Summary

Average consumer debt in New Mexico continued to decline in the first quarter. At $14,860, average consumer debt was down 5.7 percent over the past year (Chart 1). By contrast, average consumer debt has been rising consistently in all other District states, and more recently, in the U.S. as a whole (Chart 2). Recent weakness in the New Mexico economy is likely responsible for this pattern. Consumer delinquency rates were mixed when compared to the U.S., but the overall delinquency rate (“any account”), which includes mortgages, was significantly lower. The bankruptcy filing rate continued to be the lowest in the District. Mortgage delinquencies remained much higher than in other District states and were especially high in the Albuquerque area (Chart 4). Serious mortgage delinquencies varied across the state but were especially high in metro areas (Map).

In This Issue: A Dynamic Look at Student Loan Debt and Delinquencies

Average student loan debt has been increasing steadily in New Mexico, as in the nation as a whole, but lies moderately below the District and U.S. averages at $23,490 ($25,180 in U.S.) (Chart 5). Median debt also closely followed U.S. trends until recently turning downward. In the most recent quarter, half of New Mexicans with student loan debt had debt less than $12,500, while half had more. The steady increase in per-borrower debt in the U.S., and until recently in New Mexico, is explained in the District report. Consistent with national trends, the student loan delinquency rate has dropped considerably in recent quarters (Chart 6).
Chart 3: Average Consumer Delinquency Rates

Four-quarter moving average

- Auto (percent of outstanding loans)
- Student Loan (percent of outstanding loans)
- Bank Card (percent of outstanding accounts)
- Any Account (percent of outstanding accounts)
- Bankruptcy Filings Per 10,000 Households (annual rate)


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.

Chart 4: Mortgage Delinquencies

Share of mortgages outstanding

Source: Lender Processing Services Inc.

Notes: "Past due" represents mortgages that are 30 days or more delinquent, including those in foreclosure. "Seriously delinquent" represent mortgages that are 90 days or more past due or in some stage of the foreclosure process.
Map: Serious Delinquency Rates by County

Legend:
- <1%
- 1%-2%
- 2%-4%
- 4%-6%
- 6%-8%
- >8%
- Insufficient Data

Source: Lender Processing Services Inc.
Note: Serious delinquencies represent mortgages that are 90 or more days past due or in some stage of the foreclosure process.

Chart 5: Inflation-Adjusted Average Outstanding Student Loan Debt per Consumer Holding Student Loan Debt

Source: Author’s calculations using data from The Federal Reserve Bank of New York Consumer Credit Panel/Equifax.
Chart 6: Share of Outstanding Student Loans 30 or More Days Past Due (including those in forbearance and deferral)

Source: Author’s calculations using data from The Federal Reserve Bank of New York Consumer Credit Panel/Equifax.
Note: Excludes loans classified as “severe derogatory,” which have had balances charged-off.

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.