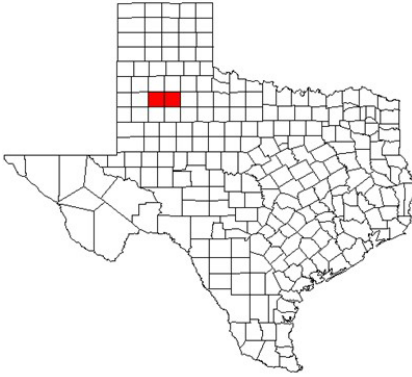


Payday and Auto Title Lending in Texas

Lubbock MSA 2015

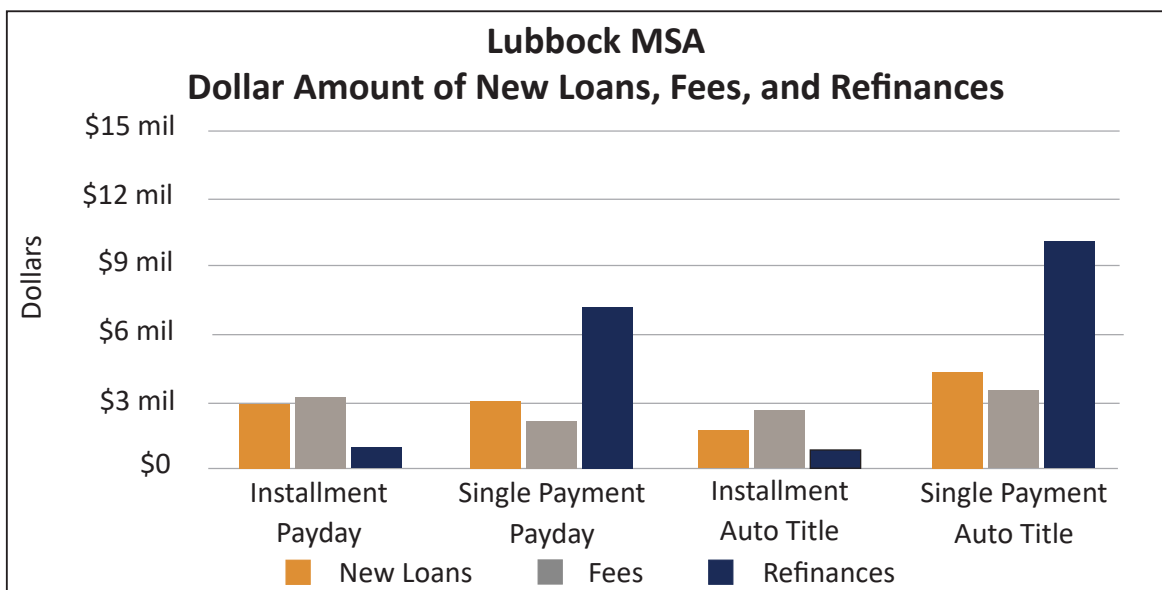


- **Store Locations:** 25
- **New Loans:** \$11,786,820
- **Fee Charges:** \$11,325,301
- **Refinances:** \$18,984,706
- **Repossessions (Auto Title):** 569 or 11 cars per week
- **Repossession Rate:** 15% of borrowers had car repossessed

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 67% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.27 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$592 to \$937. 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 223% to 443% (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	18	176	30
Average Fees per \$100	\$82.85	\$21.35	\$76.63	\$17.48
Ave. Annual Percentage Rate (APR)	294%	443%	256%	223%
Amount Repaid with No Refinances	\$937.47	\$609.19	\$907.24	\$591.50
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	7.52%	48.19%	13.53%	48.34%
Average Refinances per Borrower	3.26	6.22	3.50	6.27
Amount Repaid with Ave. Refinances	\$2,363.65	\$1,288.04	\$2,332.16	\$1,164.92

Installment Auto Title Lending Spurs Jump in Fees

The dollar amount of new loans and refinances declined from 2014 to 2015, by 8% and 10% respectively, while the dollar amount of fee charges increased by 27%. During the same period, installment auto title loans grew from 3% of the total dollars lent and 4% of the total fees in 2014, to 8% of the total dollars lent and 23% of total fees in 2015. The cost of installment auto title loans also increased, from an average of 204% APR in 2014 to 256% APR in 2015. Installment payday loans were another major fee driver, making up 12% of the total dollars lent and 28% of the total fees. 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.**

