

# Glossary for SCE Credit Access Survey

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## Experiences

- Chart 1
  - Title: Types of Credit Seekers
    - Variable 1: Applied and Accepted

Respondents are asked whether they have applied for credit over the last 12 months. They are presented with 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. If respondents applied to any of the above credit products, and their applications were *all* approved, then they are categorized as “Applied and Accepted” credit seekers. Applications are classified as “approved” if they are either fully or partially granted. Variable 1 is the mean of the indicator variable for being classified as “Applied & Accepted”.
    - Variable 2: Applied and Rejected

Respondents are asked whether they have applied for credit over the last 12 months. They are presented with 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. If respondents applied to any of the above credit products, and *any* of these applications are rejected, then the respondent is classified as “Applied and Rejected”. An application is classified as “rejected” if it is fully rejected. Variable 2 is the mean of the indicator variable for being classified as “Applied & Rejected”.
    - Variable 3: Discouraged

Respondents are asked whether they have applied for credit over the last 12 months. They are presented with 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. If they indicate they have applied to none of the above credit types, they are asked why they did not apply for any credit. If they indicate “I did not think I would get approved”, one of the options listed, they are classified as “Discouraged”. Variable 3 is the mean of the indicator variable for being classified as “Discouraged”.

- Chart 2
  - Title: Credit Type- Overall
    - Variable 1: Application Rate
 

Respondents are asked whether they have applied for credit over the last 12 months. They are presented with 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. If respondents did apply to any of these credit products, they are coded as having applied for credit. Variable 1 is the mean of the indicator variable for having applied for credit.
    - Variable 2: Rejection Rate per applicant
 

Respondents are asked whether they have applied for credit over the last 12 months. They are asked to consider 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. If respondents did apply to any of these credit products, they are coded as having applied for credit. If any of the credit applications were fully rejected, they are coded as having been rejected. Variable 2 is the mean of the indicator variable for having been rejected for some type of credit. This mean is calculated only among those who reported they had applied for some sort of credit over the past 12 months.
    - Variable 3: Rejection Rate per application
 

Respondents are asked whether they have applied for credit over the last 12 months. They are presented with 7 different credit types: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. For each respondent, we count each indication of applying for one of the above credit products as one credit application. If, for any given credit application, the respondent was fully rejected, that credit application is coded as rejected. Variable 3 is the number of credit application rejections divided by the total number of credit applications.
  
- Charts 3-7
  - Title: Specific Credit Product (credit cards, credit card limit increases, auto loans, mortgages or home based loans, mortgage refinances)
    - Variable 1: Application Rate
 

Respondents are asked whether they have applied for a specific credit product over the last 12 months, and if they indicate so they are coded as having applied for this product. Variable 1 is the mean of the indicator variable for having applied for the specific credit product in question.

- Variable 2: Rejection Rate

Respondents are asked whether they have applied for a specific credit product over the last 12 months, and if they indicate so they are coded as having applied for this product. Among those who apply for this credit product, they are asked whether their request was fully rejected, fully accepted, or partially accepted. Those credit applications that are fully rejected are classified as rejected. Variable 2 is the mean of the indicator variable for a rejected application. This mean is calculated only among those who indicated they had applied for the credit product in question.

- Chart 8

- Title: Account Closures

- Variable 1: Voluntary Account Closure

Respondents are asked if in the past 12 months, they have had any (or several) of the following occur: they have closed one of their accounts voluntarily; their lender closed at least one of their accounts; their lender lowered the credit limit on a credit card or home equity line of credit; or none of the above. Variable 1 is the mean of the indicator variable for respondents having closed at least one of their accounts voluntarily.

- Variable 2: Involuntary Account Closure

Respondents are asked if in the past 12 months, they have had any (or several) of the following occur: they have closed one of their accounts voluntarily; their lender closed at least one of their accounts; their lender lowered the credit limit on a credit card or home equity line of credit; or none of the above. Variable 2 is the mean of the indicator variable for having had a lender close at least one of the respondent's accounts.

## Expectations

- Chart 9

- Title: Credit Types- Overall

- Variable 1: Proportion Likely to Apply

Respondents are asked about their likelihood of applying for any of the following 7 credit products in the next 12 months: credit cards, credit card limit increases, mortgages or home based loans, auto loans, increases in the limit of an existing loan, mortgage refinances, and student loans. For each of these credit products, respondents are asked to choose one of 5 options concerning their likelihood of applying: Very Unlikely, Somewhat Unlikely, Neutral, Somewhat Likely, and Very Likely. Those who select

“Somewhat Likely” or “Very Likely” for *any* of the 7 product types are coded as likely to apply for credit over the next 12 months. Variable 1 is the mean of the indicator variable of likely to apply.

- Charts 10-14
  - Title: Specific Credit Product (credit cards, credit card limit increases, auto loans, mortgages or home based loans, mortgage refinances)
    - Variable 1: Likelihood of Applying

Respondents are asked about their likelihood of applying for a specific credit product. We ask respondents directly to give a percent probability (on a zero-100 scale) that they will apply for a given specific credit product. Variable 1 is the mean of the reported probability across respondents.
    - Variable 2: Chance Application is Rejected

Respondents are asked about their likelihood of applying for a specific credit product. We ask respondents directly to give a percent probability that they will apply for a given specific credit product. Respondents who indicate there is a greater than 5% chance they will apply for the credit product are then asked what is the perceived percent chance (on a zero-100 scale) that a request for the specific credit product in question would be granted. The chance they are rejected for a particular credit type is coded as 100 minus their response for the chance their request will be granted. Variable 2 is the mean of this response across respondents who answer this question.