

Consumer Credit Insights

Home Loans in Third District States

BY ALAINA BARCA¹

Percentage of borrowers with mortgage debt, 2025Q1

37%	33%	31%	33%
Delaware	Pennsylvania	New Jersey	United States



Average total mortgage debt, 2025Q1

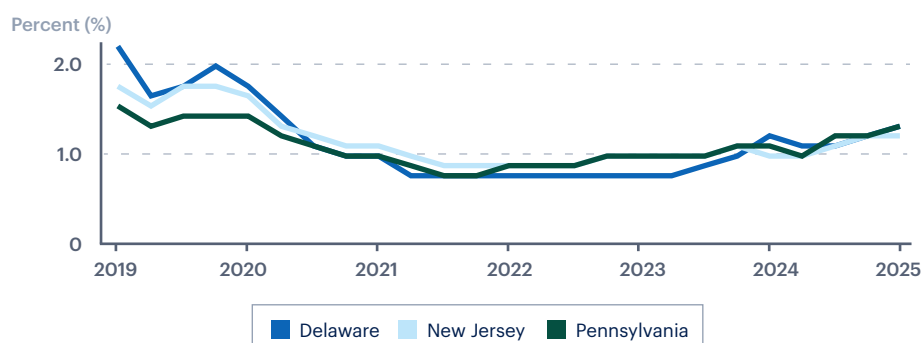
\$200,400	\$158,800	\$127,300	\$174,300
New Jersey	Delaware	Pennsylvania	United States

New data from the Federal Reserve Bank of Philadelphia's Consumer Credit Explorer (CCE) offer insights into consumer credit conditions in the Federal Reserve's Third District states: Delaware, New Jersey, and Pennsylvania.² This brief uses data from the CCE to highlight key consumer trends in mortgage and home equity line of credit (HELOC) debt as of the first quarter of 2025 ("2025Q1").³

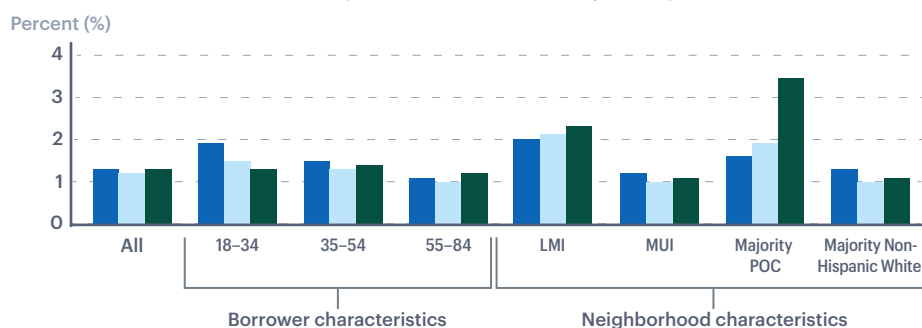
Mortgage Debt Overall

The share of borrowers in Third District states with mortgage debt, including first-lien mortgages and home equity installment loans, has declined slightly in recent years, although a higher share of borrowers in Delaware carry mortgage debt than in the United States overall.⁴ Average inflation-adjusted debt on mortgages has remained relatively stable in the past year.⁵ In 2025Q1, average mortgage debt was \$127,300 in Pennsylvania, \$158,800 in Delaware, and \$200,400 in New Jersey. In 2025Q1, average mortgage debt and shares of borrowers with mortgage debt were higher in middle- and upper-income (MUI) neighborhoods and neighborhoods that

PERCENTAGE OF MORTGAGE BORROWERS WITH SEVERELY DELINQUENT MORTGAGE DEBT



PERCENTAGE OF MORTGAGE BORROWERS WITH SEVERELY DELINQUENT MORTGAGE DEBT, 2025Q1



are majority non-Hispanic White compared with low- and moderate-income (LMI) neighborhoods and neighborhoods that are majority people of color (POC).⁶

Mortgage Delinquencies

The share of mortgage borrowers with severely delinquent mortgage debt has been on the rise in Third District states,

¹ The views expressed here are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

² The Federal Reserve's Third District is a region that covers eastern and central Pennsylvania, southern New Jersey, and Delaware. Data shown are for the entirety of each state.

³ All series included in this brief are publicly available via the CCE, an interactive tool for examining quarterly trends in consumer credit use at the regional, state, and national levels, available at www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer. The tool's series are generated using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data, which is a nationally representative dataset of anonymized individual credit files. Refer to the CCE for more details on data and methodology. This brief is part of a series that highlights regional trends in CCE data across different debt types. The related briefs are available at www.philadelphiafed.org/community-development/credit-and-capital/consumer-credit-insights-debt-in-third-district-states.

⁴ Calculated as the number of borrowers with mortgage debt greater than \$0 divided by the number of consumers with total debt greater than \$0. Mortgage debt includes debt from first-lien mortgages and home equity installment loans.

⁵ This refers to the average mortgage balance for borrowers with outstanding mortgage debt (greater than \$0). All dollar figures are reported in 2025Q1 dollars, adjusted using the BEA Personal Consumption Expenditures deflator.

⁶ LMI neighborhoods are census tracts in which the 2016–2020 American Community Survey (ACS) median family income (MFI) is less than 80 percent of the MFI in the associated metropolitan statistical area (MSA) or non-MSA counties in the state, while MUI neighborhoods are census tracts in which the MFI is greater than or equal to 80 percent. Majority-POC neighborhoods are census tracts in which more than 50 percent of residents identify their race as anything other than White alone or their ethnicity as Hispanic or Latino in the 2016–2020 ACS, while majority non-Hispanic White neighborhoods are census tracts in which more than 50 percent of residents identify their race as White alone and their ethnicity as non-Hispanic.



Percentage of borrowers with HELOC debt, 2025Q1

6.6%	5.2%	4.4%	4.1%
Pennsylvania	Delaware	New Jersey	United States

most recently reaching levels not seen since 2020.⁷ This is partly because of the end of pandemic-era mortgage forbearances, which contributed to the dip in delinquencies between 2020 and 2022. Still, mortgage delinquency rates are higher for some borrowers: In 2025Q1, at least 2.0 percent of mortgage borrowers living in LMI neighborhoods across the three states and 3.4 percent of borrowers in majority-POC neighborhoods in Pennsylvania had severely delinquent mortgage debt. Borrowers under 55 years old also had higher rates than borrowers 55 and older. Some regions in the Third District had a higher share of severely delinquent mortgage borrowers than others, including the Vineland, NJ, Johnstown, PA, and Altoona, PA, metropolitan areas.⁸

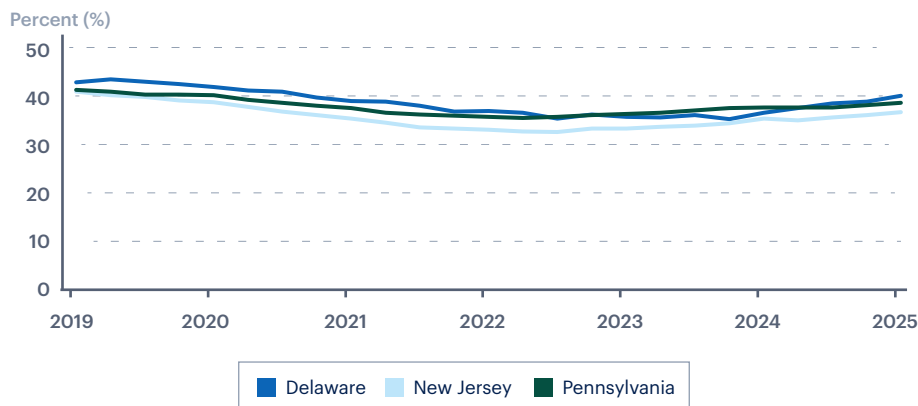
HELOC Debt

The share of borrowers with HELOC debt has been declining in Third District states, although it has recently been more steady, with 4 percent of New Jersey borrowers, 5 percent of Delaware borrowers, and 7 percent of Pennsylvania borrowers having HELOC debt in 2025Q1.⁹ HELOC borrowing is more popular in some regions: The Williamsport, PA (11 percent), Lancaster, PA

(9 percent), and Gettysburg, PA (8 percent), metropolitan areas had some of the highest rates of 2025Q1 HELOC borrowing in the region. Average inflation-adjusted HELOC debt has been rising slowly in recent years, reaching 2025Q1 averages of \$35,700 in Pennsylvania, \$40,000 in Delaware, and \$51,600 in New Jersey.¹⁰

Unlike mortgage borrowers, the portion of HELOC borrowers in severe HELOC delinquency has not increased recently.¹¹ The share of HELOC borrowers with severely delinquent HELOC debt in 2025Q1 was 0.6 percent in Pennsylvania and the United States overall and 0.7 percent in Delaware and New Jersey. However, the share of HELOC borrowers with a high utilization rate — those using 75 percent or more of their HELOC limit — has been increasing, recently surpassing levels not seen since 2020.¹² In 2025Q1, more than one-third of HELOC borrowers had a high utilization rate: 37 percent in New Jersey, 39 percent in Pennsylvania, and 41 percent in Delaware. This was higher in some regions: Over 45 percent of borrowers in the Williamsport, PA, Dover, DE, and Lebanon, PA, metropolitan areas were using at least 75 percent of their HELOC limit in 2025Q1.

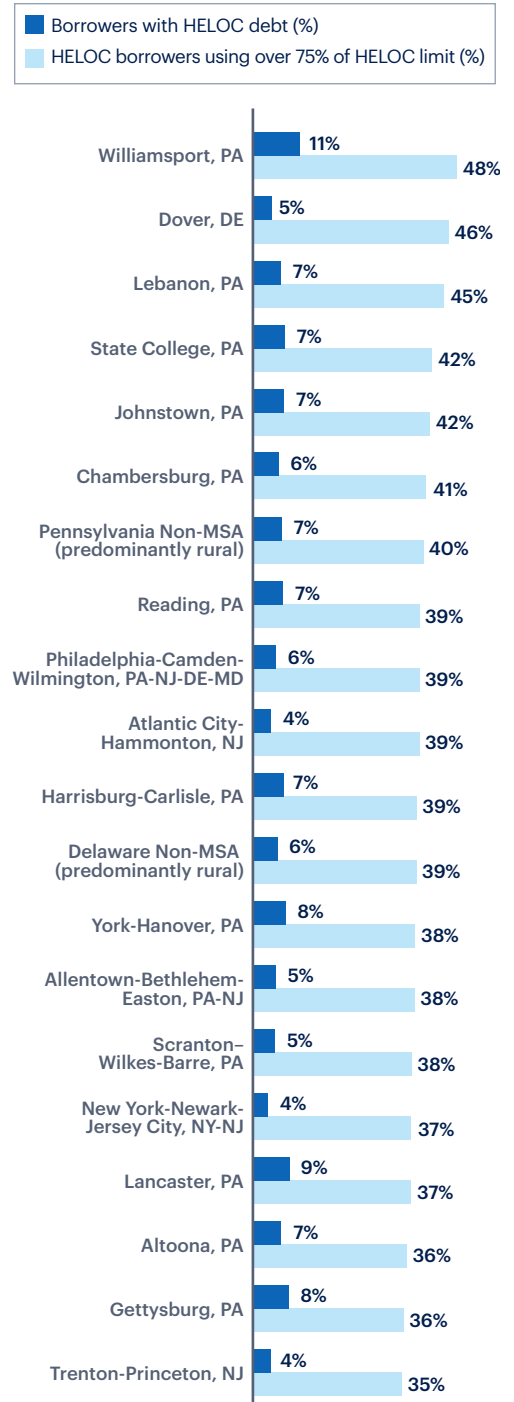
PERCENTAGE OF HELOC BORROWERS USING OVER 75% OF HELOC LIMIT



Average total HELOC debt, 2025Q1

\$51,600	\$40,000	\$35,700	\$43,500
New Jersey	Delaware	Pennsylvania	United States

HELOC DEBT BY METROPOLITAN AREA, 2025Q1



⁷ Calculated as the number of mortgage borrowers with at least one severely delinquent mortgage account divided by the number of borrowers with mortgage debt greater than \$0.

⁸ Metropolitan-level figures for mortgage delinquencies are not included in this brief but can be found in the CCE.

⁹ Calculated as the number of borrowers with HELOC debt greater than \$0 divided by the number of consumers with total debt greater than \$0. HELOC debt includes any debt from revolving home equity.

¹⁰ This refers to the average HELOC balance for borrowers with outstanding HELOC debt (greater than \$0).

¹¹ Calculated as the number of HELOC borrowers with at least one severely delinquent HELOC account divided by the number of borrowers with HELOC debt greater than \$0.

¹² This refers to the share of HELOC borrowers with debt greater than \$0 for which outstanding debt is equal to or greater than 75 percent of their total HELOC limit.



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