

# 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.

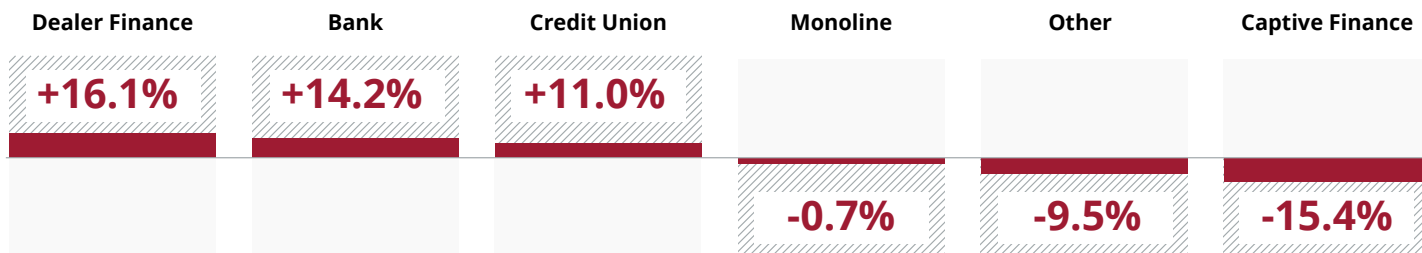
Here's what we've been seeing — and the trends we're watching now:

### 1 Affordability Pressures Persist, But Auto Lending Growth Shows Resilience

As of August 2025, the value of auto loan originations grew **5.1% YoY<sup>1</sup>** — a **\$22.6B increase<sup>2</sup>**

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

Auto Origination Trends by Lender Types | YoY July 2025<sup>3</sup>



### 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.<sup>4</sup> **So, how can auto dealers deliver stand-out experiences?**

**Time-Saving Digital Tools** | Empowering car buyers to manage paperwork online can increase buyer satisfaction by more than 14%.<sup>5</sup>

**High-Touch In-Person Experiences** | Buyers still value face-to-face interactions such as test drives, pickups, and conversations with sales teams. In 2024:



of buyers used a mix of online and in-person steps<sup>5</sup>



bought entirely online<sup>5</sup>

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

Auto loans and leases represent the largest share of non-mortgage consumer debt and continue to rise.<sup>1</sup> However, the rate of increase may be slowing.

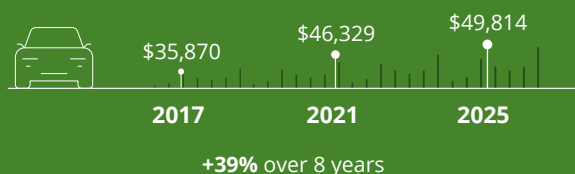
In October 2025, outstanding auto balances increased

**1.3% YoY to \$1.7T**

— a notable drop from the **2.3% YoY increase recorded in November 2024.<sup>6</sup>**

## New Car Prices Hit an All-Time High

Average New Vehicle Price<sup>7-9</sup>



Average Vehicle Interest Rate (On a 60-Month New Car Loan)<sup>10</sup>



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

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

Despite this change, delinquencies remain significantly elevated, and the **share of deep subprime auto borrowers continues to rise.**

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



Compared to pre-pandemic levels, auto delinquencies are up 31%<sup>1</sup>



Deep subprime consumers are the fastest growing category of borrowers, up 8.4% YoY<sup>3</sup>

## 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 year<sup>11</sup>**



**1 in 114** auto applications involves a fake identity<sup>12</sup>



Loans and leases with a synthetic identity risk have a **3x-5x** higher delinquency rate<sup>13</sup>



## 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.



## 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.

### 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.

### Combat Fraud

#### Synthetic Identity Risk

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



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