

Payday and Auto Title Lending in Texas

Beaumont MSA 2013

Beaumont-Port Arthur

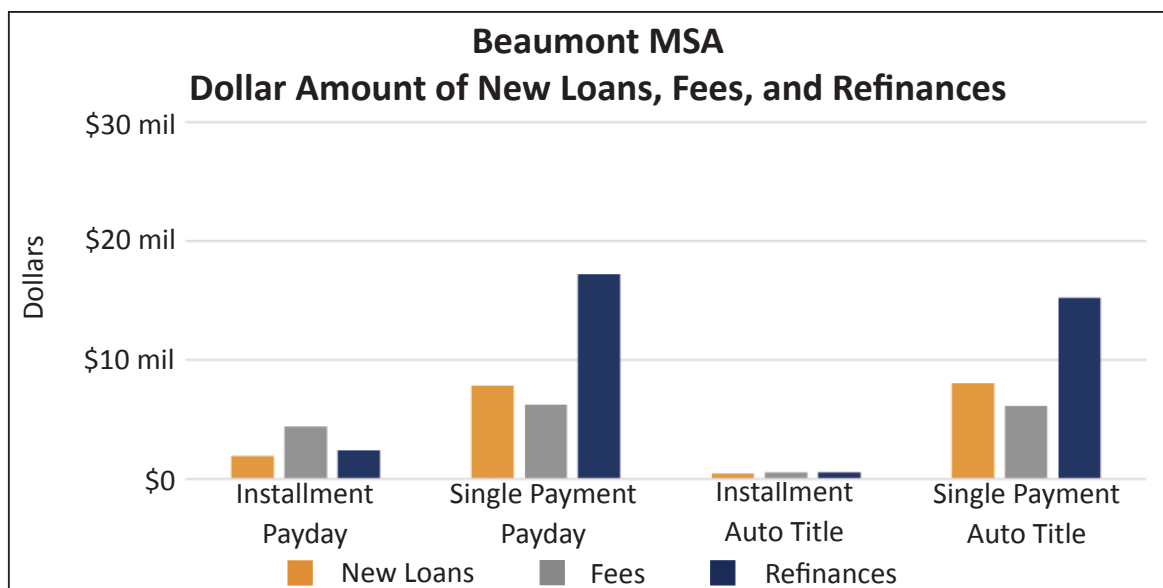


- **Store Locations:** 46
- **New Loans:** \$18,261,928
- **Fee Charges:** \$17,309,760
- **Refinances:** \$35,379,630
- **Repossessions (Auto Title):** 708—14 cars per week
- **Repossession Rate:** 11% of borrowers had car repossessed

Refinances and High Fees 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 Beaumont MSA, refinances make up more than 63% of single payment loan transactions.**
- **On average, installment borrowers paid \$2.05 in fees for every dollar borrowed.**
The dollar amount of fees for all installment loans increased by 41% from 2012 to 2013.
Fees for installment payday loans increased by 60%.
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$611 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 Beaumont MSA range from 302% to 525% (see table on back).



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Beaumont 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	18	149	29
Average Fees per \$100	\$167.61	\$21.78	\$77.96	\$23.37
Ave. Annual Percentage Rate (APR)	525%	452%	302%	304%
Amount Repaid with No Refinances	\$1,361.26	\$611.35	\$910.16	\$620.83
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	11.21%	53.91%	8.41%	37.99%
Average Refinances per Borrower	3.43	5.49	5.72	4.61
Amount Repaid with Ave. Refinances	\$4,317.80	\$1,222.54	\$3,255.18	\$1,177.88

New Trend: Installment Payday Loans

Installment payday loans made up 8% of dollars lent for all types of loans in 2013, but 26% of total fees, indicating that this product is a huge fee driver. Depending on the loan terms, **fees for one installment loan are often the same as the fees charged for 5 to 12 single payment loan transactions.**

