

2024

**California Department of
Financial Protection and Innovation**

Annual Report of Payday Lending Activity Under the California Deferred Deposit Transaction Law

Report Required by Financial Code Section 23026

PROTECTING CONSUMERS
FOSTERING TRUST & INNOVATION

DFPI 
DEPARTMENT OF FINANCIAL
PROTECTION & INNOVATION



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EXECUTIVE SUMMARY

The Department of Financial Protection and Innovation licenses and regulates deferred deposit originators, better known as payday lenders, pursuant to the California Deferred Deposit Transaction Law (CDDTL).

In a payday loan transaction, the consumer provides the lender a personal check for \$300 or less. Also called “cash advances” or “deferred deposits,” the lender gives the consumer the money, minus an agreed upon fee. By law, the fee cannot exceed 15 percent of the amount of the personal check and the lender then defers depositing the consumer’s check for a specific period, not to exceed 31 days. As enacted by Senate Bill 898 (Chapter 777, Statutes 2002) and amended by Assembly Bill 971 (Chapter 17, Statutes 2004), the CDDTL became operative on December 31, 2004, to provide greater oversight and guarantee that consumers have the disclosures necessary to make informed decisions.

The annual report and survey data in this report is unaudited and covers licensees’ activities in calendar year 2024. The report also provides historical data back to 2015.

Key Findings

- California’s payday lenders made more than 5.8 million loans in 2024, worth more than \$1.65 billion. In 2023, California’s payday lenders made more than 5.6 million loans worth more than \$1.59 billion. **These transactions represent an increase of 3.56 and 3.77 percent from 2023 totals.**
- In 2024, **more than 889,000 individual customers took out payday loans**, a 0.43 percent increase from the 2023 total. In 2023, more than 885,000 individual customers took out payday loans.
- Nearly **60.23 percent of licensees served customers who received government assistance.**
- The **average payday loan dollar amount was \$252 in 2024.** The **average annual percentage rate (APR) for payday loans was 364 percent in 2024.**
- Subsequent loans by the same borrower accounted for **70.32 percent of the payday loans in 2024 and 80.17 percent of the aggregate dollar amount.**
- Of subsequent payday loans by the same borrower, **30.27 percent were made the same day the previous transaction ended.**
- Another **17.53 percent of payday loans were made one to seven days after the previous loan was repaid.**

- Payday lenders charged approximately \$246 million in fees on payday loans in 2024. Of that total, **75.45 percent – or \$185.6 million – came from customers who made seven or more transactions** during the year.
- In 2024, **32 percent of payday loan customers had average annual incomes of \$30,000 or less, and 21 percent had average annual incomes of \$20,000 or less.**
- The number of payday loan customers referred by lead generators **increased 45 percent**, from 92,894 in 2023 to 168,495 in 2024.
- Nearly 25 percent of licensees made payday loans on the internet during 2024. **Online payday loans accounted for 53.46 percent of all payday loans.**
- Approximately **59.95 percent of customers (533,207) took out payday loans over the internet.**
- In 2024, 23.29 percent consumers took out single payday loans, while 26.91 percent consumers took out 10 or more payday loans.
- The use of cash to disburse funds to and receive payments from customers increased in 2024. Measured in dollar amounts, **cash disbursements increased from 34.35 percent in 2023 to 37.08 percent in 2024.**
- Other forms of disbursements, including wire transfers, instant funding, Zelle, and debit cards, **climbed to 45.49 percent from 41.37 percent in 2023.** About Twenty-seven percent of customers' payments were made with cash, up from 25.23 percent in 2023.
- Electronic transfers accounted for **24.43 percent of customers' payments, compared to 23.69 percent in 2023.**

PART I: CONSOLIDATED ANNUAL REPORT BACKGROUND

In this report, the Department of Financial Protection and Innovation (DFPI) has compiled data submitted by licensed deferred deposit originators, better known as payday lenders, under the California Deferred Deposit Transaction Law (CDDTL). Financial Code section 23026 requires licensees to file annual reports that provide information related to their lending activities under the program with the DFPI Commissioner.

This report contains unaudited data provided by licensees for the calendar year ending December 31, 2024.

As of December 31, 2024, the DFPI licensed 91 payday lenders. Of those, 88 filed required annual reports in time to be included in this report, one licensee failed to file the annual report, and two surrendered their license after January 1, 2025.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

This report and prior years' reports can be found on the DFPI's website at dfpi.ca.gov/publications/payday-lenders-publications.

CDDTL Historical Data – Transactions

In 2024, the total dollar amount of payday loans increased by 3.77 percent, while the total number of payday loans increased 3.56 percent. The total number of individual customers who obtained payday loans increased 0.43 percent compared to 2023. The average number of payday loans per customer has only slightly increased from 6.50 in 2015 to 6.60 in 2024.

Table 1: Total Dollar Amount and Number of Transactions

Year	Total dollar amount of payday loans	Total number of payday loans	Total number of individual customers who obtained payday loans**
2024	\$1,651,685,137	5,866,215	889,363
2023*	\$1,591,710,887	5,664,584	885,573
2022*	\$1,506,009,181	5,359,132	900,334
2021*	\$1,263,486,126	4,526,338	790,143
2020*	\$1,683,670,749	6,084,434	1,128,211
2019*	\$2,819,552,891	10,181,247	1,612,593
2018*	\$2,815,483,777	10,233,292	1,622,021
2017*	\$2,940,236,402	10,734,226	1,688,719
2016*	\$3,140,937,922	11,502,397	1,796,515
2015	\$4,170,267,951	12,261,885	1,885,934

* Variances from data published in the annual report due to late filings by licensees.

** Repeat customers were counted once.

CDDTL Historical Data - Transactions (continued)

The average payday loan dollar amount was \$252 in 2024. The average annual percentage rate (APR) for payday loans was 364 percent in 2024.

Table 2: Transaction Analysis

Year	*Average dollar amount of payday loans	**Average annual percentage rate (APR)	Average number of days of payday loans
2024	\$252	364%	17
2023	\$250	367%	16
2022	\$251	364%	16
2021	\$245	353%	16
2020	\$247	361%	16
2019	\$250	369%	17
2018	\$250	376%	17
2017	\$250	377%	17
2016	\$251	372%	17
2015	\$237	366%	17

* Maximum transaction amount, per statute, is \$300.
** APR is calculated using the average method, in which all APRs reported are divided by the number of licensees.

CDDTL Historical Data - Returned Checks

From 2023 to 2024, the total number of returned checks (returned unpaid to the lender) in payday loan transactions increased by 7.89 percent. Returned checks as a share of total payday loans increased to 10.52 percent in 2024.

Table 3: Returned Checks: Total Number and Dollar Amount

Year	Total number of returned checks	Total number as percentage	Total dollar amount of returned checks	Total dollar amount as percentage
2024	616,882	10.52%	\$173,046,480	10.47%
2023*	571,777	10.09%	\$160,947,989	10.11%
2022*	552,902	10.32%	\$161,518,725	10.72%
2021*	399,094	8.82%	\$114,449,735	9.05%
2020*	338,888	5.57%	\$90,354,373	5.36%
2019*	654,354	6.43%	\$176,818,609	6.27%
2018*	646,811	6.32%	\$177,150,764	6.29%
2017*	660,351	6.15%	\$178,500,307	6.07%
2016*	773,368	6.72%	\$193,301,210	6.15%
2015	780,856	6.37%	\$212,767,330	5.10%

* Variances from data published in the annual report due to late filings by licensees.

CDDTL Historical Data - Returned Checks (Continued)

From 2023 to 2024, the total dollar amount of returned checks recovered, or ultimately paid by customers, in payday loan transactions increased 8.81 percent, to approximately \$119.6 million. Recovered returned checks as a share of total payday loans in 2024 was 7.72 percent: the highest rate in the past 10 years.

Table 4: Returned Checks Recovered

Year	Total number of returned checks recovered**	Total number as percentage	Total dollar amount of returned checks recovered**	Total dollar amount as percentage
2024	453,066	7.72%	\$119,664,228	7.24%
2023*	416,387	7.35%	\$110,613,279	6.95%
2022*	384,461	7.17%	\$102,139,777	6.78%
2021*	267,096	5.90%	\$69,150,595	5.47%
2020*	300,321	4.94%	\$72,540,932	4.31%
2019*	425,567	4.18%	\$95,672,481	3.39%
2018*	417,985	4.08%	\$90,526,804	3.22%
2017*	421,561	3.93%	\$89,419,679	3.04%
2016*	421,371	3.66%	\$92,191,739	2.94%
2015	417,957	3.41%	\$96,878,435	2.32%

* Variances from data published in the annual report due to late filings by licensees.

** Includes partial recoveries.

CDDTL Historical Data – Checks Charged Off

From 2023 to 2024, the number and the dollar amount of checks charged off, or payday loans unlikely to be collected, increased by 25.01 and 28.24 percent, respectively. The number of charged-off checks as a share of total payday loans in 2024 increased to 2.59 percent.

Table 5: Checks Charged Off

Year	Total number of checks charged off**	Total number as percentage	Total dollar amount of checks charged off**	Total dollar amount as percentage
2024	151,886	2.59%	\$39,614,902	2.40%
2023*	121,503	2.14%	\$30,890,770	1.94%
2022*	114,789	2.14%	\$29,645,942	1.97%
2021*	94,335	2.08%	\$24,340,705	1.93%
2020*	158,285	2.60%	\$39,725,782	2.36%
2019*	265,258	2.61%	\$66,483,174	2.36%
2018*	264,946	2.59%	\$66,514,684	2.36%
2017*	343,865	3.20%	\$82,592,712	2.81%
2016*	548,001	4.76%	\$143,439,201	4.57%
2015	380,925	3.11%	\$92,891,127	2.23%

* Variances from data published in the annual report due to late filings by licensees.

** Includes partial balances.

CDDTL Historical Data – Licensing

Table 6 shows a decline in the number of licensed locations since 2015. From 2023 to 2024, the number dropped by 31, or 4.91 percent. From 2015 to 2024, the number of licensed locations dropped by 1,369, or 69.53 percent.

Table 6: Licensed Locations

Year	Number
2024	600
2023	631
2022	719
2021	834
2020	1,121
2019	1,551
2018	1,645
2017	1,705
2016	1,854
2015	1,969

In Table 7, the “long form application” refers to the first application for a CDDTL license. The “short form application” refers to a license for an additional business location. Applications are subject to abandonment if a deficiency is not corrected within 90 days of notification. Applications can be withdrawn at the request of the applicant.

Table 7: Applications Filed

Year	Long Form Applications Filed (License for the First Location)	Short Form Applications Filed (License for an Additional Business Location)	Total Applications Filed
2024	4	3	7
2023	4	21	25
2022	9	5	14
2021	7	2	9
2020	6	12	18
2019	11	6	17
2018	20	61	81
2017	8	20	28
2016	17	51	68
2015	19	29	48

PART II: CONSOLIDATED INDUSTRY SURVEY BACKGROUND

In January 2024, the DFPI provided the *California Deferred Deposit Transaction Law – 2024 Industry Survey* to all licensed payday lenders. The DFPI conducts this survey pursuant to Financial Code section 23015.

The survey allows the Department to assess the financial health and compliance practices of California's licensed payday lenders and potential consumer risks. The data collected on licensees' activities in calendar year 2024 related to the following:

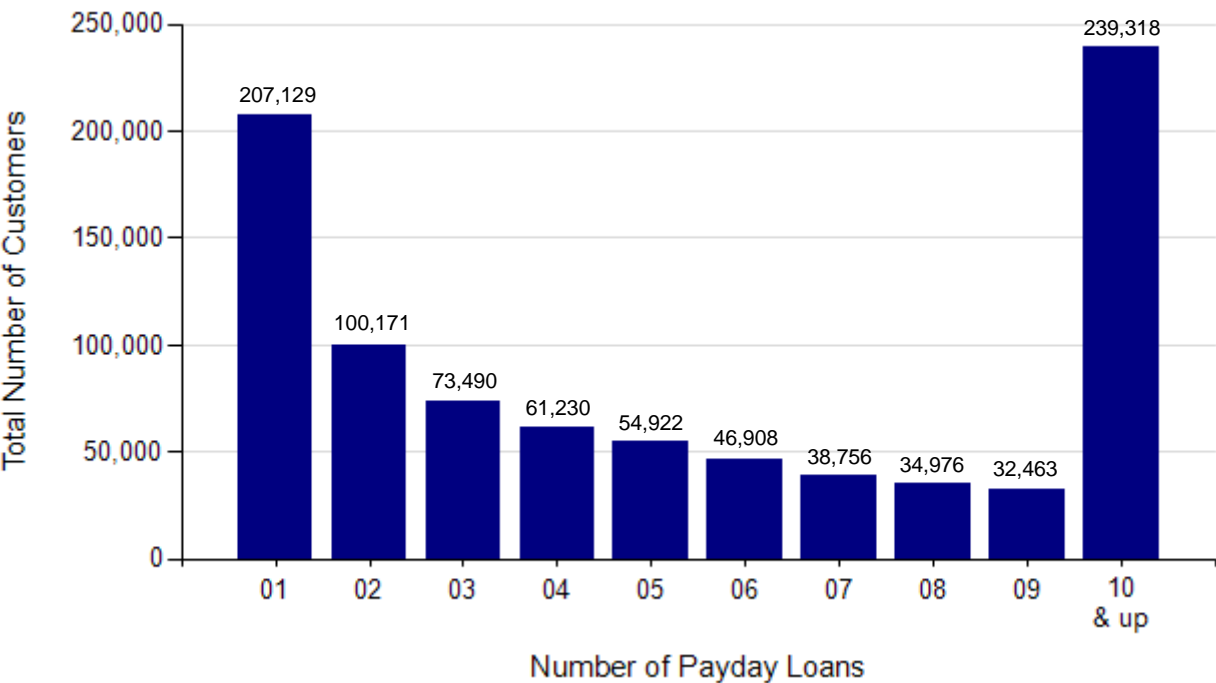
- Volume of transactions per customer
- Customer ages and income
- Internet transactions
- Lead generators
- Disbursements to customers
- Payments from customers
- Payment plans
- Collections
- Fees
- Subsequent transactions by the same borrower
- Returned checks
- Transactions with customers who receive government assistance
- Dispute arbitration
- Covered borrowers

Some data provided in the survey results may not exactly match the data in Part I of this report. Due to system limitations of some licensees, there may be variances to the data in this survey.

Payday Loan Transaction Volumes Per Customer

Questions one through 10 of the survey asked licensees to report the number of customers who obtained a specified number of transactions during 2024. Chart 1 provides the aggregated response data for each question.

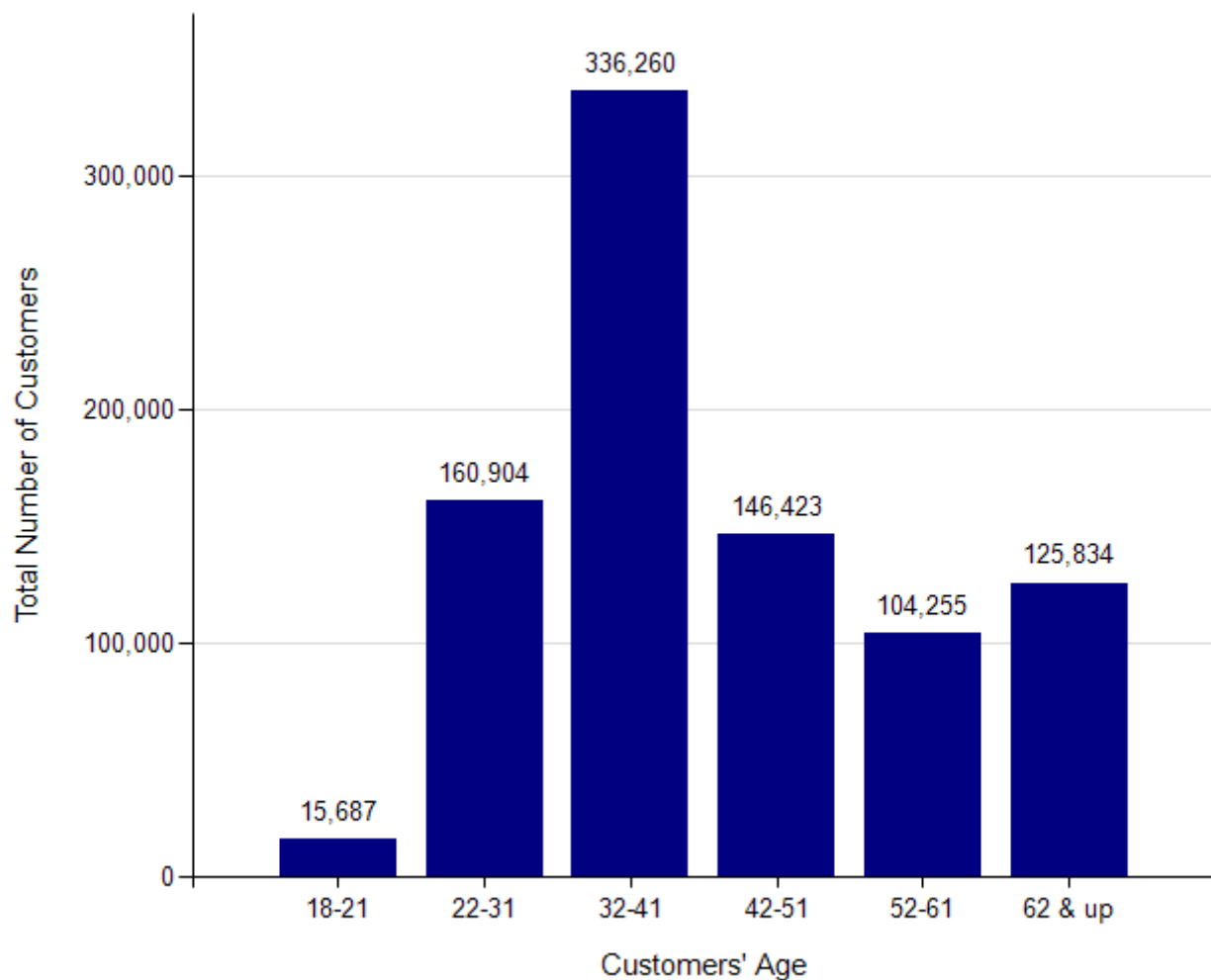
Chart 1: Total Number of Customers by Number of Transactions
Source: Survey questions 1-10



Customer Age

Chart 2: Number of Customers by Customers' Age

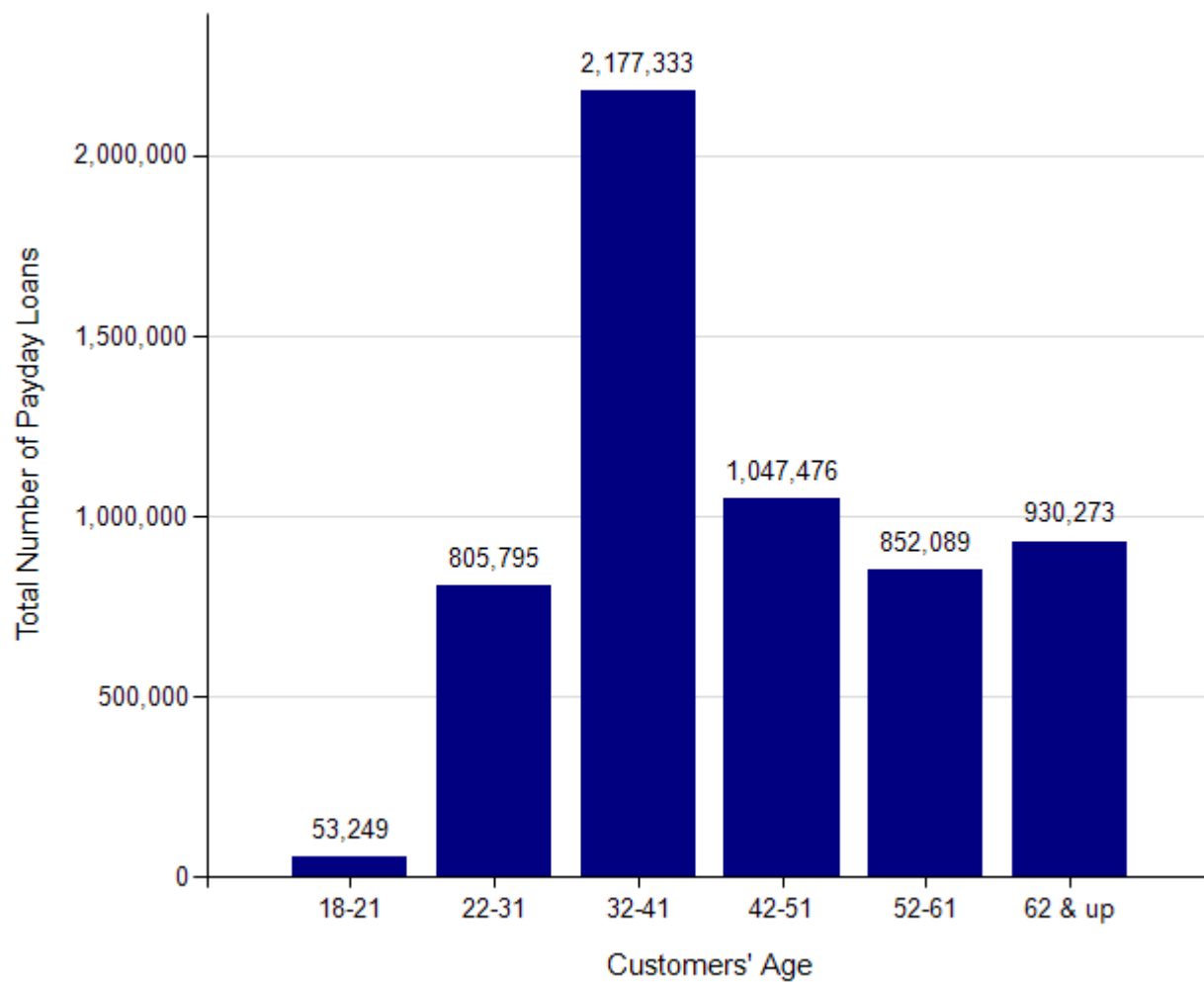
Source: Survey questions 12-17



Customer Age (continued)

Chart 3: Number of Transactions by Customers' Age

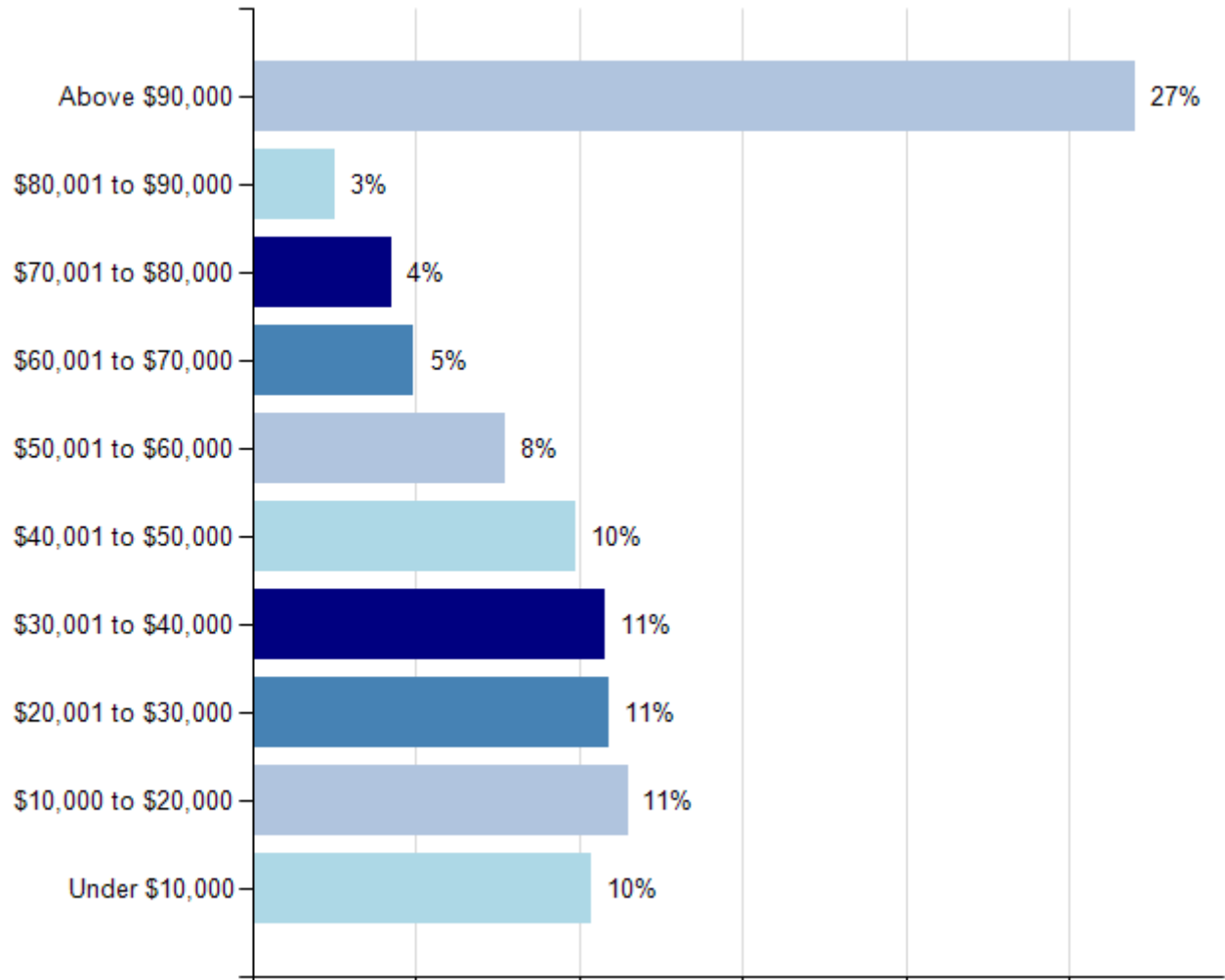
Source: Survey questions 19-24



Customer Income

Chart 4: Average Annual Income

Source: Survey questions 26-35



Internet Transactions

Chart 5: Percentage of Payday Lenders Conducting Transactions on Internet

Source: Survey question 37

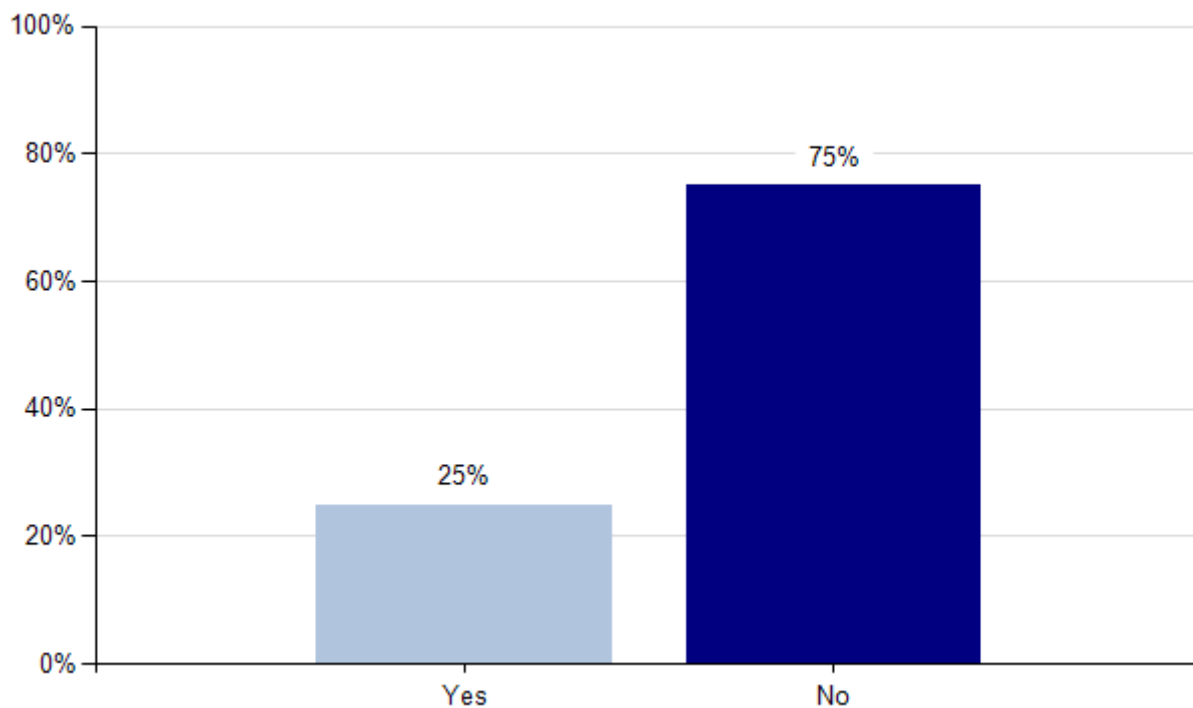


Table 8: Internet Transaction Volumes and Amounts

Source: Survey questions 38 – 40

	2024	2023	2022	2021	2022
Number of Customers	533,207	500,554	497,777	416,090	497,777
Number of Transactions	3,136,010	2,898,280	2,607,942	2,047,889	2,607,942
Transaction Amounts	\$853,969,697	\$786,753,637	\$709,474,125	\$549,240,837	\$709,474,125

Lead Generators

The number of payday loan customers referred by lead generators increased from 92,894 in 2023 to 168,495 in 2024.

Chart 6: Number of Payday Lenders Using Lead Generators

Source: Survey question 41

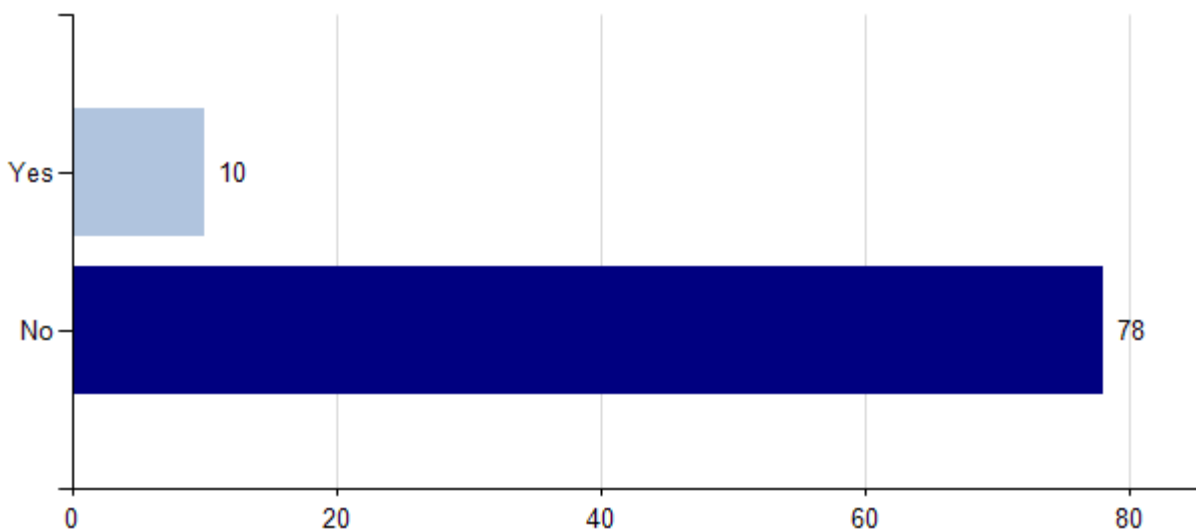


Table 9: Lead Generator Fees

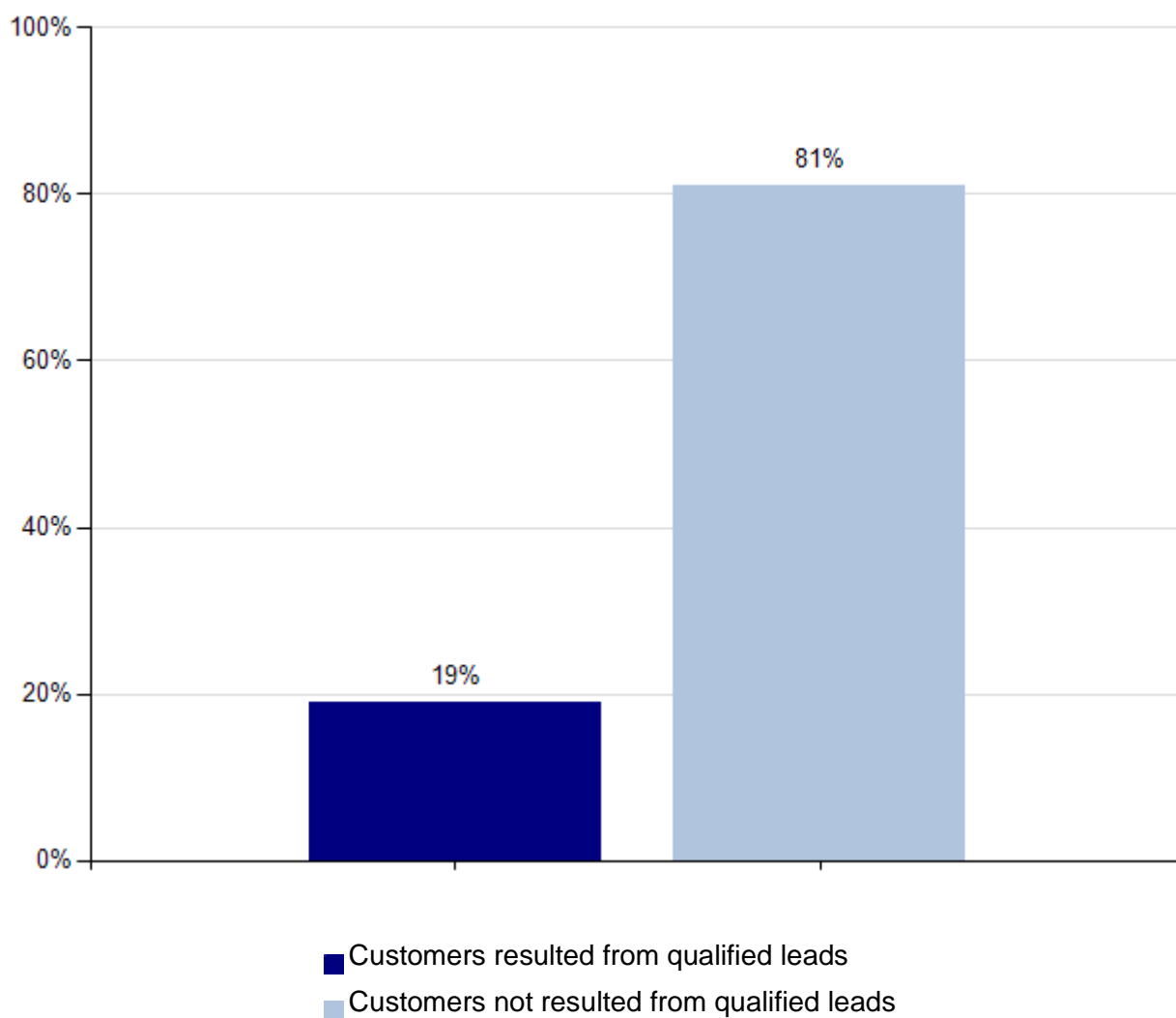
Source: Survey questions 43 and 44

	2024	2023	2022	2021
Fees Paid to Lead Generators	\$12,964,208	\$6,033,079	\$8,940,816	\$4,706,867
Number of Customers Who Made Payday Loans that Resulted from Leads	168,495	92,894	117,559	109,486

Lead Generators (continued)

Chart 7: Percentage of Qualified Leads Resulting in Transactions

Source: Survey question 43 & Annual Report question 3

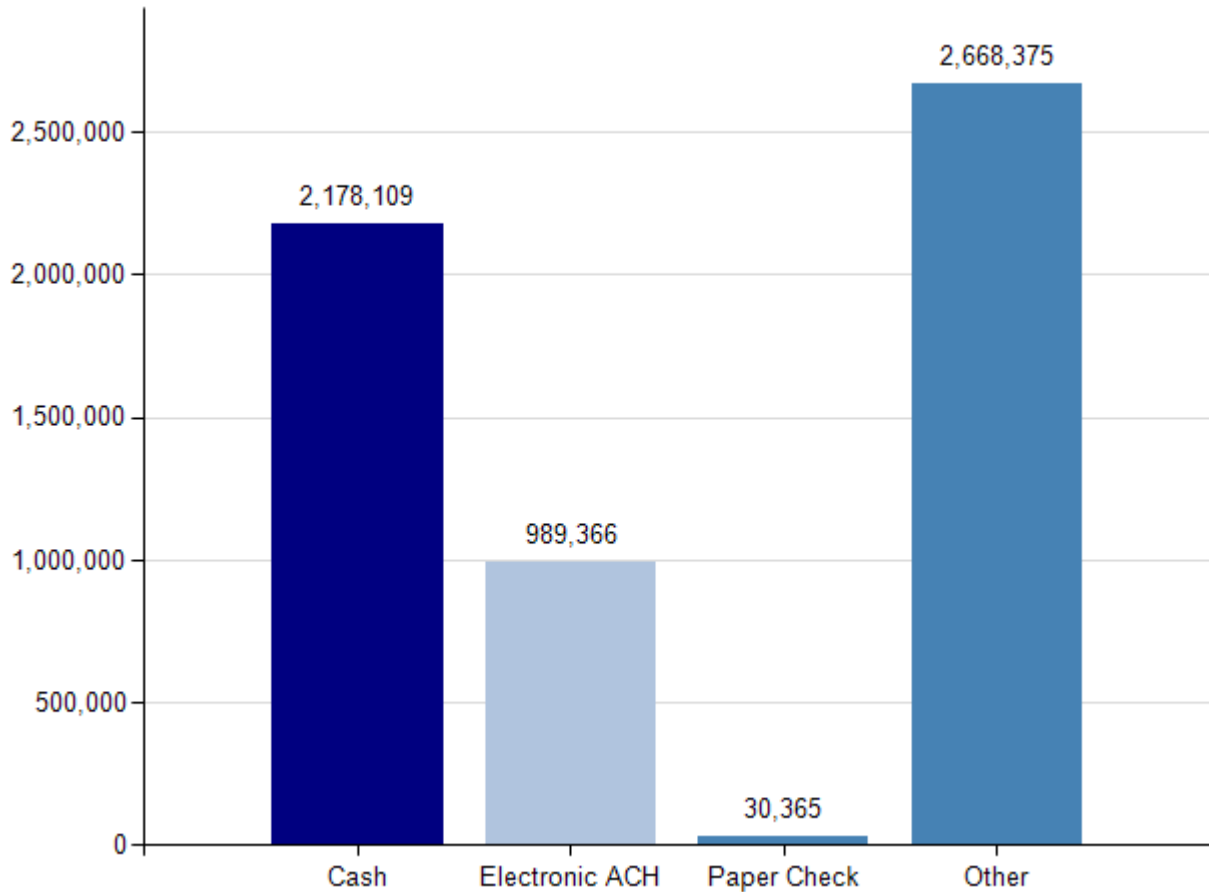


The number of customers resulted from qualified leads increased to approximately 19 percent in 2024 from 10 percent in 2023.

Disbursements to Customers

Chart 8: Number of Disbursements to Customers

Source: Survey question 54



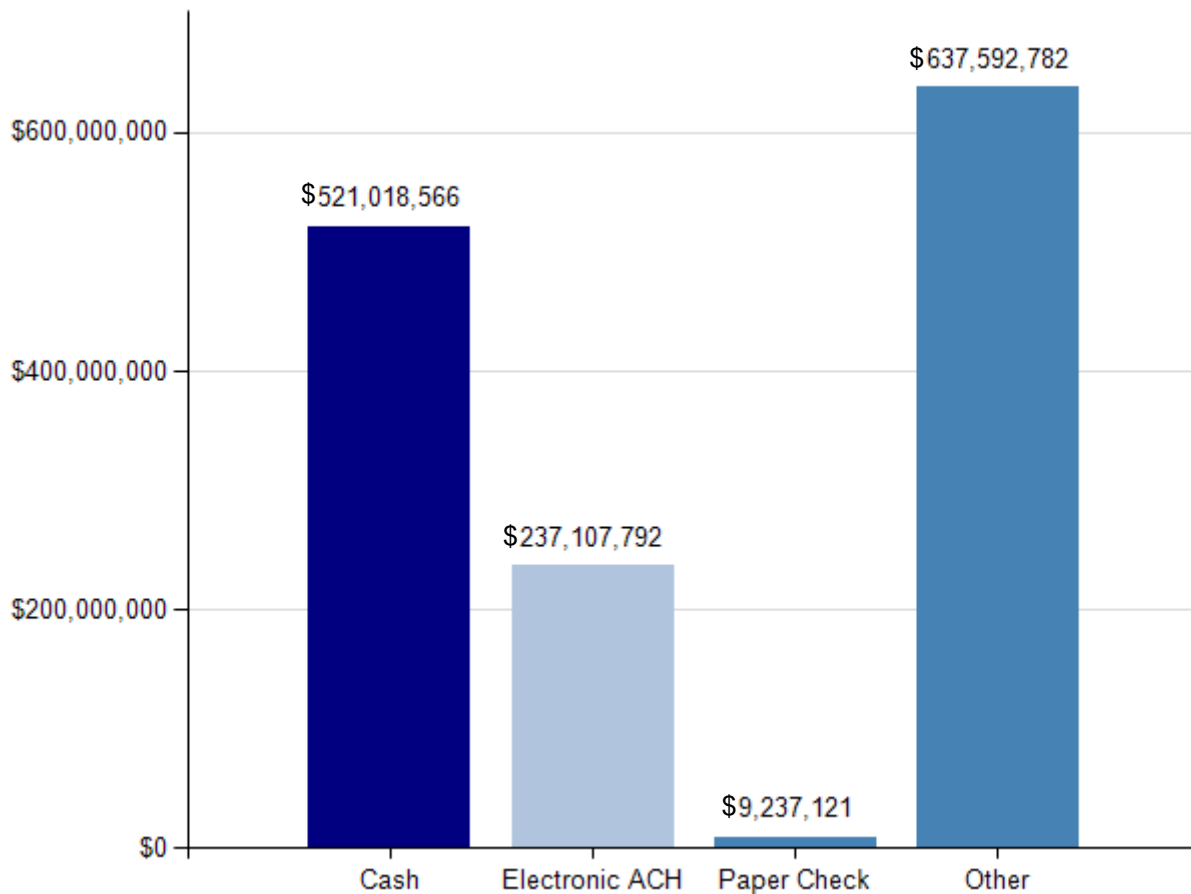
Of reported disbursements, cash represented 37.13 percent; electronic ACH, 16.86 percent; paper check, 0.52 percent; and other, 45.49 percent.

The “other” category includes wire transfer, Zelle, and debit cards.

Disbursements to Customers (continued)

Chart 9: Dollar Amount of Disbursements to Customers

Source: Survey question 55



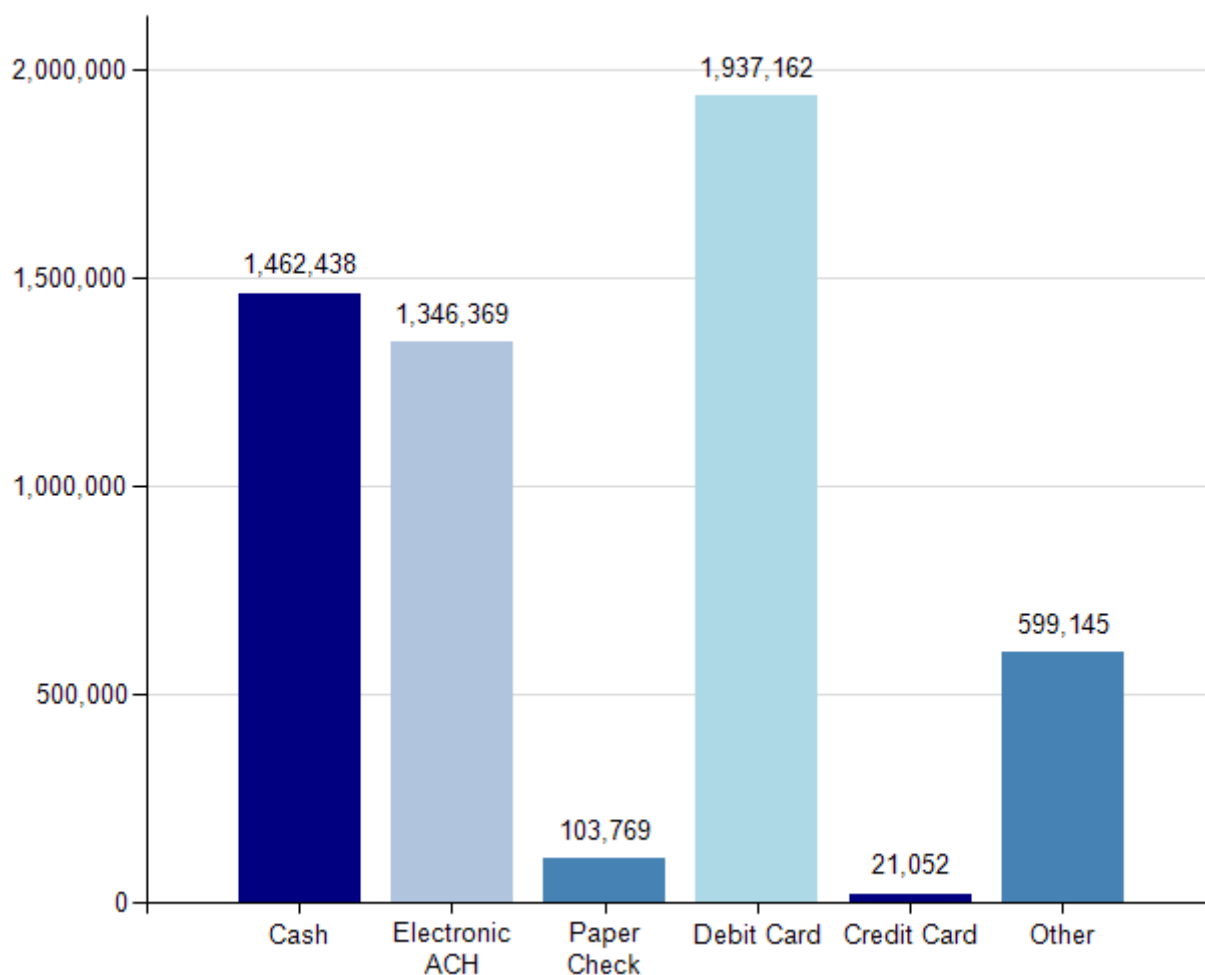
Of reported disbursements, cash represented 37.08 percent; electronic ACH, 16.88 percent; paper check, 0.66 percent; and other, 45.38 percent.

The “other” category includes wire transfer, Zelle, and debit cards.

Payments from Customers

Chart 10: Number of Payments from Customers

Source: Survey question 58



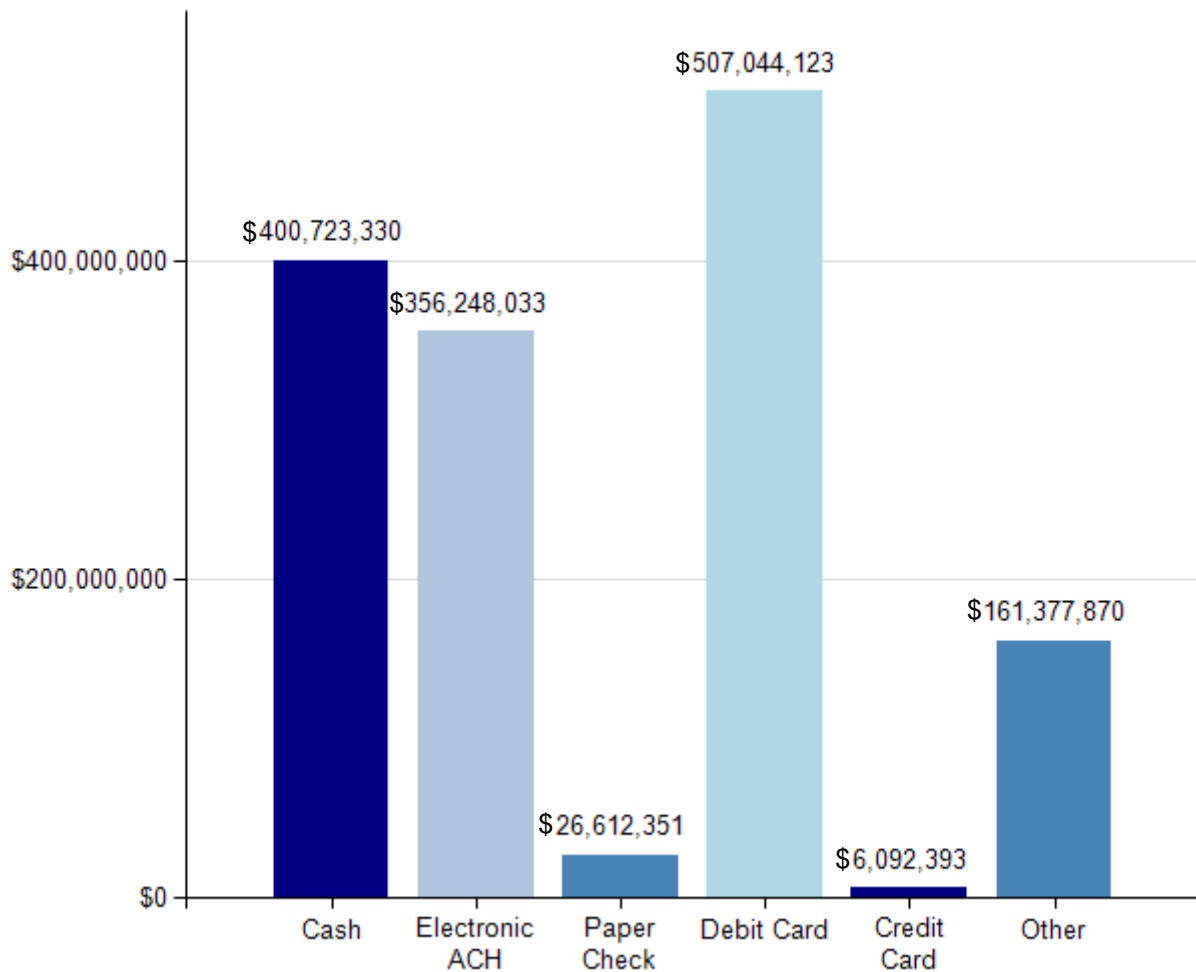
Cash accounted for 26.74 percent of customer payments; electronic ACH, 24.61 percent; paper check, 1.90 percent; debit card, 35.41 percent; credit card, 0.39 percent; and other, 10.95 percent.

The “other” category includes money order, MoneyGram, cashier’s check, Zelle, Venmo, and debit cards.

Payments from Customers (continued)

Chart 11: Amount of Payments from Customers

Source: Survey question 59



Of reported payments, cash represented 27.48 percent; electronic ACH, 24.43 percent; paper check, 1.83 percent; debit card, 34.77 percent; credit card, 0.42 percent; and other, 11.07 percent.

The “other” category includes money order, MoneyGram, cashier's check, Zelle, Venmo, and debit cards.

Payment Plans

Chart 12: Percentage of Payday Lenders Offering Written Payment Plan
Source: Survey question 61

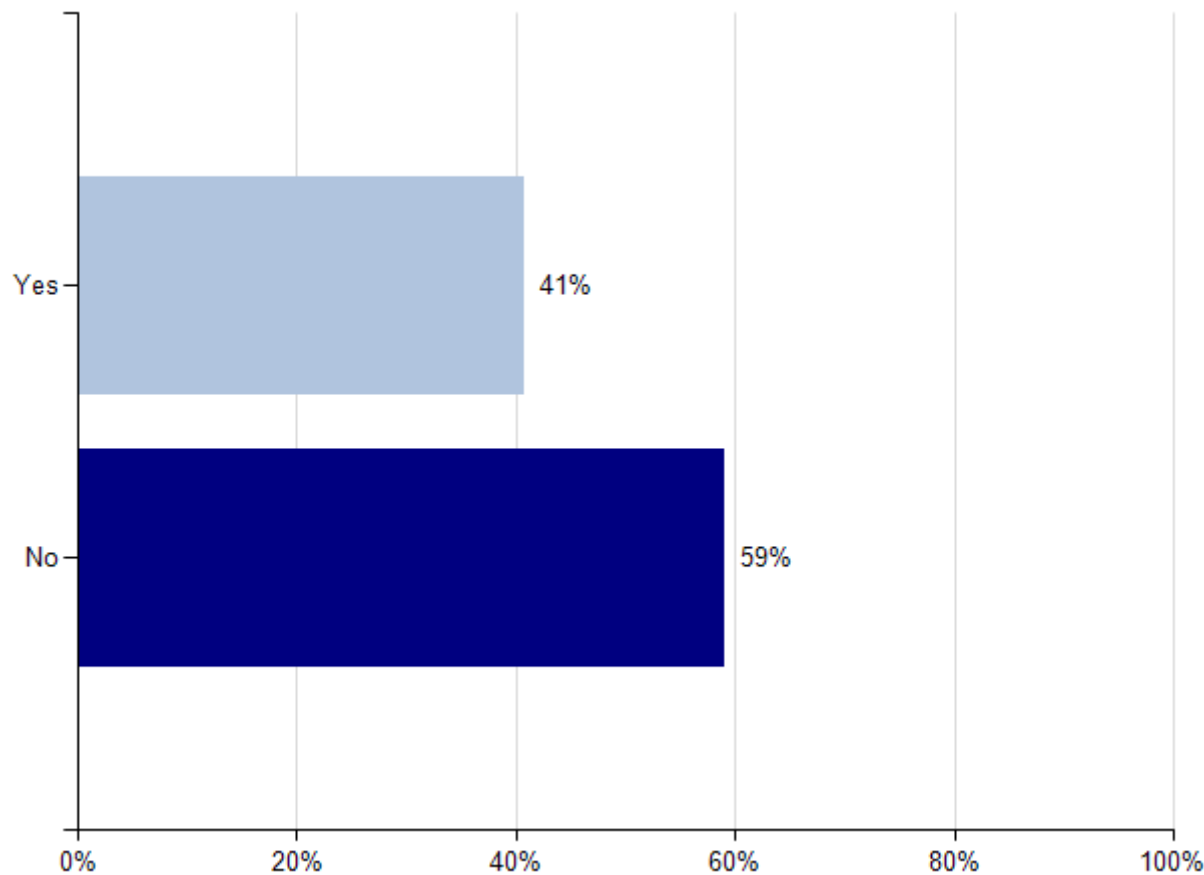


Table 10: Payment Plan Volumes for Repayment
Source: Survey questions 63 and 64

	2024
Total Dollar Amount of Payment Plans Arranged	\$52,807,652
Total Number of Payment Plans Arranged	270,329

Collections

During the calendar year 2024, the period for which data was obtained for this report, the Department was also expanding its regulation of debt collectors.

The California Consumer Financial Protection Law (CCFPL) (Financial Code sections 90000-90019) was enacted on September 25, 2020, conferring new authority to the Department to supervise and regulate “consumer financial products and services.” The CCFPL became effective on January 1, 2021. Debt collectors squarely fall under that definition and are now subject to the Department’s supervisory jurisdiction. Debt collectors must also comply with the CCFPL’s general prohibition of unlawful, unfair, deceptive, or abusive acts or practices, which the Department enforces. In addition, the Debt Collection Licensing Act (Financial Code sections 100000-1000025) was enacted on September 25, 2020, requiring debt collectors to be licensed by the Department.

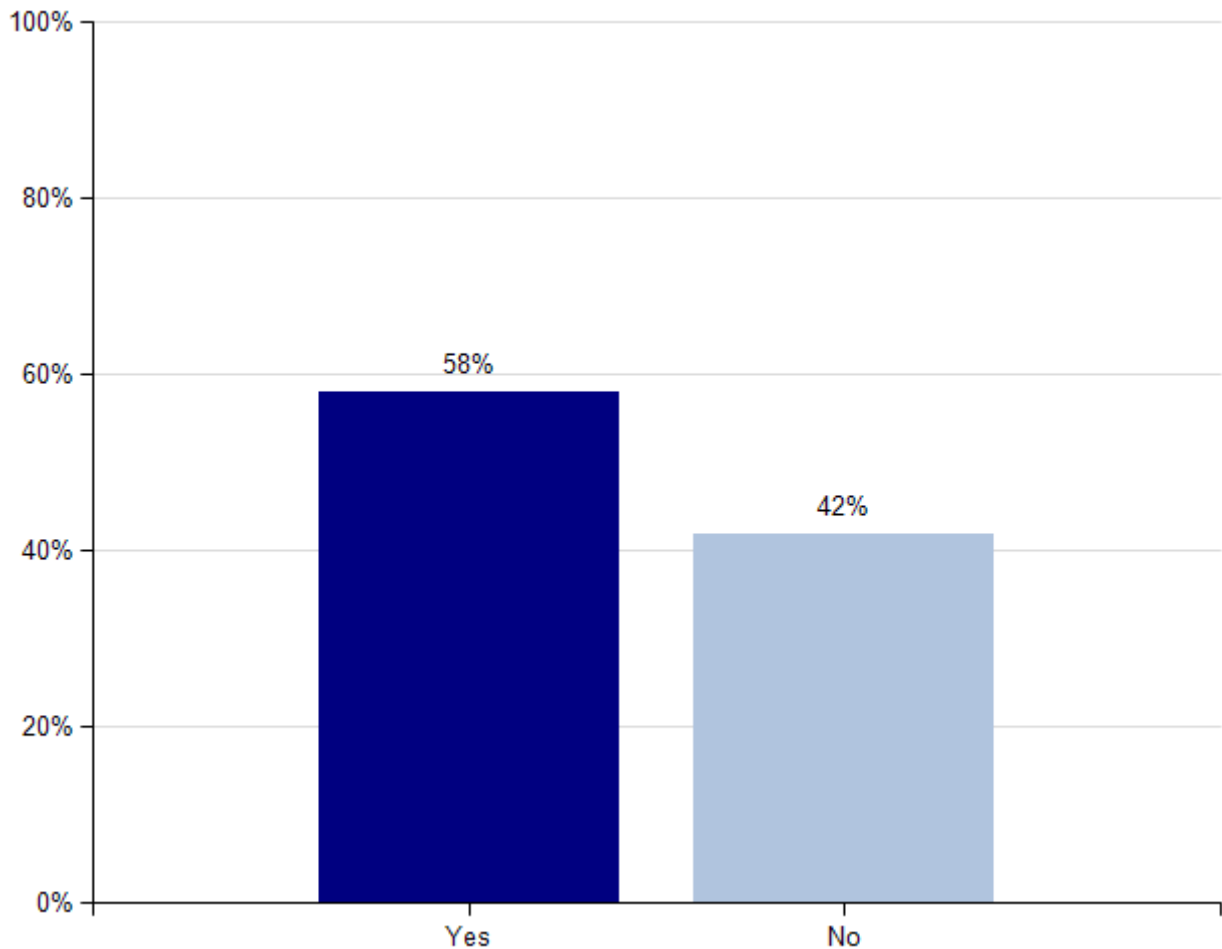
Companies engaged in the business of debt collection as of January 1, 2022 were required to be licensed since January 1, 2022, to continue doing business in California. The Department began issuing licenses on January 1, 2023, and is currently supervising more than 1,200 licensees.

Several other laws regulate the conduct of debt collection companies in California, including the federal Fair Debt Collection Practices Act, California's Rosenthal Fair Debt Collection Practices Act (Civil Code sections 1788-1788.33), and California’s Fair Debt Buying Practices Act (Civil Code sections 1788.50-1788.66). The Department can enforce these laws pursuant to the CCFPL, which provides that the Department can enforce any California or federal “consumer financial law.”

Collections (continued)

Chart 13: Percentage of Licensees with In-House Collections

Source: Survey question 66



A total of 247,157 customers were not in a payment plan and paid in full due to in-house collections in 2024. Those customers accounted for 889,508 transactions. (Source: Survey questions 67 and 68)

The total dollar amount of 2024 transactions that were not in a payment plan and paid in full due to in-house collections was approximately \$230.3 million. (Source: Survey question 69)

Collections (continued)

Chart 14: Percentage of Licensees That Own Outside Collection Agency

Source: Survey question 70

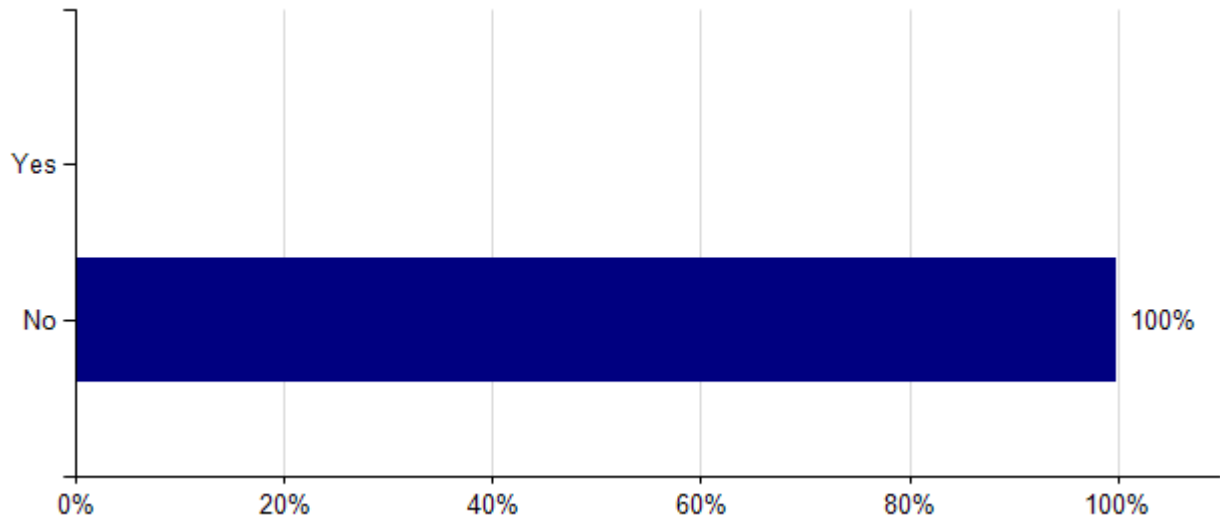
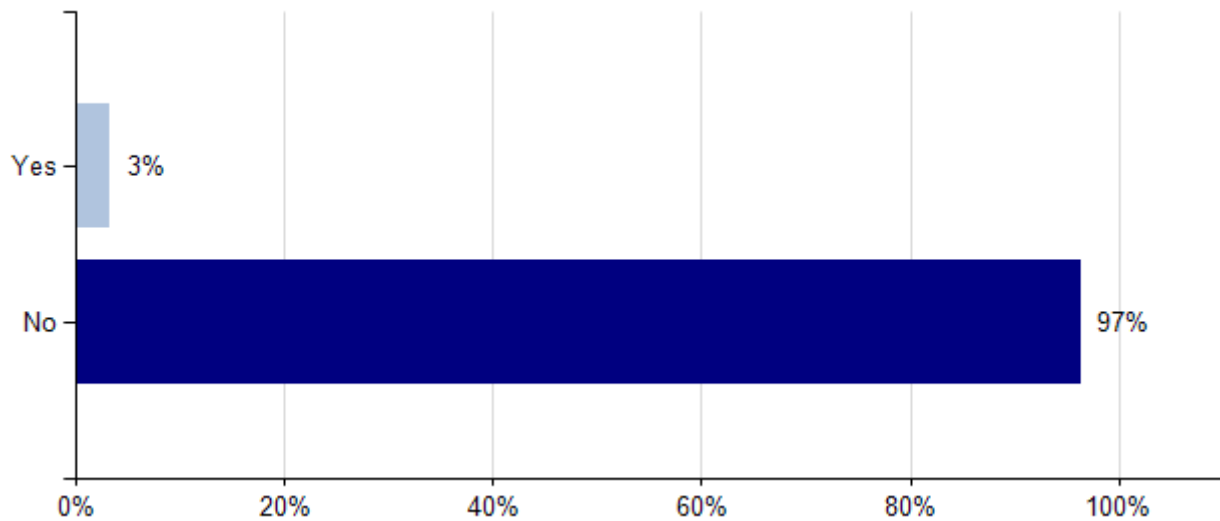


Chart 15: Percentage of Licensees Associated with Outside Collection Agency

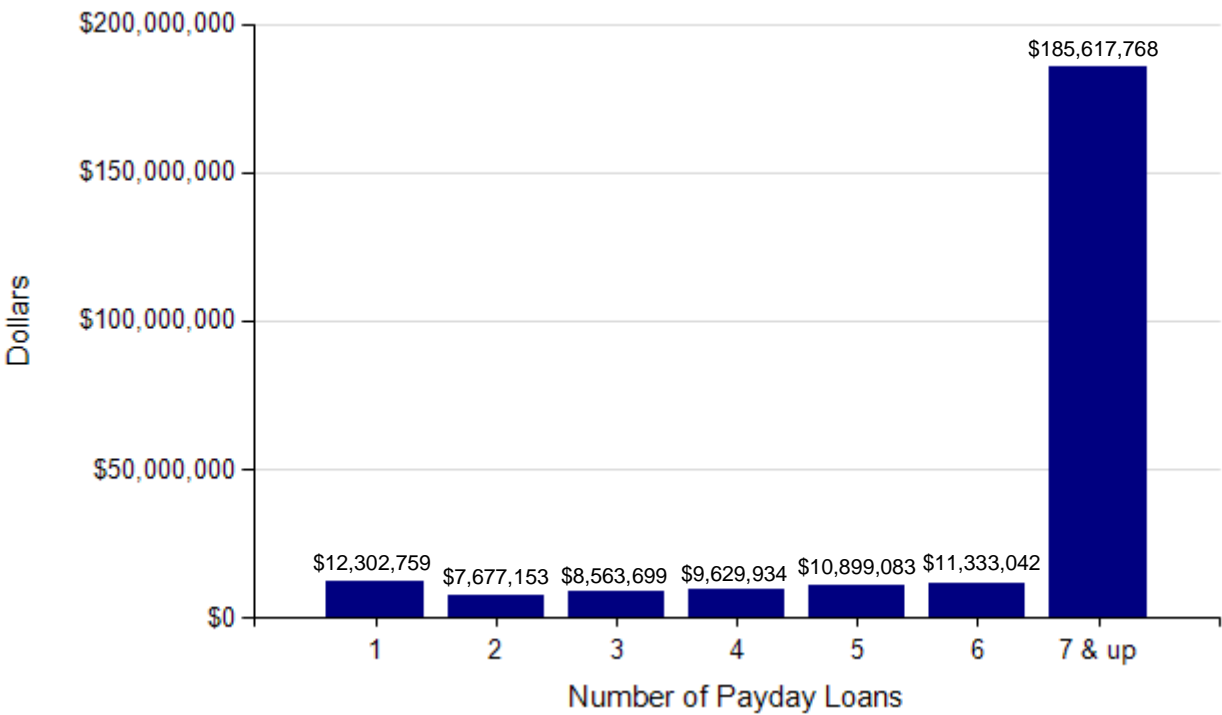
Source: Survey question 71



Fees

Responsive licensees charged approximately \$246 million in fees on payday loans originated in 2024. Of that total, 75.45 percent – or \$185.6 million – came from customers who took out seven or more payday loans during the year.

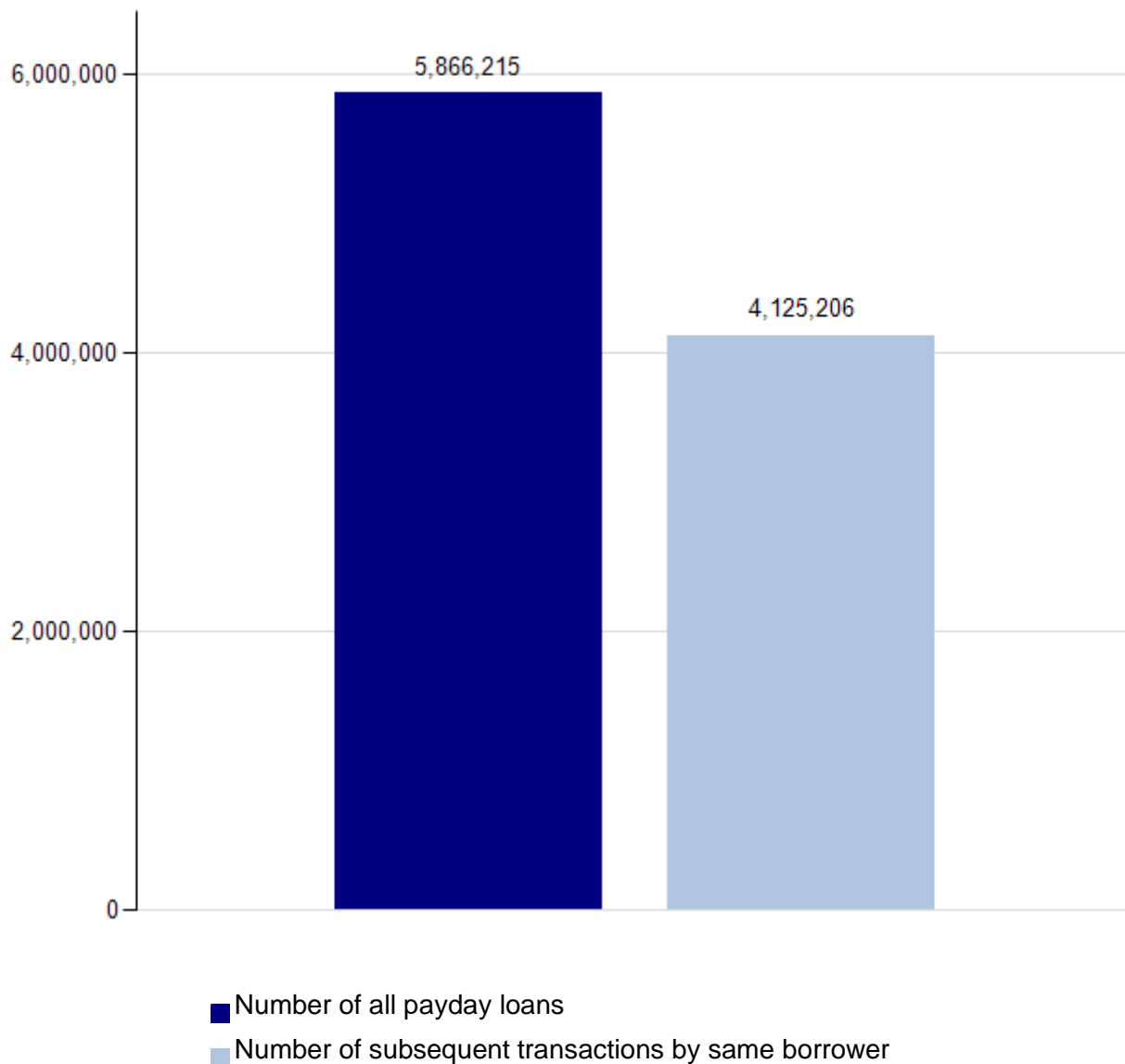
Chart 16: Payday Loan Transaction Fees per Financial Code section 23036(a)
Source: Survey questions 75-81



Subsequent Customers

Chart 17: Subsequent Transactions by Same Borrower: Number

Source: Annual Report question 1 and Survey question 89



Of the 5.86 million payday loans reported for 2024, 70.32 percent were subsequent transactions by the same borrower.

Subsequent Customers (continued)

Chart 18: Subsequent Transactions by Same Borrower: Dollar Amount

Source: Annual Report question 2 and Survey question 90

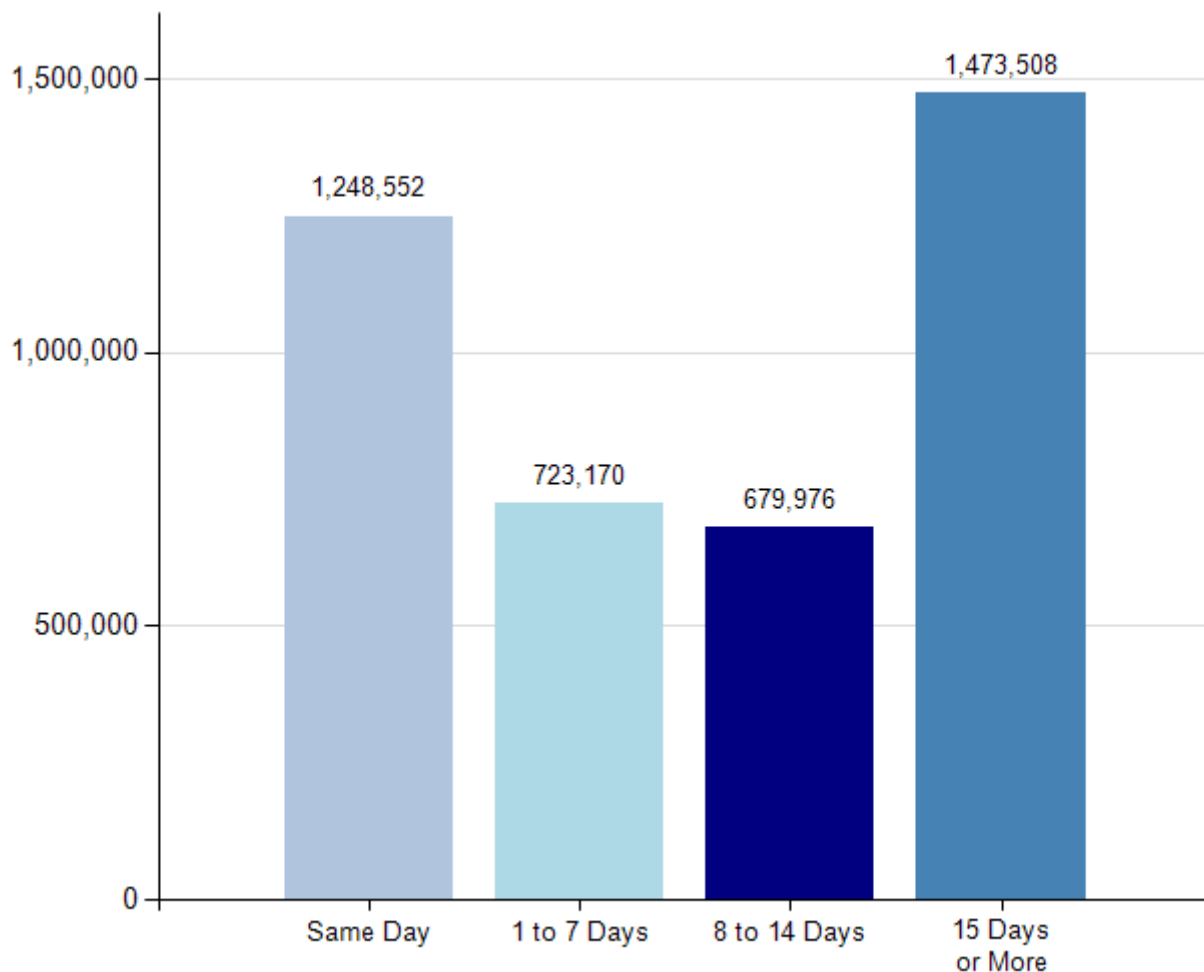


Of the \$1.65 billion in payday loan transactions reported for 2024, 80.17 percent of the total dollar amount represented transactions with repeat borrowers.

Subsequent Customers (continued)

Chart 19: Subsequent Transactions by Same Borrowers: Days Between Transactions by Volume

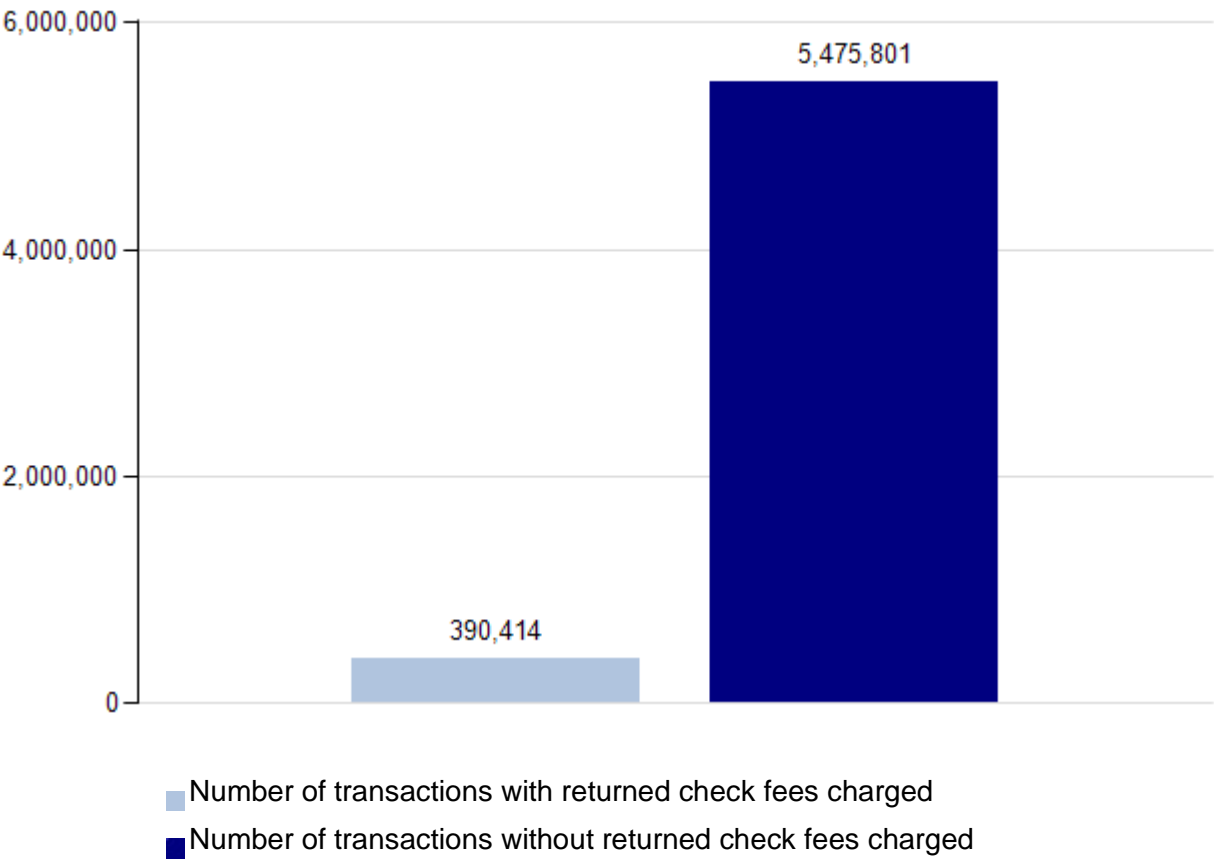
Source: Survey questions 85 - 88



Of subsequent payday loan transactions, 30.27 percent were made by the same borrowers on the same day the previous transaction closed; 17.53 percent were made one to seven days later; 16.48 percent were made eight to 14 days later; and 35.72 percent were made 15 days or more after the previous transaction closed. These percentages are based on 4.12 million subsequent transactions for which licensees provided the data in Chart 19.

Returned Checks

Chart 20: Payday Loan Transactions: Returned Check Volume
Source: Survey question 83 and Annual Report question 1

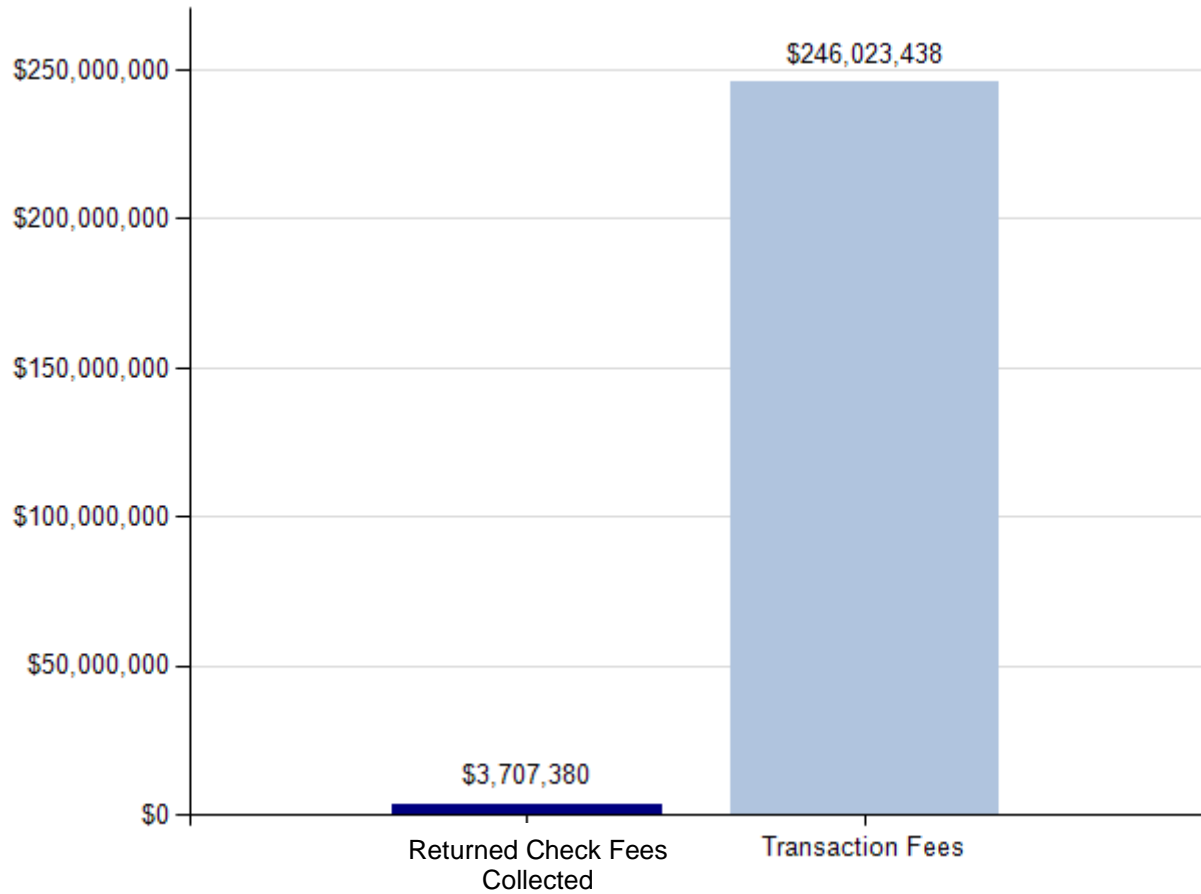


Of 5.86 million payday loan transactions in 2024, 390,414 (6.66 percent) resulted in returned check fees.

Returned Checks (continued)

Chart 21: Returned Check Fees vs. Transaction Fees

Source: Survey questions 82 and 84



Customers Receiving Government Assistance

Loans Made to Customers Receiving Government Assistance

Approximately 60.23 percent of licensees reported serving customers who received government assistance. Those customers accounted for 10.46 percent of all customers (889,363). Approximately 14.77 percent of licensees reported that more than 25 percent of their customers received government assistance. Table 11 reflects number of customers that received government assistance in 2024.

Table 11: Number of Customers Receiving Government Assistance
Source: Survey question 91 and Annual Report question 3

Number of customers receiving assistance	Number of licensees
93,051	57

Dispute Arbitration

Chart 22: Percentage of Licensees with Dispute Arbitration Clause in Written Agreement

Source: Survey question 92

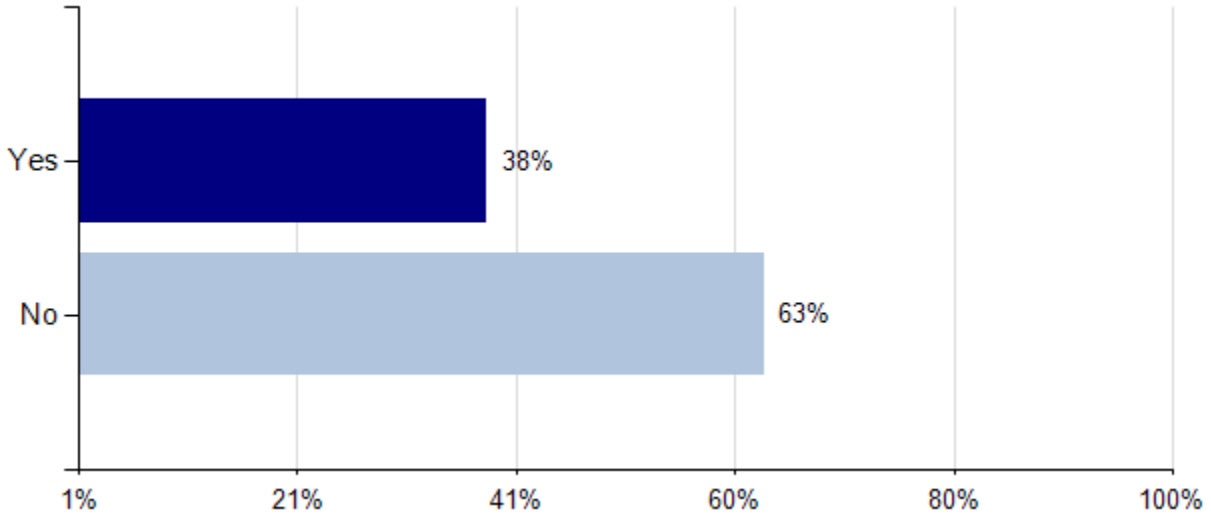
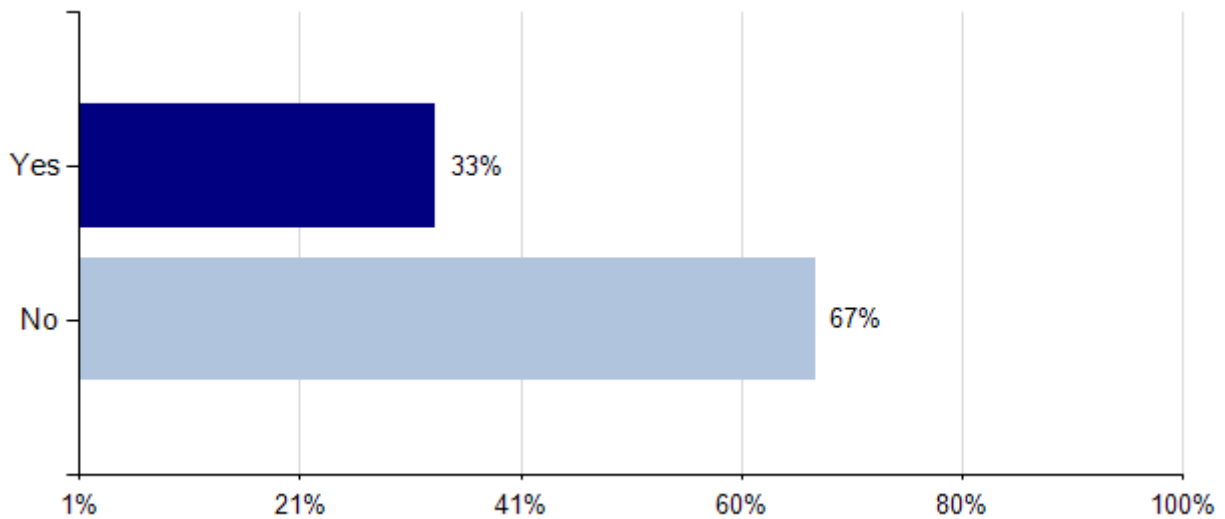


Chart 23: Percentage of Licensees with Dispute Arbitration Clause in Written Agreement That Prohibits Borrowers from Joining Class Action

Source: Survey question 93



Covered Borrowers

Report of Payday Loans to Active Military Servicemembers and Dependents

In 2024, no licensee indicated they had a customer who was a “covered borrower,” which includes active members of the military and their dependents. (Source: Survey questions 49-52)



DEPARTMENT OF FINANCIAL
PROTECTION & INNOVATION

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