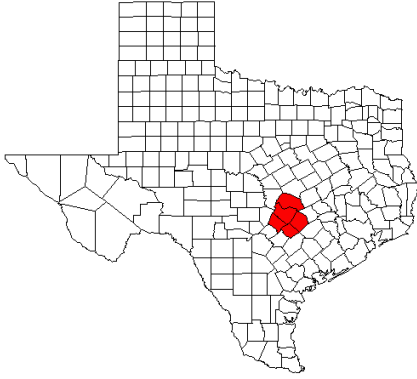


# Payday and Auto Title Lending in Texas

## Austin MSA 2018

Austin-Round Rock-San Marcos

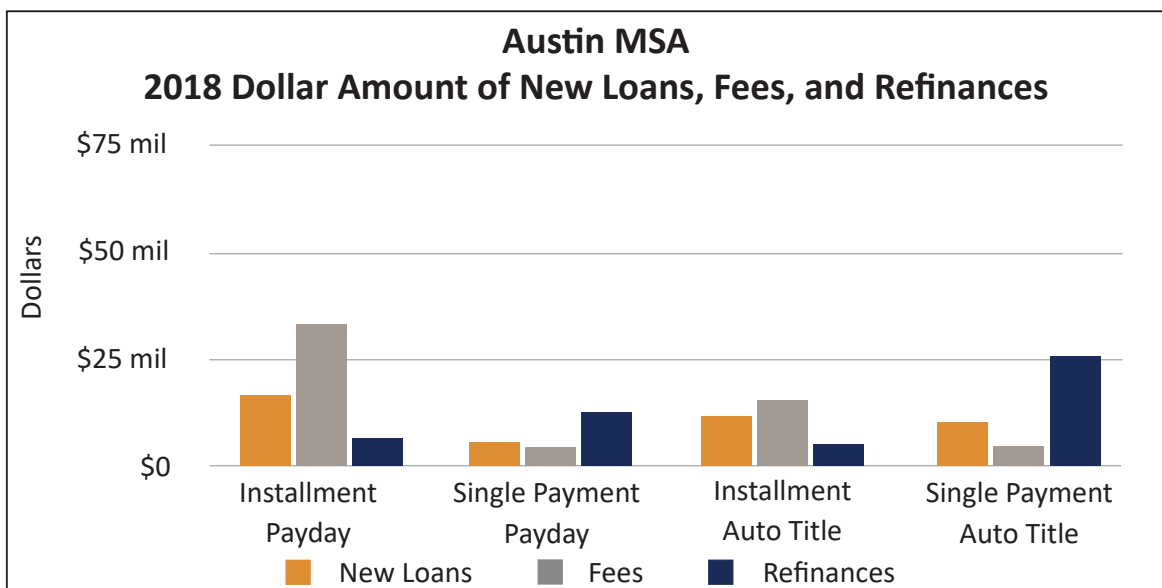


- **Store Locations:** 99
- **New Loans:** \$43,632,273
- **Fee Charges:** \$57,338,399
- **Refinances:** \$49,777,567
- **Repossessions (Auto Title):** 1,745 or 34 cars per week
- **Repossession Rate:** 17% of borrowers had car repossessed

### 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 64% of single payment loan transactions.
- Installment loan borrowers paid a total of \$48,494,347 in fees for \$28,012,544 in new loans, an average of \$173 in fees for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$583 to \$1,415. 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 203% to 552% (see table on back).



# Payday and Auto Title Lending in Texas

## 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	18	154	30
Average Fees per \$100	\$178.34	\$22.43	\$106.84	\$15.85
Ave. Annual Percentage Rate (APR)	552%	465%	393%	203%
Amount Repaid with No Refinances	<b>\$1,414.73</b>	<b>\$614.56</b>	<b>\$1,055.25</b>	<b>\$583.37</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.78%	50.59%	7.19%	50.28%
Average Refinances per Borrower	3.71	5.47	6.43	3.62
Amount Repaid with Ave. Refinances	<b>\$4,807.09</b>	<b>\$1,241.32</b>	<b>\$4,626.96</b>	<b>\$885.27</b>
Refinances as Percent of Total Number of Loan Transactions	16%	62%	28%	69%

## Small Increase in Market Volume; Installment Auto Title Lending on the Rise

The total value of new loans, fees, and refinances increased by 8% from 2017 to 2018. During that same period, the dollar value of new loans increased by 11%, refinances rose by 7%, and fees increased by 5%. There was a 48% increase in vehicle repossessions by auto title lenders, from 1,182 cars in 2017 to 1,745 in 2018. The repossession rate increased from 14% of auto title loan borrowers losing a car in 2017 to 17% in 2018. Installment auto title lending grew both as a percentage of dollars lent and of fees, increasing from 9% of dollars lent and 18% of fees collected in 2017 to 18% of dollars lent and 27% of fees collected in 2018.

