

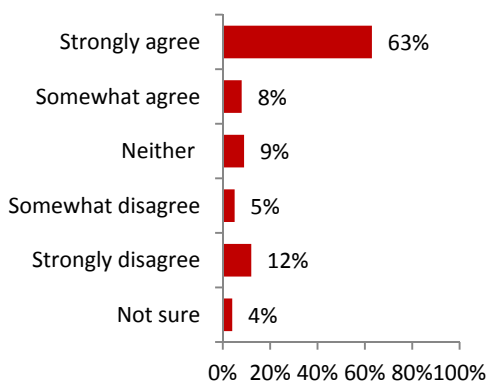
**Summary of AARP Poll of Texans Age 45+ :
Opinions on Payday Loan Rates and Legislation**
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Texans maintain a strong resistance to very high APR's (annual percentage rate) payday and auto title lenders in the state can charge consumers. In this most recent survey of Texans age 45 and older, the majority strongly agree that Texas law should be changed to cap the APR and fees on both types of loans to consumers. Similarly, in a 2011 AARP survey, the majority of Texas adults strongly opposed both an APR of 500 percent on a payday loan and an APR of 500 percent on an auto title loan.¹ This phone survey was fielded by RDD Inc. between December 12 and December 20, 2012 and yielded 500 completed interviews. The final sample was weighted by age and gender for adults age 45 and older residing in Texas. The margin of sampling error is +/-4.4%.

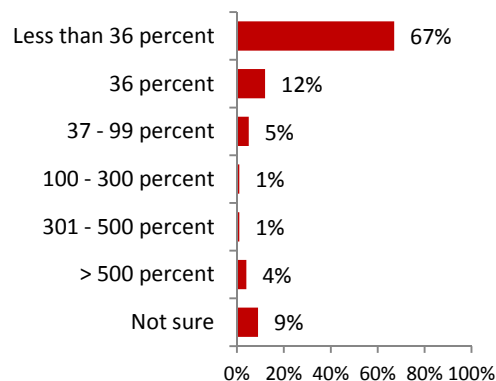
KEY FINDINGS

- ✓ After hearing that payday and auto-title lenders in Texas can currently charge up to and beyond a 500 percent annual percentage rate (APR) and why some think these rates may or may not need to be changed, **most Texans age 45 and older strongly agree that the state law should be changed** to cap the interest rates and fees these businesses charge borrowers. Moreover, the **majority (75%) of Texans age 45 and older strongly agree that government leaders in Texas should work to lower the interest rates and fees** of payday and auto title loans in the state.
- ✓ When asked to consider various annual percentage rates that payday and auto title loan businesses should be able to charge consumers, **most indicate an APR of less than 36 percent would be the highest rate** these loan businesses should be able to charge. Another one in ten feel 36 percent should be the highest APR charged by payday or auto title loan businesses.
- ✓ Subsequently, Texans age 45 and older do not support a proposal in Texas to reduce the oversight that city and county governments currently have over payday and auto title lenders. In fact, **over four in ten strongly support local city and county governments retaining their authority over these lenders** and another one in ten say they somewhat support it. Still, over one-quarter oppose the local government authority over payday and auto title lenders, with one in five strongly opposed to it.

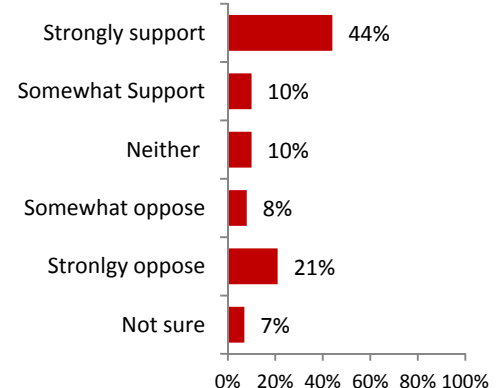
Level of Agreement: Texas Law Should be Changed to Cap Payday and Auto Title APR's and Fees
(n= 500 Texas Residents 45+)



Highest APR of Payday/Auto Title Loans
(n= 500 Texas Residents 45+)



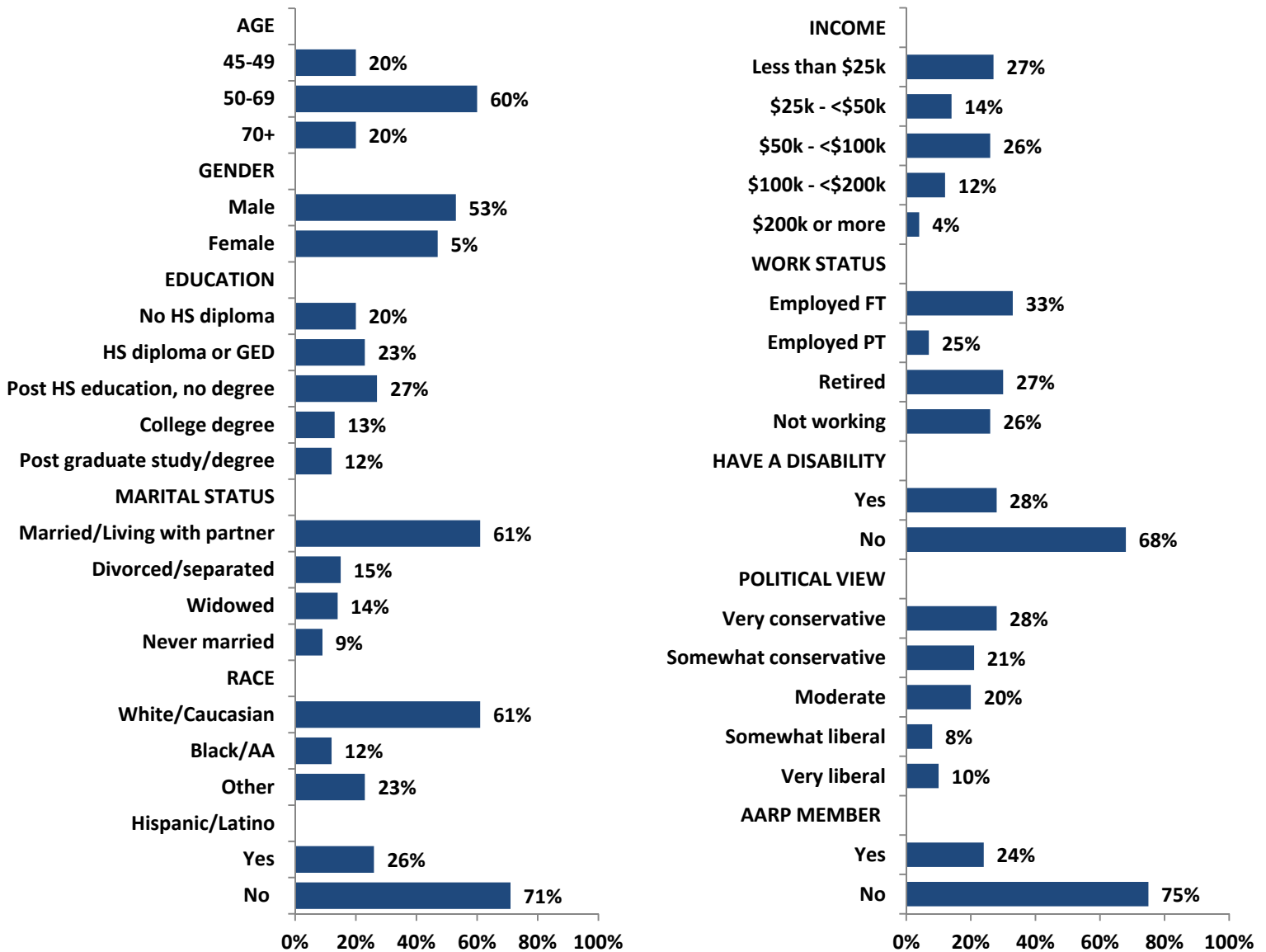
Level of Support: Texas Government Oversight of Payday and Auto Title Lenders
(n= 500 Texas Residents 45+)



¹ Bonner, A. 2011 AARP Survey Of Texans Age 18+ on Payday and Auto-Title Lender Issues <http://www.aarp.org/money/scams-fraud/info-04-2012/texas-payday-auto-title-loans.html>

- ✓ After hearing about the federal law passed in 2007 that capped the APR of payday and auto title loans to active military personnel and their dependents at 36 percent, Texans age 45 and older show strong support for extending the same provisions on a state level. In fact, **six in ten (61%) say they strongly support the state of Texas capping all payday and auto title loans to active military personnel and their dependents at 36 percent.** Close to another one in ten (8%) say they would somewhat support this action. Still, one in five say they would oppose it, with sixteen percent saying they would strongly oppose capping all payday and auto title loans to active military personnel and their families.
- ✓ Moreover, **most (66%) Texans age 45 and older support expanding the Federal law provision capping the APR of payday and auto title loans to military personal at 36 percent to National Guard, Reservists, and Veterans and their families.** In fact, over half (54%) say they strongly support this proposal. One in five say they are opposed to expanding the federal law to cap payday and auto title loans to additional military personnel, with sixteen percent saying they are strongly opposed.

Demographics of Respondents (n=500)



METHODOLOGY

Survey Administration

This survey of Texans age 45 and older was commissioned by the AARP state office in Texas. This survey was fielded by RDD Field Services between December 3 and December 11, 2012 and yielded 500 completed interviews. The survey has a margin of error of +/- 4.4 percent. This means that if 95 out of 100 samples of this same size and population were given this same survey, the responses to the questions would fall within a range of plus or minus 4.4 percentage points of what would have been obtained if every Texas resident age 45 and older were asked these same questions.

Sampling

The sample for this survey was drawn from AARP's prospect database and member database. The member database is maintained by AARP and the prospect database is maintained by Epsilon and contains a compiled list of individuals ages 45 and older in the United States. Testing and validation finds that the prospect member database appears to provide representative and geographically accurate coverage of the older U.S. population when compared against various Census-based sources and the AARP member database.

Weighting

The data was weighted to reflect the 45+ population in Texas using a two-stage raking approach: first, members and prospect members in the survey sample are each weighted to reflect the respective databases by age and database elements reflective of life stage and affluence. Then, both groups are weighted to reflect the penetration and population of Texans age 45 and older as found in the 2011 U.S. Census Bureau's American Community Survey Public Micro-use Sample by age, education, race-ethnicity, gender, and membership. Percents may not add to 100 percent due to rounding. Also due to rounding, the percents reported in the text may vary slightly from those in the annotation or in graphs.

Response Rate/Cooperation Rate/Refusal Rate

The response rate for this study was measured using AAPOR's response rate 3 method. The cooperation rate was measured using AAPOR's cooperation rate 3 method. The refusal rate was measured using AAPOR's refusal rate 3 method. The table below contains these rates:

Response Rate	Cooperation Rate	Refusal Rate
8.72%	40.41%	16.05%

ANNOTATED QUESTIONNAIRE

**TEXAS PAYDAY LOAN POLL
ANNOTATED QUESTIONNAIRE
n=500; Sample margin of error = ± 4.4 percent**

INTRODUCTION:

Hello, my name is _____ and I am calling from RDD Field Services. We are conducting a study regarding issues and topics that may affect people such as yourself. We are not selling anything. This call may be recorded for quality purposes.

SCREENER QUESTIONS:²

S1. [IF S2_CONFIRM = 2, INSERT: "OK, let me record this information again." OTHERWISE INSERT: "In order to randomly pick one person in your household to interview I need to ask how many people are in your household. How many **adults age 18 to 44** currently live in your household?
[INTERVIEWER INSTRUCTIONS: IF RESPONDENT ASKS, SAY: "Children away at college should be included in this count if their permanent residence is your home."]

- 1 One
- 2 Two or more
- 3 None
- 8 DON'T KNOW / NOT SURE
- 9 REFUSED

S2. And how many **adults age 45 or older** currently live in your household?

- 1 One – **[SKIP TO FONEGEN1]**
- 2 Two or more – **[SKIP TO FONEGEN2]**
- 3 None – **SKIP TO S2_CONFIRM**
- 8 Don't Know – **THANK AND TERMINATE**
- 9 REFUSED – **THANK AND TERMINATE [SEND THIS GROUP ALONG WITH SOFT REFUSALS TO REFUSAL CONVERSION]**

S2_CONFIRM. Before continuing I want to make sure I heard you correctly - - there are NO adults who are at least 45 years old...or older...currently living in your household AND there are [INSERT "one", "two or more", or "no" BASED ON S1 RESPONSE UNLESS S1 = 8 OR 9, THEN INSERT "no"] adults age 18 to 44 currently living in your household? Is this correct?

- 1 Yes – Answers Are Correct – **THANK AND TERMINATE**
- 2 No – Answers Are NOT Correct – **SKIP TO S1 AND REASK S1 AND S2**
- 8 Don't Know – **THANK AND TERMINATE**
- 9 REFUSED – **THANK AND TERMINATE**

FONEGEN1. INTERVIEWER OBSERVATION: RECORD GENDER OF PERSON WHO ANSWERED THE PHONE (DO NOT ASK)

- 1 Male
- 2 Female

² Screener questions are numbered to correspond with the same required questions in the larger AARP tracking survey. These question numbers also correspond to the variables in the data set.

S3. To ensure we speak to lots of different types of people, I need to speak to the person who is age 45 or older ?

- 1 Continue with current respondent – **SKIP TO A1**
- 2 New respondent brought to the phone – **REPEAT INTRO; SKIP TO A1**
- 3 New respondent not available – **SCHEDULE CALLBACK**
- 9 REFUSED – **THANK & TERMINATE (record as gatekeeper refusal)**

FONEGEN2. INTERVIEWER OBSERVATION: RECORD GENDER OF PERSON WHO ANSWERED THE PHONE (DO NOT ASK)

- 1 Male
- 2 Female

S4a. To ensure we speak to lots of different types of people, I need to speak with the youngest male, age 45 or older, who is at home right now?

[INTERVIEWERS: NOTE WE ARE NOT LOOKING FOR THE YOUNGEST MALE WHO LIVES IN THE HOUSEHOLD, BUT THE YOUNGEST MALE WHO IS AT HOME RIGHT NOW. FOR EXAMPLE, IF A FATHER AND SON ARE LIVING TOGETHER, THE SON IS 55 AND THE FATHER IS 90, AND AT THE TIME YOU CALL ONLY THE FATHER IS AT HOME (THE 90 YEAR OLD), THEN HE IS THE YOUNGEST MALE "WHO IS AT HOME RIGHT NOW." THE FACT THAT SOMEONE YOUNGER LIVES THERE IS NOT IMPORTANT UNLESS THEY ARE HOME AT THE TIME YOU CALL.

IF NECESSARY, EXPLAIN TO THE RESPONDENT THAT YOU ARE LOOKING FOR THE YOUNGEST MALE WHO IS AT HOME RIGHT NOW...EVEN IF A YOUNGER MALE LIVES THERE, BUT IS NOT CURRENTLY AT HOME.]

- 1 Continue with current respondent – **SKIP TO A1**
- 2 Youngest Male coming to the phone – **REPEAT INTRO; SKIP TO A1**
- 3 Youngest Male not available right now – **SKIP TO S4b**
- 9 REFUSED – **THANK & TERMINATE (RECORD AS GATEKEEPER REFUSAL)**

S4b. Then may I speak to the oldest female, age 45 or older, who is at home right now?

[INTERVIEWERS: NOTE WE ARE NOT LOOKING FOR THE OLDEST FEMALE WHO LIVES IN THE HOUSEHOLD, BUT THE OLDEST FEMALE WHO IS AT HOME RIGHT NOW. AT THIS POINT, UNLESS THE PERSON YOU ARE SPEAKING TO IS NOT 45 OR OLDER, SOMEONE IN THE HOUSEHOLD SHOULD QUALIFY TO BE INTERVIEWED. IF NECESSARY, EXPLAIN TO THE RESPONDENT THAT YOU ARE LOOKING FOR THE OLDEST FEMALE WHO IS AT HOME RIGHT NOW...EVEN IF AN OLDER FEMALE LIVES THERE, BUT IS NOT CURRENTLY AT HOME.]

- 1 Continue with current respondent – **SKIP TO A1**
- 2 Oldest Female coming to the phone – **REPEAT INTRO; SKIP TO A1**
- 3 Oldest Female not available right now – **THANK & TERMINATE (SCHEDULE UNSPECIFIED CALLBACK)**
- 9 REFUSED – **THANK & TERMINATE (RECORD AS GATEKEEPER REFUSAL)**

A1. INTERVIEWER OBSERVATION: OBSERVE & RECORD GENDER OF PERSON FINALLY SELECTED TO CONDUCT THE INTERVIEW (DO NOT ASK)

47% Male
53% Female

Q6. To begin, are you currently a member of A-A-R-P?

24% Yes → **SKIP TO Q4**
75% No
1% DON'T KNOW / NOT SURE
0% REFUSED

Q7. Have you EVER been a member of A-A-R-P?

16% Yes
58% No
1% DON'T KNOW / NOT SURE
0% REFUSED

[PROGRAMMERS: CREATE VARIABLES MEMSTAT (1 = AARP MEMBER, 2 = LAPSED MEMBER, 3 = NEVER BEEN MEMBER) & MEMSTAT2 (1 = AARP MEMBER, 2 = NONMEMBER). IF Q6 = 1, THEN MEMSTAT = 1 AND MEMSTAT2 = 1. IF Q7 = 1, THEN MEMSTAT = 2 AND MEMSTAT2 = 2. OTHERWISE MEMSTAT = 3 AND MEMSTAT2 = 2]

Q4. And are you now married or living with a partner, widowed, divorced or separated, or never married?

56% Married
5% Living with a partner
14% Widowed
15% Divorced or Separated
9% Never Married
1% DON'T KNOW / NOT SURE
91% REFUSED

Q5. And what is your age?

018-044 **STOP interview; Respondent needs to be 45 years or older**
045-100 _____ (record age)
101 101 years or older
998 DON'T KNOW / NOT SURE
999 REFUSED

MAIN QUESTIONNAIRE

TXPDL_1. *Next I'd like to talk to you about payday loans. Payday loans are cash advances and usually range from \$100 to \$1500. Payday loan borrowers use their next paycheck and bank account as collateral to secure the loan. Auto title loans are very similar to payday loans except they may be larger – up to \$20,000, and the borrower uses their car title as collateral to secure the loan.*

Currently in Texas, payday and auto title lenders can charge up to and beyond a 500% annual percentage rate. Some say Texas law needs to be changed to set limits, or place caps, on interest rates and fees these lenders can charge while others say the current system should not be changed because consumers can make their own financial decisions and the free market should determine these rates.

How strongly do agree or disagree that Texas law should be changed to cap interest rates and fees that payday and auto title loan businesses can charge borrowers? Do you.....**[INTERVIEWER: READ EACH]**

63%	Strongly agree
8%	Somewhat agree
9%	Neither agree nor disagree
5%	Somewhat disagree
12%	Strongly disagree
4%	DON'T KNOW / NOT SURE [DO NOT READ]
0%	REFUSED [DO NOT READ]

TXPDL_2. The average interest rate and fees for payday and auto title loans varies from state to state. In some states, like Texas, the annual percentage rate could be as high as 500 percent or more and in other states, it could be as low as 36 percent or less. How strongly do you agree or disagree that government leaders in Texas should work to lower the interest rates and fees of payday and auto title loans in the state?

75%	Strongly agree
7%	Somewhat agree
5%	Neither agree nor disagree
4%	Somewhat disagree
7%	Strongly disagree
2%	DON'T KNOW / NOT SURE [DO NOT READ]
<.5%	REFUSED [DO NOT READ]

TXPDL_3. Which of the following do you feel is the highest annual percentage rate that payday and auto title loan businesses should be able to charge consumers? **[PROGRAMMERS: RANDOMIZE DIRECTION IN WHICH LIST WILL APPEAR FOR RESPONDENTS (EITHER ‘a’ THRU ‘f’ OR ‘f’ THRU ‘a’)]**

- 67% Less than 36 percent
- 12% 36 percent
- 5% 37 to 99 percent
- 1% 100 to 300 percent
- 1% 301 to 500 percent
- 4% More than 500 percent
- 9% DON'T KNOW / NOT SURE **[DO NOT READ]**
- 1% REFUSED **[DO NOT READ]**

TXPDL_4. Currently there is a proposal in Texas to reduce the oversight that city and county governments have over payday and auto title lenders. How strongly do you support or oppose local city and county governments in Texas retaining their authority over these lenders? *Do you strongly support, somewhat support, neither support or oppose, somewhat OPPOSE, or strongly oppose this.....?*

- 44% Strongly support
- 10% Somewhat support
- 10% Neither support nor oppose
- 8% Somewhat oppose
- 21% Strongly oppose
- 7% DON'T KNOW / NOT SURE **[DO NOT READ]**
- <.5% REFUSED **[DO NOT READ]**

TXPDL_5. In 2007, the federal government passed a law that capped payday and auto-title loans to active military personnel and their dependents at 36% annual percent rate. However, Texas payday and auto-title lenders have since created new loan products not covered by this federal law and can have rates and fees up to 500 percent or more. How strongly do you support or oppose Texas capping *all* payday and auto-title loans to active military personnel and their dependents at 36 percent? *Do you strongly support, somewhat support, neither support or oppose, somewhat OPPOSE, or strongly oppose this.....?*

- 61% Strongly support
- 8% Somewhat support
- 8% Neither support nor oppose
- 4% Somewhat oppose
- 16% Strongly oppose
- 3% DON'T KNOW / NOT SURE **[DO NOT READ]**
- 2% REFUSED **[DO NOT READ]**

TXPDL_6. How strongly would you support or oppose expanding these military payday and auto-title loan caps of 36 percent to National Guard, Reservists, and Veterans and their dependents? *Do you strongly support, somewhat support, neither support or oppose, somewhat OPPOSE, or strongly oppose this.....?*

- 54% Strongly support
- 12% Somewhat support
- 8% Neither support nor oppose
- 4% Somewhat oppose
- 16% Strongly oppose
- 4% DON'T KNOW / NOT SURE [DO NOT READ]
- 2% REFUSED [DO NOT READ]

DEMOGRAPHICS³

Q48. Finally, just a few more questions, so that we can describe the people who took part in our survey. Remember, all your answers will be confidential.

First, are you of Spanish, Hispanic or Latino background?

- 26% Yes
- 71% No
- 1% DON'T KNOW / NOT SURE
- 3% REFUSED

Q49. Which of the following best describes your race? Please feel free to mention one or more race categories to best describe what you consider yourself to be.

Do you consider yourself to be American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, White, or some other race category? **[Interviewer Instructions:** If Respondent names multiple race categories, select 7 (multi-race) and record, verbatim, the respondent's race categories.]

- 3% American Indian or Alaska Native
- 1% Asian
- 12% Black or African American
- <.5% Native Hawaiian or other Pacific Islander
- 61% White
- 17% Some other race [Specify:_____]
- 2% Multi-race [Specify race categories:_____]
- 1% DON'T KNOW / NOT SURE
- 4% REFUSED

³ Demographic questions are numbered according to the larger AARP tracking survey. This numbering also corresponds with the variables in the data set.

Q49a. Does any disability, handicap or chronic disease keep you from participating fully in work, school, household, or other activities?

28% Yes
68% No
1% DON'T KNOW / NOT SURE
3% REFUSED

Q50. What is the highest degree or level of school you have completed?
[Interviewer Instructions: READ LIST ONLY IF NECESSARY]

20% 0 through 12th grade (no diploma),
23% High school graduate (or equivalent),
5% post-high-school vocational or technical training
22% some college (no degree),
13% college graduate (4-year degree),
4% post-graduate study
8% graduate or professional degrees)
1% Don't Know
4% REFUSED

Q51. Are you now employed full-time, part-time, retired, or otherwise not employed for pay?
[DEFINITION OF "FULL-TIME" TO BE READ AS NECESSARY: "By full time we mean working, on average, 35 hours or more per week with one employer."]

33% Employed full-time
7% Employed part-time
30% Retired
19% Not employed for pay
5% [VOLUNTEERED] Disabled
2% [VOLUNTEERED] Homemaker
<.5% [VOLUNTEERED] Other
<.5% DON'T KNOW / NOT SURE
4% REFUSED

Q55. In general, would you describe your political views as very conservative, somewhat conservative, moderate, somewhat liberal, or very liberal?

28% Very Conservative
21% Somewhat Conservative
20% Moderate
8% Somewhat Liberal
10% Very Liberal
2% [VOLUNTEERED] It depends on the issue
7% DON'T KNOW / NOT SURE
4% REFUSED

Q58. Next, we realize that income is a private matter and want to respect that privacy. And so rather than ask anything specific about your income, please just stop me when I read the broad income range that includes your household's total income from all sources in 2011? Here are the broad categories... **(READ 1-8 ONLY)**

- 11% Less than \$10,000
- 16% \$10,000 to under \$25,000
- 14% \$25,000 to under \$50,000
- 13% \$50,000 to under \$75,000
- 13% \$75,000 to under 100,000
- 8% \$100,000 to under \$150,000
- 5% \$150,000 to under \$200,000
- 4% \$200,000 or more
- 5% **(DO NOT READ) DON'T KNOW / NOT SURE**
- 12% **(DO NOT READ) REFUSED**

Q60. Finally, for verification purposes, may I please have your first name?

- 1 Yes [SPECIFY:_____]
- 2 No
- 8 DON'T KNOW / NOT SURE
- 9 REFUSED

That completes our interview.

Thank you very much for participating in this important opinion survey.

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people 50+ have independence, choice and control in ways that are beneficial to them and society as a whole. AARP does not endorse candidates for public office or make contributions to either political campaigns or candidates. We produce AARP The Magazine, the definitive voice for Americans 50+ and the world's largest-circulation magazine; AARP Bulletin, the go-to news source for the 50+ audience; AARP VIVA, a bilingual lifestyle multimedia platform addressing the interests and needs of Hispanic Americans; and national television and radio programming including *My Generation* and *Inside E Street*. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

State Research brings the right knowledge at the right time to our state and national partners in support of their efforts to improve the lives of people age 50+. State Research consultants provide strategic insights and actionable research to attain measurable state and national outcomes.

The views expressed herein are for information, debate, and discussion, and do not necessarily represent official policies of AARP.



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