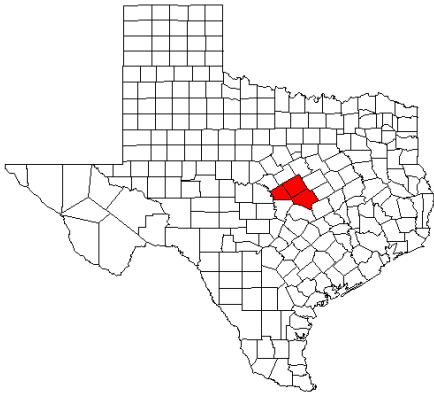


Payday and Auto Title Lending in Texas

Killeen MSA 2012

Killeen-Temple-Fort Hood

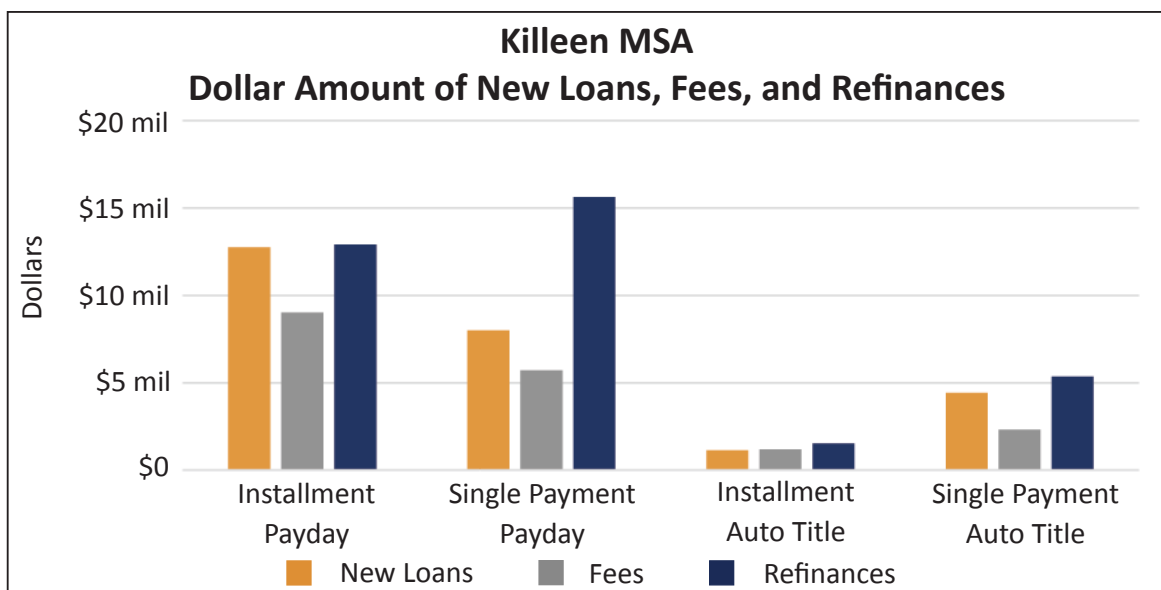


- **Store Locations:** 44
- **New Loans:** \$26,336,060
- **Fee Charges:** \$18,271,844
- **Refinances:** \$35,426,725
- **Repossessions (Auto Title):** 771—15 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

Short-Term Loans Lead to Long-Term Debt

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. The 2012 data does not report quarterly data on installment loan products at the local level, making it difficult to capture rate and refinance information for those products.

- **In the Killeen MSA, refinances make up 60% of single payment loan transactions.** Every quarter, 55% of payday loan borrowers and 35% of auto title borrowers refinance their loans.
- **For borrowers who refinance, a two-week payday loan lasts nearly 2.5 months on average, and a 30-day auto title loan lasts 5.5 months.** With no limits on refinances, these loans can extend indefinitely with mounting fees and no built-in principal repayment.
- **Average APRs for payday and auto title loans in the Killeen MSA range from 326% to 437%** (see table on back).



Payday and Auto Title Lending in Texas

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

	Single Payment Payday	Single Payment Auto Title
Average Loan Term (Days)	20	29
Average Fees per \$100	\$23.40	\$25.12
Ave. Annual Percentage Rate (APR)	437%	326%
Amount Repaid with no Refinances	\$619.68	\$629.57
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	54.65%	34.54%
Average Refinances per Borrower	4.11	4.67
Ave. Amount Repaid with Refinances	\$1,111.43	\$1,234.98

*Quarterly data unavailable for installment loan products at the MSA level.

Installment Payday Loans Dominate in the Killeen MSA

While single payment payday loans made up the majority of the statewide market in 2012, in the Killeen MSA, installment payday loans surpassed all other loan types, making up 42% of total dollars lent and 49% of total fees.

