

# Payday and Auto Title Lending in Texas

## El Paso MSA 2016

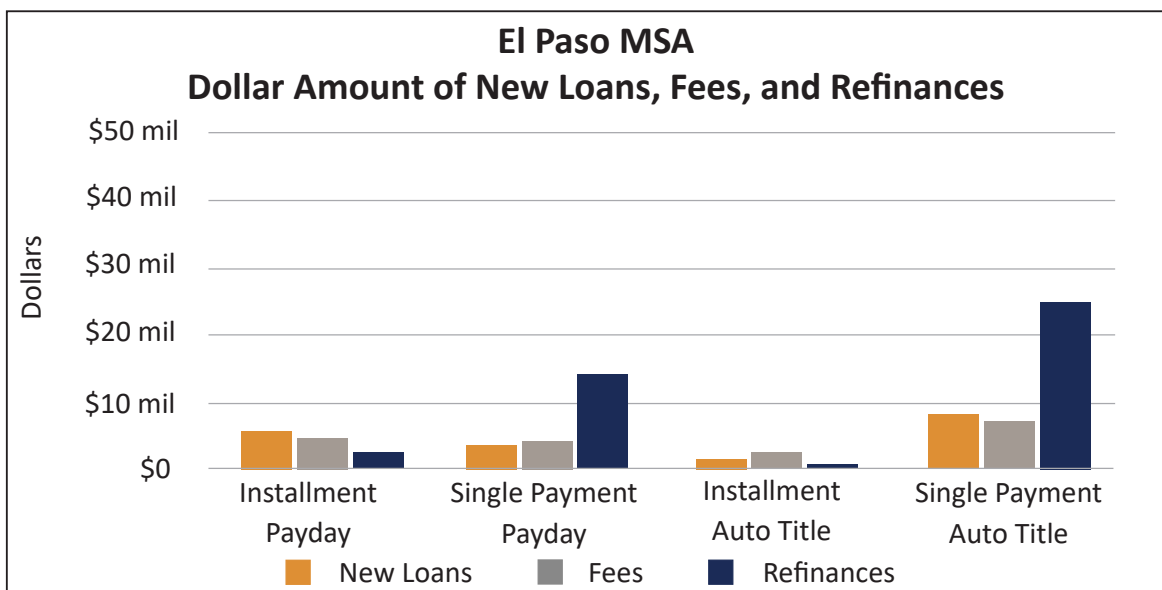


- **Store Locations:** 87
- **New Loans:** \$19,008,604
- **Fee Charges:** \$18,483,044
- **Refinances:** \$42,276,007
- **Repossessions (Auto Title):** 713 or 14 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

### 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.

- **In the El Paso MSA, refinances make up 71% of single payment loan transactions.**
- **On average, installment borrowers paid \$206 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$583 to \$1,140. 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 El Paso MSA range from 203% to 592% (see table on back).



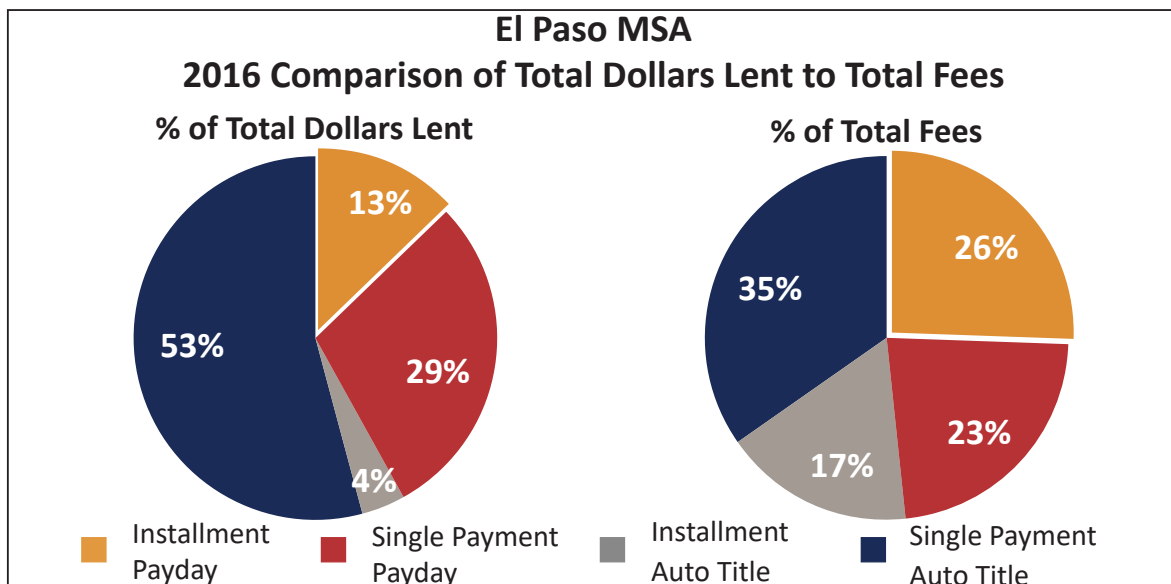
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## El Paso MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	162	15	162	30
Average Fees per \$100	\$123.51	\$23.91	\$104.24	\$15.85
Ave. Annual Percentage Rate (APR)	408%	592%	355%	203%
Amount Repaid with No Refinances	<b>\$1,139.73</b>	<b>\$621.56</b>	<b>\$1,043.46</b>	<b>\$583.37</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	4.44%	60.57%	8.61%	46.42%
Average Refinances per Borrower	6.45	7.08	6.11	6.96
Amount Repaid with Ave. Refinances	<b>\$5,262.92</b>	<b>\$1,482.58</b>	<b>\$4,362.02</b>	<b>\$1,163.45</b>
Refinances as Percent of Total Number of Loan Transactions	16%	71%	33%	71%

## Overall Market Decline Continues; Growth in Installment Loan Refinances

The total dollar value of new loans, fees, and refinances decreased by 11% from 2015 to 2016. During the same time period, new loans decreased by 23%, fees decreased by 16% and refinances fell by 3%. The number of vehicles repossessed by auto title lenders decreased by 10%. Auto title lending continued to dominate the market. Auto title loans increased, as a proportion of the total market, from 55% of the total dollars lent and 42% of total fees in 2015 to 57% of dollars lent and 52% of fees in 2016. Installment loan refinances were on the rise compared to 2015, with a 47% increase in the dollar value of refinances for installment payday loans and a 64% increase for installment auto title loans.



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

