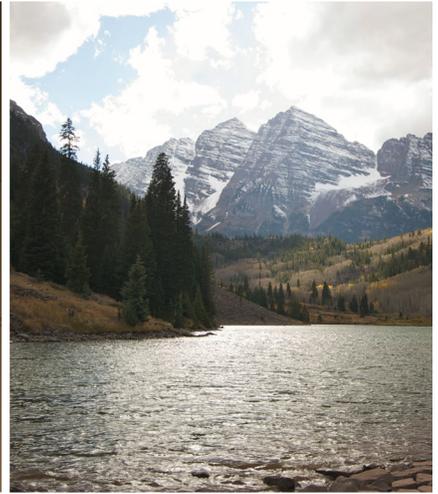


Consumer Credit Report Colorado



3rd QUARTER 2014

FEDERAL RESERVE BANK of KANSAS CITY

Summary

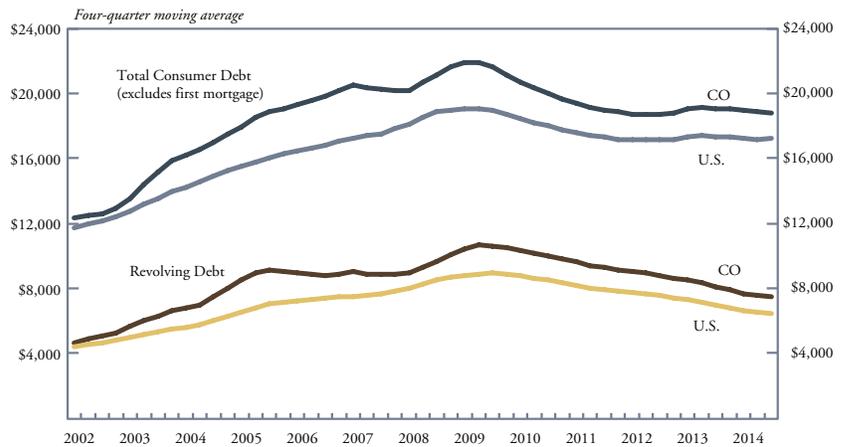
Average consumer debt in Colorado declined for the third consecutive quarter to \$18,816, reversing a string of moderate increases in 2012-13 (Chart 1). Consumer debt remained well above District and national averages (Chart 2). Higher incomes and cost of living explain much of the higher consumer debt in Colorado. Revolving debt continued to decline, falling to \$7,500 from \$7,550. Upticks in average consumer debt in recent quarters and the substantial decline in revolving debt imply installment debt, made up largely of student loans and auto loans, has been increasing fairly rapidly.

Delinquency rates on consumer debt in Colorado were well below national rates in all categories in the third quarter (Chart 3). The delinquency rate on any account fell 0.1 percentage point to 3.2 percent. The overall delinquency rate in the U.S. fell 0.2 percentage point to 5.8 percent. Although consumer credit delinquency rates were comparatively low in Colorado, the bankruptcy filing rate, which also fell, is comparatively high. The past-due mortgage rate, which was relatively high in Colorado during the housing crisis, now is significantly below the U.S. rate (Chart 4). Mortgage delinquencies in Pueblo and immediately south of Pueblo remained relatively high (Map).

In This Issue: Developments in the Automobile Credit Market

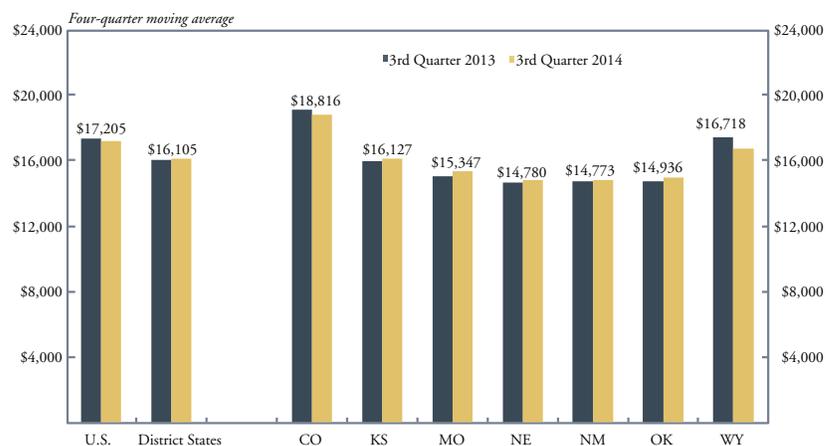
The rise in automobile sales following the recession has led to a rise in auto debt, as 73 percent of U.S. auto sales are financed. Average outstanding balance has also increased (Chart 5). While auto loan balances have increased, delinquencies have declined. Finance company debt is much more likely to be delinquent than bank debt, with third quarter rates at 9.7 percent and 3.0 percent, respectively, in Colorado (Chart 6).

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

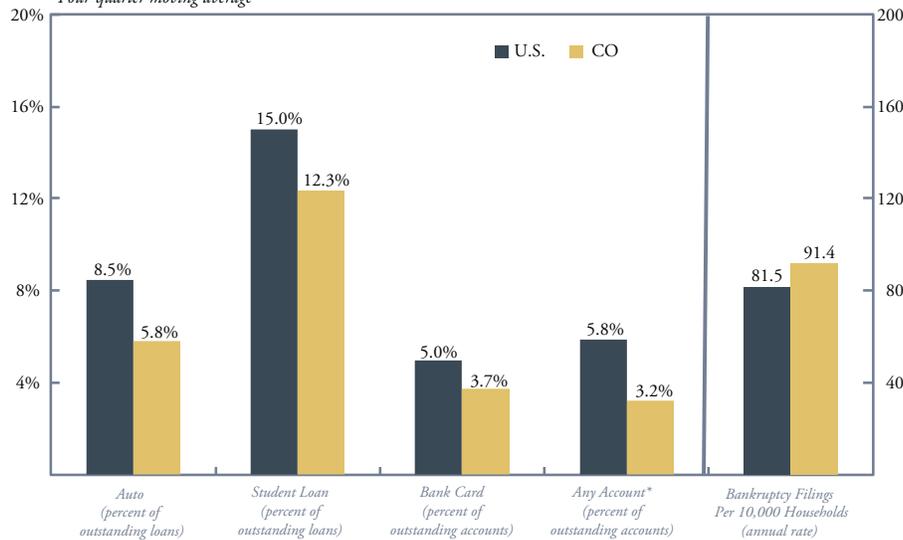


Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.
Notes: Excludes first mortgage. A first mortgage represents the primary note on the home and typically is not used to purchase consumer goods.



Chart 3: Average Consumer Delinquency Rates

Four-quarter moving average



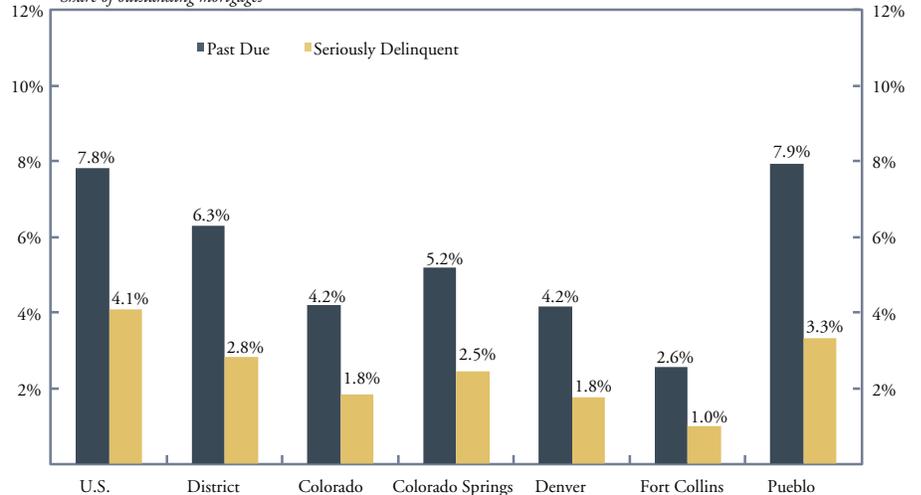
*"Any Account" includes accounts not otherwise reported in the chart, such as first mortgages.

Sources: Federal Reserve Bank of New York Consumer Credit Panel/Equifax; the Administrative Office of the U.S. Courts.

Notes: At least 30 days past due. Beginning in the first quarter, "severe derogatory" accounts are included in the calculation of delinquency rates, which makes delinquency rates higher than in other quarters, all else being equal. Thus, these delinquency rates are not comparable to delinquency rates provided in reports prior to 2014. Severe derogatory debt has been charged off by the lender (not through bankruptcy) but is still owed by the borrower.

Chart 4: Mortgage Delinquencies

Share of outstanding mortgages



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 foreclosure.

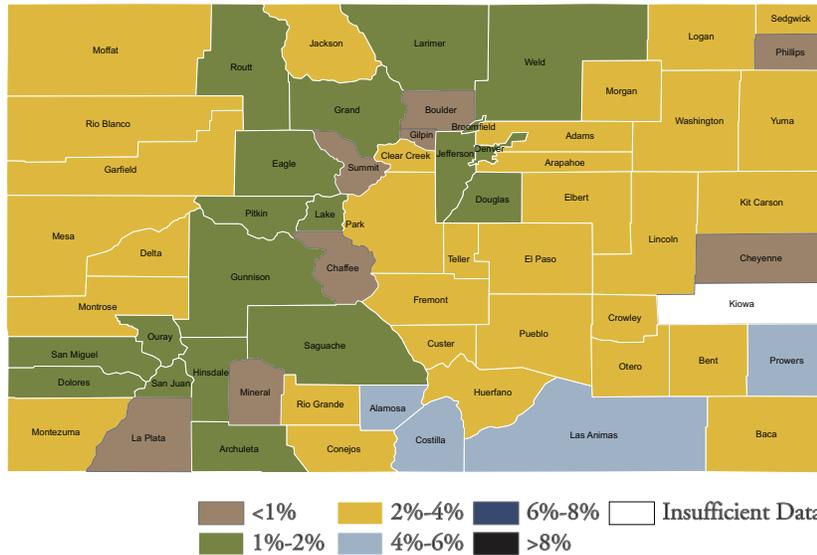
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FEDERAL RESERVE BANK of KANSAS CITY - TENTH DISTRICT

Map: Seriously Delinquent Rates By County

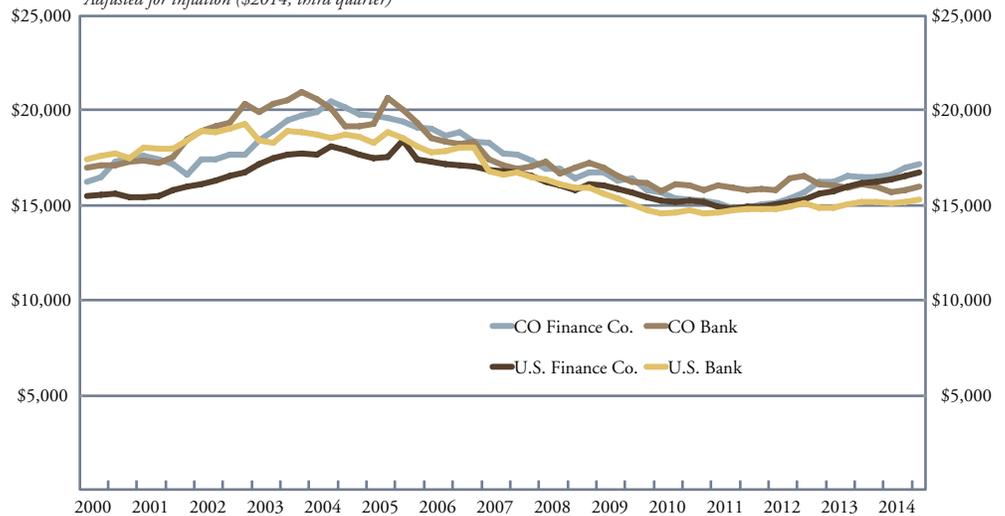


Source: Lender Processing Services Inc.

Note: "Seriously delinquent" represents mortgages that are 90 days or more past due or in foreclosure.

Chart 5: Outstanding Auto Loan Balance by Issuer Type

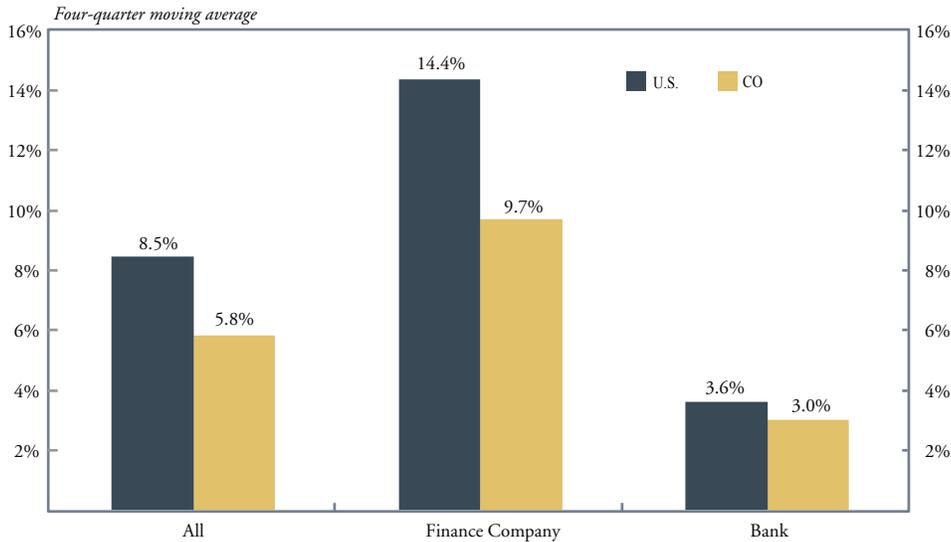
Adjusted for inflation (\$2014, third quarter)



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



Chart 6: Auto Loan Delinquencies



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

The Consumer Credit Report series is published biannually 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.

