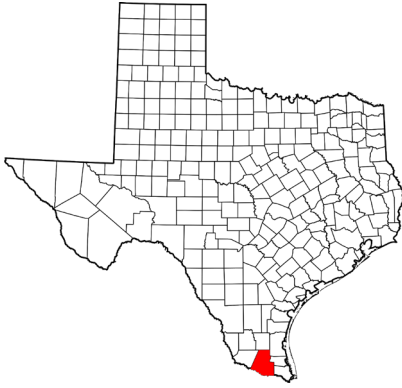


Payday and Auto Title Lending in Texas

McAllen MSA 2014

McAllen-Edinburg-Mission

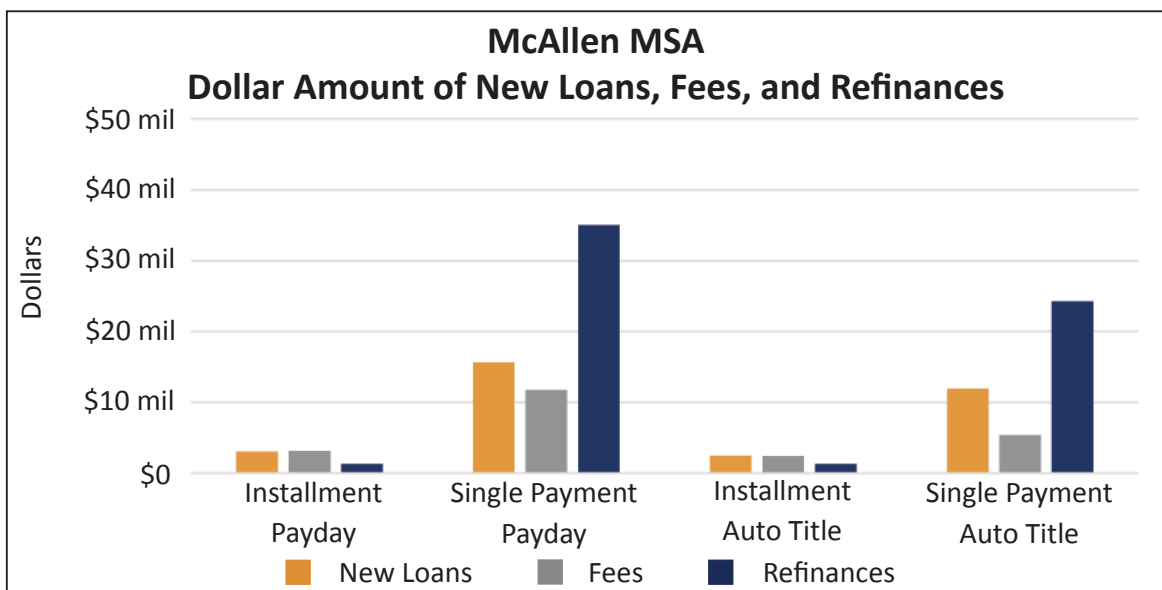


- **Store Locations:** 95
- **New Loans:** \$33,011,230
- **Fee Charges:** \$22,632,131
- **Refinances:** \$61,825,180
- **Repossessions (Auto Title):** 833 or 16 cars per week
- **Repossession Rate:** 9% of borrowers had car repossessed

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 McAllen MSA, refinances make up 68% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.01 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$605 to \$1,086. 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 McAllen MSA range from 254% 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)	167	18	230	28
Average Fees per \$100	\$112.65	\$22.59	\$95.21	\$20.22
Ave. Annual Percentage Rate (APR)	379%	468%	254%	274%
Amount Repaid with No Refinances	\$1,086.14	\$615.48	\$1,007.61	\$604.96
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	12.65%	56.95%	15.89%	47.87%
Average Refinances per Borrower	3.45	6.94	2.41	5.54
Amount Repaid with Ave. Refinances	\$3,109.20	\$1,417.11	\$2,231.66	\$1,186.22

Installment Payday Loans a Major Fee Driver

Installment payday loans made up 5% of the total dollars lent for 2014, but 14% of fee charges. Average fee charges for installment payday and auto title loans increased from 2013 to 2014. Fees per \$100 borrowed for installment payday loans increased from \$94.61 to \$112.65 and fees for installment auto title loans increased from \$64.83 to \$95.21. 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.** Single payment auto title loans increased from 30% of dollars lent in 2013 to 38% of dollars lent in 2014, indicating a market shift toward this loan type.

