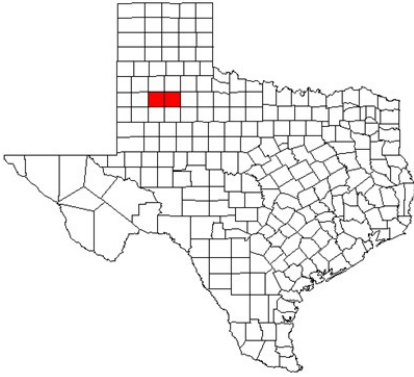


Payday and Auto Title Lending in Texas

Lubbock MSA 2014

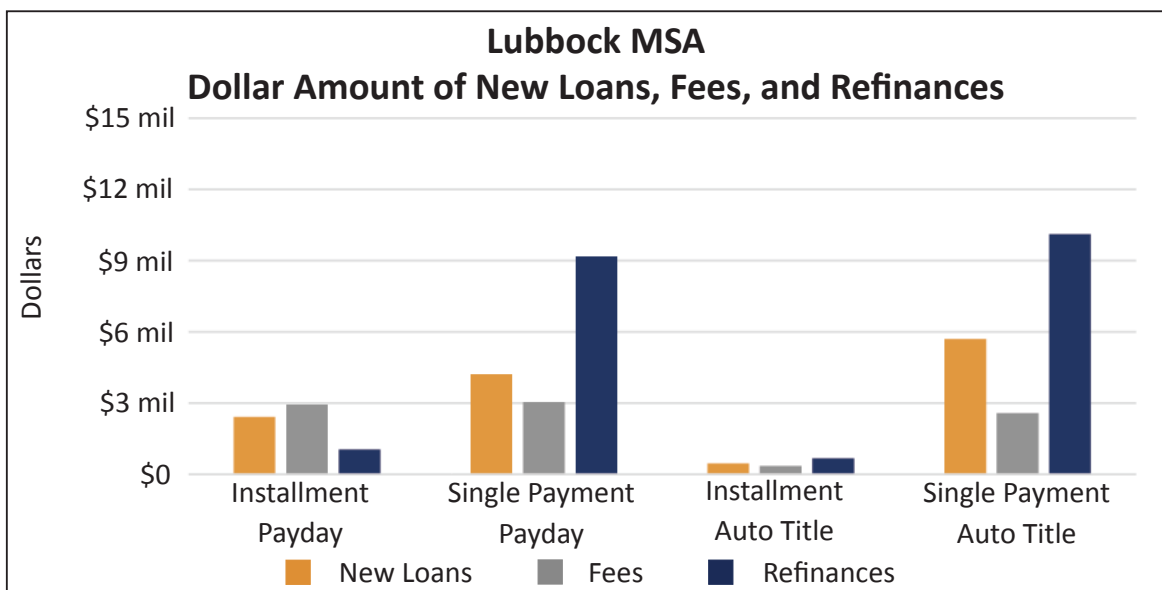


- **Store Locations:** 33
- **New Loans:** \$12,795,233
- **Fee Charges:** \$8,914,734
- **Refinances:** \$20,980,031
- **Repossessions (Auto Title):** 528 or 10 cars per week
- **Repossession Rate:** 12% of borrowers had car repossessed

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 Lubbock MSA, refinances make up 68% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.14 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$609 to \$1,072. 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 204% to 470% (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)	170	17	169	30
Average Fees per \$100	\$109.84	\$21.42	\$53.23	\$21.46
Ave. Annual Percentage Rate (APR)	371%	470%	204%	271%
Amount Repaid with No Refinances	\$1,072.45	\$609.46	\$789.33	\$611.41
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	9.51%	49.73%	21.68%	44.98%
Average Refinances per Borrower	3.81	6.68	6.11	5.83
Amount Repaid with Ave. Refinances	\$3,251.72	\$1,340.71	\$2,558.40	\$1,261.01

Installment Payday Loans a Major Fee Driver

Installment payday loans made up 10% of the total dollars lent for 2014, but 33% of fee charges. While the percentage share of total fees for installment payday loans increased from 31% in 2013, average fee charges per \$100 borrowed remained stable from 2013 to 2014. Single payment auto title loans increased from 37% of dollars lent in 2013 to 47% of dollars lent in 2014, indicating a market shift toward this loan type.

