

## **Hispanics Credit Repayment Problems**

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The economic downturn that started in 2007 impacted Hispanics more than other racial/ethnic groups. The debt delinquency rate for Hispanic households was much higher in 2010 than in 2004, while it was only slightly higher for non-Hispanic white households and slightly lower for non-Hispanic black households. This finding of worsening debt delinquency for Hispanics is in sharp contrast to delinquency rates prior to the economic downturn. This study uses the 2010 Survey of Consumer Finances to examine debt repayment for four racial/ethnic groups. Even when controlling for demographic, economic, and attitudinal factors, Hispanic households among households holding debt were more likely than non-Hispanic white households to be seriously delinquent on debt payments. This result is different from previous research using the 1992 to 2007 SCF datasets, which found that Hispanic households were less likely to be delinquent on debt payments than otherwise similar whites and blacks. This research discusses the greater impact of the recession on Hispanic households as related to living in geographic areas that suffered the worst real estate declines during the recession. Timely financial education materials targeted to assist Hispanics might have helped mitigate some of the impact of the recession.