



STATE OF DELAWARE  
**OFFICE OF THE STATE BANK COMMISSIONER**  
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March 12, 2015

The Honorable Bryan Townsend  
Chairman  
Senate Banking and Business Committee  
Legislative Hall  
Dover, DE 19901

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

RE: Short-Term Consumer Loan Database 2014 Operations Report

Dear Senator Townsend and Representative Short:

Enclosed for your information is a report about the 2014 operations 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, which was requested by Representatives Baumbach and Keeley, who are copied on this letter, together with Senator Bonini, who was a sponsor of the legislation.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Robert A. Glen".

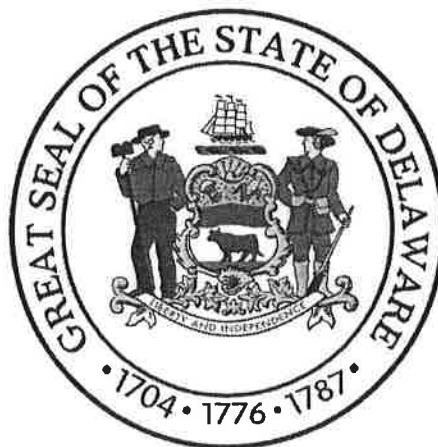
Robert A. Glen  
State Bank Commissioner

cc: The Honorable Jack A. Markell  
The Honorable Jeffrey W. Bullock  
The Honorable Paul S. Baumbach  
The Honorable Helene M. Keeley  
The Honorable Colin R. J. Bonini



State of Delaware  
Short-Term Consumer Loan Program

Report on Delaware  
Short-Term Consumer Loan Activity  
For the Year Ending December 31, 2014



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 2014 THROUGH DECEMBER 2014.

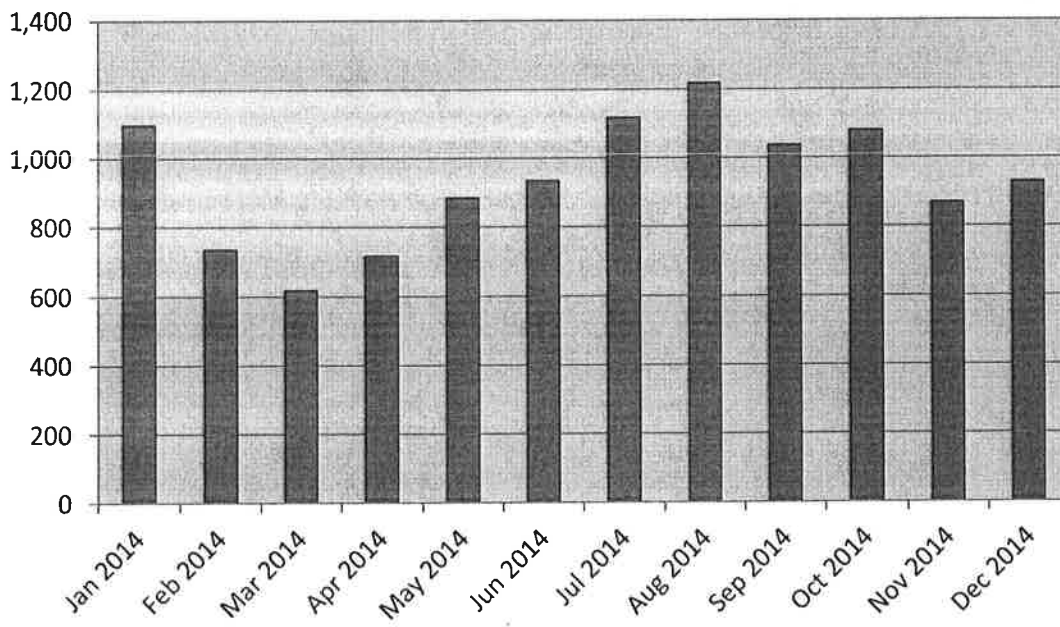
## Program Statistics and Highlights

### *Short-Term Consumer Loan Volume*

The total number of short-term consumer loans conducted from January 2014 through December 2014 was 11,248 loans.<sup>1</sup>

The average number of days short-term consumer loans were outstanding was 23.5 days.

**Volume of Loans per Month**

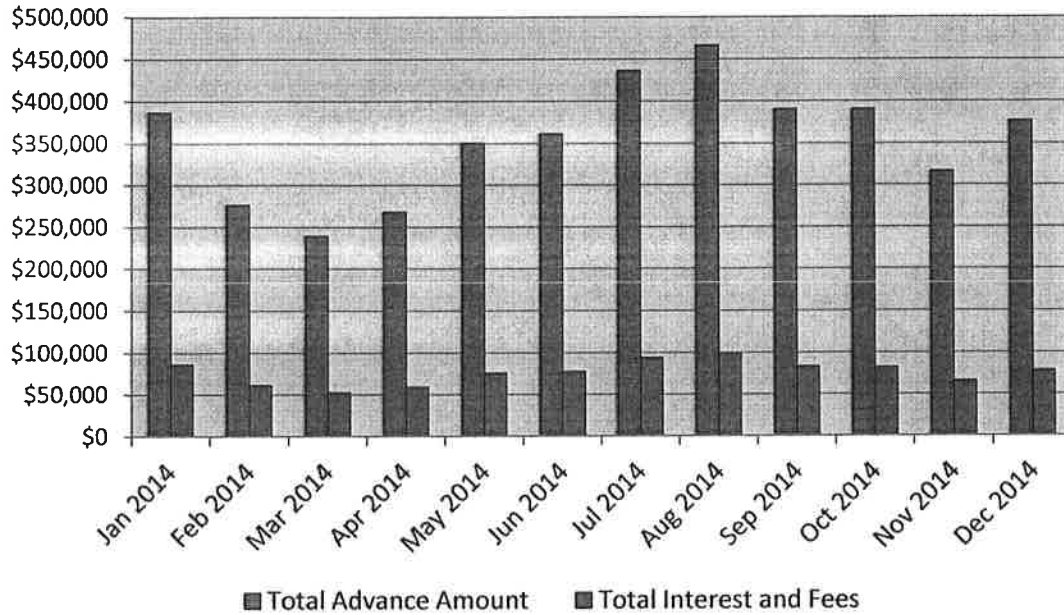


<sup>1</sup> Loan volume is based on agreement dates and excludes loans that were cancelled or administratively closed.

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

The 11,248 short-term consumer loans conducted during the period from January 2014 through December 2014 represent a total advance amount of approximately \$4.3 million with total interest and fees of approximately \$917 thousand.

**Loan Amounts and Fees**

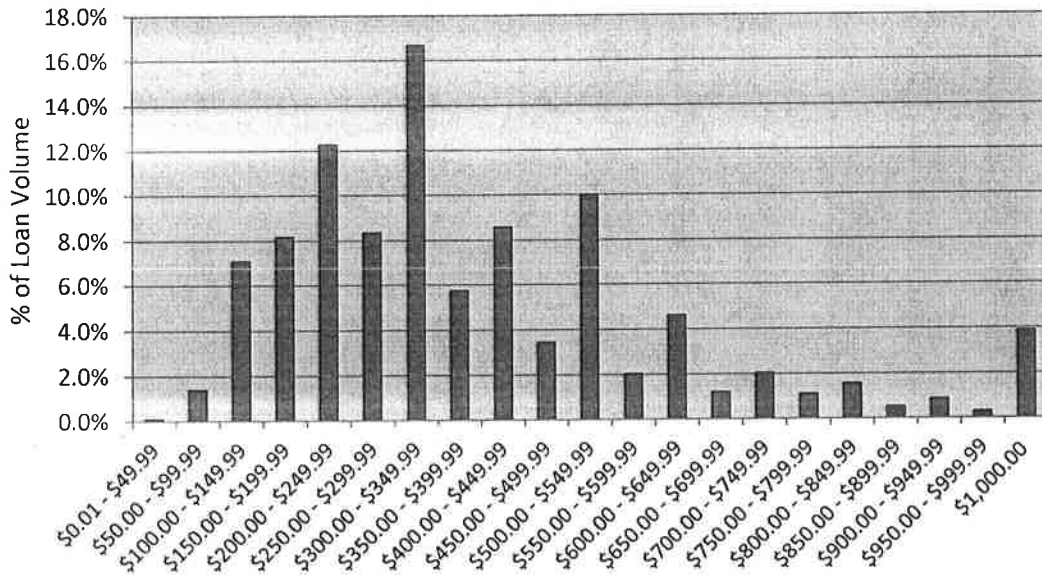


**Short-Term Consumer Loan Amounts and Fees (continued)**

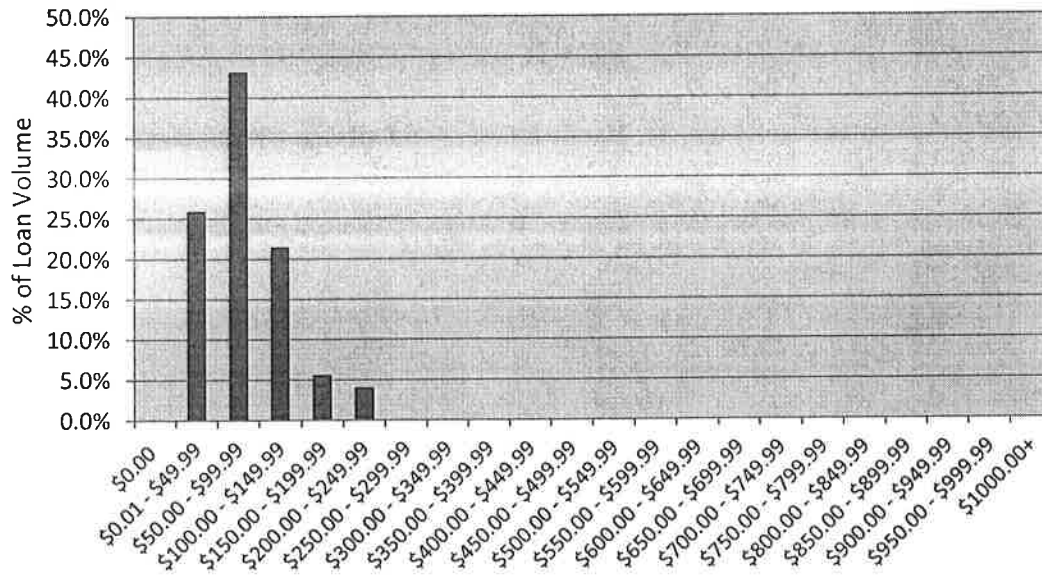
Advance amounts ranged from a minimum of \$14.68 to a maximum of \$1,000.00, with an average advance amount of \$378.78.

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 537.5.

**Range of Advance Amounts**



**Range of Total Fee Amounts**

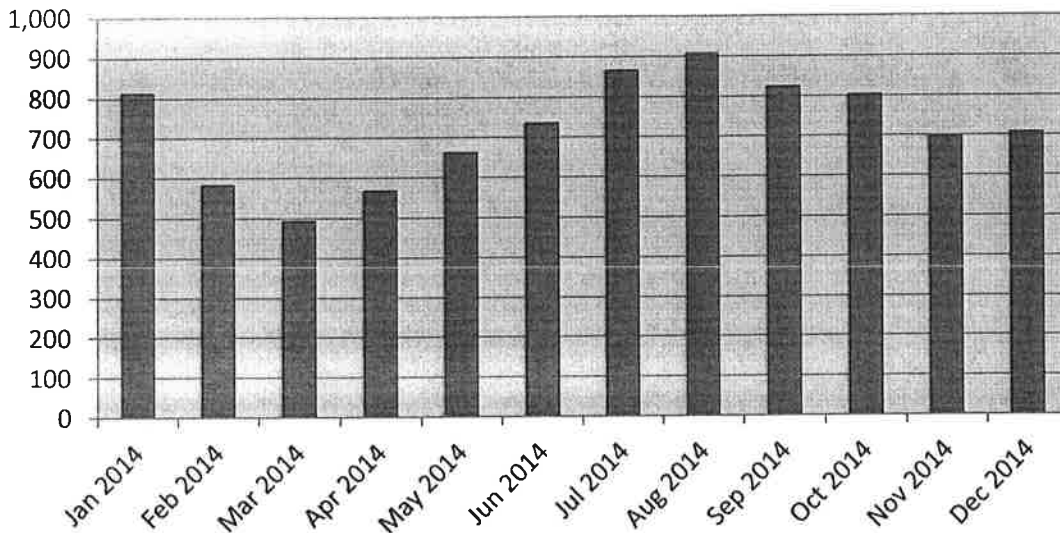


### ***Borrower Usage of Short-Term Consumer Loans***

There were 4,107 borrowers who opened at least one loan during the period from January 2014 through December 2014.

The average gross monthly income of borrowers from January 2014 through December 2014 was \$2,577.66.<sup>2</sup>

**Borrowers per Month**



During the period from January 2014 through December 2014 approximately 50% of borrowers opened 2 or fewer loans.

Number of Loans	Number of Borrowers	% of Total Borrowers	Number of Loans	% of Total Loans
1	1,233	30.0%	1,233	11.0%
2	806	19.6%	1,612	14.3%
3	687	16.7%	2,061	18.3%
4	563	13.7%	2,252	20.0%
5	818	19.9%	4,090	36.4%
6	0	0.0%	0	0.0%
<b>Totals</b>	<b>4,107</b>	<b>100.0%</b>	<b>11,248</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 2014 through December 2014.<sup>3</sup>

Zip Code	# Borrowers	# Transactions	Primary City	County
19720	277	782	New Castle	New Castle County
19805	249	661	Wilmington	New Castle County
19702	222	647	Newark	New Castle County
19802	211	590	Wilmington	New Castle County
19901	194	559	Dover	Kent County
19713	169	454	Newark	New Castle County
19801	153	422	Wilmington	New Castle County
19904	137	368	Dover	Kent County
19711	119	319	Newark	New Castle County
19701	116	309	Bear	New Castle County
19709	102	295	Middletown	New Castle County
19703	95	288	Claymont	New Castle County
19973	91	243	Seaford	Sussex County
19804	66	170	Wilmington	New Castle County
19952	58	174	Harrington	Kent County
19977	52	151	Smyrna	Kent County
19808	48	132	Wilmington	New Castle County
19963	48	116	Milford	Sussex County
19809	45	123	Wilmington	New Castle County
19962	42	115	Magnolia	Kent County
19933	40	103	Bridgeville	Sussex County
19810	38	116	Wilmington	New Castle County
19943	38	94	Felton	Kent County
19947	37	85	Georgetown	Sussex County
19966	33	72	Millsboro	Sussex County
19934	27	75	Camden Wyoming	Kent County
19956	27	71	Laurel	Sussex County
19945	26	73	Frankford	Sussex County
19975	25	74	Selbyville	Sussex County
19806	20	58	Wilmington	New Castle 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 11,248 short-term consumer loans opened during the period from January 2014 through December 2014, borrowers have defaulted on 2,408 loans, representing a default rate of 21.4%.

The 2,408 defaults represent a total outstanding advance amount of approximately \$1.1 million, or approximately 121.6% of the \$917 thousand total interest and fees earned during the analysis period.

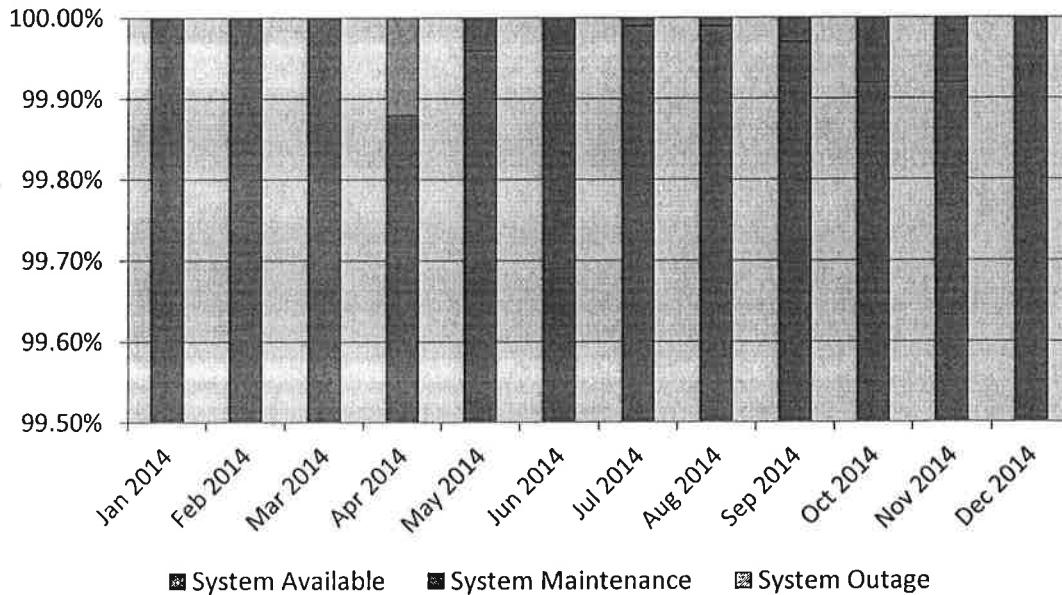
### **Provider Locations**

There were 142 active licensee store locations as of December 31, 2014.

### **System Availability**

Overall system availability averaged 99.97% from January 2014 through December 2014 including scheduled maintenance.<sup>4</sup>

**System Availability per Month**



<sup>4</sup> Due to a monitoring system issue, the system availability shown in this report for April 2014 has been estimated.