

# Payday and Auto Title Lending in Texas

## State of Texas 2013

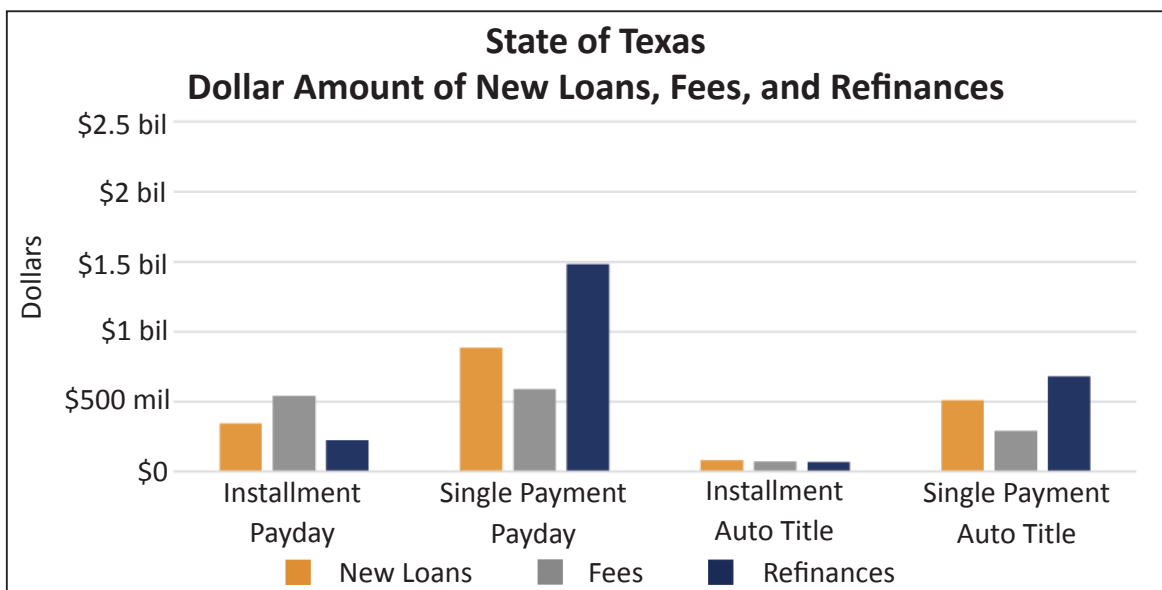


- **Store Locations:** 3,336
- **New Loans:** \$1,812,651,647
- **Fee Charges:** \$1,486,100,780
- **Refinances:** \$2,447,724,528
- **Repossessions (Auto Title):** 36,918, or 710 cars per week
- **Repossession Rate:** 10% of borrowers had car repossessed

### 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.

- **Statewide, refinances make up 61% of single payment loan transactions.**  
This proportion reflects a 2% decrease compared with the 2012 data.
- **On average, installment borrowers paid \$1.45 in fees for every dollar borrowed.**  
The dollar amount of fees for all installment loans increased by 79% from 2012 to 2013. Fees for installment payday loans increased by 111%.
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$610 to \$1,201. 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 Texas range from 268% to 525% (see table on back).



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## Texas 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)	145	19	184	30
Average Fees per \$100	\$136.24	\$22.92	\$81.32	\$21.22
Ave. Annual Percentage Rate (APR)	525%	450%	269%	268%
Amount Repaid with No Refinances	\$1,201.12	\$617.25	\$931.84	\$610.14
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	9.04%	57.08%	10.63%	39.89%
Average Refinances per Borrower	2.90	4.74	5.99	5.71
Amount Repaid with Ave. Refinances	\$3,235.40	\$1,172.58	\$3,519.04	\$1,238.67

## New Trend: Installment Payday Loans

Installment payday loans made up 13% of dollars lent for all types of loans in 2013, but 36% 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.**

