

FIGURE

Debt in America

Home Equity Report

An examination of Americans' unsecured household debt and what Intellidebt, Figure's debt paydown tool, reveals about their overall financial picture.

Fall 2024

Introduction

In this quarter's report, we're taking a closer look at the current landscape of national debt, home equity, and how Intellidebt, Figure's new direct debt pay down tool, is impacting the financial health of households.

Debt trends affecting households

Home equity landscape

Intellidebt, the smart tool for debt consolidation

Characteristics of the debt paid off by Intellidebt

Household's financial health following direct debt payoff with Intellidebt

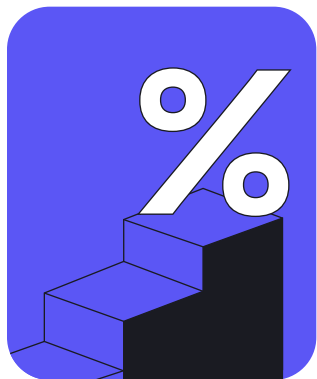
Debt trends impacting households

In today's economic climate, millions of homeowners are experiencing financial strain due to rising living costs, inflation, and **high-interest debts such as credit cards and personal loans**. According to Federal Reserve data, the average household holds around \$10,000 in revolving debt, compounding monthly expenses and stretching budgets thin.



Credit card debt

As of May, the average credit card interest rate stood at 21.5%, hovering near its highest level since 1994, according to [The Wall Street Journal](#). Furthermore, the average balance carried was \$6,300 in the second quarter, up 31% from 2021, as reported by TransUnion.



Personal loans and other high interest

In August 2024, the average APR on a two-year personal loan was 12.43%, according to the [Federal Reserve](#), marking one of the highest levels in recent years. Many Americans are holding high interest loans and other debts, such as medical bills and auto loans, into more manageable payments, further adding to the financial strain on households.



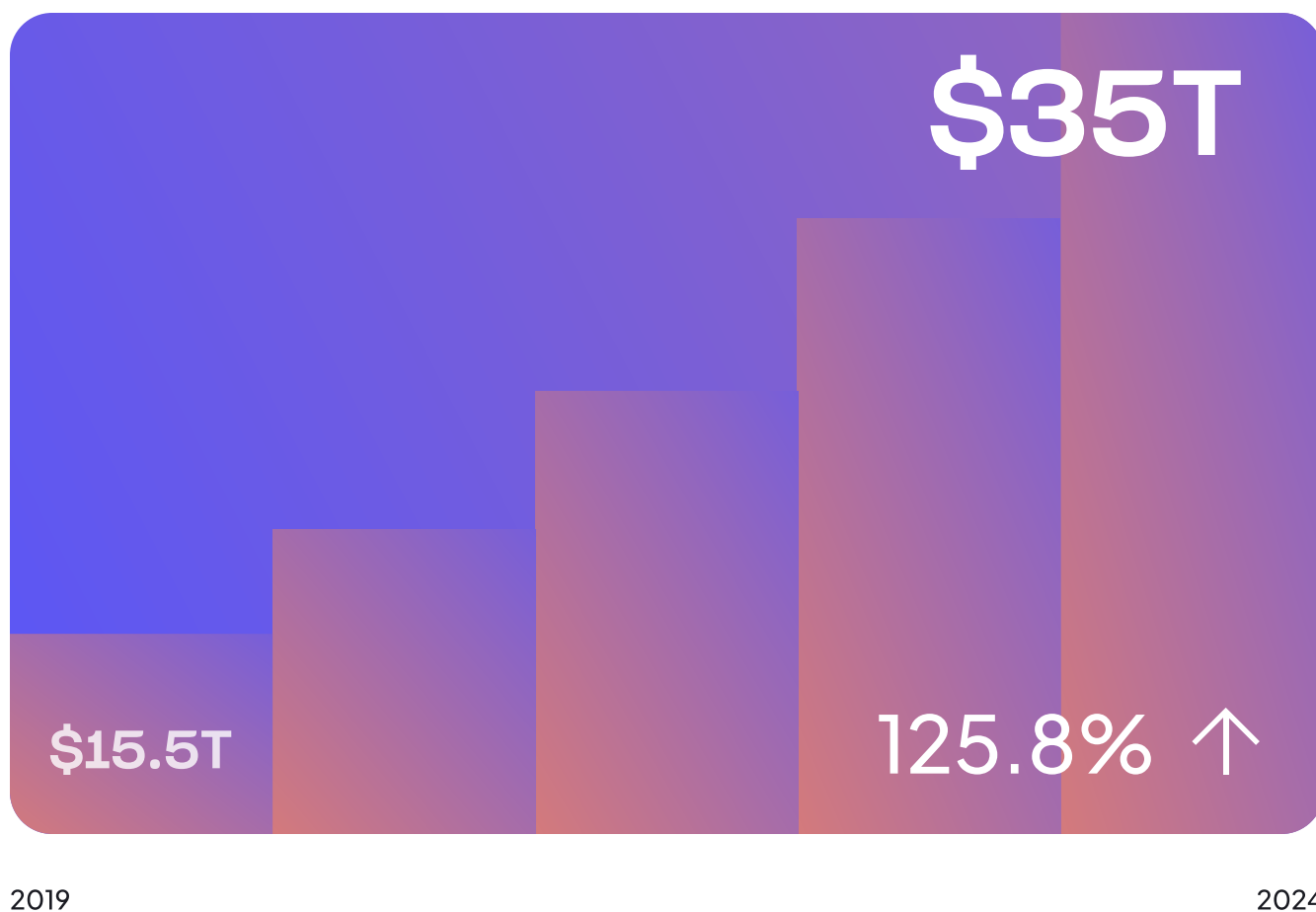
Auto loans

The cost of auto financing has risen substantially in recent years. As of 2024, average interest rates for new auto are hovering around 8.8%, while used auto loans average 13.7% according to [Bankrate](#). For many households, these high monthly payments on top of other financial obligations like credit cards and personal loans pose a significant burden.

Home equity landscape

U.S. home equity reached \$35 trillion in 2024,
a 125.8% jump since 2019.

This equity growth has created opportunities for homeowners to access liquidity for debt consolidation, offering an alternative to high-interest loans and credit card debt.



As property values surged in recent years, U.S. homeowners have seen a **significant increase in home equity**, with a notable rise in outright homeowners as well.



Average homeowner with a mortgage holds approximately

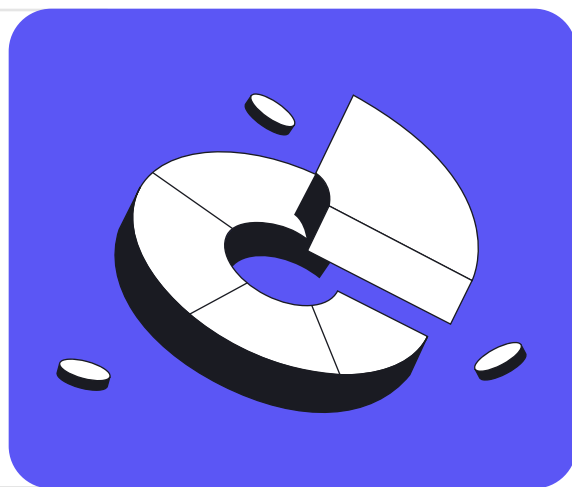
\$315k in equity

CoreLogic report

40% of those who own their homes outright have an average of

\$350k in equity

Federal Reserve data estimate



Intellidebt, the smart tool for debt consolidation



37%

of customers use home equity
specifically for **debt consolidation**

Marking it as one of the **top use cases** of our HELOC

[Figure data](#)

In [August 2024](#), Figure launched [Intellidebt](#), a tool designed to help homeowners consolidate their debts more efficiently by leveraging their home equity.

What is Intellidebt?

It allows customers to pay off their high-interest-rate debt using HELOC proceeds. They can see and select which debts they'd like to pay off, such as credit cards, personal loans, and auto loans, and then Figure will facilitate payment directly to those creditors. It benefits borrowers because they use a portion of their lower-rate HELOC to pay off debts and significantly lower their monthly debt payments and overall debt burden right from within the application.

Since Intellidebt's launch, we've collected data from over 1,000 users in the first three months.

This early user base gives us a clear picture of the average customer profile. Even among higher-income homeowners with prime credit scores, there is a big opportunity to pay off high interest debt:

Average FICO score	711
Average income	\$158,000
Average age	49
Average home value	\$512,874
Average home equity	\$259,382
Average HELOC application amount	\$74,704
Average debt paid off	\$22,500



Characteristics of the debt paid off by Intellidebt

Our data shows that Intellidebt customers grappled primarily with high interest credit cards and personal loan debt.

28.6%

Average APR on credit cards

11.8%

Average APR on personal loans

Figure data

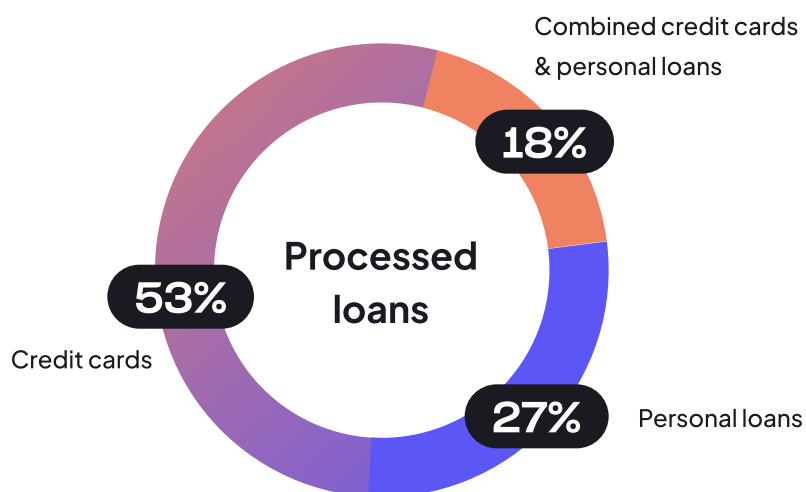


Figure data

Most frequently paid off lenders

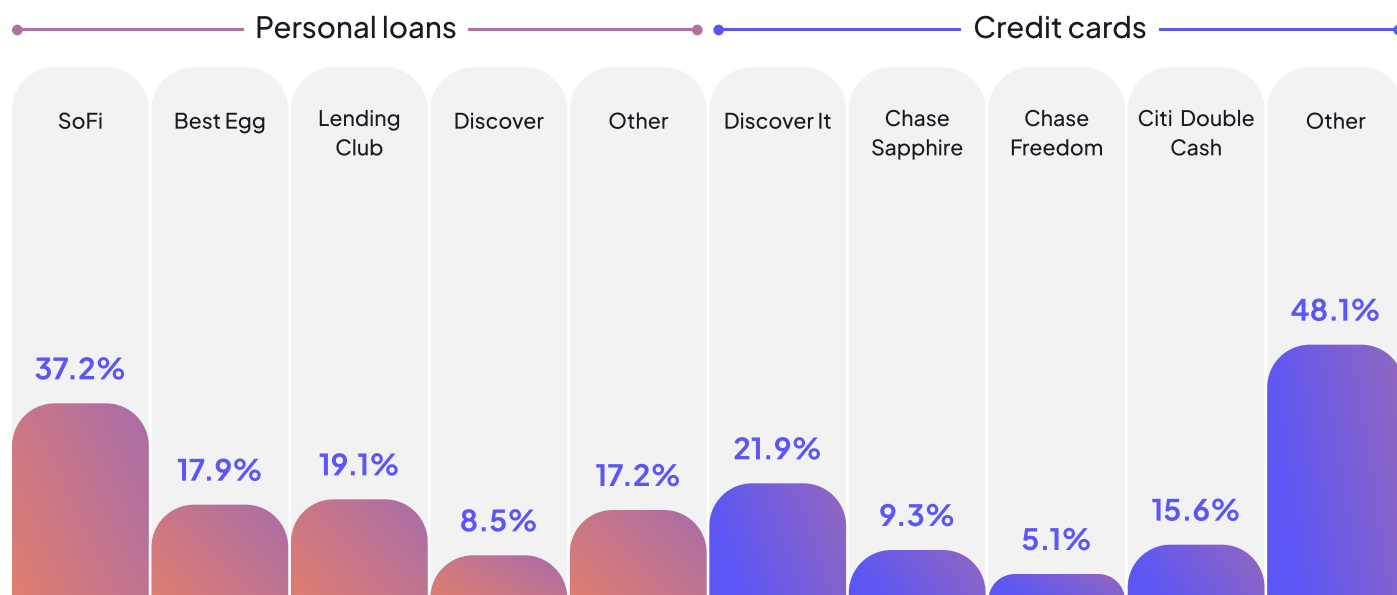
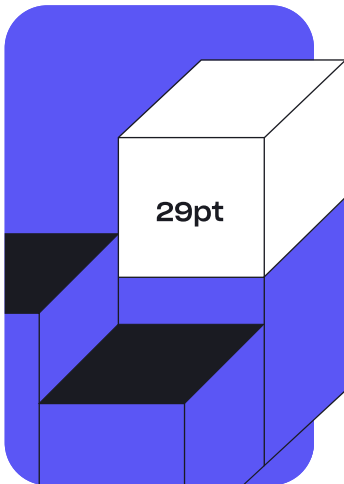


Figure data

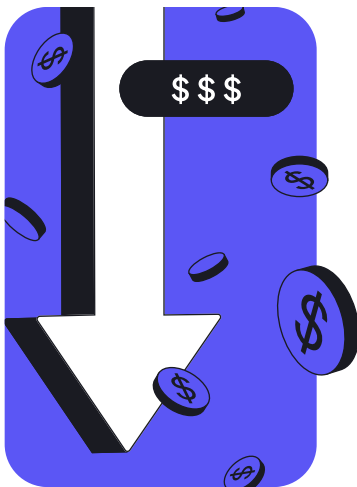
Households' financial health following direct debt payoff with Intellidebt

According to company data, the average Figure customer's HELOC application amount was nearly \$75,000, with approximately **\$22,500 (30%) of the funding applied to their high-interest debts via the Intellidebt tool.**



Credit score boost

On average, users experienced a **29 point increase in their FICO scores**, rising from 709 to 737 within the first month after using Intellidebt. This improvement may contribute to a healthier financial situation overall.



Reduced monthly payments

Customers have reduced their **monthly debt payment by an average of \$500 to \$600**, which can help free up funds for essential needs, investments, or emergency savings.

Lowering APRs and increasing savings

Credit cards

Annual interest savings on a typical credit card balance with Intellidebt

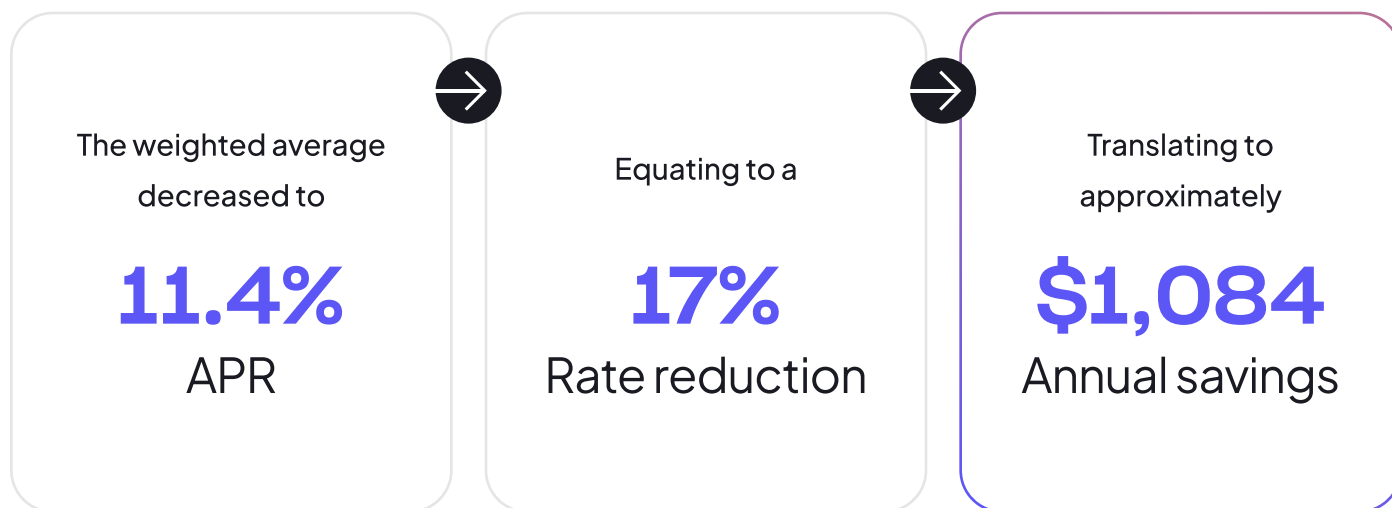


Figure Data

Personal loans

While smaller in percentage than credit card savings, this adjustment leads to notable savings, particularly for higher loan amounts.

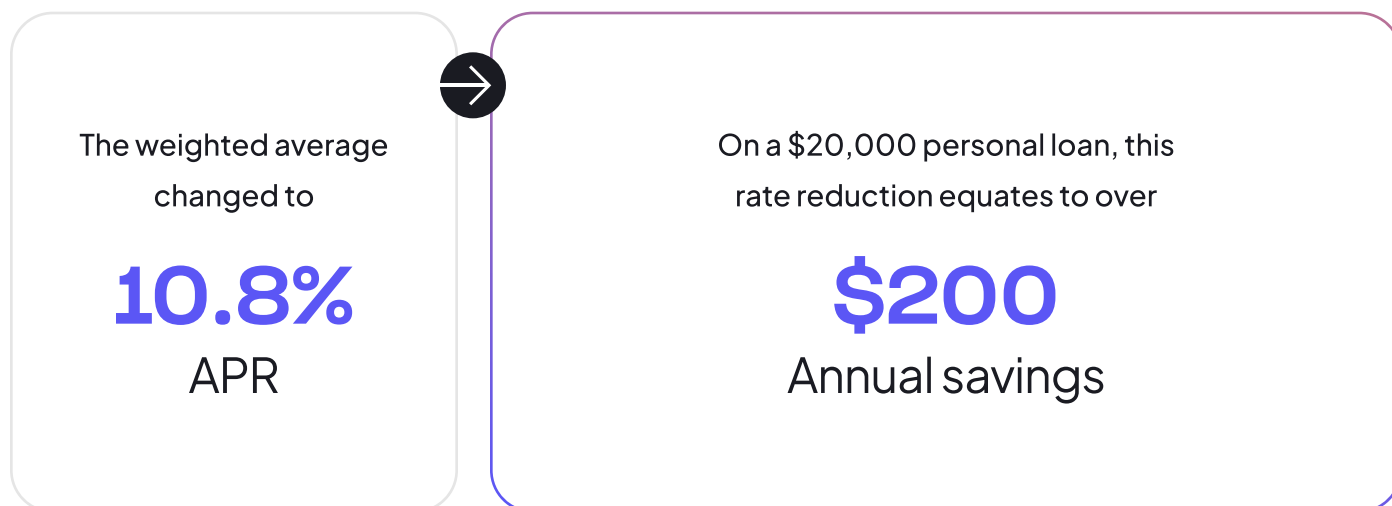


Figure Data



With ongoing economic pressures, the need for intelligent financial solutions will grow.

As we continue to monitor debt trends, Intellidebt will remain a critical tool in helping households manage their finances more effectively. Our latest update will add more debt types available for direct debt paydown, such as home improvement loans, to further empower users to manage and reduce debt effectively. In future reports we'll dig deeper into the data and share our findings.

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