

Payday and Auto Title Lending in Texas

Fort Worth MD 2019

Fort Worth-Arlington Metropolitan Division

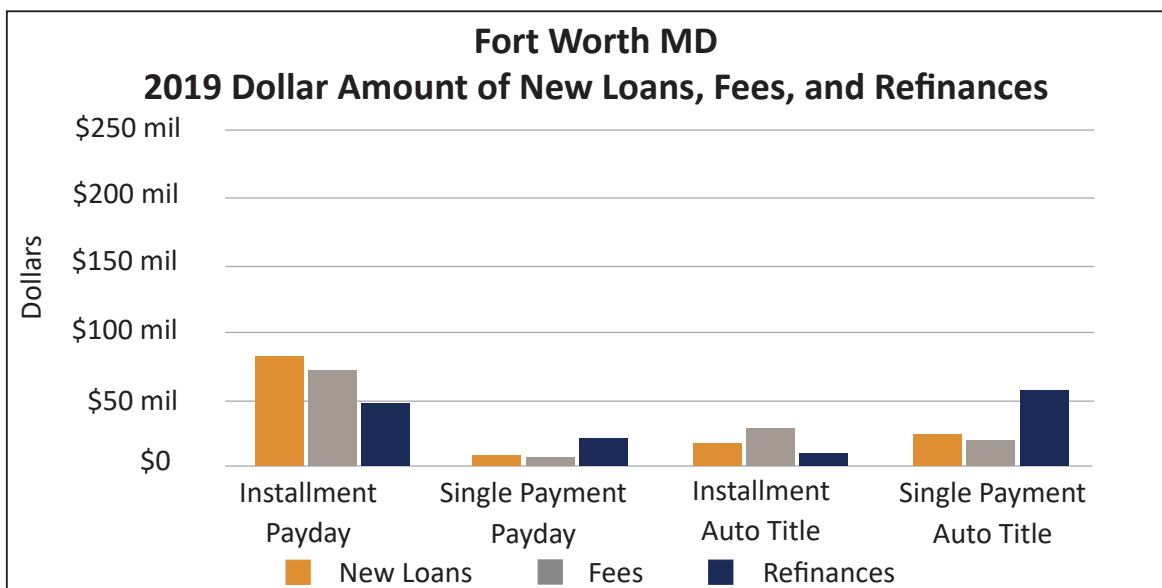


- **Store Locations:** 169
- **New Loans:** \$129,540,619
- **Fee Charges:** \$124,177,987
- **Refinances:** \$132,433,250
- **Repossessions (Auto Title):** 4,016 or 77 cars per week
- **Repossession Rate:** 19% of borrowers had car repossessed

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 61% of single payment loan transactions.
- Installment loan borrowers paid a total of \$99,160,101 in fees for \$98,196,415 in new loans, an average of \$101 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$580 to \$1,110. 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 201% to 480% (see table on back).



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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)	150	18	157	30
Average Fees per \$100	\$90.05	\$23.20	\$117.77	\$15.12
Ave. Annual Percentage Rate (APR)	340%	480%	426%	201%
Amount Repaid with No Refinances	\$970.79	\$618.43	\$1,110.33	\$579.70
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	8.03%	41.52%	12.64%	46.89%
Average Refinances per Borrower	6.19	7.29	4.64	5.18
Amount Repaid with Ave. Refinances	\$3,883.98	\$1,481.29	\$3,944.37	\$992.54
Refinances as Percent of Total Number of Loan Transactions	27%	61%	32%	61%

Installment Payday Lending Continues to Drive Fees; Repossessions Up

The total value of new loans, fees, and refinances decreased 9% from 2018 to 2019. During that same period, the dollar value of new loans decreased by 8%, refinances fell by 16%, and fees decreased by less than 1%. There was a 10% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 17% auto title borrowers losing a car to repossession in 2018 to 19% in 2019. Installment Payday lending continued to dominate the market, making up 49% of total dollars lent for new loans and refinances and 58% of fees collected in 2019.

