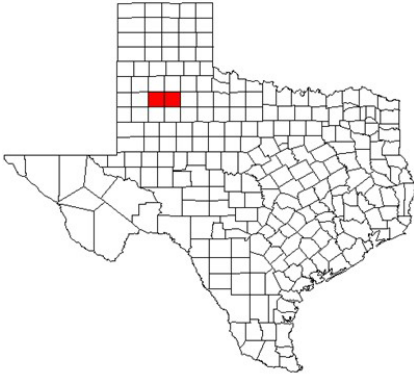


# Payday and Auto Title Lending in Texas

## Lubbock MSA 2019

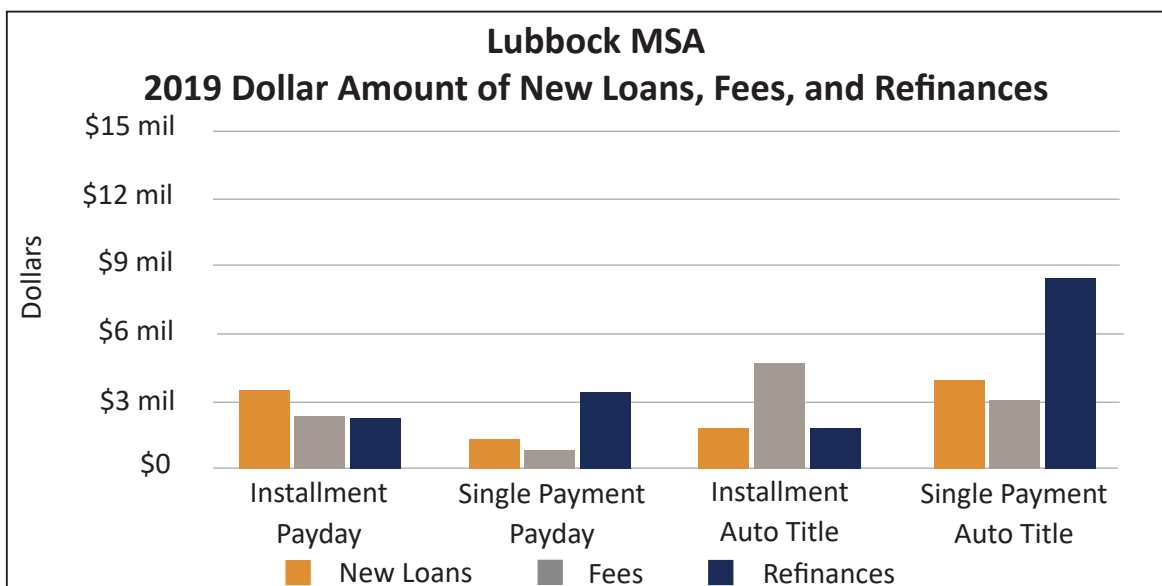


- **Store Locations:** 21
- **New Loans:** \$10,589,281
- **Fee Charges:** \$10,940,288
- **Refinances:** \$15,986,378
- **Repossessions (Auto Title):** 725 or 14 cars per week
- **Repossession Rate:** 22% of borrowers had car repossessed

### 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 65% of single payment loan transactions.
- Installment loan borrowers paid a total of \$7,042,912 in fees for \$5,333,308 in new loans, an average of \$132 in fees for every \$100 lent.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$580 to \$1,214. 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 195% to 487% (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)	170	16	155	30
Average Fees per \$100	\$48.58	\$19.47	\$138.48	\$15.22
Ave. Annual Percentage Rate (APR)	189%	454%	487%	195%
Amount Repaid with No Refinances	<b>\$766.18</b>	<b>\$599.59</b>	<b>\$1,213.58</b>	<b>\$580.23</b>
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	10.71%	25.46%	23.40%	44.86%
Average Refinances per Borrower	5.28	13.31	4.26	5.94
Amount Repaid with Ave. Refinances	<b>\$2,171.00</b>	<b>\$1,925.29</b>	<b>\$4,250.32</b>	<b>\$1,056.52</b>
Refinances as Percent of Total Number of Loan Transactions	27%	65%	45%	65%

## Auto Title Loans Dominate Market; Auto Repossessions Remain High

The total value of new loans, fees, and refinances decreased by 8% from 2018 to 2019. During that same period, the dollar value of new loans decreased by 4%, refinances fell by 14%, and fees fell by 2%. There was a 10% decrease in the number of vehicle repossessions by auto title lenders, and the repossession rate decreased from 24% auto title borrowers losing a car to repossession in 2018 to 22% in 2019. Auto title lending continued to dominate the market, making up 61% of the dollar value of new loans and refinances and 71% of total fees collected.

