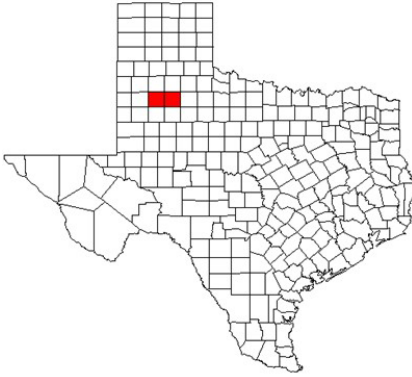


# Payday and Auto Title Lending in Texas

## Lubbock MSA 2017

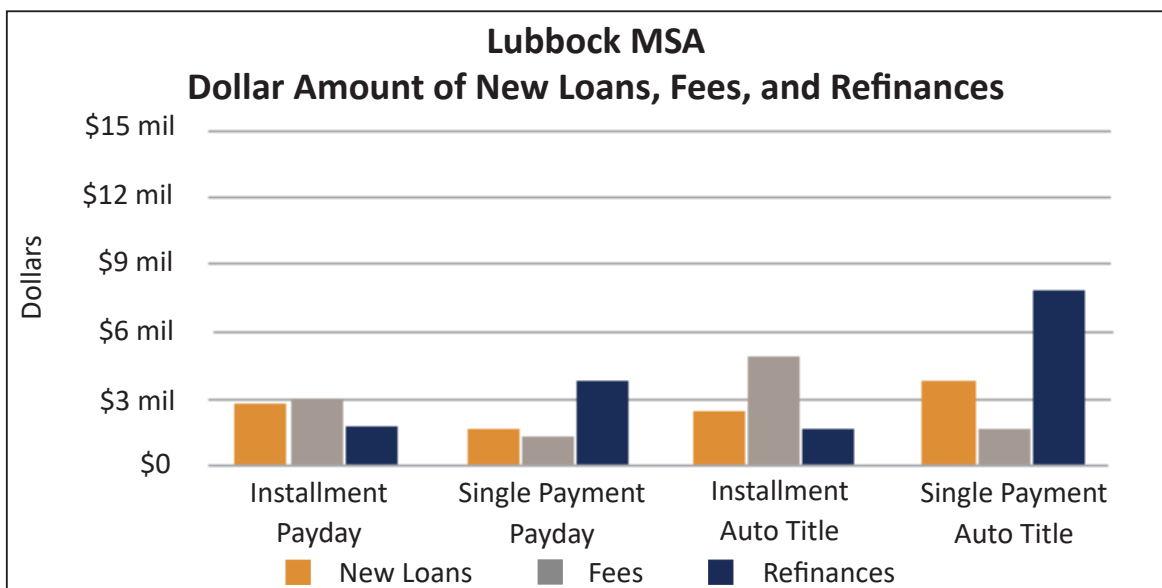


- **Store Locations:** 24
- **New Loans:** \$9,810,281
- **Fee Charges:** \$10,131,591
- **Refinances:** \$14,509,419
- **Repossessions (Auto Title):** 443 or 9 cars per week
- **Repossession Rate:** 13% of borrowers had car repossessed

### 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 Lubbock MSA, refinances make up 69% of single payment loan transactions.**
- **On average, installment borrowers paid \$260 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$587 to \$1,220. 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 211% to 491% (see table on back).



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## 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)	165	18	155	30
Average Fees per \$100	\$73.07	\$20.91	\$139.80	\$16.51
Ave. Annual Percentage Rate (APR)	264%	434%	491%	211%
Amount Repaid with No Refinances	<b>\$887.90</b>	<b>\$606.99</b>	<b>\$1,220.20</b>	<b>\$586.64</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	10.64%	50.29%	19.02%	39.66%
Average Refinances per Borrower	4.73	7.80	4.21	7.93
Amount Repaid with Ave. Refinances	<b>\$2,721.38</b>	<b>\$1,441.27</b>	<b>\$4,253.61</b>	<b>\$1,274.02</b>
Refinances as Percent of Total Number of Loan Transactions	25%	69%	40%	69%

## Overall Market Volume Declines; Installment Lending Continues as Top Fee Driver

The total value of new loans, fees, and refinances decreased by 8% from 2016 to 2017. During that same period, the dollar value of new loans stayed the same refinances fell by 12%, and fees fell by 9%. There was a 16% decrease in the number of vehicle repossessions by auto title lenders, and the repossession rate decreased from 15% auto title borrowers losing a car to repossession in 2016 to 13% in 2017. The proportion of the dollar amount of new loans distributed among the four loan products remained relatively stable from 2016 to 2017.

