

# Payday and Auto Title Lending in Texas

## Houston MSA 2015

Houston-Sugar Land-Baytown

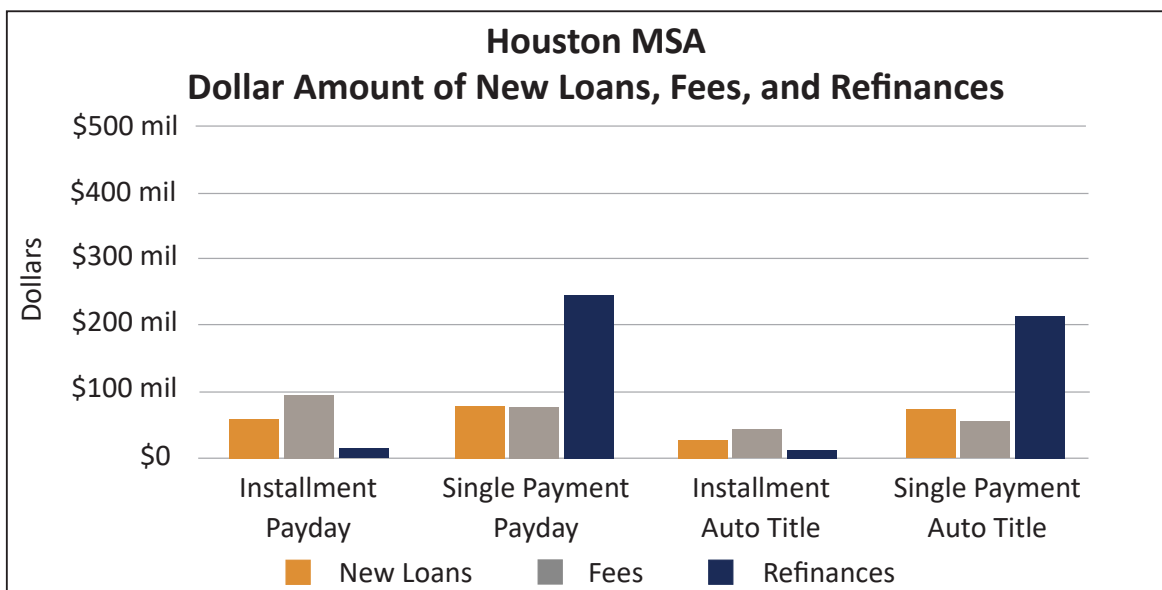


- **Store Locations:** 532
- **New Loans:** \$238,805,010
- **Fee Charges:** \$270,445,452
- **Refinances:** \$486,931,479
- **Repossessions (Auto Title):** 7,385 or 142 cars per week
- **Repossession Rate:** 13% of borrowers had car repossessed

### 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 69% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.61 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$588 to \$1,360. 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 213% to 559% (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	171	30
Average Fees per \$100	\$167.59	\$24.08	\$89.51	\$16.70
Ave. Annual Percentage Rate (APR)	525%	559%	313%	213%
Amount Repaid with No Refinances	<b>\$1,360.43</b>	<b>\$622.54</b>	<b>\$970.93</b>	<b>\$587.57</b>
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	5.24%	59.75%	8.29%	50.49%
Average Refinances per Borrower	3.23	6.46	4.52	5.55
Amount Repaid with Ave. Refinances	<b>\$4,142.29</b>	<b>\$1,413.62</b>	<b>\$3,101.08</b>	<b>\$1,073.39</b>

## Overall Market Shrinks. Installment Payday Loans Remain Top Fee Driver

From 2014 to 2015, there were declines in the dollar amount of new loans (13.5%), refinances (10.3%), and fees (.5%). The annual percentage rate charges across all products declined except for single payment payday loans, which increased from an average of 539% APR in 2014 to 559% APR in 2015. Installment payday loans continued to hold the largest percent share of fees, making up 10% of the dollars lent, but 35% of the total fees collected. Depending on the loan terms, **fees for one installment loan are often the same as fees charged for 5 to 12 single payment loan transactions.**

