

Consumer Credit Conditions

June 2013



Prepared by the
Community Development Department
Federal Reserve Bank of Dallas

Consumer Credit Conditions

The Consumer Credit Conditions update for the Eleventh Federal Reserve District presents maps and charts of consumer loan balances and delinquencies in the district by county, state, loan type and risk score. The data are based on the Federal Reserve Bank of New York Consumer Credit Panel (CCP). While the Eleventh District of the Federal Reserve Bank of Dallas includes Texas, northern Louisiana and southern New Mexico, parts of the update also provide data for all of Louisiana and New Mexico.

Overview

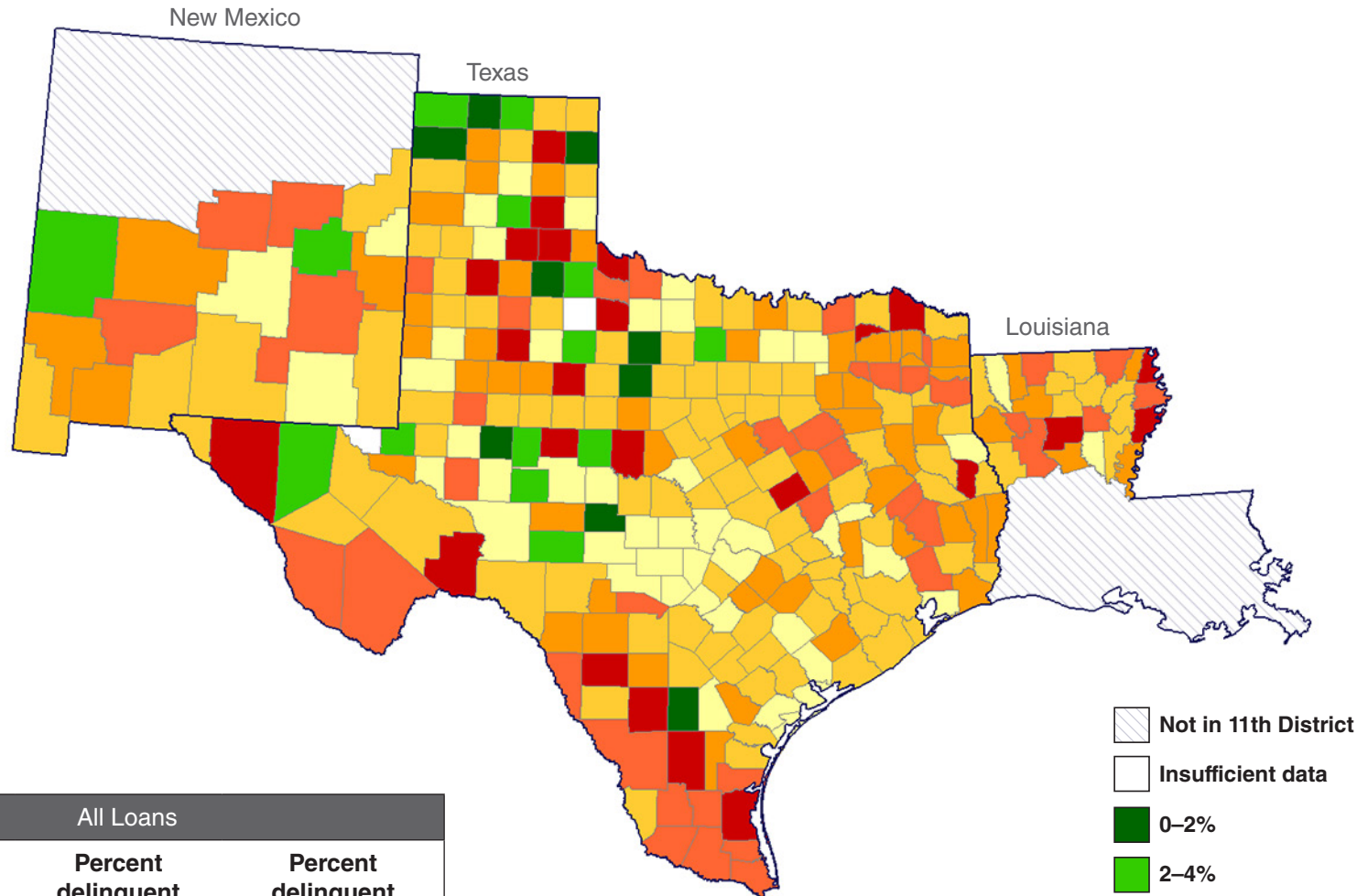
While Texas, Louisiana and New Mexico each saw small growth in the number of consumers, aggregate consumer debt went up \$9.6 billion, or 1.4 percent, in the district from June 2012 to June 2013. This year, the update includes data on student loans, with 2012 data adjusted for comparison purposes. Large increases in auto (11.7 percent) and student (10.9 percent) loan balances contrasted with declines in mortgages, retail trade debts and home equity installment and revolving loans.

In all three states, the share of mortgages in per capita debt went down more than 1 percentage point, while the share of auto and student loans climbed about 1 percentage point each. For an average consumer with a credit report in Texas, mortgage loans fell from 62.4 percent in June 2012 to 60.6 percent in 2013, while auto loans rose from 12.6 percent to 13.9 percent and student loans from 9.6 percent to 10.4 percent.

Mortgage delinquencies declined from 6.3 percent in 2012 to 4.9 percent in 2013, while serious delinquencies dropped from 3.3 percent to 2.4 percent. Because of the large share of mortgages in consumer debt, this contributed to the overall improvement in consumer loan performance in the district from a year ago.

The exceptions to this trend are few. In New Mexico, serious delinquencies in consumer finance and home equity installment loans went up, and in Louisiana, delinquencies in retail trade debt slightly increased. For all states in the district, both total delinquency and serious delinquency rates for student loans increased about 2.5 percentage points from a year ago. However, the increases could be partially attributed to uneven credit reporting in serious student loan delinquencies, driven by the severely derogatory category in third quarter 2012. A recoding of delinquency status in the data also could partially explain the hike. Since fourth quarter 2012, student loan delinquency rates have declined for Texas and the part of Louisiana that is in the district.

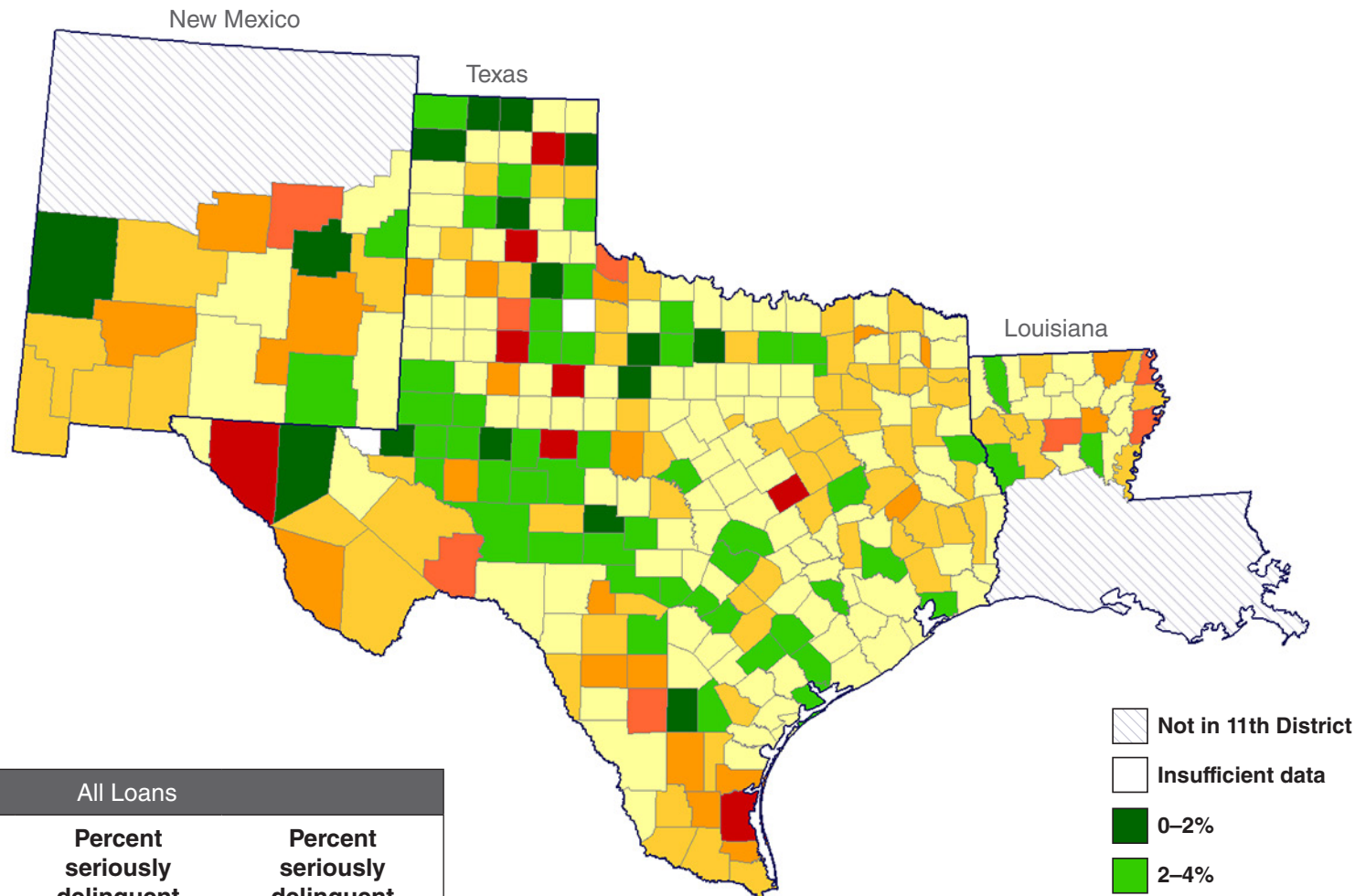
Delinquent Consumer Loans in the Eleventh Federal Reserve District, June 2013



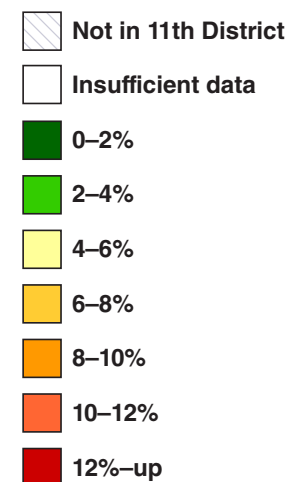
All Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	7.43	7.62
New Mexico	7.42	7.67
Texas	6.89	7.74
11th District	6.92	7.74
U.S.	7.50	8.97

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Consumer Loans in the Eleventh Federal Reserve District, June 2013

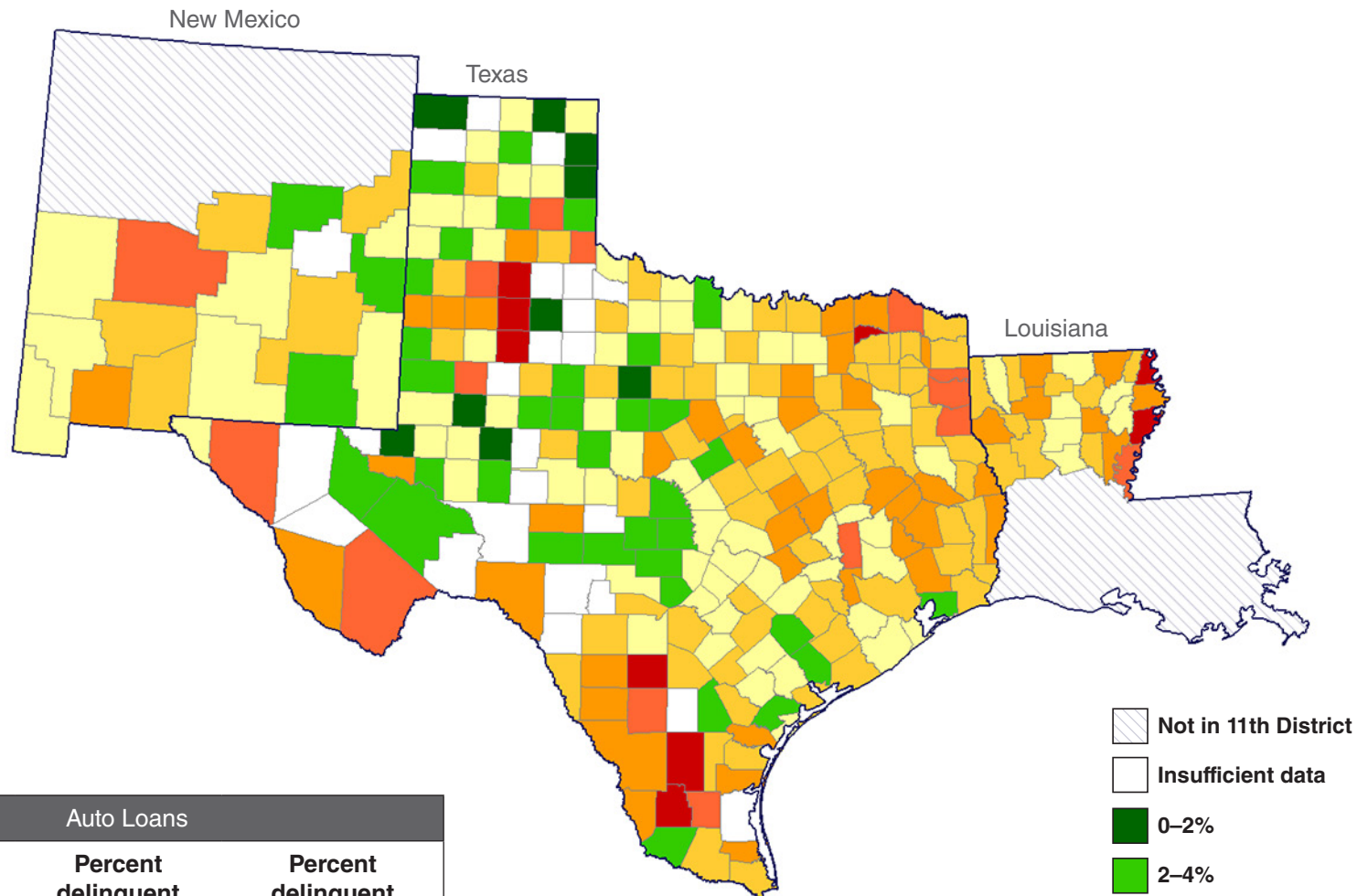


All Loans		
	Percent seriously delinquent 2013	Percent seriously delinquent 2012
Louisiana	5.03	5.29
New Mexico	5.61	5.41
Texas	4.75	5.20
11th District	4.79	5.21
U.S.	5.66	6.72



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

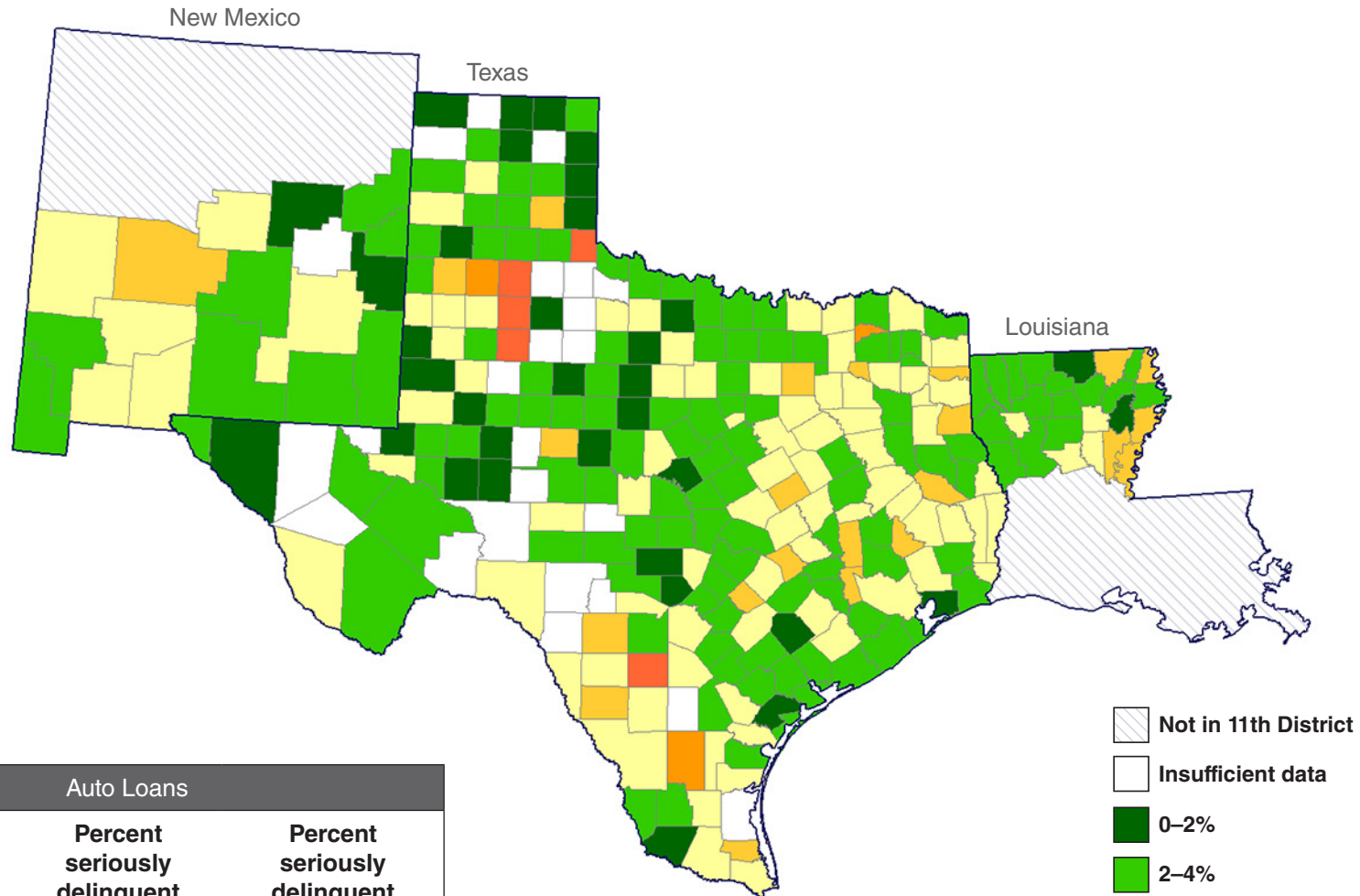
Delinquent Auto Loans in the Eleventh Federal Reserve District, June 2013



Auto Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	6.76	6.63
New Mexico	6.09	7.20
Texas	6.72	7.61
11th District	6.71	7.57
U.S.	5.69	6.37

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

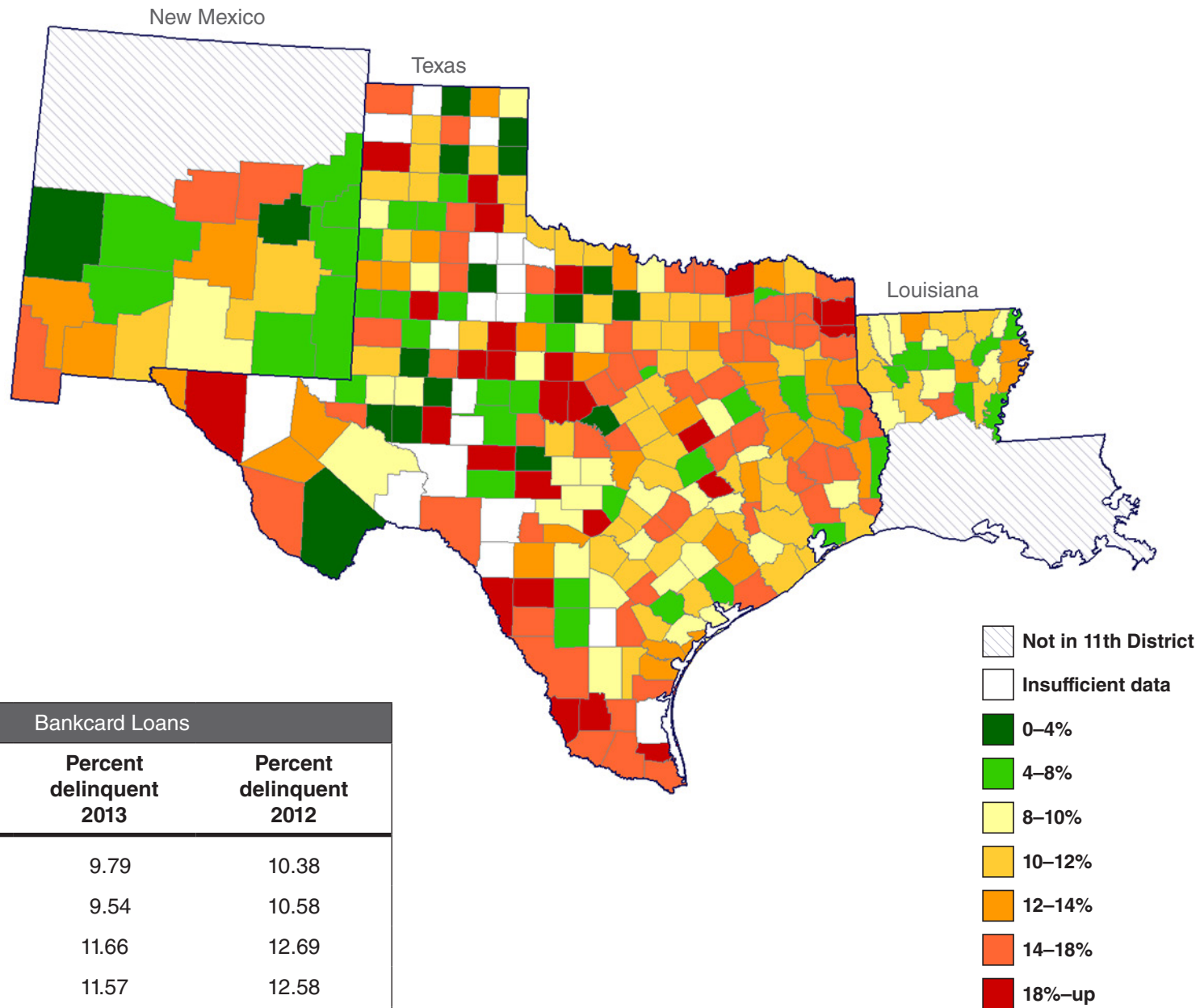
Seriously Delinquent Auto Loans in the Eleventh Federal Reserve District, June 2013



Auto Loans		
	Percent seriously delinquent 2013	Percent seriously delinquent 2012
Louisiana	3.48	3.64
New Mexico	3.81	4.70
Texas	4.25	5.12
11th District	4.21	5.06
U.S.	3.52	4.20

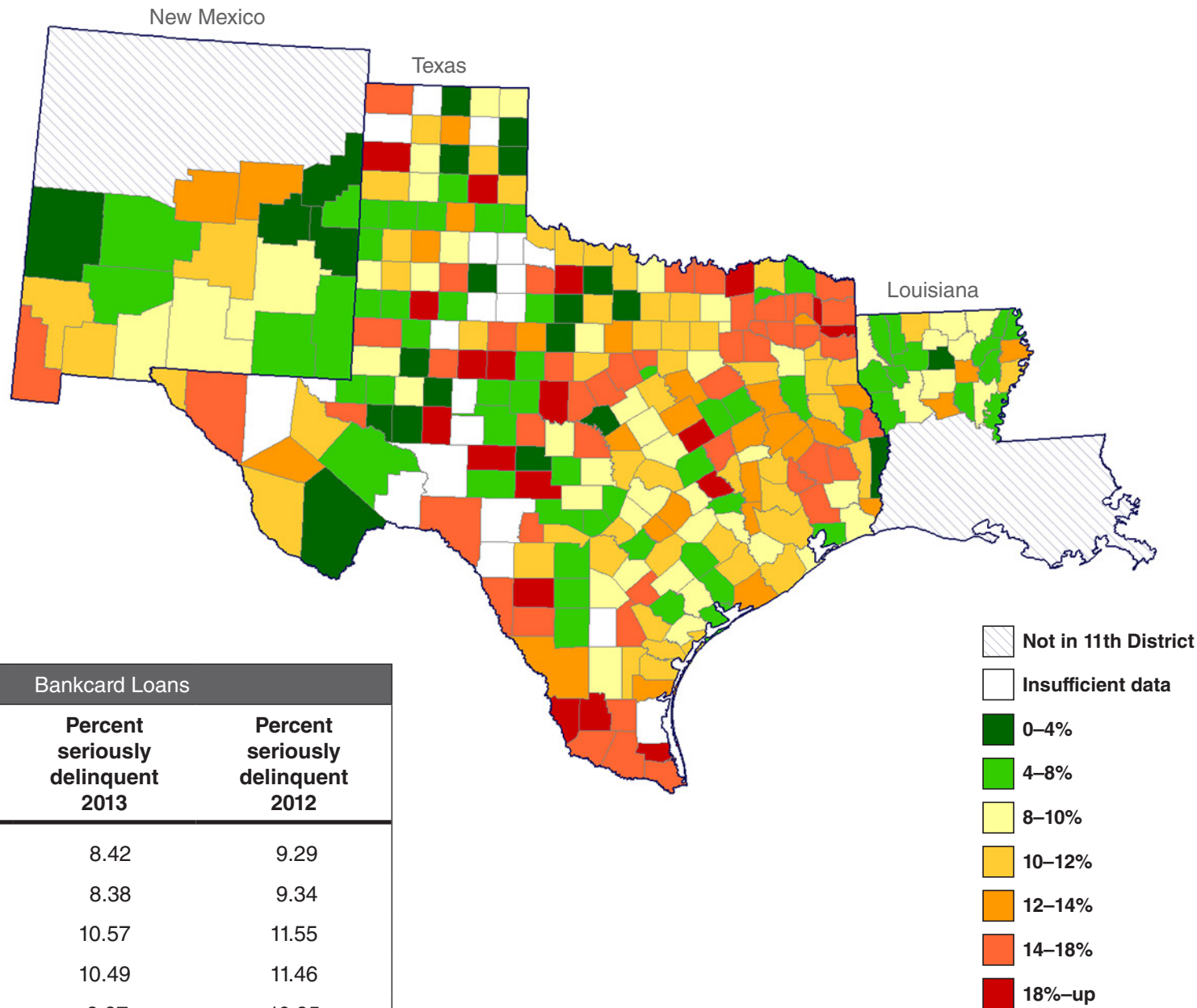
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Delinquent Bankcard Loans in the Eleventh Federal Reserve District, June 2013



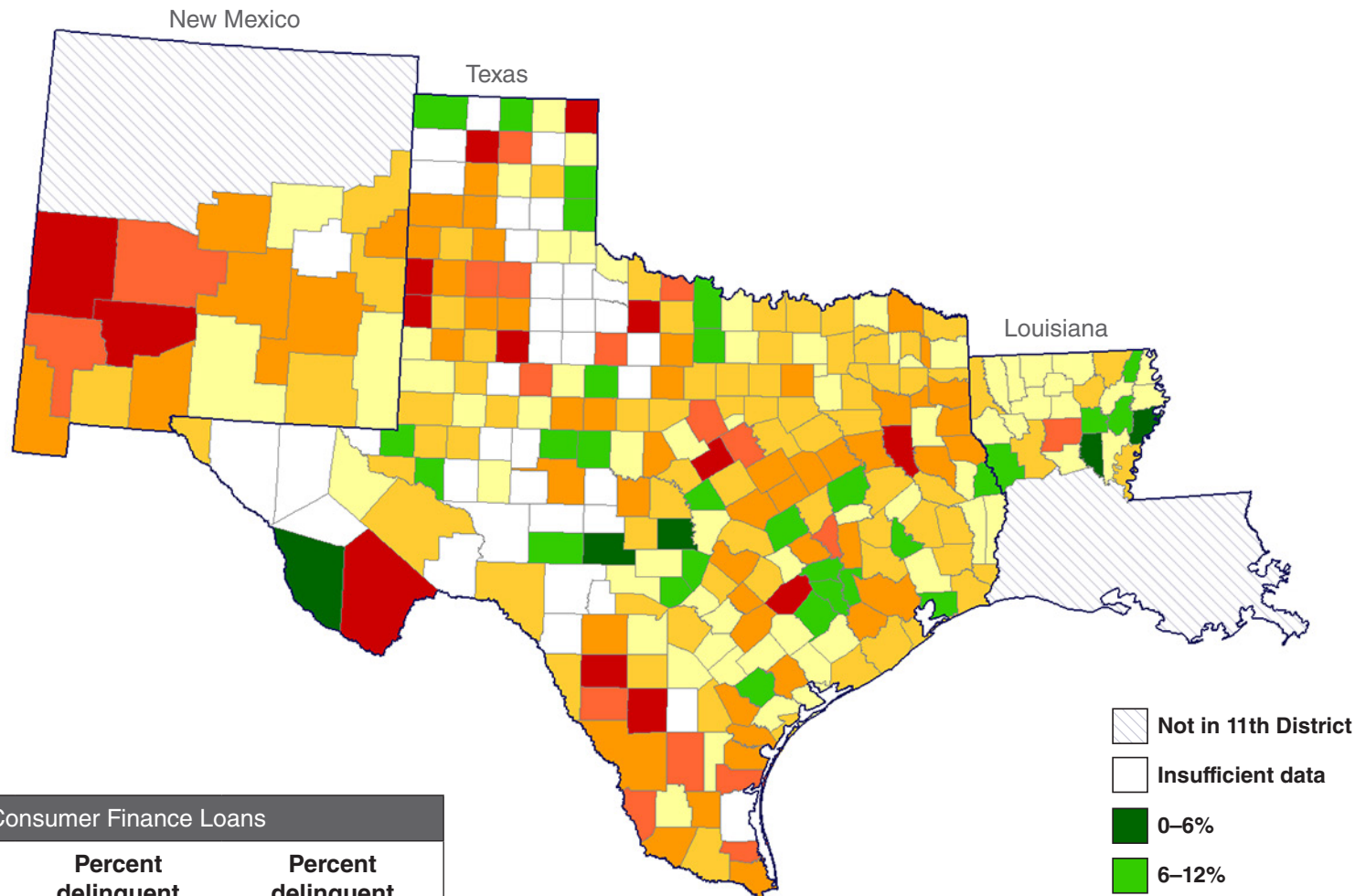
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Bankcard Loans in the Eleventh Federal Reserve District, June 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

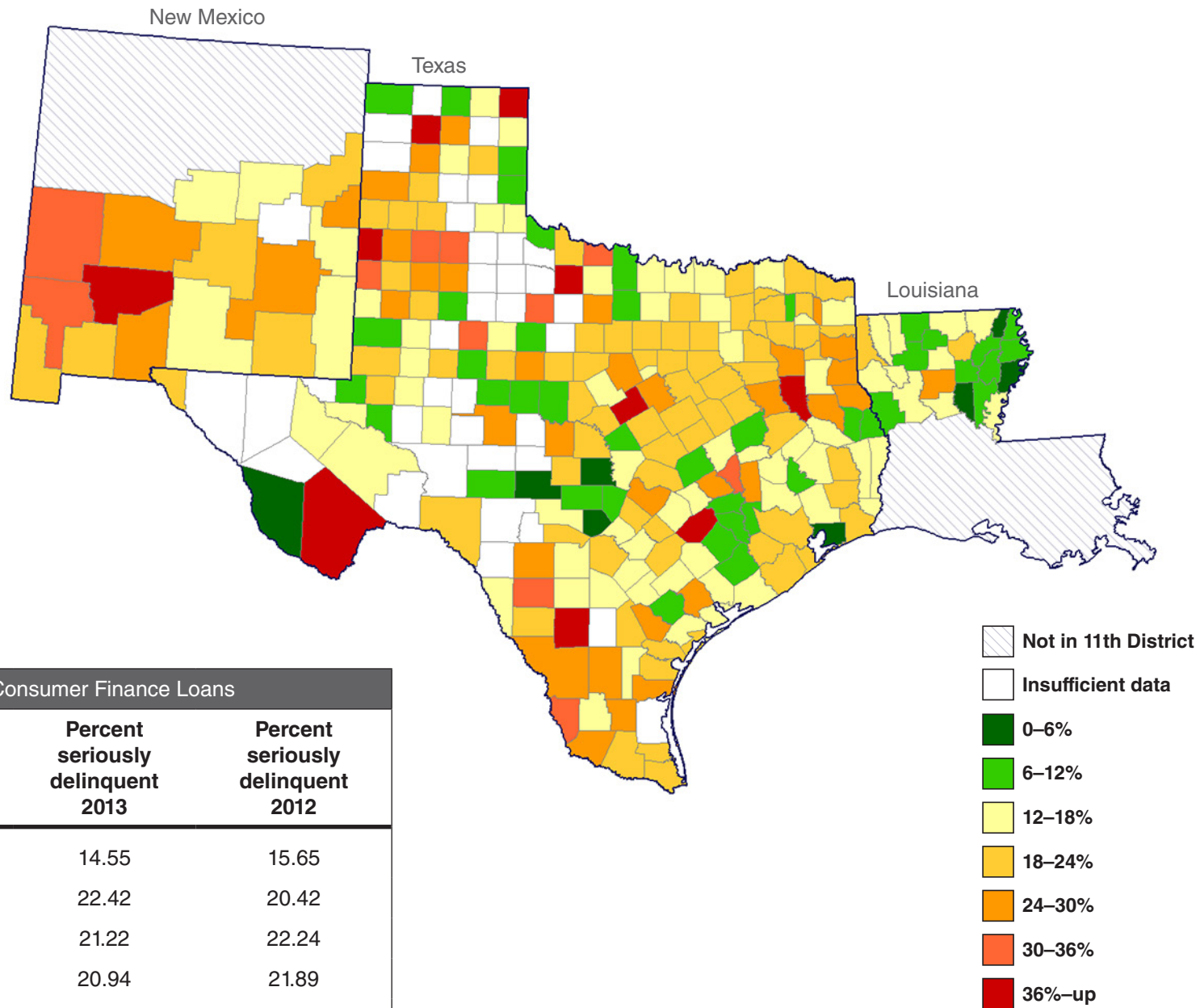
Delinquent Consumer Finance Loans in the Eleventh Federal Reserve District, June 2013



Consumer Finance Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	17.32	18.34
New Mexico	24.54	23.15
Texas	23.13	24.36
11th District	22.89	24.05
U.S.	22.11	23.38

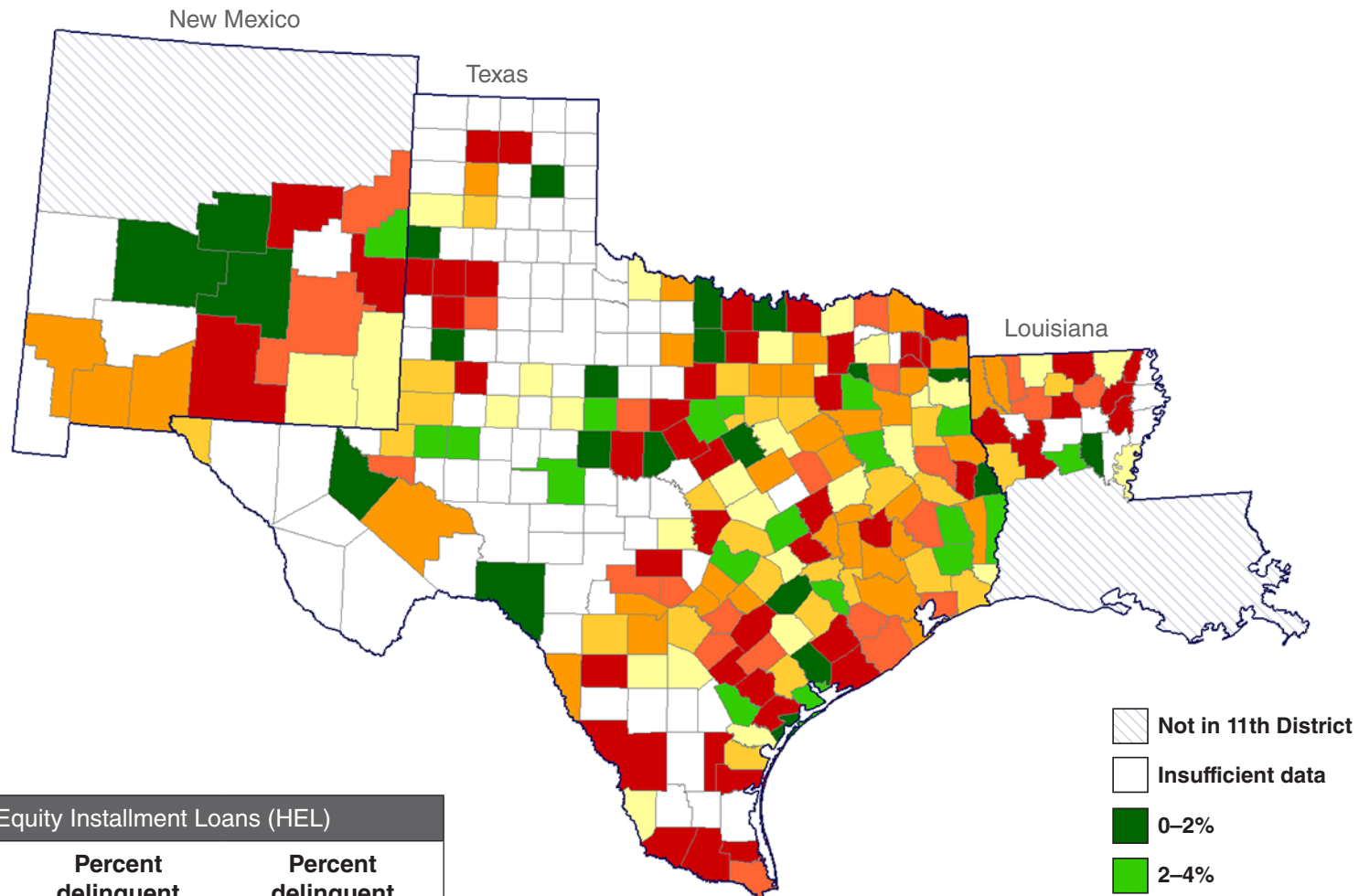
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Consumer Finance Loans in the Eleventh Federal Reserve District, June 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

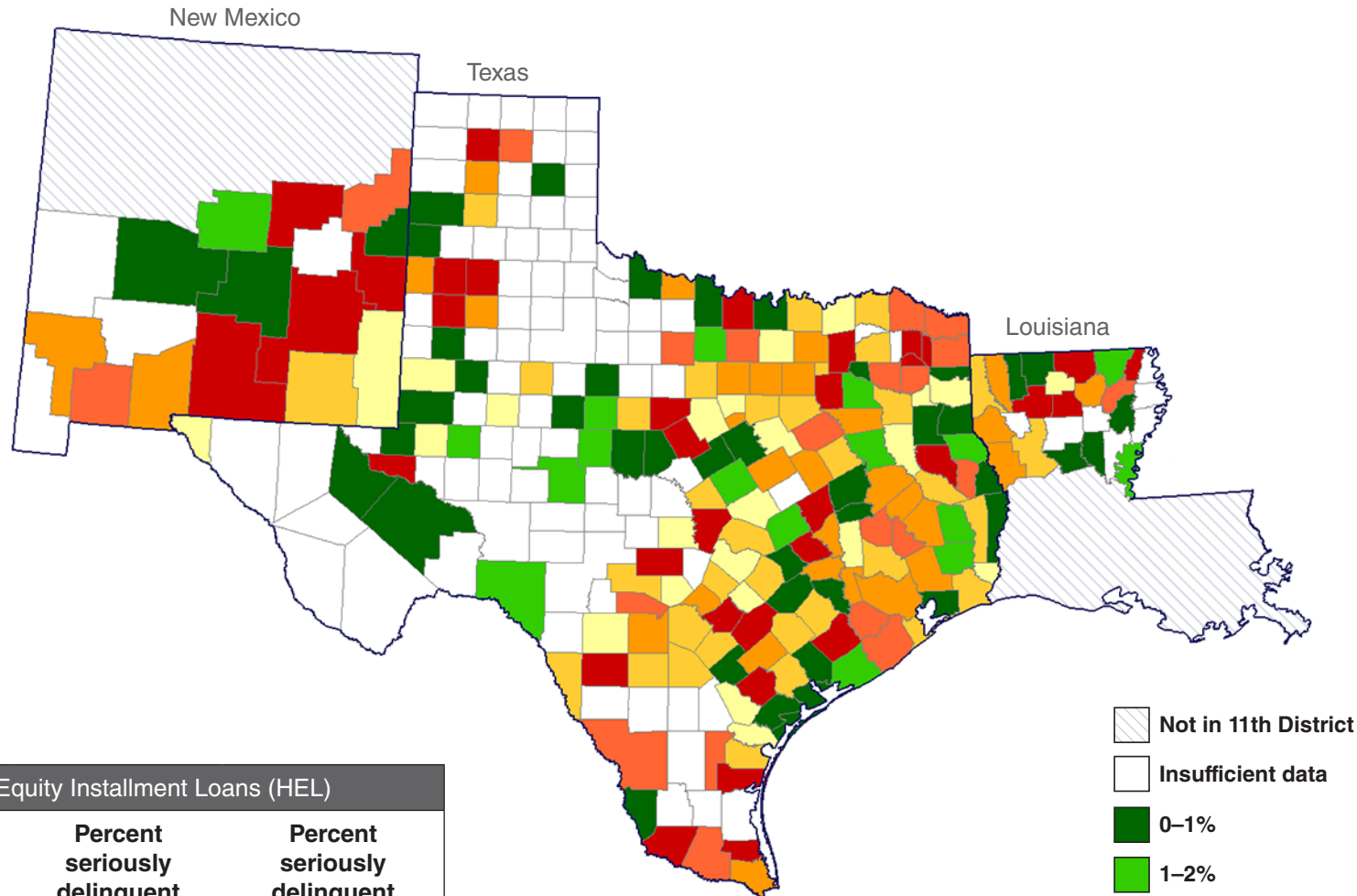
Delinquent Home Equity Loans in the Eleventh Federal Reserve District, June 2013



Home Equity Installment Loans (HEL)		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	10.12	10.80
New Mexico	8.01	7.80
Texas	8.17	8.34
11th District	8.21	8.38
U.S.	10.02	11.48

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

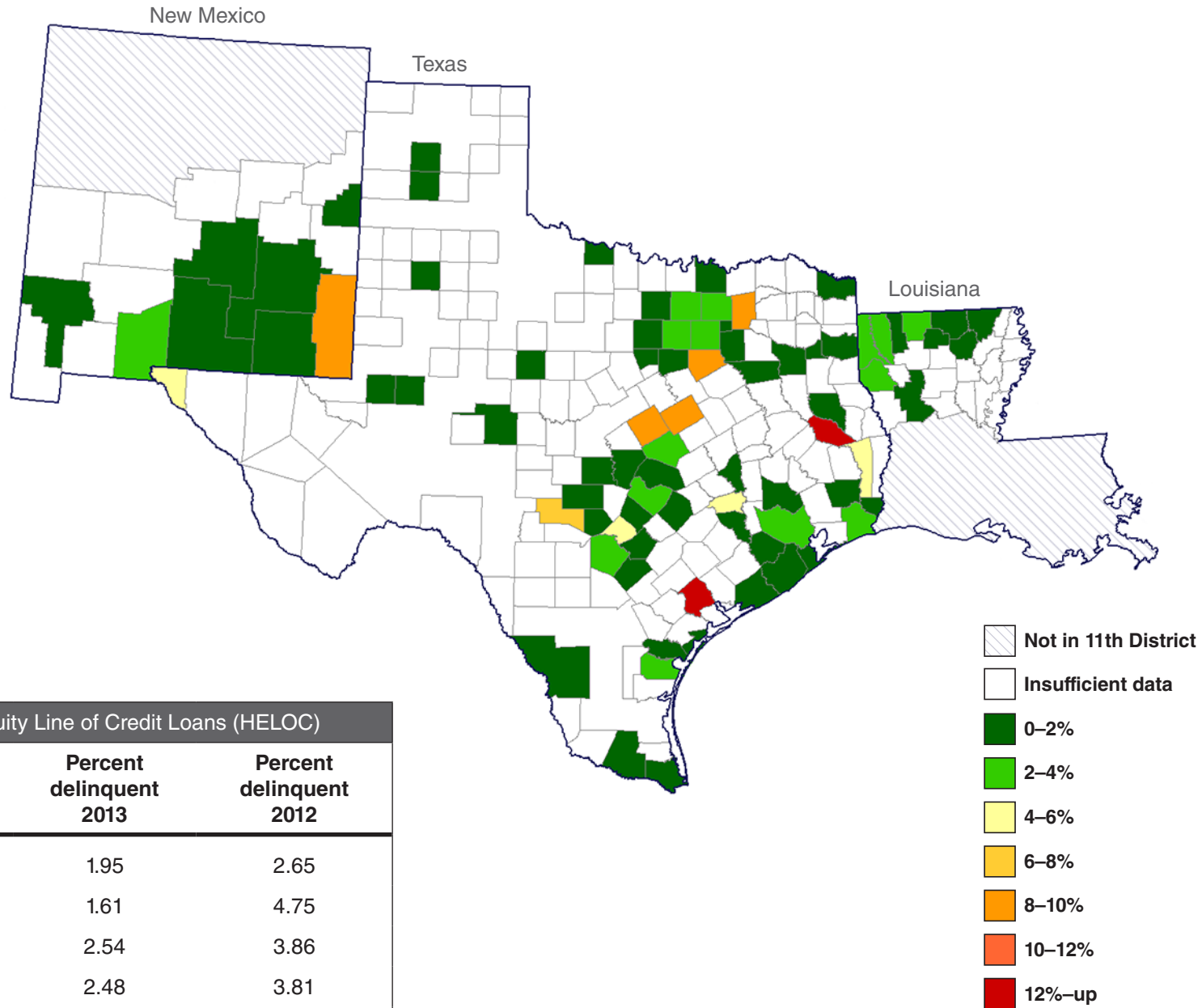
Seriously Delinquent Home Equity Loans in the Eleventh Federal Reserve District, June 2013



Home Equity Installment Loans (HEL)		
	Percent seriously delinquent 2013	Percent seriously delinquent 2012
Louisiana	5.64	6.07
New Mexico	6.43	5.30
Texas	5.75	5.69
11th District	5.76	5.69
U.S.	8.09	9.08

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

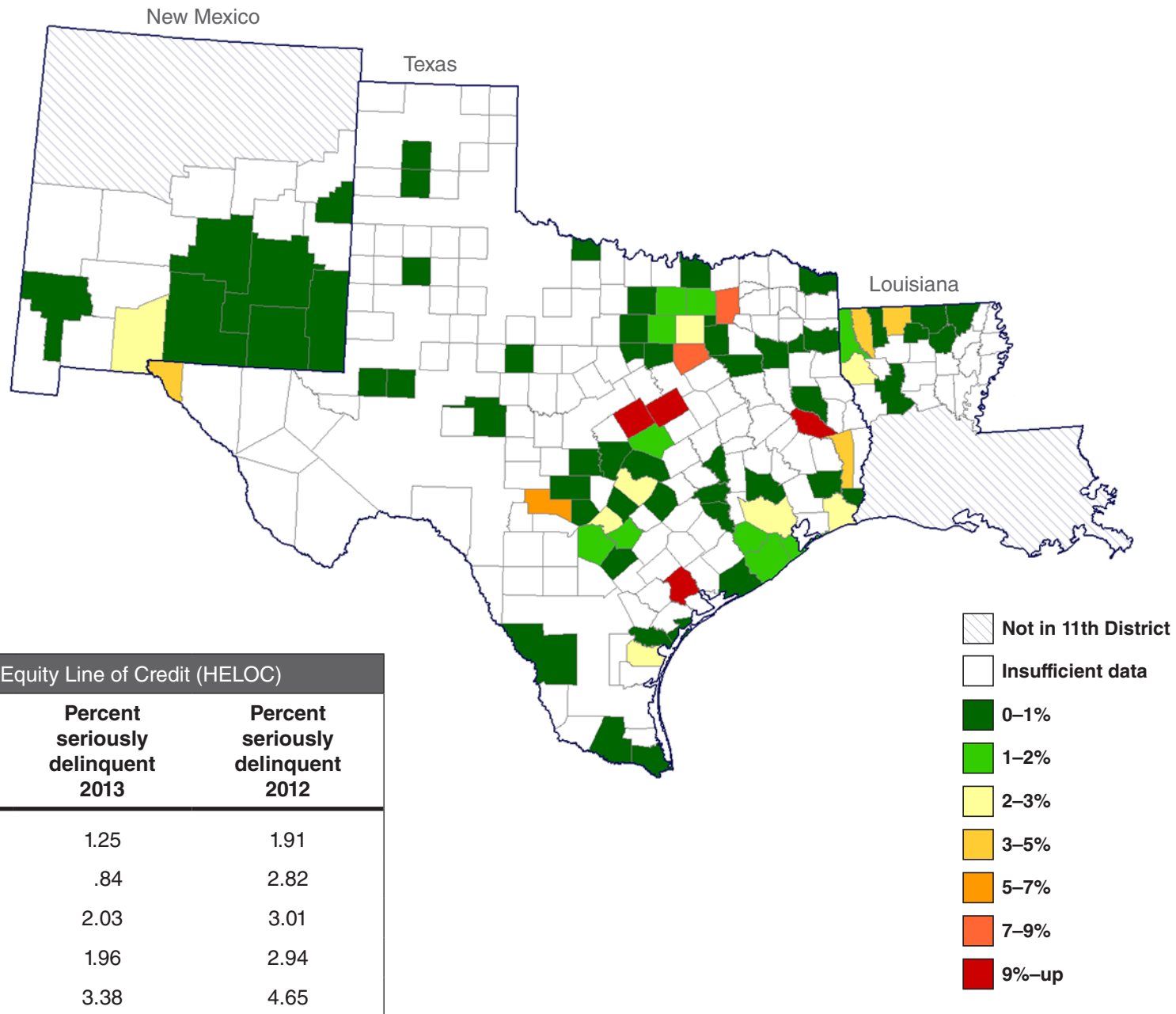
Delinquent Home Equity Line of Credit Loans in the Eleventh Federal Reserve District, June 2013



Home Equity Line of Credit Loans (HELOC)		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	1.95	2.65
New Mexico	1.61	4.75
Texas	2.54	3.86
11th District	2.48	3.81
U.S.	4.30	5.75

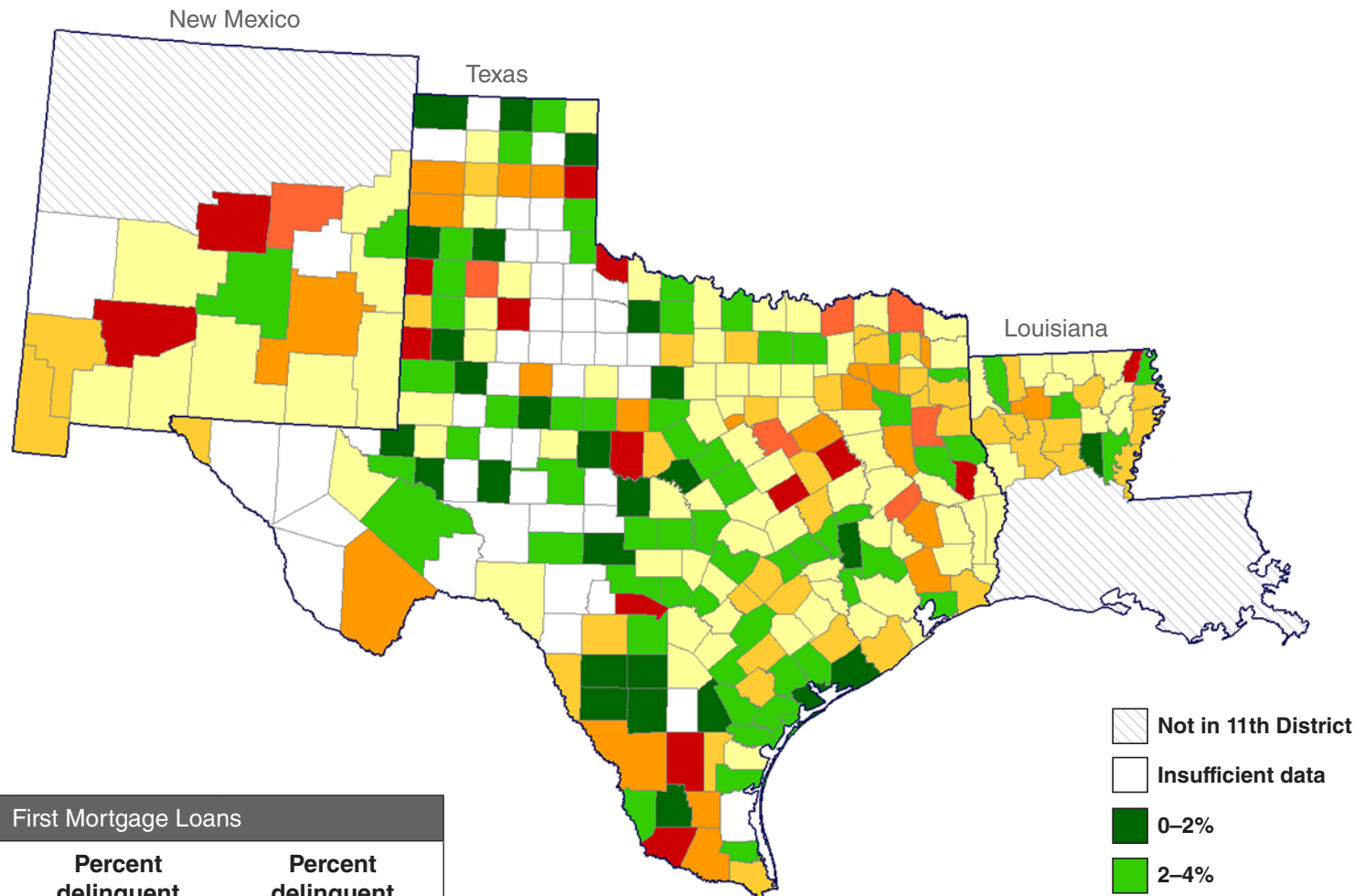
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Home Equity Line of Credit Loans in the Eleventh Federal Reserve District, June 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

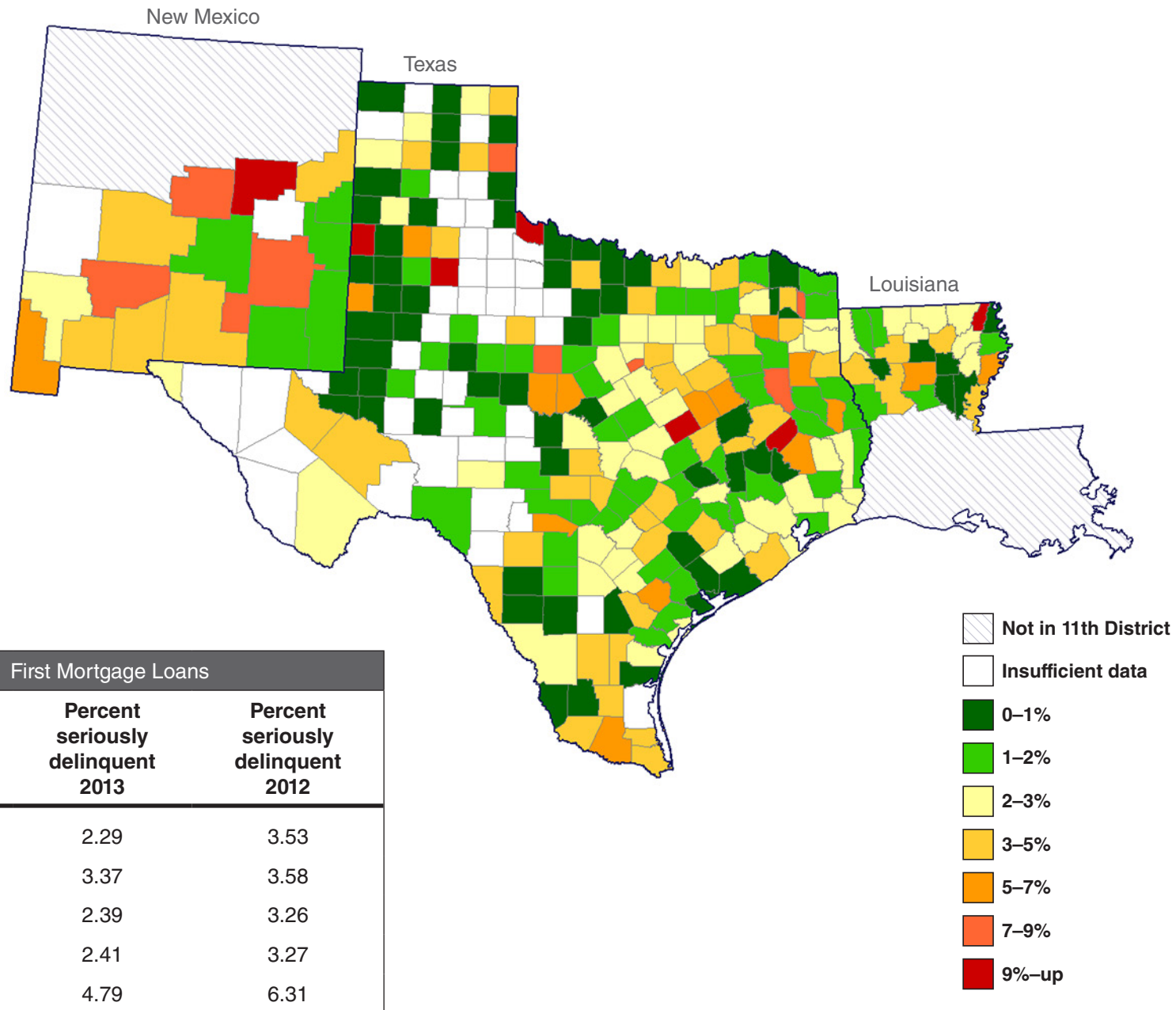
Delinquent First Mortgage Loans in the Eleventh Federal Reserve District, June 2013



First Mortgage Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	5.16	6.26
New Mexico	5.45	6.24
Texas	4.88	6.33
11th District	4.90	6.33
U.S.	6.90	8.94

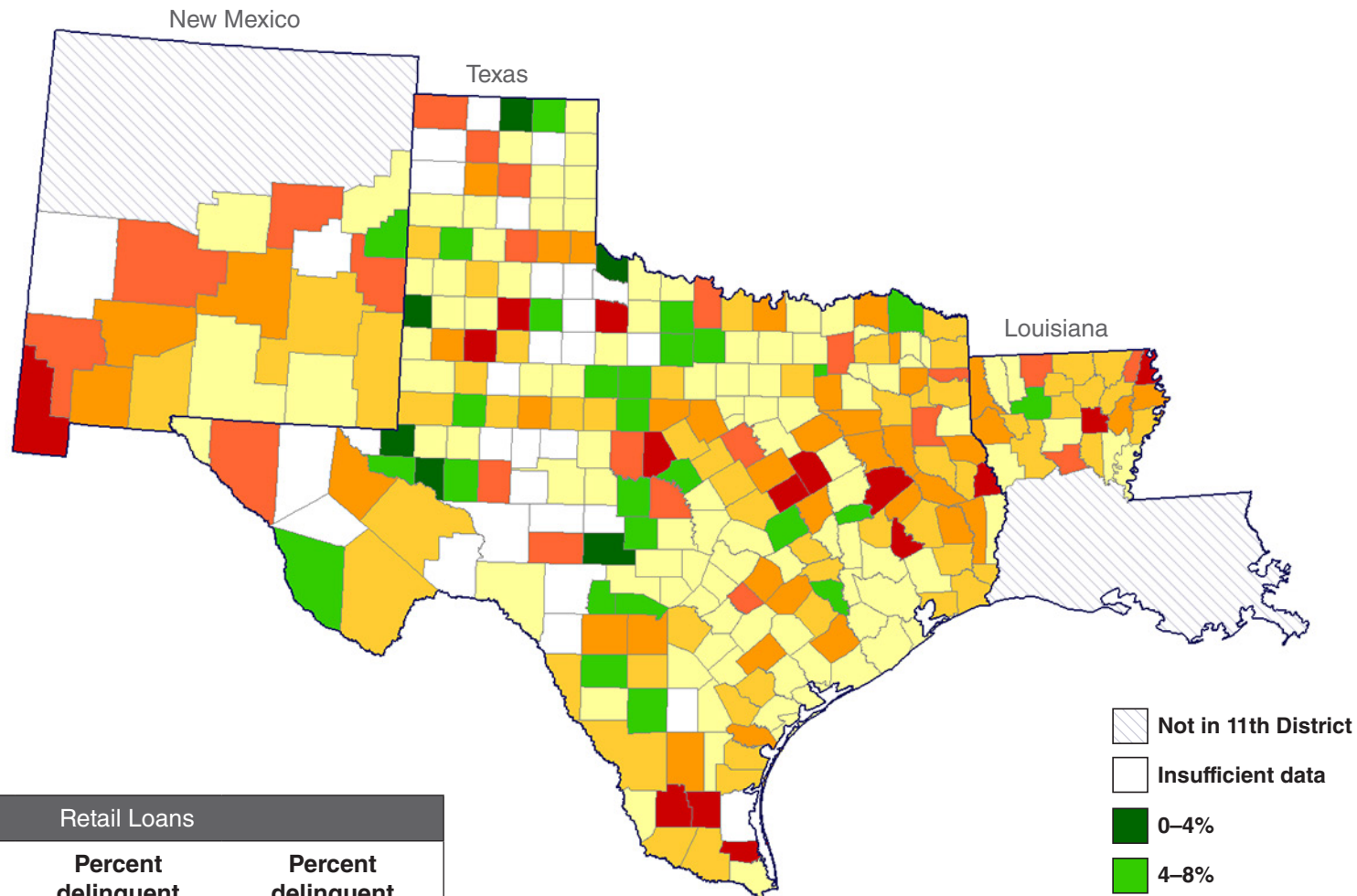
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent First Mortgage Loans in the Eleventh Federal Reserve District, June 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

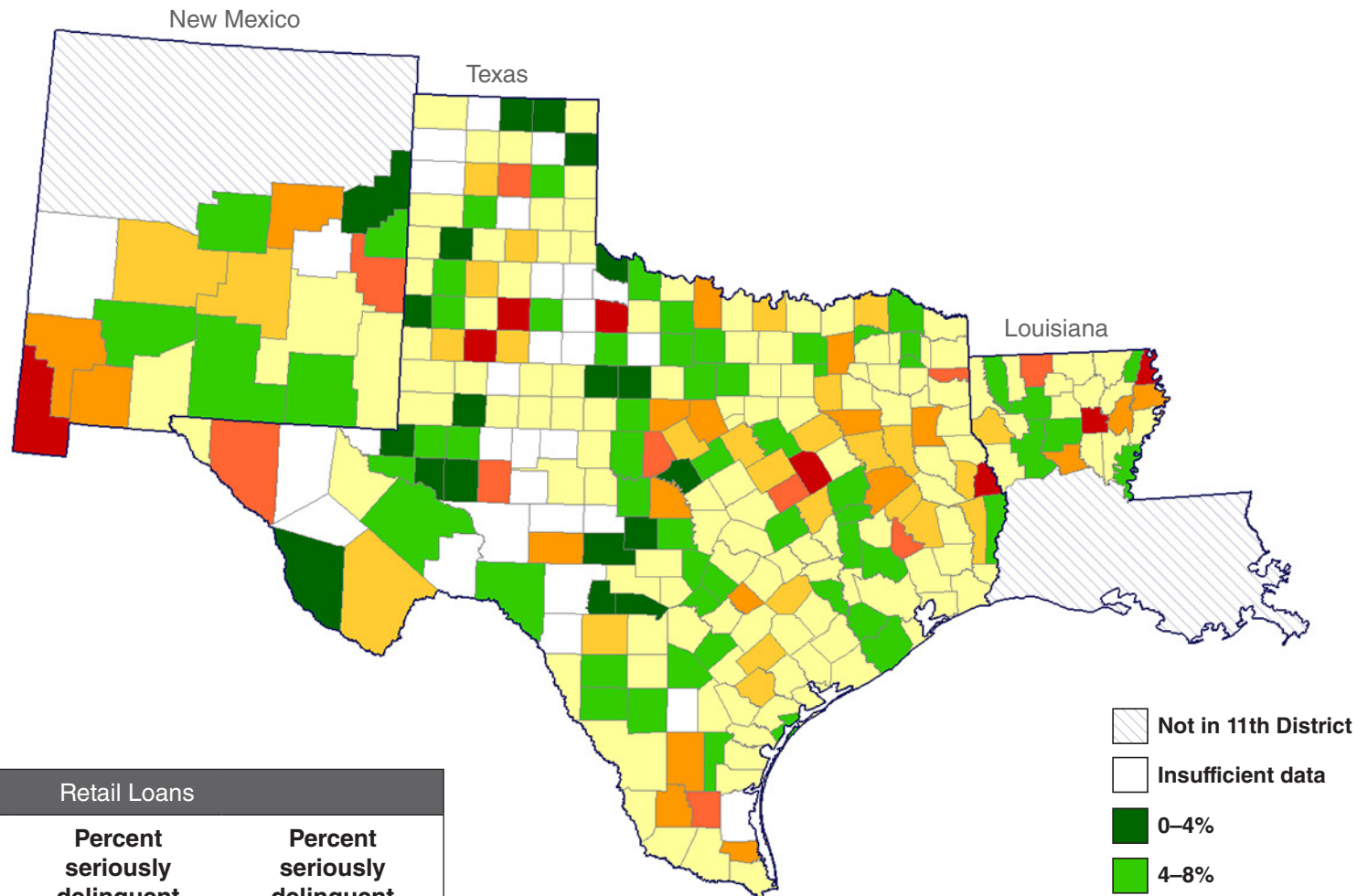
Delinquent Retail Loans in the Eleventh Federal Reserve District, June 2013



Retail Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	12.74	12.02
New Mexico	12.45	13.00
Texas	11.58	14.18
11th District	11.64	14.09
U.S.	11.27	13.60

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

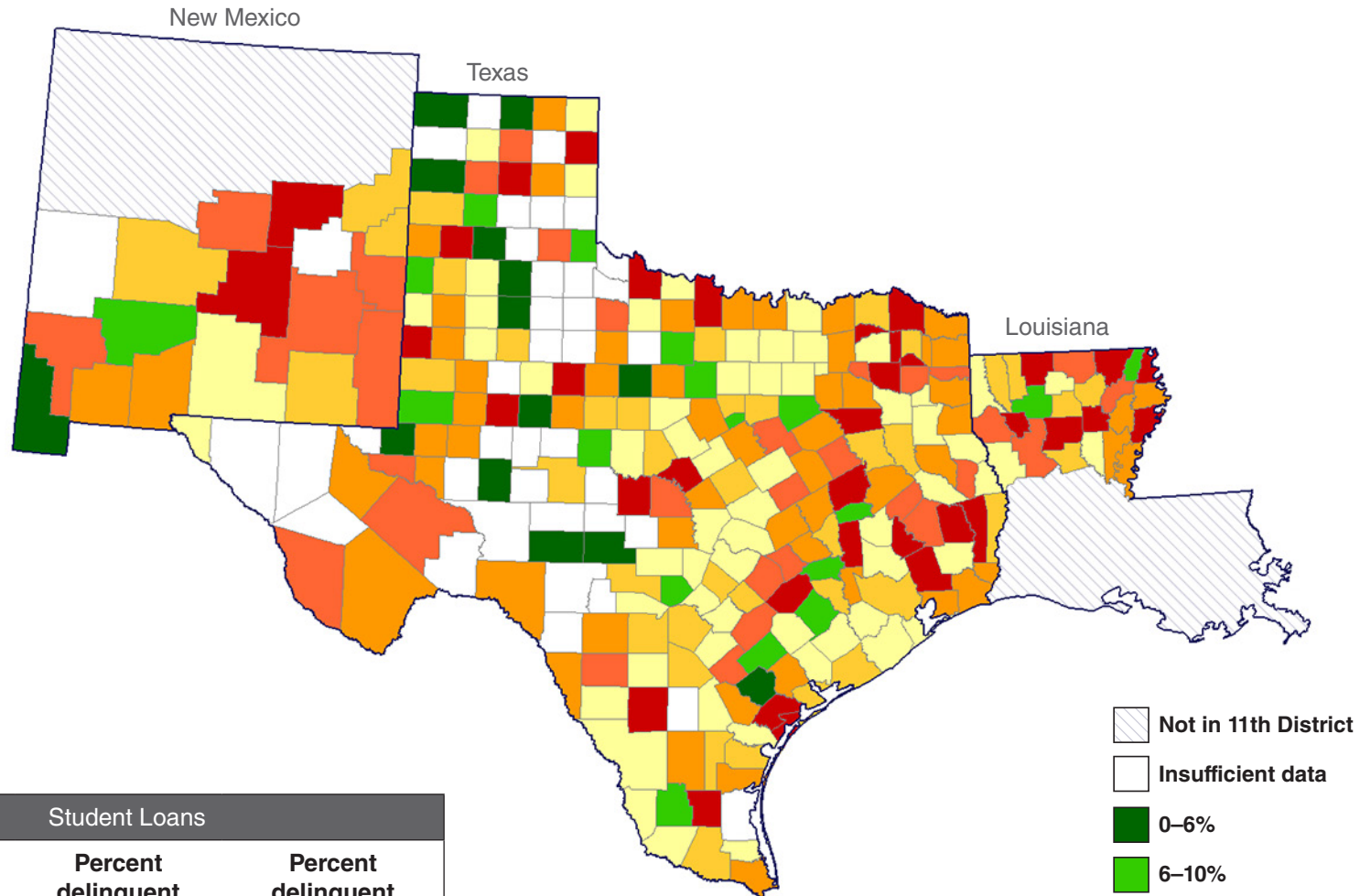
Seriously Delinquent Retail Loans in the Eleventh Federal Reserve District, June 2013



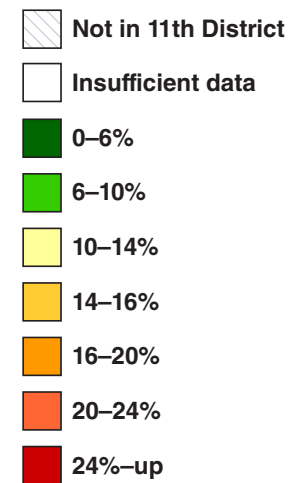
Retail Loans		
	Percent seriously delinquent 2013	Percent seriously delinquent 2012
Louisiana	9.98	9.68
New Mexico	9.69	10.15
Texas	9.46	12.01
11th District	9.48	11.90
U.S.	8.91	11.17

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Delinquent Student Loans in the Eleventh Federal Reserve District, June 2013

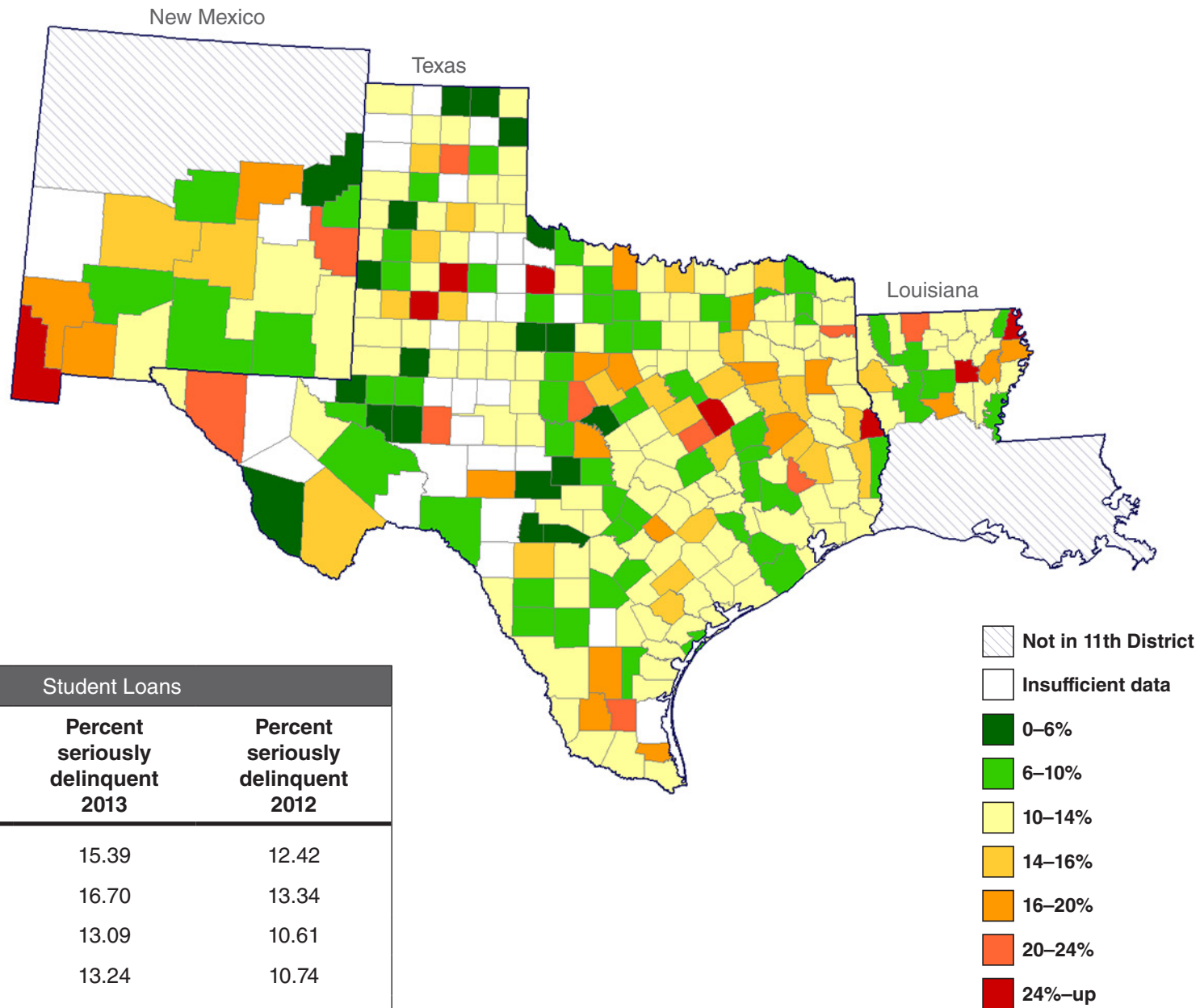


Student Loans		
	Percent delinquent 2013	Percent delinquent 2012
Louisiana	15.91	12.89
New Mexico	17.61	13.90
Texas	13.80	11.36
11th District	13.96	11.47
U.S.	11.45	9.37



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

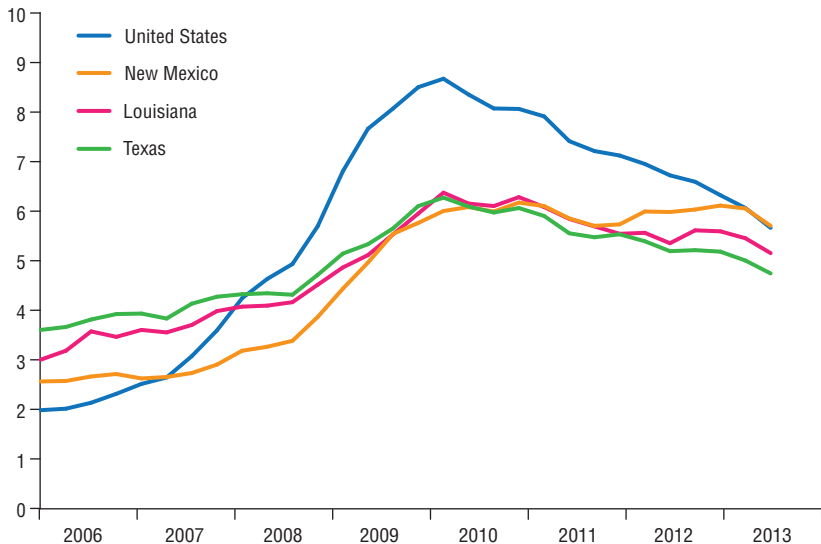
Seriously Delinquent Student Loans in the Eleventh Federal Reserve District, June 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Loans by State

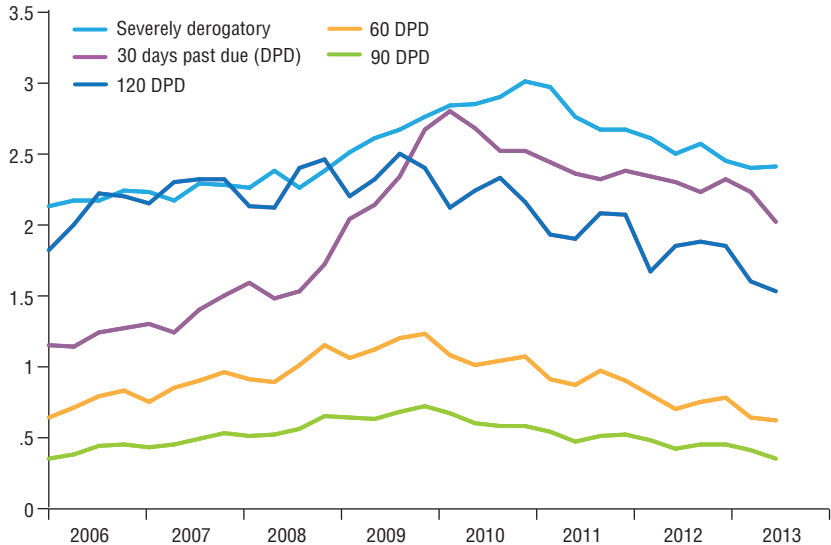
Percent seriously delinquent



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Texas Consumer Loan Delinquencies by Delinquency Status

Percent delinquent

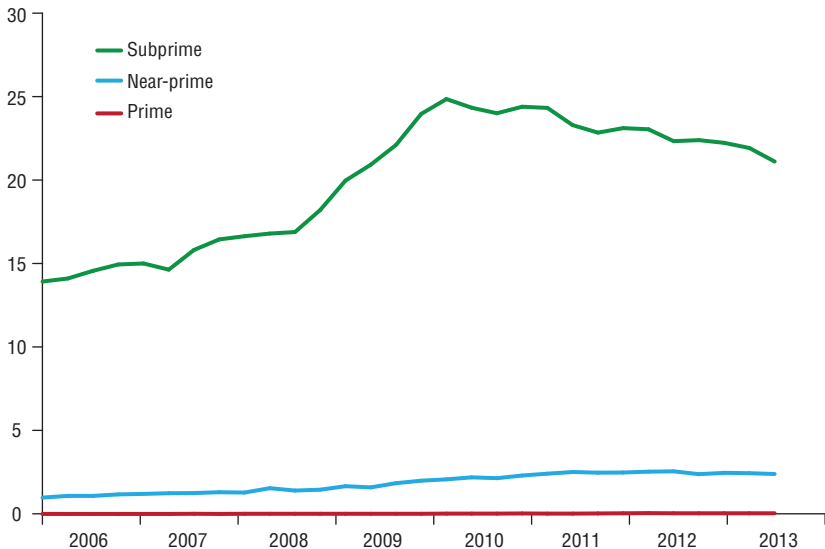


NOTE: Severely derogatory includes those loans with reports of a repossession, charge off to bad debt or foreclosure, at any number of days past due.

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Loans in Texas by Risk Score

Percent seriously delinquent

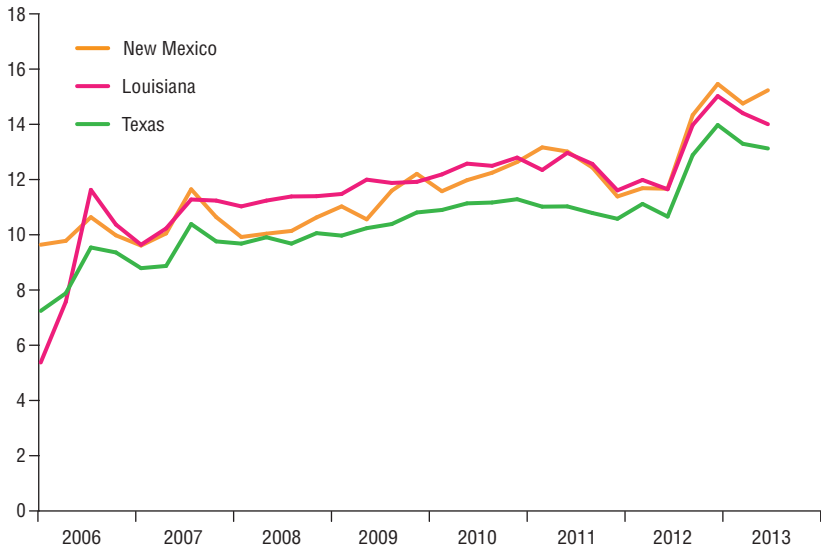


NOTE: Equifax Risk Scores fall into the following categories: prime, greater than 680; near-prime, 620–679; subprime, less than 619.

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Seriously Delinquent Student Loans by State

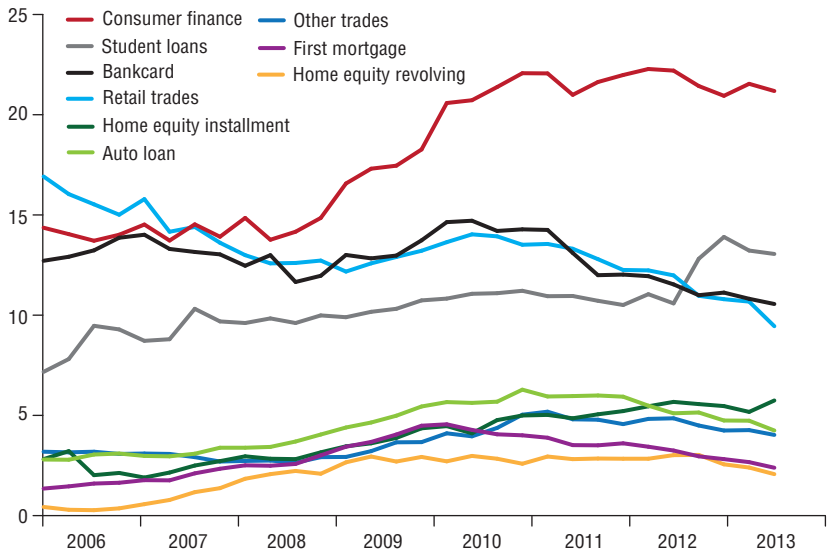
Percent seriously delinquent



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

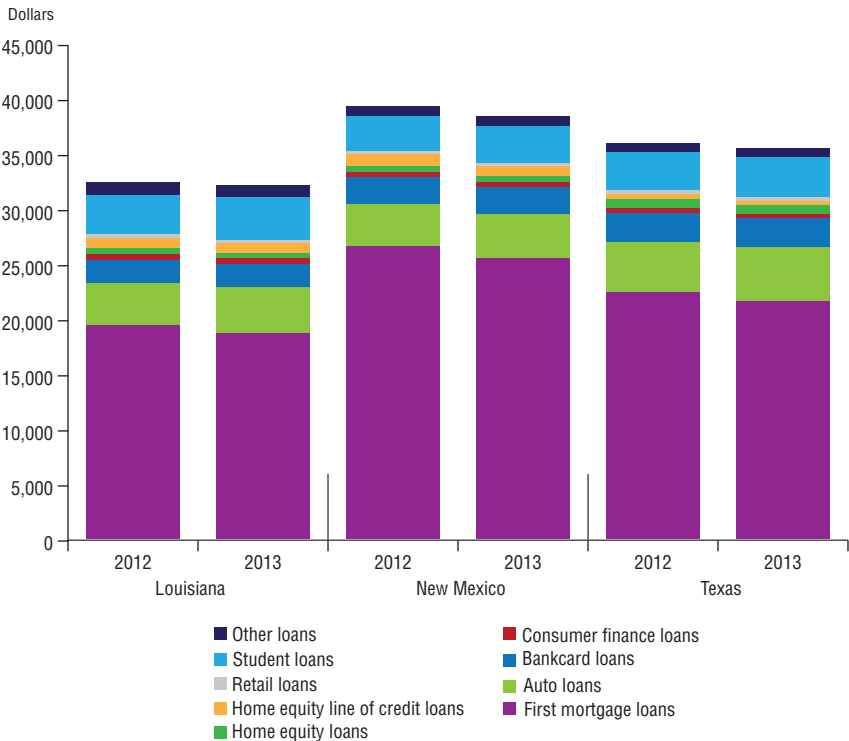
Seriously Delinquent Loans in Texas by Loan Type

Percent seriously delinquent



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Composition of Debt Balances Per Capita by State, June 2012 and 2013



SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Consumer Loan Balances in Eleventh District and U.S., June 2012 and 2013

2013 All Consumer Loans	
	Total balance (millions of dollars)
Louisiana	20,589
New Mexico	13,728
Texas	659,198
11th District	693,515
U.S.	11,010,265

2012 All Consumer Loans	
	Total balance (millions of dollars)
Louisiana	20,343
New Mexico	13,609
Texas	649,948
11th District	683,901
U.S.	11,272,428

2013 Auto Loans	
	Total balance (millions of dollars)
Louisiana	3,184
New Mexico	2,087
Texas	91,824
11th District	97,096
U.S.	807,606

2012 Auto Loans	
	Total balance (millions of dollars)
Louisiana	2,904
New Mexico	1,874
Texas	82,116
11th District	86,895
U.S.	743,067

2013 Bankcard Loans	
	Total balance (millions of dollars)
Louisiana	1,371
New Mexico	1,004
Texas	49,050
11th District	51,425
U.S.	663,676

2012 Bankcard Loans	
	Total balance (millions of dollars)
Louisiana	1,414
New Mexico	1,018
Texas	48,947
11th District	51,379
U.S.	670,615

2013 Consumer Finance Loans	
	Total balance (millions of dollars)
Louisiana	372
New Mexico	200
Texas	7,326
11th District	7,898
U.S.	66,924

2012 Consumer Finance Loans	
	Total balance (millions of dollars)
Louisiana	358
New Mexico	197
Texas	7,109
11th District	7,664
U.S.	70,749

2013 First Mortgage Loans	
	Total balance (millions of dollars)
Louisiana	10,815
New Mexico	7,726
Texas	399,363
11th District	417,903
U.S.	7,553,092

2012 First Mortgage Loans	
	Total balance (millions of dollars)
Louisiana	10,947
New Mexico	7,765
Texas	405,029
11th District	423,741
U.S.	7,882,120

Consumer Loan Balances in Eleventh District and U.S., June 2012 and 2013

2013 Home Equity Loans	
	Total balance (millions of dollars)
Louisiana	302
New Mexico	276
Texas	14,156
11th District	14,735
U.S.	168,758

2012 Home Equity Loans	
	Total balance (millions of dollars)
Louisiana	337
New Mexico	305
Texas	15,602
11th District	16,244
U.S.	178,123

2013 Home Equity Line of Credit Loans	
	Total balance (millions of dollars)
Louisiana	457
New Mexico	180
Texas	7,228
11th District	7,866
U.S.	538,824

2012 Home Equity Line of Credit Loans	
	Total balance (millions of dollars)
Louisiana	506
New Mexico	210
Texas	7,686
11th District	8,402
U.S.	588,053

2013 Retail Loans	
	Total balance (millions of dollars)
Louisiana	210
New Mexico	129
Texas	6,115
11th District	6,454
U.S.	65,641

2012 Retail Loans	
	Total balance (millions of dollars)
Louisiana	210
New Mexico	133
Texas	6,439
11th District	6,783
U.S.	69,753

2013 Student Loans	
	Total balance (millions of dollars)
Louisiana	2,788
New Mexico	1,540
Texas	68,963
11th District	73,292
U.S.	990,499

2012 Student Loans	
	Total balance (millions of dollars)
Louisiana	2,509
New Mexico	1,399
Texas	62,176
11th District	66,084
U.S.	909,192

2013 Other Loans	
	Total balance (millions of dollars)
Louisiana	1,088
New Mexico	587
Texas	15,169
11th District	16,844
U.S.	155,244

2012 Other Loans	
	Total balance (millions of dollars)
Louisiana	1,158
New Mexico	707
Texas	14,836
11th District	16,700
U.S.	160,755

NOTE: Loan balances for Louisiana and New Mexico include only the portions of those states that fall within the Eleventh District of the Federal Reserve.
SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

About the Data

The Federal Reserve Bank of New York Consumer Credit Panel (CCP) consists of detailed Equifax credit-report data in quarterly increments from 1999 to the present for a unique longitudinal panel of individuals and households. The panel is a nationally representative 5 percent random sample of all individuals with a Social Security number and a credit report; the CCP is also matched to individuals living at the same address as the primary sample members. The resulting database includes approximately 40 million individuals in each quarter. More technical background about the data is available at www.newyorkfed.org/creditconditions/technical_notes.pdf.

For conditions nationally, visit the [New York Fed's Household Credit webpage](#). The Bank's Quarterly Report on Household Debt and Credit provides data and reports on consumer debt for the U.S. and select states (including Texas). The data include bankruptcies, per capita debt levels, total debt levels and composition of debt, new originations of installment loans, total balance by delinquency status, foreclosures and new delinquencies by loan type. The report aims to help community groups, small businesses, state and local government agencies and the public to better understand, monitor and respond to trends in borrowing and indebtedness at the household level.

In the Consumer Credit Conditions update, charged-off and foreclosed loans are still accounted for in totals in the Equifax data until they are no longer reported by the lender.

Glossary

- **Delinquency status**
 - Current—Paid as agreed
 - 30 days late—Between 30 and 59 days late; not more than 2 payments past due
 - 60 days late—Between 60 and 89 days late; not more than 3 payments past due
 - 90 days late—Between 90 and 119 days late; not more than 4 payments past due
 - 120 days late—At least 120 days past due; 5 or more payments past due or collections
 - Severely derogatory—Any of the previous states, combined with reports of repossession, charge-off to bad debt or foreclosure

Not all creditors provide updated information on payment status, especially after accounts have been derogatory for a longer period of time. Thus, the payment performance profiles obtained from our data may to some extent reflect the reporting practices of creditors.

- **Seriously delinquent loans**
Loans that are 90 days late, 120 days late or severely derogatory
- **Equifax Risk Score**
Equifax Risk Score 3.0 was developed by credit scoring agency Equifax and predicts the likelihood of a consumer becoming seriously delinquent (90+ days past due). The score ranges from 300 to 850 (the lower the score, the greater the delinquency risk). In the charts, Equifax Risk Scores fall into the following categories: Prime, greater than 680; near prime, 620–679; subprime, less than 619.
- **Loan types**
The types of accounts in the analysis include mortgage loans, home equity installment loans (HEL), home equity line of credit accounts (HELOC), auto loans, bankcard accounts, student loans, consumer finance loans (sales financing, personal) and retail loans (clothing, grocery, department store, home furnishings, gas, etc.).
- [Data dictionary](#)