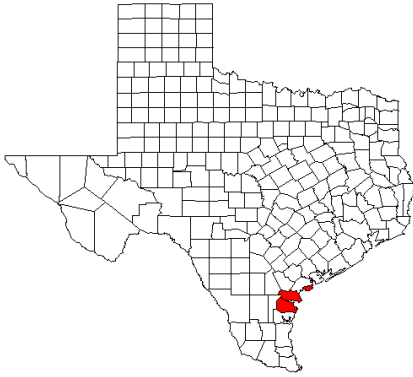


# Payday and Auto Title Lending in Texas

## Corpus Christi MSA 2016

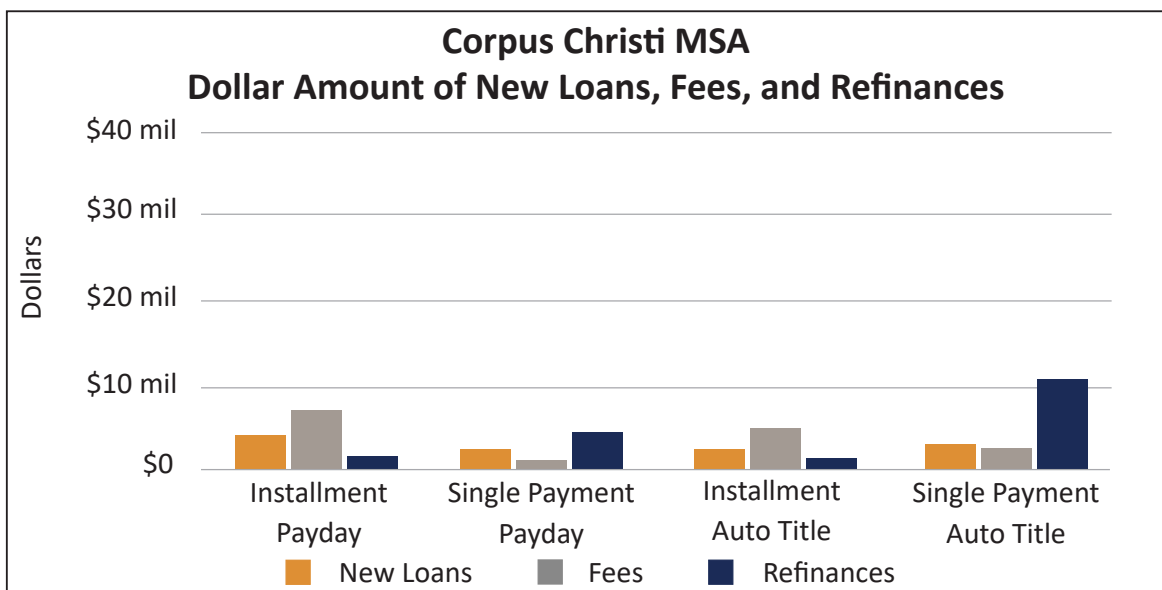


- **Store Locations:** 46
- **New Loans:** \$11,955,678
- **Fee Charges:** \$15,665,680
- **Refinances:** \$18,221,209
- **Repossessions (Auto Title):** 586 or 11 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

### 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 Corpus Christi MSA, refinances make up 64% of single payment loan transactions.**
- **On average, installment borrowers paid \$282 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$589 to \$1,499. 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 218% to 595% (see table on back).



# Payday and Auto Title Lending in Texas

## 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)	166	19	162	30
Average Fees per \$100	\$195.23	\$21.24	\$106.98	\$17.08
Ave. Annual Percentage Rate (APR)	595%	418%	362%	218%
Amount Repaid with No Refinances	<b>\$1,498.97</b>	<b>\$608.80</b>	<b>\$1,057.10</b>	<b>\$589.49</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	3.40%	52.11%	10.44%	46.25%
Average Refinances per Borrower	5.49	5.67	4.83	5.64
Amount Repaid with Ave. Refinances	<b>\$6,979.92</b>	<b>\$1,226.01</b>	<b>\$3,745.38</b>	<b>\$1,093.87</b>
Refinances as Percent of Total Number of Loan Transactions	13%	61%	32%	69%

## Sharp Drop in Total Loan Volumes; Market Continues Shift to Installment Payday and Auto Title Loans

The total dollar value of new loans, fees, and refinances decreased by 52% from 2015 to 2016. During the same time period, new loans decreased by 53%, fees decreased by 46% and refinances fell by 56%. The number of vehicles repossessed by auto title lenders decreased by 34%. The market continued to shift towards installment lending. Installment payday and auto title lending made up 32% of the total dollars lent and 77% of total fees in 2016, compared to 21% of dollar lent and 64% of fees in 2015. Installment auto title lending was the only market segment to grow from 2015 to 2016. The dollar value of new installment auto title loans increased by 7% and fees increased by 20%.

