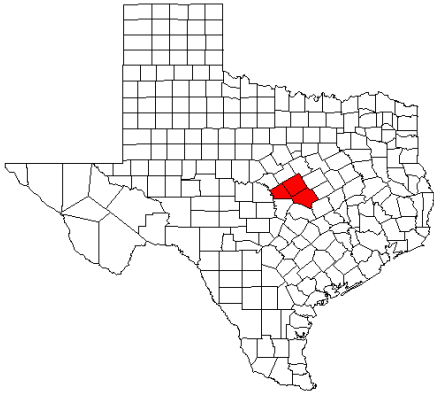


# Payday and Auto Title Lending in Texas

## Killeen MSA 2018

Killeen-Temple-Fort Hood

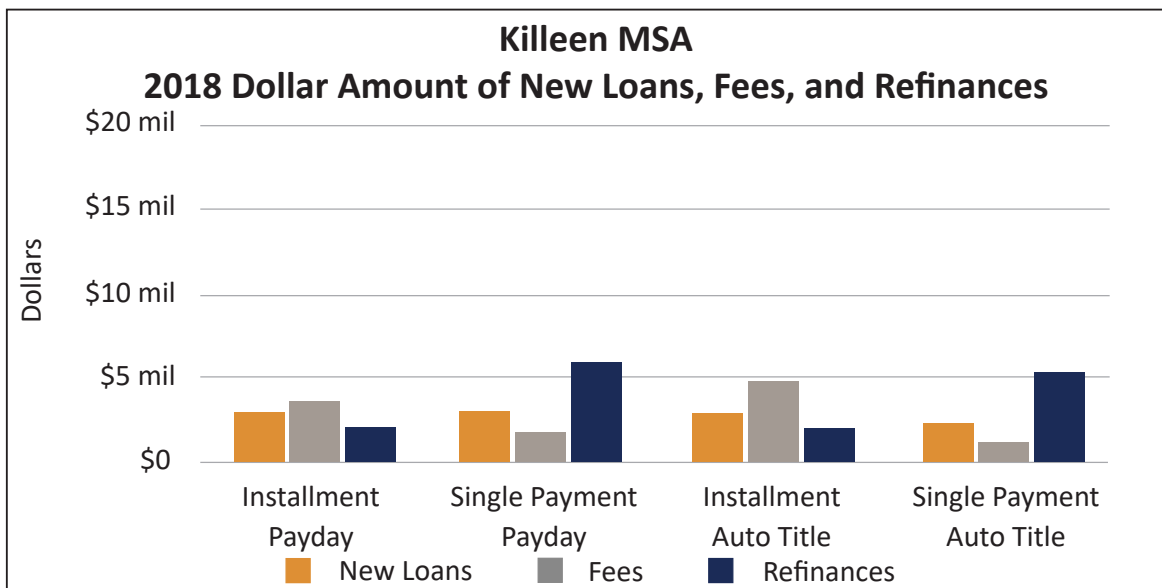


- **Store Locations:** 28
- **New Loans:** \$11,109,225
- **Fee Charges:** \$11,255,639
- **Refinances:** \$15,965,490
- **Repossessions (Auto Title):** 575 or 11 cars per week
- **Repossession Rate:** 17% of borrowers had car repossessed

### 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 60% of single payment loan transactions.
- Installment loan borrowers paid a total of \$8,347,007 in fees for \$5,810,673 in new loans, an average of \$144 in fees for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$590 to \$1,121. 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 220% to 432% (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)	158	20	155	30
Average Fees per \$100	\$96.88	\$22.02	\$119.97	\$17.22
Ave. Annual Percentage Rate (APR)	362%	412%	432%	220%
Amount Repaid with No Refinances	<b>\$1,006.01</b>	<b>\$612.79</b>	<b>\$1,121.12</b>	<b>\$590.20</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	9.13%	48.67%	9.51%	46.05%
Average Refinances per Borrower	5.05	5.45	6.13	4.30
Amount Repaid with Ave. Refinances	<b>\$3,559.67</b>	<b>\$1,227.04</b>	<b>\$4,926.41</b>	<b>\$978.22</b>
Refinances as Percent of Total Number of Loan Transactions	24%	58%	32%	66%

## Market Volume Increases with Growth in Installment Auto Title Lending

The total value of new loans, fees, and refinances increased by 16% from 2017 to 2018. During that same period, the dollar value of new loans increased by 10%, refinances grew by 18%, and fees increased by 19%. There was an 11% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 16% auto title borrowers losing a car to repossession in 2017 to 17% in 2018. Installment lending dominated the market, with continued growth in installment auto title loans. Installment lending made up 36% of total dollars lent and 74% of fees collected in 2018, compared to 33% of loans and 69% of fees in 2017.

