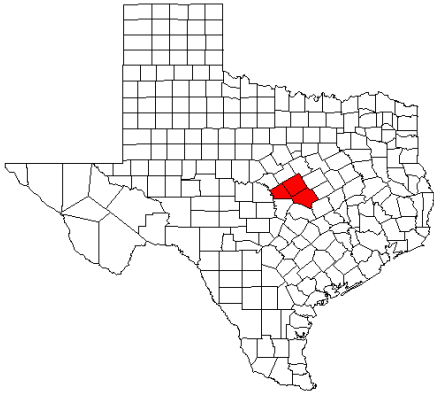


Payday and Auto Title Lending in Texas

Killeen MSA 2016

Killeen-Temple-Fort Hood

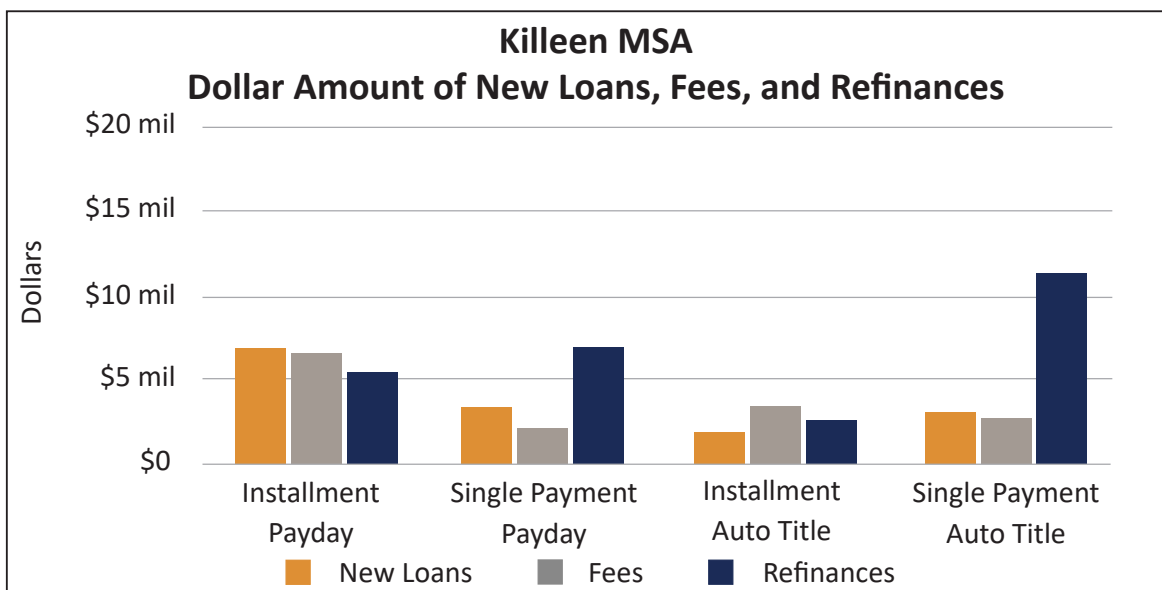


- **Store Locations:** 35
- **New Loans:** \$14,928,864
- **Fee Charges:** \$14,609,106
- **Refinances:** \$26,223,763
- **Repossessions (Auto Title):** 639 or 12 cars per week
- **Repossession Rate:** 18% of borrowers had car repossessed

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 Killeen MSA, refinances make up 61% of single payment loan transactions.
- On average, installment borrowers paid \$217 for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$594 to \$1,102. 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 Killeen MSA range from 228% to 463% (see table on back).



Payday and Auto Title Lending in Texas

Killeen 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)	159	19	163	30
Average Fees per \$100	\$116.09	\$22.19	\$103.99	\$17.95
Ave. Annual Percentage Rate (APR)	421%	463%	354%	228%
Amount Repaid with No Refinances	\$1,102.21	\$613.58	\$1,042.25	\$593.84
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	8.38%	44.96%	12.18%	48.63%
Average Refinances per Borrower	6.45	4.67	7.39	5.31
Amount Repaid with Ave. Refinances	\$4,986.65	\$1,144.38	\$5,049.25	\$1,091.97
Refinances as Percent of Total Number of Loan Transactions	27%	58%	43%	68%

Overall Market Declines; Increased Market Share for Installment Loans

The total dollar value of new loans, fees, and refinances decreased by 23% from 2015 to 2016. During the same time period, new loans decreased by 20%, fees decreased by 10% and refinances fell by 31%. The number of vehicles repossessed by auto title lenders decreased by 30%. Despite the decline in the numbers of vehicles repossessed, 18% 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 40% of the total dollars lent and 68% of total fees in 2016, compared to 22% of dollars lent and 45% of fees in 2015.

