



Economics Group

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Consumer Credit Jumps to Begin Q3

Consumer credit rose \$18.5 billion in July. Despite a continued slowdown in revolving credit growth, an uptick in nonrevolving credit growth allowed total consumer credit to grow 5.9 percent from a year ago.

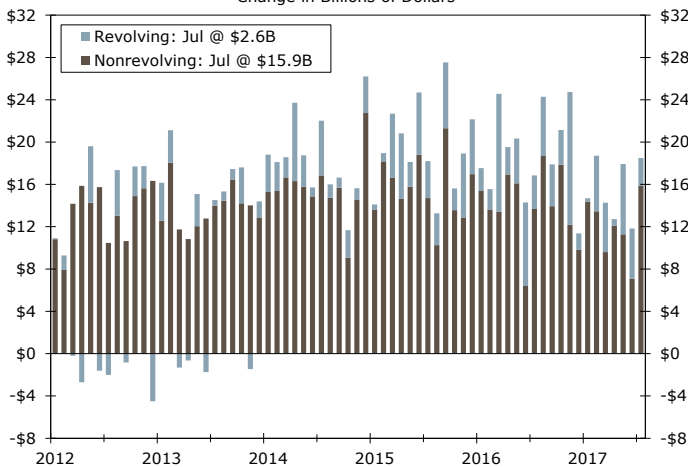
Nonrevolving Credit Propels Consumer Credit

- Consumer credit growth bested expectations in July with a \$15.9 billion increase in nonrevolving credit in the first month of Q3. Revolving credit contributed an addition \$2.6 billion.
- Revolving credit remains just below its pre-recession peak while nonrevolving credit continues to set a record each month. With consumer confidence remaining solid, there is a good chance that revolving credit will reach a new high in early 2018.

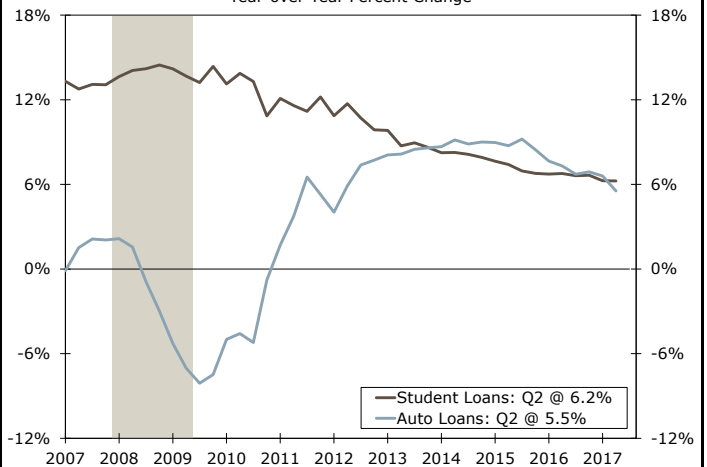
Auto Loan Borrowing Pumping the Breaks

- On a year-over-year basis, auto loan debt was up 5.5 percent in the second quarter. This marks a continued deceleration that has been a trend since mid-2015.
- The July Senior Loan Officer Opinion Survey reported a fall in auto loan demand and an increase in the percentage of banks tightening standards for auto loans, so the private market does appear to be adjusting to credit concerns.

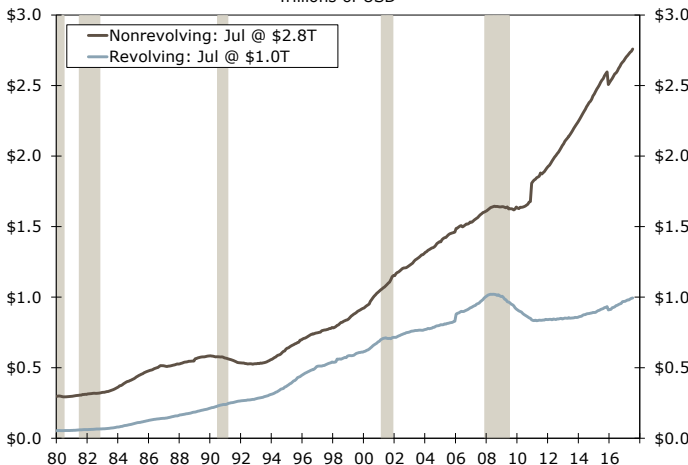
Total Consumer Credit
Change in Billions of Dollars



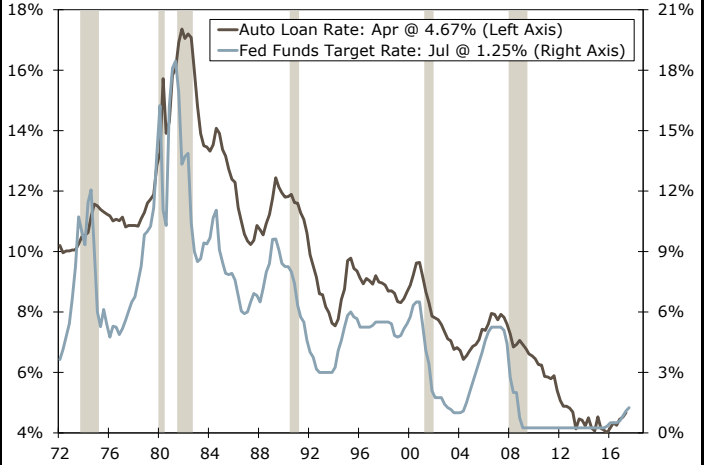
Student Loans vs. Auto Loans
Year-over-Year Percent Change



Total Level of Credit Outstanding
Trillions of USD



Auto Loan Rate v. Fed Funds Target Rate
Rate on a 48-Month New Car Loan; Percent



Source: Federal Reserve System and Wells Fargo Securities

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