

COMPLIANCE INSIGHTS

PRESENTED TO THE
*TEXAS CONSUMER
FINANCE ASSOCIATION*

July 11, 2019





TEXAS OFFICE of CONSUMER
CREDIT COMMISSIONER

COMPLIANCE INSIGHTS

Legislation

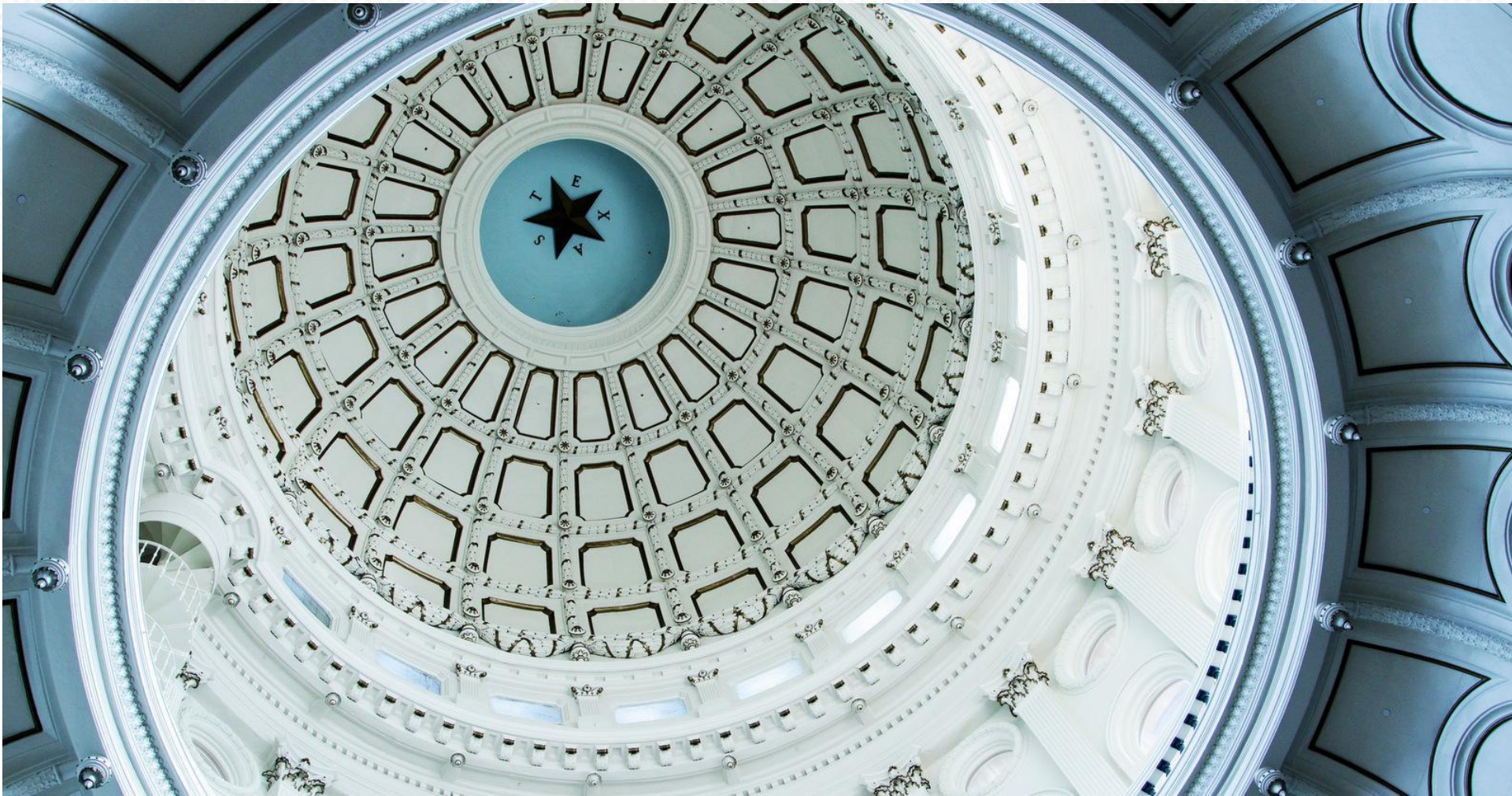
Regulatory Issues: Complaints and Exams

Federal Issues



TEXAS OFFICE of CONSUMER
CREDIT COMMISSIONER

COMPLIANCE INSIGHTS



LEGISLATION

CONSUMER COMPLAINTS

342-F Consumer Complaints

Fiscal Year	FY '18 to June 30, 2018	FY '19 to June 30, 2019	% Change
# of Complaints Received	144	76	(47.2)%
# of Complaints Processed	151	81	(46.4)%
% of all Complaints Processed	10.7%	5.6%	
\$\$\$ Restitution	\$523.35	\$88.75	

Primary Complaint Issues in FY 2019

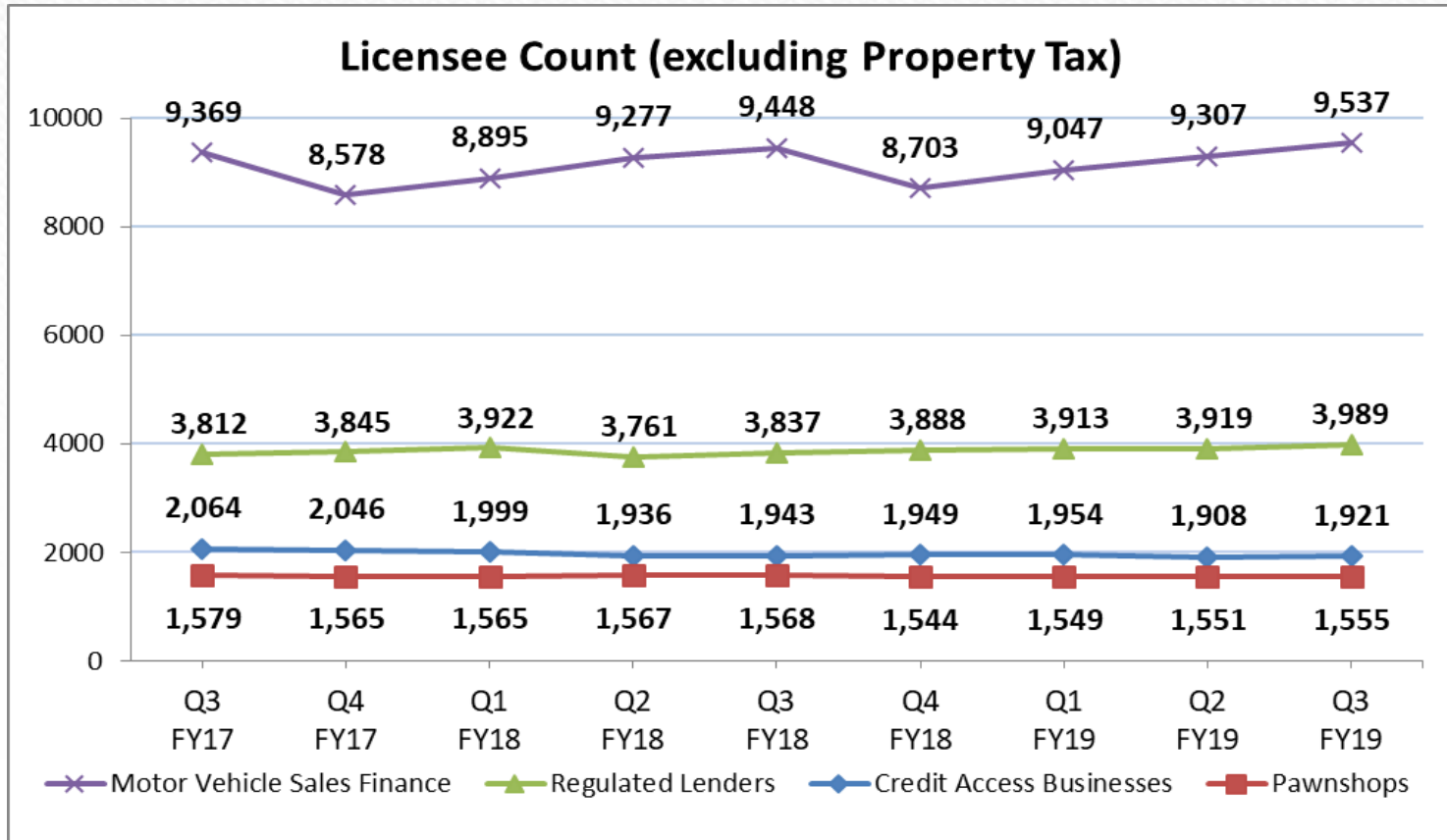
21%	Collection Practices and Contacts (frequent or repeated phone calls, contacting at work and home visits)
12%	Advertising and Loan Solicitation Do Not Call – Live Checks
11%	Consumers seeking assistance in hardship situations or extended payment plans
11%	Disputing account balances and improper payment postings

- CFPB Payday Lending Rule
- CFPB Debt Collection Rule
- FTC Safeguards Rule



Texas Consumer Installment Loan Data Trends

Preliminary 2018 data
(as of 7/1/2019)



**Data as of 6/1/2019*

Leading Indicators

Consumer Confidence Index down 9.8 points
(May to June) ↓

Yield curve is still inverted but the spread
between the 10 year and 3 month rates drew
closer by 9 basis points (May to June) ↔

Lagging Indicators

GDP up 3.1% (Q4 18 to Q1 2019) ↑

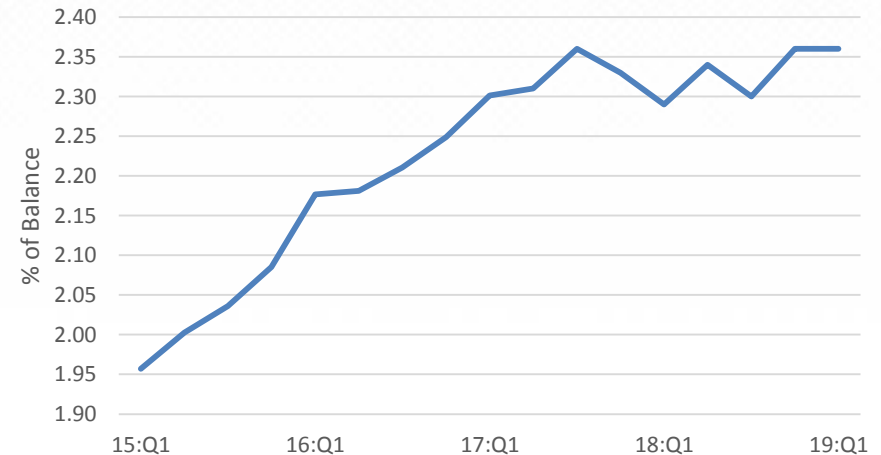
Unemployment Rate unchanged at 3.6%
(April to May) ↔

National Credit Delinquencies

New Seriously Delinquent (90+ Days) Credit Cards

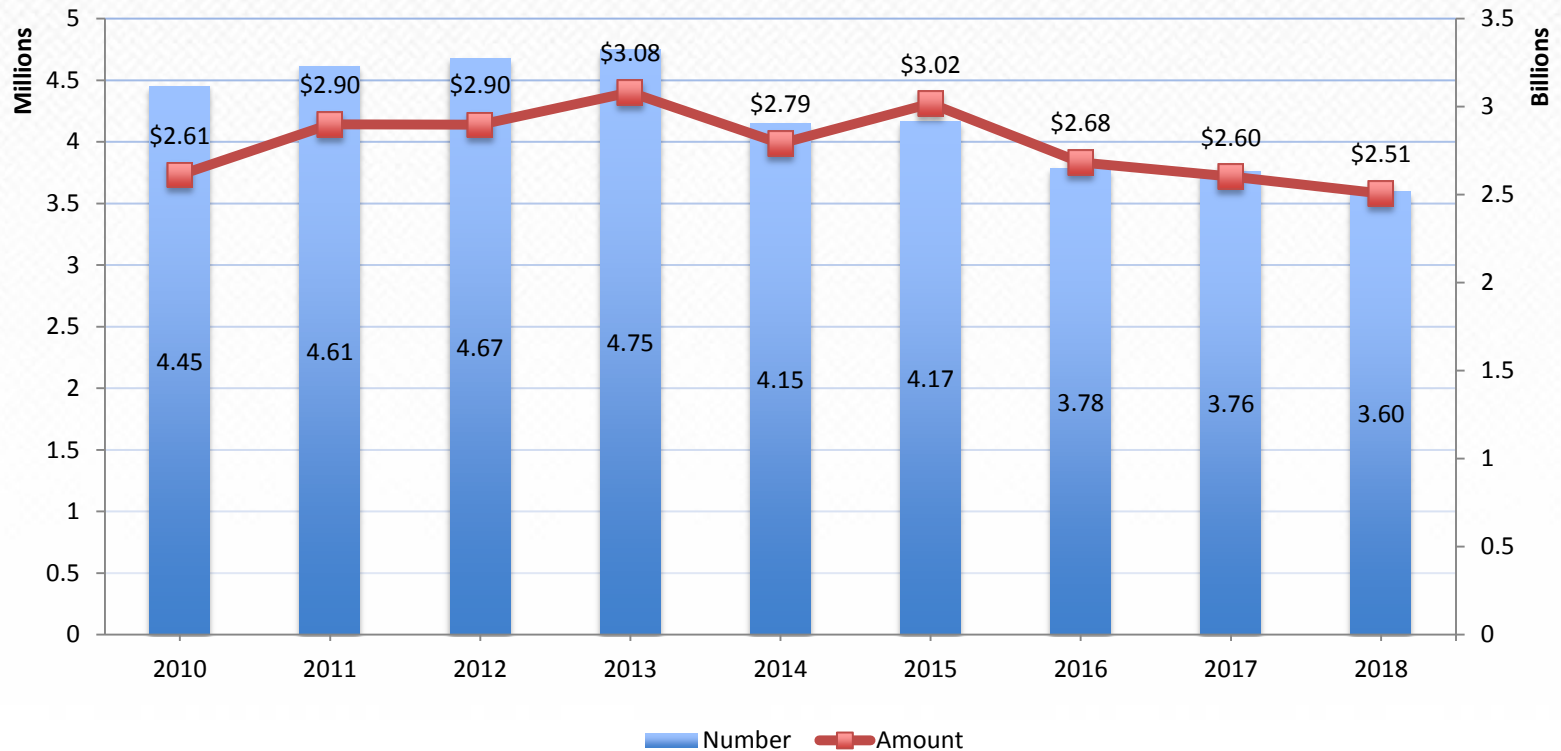


New Seriously Delinquent Auto Loans



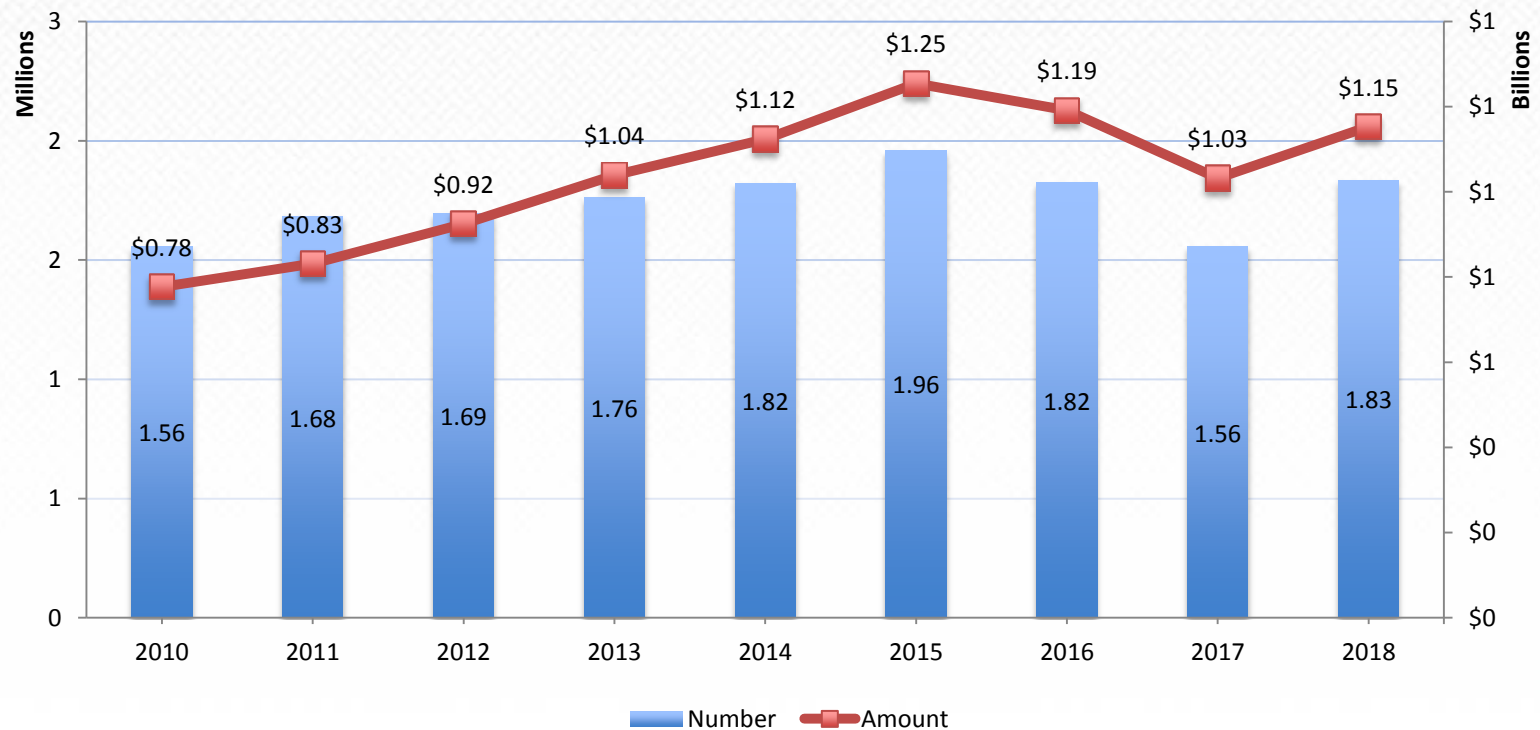
Historical Report Data - Small Installment Loans (342-F)

Loans Made



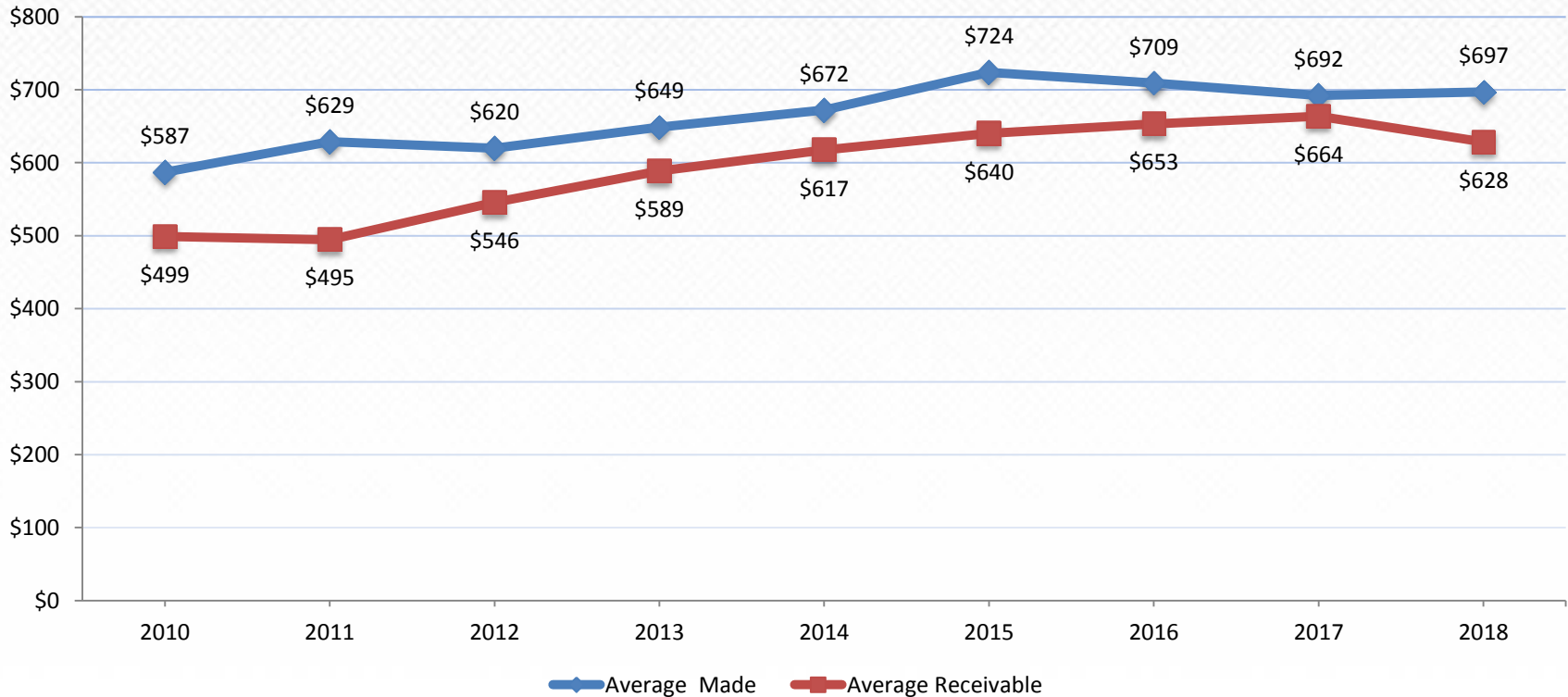
**Preliminary data through 6/14/2019*

Loans Receivable



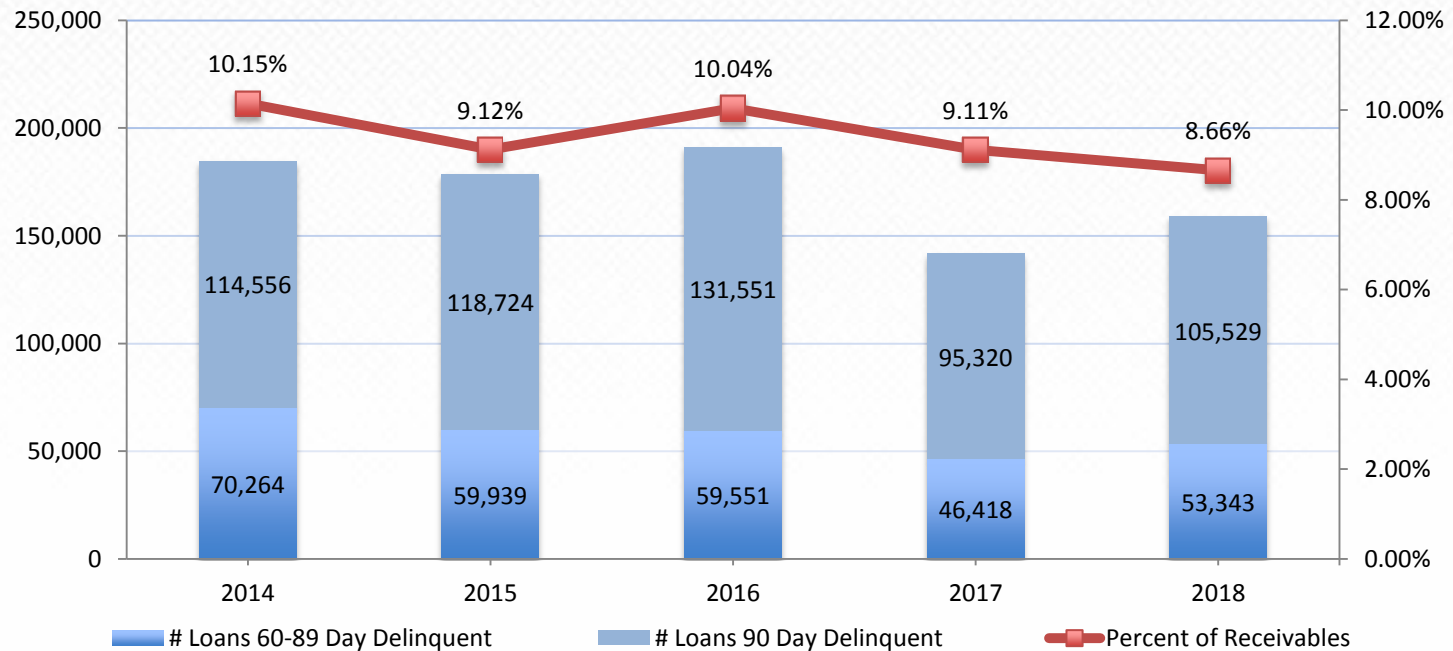
**Preliminary data through 7/1/2019*

Average Amounts

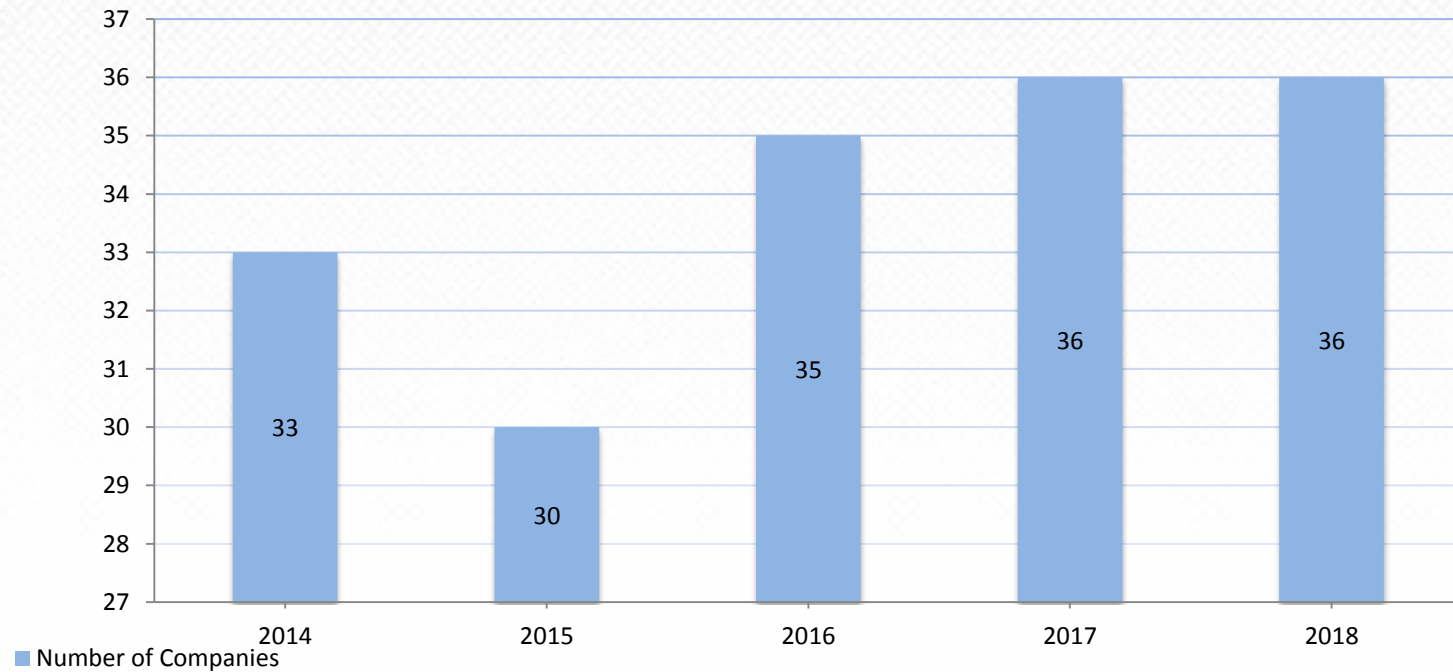


**Preliminary data through 6/14/2019*

Number of Delinquent Regulated Loans*

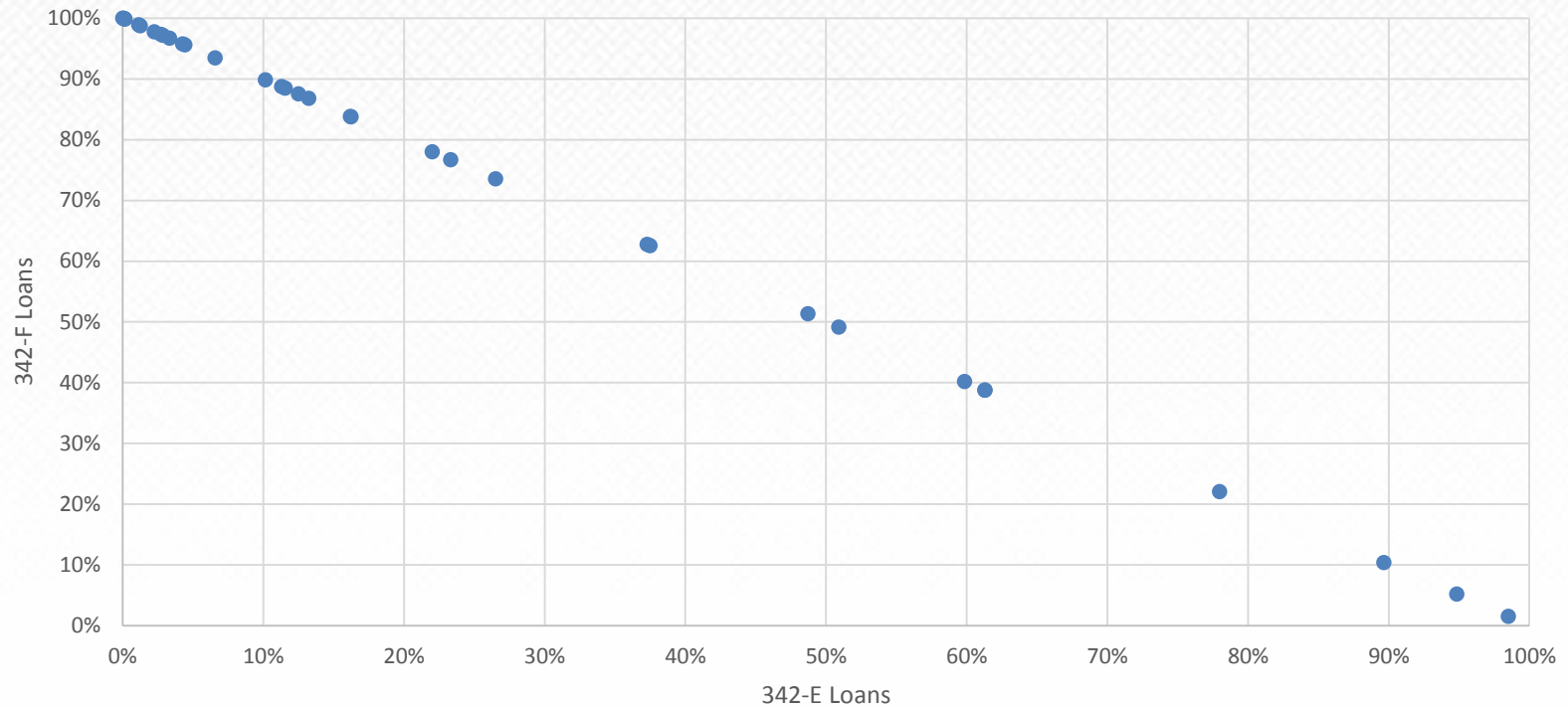


*May include other types of Regulated Loans

Companies making both 342-F and 342-E Loans

Companies with Multiple Product Lines

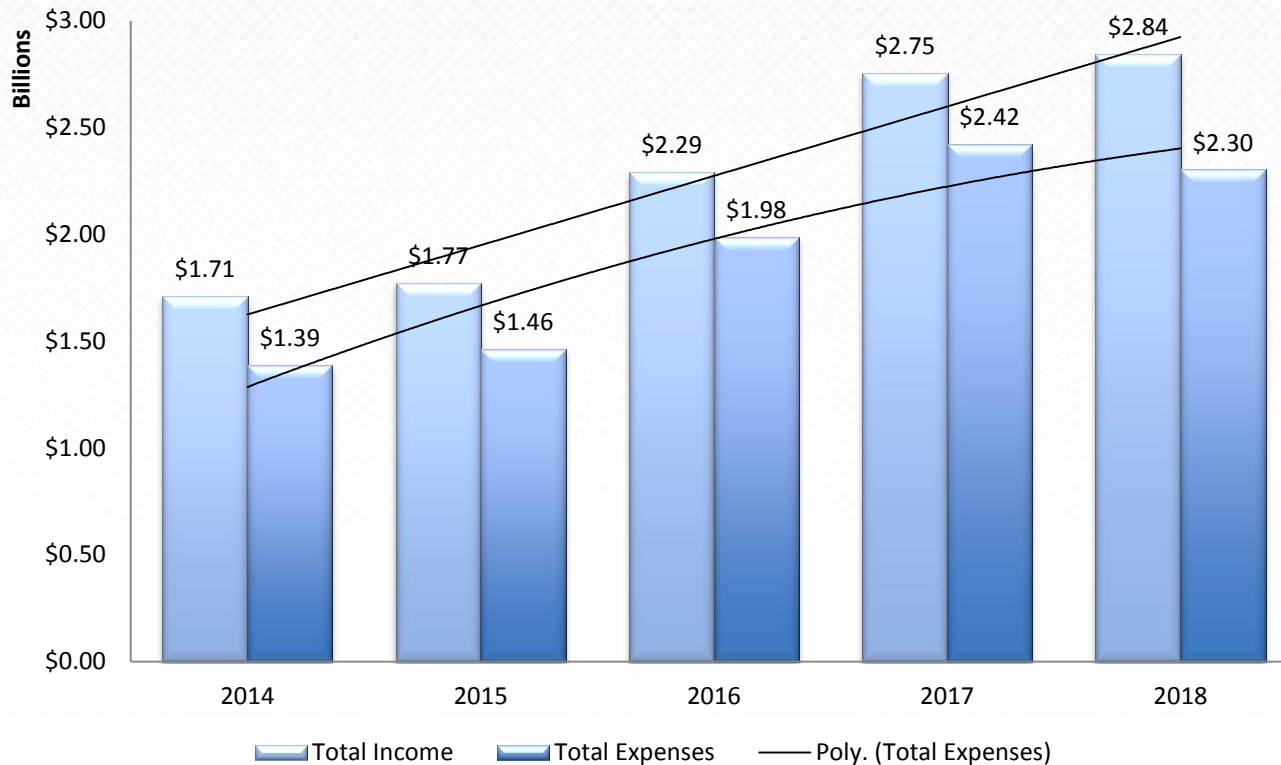
Companies with Percentage of Loans by Type



*77% of companies make majority 342-F loans
23% make majority 342-E loans.*

Historical Income Statement (342-F Companies)

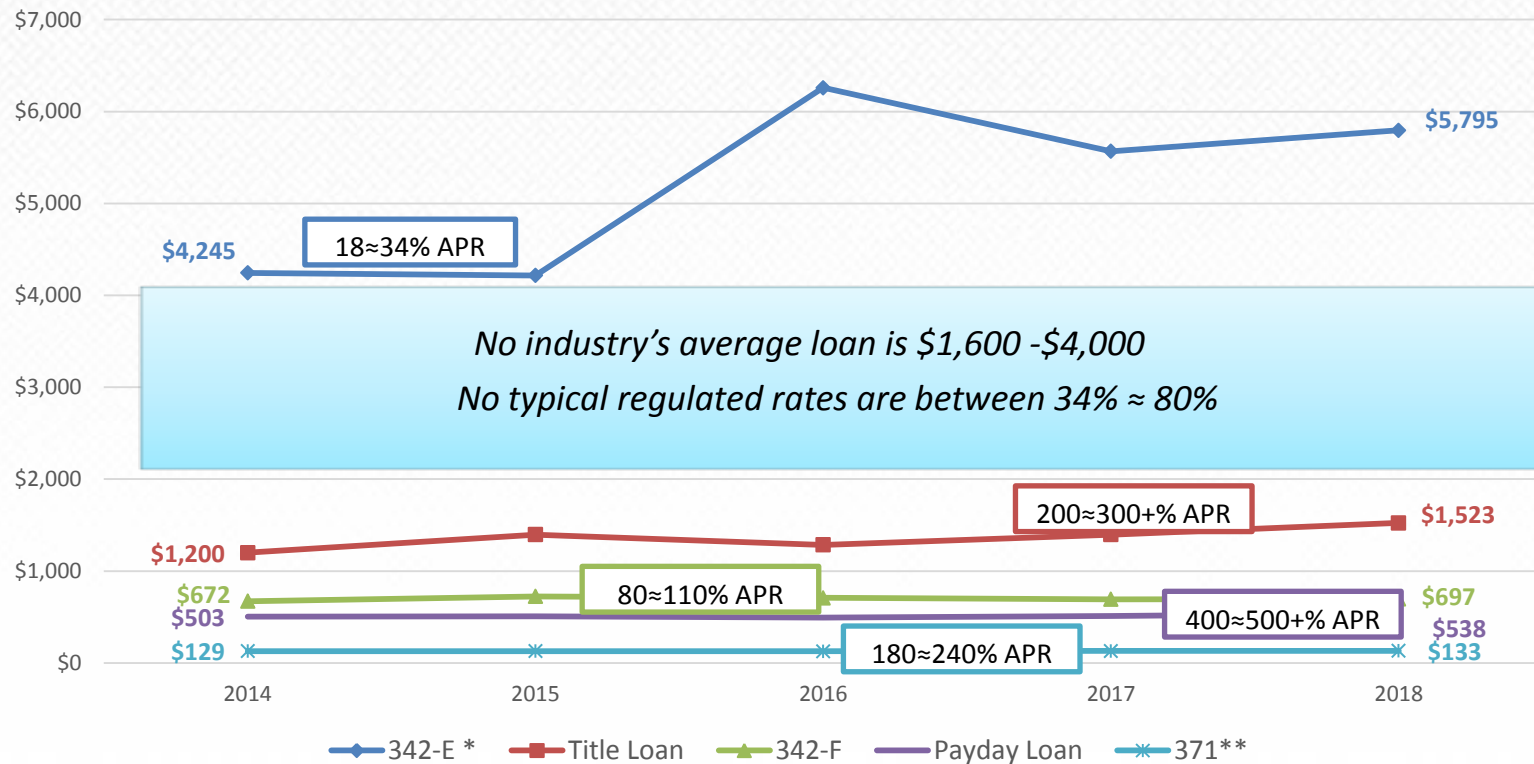
Total Income (company wide)



**2018 data is preliminary. Includes income and expenses from all business activity.*

Average Amounts and Rates of Texas Licensed Lenders

Average Loan Amounts (All Reported Loans)



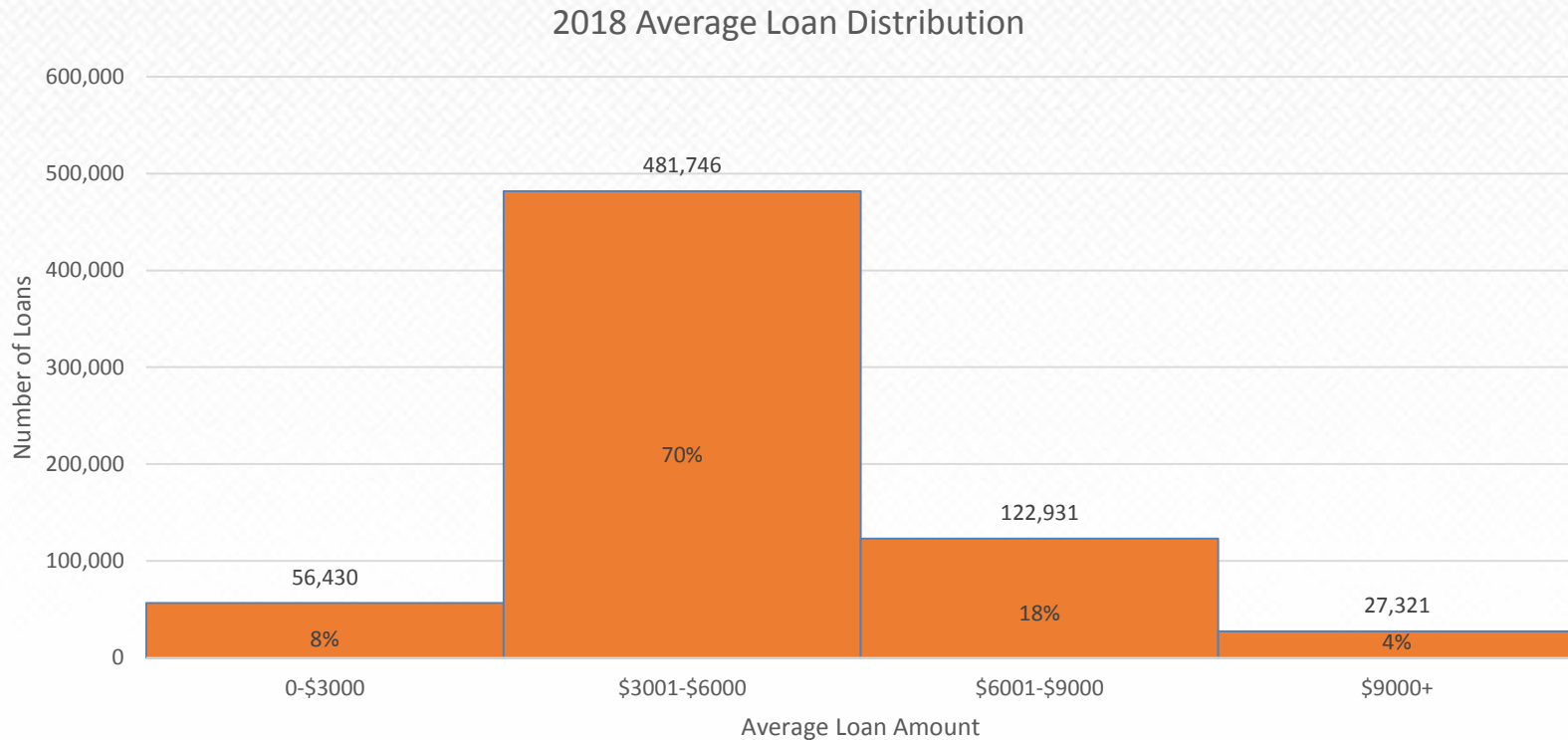
* Average data for 342-E is affected by the increase in loans designed for refinancing student and automobile loans

**Preliminary Data collected through 7/1/19



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Number of 342-E Loans Made by Individual Company's Average Loan Amount



Loan ranges are based on averages reported by each company. The total number of loans are the number of loans that companies that fall in those average ranges reported.

- Bureau of Economic Analysis. (2019, June 27). *Gross Domestic Product*. Retrieved from BEA: <https://www.bea.gov/data/gdp/gross-domestic-product>
- Bureau of Labor Statistics. (2019, June 28). *Data Tools*. Retrieved from <https://data.bls.gov/pdq/SurveyOutputServlet>
- Federal Reserve Bank of New York. (2019, June 28). *Household Debt and Credit*. Retrieved from <https://www.newyorkfed.org/microeconomics/hhdc/background>
- The Conference Board. (2019, June 28). Retrieved from Consumer Data: https://www.conference-board.org/pdf_free/press/TechnicalPDF_4134_1298367128.pdf
- U.S. Department of the Treasury. (2019, July 1). *Daily Treasury Yield Curve Rates*. Retrieved from <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/TextView.aspx?data=yieldYear&year=2019>