

Payday and Auto Title Lending in Texas

College Station MSA 2015

Bryan-College Station

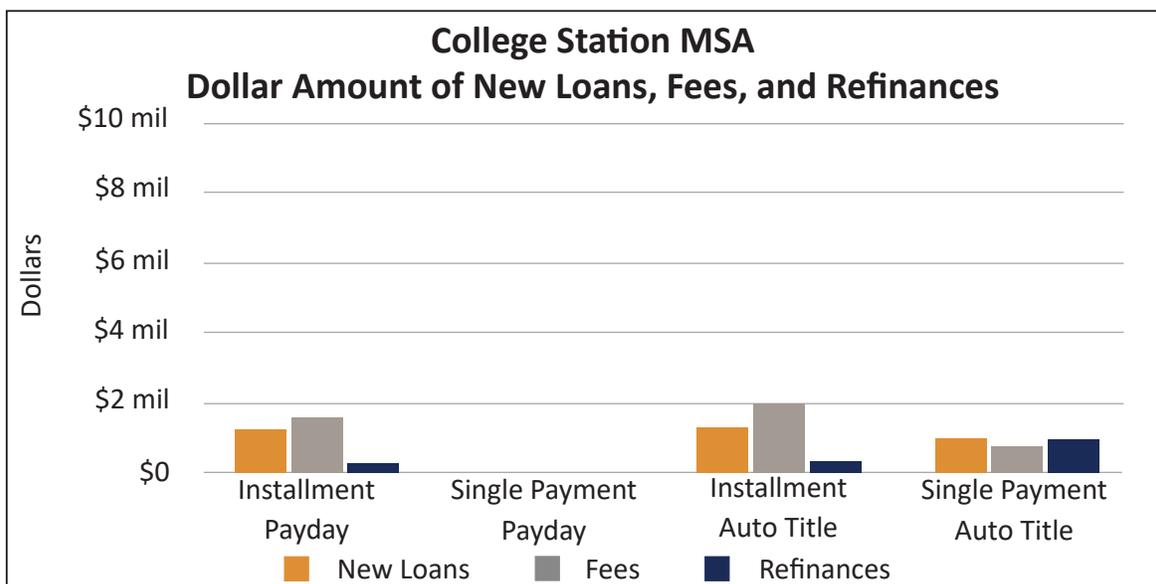


- **Store Locations:** 12
- **New Loans:** \$3,526,283
- **Fee Charges:** \$4,324,415
- **Refinances:** \$1,528,860
- **Repossessions (Auto Title):** 43 or 1 car per week
- **Repossession Rate:** 2% of borrowers had car repossessed

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.

- In the College Station MSA, refinances make up 43% of single payment loan transactions.
- On average, installment borrowers paid \$1.41 in fees for every dollar borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$637 to \$1,296. 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 College Station MSA range from 322% to 534% (see table on back).



Payday and Auto Title Lending in Texas

College Station 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)	156	n/a	166	31
Average Fees per \$100	\$154.98	n/a	\$99.74	\$26.51
Ave. Annual Percentage Rate (APR)	534%	n/a	342%	322%
Amount Repaid with No Refinances	\$1,296.31	n/a	\$1,021.42	\$636.74
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	1.92%	n/a	6.20%	66.97%
Average Refinances per Borrower	5.30	n/a	4.43	2.41
Amount Repaid with Ave. Refinances	\$5,518.22	n/a	\$3,330.89	\$965.72

Installment Auto Title Lending Spurs Jump in Fees

All installment lending increased from 2014 to 2015, with the most marked increase in the fees for installment auto title loans. The proportion of fees for installment auto title loans nearly tripled, from 16% of all fees charged in 2014 to 46% in 2015. The cost of installment auto title loans increased from 274% APR in 2014 to 342% APR in 2015, while the costs of all other loan products declined. There were no single payment payday loans in 2015—a marked decrease from 43% of dollars lent in 2014. As a result of these trends, there were sharp drops in the dollar amount of new loans (34%) and refinances (79%), while total fee charges increased by 22%. Depending on the loan terms, fees for one installment loan are often the same as fees charged for 5 to 12 single payment loan transactions.

