

Payday and Auto Title Lending in Texas

Beaumont MSA 2017

Beaumont-Port Arthur

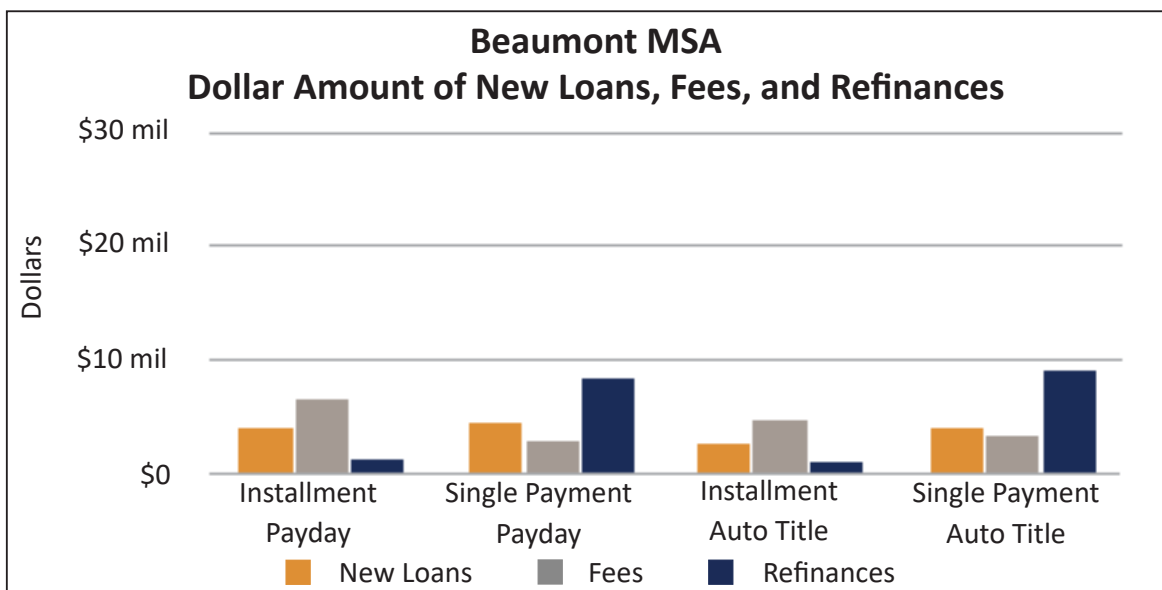


- **Store Locations:** 36
- **New Loans:** \$14,222,478
- **Fee Charges:** \$16,755,411
- **Refinances:** \$18,485,841
- **Repossessions (Auto Title):** 610 or 12 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

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 Beaumont MSA, refinances make up 64% of single payment loan transactions.
- On average, installment borrowers paid \$279 for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$604 to \$1,230. 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 253% to 496% (see table on back).



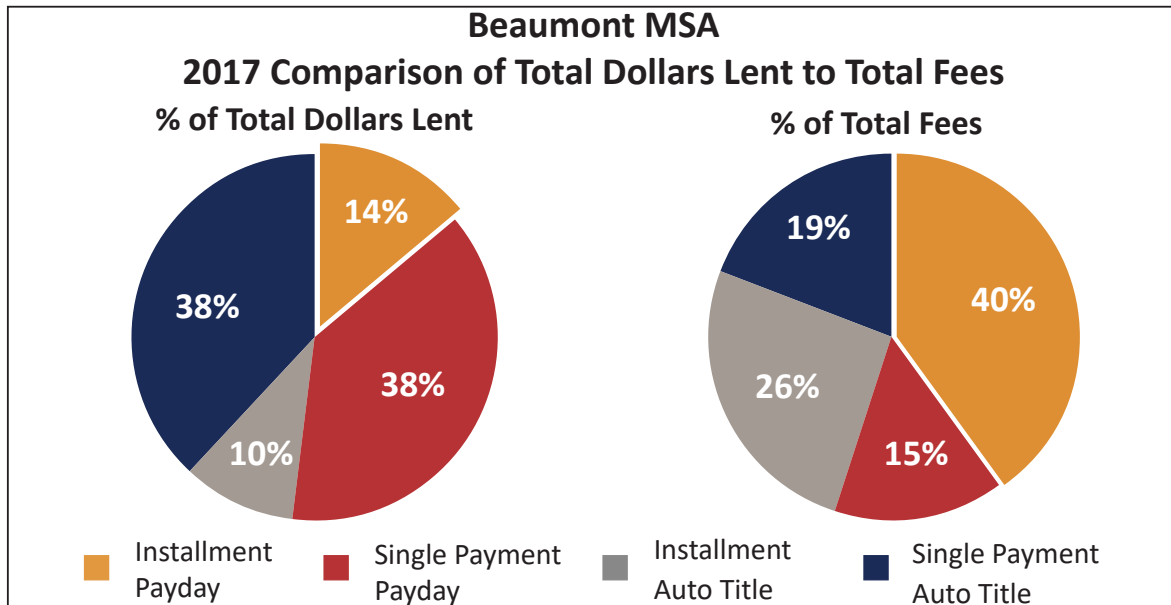
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Beaumont MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	152	19	151	30
Average Fees per \$100	\$141.86	\$21.77	\$140.55	\$20.00
Ave. Annual Percentage Rate (APR)	496%	428%	493%	253%
Amount Repaid with No Refinances	\$1,230.06	\$611.45	\$1,223.44	\$604.13
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	4.02%	48.45%	12.57%	45.36%
Average Refinances per Borrower	3.39	5.94	4.54	7.18
Amount Repaid with Ave. Refinances	\$3,701.59	\$1,273.09	\$4,505.23	\$1,351.34
Refinances as Percent of Total Number of Loan Transactions	9%	61%	30%	71%

Overall Market Volume Continues Decline; Installment Lending on the Rise

The total value of new loans, fees, and refinances decreased by 30% from 2016 to 2017. During that same period, the dollar value of new loans fell by 4%, refinances fell by 52%, and fees decreased by 4%. There was a 2% decrease in the number of vehicle repossessions by auto title lenders, but the repossession rate increased from 11% of auto title borrowers losing a car in 2016 to 14% in 2017. Installment payday and auto title lending continued to increase as a share of both the total dollars lent and the fees. Installment lending increased from 9% of total dollars lent and 31% of the fees collected in 2016 to 14% of total dollars lent and 40% of the fees collected in 2017.



Numbers may not add up to 100% due to rounding error.

