

Payday and Auto Title Lending in Texas

State of Texas 2015

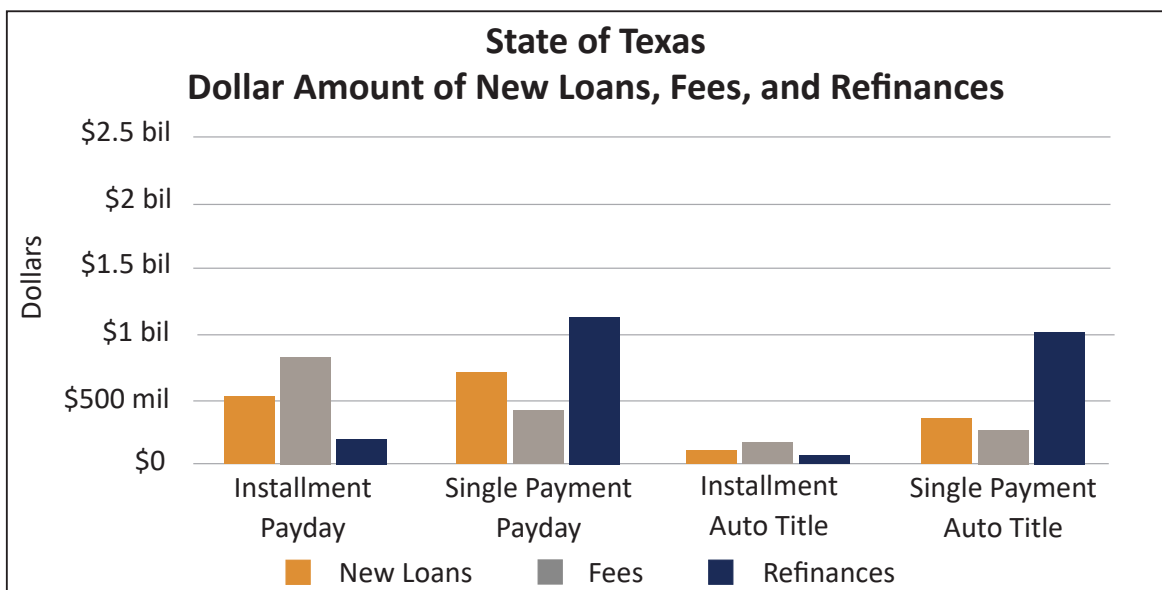


- **Store Locations:** 2,532
- **New Loans:** \$1,686,778,091
- **Fee Charges:** \$1,673,187,036
- **Refinances:** \$2,417,425,381
- **Repossessions (Auto Title):** 37,296, or 717 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

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.

- **Statewide, refinances make up 59% of single payment loan transactions.**
- **On average, installment borrowers paid \$1.58 in fees for every dollar borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$589 to \$1,354. 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 216% to 567% (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)	160	19	169	30
Average Fees per \$100	\$166.38	\$23.58	\$89.91	\$16.96
Ave. Annual Percentage Rate (APR)	567%	463%	314%	216%
Amount Repaid with No Refinances	\$1,353.77	\$620.50	\$972.65	\$588.90
Percent of Borrowers Who Refinance (Ave. of Quarterly Rates)	6.59%	47.21%	10.12%	49.37%
Average Refinances per Borrower	4.01	5.49	4.44	5.82
Amount Repaid with Ave. Refinances	\$4,773.48	\$1,282.20	\$3,073.08	\$1,106.66

Installment Payday Loans Top Fee Driver

Installment payday loans made up 17% of the total dollars lent for 2015, but 49% of fee charges. For the second year in a row, installment payday loans held the biggest percent share of total fees compared with other loan types. Average loan terms for installment payday loans increased from 152 days in 2014 to 160 days in 2015, paralleling an increase in fees per \$100 borrowed from \$150.69 to \$166.38. Average loan terms for installment auto title loans decreased from 191 days in 2014 to 169 days in 2015, paralleling a decrease in fees per \$100 borrowed from \$96.48 to \$89.91. 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.** Overall, the dollar amount of new loans increased by 1% from 2014 to 2015, refinances decreased by 7%, and total fee charges increased by 9%.

