

Payday and Auto Title Lending in Texas

Amarillo MSA 2013

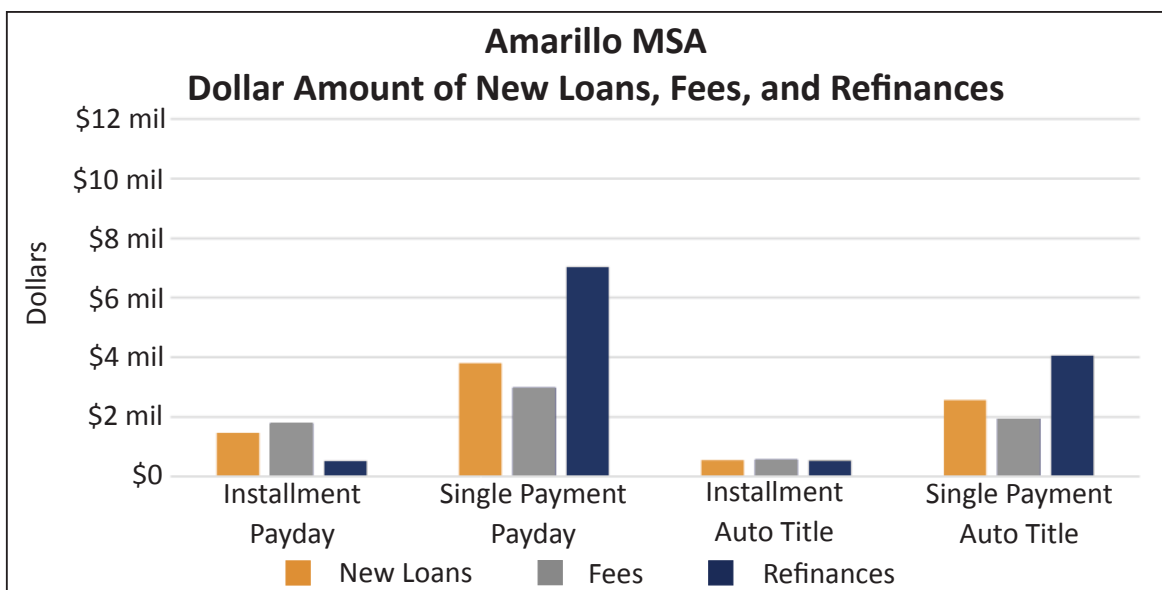


- **Store Locations:** 25
- **New Loans:** \$8,370,626
- **Fee Charges:** \$7,261,113
- **Refinances:** \$12,151,140
- **Repossessions (Auto Title):** 412—8 cars per week
- **Repossession Rate:** 15% of borrowers had car repossessed

Refinances and High Fees Drive Costs

Payday and auto title businesses in Texas offer two main loan types: single payment loans, due in full in 2 weeks or 1 month, and installment loans, due in a series of payments over a period of up to 6 months. Longer loan terms mean installment loans have fewer refinances, but even higher fees.

- **In the Amarillo MSA, refinances make up 62% of single payment loan transactions.**
 - **On average, installment borrowers paid \$1.17 in fees for every dollar borrowed.**
 - **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$615 to \$1,089. For borrowers who refinance, the average cost to repay a \$500 loan can reach over \$3,000.**
- Average APRs for payday and auto title loans in the Amarillo MSA range from 228% to 494% (see table on back).



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Amarillo MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	167	17	170	30
Average Fees per \$100	\$113.15	\$22.57	\$61.03	\$26.11
Ave. Annual Percentage Rate (APR)	380%	494%	228%	328%
Amount Repaid with No Refinances	\$1,088.60	\$615.13	\$828.49	\$634.65
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	7.13%	60.75%	22.68%	34.67%
Average Refinances per Borrower	4.03	4.92	3.60	4.12
Amount Repaid with Ave. Refinances	\$3,460.03	\$1,181.42	\$2,010.98	\$1,189.51

New Trend: Installment Payday Loans

Installment payday loans made up 10% of dollars lent for all types of loans in 2013, but 25% of total fees, indicating that this product is a huge fee driver. Depending on the loan terms, **fees for one installment loan are often the same as the fees charged for 5 to 12 single payment loan transactions.**

