

# 2009 Payday Lending Report

Washington State  
Department of  
Financial  
Institutions





# Washington State Payday Lending Industry

## Payday Loan Historical Data

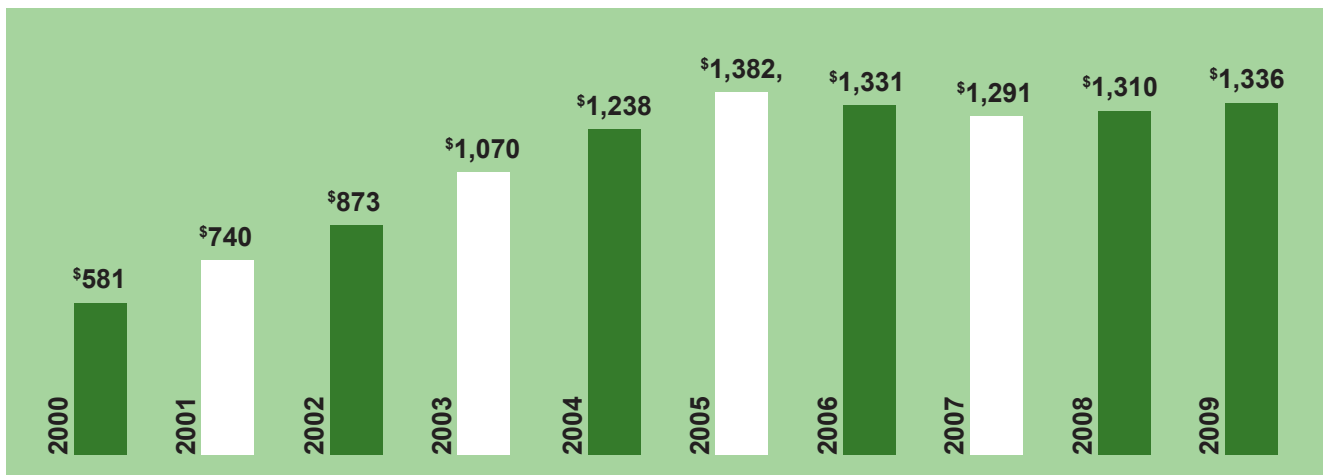
Washington State Payday Lending Industry

	2000	2001	2002	2003	2004
Small Loans Made	1,832,782	2,186,333	2,337,359	2,983,477	3,297,012
Total Amount of Small Loans	\$580,535,734	\$739,540,654	\$873,339,989	\$1,069,695,069	\$1,238,488,278

	2005	2006	2007	2008	2009
Small Loans Made	3,595,873	3,503,721	3,265,621	3,196,712	3,244,024
Total Amount of Small Loans	\$1,382,132,283	\$1,330,738,135.68	\$1,291,212,797.00	\$1,310,540,280.40	\$1,336,028,845.01

## Total Payday Loans Made (measured in millions of dollars)

Washington State Payday Lending Industry



The average payday loan fee in 2009 was \$57.

When measured in dollars, payday lending is a \$1.3 billion industry.

## 2009 Payday Loan Analysis

Washington State Payday Lending Industry

Washington State Payday Lending Industry	2009
Volume of Payday Loans	\$1,336,028,845.01
Number of Payday Loans	3,244,024
Average Payday Loan Amount	\$411.84

## 2009 Payday Loan Fee Analysis

Washington State Payday Lending Industry

Washington State Payday Lending Industry	2009
Total Payday Loan Fees	\$183,437,279.38
Number of Payday Loans	3,244,024
Average Payday Loan Fee	\$56.55

The Department collected additional required statistics from 14 licensees with more than \$10 million in loans. In addition, 15 licensees provided this data voluntarily. The information featured on pages 3-8 represents responses from these 29 companies, which make up 90% of the loans (measured by dollar volume). These companies range in size from \$27,500 - \$423,403,131 in annual loan volume.

## Payday Loan Analysis of 29 companies

(90% of the state's payday lending market)

Volume of Payday Loans	\$1,196,092,197.00
Number of Payday Loans	2,988,561
Average Payday Loan Amount	\$400.22

## 2009 Payment Plan Use

(90% of the state's payday lending market)

Number of borrowers who entered into payment plans	97,028
Payment plan as a percent of estimated borrowers	23.17%

## Average Length of Payday Loans

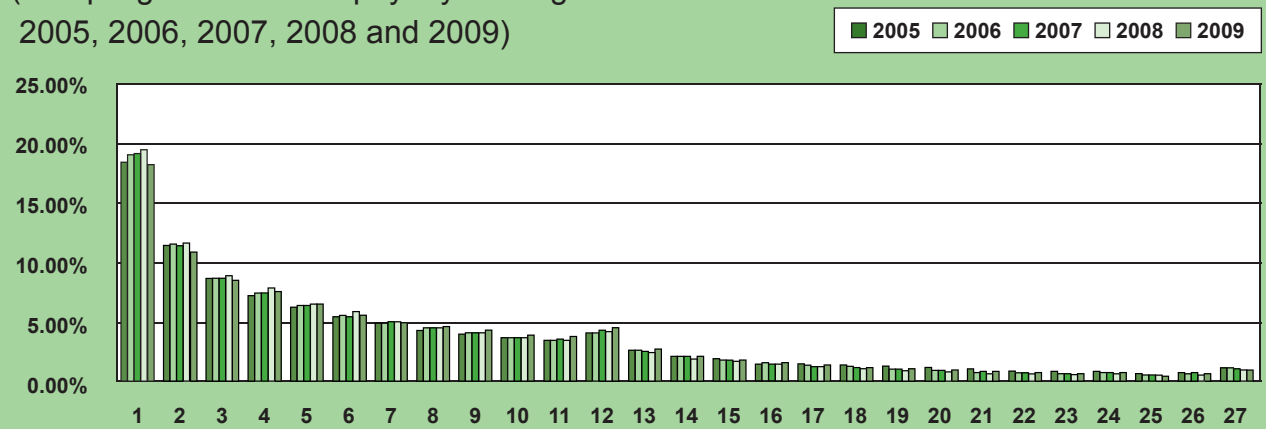
(90% of the state's payday lending market)

The average length of a payday loan in 2009 among the 29 companies was 19.6 days.

1-7 days	4.95%
8-14 days	38.77%
15-21 days	35.44%
22-31 days	15.35%
32+ days	4.89%

## Borrowing Frequency Comparison

(Sampling of the state's payday lending statistics 2005, 2006, 2007, 2008 and 2009)



The tables on pages 4, 5, 7 and 8 capture loan frequency data as the number of loans each individual borrowed during the year. For example, 44,408 borrowers entered into loan transactions with a lender two times in 2009 for a total of 88,816 loans in this category (44,408 x 2 = 88,816).

## Loan Frequency 2009

(90% of the state's payday lending market)

Annual Loan Frequency	Total Borrowers	% Total Borrowers	Total Number of Loans	% of Total Loans
1 Time	74184	18.09%	74,184	2.50%
2 Times	44408	10.83%	88,816	2.99%
3 Times	34257	8.35%	102,771	3.46%
4 Times	30555	7.45%	122,220	4.11%
5 Times	26344	6.42%	131,720	4.43%
6 Times	22509	5.49%	135,054	4.55%
7 Times	20165	4.92%	141,155	4.75%
8 Times	18707	4.56%	149,656	5.04%
9 Times	17570	4.28%	158,130	5.32%
10 Times	15629	3.81%	156,290	5.26%
11 Times	15484	3.78%	170,324	5.73%
12 Times	18476	4.51%	221,712	7.46%
13 Times	10968	2.67%	142,584	4.80%
14 Times	8421	2.05%	117,894	3.97%
15 Times	7212	1.76%	108,180	3.64%
16 Times	6349	1.55%	101,584	3.42%
17 Times	5556	1.35%	94,452	3.18%
18 Times	4868	1.19%	87,624	2.95%
19 Times	4341	1.06%	82,479	2.78%
20 Times	3899	0.95%	77,980	2.62%
21 Times	3341	0.81%	70,161	2.36%
22 Times	3010	0.73%	66,220	2.23%
23 Times	2743	0.67%	63,089	2.12%
24 Times	2844	0.69%	68,256	2.30%
25 Times	1901	0.46%	47,525	1.60%
26 Times	2382	0.58%	61,932	2.08%
27 Times	932	0.23%	25,164	0.85%

## Loan Frequency 2009, continued

(90% of the state's payday lending market)

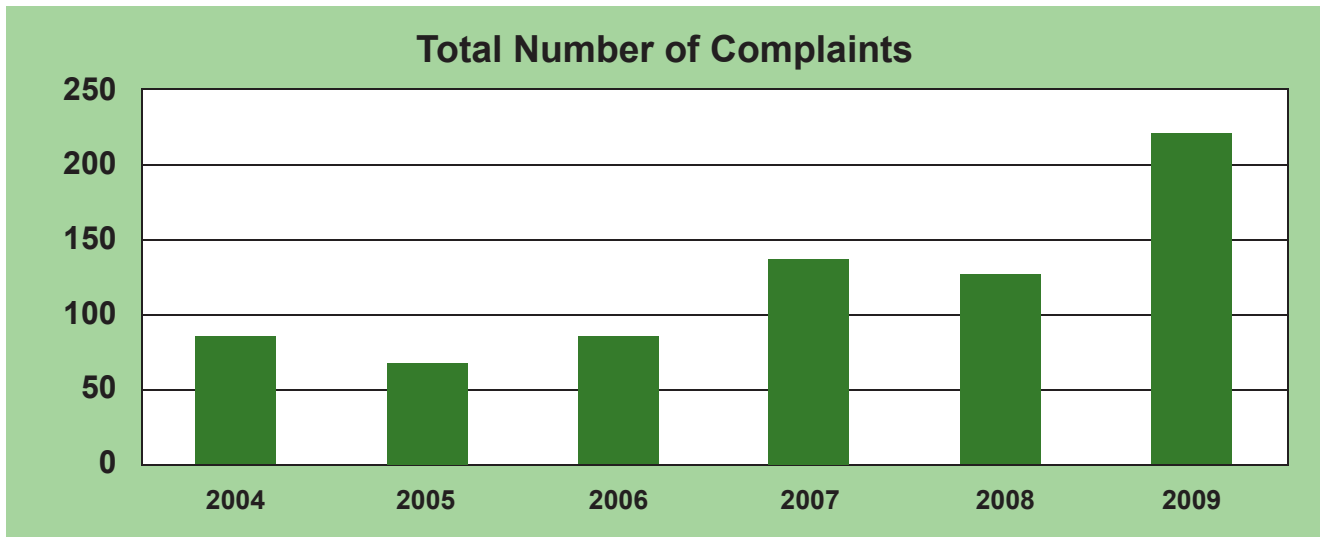
Annual Loan Frequency	Total Borrowers	% of Total Borrowers	Total Number of Loans	% of Total Loans
28 Times	428	0.10%	11,984	0.40%
29 Times	359	0.09%	10,411	0.35%
30 Times	281	0.07%	8,430	0.28%
31 Times	250	0.06%	7,750	0.26%
32 Times	198	0.05%	6,336	0.21%
33 Times	183	0.04%	6,039	0.20%
34 Times	148	0.04%	5,032	0.17%
35 Times	130	0.03%	4,550	0.15%
36 Times	105	0.03%	3,780	0.13%
37 Times	98	0.02%	3,626	0.12%
38 Times	88	0.02%	3,344	0.11%
39 Times	72	0.02%	2,808	0.09%
40 Times	55	0.01%	2,200	0.07%
41 Times	53	0.01%	2,173	0.07%
42 Times	51	0.01%	2,142	0.07%
43 Times	30	0.01%	1,290	0.04%
44 Times	45	0.01%	1,980	0.07%
45 Times	37	0.01%	1,665	0.06%
46 Times	39	0.01%	1,794	0.06%
47 Times	25	0.01%	1,175	0.04%
48 Times	28	0.01%	1,344	0.05%
49 Times	24	0.01%	1,176	0.04%
50 Times	18	0.00%	900	0.03%
51 + Times	241	0.06%	12,291	0.41%
<b>TOTAL</b>	<b>415,371</b>	<b>100.00%</b>	<b>2,865,018</b>	<b>100.00%</b>

## Consumer Complaint Summary

DFI Investigates complaints from consumers about payday lenders. DFI received the following number of complaints against all payday lenders in Washington State.

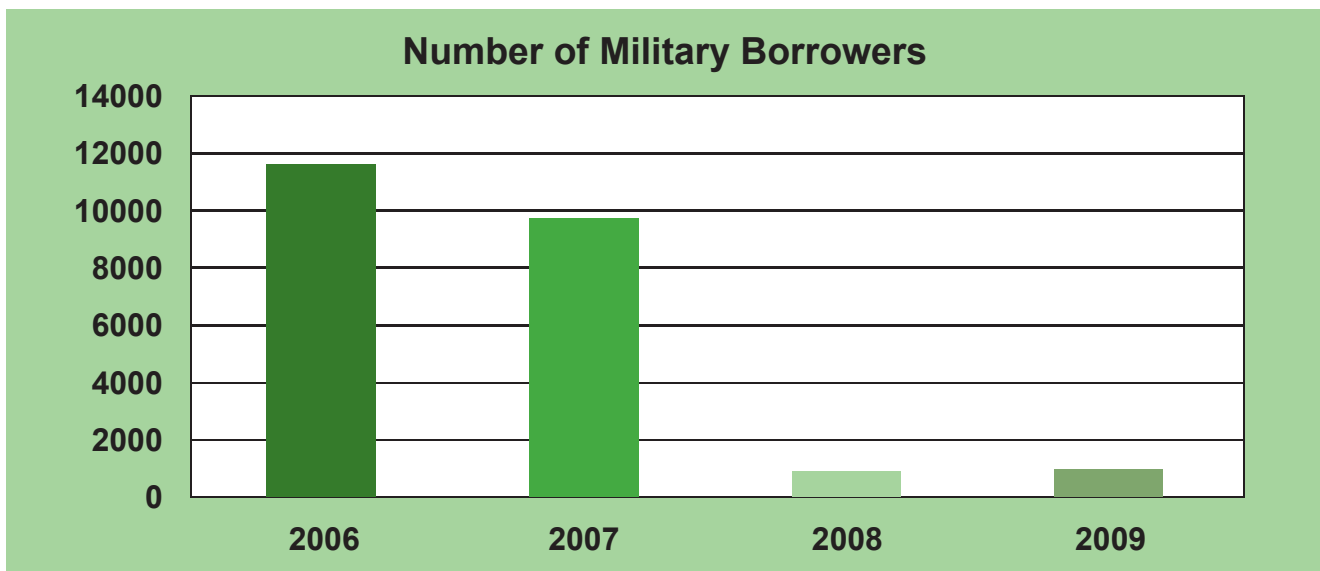
2004	82 complaints
2005	64 complaints
2006	82 complaints
2007	134 complaints
2008	123 complaints
2009	216 complaints*

\*Of the 216 complaints received in 2009, 96 were against online payday lenders



## Military Borrowers

On October 1, 2007, a 36 percent annual percentage rate cap took effect for all loans made to military borrowers. This cap was mandated by the Talent-Nelson Amendment of the John Warner National Defense Authorization Act of 2007. Due to this cap, the majority of the payday lenders in Washington State have ceased lending to military borrowers. The number of military borrowers has decreased 92 percent, from 11,650 in 2006, to 944 in 2009.



## Loan Frequency 2009 Military Borrowers

(90% of the state's payday lending market)

Annual Loan Frequency	Military Borrowers	% Military Borrowers	Number of Loans to Military Borrowers	% of Loans to Military Borrowers
1 Time	191	20.32%	191	3.03%
2 Times	105	11.17%	210	3.33%
3 Times	98	10.43%	294	4.66%
4 Times	61	6.49%	244	3.87%
5 Times	54	5.74%	270	4.28%
6 Times	48	5.11%	288	4.57%
7 Times	42	4.47%	294	4.66%
8 Times	45	4.79%	360	5.71%
9 Times	40	4.26%	360	5.71%
10 Times	34	3.62%	340	5.39%
11 Times	37	3.94%	407	6.46%
12 Times	39	4.15%	468	7.42%
13 Times	24	2.55%	312	4.95%
14 Times	14	1.49%	196	3.11%
15 Times	16	1.70%	240	3.81%
16 Times	16	1.70%	256	4.06%
17 Times	17	1.81%	289	4.58%
18 Times	10	1.06%	180	2.85%
19 Times	3	0.32%	57	0.90%
20 Times	6	0.64%	120	1.90%
21 Times	8	0.85%	168	2.66%
22 Times	9	0.96%	198	3.14%
23 Times	9	0.96%	207	3.28%
24 Times	5	0.53%	120	1.90%
25 Times	3	0.32%	75	1.19%
26 Times	5	0.53%	130	2.06%
27 Times	0	0.00%	0	0.00%

## Loan Frequency 2009 Military Borrowers, continued

(90% of the state's payday lending market)

Annual Loan Frequency	Military Borrowers	% Military Borrowers	Number of Loans to Military Borrowers	% of Loans to Military Borrowers
28 Times	0	0.00%	0	0.00%
29 Times	0	0.00%	0	0.00%
30 Times	0	0.00%	0	0.00%
31 Times	1	0.11%	31	0.49%
32 Times	0	0.00%	0	0.00%
33 Times	0	0.00%	0	0.00%
34 Times	0	0.00%	0	0.00%
35 Times	0	0.00%	0	0.00%
36 Times	0	0.00%	0	0.00%
37 Times	0	0.00%	0	0.00%
38 Times	0	0.00%	0	0.00%
39 Times	0	0.00%	0	0.00%
40 Times	0	0.00%	0	0.00%
41 Times	0	0.00%	0	0.00%
42 Times	0	0.00%	0	0.00%
43 Times	0	0.00%	0	0.00%
44 Times	0	0.00%	0	0.00%
45 Times	0	0.00%	0	0.00%
46 Times	0	0.00%	0	0.00%
47 Times	0	0.00%	0	0.00%
48 Times	0	0.00%	0	0.00%
49 Times	0	0.00%	0	0.00%
50 Times	0	0.00%	0	0.00%
51 + Times	0	0.00%	0	0.00%
<b>TOTAL</b>	<b>868</b>	<b>100.00%</b>	<b>5,156</b>	<b>100.00%</b>



## 2009 Payday Lending Report

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