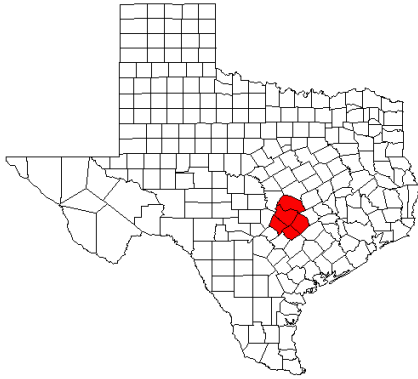


# Payday and Auto Title Lending in Texas

## Austin MSA 2019

Austin-Round Rock-San Marcos

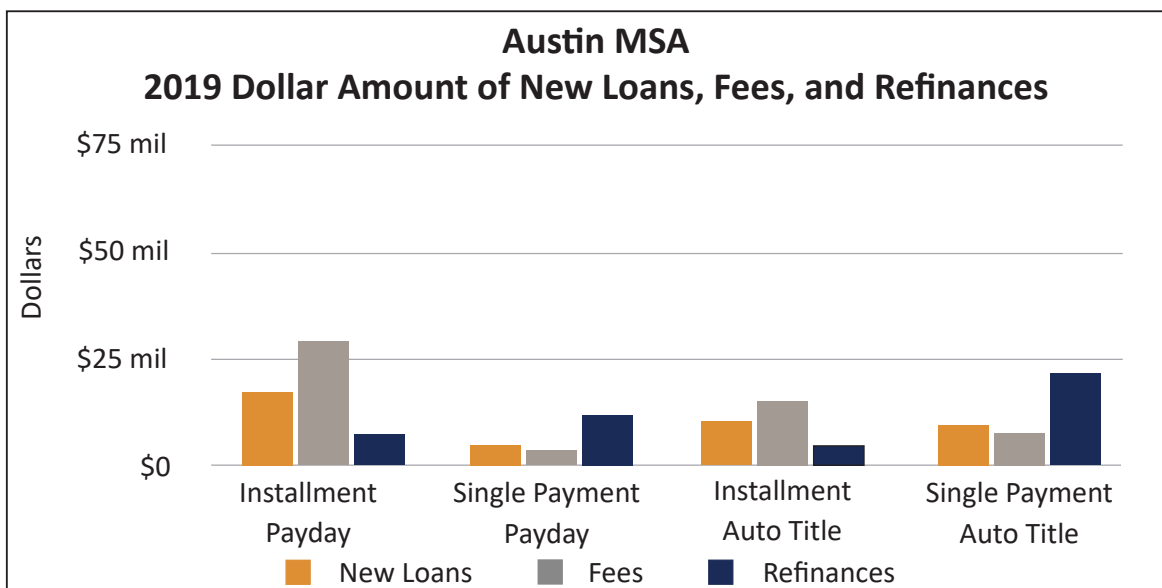


- **Store Locations:** 97
- **New Loans:** \$41,918,977
- **Fee Charges:** \$55,152,797
- **Refinances:** \$45,290,782
- **Repossessions (Auto Title):** 2,027 or 39 cars per week
- **Repossession Rate:** 20% of borrowers had car repossessed

### 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 62% of single payment loan transactions.
- Installment loan borrowers paid a total of \$44,162,511 in fees for \$27,570,016 in new loans, an average of \$160 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$579 to \$1,361. 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 193% to 525% (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)	169	17	154	30
Average Fees per \$100	\$167.54	\$22.42	\$107.93	\$15.02
Ave. Annual Percentage Rate (APR)	525%	492%	396%	193%
Amount Repaid with No Refinances	<b>\$1,360.86</b>	<b>\$614.50</b>	<b>\$1,060.80</b>	<b>\$579.22</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	7.04%	28.69%	7.70%	45.68%
Average Refinances per Borrower	3.41	10.38	5.68	5.61
Amount Repaid with Ave. Refinances	<b>\$4,298.57</b>	<b>\$1,802.83</b>	<b>\$4,245.32</b>	<b>\$1,023.41</b>
Refinances as Percent of Total Number of Loan Transactions	15%	62%	27%	63%

## Overall Market Volume Declines; Auto Repossessions Surge

The total value of new loans, fees, and refinances decreased by 6% from 2018 to 2019. During that same period, the dollar value of new loans fell by 4%, refinances fell by 9%, and fees decreased by 4%. There was a 16% increase in vehicle repossessions by auto title lenders, from 1,745 cars in 2018 to 2,027 in 2019. The repossession rate also increased, with 20% of auto title loan borrowers losing a car in 2019, up from 17% in 2018. The proportion of the dollar amount of new loans and fees distributed among single payment and installment loans remained relatively stable. Installment payday and auto title loans made up 45% of the total dollars lent and 80% of the total fees collected for 2019.

