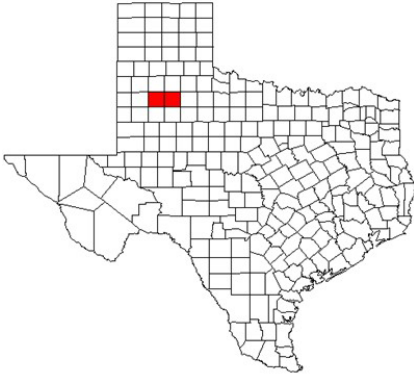


Payday and Auto Title Lending in Texas

Lubbock MSA 2018

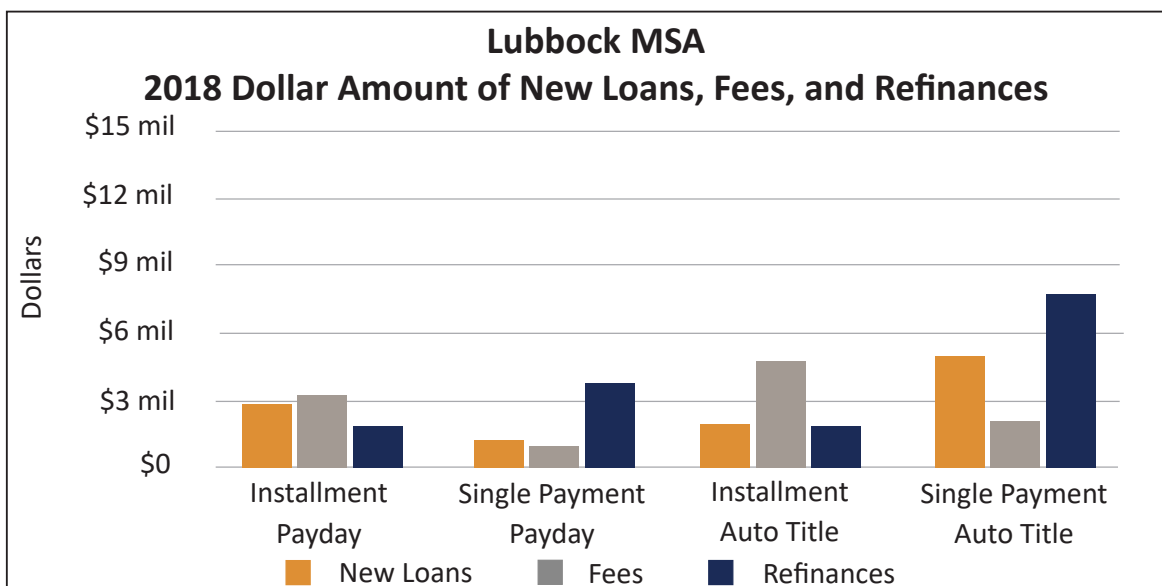


- **Store Locations:** 21
- **New Loans:** \$11,038,588
- **Fee Charges:** \$11,108,645
- **Refinances:** \$18,657,922
- **Repossessions (Auto Title):** 810 or 16 cars per week
- **Repossession Rate:** 24% of borrowers had car repossessed

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 70% of single payment loan transactions.**
- **Installment loan borrowers paid a total of \$8,048,141 in fees for \$4,788,378 in new loans, an average of \$168 in fees for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$585 to \$1,219. 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 206% to 490% (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	18	152	30
Average Fees per \$100	\$68.99	\$20.91	\$139.71	\$16.12
Ave. Annual Percentage Rate (APR)	252%	434%	490%	206%
Amount Repaid with No Refinances	\$868.02	\$606.99	\$1,219.38	\$584.72
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	14.47%	54.01%	28.08%	49.99%
Average Refinances per Borrower	3.83	7.59	3.90	6.29
Amount Repaid with Ave. Refinances	\$2,277.15	\$1,418.77	\$4,021.69	\$1,117.99
Refinances as Percent of Total Number of Loan Transactions	28%	69%	46%	70%

Overall Market Volume Increases; Sharp Jump in Auto Repossessions

The total value of new loans, fees, and refinances increased by 18% from 2017 to 2018. During that same period, the dollar value of new loans increased by 13%, refinances grew by 29%, and fees increased by 10%. There was an 83% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate jumped from 13% auto title borrowers losing a car to repossession in 2017 to 24% in 2018, the highest rate in the state. Installment lending continues to dominate the fees charges, making up 29% of dollars lent and 72% of fees collected.

