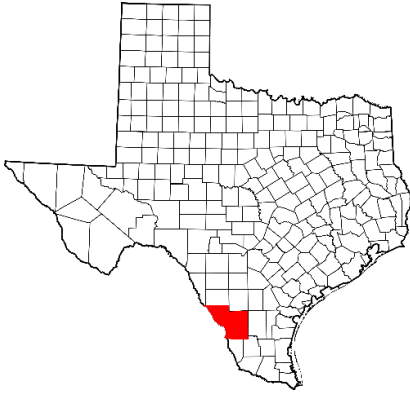


# Payday and Auto Title Lending in Texas

## Laredo MSA 2019

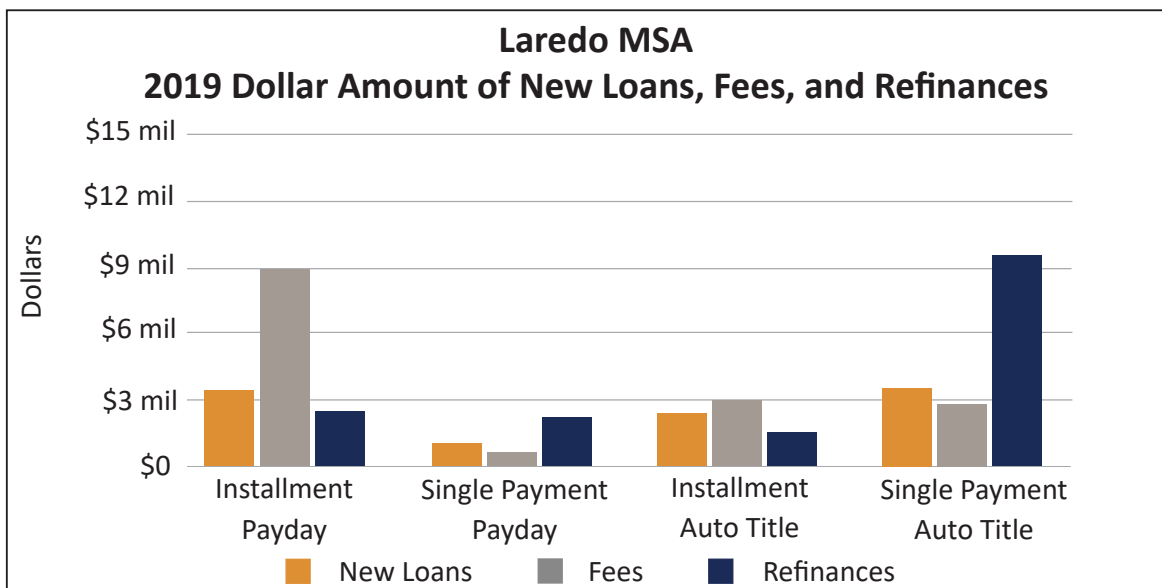


- **Store Locations:** 25
- **New Loans:** \$10,302,199
- **Fee Charges:** \$15,261,004
- **Refinances:** \$15,628,806
- **Repossessions (Auto Title):** 587 or 11 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

### 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 Laredo MSA, refinances make up 62% of single payment loan transactions.**
- **Installment loan borrowers paid a total of \$11,843,195 in fees for \$5,773,780 in new loans, an average of \$205 in fees for every \$100 lent.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$580 to \$1,501. 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 195% to 616% (see table on back).



# Payday and Auto Title Lending in Texas

## 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)	168	19	173	30
Average Fees per \$100	\$195.60	\$23.71	\$89.92	\$15.17
Ave. Annual Percentage Rate (APR)	616%	465%	315%	195%
Amount Repaid with No Refinances	<b>\$1,500.97</b>	<b>\$621.10</b>	<b>\$973.24</b>	<b>\$579.96</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	8.97%	31.92%	4.71%	53.58%
Average Refinances per Borrower	4.69	9.71	6.72	4.74
Amount Repaid with Ave. Refinances	<b>\$6,196.46</b>	<b>\$1,797.54</b>	<b>\$4,154.24</b>	<b>\$958.81</b>
Refinances as Percent of Total Number of Loan Transactions	22%	61%	22%	64%

## Auto Title Loan Fees and Repossessions Increase

The total value of new loans, fees, and refinances decreased by 3% from 2018 to 2019. During that same period, the dollar value of new loans decreased by 8%, refinances fell by 6%, and fees increased by 4%. There was a 30% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate increased from 13% auto title borrowers losing a car to repossession in 2018 to 16% in 2019. The increase in repossessions was paralleled by an increase in fees for auto title loans, jumping from 29% of all fees collected in 2018 to 38% in 2019. Installment payday lending dominated total fee charges, making up 58% of the fees collected.

