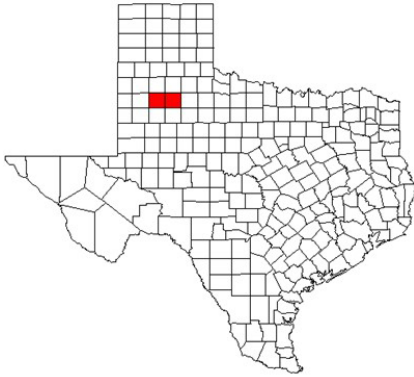


Payday and Auto Title Lending in Texas

Lubbock MSA 2013

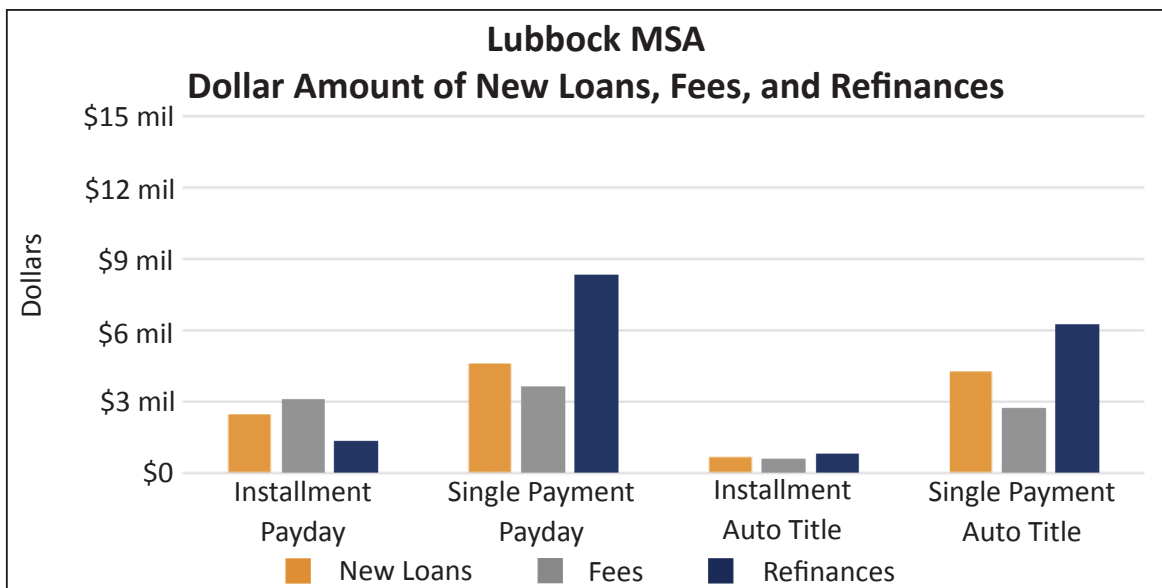


- **Store Locations:** 33
- **New Loans:** \$12,010,011
- **Fee Charges:** \$10,051,401
- **Refinances:** \$16,640,153
- **Repossessions (Auto Title):** 300—6 cars per week
- **Repossession Rate:** 7% of borrowers had car repossessed

Refinances and High Fees 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 Lubbock MSA, refinances make up 64% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.18 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$612 to \$1,058. 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 Lubbock MSA range from 198% to 482% (see table on back).



Payday and Auto Title Lending in Texas

Lubbock 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	17	179	31
Average Fees per \$100	\$106.91	\$21.97	\$56.28	\$22.42
Ave. Annual Percentage Rate (APR)	363%	482%	198%	274%
Amount Repaid with No Refinances	\$1,057.52	\$612.15	\$805.93	\$616.30
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	11.01%	55.21%	27.02%	37.56%
Average Refinances per Borrower	4.05	5.26	4.96	5.39
Amount Repaid with Ave. Refinances	\$3,314.43	\$1,202.11	\$2,324.51	\$1,242.94

New Trend: Installment Payday Loans

Installment payday loans made up 13% of dollars lent for all types of loans in 2013, but 31% of total fees, indicating that this product is a huge fee driver. Depending on the loan terms, **fees for one installment loan are often the same as the fees charged for 5 to 12 single payment loan transactions.**

