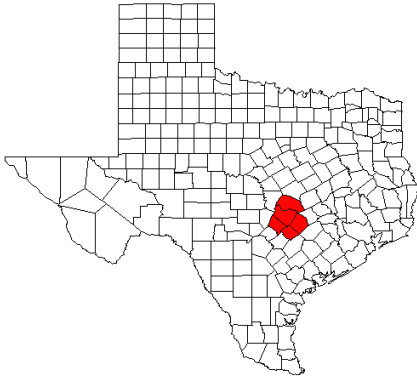


Payday and Auto Title Lending in Texas

Austin MSA 2016

Austin-Round Rock-San Marcos

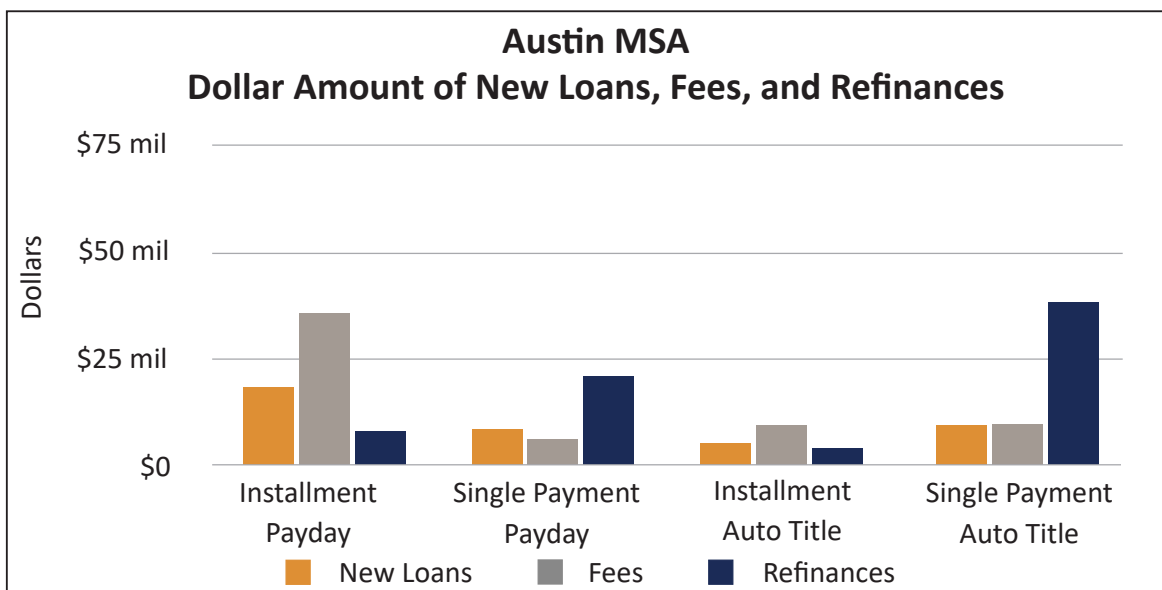


- **Store Locations:** 122
- **New Loans:** \$40,948,088
- **Fee Charges:** \$60,476,189
- **Refinances:** \$70,900,838
- **Repossessions (Auto Title):** 1,101 or 21 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

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 Austin MSA, refinances make up 66% of single payment loan transactions.**
- **On average, installment borrowers paid \$295 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$586 to \$1,518. 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 Austin MSA range from 209% to 604% (see table on back).



Payday and Auto Title Lending in Texas

Austin 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)	168	17	162	30
Average Fees per \$100	\$199.02	\$22.29	\$102.75	\$16.37
Ave. Annual Percentage Rate (APR)	604%	489%	350%	209%
Amount Repaid with No Refinances	\$1,518.14	\$613.82	\$1,035.97	\$585.91
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.55%	51.67%	12.86%	46.45%
Average Refinances per Borrower	3.17	5.93	4.35	6.03
Amount Repaid with Ave. Refinances	\$4,744.03	\$1,288.34	\$3,368.27	\$1,104.19
Refinances as Percent of Total Number of Loan Transactions	13%	64%	33%	70%

Overall Market Declines; Installment Lending Nearly 75% of Fees

Payday and auto title loan volume decreased by 17% from 2015 to 2016. The dollar value of new loans was down by 20%, fees by 12%, and refinances, by 19%. Installment payday and auto title lending together made up 74% of total fees for 2016, an increase from 70% in 2015. The number of vehicles repossessed by auto title lenders decreased by 31% from 2015 to 2016. Nearly 500 fewer families lost a car to high-cost auto title loans. Installment payday lending continues to dominate fees charged, a consistent pattern since 2013.

Austin MSA

