



**EQUIFAX**<sup>®</sup>

## Pre-Approval of One for Indirect Auto Lending

The indirect auto lending landscape presents a unique set of challenges for both dealers and lenders. Dealers are constantly seeking ways to streamline the financing process for their customers, while lenders need to balance quick approvals with responsible lending practices. Lengthy application processes, multiple credit pulls, and delays in decision-making can lead to customer frustration and lost sales opportunities. Additionally, the complexity of navigating various lender requirements and underwriting criteria can create friction in the dealer-lender relationship.

### **The solution? Pre-Approval of One.**

Pre-Approval of One enables consumers to initiate an application for credit at a dealership in a way that will balance the impact to their credit score. The dealer will send the completed application to their lender network for approval. The lenders will evaluate the applicant's credit worthiness and offer a commitment to lend — subject only to collateral requirements or other underwriting conditions. Once the applicant accepts the pre-approved offer, they will be underwritten and then a hard inquiry will be posted. This benefits the consumer because only one inquiry will be posted.\*

Pre-Approval of One can fit into indirect auto lending by addressing several pain points in the current process. It streamlines the application process, reducing friction for consumers and increasing the likelihood of closing a sale. For lenders, it allows faster decision-making and reduces risk.

### **Key benefits**

**Faster time to offer:** The solution's ability to provide pre-approved offers in under two minutes can significantly speed up the sales cycle for dealers

### **Improved customer experience:**

The soft credit inquiry and streamlined application process create a positive experience for potential buyers, leading to increased satisfaction, less confusion by the consumer and loyalty

### **Reduced risk for lenders:**

By gathering all necessary underwriting information upfront, lenders can make informed decisions and minimize the risk of defaults

### **Stronger lender-dealer relationships:**

The seamless integration and improved efficiency fostered by Pre-Approval of One can enhance collaboration and trust between lenders and dealers

\* Note: if a lender does not make an offer or if the consumer does not accept an offer once made, the original soft inquiry will be posted.

### Partner with Equifax for a better customer experience

Pre-Approval of One is a powerful solution that helps address the challenges of the modern auto lending landscape. By streamlining the application process, reducing friction, and empowering potential car buyers, Pre-Approval of One can help increase sales, improve customer satisfaction, and build long-term loyalty.



REQUIREMENTS	PRE-APPROVAL OF ONE
Consumer initiated	✓
Lender initiated / not consumer initiated	
Conditional commitment of credit; lender will give specific loan amount and / or interest amount	✓
The lender will give an estimate for the loan amount — not a sure thing!	
Soft inquiry posted	✓
Hard inquiry posted if consumer accepts offer, no additional application when the loan is funded	✓
Hard inquiry posted if consumer completes additional application	
Limited consumer information submitted / taken	
Adverse action sent to consumer if not eligible from offers	✓
Can be used by lead generators — FCRA data used and taking action (pass/no pass lead to lender) requires adverse action	

Contact us today to learn more about how Pre-Approval of One can benefit your lending portfolio and dealer network.

[equifax.com/business/automotive](https://equifax.com/business/automotive)