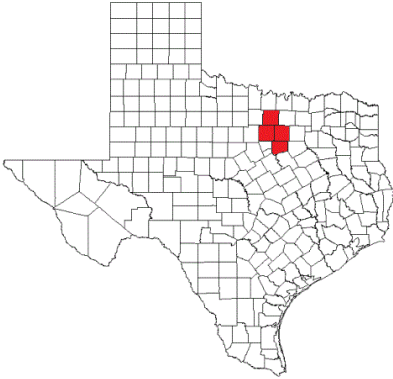


# Payday and Auto Title Lending in Texas

## Fort Worth MD 2016

Fort Worth-Arlington Metropolitan Division

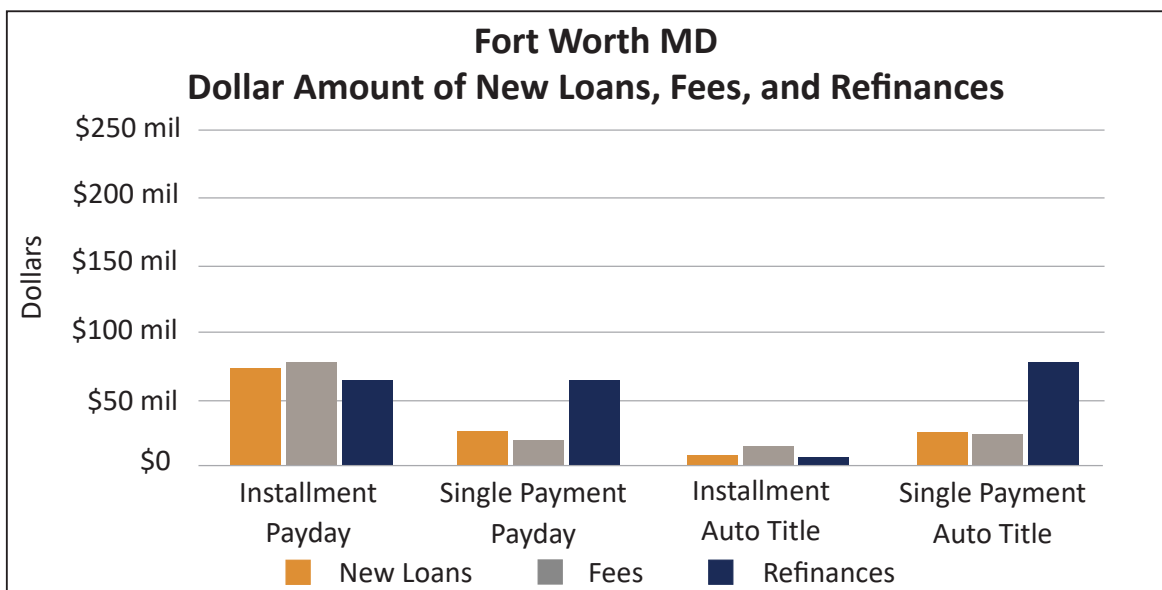


- **Store Locations:** 203
- **New Loans:** \$130,114,308
- **Fee Charges:** \$133,676,098
- **Refinances:** \$209,607,653
- **Repossessions (Auto Title):** 3,850 or 74 cars per week
- **Repossession Rate:** 19% of borrowers had car repossessed

### 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 Fort Worth MD, refinances make up 65% of single payment loan transactions.**
- **On average, installment borrowers paid \$216 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$585 to \$1,042. 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 Fort Worth MD range from 214% to 527% (see table on back).



# Payday and Auto Title Lending in Texas

## Fort Worth MD 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)	153	17	159	29
Average Fees per \$100	\$104.12	\$24.06	\$98.95	\$16.17
Ave. Annual Percentage Rate (APR)	384%	527%	340%	214%
Amount Repaid with No Refinances	<b>\$1,041.51</b>	<b>\$622.63</b>	<b>\$1,016.59</b>	<b>\$584.86</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	8.54%	55.84%	17.07%	49.99%
Average Refinances per Borrower	6.65	5.47	4.33	5.93
Amount Repaid with Ave. Refinances	<b>\$4,643.23</b>	<b>\$1,293.68</b>	<b>\$3,251.94</b>	<b>\$1,087.77</b>
Refinances as Percent of Total Number of Loan Transactions	33%	63%	38%	70%

## Overall Market Declines; Increased Market Share for Installment Loans

The total dollar value of new loans, fees, and refinances decreased by 24% from 2015 to 2016. During the same time period, new loans decreased by 29%, fees decreased by 15% and refinances fell by 26%. The number of vehicles repossessed by auto title lenders decreased by 27%. Despite the decline in the numbers of vehicles repossessed, 19% auto title borrowers lost their car, one of the highest repossession rates among Texas regions with reported data. Installment lending continued to grow as a proportion of the total market. Installment payday and auto title lending made up 45% of the total dollars lent and 71% of total fees in 2016, compared to 32% of dollars lent and 61% of fees in 2015.

