

Payday and Auto Title Lending in Texas

Laredo MSA 2015

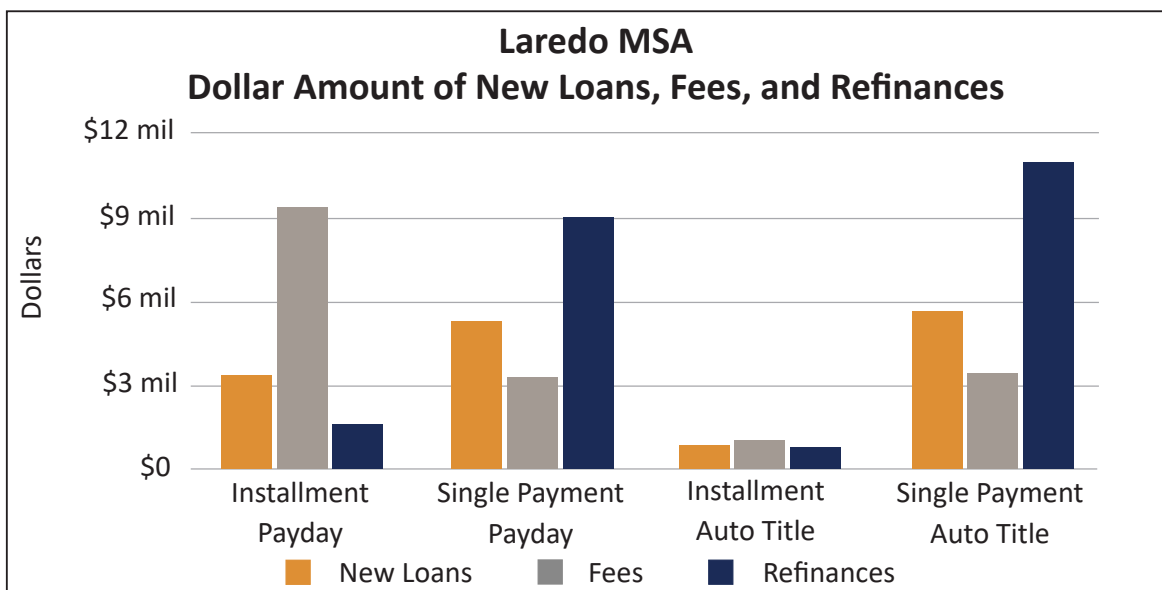


- **Store Locations:** 21
- **New Loans:** \$15,084,265
- **Fee Charges:** \$17,019,426
- **Refinances:** \$22,294,682
- **Repossessions (Auto Title):** 383 or 7 cars per week
- **Repossession Rate:** 10% of borrowers had car repossessed

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 Laredo MSA, refinances make up 64% of single payment loan transactions.**
- **On average, installment borrowers paid \$2.46 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$588 to \$1,650. 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 Laredo MSA range from 214% to 669% (see table on back).



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Laredo 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	18	163	30
Average Fees per \$100	\$225.41	\$22.82	\$116.00	\$16.77
Ave. Annual Percentage Rate (APR)	669%	473%	387%	214%
Amount Repaid with No Refinances	\$1,650.15	\$616.53	\$1,102.26	\$587.93
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	9.95%	51.16%	5.22%	48.71%
Average Refinances per Borrower	2.99	5.27	6.96	5.84
Amount Repaid with Ave. Refinances	\$5,086.44	\$1,230.62	\$5,293.15	\$1,101.41

Installment Payday Loan Fees Continue to Rise; Single Payment Auto Title Lending and Repos Also Up

The dollar amount of new loans, refinances and fees increased across the board from 2014 to 2015. New loans increased by 10%, refinances by 45% and fees by 39%. Installment payday loans were among the most expensive in the state, with an average cost of 669% APR. They made up 13% of the total dollars lent, but 55% of all fee charges. Depending on the loan terms, fees for one installment loan are often the same as fees charged for 5 to 12 single payment loan transactions. Single payment auto title loans and refinances increased from 2014 to 2015. These loans made up 28% of the total dollars lent in 2014 and 44% in 2015. Vehicle repossessions were also up by 49%, from 257 in 2014 to 383 in 2015.

