

## Tennessee:

### I. Introducing Tennessee

State Population: <sup>1</sup>	6,651,194
Poverty Rate: <sup>2</sup>	Tennessee has the 12 <sup>th</sup> highest poverty rate among all 50 U.S. states with 13.7% of families living below the poverty level and 18% of individuals.
Unemployment Rate: <sup>3</sup>	5.3% (The U.S. unemployment rate is 4.7%)
Total State Debt: <sup>4</sup>	\$6,049,178,000
Debt per capita: <sup>5</sup>	\$953.21
Average Credit Score: <sup>6</sup>	The average credit score in Tennessee is 666, which is average/fair.
Student Loan Debt: <sup>7</sup>	\$26,083 per person on average (37 <sup>th</sup> worst in the country)
Median Household Income: <sup>8</sup>	\$47,275 (2015), which is an increase of nearly \$3,000 from the previous year.
Rent vs. Own: <sup>9</sup>	568,108 (rent) vs 6,446,573 (own)

### II. Analysis of Payday Loans in Tennessee

Legal Status: <sup>10</sup>	Legal
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<sup>1</sup> "Tennessee" United States Census Bureau. Accessed March 28, 2017.

<https://www.census.gov/quickfacts/table/PST045216/47>

<sup>2</sup> "Tennessee's poverty rate 12<sup>th</sup> highest in U.S." Nashville Business Journal. Accessed March 28, 2017.

<http://www.bizjournals.com/nashville/blog/2012/11/tennessees-poverty-rate-12th-highest.html>

<sup>3</sup> "Tennessee" Bureau of Labor Statistics. Accessed March 28, 2017.

<https://www.bls.gov/eag/eag.tn.htm>

<sup>4</sup> "State Debt" Ballotpedia. Accessed March 6, 2017. [https://ballotpedia.org/State\\_debt](https://ballotpedia.org/State_debt)

<sup>5</sup> "State Debt" Ballotpedia. Accessed March 6, 2017. [https://ballotpedia.org/State\\_debt](https://ballotpedia.org/State_debt)

<sup>6</sup> "Average Credit Score in America: 2017 Facts & Figures" Value Penguin. Accessed March 28, 2017. <https://www.valuepenguin.com/average-credit-score>

<sup>7</sup> "State by State Data" The Institute for College Access & Success. Accessed March 6, 2017.

<http://ticas.org/posd/map-state-data#>

<sup>8</sup> "How Much Money are People Making in the Nashville Area?" Nashville Patch. Accessed March 28, 2017.

<http://patch.com/tennessee/nashville/how-much-money-are-people-making-nashville-area>

<sup>9</sup> "Quick Facts: Resident Demographics" National Multifamily Housing Council. Accessed March 6, 2017. <http://www.nmhc.org/Content.aspx?id=4708>

<sup>10</sup> "Payday Lending State Statutes" National Conference of State Legislatures. Accessed 6, 2017. <http://www.ncsl.org/research/financial-services-and-commerce/payday-lending-state-statutes.aspx>

Number of Payday Loan Companies: <sup>11</sup>	1,208
Number of McDonald's: <sup>12</sup>	285
Payday Lenders per 100,000 people: <sup>13</sup>	23.62
Number of Payday Loans Taken Out: <sup>14</sup>	\$1,124,696,366 in total payday loan volume
Average # of Loans per Store:	3,791 per store
Average Loan Amount:	\$221
Average Fees: <sup>15</sup>	The average Tennessee borrower pays \$490 in fees to borrow \$300 for five months.
Maximum Loan Amount: <sup>16</sup>	\$425 (\$500 check)
Maximum Length of Loan:	31 days
Rollovers Permitted:	None – cannot renew or otherwise consolidate
Fees and Finance Charges:	15% of the face value of the check
Finance Charge on a 14-day \$100 Loan:	\$17.65
APR on a 14-day \$100 Loan:	459%
Maximum # of Outstanding Loans at a Time:	3 (2 per licensee) to a maximum \$500 face value of check(s)
Repayment Plan:	Yes – 4 equal monthly installments
Cooling-off Period:	Next business day after 2 continuous loans repaid

### III. Analysis of Title Loans in Tennessee

<sup>11</sup> "Payday Lending Abuses and Predatory Practices" The Center for Responsible Lending. Accessed March 28, 2017.

<http://www.responsiblelending.org/state-of-lending/reports/10-Payday-Loans.pdf>

<sup>12</sup> "McDonald's vs. Payday Lenders" California State University Northridge. Accessed March 6, 2017. [http://www.csun.edu/~sg4002/research/mcdonalds\\_by\\_state.htm](http://www.csun.edu/~sg4002/research/mcdonalds_by_state.htm)

<sup>13</sup> "McDonald's vs. Payday Lenders" California State University Northridge. Accessed March 6, 2017. [http://www.csun.edu/~sg4002/research/mcdonalds\\_by\\_state.htm](http://www.csun.edu/~sg4002/research/mcdonalds_by_state.htm)

<sup>14</sup> "Payday Lending Abuses and Predatory Practices" The Center for Responsible Lending. Accessed March 28, 2017.

<http://www.responsiblelending.org/state-of-lending/reports/10-Payday-Loans.pdf>

<sup>15</sup> "Tennessee consumer advocates say proposed federal curbs on payday lenders a 'good start'" Times Free Press. Accessed March 29, 2017.

<http://www.timesfreepress.com/news/politics/state/story/2016/jun/02/tennessee-consumer-advocates-say-proposed-federal-curbs-payday-lenders-good-start/369090/>

<sup>16</sup> "Tennessee State Information" Payday Loan Consumer Information. Accessed March 6, 2017. <http://www.paydayloaninfo.org/state-information/50>

Total Title Loan Fees: <sup>17</sup>	\$226.6 million vs \$176 million in payday loan fees
Legality of Title Loans:	Legal
Loopholes:	There are no loopholes because title loans are legal in Tennessee.
Average Rate of Title Loans: <sup>18</sup>	\$110 per \$500 or 264% APR
Max Loan Amount:	\$2,500
Loan Term:	30 days, may automatically renew. On the third renewal, a borrower will pay 5% of the original principal amount plus interest and fees.
Number of Title Loan Companies: <sup>19</sup>	837
Population per Lender: <sup>20</sup>	5,809
Average Number of Loans Per Store:	231
Number of Title Loans Taken Out: <sup>21</sup>	334,658
Total Loan Volume:	\$253,843,036
Loans Renewed: <sup>22</sup>	In 2010, over 90% of loans in Tennessee were renewed.

<sup>17</sup> "Payday and Car Title Lenders Drain \$8 Billion in Fees Every Year" Center for Responsible Lending. Accessed February 15, 2017.  
[http://responsiblelending.org/sites/default/files/nodes/files/research-publication/crl\\_statebystate\\_fee\\_drain\\_may2016\\_0.pdf](http://responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_statebystate_fee_drain_may2016_0.pdf)

<sup>18</sup> "Car Title Loan Regulation" Consumer Federation of America. Accessed March 29, 2017.  
<http://www.consumerfed.org/pdfs/Resources%20CTL%20StateLawTermChart5%2012%2016.pdf>

<sup>19</sup> "Car-Title Lending" Center for Responsible Lending. Accessed March 29, 2017.  
<https://www.tml.org/p/Center%20For%20Responsible%20Lending%20Car%20Title%20Loans%20Report.pdf>

<sup>20</sup> "Driven to Disaster: Car-Title Lending and Its Impact on Consumers" CFA. Accessed February 15, 2017.  
<http://www.responsiblelending.org/other-consumer-loans/car-title-loans/research-analysis/CR-L-Car-Title-Report-FINAL.pdf>

<sup>21</sup> "Car-Title Lending" Center for Responsible Lending. Accessed February 13, 2017.  
<https://www.tml.org/p/Center%20For%20Responsible%20Lending%20Car%20Title%20Loans%20Report.pdf>

<sup>22</sup> "Car-Title Lending" Center for Responsible Lending. Accessed March 29, 2017.  
<https://www.tml.org/p/Center%20For%20Responsible%20Lending%20Car%20Title%20Loans%20Report.pdf>

Loans Paid Off: <sup>23</sup>	Only 12% of loans taken out in 2010 were paid in full at of the end of the year.
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#### IV. Regulating Payday and Title Lenders in Tennessee

Legal Assistance:	<a href="#">Tennessee Citizen Action</a>
Regulator: Tennessee Department of Financial Institutions	Address: 312 Rosa L. Parks Avenue 26 <sup>th</sup> Floor Nashville, TN 37243
	Phone: (615) 741-2236
	Website: <a href="http://www.tennessee.gov/tdfi/">http://www.tennessee.gov/tdfi/</a>
State Information:	Website: <a href="https://www.tn.gov/">https://www.tn.gov/</a>

#### References:

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<sup>23</sup> “Car-Title Lending” Center for Responsible Lending. Accessed March 29, 2017.  
<https://www.tml.org/p/Center%20For%20Responsible%20Lending%20Car%20Title%20Loans%20Report.pdf>