

Payday and Auto Title Lending in Texas

Amarillo MSA 2016

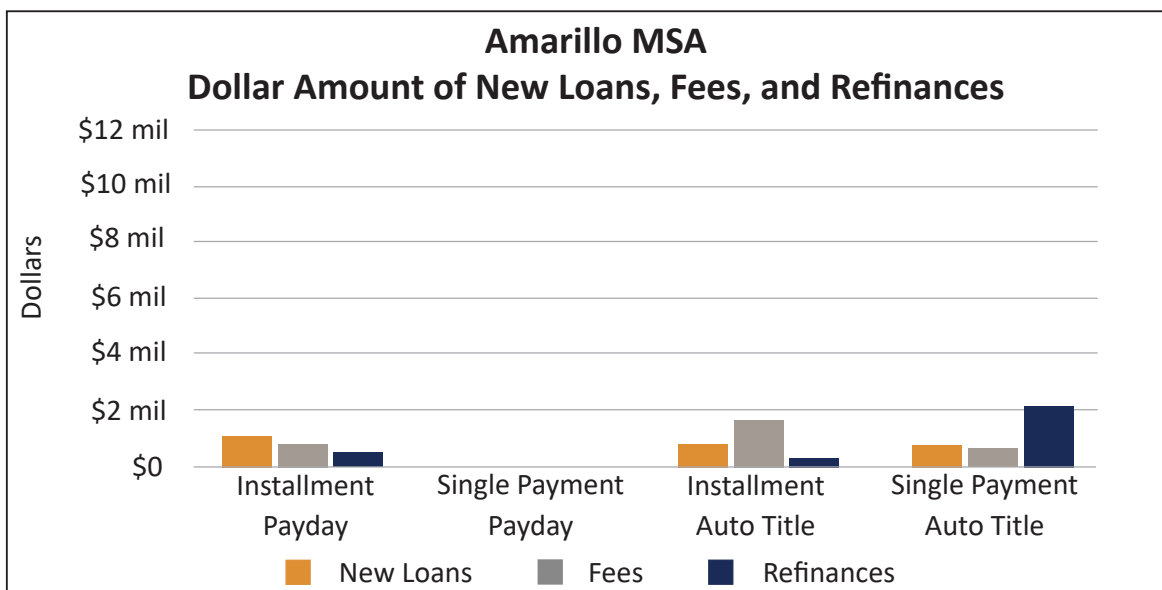


- **Store Locations:** 15
- **New Loans:** \$2,776,800
- **Fee Charges:** \$3,206,842
- **Refinances:** \$3,070,235
- **Repossessions (Auto Title):** 115 or 2 cars per week
- **Repossession Rate:** 8% of borrowers had car repossessed

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 Amarillo MSA, refinances make up 65% of single payment loan transactions.**
- **On average, installment borrowers paid \$228 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$603 to \$1,450. 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 Amarillo MSA range from 250% to 620% (see table on back).



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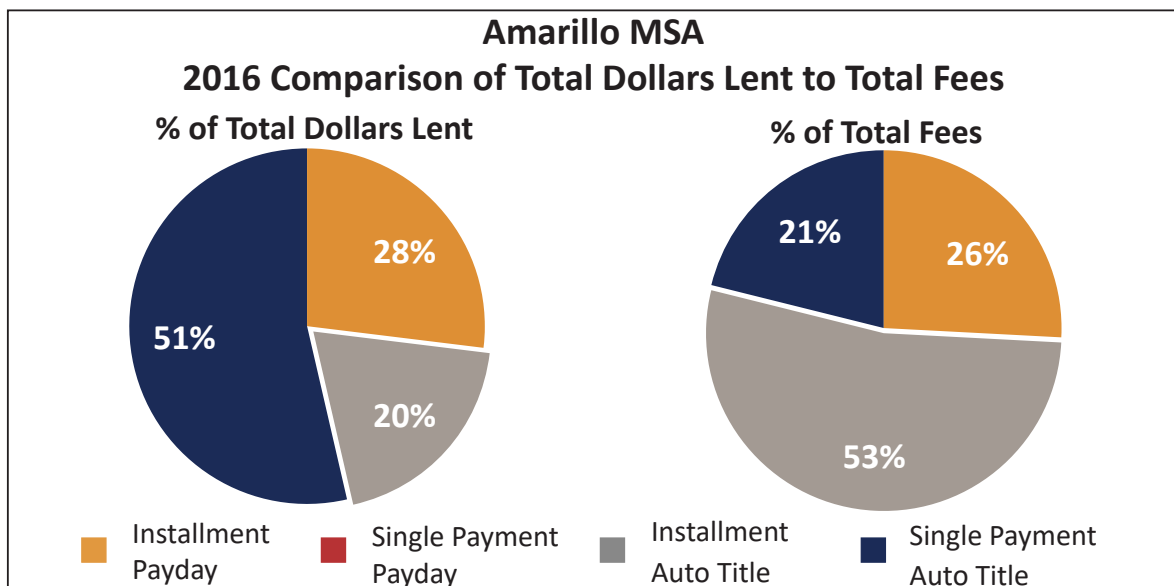
Amarillo MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average* Loan Term (Days)	157	-	180	30
Average Fees per \$100	\$185.59	-	\$124.92	\$19.74
Ave. Annual Percentage Rate (APR)	620%	-	382%	250%
Amount Repaid with No Refinances	\$1,449.51	-	\$1,149.26	\$602.81
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	0.16%	-	3.48%	38.07%
Average Refinances per Borrower	-	-	10.88	5.59
Amount Repaid with Ave. Refinances	-	-	\$8,214.86	\$1,177.01
Refinances as Percent of Total Number of Loan Transactions	10%	-	25%	65%

*Where fewer than four quarters of data are available, all averages reflect the average of quarters with available data.

Overall Market Declines; Installment Loans Still Top Fee Divers

The total volume of payday and auto title loans decreased by 31% from 2015 to 2016. The dollar value of new loans was down by 35%, fees by 32%, and refinances, by 27%. The market continued to shift towards installment loans and auto title lending. Auto title lending made up 71% of the total dollars lent in 2016, compared to 53% in 2015. Installment auto title lending more than doubled, from 8% of the dollars lent in 2015 to 20% in 2016. Installment auto title lending currently dominates total fees, at 53%. Installment payday and auto title lending combined made up 79% of total fees for 2016, an increase from 69% in 2015. The number of vehicles repossessed declined by 27%.



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

