

Payday and Auto Title Lending in Texas

San Antonio MSA 2018

San Antonio-New Braunfels

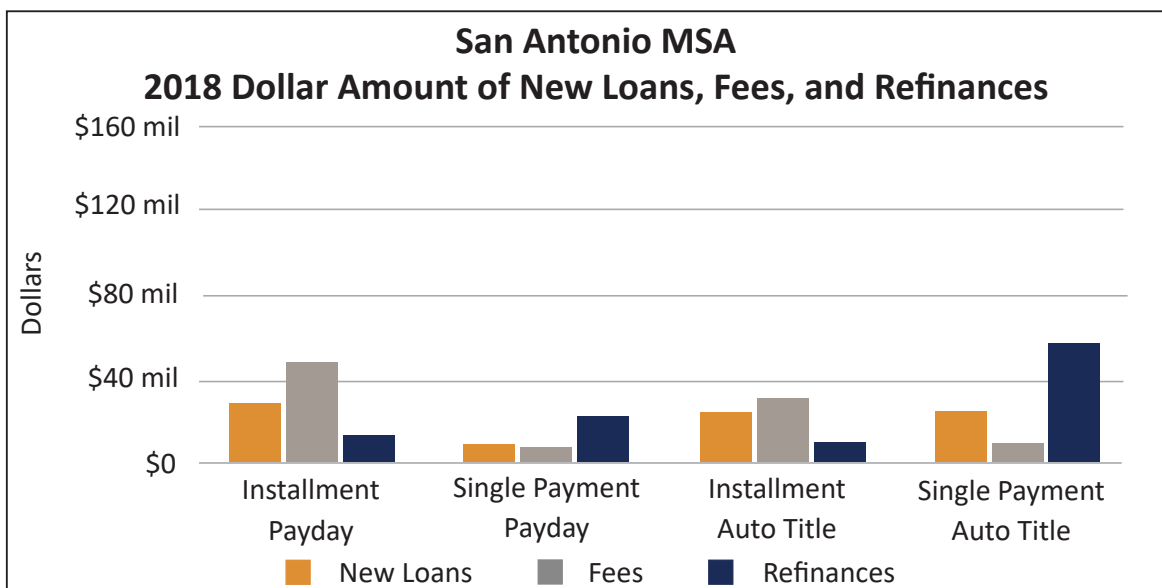


- **Store Locations:** 155
- **New Loans:** \$83,405,718
- **Fee Charges:** \$92,600,991
- **Refinances:** \$99,629,723
- **Repossessions (Auto Title):** 3,505 or 67 cars per week
- **Repossession Rate:** 16% of borrowers had car repossessed

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 San Antonio MSA, refinances make up 64% of single payment loan transactions.**
- **Installment loan borrowers paid a total of \$77,158,808 in fees for \$51,313,757 in new loans, an average of \$150 in fees for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$575 to \$1,222. 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 182% to 539% (see table on back).



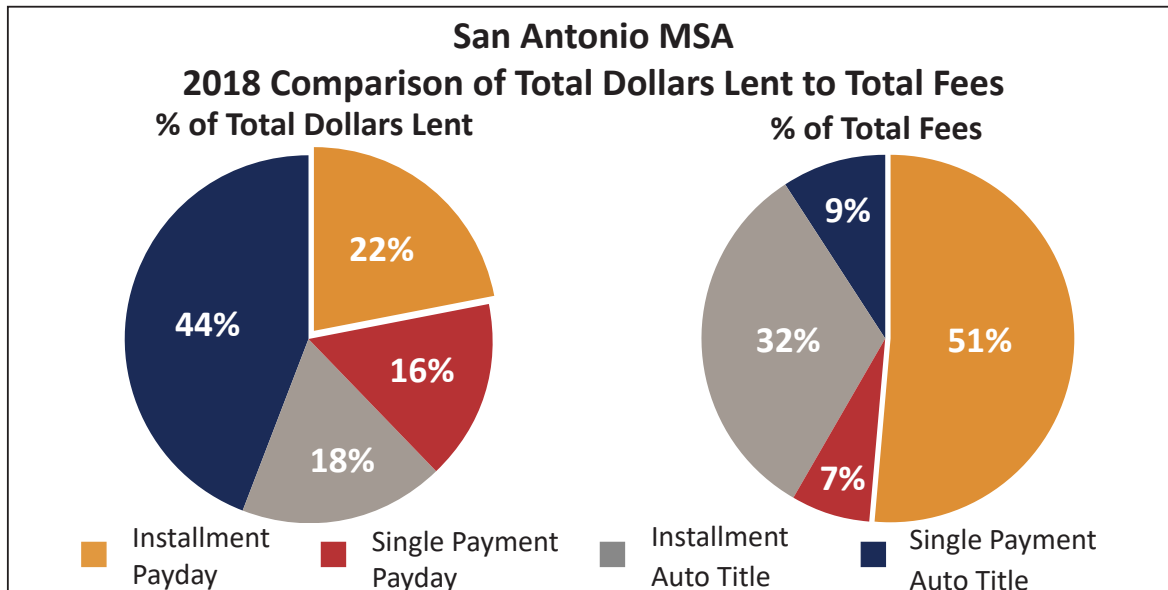
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San Antonio MSA at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	141	17	153	30
Average Fees per \$100	\$140.52	\$23.62	\$107.14	\$14.16
Ave. Annual Percentage Rate (APR)	539%	517%	393%	182%
Amount Repaid with No Refinances	\$1,221.98	\$620.47	\$1,056.59	\$574.90
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	7.27%	54.93%	7.54%	48.34%
Average Refinances per Borrower	3.57	4.84	5.90	3.82
Amount Repaid with Ave. Refinances	\$3,802.67	\$1,203.71	\$4,340.04	\$860.95
Refinances as Percent of Total Number of Loan Transactions	16%	61%	27%	69%

Overall Market Volume Increases Driven by Growth in Installment Lending

The total value of new loans, fees, and refinances increased by 9% from 2017 to 2018. During that same period, the dollar value of new loans increased by 19%, refinances grew by 4%, and fees increased by 6%. There was an 56% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate jumped from 13% of auto title borrowers losing a car to repossession in 2017 to 16% in 2018. Single payment payday lending decreased from 2017 to 2018, while installment auto title lending increased. Installment lending made up 40% of dollars lent in 2018 and 83% of the fees collected.



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

