

2023

South Carolina
DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CREDIT REPORT

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TABLE OF CONTENTS

INTRODUCTION	2
EXECUTIVE SUMMARY	3
INTEREST RATES AND CREDITORS: GENERAL FILINGS	4
<i>CREDIT GRANTOR NOTIFICATION</i>	4
<i>MAXIMUM RATE SCHEDULES</i>	5
CONSUMER LENDING	12
<i>SUPERVISED LOANS</i>	13
<i>DEFERRED PRESENTMENT</i>	14
<i>PAWNBROKERS</i>	16
CREDIT COUNSELING	17
MORTGAGE LENDING	18
RECENT ENFORCEMENT ACTIONS	20
END NOTES	21

INTRODUCTION

The South Carolina Department of Consumer Affairs (SCDCA/Department) has been protecting consumers from inequities in the marketplace since 1975. For more than forty-five years, SCDCA has taken on new duties as the consumer landscape has evolved. Today, SCDCA administers, interprets, and enforces over 120 laws, including the Consumer Protection Code (Code). SCDCA accomplishes its mission by: (1) acting as an effective regulator, (2) providing complaint mediation services that are unmatched at both state and federal levels, (3) saving millions for both consumers and small businesses through rate filing intervention, (4) serving as an educational portal for consumers and businesses alike, and (5) informing the public on effective ways of preventing and mitigating identity theft situations. Governed by the Commission on Consumer Affairs, SCDCA is organized into six divisions: Administration, Consumer Services, Public Information and Education, Identity Theft Unit, Consumer Advocacy, and Legal.

Pursuant to S. C. Code Ann. section 37-6-104(5), the Administrator of SCDCA is required to report on the state of credit in South Carolina and agency enforcement operations. In pertinent part, SCDCA must report on “the use of consumer credit in the State, and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit.” Some items delineated in 37-6-104(5) are reported to the Governor and General Assembly through various reporting requirements, including the Annual Accountability Report. Some of this information is not duplicated herein.

The purpose of the State of Credit Report (SOCR) is to provide information and analysis of existing and emerging trends in the consumer credit marketplace in South Carolina. The 2023 SOCR focuses on the use of credit in this State as well as enforcement actions. The data comes from an analysis of filings and reports received by SCDCA, reports compiled by the South Carolina Board of Financial Institution’s Consumer Finance Division, a general familiarity with credit markets and with regulators who are familiar with markets in other jurisdictions.

The 2023 SOCR is a comprehensive look at various consumer credit industries, consumer credit products, and the rates consumers are charged across industries, as well as across South Carolina counties. It is important to note that numbers may change over time due to the timing of pulling data for the report and when a business submits data or otherwise makes corrections or amendments to previously filed information. As a result, the total numbers in certain categories may change and totals from previous years may differ from prior State of Credit Reports.

EXECUTIVE SUMMARY

Due to the submission deadlines for various reports, the most recent available data elements for a particular section contained herein may cover calendar year 2021 or 2022 and are delineated as such.

GENERAL FILINGS (2022 DATA)

- The total number of creditors filing credit grantor notifications decreased slightly compared to 2021.
- Over 52% of creditors filed APRs of 36.99% or less. The largest increase took place in the 30% - 36.99% APR category with 21.48% of filings, an increase of over 2.8% when compared to 2021. The second-largest increase occurred in the 100% - 199.99% APR category with a 1.6% increase (4.83% of filers-2022 vs. 3.20% in 2021).
- The highest average of fixed APR (214.70%) for consumer loans came from out of state lenders and is approximately 93% higher than the in-state average fixed APR (122.10%). The highest APR filed overall (850%) also came from out of state lenders and exceeds the highest in-state APR by 330% (520%). Marlboro County again had the highest in-state average of fixed APR at 122.10%.
- Abbeville County held the spot for highest average of fixed APR for credit sales (107.50%), which is 73% over the highest average for the county last year and exceeds the next highest average by over 45% (Laurens County at 61.99%).

SUPERVISED LENDING (2021 DATA)

- Supervised lenders account for 44% of all maximum rate filings, steady when compared to 2020. Most filings fell into two APR categories: (1) 49% percent filed for APRs ranging from 50-99.99%, a 5.5% decrease over 2020, and (2) 20% filed for APRs of 300% or Greater, a 3% increase over 2020.
- After seeing a decrease in 2020, the highest APR and most frequent APR charged increased in every loan amount category. The largest increase occurred in the \$600 or less category for both with a 46.71% increase in highest APR and 50.66% in most frequent APR charged.
- Supervised lenders transactions increased by 4%, rebounding slightly from a 21% decrease in 2020. The amount advanced to consumers decreased by nearly \$300 million (\$2,569,157,979 in 2021 vs. \$2,853,897,061 in 2020).

DEFERRED PRESENTMENT (2021 DATA)

- Deferred presentment companies (aka payday lenders) saw a 24% decrease in the number of transactions year over year. In 2020, transactions decreased 34.8%. Prior to 2020, the average decrease was between 6.6 and 9.5% annually. The amount advanced also decreased by a similar amount in 2021 (23% - \$137.4 million).

PAWN (2021 DATA)

- Pawn transactions entered into in 2021 dropped 9%. This is on top of the nearly 25% drop in 2020.
- The amount loaned in 2021 increased 28.5% (\$51,769,615).

CREDIT COUNSELING (2021 DATA)

- Credit counselors funneled over \$36 million to consumers' creditors in 2021, a 13.5% decrease over 2020.
- The average amount of consumer debt was \$18,942, 16.5% over the \$15,813 reported in 2019.

MORTGAGE (2021 DATA)

- Only 14.3% of applications were denied, replacing the 2020 record of 15.3%. Coinciding this trend, 2021 also saw the highest number of applications approved (69.6%).
- The average appraised value of property topped out at \$325,156, the first time its exceeded \$300k since reporting began in 2011.

INTEREST RATES & CREDITORS: GENERAL FILINGS

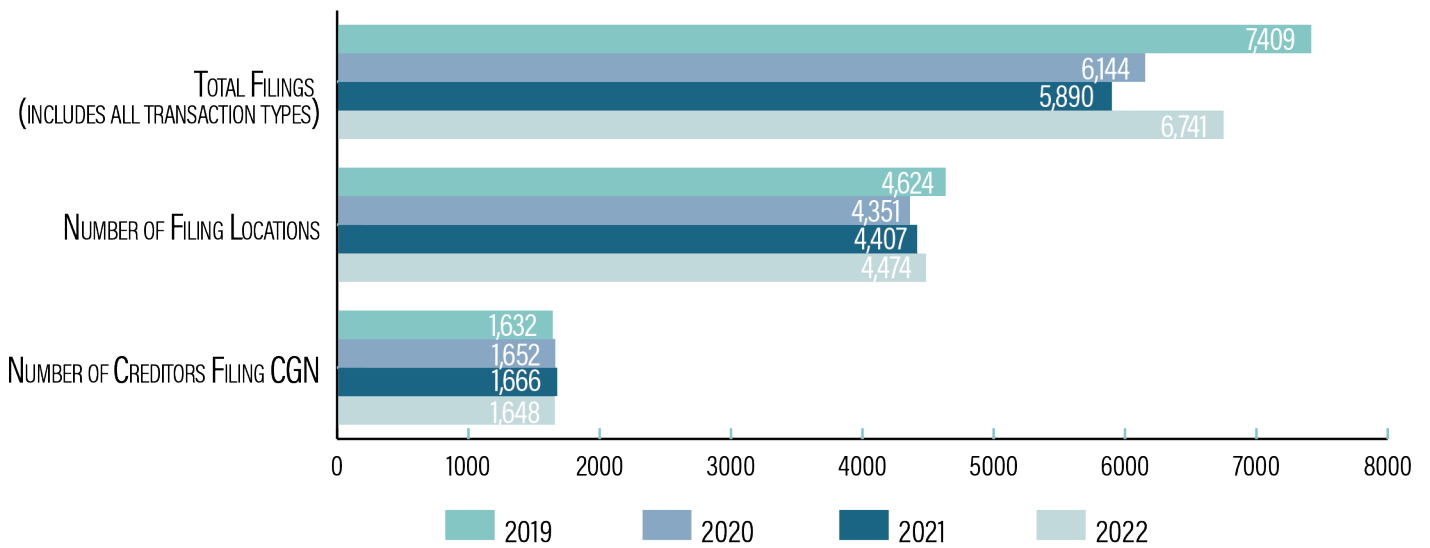
General Filings Overview

The Code provides requirements and restrictions for persons engaging in consumer credit transactions with South Carolina consumers. A “consumer credit transaction” is a consumer credit sale, a consumer loan, a consumer lease, or a consumer rental-purchase agreement. “Credit” is “the right granted by a creditor to a debtor to defer payment of or to incur debt and its payment.” The general provisions of the Code are not industry specific and its requirements apply to any person or transaction meeting its definitions, which cover a broad swath of industries and consumer contracts. A “creditor” is the person who grants credit in a consumer credit transaction or an assignee thereof. The Code requires a person file certain information with the Department if threshold requirements are triggered.

Credit Grantor Notifications (CGNs)

Creditors whose annual gross volume of business exceeds \$150,000, must file a consumer grantor notification with the Department if they: (1) make consumer credit sales, leases, or loans or engage in rent-to-own transactions; (2) take assignment of payments that arise from consumer credit sales, leases, loans, or rent-to-own transactions and engage in direct collection of those payments from debtors; or (3) take assignment of payments that arise from consumer credit sales, leases, loans, or rent-to-own transactions and enforce rights against debtors.

CREDIT GRANTOR NOTIFICATION FILINGS (2019 - 2022)

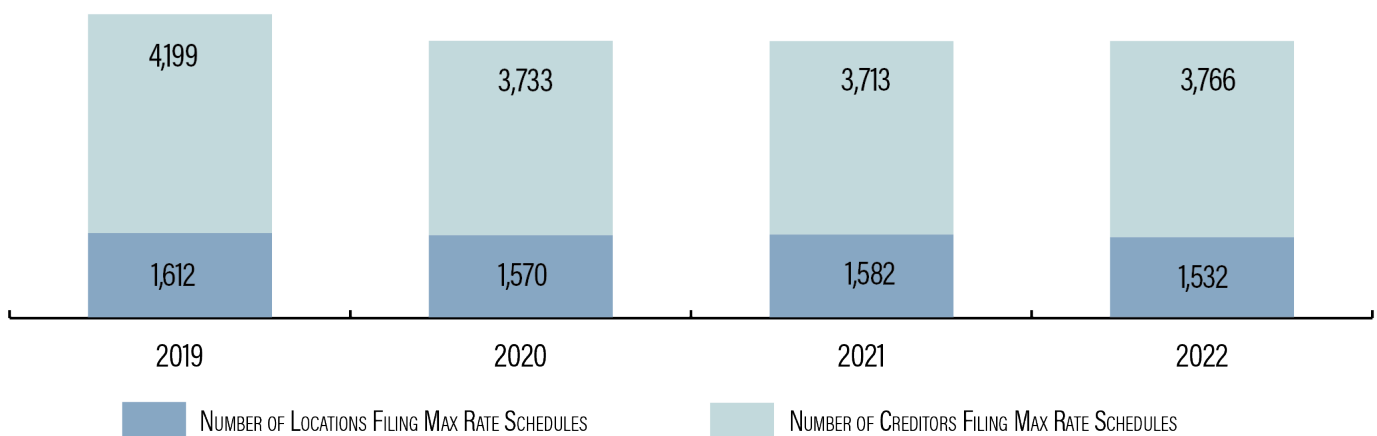


Maximum Rate Schedules

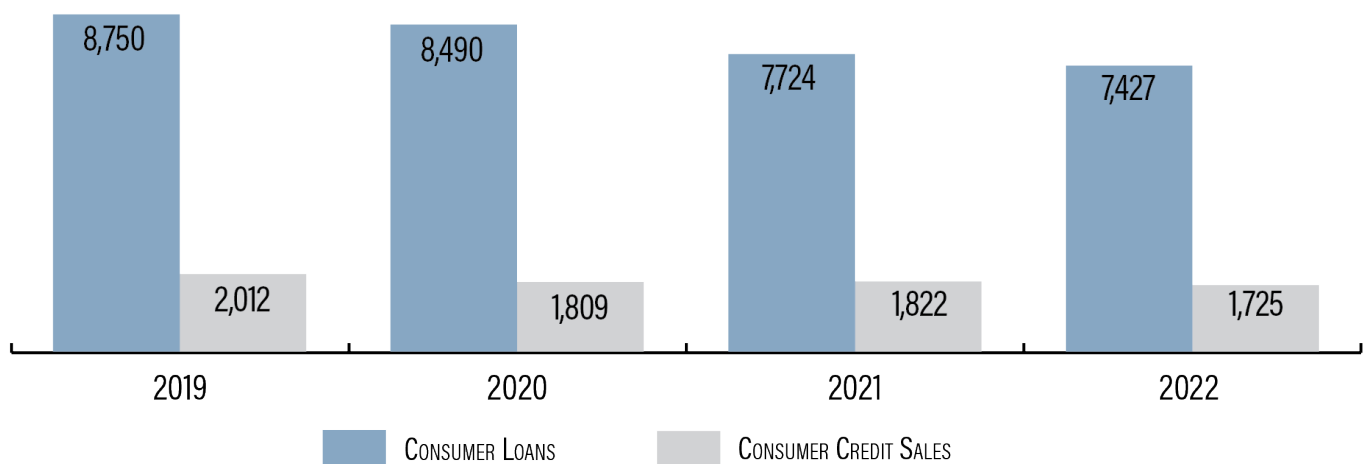
In South Carolina, creditors intending to charge more than 18% APR must first file the rate with SCDCA and post that same rate in its place of business. These maximum rate schedules are self-imposed limits set by each creditor, and must be filed for each credit category the creditor offers.

The rate schedule is meant to foster competition and help encourage the informed use of consumer credit, assisting consumers in comparing rates and understanding of the terms of a transaction. Maximum rates filed with SCDCA are posted at the creditor’s business location and on SCDCA’s website.

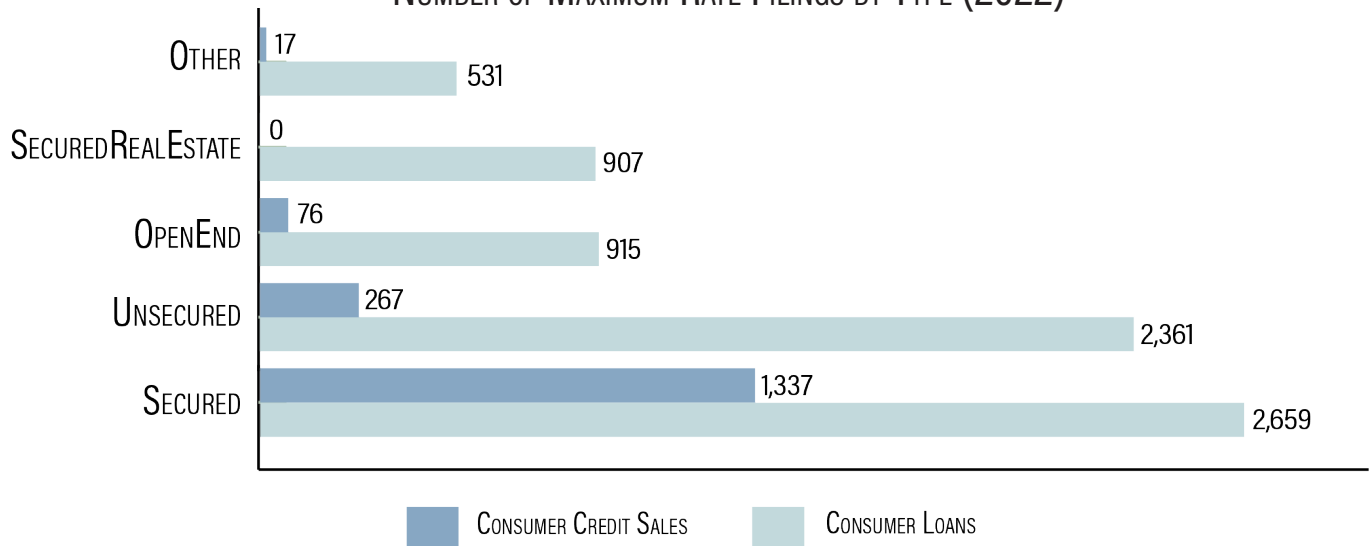
NUMBER OF MAXIMUM RATE FILINGS BY CREDITOR & LOCATION (2019 - 2022)



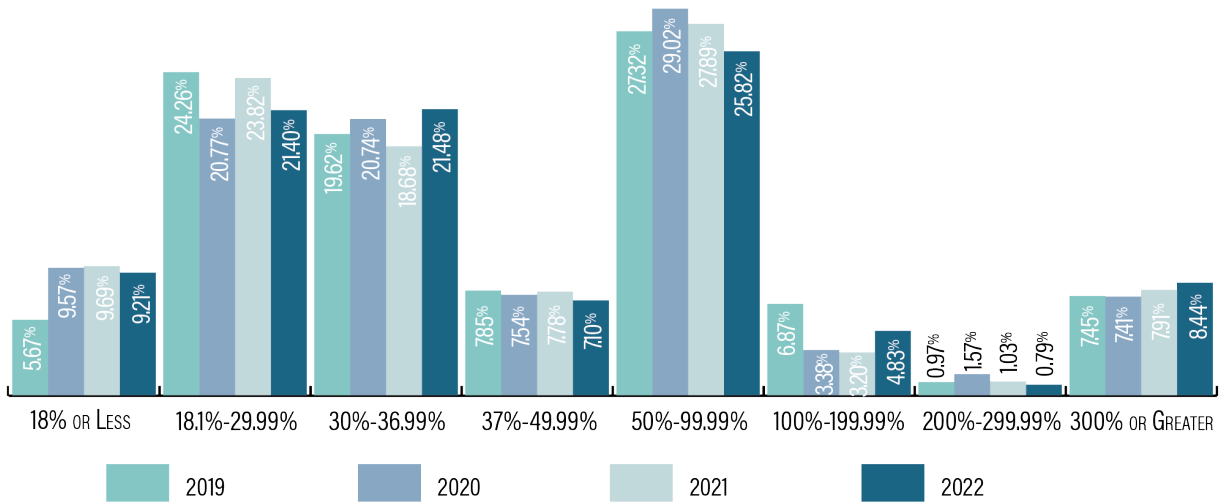
TOTAL MAXIMUM RATE FILINGS: LOANS VS. CREDIT SALES (2019 - 2022)



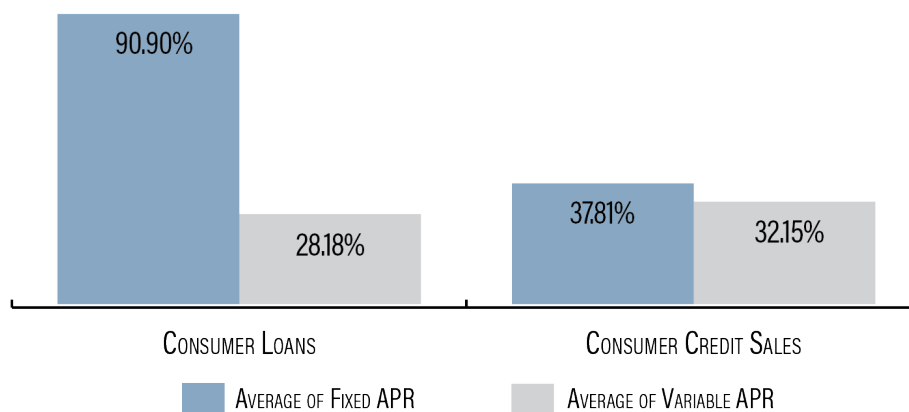
NUMBER OF MAXIMUM RATE FILINGS BY TYPE (2022)



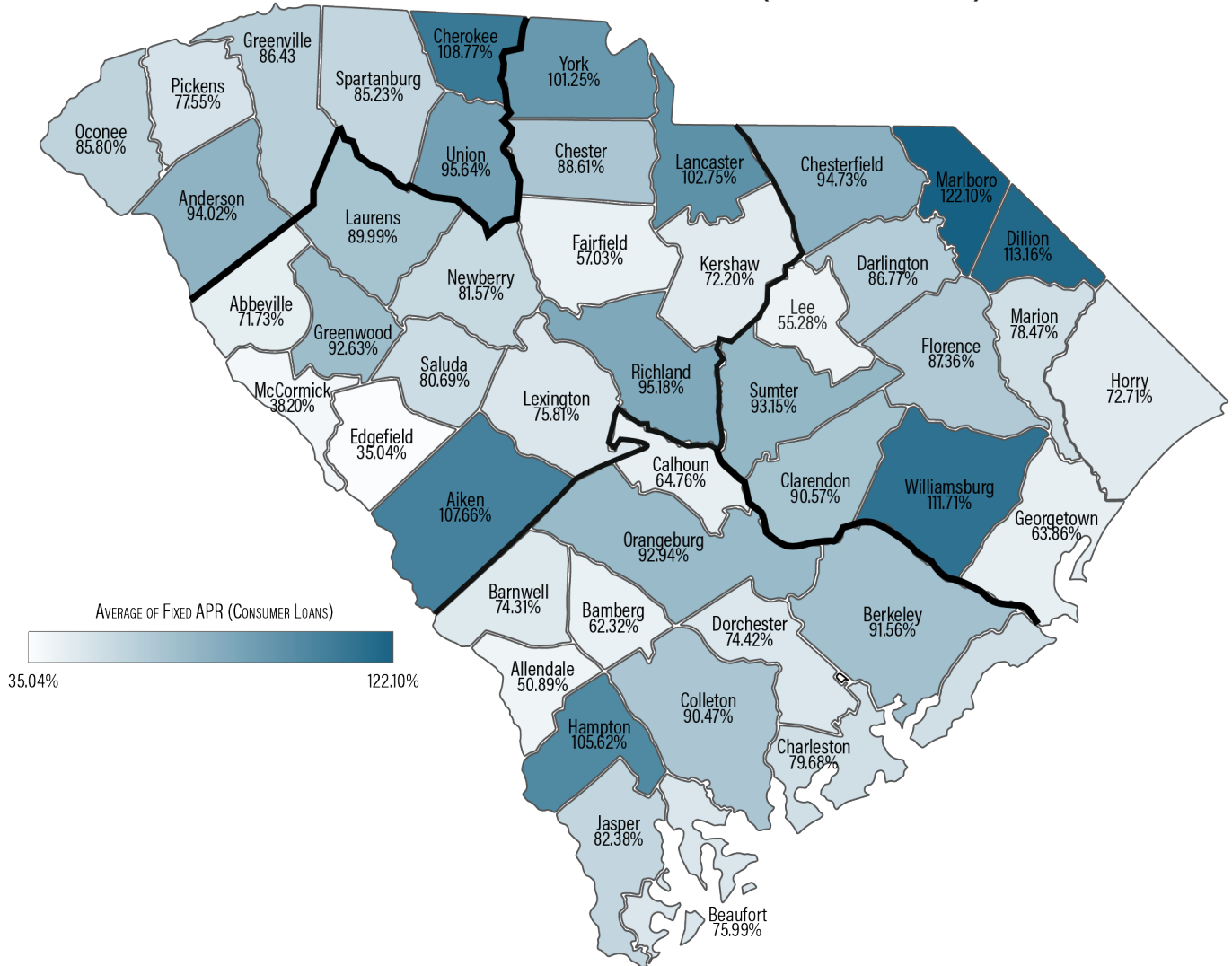
MAXIMUM RATE FILINGS BY APR RANGE: YEAR OVER YEAR COMPARISON (2019 - 2022)



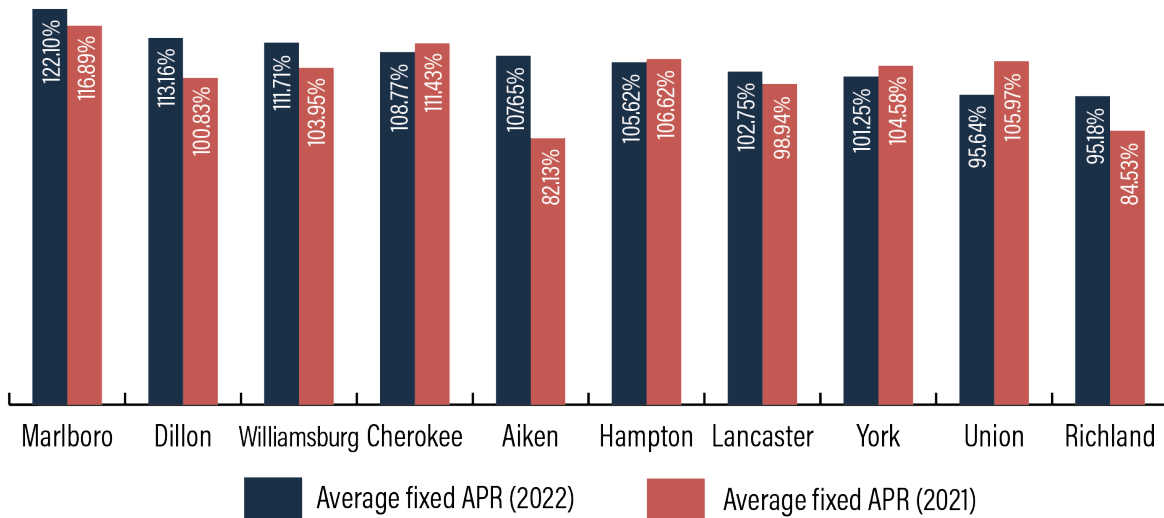
AVERAGE OF MAXIMUM RATE FILINGS BY TRANSACTION (2022)



AVERAGE OF FIXED MAXIMUM APR FILED BY COUNTY (CONSUMER LOANS) 2022



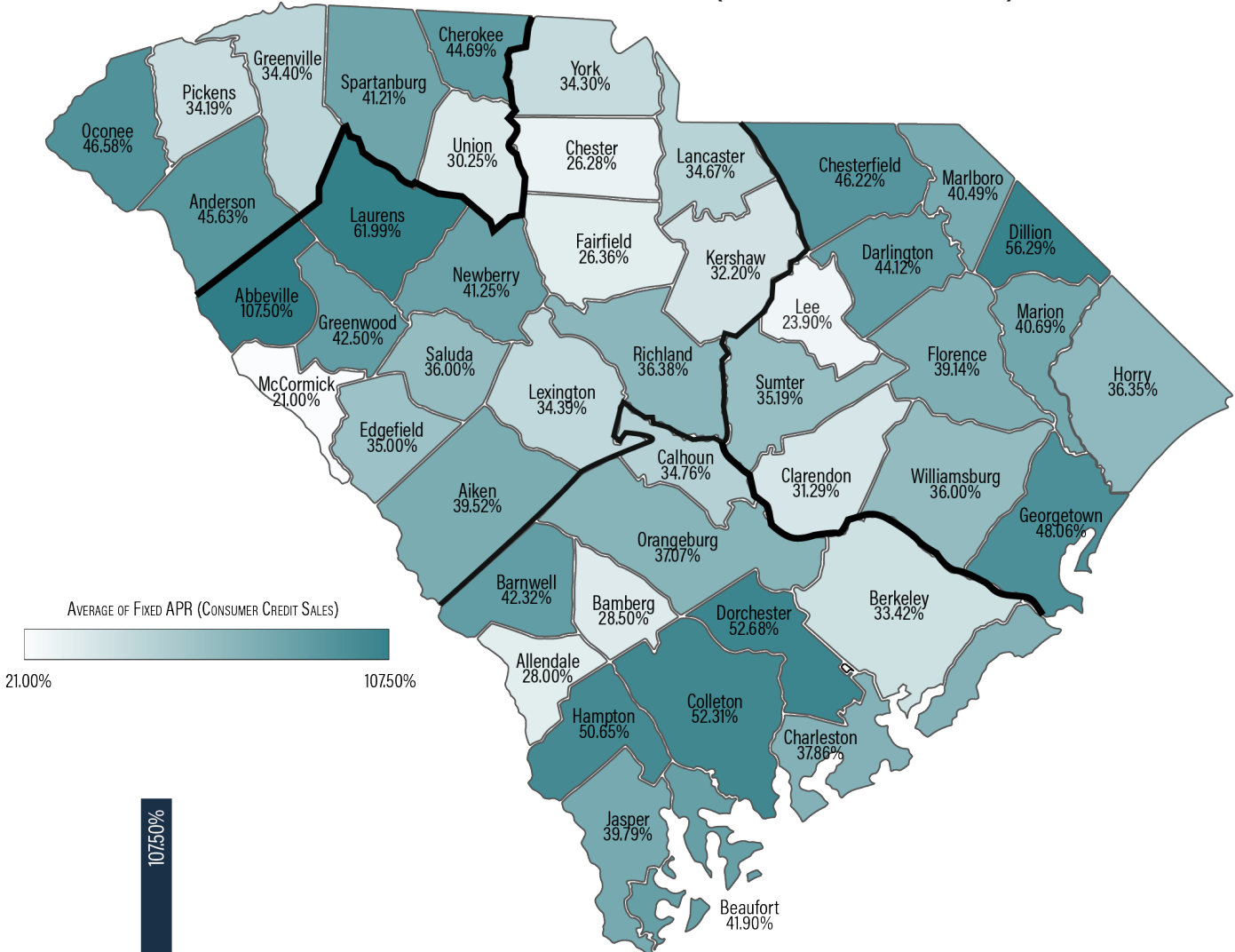
AVERAGE OF MAXIMUM RATES FILED (CONSUMER LOANS) TEN HIGHEST COUNTIES 2022 (OVERLAP WITH 2021)



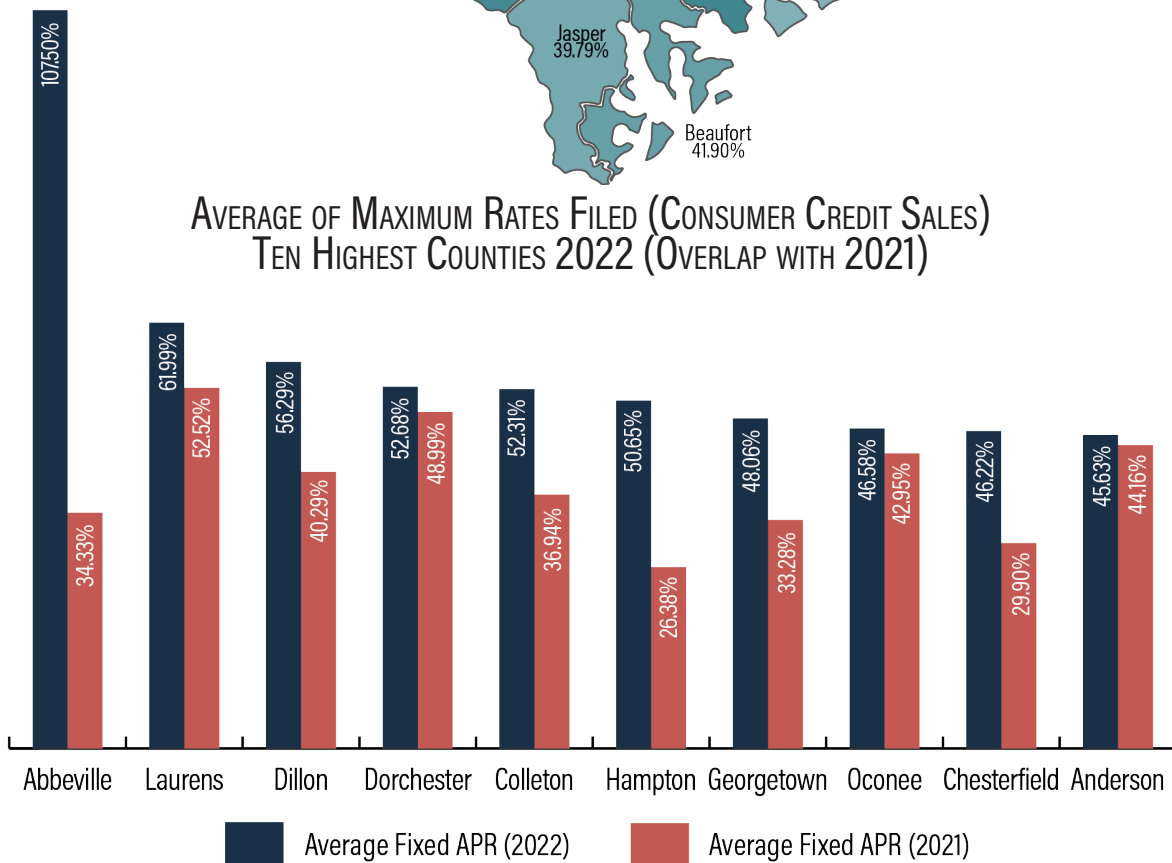
HIGHEST & AVERAGE MAXIMUM RATE FILED BY COUNTY (CONSUMER LOANS) RANKED BY HIGHEST FIXED APR

Rank	Consumer Loans County	Fixed APR		Variable APR	
		Highest (Fixed APR)	Average (Fixed APR)	Highest (Variable APR)	Average (Variable APR)
1	Outside SC	850.00%	214.70%	850.00%	26.38%
2	Marlboro	520.00%	122.10%	36.00%	25.93%
3	Dillon	520.00%	113.16%	49.00%	31.12%
4	Williamsburg	520.00%	111.71%	31.50%	24.86%
5	Cherokee	520.00%	108.77%	36.00%	25.55%
6	Aiken	520.00%	107.65%	96.00%	30.45%
7	Hampton	520.00%	105.62%	36.00%	28.33%
8	Lancaster	520.00%	102.75%	31.50%	26.00%
9	York	520.00%	101.25%	36.00%	25.55%
10	Richland	520.00%	95.18%	36.00%	26.54%
11	Chesterfield	520.00%	94.73%	36.00%	26.30%
12	Anderson	520.00%	94.02%	60.00%	26.69%
13	Sumter	520.00%	93.15%	36.00%	28.10%
14	Orangeburg	520.00%	92.94%	36.00%	27.48%
15	Greenwood	520.00%	92.63%	60.00%	37.35%
16	Berkeley	520.00%	91.56%	49.00%	27.96%
17	Clarendon	520.00%	90.57%	36.00%	31.04%
18	Colleton	520.00%	90.47%	96.00%	35.43%
19	Laurens	520.00%	89.99%	36.00%	29.91%
20	Chester	520.00%	88.61%	31.50%	26.92%
21	Florence	520.00%	87.36%	125.00%	29.26%
22	Darlington	520.00%	86.77%	36.00%	24.60%
23	Greenville	520.00%	86.43%	60.00%	27.58%
24	Oconee	520.00%	85.80%	36.00%	26.14%
25	Spartanburg	520.00%	85.23%	36.00%	27.31%
26	Newberry	520.00%	81.57%	36.00%	25.18%
27	Charleston	520.00%	79.68%	96.00%	27.94%
28	Marion	520.00%	78.47%	49.00%	31.56%
29	Pickens	520.00%	77.55%	36.00%	26.46%
30	Beaufort	520.00%	75.99%	36.00%	28.07%
31	Lexington	520.00%	75.81%	48.00%	26.18%
32	Dorchester	520.00%	74.42%	36.00%	24.68%
33	Barnwell	520.00%	74.31%	31.50%	26.00%
34	Horry	520.00%	72.71%	125.00%	33.33%
35	Kershaw	520.00%	72.20%	36.00%	26.86%
36	Georgetown	520.00%	63.86%	49.00%	28.25%
37	Union	359.00%	95.64%	36.00%	27.00%
38	Jasper	325.00%	82.38%	36.00%	26.78%
39	Saluda	300.00%	80.69%	36.00%	27.33%
40	Abbeville	300.00%	71.73%	50.00%	28.58%
41	Bamberg	300.00%	62.32%	36.00%	27.23%
42	Calhoun	168.99%	64.76%	25.00%	24.67%
43	McCormick	140.00%	38.20%	31.50%	26.50%
44	Fairfield	94.00%	57.03%	36.00%	27.33%
45	Lee	94.00%	55.28%	36.00%	28.20%
46	Allendale	94.00%	50.89%	36.00%	32.00%
47	Edgefield	94.00%	35.04%	31.50%	27.60%

AVERAGE OF FIXED MAXIMUM APR FILED BY COUNTY (CONSUMER CREDIT SALES) 2022



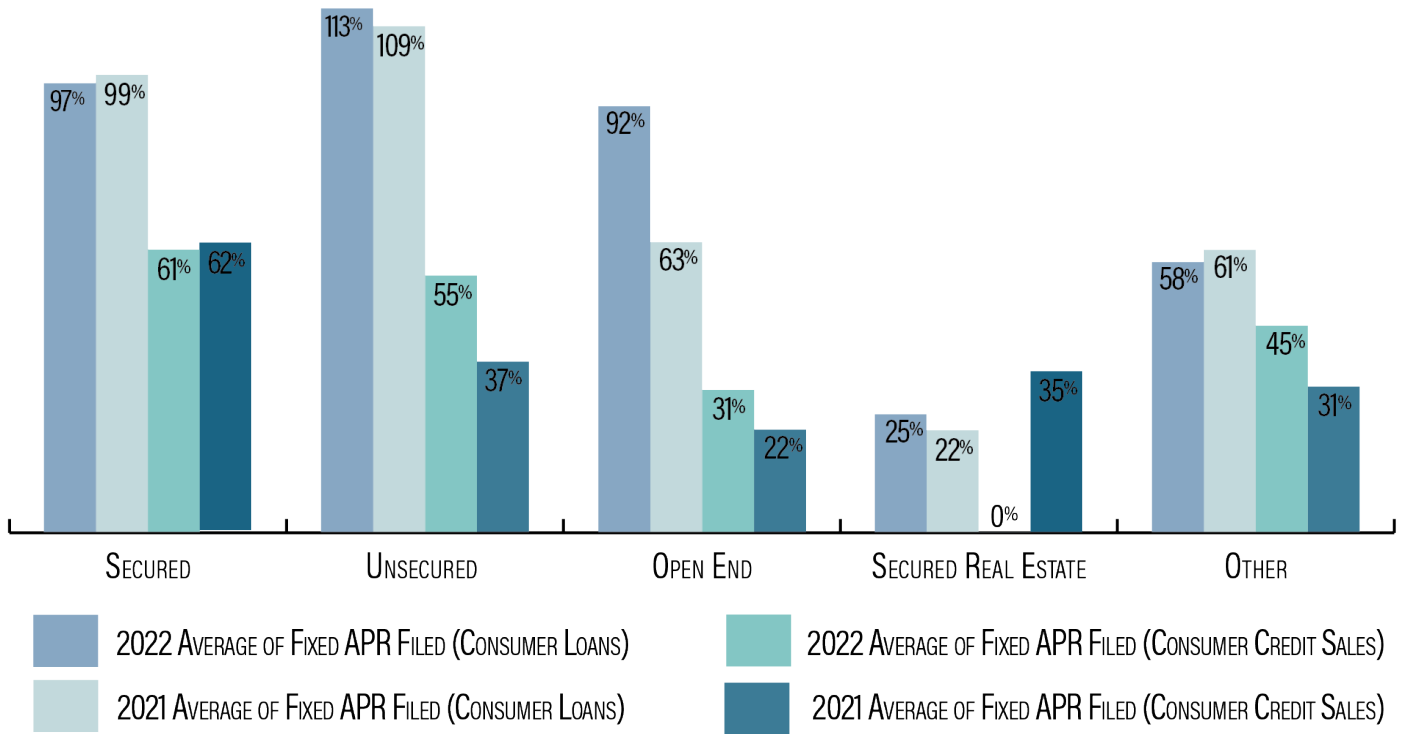
AVERAGE OF MAXIMUM RATES FILED (CONSUMER CREDIT SALES) TEN HIGHEST COUNTIES 2022 (OVERLAP WITH 2021)



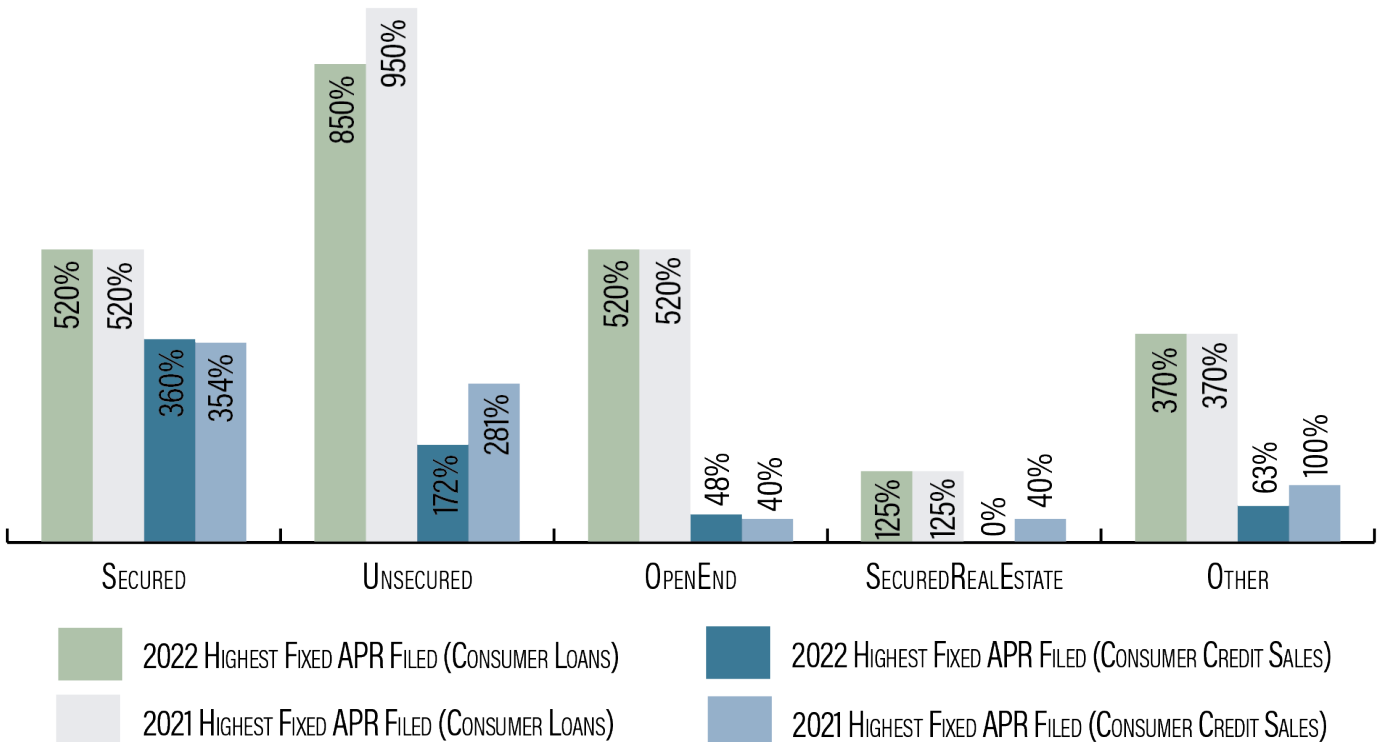
HIGHEST & AVERAGE MAXIMUM RATE FILED BY COUNTY (CREDIT SALES) RANKED BY HIGHEST FIXED APR

	Consumer Credit Sales County	Fixed APR		Variable APR	
		Highest (Fixed APR)	Average (Fixed APR)	Highest (Variable APR)	Average (Variable APR)
1	Oconee	325.00%	46.58%	0.00%	0.00%
2	Anderson	325.00%	45.63%	0.00%	0.00%
3	Dorchester	300.00%	52.68%	49.99%	49.99%
4	Beaufort	200.00%	41.90%	50.00%	37.50%
5	Colleton	189.00%	52.31%	0.00%	0.00%
6	Spartanburg	171.67%	41.21%	36.00%	35.45%
7	Charleston	171.67%	37.86%	29.00%	20.00%
8	Richland	171.67%	36.38%	100.00%	100.00%
9	Horry	171.67%	36.35%	30.00%	30.00%
10	Greenville	171.67%	34.40%	32.00%	24.00%
11	Abbeville	170.00%	107.50%	0.00%	0.00%
12	Laurens	170.00%	61.99%	0.00%	0.00%
13	Dillon	170.00%	56.29%	0.00%	0.00%
14	Hampton	170.00%	50.65%	0.00%	0.00%
15	Georgetown	170.00%	48.06%	0.00%	0.00%
16	Chesterfield	170.00%	46.22%	0.00%	0.00%
17	Cherokee	170.00%	44.69%	0.00%	0.00%
18	Darlington	170.00%	44.12%	0.00%	0.00%
19	Greenwood	170.00%	42.50%	0.00%	0.00%
20	Barnwell	170.00%	42.32%	10.00%	10.00%
21	Newberry	170.00%	41.25%	0.00%	0.00%
22	Marion	170.00%	40.69%	0.00%	0.00%
23	Marlboro	170.00%	40.49%	0.00%	0.00%
24	Jasper	170.00%	39.79%	0.00%	0.00%
25	Aiken	170.00%	39.52%	0.00%	0.00%
26	Florence	170.00%	39.14%	18.00%	18.00%
27	Orangeburg	170.00%	37.07%	0.00%	0.00%
28	Sumter	170.00%	35.19%	29.00%	29.00%
29	Lancaster	170.00%	34.67%	0.00%	0.00%
30	Lexington	170.00%	34.39%	0.00%	0.00%
31	York	170.00%	34.30%	0.00%	0.00%
32	Pickens	170.00%	34.19%	0.00%	0.00%
33	Williamsburg	100.00%	36.00%	0.00%	0.00%
34	Berkeley	99.99%	33.42%	0.00%	0.00%
35	Outside SC	69.00%	27.44%	29.99%	29.99%
36	Clarendon	60.00%	31.29%	0.00%	0.00%
37	Saluda	50.00%	36.00%	0.00%	0.00%
38	Union	50.00%	30.25%	0.00%	0.00%
39	Kershaw	48.00%	32.20%	0.00%	0.00%
40	Edgefield	46.00%	35.00%	0.00%	0.00%
41	Fairfield	45.00%	26.36%	0.00%	0.00%
42	Calhoun	39.90%	34.76%	36.00%	36.00%
43	Bamberg	36.00%	28.50%	0.00%	0.00%
44	Chester	36.00%	26.28%	0.00%	0.00%
45	Allendale	28.00%	28.00%	0.00%	0.00%
46	Lee	23.90%	23.90%	0.00%	0.00%
47	McCormick	21.00%	21.00%	0.00%	0.00%

AVERAGE OF FIXED APR FILED BY TYPE & CATEGORY (2021/2022)



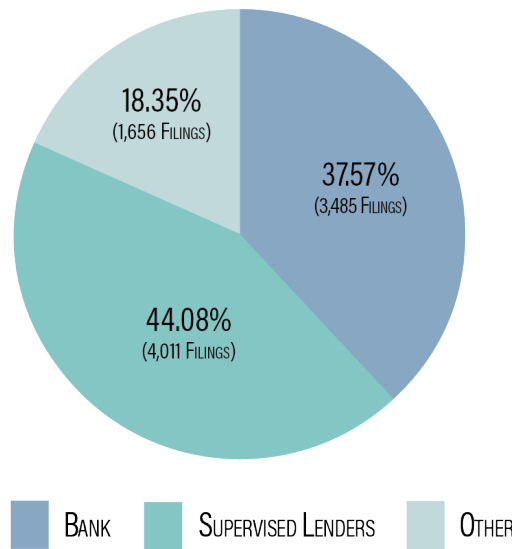
HIGHEST APR FILED BY TYPE & CATEGORY (2021/2022)



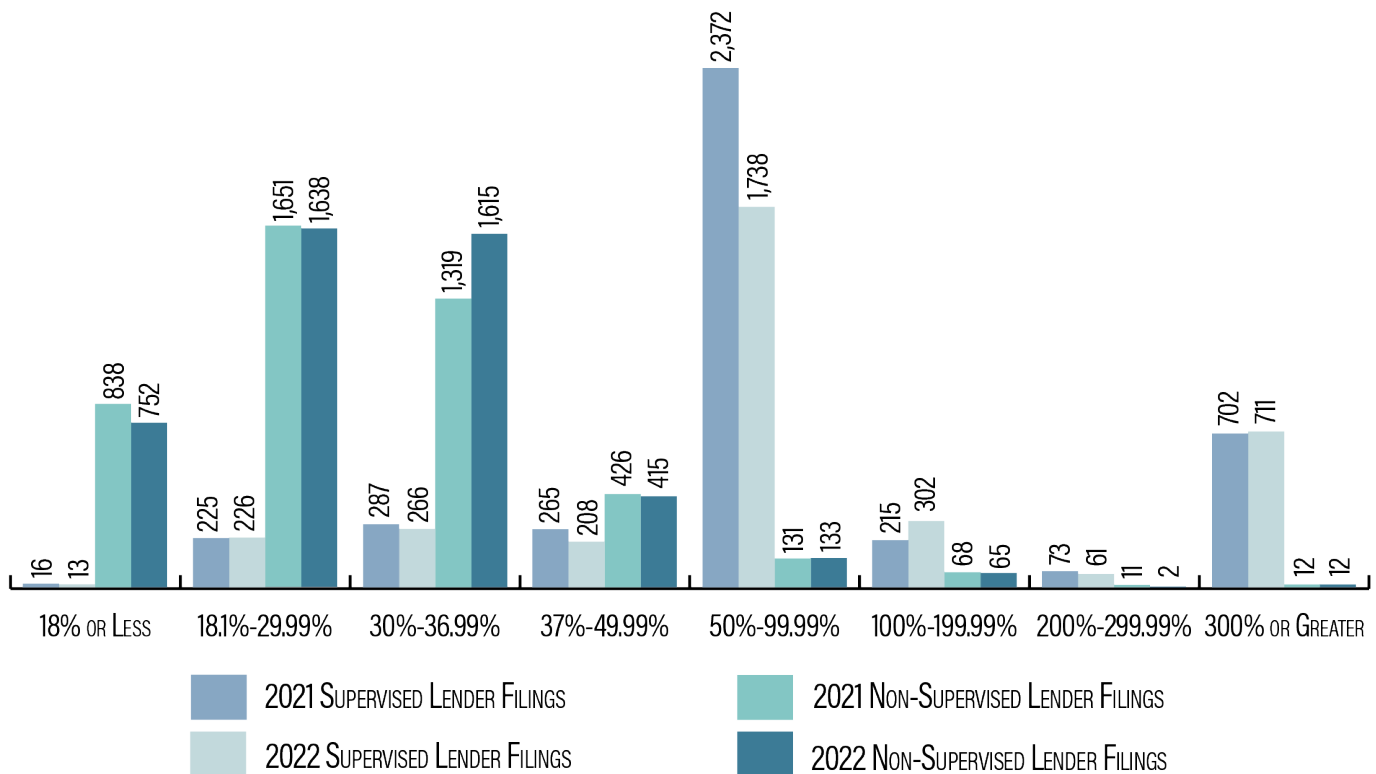
CONSUMER LENDING

Consumer loan transactions, which account for the majority of maximum rate filings, are comprised of various industries, or registered creditor types. While the Code contains provisions for consumer loans similar to those for credit sales, rent-to-own transactions and leases, additional requirements and consumer protections are contained in Chapter Three with which lenders must comply. This includes specific regulation of lenders offering loans in excess of 12% APR. Some consumer loan products, however, are regulated by other titles, including deferred presentment and pawn transactions.

NUMBER OF MAXIMUM RATE FILINGS BY INDUSTRY TYPE (2022)

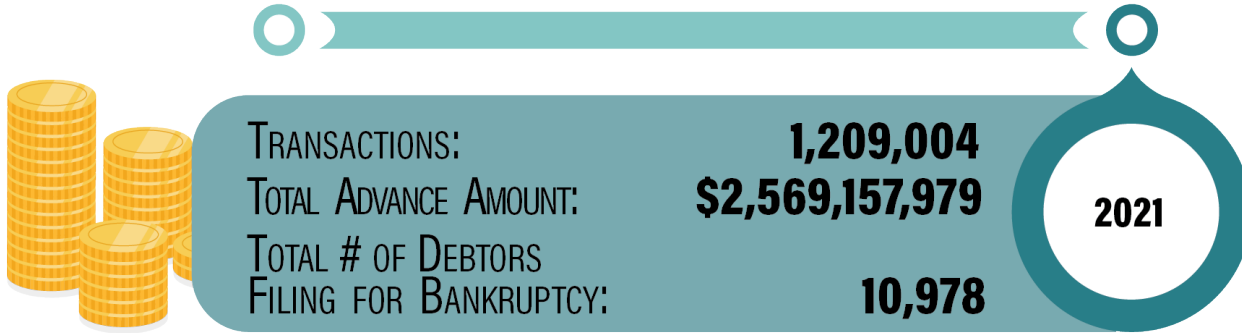


MAXIMUM RATE FILINGS BY RANGE:
SUPERVISED LENDERS & NON-SUPERVISED LENDERS (2021/2022)

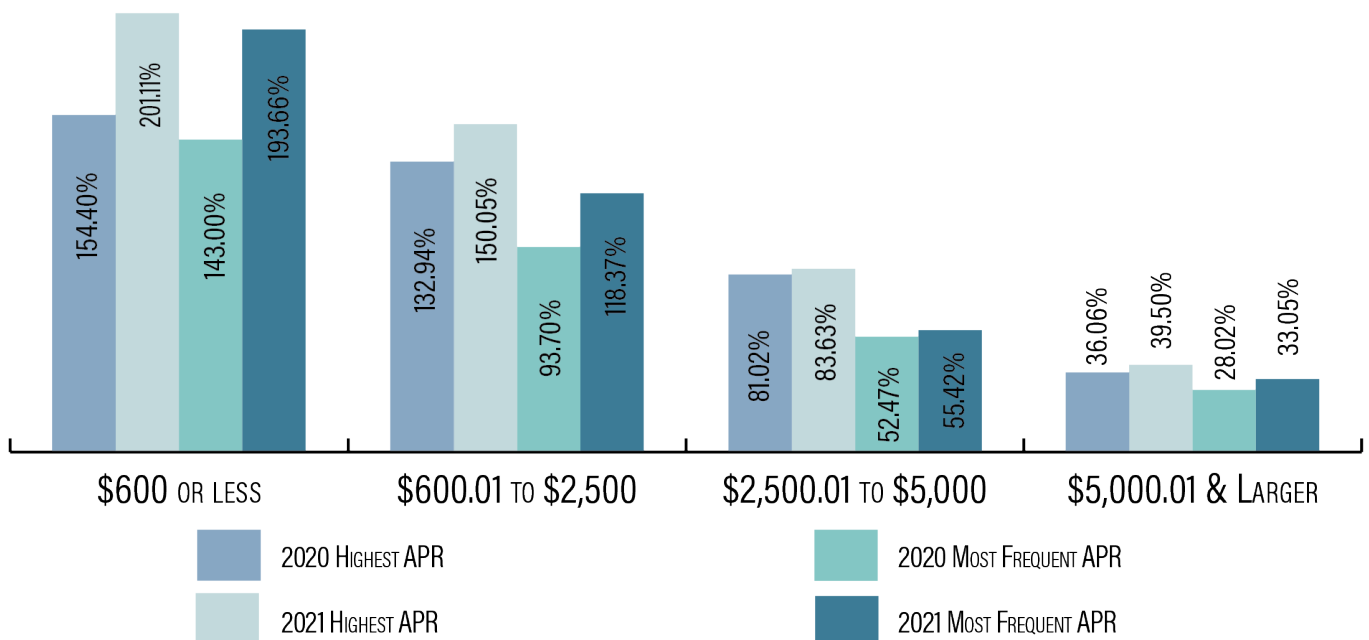


Supervised Lending

Supervised loans are governed by the Code, specifically section 37-3-500 et seq. Supervised loans are consumer loans in which the rate of the loan finance charge exceeds 12% APR. A supervised lender is a person who is authorized to make or take assignments of supervised loans. These lenders are licensed and examined by the South Carolina Board of Financial Institution's Consumer Finance Division. A supervised lender who charges more than 18% APR must also file its rate with the Department and post that rate in its place of business. However, for loans not exceeding \$600, the supervised lender may not file or post a rate in excess of that set by statute for restricted lenders under section 34-29-140.

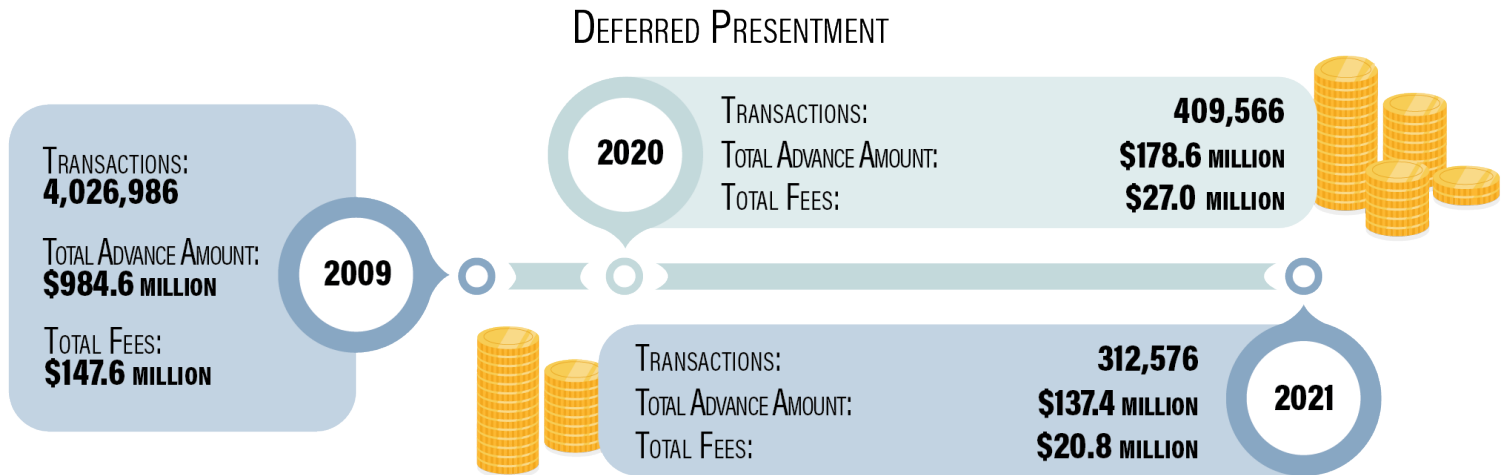


HIGHEST AND MOST FREQUENT APR CHARGED BY LOAN AMOUNT (WEIGHTED AVERAGES)

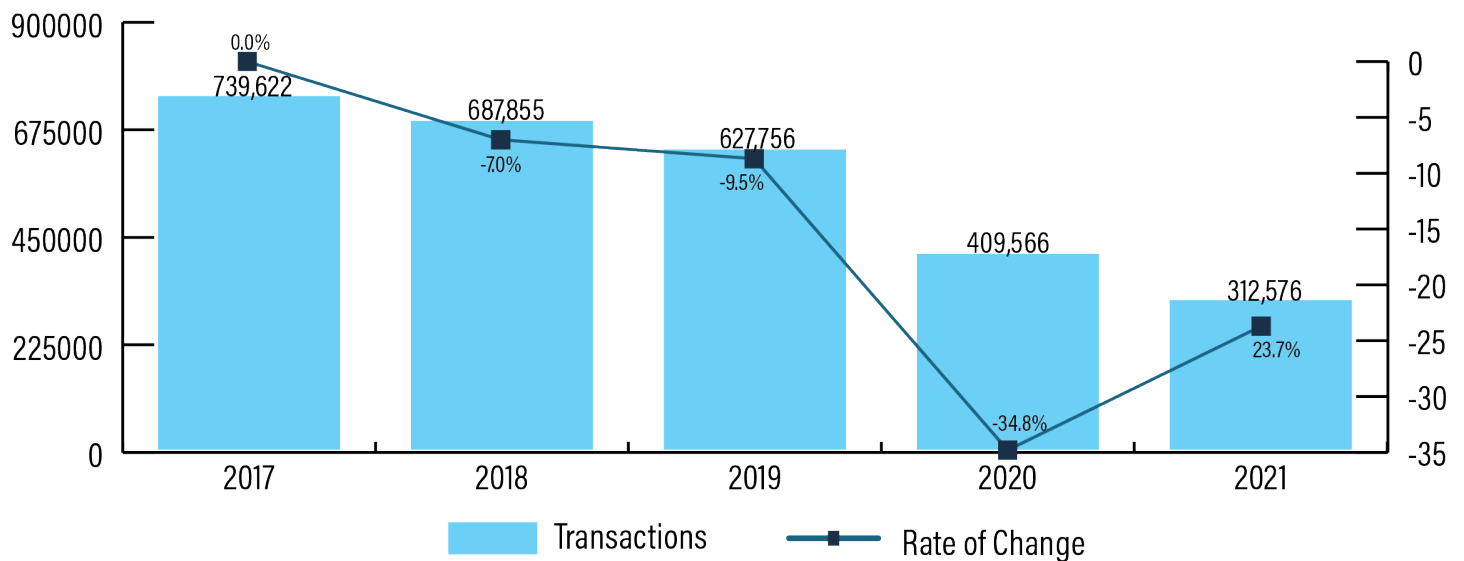


Deferred Presentment

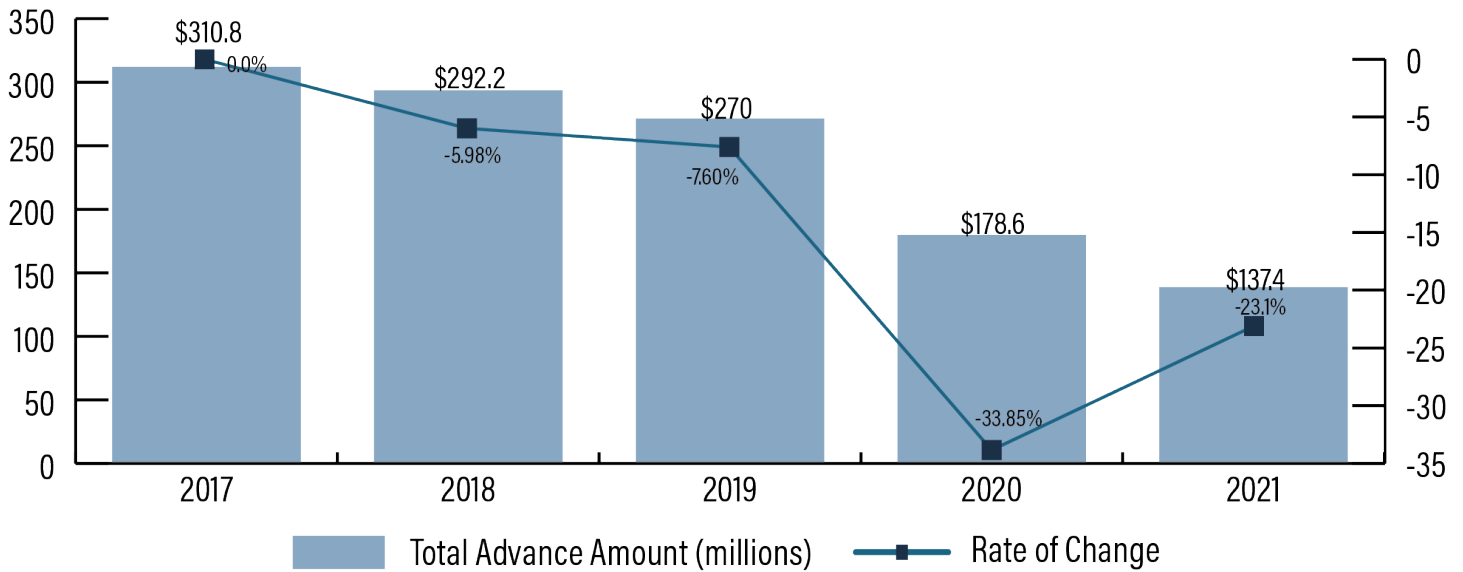
Deferred presentment is commonly referred to as a “payday loan.” A “payday loan” is when a lender charges a fee to accept a check dated on the date it was written and agrees to hold the check for a period of time before presentment for payment or deposit. These high rate lenders often charge at or above 300% APR.



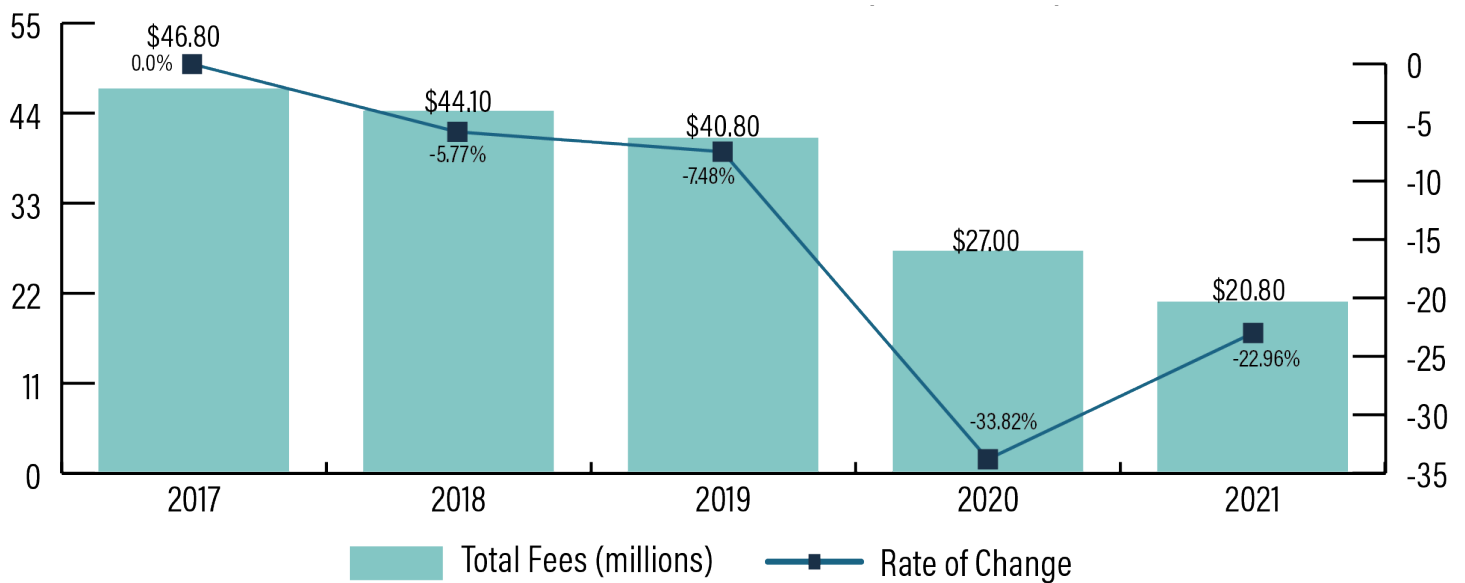
DEFERRED PRESENTMENT TOTAL NUMBER OF TRANSACTIONS:
RATE OF CHANGE (2017 - 2021)



DEFERRED PRESENTMENT TOTAL ADVANCE AMOUNTS: RATE OF CHANGE (2017 - 2021)





DEFERRED PRESENTMENT TOTAL FEES: RATE OF CHANGE (2017 - 2021)

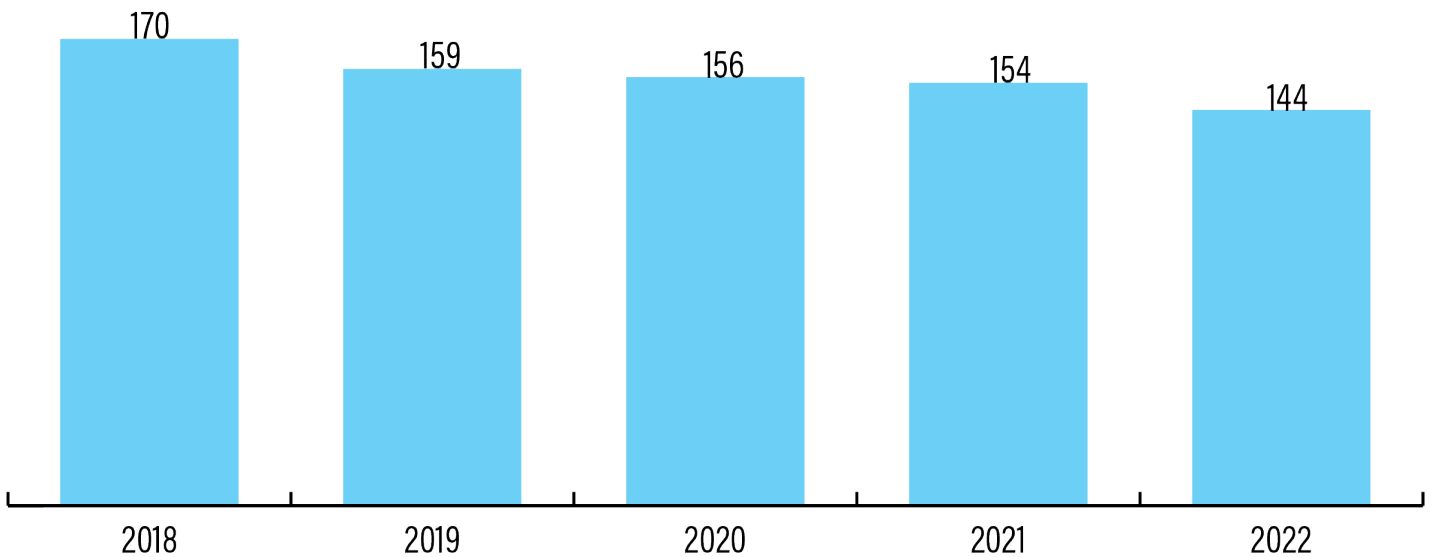


Pawnbrokers

Section 40-39-10(2) of the South Carolina Code of Laws defines “pawnbroker” as “any person engaged in the business of lending money on the security of pledged goods or engaged in the business of purchasing tangible personal property on condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.” No person may engage in the business of a pawnbroker without first obtaining a Certificate of Authority from the Department for each location. As a regulated industry, pawnbrokers must keep certain records as required by law, including documentation of every pawn or purchase transaction by a pawnbroker.

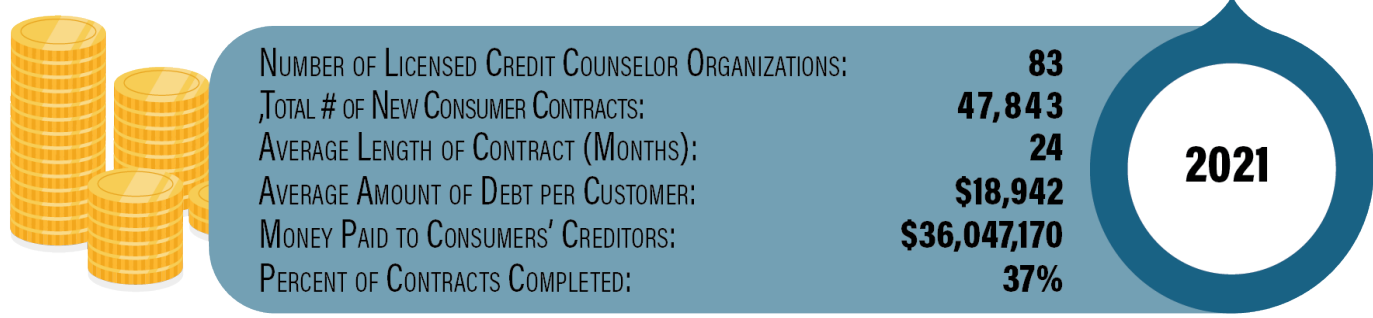
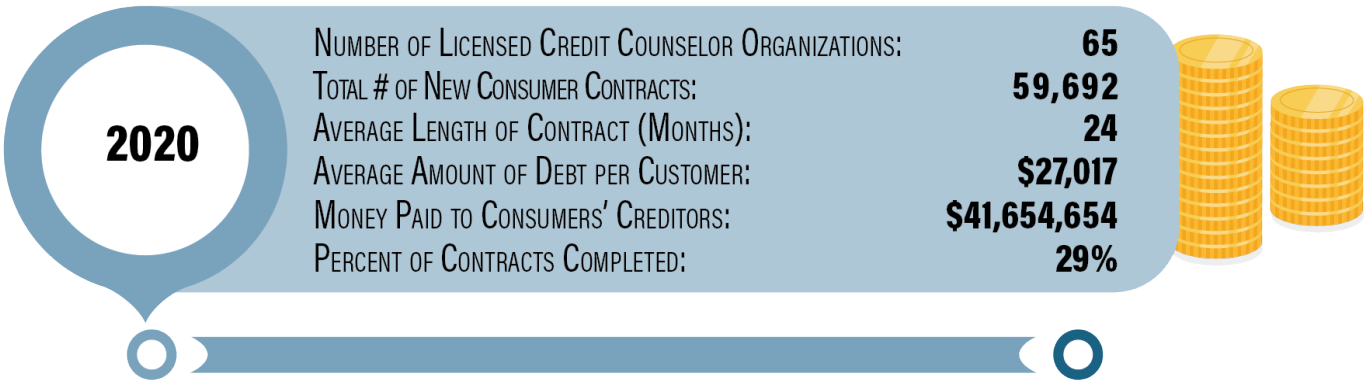
Total # Pawn Transactions for Licensees		Amount Advanced	
311,998		\$51,769,619	
Interest Collected		Average Amount Advanced	
\$11,575,098		\$359,511	

NUMBER OF LICENSED PAWNBROKERS (2018 - 2022)

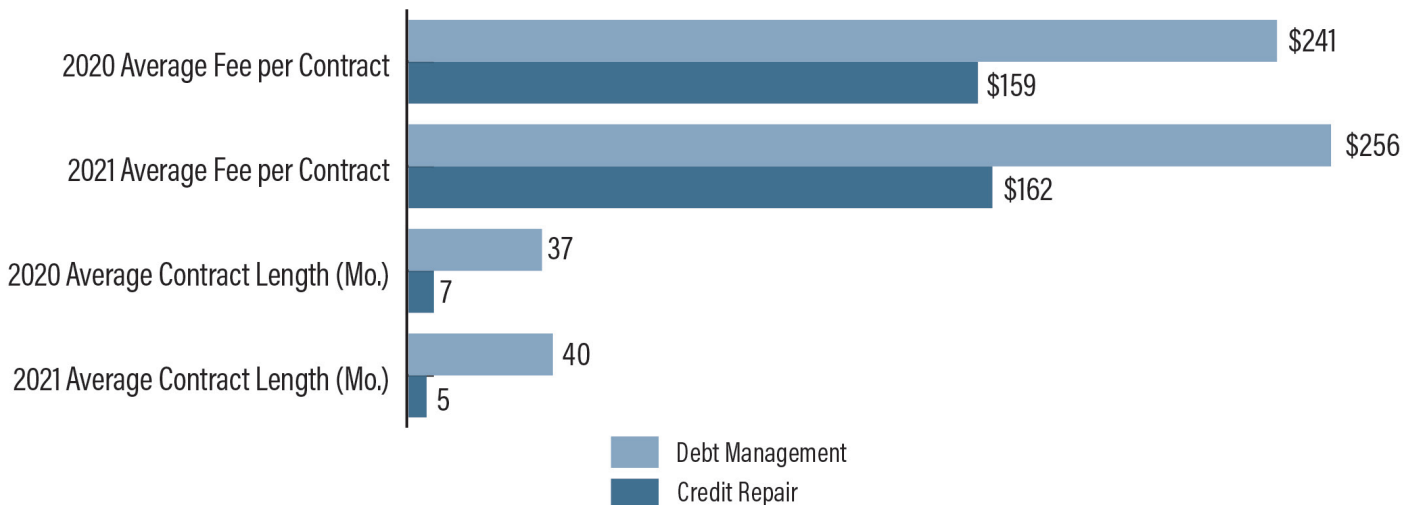


CREDIT COUNSELING

The Consumer Credit Counseling Act (the “CCCA”) went into effect on December 2, 2005. The CCCA requires consumer credit counseling organizations, which are businesses offering or providing credit counseling services for a fee, compensation or gain, to obtain a license from SCDCA for each location. Employees of these organizations who are involved with providing the credit counseling services, “credit counselors” under the CCCA, must also obtain a license. The industries that must comply with the CCCA can generally be divided into three categories: (1) Debt management/debt consolidation businesses, (2) Credit repair businesses, and (3) Debt settlement/negotiation businesses.



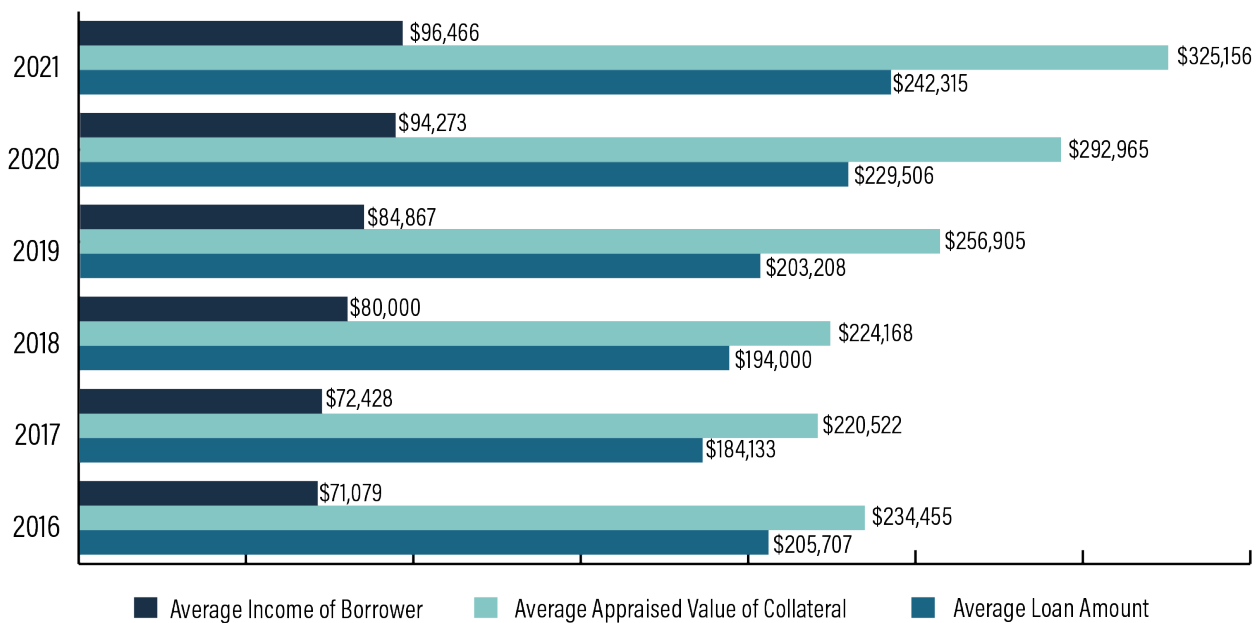
CREDIT COUNSELING CONTRACTS BY COMPANY TYPE (2020/2021)



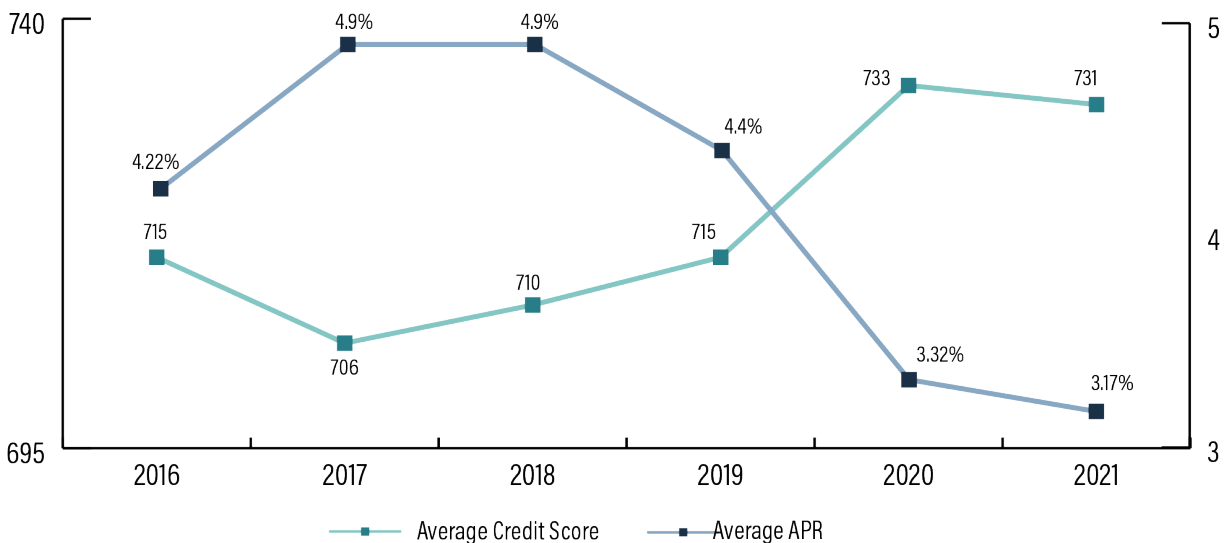
MORTGAGE LENDING

SCDCA has regulated mortgage loan brokers since 1988, and mortgage loan originators since 2005, pursuant to the Mortgage Brokers Act, S.C. Code Ann. section 40-58-10 et seq. The South Carolina Board of Financial Institution’s Consumer Finance Division has regulated mortgage lenders/servicers and their mortgage loan originators since 2009 pursuant to the Mortgage Lending Act, S.C. Code Ann. section 37-22-110 et seq. The Mortgage Brokers and Lenders Acts require lenders, servicers, and brokers in the mortgage industry to maintain accurate records and annually report certain mortgage data to the state. This data is compiled annually in the form of the Mortgage Log Report. Certain trends and data were pulled from the reports and included herein. The complete Report can be viewed on SCDCA’s website.

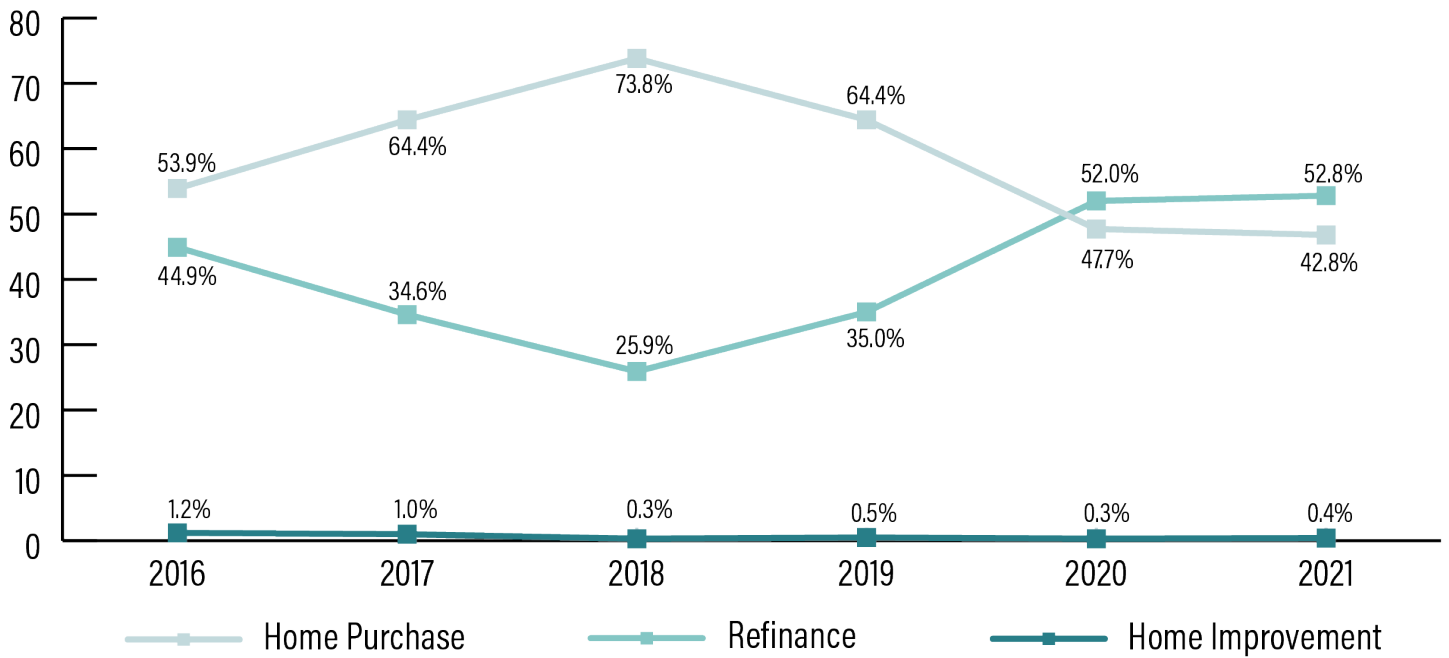
AVERAGES: LOAN AMOUNT, VALUE OF COLLATERAL & BORROWER’S INCOME (2016 - 2021)



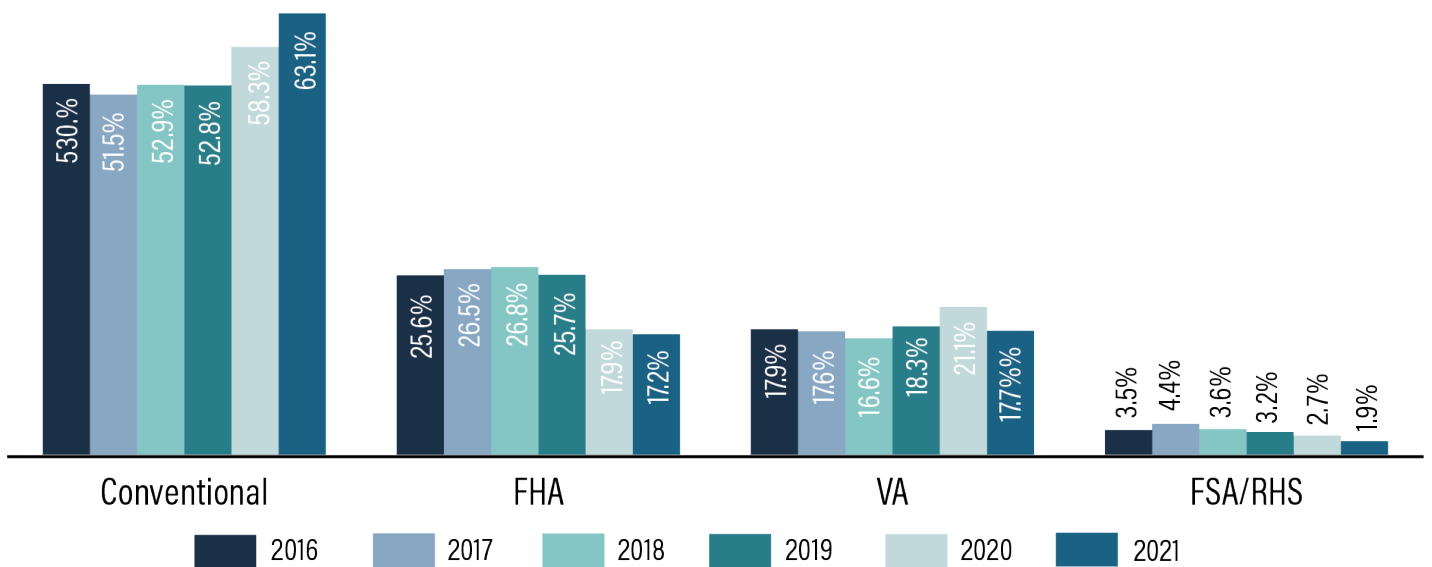
AVERAGE APR & CREDIT SCORE (2016 - 2021)



LOAN PURPOSE (2016 - 2021)



MORTGAGE LOAN TYPE (2016 - 2021)

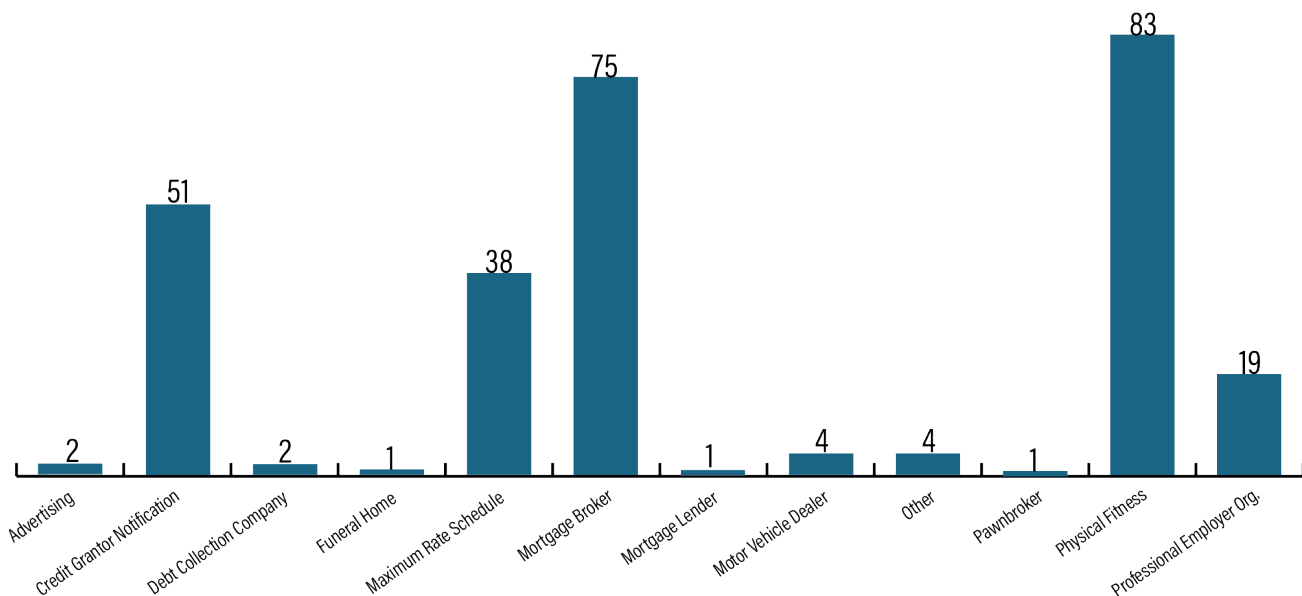


APPENDIX: RECENT ENFORCEMENT ACTIONS

Introduction

Overall, the agency's outcome of credits, refunds and adjustments for FY22 through efforts in complaint mediation, enforcement and intervention in rate filings was \$3,244,082. Combined with the past year's amount, DCA garnered over \$15 million in savings and adjustments over the past two years. This number is over three times DCA's FY22 budget. The amount fluctuates from year to year due to the unpredictability in forecasting results of enforcement actions and complaint resolutions due to the varied complexity of matters brought before the department. In FY22, DCA participated as an Amicus in an appeal regarding the application of the Consumer Credit Code to credit cards. DCA Investigators and support staff also completed the transfer of 208 preneed funeral contracts from an Upstate funeral home that shutdown.

281 ENFORCEMENT ACTIONS DURING FY22



**Note: One enforcement action could result in multiple remedies (e.g. fines, refunds, or credits/adjustments).*

Non-depository financial institutions and other regulated industries submitted nearly 30,000 filings and applications, 3,000 more than the prior two fiscal years. Despite the filing increase and staffing vacancies, DCA staff exceeded the goal to process 95% within thirty days of receipt (96%). During the same time period, investigators conducted 555 advisories, compliance reviews, contacts and inspections. The Department strives to conduct compliance reviews of at least 25% of licensees annually to ensure continued compliance. Special investigations of licensed and unlicensed businesses may also be conducted upon receipt of consumer complaints, industry tips or reports or requests from other state or federal agencies.

Highlights of issues identified through compliance reviews or investigations are recurring issues and remain the same as those listed in prior editions of the State of Credit Report¹. A listing of recent public enforcement actions can also be viewed on the Department's website². The Department's FY22 Accountability Report³ showing data points related to enforcement and licensing may be viewed on the Department's website along with Administrative Interpretations⁴, none of which were issued in 2022, and Business Guidance⁵ documents. Two new educational documents were added last year regarding the timing and content of a right to cure notice.

Endnotes

1 See <https://consumer.sc.gov/news/reports>

2 See <https://consumer.sc.gov/business-resourceslaws/enforcement-actions>

3 See <https://consumer.sc.gov/agency-reports>

4 See <https://consumer.sc.gov/business-resourceslaws/administrative-interpretations>

5 See <https://consumer.sc.gov/business-resourceslaws/business-education-tools>

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