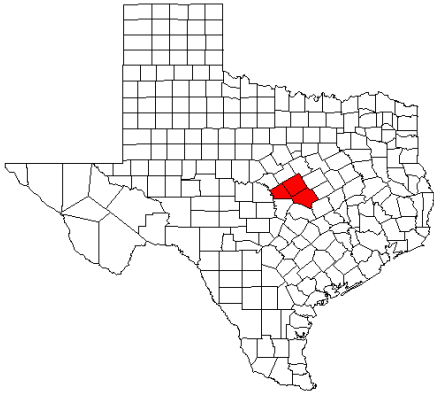


Payday and Auto Title Lending in Texas

Killeen MSA 2019

Killeen-Temple-Fort Hood

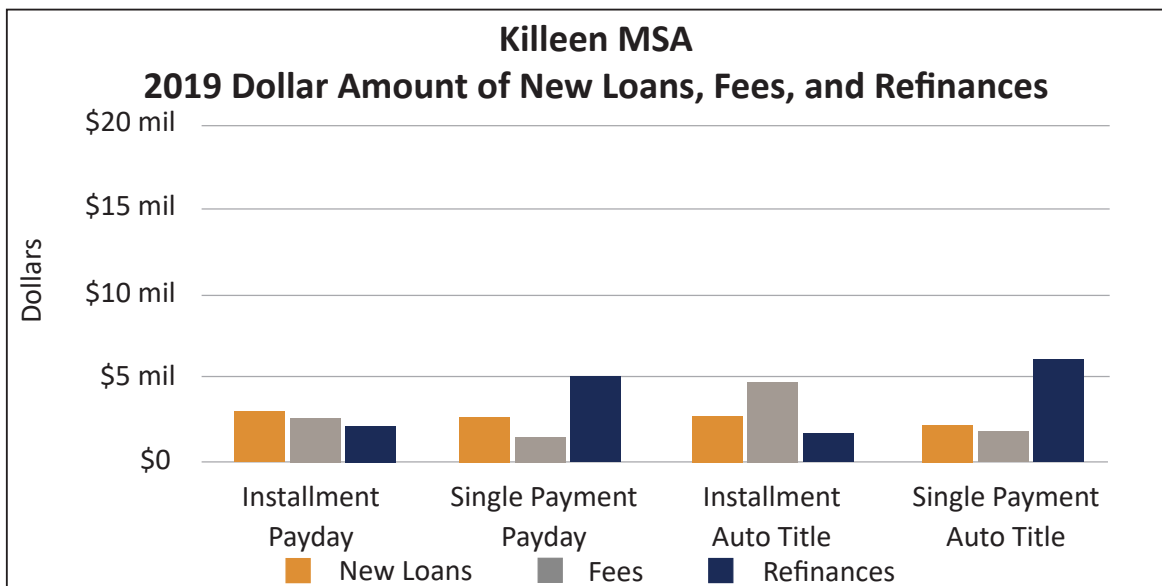


- **Store Locations:** 27
- **New Loans:** \$10,666,653
- **Fee Charges:** \$10,761,197
- **Refinances:** \$15,119,222
- **Repossessions (Auto Title):** 602 or 12 cars per week
- **Repossession Rate:** 18% of borrowers had car repossessed

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 56% of single payment loan transactions.
- Installment loan borrowers paid a total of \$7,399,613 in fees for \$5,757,509 in new loans, an average of \$129 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$584 to \$1,123. 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 204% to 434% (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)	166	20	156	30
Average Fees per \$100	\$81.39	\$21.69	\$120.32	\$15.92
Ave. Annual Percentage Rate (APR)	289%	406%	434%	204%
Amount Repaid with No Refinances	\$929.62	\$611.17	\$1,122.97	\$583.69
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	10.19%	30.18%	9.03%	47.18%
Average Refinances per Borrower	5.26	7.57	5.38	5.20
Amount Repaid with Ave. Refinances	\$3,188.65	\$1,452.42	\$4,472.61	\$1,018.58
Refinances as Percent of Total Number of Loan Transactions	26%	54%	29%	61%

Rise in Auto Title Loan Fees Accompanied by Increase in Cars Repossessed

The total value of new loans, fees, and refinances decreased by 5% from 2018 to 2019. During the same period, the dollar value of new loans decreased by 4%, refinances fell by 5%, and fees fell by 4%. There was a 5% increase in the number of vehicle repossession by auto title lenders and 18% of auto title borrowers had a car repossessed. Auto title lending was the major fee diver, making up 49% of the total dollars lent and 61% of the total fees collected.

