Tenth District Consumer Credit Report

2nd Quarter 2013

Federal Reserve Bank *of* Kansas City

Summary

Average consumer debt in the Tenth District, which for this report includes all debt other than first mortgages, continued to climb in the second quarter to $16,030 (four-quarter moving average), up from $15,890 in the first quarter and $15,490 from a year ago (Chart 1). However, district average consumer debt remained well below its 2008 peak of $17,420.

After a steady fall from the first quarter of 2009 through the first quarter of 2011, Tenth District consumer debt had remained stable before its recent climb beginning in the first quarter 2012. In the second quarter, average U.S. consumer debt increased moderately from the previous quarter to $17,390.

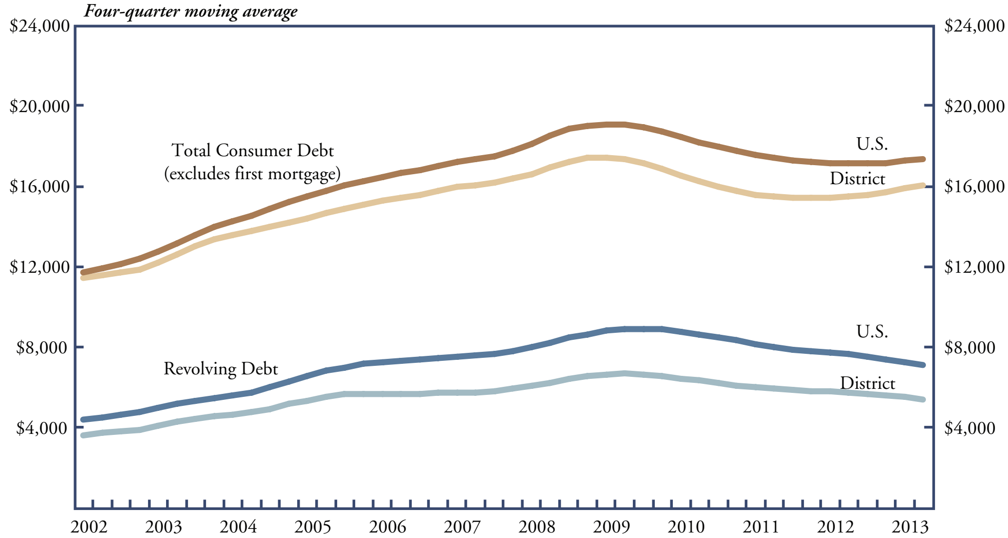
Revolving debt in the Tenth District, which includes open lines of credit such as credit cards and home equity lines of credit, fell $110 from the previous quarter to $5,400 in the second quarter and has fallen consistently over the past four years. Revolving debt is down $1,280 from its second quarter 2009 peak of $6,680. The District's revolving debt also remains substantially below the national revolving debt average, which was $7,140 in the second quarter. However, similar to the District, national revolving debt has trended lower over the past year.

Average consumer debt increased over the past year in all district states except New Mexico and Wyoming (Chart 2). New Mexico consumer debt declined 4.3 percent from the second quarter of 2012, which is likely due to a relatively poor economy compared to other states in the Tenth District. Levels of debt were highest in Colorado and Wyoming—above national levels—due in large part to higher incomes and cost of living. Debt levels tend to correlate with incomes, although numerous other factors also work to determine average consumer debt levels. Oklahoma and Nebraska, respectively, had the lowest average debt levels, both having relatively robust economies.

Overall, Tenth District consumer delinquencies continued a downward trend, falling from 3.8 percent for "any account" in the first quarter to 3.5 percent in the second quarter (Chart 3). Delinquencies on "any account" also was far below the second quarter's national rate of 5.2 percent. Second quarter national levels in all delinquency categories were above district averages except auto delinquencies. The relatively high delinquency rates in the District on student loans are driven by higher rates in Oklahoma and Missouri. District student loans delinquencies dropped to 9.7 percent in the second quarter from 9.9 percent in the first quarter, while the national average increased from 9.4 percent in the first quarter to 10 percent in the second quarter. Tenth District bankruptcy filings per 10,000 households dropped to 97.5 in the second quarter but were above national levels.

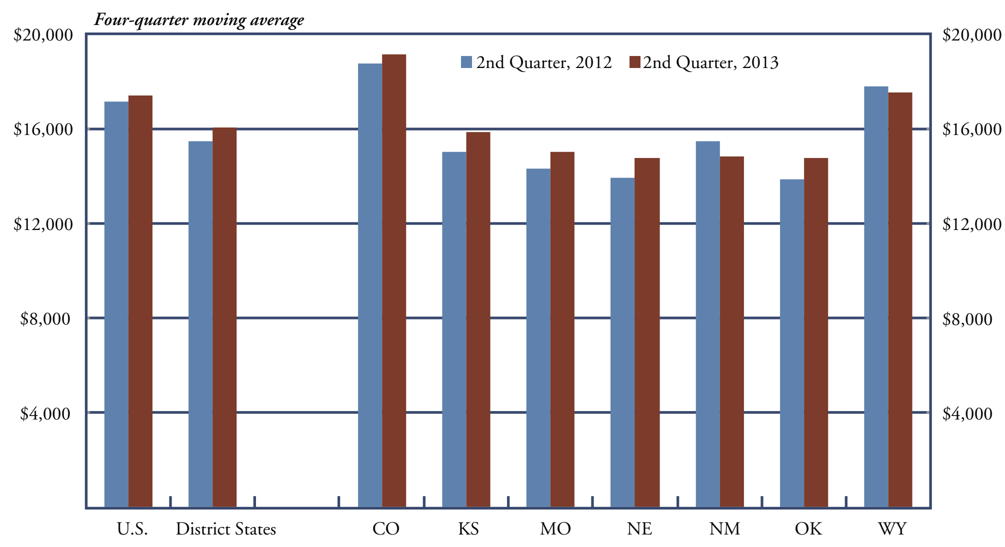
District mortgage delinquencies (30 or more days past due or in foreclosure) in the second quarter dropped slightly to 7.4 percent. Mortgage delinquencies remained below national averages in all District states, as did seriously delinquent mortgages, which are 90 or more days past due or in foreclosure (Chart 4). New Mexico and Oklahoma have the highest percentages of past due and seriously delinquent mortgages among the District states. Seriously delinquent mortgages were lowest in Colorado, Nebraska, and especially in Wyoming. This pattern has been consistent over the past several quarters.

Chart 1: Average Debt Per Consumer



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

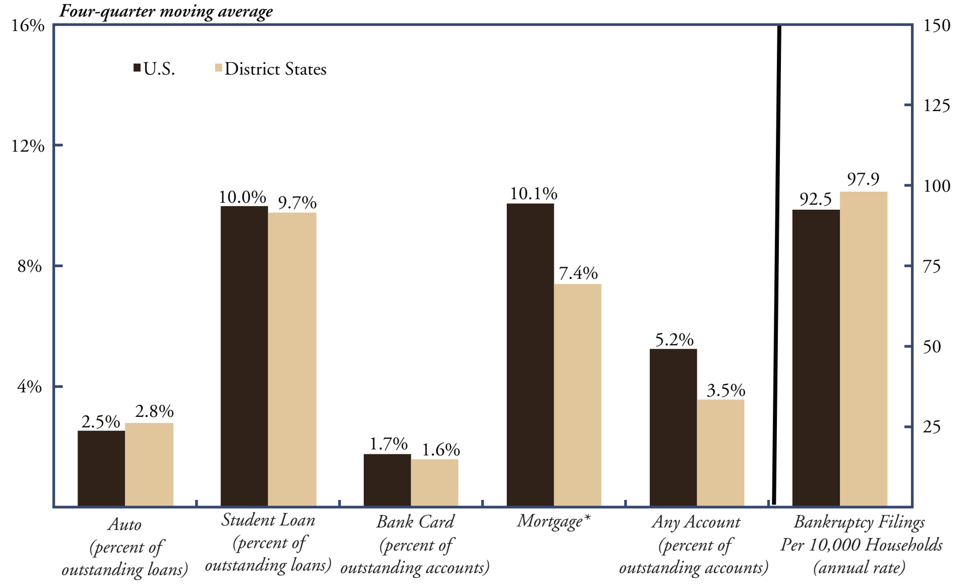
Chart 2: Average Debt Per Consumer



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

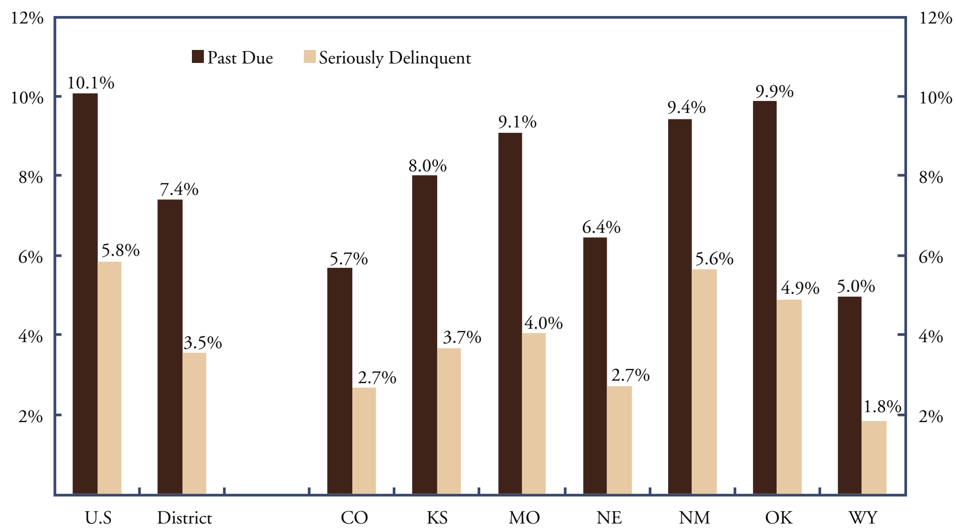
The Consumer Credit Report series is published quarterly by the Federal Reserve Bank of Kansas City to provide a summary of consumer credit in each state of the Tenth District, which comprises Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. For questions or comments, contact Kelly Edmiston, senior economist, at *kelly.edmiston@kc.frb.org*.

Chart 3: Average Consumer Delinquency Rates



Sources: Federal Reserve Bank of New York Consumer Credit Panel / Equifax; the Administrative Office of the U.S. Courts; and Lender Processing Services, Inc.
*Notes: At least 30 days past due. "Any Account" includes accounts not otherwise reported in the chart, such as first mortgages. Estimates of households are updated in the second quarter. *Mortgage delinquency is the current rate and not a moving average.*

Chart 4: Mortgage Delinquencies



Source: Lender Processing Services Inc.
Notes: "Past due" represents mortgages that are 30 days or more delinquent, including those in foreclosure. "Seriously delinquent" represents mortgages that are 90 days or more past due or in some stage of the foreclosure process.