



Consumer Credit Stays Healthy as Payment Discipline Holds Firm: VantageScore CreditGauge Insights

SAN FRANCISCO, CA, UNITED STATES, August 20, 2026 /EINPresswire.com/ -- Consumer credit conditions remained fundamentally healthy in June 2026, even as early signs of payment stress began to emerge in certain corners of the market. According to the June edition of CreditGauge™ from [VantageScore](#), the average VantageScore 4.0 credit score rose one point to 702, reversing the modest dip seen late last year and marking its highest level in the past 12 months.

The improvement was underpinned by continued payment discipline among consumers. Credit card delinquency rates improved across all three delinquency stages compared to June 2025, signaling that borrowers are prioritizing their revolving credit even amid persistent affordability pressures. Overall credit utilization also declined, both from the prior month and a year earlier, with the balance-to-loan ratio falling to 49.61%, well below the pre-pandemic level of 54.1%. Taken together, these trends suggest consumers are being deliberate about how much new debt they take on.

Early-stage delinquencies tick up, but severe delinquency stays contained

Not every signal in June was positive. Early-stage delinquencies (30-59 days past due) rose to 0.98%, up nine basis points from June 2025, though still comfortably below the pre-pandemic benchmark of 1.15%. That increase was broad-based, touching every VantageScore credit tier including a notable rise among Subprime and Nearprime borrowers. Mortgage lending showed the most pronounced shift, with both early- and late-stage delinquencies rising on a year-over-year basis, even as mid-stage delinquencies improved modestly.

Importantly, the data shows that early credit stress has not migrated into more serious delinquency. Late-stage delinquencies (90-119 days past due) held at 0.21%, matching June 2025 levels and remaining below pre-pandemic norms. That pattern of borrowers falling slightly behind but few progressing to severe delinquency points to financial strain that, for now, remains contained rather than compounding.

Consumers pull back on leverage across nearly every product

June's balance data reinforces the theme of a cautious, selective consumer. While average mortgage, auto loan and credit card balances all rose modestly (consistent with rising home and

vehicle prices) the overall balance-to-loan ratio continued its steady multi-year decline. Personal loan balances actually edged down year-over-year, even as the personal loan balance-to-loan ratio increased slightly, pointing to some continued reliance on installment credit to manage household budgets.

Credit card originations posted the strongest gains of any product in June, rising both month-over-month and year-over-year, a sign that lenders remain willing to extend revolving credit even as some caution persists elsewhere. Mortgage and auto loan originations, meanwhile, held roughly flat.

A resilient, if uneven, credit picture

June's CreditGauge findings paint a picture of a consumer credit market that remains fundamentally sound, supported by a resilient labor market and healthy household balance sheets. At the same time, the gradual migration of borrowers into lower VantageScore credit tiers suggests that affordability pressures continue to weigh on a subset of households, even as the broader consumer remains well-positioned heading into the second half of 2026.

About VantageScore CreditGauge™

CreditGauge is provided both as a monthly analysis to industry stakeholders as well as through a series of interactive tools at VantageScore.com, which also includes Inclusion360®, RiskRatio™ and MarketGain™. Stakeholders can use the tools to execute additional queries on credit metrics and compare current levels to a pre-pandemic timeframe, starting with January 2020. CreditGauge solely represents the views and analysis of VantageScore and does not necessarily reflect or represent the views of the Nationwide Consumer Reporting Agencies (NCRAs) – Equifax, Experian, and TransUnion.

CreditGauge is a monthly analysis highlighting the overall health of U.S. consumer credit. To download this month's full CreditGauge report, visit the [VantageScore website](#). Follow VantageScore on LinkedIn and YouTube to watch full version of CreditGauge LIVE, a monthly video series featuring our latest insights on consumer credit data and analysis.

About VantageScore®

VantageScore is the fastest-growing credit scoring company in the U.S., and is known for the industry's most innovative, predictive and inclusive credit score models. In 2024, usage of VantageScore increased by 55% to hit 42 billion credit scores. More than 3,700 institutions, including nine of the top 10 U.S. banks, use VantageScore credit scores and digital tools to provide consumer credit products or generate greater insights into consumer behavior. The VantageScore 4.0 credit scoring model scores 33 million more people than traditional models. With the FHFA allowing the immediate use of VantageScore 4.0 for Fannie Mae and Freddie Mac guaranteed mortgages, the company is also ushering in a new era for mortgage lending.

VantageScore is an independent joint venture company owned by Equifax, Experian and TransUnion.

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