AUTOMOTIVE INDUSTRY INSIGHTS

State of the Automotive Finance Market

Presented by: Melinda Zabritski

Experian Data Review

North American Vehicle Database

- More than 745 million vehicles, of which more than 61 million Canadian vehicles
- Over 300 million U.S. vehicles in operation
- More than 27 million Canadian vehicles in operation
- 1.7 billion titles and 1.8 billion registrations

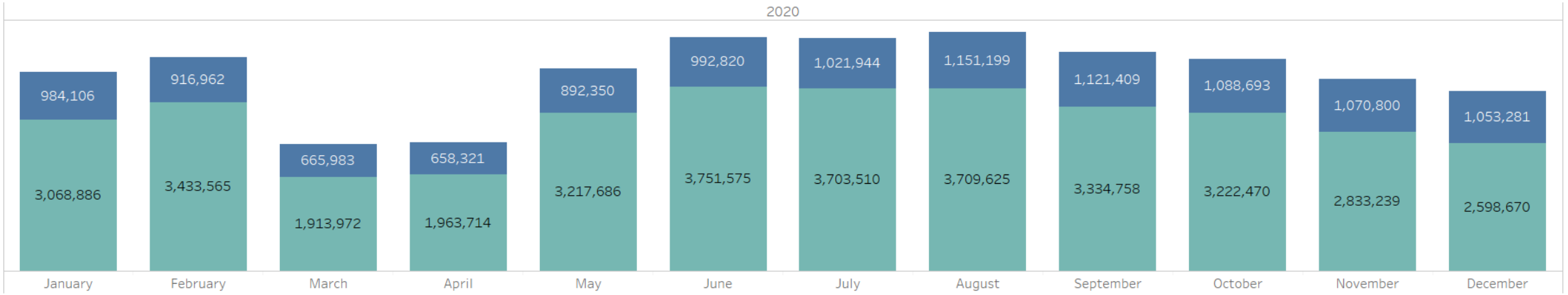
Consumer Credit

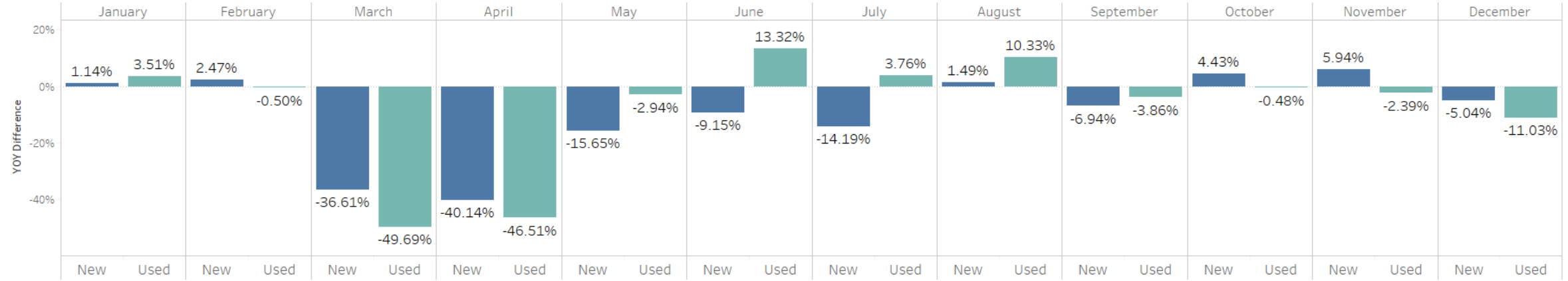
- 2 million credit inquiries daily
- 1.3 billion transaction updates/month
- 220 million credit active consumers
- 50 million public records

Category	Score Range
Prime	661 – 850
Nonprime	601 – 660
Subprime	300 – 600

A look back at originations

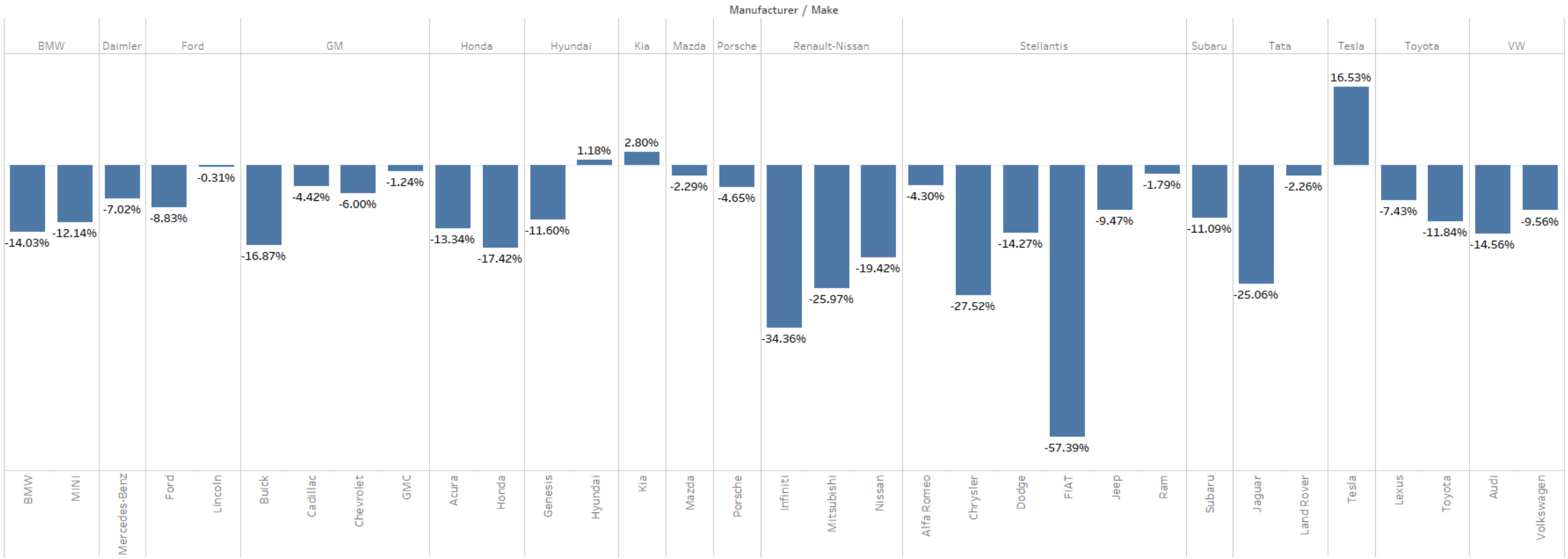
Auto strove to recover: new was down over 1.2 million while used was down over 3.2 million consumer transactions





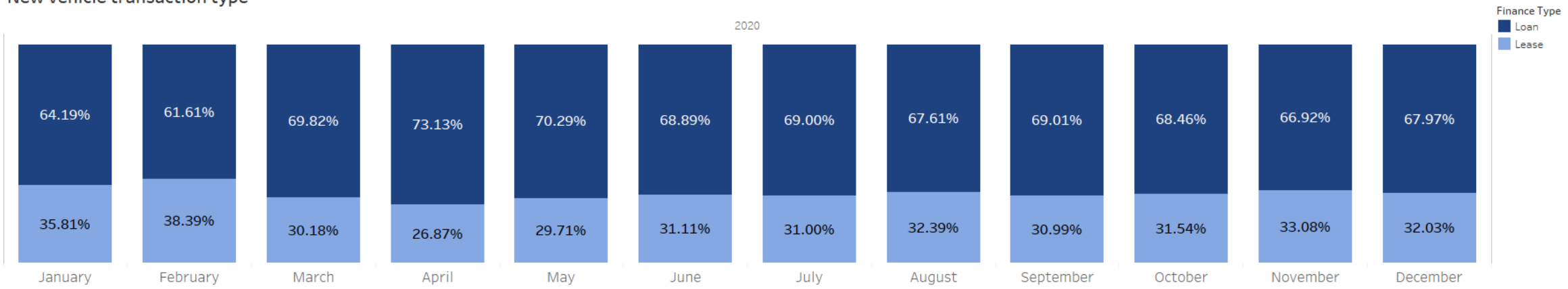
Nearly all manufacturers were impacted

Year-ove-year YTD difference by OEM and make

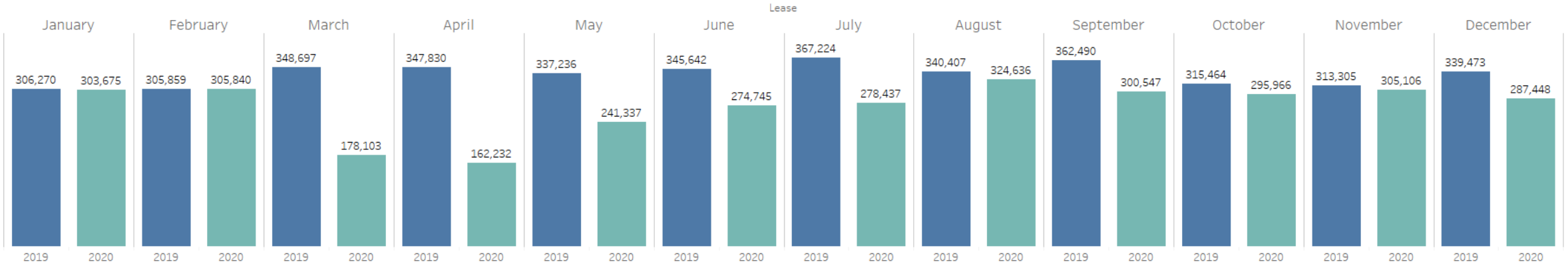


2020 generated over 771k fewer consumer leases than prior year

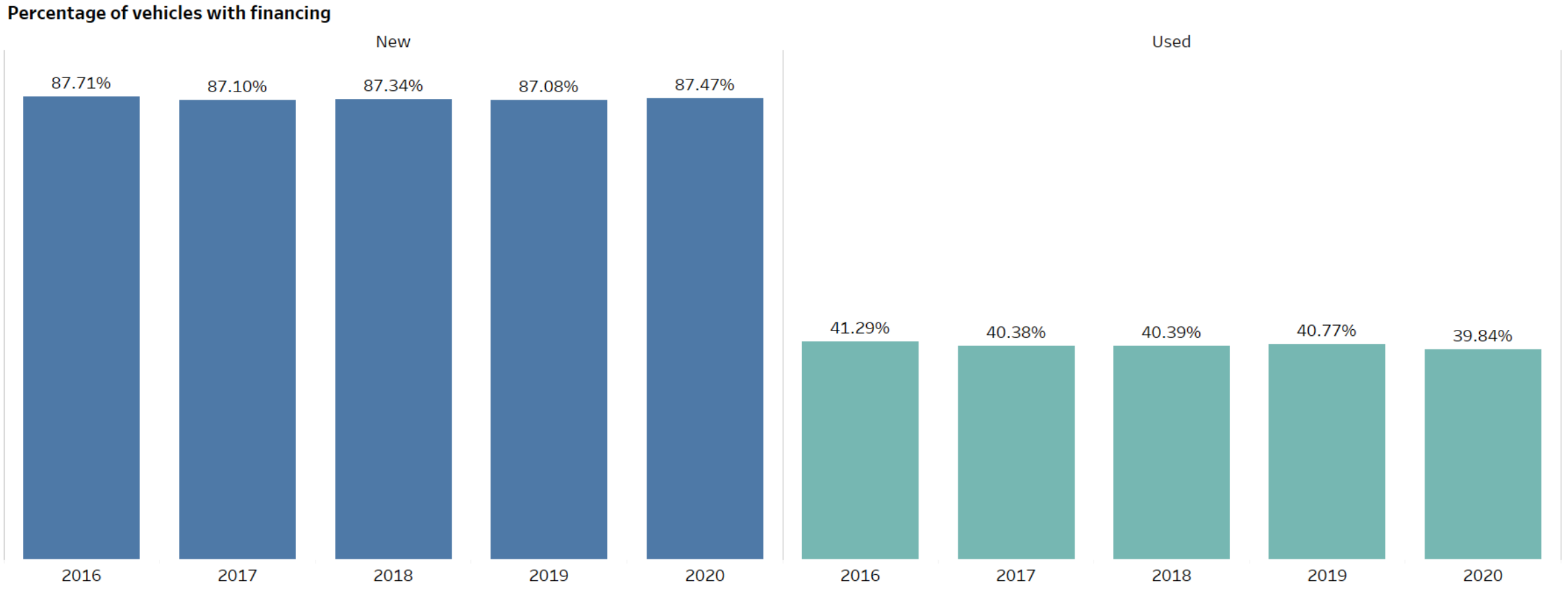
New vehicle transaction type



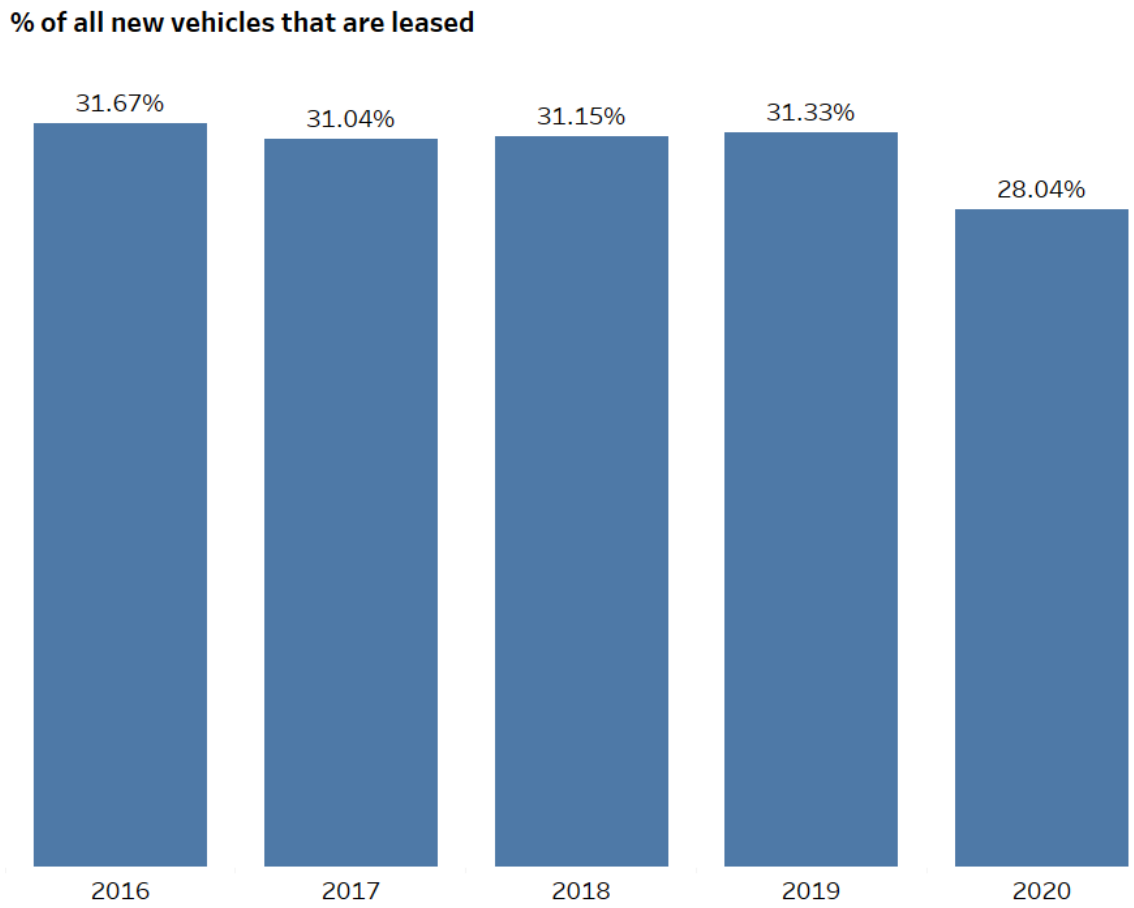
Year to date new leasing volume

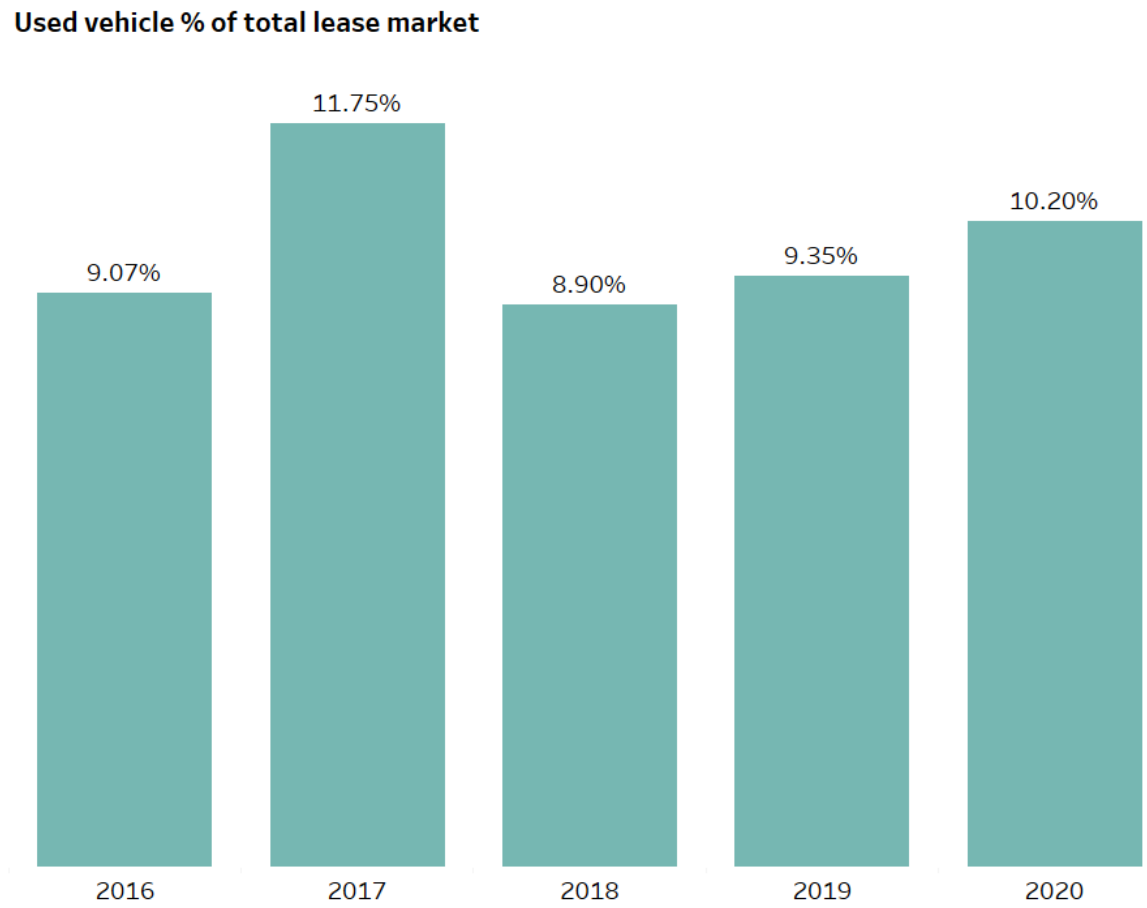


Financing on new vehicles remained consistent while used saw an increase in cash

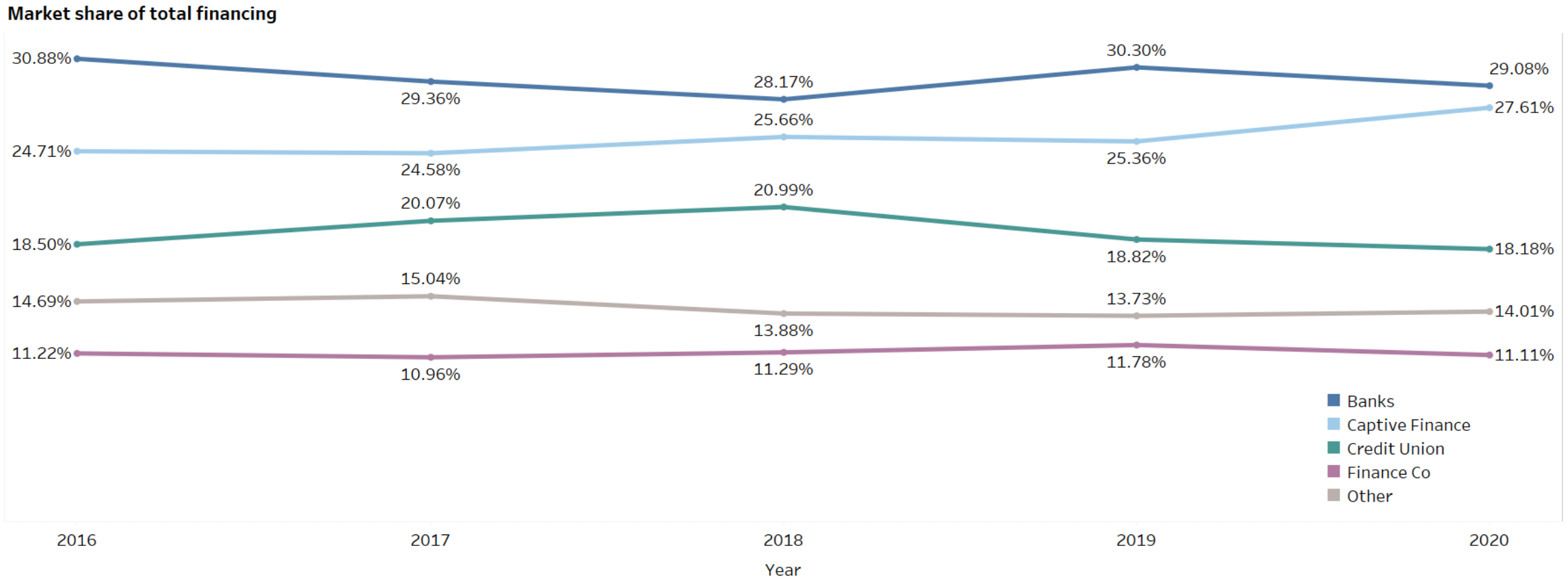


New leasing took a hit; used saw an increase in leasing

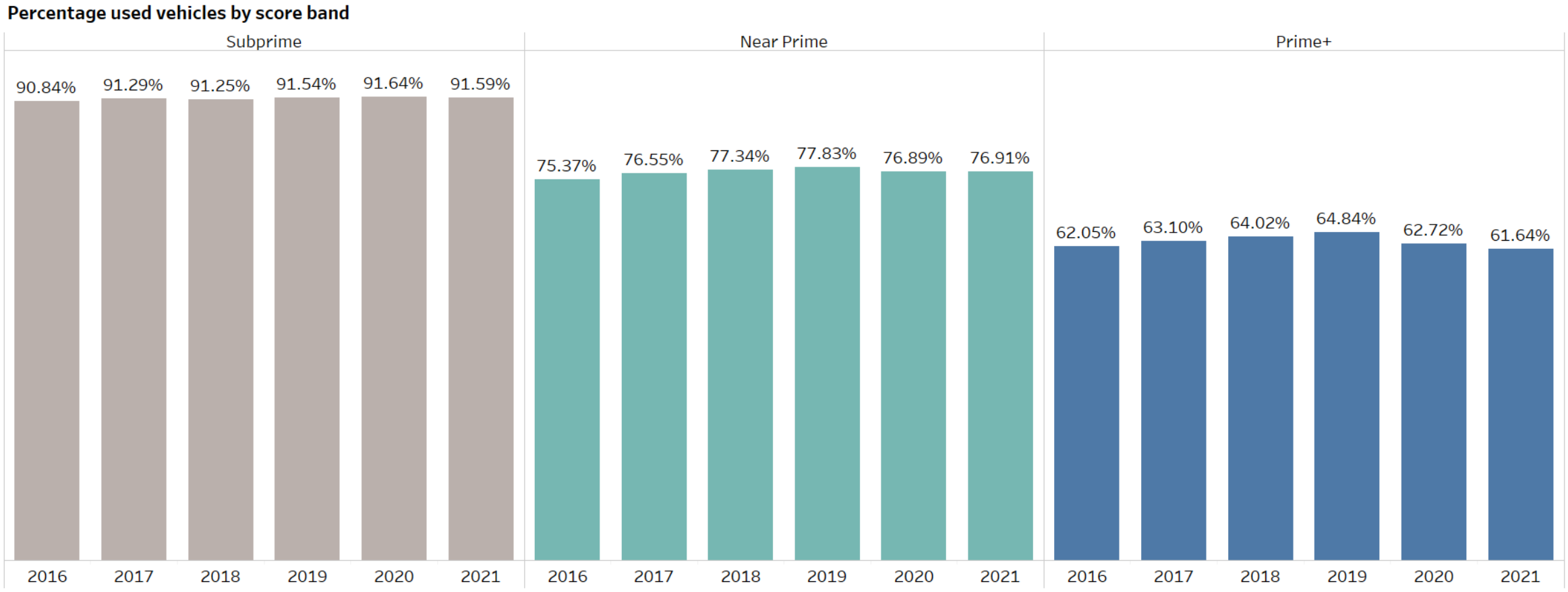




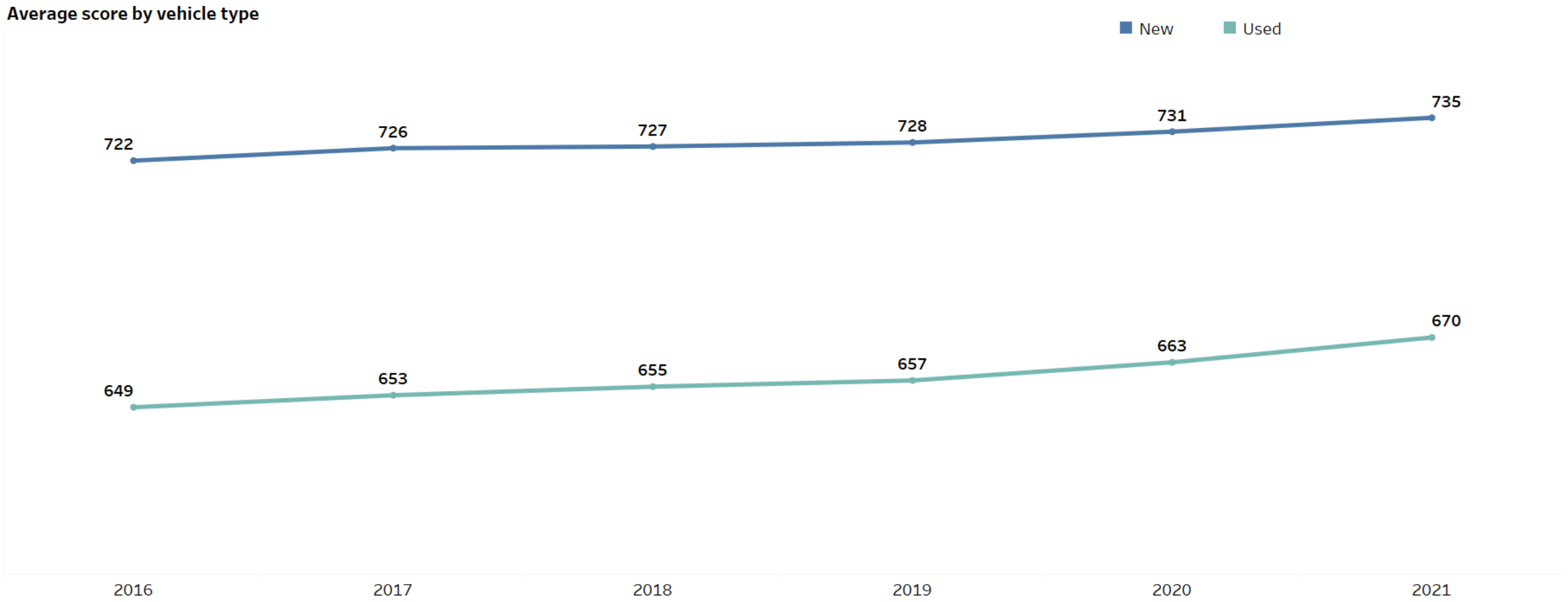
Captives were one of the few lenders to increase share



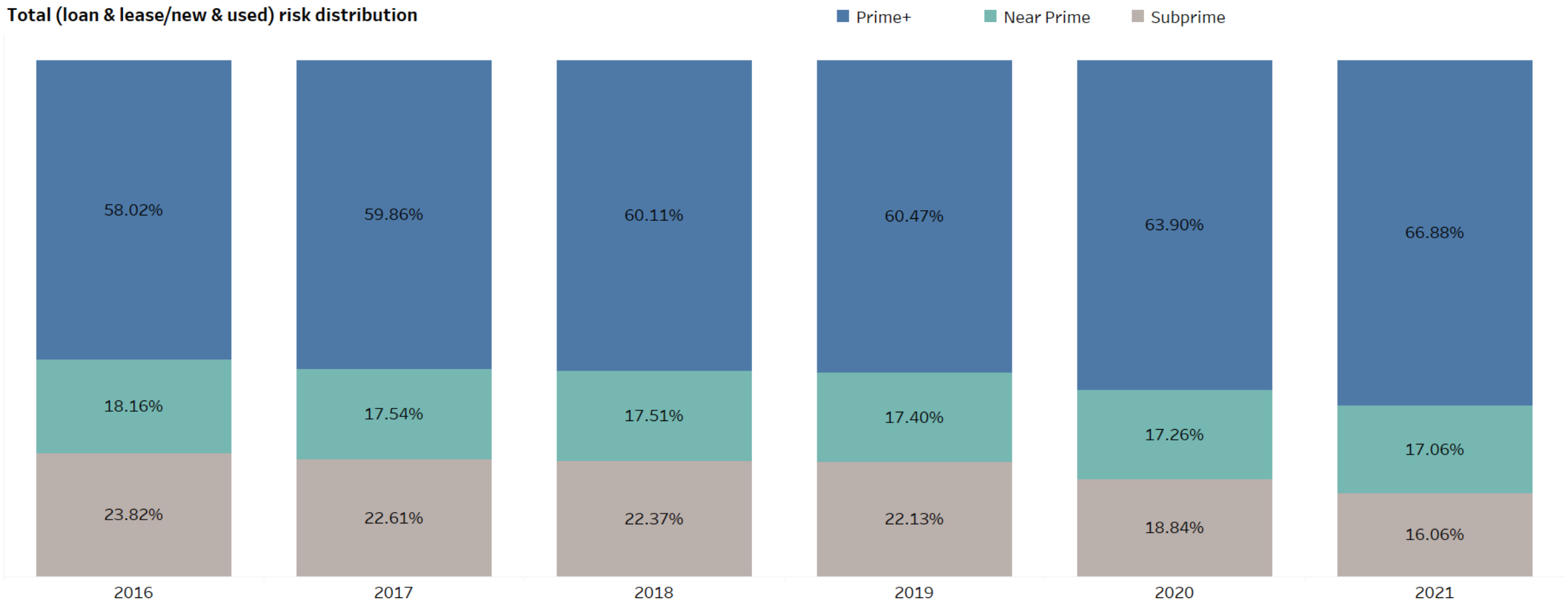
COVID shifted the trend of prime consumers moving into used vehicles



Credit scores continue to climb

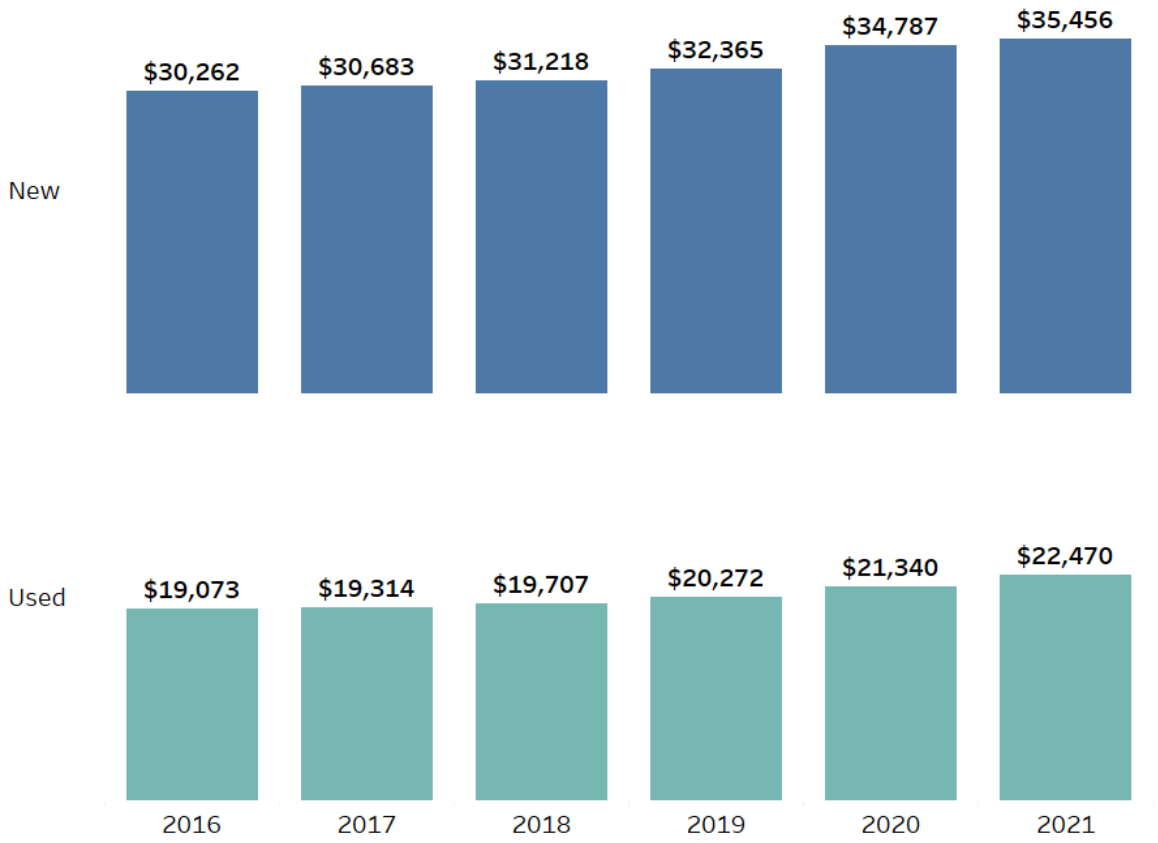


Subprime is at a record low

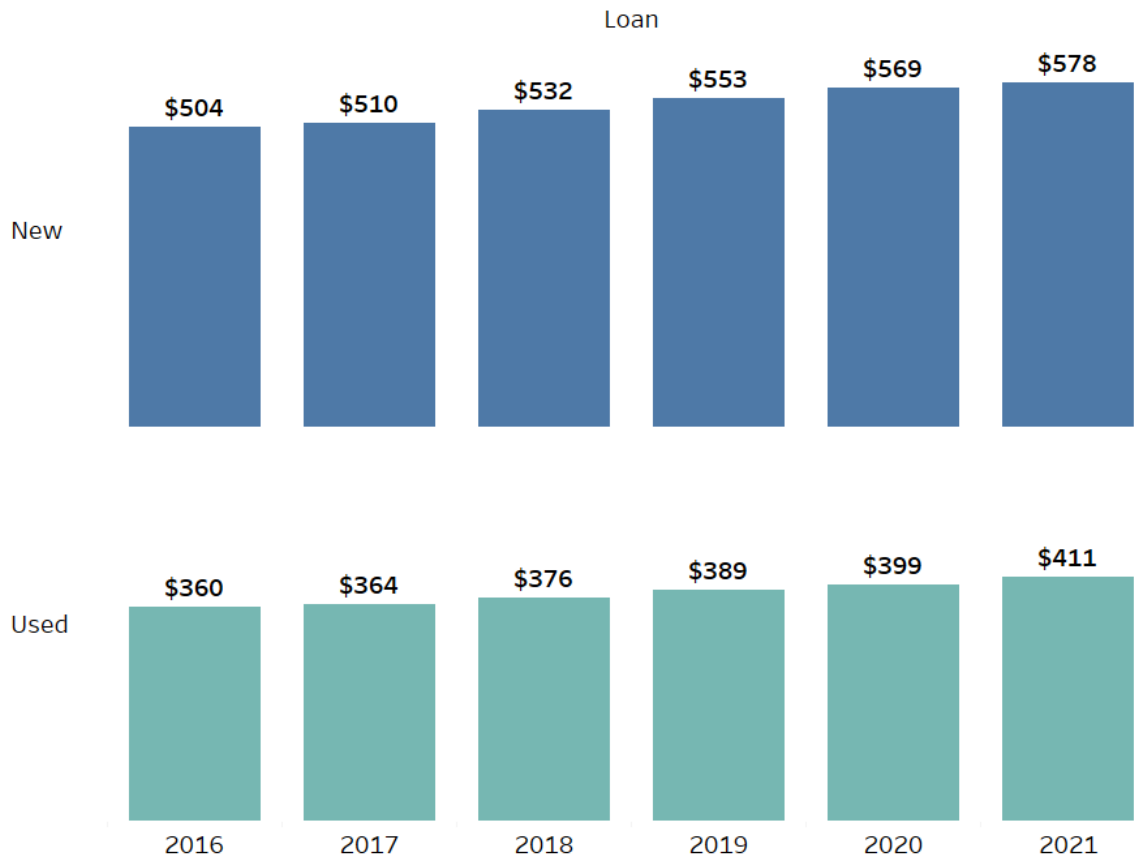


Loan amounts & payments reach record highs and used payments pass $400

Average amount financed

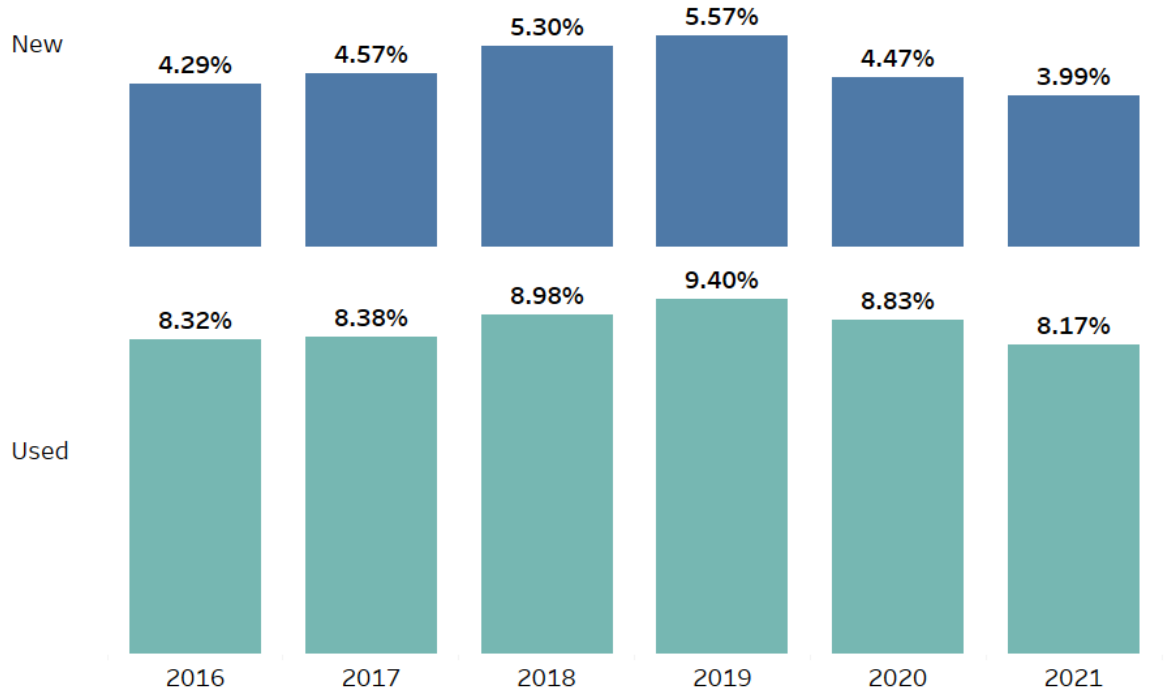


Average monthly payment

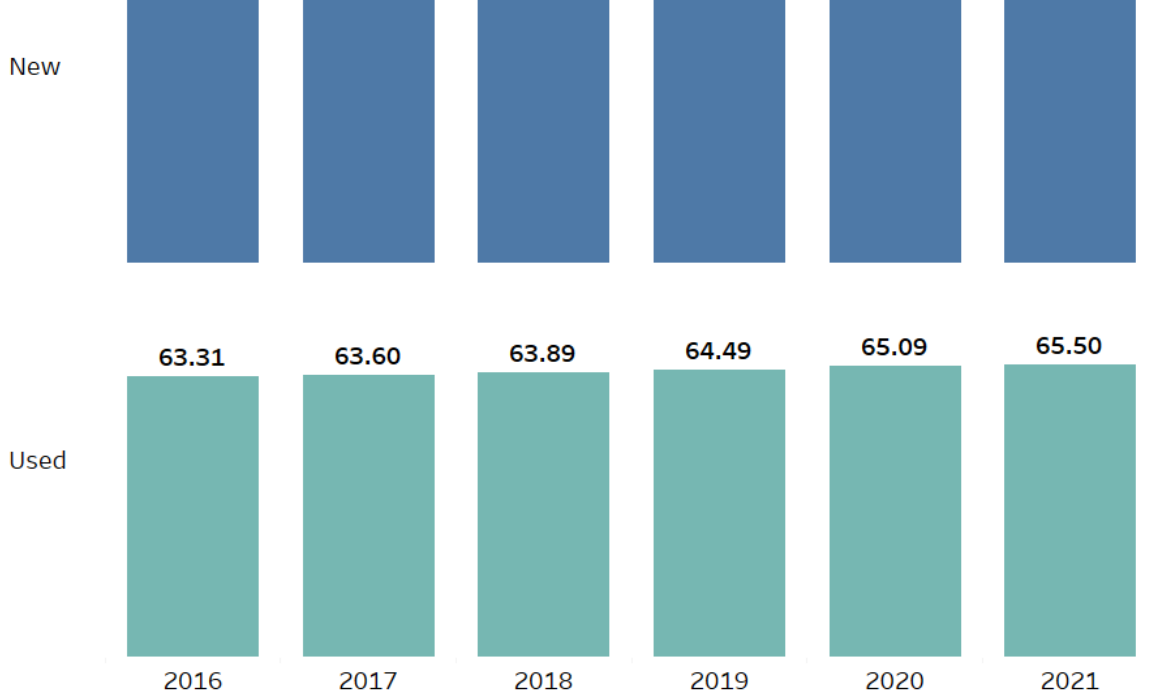


Rates continue to fall while terms extend. . . it's a good time to buy a car!

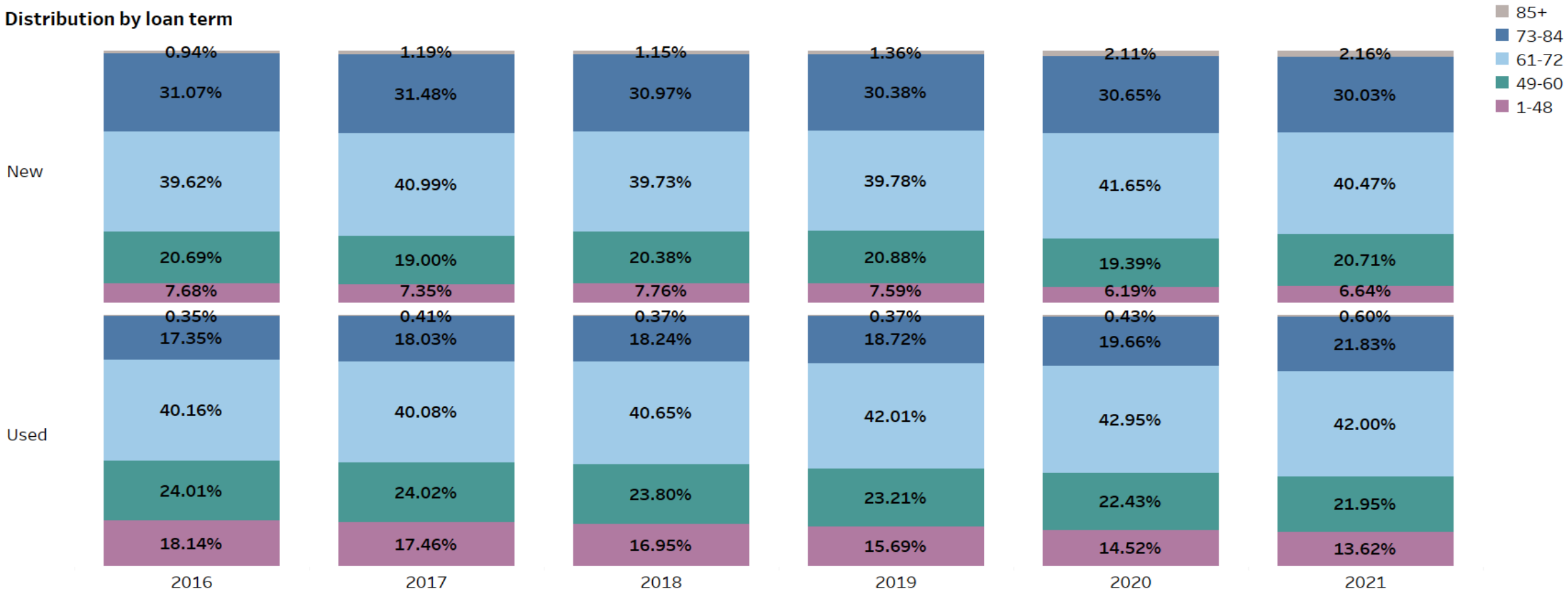
Average loan rate



Average loan term

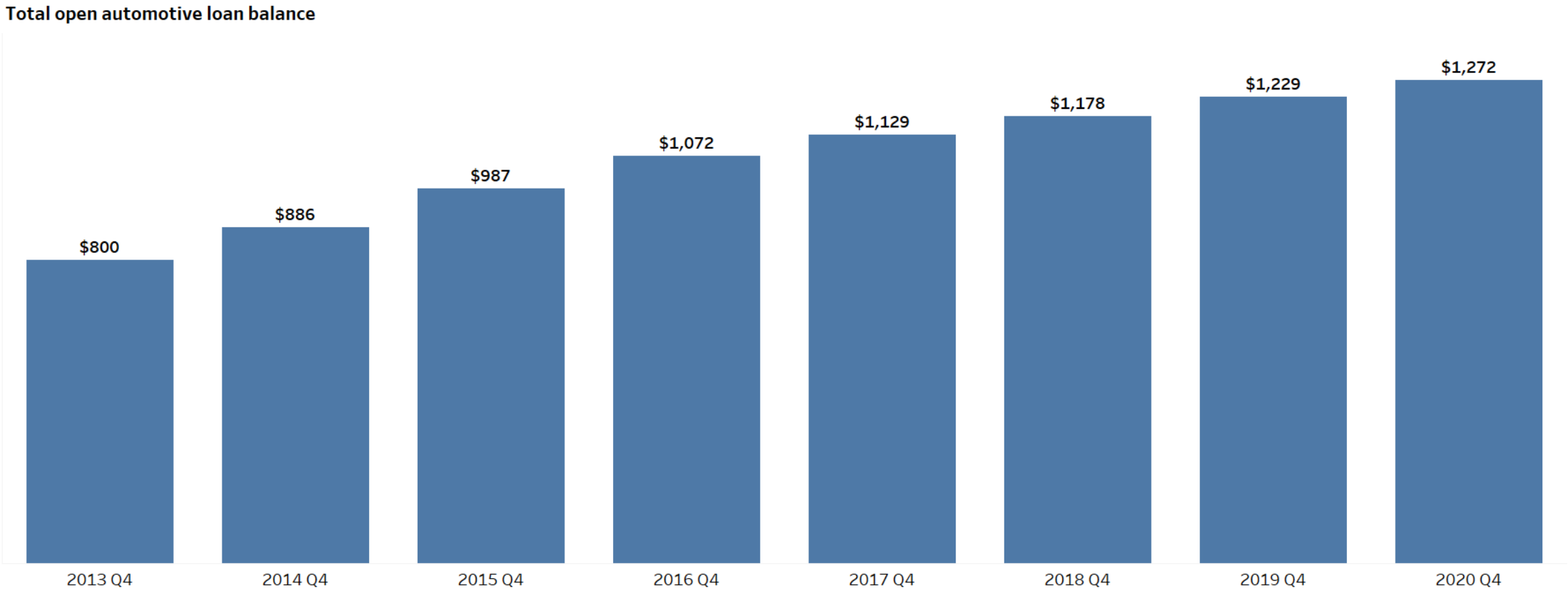


Longer term loans grow in popularity

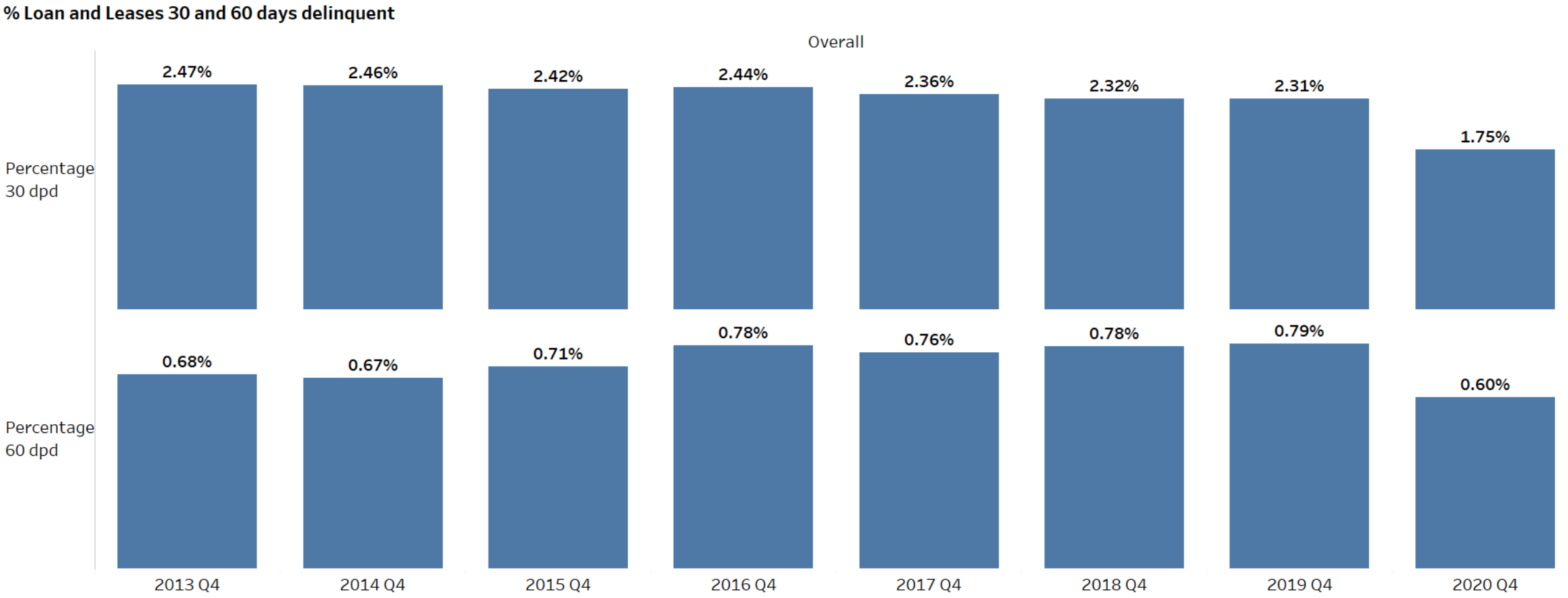


What has been the impact on portfolios?

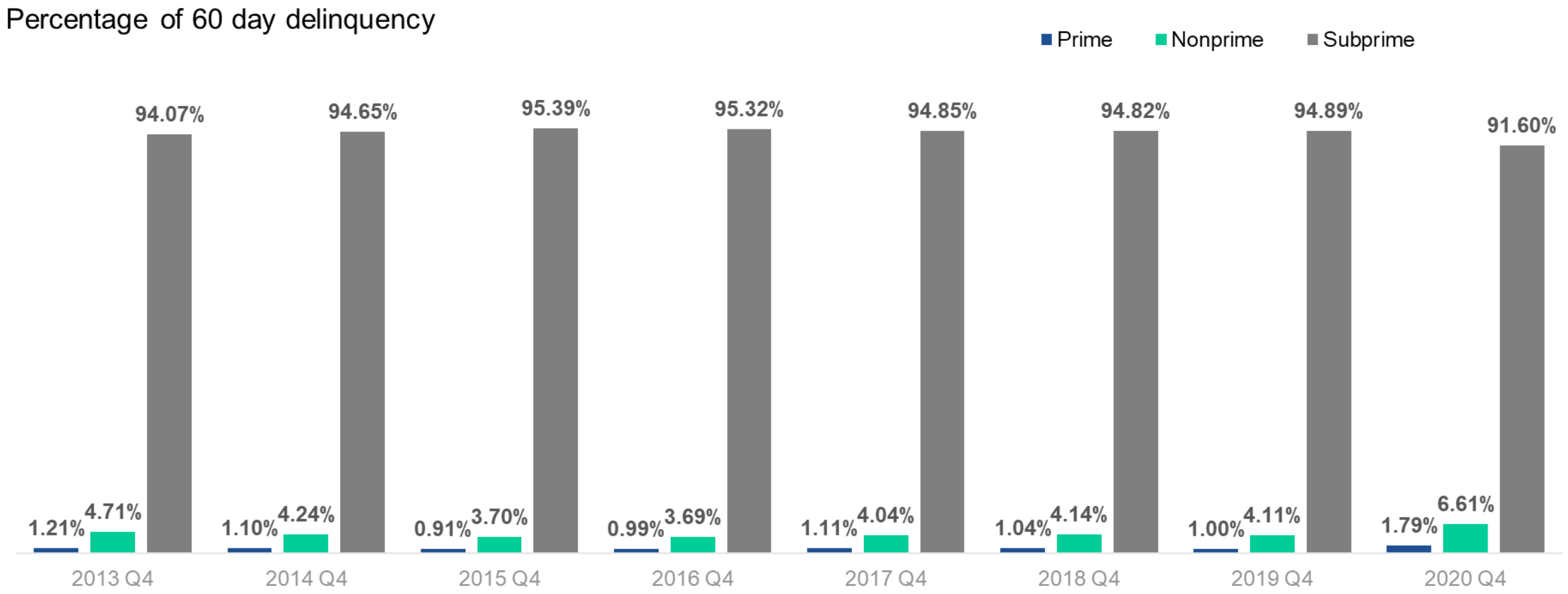
Outstanding auto loan balances reach record highs



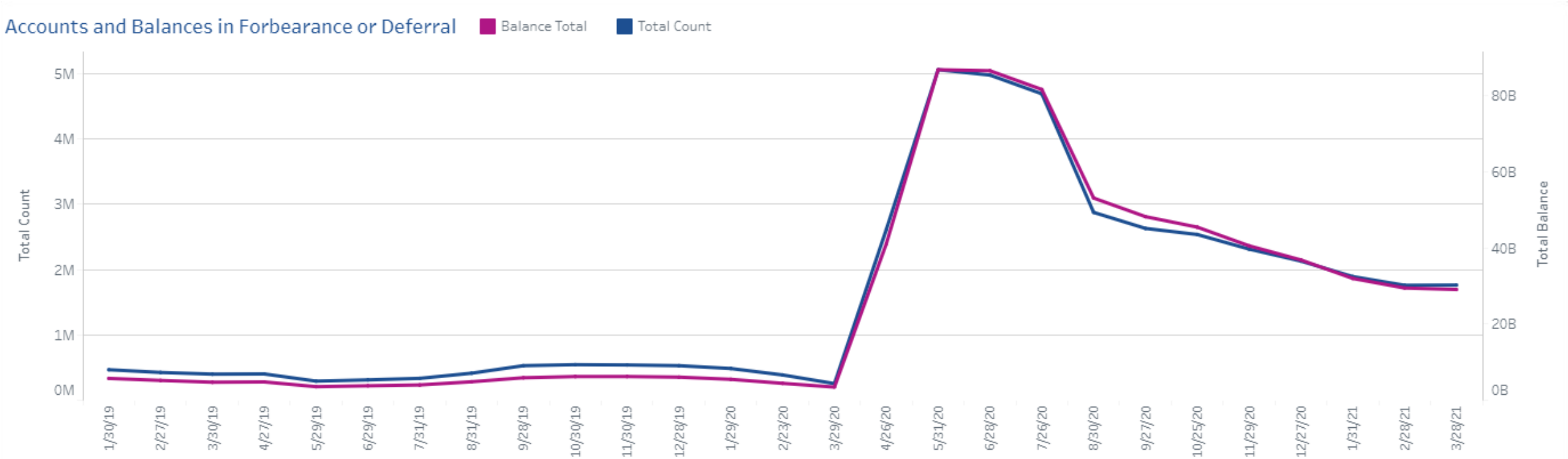
Delinquency rates impacted by CARES Act and remain low



Subprime is representing less of overall delinquency

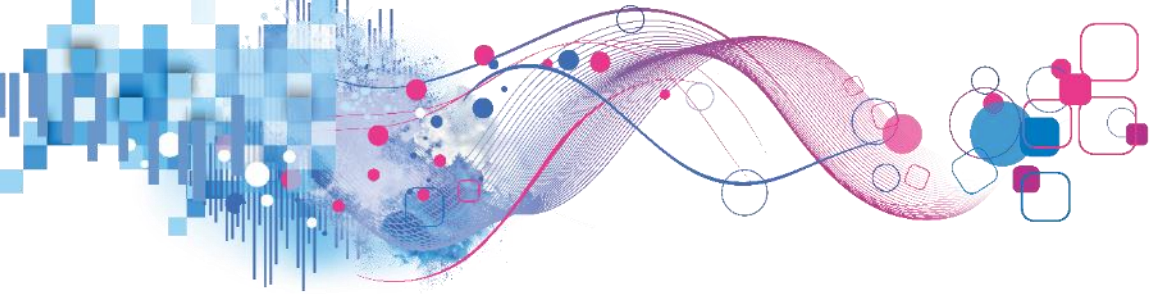


1.7 million accounts worth $28.9 billion remain in deferral; subprime represents 49% of the loans & 46% of balances



Summary

- COVID-19 reversed many of the trends seen in the past several years as prime consumers shifted back to new vehicles and leasing rates dropped
- Subprime reaches record lows and delinquency remains low with CARES Act impact; delinquency growing outside of subprime
- Loan amounts and payments reach record highs with affordability remaining a concern




experian
TM