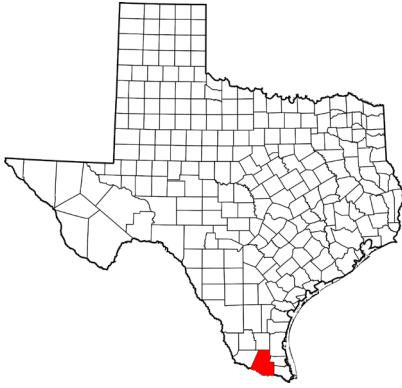


Payday and Auto Title Lending in Texas

McAllen MSA 2016

McAllen-Edinburg-Mission

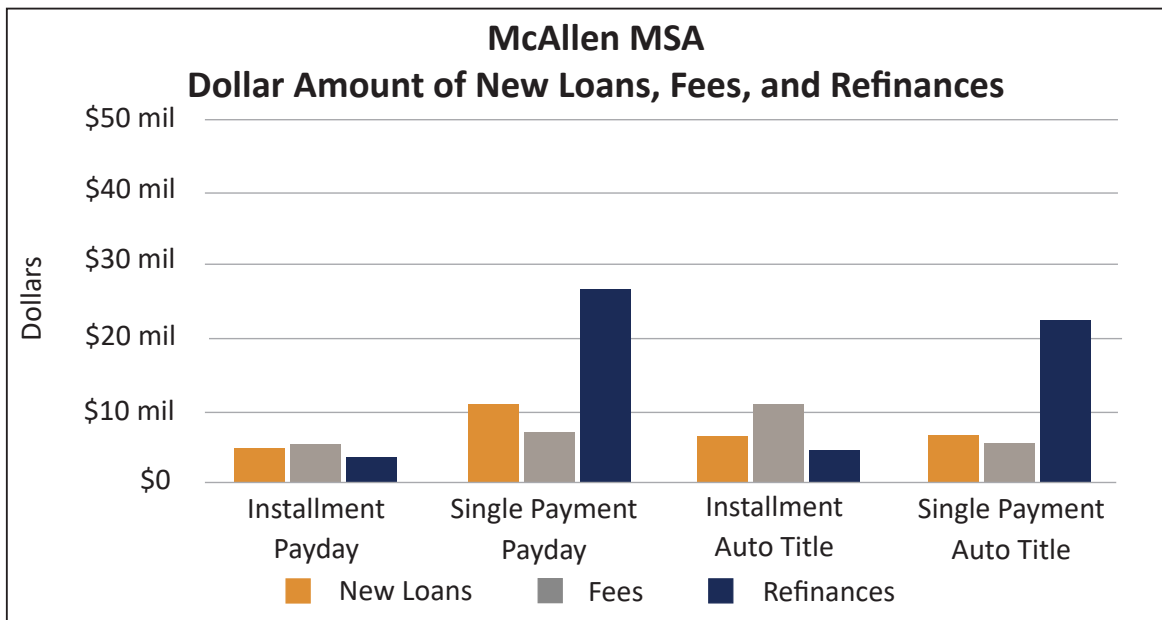


- **Store Locations:** 77
- **New Loans:** \$27,827,409
- **Fee Charges:** \$27,938,039
- **Refinances:** \$56,426,306
- **Repossessions (Auto Title):** 941 or 18 cars per week
- **Repossession Rate:** 9% of borrowers had car repossessed

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. **Fees for one installment loan are often the same as fees charged for 5 to 12 single payment loans.**

- In the McAllen MSA, refinances make up 69% of single payment loan transactions.
- On average, installment borrowers paid \$246 for every \$100 borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$591 to \$1,132. 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 222% to 440% (see table on back).



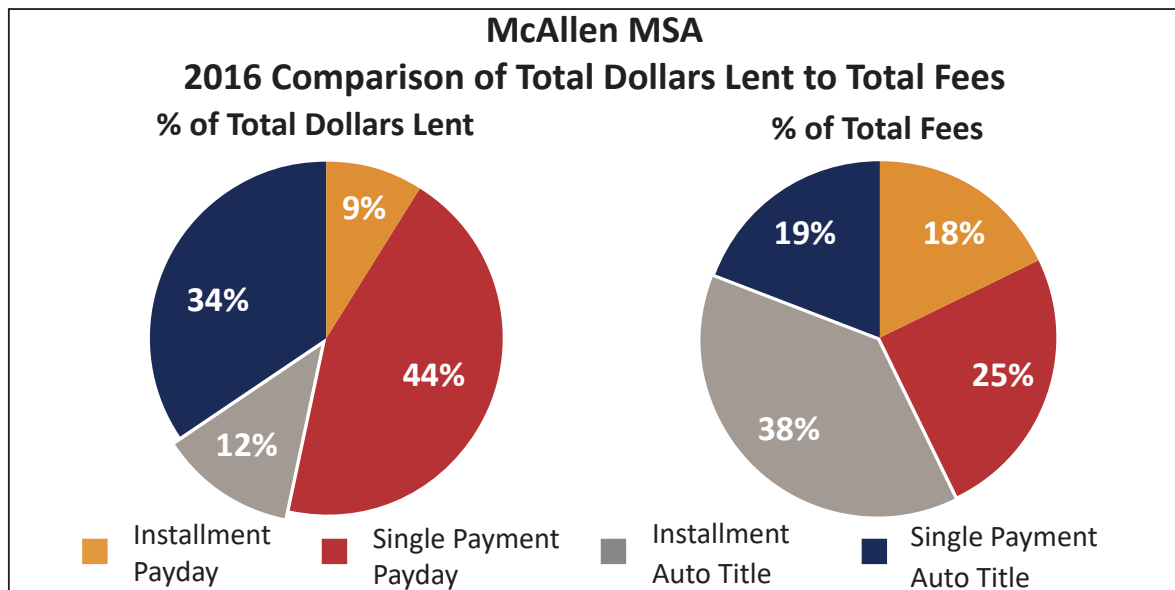
Payday and Auto Title Lending in Texas

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)	166	19	168	30
Average Fees per \$100	\$121.84	\$22.36	\$90.02	\$17.43
Ave. Annual Percentage Rate (APR)	404%	440%	291%	222%
Amount Repaid with No Refinances	\$1,131.90	\$614.39	\$973.10	\$591.23
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	12.37%	56.86%	7.51%	57.11%
Average Refinances per Borrower	4.08	6.68	5.28	5.06
Amount Repaid with Ave. Refinances	\$3,712.49	\$1,378.44	\$3,471.79	\$1,052.45
Refinances as Percent of Total Number of Loan Transactions	26%	68%	27%	72%

Overall Market Decline; Installment Auto Title Lending Major Fee Driver

The total dollar value of new loans, fees, and refinances decreased by 9% from 2015 to 2016. During the same time period, new loans decreased by 14%, fees decreased by 3%, and refinances fell by 9%. The number of vehicles repossessed by auto title lenders increased by 3%. The market share of installment lending continued to grow. Installment payday and auto title lending made up 21% of the total dollars lent and 56% of total fees in 2016, compared to 16% of dollars lent and 44% of fees in 2015. Installment auto title lending saw sharp growth in fees. While the dollar value of new installment auto title loans increased by 3%, fees jumped by 35%.



Numbers may not add up to 100% due to rounding error.

