

Payday and Auto Title Lending in Texas

Beaumont MSA 2018

Beaumont-Port Arthur

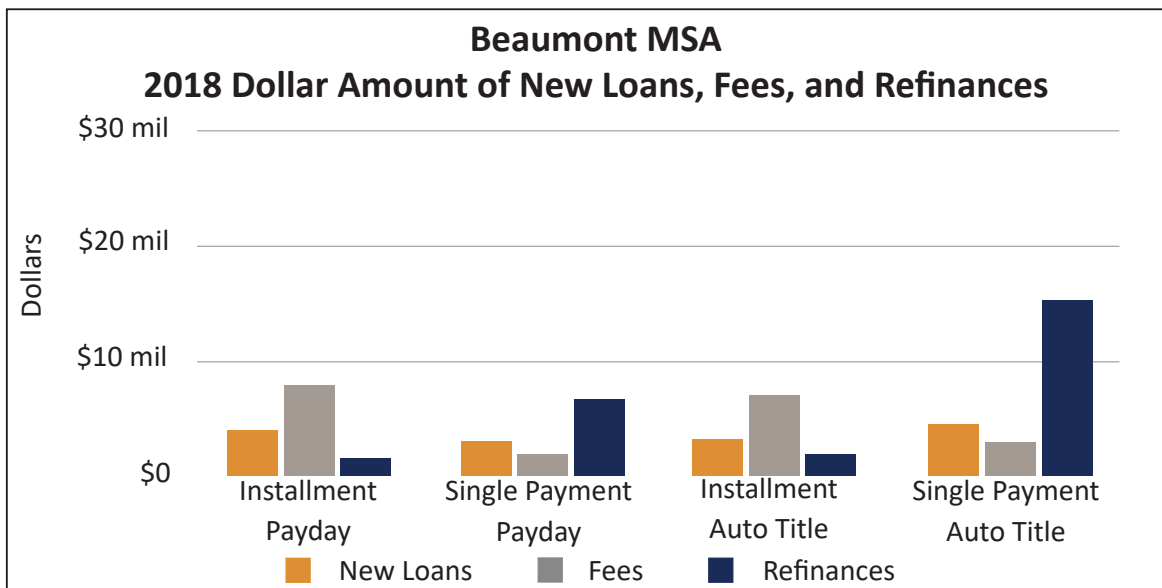


- **Store Locations:** 32
- **New Loans:** \$15,139,286
- **Fee Charges:** \$20,179,784
- **Refinances:** \$25,724,786
- **Repossessions (Auto Title):** 613 or 12 cars per week
- **Repossession Rate:** 13% of borrowers had car repossessed

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 76% of single payment loan transactions.**
- **Installment loan borrowers paid a total of \$15,092,458 in fees for \$7,394,839 in new loans, an average of \$204 in fees for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$603 to \$1,269. 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 250% to 489% (see table on back).



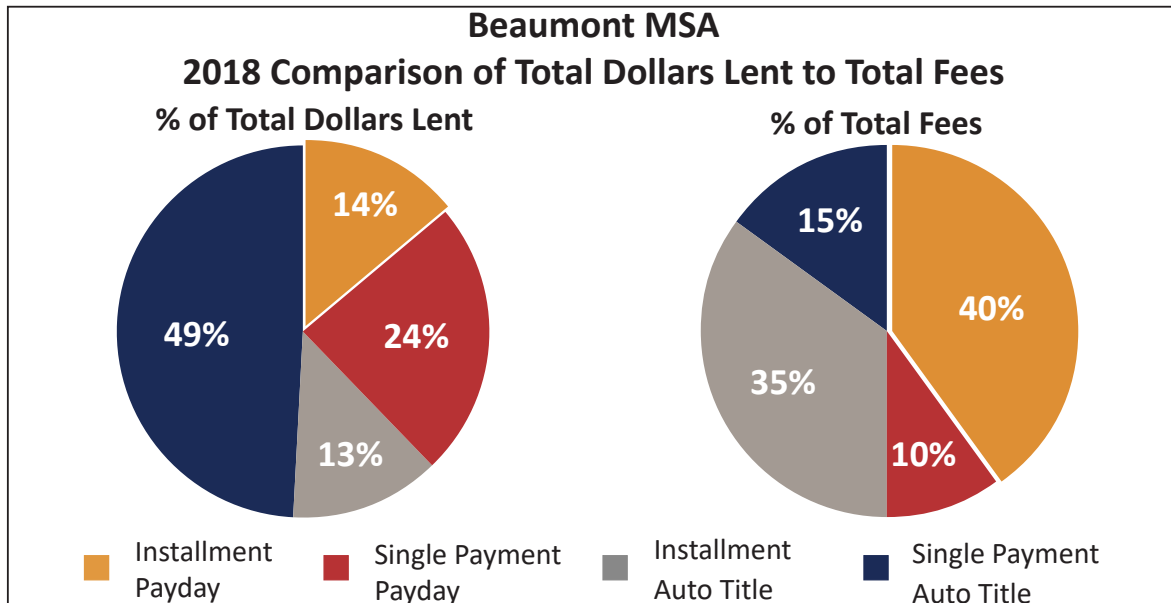
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Beaumont MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	167	18	153	30
Average Fees per \$100	\$149.21	\$21.77	\$139.14	\$19.76
Ave. Annual Percentage Rate (APR)	477%	452%	489%	250%
Amount Repaid with No Refinances	\$1,268.95	\$611.37	\$1,216.65	\$602.91
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	3.66%	48.54%	19.77%	48.70%
Average Refinances per Borrower	7.84	11.42	4.15	6.68
Amount Repaid with Ave. Refinances	\$7,294.27	\$1,883.59	\$4,194.14	\$1,290.73
Refinances as Percent of Total Number of Loan Transactions	17%	76%	38%	74%

Market Volume Increases, Driven by Growing Auto Title Lending

The total value of new loans, fees, and refinances increased by 23% from 2017 to 2018. During that same period, the dollar value of new loans increased by 6%, refinances grew by 39%, and fees increased by 20%. The number of vehicles repossessed by auto title lenders stayed the same. Auto title lending increased in 2018. Installment auto title lending increased from 10% of total dollars lent and 26% of the fees collected in 2017 to 13% of total dollars lent and 35% of the fees collected in 2018. Single payment auto title lending made up nearly half of the total dollars lent in 2018, up from 38% in 2017.



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

