

Payday and Auto Title Lending in Texas

State of Texas 2016

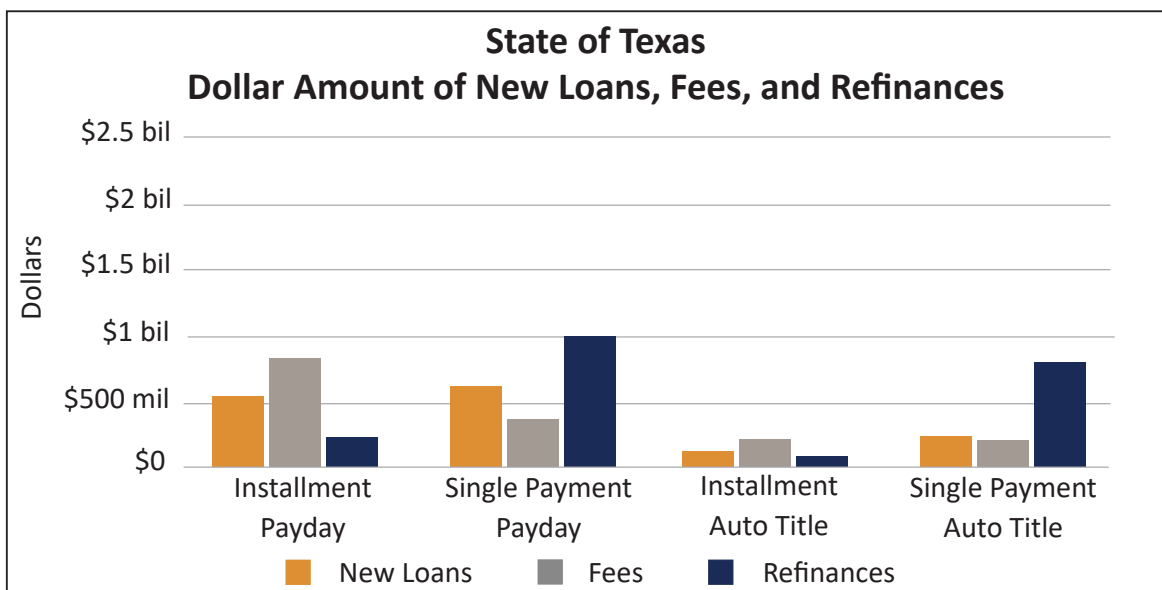


- **Store Locations:** 2,143
- **New Loans:** \$1,499,439,155
- **Fee Charges:** \$1,594,652,242
- **Refinances:** \$2,101,157,197
- **Repossessions (Auto Title):** 32,077 or 617 cars per week
- **Repossession Rate:** 14% of borrowers had car repossessed

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. **Fees for one installment loan are often the same as fees charged for 5 to 12 single payment loans.**

- **Statewide, refinances make up 58% of single payment loan transactions.**
- **On average, installment borrowers paid \$258 for every \$100 borrowed.**
- **Across all four loan types, the average cost to repay a \$500 loan with no refinances is \$588 to \$1,351. 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 214% to 565% (see table on back).



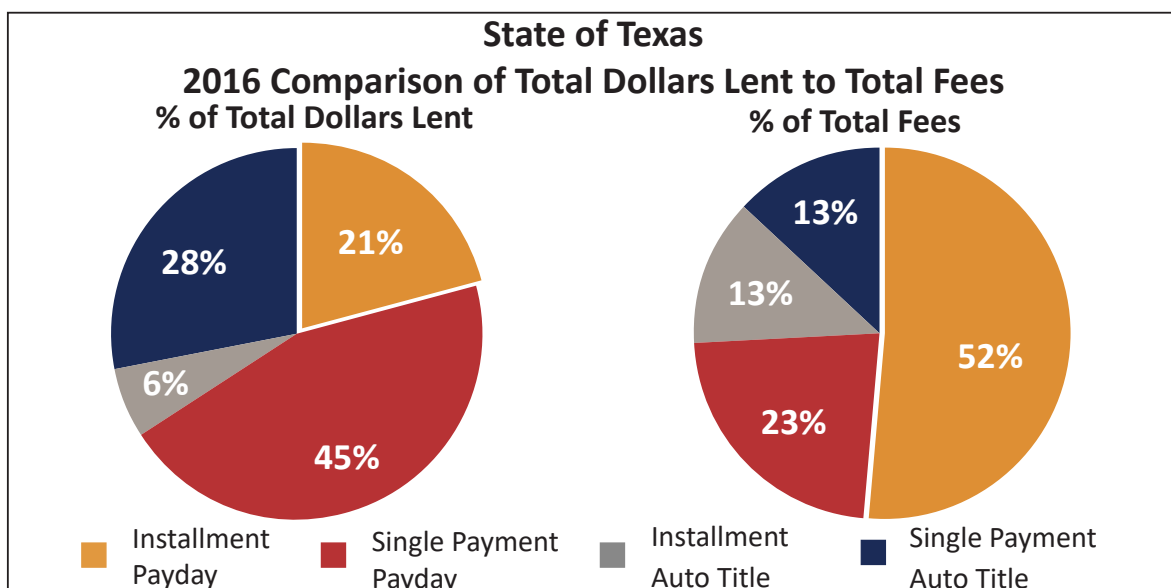
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Texas at a Glance: Profile of Loan Terms and Repayment, \$500 Loan

	Installment Payday	Single Payment Payday	Installment Auto Title	Single Payment Auto Title
Average Loan Term (Days)	159	18	160	30
Average Fees per \$100	\$165.88	\$23.76	\$100.30	\$16.79
Ave. Annual Percentage Rate (APR)	565%	492%	373%	214%
Amount Repaid with No Refinances	\$1,351.19	\$621.23	\$1,023.39	\$587.99
Ave. % of Borrowers Who Refinance in Same Quarter They Take Out a Loan	6.12%	43.72%	12.03%	46.62%
Average Refinances per Borrower	3.94	6.13	4.70	6.50
Amount Repaid with Ave. Refinances	\$4,704.95	\$1,364.87	\$3,482.82	\$1,159.76
Refinances as Percent of Total Number of Loan Transactions	16%	56%	33%	71%

Overall Market Declines; Increased Market Share for Installment Loans

The total dollar value of new loans, fees, and refinances decreased by 10% from 2015 to 2016. During the same time period, new loans decreased by 11%, fees decreased by 5% and refinances fell by 13%. The number of vehicles repossessed by auto title lenders decreased by 14%. Installment lending continued to grow as a proportion of the total market. Installment payday and auto title lending made up 27% of the total dollars lent and 65% of total fees in 2016, compared to 22% of dollars lent and 59% of fees in 2015. Installment auto title lending saw sharp growth in fees. While the dollar value of new installment auto title loans increased by 9%, fees jumped by 24%.



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

