



Hawaii Consumer Debt Report: 2019 Update



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Acknowledgement

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Data Source and Terminology

The primary debt and delinquency data was provided by Experian Information Solutions, Inc. The data is based on a 10 percent random sample drawn from a population of consumers with at least one credit line; Hawaii residents were identified as consumers with at least one credit line and a Hawaii address (in the 2nd quarter of 2019, data covered 124,000 Hawaii resident consumers and 29.7 million consumers nationwide). Total consumer debt includes all consumer debt product types included in Experian's database. It does not include loans from family and friends and other non-commercial debt sources.

The main part of the report includes tables with the following credit indicators, measured both for Hawaii and for the U.S.: the ***total amount of loans outstanding*** for a specific category (expressed in millions of dollars); the ***average balance per account*** (in dollars); ***number of accounts, percent of population*** using the specific category of debt (measured as a proportion of the number of accounts to the total population with at least one credit line), and the ***delinquency rate*** (measured as the percentage of total accounts in a specific category that are 90 days or more overdue).

Per capita references, widely used in this report, are calculated based on the scored population of consumers with at least one credit line, not the overall population.

In summary, the main figures reported are:

- Total debt
- Debt per capita (population with at least one credit line)
- Debt overview, most recent quarter
 - Use of credit by consumers
 - Average credit outstanding per account
 - Consumer debt servicing – payment per credit line
 - Credit quality and delinquency rates overview
- Debt by category, time series
 - Average loan balance
 - Category usage
 - Delinquency rates

The second source of data is the Federal Reserve Bank of St. Louis, which publishes the Federal Funds Rate.

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EXECUTIVE SUMMARY

At the end of the second quarter of 2019, Hawaii's total consumer debt per capita of \$68,656 was considerably higher than that of U.S. consumers. Hawaii's average per capita consumer debt was more than \$20,000 above the nation, which was 46% higher than the U.S. per capita consumer debt of \$47,034. This was largely due to Hawaii's mortgage debt.

Table 1: Consumer Debt by Category, 2019 Q2

Credit Category	Hawaii (million \$)	%	U.S. (million \$)	%	HI as % of U.S.
Auto Loan and Lease	4,422.0	5.2%	1,299,303.0	9.3%	0.34%
Bank Card	4,156.1	4.9%	829,151.4	5.9%	0.50%
Mortgage	64,012.2	75.8%	9,608,767.5	68.7%	0.67%
Home Equity Line of Credit (HELOC)	4,358.0	5.2%	420,108.9	3.0%	1.04%
Home Equity Loan	1,314.7	1.6%	124,322.8	0.9%	1.06%
Personal	1,950.0	2.3%	305,258.0	2.2%	0.64%
Student loan	4,234.1	5.0%	1,405,370.5	10.0%	0.30%
TOTAL*	84,447.3	100.0%	13,992,282.1	100.0%	0.60%
Population with at least one credit line	1,230,000		297,490,000		0.41%
Population (July 1, 2018 estimate)	1,420,491		327,167,434		0.43%

Source: Experian 2019, U.S. Census

*Total does not equal sum of categories due to rounding.

For Hawaii consumers, mortgage debt comprised the largest share of the total consumer debt, at approximately 76% of the total. Mortgage debt as a share of total debt was lower in the U.S., at about 69% of total consumer debt. However, for both Hawaii and the nation, only about 18% of the population had mortgage debt. Although Hawaii's average mortgage debt balance was higher, Hawaii appeared to manage this debt better, as indicated by lower mortgage default rates than the U.S. overall.

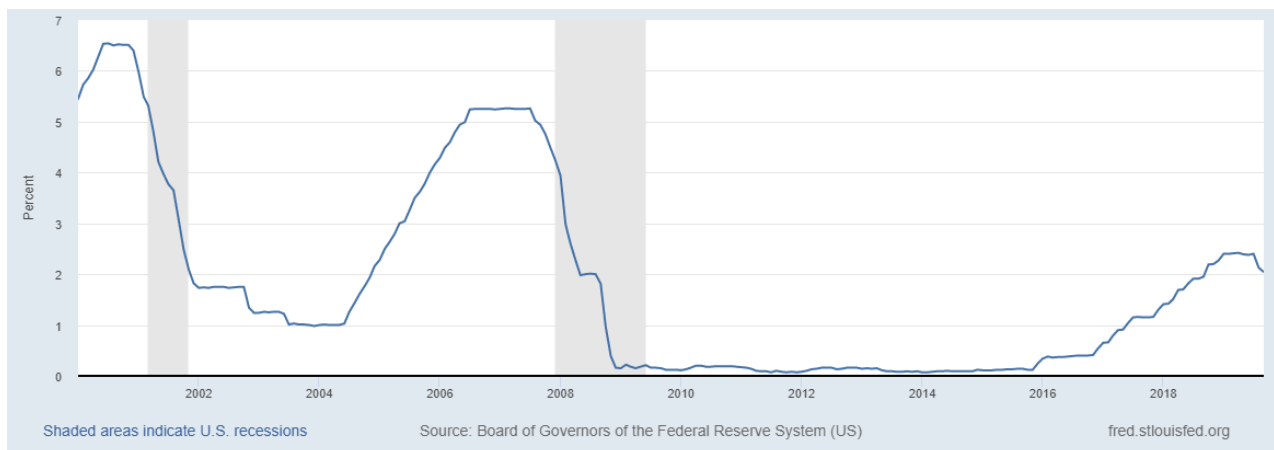
Other real estate-focused credit lines were also high in Hawaii. While relatively less prominent in other states, the use of home equity line of credit (HELOC) was about 5% and the home equity loan (HE Loan) was about 1.6% of the total consumer debt in Hawaii. In contrast, use of credit in these categories relative to the other categories were lower in the nation, at 3% for HELOC and about 1% for HE Loan.

Auto loans and leases comprised over 5% of total debt in Hawaii and over 9% in the nation. The share of student debt to total debt also showed divergence between consumer debt in Hawaii and the nation; in Hawaii, student debt was about 5% of the total consumer debt, while for the nation it was over 10%.

Another area of contrast with the nation was bank cards. Bank cards' total balance as a proportion of total debt was 4.9% in Hawaii, but 5.9% in the nation.

Hawaii consumers and debt-holders are impacted by short-term interest rates. While unemployment remains low (and below the Fed's target of 4.6%, an indicator of "full employment") and household spending has increased slightly, other indicators, such as business fixed investment and inflation compensation, have been muted¹. Accordingly, despite the U.S. Federal Reserve Bank (the Fed) raising its target range for interest rates three times in 2017 (25 basis points each time in June, September, and December) and four times in 2018 (25 basis points each time in March, June, September, and December), the Fed reversed course in August 2019 and decreased the interest rate target by 25 basis points. Variable interest rate debt, such as credit cards and home equity lines of credit, tend to follow the Fed's action of changing interest rates.

Figure 1. Effective Federal Funds Rate (percent)



Source: U.S. Federal Reserve Bank of Saint Louis, U.S. Fed System Board of Governors. Shaded areas are recessions (3/2001 to 11/2001 & 12/2007 to 6/2009), the effective rates are monthly.

In addition to the short-term Fed Funds rate, it is important to monitor the market yield on the long-term 10-year Treasury bond, because the yield determines basic mortgage interest rates. Generally, as bond yields decrease, so do mortgage interest rates, which in turn makes it easier to

¹ Federal Open Market Committee statement, effective July 31, 2019, U.S. Fed System Board of Governors <https://www.federalreserve.gov/newsevents/pressreleases/monetary20190731a.htm>

purchase real estate. So far in 2019, the yield on the 10-year Treasury bond has reversed course from its 2018 increase, returning to the 2% yield last seen in late 2017.

Figure 2. Ten Year Treasury Rate – Market Yield, since 2007



Source: U.S. Federal Reserve Bank of Saint Louis, U.S. Fed System Board of Governors.
Shaded areas are recessions (12/2007 to 6/2009), the treasury rates are daily.

TOTAL CONSUMER DEBT

Total Debt – Overview and Comparison

Analyzing data from Experian Information Solutions reveals that between 2017 and the first half of 2019, Hawaii’s total consumer debt grew at a slightly slower pace than for the U.S. overall. While Hawaii’s total consumer debt outstanding increased by a little over 4% through 2017 (from 2017 Q1 to 2017 Q4), a sharper rise than the 3.5% for the U.S., this was offset by the slower growth rate in 2018. In particular, Hawaii’s total debt decreased from 2017 Q4 to 2018 Q1 and from 2018 Q2 to 2018 Q3. With that being said, the per capita² debt in Hawaii grew at a faster rate than the U.S. overall, as the population decreased more in Hawaii. The population with at least one credit line in Hawaii decreased by about 2% a year between 2017 and 2019, compared to a decrease of about 1% a year for the U.S.

Table 2: Total Debt, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	<i>Amount</i>	<i>% change over previous year</i>	<i>Amount</i>	<i>% change over previous year</i>
Total Debt (in million \$)				
2017 Q1	\$78,866.05	-	\$12,833,189.88	-
2017 Q2	\$79,119.92	-	\$12,860,849.19	-
2017 Q3	\$80,238.16	-	\$13,044,178.39	-
2017 Q4	\$82,095.36	-	\$13,283,591.46	-
2018 Q1	\$81,370.44	3.18%	\$13,297,901.26	3.62%
2018 Q2	\$82,516.16	4.29%	\$13,444,438.83	4.54%
2018 Q3	\$82,285.89	2.55%	\$13,630,147.46	4.49%
2018 Q4	\$82,661.02	0.69%	\$13,706,621.34	3.18%
2019 Q1	\$83,764.92	2.94%	\$13,854,999.69	4.19%
2019 Q2	\$84,447.25	2.34%	\$13,992,282.08	4.07%
Per Capita*				
2017 Q1	\$61,136.47	-	\$42,172.82	-
2017 Q2	\$61,333.27	-	\$42,206.85	-
2017 Q3	\$62,686.07	-	\$43,035.89	-
2017 Q4	\$64,642.02	-	\$44,284.54	-
2018 Q1	\$64,071.21	4.80%	\$44,259.95	4.95%
2018 Q2	\$64,973.35	5.93%	\$44,921.11	6.43%
2018 Q3	\$66,359.59	5.86%	\$45,424.74	5.55%
2018 Q4	\$66,662.11	3.13%	\$45,850.74	3.54%
2019 Q1	\$67,552.36	5.43%	\$46,347.09	4.72%
2019 Q2	\$68,656.30	5.67%	\$47,034.46	4.70%

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² For the purposes of this report, “per capita” refers to the population with at least one credit line.

Table 2, cont.

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Population Scored				
2017 Q1	1,290,000	-	304,300,000	-
2017 Q2	1,290,000	-	304,710,000	-
2017 Q3	1,280,000	-	303,100,000	-
2017 Q4	1,270,000	-	299,960,000	-
2018 Q1	1,270,000	-1.55%	300,450,000	-1.27%
2018 Q2	1,270,000	-1.55%	299,290,000	-1.78%
2018 Q3	1,240,000	-3.13%	300,060,000	-1.00%
2018 Q4	1,240,000	-2.36%	298,940,000	-0.34%
2019 Q1	1,230,000	-2.36%	298,450,000	-0.50%
2019 Q2	1,230,000	-3.15%	297,490,000	-0.60%

Source: Experian 2019

*Per capita debt was calculated using total debt reported by Experian across all categories of debt divided by the population with at least one credit line.

Use of Credit

In looking at credit utilization by consumers, Hawaii and the U.S. were generally dissimilar. Only mortgages and home equity loans were used at similar rates (Table 3). Hawaii residents had fewer credit accounts for auto loans and leases and student loan accounts than the national average. On the other hand, credit cards, home equity lines of credit, and personal loans were all used more in Hawaii than in the U.S. (higher use is **bolded** in the table). In some cases, the differences in credit utilization were quite drastic. For example, almost half of U.S. consumers had student loan debt, compared to only a third in Hawaii; conversely, home equity lines of credit were used at nearly twice the rate in Hawaii compared to the U.S.

Table 3: Use of Debt by Category, 2019 Q2 (Percent of Consumers per Credit Category)

Credit Category	Hawaii	U.S.
Auto Loan & Lease	23.07%	30.38%
Bank Card ¹	179.76%	163.20%
Mortgage	17.60%	18.35%
HELOC	6.27%	3.48%
HE Loan	1.46%	1.09%
Personal Loan	20.10%	13.32%
Student Loan	34.32%	49.28%

Source: Experian 2019

¹Represents 1.8 credit cards per capita on average in Hawaii and 1.63 credit cards on average per capita in U.S.

Average Credit Balance Outstanding

The average credit balance outstanding in Hawaii was higher than in the U.S., especially for real estate-related lines of credit (mortgages, home equity lines of credit, and home equity loans) (Table 4). The average credit balance for home equity loans in Hawaii were particularly high compared to the U.S., as the average credit balance for home equity loans in Hawaii were nearly double that of the U.S. The smallest difference in average credit balance between Hawaii and the U.S. in dollar amounts was for bank cards, with a difference of just over \$170. However, because of the small average credit balance for bank cards, this represented a 10% difference. The smallest difference in credit balance, percentage-wise, was for personal loans, with a difference of just under 2.5%.

Table 4: Average Credit Balance per Account, 2019 Q2

Credit Category	Hawaii	U.S.
Auto Loan & Lease	\$15,582	\$14,377
Bank Card	\$1,880	\$1,708
Mortgage	\$295,619	\$176,001
HELOC	\$56,480	\$40,561
HE Loan	\$73,408	\$38,212
Personal Loan	\$7,888	\$7,701
Student Loan	\$10,031	\$9,586

Source: Experian 2019

Approximate Monthly Payments, by Loan Category

To provide context to the average credit balance amounts per account, estimates of the monthly payment by loan category is provided in Table 5; this estimate assumes the credit balance is the amount at the beginning of the term. However, Table 4 shows the average credit balances for all accounts rather than for new accounts. Because some credit balances are partly through their term length, Table 6 uses interest rates from half of the term length ago and assumes that half of a standard term length is left on the account.

Table 5: Approximate Monthly Payments by Loan Category, 2019 Q2 as Beginning of Term

Credit Category	Hawaii	U.S.	Approximate Rate, 2019 Q2	Standard Term Length (months)
Auto Loan & Lease	\$294	\$271	5% ¹	60
Bank Card	\$172	\$156	17.80% ²	12
Mortgage	\$1,411	\$840	4% ³	360
HELOC	\$446	\$321	7.25% ³	240
HE Loan	\$569	\$296	7% ³	240
Personal Loan	\$382	\$373	15% ³	24
Student Loan*	\$107	\$102	5.05% ⁴	120

Source: ¹Experian, ²www.creditcards.com, ³www.bankrate.com, ⁴U.S. Department of Education. Calculations by DBEDT.

*Student loan average balances include deferred student loans that are not actively being paid back. According to data provided by Experian, on average, deferred loans have a smaller balance than non-deferred loans. Non-deferred student loans average about \$400 more than the average balance on all student loans, which equals to paying less than \$5 more per month than the average student loan.

Table 6: Approximate Monthly Payments by Loan Category, 2019 Q2 as Halfway Through Term

Credit Category	Hawaii	U.S.	Approximate Rate, Half Term Length Ago	Months Left in Term
Auto Loan & Lease	\$550	\$508	4.50% ¹	30
Bank Card	\$326	\$297	14.20% ²	6
Mortgage	\$2,469	\$1,470	6% ²	180
HELOC	\$663	\$476	7.25%*	120
HE Loan	\$852	\$444	7%*	120
Personal Loan	\$694	\$678	10% ²	12
Student Loan**	\$184	\$176	3.86% ³	60

Source: ¹www.bankrate.com, ²U.S. Federal Reserve Bank of Saint Louis, ³U.S. Department of Education. Calculations by DBEDT. *Rates from 2009 were indeterminable, so 2019 Q2 rates were used; rates from 2009 were likely significantly lower, which would lower the monthly payments.

**Student loan average balances include deferred student loans that are not actively being paid back. According to data provided by Experian, on average, deferred loans have a smaller balance than non-deferred loans. Non-deferred student loans average about \$400 more than the average balance on all student loans, which equals to paying less than \$10 more per month than the average student loan.

Taking into consideration the use of debt by category (Table 3) and using the assumption that the average credit balance is halfway through its term (Table 6) to estimate how much the average consumer has to pay in monthly loans, the average Hawaii consumer pays \$1,402 a month while the average U.S. consumer pays \$1,108 a month³. Considering how few consumers have credit usage in certain categories, particularly home equity lines of credit and home equity loans, it is

³ While consumers that are actively paying back student loans, i.e. excluding deferred student loans, pay more per month than the values found in Table 5 and 6, the percentage of consumers with non-deferred student loans is sufficiently low that the average consumer pays less in student loans compared to the total calculated when using Table 3 and Table 6 values.

unlikely that one person has an account in all categories. If a consumer were to have debt in all categories, and was halfway through each accounts' term, a Hawaii consumer would owe over \$5,700 a month compared to the U.S. consumer owing \$4,050 a month. Most of the difference is due to the high amount owed by Hawaii consumers on mortgages.

Credit Quality and Delinquency Rates

Table 7 analyzes credit quality and compares delinquency rates in 2019 Q2 for Hawaii consumers and U.S. consumers. For this report, delinquency means payments that were overdue by 90 days or more in a specific credit category. The rates were calculated as a ratio of the number of accounts delinquent in a specific category to the number of total accounts for a credit category. Hawaii generally had lower delinquency rates than the U.S in 2019 Q2. However, delinquency rates for home equity loans were nearly identical, while Hawaii consumers were more delinquent in student loan repayment than U.S. consumers by just under half a percentage point.

Table 7: Delinquency Rates by Loan Category, Hawaii and U.S., 2019 Q2

Credit Category	Hawaii	U.S.
Auto Loan & Lease	0.54%	0.72%
Bank Card	0.72%	0.91%
Mortgage	0.68%	0.88%
HELOC	0.10%	0.30%
HE Loan	0.64%	0.63%
Personal Loan	0.79%	1.38%
Student Loan	4.20%	3.74%

Source: Experian 2019

A. AUTO LOAN & LEASE

During 2018 and the first half of 2019, the trend for auto loan and lease amounts continued, both in Hawaii and in the U.S.; the total amount of loans, average balance per account, and number of accounts all grew, year-over-year (Table 8). In 2018, the total dollar amount and number of accounts for auto loans in the U.S. grew at a faster pace than in Hawaii. The growth in number of accounts grew relatively faster, though, so the growth in average balance of auto loans was higher in Hawaii. Despite the increase in average balance compared with the U.S., Hawaii's delinquency rate remained lower than the national average.

Table 8: Auto Loan and Lease, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	<i>Amount</i>	<i>% change over previous year</i>	<i>Amount</i>	<i>% change over previous year</i>
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$4,067.4	-	\$1,173,710.8	-
2017 Q2	\$4,108.7	-	\$1,192,549.1	-
2017 Q3	\$4,134.7	-	\$1,211,138.4	-
2017 Q4	\$4,219.2	-	\$1,225,613.8	-
2018 Q1	\$4,150.8	2.05%	\$1,193,541.6	1.69%
2018 Q2	\$4,283.1	4.25%	\$1,246,927.9	4.56%
2018 Q3	\$4,372.9	5.76%	\$1,273,795.0	5.17%
2018 Q4	\$4,354.8	3.21%	\$1,278,783.2	4.34%
2019 Q1	\$4,353.7	4.89%	\$1,281,851.4	7.40%
2019 Q2	\$4,422.0	3.24%	\$1,299,303.0	4.20%
Average Balance per Account, in \$				
2017 Q1	\$15,064	-	\$13,996	-
2017 Q2	\$15,086	-	\$14,039	-
2017 Q3	\$15,171	-	\$14,162	-
2017 Q4	\$15,280	-	\$14,154	-
2018 Q1	\$15,209	0.96%	\$14,114	0.84%
2018 Q2	\$15,258	1.14%	\$14,145	0.75%
2018 Q3	\$15,414	1.60%	\$14,238	0.54%
2018 Q4	\$15,490	1.37%	\$14,331	1.25%
2019 Q1	\$15,478	1.76%	\$14,326	1.50%
2019 Q2	\$15,582	2.13%	\$14,377	1.64%

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Table 8, cont.

Quarter	Hawaii		U.S.	
	<i>Amount</i>	<i>% change over previous year</i>	<i>Amount</i>	<i>% change over previous year</i>
Number of Accounts				
2017 Q1	270,001	-	83,857,609	-
2017 Q2	272,357	-	84,942,673	-
2017 Q3	272,535	-	85,521,516	-
2017 Q4	276,126	-	86,593,892	-
2018 Q1	272,910	1.08%	84,564,372	0.84%
2018 Q2	280,720	3.07%	88,155,911	3.78%
2018 Q3	283,685	4.09%	89,462,333	4.61%
2018 Q4	281,142	1.82%	89,230,913	3.05%
2019 Q1	281,288	3.07%	89,477,176	5.81%
2019 Q2	283,786	1.09%	90,374,465	2.52%
Percentage of Total Population*				
2017 Q1	20.93%	-	27.56%	-
2017 Q2	21.11%	-	27.88%	-
2017 Q3	21.29%	-	28.22%	-
2017 Q4	21.74%	-	28.87%	-
2018 Q1	21.49%	-	28.15%	-
2018 Q2	22.10%	-	29.46%	-
2018 Q3	22.88%	-	29.81%	-
2018 Q4	22.67%	-	29.85%	-
2019 Q1	22.87%	-	29.98%	-
2019 Q2	23.07%	-	30.38%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	0.56%	-	0.80%	-
2017 Q2	0.50%	-	0.70%	-
2017 Q3	0.75%	-	0.87%	-
2017 Q4	0.74%	-	0.81%	-
2018 Q1	0.71%	-	0.85%	-
2018 Q2	0.56%	-	0.70%	-
2018 Q3	0.65%	-	0.78%	-
2018 Q4	0.75%	-	0.82%	-
2019 Q1	0.72%	-	0.82%	-
2019 Q2	0.54%	-	0.72%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

B. BANK CARD

Hawaii stood out for bank card use: not only do Hawaii consumers have higher average balance per account, compared to the U.S., but Hawaii consumers also held more credit cards than the U.S. average (Table 9). The growth in average balance per account also grew much faster in Hawaii, compared to the U.S. Hawaii's average balance per account was almost \$200 higher than the U.S. (\$1,880 versus \$1,708), and coupled with an additional 0.15 cards per person (1.80 cards per consumer versus 1.63) means that on average, Hawaii consumers had credit card debt totaling almost \$600 more than U.S. consumers. Even though Hawaii consumers held more credit card debt, Hawaii consumers had lower delinquency rate on bank cards by about 25%.

Table 9: Bank Card, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$3,614.3	-	\$716,636.5	-
2017 Q2	\$3,698.7	-	\$733,774.4	-
2017 Q3	\$3,779.8	-	\$756,072.5	-
2017 Q4	\$3,955.5	-	\$786,586.3	-
2018 Q1	\$3,841.94	6.30%	\$763,623.55	6.56%
2018 Q2	\$3,933.28	6.34%	\$782,079.08	6.58%
2018 Q3	\$3,999.89	5.82%	\$799,268.84	5.71%
2018 Q4	\$4,174.75	5.54%	\$832,927.77	5.89%
2019 Q1	\$4,044.71	5.28%	\$805,761.36	5.52%
2019 Q2	\$4,156.13	5.67%	\$829,151.39	6.02%
Average Balance per Account, in \$				
2017 Q1	\$1,718	-	\$1,598	-
2017 Q2	\$1,692	-	\$1,598	-
2017 Q3	\$1,716	-	\$1,617	-
2017 Q4	\$1,786	-	\$1,665	-
2018 Q1	\$1,715	-0.16%	\$1,599	0.05%
2018 Q2	\$1,828	8.04%	\$1,682	5.25%
2018 Q3	\$1,858	8.32%	\$1,704	5.38%
2018 Q4	\$1,927	7.92%	\$1,753	5.29%
2019 Q1	\$1,848	7.70%	\$1,675	4.79%
2019 Q2	\$1,880	2.81%	\$1,708	1.52%

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Table 9, cont.

	Hawaii		U.S.	
Quarter	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	2,103,576	-	448,449,773	-
2017 Q2	2,855,780	-	459,088,371	-
2017 Q3	2,203,071	-	467,575,008	-
2017 Q4	2,215,138	-	472,350,152	-
2018 Q1	2,239,699	6.47%	477,633,010	6.51%
2018 Q2	2,151,223	-1.57%	464,897,722	1.27%
2018 Q3	2,152,303	-2.30%	469,071,771	0.32%
2018 Q4	2,166,356	-2.20%	475,032,461	0.57%
2019 Q1	2,189,280	-2.25%	480,959,520	0.70%
2019 Q2	2,211,012	2.78%	485,498,983	4.43%
Percentage of Total Population*				
2017 Q1	163.07%	-	147.37%	-
2017 Q2	221.38%	-	150.66%	-
2017 Q3	172.11%	-	154.26%	-
2017 Q4	174.42%	-	157.47%	-
2018 Q1	176.35%	-	158.97%	-
2018 Q2	169.39%	-	155.33%	-
2018 Q3	173.57%	-	156.33%	-
2018 Q4	174.71%	-	158.91%	-
2019 Q1	177.99%	-	161.15%	-
2019 Q2	179.76%	-	163.20%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	0.71%	-	0.97%	-
2017 Q2	0.46%	-	0.81%	-
2017 Q3	0.67%	-	0.94%	-
2017 Q4	0.75%	-	1.04%	-
2018 Q1	0.75%	-	1.02%	-
2018 Q2	0.63%	-	0.89%	-
2018 Q3	0.73%	-	0.98%	-
2018 Q4	0.85%	-	1.13%	-
2019 Q1	0.86%	-	1.11%	-
2019 Q2	0.72%	-	0.91%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

C. MORTGAGE

Hawaii's high real estate prices resulted in higher mortgage balances compared with the U.S. overall; according to Zillow, the median home value as of September 2019 in Hawaii is \$616,600, compared to \$229,600 in the U.S. A typical mortgage balance in Hawaii in the 2nd quarter of 2019 was more than 68% higher than a typical mortgage in the U.S. (Table 10). In spite of the lower home-ownership rates in Hawaii, there was a similar percentage of consumers who held mortgages in Hawaii and the U.S., though the growth rate in number of accounts was higher across the nation. While Hawaii had significantly higher mortgage debt balances, such that monthly mortgage payments were at least \$500 higher (about \$570 for mortgages at the beginning of the term, about \$1,000 halfway through the term) in Hawaii compared to the U.S., Hawaii had slightly lower mortgage delinquency rates.

Table 10: Mortgage, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$60,531.0	-	\$8,819,009.5	-
2017 Q2	\$60,562.5	-	\$8,810,625.9	-
2017 Q3	\$61,470.5	-	\$8,942,932.7	-
2017 Q4	\$62,883.8	-	\$9,116,937.3	-
2018 Q1	\$62,264.6	2.86%	\$9,167,677.8	3.95%
2018 Q2	\$63,090.5	4.17%	\$9,239,090.3	4.86%
2018 Q3	\$62,533.5	1.73%	\$9,351,316.6	4.57%
2018 Q4	\$62,495.0	-0.62%	\$9,368,007.9	2.75%
2019 Q1	\$63,498.7	1.98%	\$9,513,908.8	3.78%
2019 Q2	\$64,012.2	1.46%	\$9,608,767.5	4.00%
Average Balance per Account, in \$				
2017 Q1	\$282,608	-	\$169,266	-
2017 Q2	\$283,970	-	\$168,676	-
2017 Q3	\$285,122	-	\$169,787	-
2017 Q4	\$289,458	-	\$172,078	-
2018 Q1	\$293,327	3.79%	\$175,600	3.74%
2018 Q2	\$291,734	2.73%	\$174,510	3.46%
2018 Q3	\$295,881	3.77%	\$176,864	4.17%
2018 Q4	\$295,258	2.00%	\$176,505	2.57%
2019 Q1	\$299,111	1.97%	\$178,219	1.49%
2019 Q2	\$295,619	1.33%	\$176,001	0.85%

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Table 10, cont.

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	214,187	-	52,101,465	-
2017 Q2	213,271	-	52,234,077	-
2017 Q3	215,594	-	52,671,606	-
2017 Q4	217,247	-	52,981,330	-
2018 Q1	212,270	-0.90%	52,207,829	0.20%
2018 Q2	216,260	1.40%	52,942,981	1.36%
2018 Q3	211,347	-1.97%	52,873,054	0.38%
2018 Q4	211,662	-2.57%	53,074,976	0.18%
2019 Q1	212,291	0.01%	53,383,179	2.25%
2019 Q2	216,536	0.13%	54,594,993	3.12%
Percentage of Total Population*				
2017 Q1	16.60%	-	17.12%	-
2017 Q2	16.53%	-	17.14%	-
2017 Q3	16.84%	-	17.38%	-
2017 Q4	17.11%	-	17.66%	-
2018 Q1	16.71%	-	17.38%	-
2018 Q2	17.03%	-	17.69%	-
2018 Q3	17.04%	-	17.62%	-
2018 Q4	17.07%	-	17.75%	-
2019 Q1	17.26%	-	17.89%	-
2019 Q2	17.60%	-	18.35%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	1.03%	-	1.43%	-
2017 Q2	0.94%	-	1.28%	-
2017 Q3	0.69%	-	1.27%	-
2017 Q4	0.92%	-	1.23%	-
2018 Q1	0.92%	-	1.22%	-
2018 Q2	0.75%	-	1.11%	-
2018 Q3	0.73%	-	1.07%	-
2018 Q4	0.75%	-	1.07%	-
2019 Q1	0.74%	-	1.03%	-
2019 Q2	0.68%	-	0.88%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2)

D. HOME EQUITY LINE OF CREDIT

Another credit product related to the residential real estate market is the home equity line of credit (HELOC). In Hawaii, a typical balance on a HELOC was about 39% higher than in the U.S., possibly in part due to higher home prices in Hawaii (Table 11). Hawaii consumers were almost two times more likely to have a HELOC than in the U.S., with the gap between Hawaii and the U.S. widening as the use of HELOCs grew slowly in Hawaii and declined slightly in the U.S. Accordingly, the total amount of loans outstanding in Hawaii has grown from approximately 0.85% of the U.S. total at the beginning of 2017 to over 1% halfway through 2019. The average balance per account has had a similar pattern: modest growth in Hawaii and modest declines in the U.S. As with mortgage debt, Hawaii consumers were able to manage HELOC debt fairly well, as indicated by the lower delinquency rates (0.1% in Hawaii versus 0.3% for the U.S. overall).

Table 11: Home Equity Line of Credit (HELOC), 2017-2019 Q2

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$3,961.2	-	\$476,743.1	-
2017 Q2	\$4,017.0	-	\$471,786.7	-
2017 Q3	\$4,085.9	-	\$468,896.6	-
2017 Q4	\$4,096.8	-	\$462,363.0	-
2018 Q1	\$4,128.3	4.22%	\$455,264.2	-4.51%
2018 Q2	\$4,208.9	4.78%	\$445,780.0	-5.51%
2018 Q3	\$4,219.1	3.26%	\$437,548.4	-6.69%
2018 Q4	\$4,323.8	5.54%	\$433,524.6	-6.24%
2019 Q1	\$4,384.7	6.21%	\$425,730.8	-6.49%
2019 Q2	\$4,358.0	3.54%	\$420,108.9	-5.76%
Average Balance per Account, in \$				
2017 Q1	\$52,169	-	\$43,117	-
2017 Q2	\$52,633	-	\$43,073	-
2017 Q3	\$53,180	-	\$42,952	-
2017 Q4	\$53,692	-	\$42,676	-
2018 Q1	\$54,164	3.82%	\$42,639	-1.11%
2018 Q2	\$54,934	4.37%	\$41,909	-2.70%
2018 Q3	\$55,175	3.75%	\$41,566	-3.23%
2018 Q4	\$56,197	4.67%	\$41,511	-2.73%
2019 Q1	\$57,145	5.50%	\$41,277	-3.19%
2019 Q2	\$56,480	2.81%	\$40,561	-3.22%

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Table 11, cont.

	Hawaii		U.S.	
Quarter	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	75,931	-	11,056,917	-
2017 Q2	76,321	-	10,953,072	-
2017 Q3	76,831	-	10,916,670	-
2017 Q4	76,302	-	10,834,193	-
2018 Q1	76,219	0.38%	10,677,286	-3.43%
2018 Q2	76,617	0.39%	10,636,932	-2.89%
2018 Q3	76,467	-0.47%	10,526,604	-3.57%
2018 Q4	76,941	0.84%	10,443,544	-3.61%
2019 Q1	76,730	0.67%	10,313,970	-3.40%
2019 Q2	77,161	0.71%	10,357,510	-2.63%
Percentage of Total Population*				
2017 Q1	5.89%	-	3.63%	-
2017 Q2	5.92%	-	3.59%	-
2017 Q3	6.00%	-	3.60%	-
2017 Q4	6.01%	-	3.61%	-
2018 Q1	6.00%	-	3.55%	-
2018 Q2	6.03%	-	3.55%	-
2018 Q3	6.17%	-	3.51%	-
2018 Q4	6.20%	-	3.49%	-
2019 Q1	6.24%	-	3.46%	-
2019 Q2	6.27%	-	3.48%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	0.18%	-	0.40%	-
2017 Q2	0.12%	-	0.38%	-
2017 Q3	0.16%	-	0.38%	-
2017 Q4	0.20%	-	0.37%	-
2018 Q1	0.18%	-	0.39%	-
2018 Q2	0.13%	-	0.34%	-
2018 Q3	0.10%	-	0.32%	-
2018 Q4	0.21%	-	0.35%	-
2019 Q1	0.10%	-	0.34%	-
2019 Q2	0.10%	-	0.30%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

E. HOME EQUITY LOAN

Home equity (HE) loans are also correlated with the value of residential real estate, and Hawaii consumers were able to leverage high home values to access HE loans; the average balance per HE loan account in Hawaii was almost double that of accounts in the U.S. (Table 12). Furthermore, Hawaii had relatively more HE loans, with 1.5% of Hawaii consumers with a HE loan account compared with 1.1% for the U.S. Similar to HELOC usage, account balance and number of accounts have slowly increased in Hawaii, whereas the U.S. has seen declines in both variables. Hawaii's delinquency rate on HE loans was low, with an average of 0.5% as compared with U.S. average of 0.8%. While Hawaii's delinquency rate on HE loans have generally been low compared with the U.S. average, delinquency rates in the U.S. have improved such that in 2019 Q2, Hawaii's delinquency rates were slightly higher than in the U.S. (delinquency rates also improved in Hawaii from 0.6% in early 2017 to 0.3% in late 2017 and early 2018, but reverted back to 0.6% in early 2019).

Table 12: Home Equity Loan, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$1,106.3	-	\$131,757.8	-
2017 Q2	\$1,137.6	-	\$130,055.0	-
2017 Q3	\$1,159.3	-	\$126,909.6	-
2017 Q4	\$1,183.9	-	\$128,778.8	-
2018 Q1	\$1,190.0	7.56%	\$125,122.6	-5.04%
2018 Q2	\$1,218.6	7.12%	\$123,494.2	-5.04%
2018 Q3	\$1,238.4	6.82%	\$122,210.4	-3.70%
2018 Q4	\$1,246.4	5.28%	\$123,437.6	-4.15%
2019 Q1	\$1,276.2	7.24%	\$121,034.7	-3.27%
2019 Q2	\$1,314.7	7.89%	\$124,322.8	0.67%
Average Balance per Account, in \$				
2017 Q1	\$68,313	-	\$39,996	-
2017 Q2	\$70,398	-	\$39,873	-
2017 Q3	\$69,713	-	\$39,218	-
2017 Q4	\$70,932	-	\$39,568	-
2018 Q1	\$71,644	4.88%	\$39,740	-0.64%
2018 Q2	\$71,811	2.01%	\$38,835	-2.60%
2018 Q3	\$73,235	5.05%	\$38,831	-0.99%
2018 Q4	\$73,038	2.97%	\$39,188	-0.96%
2019 Q1	\$73,723	2.90%	\$38,601	-2.87%
2019 Q2	\$73,408	2.22%	\$38,212	-1.61%

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Table 12, cont.

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	16,195	-	3,294,287	-
2017 Q2	16,160	-	3,261,702	-
2017 Q3	16,630	-	3,235,986	-
2017 Q4	16,690	-	3,254,644	-
2018 Q1	16,610	2.56%	3,148,523	-4.42%
2018 Q2	16,970	5.01%	3,179,948	-2.51%
2018 Q3	16,910	1.68%	3,147,241	-2.74%
2018 Q4	17,065	2.25%	3,149,910	-3.22%
2019 Q1	17,310	4.21%	3,135,537	-0.41%
2019 Q2	17,910	5.54%	3,253,535	2.31%
Percentage of Total Population*				
2017 Q1	1.26%	-	1.08%	-
2017 Q2	1.25%	-	1.07%	-
2017 Q3	1.30%	-	1.07%	-
2017 Q4	1.31%	-	1.09%	-
2018 Q1	1.31%	-	1.05%	-
2018 Q2	1.34%	-	1.06%	-
2018 Q3	1.36%	-	1.05%	-
2018 Q4	1.38%	-	1.05%	-
2019 Q1	1.41%	-	1.05%	-
2019 Q2	1.46%	-	1.09%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	0.62%		0.95%	
2017 Q2	0.50%		0.90%	
2017 Q3	0.51%		0.90%	
2017 Q4	0.33%		0.94%	
2018 Q1	0.30%		0.93%	
2018 Q2	0.53%		0.75%	
2018 Q3	0.41%		0.74%	
2018 Q4	0.59%		0.77%	
2019 Q1	0.61%		0.76%	
2019 Q2	0.64%		0.63%	

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

F. PERSONAL LOAN

In Hawaii, personal loans were used by a larger share of the population than the U.S. overall, about 7 percentage points higher than in the U.S. (Table 13). The gap has decreased slightly, as the growth rate of the number of accounts in the U.S. has been more than double that of Hawaii's. The average balance on a personal loan account was similar to that of the U.S. In Hawaii, personal loans have a lower delinquency rate than in the U.S., fluctuating between 0.7% and 0.95% compared with the U.S. personal loan delinquency rate of 1.25-1.55%.

Table 13: Personal Loan, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	<i>Amount</i>	<i>% change over previous year</i>	<i>Amount</i>	<i>% change over previous year</i>
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$1,668.1	-	\$237,910.5	-
2017 Q2	\$1,677.2	-	\$245,305.4	-
2017 Q3	\$1,716.2	-	\$255,811.4	-
2017 Q4	\$1,787.3	-	\$260,825.1	-
2018 Q1	\$1,746.9	4.73%	\$263,886.3	10.92%
2018 Q2	\$1,753.0	4.52%	\$273,362.3	11.44%
2018 Q3	\$1,782.6	3.87%	\$283,642.1	10.88%
2018 Q4	\$1,878.3	5.09%	\$291,786.8	11.87%
2019 Q1	\$1,931.8	10.58%	\$300,055.7	13.71%
2019 Q2	\$1,950.0	11.24%	\$305,258.0	11.67%
Average Balance per Account, in \$				
2017 Q1	\$7,050	-	\$7,409	-
2017 Q2	\$7,540	-	\$7,756	-
2017 Q3	\$7,587	-	\$7,793	-
2017 Q4	\$7,896	-	\$7,906	-
2018 Q1	\$7,556	7.18%	\$7,559	2.02%
2018 Q2	\$7,548	0.11%	\$7,655	-1.30%
2018 Q3	\$7,697	1.45%	\$7,713	-1.03%
2018 Q4	\$7,825	-0.90%	\$7,674	-2.93%
2019 Q1	\$7,903	4.59%	\$7,653	1.25%
2019 Q2	\$7,888	4.51%	\$7,701	0.61%

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Table 13, cont.

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	236,619	-	32,109,377	-
2017 Q2	222,449	-	31,628,907	-
2017 Q3	226,205	-	32,827,691	-
2017 Q4	226,351	-	32,991,549	-
2018 Q1	231,204	-2.29%	34,909,889	8.72%
2018 Q2	232,236	4.40%	35,711,726	12.91%
2018 Q3	231,594	2.38%	36,776,568	12.03%
2018 Q4	240,030	6.04%	38,023,577	15.25%
2019 Q1	244,446	5.73%	39,206,003	12.31%
2019 Q2	247,208	6.45%	39,638,272	11.00%
Percentage of Total Population*				
2017 Q1	18.34%	-	10.55%	-
2017 Q2	17.24%	-	10.38%	-
2017 Q3	17.67%	-	10.83%	-
2017 Q4	17.82%	-	11.00%	-
2018 Q1	18.21%	-	11.62%	-
2018 Q2	18.29%	-	11.93%	-
2018 Q3	18.68%	-	12.26%	-
2018 Q4	19.36%	-	12.72%	-
2019 Q1	19.87%	-	13.14%	-
2019 Q2	20.10%	-	13.32%	-
Delinquency Rate (percentage of accounts 90+ days overdue)				
2017 Q1	0.90%	-	1.50%	-
2017 Q2	0.73%	-	1.26%	-
2017 Q3	0.74%	-	1.31%	-
2017 Q4	0.91%	-	1.40%	-
2018 Q1	0.86%	-	1.53%	-
2018 Q2	0.76%	-	1.42%	-
2018 Q3	0.76%	-	1.47%	-
2018 Q4	0.87%	-	1.49%	-
2019 Q1	0.92%	-	1.51%	-
2019 Q2	0.79%	-	1.38%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

G. STUDENT LOAN

The average student loan balance for Hawaii was similar to that of the U.S. overall, with Hawaii being 3-5% higher (Table 14). However, Hawaii had a lower percentage of the population with student loan debt; about a third of consumers with at least one credit line in Hawaii had a student loan balance, whereas around half of U.S. consumers had a student loan balance. While Hawaii has generally had a lower delinquency rate than the U.S. before 2019, Hawaii's delinquency rate increased through 2018. Hawaii's delinquency rate increased enough that it was between 0.45 to 0.9 percentage points higher than in the U.S. starting in 2018 Q4.

Table 14: Student Loan, 2017-2019 Q2

Quarter	Hawaii		U.S.	
	<i>Amount</i>	<i>% change over previous year</i>	<i>Amount</i>	<i>% change over previous year</i>
Total Amount of Loans Outstanding (in million \$)				
2017 Q1	\$3,917.7	-	\$1,277,421.7	-
2017 Q2	\$3,918.2	-	\$1,276,752.7	-
2017 Q3	\$3,891.7	-	\$1,282,417.1	-
2017 Q4	\$3,968.9	-	\$1,302,487.2	-
2018 Q1	\$4,047.9	3.32%	\$1,328,785.1	4.02%
2018 Q2	\$4,028.8	2.82%	\$1,333,705.0	4.46%
2018 Q3	\$4,139.5	6.37%	\$1,362,366.1	6.23%
2018 Q4	\$4,188.0	5.52%	\$1,378,153.4	5.81%
2019 Q1	\$4,275.2	5.62%	\$1,406,656.9	5.86%
2019 Q2	\$4,234.1	5.10%	\$1,405,370.5	5.37%
Average Balance per Account, in \$				
2017 Q1	\$9,142	-	\$8,745	-
2017 Q2	\$9,279	-	\$8,848	-
2017 Q3	\$9,235	-	\$8,894	-
2017 Q4	\$9,180	-	\$8,806	-
2018 Q1	\$9,396	2.78%	\$9,028	3.24%
2018 Q2	\$9,468	2.05%	\$9,075	2.57%
2018 Q3	\$9,691	4.94%	\$9,313	4.70%
2018 Q4	\$9,602	4.60%	\$9,203	4.51%
2019 Q1	\$9,938	5.78%	\$9,479	5.00%
2019 Q2	\$10,031	5.94%	\$9,586	5.63%

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Table 14, cont.

Quarter	Hawaii		U.S.	
	Amount	% change over previous year	Amount	% change over previous year
Number of Accounts				
2017 Q1	428,540	-	146,076,864	-
2017 Q2	422,285	-	144,304,235	-
2017 Q3	421,390	-	144,183,700	-
2017 Q4	432,360	-	147,912,639	-
2018 Q1	430,820	0.53%	147,182,342	0.76%
2018 Q2	425,500	0.76%	146,969,550	1.85%
2018 Q3	427,140	1.36%	146,292,481	1.46%
2018 Q4	436,160	0.88%	149,751,028	1.24%
2019 Q1	430,165	-0.15%	148,391,183	0.82%
2019 Q2	422,105	-0.80%	146,607,829	-0.25%
Percentage of Total Population*				
2017 Q1	33.22%	-	48.00%	-
2017 Q2	32.74%	-	47.36%	-
2017 Q3	32.92%	-	47.57%	-
2017 Q4	34.04%	-	49.31%	-
2018 Q1	33.92%	-	48.99%	-
2018 Q2	33.50%	-	49.11%	-
2018 Q3	34.45%	-	48.75%	-
2018 Q4	35.17%	-	50.09%	-
2019 Q1	34.69%	-	49.64%	-
2019 Q2	34.32%	-	49.28%	-
Delinquency Rate (percentage of accounts 90+ days overdue)**				
2017 Q1	2.92%	-	3.72%	-
2017 Q2	2.97%	-	4.11%	-
2017 Q3	2.67%	-	3.93%	-
2017 Q4	2.49%	-	3.49%	-
2018 Q1	2.67%	-	3.23%	-
2018 Q2	3.27%	-	3.54%	-
2018 Q3	3.60%	-	4.29%	-
2018 Q4	4.46%	-	3.86%	-
2019 Q1	4.26%	-	3.38%	-
2019 Q2	4.20%	-	3.74%	-

Source: Experian 2019

*Total population was based on the number of people with at least one credit line (see Table 2).

**This calculation is based on the number of delinquent accounts out of all student loan accounts, which includes deferred student loans that could have different delinquency rates than non-deferred loans. Approximately two-thirds of student loans are non-deferred loans; if it is assumed that no deferred loans are delinquent (because they are deferred), then delinquency rates are about 150% larger.