

# Payday and Auto Title Lending in Texas

## Amarillo MSA 2017

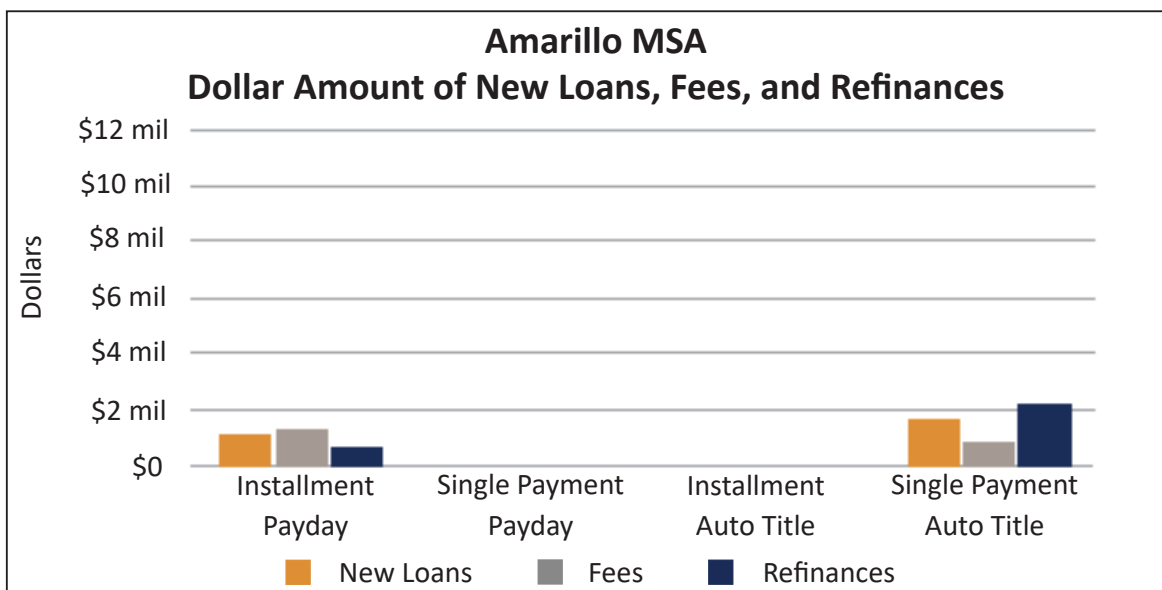


- **Store Locations:** 15
- **New Loans:** \$2,748,365
- **Fee Charges:** \$2,059,009
- **Refinances:** \$2,710,330
- **Repossessions (Auto Title):** 225 or 4 cars per week
- **Repossession Rate:** 24% of borrowers had car repossessed

### 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. Fees for one installment loan are often the same as fees charged for 5 to 12 single payment loans.**

- **In the Amarillo MSA, refinances make up 41% of single payment loan transactions.**
- **On average, installment borrowers paid \$215 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$582 to \$1,267.** Average APRs for payday and auto title loans in the Amarillo MSA range from 201% to 518% (see table on back).



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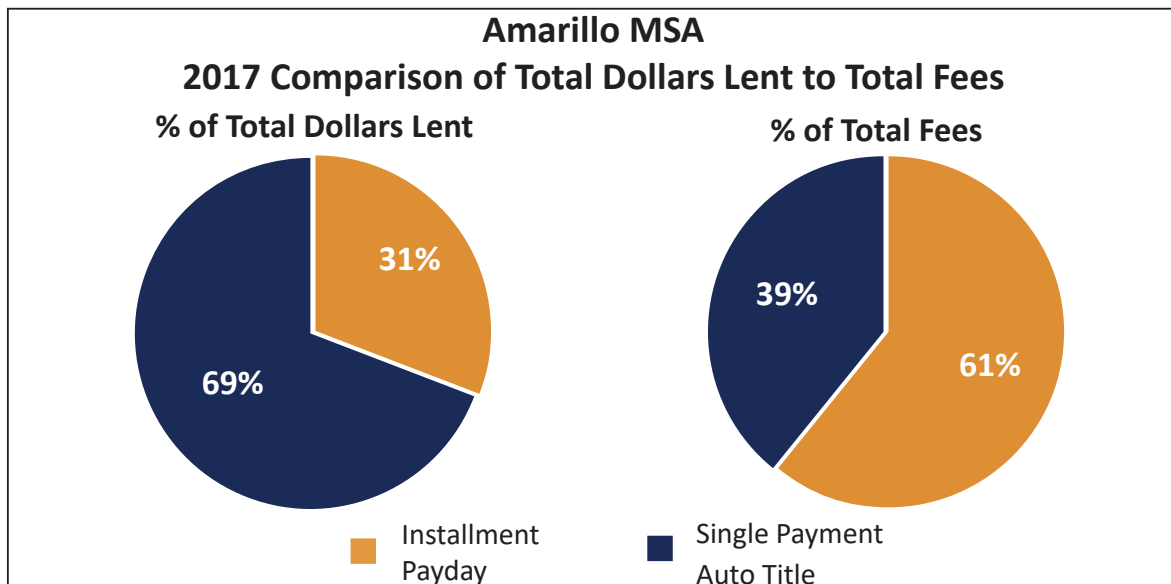
## Amarillo MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average* Loan Term (Days)	155	-	-	30
Average Fees per \$100	\$149.17	-	-	\$15.67
Ave. Annual Percentage Rate (APR)	518%	-	-	201%
Amount Repaid with No Refinances	<b>\$1,267.07</b>	-	-	<b>\$582.46</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	0.59%	-	-	45.52%
Average Refinances per Borrower	-	-	-	1.91
Amount Repaid with Ave. Refinances	-	-	-	<b>\$739.73</b>
Refinances as Percent of Total Number of Loan Transactions	9%	-	-	41%

\*Where fewer than four quarters of data are available, all averages reflect the average of quarters with available data.

## Overall Market Volume Continues Decline; Sharp Jump in Auto Repossessions

The total value of new loans, fees, and refinances decreased by 22% from 2016 to 2017. During that same time period, the dollar value of new loans fell by 1%, refinances fell by 12%, and fees decreased by 46%. After two years of steady declines, there was a sharp uptick in repossessions by auto title lenders, increasing from 115 total cars repossessed to 225, a 96% increase. The repossession rate also increased from 8% of the total number of auto title borrowers to 24%. The increase corresponds to a jump in single payment auto title lending, from 51% of total dollars lent in 2016 to 69% in 2017. There was also an increase in the proportion of fees collected for single payment auto title loans, from 18% of all fees in 2016 to 39% in 2017.



Numbers may not add up to 100% due to rounding error.

