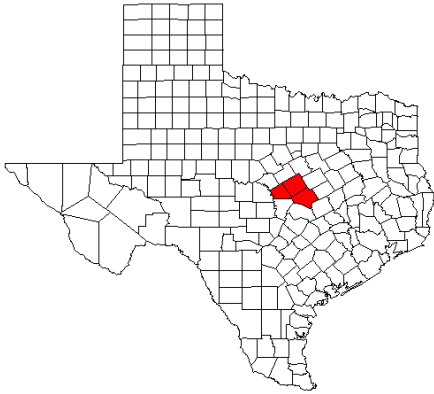


Payday and Auto Title Lending in Texas

Killeen MSA 2017

Killeen-Temple-Fort Hood

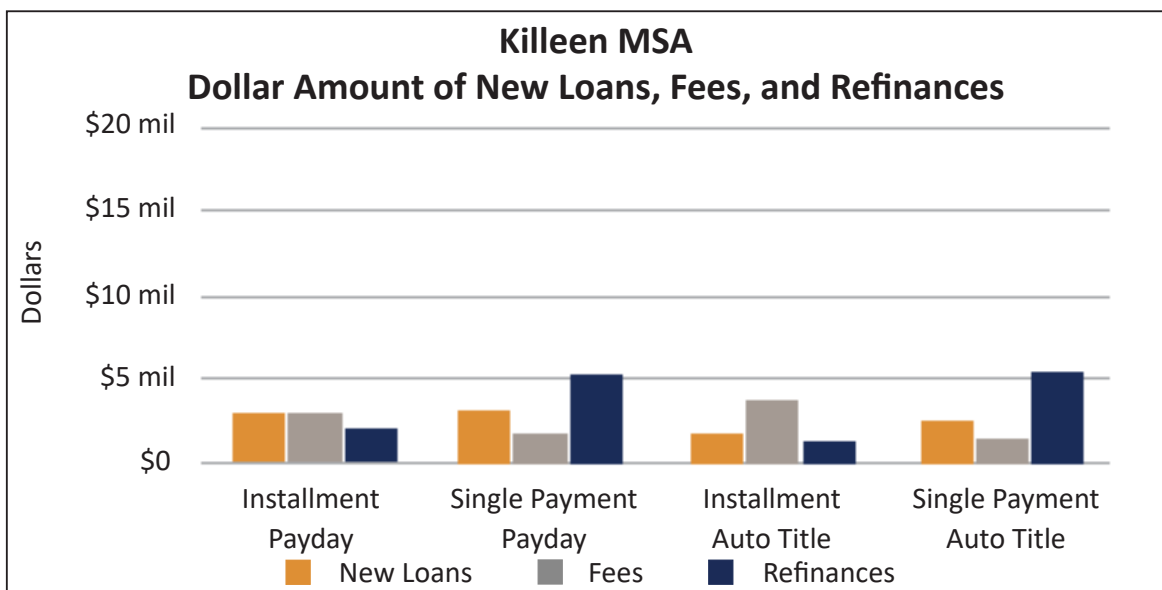


- **Store Locations:** 34
- **New Loans:** \$10,110,826
- **Fee Charges:** \$9,486,149
- **Refinances:** \$13,507,551
- **Repossessions (Auto Title):** 517 or 10 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

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 Killeen MSA, refinances make up 57% of single payment loan transactions.
- On average, installment borrowers paid \$244 for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$588 to \$1,169. 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 214% to 461% (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)	153	20	160	30
Average Fees per \$100	\$107.16	\$22.02	\$129.49	\$16.78
Ave. Annual Percentage Rate (APR)	394%	412%	461%	214%
Amount Repaid with No Refinances	\$1,056.72	\$612.81	\$1,169.38	\$588.01
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	7.87%	48.31%	11.93%	44.14%
Average Refinances per Borrower	6.33	4.85	5.52	4.49
Amount Repaid with Ave. Refinances	\$4,578.96	\$1,159.92	\$4,864.89	\$983.04
Refinances as Percent of Total Number of Loan Transactions	25%	57%	34%	60%

Overall Market Volume Declines; Sharp Decrease in Installment Payday Loans

The total value of new loans, fees, and refinances decreased by 41% from 2016 to 2017. During that same period, the dollar value of new loans decreased by 32%, refinances fell by 48%, and fees fell by 39%. There was a 19% decrease in the number of vehicle repossessions by auto title lenders, and the repossession rate decreased from 18% auto title borrowers losing a car to repossession in 2016 to 16% in 2017. There was a sharp decline in installment payday lending from 2016 to 2017, possibly related to full implementation of new federal Military Lending Act rules. The proportion of the dollar value of new loans for installment auto title lending held steady, but the proportion of installment auto title loan fees jumped from 23% of all fees collected in 2016 to 39% in 2017.

