

A photograph of a person driving a car, seen from the side. The driver's hands are on the steering wheel, and a watch is visible on their left wrist. The dashboard and speedometer are partially visible. The image is overlaid with a large red triangle on the left side.

EQUIFAX[®]

AUTO LENDING INDUSTRY

Trends and Insights

March 2024

powering the world with *knowledge*[™]

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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Overview of Total Outstanding Auto Debt

Archive
2024 02

Trades
86.6M YoY 0.06%

\$ Balance
\$1.63T YoY 3.77%

% Subprime Balance
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%



Highlights of New Auto Lending

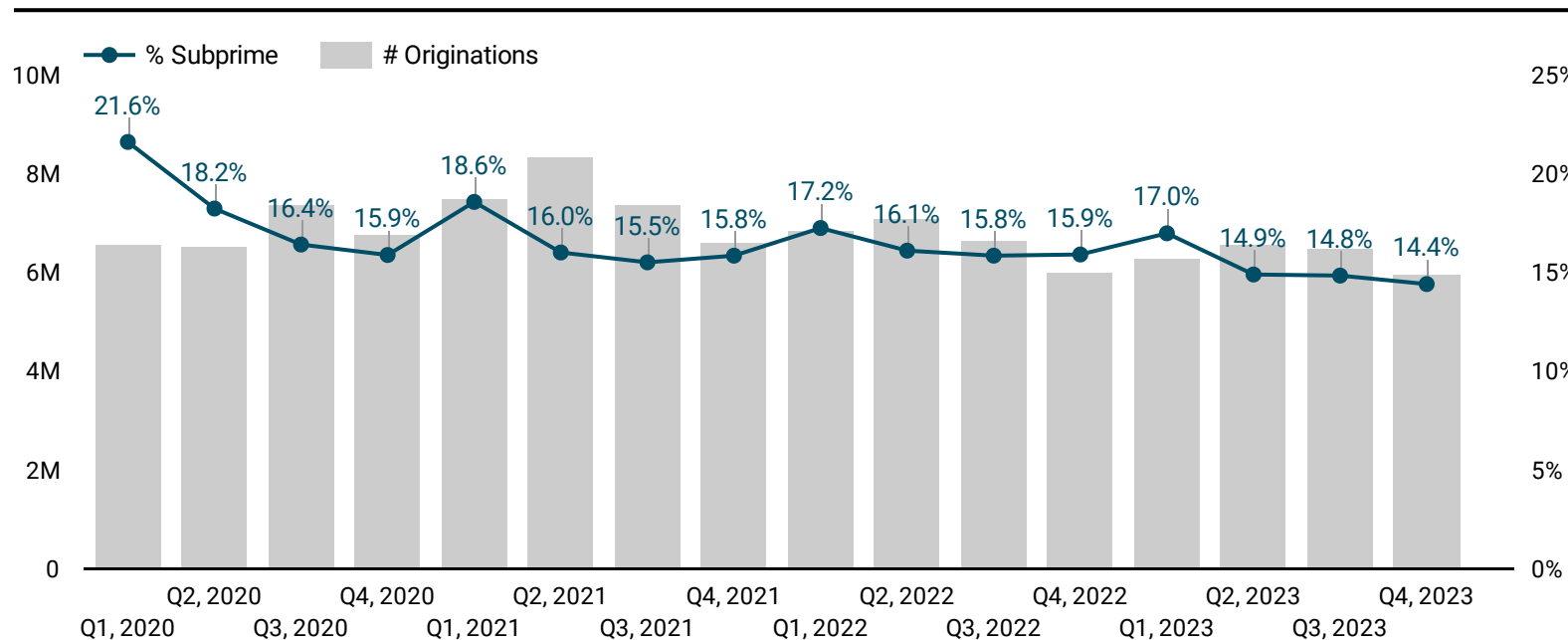
Vintage
2023 12

Originations YTD
25.3M
YoY - YTD
-5.06%

Loan amount YTD
\$739.4B
YoY - YTD
-7.56%

% Of Subprime Originations YTD
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

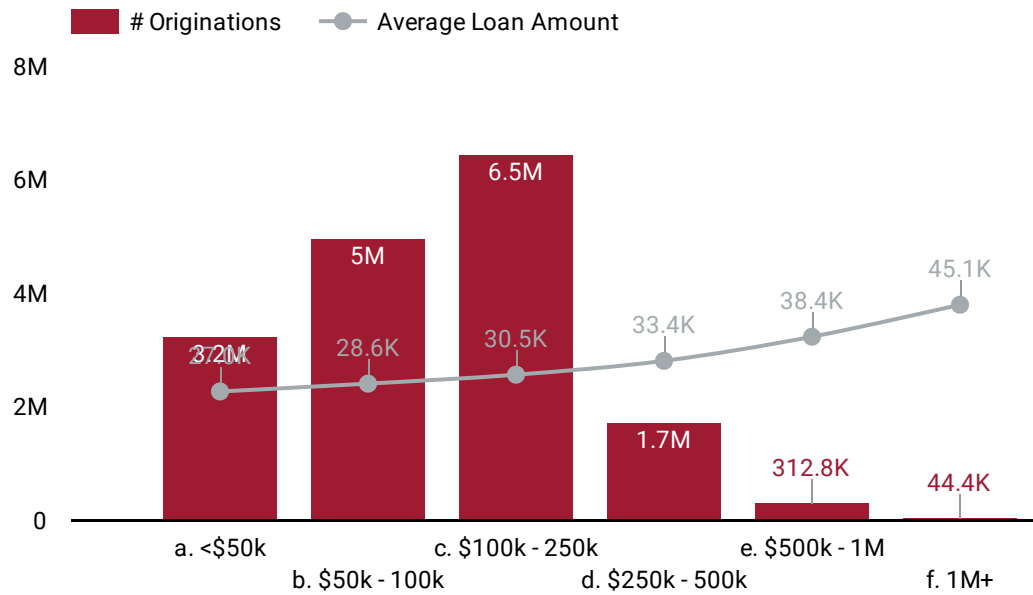
Lender Type - Othe...	# Originations YTD	# Originations YoY - YTD
Bank	6.9M	-9.3%
Captive	9.0M	17.4%
Credit Union	6.5M	-22.0%
Dealer Finance	616.3K	-8.9%
Monoline	1.6M	0.1%
Other	667.1K	-10.7%

Originations Distribution by Score Band - YTD

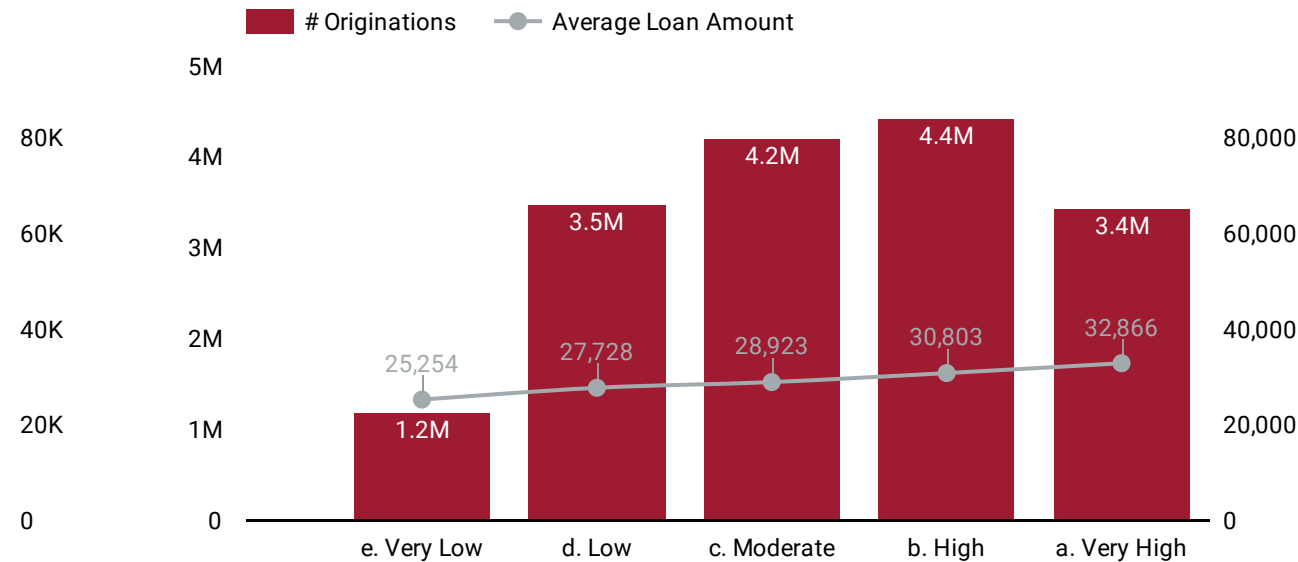
Score Band ^	% Auto Loan	% Auto Lease
a. Deep subprime	8.8%	2.6%
b. Subprime	7.9%	3.8%
c. Near-prime	12.7%	7.9%
d. Prime	21.3%	17.5%
e. Super-prime	49.3%	68.2%

Origination Consumer Profiles

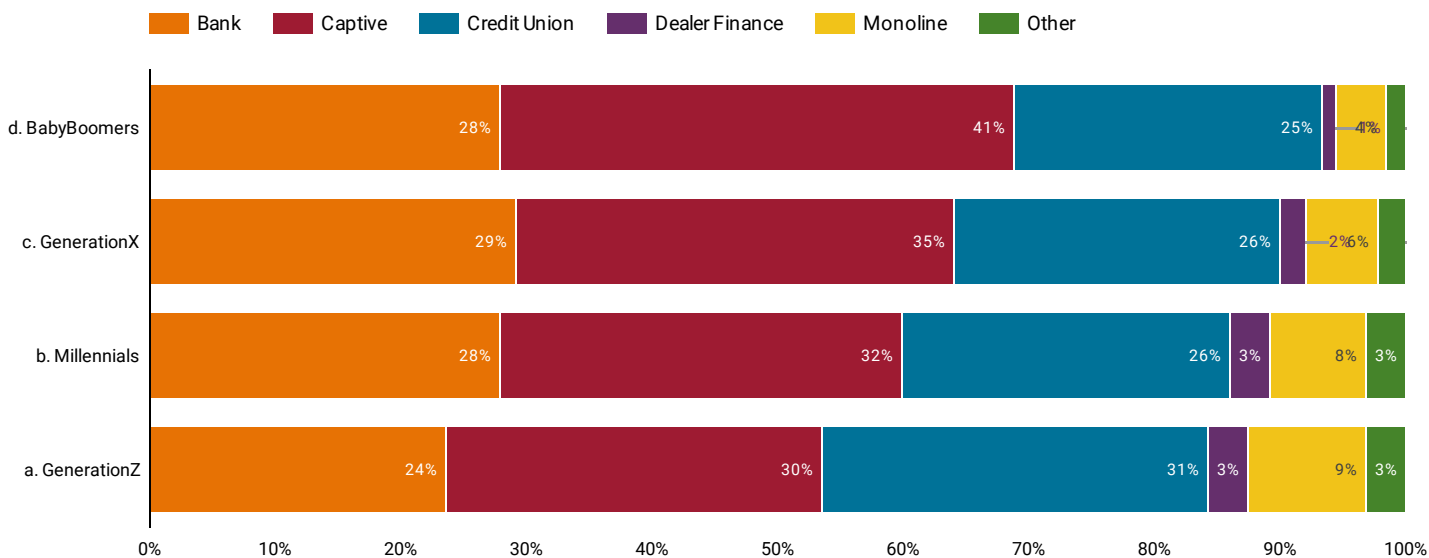
YTD Originations by Income360



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

Overview of Auto Delinquency

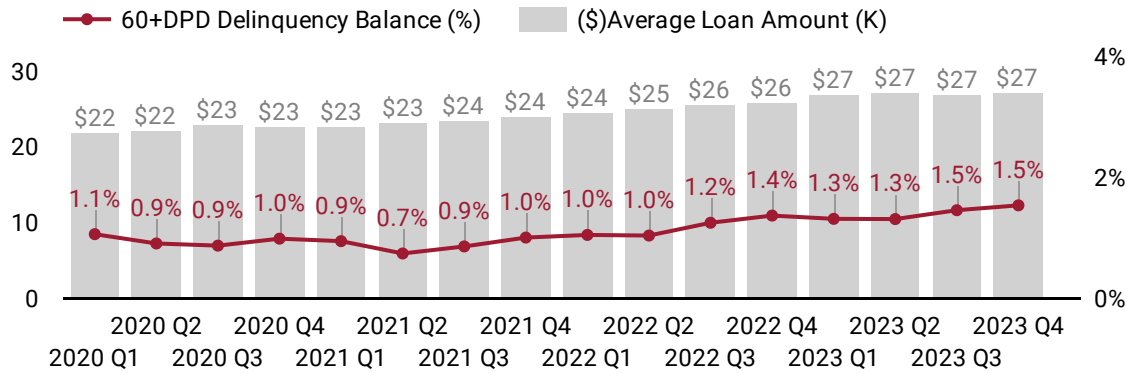
Archive
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60+ DPD Accounts - Total Auto
1.9%

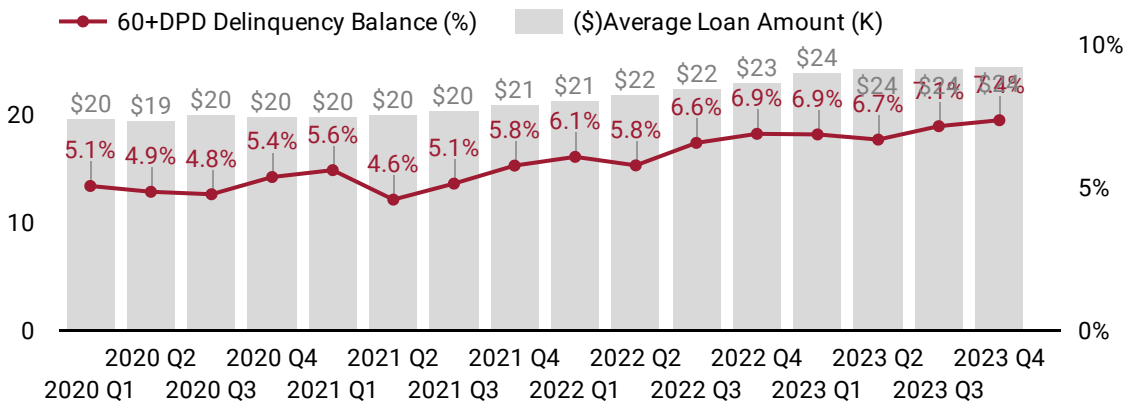
Balance 60+ DPD - Total Auto
1.6%

Write-Off Accounts - Total Auto
0.2%

60+DPD Rate of Balance and Average Loan Amount



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



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%

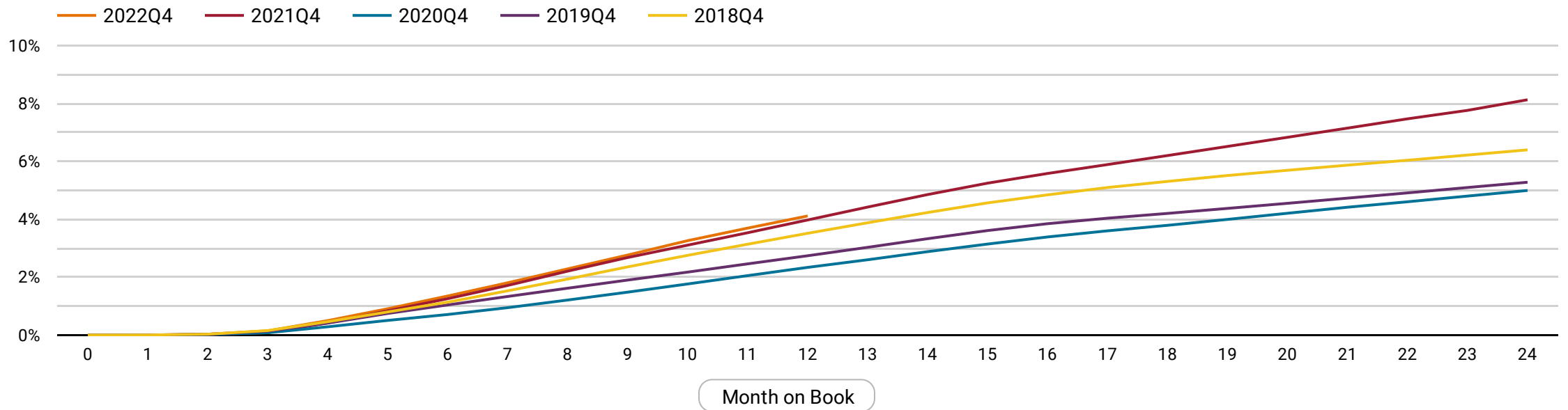
60+ DPD Delinquency Rate by Score Tier in Latest Archive

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%

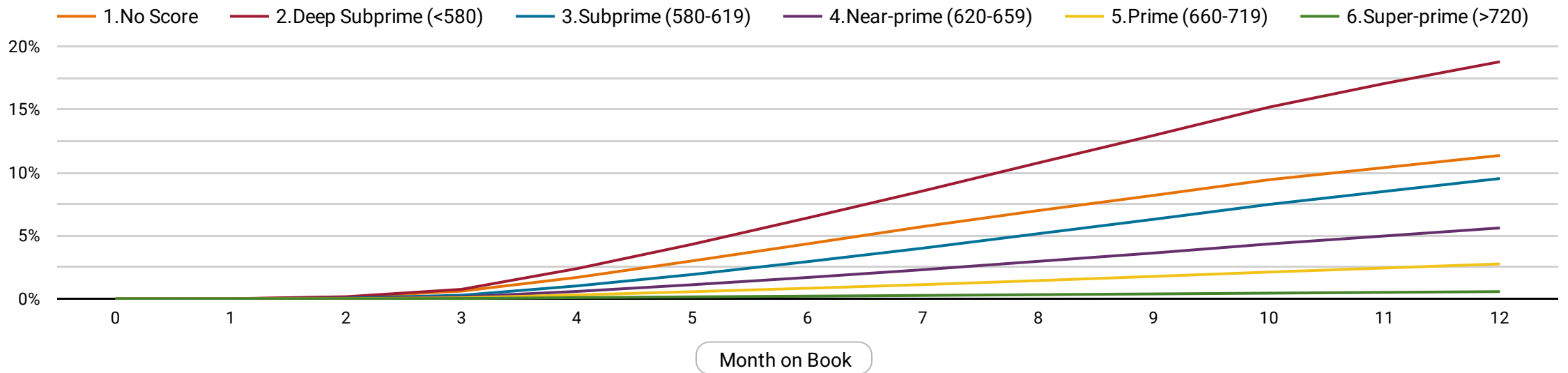
Delinquencies are up for all Lenders, except "Other" Lenders Year over Year
 The largest increases in Delinquency rates are in Suprime and NearPrime, with Super-prime actually seeing a decrease in Delinquency rates
 Q2 typically sees a dip in delinquency rates, potentially due to tax returns

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.

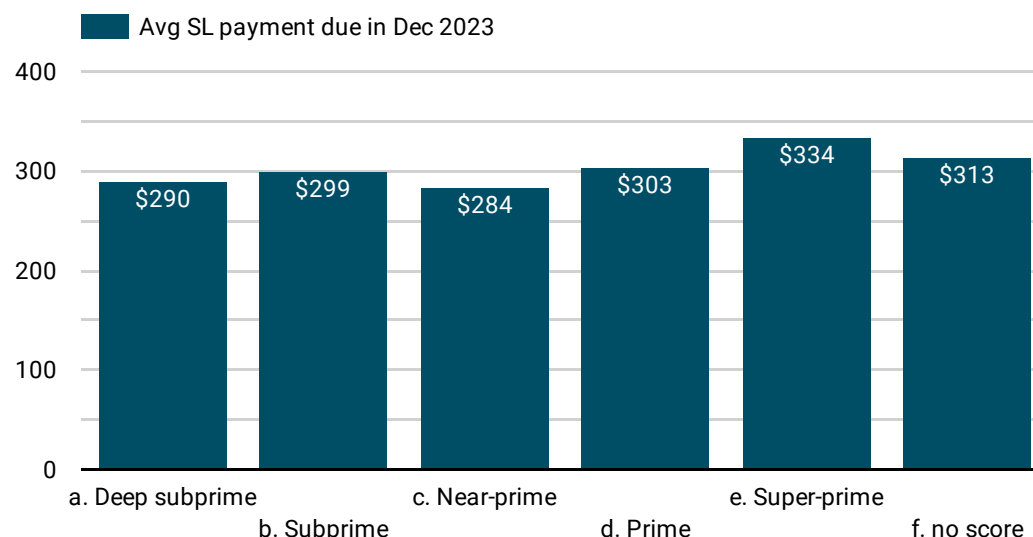


Auto Consumers and Student Loan Payments

% of Auto Consumers with a Student Loan Payment due

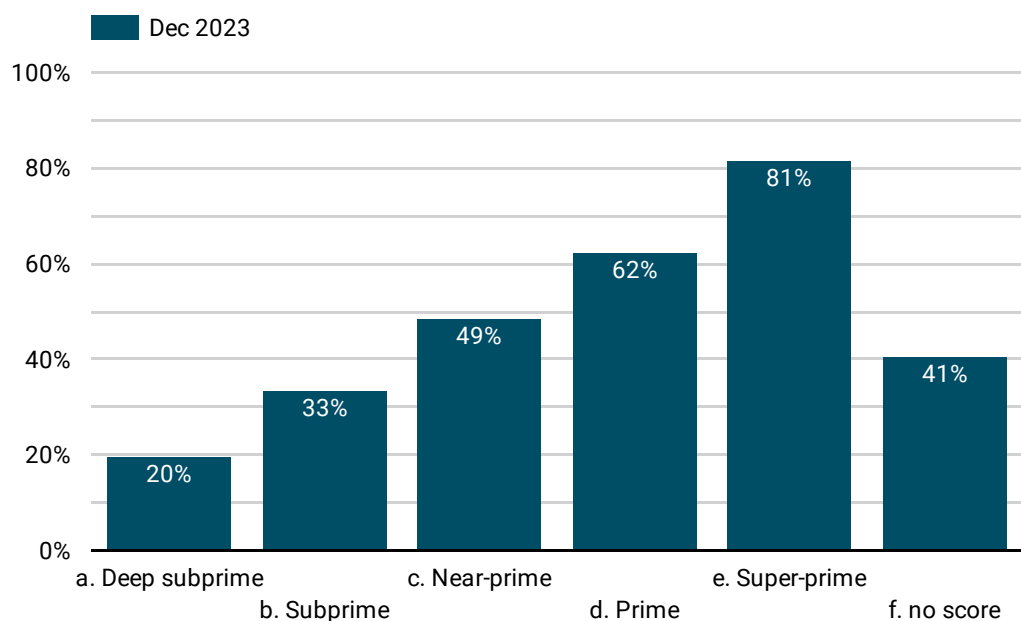
Vantage 3	Month / % Auto Consumers w/ SL pmt due		
	Oct 2023	Nov 2023	Dec 2023
a. Deep subprime	4%	13%	12%
b. Subprime	5%	15%	14%
c. Near-prime	5%	13%	12%
d. Prime	6%	13%	13%
e. Super-prime	5%	11%	10%
f. no score	2%	3%	3%
Grand total	5%	12%	12%

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.

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 institutions 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).

Equifax Credit Trends is the primary source for the data in this report; for more information on this database please visit www.equifax.com/business/credit-trends. Data on new tradeline originations are subject to revision for up to 12 months due to lags in lenders and servicers reporting to Equifax. Data for the most recent 12 months are grossed up for expected but as yet unreported new loans. Data are sourced from Equifax's U.S. Consumer Credit database of over 220 million consumers. These data are population level – not a sample.

Through our IXI Network, we directly measure about \$28 trillion in anonymous, aggregated consumer assets collected from leading financial services firms. This "direct-measured" data represents about 45 percent of all U.S. consumer invested assets and serves as the foundation of our unique measures of consumer financial capacity, investment style, behaviors, and characteristics.

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