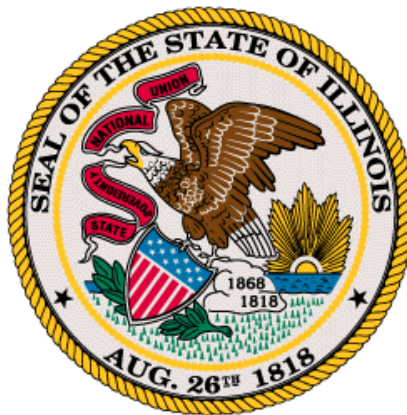


Bryan Schneider  
Secretary  
Department of Financial and  
Professional Regulation

Francisco Menchaca  
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Division of Financial  
Institutions

## **Illinois Department of Financial & Professional Regulation**

Bruce Rauner  
Governor



## **Illinois Trends Report Select Consumer Loan Products Through December 2015**

Prepared by Veritec Solutions, LLC

Last Updated 4/14/2016

# Illinois Trends Report – Select Consumer Loan Products

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### ABOUT THE INFORMATION IN THIS REPORT

THIS REPORT IS BASED ON STATISTICAL INFORMATION REQUIRED UNDER THE PAYDAY LOAN REFORM ACT, 815 ILCS122.

THE INFORMATION CONTAINED IN THIS REPORT IS BASED ON LOAN DATA REGISTERED TO THE ILLINOIS PLRA CONSUMER REPORTING SERVICE (“DATABASE”) PURSUANT TO THE ACT. THE ACT WAS EFFECTIVE ON DECEMBER 6, 2005, AND THE DATABASE WENT INTO EFFECT BEGINNING IN FEBRUARY 2006. THE DATA PRESENTED IN THIS REPORT IS FOR THE PERIOD FROM FEBRUARY 2006 THROUGH DECEMBER 2015.

## Illinois Trends Report – Select Consumer Loan Products

### ***Summary of APR: How it is Determined and the Effect it has***

The Annual Percentage Rate (“APR”) is the annual rate charged on a loan as characterized by a percentage rate that represents the annual cost of borrowing. Loans vary from lender to lender and are also based on consumer needs, product parameters, and market competition. APR is a useful tool in comparing credit products; however, it can also be misleading due to the factors involved. When entering into a credit product, some factors affecting APR include: Fees, Interest Charges and Loan Maturity.

It is important to note the inverse relationship between APR and Loan Maturity; if all other factors remain the same except for the term of the loan, the APR decreases as the time to repay the loan increases. For example, a one month loan of \$1,000 with a 5% fee has an APR of over 50%, while a one year loan of \$1,000 with a 5% fee has an APR of 5%.

### ***Implementation of HB 537***

When reviewing the information contained in this report the reader will notice a significant increase in database activity beginning in 2011. This increased activity is a result of HB 537 which became effective on March 21, 2011. HB 537 amended the Payday Loan Reform Act (PLRA) to create Installment Payday Loans as well as amended the Consumer Installment Loan Act (CILA) to create Small Consumer Loans. Pursuant to PLRA and CILA, lenders are required to enter information regarding these new loan types into the database. The database became live on July 25, 2011.

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## **Illinois Trends Report – Select Consumer Loan Products**

### **Select Consumer Loan Products**

Products included in this report consist of Payday Loans (starting on February 1<sup>st</sup>, 2006), CILA Loans (starting on February 1<sup>st</sup>, 2006 and ending on March 20<sup>th</sup>, 2011), Installment Payday Loans (starting on July 25<sup>th</sup>, 2011, with historical uploads from March 21<sup>st</sup>, 2011), Title Loans (starting on October 1<sup>st</sup>, 2009, with historical uploads from April 1<sup>st</sup>, 2009), and Small Consumer Loans (starting on July 25<sup>th</sup>, 2011, with uploads from March 21<sup>st</sup>, 2011).

### ***Examples of Consumer Credit Products Contained in this Report***

A Payday Loan (PLRA) is a loan with a finance charge exceeding an annual percentage rate of 36% and with a term that does not exceed 120 days. No lender may charge more than \$15.50 per \$100 loaned except as otherwise allowed by the Payday Loan Reform Act. Licensees have been required to input PLRA loans into the database since 2006.

A Consumer Installment Loan (CILA) is any loan made to a consumer up to \$40,000 as permitted by the Consumer Installment Loan Act. Licensees have never been required to input this data into the system. Any information previously captured was voluntarily provided by licensees.

An Installment Payday Loan (IPL) is a loan with a finance charge exceeding an annual percentage rate of 36% and with a term no less than 112 days and no longer than 180 days. No lender may charge more than \$15.50 per \$100 loaned except as otherwise allowed by the Payday Loan Reform Act. Installment Payday Loans were created pursuant to the PLRA in 2011. Beginning in March of 2011, licensees were required to input IPL data into the database.

A Title Secured Loan (Title), pursuant to the Consumer Installment Loan Act, is a loan upon which interest is charged at an annual percentage rate exceeding 36%, and, at commencement, the obligor provides to the licensee, as security for the loan, physical possession of the obligor's title to a motor vehicle.

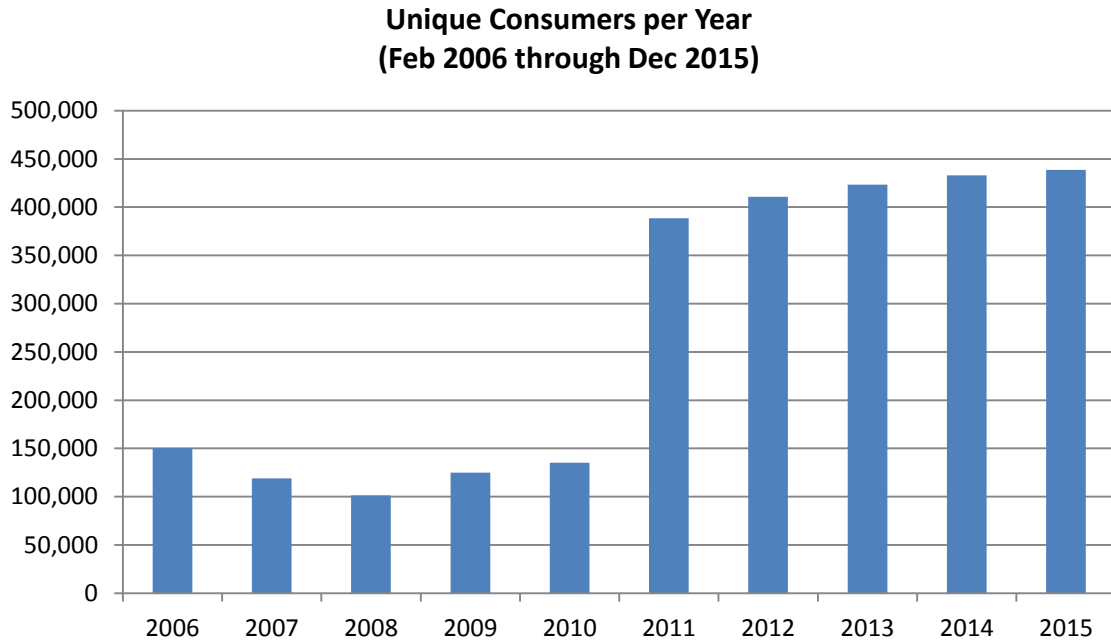
A Small Consumer Installment Loan (SCL), pursuant to the Consumer Installment Loan Act, is a loan upon which interest is charged at an annual percentage rate exceeding 36% and with an amount financed of \$4,000 or less. SCL does not include a title-secured loan. Small Consumer Loans were created by CILA in 2011. Beginning in March of 2011, licensees were required to input SCL data into the database.

## Illinois Trends Report – Select Consumer Loan Products

### ***Number of Consumers/Borrowers***

During the period from February 2006 through December 2015 (“Reporting Period”), 1,156,973 consumers took out 7,470,995 loans, or an average of 6.5 loans per consumer.

The number of loan consumers (unique borrowers) in the Reporting Period is as follows:



The significant increase in unique consumers beginning in 2011 is a result of legislation requiring lenders to input information into the database for the new loan types. Prior to this time period, SCL and IPL did not exist in the database.

## Illinois Trends Report – Select Consumer Loan Products

### *Number of Consumers/Borrowers (continued)*

Year	Unique Borrowers over All Products <sup>1 2</sup>	Unique Borrowers using PLRA	Unique Borrowers using CILA	Unique Borrowers using IPL	Unique Borrowers using Title	Unique Borrowers using SCL
2006	150,595	119,643	47,380	0	0	0
2007	118,817	92,303	34,054	0	0	0
2008	101,395	79,399	25,594	0	0	0
2009	125,048	57,042	25,582	0	49,045	0
2010	135,044	48,929	26,334	0	66,789	0
2011	388,496	55,383	10,012	178,872	79,357	157,878
2012	410,650	48,007	0	199,847	82,328	166,484
2013	423,199	48,300	0	203,442	86,941	171,022
2014	433,022	54,516	0	206,770	84,018	177,420
2015	438,541	64,968	0	199,798	74,903	188,107
<b>Since Inception (2/1/2006 - 12/31/2015)</b>	<b>1,156,973</b>	<b>365,966</b>	<b>97,796</b>	<b>531,539</b>	<b>346,251</b>	<b>386,028</b>

The average monthly gross income of Illinois consumers during the Reporting Period was \$2,543.45, or approximately \$30,521 per year.

For the Reporting Period:

- Approximately 63% of loan consumers earn \$30,000 or less per year.
- Approximately 14% of loan consumers earn more than \$50,000 per year.
- Approximately 5% of loan consumers earn more than \$75,000 per year.

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<sup>1</sup> Individual borrowers may utilize multiple products, so the total number of unique borrowers may be less than the sum of all columns for individual products.

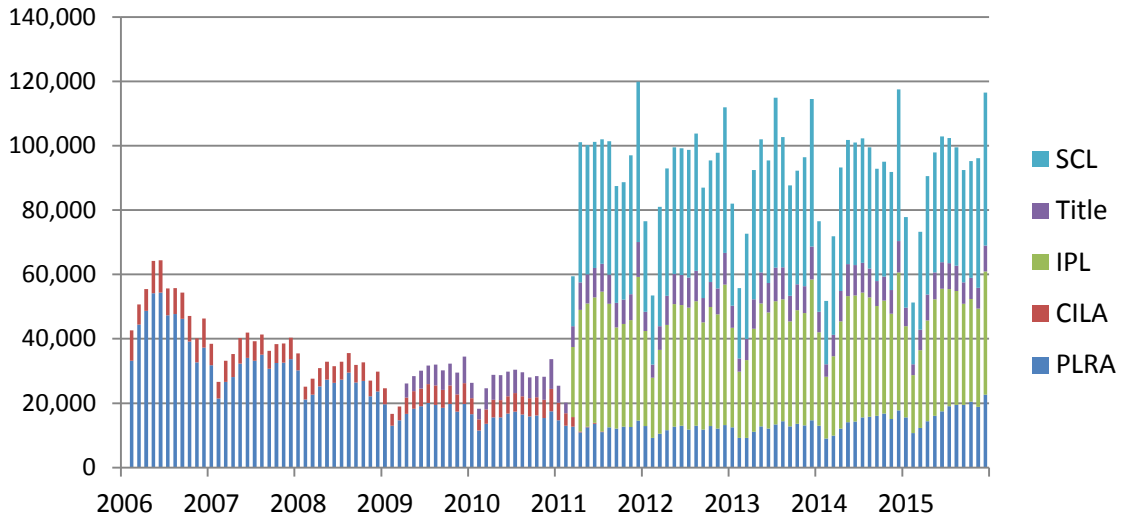
<sup>2</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.

## Illinois Trends Report – Select Consumer Loan Products

### Transaction Volume

Total transaction volume for the Reporting Period, including PLRA Loans, CILA Loans, Installment Payday Loans, Title Loans, and Small Consumer Loans was approximately 7,470,995 loans.

Transaction Volume per Month



Prior to implementation of HB 537, which created SCL and IPL loans, licensees had the option to voluntarily record CILA loans on the database, which a small amount of licensees did. Post implementation of HB 537 the inclusion of IPL and SCL loans became mandatory. This is why beginning after March of 2011 there is an increase in the amount of overall transactions while at the same time CILA loan activity has ceased.

## Illinois Trends Report – Select Consumer Loan Products

### ***Transaction Volume (continued)***

Annual volume information for each year of the Reporting Period is presented in the following table.

<b>Year<sup>3</sup></b>	<b>PLRA Volume<sup>4</sup></b>	<b>CILA Volume</b>	<b>IPL Volume</b>	<b>Title Volume</b>	<b>SCL Volume</b>	<b>Total Volume</b>	<b>Change vs. Prior Year</b>
2006	485,024	91,712	0	0	0	<b>576,736</b>	
2007	372,137	77,559	0	0	0	<b>449,696</b>	<b>-22.0%</b>
2008	308,805	64,418	0	0	0	<b>373,223</b>	<b>-17.0%</b>
2009	216,207	64,209	0	54,836	0	<b>335,252</b>	<b>-10.2%</b>
2010	188,447	64,531	0	81,893	0	<b>334,871</b>	<b>-0.1%</b>
2011	153,132	13,185	359,876	93,677	384,180	<b>1,004,050</b>	<b>199.8%</b>
2012	144,603	0	408,666	96,944	447,099	<b>1,097,312</b>	<b>9.3%</b>
2013	148,899	0	404,725	100,393	454,679	<b>1,108,696</b>	<b>1.0%</b>
2014	169,565	0	405,300	96,072	424,338	<b>1,095,275</b>	<b>-1.2%</b>
2015	206,501	0	379,973	83,980	425,430	<b>1,095,884</b>	<b>0.1%</b>
<b>Total</b>	<b>2,393,320</b>	<b>375,614</b>	<b>1,958,540</b>	<b>607,795</b>	<b>2,135,726</b>	<b>7,470,995</b>	

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<sup>3</sup> Loan volume data outside of the reporting period (before February 1<sup>st</sup>, 2006) is not included.

<sup>4</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.



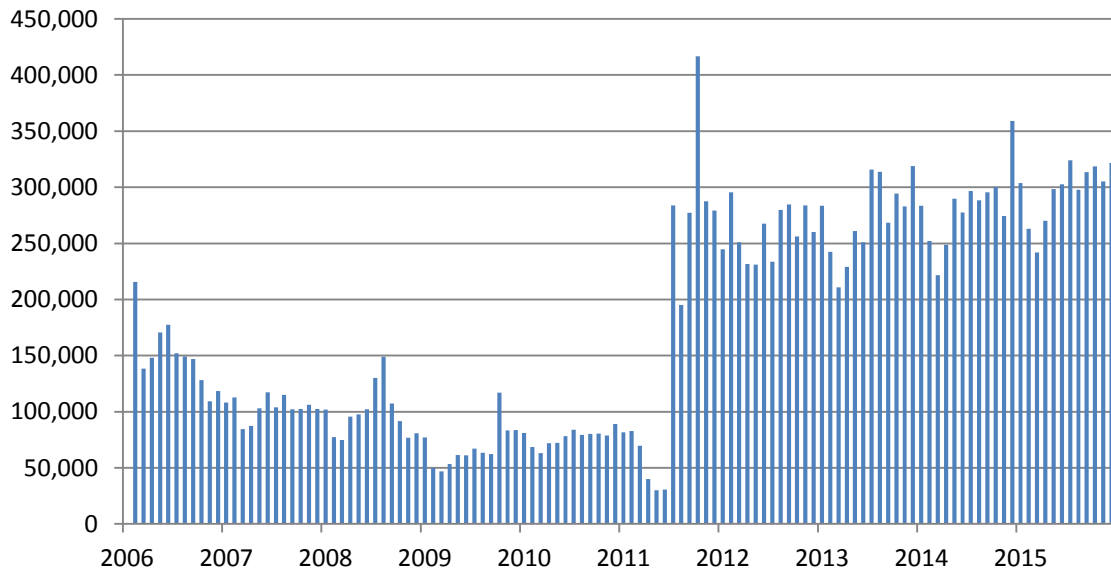
## Illinois Trends Report – Select Consumer Loan Products

### ***Inquiries to the Illinois Consumer Reporting Service***

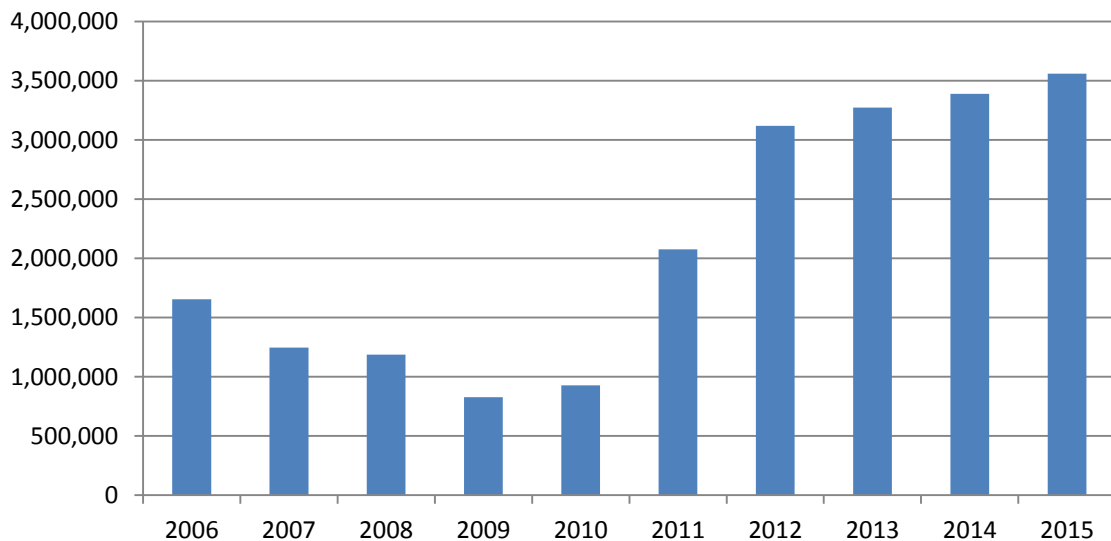
The number of inquiries and requests made to the Database (“Database Events”) during the Reporting Period was approximately 21.3 million.

Database inquires and requests include the following events: check eligibility; opens; closes; reopens; cancels; temps; transfers; returns; renewals, refinances; repayment plans; repayment plan reversals; defaults; default reversals; write-offs; write-off reversals; vehicle repossessions; vehicle sales; and information updates.

### **Database Events per Month**



### **Database Events per Year (Feb 2006 through Dec 2015)**

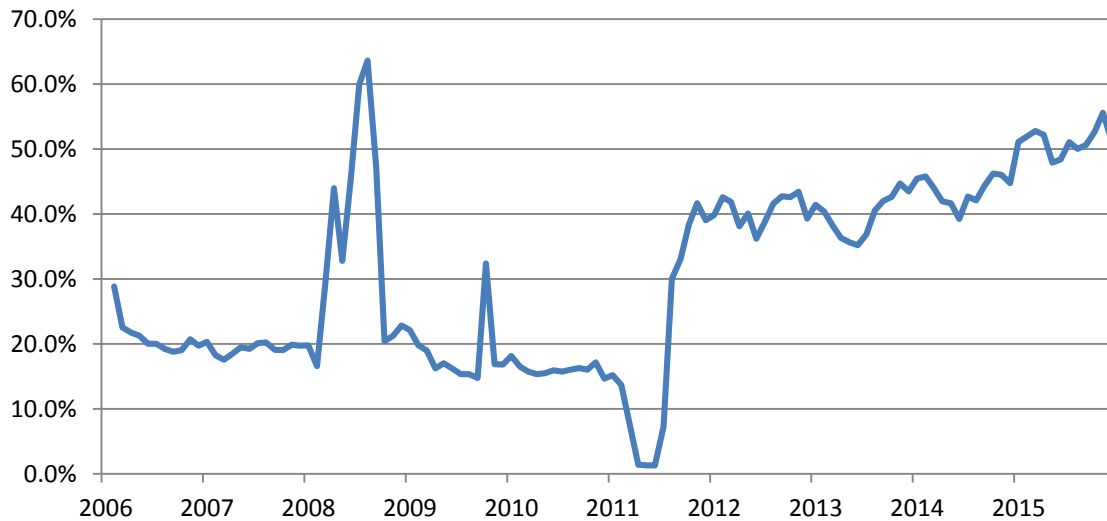


## Illinois Trends Report – Select Consumer Loan Products

### ***Declined Consumer Eligibility Checks<sup>5</sup>***

Declined eligibility checks for PLRA, IPL, and Title products averaged approximately 35.6 percent of total transaction requests during the Reporting Period.<sup>6</sup>

**Declined Eligibility Checks % of Total Transaction Requests  
(not including SCL)**



**Note: The cause of the abnormal increase in declined eligibility requests between March 2008 and September 2008 is due to multiple database events from a single licensee for a reason that may not be related to loan applications.**

**The increase in declined eligibility requests during the second half of 2009 is correlated to the implementation of Title Loan lending and the requirement for lenders to input data into the database.**

**Due to statute changes, licensees were unable to enter Payday Loan declines in the database from March 21st, 2011 through July 24th, 2011.**

**The following tables represent data from all registered users other than that single licensee.**

<sup>5</sup> Transactions and declines for Small Consumer Loans are not included in this section because declines for Small Consumer Loans are not recorded by the database.

<sup>6</sup> Assumes that declined consumer intended to open and represents the number of opened transactions plus the number of declined eligibility checks. Data includes multiple declined eligibility checks for the same consumer.

## Illinois Trends Report – Select Consumer Loan Products

### ***Ineligibility for a Loan***

The tables below provide annual information about the reasons for declined eligibility during the Reporting Period.<sup>7</sup>

**Total Declined Eligibility Checks by Reason**

Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2006	591	44	100,226	19,375	9,906	23,626	153,768
2007	318	40	68,288	15,138	3,719	11,532	99,035
2008	373	46	46,516	7,990	2,278	9,833	67,036
2009	1,551	46	28,549	10,084	4,940	10,131	55,301
2010	5,351	41	24,879	3,441	764	11,721	46,197
2011	20,336	721	59,420	36,941	40,461	17,028	174,907
2012	42,779	2,100	179,267	77,720	105,488	5,643	412,997
2013	30,107	1,678	198,482	42,454	113,151	6,761	392,633
2014	29,519	2,937	251,875	46,055	157,271	7,286	494,943
2015	25,149	2,992	380,225	49,822	225,604	6,269	690,061
Total	156,074	10,645	1,337,727	309,020	663,582	109,830	2,586,878

**Percentage of Total Declined Eligibility Checks by Reason**

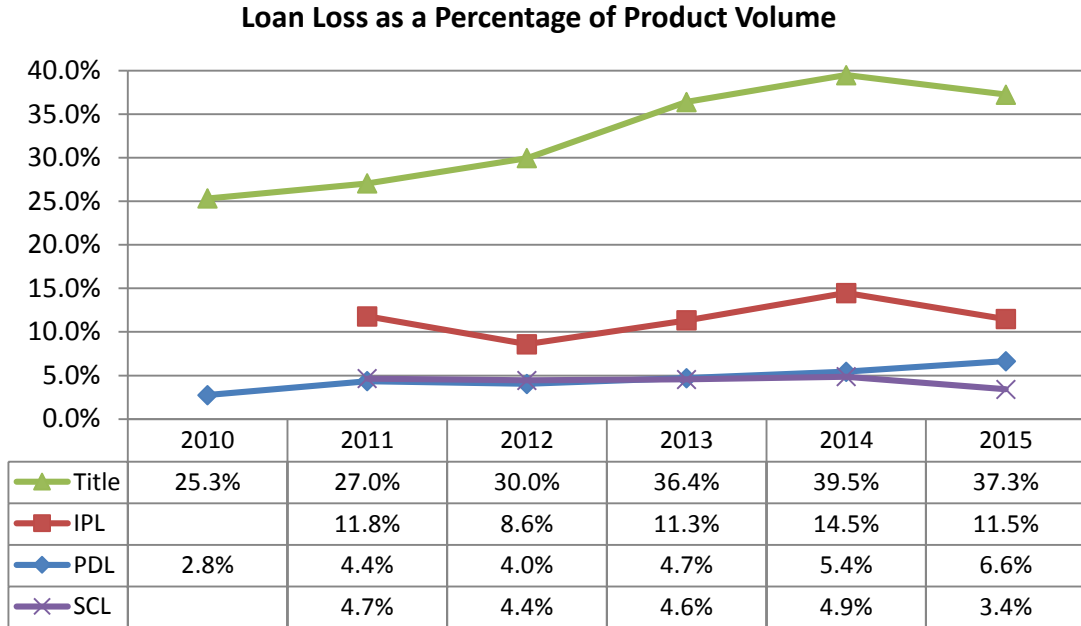
Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2006	0.38%	0.03%	65.18%	12.60%	6.44%	15.36%	100.00%
2007	0.32%	0.04%	68.95%	15.29%	3.76%	11.64%	100.00%
2008	0.56%	0.07%	69.39%	11.92%	3.40%	14.67%	100.00%
2009	2.80%	0.08%	51.62%	18.23%	8.93%	18.32%	100.00%
2010	11.58%	0.09%	53.85%	7.45%	1.65%	25.37%	100.00%
2011	11.63%	0.41%	33.97%	21.12%	23.13%	9.74%	100.00%
2012	10.36%	0.51%	43.41%	18.82%	25.54%	1.37%	100.00%
2013	7.67%	0.43%	50.55%	10.81%	28.82%	1.72%	100.00%
2014	5.96%	0.59%	50.89%	9.31%	31.78%	1.47%	100.00%
2015	3.64%	0.43%	55.10%	7.22%	32.69%	0.91%	100.00%
Total	6.03%	0.41%	51.71%	11.95%	25.65%	4.25%	100.00%

<sup>7</sup> A consumer may be ineligible for a loan for a number of reasons, including but not limited to: repayment plan restrictions; waiting period; restricted by consecutive days in product; over the dollar limit; and two open transactions. Definitions for ineligibility reasons for specific products are provided on pages 18-19 and 26-27.

## Illinois Trends Report – Select Consumer Loan Products

### Loan Loss

The chart below provides annual information about the estimated default rate of PLRA, IPL, Title, and SCL products during the Reporting Period.<sup>8</sup>



Loan loss is estimated by counting loans in default, written off, closed with a payment method of "bad debt", or are currently open greater than 60 days past due (or 60 days past the end date of the repayment plan if the loan was put into a repayment plan).

Loan loss for small consumer loans is estimated by counting loans listed as "discharged by the lender" and loans "satisfied in full or in part by collateral being sold after default."

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<sup>8</sup> Due to the method used for loan loss calculation and due to the dynamic nature of the database, loan loss rates shown may differ from the rates presented in previous reports.

## Illinois Trends Report – Select Consumer Loan Products

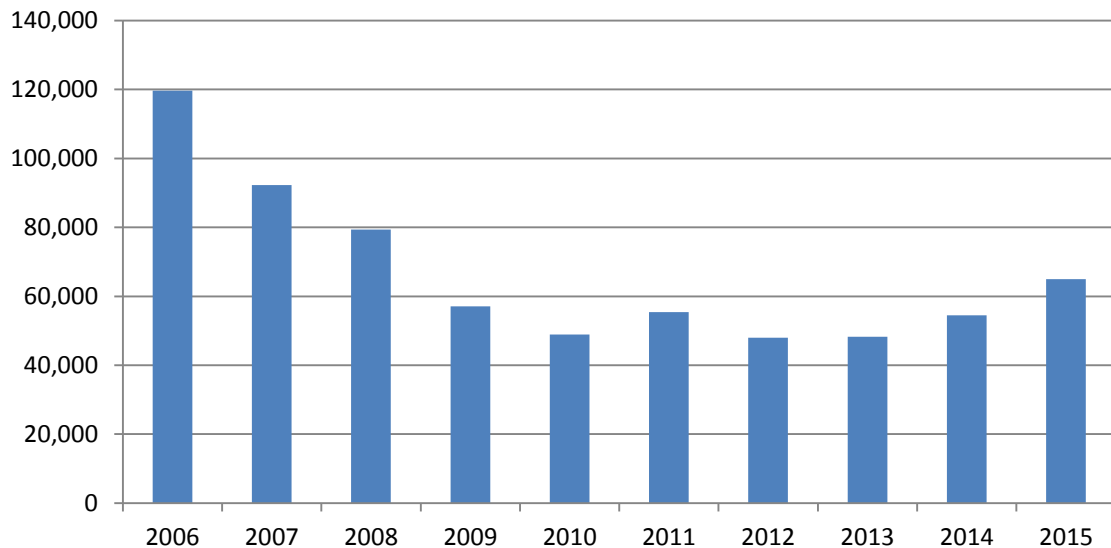
### PLRA Loans

#### ***PLRA Loan Consumers***

During the period from February 2006 through December 2015 (“Reporting Period”), 365,966 PLRA Loan consumers took out 2,393,320 PLRA Loans, or an average of 6.5 loans per consumer.

The number of PLRA Loan consumers (unique borrowers) in the Reporting Period is as follows:

**Unique PLRA Loan Consumers per Year  
(Feb 2006 through Dec 2015)**



The average monthly gross income of Illinois PLRA Loan consumers during the Reporting Period was \$2,847.43, or approximately \$34,169 per year.

For the Reporting Period:

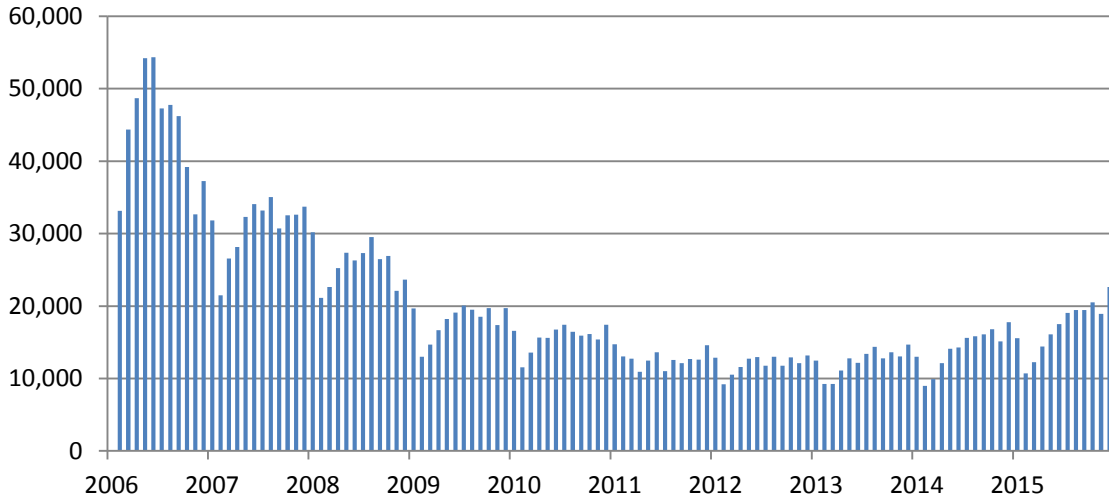
- Approximately 54% of PLRA Loan consumers earn \$30,000 or less per year.
- Approximately 18% of PLRA Loan consumers earn more than \$50,000 per year.
- Approximately 5%, of PLRA Loan consumers earn more than \$75,000 per year.

## Illinois Trends Report – Select Consumer Loan Products

### ***PLRA Loan Transaction Volume***

Total PLRA Loan transaction volume for the Reporting Period was approximately 2,393,320 loans.<sup>9</sup>

**PLRA Volume per Month**



PLRA Loan transaction volume has decreased at an average annual rate of 7.6 percent during the Reporting Period. Annual volume information for each year of the Reporting Period is presented in the following table.

Year <sup>10</sup>	Transaction Count <sup>11</sup>	Change vs. Prior Year
2006	485,024	
2007	372,137	-23.3%
2008	308,805	-17.0%
2009	216,207	-30.0%
2010	188,447	-12.8%
2011	153,132	-18.7%
2012	144,603	-5.6%
2013	148,899	3.0%
2014	169,565	13.9%
2015	206,501	21.8%

<sup>9</sup> Due to statute changes, licensees were unable to enter PLRA Loans in the database from March 21<sup>st</sup>, 2011 through July 24<sup>th</sup>, 2011. PLRA Loans with agreement dates from March 21<sup>st</sup>, 2011 through July 24<sup>th</sup>, 2011 were historically uploaded.

<sup>10</sup> PLRA Loan volume data outside of the reporting period (before February 1<sup>st</sup>, 2006) is not included.

<sup>11</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.

## Illinois Trends Report – Select Consumer Loan Products

### ***PLRA Average Term, Advance Amount, and Finance Charge***

The average term for PLRA Loans during the Reporting Period was 17.3 days.

Year	% of Loans by Term Range		
	13 to 20 days	21 to 30 days	30 to 45 days
2006	87.0%	12.5%	0.5%
2007	78.7%	20.5%	0.8%
2008	75.2%	23.7%	1.1%
2009	70.2%	28.4%	1.4%
2010	69.5%	29.1%	1.4%
2011	67.7%	29.2%	3.2%
2012	68.6%	30.0%	1.4%
2013	69.6%	28.8%	1.6%
2014	68.2%	30.0%	1.8%
2015	60.4%	31.0%	8.6%

The average PLRA Loan transaction during the Reporting Period was for an advance amount of approximately \$355.85 with total fees of \$54.64, or 15.35% of the average advance amount (\$15.35 per \$100.00 borrowed).

Most loan terms are between 13 and 20 days. However, if the same average total loan fees were annualized, the annual percentage rate (APR) would be 323%.

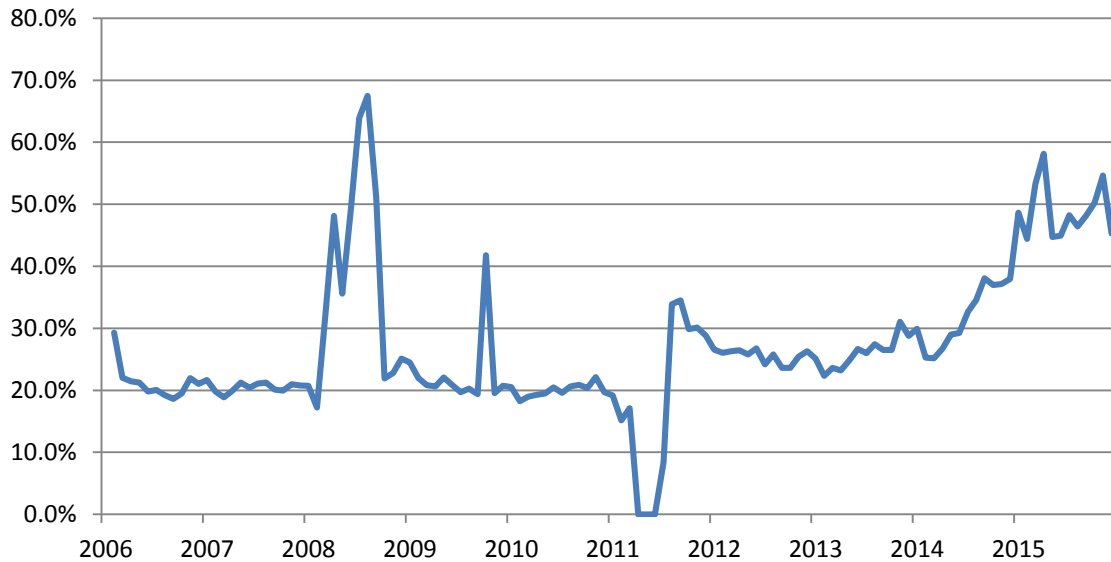
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## Illinois Trends Report – Select Consumer Loan Products

### ***Declined Consumer Eligibility Checks***

Declined eligibility checks for PLRA Loans averaged approximately 29.7 percent of PLRA Loan transaction requests during the Reporting Period.<sup>12</sup>

**Declined Eligibility Checks % of PLRA Transaction Requests**



**Note: The cause of the abnormal increase in declined eligibility requests between March 2008 and September 2008 is due to multiple database events from a single licensee for a reason that may not be related to loan applications.**

**The increase in declined eligibility requests during the second half of 2009 is correlated to the implementation of Title Loan lending and the requirement for lenders to input data into the database.**

**Due to statute changes, licensees were unable to enter PLRA Loan declines in the database from March 21st, 2011 through July 24th, 2011.**

**The following tables represent data from all registered users other than that single licensee.**

<sup>12</sup> Assumes that declined consumer intended to open a loan. PLRA Transaction Requests represents the number of opened transactions plus the number of declined eligibility checks. Data includes multiple declined eligibility checks for the same consumer.



## Illinois Trends Report – Select Consumer Loan Products

### ***Ineligibility for a PLRA Loan***

The chart and table below provides annual information about the reasons for declined eligibility during the Reporting Period.

**Total Declined Eligibility Checks by Reason**

Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2006	400	44	100,226	19,375	9,906	0	129,951
2007	223	40	68,288	15,138	3,719	0	87,408
2008	278	46	46,516	7,990	2,278	0	57,108
2009	340	46	28,549	10,084	4,940	0	43,959
2010	330	41	24,879	3,441	764	0	29,455
2011	1,824	96	13,775	4,259	8,338	0	28,292
2012	4,331	244	18,245	6,870	14,872	0	44,562
2013	4,977	257	22,169	7,549	17,967	0	52,919
2014	5,180	531	36,576	10,651	30,234	0	83,172
2015	4,977	950	118,808	13,975	60,389	0	199,099
Total	22,860	2,295	478,031	99,332	153,407	0	755,925

**Percentage of Total Declined Eligibility Checks by Reason**

Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2006	0.31%	0.03%	77.13%	14.91%	7.62%	0.00%	100.00%
2007	0.26%	0.05%	78.13%	17.32%	4.25%	0.00%	100.00%
2008	0.49%	0.08%	81.45%	13.99%	3.99%	0.00%	100.00%
2009	0.77%	0.10%	64.94%	22.94%	11.24%	0.00%	100.00%
2010	1.12%	0.14%	84.46%	11.68%	2.59%	0.00%	100.00%
2011	6.45%	0.34%	48.69%	15.05%	29.47%	0.00%	100.00%
2012	9.72%	0.55%	40.94%	15.42%	33.37%	0.00%	100.00%
2013	9.40%	0.49%	41.89%	14.27%	33.95%	0.00%	100.00%
2014	6.23%	0.64%	43.98%	12.81%	36.35%	0.00%	100.00%
2015	2.50%	0.48%	59.67%	7.02%	30.33%	0.00%	100.00%
Total	3.02%	0.30%	63.24%	13.14%	20.29%	0.00%	100.00%

## Illinois Trends Report – Select Consumer Loan Products

### ***Declined Eligibility due to Waiting Period Restrictions***

22,860 requests for a PLRA Loan were declined during the Reporting Period because of waiting period restrictions. These 22,860 declined eligibility requests represent approximately 3.0% of the 755,925 declined eligibility requests for the same period.

A Waiting Period is the period of time prescribed by the Payday Loan Act that a consumer is prohibited from receiving an additional Payday or Installment Payday Loan upon payment of the initial Payday or Installment Payday Loan. This time may vary from 2 to 14 days based on the type of loan and repayment, maturity or repayment plan issues.

### ***Declined Eligibility due to Over Dollar Limit***

99,332 requests for a PLRA Loan were declined during the Reporting Period due to exceeding allowable outstanding dollar limits. These 99,332 declined eligibility requests represent approximately 13.1% of the 755,925 declined eligibility requests for the same period.

Over Dollar Limit indicates that the consumer has reached the maximum allowable monthly debt service for a payday loan(s). The maximum monthly debt service is the lesser of \$1,000 per month or 25% of Gross Income for Payday Loans and 22.5% of Gross Income for Installment Payday Loans. If the consumer has an existing Installment Payday Loan and is seeking an additional Payday Loan the maximum allowable monthly Debt Service is limited to the lesser of \$1,000 or 22.5% of Gross Monthly Income.

### ***Declined Eligibility due to Two Open Transactions***

153,407 requests for a PLRA Loan were declined during the Reporting Period due to limits on the number of outstanding transactions. These 153,407 declined eligibility requests represent approximately 20.3% of the 755,925 declined eligibility requests for the same period.

A consumer is limited to having no more than two open Payday Loans (Payday, Installment Payday or a combination thereof) at any one time.

## Illinois Trends Report – Select Consumer Loan Products

### ***Restricted by Repayment Plan***

2,295 requests for a PLRA Loan were declined during the Reporting Period because of repayment plan restrictions. These 2,295 declined eligibility requests represent approximately 0.3% of the 755,925 declined eligibility requests for the same period.

A lender may not make a payday loan to a consumer who has a payday loan outstanding under a repayment plan and for at least 14 days after the outstanding balance of the loan under the repayment plan and the outstanding balance of all other payday loans outstanding during the term of the repayment plan are paid in full.

### ***Restricted by Consecutive Days in Product***

478,031 requests for a PLRA Loan were declined during the Reporting Period due to restrictions on consecutive days in the same product. These 478,031 declined eligibility requests represent approximately 63.2% of the 755,925 declined eligibility requests for the same period.

No payday loan may be made to a consumer if the loan would result in the consumer being indebted to one or more payday lenders for a period in excess of 45 consecutive days. If a consumer has or has had loans outstanding for a period in excess of 45 consecutive days, no payday lender may offer or make a loan to the consumer for at least 7 calendar days after the date on which the outstanding balance of all payday loans made during the 45 consecutive day period is paid in full.

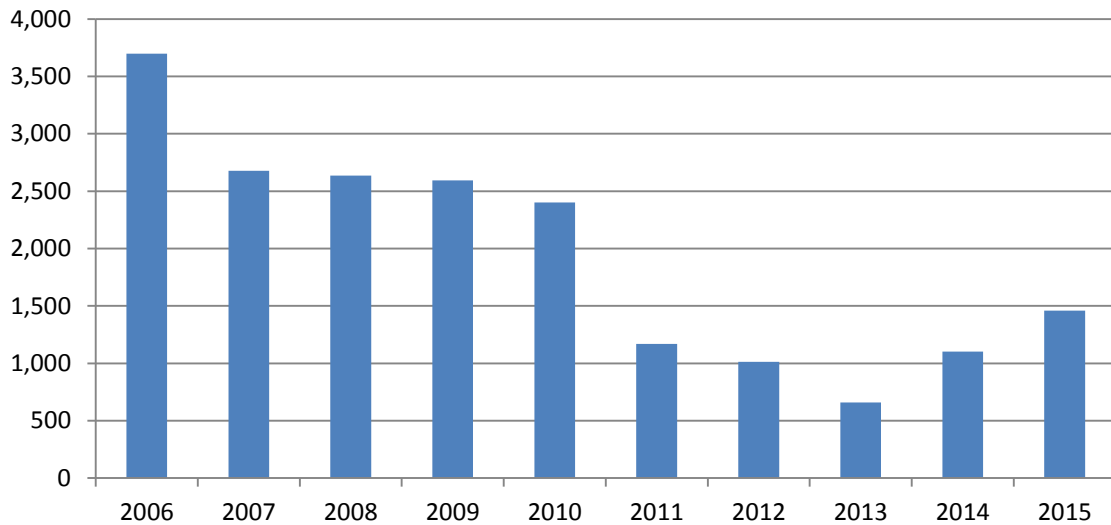
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## Illinois Trends Report – Select Consumer Loan Products

### ***Repayment Plans***

The total number of PLRA Loan repayment plans registered during the Reporting Period was approximately 19,415, representing approximately 0.81% of the total PLRA Loan transactions conducted during the Reporting Period.

**Repayment Plan Volume per Year  
(Feb 2006 through Dec 2015)**



When a consumer has or has had one or more Payday Loans outstanding for 35 consecutive days, any Payday Loan outstanding on the 35<sup>th</sup> consecutive day shall be payable under the terms of a Repayment Plan as provided for in the Act. A consumer has until 28 days after the default date of the loan to request a Repayment Plan. Within 48 hours after the request for a Repayment Plan is made, the lender must prepare the Repayment Plan agreement and both parties must execute the agreement.

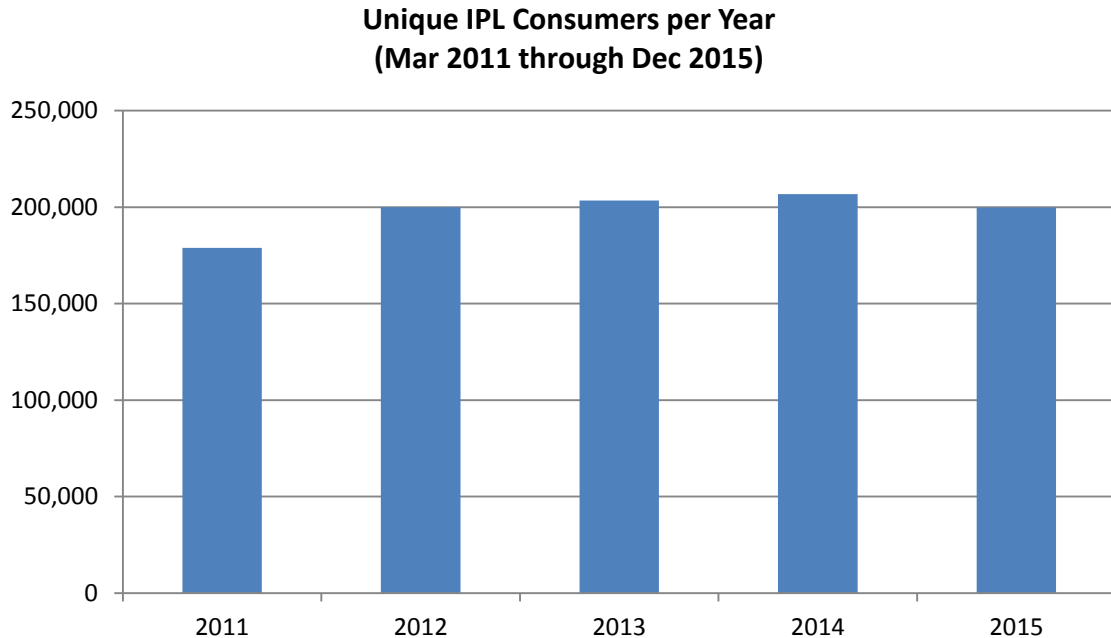
## Illinois Trends Report – Select Consumer Loan Products

### Installment Payday Loans

#### ***Installment Payday Loan Consumers***

During the period from March 2011 through December 2015 (“Reporting Period”), 531,539 Installment Payday Loan consumers took out 1,958,540 Installment Payday Loans, or an average of 3.7 loans per consumer.<sup>13</sup>

The number of Installment Payday Loan consumers (unique borrowers) in the Reporting Period is as follows:



The average monthly gross income of Illinois Installment Payday Loan consumers during the Reporting Period was \$2,744.24, or approximately \$32,931 per year.

For the Reporting Period:

- Approximately 57% of Installment Payday Loan consumers earn \$30,000 or less per year.
- Approximately 17% of Installment Payday Loan consumers earn more than \$50,000 per year.
- Approximately 6%, of Installment Payday Loan consumers earn more than \$75,000 per year.

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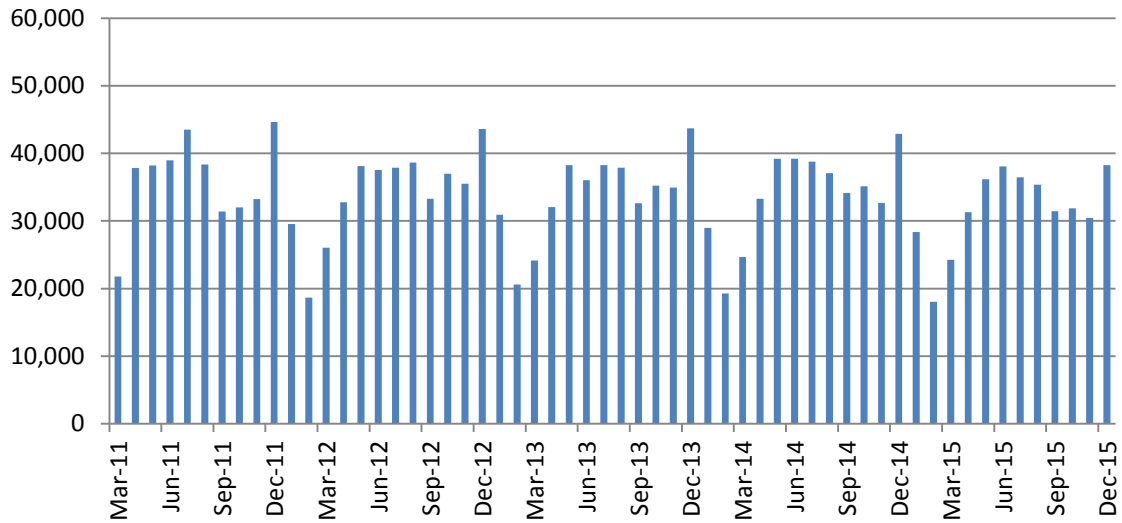
<sup>13</sup> Installment Payday Loans with agreement dates prior to July 25<sup>th</sup>, 2011 were historically uploaded.

## Illinois Trends Report – Select Consumer Loan Products

### ***Installment Payday Loan Transaction Volume***

Total Installment Payday Loan volume for the Reporting Period was approximately 1,958,540 loans.<sup>14</sup>

**IPL Volume per Month**



Installment Payday Loan volume increased at an average annual rate of 1.6 percent during the Reporting Period. Annual volume information for each year of the Reporting Period is presented in the following table.

<b>Year<sup>15</sup></b>	<b>Transaction Count<sup>16</sup></b>	<b>Change vs. Prior Year</b>
2011	359,876	
2012	408,666	13.6%
2013	404,725	-1.0%
2014	405,300	0.1%
2015	379,973	-6.2%

<sup>14</sup> Installment Payday Loans with agreement dates prior to July 25<sup>th</sup>, 2011 were historically uploaded.

<sup>15</sup> Annual data does not include Installment Payday Loans opened before March 21<sup>st</sup>, 2011. Installment Payday Loans opened before July 25<sup>th</sup>, 2011 were historically uploaded.

<sup>16</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.

## Illinois Trends Report – Select Consumer Loan Products

### ***IPL Average Term, Advance Amount, and Finance Charge***

The average term for Installment Payday Loans during the Reporting Period was 162.9 days.

As can be seen in the table below, the majority of consumers had a loan with a term between 160 to 180 days.

Year	% of Loans by Term Range		
	112 to 140 days	140 to 160 days	160 to 180 days
2011	10.9%	13.5%	75.6%
2012	13.4%	13.9%	72.8%
2013	12.1%	14.3%	73.6%
2014	11.1%	14.5%	74.3%
2015	10.4%	14.7%	74.9%

The average Installment Payday Loan during the Reporting Period was for an advance amount of approximately \$658.65 with total fees of \$669.53.

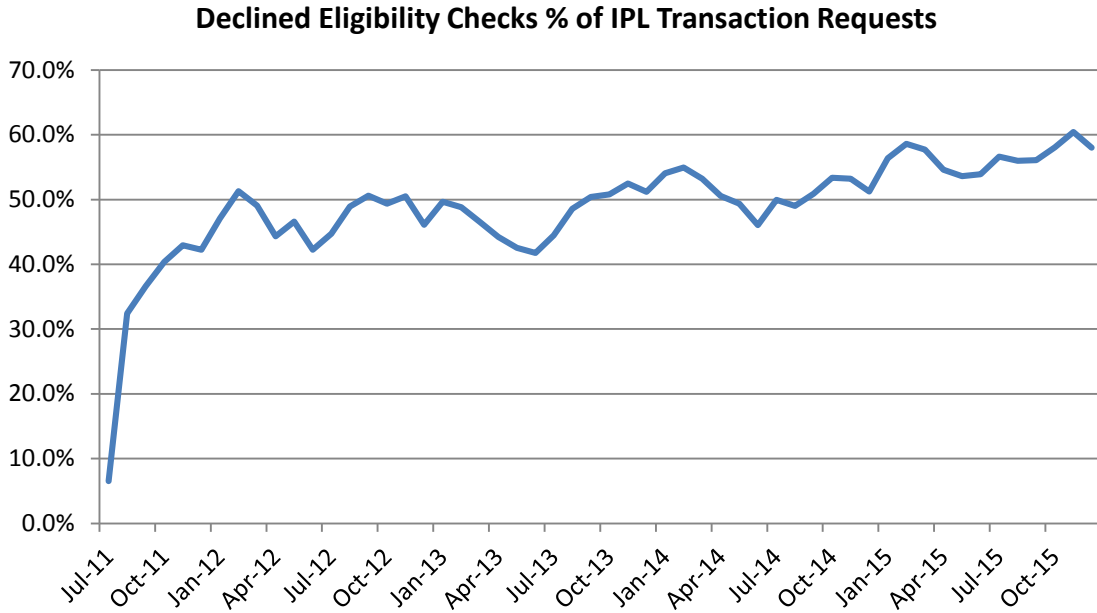
As noted above, most loan terms are between 160 and 180 days. However, if the same average Installment Payday Loan total fee were annualized, the annual percentage rate (APR) would be 228%.

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## Illinois Trends Report – Select Consumer Loan Products

### ***Declined Consumer Eligibility Checks***

Declined eligibility checks for Installment Payday Loans averaged approximately 47.6 percent of Installment Payday Loan transaction requests during the Reporting Period.<sup>17</sup>



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<sup>17</sup> Assumes that declined consumer intended to open a loan. Installment Payday Loan Transaction Requests represents the number of opened transactions plus the number of declined eligibility checks. Data includes multiple declined eligibility checks for the same consumer.



## Illinois Trends Report – Select Consumer Loan Products

### ***Ineligibility for an Installment Payday Loan***

The chart and table below provides annual information about the reasons for declined eligibility during the Reporting Period.

**Total Declined Eligibility Checks by Reason**

Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2011	7,775	625	45,645	32,683	32,123	0	118,851
2012	20,323	2,042	175,569	72,731	98,570	0	369,235
2013	21,379	1,709	200,529	38,415	109,156	0	371,188
2014	20,814	2,544	228,482	37,114	134,551	0	423,505
2015	16,950	2,087	269,695	36,857	169,844	0	495,433
Total	87,241	9,007	919,920	217,800	544,244	0	1,778,212

**Percentage of Total Declined Eligibility Checks by Reason**

Year	Waiting Period	Restricted by Repayment Plan	Restricted by Consecutive Days in Product	Over Dollar Limit	Two Open Transactions	Other	Total
2011	6.54%	0.53%	38.41%	27.50%	27.03%	0.00%	100.00%
2012	5.50%	0.55%	47.55%	19.70%	26.70%	0.00%	100.00%
2013	5.76%	0.46%	54.02%	10.35%	29.41%	0.00%	100.00%
2014	4.91%	0.60%	53.95%	8.76%	31.77%	0.00%	100.00%
2015	3.42%	0.42%	54.44%	7.44%	34.28%	0.00%	100.00%
Total	4.91%	0.51%	51.73%	12.25%	30.61%	0.00%	100.00%

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## Illinois Trends Report – Select Consumer Loan Products

### ***Declined Eligibility due to Waiting Period Restrictions***

87,241 requests for an Installment Payday Loan were declined during the Reporting Period because of waiting period restrictions. These 87,241 declined eligibility requests represent approximately 4.9% of the 1,778,212 declined eligibility requests for the same period.

A Waiting Period is the period of time prescribed by the Payday Loan Act that a consumer is prohibited from receiving an additional Payday or Installment Payday Loan upon payment of the initial Payday or Installment Payday Loan. This time may vary from 2 to 14 days based on the type of loan and repayment, maturity or repayment plan issues.

### ***Declined Eligibility due to Over Dollar Limit***

217,800 requests for an Installment Payday Loan were declined during the Reporting Period due to exceeding allowable outstanding dollar limits. These 217,800 declined eligibility requests represent approximately 12.3% of the 1,778,212 declined eligibility requests for the same period.

Over Dollar Limit indicates that the consumer has reached the maximum allowable monthly debt service for a payday loan(s). The maximum monthly debt service is the lesser of \$1,000 per month or 25% of Gross Income for Payday Loans and 22.5% of Gross Income for Installment Payday Loans. If the consumer has an existing Installment Payday Loan and is seeking an additional Payday Loan the maximum allowable monthly Debt Service is limited to the lesser of \$1,000 or 22.5% of Gross Monthly Income.

### ***Declined Eligibility due to Two Open Transactions***

544,244 requests for an Installment Payday Loan were declined during the Reporting Period due to limits on the number of outstanding transactions. These 544,244 declined eligibility requests represent approximately 30.6% of the 1,778,212 declined eligibility requests for the same period.

A consumer is limited to having no more than two open Payday Loans (Payday, Installment Payday or a combination thereof) at any one time.

## Illinois Trends Report – Select Consumer Loan Products

### ***Restricted by Repayment Plan***

9,007 requests for an Installment Payday Loan were declined during the Reporting Period because of repayment plan restrictions. These 9,007 declined eligibility requests represent approximately 0.51% of the 1,778,212 declined eligibility requests for the same period.

A lender may not make a payday loan to a consumer who has a payday loan outstanding under a repayment plan and for at least 14 days after the outstanding balance of the loan under the repayment plan and the outstanding balance of all other payday loans outstanding during the term of the repayment plan are paid in full.

### ***Restricted by Consecutive Days in Product***

919,920 requests for an Installment Payday Loan were declined during the Reporting Period due to restrictions on consecutive days in the same product. These 919,920 declined eligibility requests represent approximately 51.73% of the 1,778,212 declined eligibility requests for the same period.

No Installment Payday Loan may be made to a consumer if the loan would result in the consumer being indebted to one or more payday lenders for a period in excess of 180 consecutive days.

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## Illinois Trends Report – Select Consumer Loan Products

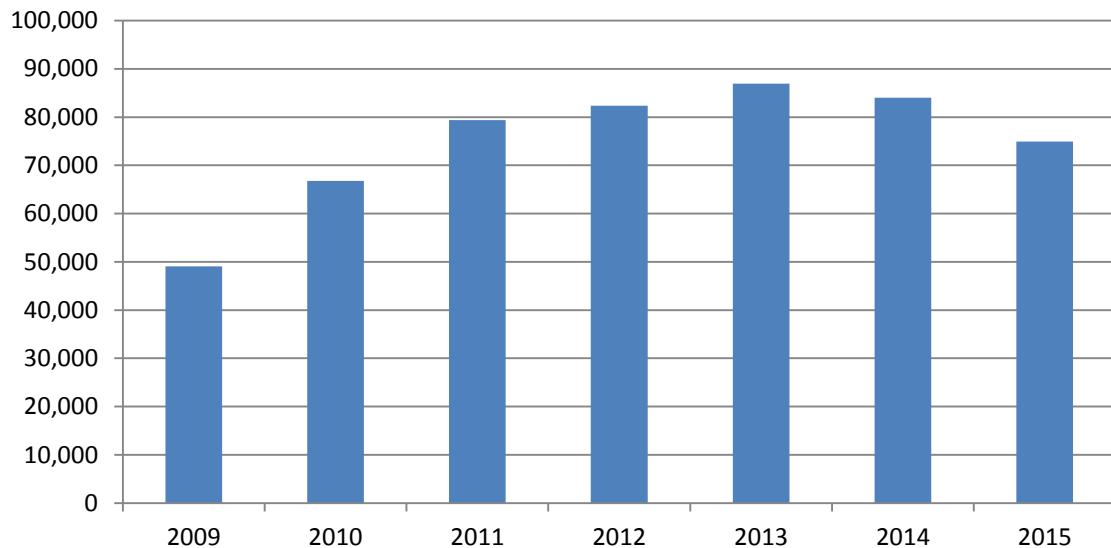
### Title Loans

#### ***Title Loan Consumers***

During the period from April 2009 through December 2015 (“Reporting Period”), 346,251 Title Loan consumers took out 607,795 Title Loans, or an average of 1.8 loans per consumer.<sup>18</sup>

The number of Title Loan consumers (unique borrowers) in the Reporting Period is as follows:

**Unique Title Loan Consumers per Year  
(Apr 2009 through Dec 2015)**



The average monthly gross income of Illinois Title Loan consumers during the Reporting Period was \$2,143.65, or approximately \$25,724 per year.

For the Reporting Period:

- Approximately 73% of Title Loan consumers earn \$30,000 or less per year.
- Approximately 10% of Title Loan consumers earn more than \$50,000 per year.
- Approximately 3%, of Title Loan consumers earn more than \$75,000 per year.

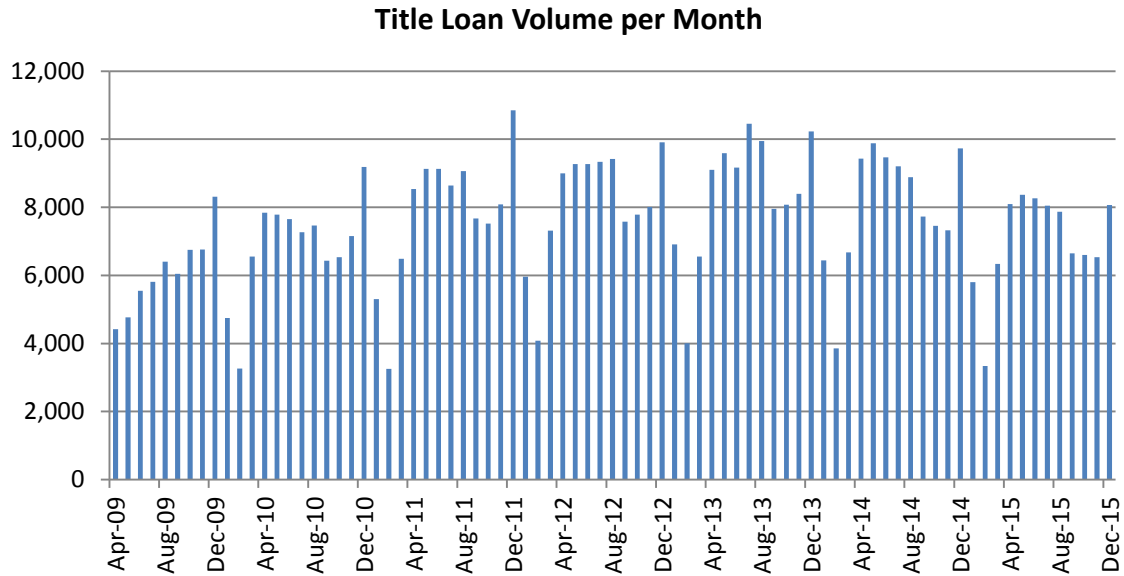
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<sup>18</sup> Title Loans with agreement dates prior to October 1<sup>st</sup>, 2009 were historically uploaded.

## Illinois Trends Report – Select Consumer Loan Products

### ***Title Loan Transaction Volume***

Total Title Loan volume for the Reporting Period was approximately 607,795 loans.<sup>19</sup>



Title Loan transaction volume increased at an average annual rate of 9.0 percent during the Reporting Period. Annual volume information for each year of the Reporting Period is presented in the following table.

Year <sup>20</sup>	Transaction Count <sup>21</sup>	Change vs. Prior Year
2009	54,836	
2010	81,893	49.3%
2011	93,677	14.4%
2012	96,944	3.5%
2013	100,393	3.6%
2014	96,072	-4.3%
2015	83,980	-12.6%

<sup>19</sup> Title Loans with agreement dates prior to October 1<sup>st</sup>, 2009 were historically uploaded.

<sup>20</sup> Annual data does not include Title Loans opened before April 1<sup>st</sup>, 2009. Title Loans opened before October 1<sup>st</sup>, 2009 were historically uploaded.

<sup>21</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.

## Illinois Trends Report – Select Consumer Loan Products

### ***Title Loan Average Term, Advance Amount, and Finance Charge***

The average term for Title Loans during the Reporting Period was 490.0 days.

Year	% of Loans by Term Range		
	1 to 360 days	360 to 720 days	720+ days
2009	33.6%	58.3%	8.1%
2010	40.6%	49.8%	9.7%
2011	22.2%	50.0%	27.8%
2012	18.2%	41.2%	40.6%
2013	10.6%	30.5%	58.9%
2014	6.5%	29.8%	63.7%
2015	6.8%	27.0%	66.2%

The average Title Loan during the Reporting Period was for an advance amount of approximately \$1,011.47 with total fees of \$2,571.37.

The average Title Loan total fee is calculated as an annual percentage rate (APR) of 189%.

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## Illinois Trends Report – Select Consumer Loan Products

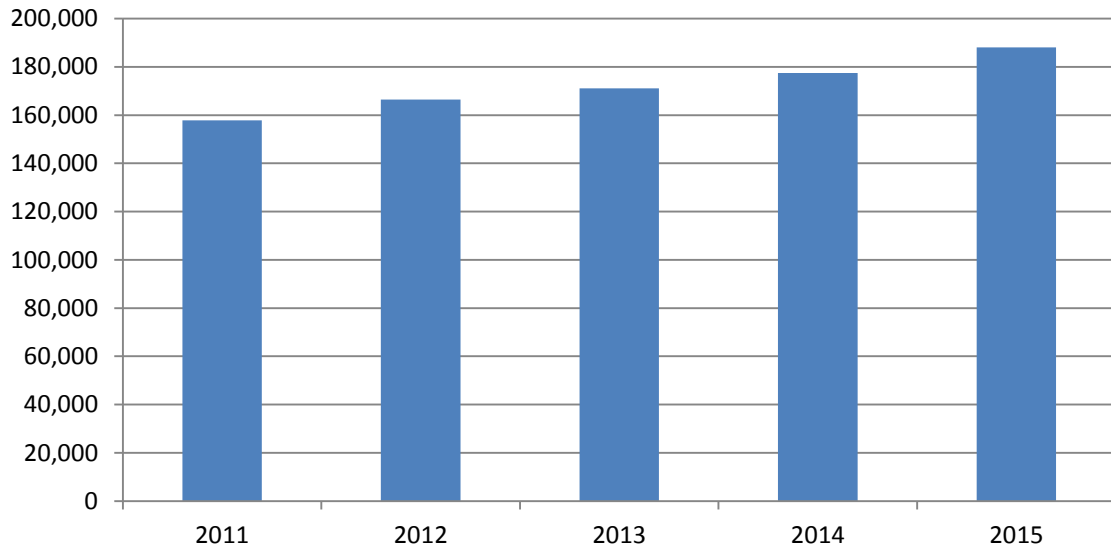
### Small Consumer Loans

#### Small Consumer Loan Consumers

During the period from March 2011 through December 2015 (“Reporting Period”), 386,028 Small Consumer Loan consumers took out 2,135,726 Small Consumer Loans, or an average of 5.5 loans per consumer.

The number of Small Consumer Loan consumers (unique borrowers) in the Reporting Period is as follows:

**Unique SCL Consumers per Year  
(Mar 2011 through Dec 2015)**



The average monthly gross income of Illinois Small Consumer Loan consumers during the Reporting Period was \$2,487.41, or approximately \$29,849 per year.

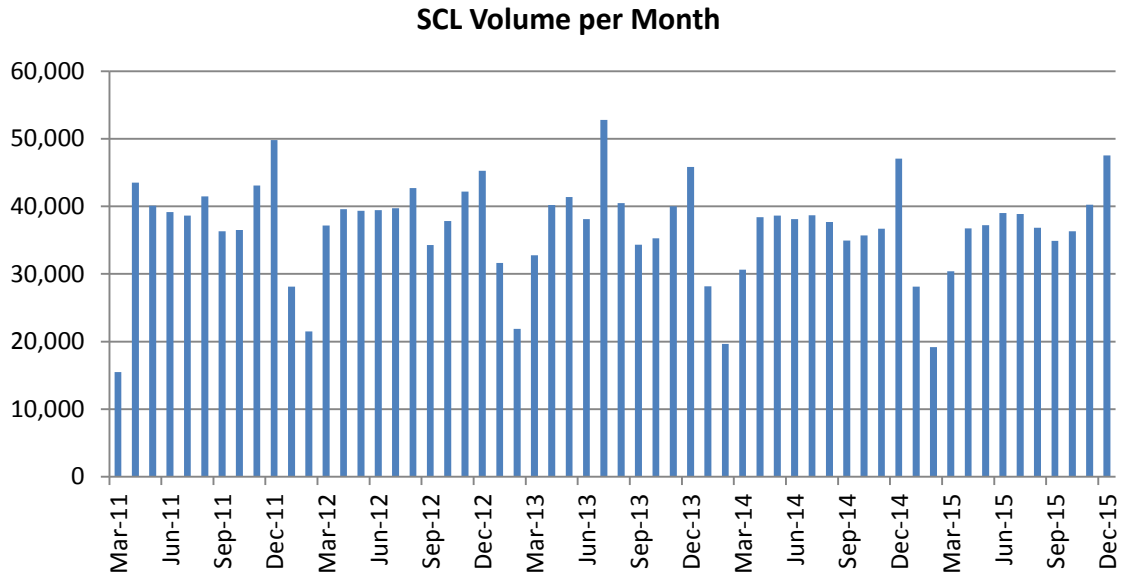
For the Reporting Period:

- Approximately 65% of Small Consumer Loan consumers earn \$30,000 or less per year.
- Approximately 14% of Small Consumer Loan consumers earn more than \$50,000 per year.
- Approximately 5%, of Small Consumer Loan consumers earn more than \$75,000 per year.

## Illinois Trends Report – Select Consumer Loan Products

### ***Small Consumer Loan Transaction Volume***

Total Small Consumer Loan volume for the Reporting Period was approximately 2,135,726 loans.



Small Consumer Loan volume increased at an average annual rate of 2.9 percent during the Reporting Period. Annual volume information for each year of the Reporting Period is presented in the following table.

<b>Year<sup>22</sup></b>	<b>Transaction Count<sup>23</sup></b>	<b>Change vs. Prior Year</b>
2011	384,180	
2012	447,099	16.4%
2013	454,679	1.7%
2014	424,338	-6.7%
2015	425,430	0.3%

<sup>22</sup> Annual data does not include Small Consumer Loans opened before March 21<sup>st</sup>, 2011.

<sup>23</sup> Due to the dynamic nature of the database, data shown may differ from previous reports.



## Illinois Trends Report – Select Consumer Loan Products

### ***Small Consumer Loan Average Term, Advance Amount, and Finance Charge***

The average term for Small Consumer Loans during the Reporting Period was 316.8 days.

Year	% of Loans by Term Range		
	1 to 360 days	360 to 720 days	720+ days
2011	78.2%	20.2%	1.7%
2012	76.6%	21.5%	1.9%
2013	74.4%	22.4%	3.2%
2014	72.9%	22.3%	4.8%
2015	71.7%	23.5%	4.7%

The average Small Consumer Loan during the Reporting Period was for an advance amount of approximately \$844.08 with total fees of \$245.25.

The average Small Consumer Loan total fee is calculated as an annual percentage rate (APR) of 33%.

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