RISMEDIA, April 20, 2006—According to the latest Experian-Gallup Personal Credit Index(SM) survey, 71 percent of consumers say it is likely that a housing bubble and collapse of prices could occur in the United States within the next year.

Twenty-four percent say such a housing bubble is not likely. In contrast, a much smaller number of consumers, 32 percent, expect the collapse of a housing bubble within their own area in the next year, and 65 percent say it is not likely.

When the time is extended to three years, 42 percent say such a situation is likely in their area, and 56 percent say it is not. In May 2005, a similar question found a slightly less pessimistic view, with 37 percent of consumers expecting a housing bubble and collapse within the next three years and 61 percent saying that was not likely.

This year, about half of all Americans (53 percent) recognize the term "housing bubble" without explanation -- up from 35 percent a year ago.

"While consumers are clearly concerned that housing activity will slow this year, it is somewhat reassuring that they are much less pessimistic when talking about the conditions where they live as opposed to the nation as a whole," said Ed Ojdana, group president of Experian Interactive(SM). "The relatively small number of consumers expecting significant housing price declines is also a positive sign given consumer expectations of a housing slowdown."

When it comes to predicting changes in housing prices in their own areas, 38 percent of consumers say they expect housing prices to stay the same (27 percent) or decline (11 percent) over the next year -- up from 29 percent a year ago. Sixty percent expect an increase.

Among all consumers, 41 percent expect housing prices to rise by at least 5 percent, including 20 percent who expect increases of at least 10 percent. At the other end of the spectrum, only 7 percent of all consumers expect housing prices to fall by at least 5 percent, including 4 percent who expect prices to fall by at least 10 percent.

A third of homeowners have a home-equity loan or line of credit. The main reason for taking out an equity loan or line of credit was to finance home improvements, mentioned by 43 percent of borrowers. Another 10 percent cited debt consolidation as the reason for such a loan. Credit card debt, mentioned by 4 percent of borrowers, followed by an emergency (4 percent), education expenses (3 percent) and medical expenses (2 percent), round out the specifically named reasons. Another 30 percent cite some other reason.

"Increasing home prices and the ability of consumers to cash out their growing home equity has been a key driver of consumer spending over the past several years," said Dennis Jacobe, chief economist for The Gallup Organization. "As the housing market slows and housing prices stabilize, consumers are less likely to draw on their home equity, suggesting consumer spending will also decline."

Over the next six months, just over 10 percent of all consumers expect either to borrow money to buy a new home (6 percent) or to refinance their home (2 percent) or to borrow money on their current home by either a home- equity loan (1 percent) or a home-equity line of credit (1 percent).

Consumers became more negative about their credit situation this past month, as the Experian-Gallup Personal Credit Index declined by nine points to 84. The decline comes equally from concerns about the present and future. Only 15 percent of consumers say now is a good time to borrow more money, down from 20 percent last month. Future concern about extending debt also contributed to the drop in consumers' feelings about their credit, making the debt extension issue -- now and in the future -- account for more than half (five points) of the overall nine-point decline in the index