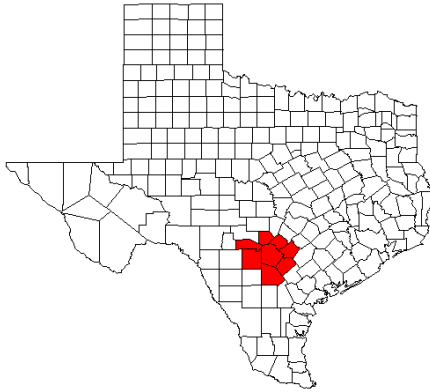


# Payday and Auto Title Lending in Texas

## San Antonio MSA 2015

San Antonio-New Braunfels

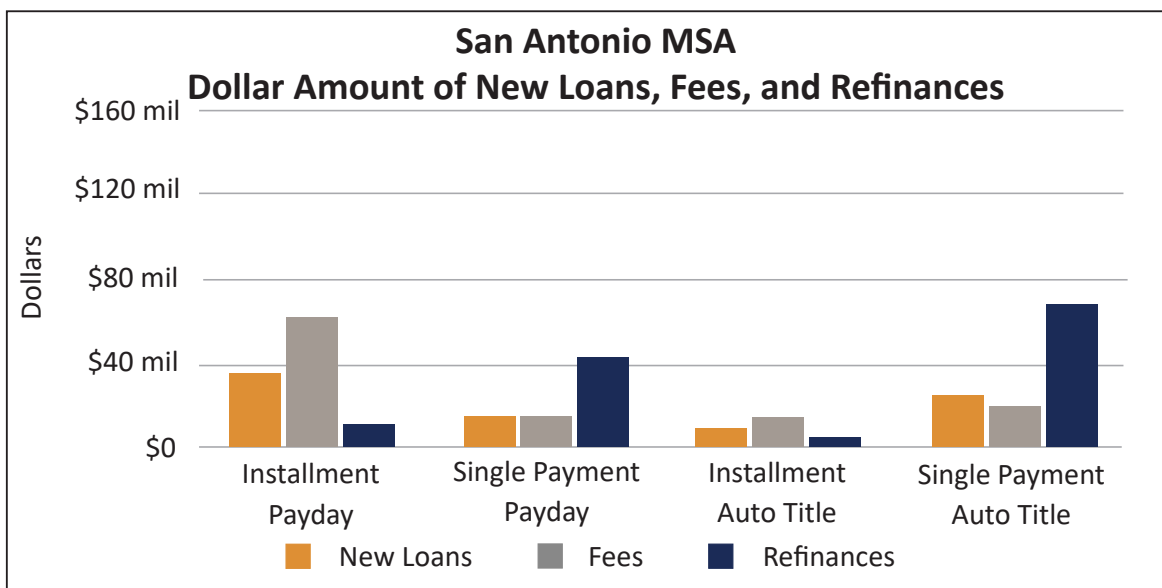


- **Store Locations:** 206
- **New Loans:** \$82,535,085
- **Fee Charges:** \$109,113,839
- **Refinances:** \$125,822,293
- **Repossessions (Auto Title):** 2,392 or 46 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

### 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 San Antonio MSA, refinances make up 69% of single payment loan transactions.
- On average, installment borrowers paid \$1.74 in fees for every dollar borrowed.
- Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$585 to \$1,397. 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 207% to 543% (see table on back).



# Payday and Auto Title Lending in Texas

## San Antonio 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)                                     | 164                | 17                    | 173                    | 30                        |
| Average Fees per \$100                                       | \$174.90           | \$23.23               | \$96.98                | \$16.19                   |
| Ave. Annual Percentage Rate (APR)                            | 543%               | 509%                  | 335%                   | 207%                      |
| Amount Repaid with No Refinances                             | <b>\$1,397.00</b>  | <b>\$618.43</b>       | <b>\$1,008.65</b>      | <b>\$585.10</b>           |
| Percent of Borrowers Who Refinance (Ave. of Quarterly Rates) | 5.63%              | 54.44%                | 7.80%                  | 46.63%                    |
| Average Refinances per Borrower                              | 3.40               | 6.76                  | 4.55                   | 5.84                      |
| Amount Repaid with Ave. Refinances                           | <b>\$4,444.62</b>  | <b>\$1,419.17</b>     | <b>\$3,323.98</b>      | <b>\$1,081.99</b>         |

## Installment Auto Title Lending Increase Spurs Higher Fees

The dollar amount of new loans and refinances fell from 2014 to 2015, with new loans decreasing by 4.8% and refinances by 8.7%. The dollar amount of fees increased by 2.2%. The increase in fees was largely due to an increase in installment auto title lending, which grew from 4% to 6% of the total dollars lent and 7% to 13% of the total fees, from 2014 to 2015. Installment payday loans continued to hold the biggest percent share of total fees compared with other loan types, making up 22% of total dollars lent and 56% of total fees. The average cost of installment payday loans declined from 600% APR in 2014 to 543% APR in 2015. Installment auto title loans increased in average cost over the same time period, from 318% APR to 335% APR. Depending on the loan terms, **fees for one installment loan are often the same as fees charged for 5 to 12 single payment loan transactions.** Vehicle repossessions decreased by 50%, from 3,593 in 2014 to 2,392 in 2015.

