

Commentary Week of Feb 15, 2026

Total household debt increased by nearly \$200bn in the fourth quarter of 2025, topping out at almost \$19 trillion according to the NY Federal Reserve. Mortgages continue to hold the lion's share at \$13 trillion with credit cards, auto loans, student loans, and HELOC balances contributing another \$5 trillion.

While the increase in itself isn't particularly noteworthy (as it has been setting new records annually), what is alarming is that serious delinquencies continue to rise across all consumers. The NY Fed report reveals that 4.8% of all household debt is now in some form of delinquency, the highest level since 2017. Of note, 13% of FHA borrowers aren't current on their loans and auto and card loans for low-income borrowers show serious delinquency levels not seen since the 2009 crisis.

The stress isn't just being felt by low-income borrowers as many more affluent consumers have been seeking out credit counseling agencies who report their average client earns \$70,000/year and has \$35,000 in unsecured debt -- a notable increase from pre-pandemic clients earning \$40,000/year with \$10,000 in unsecured debt.

