

**DEPARTMENT OF BUSINESS OVERSIGHT***Ensuring a Fair and Secure Financial Services Marketplace for all Californians***JAN LYNN OWEN****Commissioner of Business Oversight****For Immediate Release**

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## **DBO Survey Details Growth in Payday Loan Borrowing Among Older Californians *21-and-Under Age Group Also Sees Large Increase***

SACRAMENTO – Older Californians in 2014 increased their payday loan borrowing at a significantly higher rate than payday customers as a whole, according to [industry survey results](#) released today by the Department of Business Oversight (DBO).

The number of payday loans taken out by customers 62 years or older increased 11.0 percent from 2013, to 1,678,523, the survey found. That compared to a 6.0 percent increase for the entire population of borrowers. The number of 62-or-older borrowers went up 9.4 percent, to 237,724, compared to a 6.3 percent increase for all customers.

The average older borrower in 2014 also took out more loans than the overall customer population, according to the survey. The specific ratios: 7.06 loans per 62-or-older borrower, compared to 6.35 loans per borrower for all customers.

Californians ages 18-21 also significantly increased their payday loan borrowing in 2014, the survey found. The number of borrowers in that age group rose by 26.8 percent from 2013, to 64,436. Their number of transactions increased 9.9 percent to 213,424.

Other significant data points from the “2015 Summary Report: California Deferred Deposit Transaction Law Industry Survey”:

- Cash, as opposed to electronic alternatives, was the dominant method for borrowers to make their payments in 2014. The specifics: 71 percent of payments and 72 percent of the dollar amount of payments were in cash. By comparison, electronic transfers (automated clearing house) accounted for 18 percent of customer payments and 17 percent of the dollar amount of payments. Prepaid debit cards accounted for just 1 percent of both payments and the dollar amount of payments.
- The number of lenders who conducted business over the Internet in 2014 comprised just 7 percent of the total, down slightly from 8 percent in 2013. But the number of Internet transactions, the number of customers involved in such transactions and the dollar amount of online loans all increased in 2014. The dollar amount went up 14.2 percent to \$444.64 million.

The DBO has been conducting the industry survey annually since 2013. “Deferred deposit transaction” is the formal term for payday loans. The summary reflects unaudited data provided by DBO-licensed lenders.