

# By the Numbers: What State data can tell us about Payday Loan Consumers

Panel

Data Sources for Research and Policymaking

*Small-Dollar Credit: Products, Economics, and Regulation July 11 – 12 , 2013*



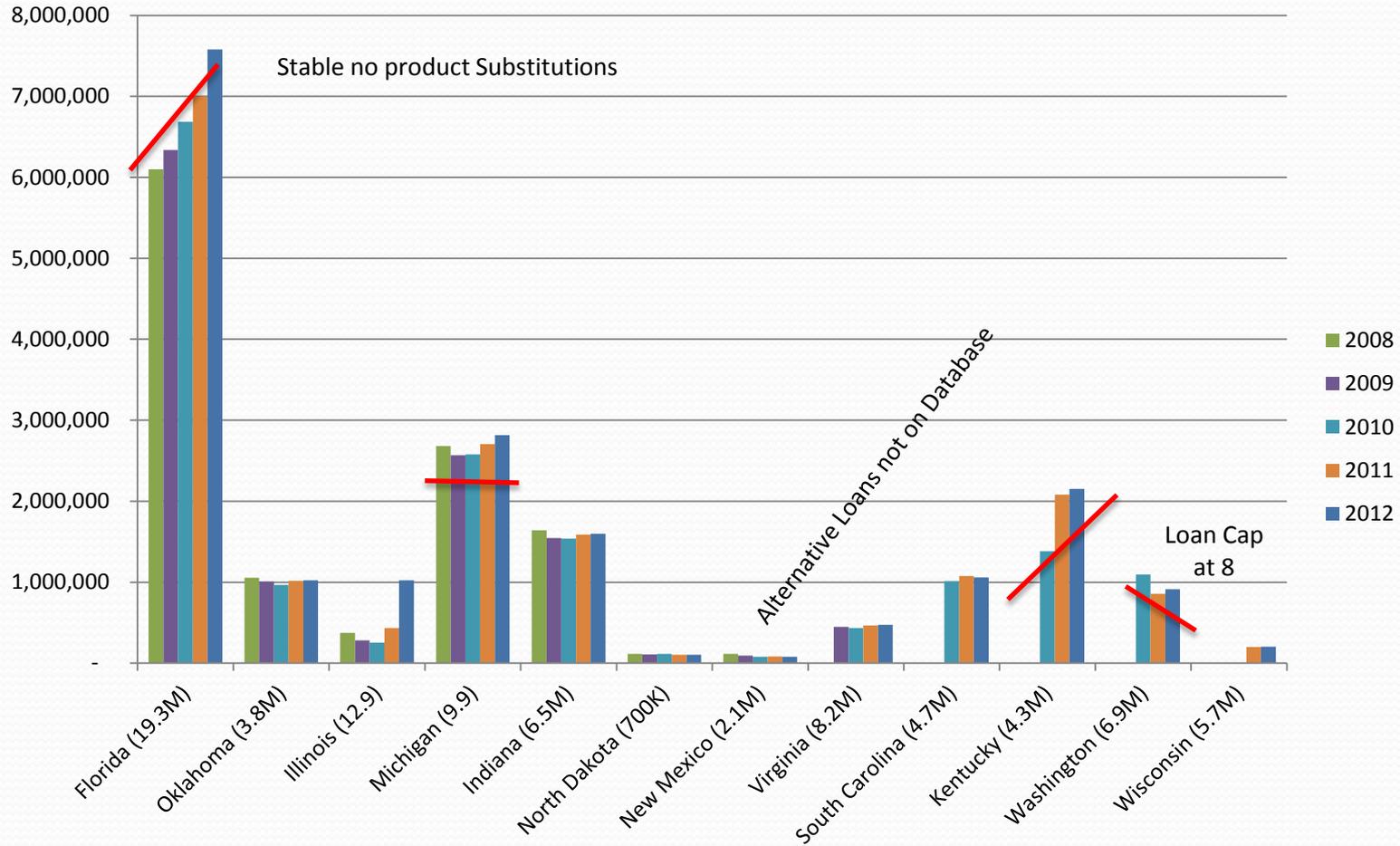
# Data

- Complete Data Sets
- Complete picture of a State/Jurisdiction
- Can determine the effects of legislation
- No influences from other Jurisdictions
- Verifiable and Accurate Conclusions
- Precise

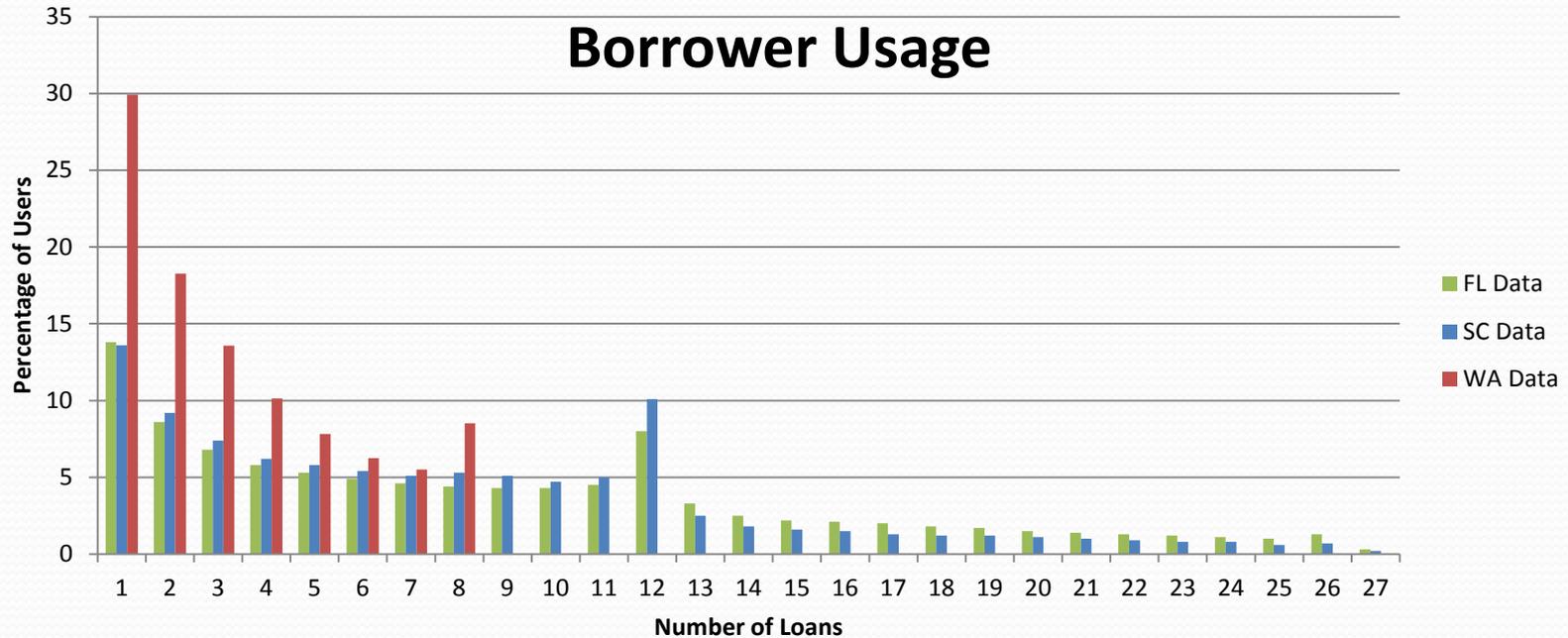
# Data Collected

- All transactions tracked
  - Opening
  - Closing
  - Extensions
- Data collected over extended periods (11+ years)
- Visibility into effects of legislative changes
- Complete Usage Data
- Actual and Contractual APR's
- Holistic approach
- Over 40 specific data points about the Loan
  - All dollar figures and dates
  - Installment Plans and/or judgments
  - Demographic Information
  - Etc.

# Different Jurisdictions



# Borrower Usage



- Largest Usage for 12 or fewer loans (FL – 75.3%, SC – 82.9%)
- Usage drastically decreases after 12 loans
- Large usage of the product at 12 times per year (monthly usage)

2012 Percentage data from FL and SC

2011 Percentage data from WA

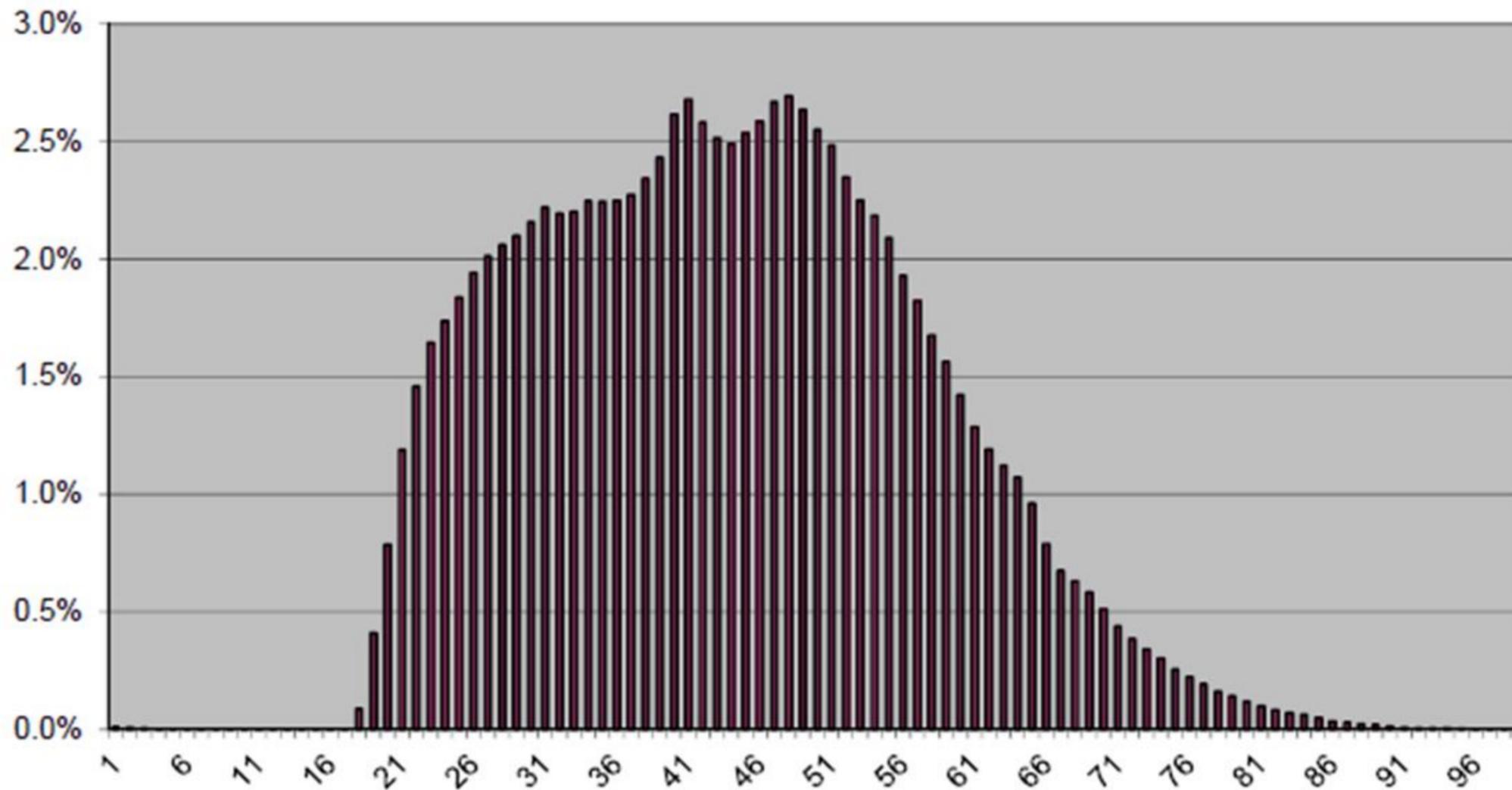
# Florida Long Term Usage

<b>321,196 borrowers that conducted one or more loans between March 1, 2002 and December 31, 2002</b>		
<b>Year</b>	<b>Borrower Count</b>	<b>% of 2002 borrowers with one or more loans</b>
2002	321,196	100.0%
2003	216,352	67.4%
2004	163,423	50.9%
2005	133,642	41.6%
2006	116,234	36.2%
2007	106,460	33.1%

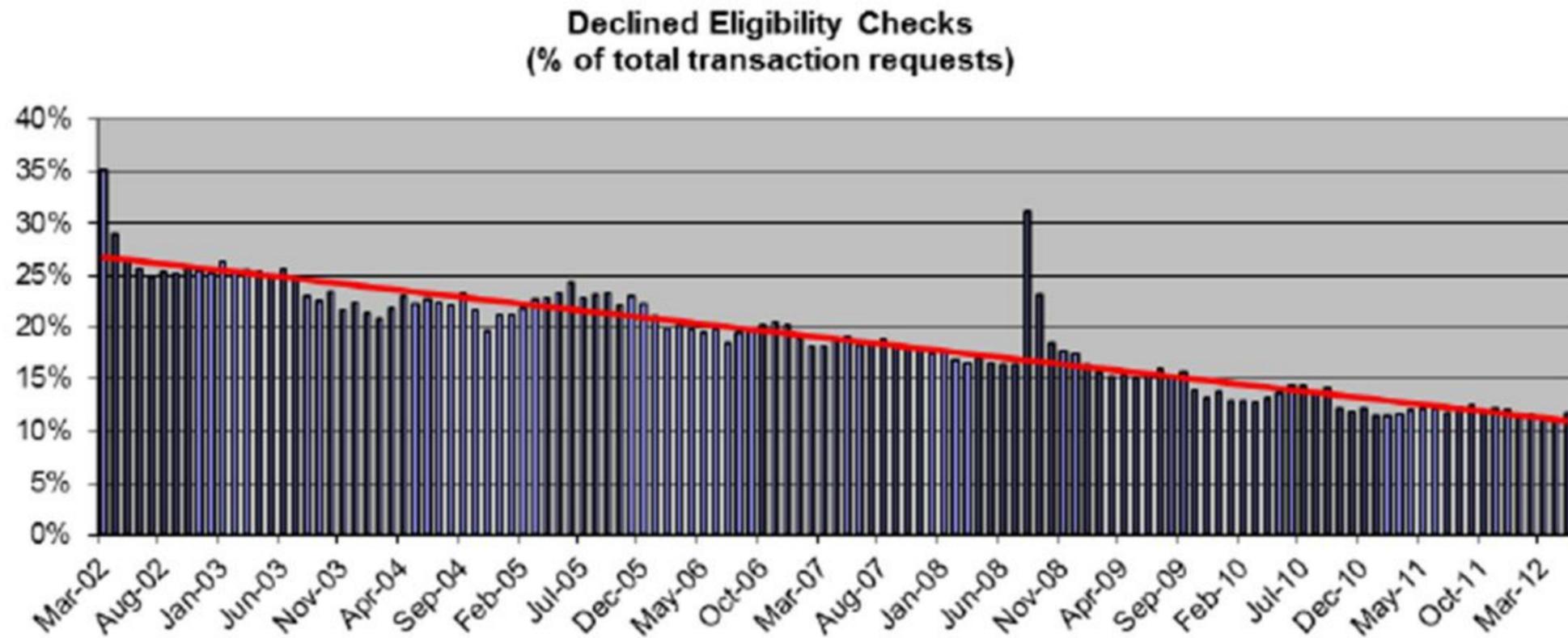
- Significant Decline in Usage over 6 year period
- Less than 1/3 of borrowers continue to use the loan after 5 years
- Long term data shows borrower usage is typically for short periods of a persons life
- 0.568% of Florida population represented in 2007 borrower count

# Additional Data

% Transactions by Customer Age

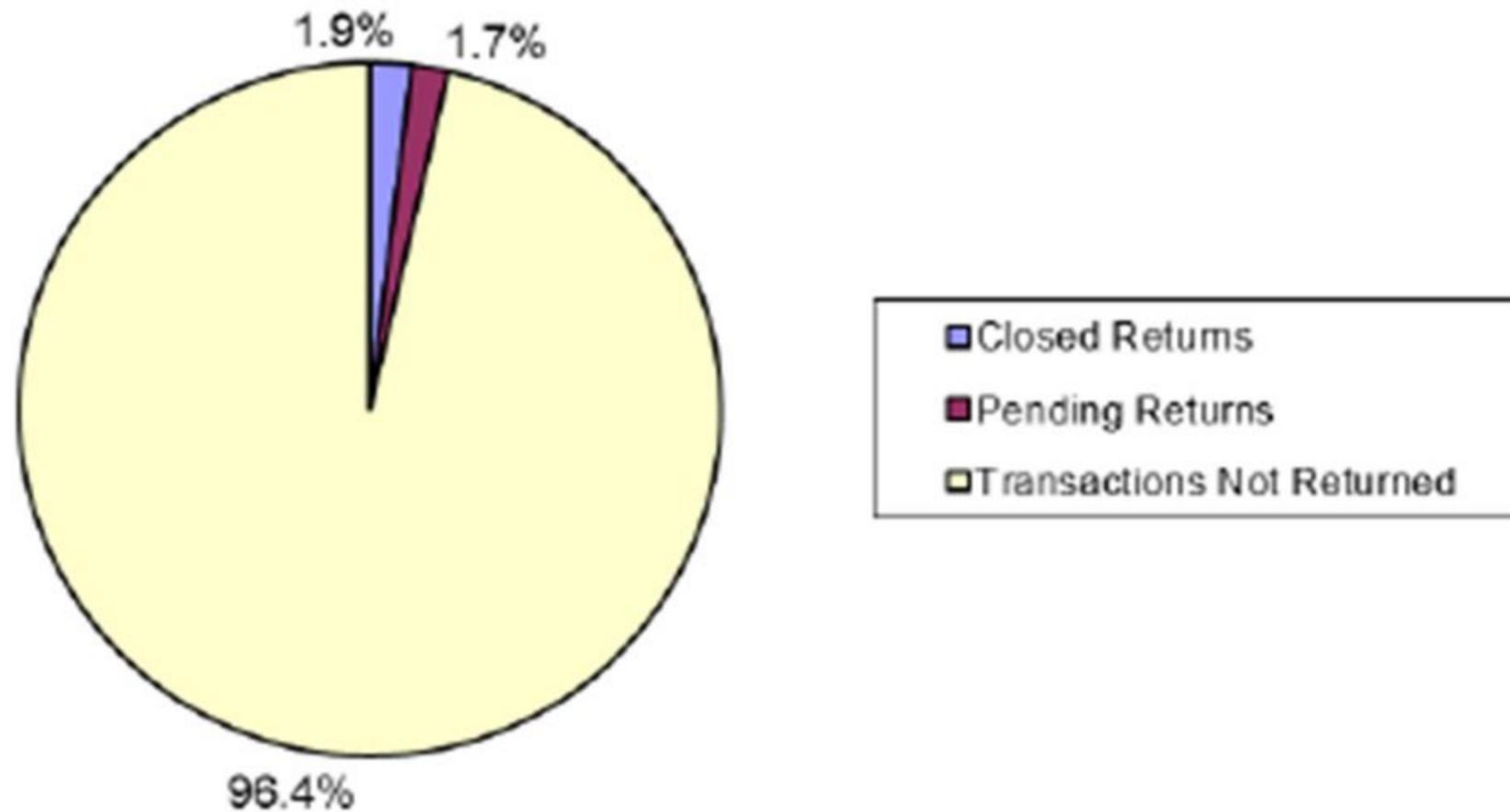


# Additional Data



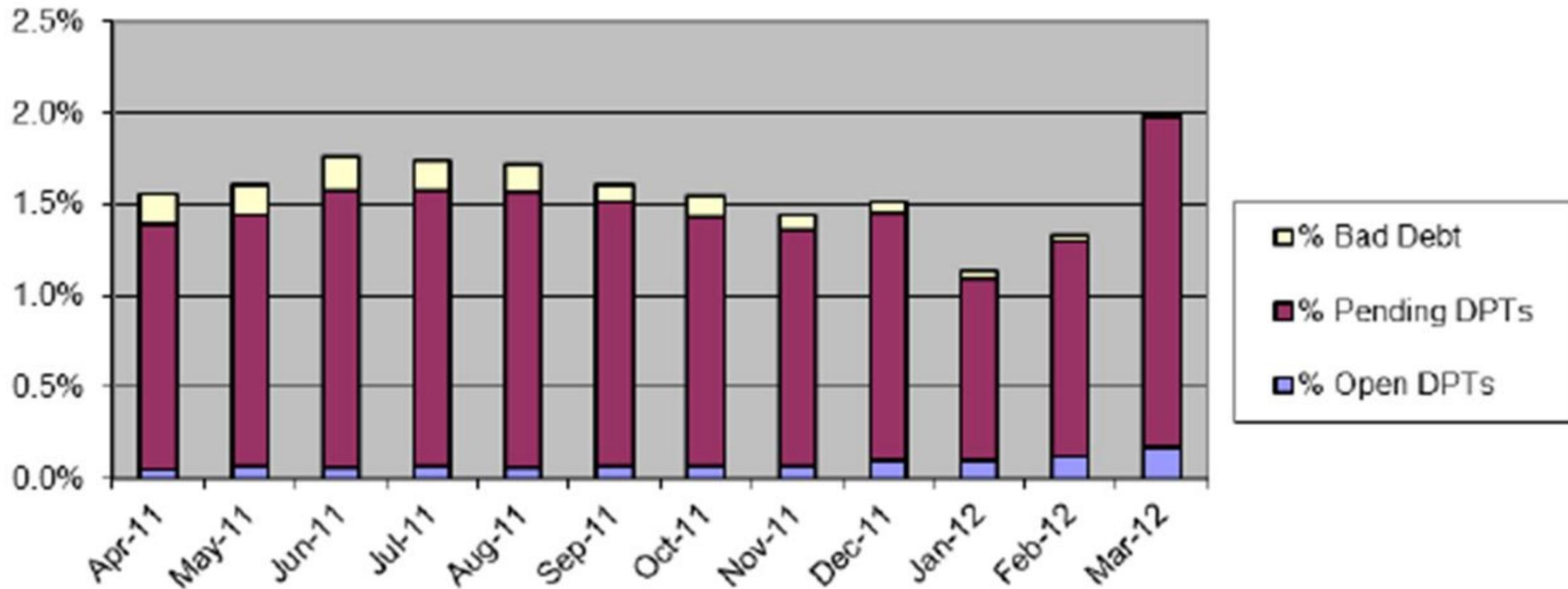
# Additional Data

Return Events (Auto-Int Only)  
June 2011 - May 2012 (TTM)



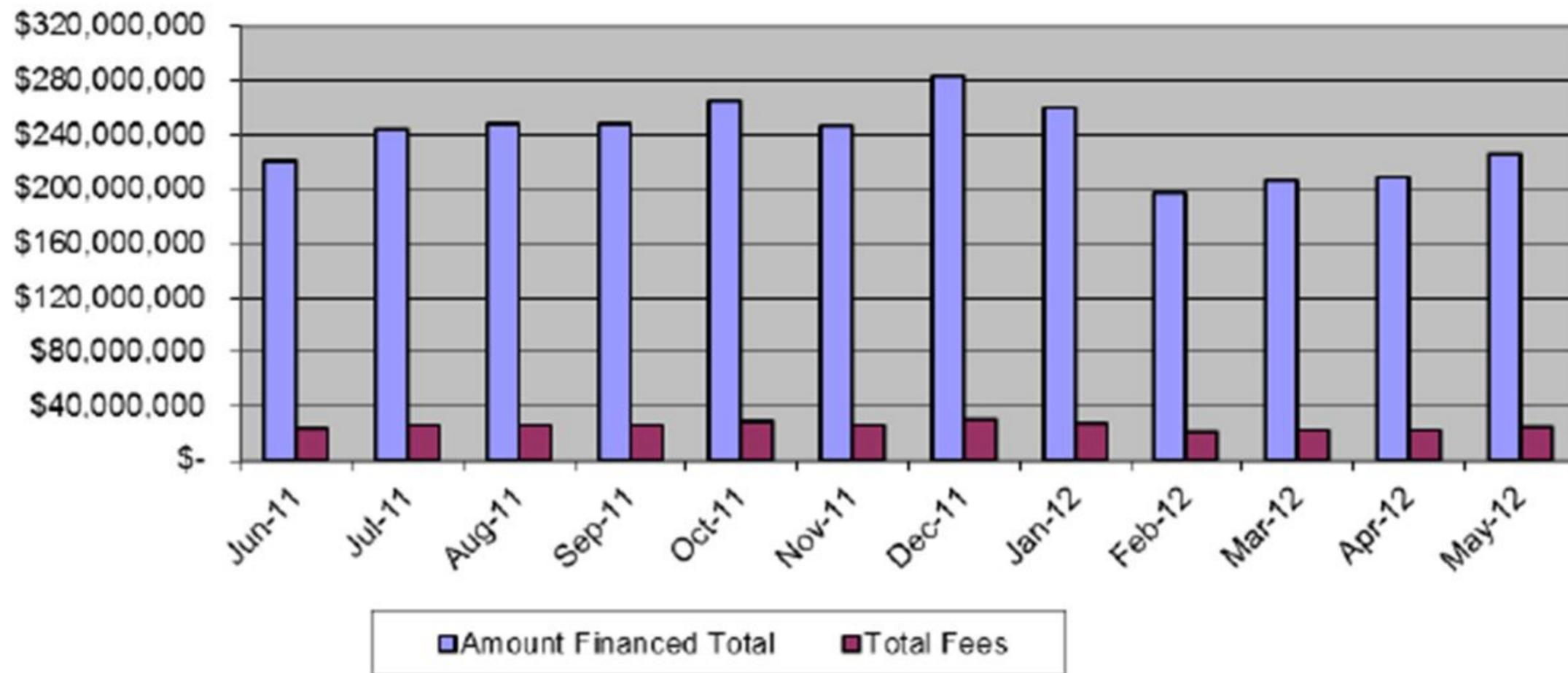
# Additional Data

Estimated Loan Loss (% of transaction volume)



# Additional Data

Total Advance Amount and Fees



# Conclusions

- Data and Findings need to be specific to Jurisdictions (Each Jurisdiction tells a different story)
- Legislative and Enforcement differences between Jurisdictions play a major part in the data
- Majority of borrower Usage are for borrowers that use the product 12 or fewer times a year (FL – 75.3%, SC – 82.9%)
- Long Term Study needed to see true picture of Long Term Usage (i.e. only 33.1% of Florida borrowers are still using the product after 5 years)
- Complete Data Sets for each Jurisdiction need to be used to have Accurate and Verifiable findings

# Discussion & Questions

[www.veritecs.com](http://www.veritecs.com)

