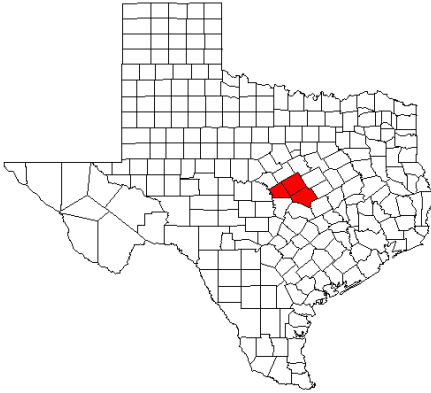


Payday and Auto Title Lending in Texas

Killeen MSA 2013

Killeen-Temple-Fort Hood



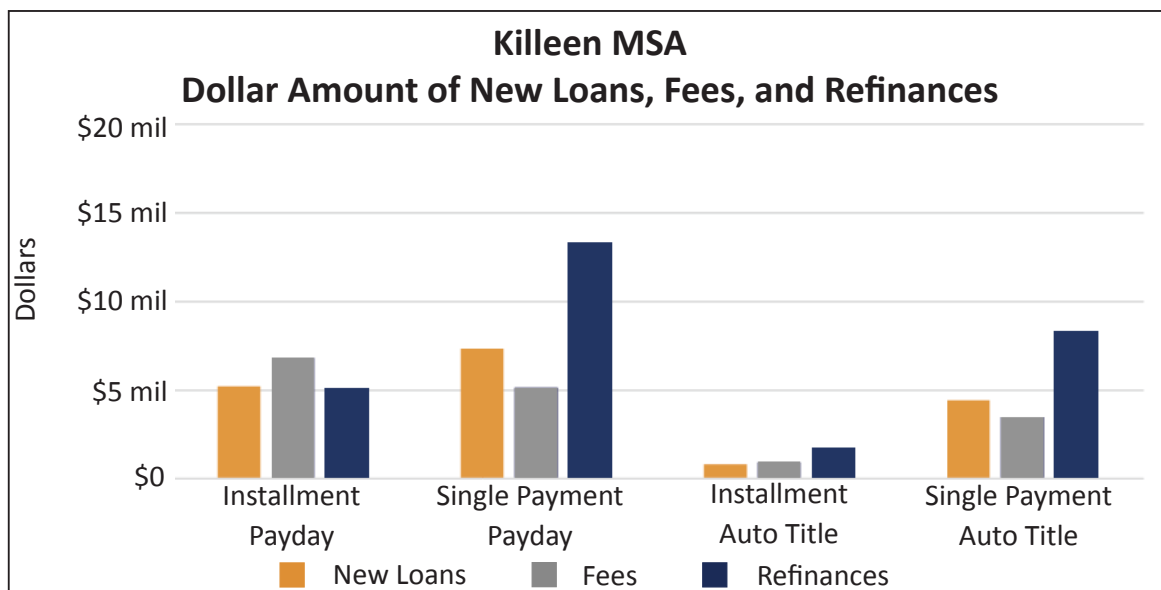
- **Store Locations:** 48
- **New Loans:** \$17,806,945
- **Fee Charges:** \$16,350,817
- **Refinances:** \$28,386,214
- **Repossessions (Auto Title):** 736—14 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

Refinances and High Fees 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 Killeen MSA, refinances make up 60% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.28 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$614 to \$1,006. 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 Killeen MSA range from 198% to 462% (see table on back).



Revised August 2015.

Source: Texas Appleseed analysis of Texas Office of Consumer Credit Commissioner 2012 and 2013 Credit Access Business Quarterly and Annual Data Reports. Store location data is based on the Office of Consumer Credit Commissioner CAB licensing data for December 2013, and includes only active licensed locations in Texas.

Payday and Auto Title Lending in Texas

Killeen 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)	168	18	171	29
Average Fees per \$100	\$96.61	\$22.26	\$51.54	\$24.43
Ave. Annual Percentage Rate (APR)	333%	462%	198%	317%
Amount Repaid with No Refinances	\$1,006.01	\$613.84	\$781.07	\$626.07
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	21.65%	55.96%	32.04%	41.04%
Average Refinances per Borrower	3.98	3.98	6.48	3.75
Amount Repaid with Ave. Refinances	\$3,019.54	\$1,066.86	\$2,601.55	\$1,098.98

Fees Nearly Double for Installment Payday Loans

From 2012 to 2013, total dollars lent for installment payday loans decreased by 59%, while total fees only decreased by 25%. This indicates that the amount of fees charged per dollar lent nearly doubled, increasing from \$0.74 in fees per dollar lent to \$1.33 in fees per dollar lent. The decrease in dollars lent may be attributed to increasing loan terms for installment payday loans. Total dollars lent and total fees increased for single payment auto title loans, indicating that this loan is becoming more prominent in the Killeen MSA.

