

Payday and Auto Title Lending in Texas

Austin MSA 2017

Austin-Round Rock-San Marcos

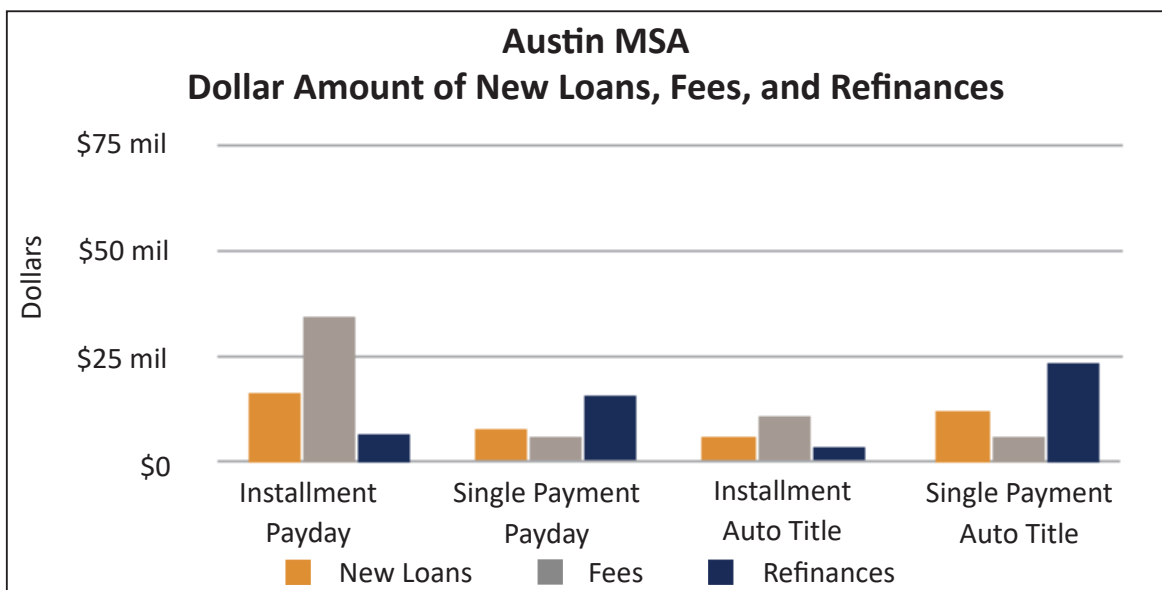


- **Store Locations:** 107
- **New Loans:** \$39,347,873
- **Fee Charges:** \$54,497,119
- **Refinances:** \$46,334,356
- **Repossessions (Auto Title):** 1,182 or 23 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

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 Austin MSA, refinances make up 60% of single payment loan transactions.**
- **On average, installment borrowers paid \$311 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$583 to \$1,459. 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 Austin MSA range from 202% to 575% (see table on back).



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Austin 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)	168	17	158	30
Average Fees per \$100	\$187.17	\$22.31	\$127.70	\$15.79
Ave. Annual Percentage Rate (APR)	575%	489%	456%	202%
Amount Repaid with No Refinances	\$1,458.80	\$613.92	\$1,160.14	\$583.05
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.44%	52.07%	11.91%	41.18%
Average Refinances per Borrower	3.45	5.46	5.26	4.42
Amount Repaid with Ave. Refinances	\$4,769.11	\$1,235.57	\$4,630.90	\$950.30
Refinances as Percent of Total Number of Loan Transactions	14%	61%	34%	58%

Overall Market Volume Continues Decline; Installment Auto Title Loan Fees Increase

The total value of new loans, fees, and refinances decreased by 19% from 2016 to 2017. During that same period, the dollar value of new loans fell by 4%, refinances fell by 34%, and fees decreased by 11%. There was a 7% increase in vehicle repossessions by auto title lenders, from 1,101 cars in 2016 to 1,182 in 2017. The repossession rate held steady, with 14% of auto title loan borrowers losing a car in 2017. The proportion of the dollar amount of new loans and fees distributed among single payment and installment loans remained relatively stable, though there was a small jump in the proportion of fees for installment auto title loans, from 15% in of the total in 2016 to 18% in 2017, though installment auto title loans made up just 9% of new loans in 2017.

