TransUnion

Unsecured Personal Loans

Q3 2026 Highlights



October 2026



Record growth, but borrowers and dollars tell two stories

Q3 2026 Unsecured Personal Loans at a Glance

8.41M	41.9%	49.4%	$293.4B	4.12%/1.95%
Originations	Subprime share	FinTech share	Balances	Borrower / Balance 60+ DPD

- ✓ **How is the unsecured personal loan market doing?** → Record growth: 8.41M new loans, $293.4B in balances.
- ✓ **Where is growth coming from?** → Subprime borrowers and FinTech lenders: more loans, but smaller ones.
- ✓ **How is credit performing?** → More borrowers behind (4.12%), dollars steady (1.95%).

Bottom line: Originations grew 22.7% year over year in Q2, up from 19.5% in Q1, reaching record heights. The makeup of that growth matters more than its pace. Subprime borrowers take out the most new loans but hold the smallest share of balances, and Super prime's share of balances has stabilized.

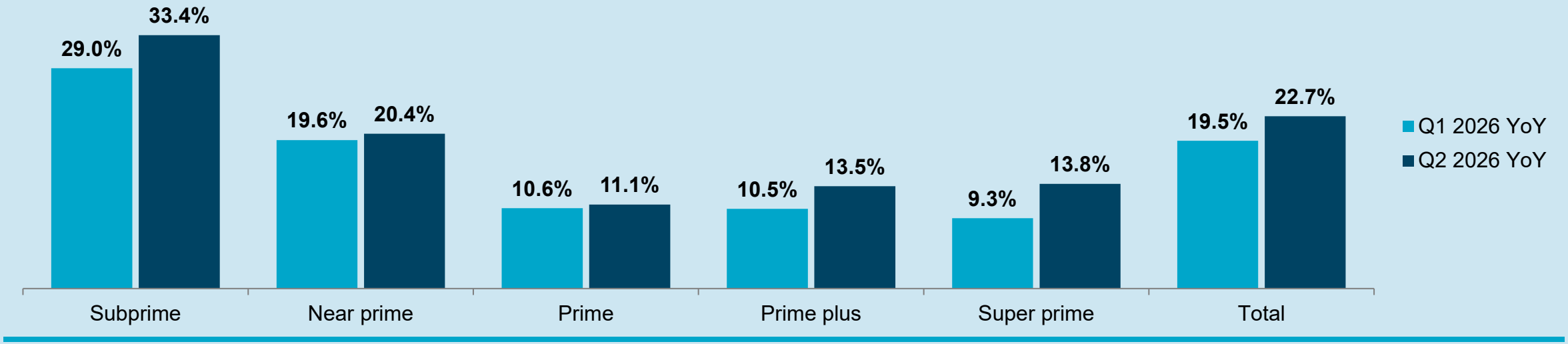
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Source: TransUnion US consumer credit database

Every risk tier continues its growth, led by lower-credit borrowers

Total UPL originations grew **22.7% YoY in Q2 2026**, following +19.5% in Q1 2026. **Subprime led at +33.4%** and Near prime grew 20.4%, while Prime, Prime plus and Super prime each grew roughly 11% to 14%.

Unsecured Personal Loan Originations: Year-over-Year Growth by Risk Tier



VantageScore® 4.0 risk ranges:
Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

Growth compares each quarter with the same quarter of the prior year
Source: TransUnion US consumer credit database

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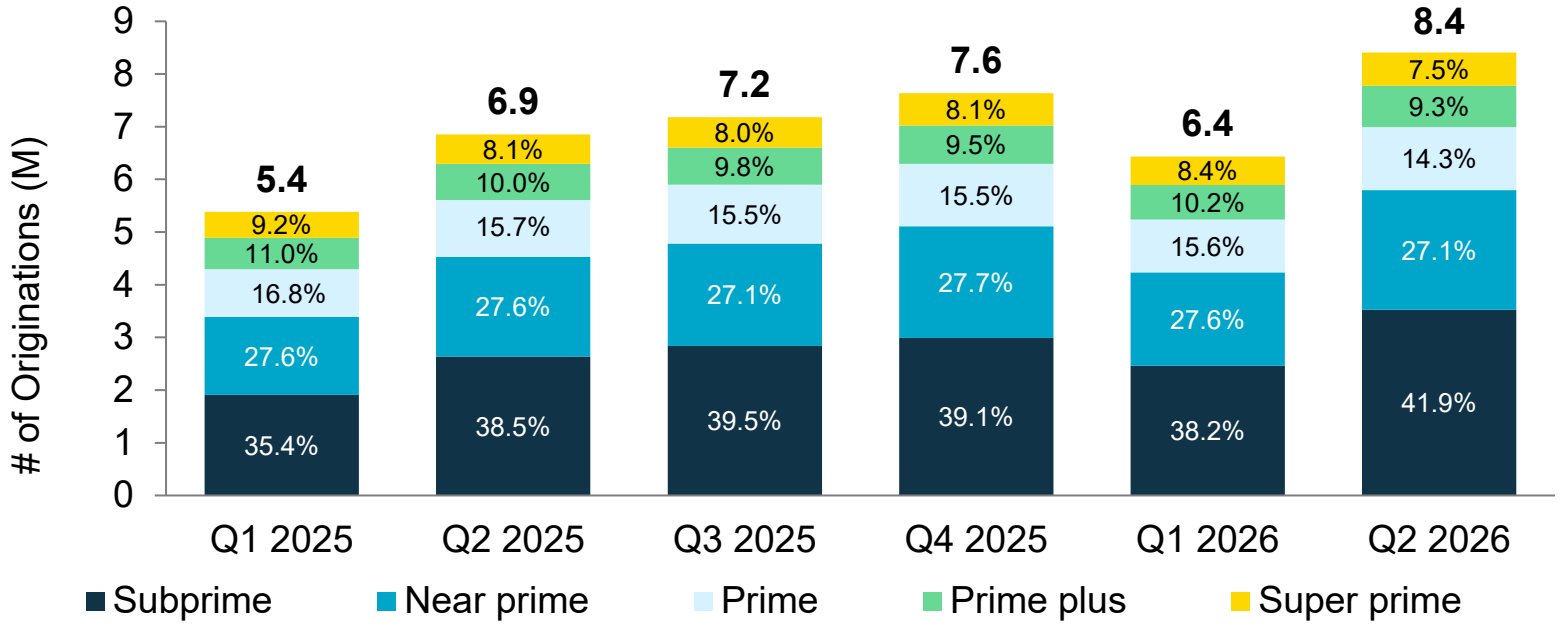
Subprime is also supplying a growing share of new loans

Unsecured Personal Loan Originations by Risk Tier

38.5% → 41.9%
Subprime share, Q2 2025 → Q2 2026

+3.4 pts
Subprime was the only tier to gain share

8.4M
Total originations in Q2 2026, all tiers



Every risk tier grew in volume, but **Subprime was the only tier to gain share**. Near prime, Prime, Prime plus and Super prime all lost share. **Subprime adds loans, but not dollars** — the next pages show how few of these loans become balance dollars.

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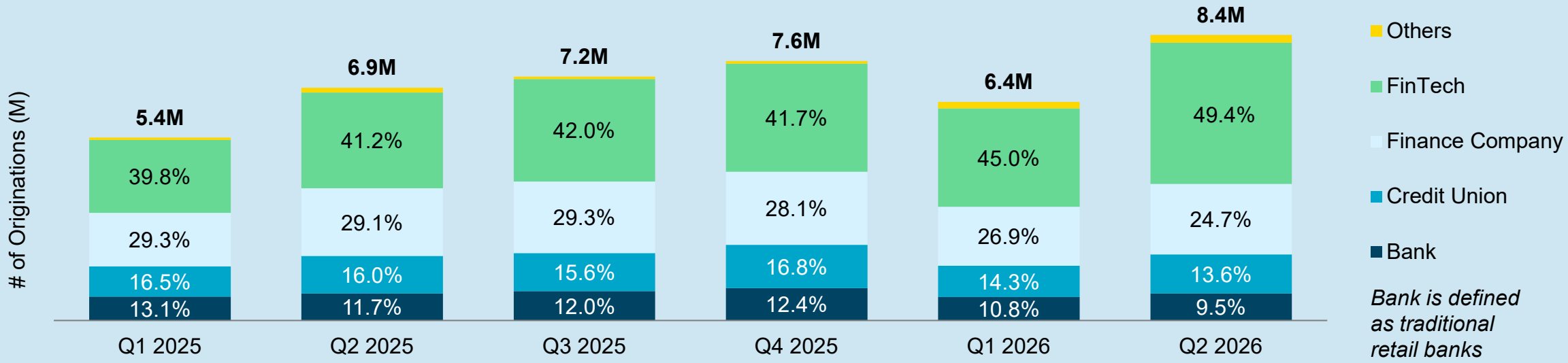
Totals may not equal 100% due to rounding
Source: TransUnion US consumer credit database

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FinTechs originated nearly half of all personal loans in Q2

UPL originations **rose 22.7%** YoY in **Q2 2026**, with growth again led by FinTechs. FinTech originations increased **47.3% YoY**, adding roughly **1.34M** loans and lifting share from 41.2% to **49.4%**. Finance companies and credit unions each grew about 4% in absolute terms, but their share declined as FinTech growth outpaced the broader market. Banks were essentially flat (−0.3%), with share falling from 11.7% to 9.5%.

Unsecured Personal Loan Originations by Lender Type

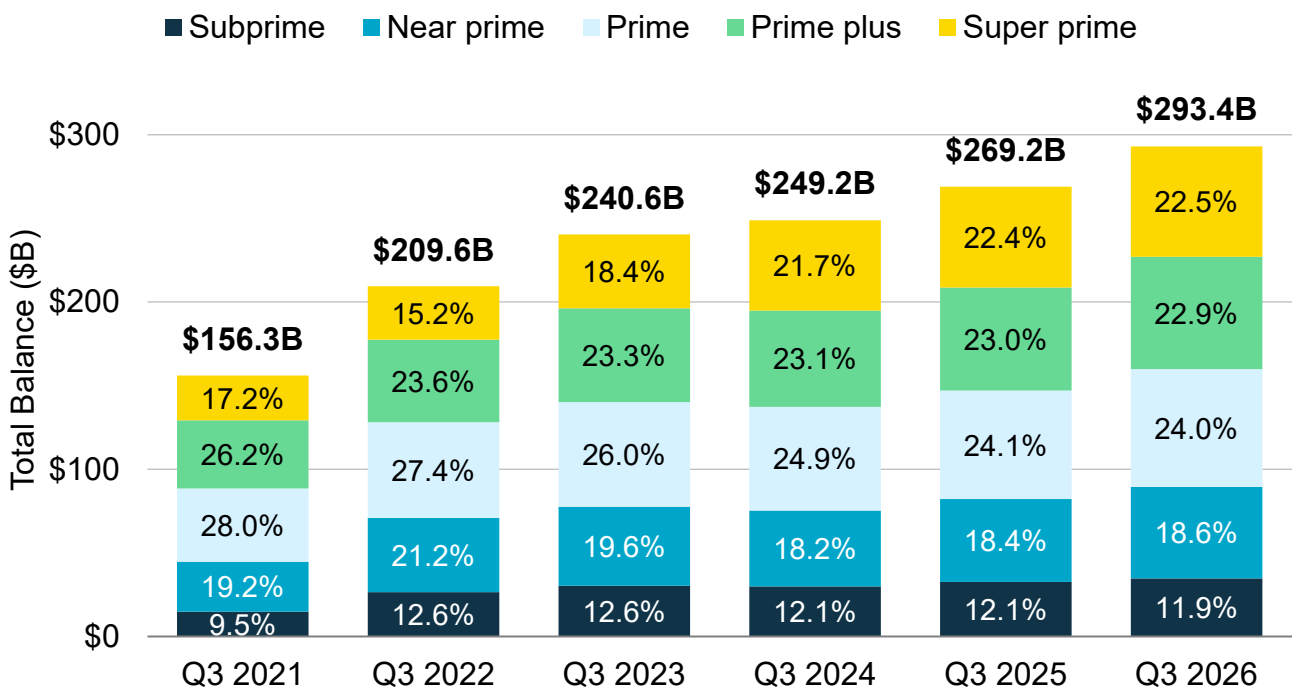


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Totals may not equal 100% due to rounding
Source: TransUnion US consumer credit database

Subprime accounts for 42% of new unsecured personal loans but only 12% of balances

Total Unsecured Personal Loan Balances, by Risk Tier



Subprime borrowers take out the most new loans, about 42% of Q2 2026 originations, **but hold the smallest slice of balances: $34.8B of $293.4B** (11.9%) in Q3 2026.

Over the past year, the rise in balances came almost entirely from Near prime and better borrowers, each tier adding roughly $5–6B. Super prime's share of balances has stabilized at about 22.5%.

The gap reflects average balances per account: about **$3,568 for Subprime** versus more than **$15,000 for Super prime**. The market can add many smaller Subprime loans without a comparable shift in outstanding dollars.

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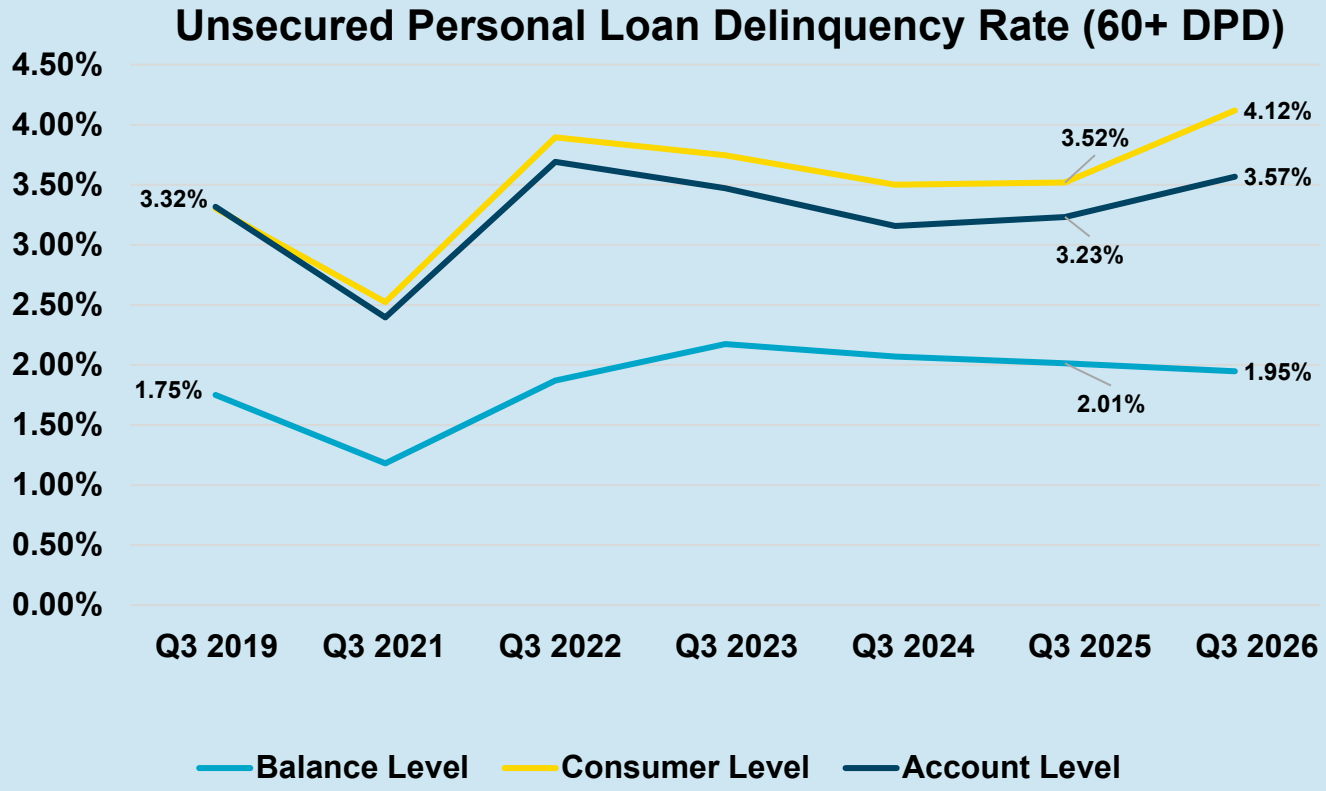
Labels show each tier's share of total; may not sum to 100% due to rounding
Source: TransUnion US consumer credit database

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Performance: dollars steady, borrowers under more strain

Credit performance looks different by borrower than by dollar.

Consumer-level 60+ DPD rose to 4.12% (+60 bps YoY), the highest for a third quarter since 2010, and account-level delinquency rose to 3.57% (+34 bps). Meanwhile, **balance-weighted 60+ DPD edged down to 1.95%.**



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Source: TransUnion US consumer credit database

Key Observations to Watch

- **Performance of recent Subprime originations**: these loans are growing fastest and will have more time to season in future reporting periods.

- **The gap between count-based and balance-based delinquency**: continued divergence would indicate stress remains concentrated in consumers taking smaller loans.

- **Lender-type trends**: FinTechs drive most origination growth and hold half of balances; finance companies grow balances fastest (+12% YoY) but from a small base (7%).

The current data show continued UPL expansion, with growth increasingly concentrated in Subprime and FinTech originated loans. The key question is whether rising borrower- and account-level delinquency remains concentrated in smaller balances or begins to appear more clearly in balance delinquency and charge-offs.

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