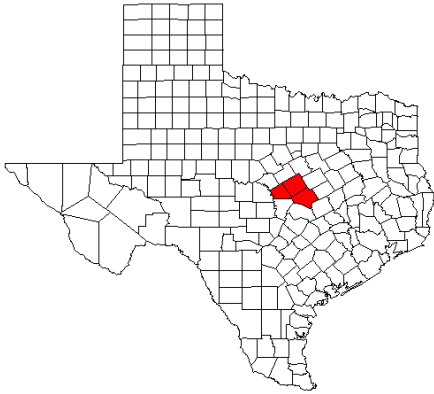


Payday and Auto Title Lending in Texas

Killeen MSA 2014

Killeen-Temple-Fort Hood

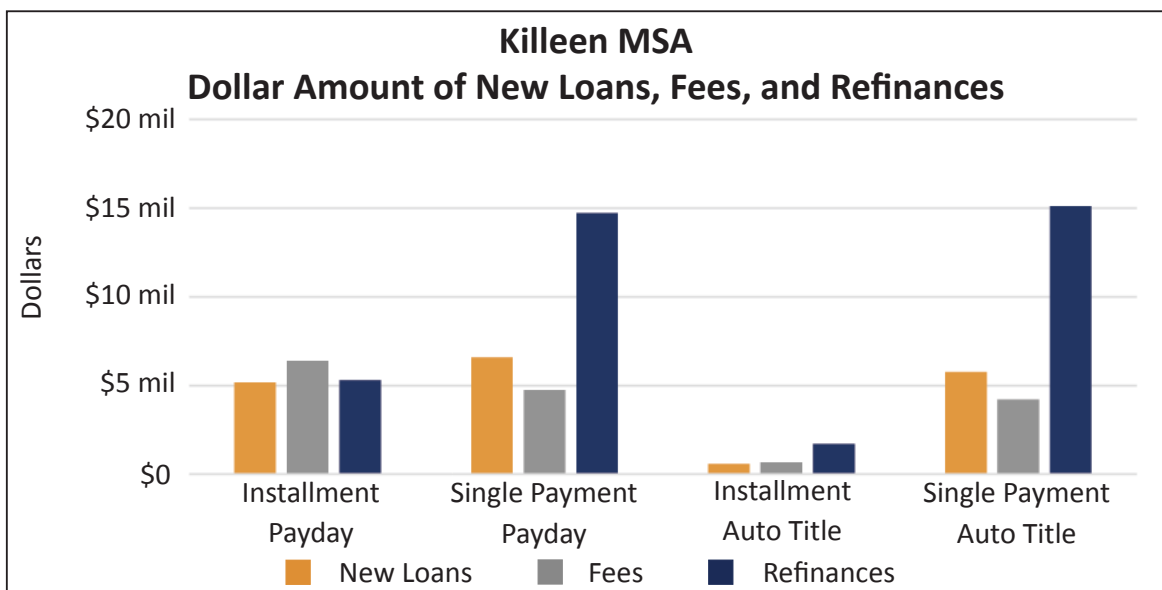


- **Store Locations:** 51
- **New Loans:** \$18,113,190
- **Fee Charges:** \$16,004,946
- **Refinances:** \$36,843,348
- **Repossessions (Auto Title):** 984 or 19 cars per week
- **Repossession Rate:** 21% of borrowers had car repossessed

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 Killeen MSA, refinances make up 67% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.22 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$611 to \$975. 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 188% to 425% (see table on back).



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)	170	20	169	29
Average Fees per \$100	\$90.38	\$22.72	\$48.46	\$21.31
Ave. Annual Percentage Rate (APR)	316%	425%	188%	278%
Amount Repaid with No Refinances	\$975.23	\$616.34	\$765.39	\$610.56
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	22.60%	50.43%	33.21%	48.48%
Average Refinances per Borrower	4.18	6.17	6.06	5.82
Amount Repaid with Ave. Refinances	\$2,962.07	\$1,334.04	\$2,374.51	\$1,253.80

Installment Payday Loans Decrease in Favor of Single Payment Auto Title

Installment payday loans made up 19% of the total dollars lent for 2014, but 40% of fee charges. While installment payday loans hold the biggest percent share of total fees compared with other loan types, this share has declined since 2012, when fees for installment payday loans made up 49% of all fees in the Killeen MSA. As both dollars lent and total fees for installment payday loans have decreased in the Killeen MSA, dollars lent and fees have increased for single payment auto title loans, indicating that the market may be shifting toward this product.

