

Auto Insights for 2026

The State of the Auto Industry and Key Trends to Watch

The auto industry has experienced major shifts in recent years. As dealers and lenders work to navigate a new reality of risk and opportunity, staying informed is key to staying ahead.



Here's what we've been seeing — and the trends we're watching now:

1 Affordability Pressures Persist, But Auto Lending Growth Shows Resilience

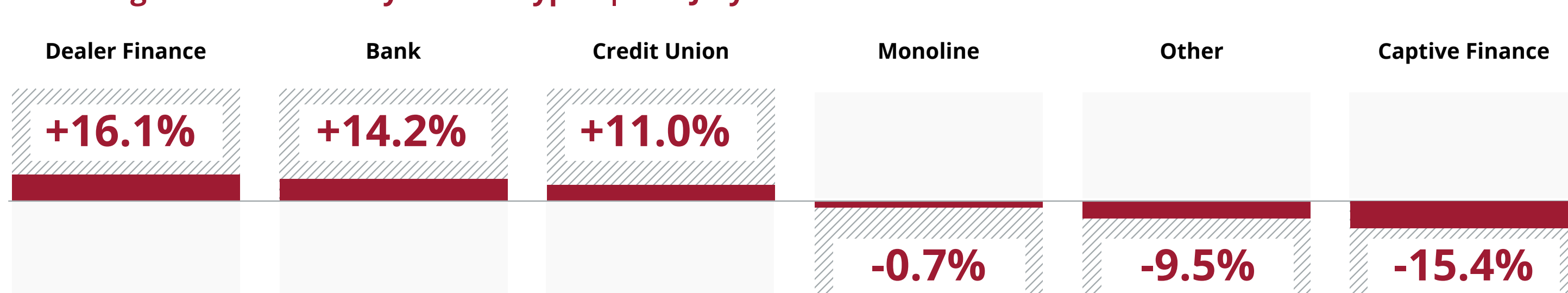
As of August 2025, the value of auto loan and lease originations grew

5.1% YoY¹ — a **\$22.6B increase**²



Growth Varied Across Lending Sectors in 2025, Potentially Signaling Shift in Consumer Preferences

Auto Origination Trends by Lender Types | YoY July 2025³



37% of baby boomers use captive financing — more than any other generation³

31% of Gen Z consumers opened an auto loan with a credit union — the highest percent of any generation³

What Are the Factors Driving Auto Growth Today?

- Stabilizing car prices
- Improved auto inventory
- Easing interest rates
- Digital lending growth

2 For Dealers, Customer Experience Remains a Critical Differentiator

In one study, 60–70% of consumers indicated they would be willing to choose a dealership that offered their preferred experience, even if it meant paying a slightly higher price.⁴ So, how can auto dealers deliver stand-out experiences?



Digital Tools Are a Powerful Driver of Buyer Satisfaction

According to a Cox Automotive study, allowing consumers to manage paperwork-heavy steps online can increase buyer satisfaction by more than 14%.⁵

However, Few Buyers Are Ready to Forego Dealerships Altogether

Buyers still value in-person experiences such as test drives, pickups, and conversations with sales teams.

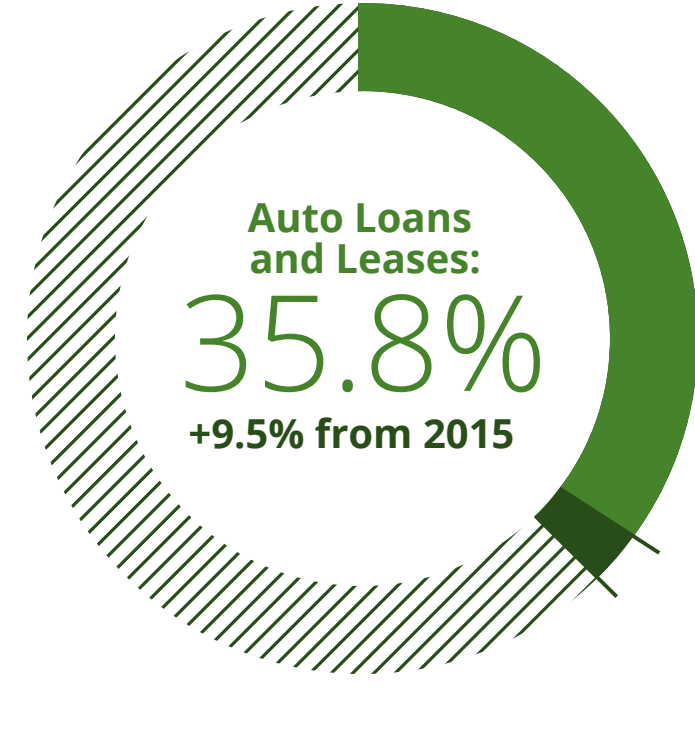
Just 5% of car buyers opted for an entirely digital buying experience in 2024⁶



3 Auto Debt is Rising as Consumers Face a Challenging Financial Landscape

Auto loans and leases continue to represent the largest share of non-mortgage consumer debt.¹

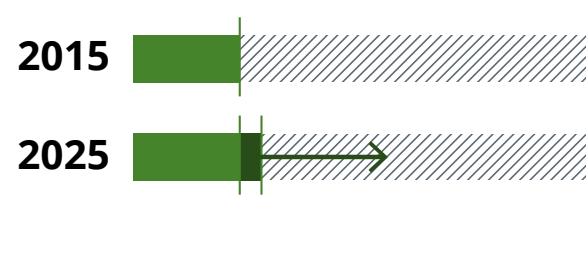
Non-Mortgage Consumer Debt by Category⁶



Student Loans:
28.7% | -20.5% from 2015



Credit Cards:
24.2% | +12.6% from 2015

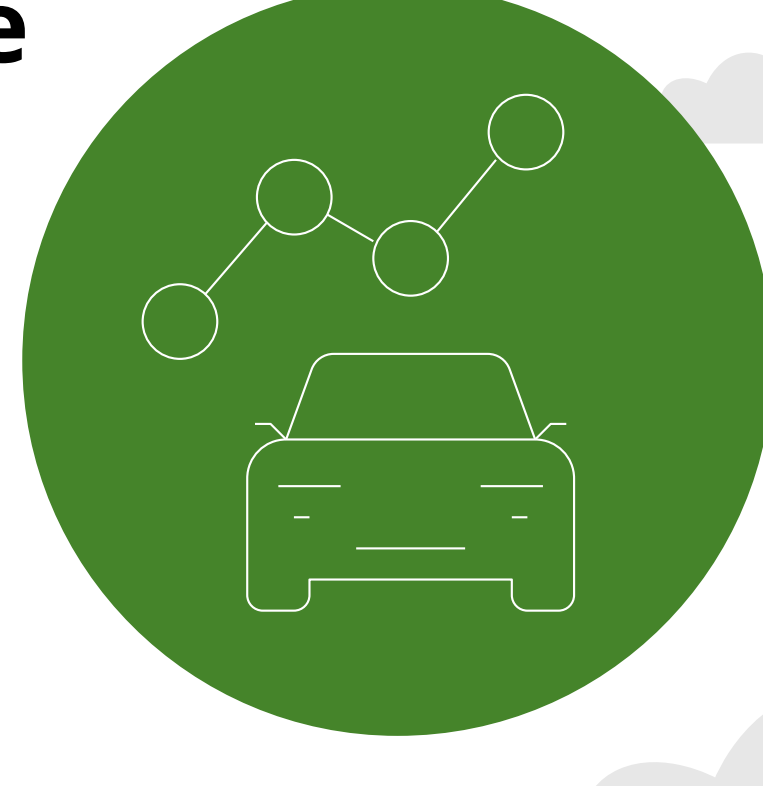


However, the rate of increase may be slowing.

In October 2025, total outstanding balances for auto loans and leases increased

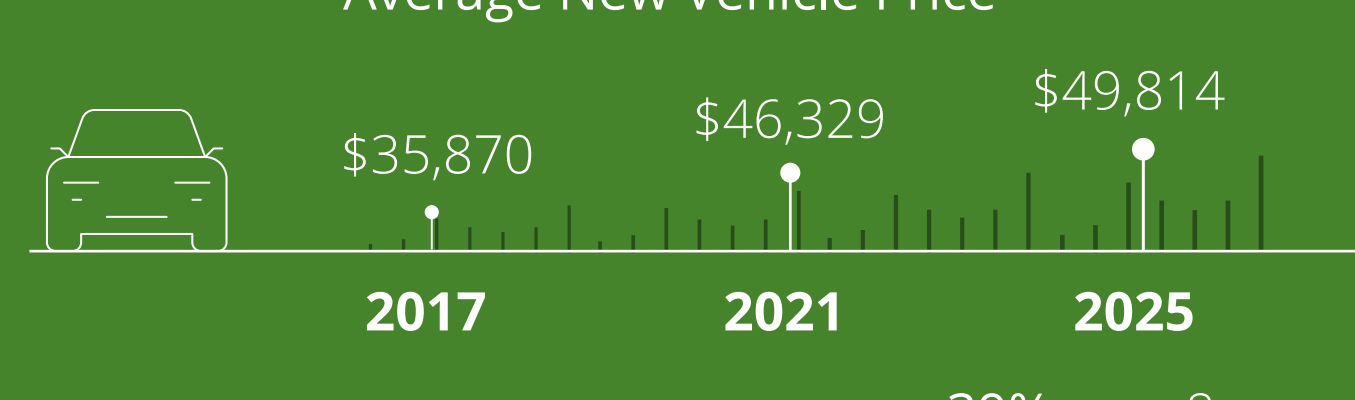
1.3% YoY to \$1.7T

— a notable drop from the 2.3% YoY increase recorded in November 2024.⁸

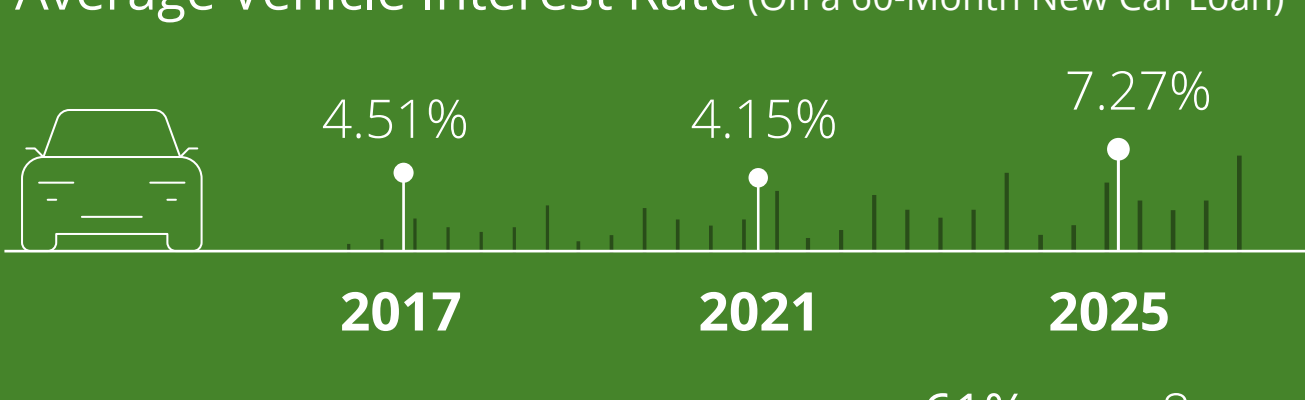


New Car Prices Hit an All-Time High

Average New Vehicle Price⁷⁻⁹



Average Vehicle Interest Rate (On a 60-Month New Car Loan)¹⁰



4 Delinquencies Show Signs of Stabilizing, But Growing Deep Subprime Loan Share Presents a Cause for Concern

After reaching near-record highs in 2024 and 2025, auto delinquencies may be beginning to level off.

In October 2025, YoY delinquencies (60+ days past due) decreased modestly — down 0.2% to 1.55%⁶

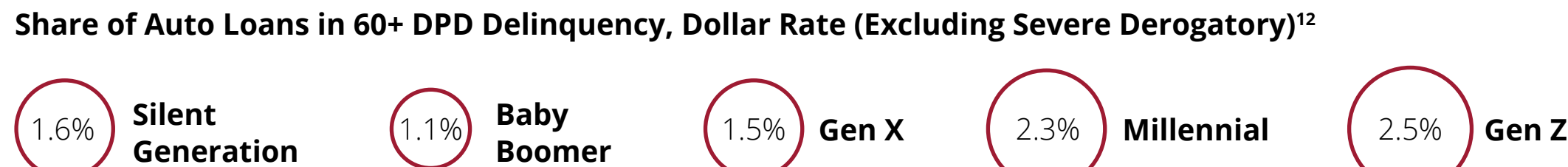
Despite this change, delinquency rates remain significantly elevated.

31% +31% from pre-pandemic levels¹

50% +50% since 2010¹¹

Younger Generations Feel the Financial Pressure More

Share of Auto Loans in 60+ DPD Delinquency, Dollar Rate (Excluding Severe Derogatory)¹²

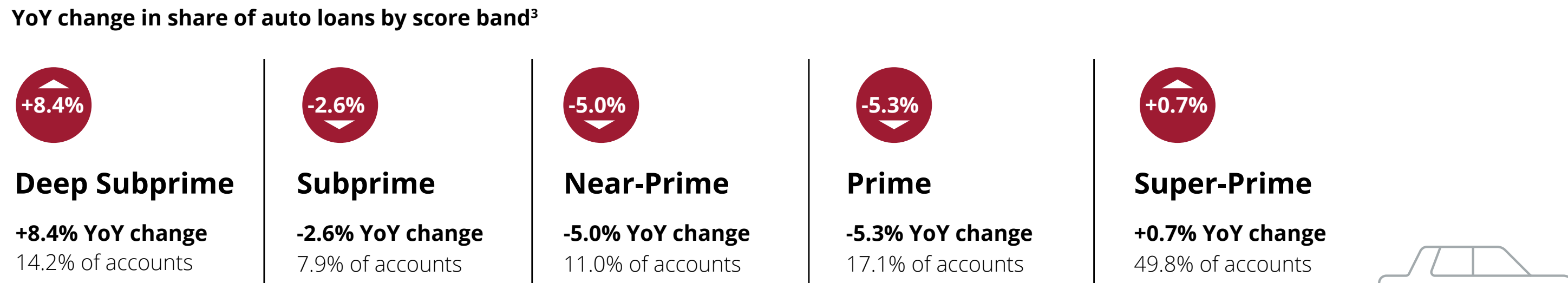


Average Delinquency Rate:
1.55%

The Share of Deep Subprime Borrowers Continues to Rise

Deep subprime borrowers once again represent the fastest growing category of auto loan customers.³

YoY change in share of auto loans by score band³



5 Fraud Remains a Major Risk

Fraud rates remain elevated, driven by a sharp increase in the use of synthetic identities.



Since 2020, synthetic identities have increased

59% each year¹³



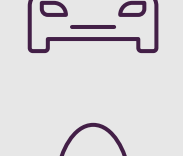
1 in 114 auto applications involves a fake identity¹⁴



The auto lending industry now faces a historically high

\$9.2B in fraud losses

— a 16.5% increase since 2023¹⁴



From 2019–2023, auto loan applications with a risk of synthetic identities rose from

~5% to 8%¹⁵

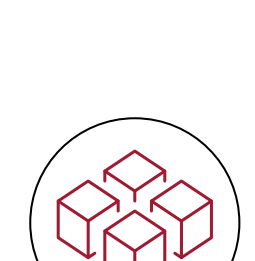


Loans and leases with a synthetic identity risk have a

3x–5x higher delinquency rate¹⁵



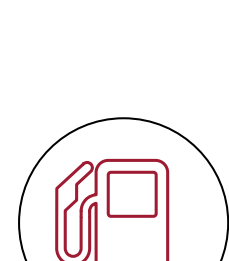
Finally, Here Are Three Trends We Expect to See More of in 2026:



Vehicle availability and affordability will remain a factor



Longer loan terms and refinancing will become increasingly common



U.S. EV demand forecasts show a near-term slowdown and slower growth expected in 2026

Get Prepared for Anything 2026 Has in Store with Equifax

From combatting fraud to uncovering new areas of opportunity, Equifax has the tools auto dealers and lenders need to stay ahead of risk and drive growth in 2026. Explore our solutions or reach out to our team for a plan tailored to your goals.



Check Out These Solutions

Drive Growth

Pre-Approval of One

Streamline the car buying experience with the power to deliver pre-approved offers in under two minutes — without impacting borrower credit scores.

[Learn More](#)

Expand Credit Access

VantageScore 4.0

Help more borrowers bring home their dream car with a next-generation credit score powered by all three bureaus.

[Learn More](#)

Combat Fraud

Synthetic Identity Risk

Stay ahead of fraud with a predictive, intelligent tool that detects what others miss.

[Learn More](#)

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¹Equifax, "December Market Pulse Webinar," 2025. ²Equifax, "December Market Pulse Webinar," 2024. ³Equifax, "Market Pulse Automotive Insights Report," Nov 2025. ⁴Porch Group Media, "25 Amazing Statistics on How Consumers Shop for Cars," Mar 2025. ⁵Cox Automotive, "2024 Cox Automotive Car Buyer Journey Study," Jan 2025. ⁶Equifax, "Market Pulse U.S. National Consumer Credit Trends Report," Nov 2025. ⁷Kelley Blue Book, "Average New Car Prices Rise Nearly 2 Percent Year-Over-Year, Set New Record High," According To Kelley Blue Book," Dec 2017. ⁸Kelley Blue Book, "Eight Straight: New Vehicle Prices Mark Another Record High in November 2021," According to Kelley Blue Book," Dec 2021. ⁹Kelley Blue Book, "Kelley Blue Book Report: As Affluent Households Drive the Auto Market, November New Vehicle Prices Hold Near \$50,000," Dec 2025. ¹⁰Statista, "Interest Rates On 60-Month New Car Loans in the United States from January 2014 to July 2025," Jul 2025. ¹¹VantageScore, "VantageScore," Analysis Reveals Increase in Auto Loan Delinquencies Across All Credit Tiers," Nov 2025. ¹²Equifax Internal Analysis, 2025. ¹³ICBI News, "Equifax and Cox Automotive Partner To Tackle Rising Synthetic Identity Fraud in Auto Retail," Aug 2024. ¹⁴BankInfoSecurity, "Auto Lending Fraud Climbs 16.5% to \$9.2B in 2024," Mar 2025. ¹⁵Equifax, "Global Credit Trends: Emerging Trends from the First Half of 2024," Sep 2024.

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