J.P. Morgan Research

US Consumer Credit Trends and Delinquency Monitor

Credit cards, auto loans, student debt, and labor market effects

February 11, 2026

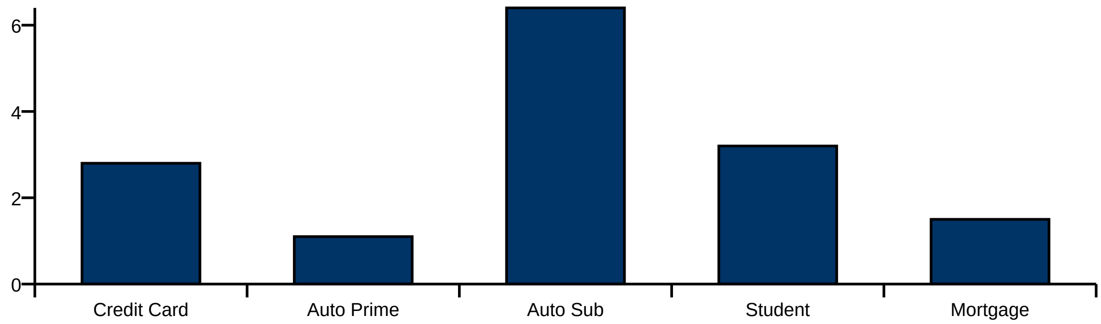
Executive Summary

U.S. consumer credit trends in early 2026 show a mixed picture, with aggregate balances growing modestly while delinquency rates continue their gradual normalization from pandemic era lows. We analyze the latest data across credit cards, auto loans, and student debt, with attention to the labor market as a key driver of repayment capacity. Our base case projects manageable credit losses for the banking sector, though pockets of stress are emerging in subprime auto and younger borrower cohorts. We provide updated estimates and recommendations for consumer finance and bank stocks.

Credit card trends

Credit card balances have grown at a mid single digit pace year over year, consistent with nominal income growth and consumer spending patterns. Revolving balances as a share of disposable income remain below the 2019 peak but are trending upward. Delinquency rates have risen to approximately 2.8 percent for 30 plus day delinquencies, modestly above pre pandemic norms. Net charge off rates are normalizing, with the largest issuers reporting stable to slightly higher loss rates in recent quarters. We model a gradual further increase in delinquencies through 2026, with the trajectory closely linked to labor market outcomes. Our estimates incorporate vintage analysis and payment rate trends, and we discuss the sensitivity to unemployment and income growth assumptions.

Consumer delinquency rates by product (%, 30+ days)

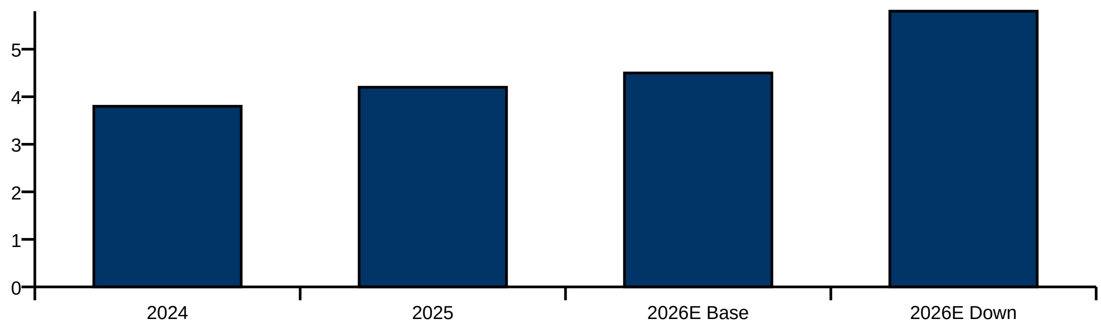


Source: J.P. Morgan Research. Q1 2026 estimated delinquency rates.

Auto lending and subprime stress

Auto loan origination volumes have moderated as vehicle prices stabilize and lending standards tighten. Delinquencies in the subprime auto segment have risen to levels that exceed 2019 readings, reflecting the cumulative impact of higher rates and affordability pressure. Prime auto credit quality remains solid, and we see limited systemic risk from the auto portfolio. We discuss the implications for banks, captive finance companies, and specialty lenders with concentrated auto exposure. Used vehicle values have stabilized, reducing the severity of losses on defaulted loans. Our estimates assume a gradual improvement in affordability as new vehicle inventory rebuilds and financing terms adjust.

Net charge off rate scenarios (%, credit cards)

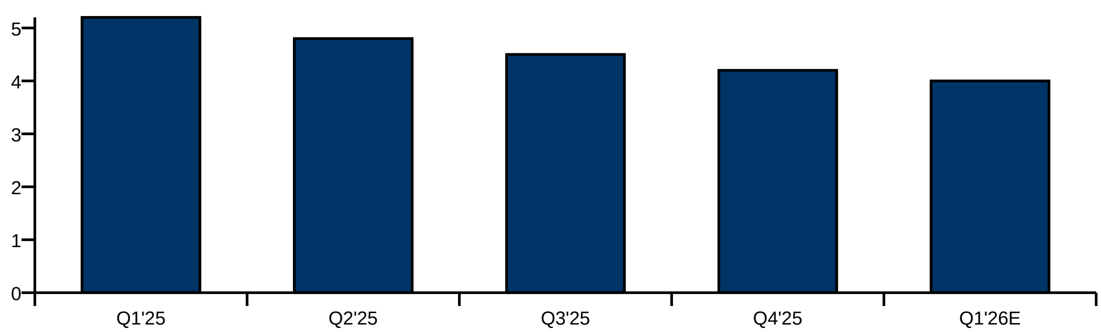


Source: J.P. Morgan estimates. Major issuer aggregate.

Student loans and other consumer debt

The resumption of federal student loan repayments continues to affect borrower cash flows, though early data suggests that most borrowers are managing the transition. Delinquencies on student debt have increased modestly from the artificially low levels during the forbearance period. We assess the interaction between student debt service and other consumer obligations, noting that younger borrowers with multiple debt types are most at risk. BNPL and personal loan balances have also grown, adding another layer to the consumer debt picture. We discuss the data limitations and the potential for underreporting of stress in newer credit products.

Consumer credit growth (YoY %)



Source: J.P. Morgan Research. E = estimate. Total revolving and nonrevolving.

Labor market and outlook

The labor market remains the most important variable for consumer credit quality. Our economists project unemployment remaining in the 4.0 to 4.4 percent range through 2026, consistent with a soft landing scenario. Wage growth has moderated but remains positive in real terms, supporting debt service capacity. We model credit losses under base and downside scenarios, with the downside involving a recession that pushes unemployment above 5.5 percent. In the base case, we expect consumer credit losses to be manageable for the banking sector, with provisions adequate to absorb the normalization. We provide updated estimates and stock recommendations for consumer finance and bank names in our coverage.