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**ANALYSIS OF**  
**Annual Reports of Licensees**  
**for the year**  
**1970**



**STATE OF TEXAS**  
**OFFICE OF CONSUMER CREDIT COMMISSIONER**



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**STATE OF TEXAS**  
**OFFICE OF CONSUMER CREDIT COMMISSIONER**

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

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STATE OF TEXAS

**OFFICE OF CONSUMER CREDIT COMMISSIONER**

SAM KELLEY, Commissioner

POST OFFICE BOX 2107, 1011 SAN JACINTO BOULEVARD  
AUSTIN, TEXAS 78767 512 / 475-2111

August 15, 1972

This report is made pursuant to Article 3.11 of the Texas Credit Code. It contains an analysis and recapitulation of the annual reports of the licensees under the Consumer Credit Code of Texas for the year 1970.

This publication is in the same general format as our previous reports so that by use of the two, a six year period (1965-1970) is available to all interested parties.

We trust that this information will be of use and benefit to the citizens of Texas.

Very truly yours,

*Sam Kelley*

Sam Kelley  
Commissioner

## ROSTER OF PERSONNEL

Consumer Credit Commissioner .....	Sam Kelley
Assistant Commissioner .....	Jerry Brock
Assistant Commissioner .....	Lynn Scott
General Counsel .....	Allo B. Crow, Jr.
Director, Division of Consumer Protection .....	John L. Burgess
Supervising Examiners .....	Kyle Boatright—Dallas E. J. Stalnaker—Houston
Senior Examiners .....	Alex C. Cason—Dallas Roland Champagne—San Antonio Ernest Cromer—Houston Brook Pettit—Houston
Examiners .....	James Coleman—Dallas William Coplen—Houston Ed Dusebout—Houston Kenneth Fox—Dallas Douglas L. Haskett—Houston Arthur L. Lasselle—San Antonio John Meitzen—Austin Don L. Peterson—Austin Hugh Springfield—Dallas Romeo Villafranca—San Antonio Leonard Williams—Dallas James Witten—San Antonio
Consumer Education Consultant .....	James E. Sutton
Staff Services Officer .....	Albert Endsley
General Office Personnel .....	Jan Batson Wilma Blaylock Sandi Causey Hazel Henderson Bert Holmes Dorothy Jones Ruth Kelley Sherrell Kidd Ethel Lindgren John Martinez Gabiella Morrisett Lorine Mott Preble Richardson Norma Wiggins

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## ANALYSIS OF ANNUAL REPORTS OF LICENSEES

The information contained in this report is based on the information received by this office from business firms licensed to make loans under Section 17 of the Texas Regulatory Loan Act of 1963 and Chapter 3 of The Consumer Credit Code of 1967.

The report includes only selected data taken from the reports submitted to this office. Complete reports on Total Operations, 3.15 Lenders, and 3.16 Lenders have been printed separately and are available on request.

The statistics reflected in this report were taken from reports covering the granting and maintaining of the following number and dollar amounts of loans made in the designated years under the above mentioned statutes.

This publication does not include statistics attributable to one Texas company operating 38 licensed offices which was involved in a Chapter 11 Proceeding under the Federal Bankruptcy Act during the Reporting Period.

Insurance income shown herein includes an adjustment of \$4,857,236 for 12 companies who report no income or low income from insurance sales due to diversion of profits into affiliates. Adjustment is based on a statistical average taken from companies which do not report in this manner.

### ANALYSIS OF LOANS MADE

#### Total Operations

Year	Number	Cash Advances
1970	2,056,532	\$644,349,769
1969	2,005,686	637,428,329
1968	2,006,597	616,275,667

#### Loans under Article 3.15

Year	Number	Cash Advances	Average Size
1970	797,847	\$568,369,310	\$712
1969	878,810	573,451,047	653
1968	911,201	577,377,981	612

#### Loans under Article 3.16

Year	Number	Cash Advances	Average Size
1970	1,258,685	\$75,980,459	\$60.36
1969	1,126,876	63,977,282	56.77
1968	1,095,396	58,897,686	53.77

The statistical data provided in this report is separated into two major classifications: Information from reports by lenders classified as 3.15 lenders and information from reports by lenders classified as 3.16 lenders

Reports were classified based on the type of loan which generated the majority of income received by the lender.

### AVERAGE SIZE OFFICES

The per office average number of accounts, net dollar volume in loans (gross outstanding loans less unearned charges and bad debt reserves), and the net assets devoted to regulated loans for lenders in each classification were as indicated in the figures given below:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Loans Outstanding December 31 .....	766	822	770
Net Loans Receivable December 31 .....	\$429,519	\$451,205	\$399,524
Net Loans Assets December 31 .....	\$486,188	\$515,641	\$470,931

<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Loans Outstanding December 31 .....	499	536	528
Net Loans Receivable December 31 .....	\$ 34,694	\$ 36,698	\$ 35,437
Net Loans Assets December 31 .....	\$ 43,500	\$ 44,940	\$ 43,913

### ANALYSIS OF INCOME AND EXPENSES

The income and expenses per account per month for lenders in each classification are as follows:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Gross Income .....	\$11.15	\$10.75	\$10.28
Expenses before Interest and Taxes .....	6.74	6.24	6.26
Net Income before Interest and Taxes .....	4.41	4.51	4.02
Expenses after Interest and Taxes .....	10.26	9.57	9.09
Net Income after Interest and Taxes .....	.90	1.18	1.19

<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Gross Income .....	\$ 5.84	\$ 5.70	\$ 5.67
Expenses before Interest and Taxes .....	4.74	4.57	4.55
Net Income before Interest and Taxes .....	1.10	1.13	1.12
Expenses after Interest and Taxes .....	5.22	5.04	5.00
Net Income after Interest and Taxes .....	.62	.66	.67

The income for lenders in each classification expressed as a percentage of the December 31st Net Loan Assets is as follows:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Net Income before Interest and Taxes .....	8.33%	8.42%	7.62%
Net Income after Interest and Taxes .....	1.70%	2.21%	2.26%
<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Net Income before Interest and Taxes .....	15.07%	16.08%	15.78%
Net Income after Interest and Taxes .....	8.53%	9.48%	9.40%

The income for lenders in each classification expressed as a percentage of the Average Net Dollars Outstanding in loans (gross outstanding loans less unearned charges) is as follows:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Net Income before Interest and Taxes .....	9.36%	9.92%	9.47%
Net Income after Interest and Taxes .....	1.91%	2.61%	2.81%
<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Net Income before Interest and Taxes .....	18.35%	19.83%	20.29%
Net Income after Interest and Taxes .....	10.38%	11.69%	12.08%

A complete analysis of income and expense is shown in Exhibits B and D

### ANALYSIS OF LOANS OUTSTANDING

The monthly average number, net dollar outstanding (gross outstanding loans less unearned charges), and the average size loan outstanding are as follows:

#### 3.15 Lenders

<b>Year</b>	<b>Number</b>	<b>Net Dollars Outstanding</b>	<b>Average Size</b>
1970	913,213	\$516,961,797	\$566
1969	927,390	505,434,844	545
1968	875,845	445,096,388	508

#### 3.16 Lenders

<b>Year</b>	<b>Number</b>	<b>Net Dollars Outstanding</b>	<b>Average Size</b>
1970	333,009	\$24,061,359	\$72.25
1969	287,792	19,651,712	68.28
1968	267,861	17,797,160	66.44

## ANALYSIS OF LOANS MADE BY CLASS OF BORROWER

Loans made were classified as follows:

New Borrowers—No previous loans with the lender

Former Borrowers—Has had previous loans with the lender but on the date of the loan they do not have an outstanding loan

Present Borrowers (More Cash)—Has a loan outstanding with the lender and receives additional cash as a result of the new loan

Present Borrowers (No More Cash)—Has a loan outstanding with the lender and receives no additional cash as a result of the new loan

The number of loans made expressed as a percentage of the total loans made for lenders in each classification are as follows:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Loans to New Borrowers .....	26.31%	26.65%	26.27%
Loans to Former Borrowers .....	13.60%	12.67%	12.36%
Loans to Present Borrowers (More Cash) .....	57.12%	58.34%	59.10%
Loans to Present Borrowers (No More Cash) .....	2.97%	2.34%	2.27%

<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Loans to New Borrowers .....	8.57%	8.76%	9.67%
Loans to Former Borrowers .....	22.45%	23.57%	24.07%
Loans to Present Borrowers (More Cash) .....	48.10%	47.33%	46.56%
Loans to Present Borrowers (No More Cash) .....	20.88%	20.34%	19.70%

The Cash Advance of the loans made by class of borrower showed the following information expressed as a percentage of the total Cash Advance of loans made:

<b>3.15 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Renewal of an existing loan balance .....	39.18%	42.35%	41.77%
Additional cash to the borrower .....	60.82%	57.65%	58.23%

<b>3.16 Lenders</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Renewal of an existing loan balance .....	53.46%	51.72%	50.50%
Additional cash to the borrower .....	46.54%	48.28%	49.50%

The information shown in these exhibits are based on the following number of reports and offices covered in those reports:

<b>EXHIBITS A (Total Operations)</b>	<b>1970</b>	<b>1969</b>	<b>1968</b>
Number of Reports .....	595	486	472
Number of Offices .....	1868	1693	1695
 <b>EXHIBITS B (3.15 Lenders)</b>	 <b>1970</b>	 <b>1969</b>	 <b>1968</b>
Number of Reports .....	165	137	134
Number of Offices .....	1195	1154	1174
 <b>EXHIBITS C (3.16 Lenders)</b>	 <b>1970</b>	 <b>1969</b>	 <b>1968</b>
Number of Reports .....	430	349	338
Number of Offices .....	673	539	521

As indicated above, the number of reports and offices covered varies from year to year, therefore, any statistical comparison of number or dollar amounts should be made on a per office basis.

**EXHIBIT A  
BALANCE SHEETS**

<b>ASSETS</b>	<b>LENDERS CLASSIFIED AS 3.15 LENDERS</b>	<b>LENDERS CLASSIFIED AS 3.16 LENDERS</b>	<b>TOTAL OPERATIONS</b>
Loans Receivable (Texas Operations only):			
Number .....	915,729	336,065	1,251,794
Gross unpaid Balances .....	\$625,858,257	\$28,219,725	\$654,077,982
Unearned Interest and Charges .....	(96,827,971)	(3,957,242)	(100,785,213)
Net Loans Receivable .....	529,030,286	24,262,483	553,292,769
Reserve for Bad Debts .....	(15,755,646)	(913,681)	(16,669,327)
Adjusted Net Loans Receivable .....	513,274,640	23,348,802	536,623,442
Cash on Hand and in Banks .....	11,207,982	2,372,826	13,580,808
Capital Assets:			
Land and Buildings .....	1,121,079	906,810	2,027,889
Furniture, Fixtures and Equipment .....	6,265,572	2,018,271	8,283,843
Leasehold Improvements .....	976,530	87,997	1,064,527
Gross Capital Assets .....	8,363,181	3,013,078	11,376,259
Allowances for Depreciation and Amortization .....	(3,959,495)	(1,227,638)	(5,187,133)
Net Capital Assets .....	4,403,686	1,785,440	6,189,126
Organizational Expenses (Less Amortization) .....	50,893	44,511	95,404
Deferred Charges .....	3,391,791	71,362	3,463,153
Other Regulated Loan Business Assets .....	48,665,838	1,652,825	50,318,663
Total Regulated Loan Assets .....	\$580,994,830	\$29,275,766	\$610,270,596
Other Business Assets .....	314,840,457	13,488,699	328,329,156
<b>TOTAL ASSETS</b> .....	<b>\$895,835,287</b>	<b>\$42,764,465</b>	<b>\$938,599,752</b>
<b>LIABILITIES AND CAPITAL</b>			
Accounts Payable .....	\$ 9,845,399	\$ 643,245	\$ 10,488,644
Accrued Expenses .....	3,462,060	296,060	3,758,120
Borrowed Funds:			
Banks .....	51,333,841	8,282,071	59,615,912
Other Creditors .....	76,874,737	5,743,109	82,617,846
Parent Company or Affiliates .....	456,833,884	763,787	457,597,671
Total Borrowed Funds .....	585,042,462	14,788,967	599,831,429
Bonds and Debentures .....	35,980,575	591,571	36,572,146
Other Liabilities .....	83,767,673	753,123	84,520,796
Total Liabilities .....	\$718,098,169	\$17,072,966	\$735,171,135
CAPITAL: Individual Owners and Partnerships .....	9,470,265	16,060,211	25,530,476
CAPITAL: Corporations .....	168,266,853	9,631,288	177,898,141
<b>TOTAL LIABILITIES AND CAPITAL</b> .....	<b>\$895,835,287</b>	<b>\$42,764,465</b>	<b>\$938,599,752</b>

**EXHIBIT B**  
**INCOME AND EXPENSE STATEMENTS**

<b>INCOME</b>	<b>LENDERS CLASSIFIED AS 3.15 LENDERS</b>	<b>LENDERS CLASSIFIED AS 3.16 LENDERS</b>	<b>TOTAL OPERATIONS</b>
Interest Earned .....	\$ 96,771,466	\$ 848,309	\$ 97,619,775
Acquisition Charges .....	574,197	7,411,170	7,985,367
Installment Account Handling			
Charges Earned .....	1,113,443	13,726,206	14,839,649
Deferment Charges .....	2,747,419	75,232	2,822,651
Default Charges .....	5,079,102	623,895	5,702,997
Collections on Accounts Previously			
Charged Off .....	857,175	545,750	1,402,925
Insurance Income .....	14,937,909	105,966	15,043,875
Other Income from Regulated			
Loans .....	235,493	51,976	287,469
Total Income .....	\$122,316,204	\$23,388,504	\$145,704,708
<b>EXPENSE</b>			
Advertising .....	\$ 2,728,195	\$ 479,579	\$ 3,207,774
Auditing .....	246,095	381,698	627,793
Bad Debts:			
Charged Off .....	1,304,785	1,459,226	2,764,011
Additions to Reserves .....	16,488,204	1,420,704	17,908,908
Depreciation and Amortization .....	951,150	285,280	1,236,430
Insurance and Fidelity Bonds .....	409,679	274,876	684,555
Legal Fees and Disbursements .....	393,498	134,088	527,586
Postage and Express .....	1,221,903	465,091	1,686,994
Printing, Stationery and Supplies .....	1,173,720	557,301	1,731,021
Recording and Releasing Fees .....	82,642	9,237	91,879
Rent, Lights, Heat and Janitor			
Service .....	4,415,180	1,297,385	5,712,565
Salaries of Officers, Owners and			
Partners .....	2,417,800	2,345,599	4,763,399
Salaries of All Other Employees .....	25,067,494	6,713,807	31,781,301
Supervision and Administration .....	5,869,145	683,038	6,552,183
Taxes Other Than Federal Income			
Tax .....	1,889,935	477,774	2,367,709
License and Examination Fees .....	268,372	130,703	399,075
Telephone and Telegraph .....	2,915,577	560,869	3,476,446
Travel .....	1,478,621	447,471	1,926,092
Other Expense .....	4,587,320	853,204	5,440,524
Total Expense Before Interest and			
Federal Income Tax .....	\$ 73,909,315	\$18,976,930	\$ 92,886,245
Net Income Before Interest and			
Federal Income Tax .....	\$ 48,406,889	\$ 4,411,574	\$ 52,818,463
Interest Expense			
Bona Fide Third Parties .....	7,384,171	809,941	8,184,112
Affiliates .....	28,157,478	70,655	28,228,133
Total Interest .....	35,541,649	880,596	36,422,245
Federal Income Tax .....	2,993,108	1,032,718	4,025,826
Total Expense .....	\$112,444,072	\$20,890,244	\$133,334,316
Net Profit (or Loss) .....	\$ 9,872,132	\$ 2,498,260	\$ 12,370,392



**EXHIBIT C**  
**ANALYSIS OF LOANS MADE BY NUMBER AND CASH ADVANCE**  
**TOTAL OPERATIONS**

1970	Article 3.16		Article 3.15	
	Number	Amount	Number	Amount
\$ 35.00 or Less .....	366,364	\$ 8,033,202	2,025	\$ 41,374
35.01 to 70.00 .....	361,152	17,915,983	3,875	206,055
70.01 to 100.00 .....	531,169	50,031,274	4,591	420,628
100.01 to 300.00 .....			171,323	34,159,560
300.01 to 500.00 .....			173,848	67,913,541
500.01 to 1,000.00 .....			253,398	175,998,569
1,000.01 to 1,500.00 .....			110,701	132,387,501
1,500.01 to 2,500.00 .....			78,086	157,242,082
Total .....	1,258,685	\$75,980,459	797,847	\$568,369,310

1969	Article 3.16		Article 3.15	
	Number	Amount	Number	Amount
\$ 35.00 or Less .....	372,947	\$ 7,997,839	3,811	\$ 91,258
35.01 to 70.00 .....	323,737	15,906,763	8,124	431,949
70.01 to 100.00 .....	430,192	40,072,680	9,077	801,758
100.01 to 300.00 .....			218,950	43,782,444
300.01 to 500.00 .....			193,076	76,385,121
500.01 to 1,000.00 .....			269,727	191,636,004
1,000.01 to 1,500.00 .....			113,693	139,204,425
1,500.01 to 2,500.00 .....			62,352	121,118,088
Total .....	1,126,876	\$63,977,282	878,810	\$573,451,047

1968	Article 3.16		Article 3.15	
	Number	Amount	Number	Amount
\$ 35.00 or Less .....	397,325	\$ 8,402,755	5,640	\$ 139,092
35.01 to 70.00 .....	319,359	15,444,473	11,329	599,593
70.01 to 100.00 .....	378,712	35,050,458	13,204	1,217,352
100.01 to 300.00 .....			237,624	47,612,351
300.01 to 500.00 .....			203,419	80,460,278
500.01 to 1,000.00 .....			279,357	197,236,637
1,000.01 to 1,500.00 .....			110,567	134,995,797
1,500.01 to 2,500.00 .....			50,061	95,116,881
Total .....	1,095,396	\$58,897,686	911,201	\$557,377,981

**EXHIBIT D**  
**INCOME AND EXPENSE STATEMENTS**

Figures expressed as a percentage of  
the Average Net Dollars Outstanding

Figures expressed as a  
percentage of the Gross Income

	3.15 Lenders	3.16 Lenders	3.15 Lenders	3.16 Lenders
<b>INCOME</b>				
Interest Earned	18.72	3.53	79.12	3.62
Acquisition Charges	.11	30.80	.47	31.69
Installment Account Handling Charges Earned	.22	57.05	.91	58.69
Deferment Charges	.53	.31	2.25	.32
Default Charges	.98	2.59	4.15	2.67
Collections on Accounts Previously Charged Off	.17	2.27	.70	2.33
Insurance Income	2.89	.44	12.21	.45
Other Income from Regulated Loans	.04	.22	.19	.22
Total Income	23.66%	97.20%	100.00%	100.00%
<b>EXPENSE</b>				
Advertising	.53	1.99	2.23	2.05
Auditing	.05	1.59	.20	1.63
Bad Debts: Charged Off	.25	6.06	1.07	6.24
Additions to Reserves	3.19	5.90	13.48	6.07
Depreciation and Amortization	.18	1.19	.78	1.22
Insurance and Fidelity Bonds	.08	1.14	.33	1.18
Legal Fees and Disbursements	.08	.56	.32	.57
Postage and Express	.24	1.93	1.00	1.99
Printing, Stationery and Supplies	.22	2.32	.96	2.38
Recording and Releasing Fees	.02	.04	.07	.04
Rent, Lights, Heat and Janitor Service	.85	5.39	3.61	5.55
Salaries of Officers, Owners and Partners	.47	9.75	1.98	10.03
Salaries of All Other Employees	4.85	27.90	20.49	28.71
Supervision and Administration	1.14	2.84	4.80	2.92
Taxes Other Than Federal Income Tax	.37	1.99	1.55	2.04
License and Examination Fees	.05	.54	.22	.56
Telephone and Telegraph	.56	2.33	2.38	2.40
Travel	.29	1.86	1.21	1.91
Other Expense	.89	3.55	3.75	3.65
Total Expense Before Interest and Federal Income Tax	14.30	78.87	60.42	81.14
Net Income Before Interest and Federal Income Tax	9.36	18.33	39.58	18.86
Interest Expense				
Bona Fide Third Parties	1.43	3.37	6.04	3.46
Affiliates	5.45	.29	23.02	.30
Total Interest	6.88	3.66	29.06	3.77
Federal Income Tax	.58	4.29	2.45	4.42
Total Expense	21.75	86.82	91.93	89.32
Net Profit (or Loss)	1.91%	10.38%	8.07%	10.68%





