

Payday and Auto Title Lending in Texas

San Antonio MSA 2019

San Antonio-New Braunfels

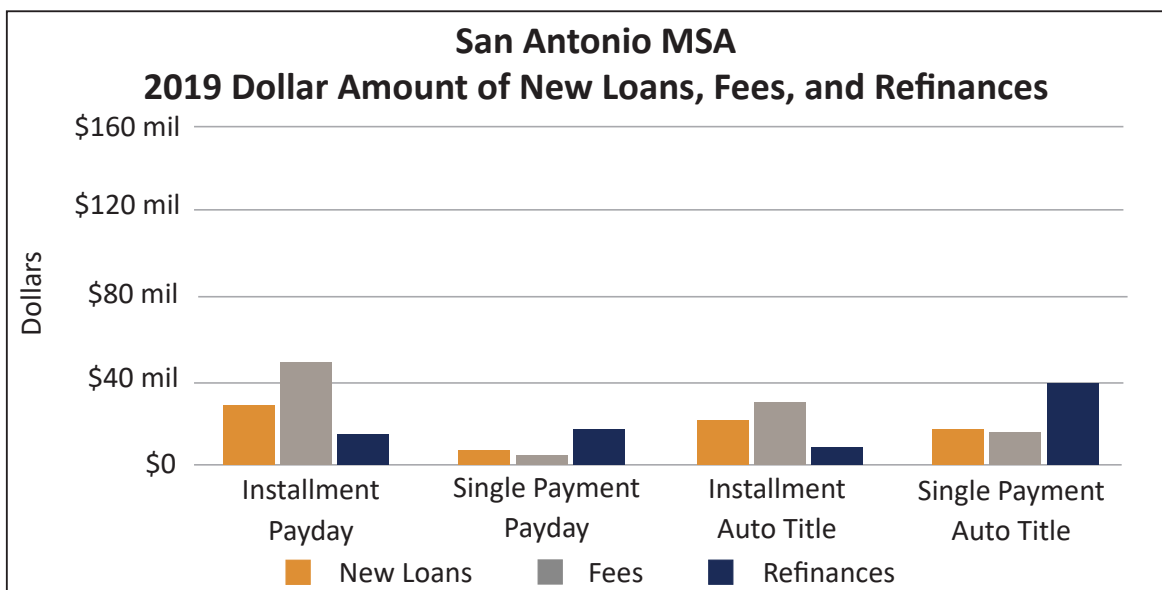


- **Store Locations:** 150
- **New Loans:** \$73,170,802
- **Fee Charges:** \$98,174,558
- **Refinances:** \$77,712,063
- **Repossessions (Auto Title):** 4,150 or 80 cars per week
- **Repossession Rate:** 20% of borrowers had car repossessed

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 65% of single payment loan transactions.**
- **Installment loan borrowers paid a total of \$78,165,964 in fees for \$49,220,127 in new loans, an average of \$159 in fees for every \$100 lent.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$574 to \$1,317. 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 179% to 546% (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)	152	18	153	30
Average Fees per \$100	\$159.13	\$20.41	\$107.74	\$13.88
Ave. Annual Percentage Rate (APR)	546%	424%	395%	179%
Amount Repaid with No Refinances	\$1,316.56	\$604.43	\$1,059.64	\$573.50
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	8.96%	20.98%	7.67%	46.83%
Average Refinances per Borrower	3.40	16.13	5.46	4.93
Amount Repaid with Ave. Refinances	\$4,088.79	\$2,288.72	\$4,115.88	\$935.93
Refinances as Percent of Total Number of Loan Transactions	18%	67%	27%	61%

Auto Repossessions Surge As Overall Market Volume Declines

The total value of new loans, fees, and refinances decreased by 10% from 2018 to 2019. During that same period, the dollar value of new loans decreased by 12%, refinances fell by 22%, and fees increased by 6%. There was an 18% increase in the number of vehicle repossessions by auto title lenders, and the repossession rate jumped from 16% of auto title borrowers losing a car to repossession in 2018 to 20% in 2019.

