

Payday and Auto Title Lending in Texas

Houston MSA 2014

Houston-Sugar Land-Baytown

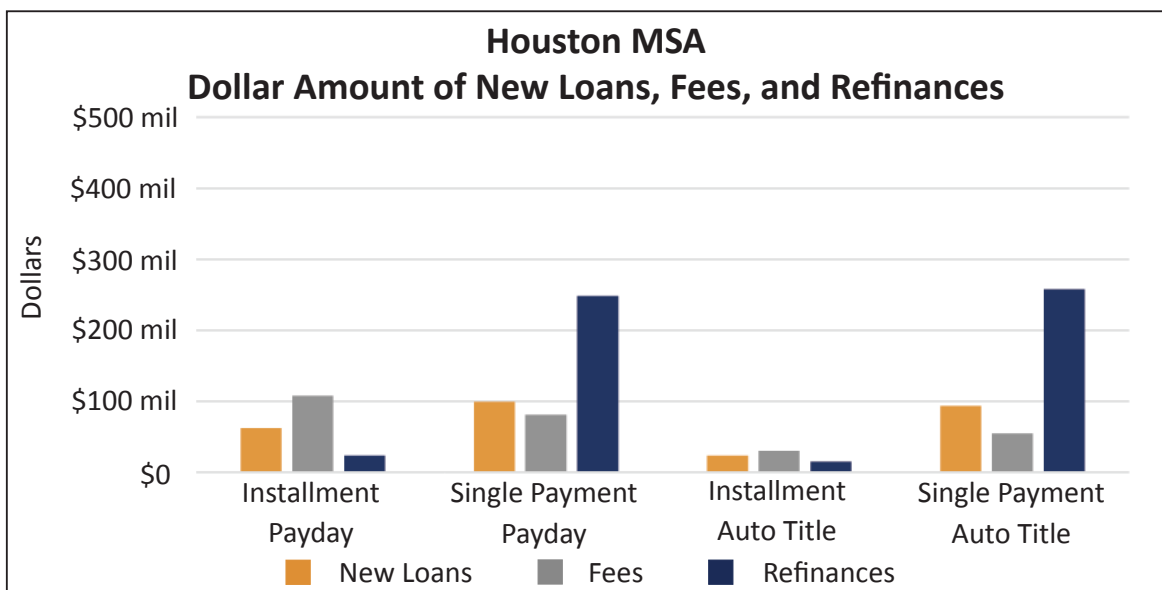


- **Store Locations:** 772
- **New Loans:** \$276,022,430
- **Fee Charges:** \$271,880,596
- **Refinances:** \$542,749,954
- **Repossessions (Auto Title):** 9,762 or 188 cars per week
- **Repossession Rate:** 12% of borrowers had car repossessed

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 Houston MSA, refinances make up 67% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.62 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$598 to \$1,424. 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 Houston MSA range from 239% to 557% (see table on back).



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Houston 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)	164	16	214	30
Average Fees per \$100	\$180.22	\$23.17	\$116.19	\$18.84
Ave. Annual Percentage Rate (APR)	557%	539%	316%	239%
Amount Repaid with No Refinances	\$1,423.59	\$618.09	\$1,100.25	\$598.27
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	7.75%	55.19%	7.76%	46.83%
Average Refinances per Borrower	3.19	6.38	4.30	4.84
Amount Repaid with Ave. Refinances	\$4,372.78	\$1,371.86	\$3,734.60	\$1,073.58

Installment Payday Loans Top Fee Driver

Installment payday loans made up 10% of the total dollars lent for 2014, but 39% of fee charges. For the first time, installment payday loans held the biggest percent share of total fees compared with other loan types. Average fee charges for installment payday and auto title loans increased from 2013 to 2014. Fees per \$100 borrowed for installment payday loans increased from \$148.39 to \$180.22 and fees for installment auto title loans increased from \$86.12 to \$116.19. Depending on the loan terms, **fees for one installment loan are often the same as the fees charged for 5 to 12 single payment loan transactions.**

