

Payday and Auto Title Lending in Texas

El Paso MSA 2015

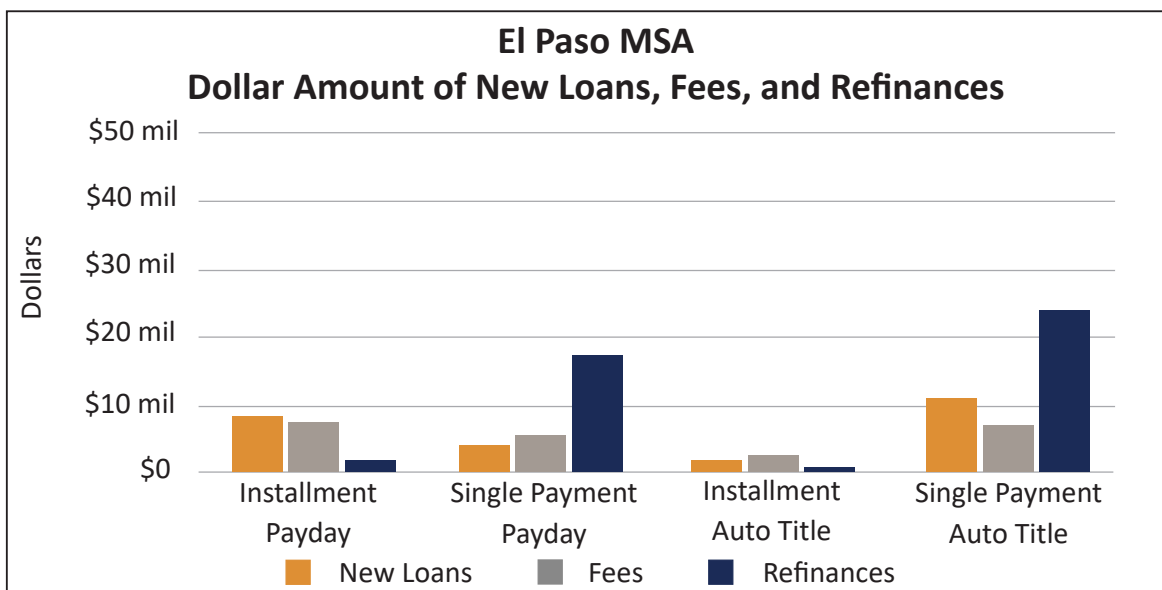


- **Store Locations:** 112
- **New Loans:** \$24,583,983
- **Fee Charges:** \$21,993,107
- **Refinances:** \$43,360,295
- **Repossessions (Auto Title):** 792 or 15 cars per week
- **Repossession Rate:** 12% of borrowers had car repossessed

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 72% of single payment loan transactions.**
- **On average, installment borrowers paid \$0.98 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$591 to \$1,060. 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 222% 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) | 163 | 15 | 165 | 30 |
| Average Fees per \$100 | \$107.62 | \$23.94 | \$82.43 | \$17.41 |
| Ave. Annual Percentage Rate (APR) | 364% | 592% | 292% | 222% |
| Amount Repaid with No Refinances | \$1,060.37 | \$621.70 | \$934.80 | \$591.21 |
| Percent of Borrowers Who Refinance (Ave. of Quarterly Rates) | 5.41% | 56.77% | 4.31% | 46.42% |
| Average Refinances per Borrower | 4.88 | 8.76 | 5.34 | 5.83 |
| Amount Repaid with Ave. Refinances | \$3,794.33 | \$1,688.13 | \$3,256.70 | \$1,122.92 |

Dollar Amount of New Loans and Fees Decrease; Refinances Up

From 2014 to 2015, the dollar amount of new loans decreased by 20% and fees decreased by 6%, while the dollar amount of refinances increased by 8%, driven mostly by an increase in refinances for single payment payday loans, from an average of 5.43 to 8.76 for borrowers who refinanced. Single payment payday loans increased in cost, from 503% APR to 592% APR. All other loan products saw a decrease in cost, with the largest decrease for installment payday loans, from 477% APR in 2014 to 364% APR in 2015.

