Payday and Auto Title Lending in Texas

San Antonio MSA 2013
San Antonio-New Braunfels

- Store Locations: 315
- New Loans: $117,963,233
- Fee Charges: $109,379,450
- Refinances: $125,065,730
- Repossessions (Auto Title): 2,876—55 cars per week
- Repossession Rate: 8% 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 San Antonio MSA, refinances make up 63% of single payment loan transactions.
- On average, installment borrowers paid $1.60 in fees for every dollar borrowed.
  - The dollar amount of fees for all installment loans increased by 172% from 2012 to 2013.
  - Fees for installment payday loans increased by 372%.
- Across all four loan types, the average cost to repay a $500 loan with no refinances is $603 to $1,373. 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 San Antonio MSA range from 236% to 633% (see table on back).

San Antonio MSA
Dollar Amount of New Loans, Fees, and Refinances

<table>
<thead>
<tr>
<th></th>
<th>Installment Payday</th>
<th>Single Payment Payday</th>
<th>Installment Auto Title</th>
<th>Single Payment Auto Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars</td>
<td>$160 mil</td>
<td>$120 mil</td>
<td>$80 mil</td>
<td>$40 mil</td>
</tr>
<tr>
<td>New Loans</td>
<td>$120 mil</td>
<td>$80 mil</td>
<td>$40 mil</td>
<td>$20 mil</td>
</tr>
<tr>
<td>Fees</td>
<td>$40 mil</td>
<td>$20 mil</td>
<td>$30 mil</td>
<td>$10 mil</td>
</tr>
<tr>
<td>Refinances</td>
<td>$40 mil</td>
<td>$20 mil</td>
<td>$30 mil</td>
<td>$10 mil</td>
</tr>
</tbody>
</table>

Revised August 2015.
Source: Texas Appleseed analysis of Texas Office of Consumer Credit Commissioner 2012 and 2013 Credit Access Business Quarterly and Annual Data Reports. Store location data is based on the Office of Consumer Credit Commissioner CAB licensing data for December 2013, and includes only active licensed locations in Texas.
New Trend: Installment Payday Loans

Installment payday loans made up 24% of dollars lent for all types of loans in 2013, but 56% 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.

San Antonio MSA at a Glance: Profile of Loan Terms and Repayment, $500 Loan

<table>
<thead>
<tr>
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<th>Installment Auto Title</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Average Loan Term (Days)</td>
<td>143</td>
<td>17</td>
<td>178</td>
<td>32</td>
</tr>
<tr>
<td>Average Fees per $100</td>
<td>$170.72</td>
<td>$22.66</td>
<td>$95.38</td>
<td>$19.80</td>
</tr>
<tr>
<td>Ave. Annual Percentage Rate (APR)</td>
<td>633%</td>
<td>496%</td>
<td>306%</td>
<td>236%</td>
</tr>
<tr>
<td>Amount Repaid with No Refinances</td>
<td>$1,373.21</td>
<td>$615.61</td>
<td>$1,001.23</td>
<td>$603.36</td>
</tr>
<tr>
<td>Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)</td>
<td>5.28%</td>
<td>49.01%</td>
<td>6.68%</td>
<td>36.79%</td>
</tr>
<tr>
<td>Average Refinances per Borrower</td>
<td>2.91</td>
<td>5.06</td>
<td>4.82</td>
<td>6.22</td>
</tr>
<tr>
<td>Amount Repaid with Ave. Refinances</td>
<td>$3,918.61</td>
<td>$1,200.53</td>
<td>$3,415.13</td>
<td>$1,246.20</td>
</tr>
</tbody>
</table>

San Antonio MSA
2013 Comparison of Total Dollars Lent to Total Fees

% of Total Dollars Lent
- Installment Payday: 24%
- Single Payment Payday: 32%
- Installment Auto Title: 4%
- Single Payment Auto Title: 40%

% of Total Fees
- Installment Payday: 21%
- Single Payment Payday: 5%
- Installment Auto Title: 18%
- Single Payment Auto Title: 56%

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