

# Economics Group

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## Consumer Credit Decelerates Further in January

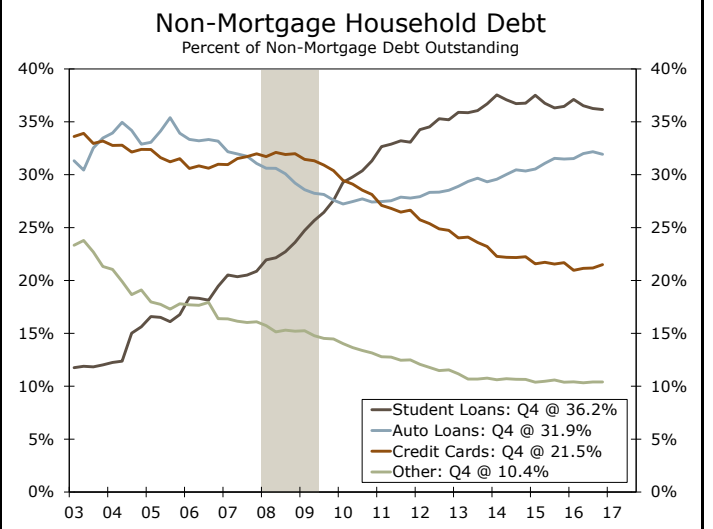
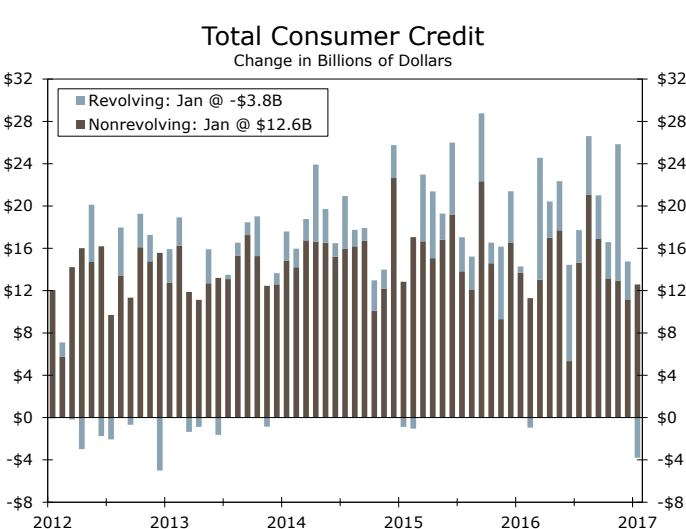
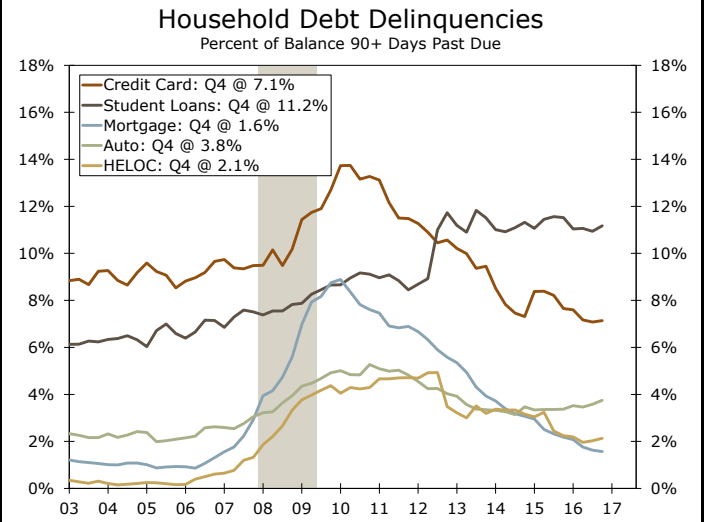
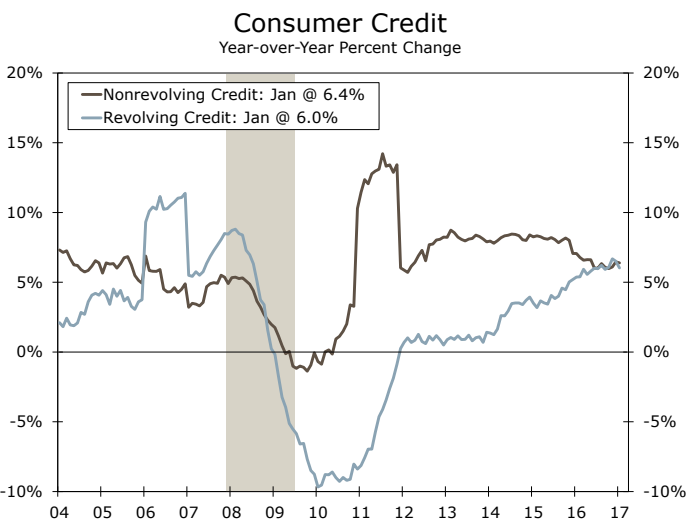
*Consumer credit growth missed expectations in January, rising \$8.8 billion. Revolving credit outright declined by \$3.8 billion, the largest dip since December 2012.*

### Revolving Credit Falls in January

- Consumer credit growth was soft to start the year. The weakness was concentrated in revolving credit as nonrevolving credit growth posted a fairly average \$12.6 billion increase.
- Consumer spending was a bit soft in January, which may explain part of the pullback. Higher rates, seasonal adjustment issues related to the holidays and some payback from recent strong gains may also have played a role.

### Credit Card Delinquencies Remain Low

- In a separate recent release from the NY Fed, household debt delinquencies looked relatively healthy. In the revolving space, credit card delinquencies remain below pre-recession levels.
- Auto loan delinquencies have ticked up slightly, and student loan debt obligations remain a well-known challenge. If these credit quality trends continue, the pace of nonrevolving credit growth may slow as lending standards tighten gradually to compensate.



Source: Federal Reserve System and Wells Fargo Securities

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