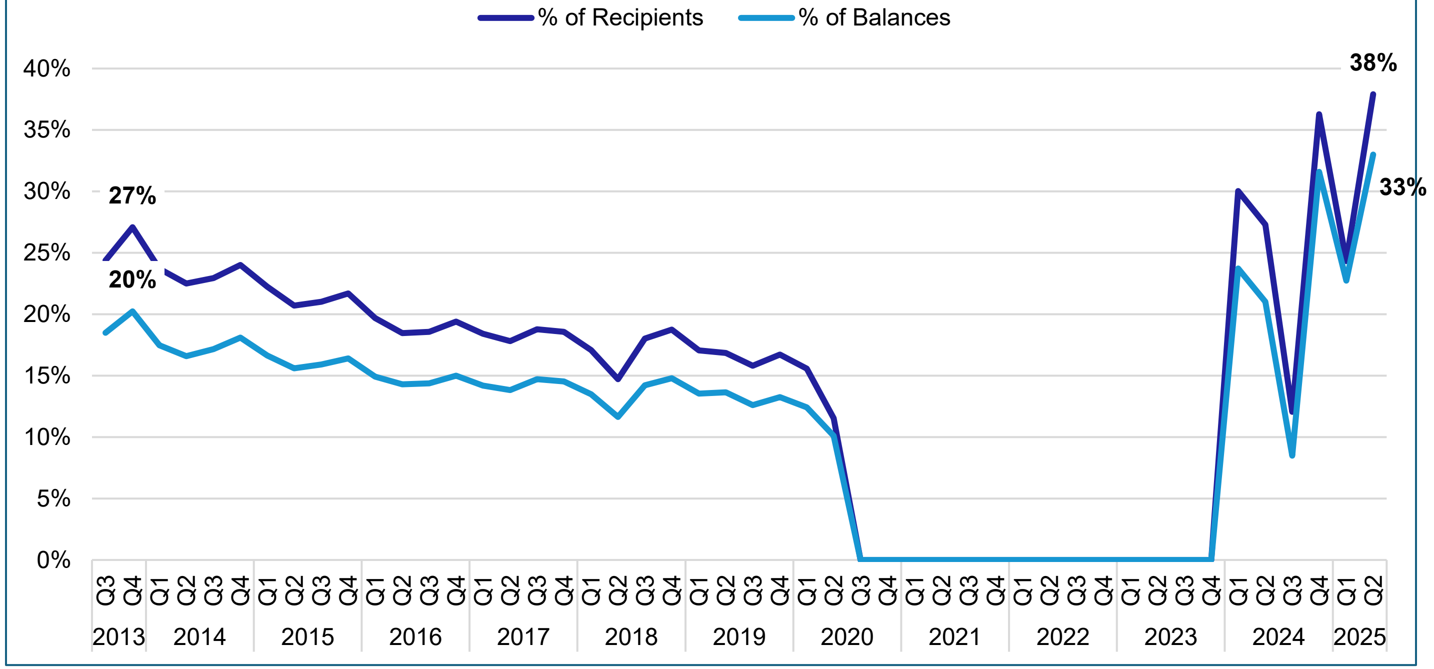
- Data on Federal Direct loans in repayment status shows the percentage of recipients and dollars in some form of delinquency continue to increase well past pre-pandemic levels.

- Recent changes to Federal Direct loan repayment policies may continue to impact borrower delinquencies.

- This data diverges from delinquencies in the private student loan market where loans in any form of delinquency average ~5 percent of balances.

Share of Federal Direct Student Loans in repayment status that are currently in some form of delinquency

***Source**: National Student Loan Data System accessed via Data.gov*
***Note**: Includes only loans in repayment status. Excludes loans for recipients in school,*



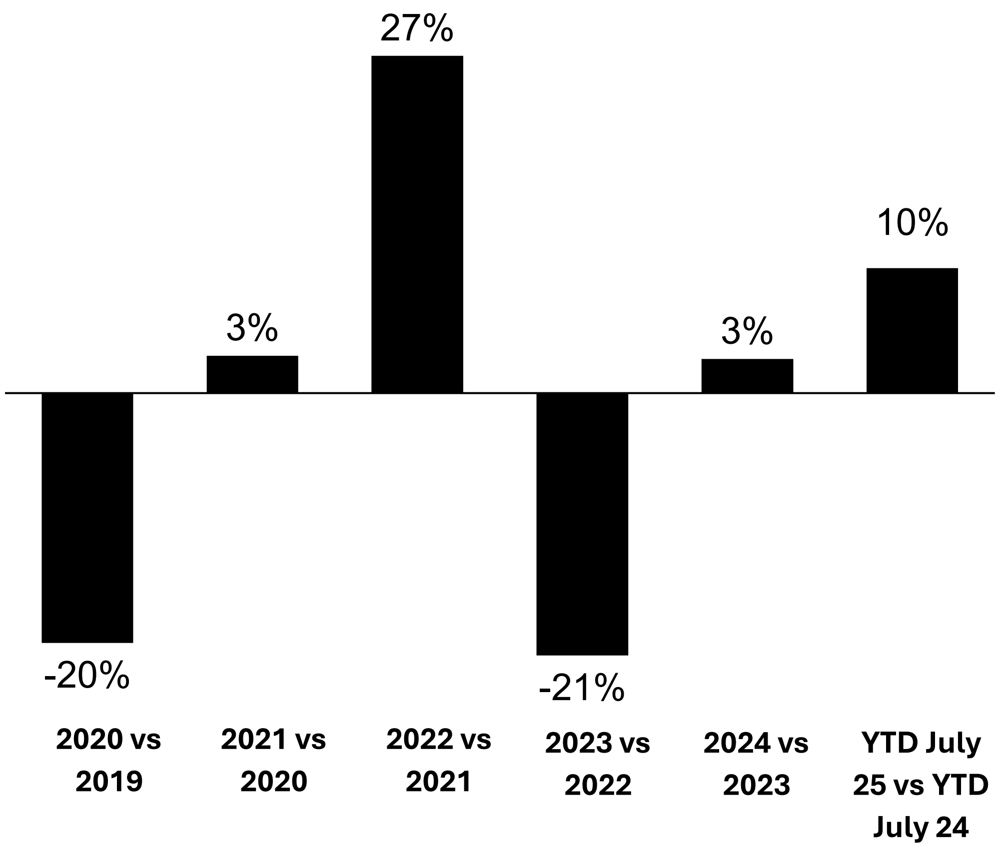
Home Equity

Insights Provided by:

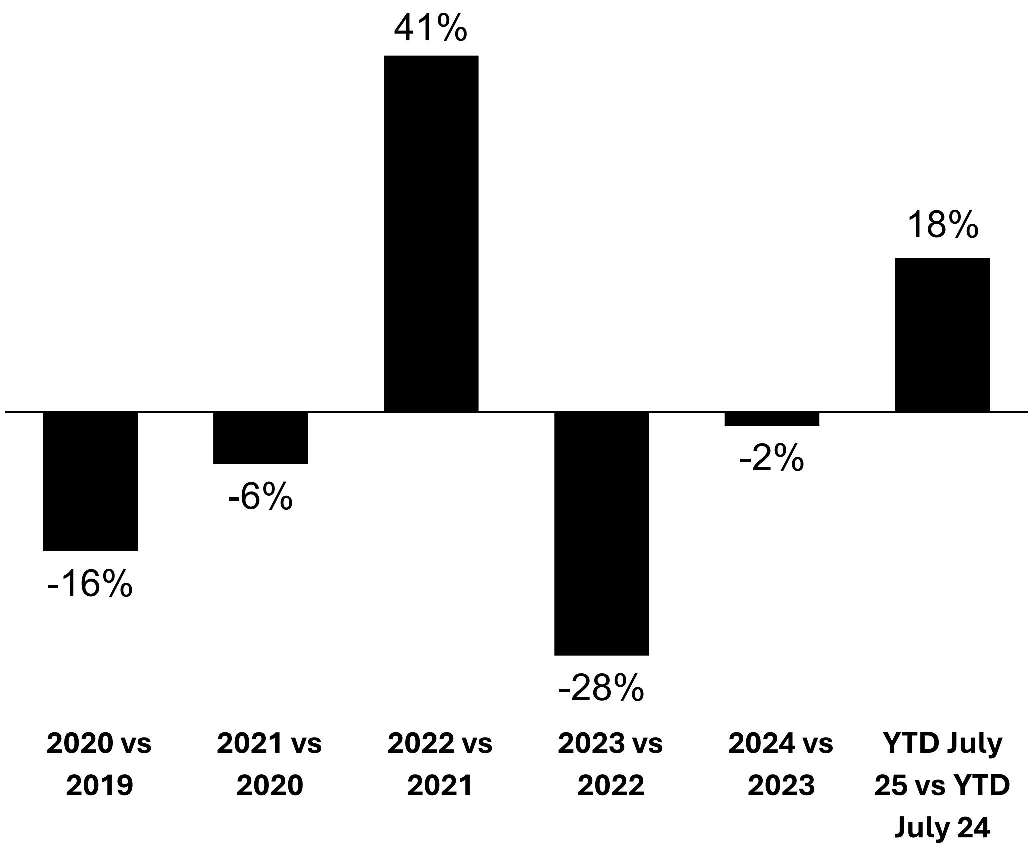
curinos

Through July '25, Home Equity application and origination annualized growth stayed steady at 10 percent at 18 percent, respectively compared to last quarter's chartbook data which showed similar YTD growth.

Application Growth Trends



Booked Growth Trends

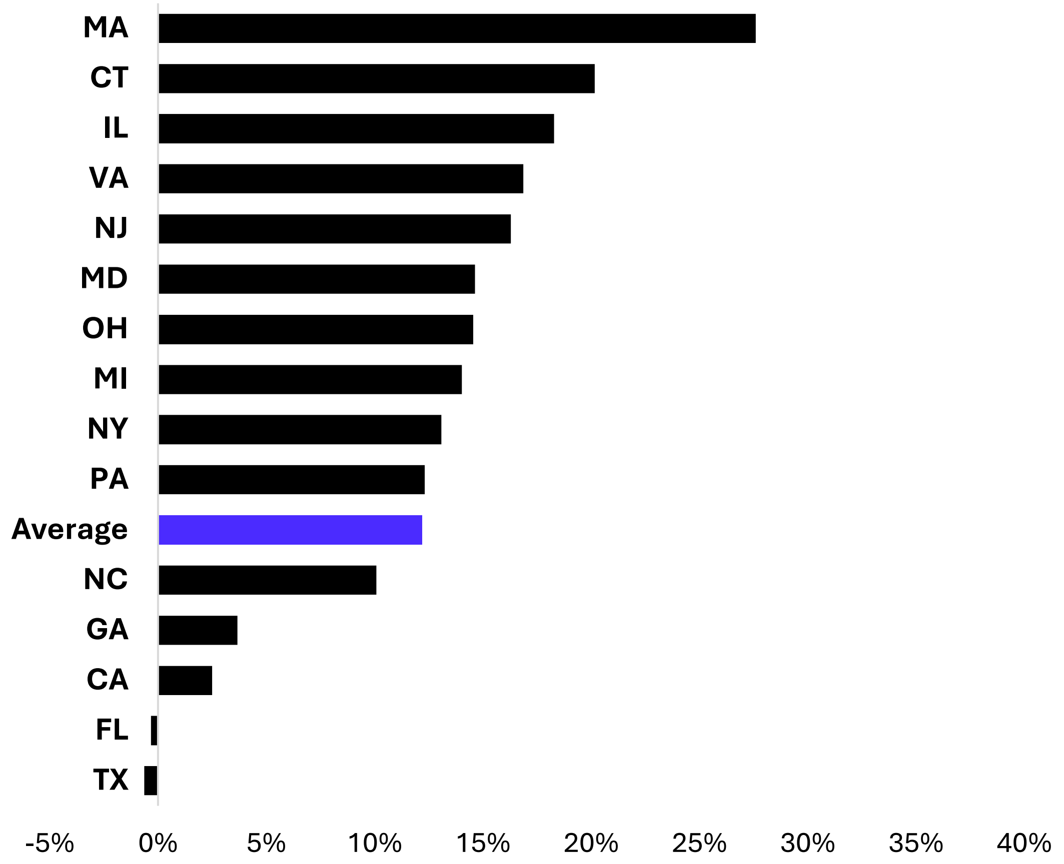


Source: Curinos LendersBenchmark Home Equity Originations

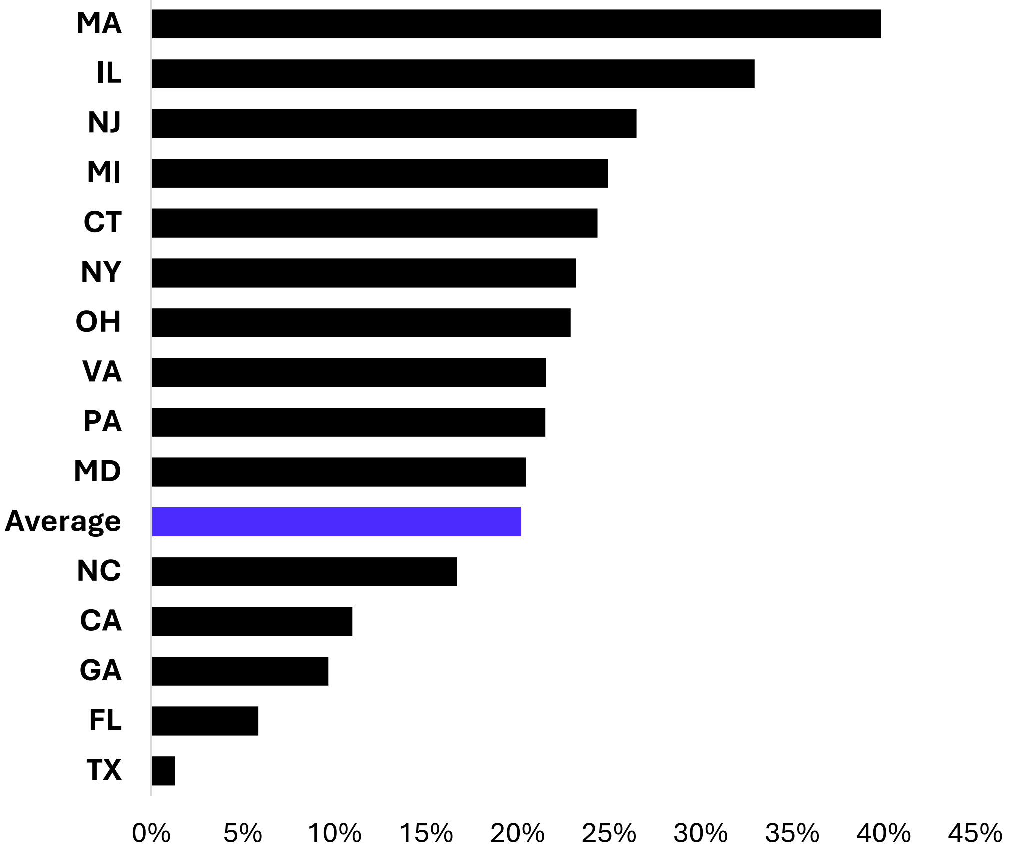
Massachusetts remains in top position as the fastest growing Home Equity origination state, while Florida & Texas applications trend negative YoY.

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

Percent change in Application Volume



Percent change in Booked Volume

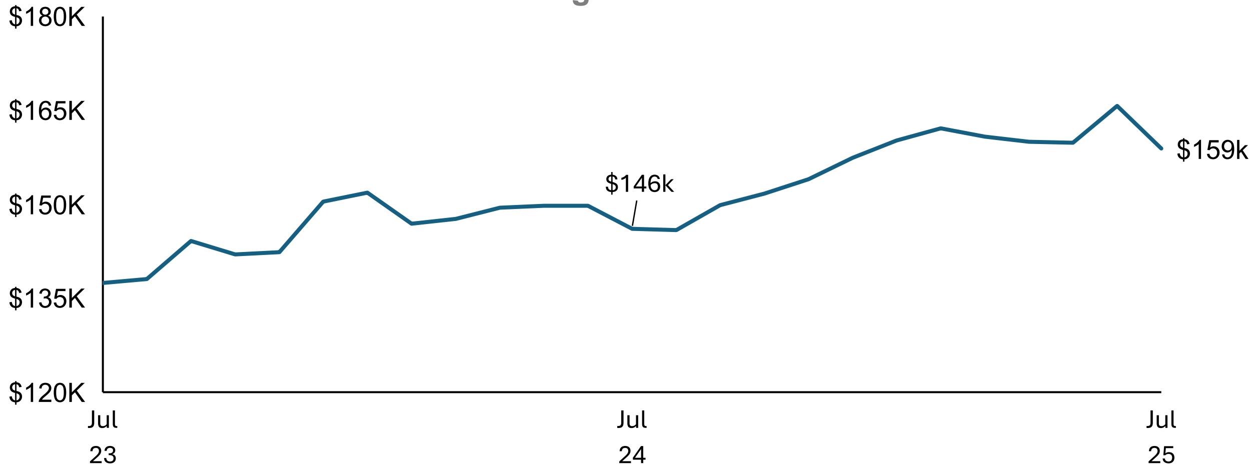


Source: Curinos LendersBenchmark Home Equity Originations

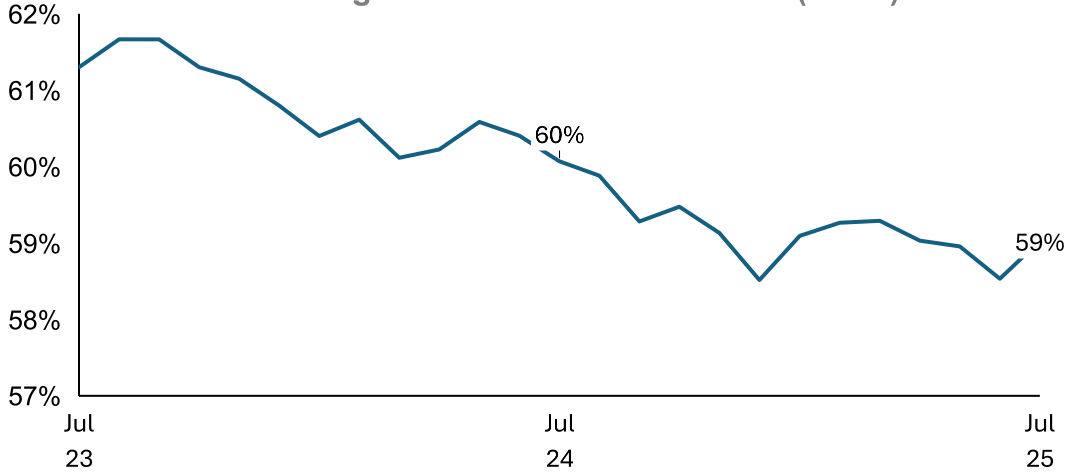
Credit profiles continue to lean more conservative as average credit scores remain higher, while combined loan-to-value & debt-to-income trend lower.

HELOC Booked Risk Metrics

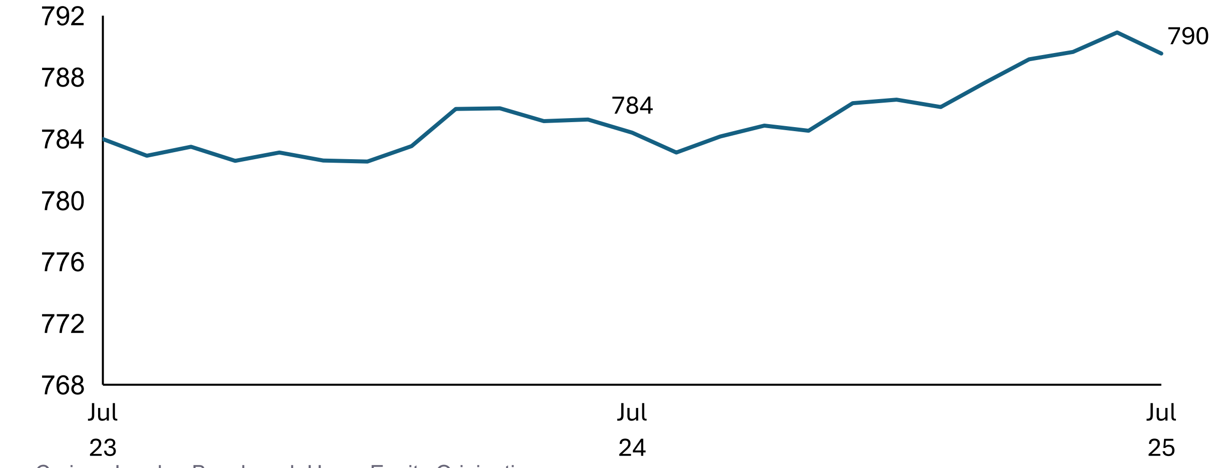
Average Line Size



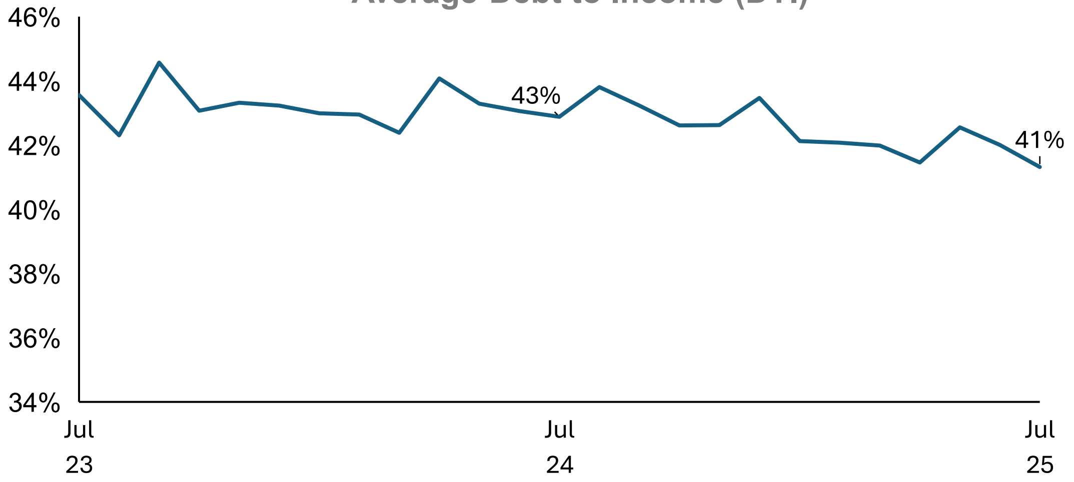
Average Combined Loan-to-Value (CLTV)



Average Credit Score



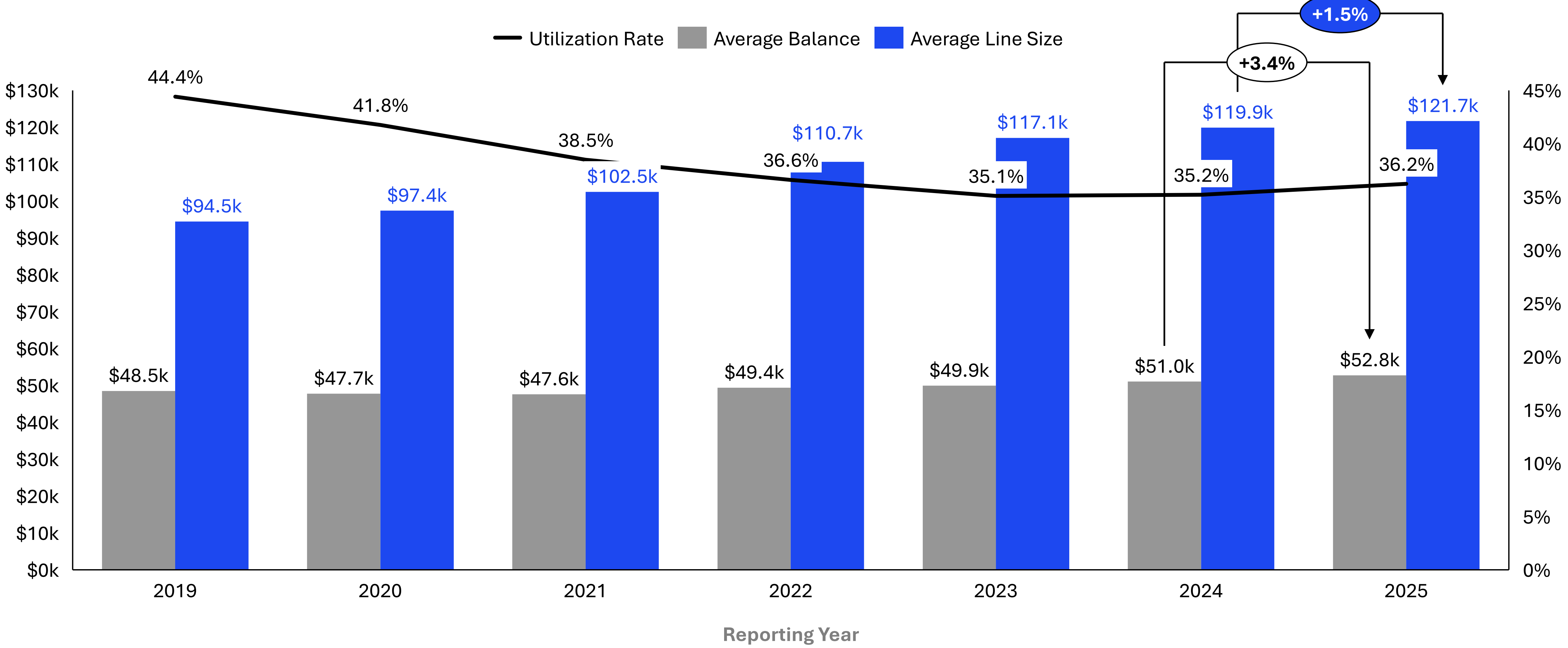
Average Debt to Income (DTI)



Source: Curinos LendersBenchmark Home Equity Originations

Increases in usage rates for new and existing HELOC borrowers are fueling the growth in both utilization and average balances.

HELOC Line Size, Utilization and Average Balances by Reporting Calendar (As of June 2025)



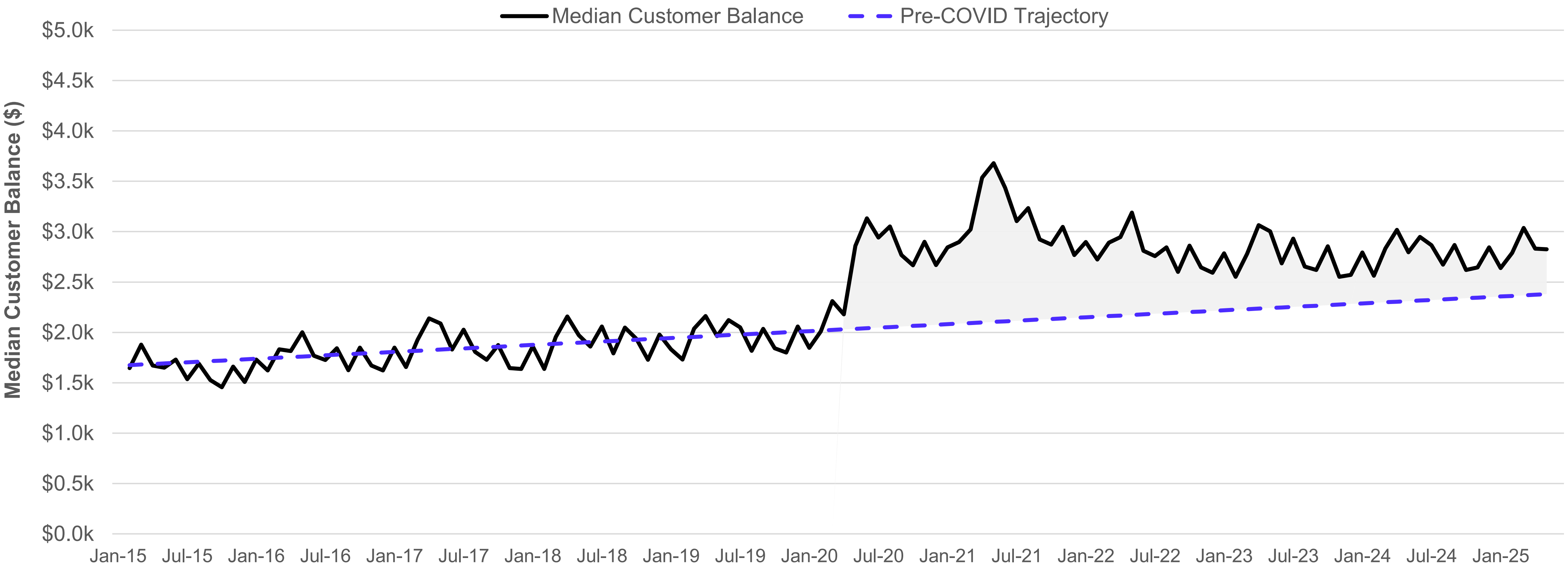
Source: Curinos LendersBenchmark Home Equity Originations

Retail Deposits
Insights provided by:

curinos

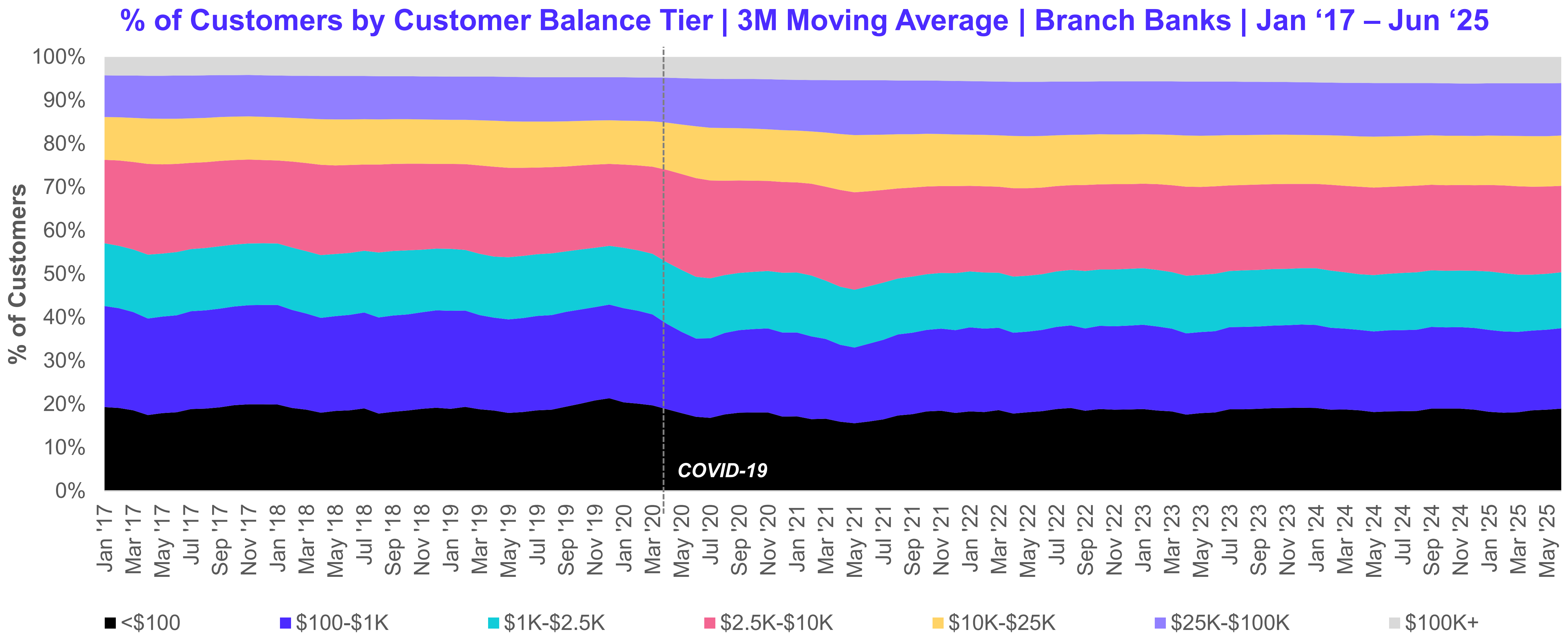
Median total customer balances remain above the pre-Covid trajectory.

Median Customer Balances | 2 Month Rolling Average | All Products | Branch Banks | Jan '15 – Jun '25



Source(s): Curinos Consumer Deposit Analyzer, Curinos Analysis. | Note(s): Direct banks excluded. Pre-Covid trajectory uses the trend from Jan '15 – Feb '20. Median customer balance includes zero but excludes customers with balances less than zero. 2 month rolling average displayed for median and average balances. Simple averages displayed.

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



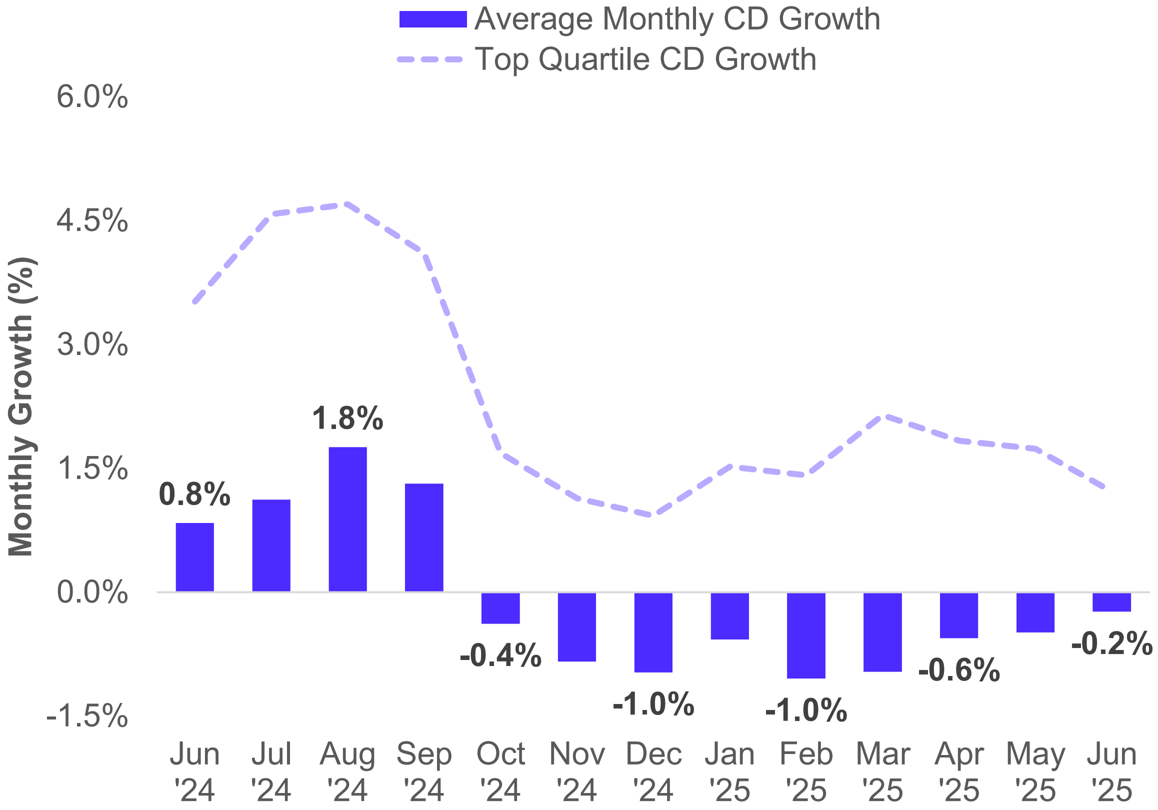
Source(s): Curinos Consumer Deposit Analyzer, Curinos Analysis. | Notes: Branch banks only. Simple averages displayed. Higher balance tiers are not displayed.

Savings/Money Market Deposit Account (MMDA) deposit growth slowed in June ’25. CD outflows have also slowed.

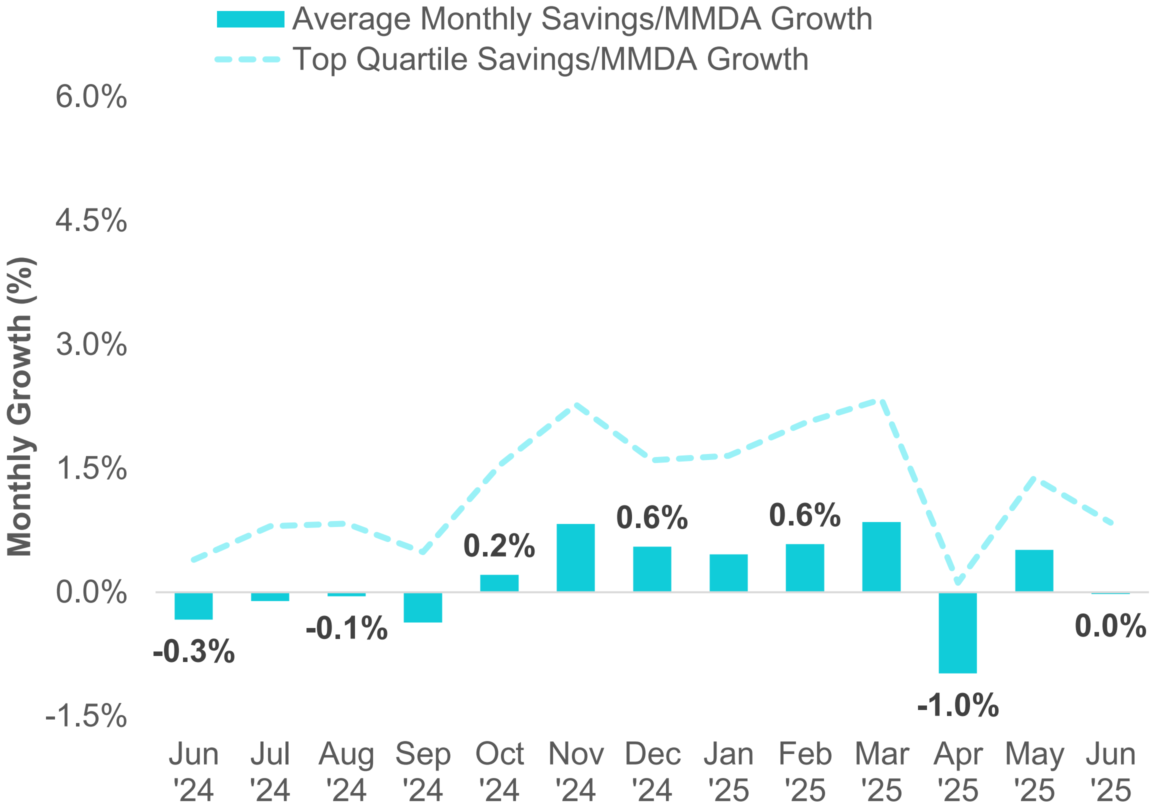
CONSUMER BANKERS ASSOCIATION

Monthly Growth | Branch Banks Average vs. Top Quartile | Jun ‘24 – Jun ‘25

CDs



Savings/MMDA

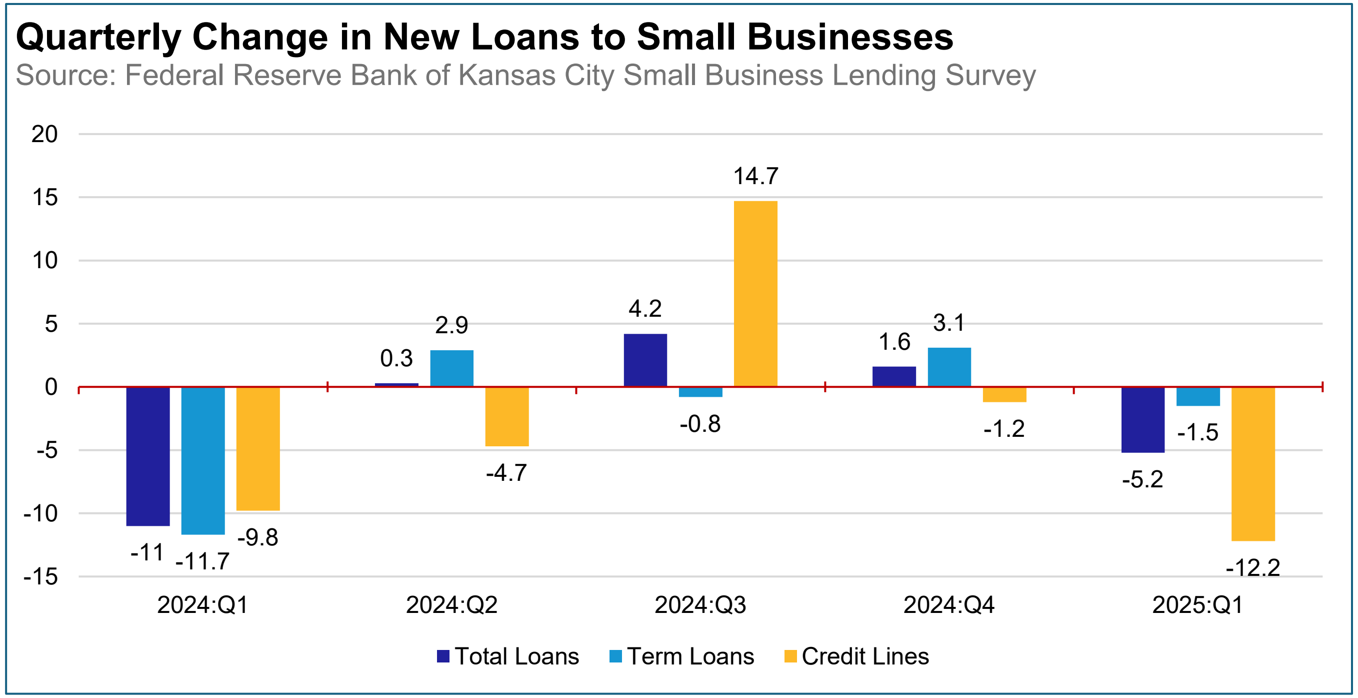


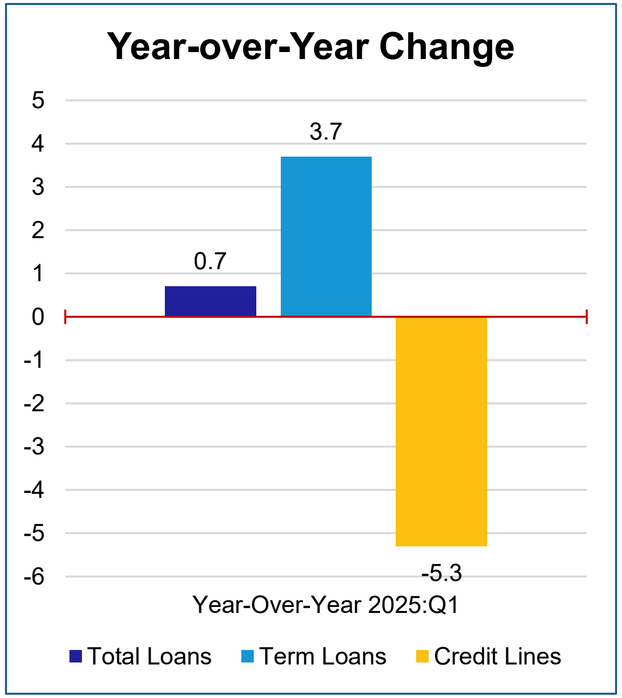
Source(s): Curinos Consumer Deposit Analyzer, Curinos Analysis. | Note(s): Consumer balances only. Online FIs excluded. Simple averages displayed.

Small Business

New loans to small business declined sharply in the first quarter of 2025.

- New loans to small business declined sharply in the first quarter of 2025 compared to the previous quarter driven by declines in new lines of credit. Year-over-year growth was small with decline in lines of credit moderating growth in 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

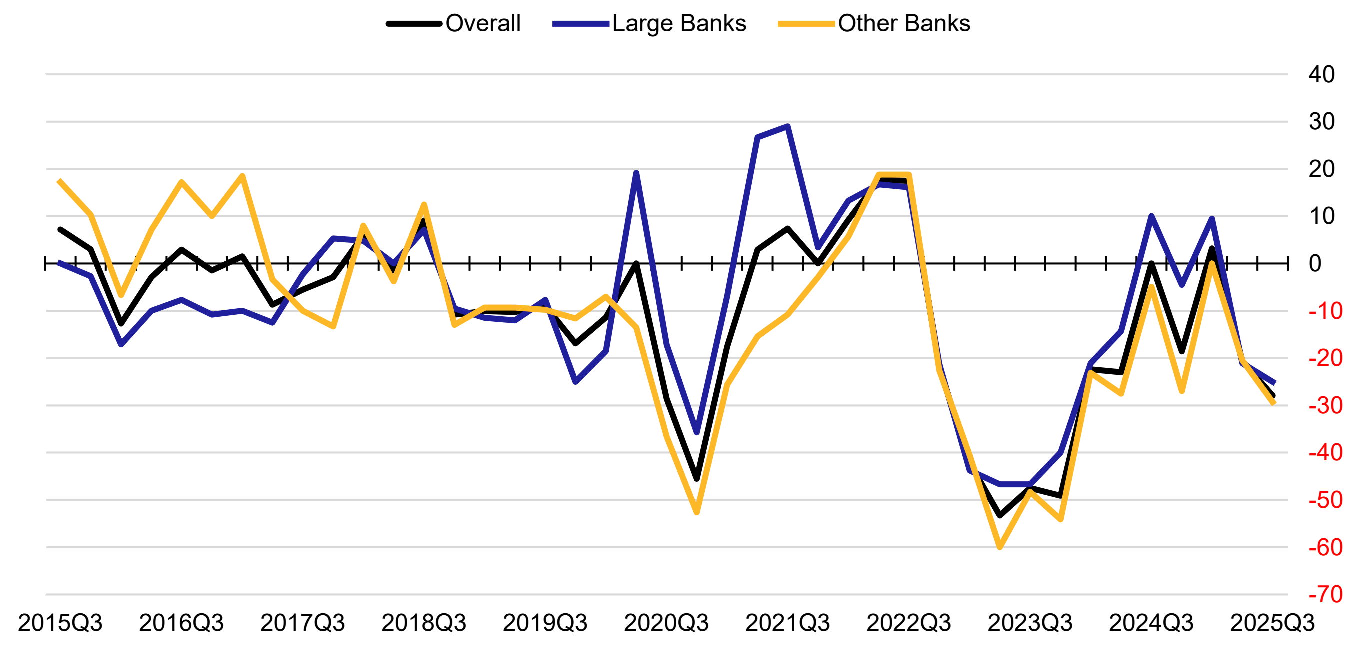
Banks report declining demand for loans from small firms for the second straight quarter.

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

- The net percent of banks reporting higher demand declined from -20.6 to -27.9 reflecting declining business sentiment and continued trade and economic policy uncertainty around the same time.

Net percentage of domestic banks reporting stronger demand for C&I loans from small firms

Source: Federal Reserve Senior Loan Officer Opinion Survey

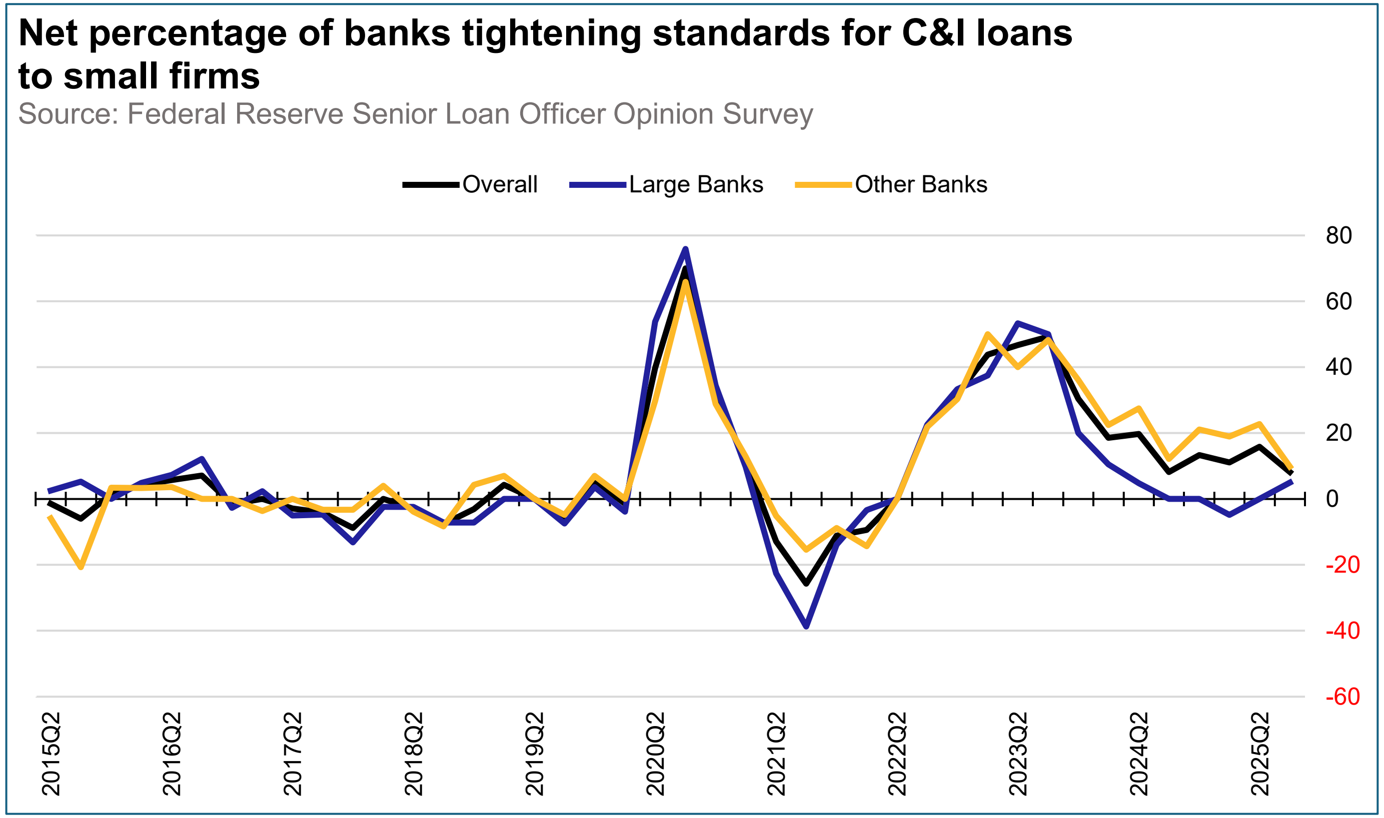


Small firms = firms with annual sales of less than $50 million.
Large banks = total assets of $100 billion or more.
Other banks = total assets of less than $100 billion.

[1]Respondent banks received the survey on June 18, 2025, and responses were due by July 2, 2025.

Credit standards for loans to small firms remain moderately tight, increasing slightly at large banks.

- The net percentage of large banks reporting tightening standards for loans to small businesses grew in the most recent survey.
- The net percent of other banks tightening declined but is still higher than that of large banks.
- This is the first quarter net percentage of large banks was positive since the second quarter of 2024.



Small firms = firms with annual sales of less than $50 million.
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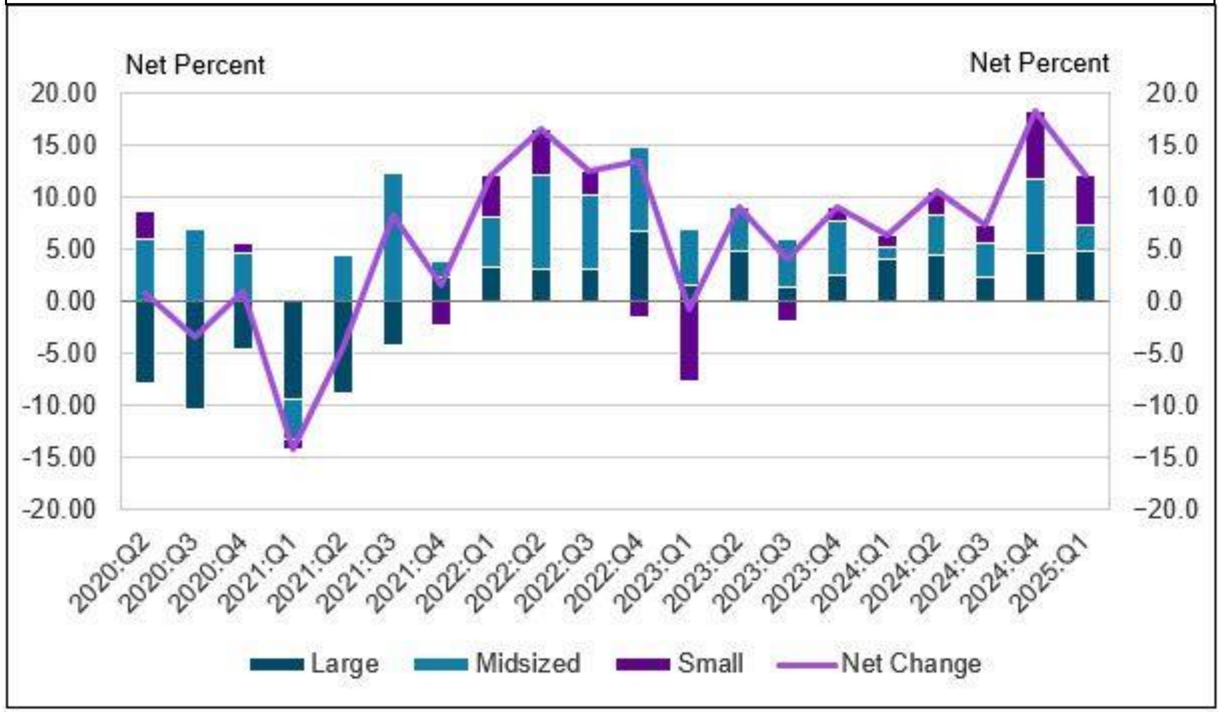
[1]*Respondent banks received the survey on June 18, 2025, and responses were due by July 2, 2025.*

Banks report a moderate decrease in business credit line usage, driven by lines at midsized banks.

- The number of banks, on net, reporting an increase in credit line usage decreased in the first quarter of 2025.

- Much of the decrease in credit line usage came from responses by mid-sized banks, with reports from large and small banks remaining relatively flat.

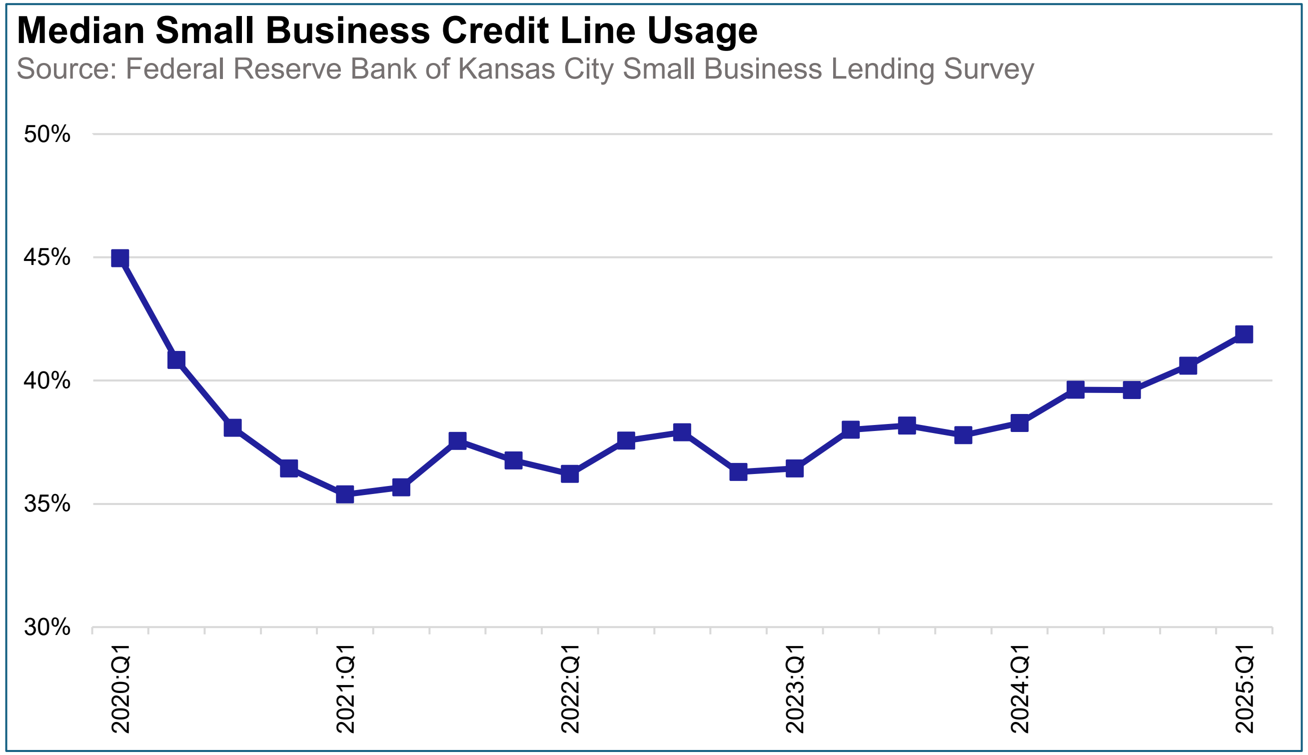
All Bank Sizes Report Increases in Credit Line Usage for the Sixth Consecutive Quarter



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 increases for the second straight quarter.

- Median credit line usage by small businesses increased to just over 50 percent in 2025Q1 reflecting higher utilization of lines, but lower growth in credit limits.
- Median credit line usage continues to slowly increase back to early-pandemic levels but is still below the pre-pandemic rate of 45 percent.



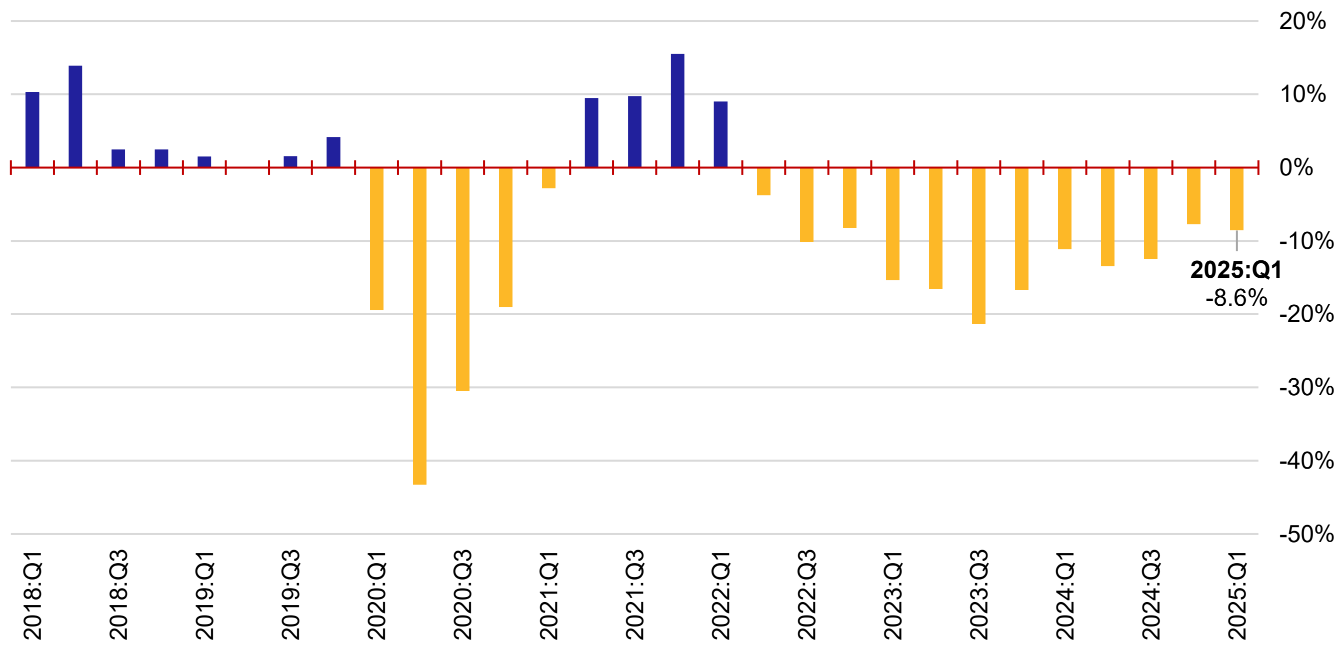
Small business credit quality remains sluggish driven by owner debt-to-income, business liquidity, and cash flows.

- For the 12th consecutive quarter, a net percent (8.6 percent) of bank respondents report that the credit quality of small business applicants has declined compared to the prior quarter.[1]

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

Net Percent Reporting Improving or Declining Applicant Credit Quality

Source: Federal Reserve Bank of Kansas City Small Business Lending Survey



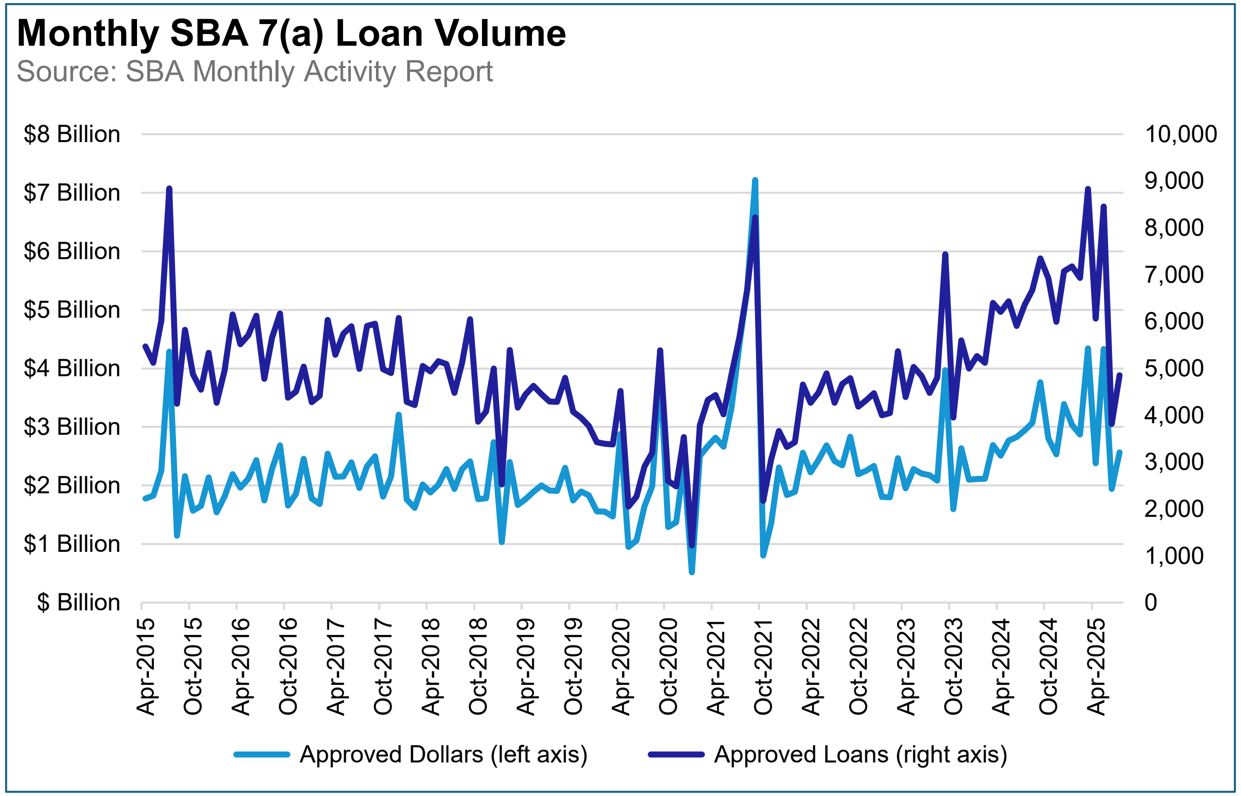
[1]Question: "In your opinion, how has the credit quality of U.S. small business applicants changed over the most recent calendar quarter?"
Improved substantially (0%), Improved somewhat (4.9%), Remained basically unchanged (81.6%), Declined somewhat (13.5%), Declined substantially (0%)

SBA 7(a) loan volume declines sharply after steadily increasing since the pandemic.

- The number and amount of approved SBA 7(a) loans decreased substantially in June after increasing steadily since the pandemic.

- The number of approved loans fell by more than 50 percent from March to June.

- This follows additional data showing decreased demand (see slide 50) correlating with trade and other economic uncertainty keeping small businesses in a “wait-and-see” mode before taking on additional debt and capital projects.



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