Consumer Credit Holds Steady as Delinquencies Ease and Mortgage Balances Come Down: VantageScore CreditGauge Insights

SAN FRANCISCO, CA, UNITED STATES, September 10, 2026 /EINPresswire.com/ -- Consumer credit conditions remained largely stable in July 2026, with delinquencies improving across the board and credit card utilization staying below year-ago levels. According to the July edition of CreditGauge™ from VantageScore, the average VantageScore 4.0 credit score edged down 0.4 points to 701, settling back within the narrow 700-to-702 range that has held for much of the past year.

The dip in the average score came even as underlying delinquency trends improved. Early-stage delinquencies (30-59 days past due) fell to 0.89%, down from 1.05% in July 2025, with mid-stage delinquencies also easing year-over-year and late-stage delinquencies holding steady. That improvement was broad-based, showing up across every VantageScore credit tier, with the largest gains among Subprime and Nearprime borrowers. Taken together, the data suggests that while the average score fluctuated modestly month to month, the underlying credit performance of consumers continued to hold up well.

Mortgage borrowers make headway, while auto and personal loans show pockets of pressure

Mortgage lending was a bright spot in July. Delinquencies on home loans posted the strongest year-over-year improvement of any product, with early-stage delinquencies declining to 0.84% from 1.07% a year earlier, and mid- and late-stage delinquencies improving as well. Borrowers continued to pay down their mortgage balances relative to loan amounts, bringing down the balance-to-loan ratio to 78.87%, a new one-year low and the lowest level on record, even as average balances rose modestly with home prices.

Auto and personal loans told a more mixed story. Balance-to-loan ratios on both products ticked up compared to a year ago, and early-stage delinquencies on personal loans rose to 0.90% from 0.85%, the only major product to see increases across all three delinquency stages. Auto loan delinquencies were essentially flat year-over-year. While these shifts remain modest in scale, they suggest a subset of borrowers are leaning more heavily on installment credit as they navigate a higher-cost environment.

Credit card holders keep utilization in check

Credit card balances rose modestly to $6.45K in July, up less than 1% from a year earlier, but utilization remained disciplined at 30.15%, still 40 basis points below July 2025 levels. That combination points to consumers using a smaller share of their available credit even as balances tick higher, a pattern consistent with continued caution around revolving debt amid elevated living costs.

Personal loans lead broader pickup in borrowing

Demand for new credit remained strong across the board in July, with originations up year-over-year for every major product. Personal loans led the way, rising 17% year-over-year, the strongest growth among non-mortgage credit products, with Millennials and Gen Z driving much of that increase. Credit card and mortgage originations also grew from a year ago, while auto loan originations were largely unchanged.

Overall consumer credit health intact, but not without caveats

July's CreditGauge findings point to a consumer credit market that remains fundamentally healthy, with delinquencies improving across nearly every tier and product even as the average credit score dipped slightly. At the same time, the continued rise in personal loan originations and balance-to-loan ratios in auto and personal lending are worth watching in the months ahead as a signal of how households are managing affordability pressures heading into the fall.

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®, RiskRatioTM and MarketGainTM. 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.

Yani Pena
VantageScore
yani@vantagescore.com
