

# **Texas Department of Banking**

## **Press Release**

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### **Results of Statewide Consumer Lending Study Detailed to Finance Commission of Texas**

Date: December 5, 2000

The first-ever consumer lending survey of Texans conducted for the Finance Commission and its agencies - the Office of Consumer Credit Commissioner, Texas Department of Banking, and Texas Savings and Loan Department - has been completed and released. The study, performed by Analytica Inc., surveyed Texas consumers to solicit and collect details of their experiences regarding various credit products including credit cards issued by banks and retailers, installment loans, investment loans, pawn loans, payday loans, and sale/leaseback transactions. The sample provided a statistically valid study of consumers representative of the entire state. Furthermore, the findings contain statistically significant relationships between certain groups and credit products. W.D. Hilton, Jr., Chair of the Finance Commission, commented, "These results provide a significant and positive benchmark against which to review public policy issues concerning consumer lending in the state."

Randy Batsell, Ph.D. and president of Analytica Inc., summarized four general findings: Texas consumers (1) feel credit is widely available; (2) should be encouraged to comparison shop for credit and pay more attention to interest rates; (3) have not experienced many problems during the lending process; and, (4) although very few had problems with credit reports, those that did had difficulty resolving the disputes.

The study is available in its entirety on the Finance Commission website or from the Public Document Section of the Office of Consumer Credit Commissioner website along with accompanying data and audio narration for public review.

The consumer lending study is one part of a broader mandate in the Texas Finance Code that requires the Finance Commission to conduct research on (1) the availability, quality and prices of financial services, including lending and depository services, offered to agricultural businesses, small businesses, and individual consumers in this state; and (2) the practices of business entities in this state that provide financial services to agricultural businesses, small businesses, and individual consumers in this state.

The Finance Commission decided, due to the scope of the statute, to divide the project into phases, two of which have already been completed. Phase I, a study of consumer depository and cash services, was completed in December 1998. Phase II, conducted by Analytica, Inc., focused on home equity lending in Texas and a final report was issued to the Finance Commission in December 1999. Copies of the prior studies are available upon request and are on the Finance Commission web site. The consumer lending study is Phase III of the project.