

# Payday and Auto Title Lending in Texas

## Amarillo MSA 2015

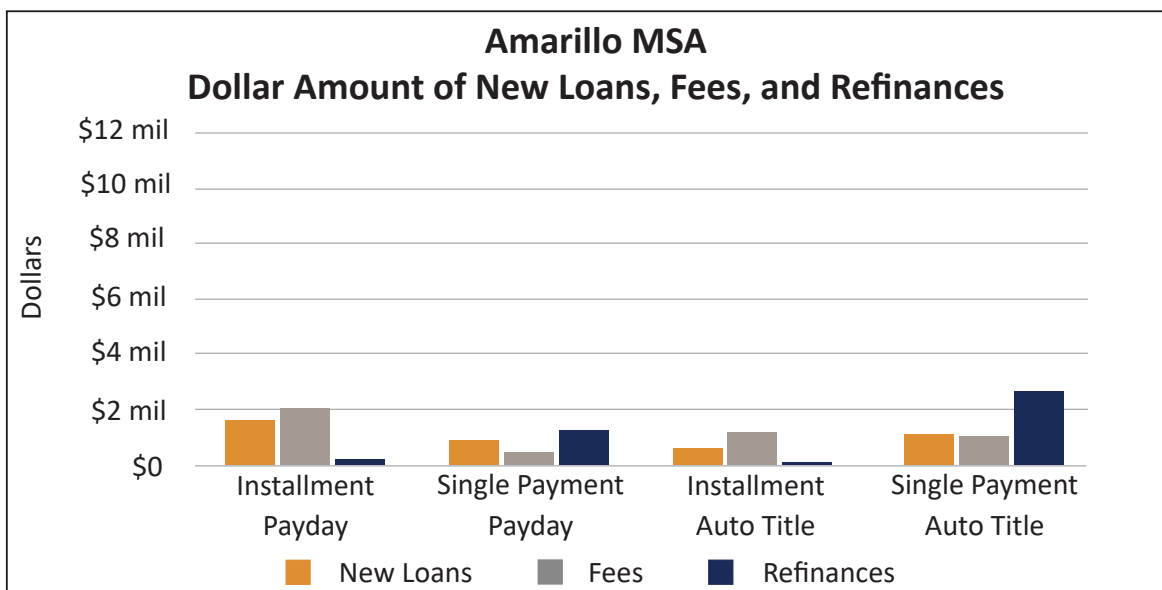


- **Store Locations:** 18
- **New Loans:** \$4,245,764
- **Fee Charges:** \$4,734,110
- **Refinances:** \$4,225,405
- **Repossessions (Auto Title):** 158 or 3 cars per week
- **Repossession Rate:** 11% of borrowers had car repossessed

### Refinances and High Fees Continue to 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 56% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.44 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$612 to \$1,588. 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 299% to 591% (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)	180	17	180	30
Average Fees per \$100	\$212.62	\$21.93	\$118.81	\$23.72
Ave. Annual Percentage Rate (APR)	591%	481%	367%	299%
Amount Repaid with No Refinances	<b>\$1,587.72</b>	<b>\$612.02</b>	<b>\$1,118.68</b>	<b>\$622.75</b>
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	0.00%	40.28%	2.76%	38.07%
Average Refinances per Borrower	n/a	4.89	5.22	4.73
Amount Repaid with Ave. Refinances	n/a	<b>\$1,159.50</b>	<b>\$4,347.59</b>	<b>\$1,202.80</b>

## Payday & Auto Title Lending Down by 50%; Installment Loans Top Fee Drivers

The dollar amount of new payday and auto title loans decreased by 51% from 2014 to 2015, total fees dropped by 26% and refinances were down 66%. The number of vehicles repossessed decreased by 68%. Installment payday loans continued as the top fee driver, making up 22% of the total dollars lent and 44% of the total fees. Installment auto title lending made up 8% of the total dollars lent and 25% of the total fees. The proportion of total fees from installment auto title lending tripled from 2014 to 2015, growing from 6% to 25% of the total fees. Depending on the loan terms, fees for one installment loan are often the same as fees charged for 5 to 12 single payment loan transactions.

