EQUIFAX

Market **Pulse**

Automotive Insights Report

November 2024

Introduction

Each month, Equifax produces its Automotive Industry Market Pulse, designed to provide automotive professionals with the latest auto credit information and industry insights 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, including loans and leases, with 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 first payment defaults and Synthetic ID.

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AUTO INSIGHTS

Overview of Total Outstanding Auto Debt

EQUIFAX

Archive	# Accounts	YoY	$ Debt	YoY	% Subprime Debt
2024 11	87.4M	0.88%	$1.67T	2.32%	20.7%

Debt and Debt YoY by Lender Type

Lender Type ▲	$ Total Debt	% Debt YoY
Bank	$518.6B	-2.0%
Captive	$574.1B	7.9%
Credit Union	$456.8B	-2.0%
Dealer Finance	$30.8B	15.4%
Monoline	$63.6B	15.8%
Other	$22.9B	13.9%

Subprime Share and Subprime YoY by Lender Type

Lender Type ▲	% Subprime	% Subprime YoY
Bank	18.1%	0.8%
Captive	18.5%	0.4%
Credit Union	16.6%	5.1%
Dealer Finance	61.9%	2.6%
Monoline	61.4%	0.1%
Other	47.1%	-6.1%

The number of auto loans and debt related to them continues to grow year over year (YOY) except for Banks and Credit Unions. Captives' portfolio YOY grew by $22B which was the most of any Lender Type.

The subprime and deep subprime trades grew more than 4% since 2023. Banks, Captives, Credit Unions and Dealer Finance each grew their subprime percentage with Credit Unions having the largest balance growth of 5.1%. Near-prime and Prime trades, as a percentage of the overall portfolio, declined.

Score Band

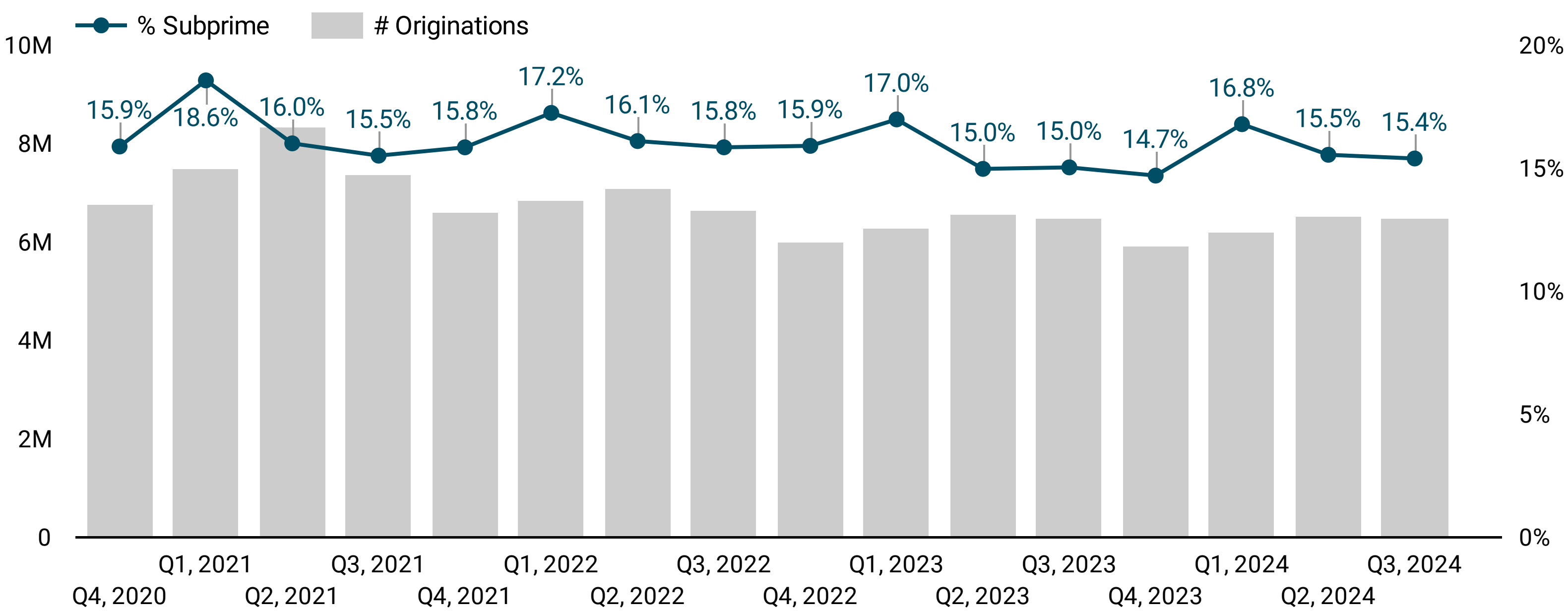
Score Band ▲	% Accounts per Score Band	% YoY Trade Growth
a. Deep subprime	13.2%	4.8%
b. Subprime	8.1%	4.8%
c. Near-prime	11.5%	-0.6%
d. Prime	17.9%	-2.4%
e. Super-prime	49.4%	0.8%

AUTO INSIGHTS

Highlights of Auto Originations

Vintage	# Originations YTD	Original Loan amount YTD	% Of Subprime Originations YTD
2024 09	19.2M (YoY - YTD -0.54%)	$554.6B (YoY - YTD -1.63%)	15.9%

Originations Over Time



Originations in Q2 2024 are higher than Q1 which is a consistent yearly trend.

Captives have originated the most loans in 2024 and are up by 6% relative to 2023. Only Dealer Finance, which is the smallest originator, has a higher YOY rate at 19.2%.

Credit Union originations continue to decrease and are down 11.8% YOY which is the cause of their shrinking portfolio size.

Auto Leases continue to be driven by the Prime and Super-Prime markets (>85% of Originations YTD).

Originations by Lender Type - YTD

Lender Type ▲	# Originations YTD	# Originations YoY - YTD
Bank	5.4M	1.6%
Captive	7.0M	6.0%
Credit Union	4.5M	-11.8%
Dealer Finance	554.1K	19.2%
Monoline	1.3M	-1.2%
Other	486.9K	-11.5%

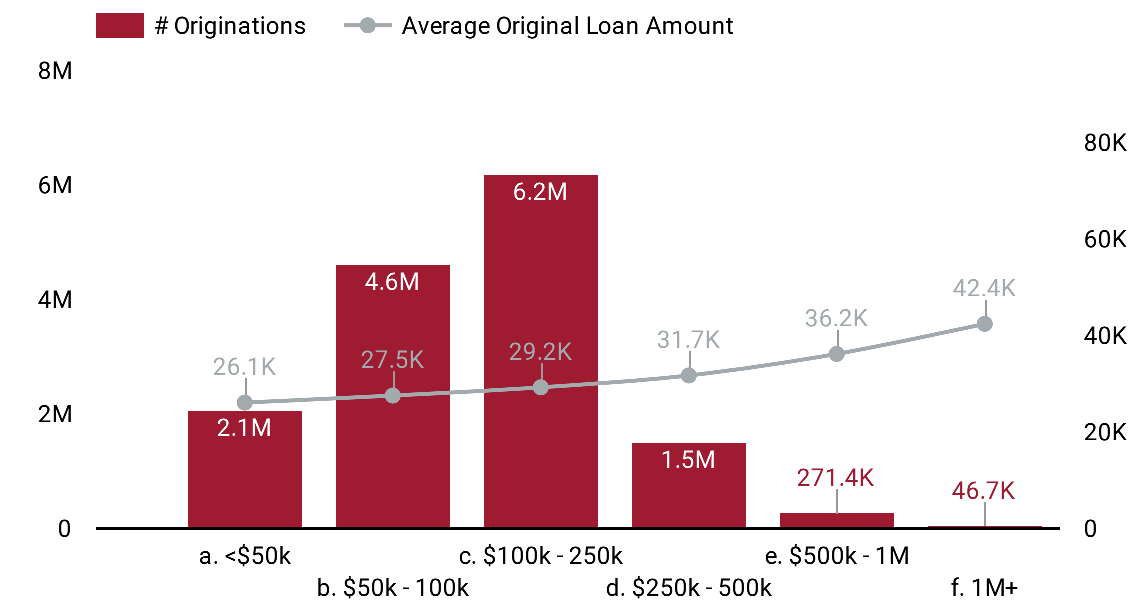
Originations Distribution by Score Band - YTD

Score Band ▲	% Auto Loan	% Auto Lease
a. Deep subprime	9.3%	2.8%
b. Subprime	8.1%	4.0%
c. Near-prime	12.3%	8.1%
d. Prime	20.3%	17.1%
e. Super-prime	50.1%	68.0%

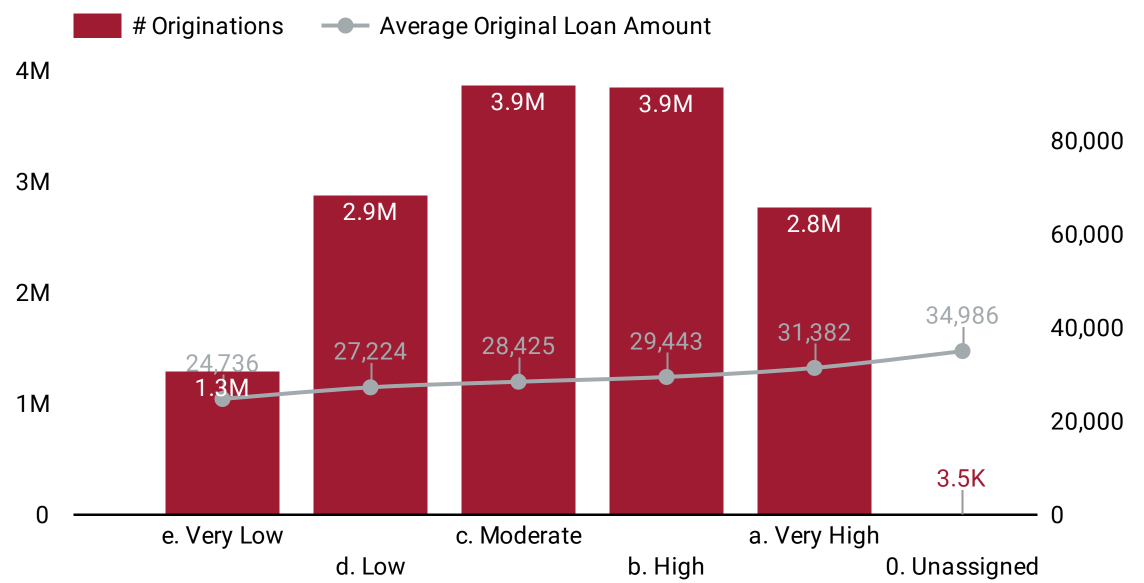
AUTO INSIGHTS

Origination Consumer Profiles

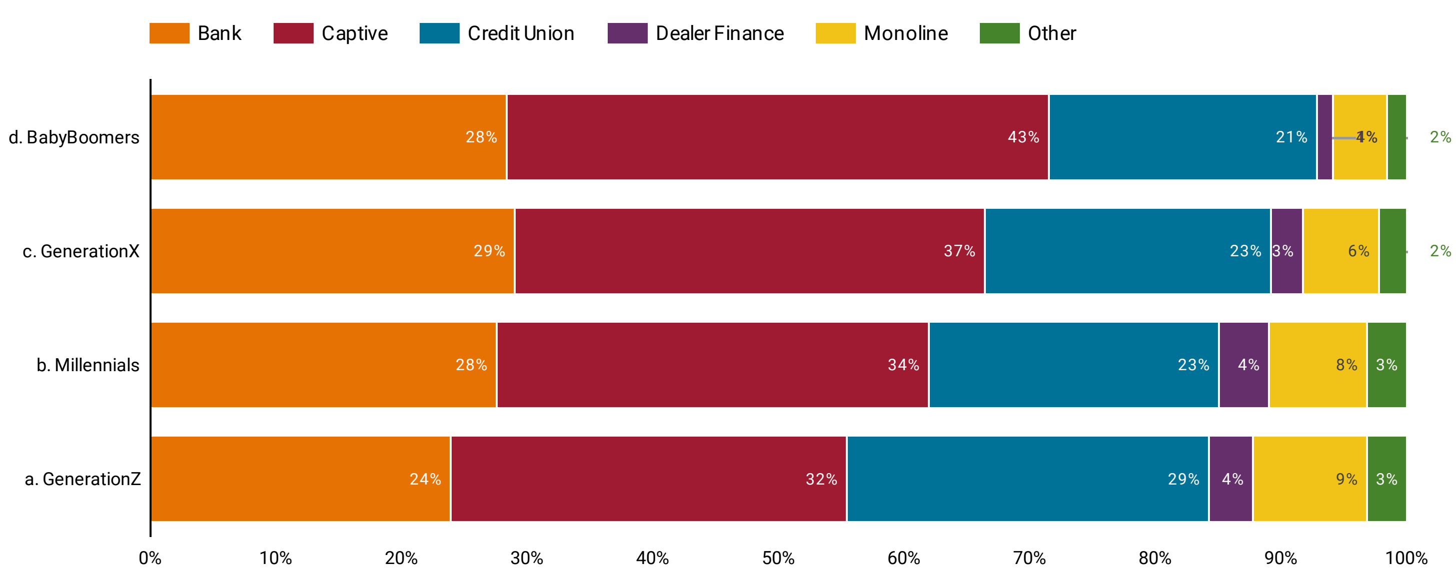
YTD Originations by Income360



YTD Originations by Financial Durability Index



YTD Originations by Generation and Lender Type



Captives are the leading lender type across all generations reflecting their lead in 2024 originations. They are the most dominant finance option for Baby Boomers with 43% of their originations.

Across generations, Gen Z is least likely to borrow from Captives and Banks (31% and 24% respectively), and are the most likely generation to open an Auto Loan with a Credit Union (29%) or Monoline (9%).

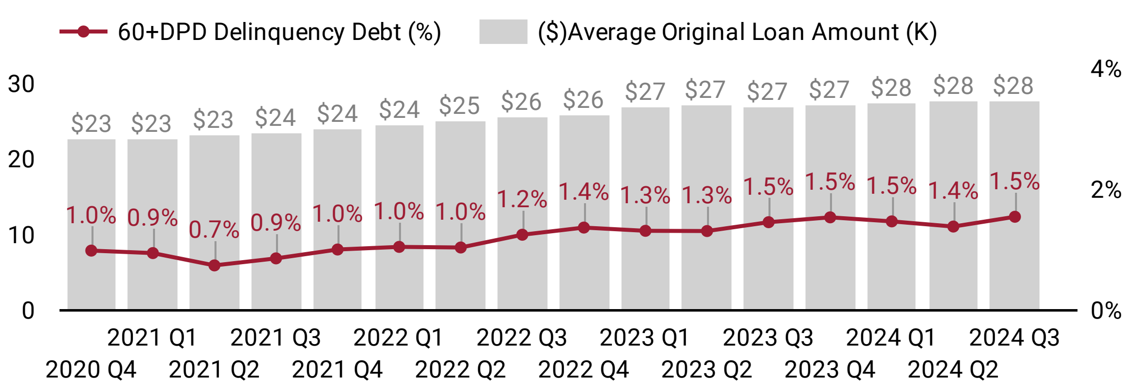
Average Loan amount is positively correlated with both Income and Financial Durability.

AUTO INSIGHTS

Overview of Auto Delinquency

Archive	60+ DPD Accounts - Total Auto	Debt 60+ DPD - Total Auto	Write-Off Accounts - Total Auto
2024 11	1.9%	1.5%	0.3%

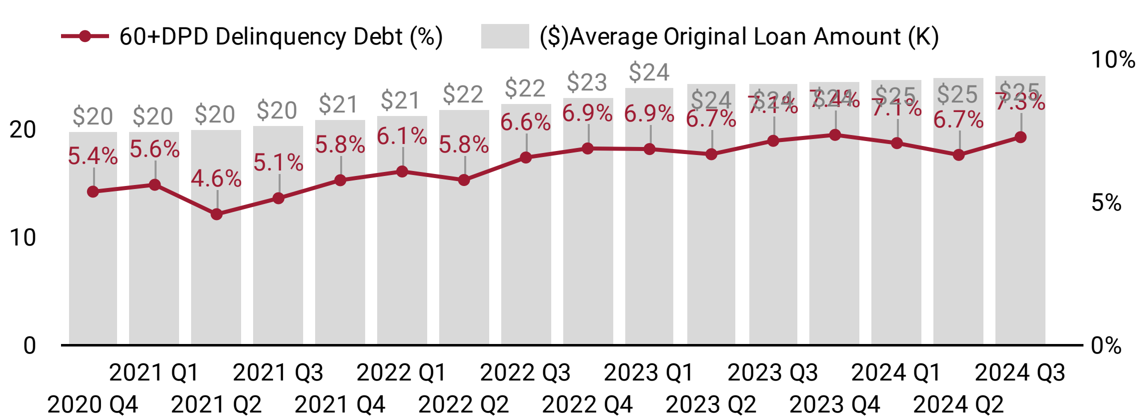
60+DPD Rate of Debt and Average Original Loan Amount



60+DPD Delinquency Accounts By Lender Type

Lender Type ▲	% Delinquency Rate (#)	% Delinquency Change Y…
Bank	1.3%	3.3%
Captive	1.1%	5.1%
Credit Union	0.9%	6.6%
Dealer Finance	5.8%	2.8%
Monoline	12.3%	2.4%
Other	4.2%	-7.0%

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



60+ DPD Delinquency Rate by Score Tier in Latest Archive

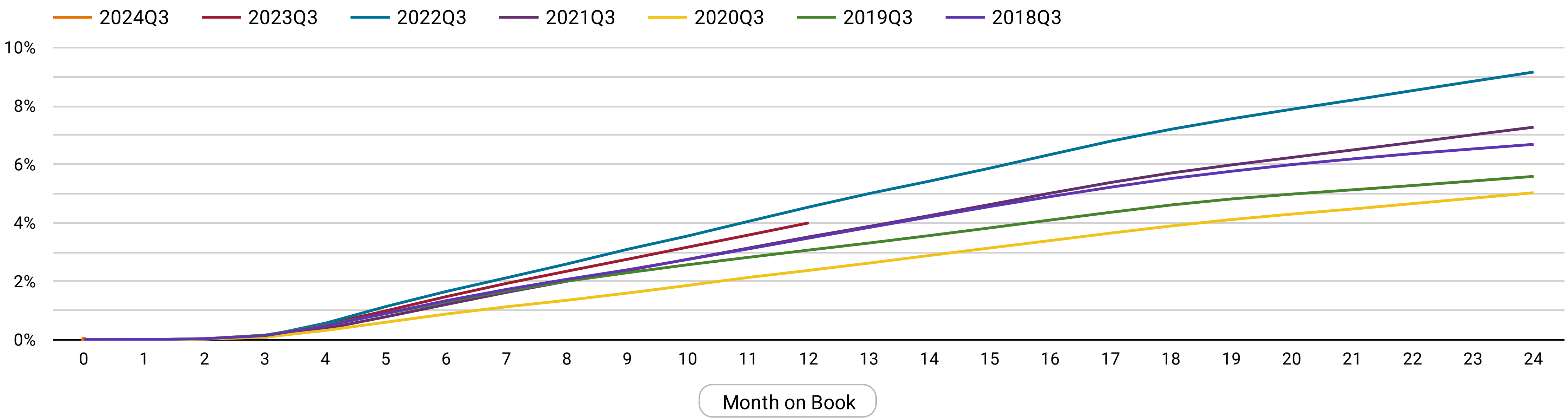
Score Band ▲	% Delinquency Rate (#)	% Delinquency Change YoY
a. Deep subprime	11.11%	2%
b. Subprime	1.32%	11%
c. Near-prime	0.36%	13%
d. Prime	0.10%	7%
e. Super-prime	0.01%	6%

Delinquencies are up for all Lenders, except Other, with Credit Unions and Captives having a 5%+ increase in delinquency YoY. The 60+DPD rate and balances are at their highest level since 2020 across all portfolios as well as for Subprime only.

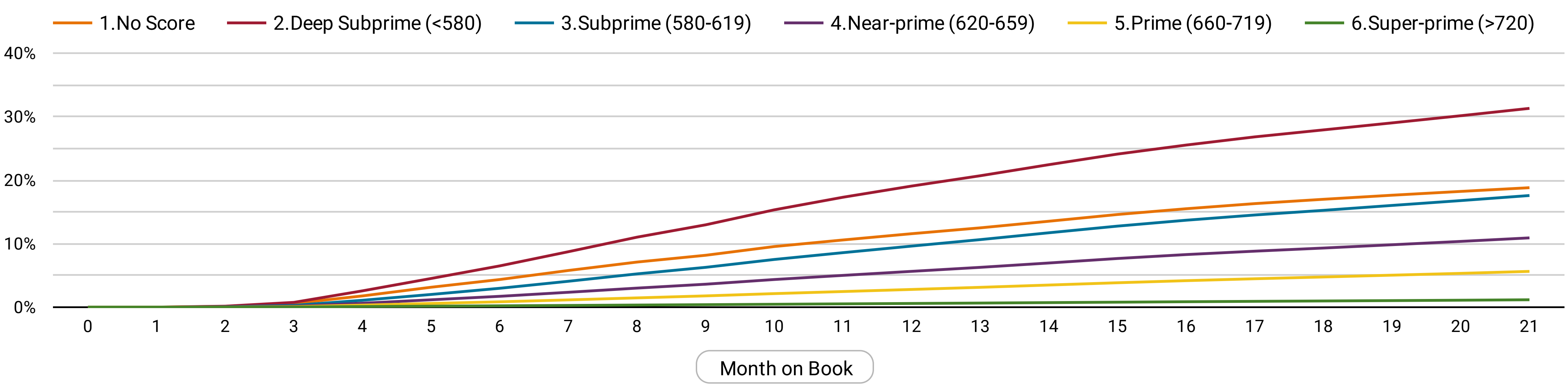
Subprime and Near Prime both have substantial YOY 60+ DPD increases of >10%.

Early Delinquency

Cumulative % 60+ DPD (#) by Cohort for Q3

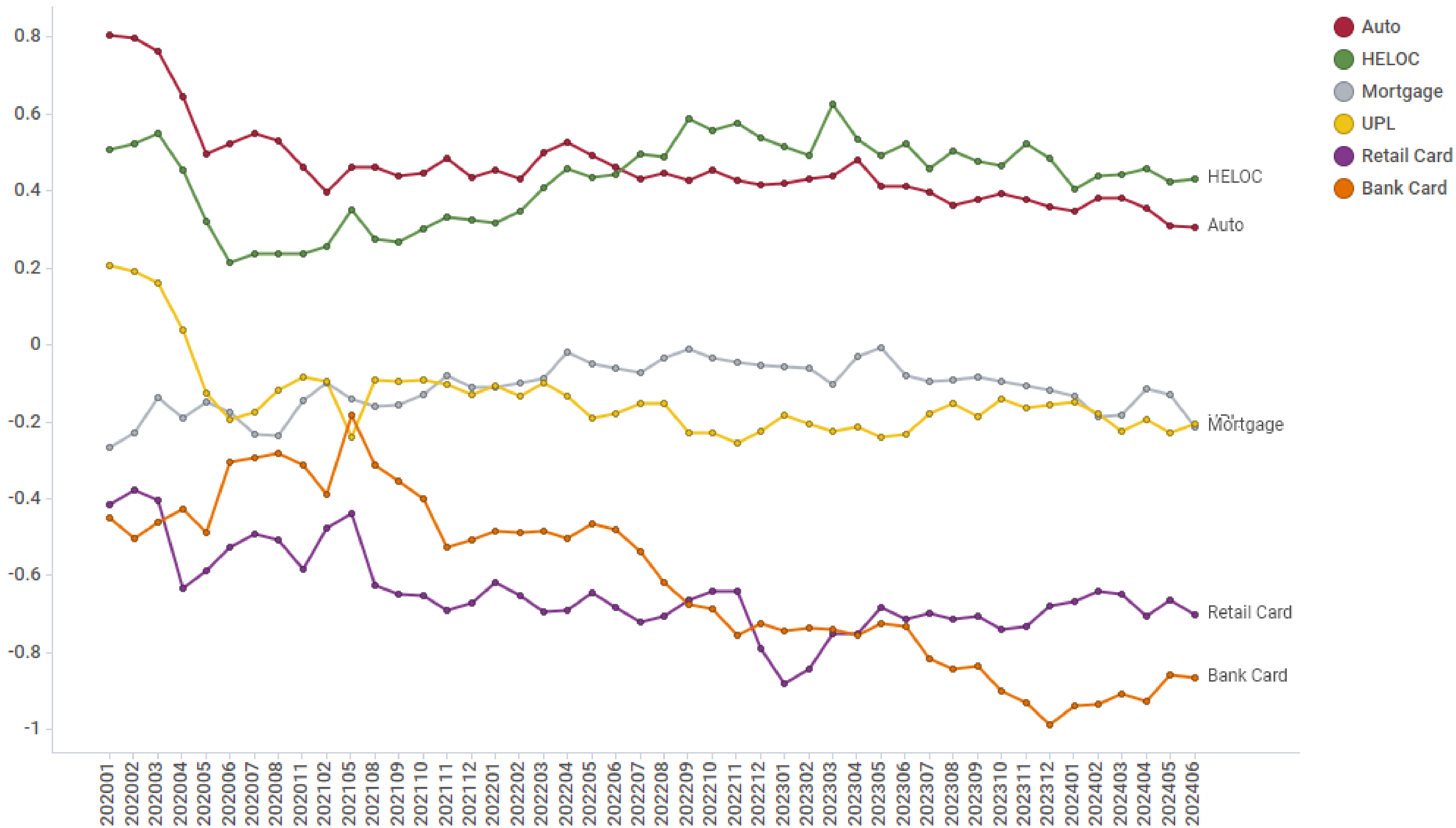


Cumulative % 60+ DPD (#) by Score Band on the latest quarter available (2022Q4)



2023Q3 cumulative 60+DPD % are 10% less than 2022Q3 at MOB12 2023Q2 but 15% higher than 2018Q3 in the pre-pandemic era.
Clear separation exists in 60+DPD performance by Vantage score. Near-prime loans are 2X higher loss than Prime loans which have a 60+DPD rate of 5.63%.

Payment Hierarchy



Equifax's Payment Hierarchy calculation ranges from -1: most unlikely to pay to +1:most likely to pay. HELOC remains the most likely product to be paid. Auto remains second although it has been trending down since April 2022 when vehicle values started to decline from their peak leaving consumers with negative equity in their vehicles. Credit cards, whether retail or bank ones, are lowest on the list. Both have trended down since May 2021 but Retail Card leveled off in May 2023 while Bank Card has rebounded slightly in 2024

Glossary

TERM	DEFINITION
Accounts	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
Original Loan Amount	Total loan amount extended at time of origination
Specialty Finance	Non-traditional lenders that extend loans to consumers that are underserved by traditional lenders
60DPD+ delinquent Debt	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).

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.