

Payday and Auto Title Lending in Texas

Brownsville MSA 2019

Brownsville-Harlingen

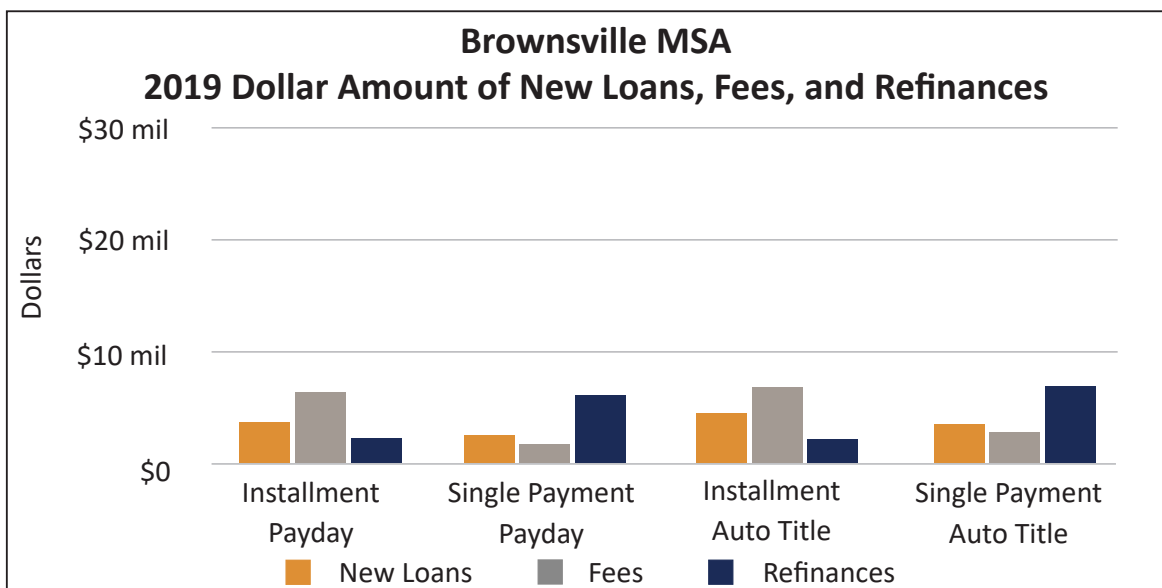


- **Store Locations:** 44
- **New Loans:** \$13,967,451
- **Fee Charges:** \$17,453,254
- **Refinances:** \$17,152,818
- **Repossessions (Auto Title):** 750 or 14 cars per week
- **Repossession Rate:** 15% of borrowers had car repossessed

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.
- Installment loan borrowers paid a total of \$13,077,892 in fees for \$8,062,296 in new loans, an average of \$162 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$578 to \$1,347. 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 188% to 517% (see table on back).



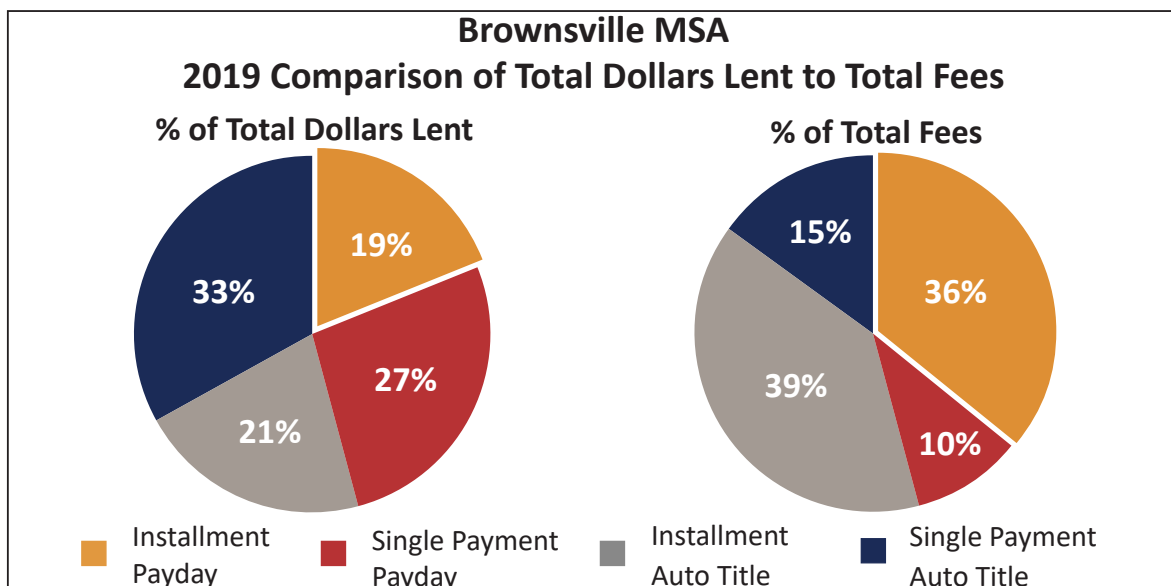
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Brownsville MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	163	19	161	30
Average Fees per \$100	\$164.87	\$22.29	\$111.92	\$14.63
Ave. Annual Percentage Rate (APR)	517%	438%	409%	188%
Amount Repaid with No Refinances	\$1,346.62	\$614.09	\$1,081.59	\$577.27
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.32%	41.21%	7.49%	43.87%
Average Refinances per Borrower	5.77	8.62	5.67	5.47
Amount Repaid with Ave. Refinances	\$6,229.00	\$1,597.78	\$4,380.08	\$999.57
Refinances as Percent of Total Number of Loan Transactions	22%	65%	28%	62%

Overall Market Volume Declines; Installment Payday and Auto Title Loans Major Fee Driver

The total value of new loans, fees, and refinances decreased by 10% from 2018 to 2019. During that same period, the dollar value of new loans fell by 10%, refinances fell by 19%, and fees increased by 1%. There was a 32% increase in the number of vehicles repossessed by auto title lenders, and the repossession rate increased from 11% of auto title borrowers losing a car in 2018 to 15% in 2019. Installment payday and auto title loans continued to dominate the market, generating 75% of all fees collected in 2019.



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

