



Statistic	Credit Card Charge-Off Rates
Source	Fitch Ratings Publication: Credit Card Movers and Shakers – <i>Prime Credit Card Performance Index</i> http://www.fitchratings.com/corporate/sectors/newsletters.cfm?mm_id=&sector_flag=1&marketsector=2&detail=&body_content=newsletter&cpfilter=CP&start_row=1)
Time Series	1991-current, Monthly
Description	<p>Charge-offs are loans written off as uncollectible by the credit card issuer. FFIEC guidelines require issuers to charge off accounts after 180 days of delinquency or 60 days after receiving notification of bankruptcy from the court.</p> <p>Fitch computes charge-off rates for the index by using data from monthly performance reports provided by servicers of credit card master trusts. The values for gross charge-off, net charge-off, recoveries, average period outstandings, and ending period outstandings are taken directly from the monthly performance reports. Other rating agencies, such as Standard and Poor’s and Moody’s, may also be monitoring some of the same master trusts.</p> <p>Fitch’s Credit Card Index charge-off rate is computed by calculating charge-off rates for individual trusts that make up the Fitch Credit Card Index and weighting them by their ending period outstandings. Fitch computes charge-off rates for each trust differently, depending on the information provided by the servicers of the trusts.¹ Gross charge-off rate is calculated and used (gross charge-off dollars divided by average period outstandings) if gross charge-off dollars are reported. Net charge-off rate is calculated and used (net charge-off dollars divided by average period outstandings) if net charge-off dollars (gross charge-off dollars minus recoveries) are reported instead of gross charge-off dollars. Monthly charge-off rates are multiplied by 12 to obtain an annualized rate.</p> <p>Fitch includes bankcards and private label cards in the index.</p> <p>The index includes the master trusts (including public and privately placed issues) of more than 17 (4Q2008) large credit card issuers that Fitch rates.</p>

¹ Gross charge-off is used most frequently.

	These loans represent approximately \$333 billion (4Q2008) in off-balance sheet credit card receivables. ²
Data Access	Data are publicly available. The URL has data from March 2007 to the present. The PCC has historical data from 1991.

² In 4Q2008 the Board of Governors reported that not seasonally adjusted consumer revolving credit stood at \$992.3 billion. More than 80 percent of consumer revolving credit is on credit cards.