

COMPLIANCE INSIGHTS

PRESENTED TO THE
*TEXAS CONSUMER
FINANCE ASSOCIATION*

July 11, 2019



TEXAS OFFICE OF CONSUMER
CREDIT COMMISSIONER



TEXAS OFFICE OF CONSUMER
CREDIT COMMISSIONER

COMPLIANCE INSIGHTS

Legislation

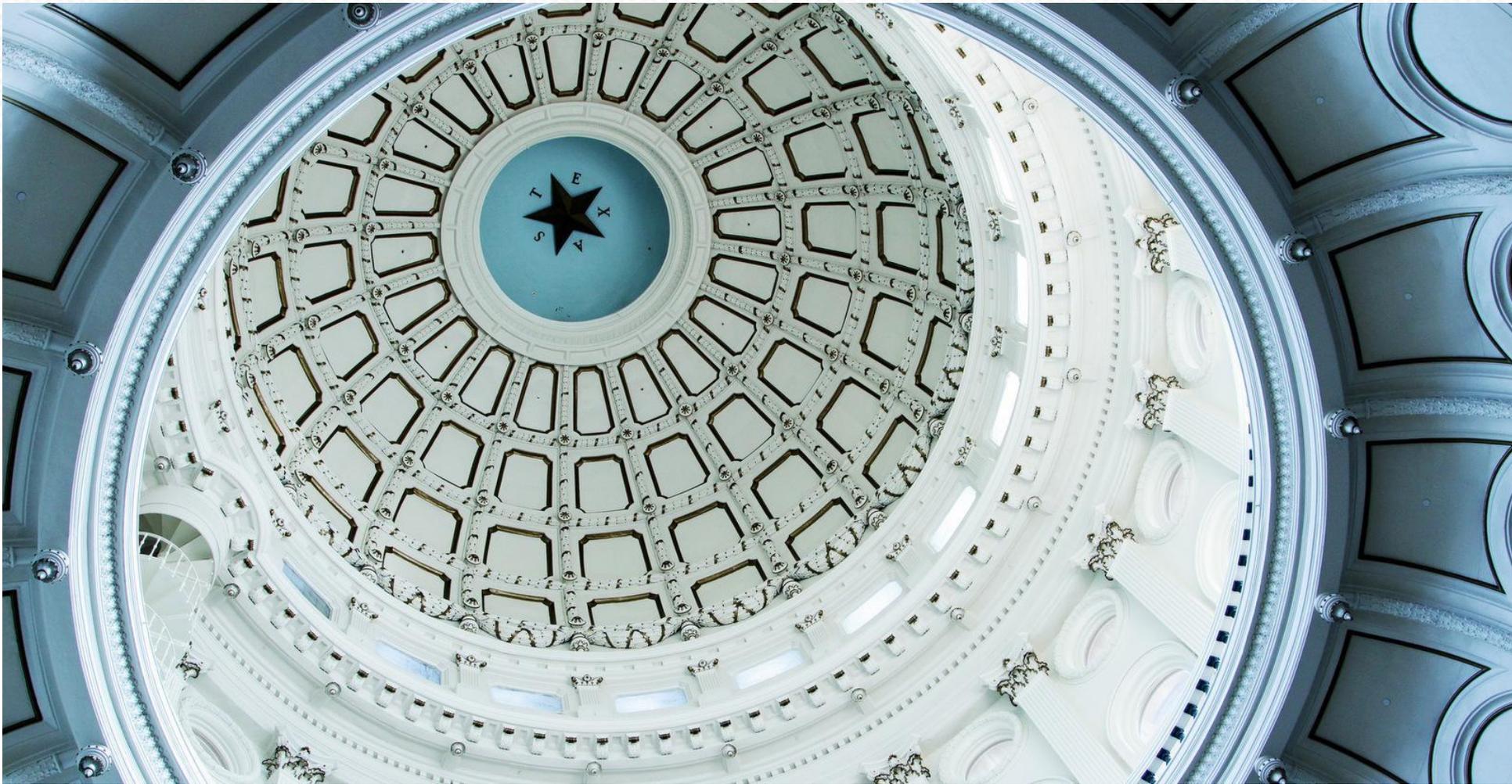
Regulatory Issues: Complaints and Exams

Federal Issues



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COMPLIANCE INSIGHTS



LEGISLATION

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

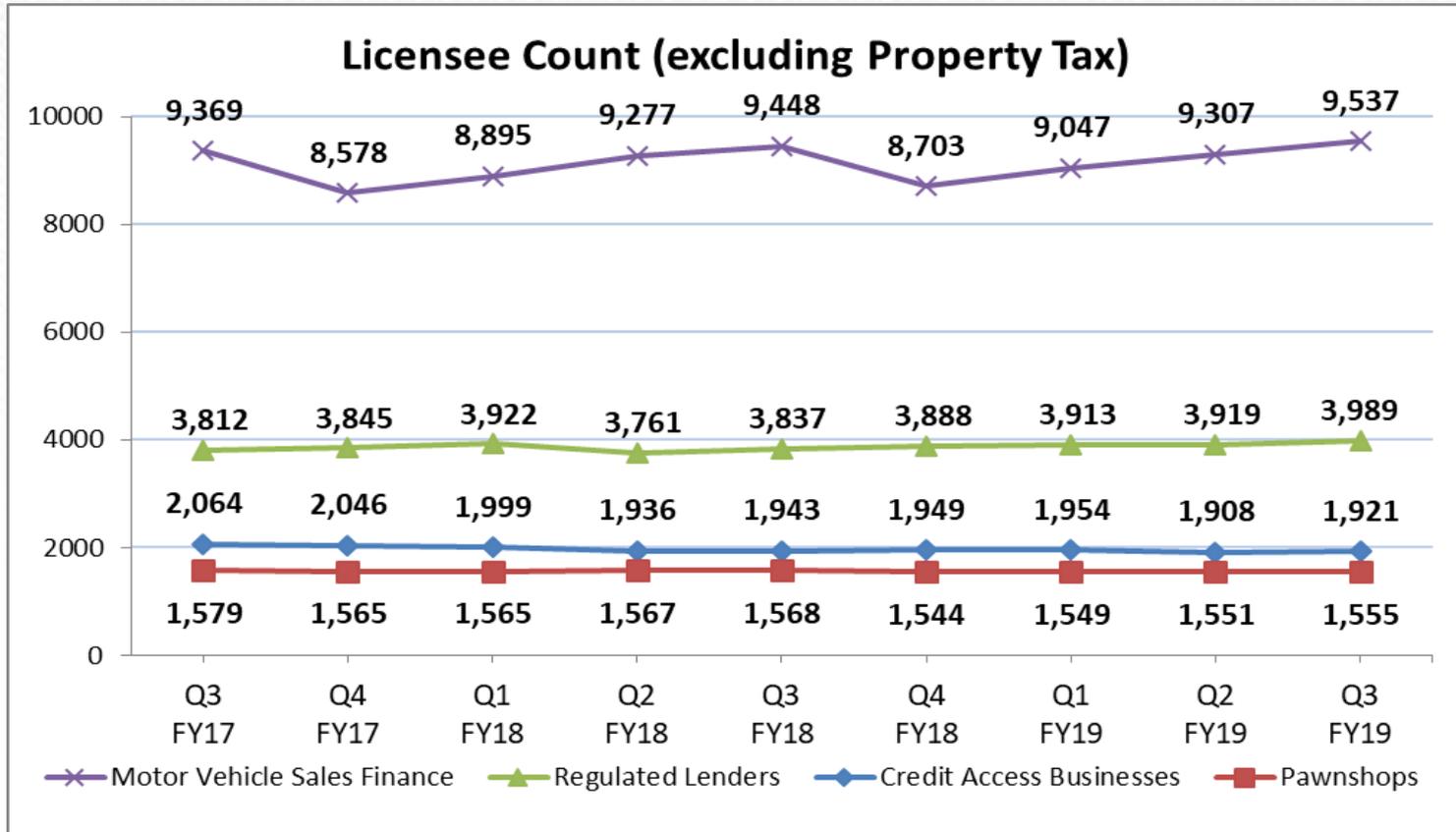
| | |
|-----|--|
| 21% | Collection Practices and Contacts (frequent or repeated phone calls, contacting at work and home visits) |
| 12% | Advertising and Loan Solicitation Do Not Call – Live Checks |
| 11% | Consumers seeking assistance in hardship situations or extended payment plans |
| 11% | Disputing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

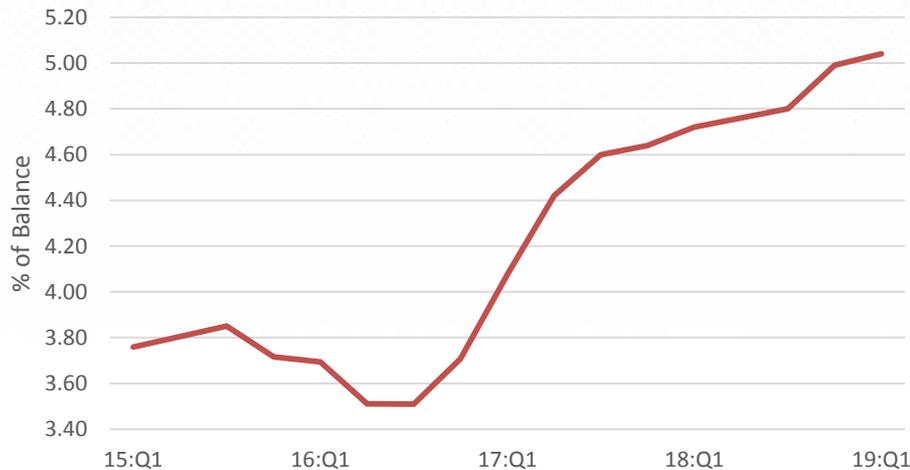
Lagging Indicators

GDP up 3.1% (Q4 18 to Q1 2019) ↑

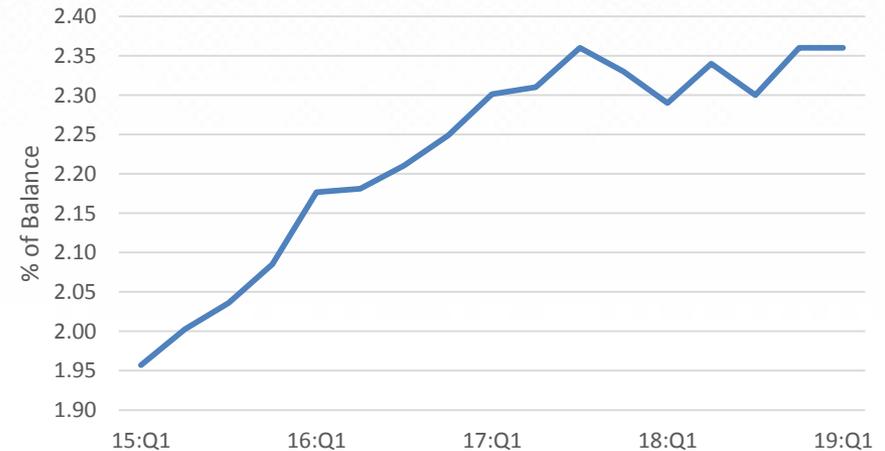
Unemployment Rate unchanged at 3.6%
 (April to May) ↔

National Credit Delinquencies

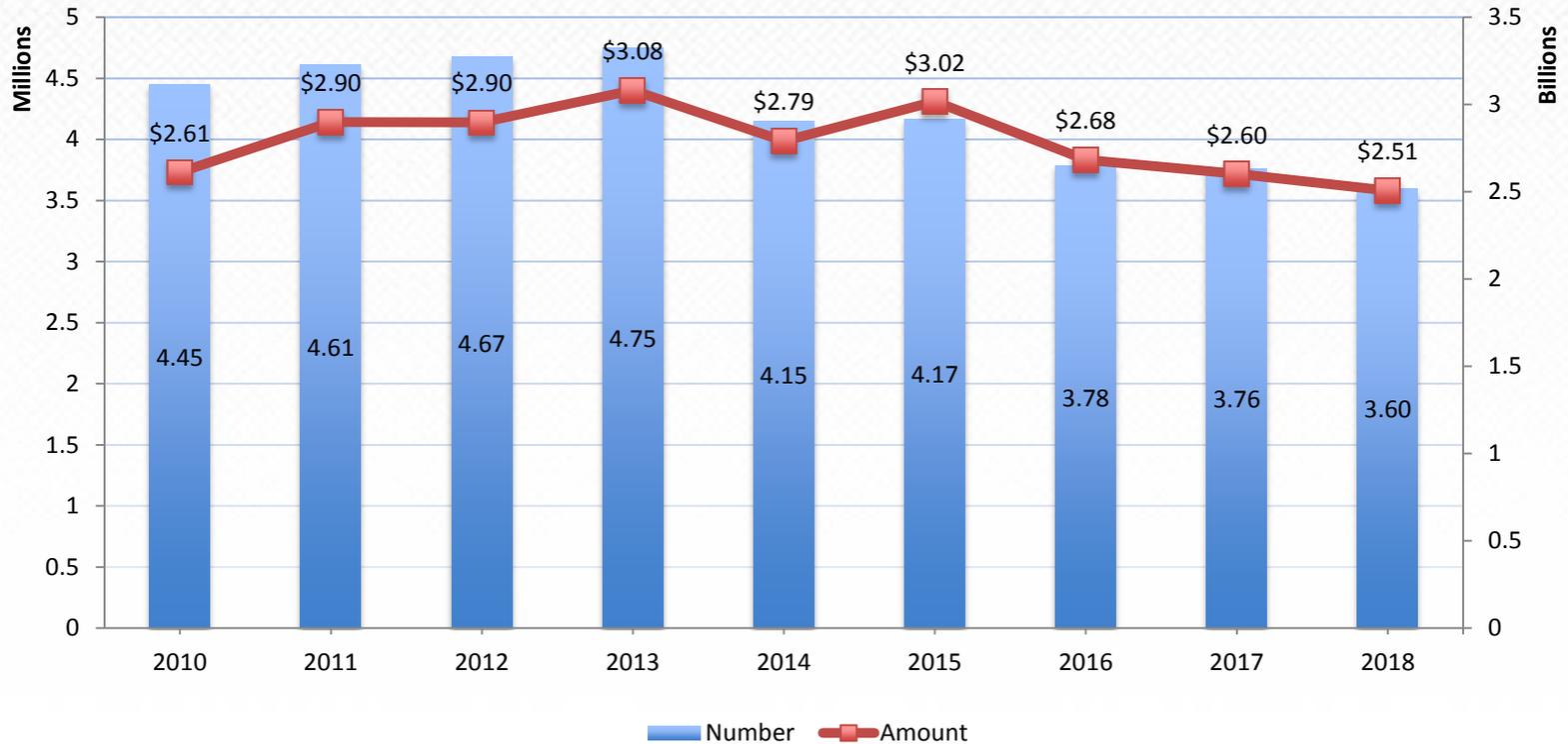
New Seriously Delinquent (90+ Days) Credit Cards



New Seriously Delinquent Auto Loans



Loans Made



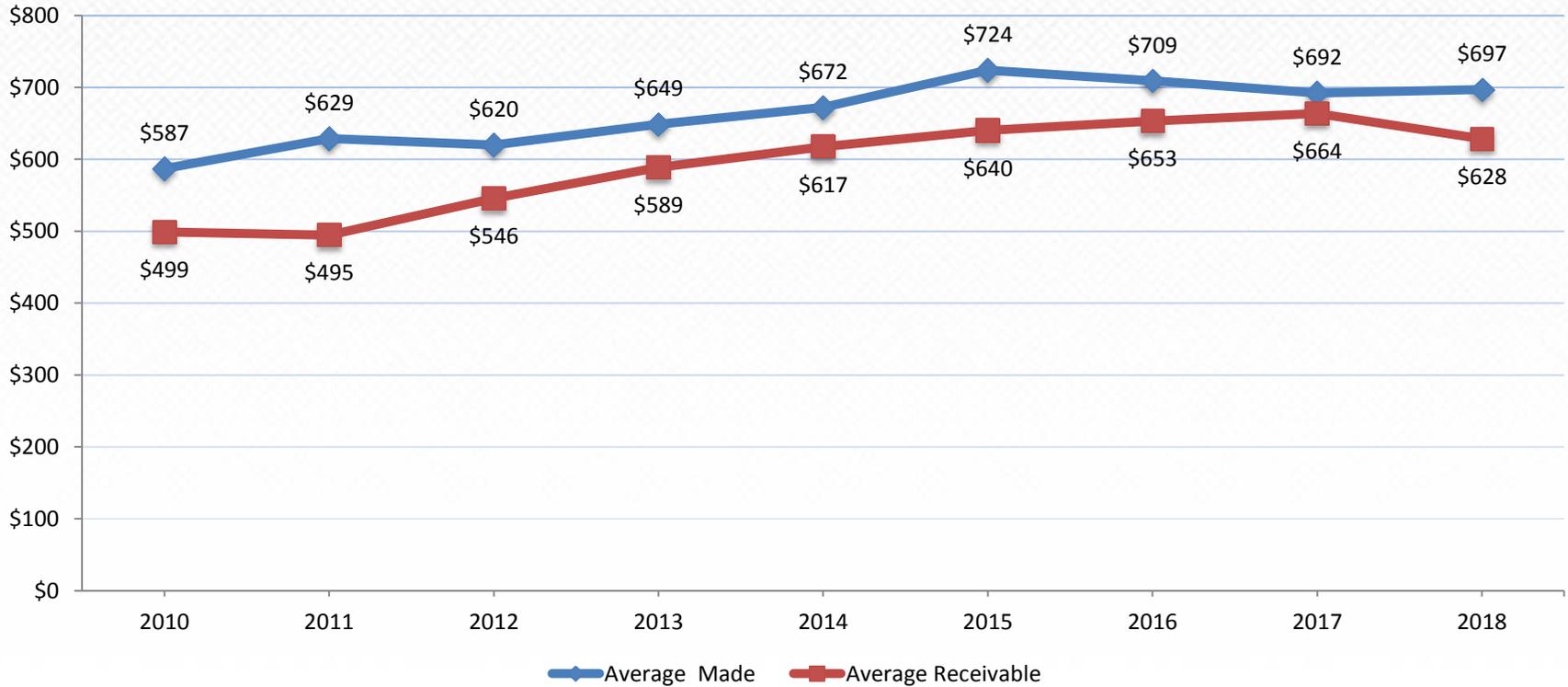
*Preliminary data through 6/14/2019

Loans Receivable



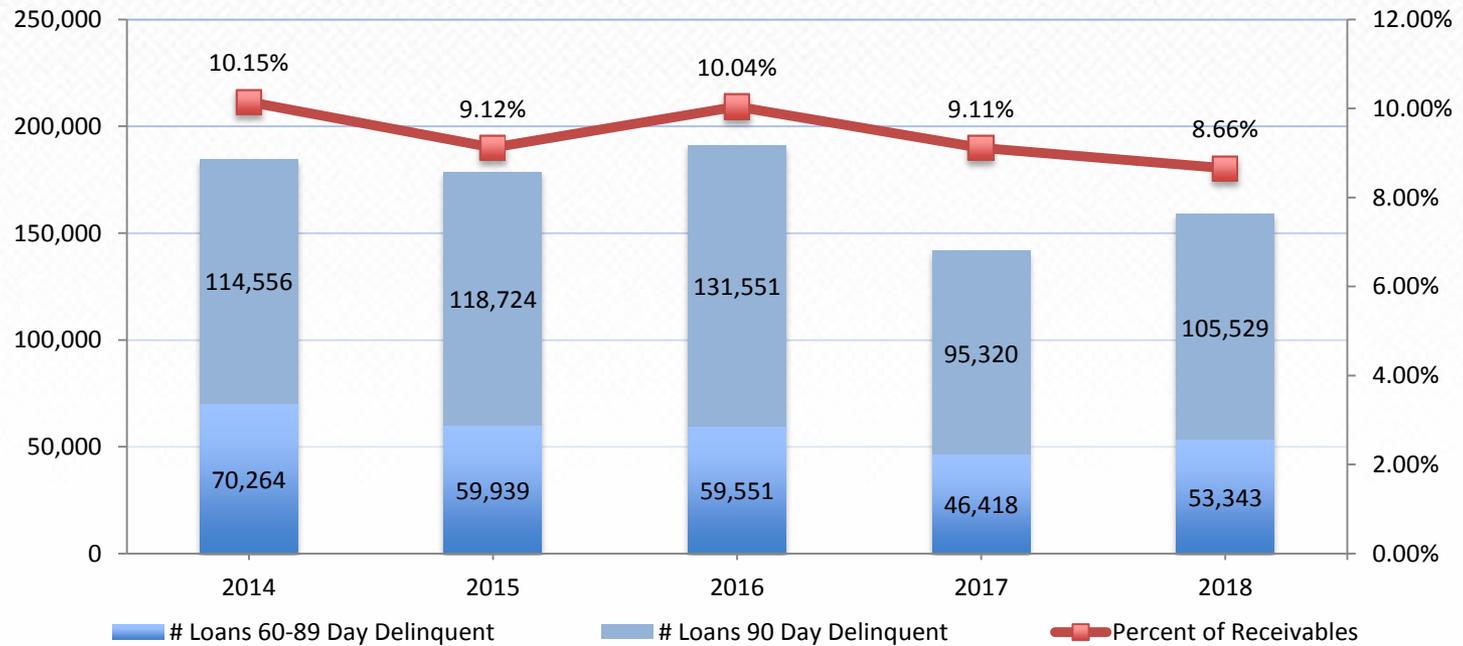
*Preliminary data through 7/1/2019

Average Amounts

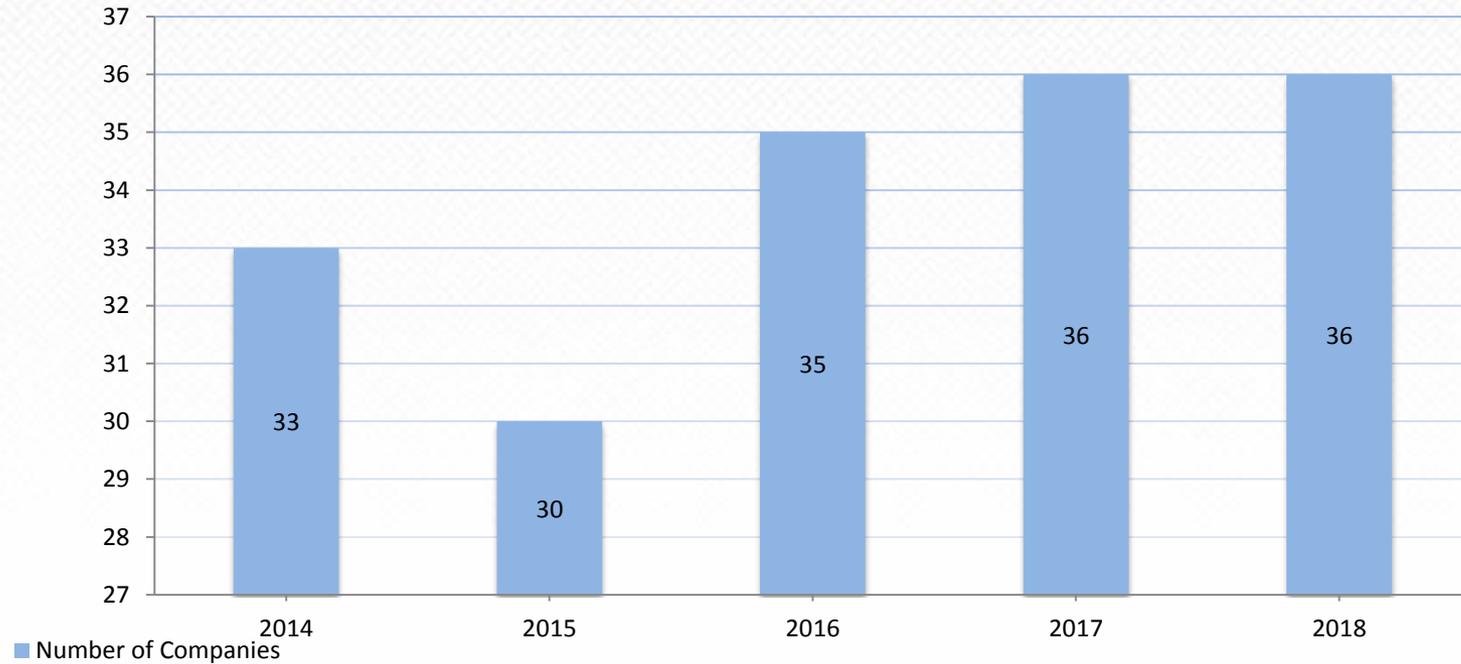


**Preliminary data through 6/14/2019*

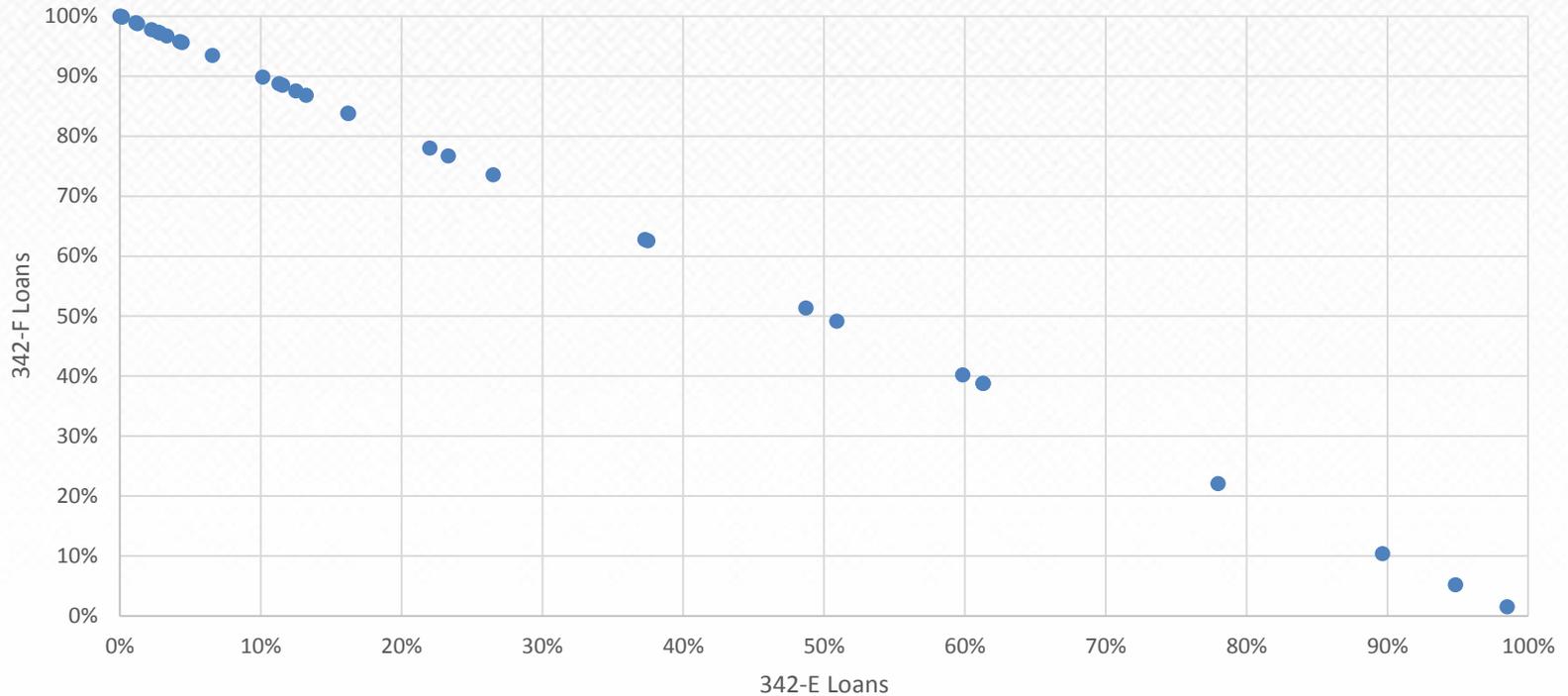
Number of Delinquent Regulated Loans*



*May include other types of Regulated Loans

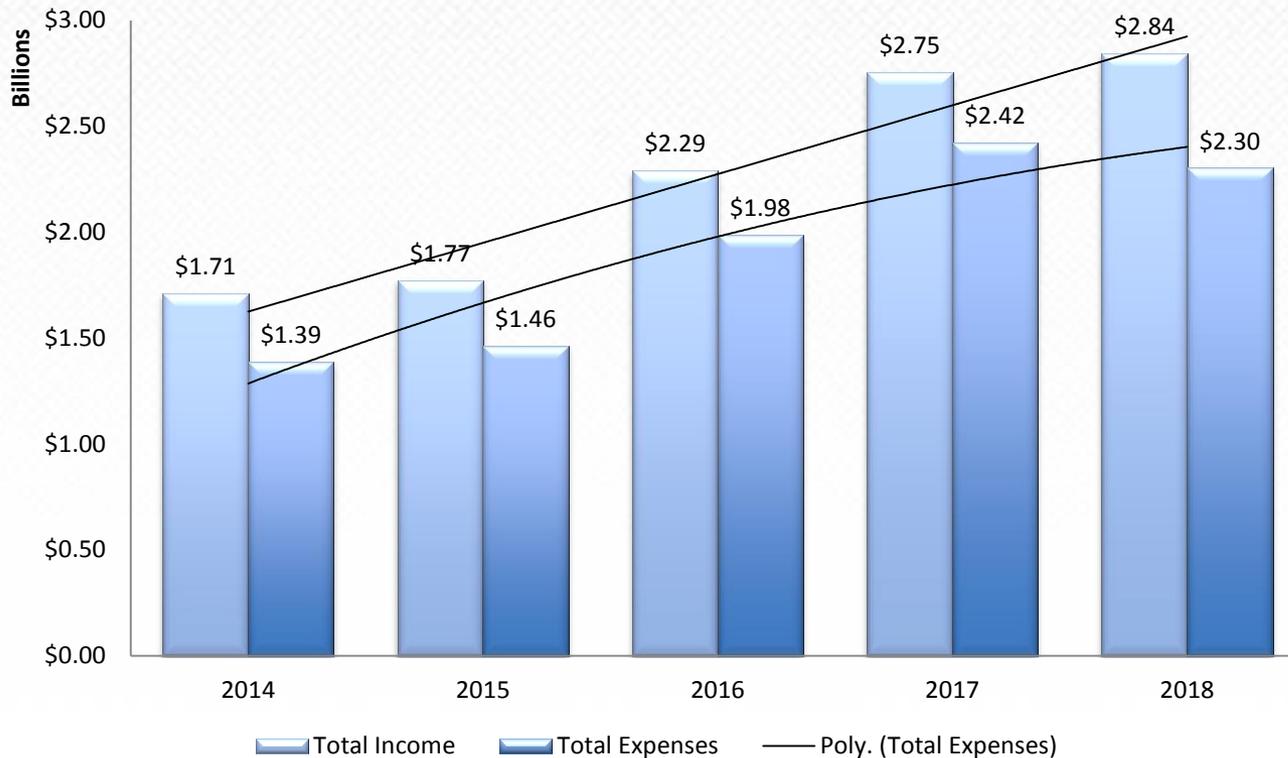
Companies making both 342-F and 342-E Loans

Companies with Percentage of Loans by Type



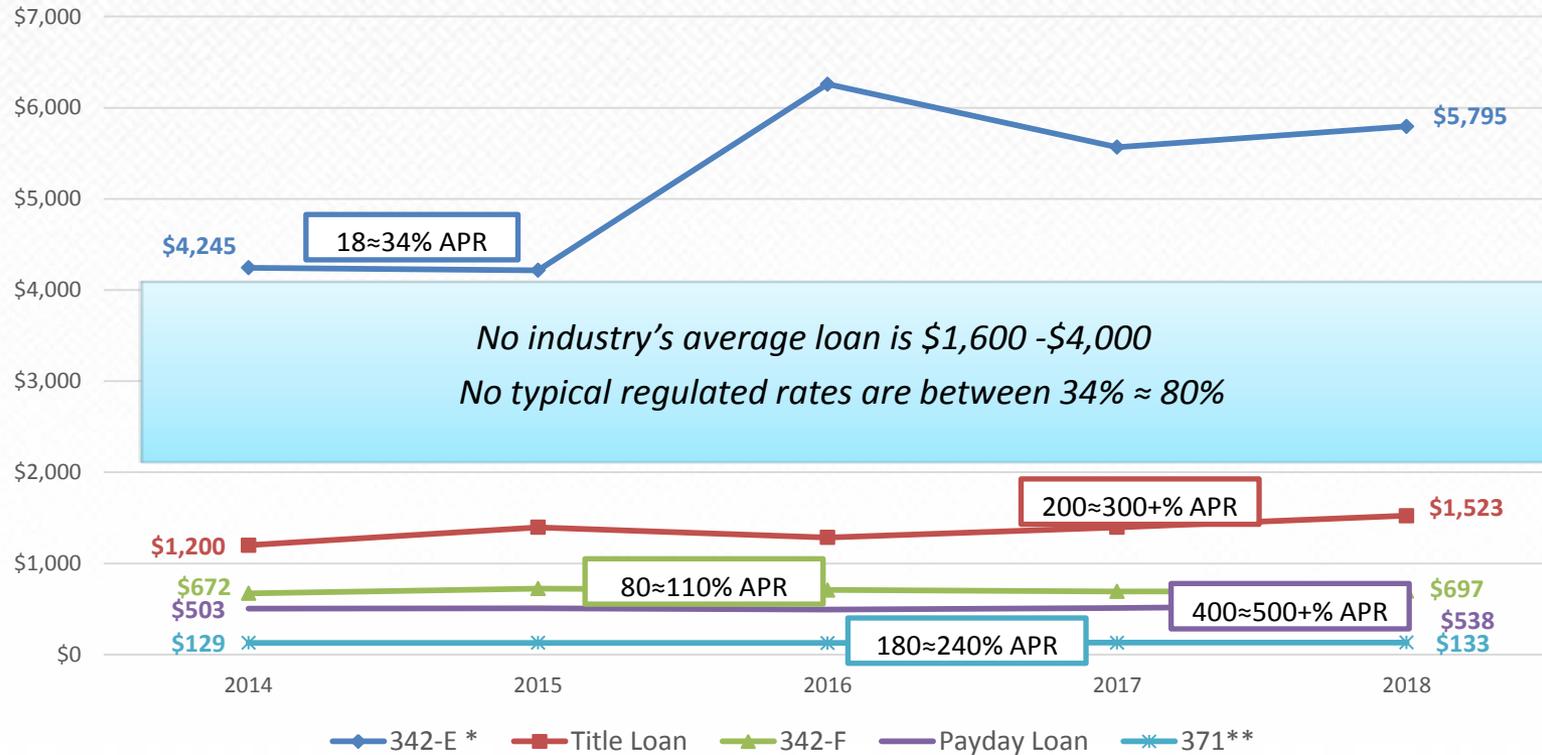
*77% of companies make majority 342-F loans
 23% make majority 342-E loans.*

Total Income (company wide)



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

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

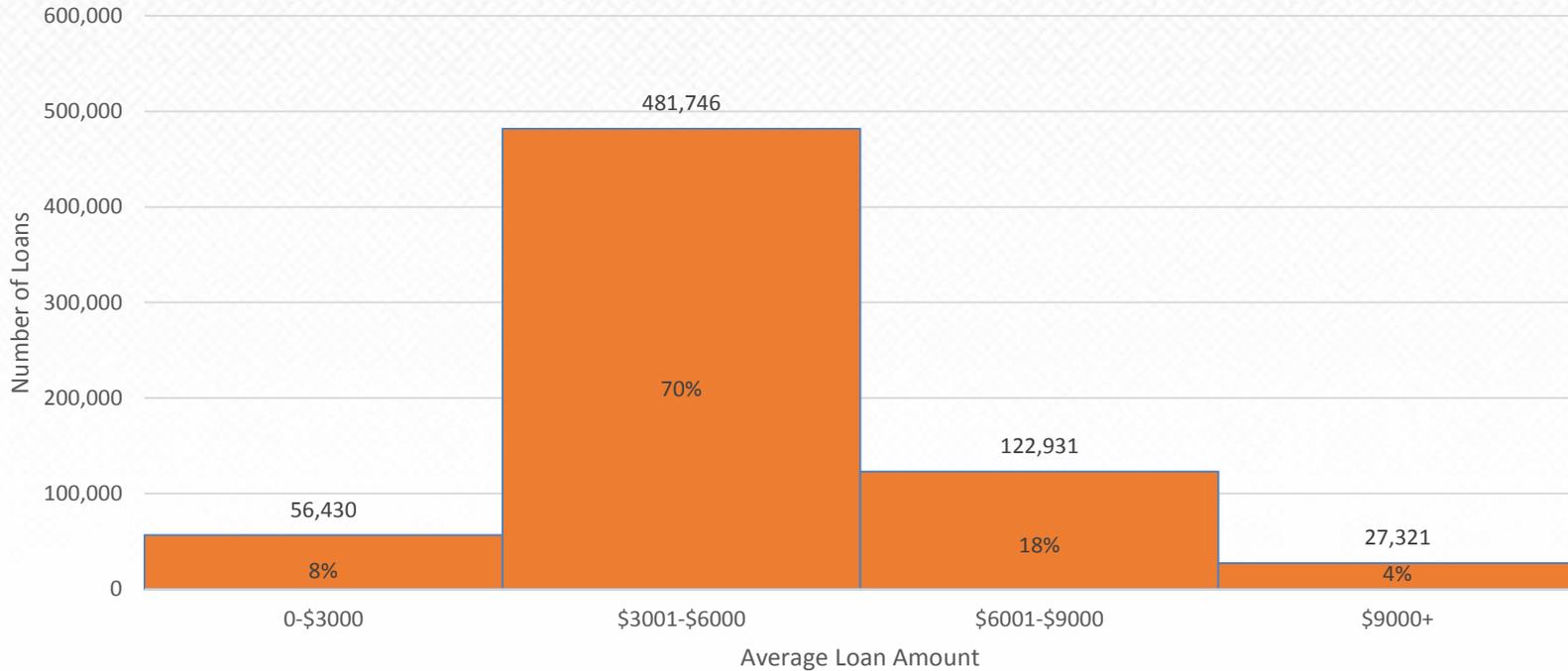
**Preliminary Data collected through 7/1/19



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

2018 Average Loan Distribution



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>