

# Payday and Auto Title Lending in Texas

## Beaumont MSA 2019

Beaumont-Port Arthur

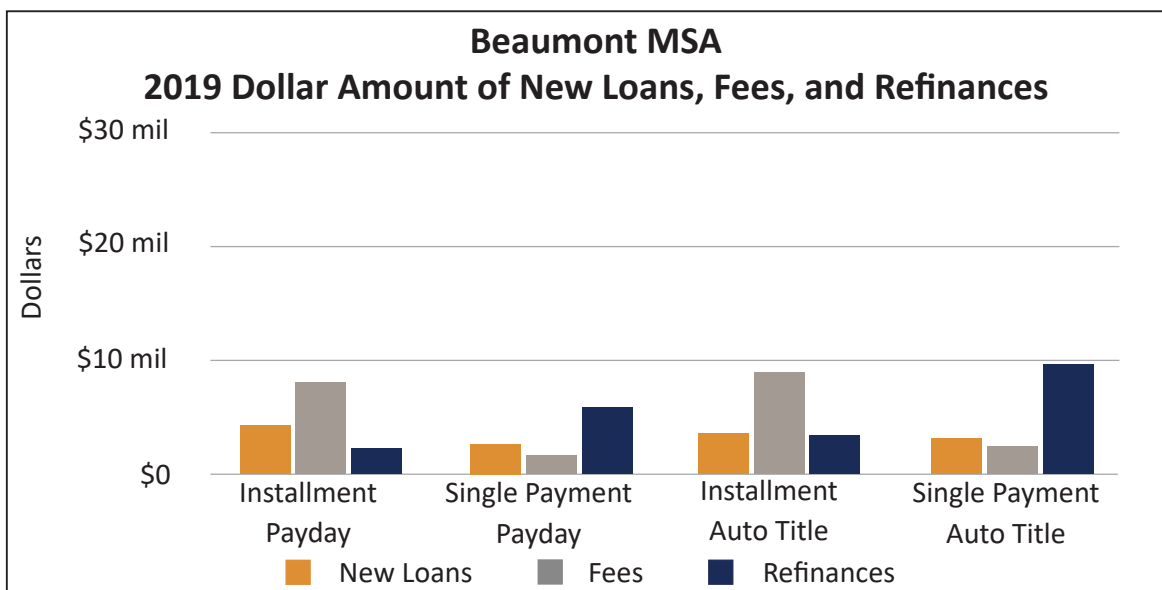


- **Store Locations:** 34
- **New Loans:** \$13,604,521
- **Fee Charges:** \$21,100,330
- **Refinances:** \$21,171,896
- **Repossessions (Auto Title):** 770 or 15 cars per week
- **Repossession Rate:** 18% of borrowers had car repossessed

### 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 \$16,980,807 in fees for \$7,861,976 in new loans, an average of \$216 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$591 to \$1,257. 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 221% to 487% (see table on back).



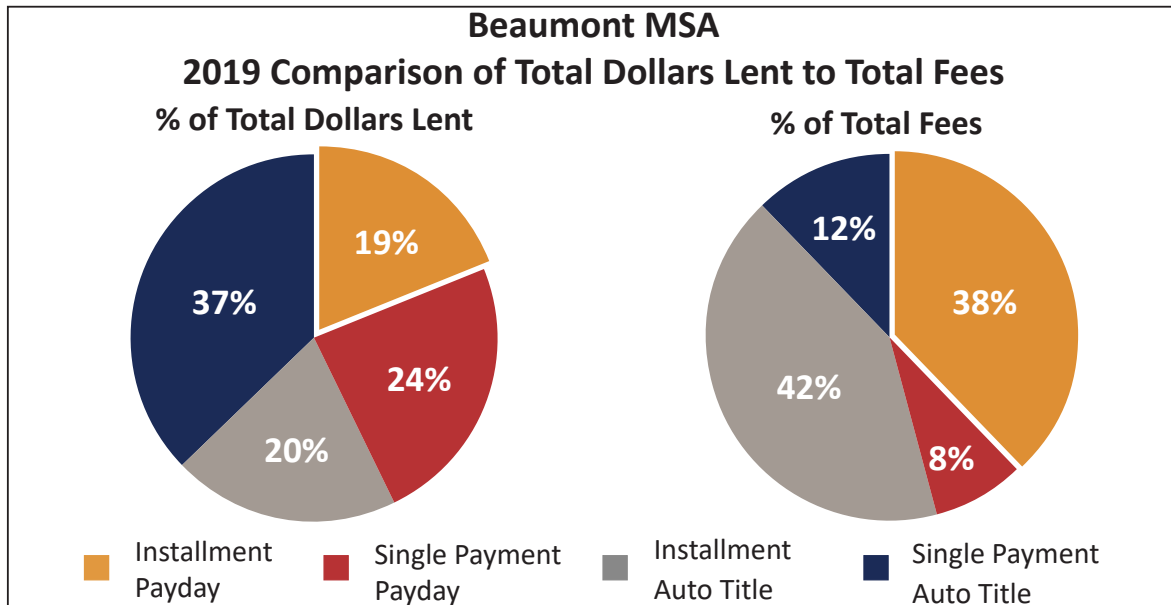
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## Beaumont MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	169	17	160	30
Average Fees per \$100	\$146.77	\$21.07	\$138.54	\$17.31
Ave. Annual Percentage Rate (APR)	471%	462%	487%	221%
Amount Repaid with No Refinances	<b>\$1,256.99</b>	<b>\$607.67</b>	<b>\$1,214.59</b>	<b>\$590.66</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	7.89%	27.15%	18.90%	45.69%
Average Refinances per Borrower	4.14	20.92	4.00	10.11
Amount Repaid with Ave. Refinances	<b>\$4,389.88</b>	<b>\$2,859.59</b>	<b>\$4,076.40</b>	<b>\$1,506.92</b>
Refinances as Percent of Total Number of Loan Transactions	20%	77%	38%	75%

## Market Volume Down; Auto Repossessions Surge

The total value of new loans, fees, and refinances decreased by 8% from 2018 to 2019. During that same period, the dollar value of new loans fell by 10%, refinances fell by 18%, and fees increased by 5%. There was a 26% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 13% of auto title borrowers losing a car in 2018 to 18% in 2019. 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 27% of total dollars lent and 75% of the fees collected in 2018 to 39% of total dollars lent and 80% of the fees collected in 2019.



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

