

STATE OF DELAWARE  
**OFFICE OF THE STATE BANK COMMISSIONER**

WEB: [BANKING.DELAWARE.GOV](http://BANKING.DELAWARE.GOV)

TELEPHONE: (302) 739-4235

March 6, 2019

The Honorable Trey Charles Paradee  
Chairman  
Senate Banking, Business & Insurance Committee  
Legislative Hall  
Dover, Delaware 19901

The Honorable William Bush  
Chairman  
House Economic Development/Banking/Insurance & Commerce Committee  
Legislative Hall  
Dover, Delaware 19901

Re: Short-Term Consumer Loan Database 2018 Operations Report

Dear Senator Paradee and Representative Bush:

Enclosed for your information is a report about the 2018 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,

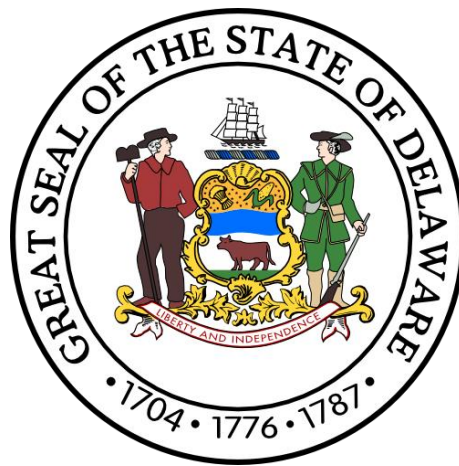
A handwritten signature in blue ink, appearing to read "Robert A. Glen".

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, 2018



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").

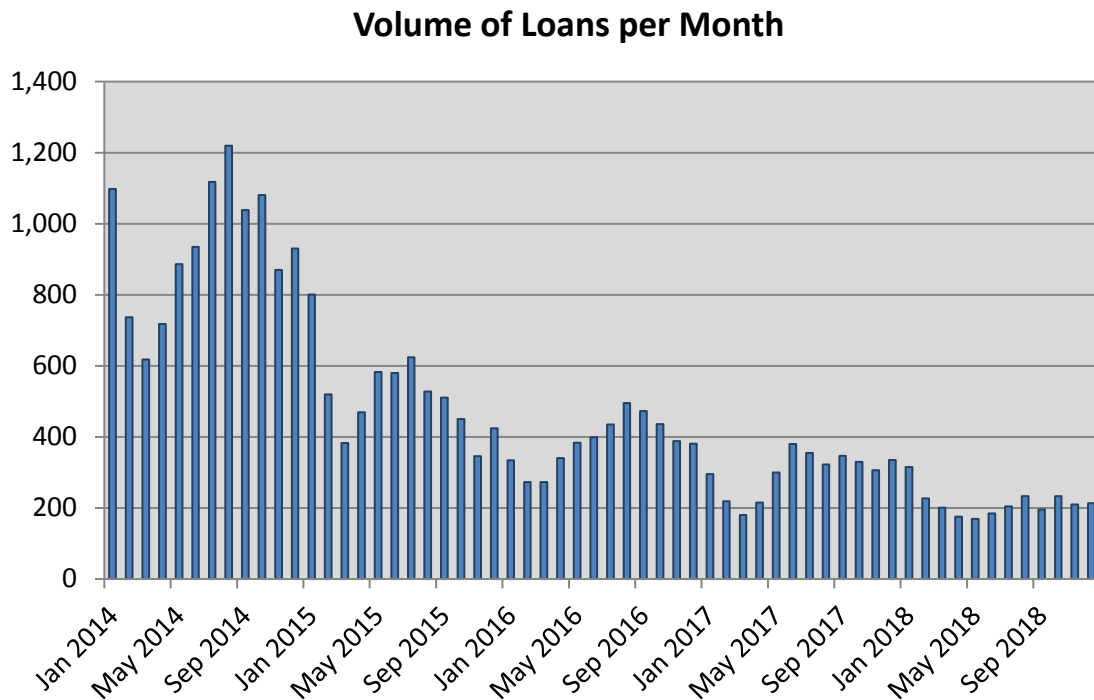
THE INFORMATION CONTAINED IN THIS REPORT IS BASED ON SHORT-TERM CONSUMER LOANS REGISTERED TO THE SHORT-TERM CONSUMER LOAN PROGRAM DATABASE ("DATABASE") PURSUANT TO THE ACT. THE DATABASE WENT INTO EFFECT BEGINNING ON JANUARY 1, 2013. THE DATA PRESENTED IN THIS REPORT IS FOR THE PERIOD FROM JANUARY 2018 THROUGH DECEMBER 2018.

## Program Statistics and Highlights

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

The total number of short-term consumer loans conducted from January 2018 through December 2018 was 2,561.<sup>1</sup>

The average number of days short-term consumer loans were outstanding was 24.2 days.

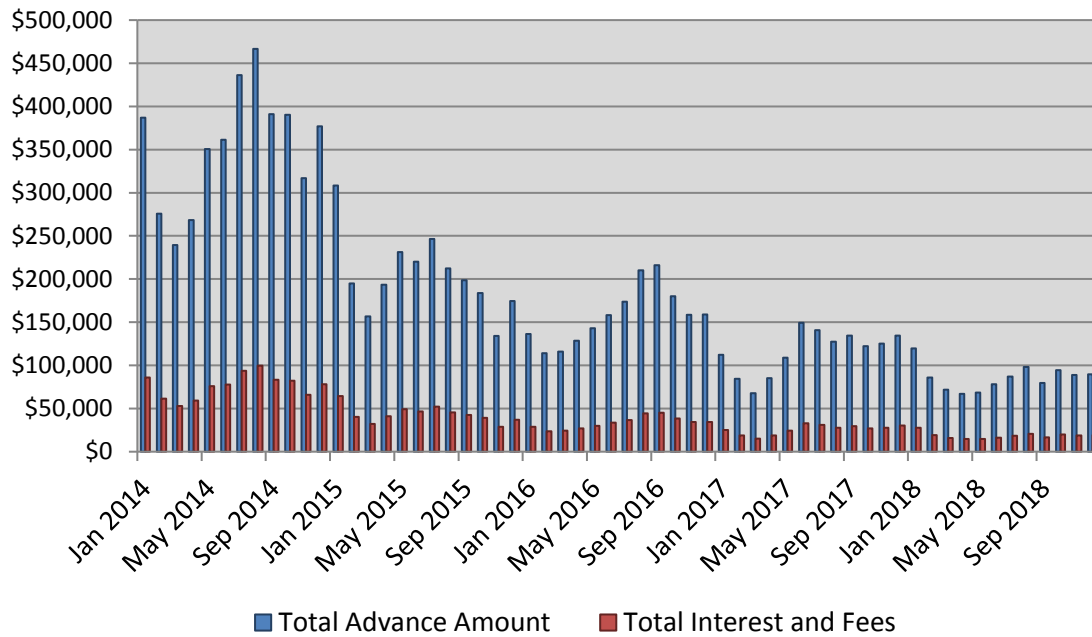


<sup>1</sup> Loan volume is based on agreement dates and excludes loans that were cancelled or administratively closed.

## Short-Term Consumer Loan Amounts and Fees

The 2,561 short-term consumer loans conducted during the period from January 2018 through December 2018 represent a total advance amount of approximately \$1.0 million with total interest and fees of approximately \$223 thousand.

**Loan Amounts and Fees**

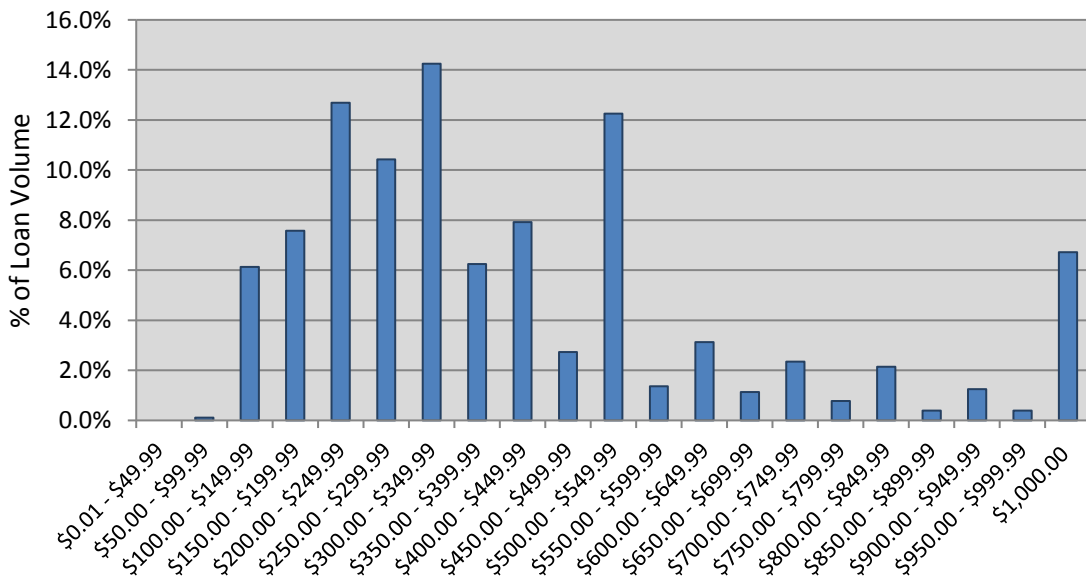


### ***Short-Term Consumer Loan Amounts and Fees (continued)***

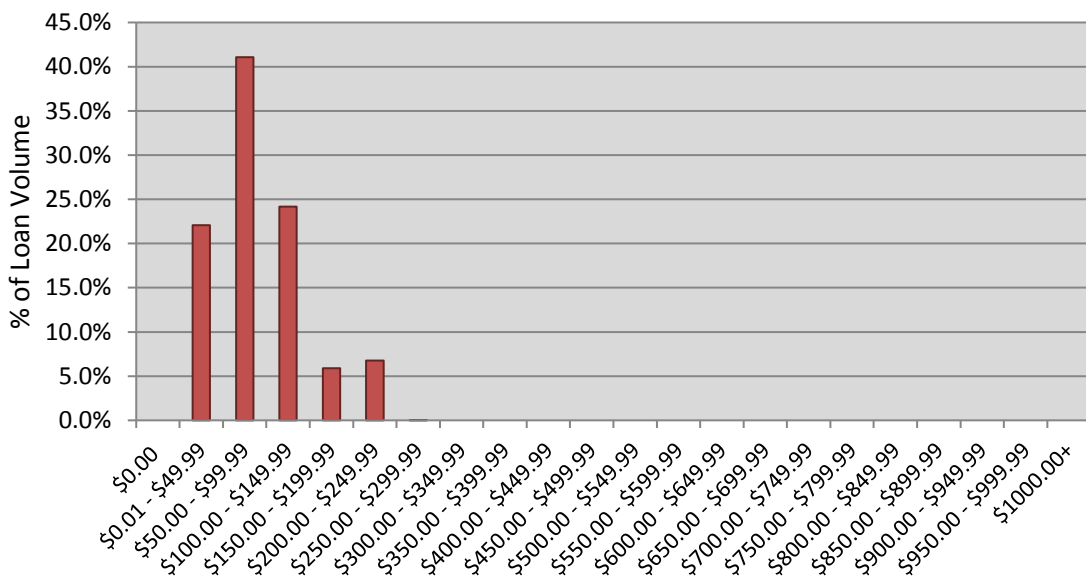
Advance amounts per transaction ranged from a minimum of \$50.00 to a maximum of \$1,000.00, with an average advance amount of \$402.10.

Short-term consumer loan annual percentage rate ranged from a minimum of 208.6 to a maximum of 3,650.0, with an average annual percentage rate of 577.5.

#### **Range of Advance Amounts**



#### **Range of Total Fee Amounts**

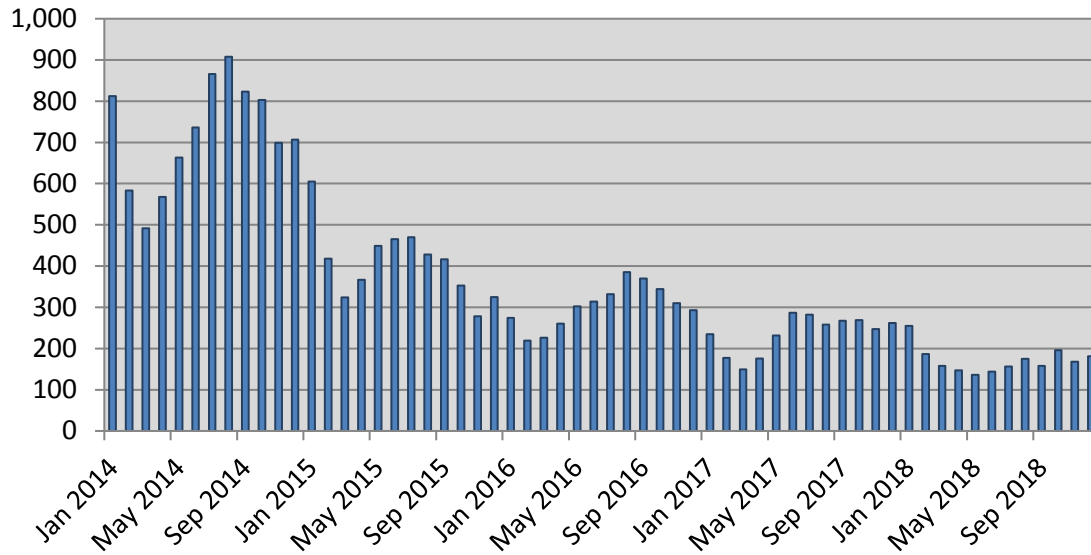


## ***Borrower Usage of Short-Term Consumer Loans***

There were 1,028 borrowers who opened at least one loan during the period from January 2018 through December 2018.

The average gross monthly income of borrowers from January 2018 through December 2018 was \$3,204.28.<sup>2</sup>

**Borrowers per Month**



During the period from January 2018 through December 2018 approximately 57% of borrowers opened 2 or fewer loans.

Number of Loans	Number of Borrowers	% of Total Borrowers	Number of Loans	% of Total Loans
1	386	37.5%	386	15.1%
2	199	19.4%	398	15.5%
3	155	15.1%	465	18.2%
4	128	12.5%	512	20.0%
5	160	15.6%	800	31.2%
6	0	0.0%	0	0.0%
<b>Totals</b>	<b>1,028</b>	<b>100.0%</b>	<b>2,561</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 2018 through December 2018.<sup>3</sup>

<b>Zip Code</b>	<b># Borrowers</b>	<b># Transactions</b>	<b>Primary City</b>	<b>County</b>
19720	75	181	New Castle	New Castle County
19702	46	130	Newark	New Castle County
19709	44	107	Middletown	New Castle County
19713	43	91	Newark	New Castle County
19901	35	100	Dover	Kent County
19904	33	70	Dover	Kent County
19711	31	80	Newark	New Castle County
19703	29	70	Claymont	New Castle County
19805	26	63	Wilmington	New Castle County
19801	24	45	Wilmington	New Castle County
19701	23	54	Bear	New Castle County
19802	21	58	Wilmington	New Castle County
19810	18	39	Wilmington	New Castle County
19952	16	35	Harrington	Kent County
19963	14	38	Milford	Sussex County
19947	12	42	Georgetown	Sussex County
19808	12	29	Wilmington	New Castle County
19973	11	32	Seaford	Sussex County
19977	11	32	Smyrna	Kent County
19962	11	29	Magnolia	Kent County
19734	11	26	Townsend	New Castle County
19809	11	19	Wilmington	New Castle County
19956	10	31	Laurel	Sussex County
19968	9	24	Milton	Sussex County
19933	8	21	Bridgeville	Sussex County
19958	8	20	Lewes	Sussex County
19943	8	16	Felton	Kent County
19966	7	29	Millsboro	Sussex County
19804	7	22	Wilmington	New Castle County
19938	6	13	Clayton	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 2,561 short-term consumer loans opened during the period from January 2018 through December 2018, borrowers have defaulted on 949 loans, representing a default rate of 37.1%.

The 949 defaults represent a total outstanding advance amount of approximately \$438 thousand, or approximately 196.3% of the \$223 thousand total interest and fees earned during the analysis period.

### ***Provider Locations***

There were 142 active licensee store locations as of December 31, 2018.

### ***System Availability***

Overall system availability averaged 99.98% from January 2018 through December 2018 including scheduled maintenance.

