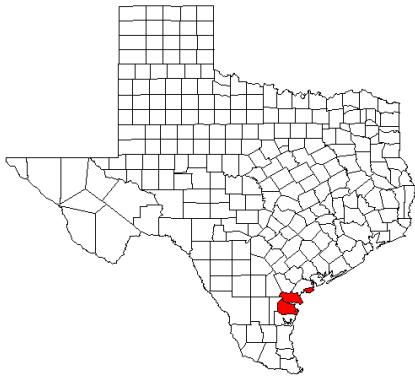


# Payday and Auto Title Lending in Texas

## Corpus Christi MSA 2019

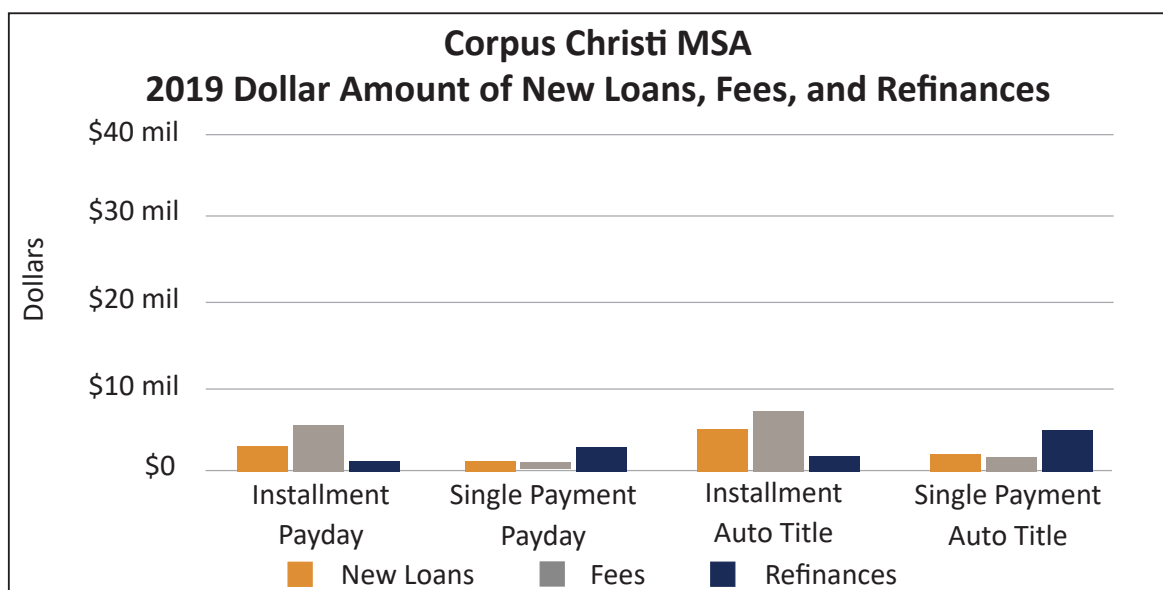


- **Store Locations:** 48
- **New Loans:** \$11,419,818
- **Fee Charges:** \$15,135,964
- **Refinances:** \$10,964,974
- **Repossessions (Auto Title):** 719 or 14 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

### 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 Corpus Christi MSA, refinances make up 64% of single payment loan transactions.
- Installment loan borrowers paid a total of \$12,716,762 in fees for \$8,089,568 in new loans, an average of \$157 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$579 to \$1,416. 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 Corpus Christi MSA range from 193% to 553% (see table on back).



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## Corpus Christi 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	16	156	30
Average Fees per \$100	\$178.65	\$19.87	\$109.60	\$15.02
Ave. Annual Percentage Rate (APR)	553%	464%	401%	193%
Amount Repaid with No Refinances	<b>\$1,416.37</b>	<b>\$601.62</b>	<b>\$1,069.29</b>	<b>\$579.21</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	3.13%	22.46%	6.70%	46.80%
Average Refinances per Borrower	4.35	14.14	6.15	5.05
Amount Repaid with Ave. Refinances	<b>\$5,401.03</b>	<b>\$2,038.09</b>	<b>\$4,572.86</b>	<b>\$978.88</b>
Refinances as Percent of Total Number of Loan Transactions	10%	65%	27%	62%

## Overall Market Volume Continues Decline; Installment Loans Generate High Fees

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 15%, and fees decreased by 1%. There was a 17% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 14% of auto title borrowers losing a car in 2018 to 16% in 2019. Installment lending continues to dominate the market, generating 50% of the total dollars lent through new loans and refinances and 84% of the total fees collected in 2019.

