



STATE OF DELAWARE  
**OFFICE OF THE STATE BANK COMMISSIONER**  
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March 13, 2017

The Honorable Brian J. Bushweller  
Chairman  
Senate Banking, Business & Insurance Committee  
Legislative Hall  
Dover, Delaware 19901

The Honorable Bryon H. Short  
Chairman  
House Economic Development/Banking/Insurance/Commerce Committee  
Legislative Hall  
Dover, Delaware 19901

Re: Short-Term Consumer Loan Database 2016 Operations Report

Dear Senator Bushweller and Representative Short:

Enclosed for your information is a report about the 2016 operation of the short-term consumer loan database, as required by Section 2235C of Title 5 of the Delaware Code. This report was prepared by Veritec Solutions, LLC, which operates the database under contract with this Office, as authorized by Section 2235B of Title 5. The report contains the information specified by Section 2235C, as well as additional information about the postal zip codes of borrowers.

Respectfully submitted,

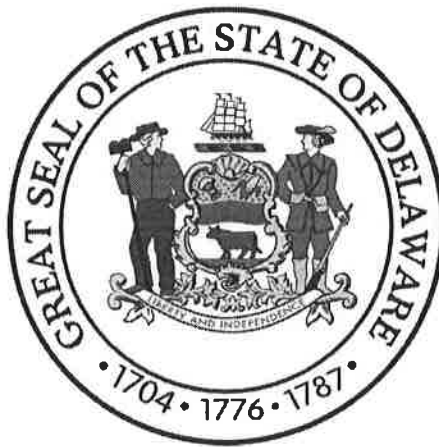
A handwritten signature in black ink, appearing to read "Robert A. Glen".

Robert A. Glen  
State Bank Commissioner



State of Delaware  
Short-Term Consumer Loan Program

Report on Delaware  
Short-Term Consumer Loan Activity  
For the Year Ending December 31, 2016



Prepared for the State of Delaware  
Office of the State Bank Commissioner  
By Veritec Solutions, LLC



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### **ABOUT THE INFORMATION IN THIS REPORT**

THIS REPORT PROVIDES STATISTICAL INFORMATION REQUIRED UNDER 78 DEL. LAWS CH. 278 (THE "ACT").

THE INFORMATION CONTAINED IN THIS REPORT IS BASED ON SHORT-TERM CONSUMER LOANS REGISTERED TO THE SHORT-TERM CONSUMER LOAN PROGRAM DATABASE ("DATABASE") PURSUANT TO THE ACT. THE DATABASE WENT INTO EFFECT BEGINNING ON JANUARY 1, 2013. THE DATA PRESENTED IN THIS REPORT IS FOR THE PERIOD FROM JANUARY 2016 THROUGH DECEMBER 2016.

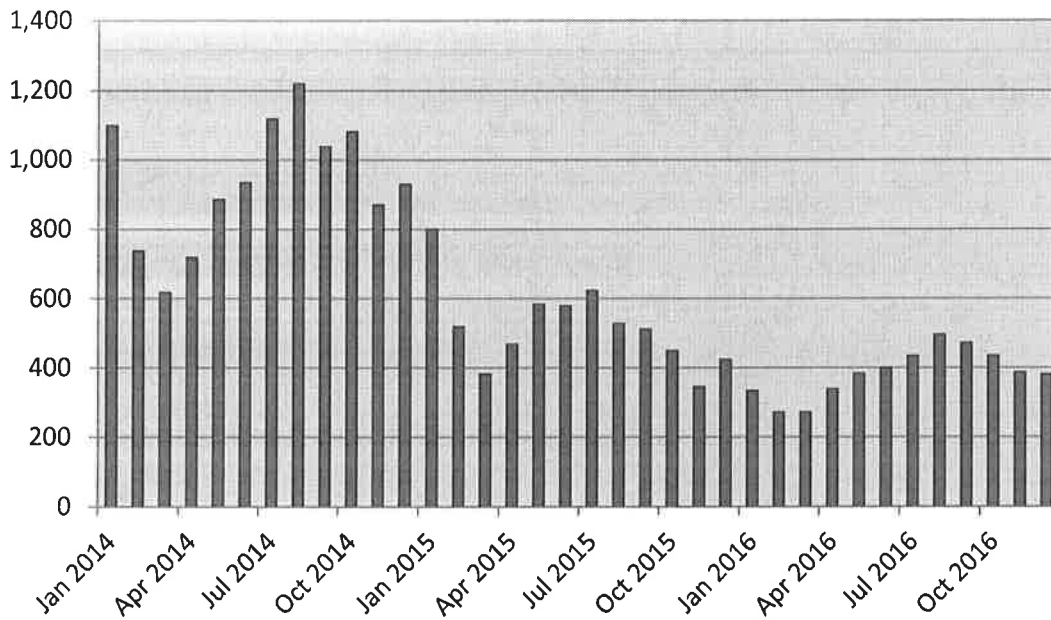
## Program Statistics and Highlights

### ***Short-Term Consumer Loan Volume***

The total number of short-term consumer loans conducted from January 2016 through December 2016 was 4,611.<sup>1</sup>

The average number of days short-term consumer loans were outstanding was 21.0 days.

**Volume of Loans per Month**

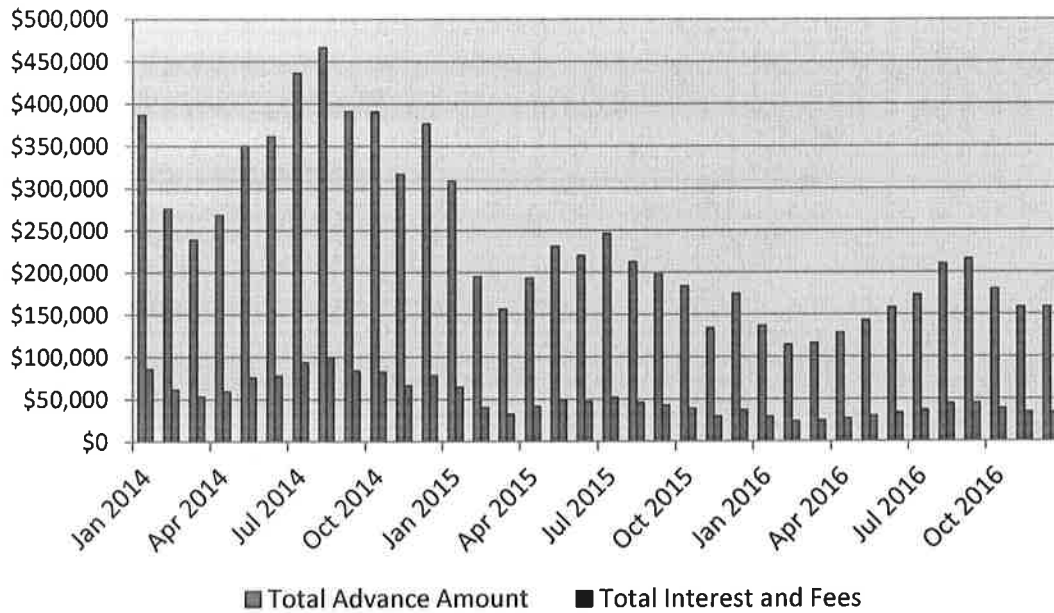


<sup>1</sup> Loan volume is based on agreement dates and excludes loans that were cancelled or administratively closed.

### **Short-Term Consumer Loan Amounts and Fees**

The 4,611 short-term consumer loans conducted during the period from January 2016 through December 2016 represent a total advance amount of approximately \$1.9 million with total interest and fees of approximately \$401 thousand.

**Loan Amounts and Fees**

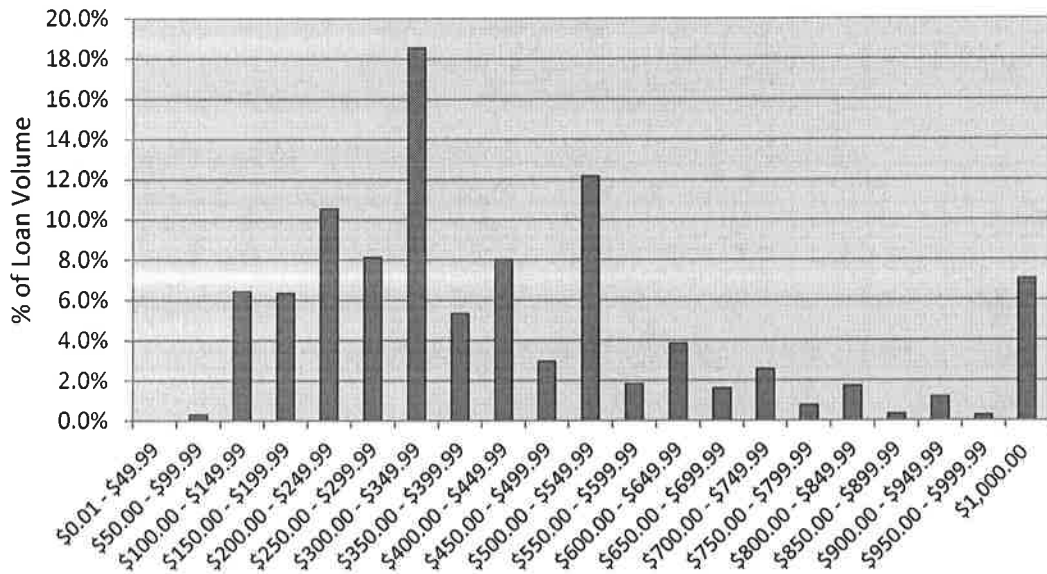


**Short-Term Consumer Loan Amounts and Fees (continued)**

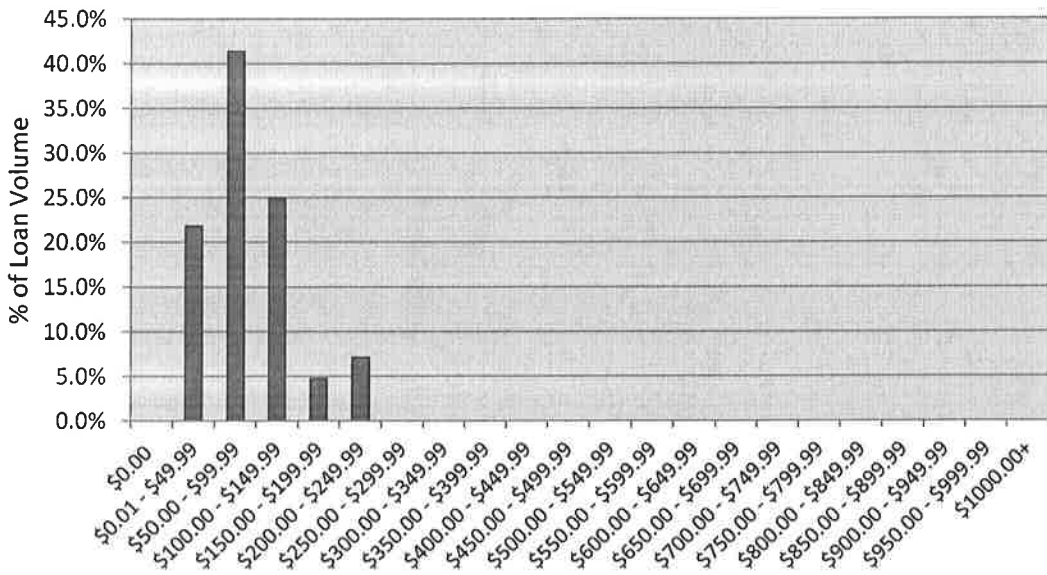
Advance amounts per transaction ranged from a minimum of \$50.00 to a maximum of \$1,000.00, with an average advance amount of \$410.94.

Short-term consumer loan annual percentage rate ranged from a minimum of 0.0 to a maximum of 3,650.0, with an average annual percentage rate of 568.1.

**Range of Advance Amounts**



**Range of Total Fee Amounts**

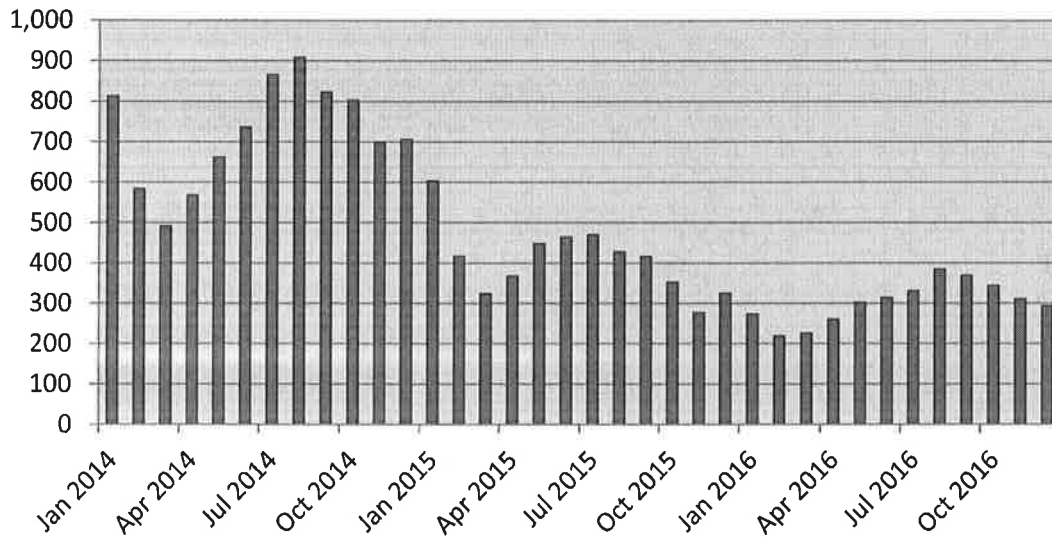


***Borrower Usage of Short-Term Consumer Loans***

There were 1,818 borrowers who opened at least one loan during the period from January 2016 through December 2016.

The average gross monthly income of borrowers from January 2016 through December 2016 was \$2,861.80.<sup>2</sup>

**Borrowers per Month**



During the period from January 2016 through December 2016 approximately 56% of borrowers opened 2 or fewer loans.

Number of Loans	Number of Borrowers	% of Total Borrowers	Number of Loans	% of Total Loans
1	689	37.9%	689	14.9%
2	338	18.6%	676	14.7%
3	245	13.5%	735	15.9%
4	219	12.0%	876	19.0%
5	327	18.0%	1,635	35.5%
6	0	0.0%	0	0.0%
<b>Totals</b>	<b>1,818</b>	<b>100.0%</b>	<b>4,611</b>	<b>100.0%</b>

<sup>2</sup> The income used in this calculation represents the income entered for each loan by the licensee at the time the loan was added to the database.

### ***Borrower Usage by Zip Code***

Below are details of the Delaware zip codes with the highest number of borrowers for the period from January 2016 through December 2016.<sup>3</sup>

Zip Code	# Borrowers	# Transactions	Primary City	County
19720	108	278	New Castle	New Castle County
19901	87	231	Dover	Kent County
19702	72	179	Newark	New Castle County
19904	67	180	Dover	Kent County
19709	64	185	Middletown	New Castle County
19703	57	140	Claymont	New Castle County
19713	55	145	Newark	New Castle County
19711	53	134	Newark	New Castle County
19802	53	108	Wilmington	New Castle County
19701	50	137	Bear	New Castle County
19805	47	117	Wilmington	New Castle County
19801	37	79	Wilmington	New Castle County
19977	35	97	Smyrna	Kent County
19952	29	78	Harrington	Kent County
19973	24	71	Seaford	Sussex County
19810	23	59	Wilmington	New Castle County
19809	22	47	Wilmington	New Castle County
19808	21	46	Wilmington	New Castle County
19963	19	58	Milford	Sussex County
19734	17	45	Townsend	New Castle County
19947	17	45	Georgetown	Sussex County
19962	16	46	Magnolia	Kent County
19966	16	44	Millsboro	Sussex County
19950	15	44	Greenwood	Sussex County
19960	15	41	Lincoln	Sussex County
19943	15	37	Felton	Kent County
19806	12	31	Wilmington	New Castle County
19933	11	33	Bridgeville	Sussex County
19934	11	27	Camden Wyoming	Kent County
19946	11	24	Frederica	Kent County

<sup>3</sup> Zip codes used in this analysis are based on borrower residence addresses. Borrowers with more than one residence zip code during the reporting period may be counted multiple times.



**Short-Term Consumer Loan Defaults**

Of the 4,611 short-term consumer loans opened during the period from January 2016 through December 2016, borrowers have defaulted on 1,560 loans, representing a default rate of 33.8%.

The 1,560 defaults represent a total outstanding advance amount of approximately \$727 thousand, or approximately 181.1% of the \$401 thousand total interest and fees earned during the analysis period.

**Provider Locations**

There were 142 active licensee store locations as of December 31, 2016.

**System Availability**

Overall system availability averaged 99.98% from January 2016 through December 2016 including scheduled maintenance.

