Summary

Average consumer debt in the Tenth District, which for this report consists of all personal debts except first mortgages, declined moderately in the first quarter to $15,400 (chart 1). This decline continued a trend that began in the depths of the recent recession in 2009, but the rate of decline has recently slowed. The U.S. as a whole follows a similar trend, with a current reading of $17,100. Revolving debt was flat in the District at $5,800, while the U.S. figure declined modestly to about $7,700.

Oklahoma maintained the lowest average consumer debt in the District, despite a minor increase in the first quarter (to $13,600). Nebraska, which saw a slight decline in consumer debt in the first quarter, followed Oklahoma closely at $13,800. Colorado continued to have the highest level of average consumer debt in the District. The first quarter average was $18,700, but consumer debt has steadily declined since 2009, when it peaked at $21,900. Wyoming, which has seen an increasing consumer debt trend over the last several quarters, followed with $17,400 in the first quarter.

Consumer delinquency rates decreased in every category for both the U.S. and the Tenth District in the first quarter (chart 2). The overall delinquency rate fell substantially from 4.3 percent to 3.9 percent, driven largely by a decline in mortgage delinquencies. District credit delinquencies continued to fall below national averages.

Student loan delinquencies, however, were significantly higher at 11.5 percent, compared to 9.4 percent nationally. Especially high student loan delinquency rates in Oklahoma (18.1 percent) and New Mexico (12.3 percent) were the major culprits in the high District rate.

The rate of bankruptcy filings in the Tenth District remained much lower than the national rate. Bankruptcy rates fell moderately in both the District and the U.S. as a whole in the first quarter.

Theme: Credit Score

The credit score often is the most critical factor used to determine access to credit and the cost of credit. Because credit scores are convenient summaries of credit history and reflect risk, they are often used beyond loan applications as well. For example, credit scores are frequently used in the process of qualifying individuals for employment, insurance, and tenancy.

Payment history accounts for the largest portion, typically 35 percent, of most credit score calculations. Other determinants include levels of debt, credit utilization, and recent account openings, among other factors.

Tenth District states typically have average credit scores close to the national average, as measured by the Equifax risk score, which is similar to standard credit score. The average risk score in the District was 699 in the first quarter, compared to 696 in the U.S. as a whole (chart 3). Nebraska led the District with an average risk score of 715.

Both District and national risk scores have trended up over the last decade. Following the 2001 recession, average risk scores saw significant improvements. The upward trend leveled off during the most recent recession, dipping modestly in 2008 and 2009, at which time both levels of debt and credit delinquencies had peaked. Risk scores have since begun to increase again.
Chart 1: Average Debt per Consumer

![Average Debt per Consumer Graph]

Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax
Note: A first mortgage represents the primary note on the home and typically is not used to purchase consumer goods.

Chart 2: Average Consumer Delinquency Rates

![Average Consumer Delinquency Rates Graph]

Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax; Administrative Office of the U.S. Courts; and Lender Processing Services, Inc.
Note: "Any Account" includes accounts not otherwise reported in the chart.
The Federal Reserve Bank of Kansas City and its Branches in Denver, Oklahoma City and Omaha serve the Tenth Federal Reserve District, which encompasses Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming.