

Payday and Auto Title Lending in Texas

Houston MSA 2019

Houston-Sugar Land-Baytown

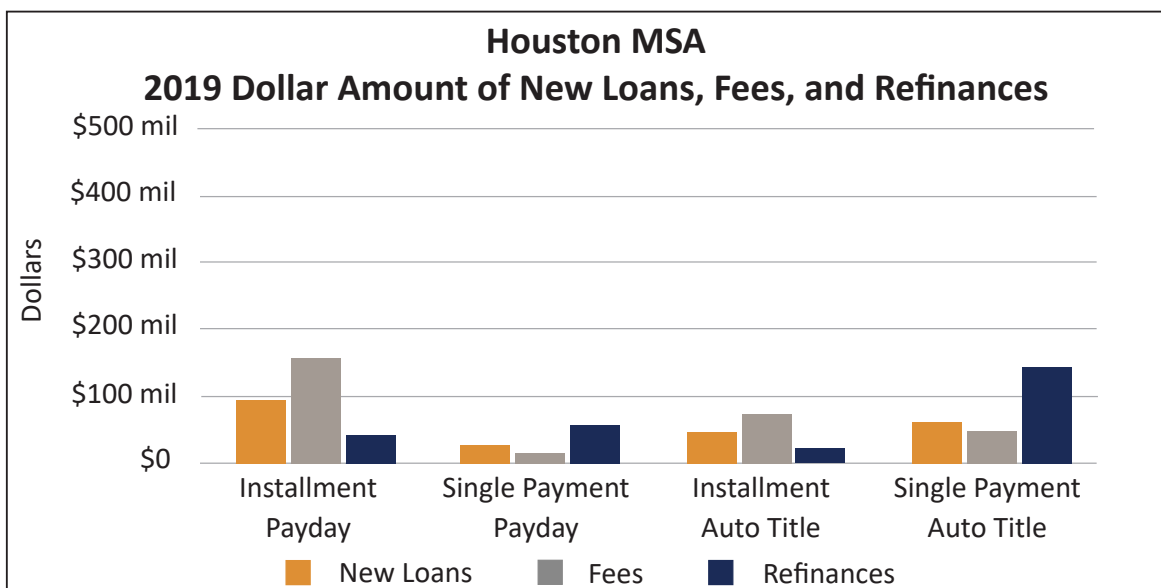


- **Store Locations:** 395
- **New Loans:** \$234,755,472
- **Fee Charges:** \$298,696,953
- **Refinances:** \$269,723,126
- **Repossessions (Auto Title):** 9,807 or 189 cars per week
- **Repossession Rate:** 17% of borrowers had car repossessed

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 Houston MSA, refinances make up 62% of single payment loan transactions.
- Installment loan borrowers paid a total of \$233,802,325 in fees for \$143,622,602 in new loans, an average of \$163 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$578 to \$1,162. 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 189% to 553% (see table on back).



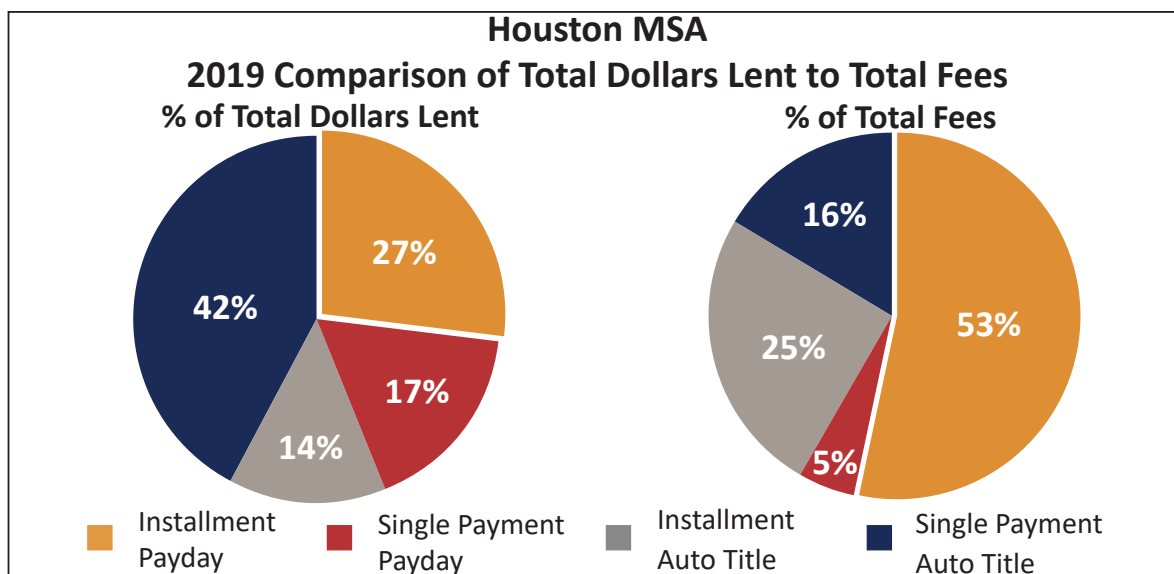
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Houston MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	125	16	154	29
Average Fees per \$100	\$128.94	\$21.12	\$114.53	\$14.77
Ave. Annual Percentage Rate (APR)	553%	492%	416%	189%
Amount Repaid with No Refinances	\$1,161.83	\$607.83	\$1,093.78	\$577.80
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	7.36%	33.10%	9.39%	44.92%
Average Refinances per Borrower	4.13	9.55	5.23	5.72
Amount Repaid with Ave. Refinances	\$3,893.21	\$1,637.70	\$4,197.36	\$1,022.80
Refinances as Percent of Total Number of Loan Transactions	19%	62%	29%	62%

Installment Payday Lending Is A Major Fee Driver; More People Losing Cars From Auto Title Loans

The total value of new loans, fees, and refinances decreased by 10% from 2018 to 2019. During that same period, the dollar value of new loans decreased by 12%, refinances fell by 26%, and fees increased by 15%. There was a 22% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 14% auto title borrowers losing a car to repossession in 2018 to 17% in 2019. Installment Payday Lending grew from 44% of total fees charged in 2018 to 53% in 2019.



Numbers may not add up to 100% due to rounding error.

