

Payday and Auto Title Lending in Texas

Brownsville MSA 2017

Brownsville-Harlingen

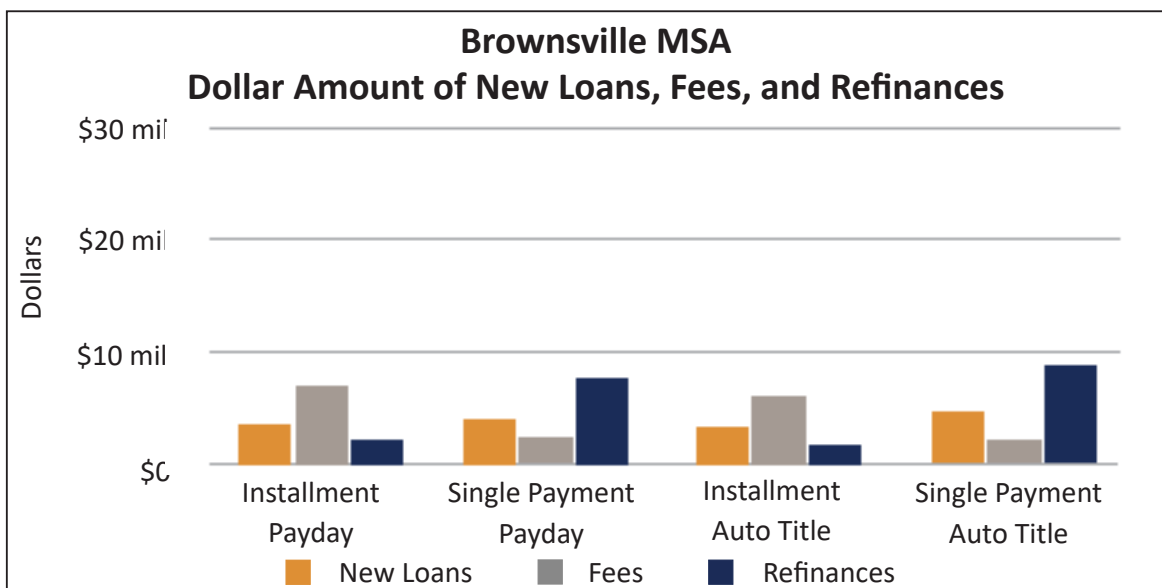


- **Store Locations:** 41
- **New Loans:** \$14,748,841
- **Fee Charges:** \$16,878,857
- **Refinances:** \$19,267,105
- **Repossessions (Auto Title):** 573 or 11 cars per week
- **Repossession Rate:** 12% of borrowers had car repossessed

Refinances and High Fees Continue 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 Brownsville MSA, refinances make up 64% of single payment loan transactions.
- On average, installment borrowers paid \$298 for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$583 to \$1,340. 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 Brownsville MSA range from 201% to 559% (see table on back).



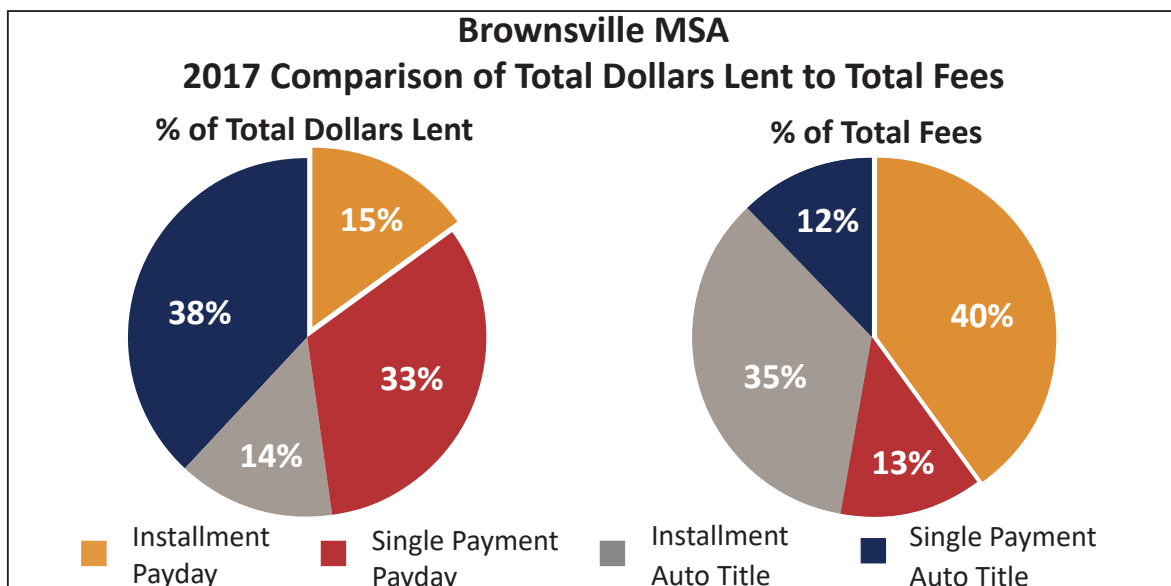
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Brownsville MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	161	19	160	30
Average Fees per \$100	\$163.63	\$22.88	\$122.69	\$15.68
Ave. Annual Percentage Rate (APR)	559%	450%	441%	201%
Amount Repaid with No Refinances	\$1,340.19	\$617.05	\$1,135.42	\$582.52
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.47%	53.74%	10.98%	44.13%
Average Refinances per Borrower	5.66	6.62	4.87	5.79
Amount Repaid with Ave. Refinances	\$6,097.23	\$1,391.73	\$4,230.42	\$1,060.39
Refinances as Percent of Total Number of Loan Transactions	22%	64%	31%	65%

Overall Market Volume Continues Decline; Installment Auto Title Loans Continue to Increase

The total value of new loans, fees, and refinances decreased by 16% from 2016 to 2017. During that same period, the dollar value of new loans fell by 4%, refinances fell by 29%, and fees decreased by 6%. There was an 8% decrease in the number of vehicle repossessions by auto title lenders, and the repossession rate fell from 13% of auto title borrowers losing a car in 2016 to 12% in 2017. Installment auto title lending continued to increase as a share of both the total dollars lent and the fees. It increased from 11% of total dollars lent and 27% of the fees collected in 2016 to 14% of total dollars lent and 35% of the fees collected in 2017. Installment lending in total, including both payday and auto title loans, generated 75% of all fees collected in 2017.



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

