

# CSBS Releases Comprehensive Look at Consumer Finance Industry and Regulation

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**Washington, D.C.** – The Conference of State Bank Supervisors (CSBS) released a [survey](#) of consumer lending laws and regulations of all 50 states and Washington, D.C., today alongside a new [policy paper](#) that examines the nonbank consumer finance marketplace.

**John Ryan, CSBS president and CEO:** “These resources offer a comprehensive look at the current state of U.S. consumer finance: the history of the industry and current supervision in the whitepaper and a nationwide look at similarities and differences across licensing schemes in the survey. The information is vital to states looking to craft more uniform requirements and to industry, particularly new entrants, policymakers and consumer groups searching for a verified summary of state compliance requirements.”

The survey of consumer finance licensing laws identifies state licensing and lending requirements for consumer loans as defined by state statutes. It includes business activities that trigger a need for a consumer loan license, major license requirements, statutorily mandated loan terms and limits on fees and charges.

All information contained in the survey is verified by the relevant state regulatory authority. The information will be updated on an annual basis and expanded to include usury restrictions.

## [Consumer Finance Survey](#) Highlights:

- Almost all states have minimum financial requirements: net worth or assets and/or surety bonds
- 29 states manage consumer loan licenses through NMLS
- 13 states’ laws have applicability to commercial small business lending
- 7 states require an in-state physical presence
- No state has a minimum loan amount, and the maximum ranges from \$1,500 to \$92,500

The state consumer law survey is one of 11 commitments state regulators made to strengthen and streamline state regulation based on [CSBS Fintech Industry Advisory Panel](#) recommendations. It is also a key part of [CSBS Vision 2020](#), a bundle of initiatives driving toward a more uniform and networked system of nonbank licensing and supervision.

The overview of nonbank consumer finance focuses on personal, auto, student, small dollar and payday loans as well as online and fintech lending. It is part of an ongoing series titled [Reengineering Nonbank Supervision](#).

#### [Overview of Nonbank Consumer Finance](#) Key Findings:

- Outstanding student loan balances are estimated at \$1.6 trillion owed by approximately 45 million consumers
- Personal loan balances (secured and unsecured credit combined) were at an all-time high of over \$305 billion mid-year 2019, a growth of 46% in the last four years
- Millennials have the highest level of debt overall (avg. \$134,323), and Baby Boomers carry the second highest level (avg. \$95,095)
- Spurred by fintech online loans, outstanding unsecured personal loan balances increased to \$148 billion in the second quarter of 2019, up 222% from 2012

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*The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and are the primary supervisor of nonbank financial services. CSBS, on behalf of state regulators, operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.*