

Payday and Car-Title Lenders Drain Nearly \$3 Billion in Fees Every Year



Special report from the Center for Responsible Lending, June 2023

The national Center for Responsible Lending (CRL) reports that single-payment and payday installment loans in 31 states drain more than \$2.2 billion in fees per year from borrowers whose average incomes are approximately \$25,000 a year.

Car-title loans drain more than \$700 million annually from borrowers in 17 states.

Together these predatory loans drain almost \$3 billion annually from those families who can least afford it.

Table 1: Average Number of Loans per Borrower per Year in States that Report Borrowing Rates without Meaningful Regulation of Payday Lending

State	Average Number of Loans per Borrower	Number of Payday Loans within the State
Alaska	5.4	45,546
California	5.7	4,526,338
Florida	5.6	3,605,089
Iowa	11.0	340,776
Kentucky	9.3	922,815

Source: Compilation of state regulator data as obtained by the Center for Responsible Lending.

These loans typically carry triple digit interest rates that average more than 300% Annual Interest Rate (APR). Research shows that they lead to a debt trap that is nearly impossible to escape. Past CRL research has shown that payday and car-title lenders' bottom lines depend on borrowers being stuck in a cycle of debt.

Other research has shown that the typical car-title loan is refinanced eight times. In states that report data on vehicle repossessions, the share of car-title loans that lead to repossession is alarming. In California, 33% of car-title loans result in repossession.

Kansas is ranked 18th in states in the high dollar amount of payday loan fees per year, \$15,964,218 and car-title fees, \$2,526,648.

[**See the full Center for Responsible Lending report here.**](#)

Last updated on June 22, 2023.

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