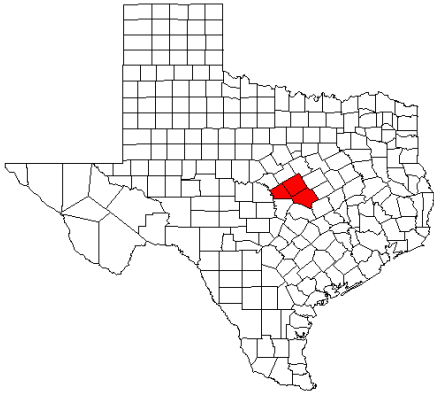


Payday and Auto Title Lending in Texas

Killeen MSA 2015

Killeen-Temple-Fort Hood

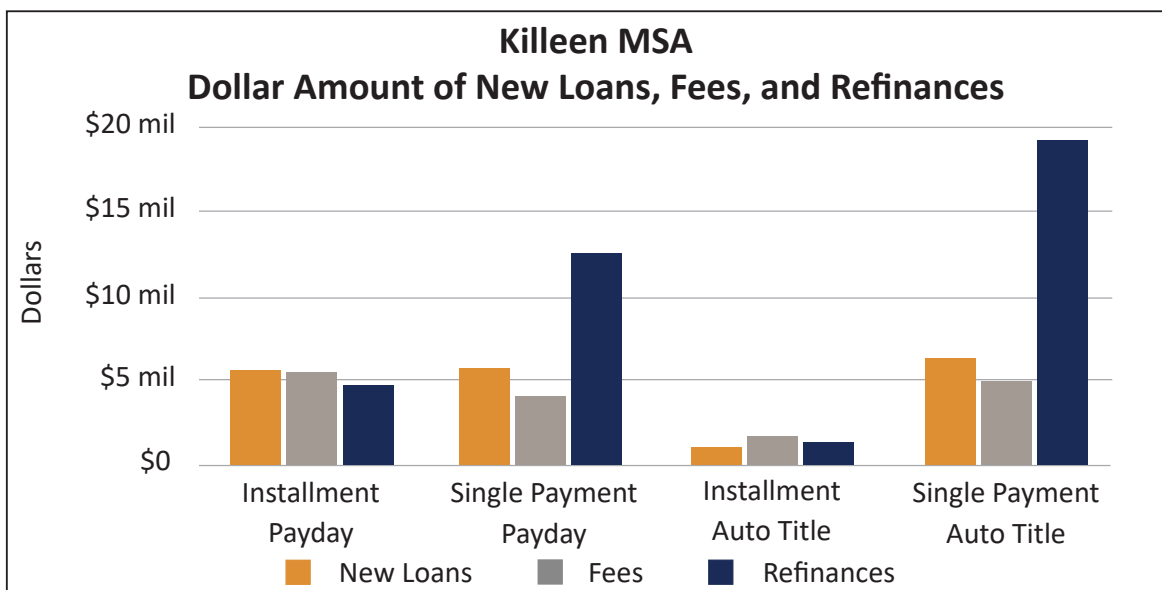


- **Store Locations:** 38
- **New Loans:** \$18,644,666
- **Fee Charges:** \$16,165,970
- **Refinances:** \$37,791,217
- **Repossessions (Auto Title):** 911 or 18 cars per week
- **Repossession Rate:** 20% of borrowers had car repossessed

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 63% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.08 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$585 to \$879. 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 236% to 456% (see table on back).



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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)	169	19	172	29
Average Fees per \$100	\$71.09	\$23.19	\$63.58	\$18.12
Ave. Annual Percentage Rate (APR)	259%	456%	236%	238%
Amount Repaid with No Refinances	\$878.59	\$618.57	\$841.47	\$594.64
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	17.65%	45.50%	18.17%	48.63%
Average Refinances per Borrower	4.13	5.54	4.51	6.10
Amount Repaid with Ave. Refinances	\$2,442.77	\$1,275.93	\$2,380.81	\$1,172.25

High Vehicle Repossession Rate Parallels Growth in Auto Title Lending

There were small increases in the dollar amount of new loans (2.9%), refinances (2.6%), and fees (1%) from 2014 to 2015. Single payment auto title loans continued to have a growing market share—mostly due to higher refinances—increasing from 38% of total dollars lent in 2014 to 45% in 2015. Total fees for single payment auto title loans also grew from 26% of the market in 2014 to 31% in 2015. Installment payday loans were the top fee driver, making up 18% of the dollars lent and 34% of the fees, but counter to the statewide trend, this product appears to be declining in market share. Along with the growth in auto title lending, repossessions across both single payment and installment auto title loans continued at one of the highest rates in the state, with one in five borrowers losing a car in 2015.

