



AUTO LENDING INDUSTRY

Trends and Insights

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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

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Overview of Total Outstanding Auto Debt

Archive

2023 11

Trades

86.6M

YoY
0.15%

\$ Balance

\$1.63T

YoY
4.17%

% Subprime Balance

20.3%

Balance and Balance YoY by Lender Type

Lender Type ^	\$ Total Balance	% Balance YoY
Bank	\$527.4B <div></div>	-1.9% <div></div>
Captive	\$536.7B <div></div>	9.4% <div></div>
Credit Union	\$454.8B <div></div>	5.2% <div></div>
Dealer Finance	\$27.4B <div></div>	3.4% <div></div>
Monoline	\$62.0B <div></div>	8.9% <div></div>
Other	\$17.7B <div></div>	4.5% <div></div>

Bank Balances are dropping, while Captives and Monolines are seeing over 9% growth.

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

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

Subprime Share and Subprime YoY by Lender Type

Lender Type ^	% Subprime	% Subprime YoY
Bank	18.2% <div></div>	9.6% <div></div>
Captive	18.3% <div></div>	5.3% <div></div>
Credit Union	15.8% <div></div>	15.1% <div></div>
Dealer Finance	60.3% <div></div>	-0.9% <div></div>
Finance Company	45.9% <div></div>	-8.8% <div></div>
Monoline	58.9% <div></div>	-9.3% <div></div>
Other	50.3% <div></div>	-10.6% <div></div>

Score Band

Score Band ^	% Trades per Score Band	% YoY Trade Growth
a. Deep subprime	12.9% <div></div>	8.4% <div></div>
b. Subprime	7.9% <div></div>	2.3% <div></div>
c. Near-prime	11.7% <div></div>	-2.7% <div></div>
d. Prime	18.4% <div></div>	-4.0% <div></div>
e. Super-prime	49.0% <div></div>	0.1% <div></div>

Highlights of New Auto Lending



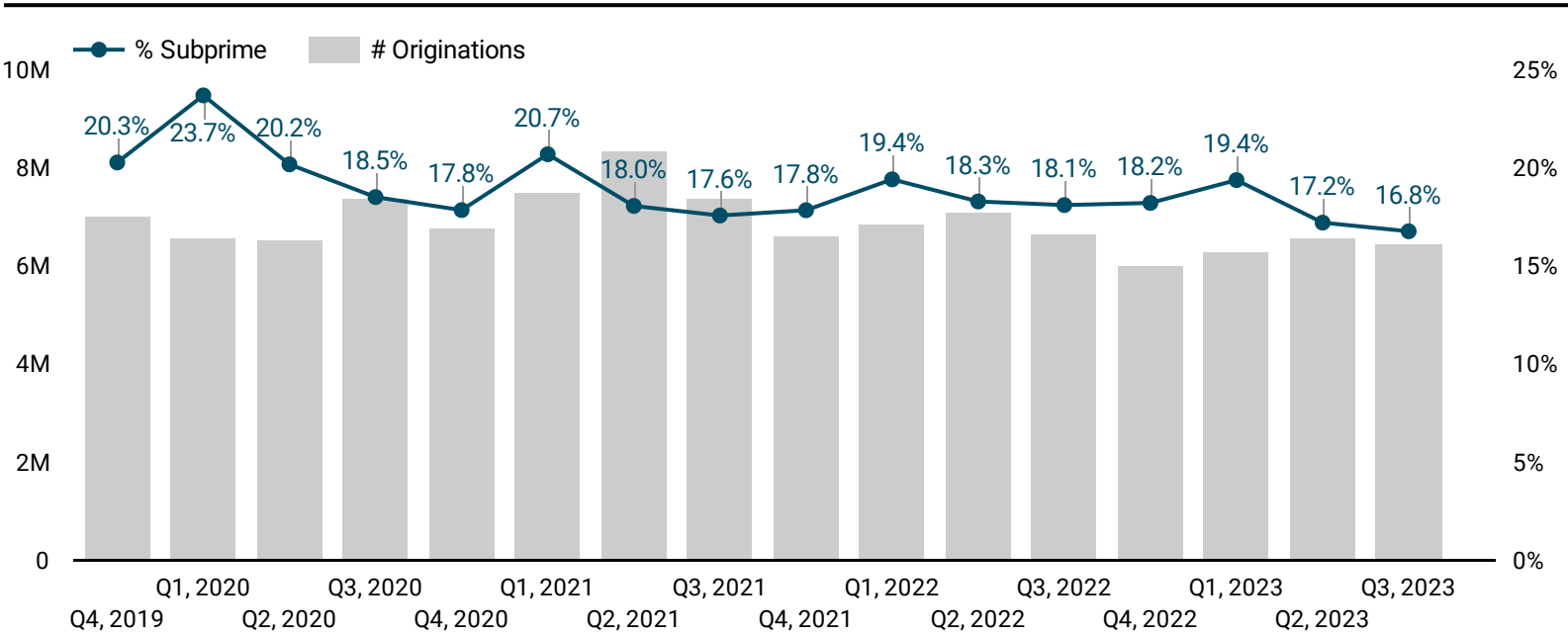
Vintage
2023 09

Originations YTD
19.3M
YoY - YTD
-6.37%

Loan amount YTD
\$563.8B
YoY - YTD
-8.84%

% Of Subprime Originations YTD
17.8%

Originations Over Time



Subprime share continues to decrease from a high of 23.7% in Q1 2020.

Typical seasonality indicates that Q1 is the highest subprime percentage for the year

While Credit Union Balances have grown YOY, Originations have decreased by over 22%

Originations by Lender Type - YTD

Lender Type	# Originations YTD	# Originations YoY - YTD
Captive	6.6M	15.2%
Bank	5.3M	-10.6%
Credit Union	5.1M	-22.8%
Monoline	1.4M	5.1%
Other	504.0K	-11.3%
Dealer Finance	463.5K	-12.5%

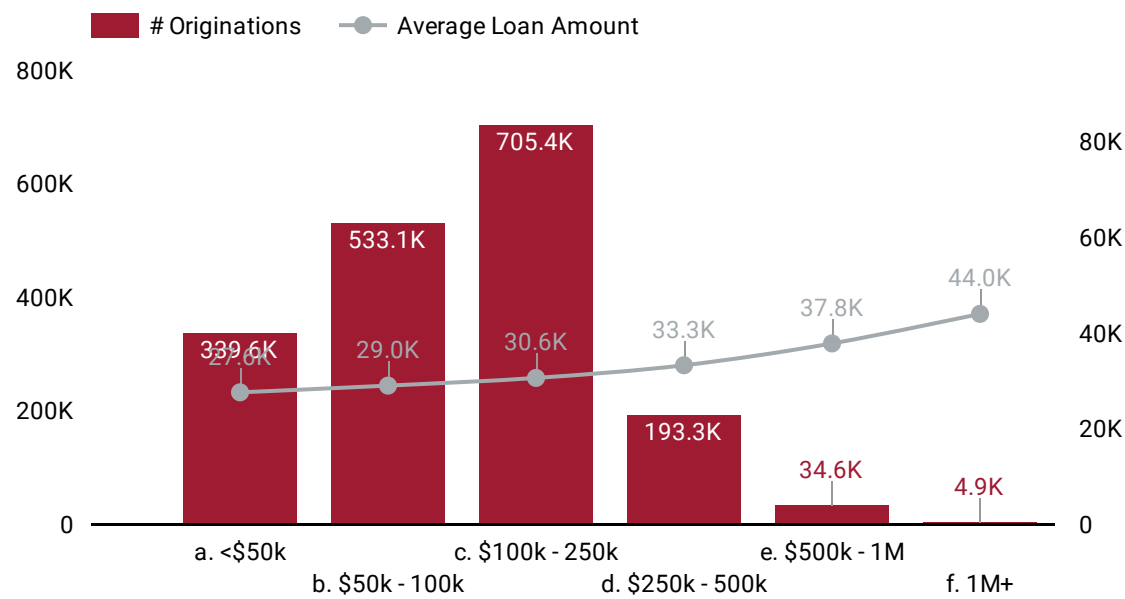
Originations Distribution by Score Band - YTD

Score Band	% Auto Loan	% Auto Lease
a. Deep subprime	8.9%	2.7%
b. Subprime	8.0%	3.8%
c. Near-prime	12.9%	8.0%
d. Prime	21.5%	17.8%
e. Super-prime	48.7%	67.7%

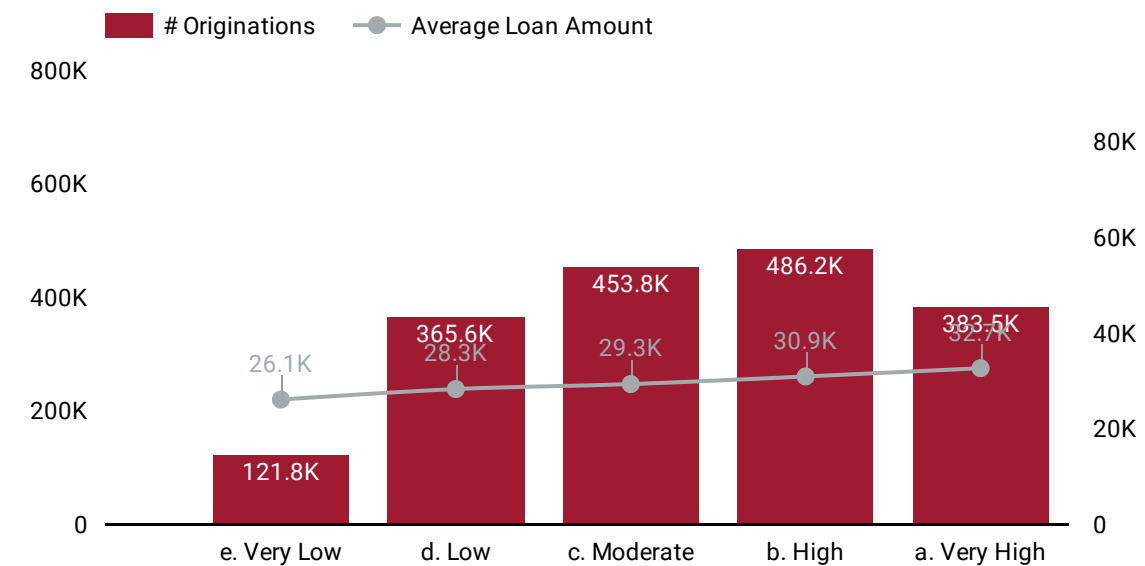
Origination Consumer Profiles



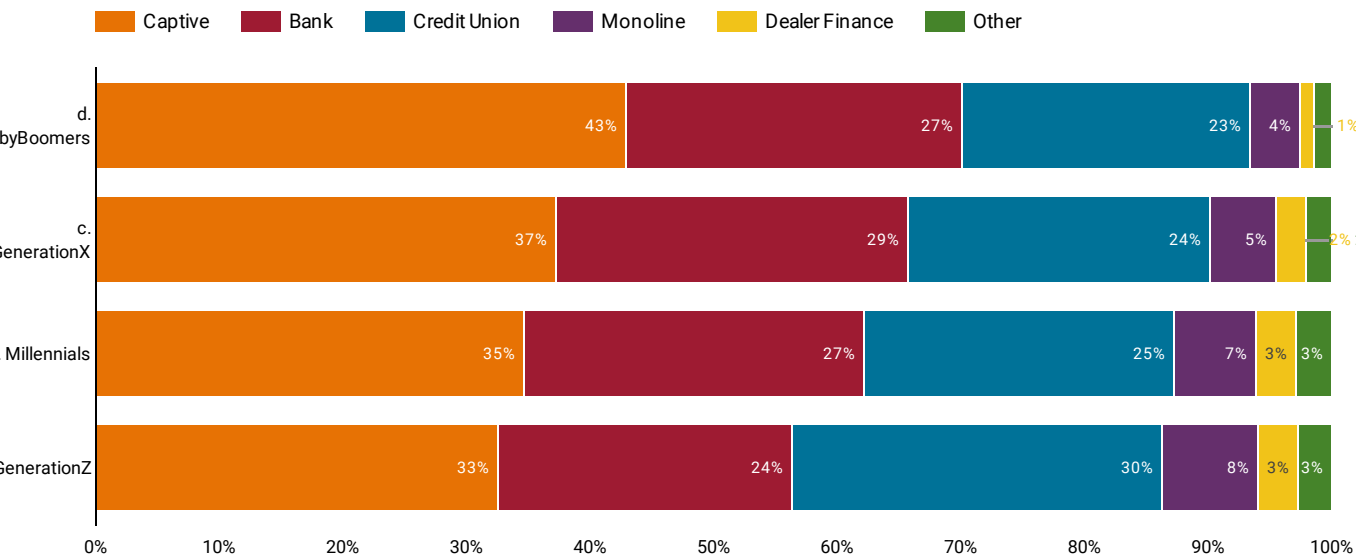
Originations by Income360 for Vintage 2023 09



Originations by Financial Durability Index for Vintage 2023 09



Originations by Generation and Lender Type for Vintage 2023 09



Captives are most preferred by Baby Boomers, with nearly 43% of Originations

Across generations, Gen Z is least likely to borrow from Captives and Banks (33% and 24% respectively), and are the most likely generation to open an Auto Loan with a Credit Union at 30%

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

Captive Lenders are the dominant lender for all generations

Overview of Auto Delinquency



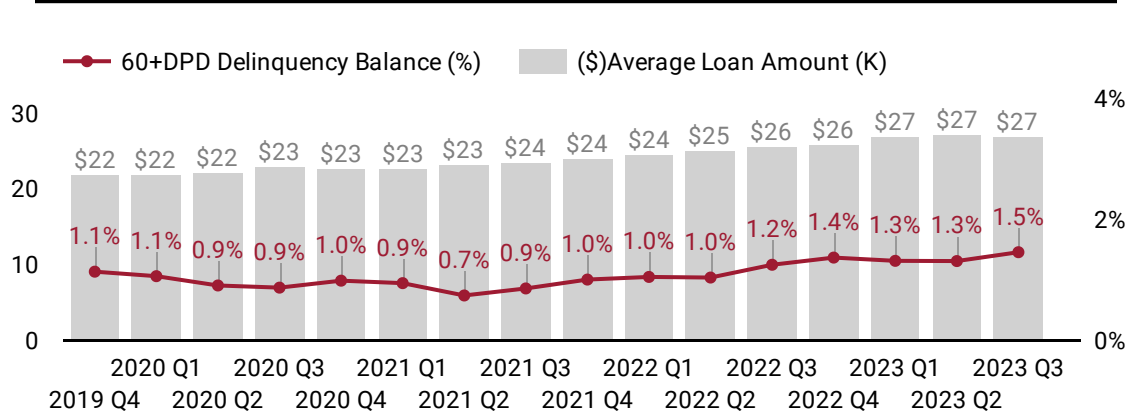
Archive
2023 11

60+ DPD Accounts - Total Auto
1.8%

Balance 60+ DPD - Total Auto
1.5%

Write-Off Accounts - Total Auto
0.2%

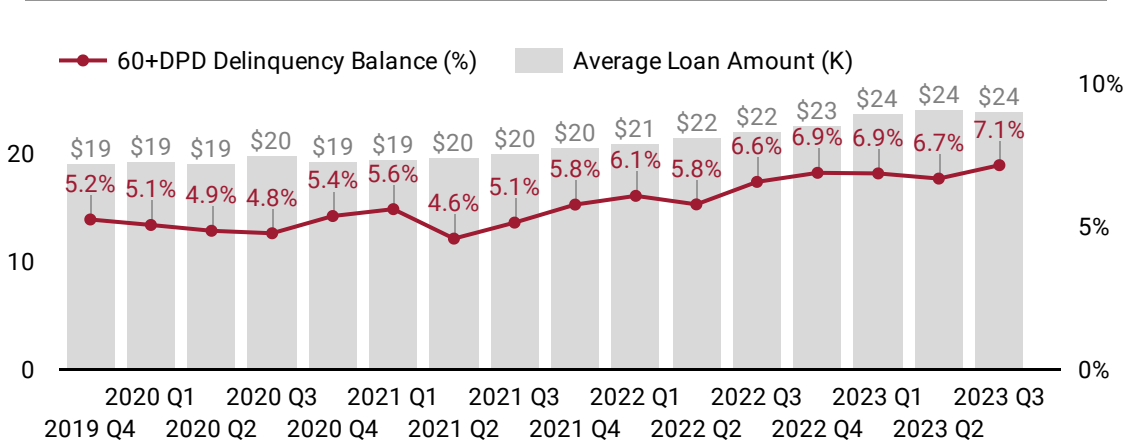
60+DPD Rate of Balance and Average Loan Amount



60+DPD Delinquency Accounts By Lender Type

Lender Type ^	% Delinquency Rate (#)	% Delinquency Change Y...
Bank	1.3%	14.5%
Captive	1.1%	14.0%
Credit Union	0.8%	30.6%
Dealer Finance	6.1%	10.8%
Finance Company	2.2%	-35.7%
Monoline	12.9%	4.8%

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



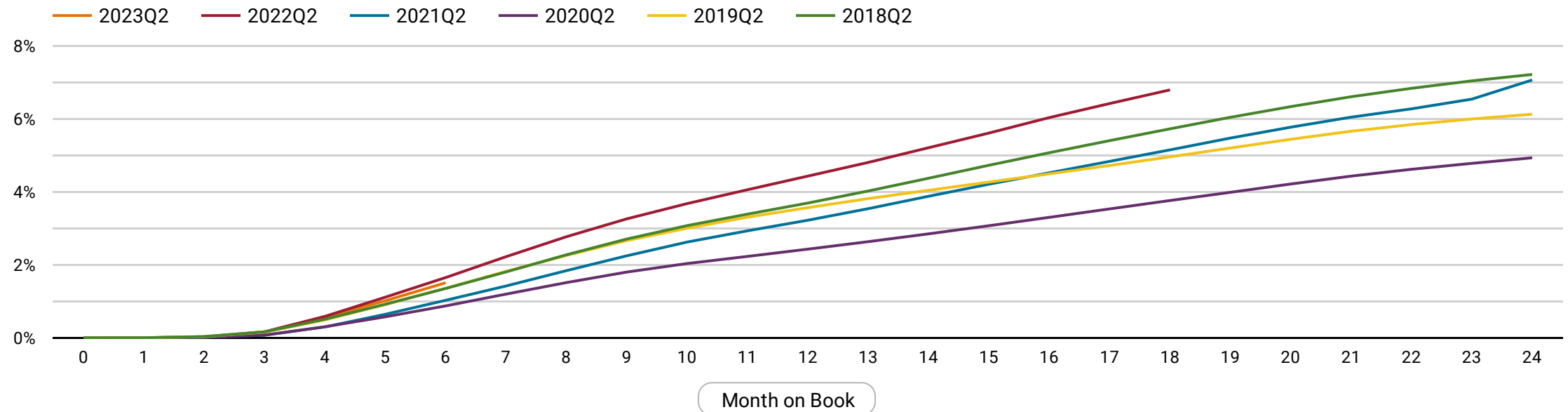
60+ DPD Delinquency Rate by Score Tier in Latest Archive

Score Band ^	% Delinquency Rate (#)	% Delinquency Change YoY
a. Deep subprime	10.81%	10%
b. Subprime	1.24%	24%
c. Near-prime	0.34%	14%
d. Prime	0.10%	1%
e. Super-prime	0.01%	-9%

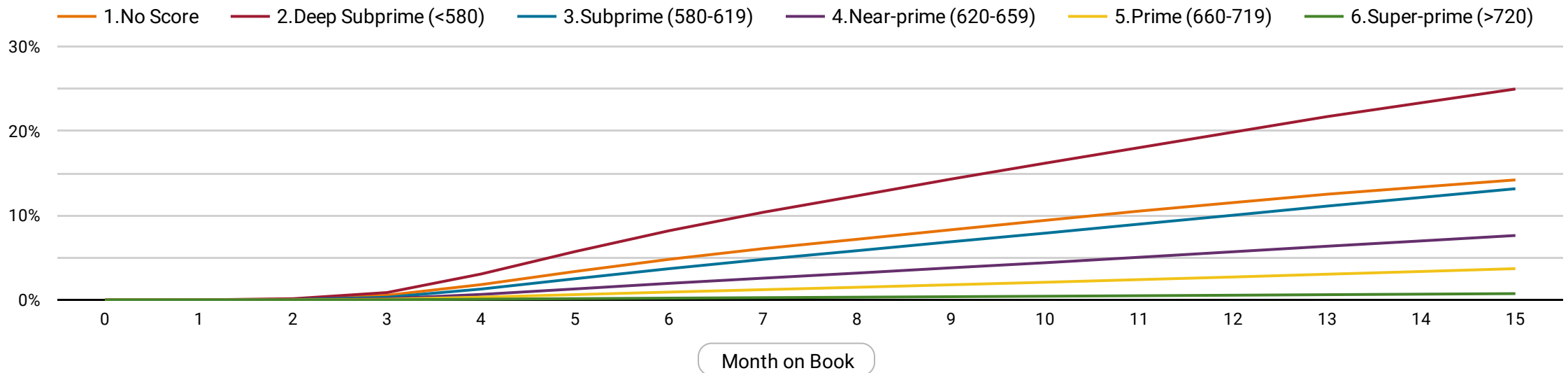
Delinquencies are up for all Lenders, except Finance Companies Year over Year
The largest increases in Delinquency rates are in Suprime and NearPrime, with Super-prime actually seeing a decrease in Delinquency rates
Q2 typically sees a dip in delinquency rates, potentially due to tax returns

Early Delinquency

Cumulative % 60+ DPD (#) by Cohort for Q2



Cumulative % 60+ DPD (#) by Score Band on the latest quarter available (2023Q2)



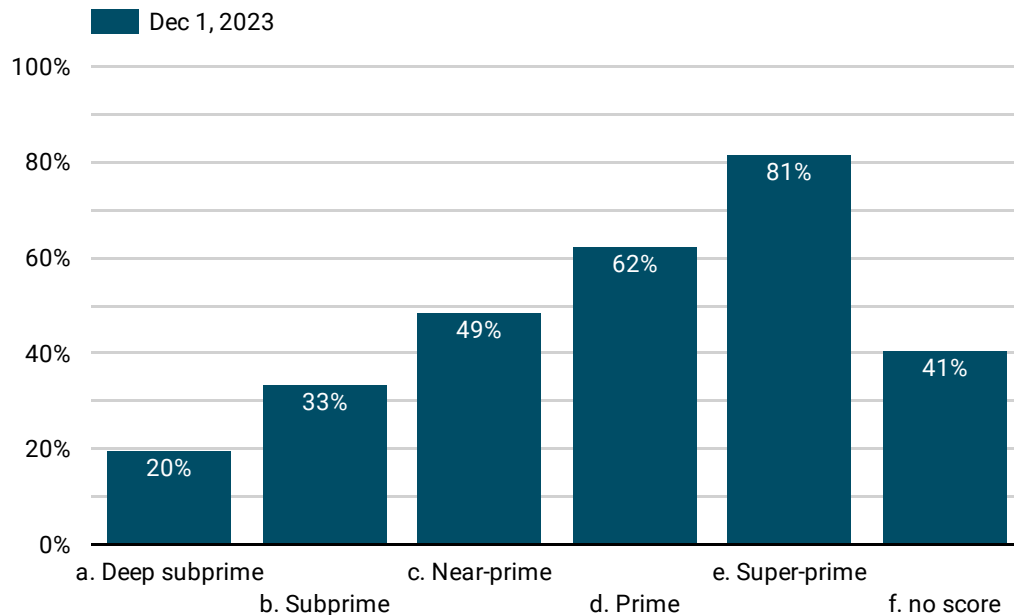
60+ DPD rates are at the highest level for Feb 2022 originations since 2018.
Early read on 2023 indicates delinquencies are near the 2022 trend, but slightly below (1.65% vs 1.51%)

Auto Consumers and Student Loan Payments

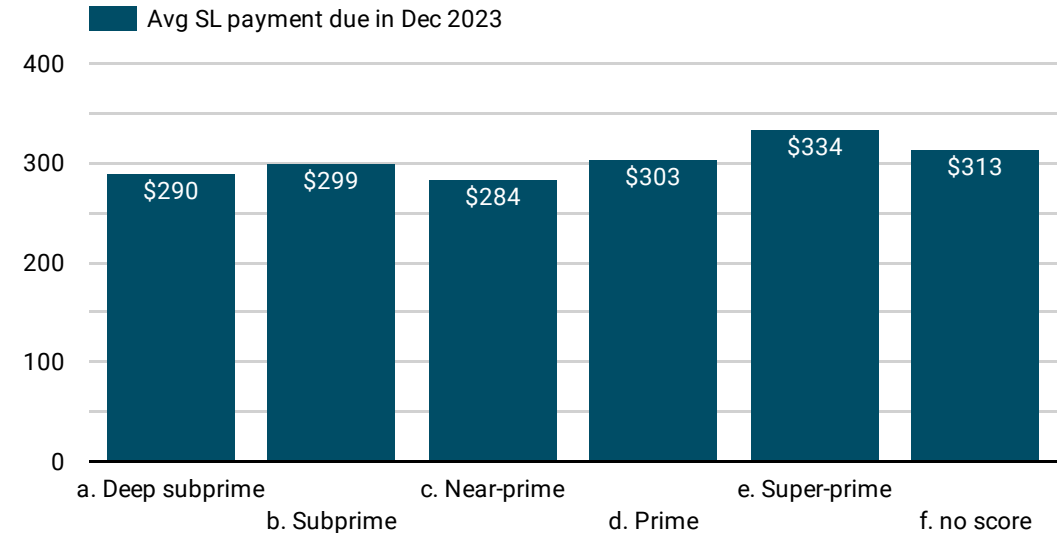
% of Auto Consumers with a Student Loan Payment due

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%

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



Average Student Loan Payment Due as of 2023-11 by Score Band



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 Lease
Balance	Total Debt for Auto Loans and Auto Leasing overall market
Originations	Number of accounts originated in the current year
Loan Amount	Initial debt amount
Student Loans Payments Due	Student Loan with Scheduled Payment amount reported by 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 over 120DPD and that are consider unlikely to be paid in the future
VantageScore 4	Score using credit data only
Score Bands	Deep subprime (below 580), Subprime (580-619), Near-prime (620-659), Prime (660-719), Super-prime (720 or above)
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

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