Summary

Average consumer debt in Nebraska increased by $85 to $14,780 in the third quarter (Chart 1). Consumer debt has climbed 8.6 percent from the first quarter of 2011, but, along with New Mexico, remains the lowest in the District (Chart 2). Revolving debt increased for the first time in three years, but was down 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 installment debt, made up largely of student loans and auto loans, has been increasing fairly rapidly.

Delinquency rates on consumer debt in Nebraska were substantially lower than national rates in all categories (Chart 3). The delinquency rate for any account in Nebraska was 2.5 percent, changing little from the second quarter. The personal bankruptcy filing rate fell and was significantly lower than the U.S. rate, which also fell. The past-due mortgage rate increased in the third quarter, to 5.5 percent from 5.4 percent in the second quarter (Chart 4). Mortgage delinquency rates varied widely across the state (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 in both Nebraska 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 in Nebraska at 6.3 percent and 2.7 percent, respectively, well below delinquency rates in other District states (Chart 6).
Chart 3: Average Consumer Delinquency Rates

Four-quarter moving average

Chart 4: Mortgage Delinquencies

Share of outstanding mortgages

*“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.

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

Legend

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

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.
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.