EQUIFAX®

AUTO LENDING INDUSTRY
Trends and Insights
March 2024

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Introduction

Each month, Equifax produces its Auto Credit Trends data reports, designed to provide automotive professionals with the latest auto credit information to help them make informed decisions. This data is critically important for OEMs, lenders, dealers, and service providers.

These reports provide considerable value and insights, including:

- Historical trended data that can provide early indicators of consumer strength in automotive credit

- Overview of total outstanding auto debt, a focus on new auto lending patterns

- Origination profiles for car shopping, along with an overview of auto delinquency and early delinquency activity

- A special section with a review of auto consumers and the impact student loan payments are having on credit profiles

-This report includes Leases and Loans

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AUTO INSIGHTS

Overview of Total Outstanding Auto Debt

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Archive	# Trades		$ Balance		% Subprime Balance
2024 02	86.6M	YoY 0.06%	$1.63T	YoY 3.77%	20.6%

Balance and Balance YoY by Lender Type

LenderType - ...	$ Total Balance	% Balance YoY
Bank	$525.6B	-2.2%
Captive	$536.2B	10.3%
Credit Union	$466.1B	4.1%
Dealer Finance	$26.8B	3.0%
Monoline	$55.5B	2.6%
Other	$20.4B	3.4%

Subprime Share and Subprime YoY by Lender Type

Lender Type ▲	% Subprime	% Subprime YoY
Bank	18.2%	8.1%
Captive	18.6%	3.9%
Credit Union	16.0%	13.0%
Dealer Finance	60.4%	-0.9%
Monoline	61.3%	-6.0%
Other	49.8%	-10.9%

Bank loan balances are dropping, while Captive lenders are seeing over 10% growth.

Banks and Credit Unions are seeing high growth in Subprime while Monolines and "Other" Lenders are limiting their exposure. Dealer Finance is relatively flat year over year.

Deep Subprime and Subprime trades are increasing, while Near-Prime and Prime are decreasing.

Score Band

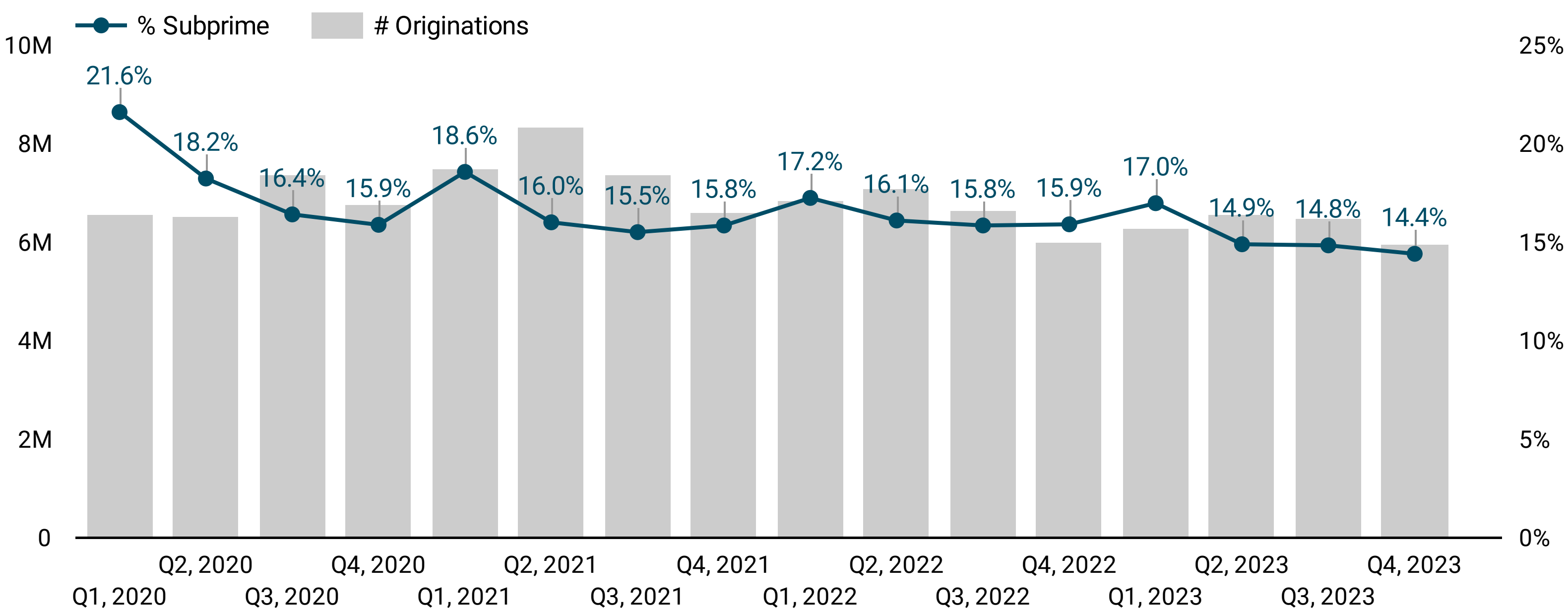
Score Band ▲	% Trades per Score Band	% YoY Trade Growth
a. Deep subprime	12.8%	7.7%
b. Subprime	7.9%	1.5%
c. Near-prime	11.7%	-3.1%
d. Prime	18.5%	-4.0%
e. Super-prime	49.1%	0.3%

AUTO INSIGHTS

Highlights of New Auto Lending

Vintage	# Originations YTD	Loan amount YTD	% Of Subprime Originations YTD
2023 12	25.3M (YoY - YTD -5.06%)	$739.4B (YoY - YTD -7.56%)	15.3%

Originations Over Time



Captives are seeing the greatest year over year growth in originations.

Subprime share continues to decrease from a high of 21.6% in Q1 2020.

Typical seasonality indicates that Q1 is the highest quarterly subprime percentage within any given year.

While Credit Union Balances have grown 4.1% YoY, Originations have decreased by over 22%. This is likely due to the rising cost of vehicles and financing in 2023.

Originations by Lender Type - YTD

Lender Type - Othe...	# Originations YTD	# Originations YoY - YTD
Bank	6.9M	-9.3%
Captive	9.0M	17.4%
Credit Union	6.5M	-22.0%
Dealer Finance	616.3K	-8.9%
Monoline	1.6M	0.1%
Other	667.1K	-10.7%

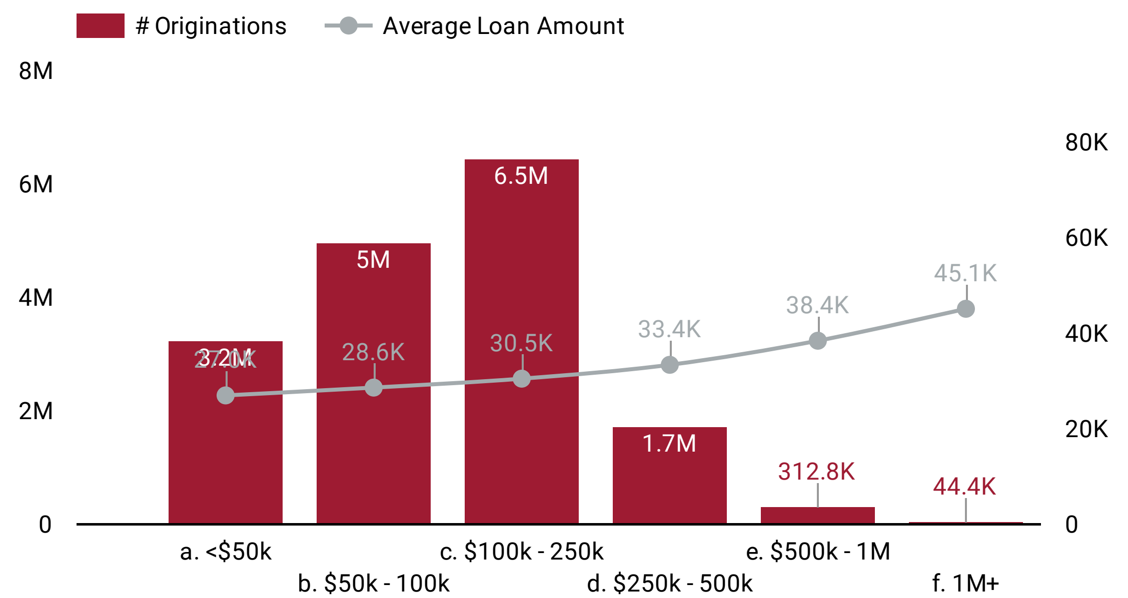
Originations Distribution by Score Band - YTD

Score Band ▲	% Auto Loan	% Auto Lease
a. Deep subprime	8.8%	2.6%
b. Subprime	7.9%	3.8%
c. Near-prime	12.7%	7.9%
d. Prime	21.3%	17.5%
e. Super-prime	49.3%	68.2%

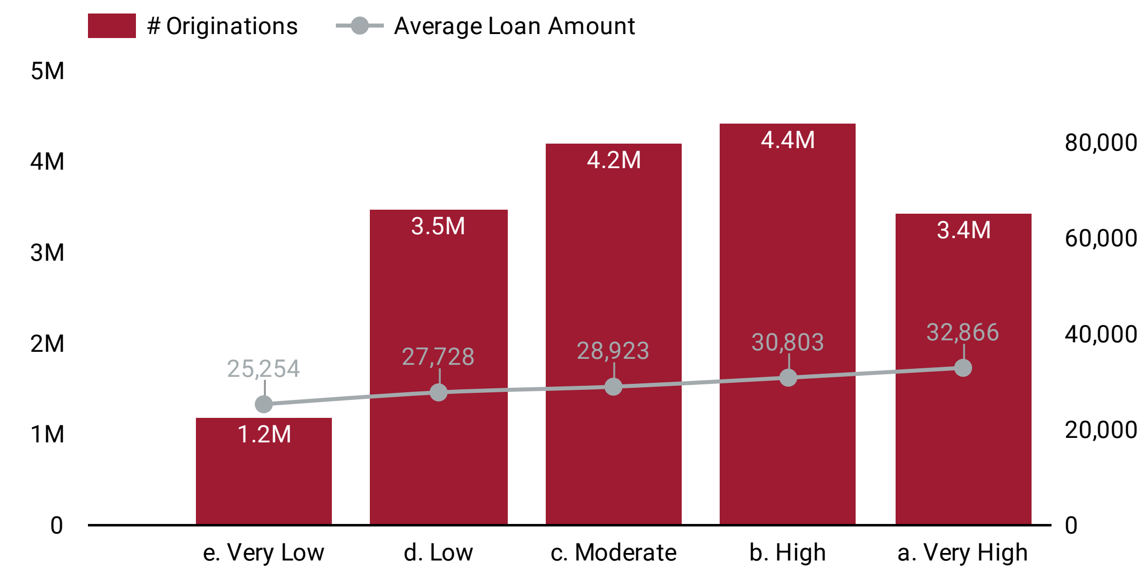
AUTO INSIGHTS

Origination Consumer Profiles

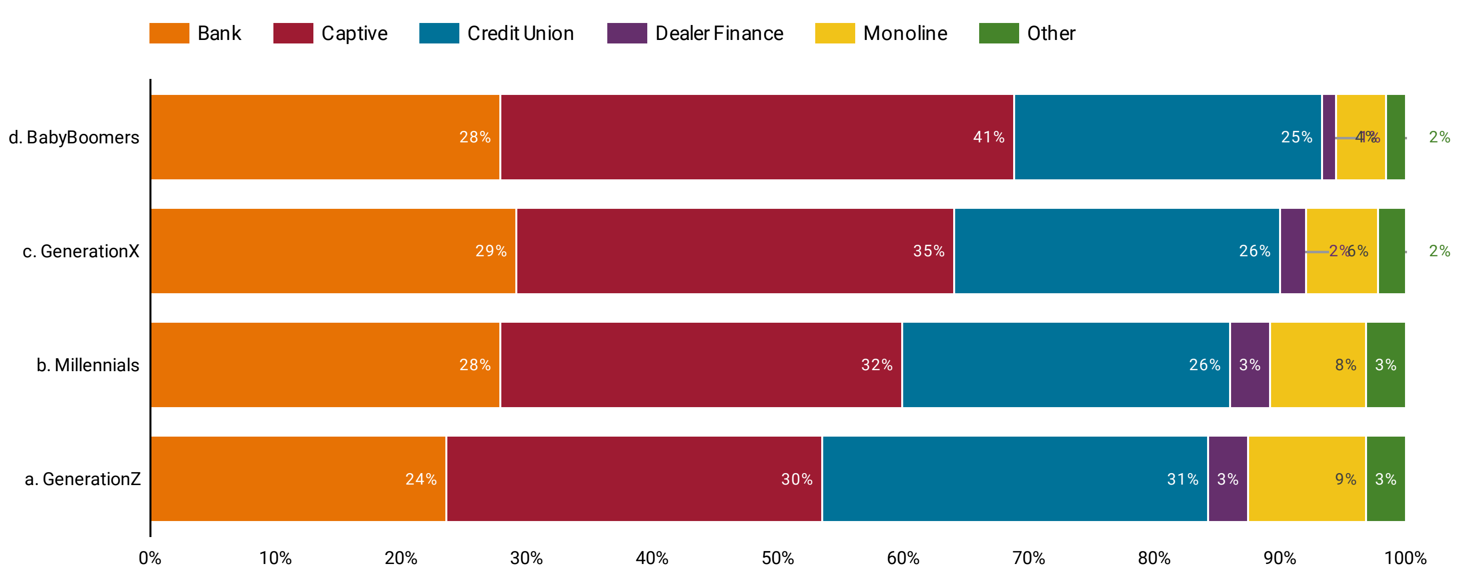
YTD Originations by Income360



YTD Originations by Financial Durability Index



YTD Originations by Generation and Lender Type



Captive lenders are the most dominant finance option for Baby Boomers, with over 41% of their originations.

Across generations, Gen Z is least likely to borrow from Captives and Banks (30% and 24% respectively), and are the most likely generation to open an Auto Loan with a Credit Union at over 30%

Average Loan amount is positively correlated with both Income and Financial Durability

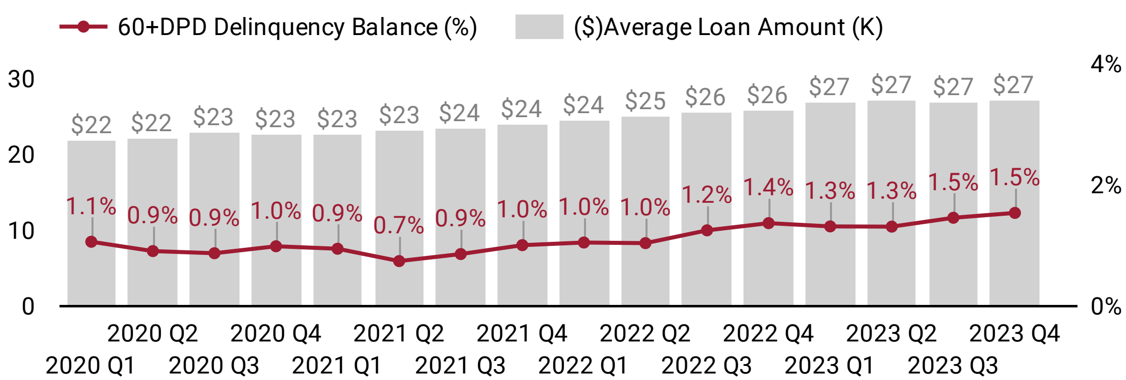
Captive Lenders are the dominant lender for all generations, except Gen Z

AUTO INSIGHTS

Overview of Auto Delinquency

Archive	60+ DPD Accounts - Total Auto	Balance 60+ DPD - Total Auto	Write-Off Accounts - Total Auto
2023 12	1.9%	1.6%	0.2%

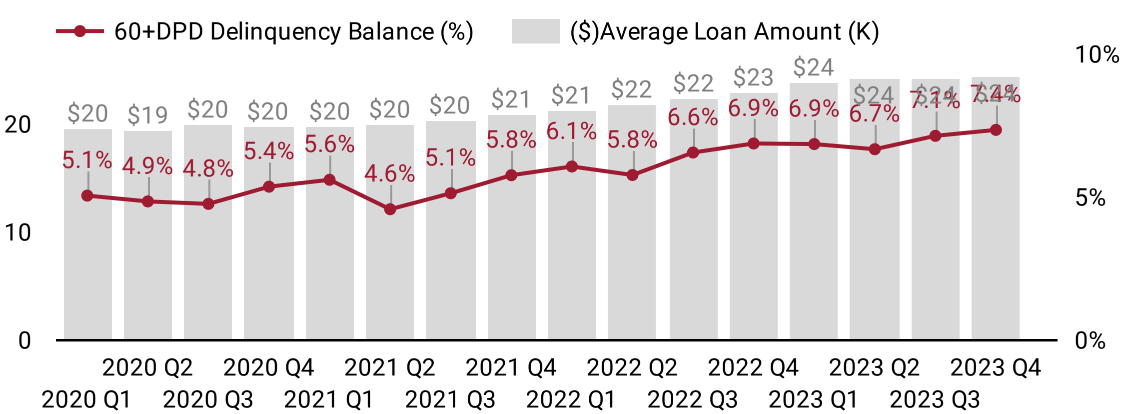
60+DPD Rate of Balance and Average Loan Amount



60+DPD Delinquency Accounts By Lender Type

LenderType - O...	% Delinquency Rate (#)	% Delinquency Change Y...
Bank	1.3%	11.2%
Captive	1.1%	12.0%
Credit Union	0.9%	25.9%
Dealer Finance	6.3%	6.1%
Monoline	13.4%	3.2%
Other	4.8%	-8.5%

60+DPD Rate of Balance and Average Loan Amount - **Subprime Band Only**



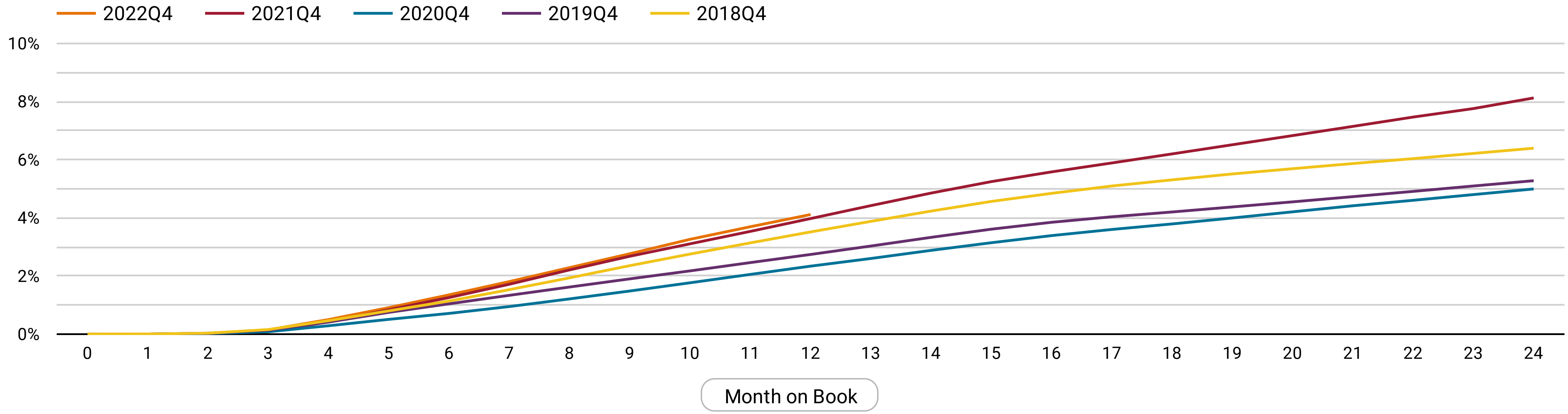
60+ DPD Delinquency Rate by Score Tier in Latest Archive

Score Band ▲	% Delinquency Rate (#)	% Delinquency Change YoY
a. Deep subprime	10.93%	8%
b. Subprime	1.26%	18%
c. Near-prime	0.35%	13%
d. Prime	0.10%	4%
e. Super-prime	0.01%	-8%

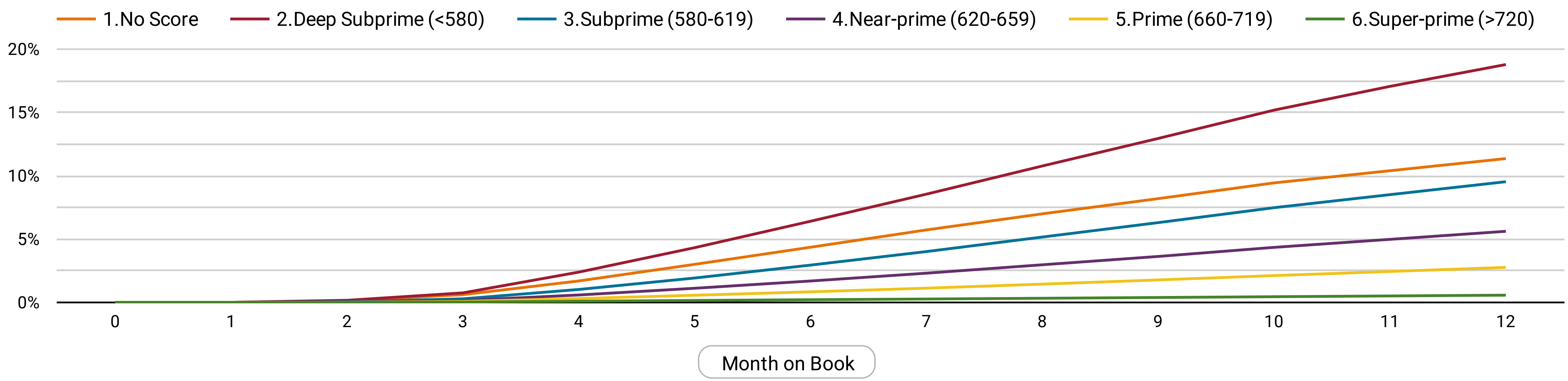
Delinquencies are up for all Lenders, except "Other" Lenders Year over Year
The largest increases in Delinquency rates are in Suprime and NearPrime, with Super-prime actually seeing a decrease in Delinquency rates
Q2 typically sees a dip in delinquency rates, potentially due to tax returns

Early Delinquency

Cumulative % 60+ DPD (#) by Cohort for Q4



Cumulative % 60+ DPD (#) by Score Band on the latest quarter available (2023Q4)



60+ DPD rates are at the highest level for 2022Q4 originations. Even higher than 2021Q4 and 2018Q4.

AUTO INSIGHTS

Auto Consumers and Student Loan Payments

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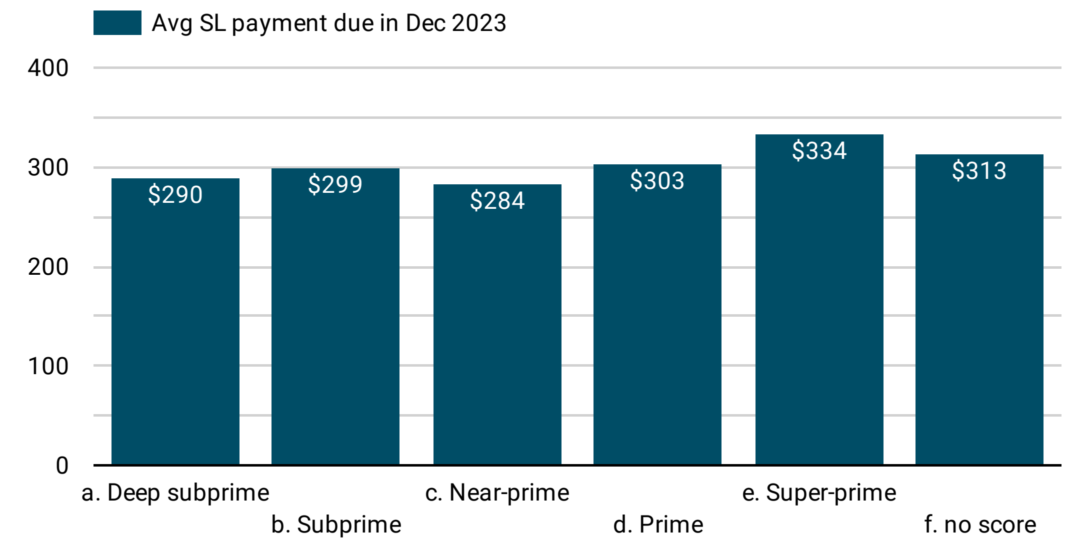
% of Auto Consumers with a Student Loan Payment due

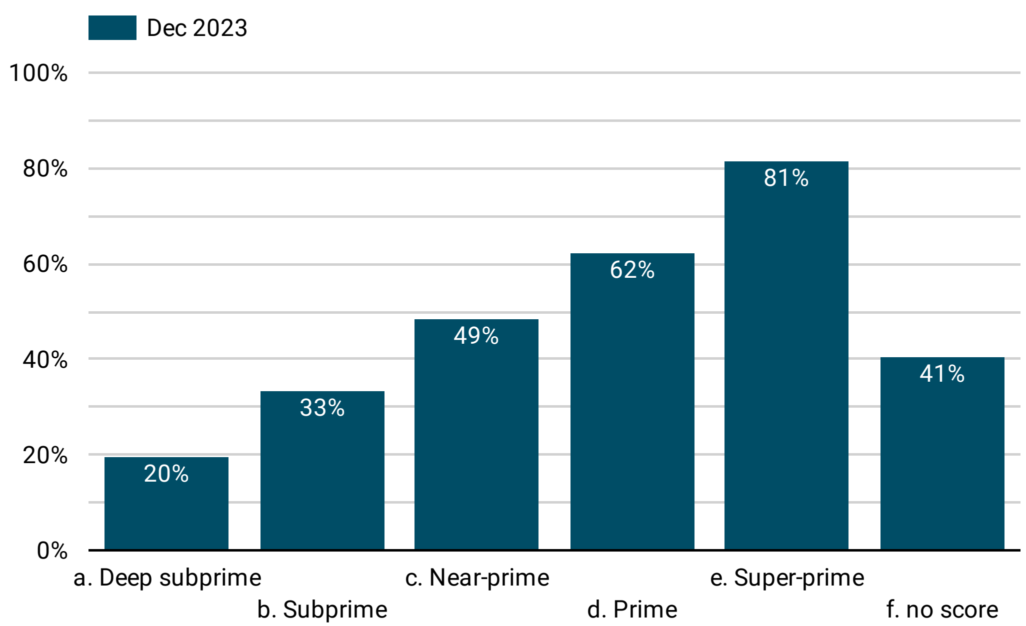
	Month / % Auto Consumers w/ SL pmt due		
Vantage 3	Oct 2023	Nov 2023	Dec 2023
a. Deep subprime	4%	13%	12%
b. Subprime	5%	15%	14%
c. Near-prime	5%	13%	12%
d. Prime	6%	13%	13%
e. Super-prime	5%	11%	10%
f. no score	2%	3%	3%
Grand total	**5%**	**12%**	**12%**

Average Student Loan Payment Due as of 2023-12 by Score Band



% of Auto Consumers * making a Payment on a SL in 2023-12

** Auto Consumers with at least one student loan that has an amount due*



Student Loan Payments were re-instated as of November 2023. A significant increase in consumers with Student Loan Payments due was observed at that time, and remains consistent through December 2023.

Super Prime Auto Customers are most likely to have Student Loan Payments due, at 81%

Average Student Loan payments are relatively consistent across risk score groups, ranging from $284 per month to $334 per month.

NOTE Student Loan Delinquencies will not be reported until October 2024.

Glossary

TERM	DEFINITION
Trades	Number of open accounts for Auto Loans and Auto Leases
Balance	Total Debt for Auto Loans and Auto Leases
Originations	Number of new accounts originated in the timeframe indicated
Loan Amount	Total loan amount extended at time of origination
Student Loans Payments Due	Student Loans with a scheduled payment amount reported by the data furnisher
60DPD+ delinquent balance	Total Debt (USD) with a delinquency status of 60DPD or more
60DPD+ delinquent accounts	Number of accounts with a delinquency status of 60DPD or more
Write - off	Accounts with an 120DPD or worse delinquency status
Vintage	The period (month, quarter) in which the loan was originated
Score Bands	Deep subprime (below 580), Subprime (580-619), Near-prime (620-659), Prime (660-719), Super-prime (720 or above)
Subprime Share	Includes Subprime and Deep Subprime.
Income360	Income360 is a continuous household-based dollar estimate of income uncapped up to $2 million based on both income from wages and income generated from investments
Generation	Grouping of the loan holders according to the year they were born
Financial Durability Index	Financial Durability Index ™ provides unique insight into households' likely financial resilience — meaning how likely a household is able to keep spending, plus meet current and future financial obligations, even when under financial stress
Lender Type	Different types of intitutions where auto loans are available, such as banks, credit unions, captive (financing arm of auto manufacturers), dealer finance (buy here and pay here) and monoline (only lends auto loans).