

Consumer Credit Report Kansas



3rd QUARTER 2014

FEDERAL RESERVE BANK of KANSAS CITY

Summary

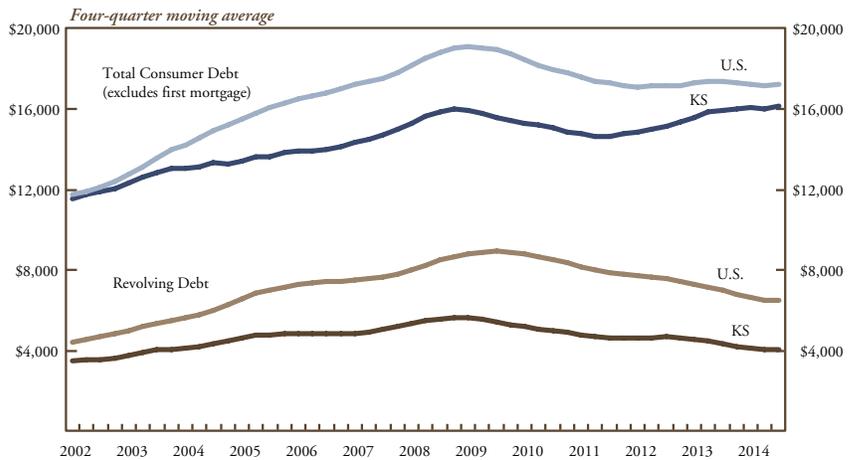
Average consumer debt in Kansas increased by \$110 to \$16,127 in the third quarter, continuing a string of quarterly increases. Consumer debt has climbed over 10 percent from the second quarter of 2011 (Chart 1). Kansas consumer debt was on par with the District (Chart 2). Revolving debt, while flat, has fallen dramatically from its peak in the depths of the recession. Upticks in average consumer debt in recent quarters and the substantial decline in revolving debt imply that installment debt, made up largely of student loans and auto loans, has been increasing fairly rapidly.

Delinquency rates on consumer debt in Kansas were below national rates in all categories in the third quarter (Chart 3). The delinquency rate on any account fell 0.1 percentage point to 4.2 percent. The overall delinquency rate in the U.S. fell 0.2 percentage point to 5.8 percent. The lower personal bankruptcy filing rate in Kansas is consistent with its low delinquency rates relative to the nation. The past-due mortgage rate increased substantially in the third quarter, to 7 percent from 6.5 percent in the first quarter (Chart 4). The mortgage delinquency rate in Topeka was especially high, as were mortgage delinquency rates in eastern Kansas (Map).

In This Issue: Developments in the Automobile Credit Market

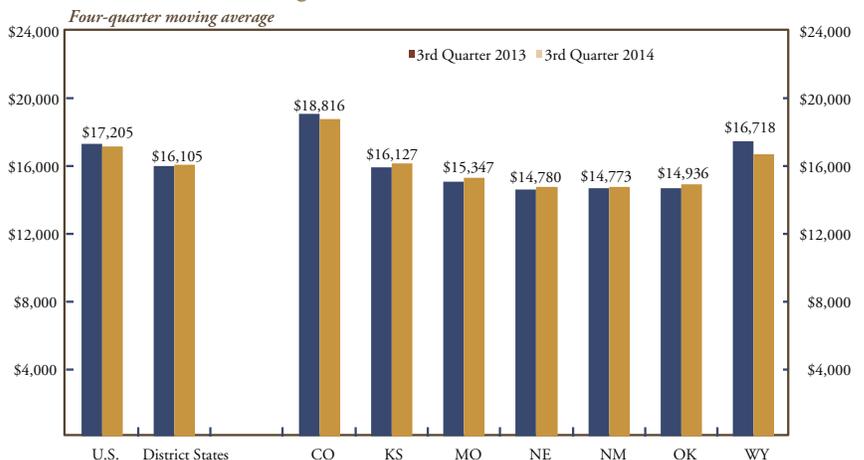
The rise in automobile sales following the recession has led to a rise in auto debt, as 73 percent of U.S. auto sales are financed. Average outstanding balance has increased in both Kansas and the U.S. (Chart 5). While auto loan balances have increased, delinquencies have declined. Finance company debt is much more likely to be delinquent than bank debt, with third quarter rates at 9 percent and 4.4 percent, respectively, in Kansas (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.

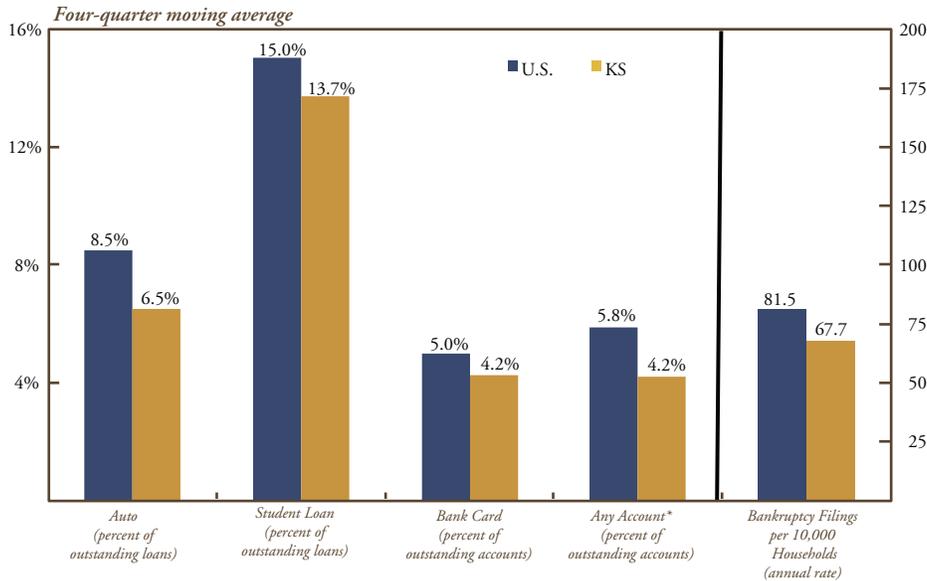
Chart 2: Average Debt Per Consumer



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.



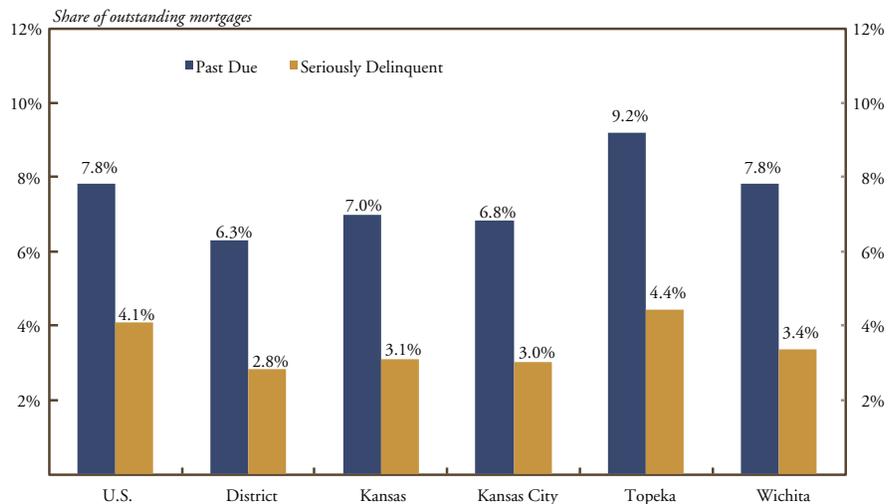
Chart 3: Average Consumer Delinquency Rates



**"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

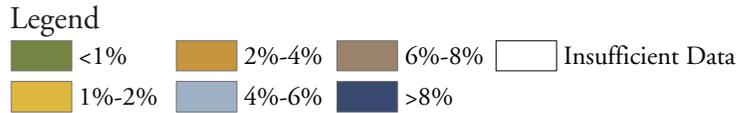
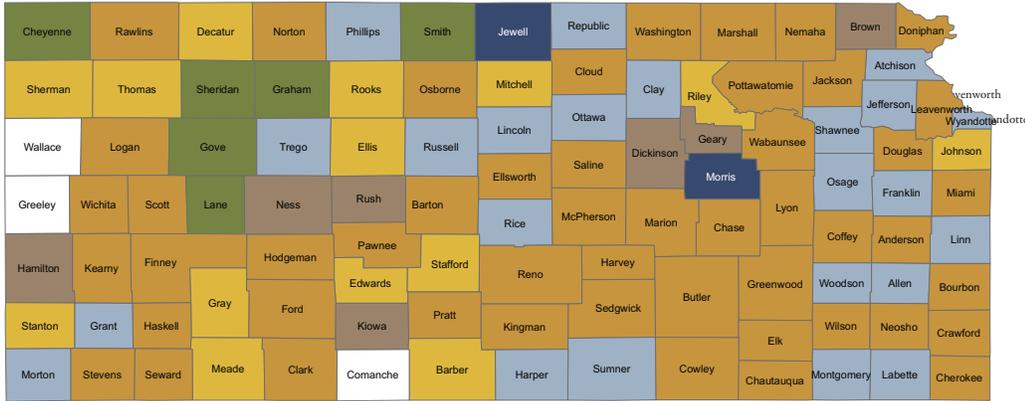


Source: Lender Processing Services Inc.

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.

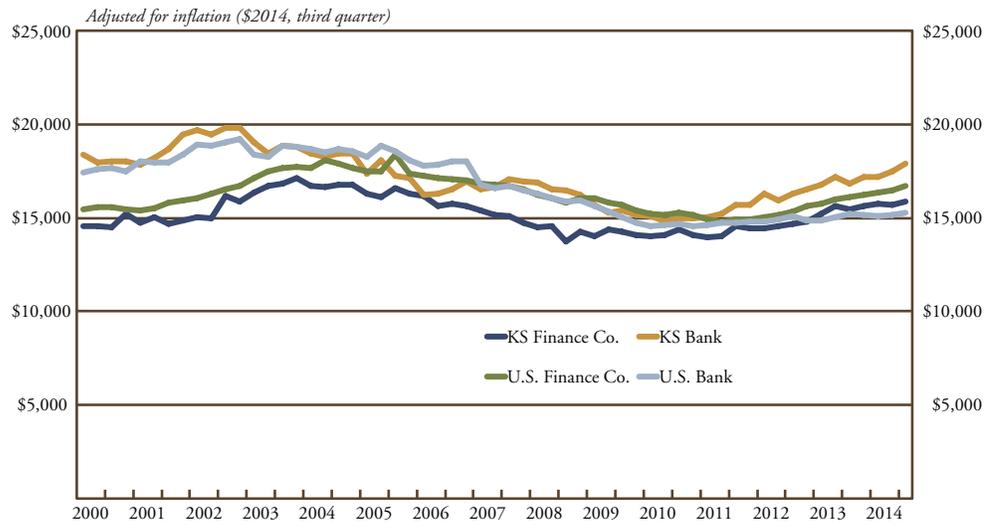


Map: Seriously Delinquent Rates By County



Source: Lender Processing Services Inc.
 Note: "Seriously delinquent" represents mortgages that are 90 days or more past due or in foreclosure.

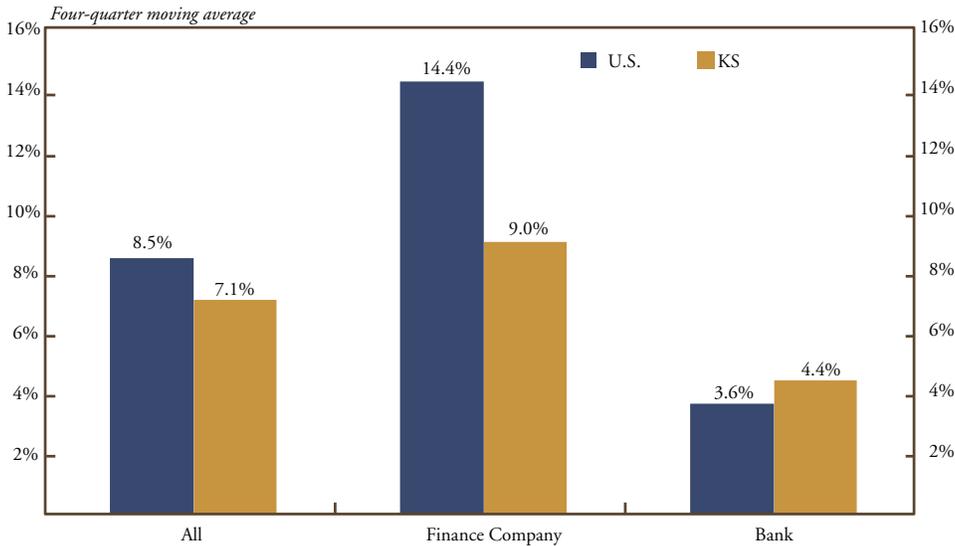
Chart 5: Outstanding Auto Loan Balance by Issuer Type



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.

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