

Payday and Auto Title Lending in Texas

Beaumont MSA 2014

Beaumont-Port Arthur

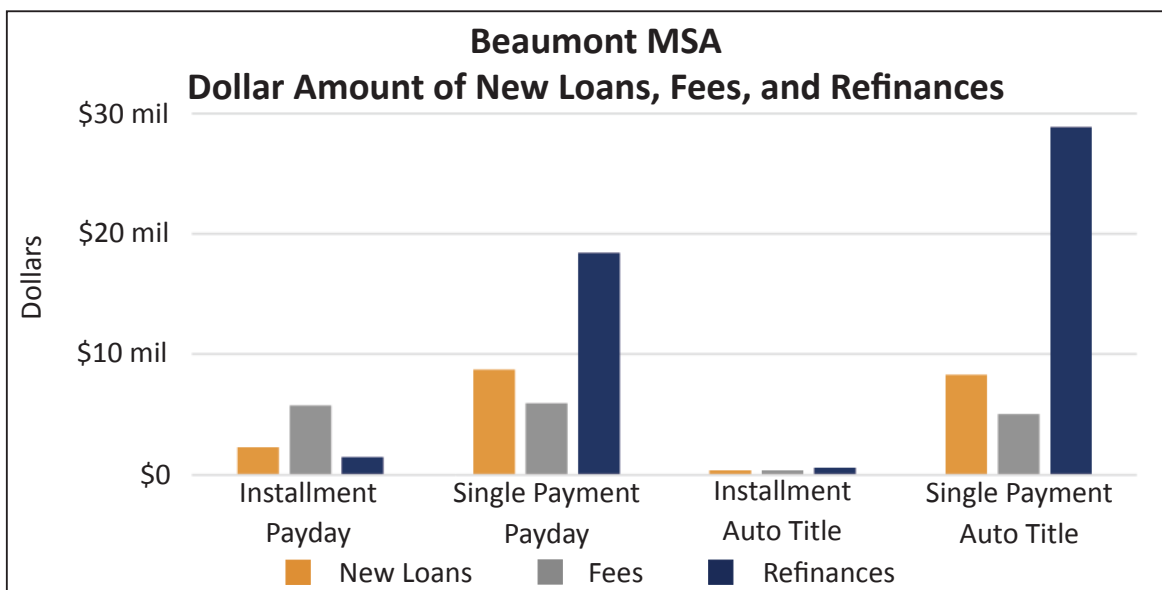


- **Store Locations:** 47
- **New Loans:** \$19,625,079
- **Fee Charges:** \$16,975,341
- **Refinances:** \$49,338,952
- **Repossessions (Auto Title):** 933 or 18 cars per week
- **Repossession Rate:** 15% of borrowers had car repossessed

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.

- **In the Beaumont MSA, refinances make up 66% of single payment loan transactions.**
- **On average, installment borrowers paid \$2.30 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$608 to \$1,490. 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 263% to 590% (see table on back).



Payday and Auto Title Lending in Texas

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	163	30
Average Fees per \$100	\$193.33	\$22.09	\$72.63	\$20.87
Ave. Annual Percentage Rate (APR)	590%	458%	263%	264%
Amount Repaid with No Refinances	\$1,489.82	\$612.95	\$885.42	\$608.44
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	8.32%	46.91%	6.56%	47.40%
Average Refinances per Borrower	3.47	6.71	7.05	6.14
Amount Repaid with Ave. Refinances	\$4,922.47	\$1,137.21	\$3,601.63	\$1,274.23

Installment Payday Loans a Major Fee Driver

Installment payday loans made up 6% of the total dollars lent for 2014, but 34% of fee charges. While fees per \$100 borrowed for installment auto title loans decreased slightly, fees per \$100 borrowed for installment payday loans increased from \$167.61 to \$193.33. 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.** Single payment auto title loans increased from 43% of dollars lent in 2013 to 54% of dollars lent in 2014, indicating a market shift toward this loan type.

