

2026

South Carolina
DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CREDIT REPORT

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INTRODUCTION

The South Carolina Department of Consumer Affairs (SCDCA/Department) has been protecting consumers from inequities in the marketplace since 1975. For over fifty 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).

The Code is the state law that provides consumer protection in consumer credit and other consumer transactions. It governs, among other things, the rates and charges that creditors may impose on consumers, requires disclosures and notices, describes improper acts and practices of creditors when making and enforcing consumer contracts and imposes licensing requirements for certain creditors. See S.C. Code Ann. § 37-1-102; Title 37, SC Code of laws. The Code became law in 1975 and received major amendments in 1976, 1978 and 1980 to add provisions on consumer loans, intervention in rate proceedings and additional consumer protections.

In its original rendition, the Code set forth a tiered interest rate structure for credit transactions, with 36% being the maximum rate for smaller amounts of credit and then the permitted APR decreased as the credit amount increased. But in 1982, the National Prime Rate was 20% and the maximum blended rate for creditors operating in South Carolina was 18%. As a result of these pressures, the General Assembly decided to deregulate as a state, eliminating interest rate caps so as to not dry up the availability of credit. Outside of a general code prohibition on unconscionability, the law does not limit the APR the lender may charge, the rate is self-imposed. Prior to charging in excess of 18% APR, however, the creditor must file its rates with the Department and clearly post the maximum rate it intends to charge in its place of business.

Soon after deregulation, the Department started to see interest rates rise. In 1986, approximately 83% of creditors in South Carolina intended to assess 36.99% APR and below. Over time, that number started to shrink. In 1996, 75% intended to assess 36.99% APR and below and in 2006 the number decreased to 53%. The number of creditors intending to charge this amount has hovered around the mid-fifties since that time. As expected with the decrease in the 36.99% or below category, corresponding increases in other categories occurred, including in the triple digit filings category. In 1986, approximately 5% of filers intended to impose charges of 100% or greater. That number increased in 1996, but more than quadrupled in 2006 with 23.7% of filers indicating triple digit rates, 10.4% of those being 300% APR or greater. By 2015, this overall number was cut in half; however, 7% of filings still indicated rates of 300% APR or greater. In 2025, 8.85% of maximum rate filers indicated APRs of 300% or greater.

Unlike specific violations of the Code whereby the Department can issue administrative orders, unconscionability is determined by the courts. In the past few years, the Department reached out to supervised lenders filing 850% APR as the gap in interest rates between it and the next highest filed is so large (approx. 300%) that we believe a court could deem it unconscionable. The Department requested the companies consider lowering the rate or exiting the state. In discussions with several of these lenders, they indicated the 850% rate was needed to stay in business as they do not expect everyone to pay the loan back.

INTRODUCTION (CONTINUED)

Ability to repay is a topic referenced in the comments and preparatory notes to the Uniform Consumer Credit Code. South Carolina's Consumer Protection Code consists of a combination of the 1968 Uniform Consumer Credit Code and the 1974 version. The 1974 version contains a preparatory note where the conference committee stated:

"A basic issue in any regulation in this area is the price of credit. In simplest terms, consumers want credit at the lowest possible prices, and creditors want to supply credit but can and will do so only if they may reasonably expect repayment of principal plus an adequate return on credit extended."

This statement was made at a point in time where the lending market consisted just of traditional installment lending. Markets and market participants have certainly changed since the imposition of the Code and deregulation in 1982. At its inception, the category of "supervised lender," or all persons making a consumer loan in which the APR exceeds 12%, consisted of traditional installment lenders with a storefront. In the 1990s, forms of non-standard lending emerged such as auto title lending and in the 2000s, online lenders came into the space. As such, the supervised lending definition encompasses several business models.

Deferred presentment, commonly referred to as "payday lending," also came about in the 1990s. Deferred presentment providers are not subject to the Code but have their own license type and regulatory structure. In 2009, the General Assembly enacted amendments to the Deferred Presentment Services Act which, among other provisions, limits and tracks transactions via a required database. Since its inception, transactions have steadily declined and a migration of companies holding a deferred presentment license to a supervised lending one has occurred.

The State of Credit Report (SOCR) was created during deregulation and includes data on supervised lending and deferred presentment transactions as well as pawnbrokers, state-chartered banks and credit unions, mortgage brokers and lenders and credit counselors. 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. It is also 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

The 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. The purpose of the SOCR is to provide information and analysis of existing and emerging trends in the consumer credit marketplace in South Carolina. The data comes from filings and reports received by SCDCA and reports compiled by the South Carolina Board of Financial Institution's Consumer Finance Division (BOFI-CFD). The most recent available data elements for a particular section contained herein may cover calendar year 2024 or 2025 and are delineated as such.

The data provides insights into the number of creditors doing business in South Carolina, the rates intended to be charged, rates charged to consumers, volume of credit being extended, and consumer debt. It is informed by filings of over 4,400 persons granting credit in South Carolina; account agreements and data covering the advance of **nearly \$2.4 billion through over 1.3 million transactions** by consumer lenders, pawnbrokers and deferred presentment providers; almost 181,000 mortgage applications and approximately 25,000 contracts of South Carolinians seeking credit counseling services. Key highlights include:

GENERAL FILINGS (2025 DATA)

- The total number of creditors filing credit grantor notifications decreased slightly compared to 2024.
- Sixty-four percent of creditors filed APRs of 36.99% or less. The largest decrease in APR filings took place in the 50%-99.99% category with 12.83% of filings, a decrease of over 6% when compared to 2024. The largest increase occurred in the 30%-36.99% APR category with a 3.48% increase (23.70% in-2024 vs. 27.18% in 2025).
- The highest average of fixed APR for consumer loans (227.84%) came from out-of-state lenders and is approximately 56% higher than the highest in-state average fixed APR (146.29%). The highest APR filed overall (850%) also came from out-of-state lenders and exceeds the highest in-state APR by 300% (550%).
- Aiken County had the highest in-state average of fixed APR for consumer loans at 146.29%. Lee County held the spot for highest average of fixed APR for credit sales (70.95%), and exceeds the next highest average by over 29% (Saluda County at 50.00%).

SUPERVISED LENDING (2024 & 2025 DATA)

- Supervised lenders account for 35% of all maximum rate filings. A decrease compared to 2024.
- The APR category with the largest percent decrease in 2025 was the 50%-99.99% category with 51% less filers indicating APRs within that category when compared to 2024. A large portion of the decrease is attributed to one company who corrected its manner of filing to more accurately reflect the description and categories of lending offered.
- The highest APR and most frequent APR charged continued to increase in 2024 for every loan amount category except \$600 or less. The largest increase occurred in the \$2,500.01 to \$5,000 category with a 9.83% increase in highest APR and approximately 14% in most frequent APR charged.
- Supervised lender transactions decreased by 2.5% in 2024 while the amount advanced to consumers only decreased by 0.2%.

EXECUTIVE SUMMARY (CONTINUED)

DEFERRED PRESENTMENT (2024 DATA)

- Deferred presentment transactions (payday lending) seemingly leveled out since the change in law effective 2010. The number of transactions decreased 4.3%, a significantly lower amount than 2023 (36.2% decrease) and years prior.

PAWN (2024 DATA)

- Pawn transactions entered into in 2024 decreased 15.48%.
- The amount loaned in 2024 only decreased 2.25% (\$50,419,021.83 in 2023 vs. \$49,282,756.39 in 2024).

CREDIT COUNSELING (2024 DATA)

- Credit counselors funneled over \$27 million to consumers' creditors in 2024, an 8.71% decrease over 2023.
- The average amount of consumer debt was \$15,871, 28.70% less than the \$22,259 reported in 2023.

MORTGAGE (2024 DATA)

- The average APR rose slightly to 6.8% in 2024, taking the spot for the highest average reported since 2011, the first year SCDCA published mortgage data. The APR increase seemingly did not impact the purpose for which applicants sought a mortgage with 28.4% being for a refinance, a 71% increase over 2023 (21.3%).
- Applications for manufactured housing rose nearly 3% to 13.3% in 2024. This activity continued the upward trend that started in 2023 (10.5%) and is the highest amount reported since 2018 (14%).

INTEREST RATES & CREDITORS: GENERAL FILINGS

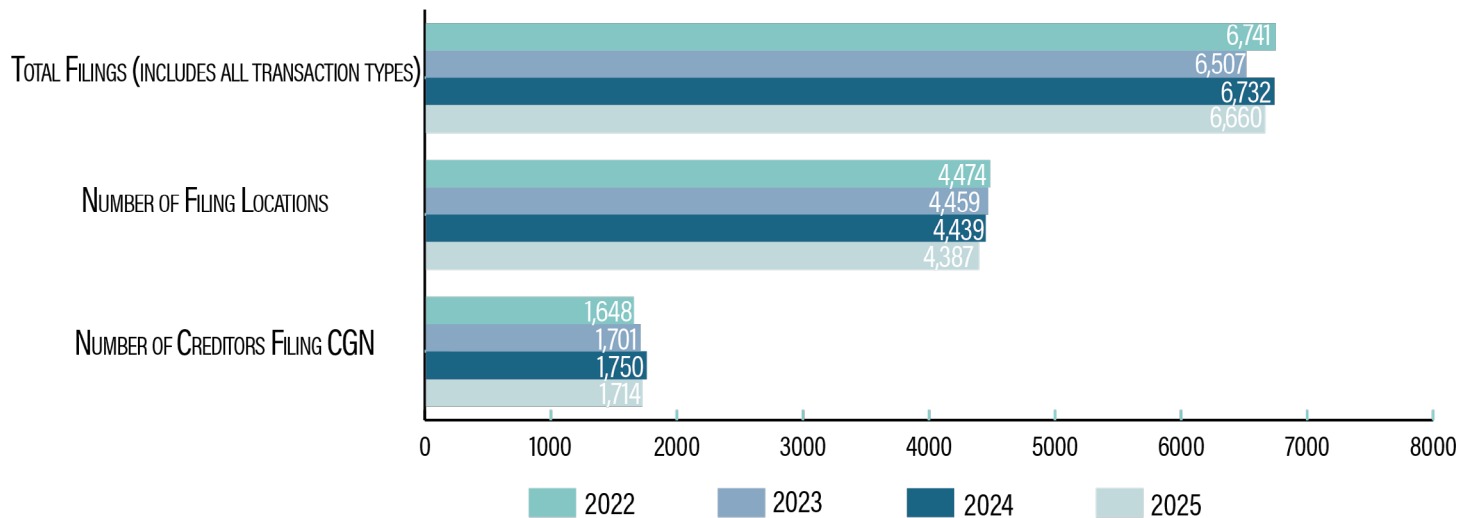
General Filings Overview

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 (2022 - 2025)

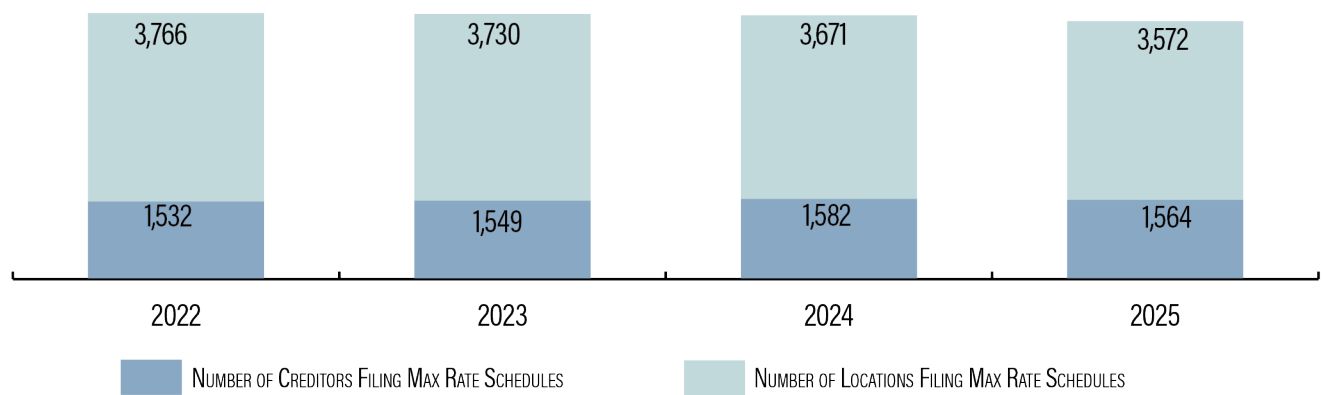


Maximum Rate Schedules

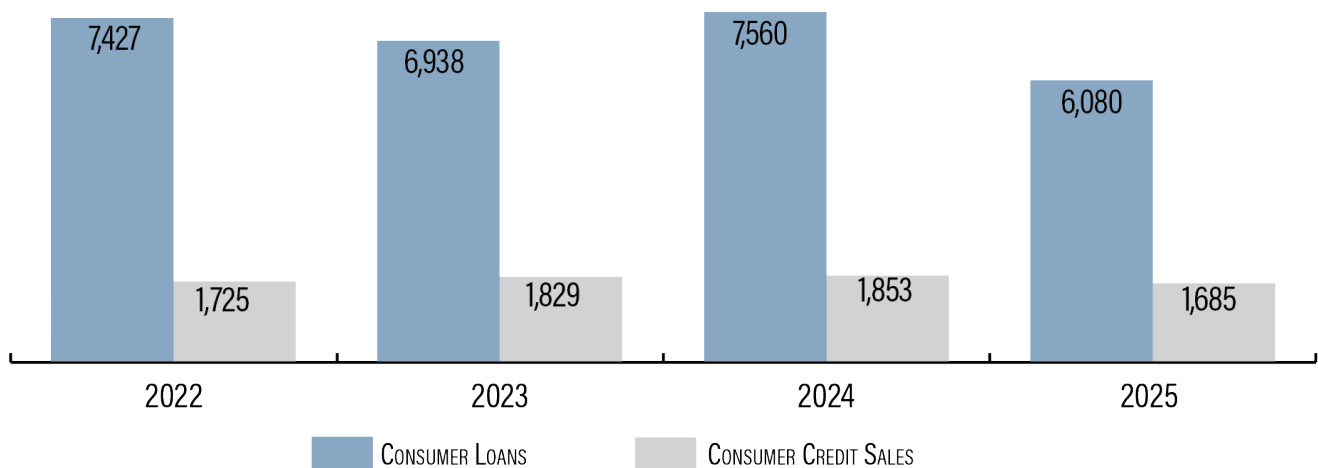
In South Carolina, creditors intending to charge more than 18% APR must first file the rate with SCDCA and post that same rate in its place of business. These maximum rate schedules are self-imposed limits set by each creditor, and must be filed for each credit category the creditor offers.

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.

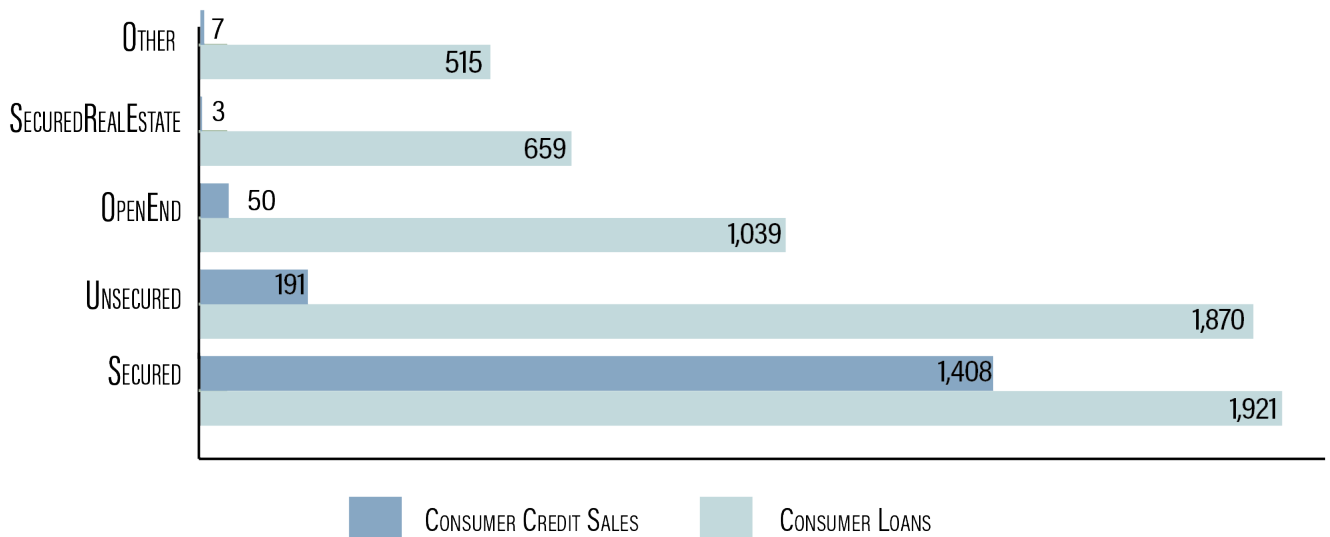
NUMBER OF MAXIMUM RATE FILINGS BY CREDITOR & LOCATION (2022 - 2025)



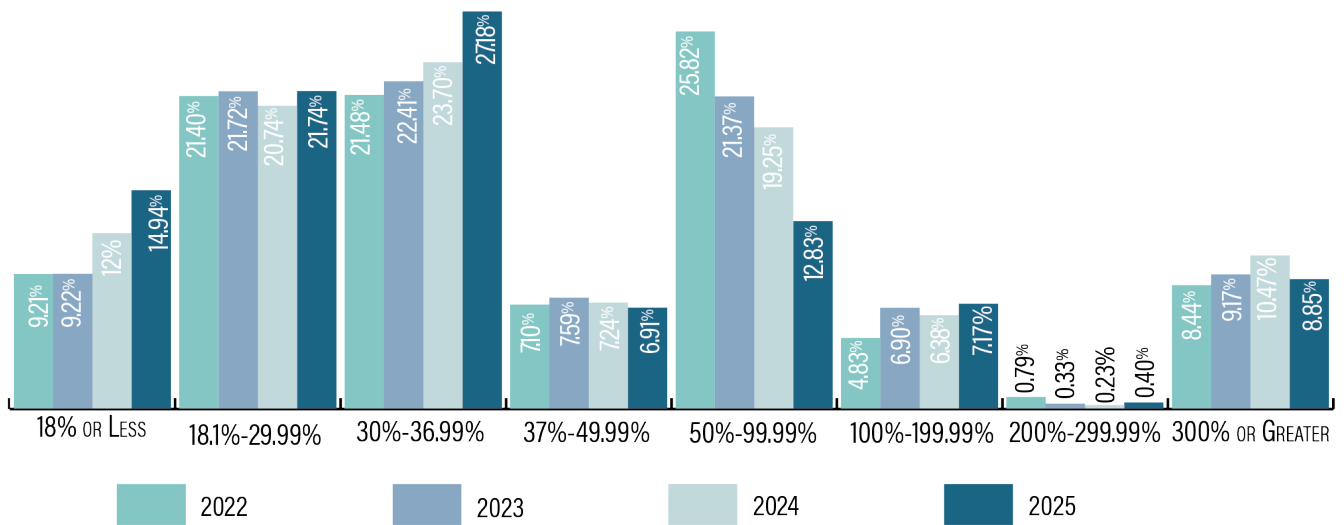
TOTAL MAXIMUM RATE FILINGS: LOANS VS. CREDIT SALES (2022 - 2025)



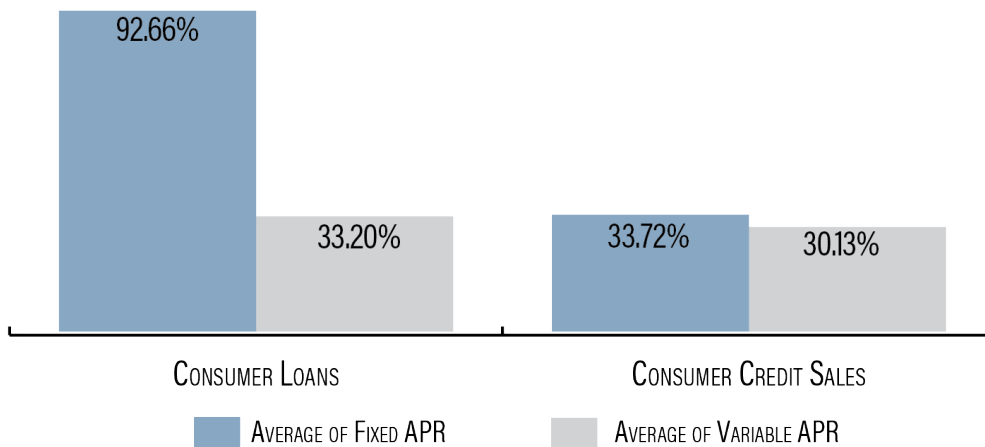
NUMBER OF MAXIMUM RATE FILINGS BY TYPE (2025)



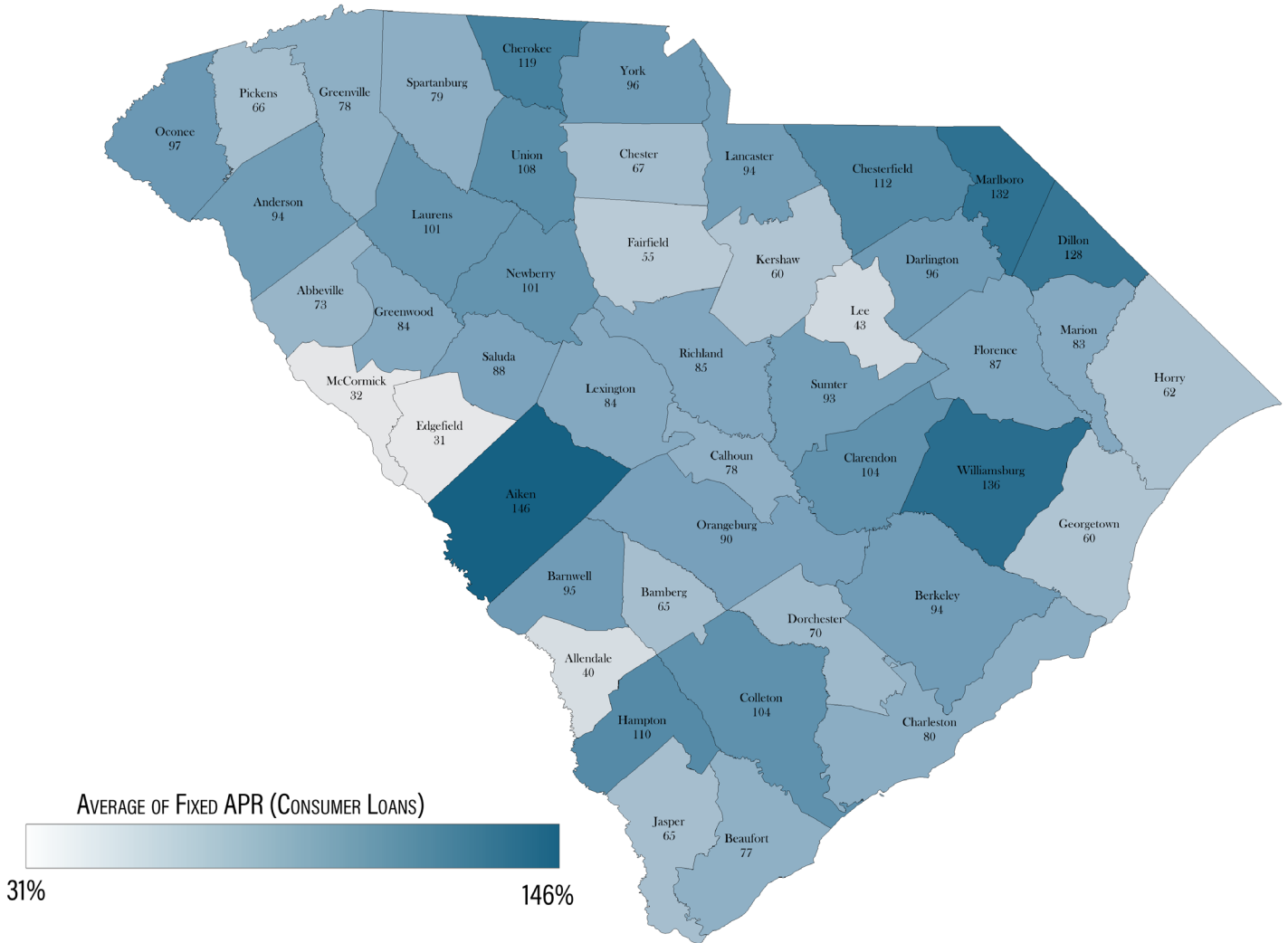
MAXIMUM RATE FILINGS BY APR RANGE: YEAR OVER YEAR COMPARISON (2022 - 2025)



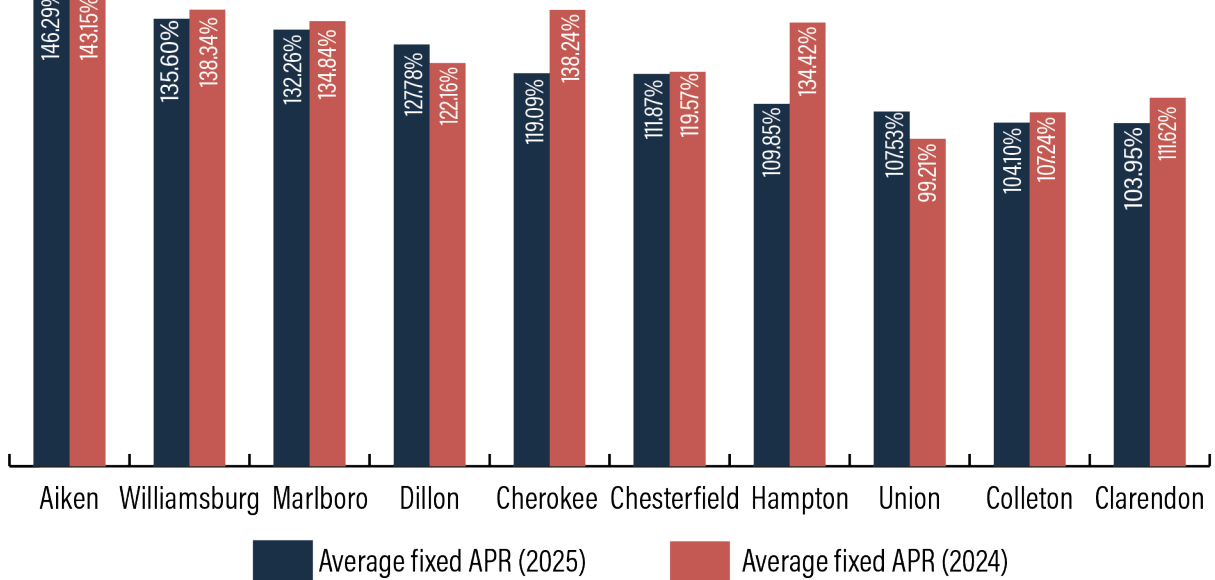
AVERAGE OF MAXIMUM RATE FILINGS BY TRANSACTION (2025)



AVERAGE OF FIXED MAXIMUM APR FILED BY COUNTY (CONSUMER LOANS) 2025



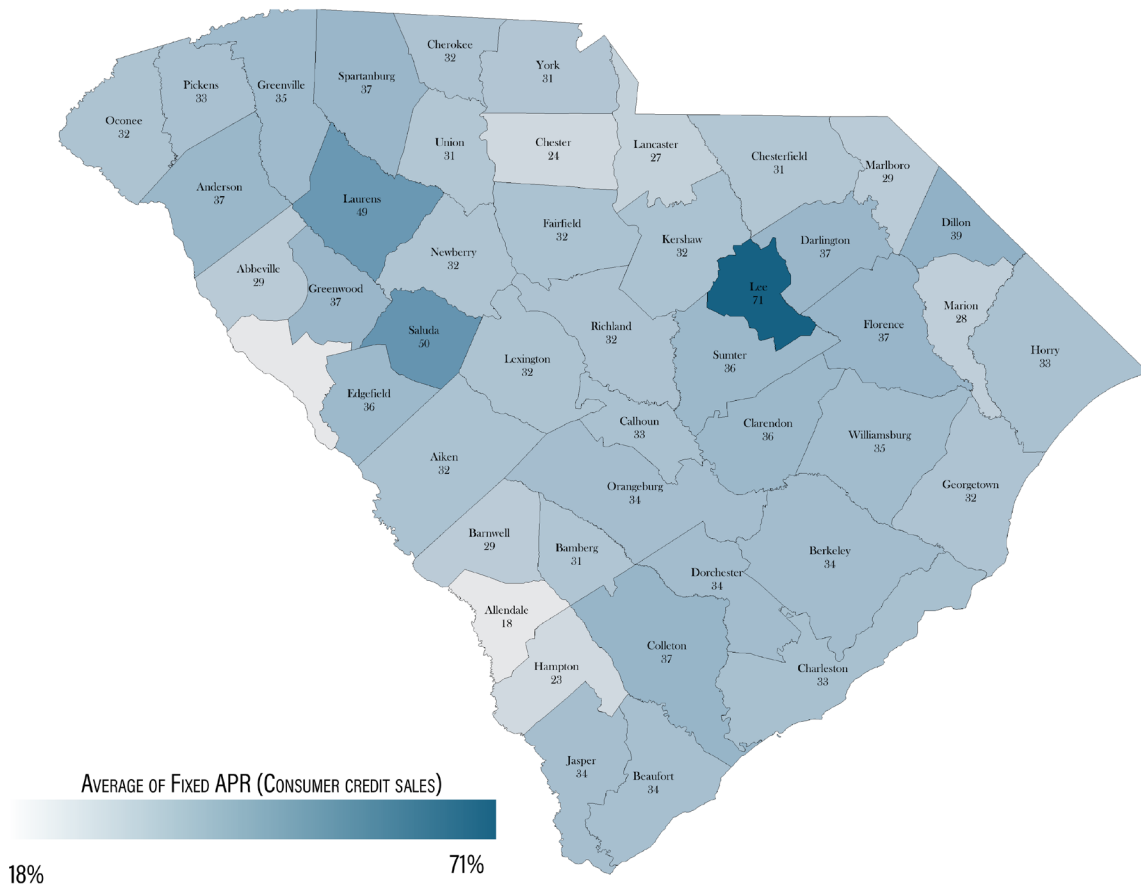
AVERAGE OF MAXIMUM RATES FILED (CONSUMER LOANS) TEN HIGHEST COUNTIES 2025 (OVERLAP WITH 2024)



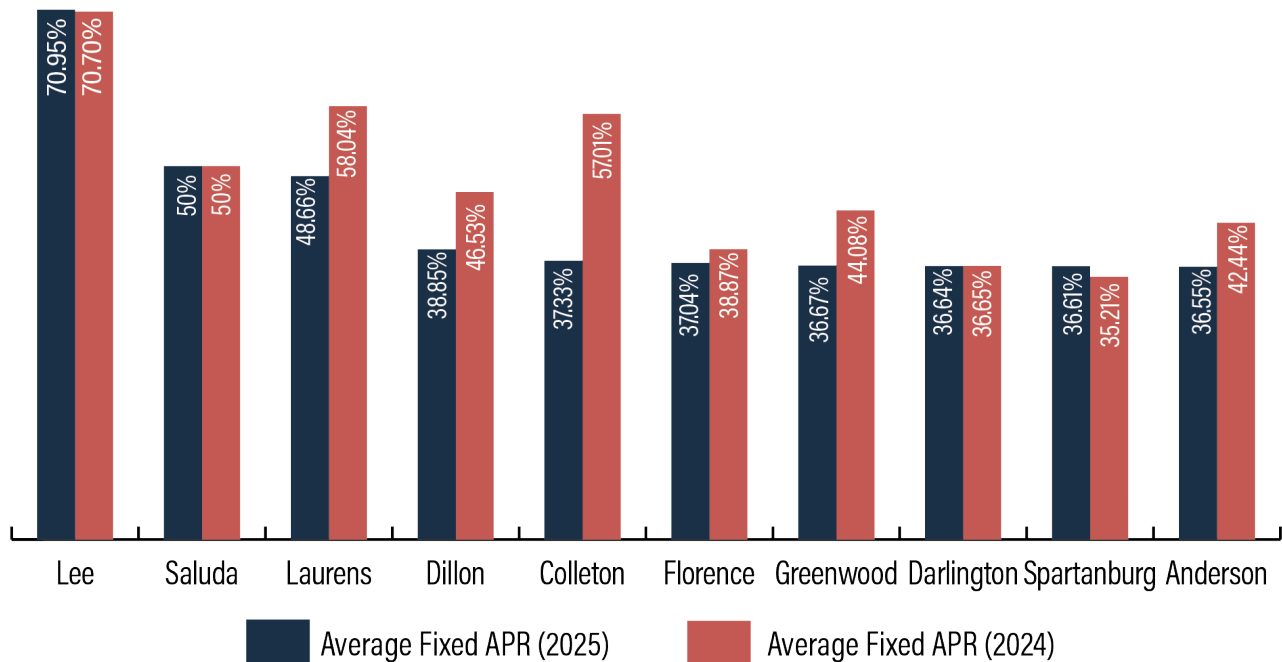
HIGHEST & AVERAGE MAXIMUM RATE FILED BY COUNTY (CONSUMER LOANS) RANKED BY HIGHEST FIXED APR

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%	227.84%	110.00%	59.51%
2	Aiken	550.00%	146.29%	110.00%	28.37%
3	Williamsburg	550.00%	135.60%	110.00%	43.78%
4	Marlboro	550.00%	132.26%	38.00%	28.00%
5	Dillon	550.00%	127.78%	110.00%	41.59%
6	Cherokee	550.00%	119.09%	110.00%	59.23%
7	Chesterfield	550.00%	111.87%	110.00%	40.68%
8	Hampton	550.00%	109.85%	36.00%	29.00%
9	Colleton	550.00%	104.10%	110.00%	47.39%
10	Clarendon	550.00%	103.95%	60.00%	34.70%
11	Newberry	550.00%	101.50%	110.00%	37.68%
12	Laurens	550.00%	100.50%	110.00%	37.80%
13	Oconee	550.00%	97.36%	110.00%	34.06%
14	York	550.00%	95.85%	110.00%	28.24%
15	Darlington	550.00%	95.68%	110.00%	31.24%
16	Barnwell	550.00%	94.81%	110.00%	36.58%
17	Anderson	550.00%	94.48%	110.00%	25.39%
18	Berkeley	550.00%	93.98%	110.00%	36.79%
19	Lancaster	550.00%	93.60%	31.50%	26.69%
20	Sumter	550.00%	92.80%	110.00%	36.15%
21	Orangeburg	550.00%	90.25%	110.00%	32.42%
22	Florence	550.00%	86.64%	110.00%	34.19%
23	Richland	550.00%	85.33%	110.00%	31.83%
24	Lexington	550.00%	83.60%	110.00%	35.11%
25	Marion	550.00%	82.83%	110.00%	39.16%
26	Charleston	550.00%	79.82%	300.00%	33.01%
27	Spartanburg	550.00%	78.55%	110.00%	29.50%
28	Greenville	550.00%	78.19%	399.00%	37.37%
29	Beaufort	550.00%	77.44%	96.00%	30.46%
30	Dorchester	550.00%	69.67%	60.00%	29.00%
31	Pickens	550.00%	65.81%	110.00%	29.76%
32	Horry	550.00%	62.32%	110.00%	31.71%
33	Georgetown	550.00%	60.44%	110.00%	33.77%
34	Union	399.99%	107.53%	36.00%	26.14%
35	Greenwood	372.00%	84.21%	110.00%	32.91%
36	Jasper	325.53%	65.34%	96.00%	33.76%
37	Saluda	300.00%	87.67%	36.00%	27.33%
38	Abbeville	300.00%	73.14%	50.00%	30.23%
39	Chester	300.00%	67.30%	110.00%	47.37%
40	Bamberg	300.00%	65.44%	36.00%	27.23%
41	Kershaw	300.00%	60.31%	110.00%	35.38%
42	Calhoun	189.00%	77.95%	20.99%	20.99%
43	McCormick	140.00%	32.24%	31.50%	26.50%
44	Fairfield	99.99%	55.33%	31.50%	27.60%
45	Lee	99.99%	43.17%	36.00%	31.80%
46	Allendale	99.99%	39.76%	36.00%	36.00%
47	Edgefield	99.99%	31.44%	31.50%	24.23%

AVERAGE OF FIXED MAXIMUM APR FILED BY COUNTY (CONSUMER CREDIT SALES) 2025



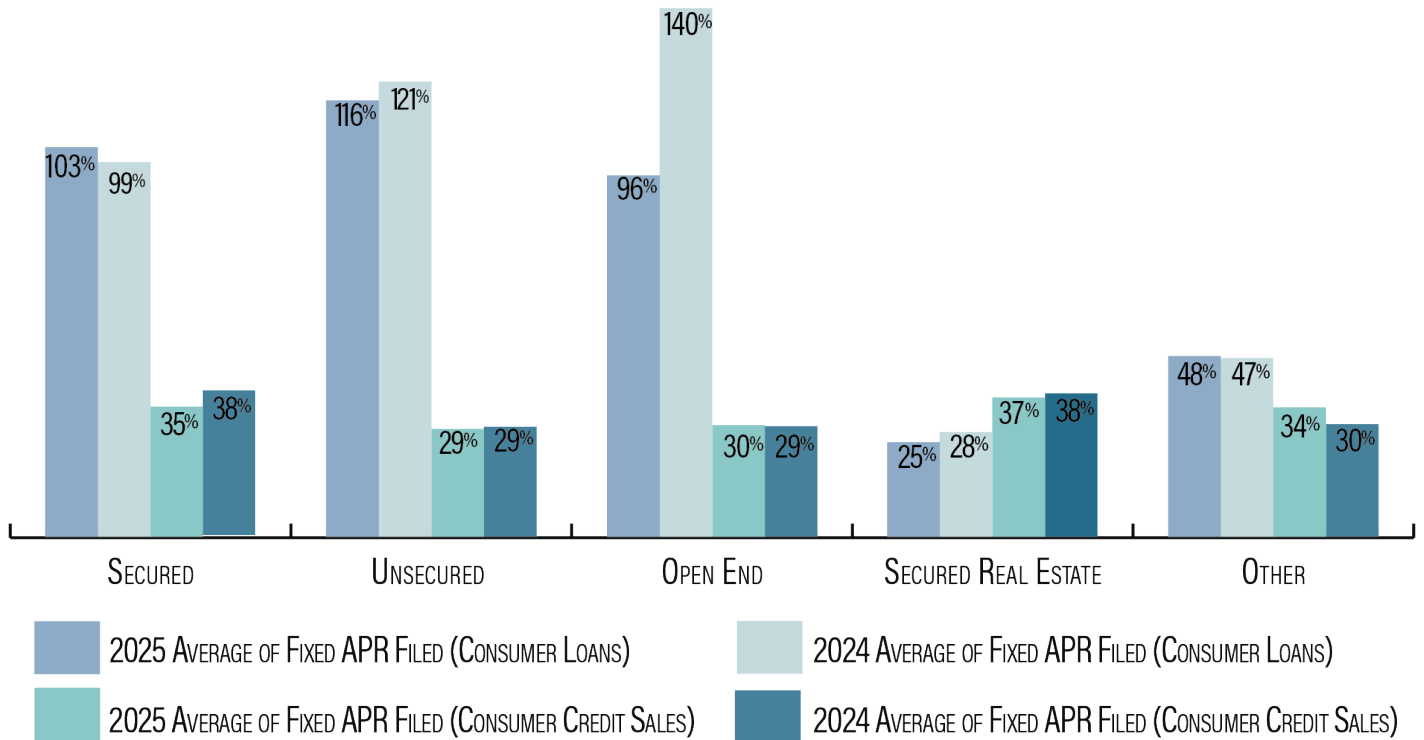
AVERAGE OF MAXIMUM RATES FILED (CONSUMER CREDIT SALES) TEN HIGHEST COUNTIES 2025 (OVERLAP WITH 2024)



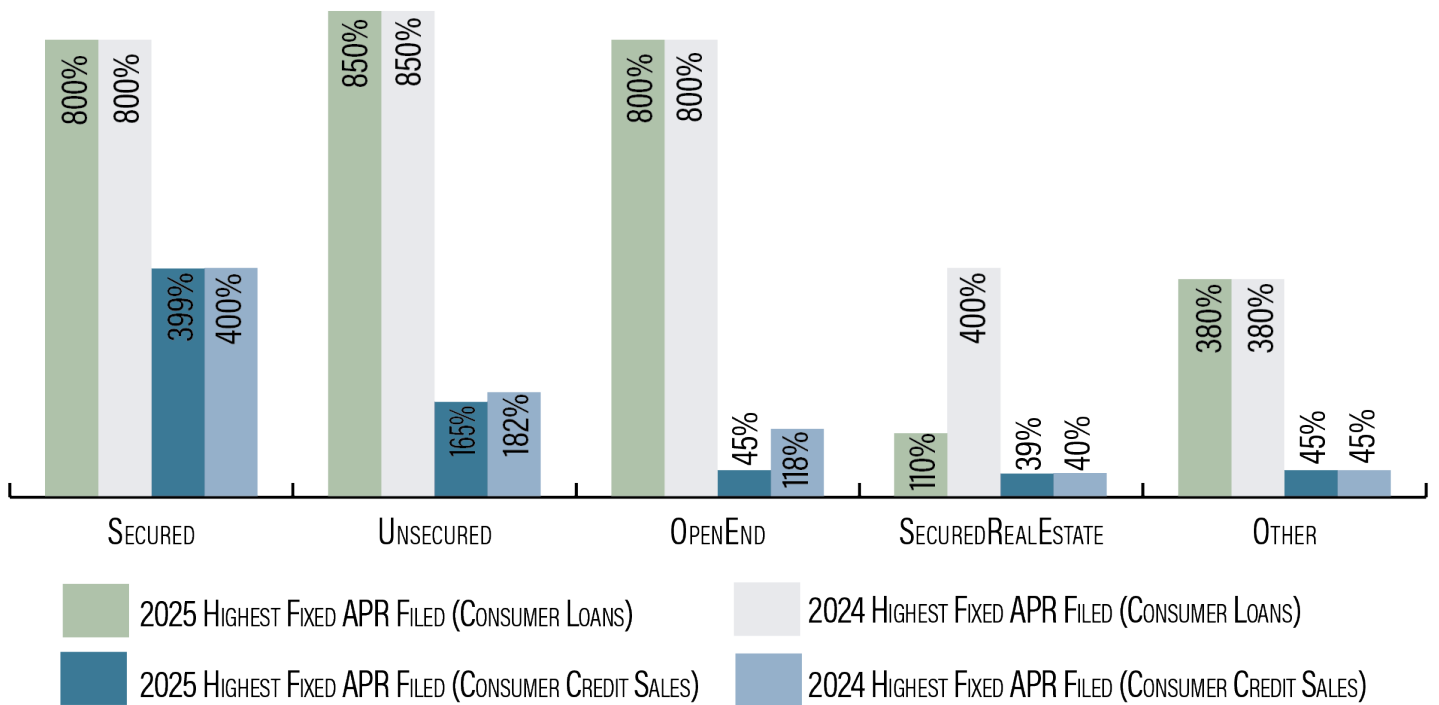
HIGHEST & AVERAGE MAXIMUM RATE FILED BY COUNTY (CREDIT SALES) RANKED BY HIGHEST FIXED APR

	Consumer Credit Sales County	Fixed APR		Variable APR	
		Highest (Fixed APR)	Average (Fixed APR)	Highest (Variable APR)	Average (Variable APR)
1	Spartanburg	399.00%	36.61%	21.99%	20.00%
2	Greenville	399.00%	35.28%	35.99%	32.66%
3	Anderson	325.00%	36.55%	29.99%	29.99%
4	Darlington	200.00%	36.64%	0.00%	0.00%
5	Outside SC	165.00%	29.90%	36.00%	36.00%
6	Sumter	150.00%	36.06%	24.00%	24.00%
7	Florence	125.00%	37.04%	35.99%	22.50%
8	Horry	125.00%	32.63%	35.99%	35.99%
9	Laurens	120.00%	48.66%	0.00%	0.00%
10	Lee	118.00%	70.95%	0.00%	0.00%
11	Dillon	100.00%	38.85%	0.00%	0.00%
12	Colleton	100.00%	37.33%	0.00%	0.00%
13	Williamsburg	100.00%	34.55%	0.00%	0.00%
14	Orangeburg	100.00%	34.00%	0.00%	0.00%
15	Beaufort	100.00%	33.52%	50.00%	35.71%
16	Pickens	100.00%	32.99%	18.00%	18.00%
17	Cherokee	100.00%	32.09%	0.00%	0.00%
18	Lexington	100.00%	31.94%	17.99%	17.99%
19	Berkeley	99.00%	34.46%	18.00%	18.00%
20	Oconee	99.00%	31.99%	0.00%	0.00%
21	Greenwood	89.00%	36.67%	0.00%	0.00%
22	York	80.00%	30.87%	0.00%	0.00%
23	Dorchester	68.95%	34.37%	0.00%	0.00%
24	Clarendon	60.00%	36.09%	0.00%	0.00%
25	Newberry	59.00%	31.54%	0.00%	0.00%
26	Saluda	50.00%	50.00%	0.00%	0.00%
27	Richland	50.00%	32.09%	35.99%	35.99%
28	Georgetown	50.00%	31.66%	0.00%	0.00%
29	Union	50.00%	30.67%	0.00%	0.00%
30	Charleston	49.99%	33.13%	35.99%	35.99%
31	Kershaw	48.00%	32.37%	0.00%	0.00%
32	Edgefield	46.00%	35.83%	0.00%	0.00%
33	Jasper	45.00%	33.78%	0.00%	0.00%
34	Fairfield	45.00%	32.38%	0.00%	0.00%
35	Aiken	45.00%	32.35%	0.00%	0.00%
36	Bamberg	40.00%	31.20%	0.00%	0.00%
37	Marion	40.00%	27.50%	0.00%	0.00%
38	Chesterfield	39.00%	30.72%	0.00%	0.00%
39	Marlboro	39.00%	28.80%	0.00%	0.00%
40	Calhoun	36.00%	32.63%	0.00%	0.00%
41	Lancaster	36.00%	26.62%	0.00%	0.00%
42	Barnwell	30.00%	28.58%	0.00%	0.00%
43	Chester	29.99%	23.65%	0.00%	0.00%
44	Abbeville	28.99%	28.99%	0.00%	0.00%
45	Hampton	28.00%	23.30%	0.00%	0.00%
46	Allendale	18.00%	18.00%	0.00%	0.00%

AVERAGE OF FIXED APR FILED BY TYPE & CATEGORY (2024/2025)



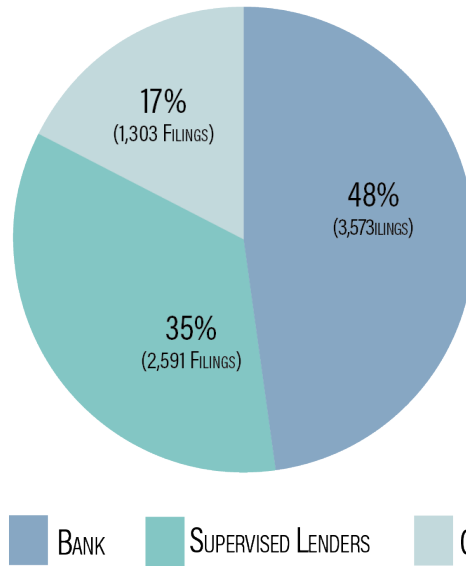
HIGHEST APR FILED BY TYPE & CATEGORY (2024/2025)



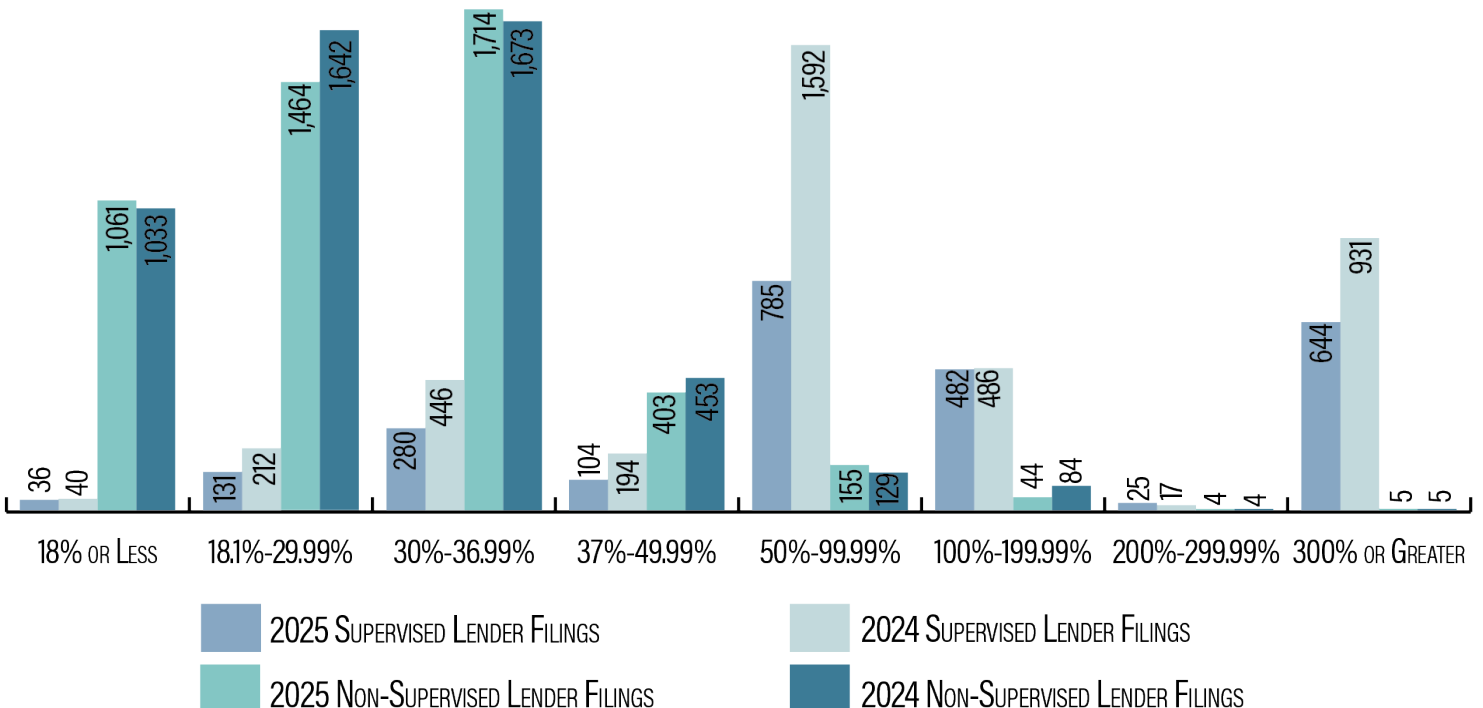
CONSUMER LENDING

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 (2025)



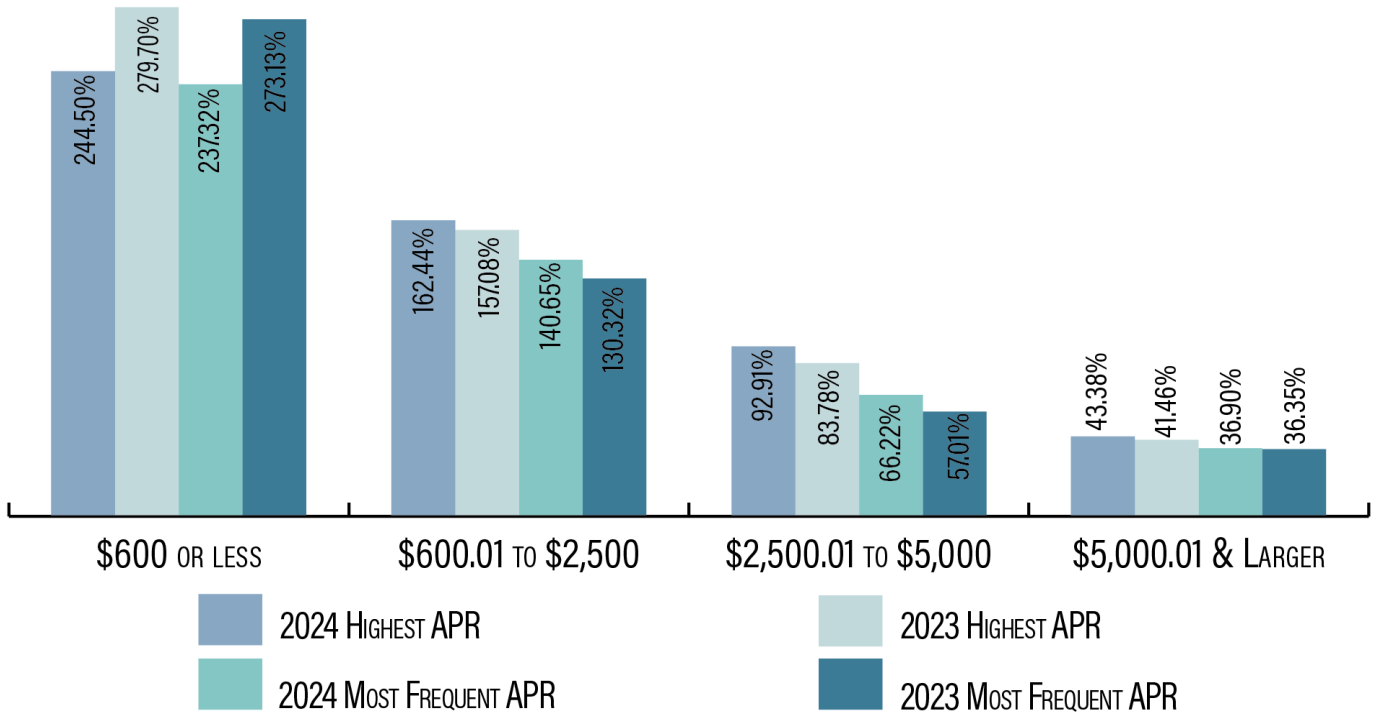
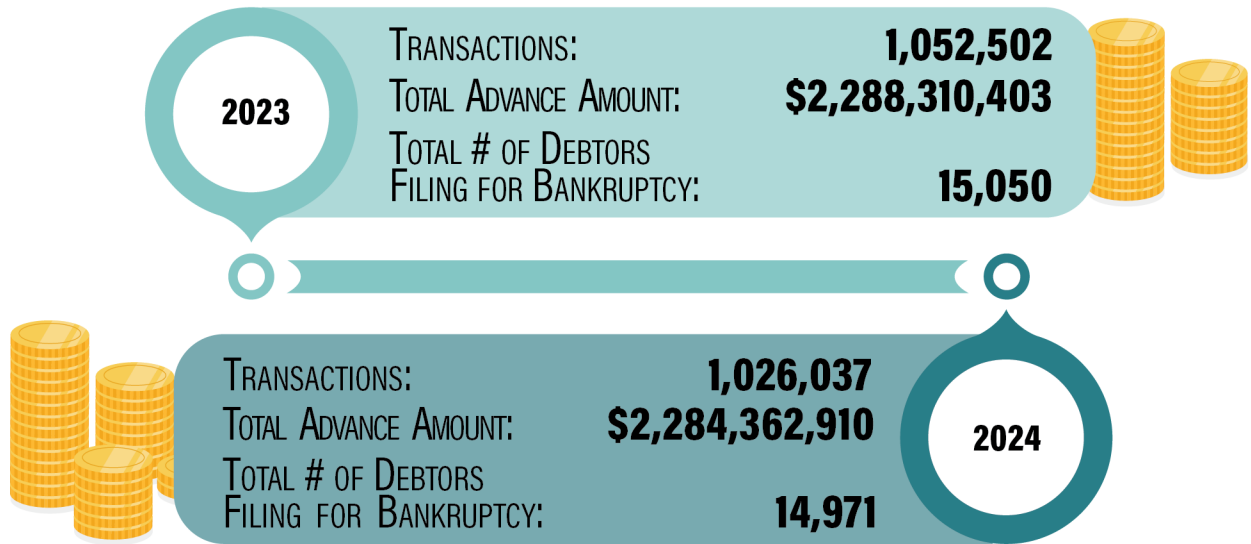
MAXIMUM RATE FILINGS BY RANGE:
SUPERVISED LENDERS & NON-SUPERVISED LENDERS (2024/2025)



Supervised Lending

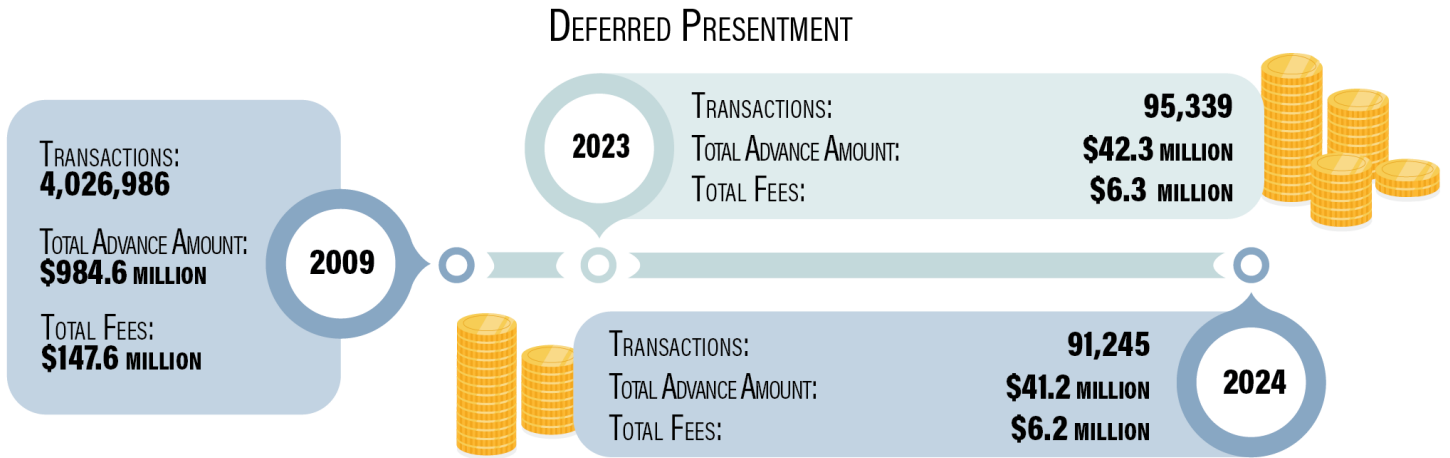
Supervised loans are governed by the Code, specifically section 37-3-500 et seq. Supervised loans are consumer loans in which the rate of the loan finance charge exceeds 12% APR. A supervised lender is a person who is authorized to make or take assignments of supervised loans. These lenders are licensed 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.

SUPERVISED LENDING

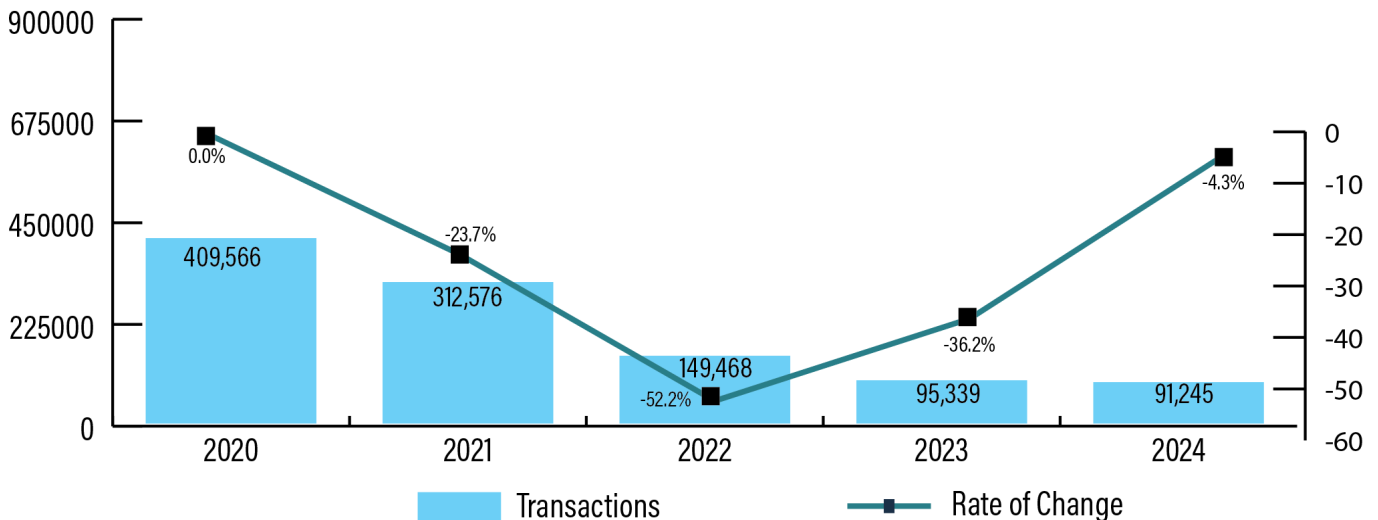


Deferred Presentment

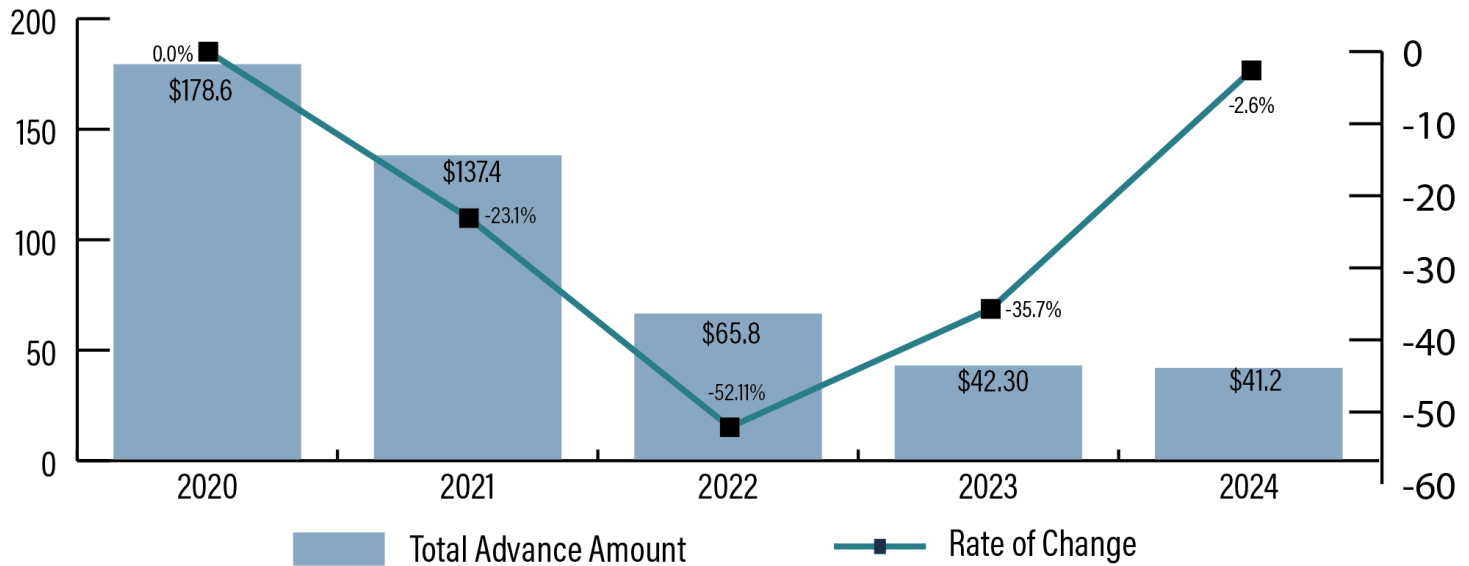
Deferred presentment is commonly referred to as a “payday loan.” A “payday loan” is when a lender charges a fee to accept a check dated on the date it was written and agrees to hold the check for a period of time before presentment for payment or deposit. These high rate lenders often charge at or above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



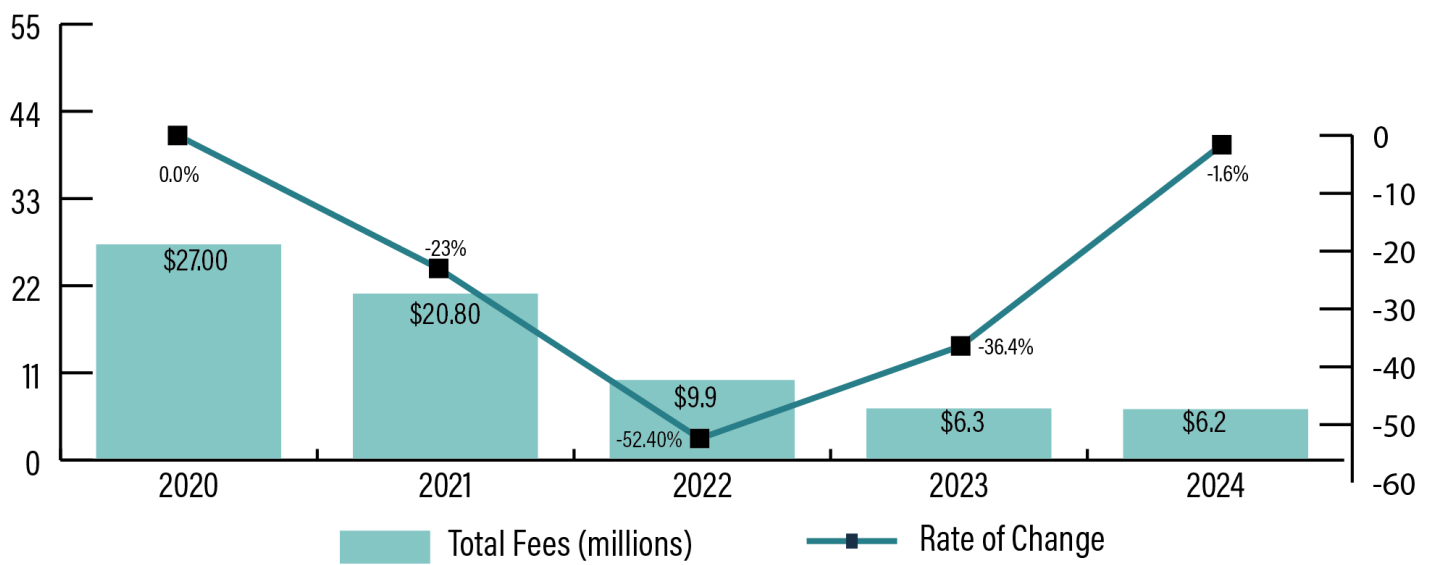
DEFERRED PRESENTMENT TOTAL NUMBER OF TRANSACTIONS:
RATE OF CHANGE (2020 - 2024)



DEFERRED PRESENTMENT TOTAL ADVANCE AMOUNTS: RATE OF CHANGE (2020 - 2024)





DEFERRED PRESENTMENT TOTAL FEES: RATE OF CHANGE (2020 - 2024)

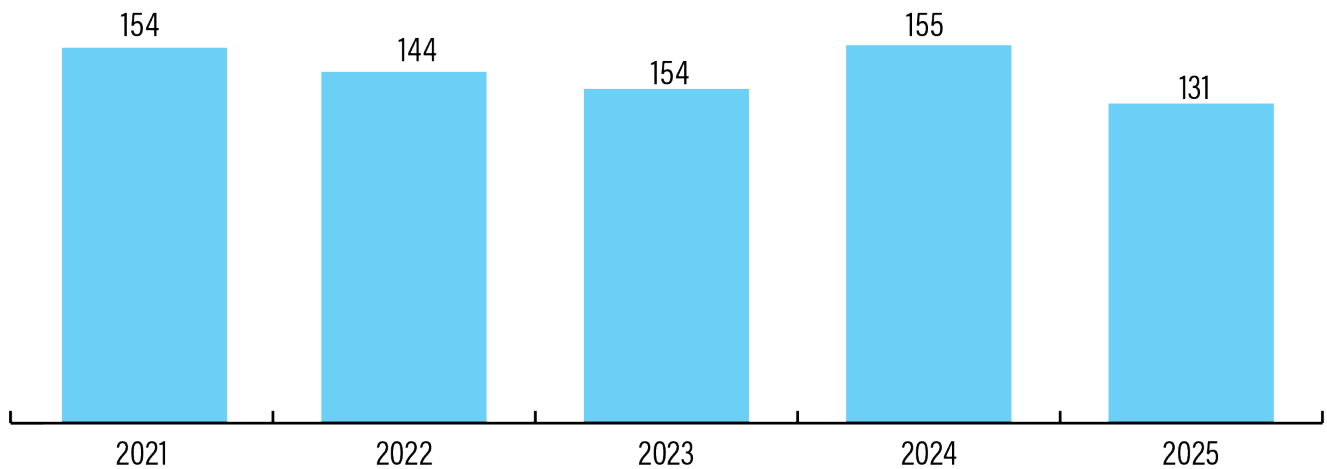


Pawnbrokers

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.

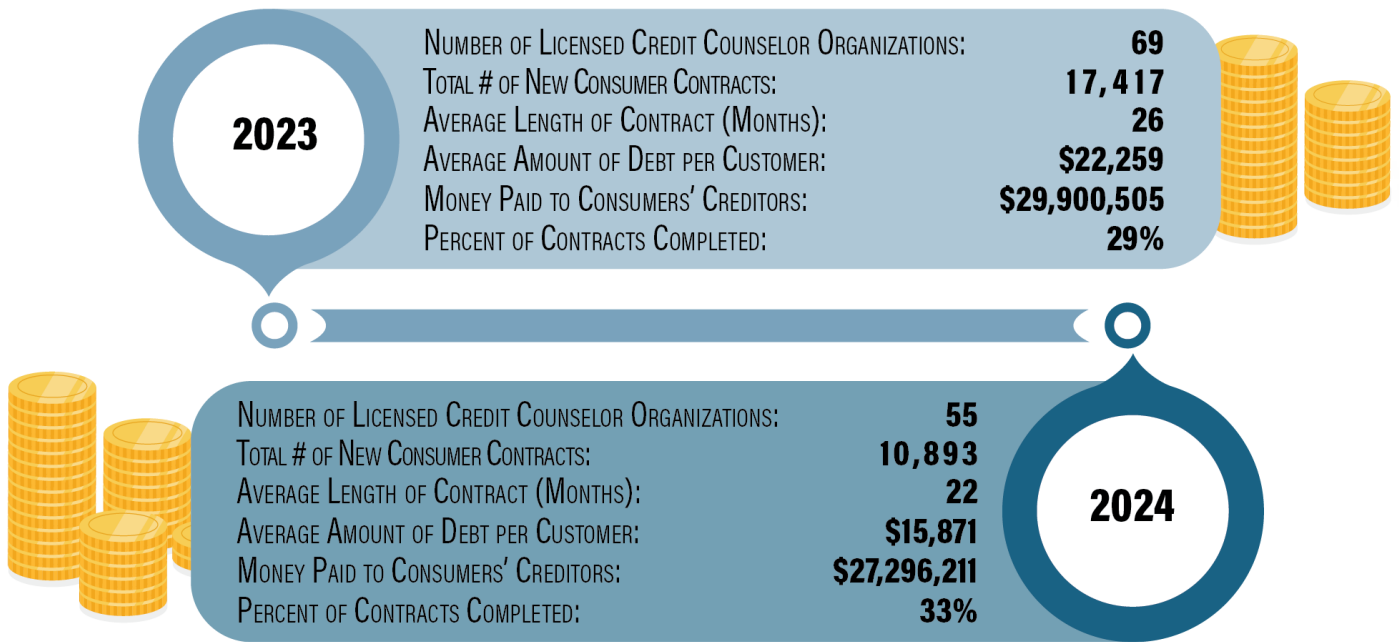
Total # Pawn Transactions for Licensees 273,407		Amount Advanced \$49,282,756	
Interest Collected \$15,221,829		Average Amount Advanced \$376,204	

NUMBER OF LICENSED PAWNBROKERS (2021 - 2025)

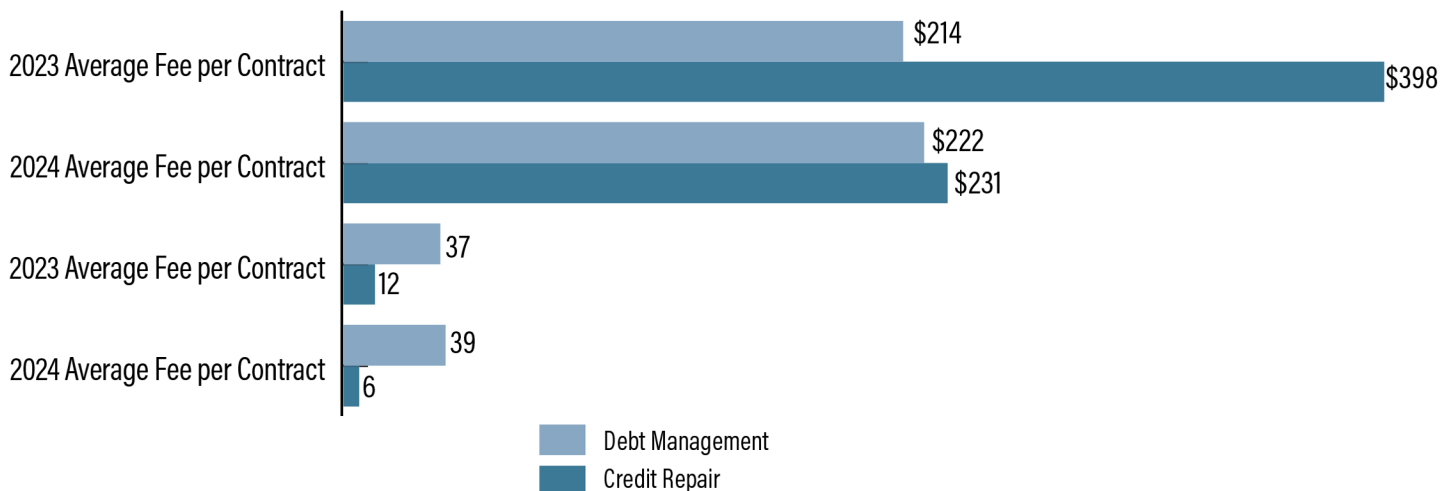


CREDIT COUNSELING

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.



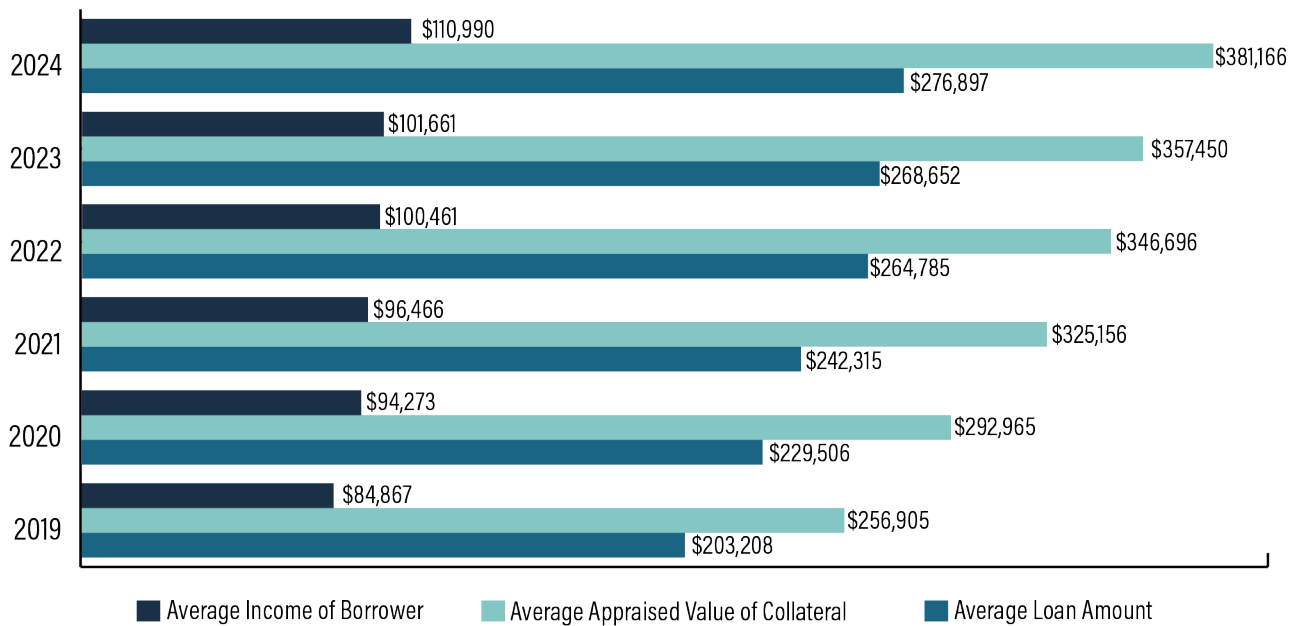
CREDIT COUNSELING CONTRACTS BY COMPANY TYPE (2023/2024)



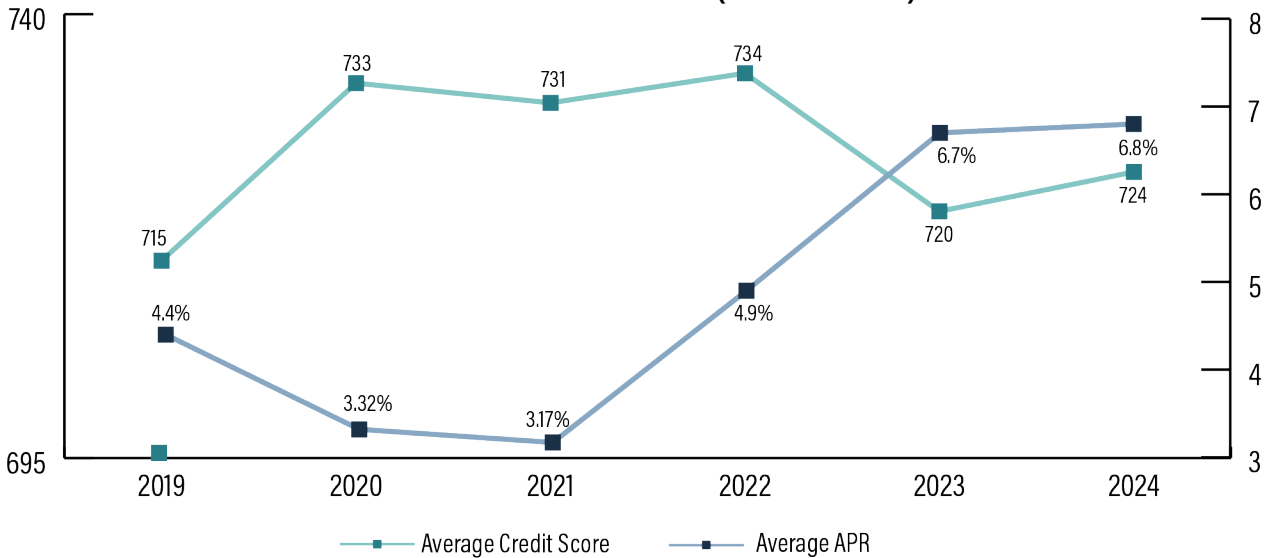
MORTGAGE LENDING

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.

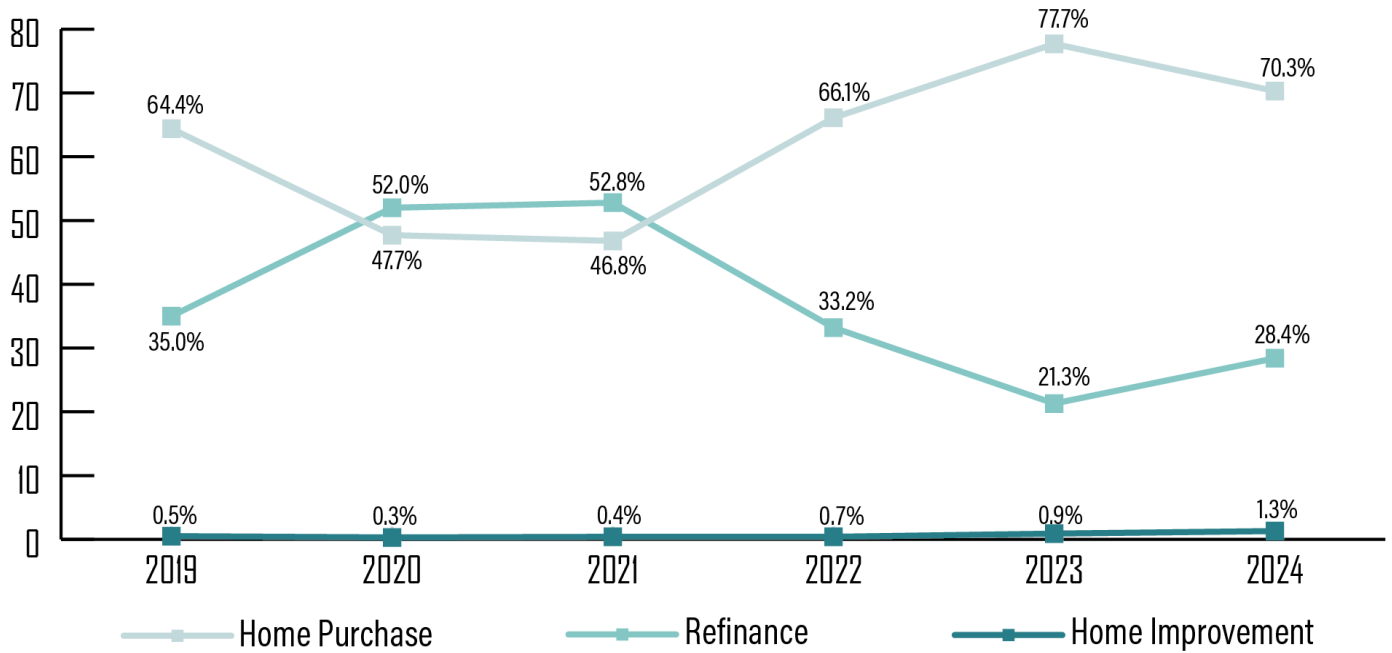
AVERAGES: LOAN AMOUNT, VALUE OF COLLATERAL & BORROWER’S INCOME (2019 - 2024)



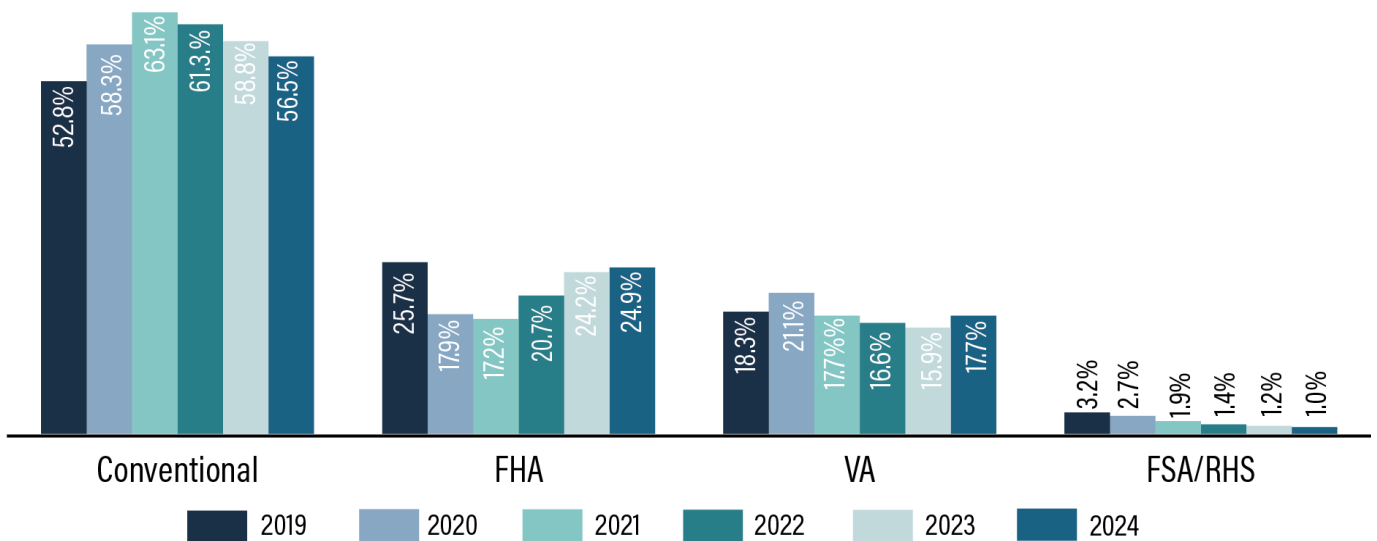
AVERAGE APR & CREDIT SCORE (2019 - 2024)



LOAN PURPOSE (2019 - 2024)



MORTGAGE LOAN TYPE (2019 - 2024)

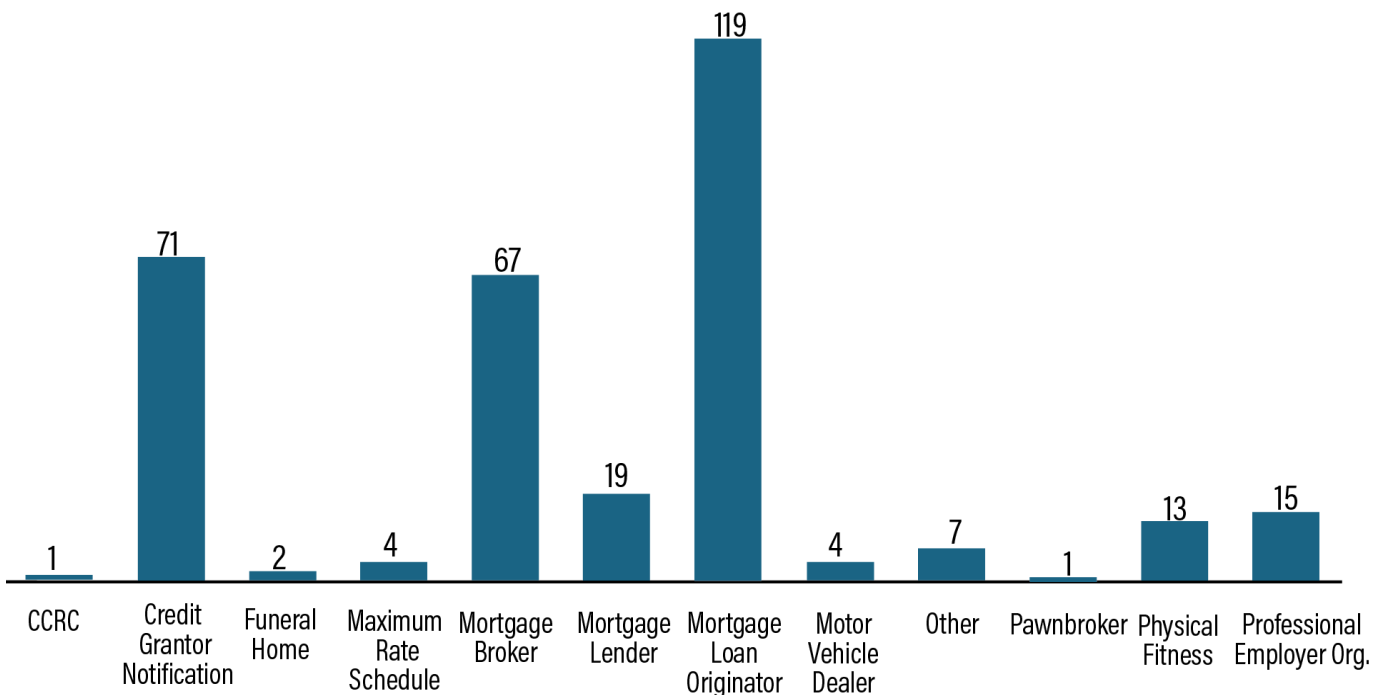


APPENDIX: RECENT ENFORCEMENT ACTIONS

Introduction

Overall, the Department’s outcome of credits, refunds and adjustments for FY25 through efforts in complaint mediation, ratemaking intervention, identity theft assistance and enforcement was nearly **\$14,200,000**. This amount constitutes a return on investment of 185%. (FY25 Budget- \$4,988,355). 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. Cases before the Public Service Commission also span fiscal years, impacting outcomes for the Advocacy Division. The below chart identifies the number of enforcement actions taken by the Department by industry. These actions range from licensing and reporting deficiencies to general violations of a regulatory framework.

323 ENFORCEMENT ACTIONS DURING FY25



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

Department legal activity success for FY25 extends beyond monetary resolution as well. At times, the Department requests a court permit it to file an *Amicus Curiae Brief* when a case could significantly impact the application of the South Carolina Consumer Protection Code (Code). The Court of Appeals granted the Department such a request in *Portfolio Recovery Associates, LLC v. Jennifer Campney*¹. The Department submitted its brief and participated in oral arguments relaying its position that consumer debt incurred using a lender credit card is subject to the Code and the notice of a right to cure requirement applies to all creditors, including assignees. In August 2023, the Court of Appeals issued an Order holding, in part, that consumer credit cards are subject to the Code and that the plaintiff debt buyer was required to send a right to cure notice before suing the consumer on the debt. The matter went to the Supreme Court who granted the Department permission to submit an amicus brief and later dismissed the matter as improvidently granted, thus the Court of Appeals ruling stands².

Non-depository financial institutions and other regulated industries submitted **34,690 filings and applications** in FY25, nearly 3,500 more than FY24 (31,211) and a 27% increase when compared to FY21 (27,209). Despite the filing increase, DCA staff exceeded expectations and **processed 99% within 30 days of receipt**, well above the 95% goal. During the same time period, investigators conducted 616 advisories, compliance reviews, contacts and inspections. The Department strives to conduct compliance reviews of at least twenty-five percent 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. In FY25, agency investigators spent significant time visiting new businesses to educate them on applicable laws with **21% of investigator activities** attributed to these **outreach/educational efforts**.

Some highlights of issues identified through recent compliance reviews or investigations can be found below. A listing of recent public enforcement actions can also be viewed on the Department's website³. The Department's FY25 Accountability Report⁴ showing data points related to enforcement and licensing may be viewed on the Department's website along with Administrative Interpretations⁵, none of which were issued in 2025, and Business Guidance⁶ documents. Updates to the agency's guide for businesses and state government on state privacy laws were made in 2025⁷.

RECENT COMPLIANCE/INVESTIGATIVE HIGHLIGHTS

Title 37 Consumer Protection Code, Chapter 11 Continuing Care Retirement Communities

The Continuing Care Retirement Community Act requires all continuing care retirement communities (CCRCs) operating in South Carolina to obtain a license from the Department, use contracts containing specific provisions, deposit entrance fees or reservations deposits into trust accounts and establish a complaint processing system.

To ensure compliance, investigators reviewed resident applications, disclosures, and privacy agreements.

Recurring issues include:

- Some centers have not gotten updated privacy notices signed by residents.
- Some centers do not have complete disclosure statements in the residents' files.

Title 40 Professions and Occupations, Chapter 58 Mortgage Brokers

The Mortgage Broker Act requires all businesses offering mortgage brokerage services, including loan correspondents, table-funding and independent contractor (third party) loan processors and underwriters, file with the Department. Transaction records must be kept for inspection and an annual mortgage log must be submitted by each broker to the Department annually.

To ensure compliance, investigators reviewed bank statements, insurance provider account lists, investigator funeral home contract reports, receipt books and copies, ledger books/ledger databases, and the individual beneficiary files. Recurring issues include:

- Some Mortgage Brokers have unlicensed Loan Originators that often solicit, negotiate rates, and offer to accept mortgage applications for mortgage loans.
- Some Mortgage Brokers are using unlicensed 3rd party processors.
- In SC, mortgage brokers must complete a SC Mortgage Broker Fee agreement. However, several mortgage brokers use a generic version of a fee agreement that is not in compliance with SC laws.
- SC law requires all mortgage loans to be closed by an attorney licensed in South Carolina with the consumer being able to choose who they want as their attorney. In some instances, mortgage brokers will have the consumer sign and date a blank A/I preference form and complete the form at closing or not complete one at all.
- Sometimes mortgage brokers receive more broker compensation than was originally disclosed to the consumer. During the loan process, often the loan amount increases based on difference circumstances. Since broker compensation is based on a percentage of the loan amount, if the mortgage broker does not complete a new broker fee agreement disclosing the increased broker fee, the broker will be compensated more than originally disclosed to the consumer on the initial SC Mortgage Broker Fee Agreement.

Title 32 Contracts and Agents, Chapter 7

Preneed Funeral Contracts

The Preneed Funeral Contract statute requires funeral homes that sell preneed funeral contracts to be licensed by the Department, use approved contracts, deposit funds into trust accounts or purchase preneed funeral insurance within 30 days of receipt, report all contracts sold to the Department and pay a filing fee for each contract sold. The statute also requires funeral directors, who manage the accounts, to keep a ledger for all trust accounts that reflects all activity for each account, i.e. all payments, deductions, accretions, etc.

To ensure compliance, investigators reviewed bank statements, insurance provider account lists, investigator funeral home contract reports, receipt books and copies, ledger books/ledger databases, and the individual beneficiary files. Recurring issues include:

- Failure of licensed preneed funeral contract providers to deposit preneed funeral funds into trust accounts as required by law.
- Failure of licensed preneed providers to provide the Department with a listing of all contracts sold and payment of the \$20 filing to the Department for each contract.
- Failure of licensed preneed providers to maintain trust ledgers as required by statute.
- Funeral homes that are not licensed to sell preneed funeral contracts accepting funds from consumers.
- Funeral homes failure to complete a state preneed contract as required by law.
- Licensed preneed providers receiving monies greater than the contract amount and failing to execute an additional contract for the excess funds received.

Title 44 Health, Chapter 79

Physical Fitness Services Act

The Physical Fitness Services Act requires any facility or individual that offers physical fitness services for the development of physical fitness through exercise or weight control to file for a Certificate of Authority with the Department. If a physical fitness provider offers services that exceed 3 months in duration or \$200, a written membership must be executed with the consumer. The statute gives specific requirements that must be disclosed on all prepaid or credit contracts for physical fitness services. The law requires that all books and records must be available for review by the Department.

To ensure compliance, investigators reviewed membership contracts, membership account databases, and individual member files. Recurring issues include:

- Physical fitness centers failing to file with the Department for a Certificate of Authority to provide services.
- Physical fitness centers failing to maintain proper financial responsibility in the form of a bond.
- Licensed physical fitness centers failing to execute a contract with consumers for services exceeding \$200 or 3 months as required by law.
- Physical fitness centers failing to provide consumers with the proper disclosures as required on the contract.
- Failing to provide SCDCA Investigators with books and records as required by law.

Title 40 Professions and Occupations, Chapter 39 **Pawnbrokers**

No person shall carry on the business of a pawnbroker in any location without first obtaining a Certificate of Authority for each location. All pawnbrokers conducting business in this state are under the authority of and regulated by the Department. The statute requires a pawnbroker to keep a detailed record of all transactions for items being pledged or purchased. The statute requires a pawnbroker to keep books and records available to the Department designees, law enforcement officers, or court officials. Pawnbrokers must also submit daily transactions to an approved online database.

To ensure compliance, investigators reviewed pawn tickets and buy tickets, pawn/buy reports, itemized payment histories, redeemed tickets, and forfeiture letters. Recurring issues include:

- Failure of businesses that have taken in pawns and received interest on pawned items filing for a Certificate of Authority with the Department.
- Licensed pawnbrokers failing to disclose complete descriptions of items on the pawn ticket (including serial numbers).
- Licensed pawnbrokers failing to hold purchased items for the required holding period.
- Licensed pawnbrokers failing to maintain proper employee records as required by law.

Title 40 Professions and Occupations, Chapter 68 **Regulation of Professional Employer Organizations**

The Professional Employer Organization statute requires businesses that offer professional employer services in South Carolina be licensed by the Department. PEOs are required to have controlling persons licensed by the Department, and these controlling persons are required to complete annual continuing education. The statute requires that PEOs maintain workers' compensation insurance and prohibits self-funded insurance of any kind. PEOs are required to file quarterly reports with the Department providing proof of workers' compensation insurance, current financial condition, and gross South Carolina payroll. PEOs are also required to notify the Department within 30 days of additions and terminations of client companies. In non-license renewal years, the Department levies a biennial assessment on all PEOs based on their gross South Carolina payroll. The law requires PEOs notify assigned employees of the co-employment relationship, and PEOs must provide these assigned employees with the Department's contact information for complaints.

These compliance reviews are conducted to assess adherence to statutory and regulatory requirements, including licensing, reporting, financial responsibility, and operational standards applicable to PEOs. Investigators have started doing limited scope inspections for this industry.

Title 37 Consumer Protection Code, Chapter 7 **Consumer Credit Counseling Statute**

The Consumer Credit Counseling Act requires any person providing or offering to provide credit counseling services to South Carolina consumers be licensed by the Department. Credit counseling companies and their counselors must be licensed. The statute and accompanying regulation set strict limits on the fees that credit counselors may charge South Carolina consumers. Companies are required to maintain a surety bond to the State of South Carolina, and maintained by the Department. Companies are also required to submit an annual report each year providing information on their business conducted in the previous year. Credit Counselors are required to have criminal background checks and credit checks for initial licensure. Credit Counselors must also complete continuing education biannually.

These compliance reviews are conducted to assess adherence to statutory and regulatory requirements, including licensing, review of contracts, required disclosures, and standards applicable to Credit Counselors. Investigators have started doing limited scope inspections for this industry.

Endnotes

1 See <https://www.sccourts.org/media/opinions/HTMLFiles/COA/6019.pdf>

2 See <https://www.sccourts.org/media/opinions/HTMLFiles/SC/28279.pdf>

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

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

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

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

7 See <https://consumer.sc.gov/sites/consumer/files/Documents/FIFITPA2026.pdf>