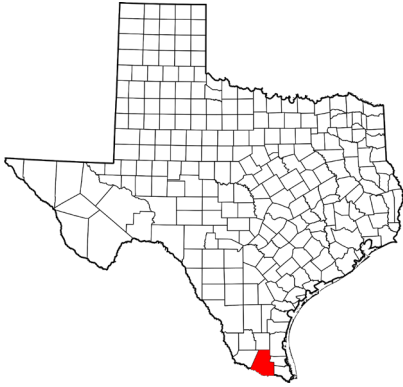


Payday and Auto Title Lending in Texas

McAllen MSA 2013

McAllen-Edinburg-Mission

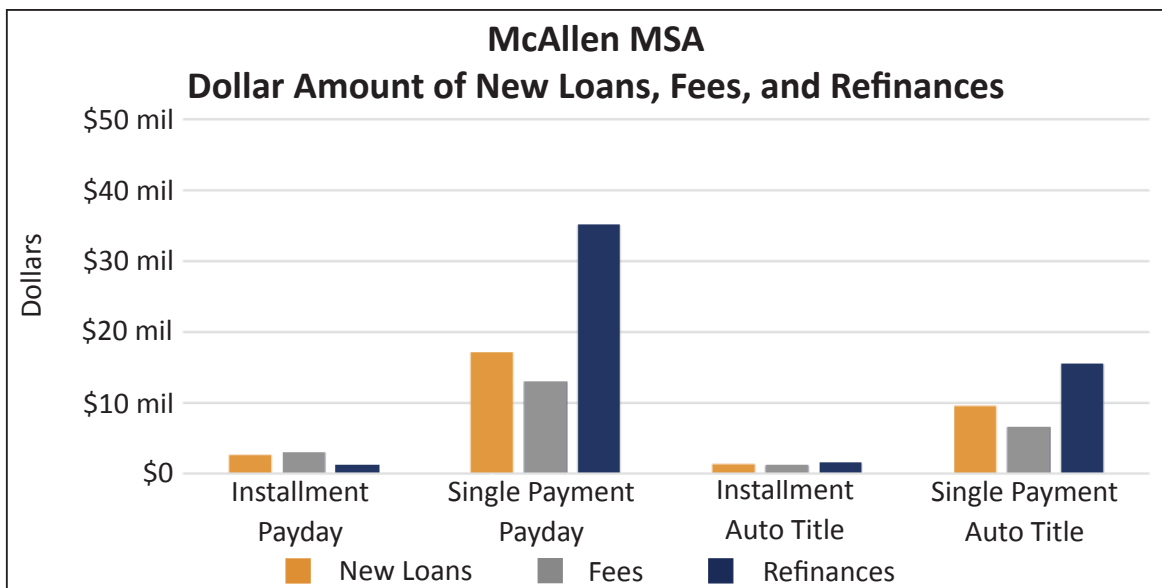


- **Store Locations:** 98
- **New Loans:** \$30,488,678
- **Fee Charges:** \$23,633,731
- **Refinances:** \$53,153,328
- **Repossessions (Auto Title):** 527—10 cars per week
- **Repossession Rate:** 7% of borrowers had car repossessed

Refinances and High Fees 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 McAllen MSA, refinances make up 66% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.05 in fees for every dollar borrowed.**
The dollar amount of fees for all installment loans increased by 10% from 2012 to 2013. Fees for installment payday loans increased by 19%.
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$610 to \$995. For borrowers who refinance, the average cost to repay a \$500 loan can reach over \$2,000.**
Average APRs for payday and auto title loans in the McAllen MSA range from 224% to 468% (see table on back).



Payday and Auto Title Lending in Texas

McAllen 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)	160	18	187	28
Average Fees per \$100	\$94.61	\$22.57	\$64.83	\$21.33
Ave. Annual Percentage Rate (APR)	355%	468%	224%	288%
Amount Repaid with No Refinances	\$994.92	\$615.32	\$849.72	\$610.43
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	13.14%	60.83%	24.67%	42.40%
Average Refinances per Borrower	3.49	5.38	3.95	4.22
Amount Repaid with Ave. Refinances	\$2,724.19	\$1,235.82	\$2,231.98	\$1,076.81

New Trend: Installment Payday Loans

Installment payday loans made up 5% of dollars lent for all types of loans in 2013, but 12% of total fees, indicating that this product is a huge fee driver. Depending on the loan terms, **fees for one installment loan are often the same as the fees charged for 5 to 12 single payment loan transactions.**

