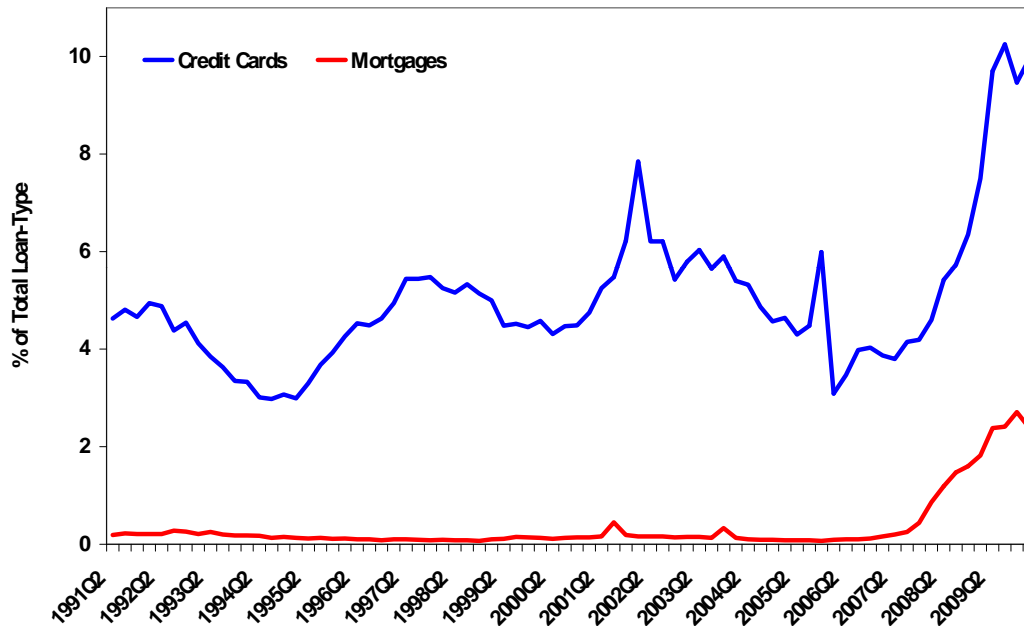


Lost in the Noise Part III:

For Consumers, Cash Is King in the Short-Term but Long-Term Focus Remains at Home

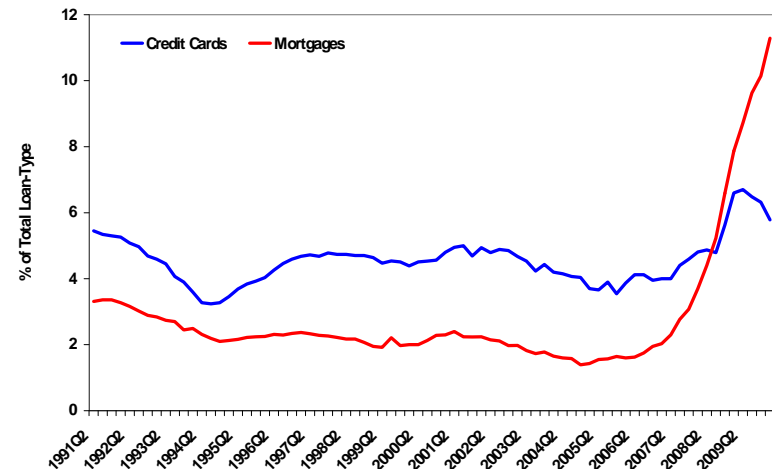
Charge-Offs at Commercial Banks



- Charge-Off Rates, the rate at which banks completely write-off credit card and mortgage loans, have leveled off for mortgages, suggesting that while mortgage delinquency is rising, **homeowners are finding ways to keep their houses while neglecting credit cards once they become delinquent.** (See top left chart)

- Delinquency rates (payments more than 30 days overdue) on residential mortgages continue to trend higher relative to the same measure for credit cards, indicating a **continued focus by consumers on preserving immediate sources of Cash.** (See bottom right chart)

Delinquencies at Commercial Banks



Data from <http://federalreserve.gov>