

## *Credit on Wheels*

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*Table 1: Title Lender Survey on Reasons Customers Took Out Loan*

<b>Reason</b>	<b>Percentage of Borrowers<sup>1</sup></b>	<b>Number</b>
Car maintenance/ repair	29.18%	314
Unusually high utility bill	19.33%	208
Help with mortgage/ rent	28.90%	311
Unexpected medical emergency	14.87%	160
Delay in payment of expected income/missed paycheck	29.55	318
Other	8.74%	94

*Table 2: Repossession Rates on New Title Loans*

<b><u>State</u></b>	<b><u>Year<sup>2</sup></u></b>	<b><u>Number of New Title Loan Agreements</u></b>	<b><u>Number of Repossessions<sup>3</sup></u></b>	<b><u>Repossession Rate</u></b>
<b>Tennessee</b>	2008	161,417	14,832	9.18%
	2007	139,319	18,199	13.06%
	Nov. 2005 – June 2006	92,489	10,933	11.82%
	2004	250,593	17,313	6.91%

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<sup>1</sup> To calculate the percentage of borrowers citing a reason, I added up all of the responses to another question about the borrower's occupation and divided the reason for the loan by that number. The number of responses to the question about what need led to the loan was 1405, but the total number of people providing an occupation was 1076. Thus, it appears that some people listed multiple reasons for needing the loan, which explains why my percentages add up to more than 100%.

<sup>2</sup> The year represents the year the data were gathered, not the year the data were reported.

<sup>3</sup> These figures exclude cases where customers redeemed repossessed collateral because in those cases customers did not lose their vehicles.

<b>Oregon</b>	2009	17,820	2	0.01%
	2008	10,136	1	0.00%
	2007	8,568	32	0.37%
	2006	15,726	125	0.80%
	2005	17,801	114	0.64%
<b>Idaho</b>	2010	34,247	2382	6.96%
<b>Illinois</b>	Oct. 2009 – June 2011	155,094	7,334	4.73%
<b>Montana</b>	2009	12,727	599	4.71%
<b>Virginia</b>	Oct. 2010 – Dec. 2010	24,975	194 <sup>4</sup>	0.78%

*Table 3: Bills Borrowers Would Not Pay in Order to Pay Title Loan*

<b>Bill</b>	<b>Percentage</b>	<b>Number</b>
Rent or Mortgage Payment	5.71%	2
Utilities	5.71%	2
Credit card debt	62.86%	22
Groceries	11.43%	4
Medical	11.43%	4
Other, including pet bill, cable bill, internet service, cellular phone bill	22.86%	8

<sup>4</sup> This number likely overstates the number of vehicles consumers lost because the report states only 2 vehicles were sold by lenders, indicating customers redeemed some repossessed vehicles. *Id.*

*Table 4: Borrowers' Alternatives to Title Loan*

<b>Alternative</b>	<b>Number Selecting</b>	<b>Percentage of Customers Selecting</b>
None	774	71.93%
Credit Unions	93	8.64%
Bank Loan	154	14.31%
Credit card cash advance	94	8.73%
Bounced Check	39	3.62%
Pay Late Fee	189	17.57%
Borrowed Money from Relatives/Friends	67	6.23%
Payday Loan	8	0.74%
Sell car	2	0.19%

*Table 5: What Houston Customers Would Do Without Title Loans*

<b>Alternative</b>	<b>Number Selecting</b>	<b>Percentage of Customers Selecting</b>
Get a loan elsewhere	11	31.43%
Sell car	3	8.57%
Not borrow and do without loan	18	51.43%
No answer	3	8.57%