



EXPERIAN AUTOMOTIVE

Q4 2024

State of the Automotive Finance Market

Melinda Zabritski
Head of Automotive
Financial Insights

Q4 Report overview

- Overall origination trends
- Origination trends on new loans & leases
- Origination trends on used financing
- Portfolio balances & delinquency

| Category | Score Range |
|---------------|-------------|
| Super prime | 781 – 850 |
| Prime | 661 – 780 |
| Nonprime | 601 – 660 |
| Subprime | 501 – 600 |
| Deep subprime | 300 – 500 |

VantageScore® 4.0

Today's presenter



Melinda Zabritski

Head of Automotive
Financial Insights

Experian Automotive

Melinda Zabritski is Head of Automotive Financial Insights for Experian Automotive where she is responsible for consulting and advising on products and services specific to the automotive credit and lending industry. She also serves as Experian's primary analyst and spokesperson regarding key automotive finance trends.

Data sources



VelocitySM Market, Risk and Performance

- Market intelligence service sourced from US vehicle titles, manufacturer data and credit information
- Quickly view dealer and lender activity and share by market, make, segment and more
- Gain insight into credit and loan/lease characteristics across vehicle metrics
- Review loan performance by origination attributes, vehicle and dealers

Ascend Market Insights DashboardsTM

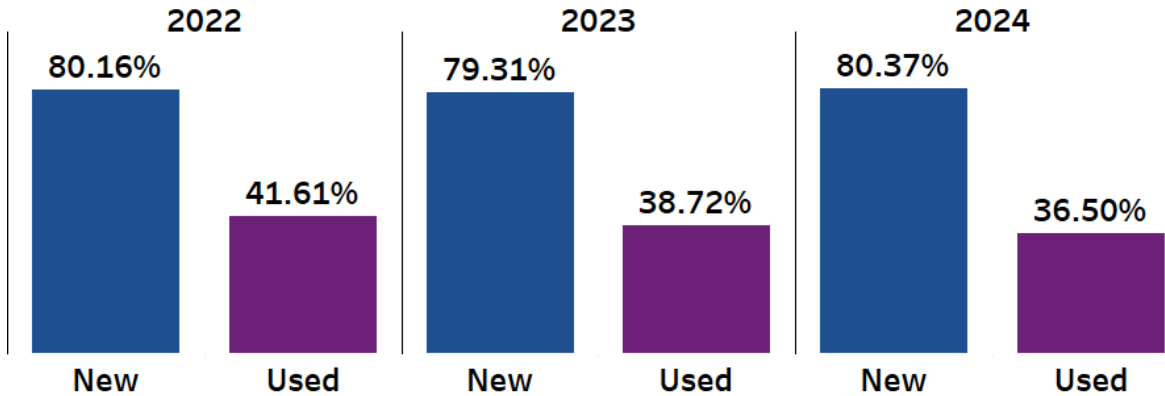
- Instant access to credit market trends across the entire credit universe (review by industry type)
- Deep-dive across numerous themes (delinquency, originations, total accounts & balances and more)
- Easy navigation and dashboards with weekly Executive Summary insights

Q4 2024 Originations

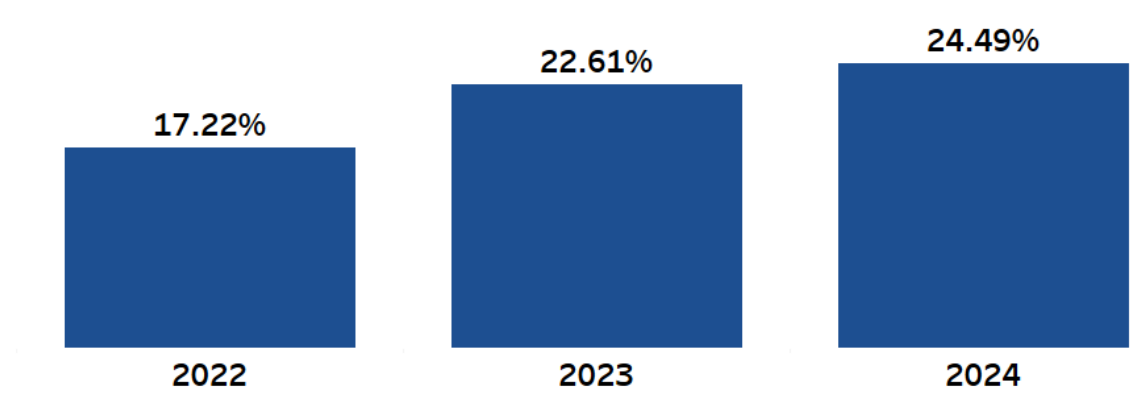
Trends in automotive loan and lease originations

Automotive financing: snapshot of how and what consumers are purchasing

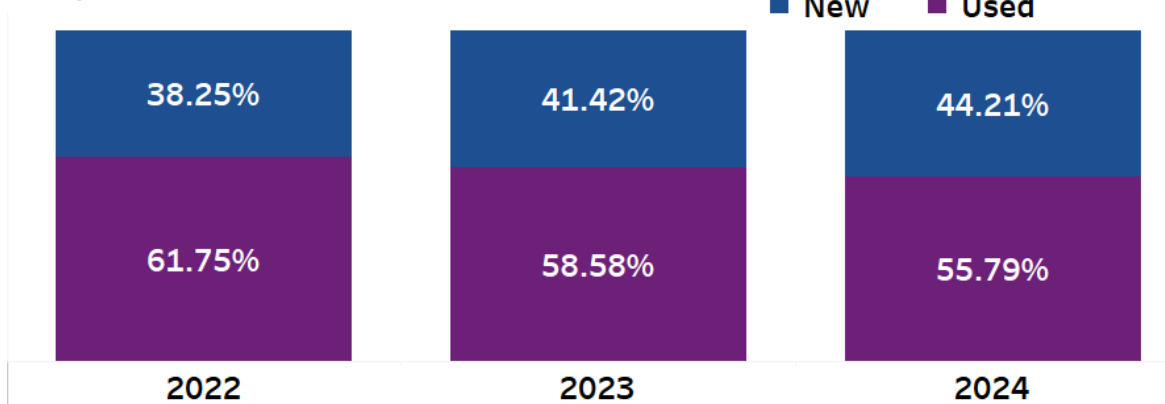
Percentage of vehicles with financing



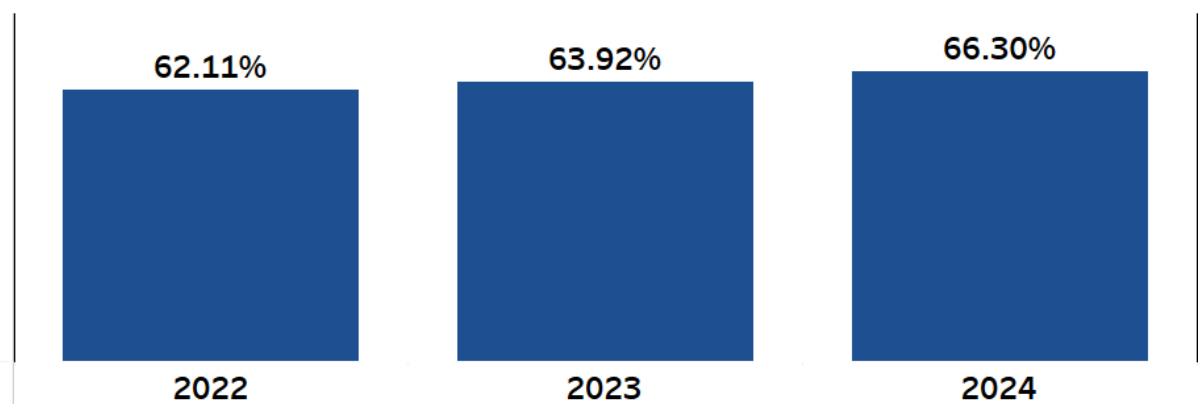
% of all new vehicles that are leased



New/Used percentage of financing

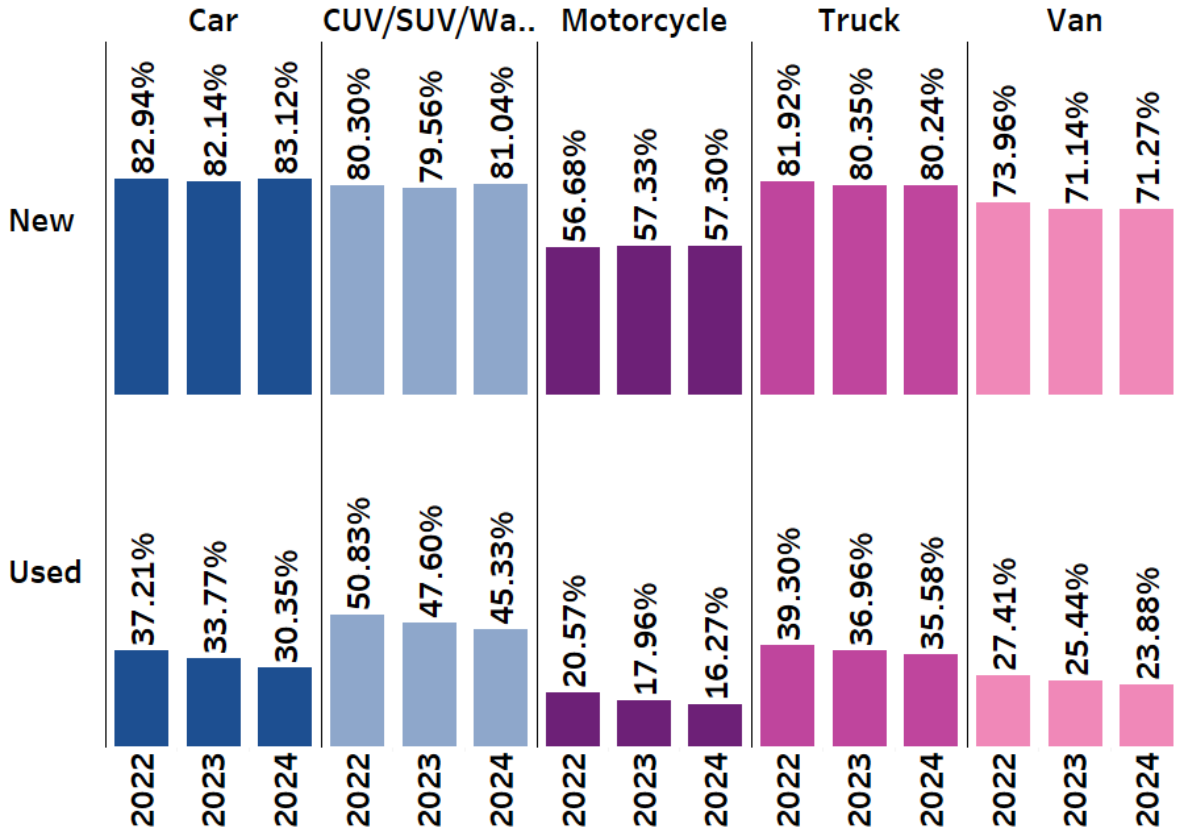


Percentage of loans that are current +3MY

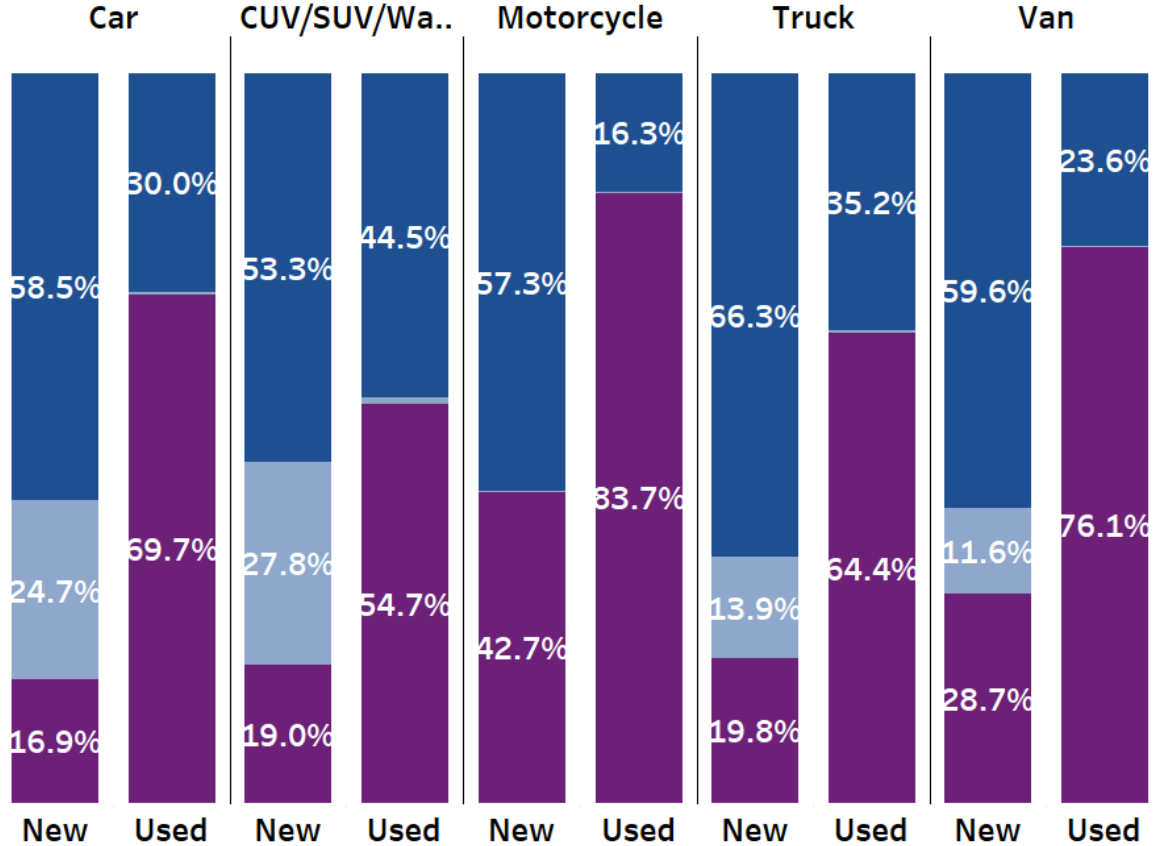


What and how are consumers purchasing: motorcycles have the lowest percentage of financing; new vans see the lowest level of leasing

Percentage of financing by vehicle type

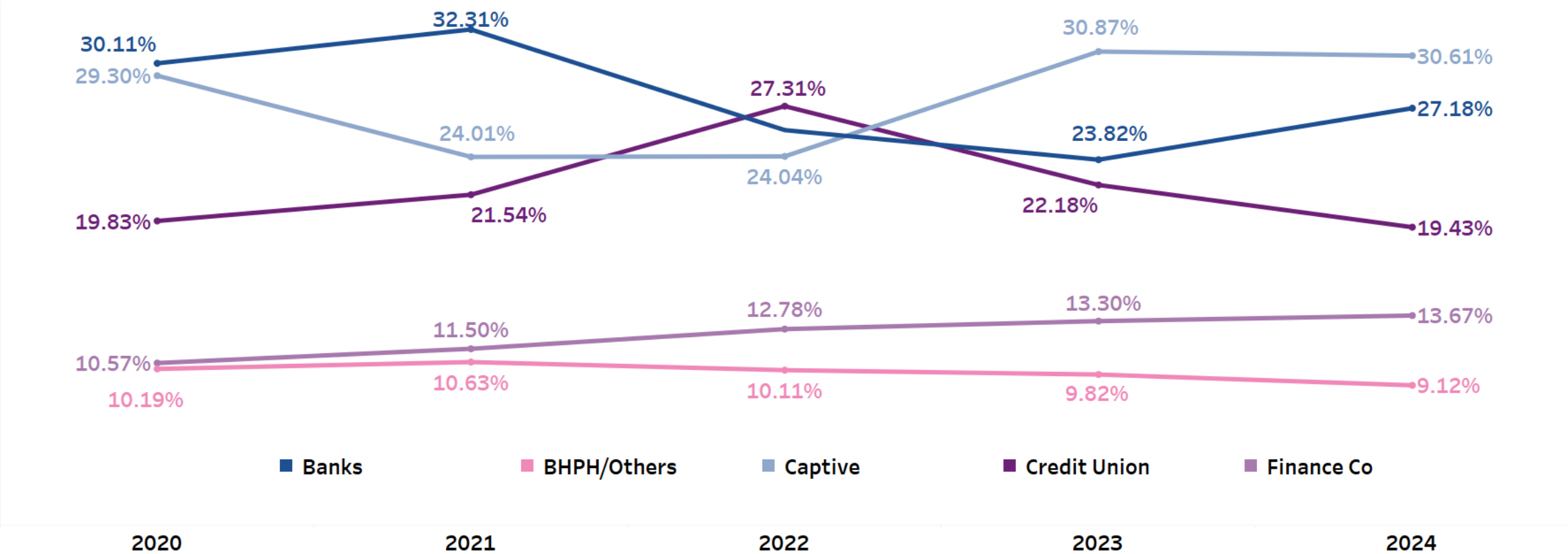


Transaction type by Vehicle Type



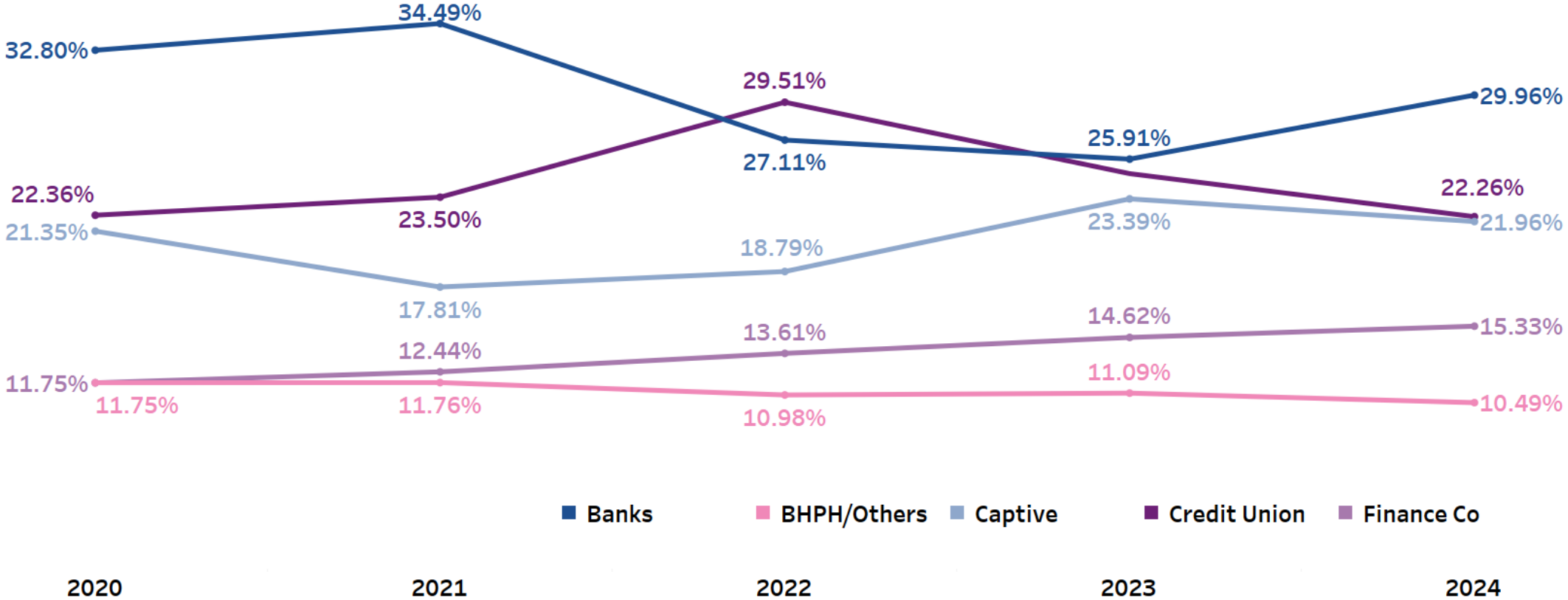
Captives maintain as largest lender type for Q4; share increases for Banks & Finance Companies

Market share of total financing (new/used; loan/lease)



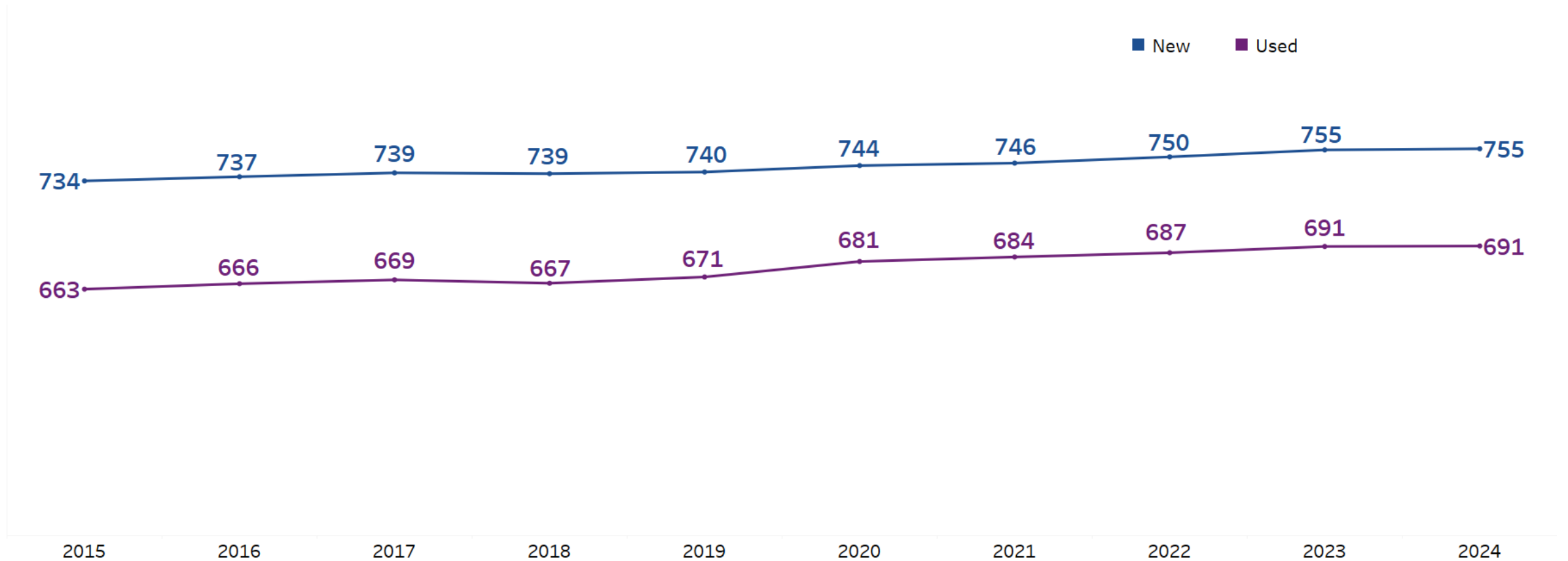
Banks gain share to remain largest loan providers; Finance Companies increase share while others experience decreases

Total loan market share



Average scores remained flat year-over-year

Average score by vehicle type

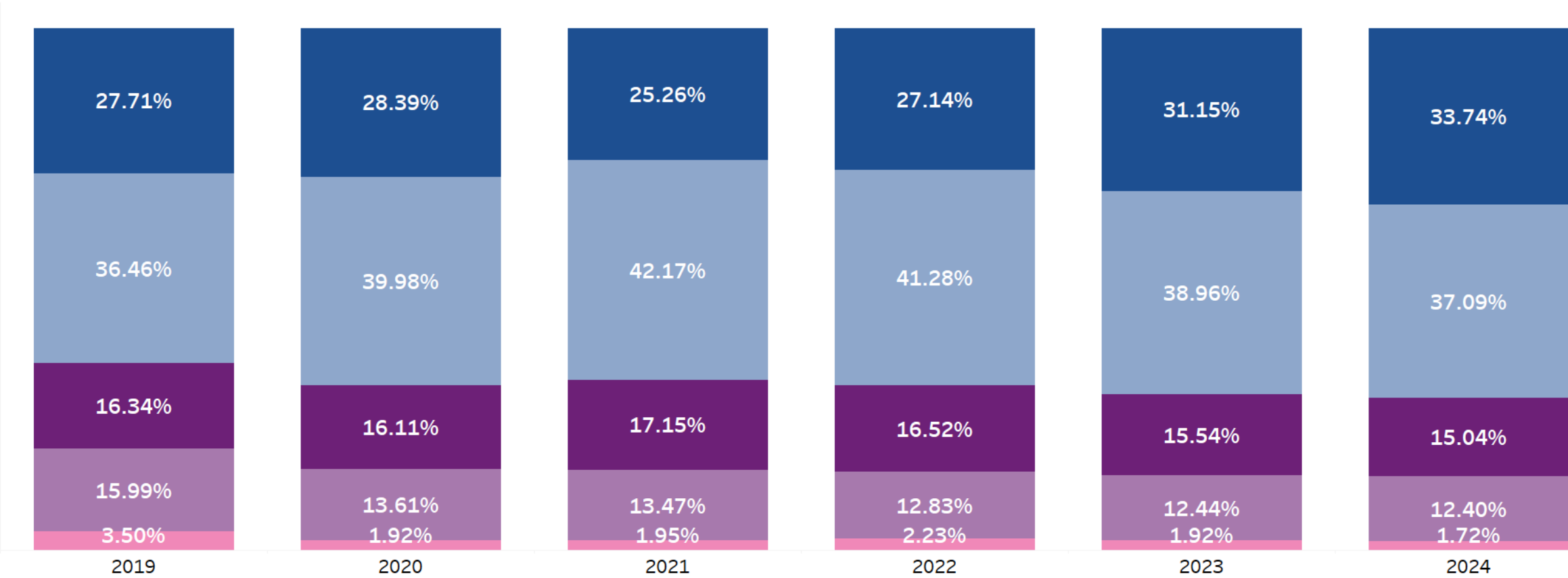


VantageScore® 4.0

Subprime continues to decrease while Prime+ reaches nearly 71%

Total (loan & lease/new & used) risk distribution

■ Super Prime ■ Prime ■ Near Prime ■ Subprime ■ Deep Subprime

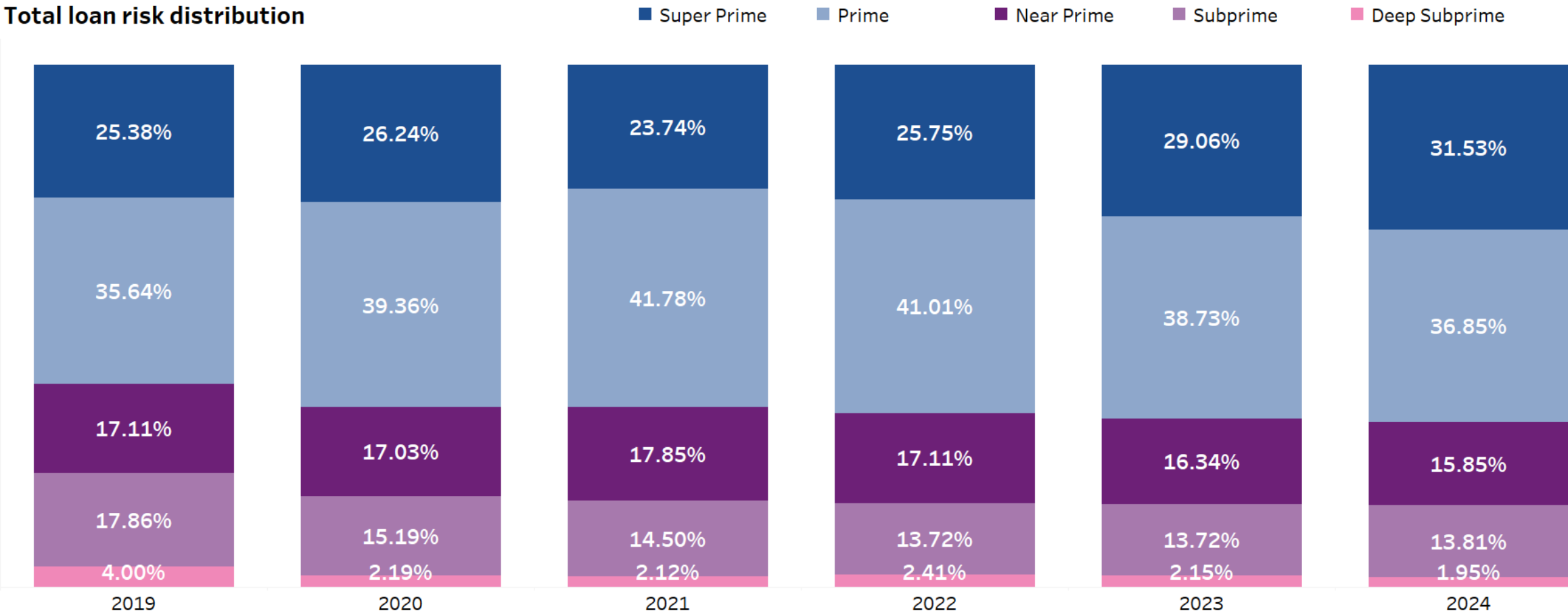


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Subprime falls to under 16% of all loans while Super Prime sees growth

Total loan risk distribution



VantageScore® 4.0



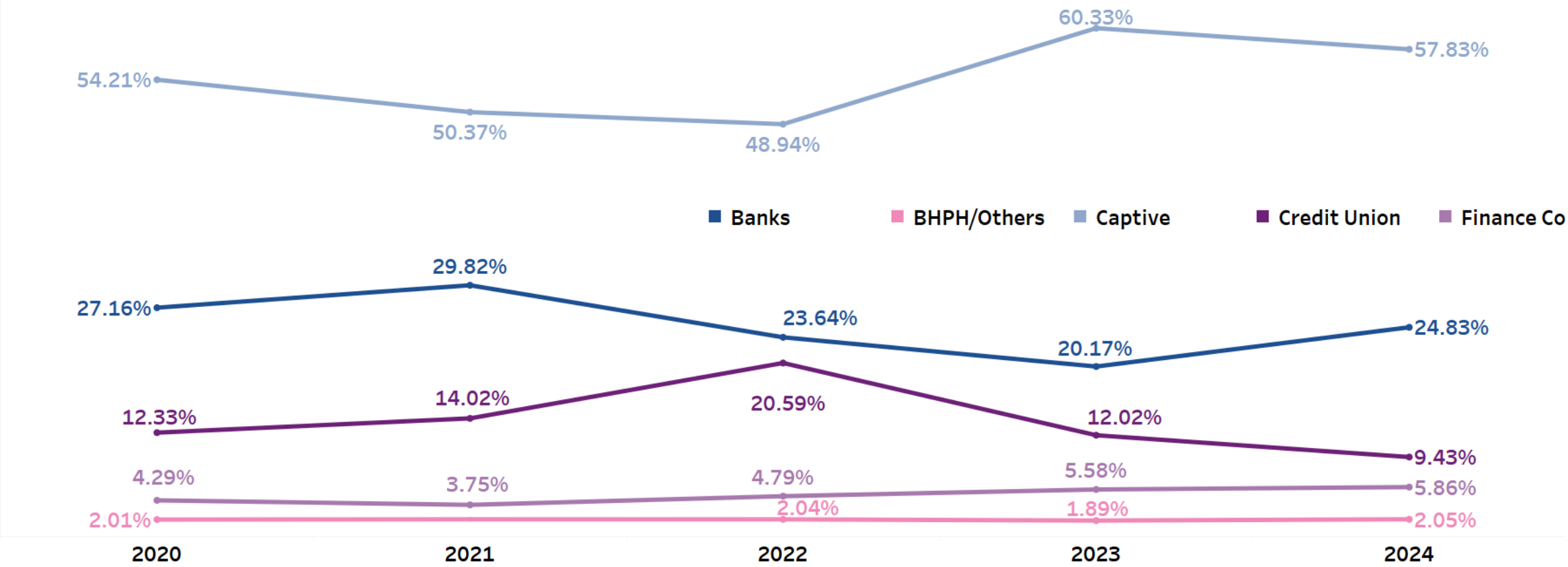


Q4 2024 New financing

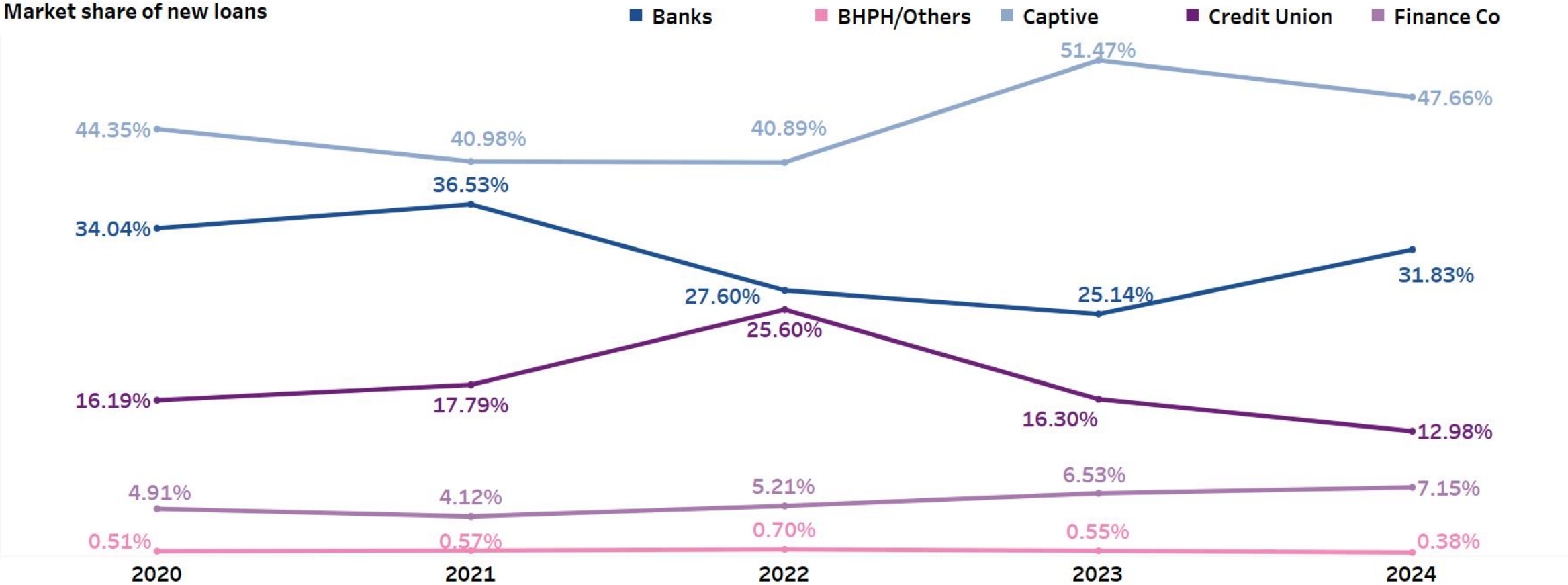
A look at new lease & loan trends

Captives continue to dominate new financing; Banks and Finance Companies increase share

Market share of new financing (loan/lease)

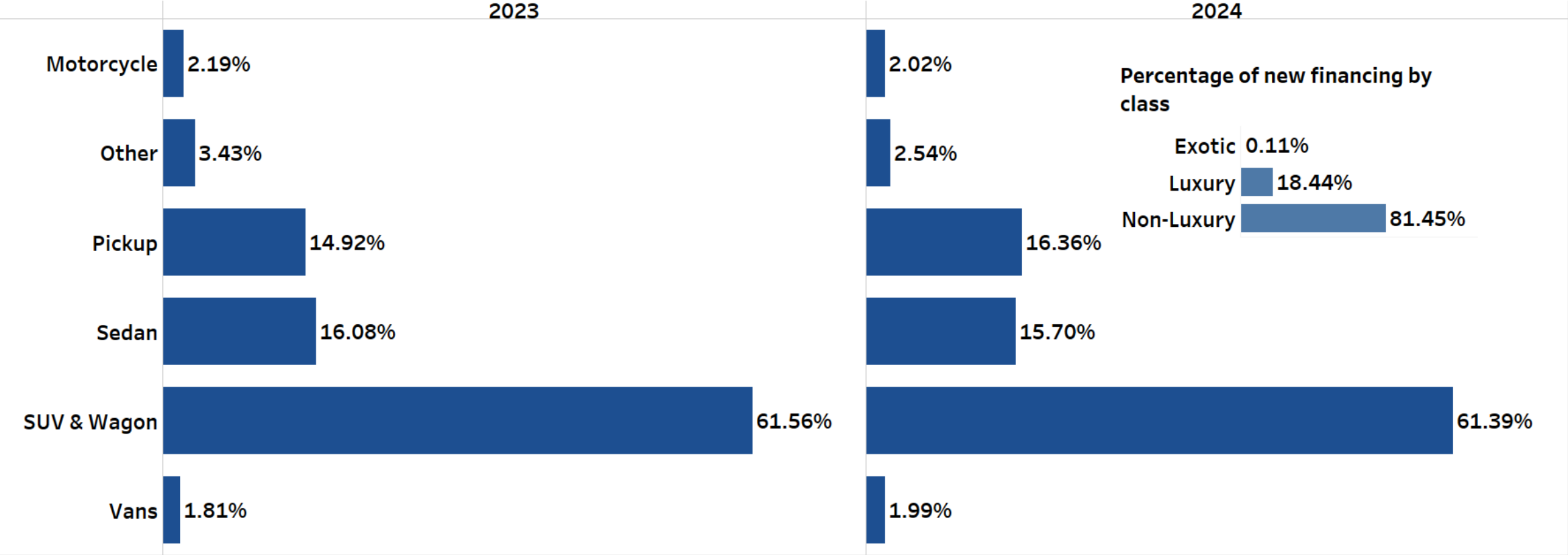


Captive share decreases, but still is dominate for new loans; Banks and Finance Companies increase share

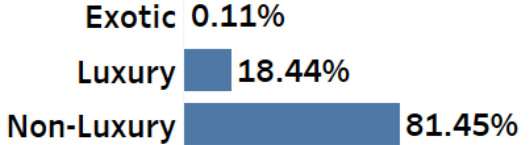


SUVs are over 61% of all new vehicle financing but have decreased YOY (62.66% without motorcycle)

Percentage of new financing by segment

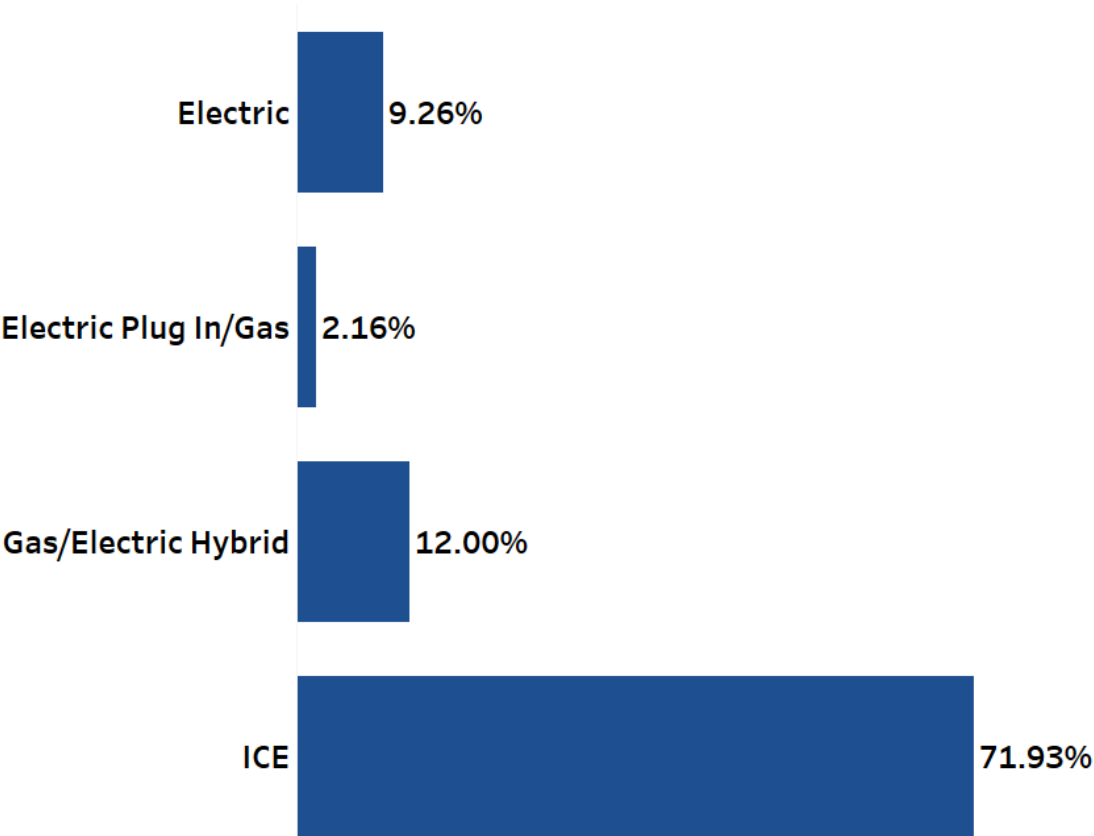


Percentage of new financing by class

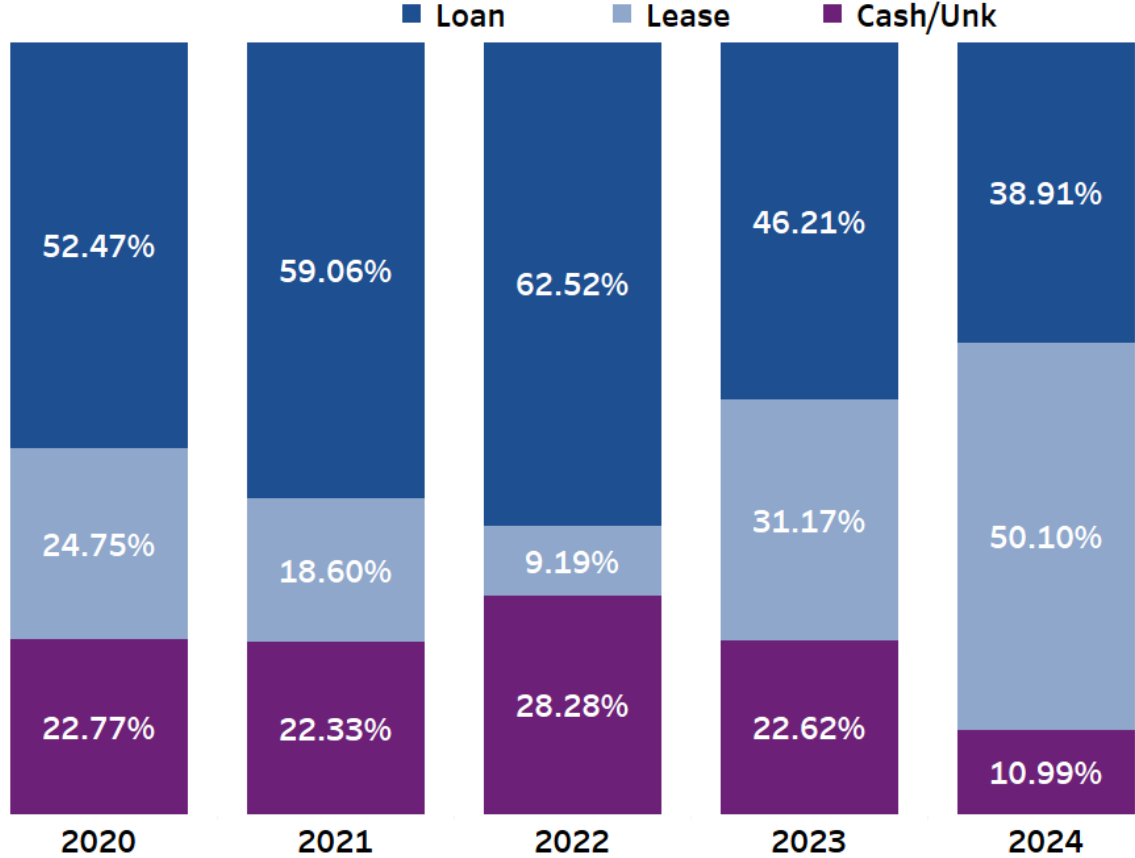


EVs reach just over 9% of new purchases and are leased at over 50% (nearly 20% of all new leasing)

Percentage of new purchase by fuel type

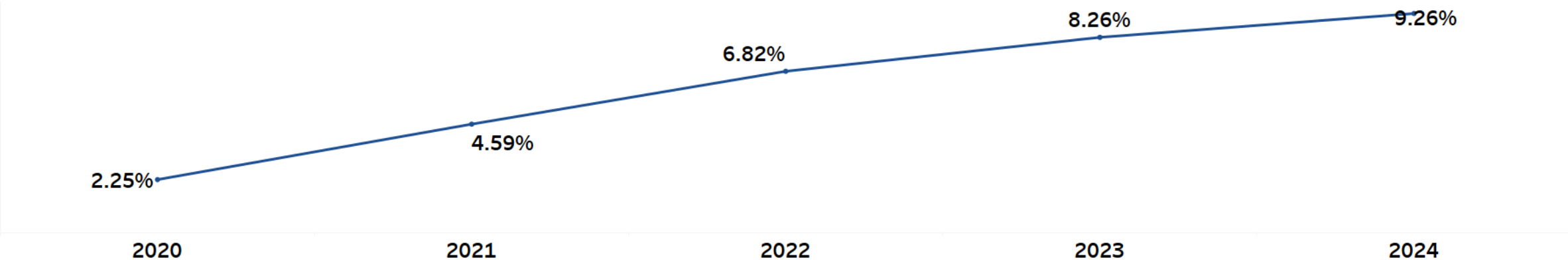


How are consumers purchasing new EV

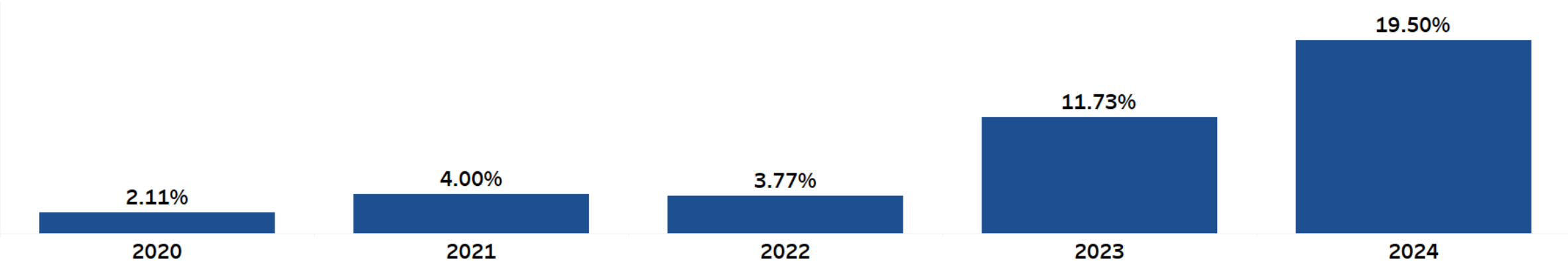


EV share has grown 824% since 2020 and is approaching 20% of all new leases

EV share of new vehicle purchases

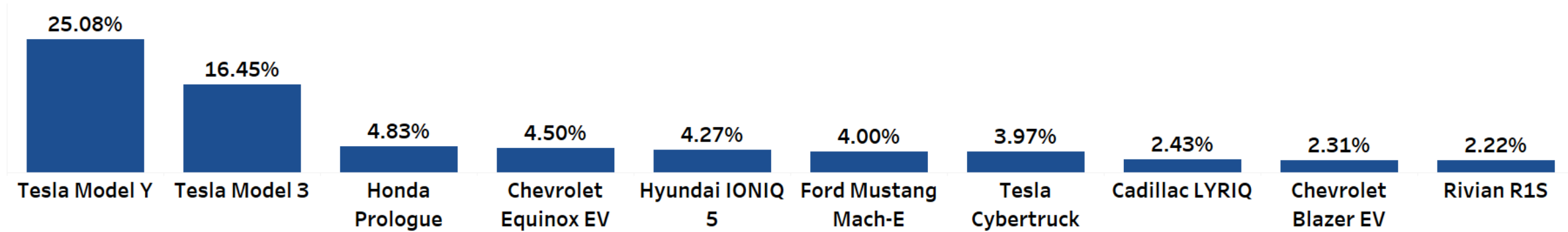


EV share of the new lease market

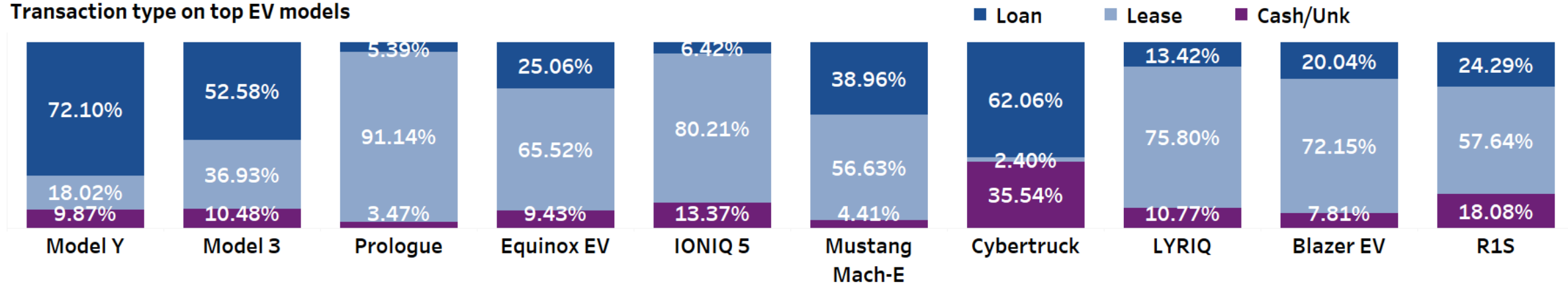


Top 10 New EV Models: transaction types vary considerably among the top new EVs

Top 10 EV models

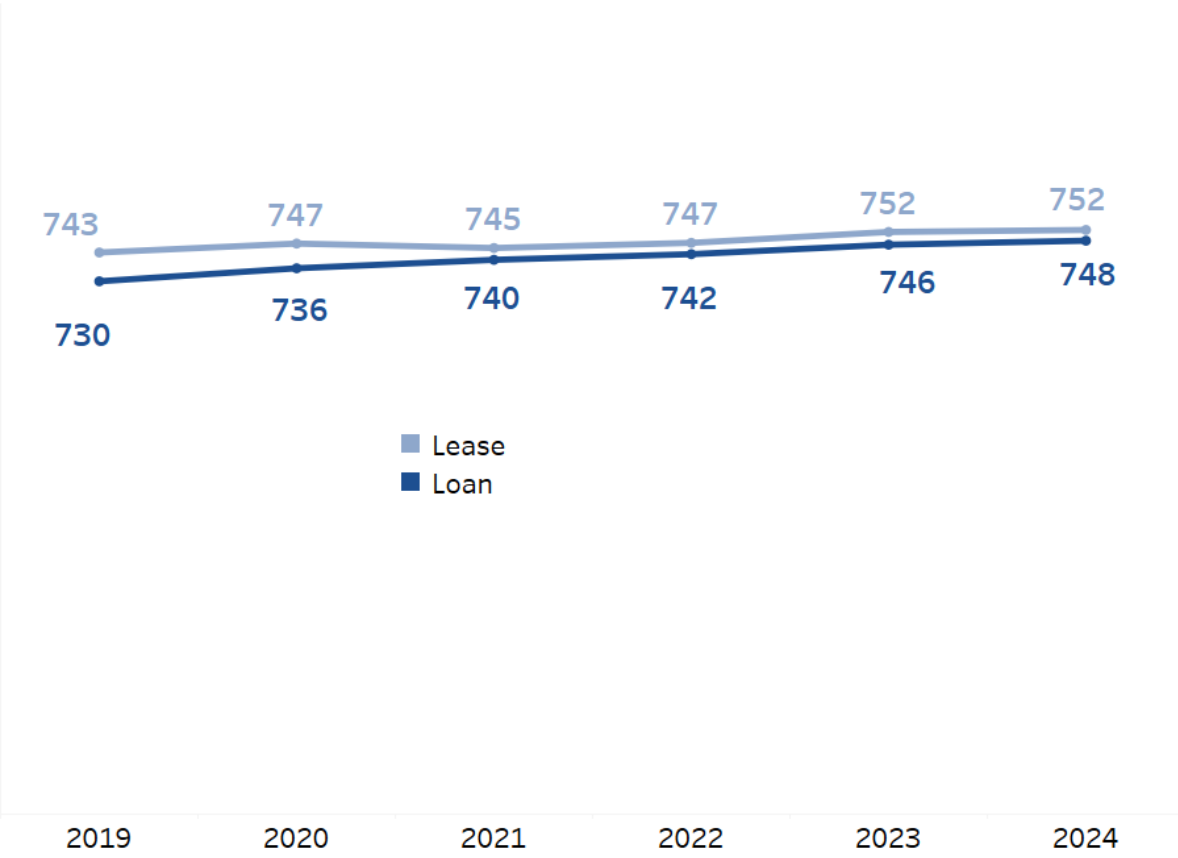


Transaction type on top EV models

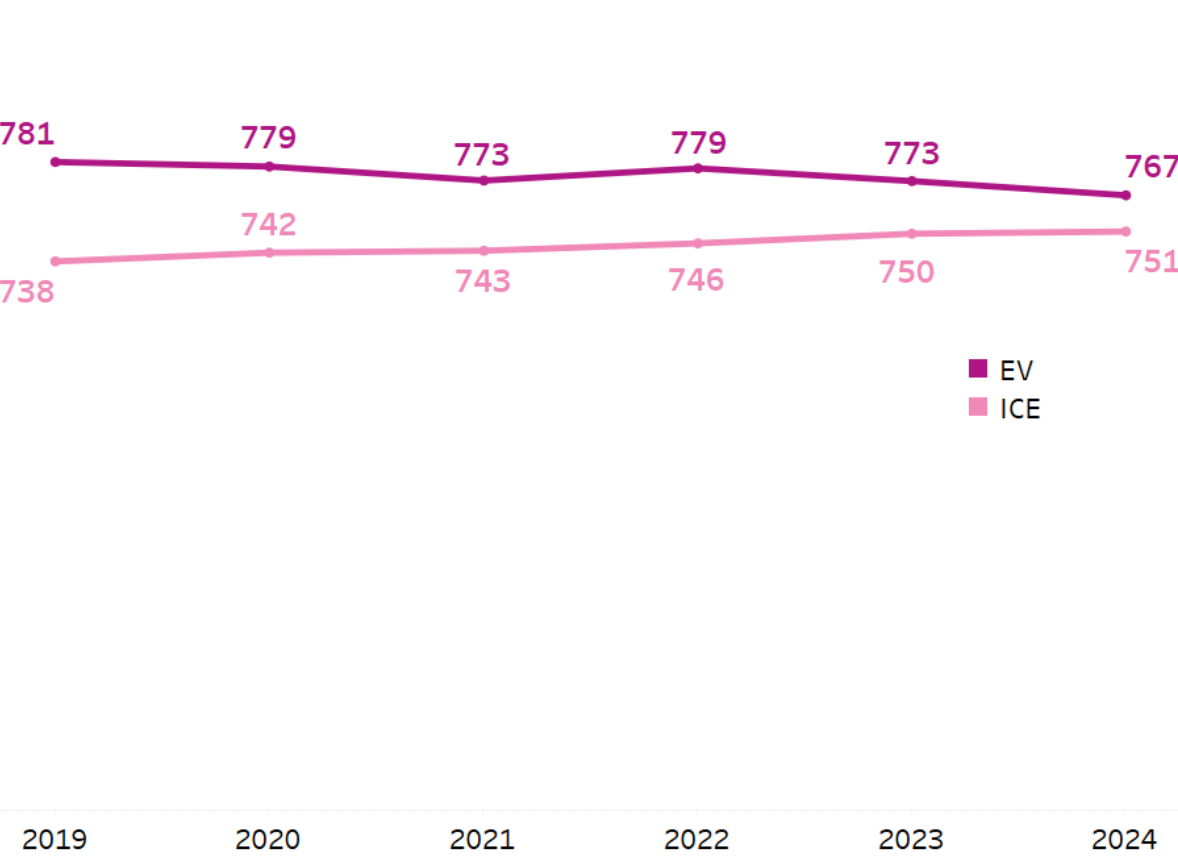


New loan scores increase 2 points; EV scores decrease 6 points while ICE rises 1 points

Average new score by transaction type



Average new score by fuel type



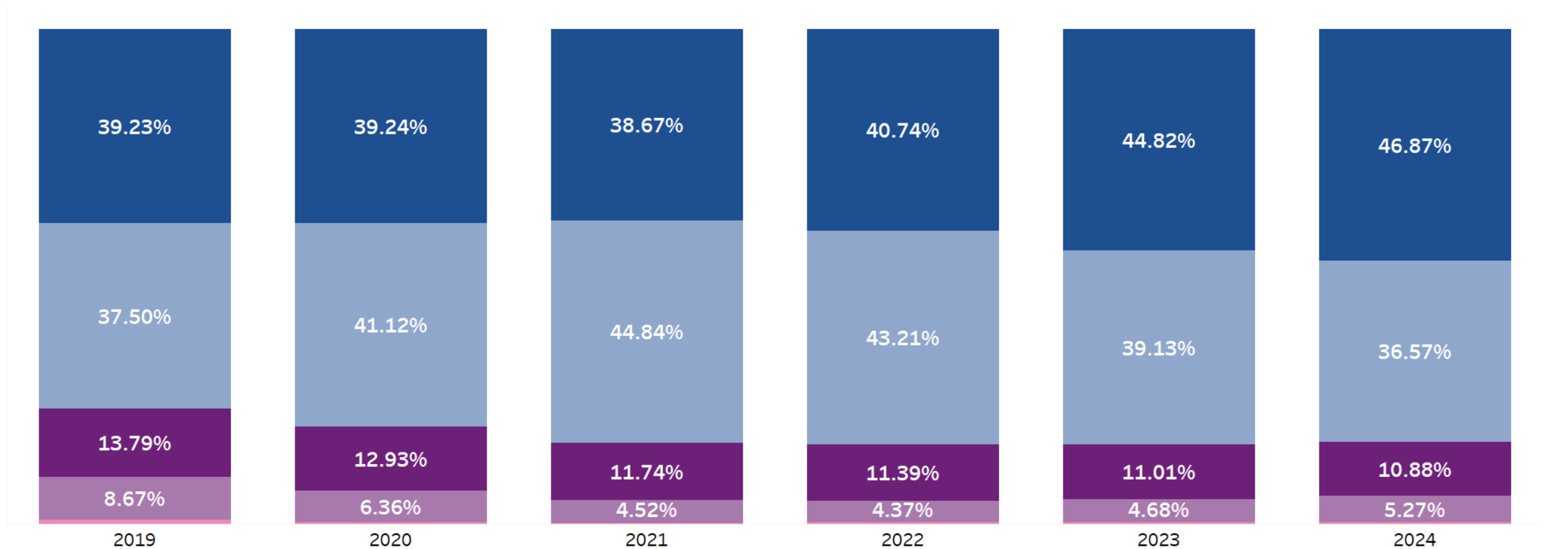
VantageScore® 4.0



Over 83% of all new loans are Prime+; growth occurring in Subprime; total Subprime reaches highest (5.68%) since 2020 (6.71%)

New loan risk distribution

■ Super Prime ■ Prime ■ Near Prime ■ Subprime ■ Deep Subprime

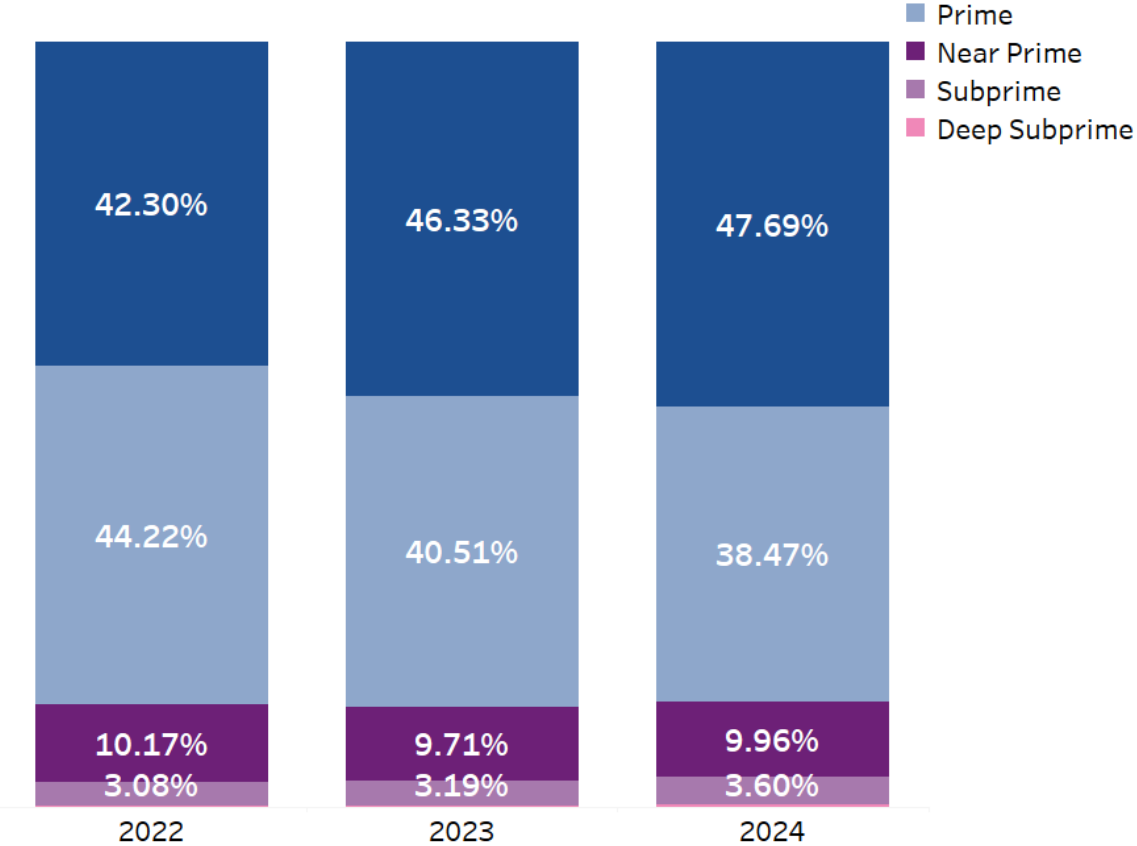


Deep Subprime 0.41%

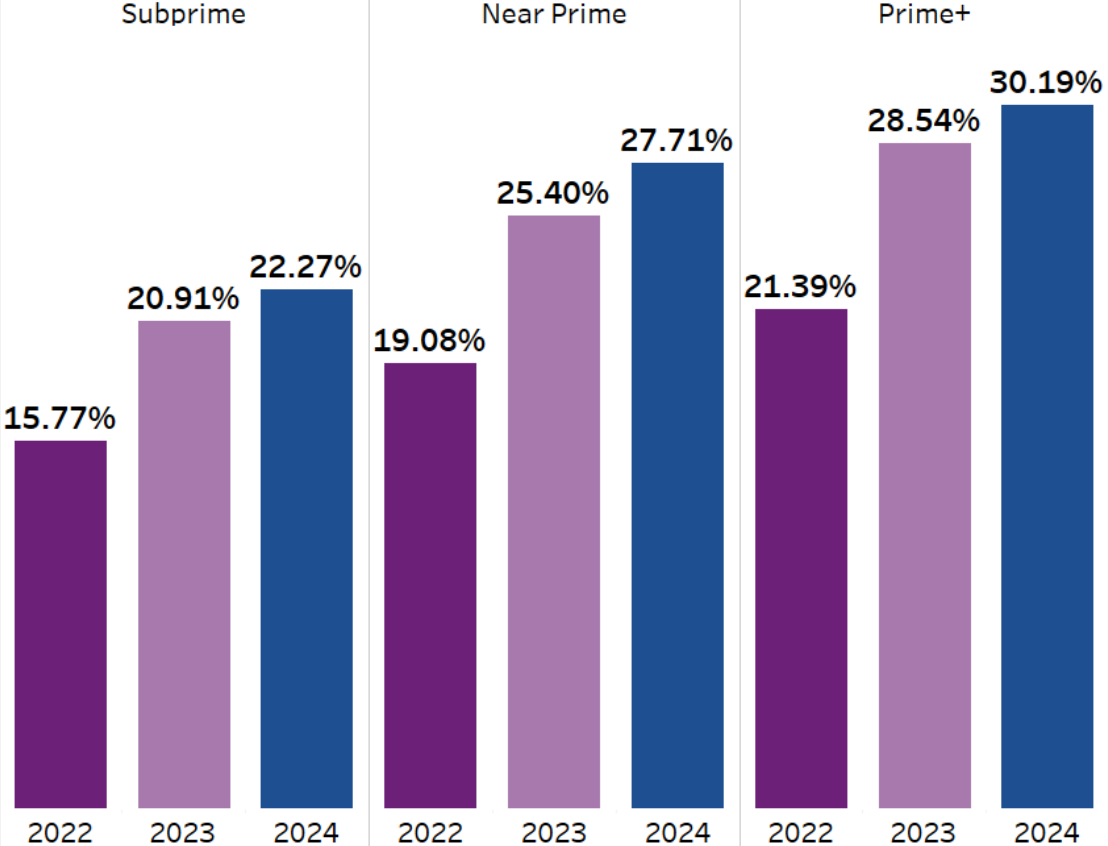
VantageScore® 4.0

Leasing sees growth in Super Prime with Prime+ consumers choosing to lease over 30% of the time

New lease risk distribution



% of borrowers choosing to lease

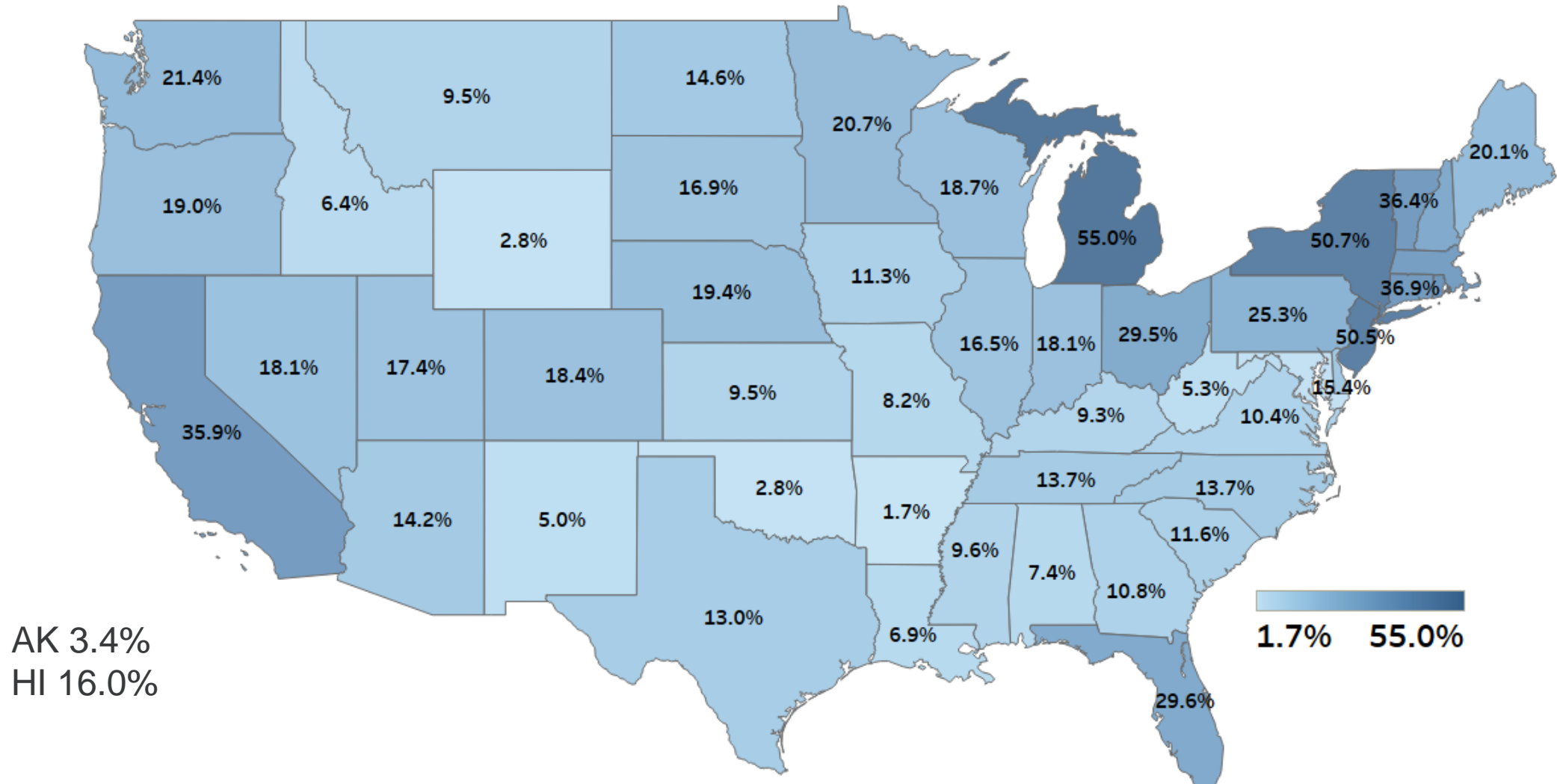


Deep Subprime 0.29%

VantageScore® 4.0

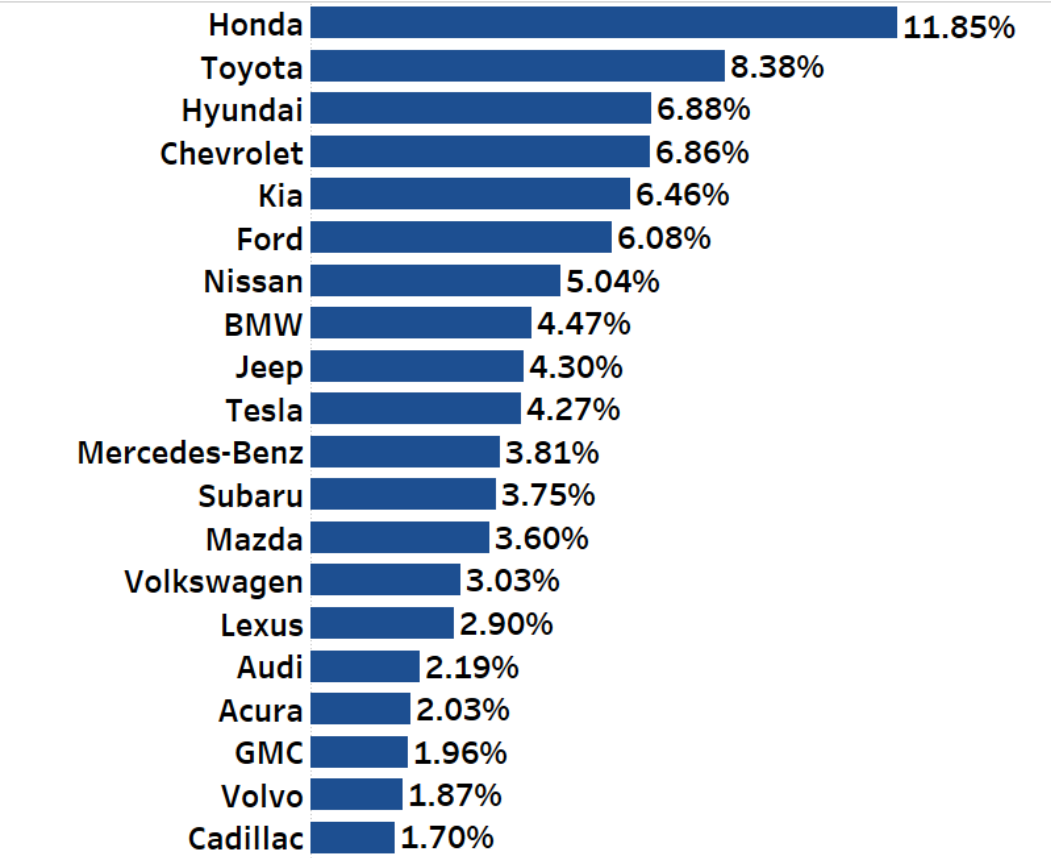


MI, NJ and NY lead with the greatest percentage of their new financing as a lease; MI drops to 34.6% without Detroit DMA

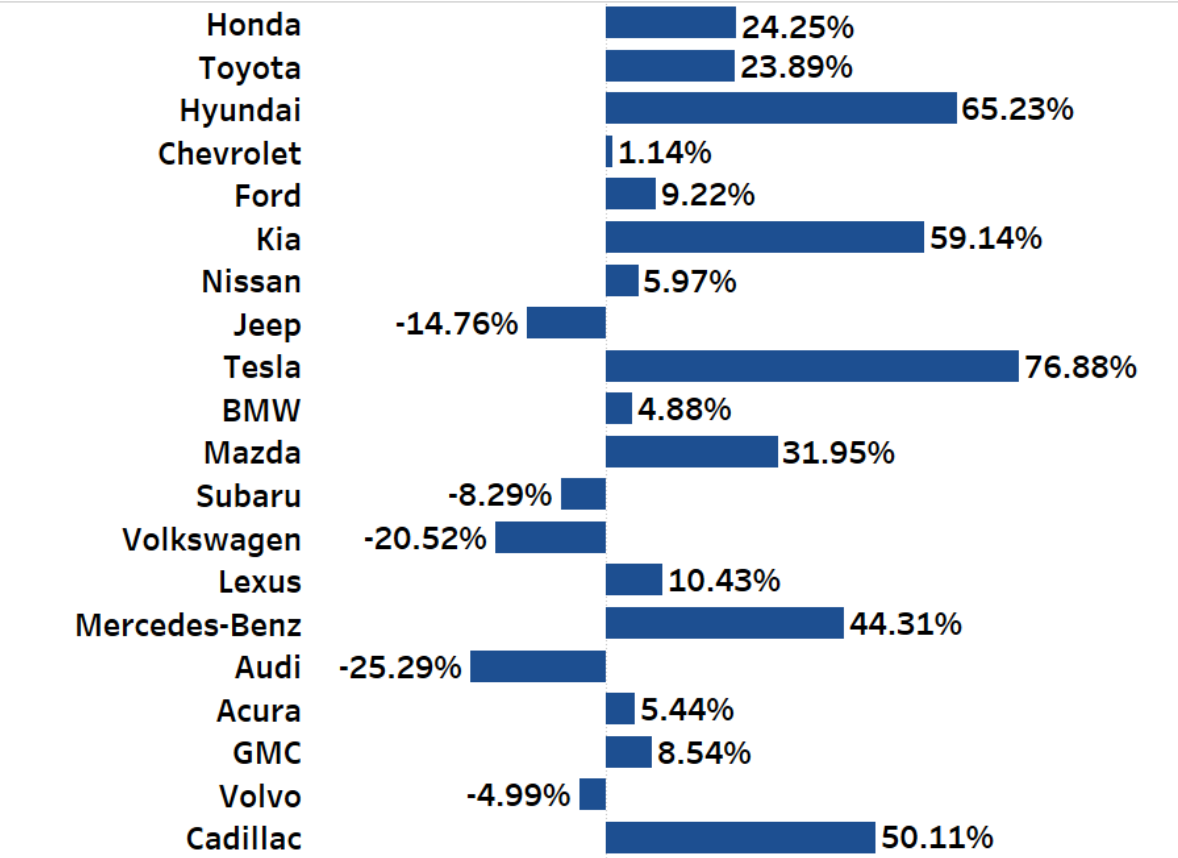


Honda remains as number one leased make; Tesla increases 76.8%

Top 20 leased new makes

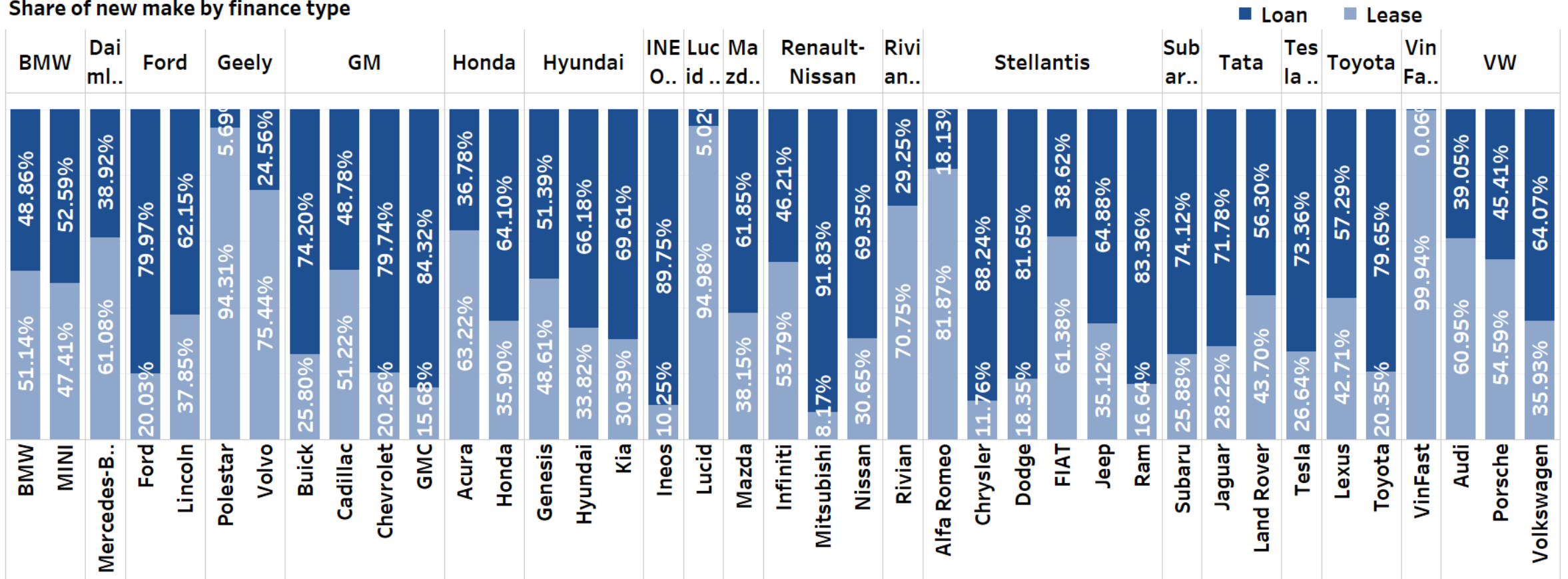


YOY Growth on Top 20 leased makes



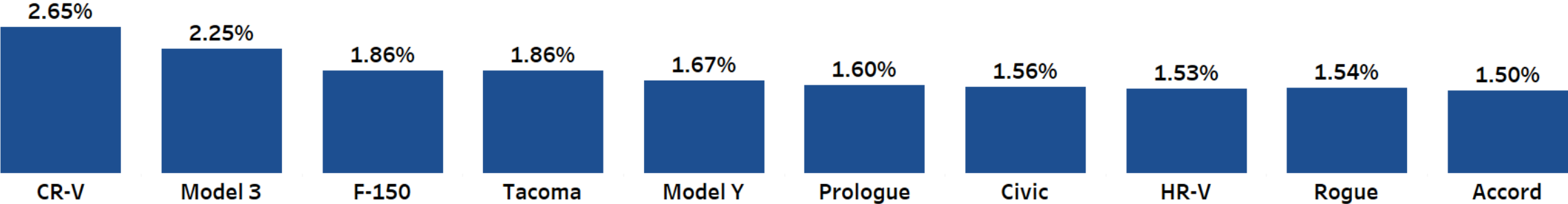
Leasing rates increase across most of the makes

Share of new make by finance type

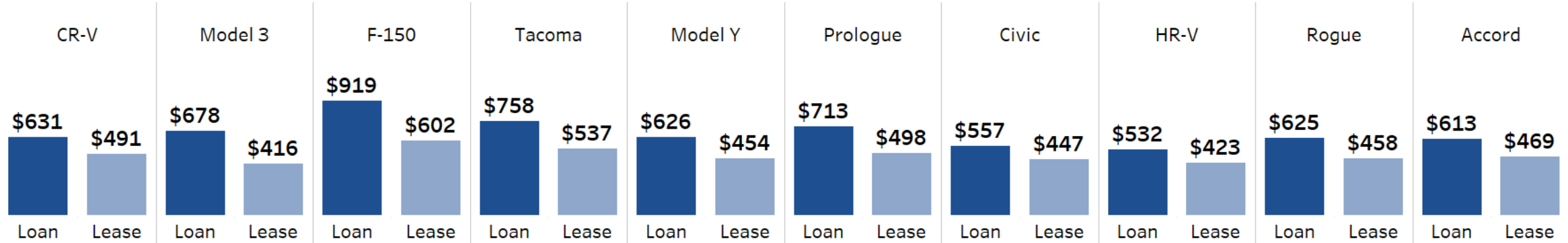


SUVs dominate the top leased models, and three full EV are in Top 10; average payment difference of \$142

Top 10 leased models

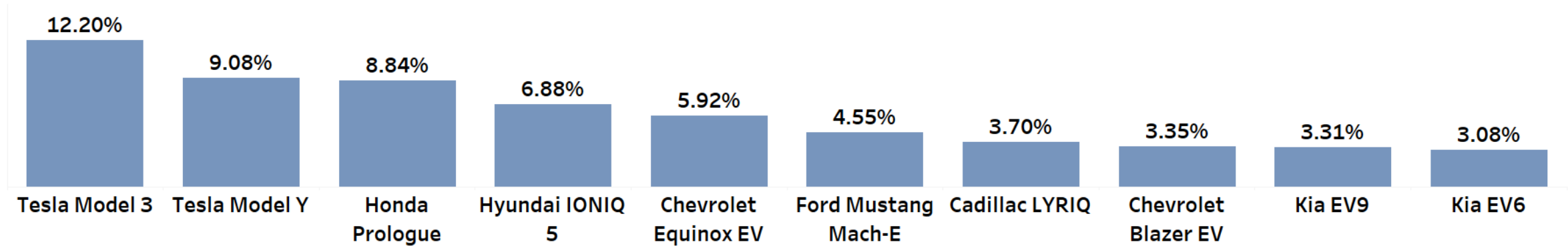


Average monthly payment on top leased models

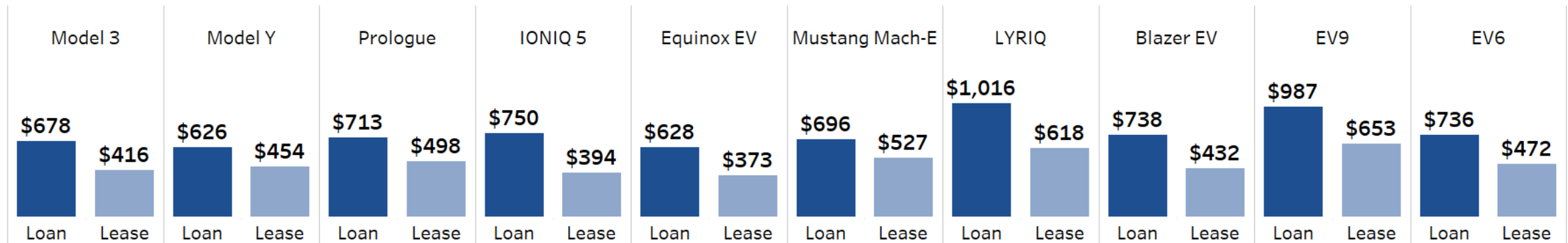


Average payment difference between a lease and a loan across all EV models is \$175

Top 10 leased EV models

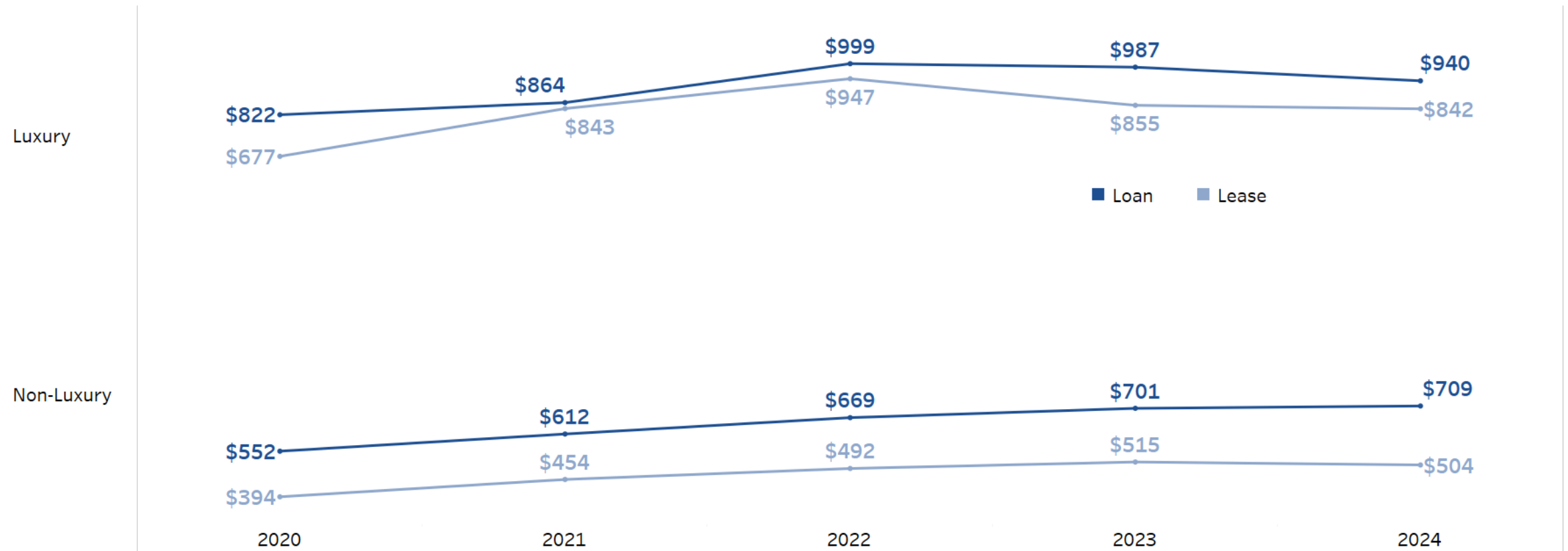


Average monthly payment on top leased EV models



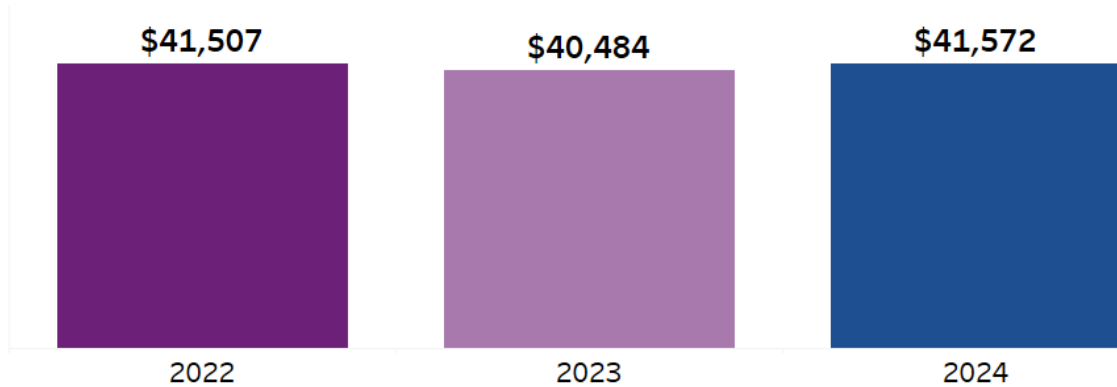
Non-luxury EVs generate the greatest payment difference between transaction type (\$205 v \$98 for luxury)

Average monthly payment on EV by transaction type and vehicle class

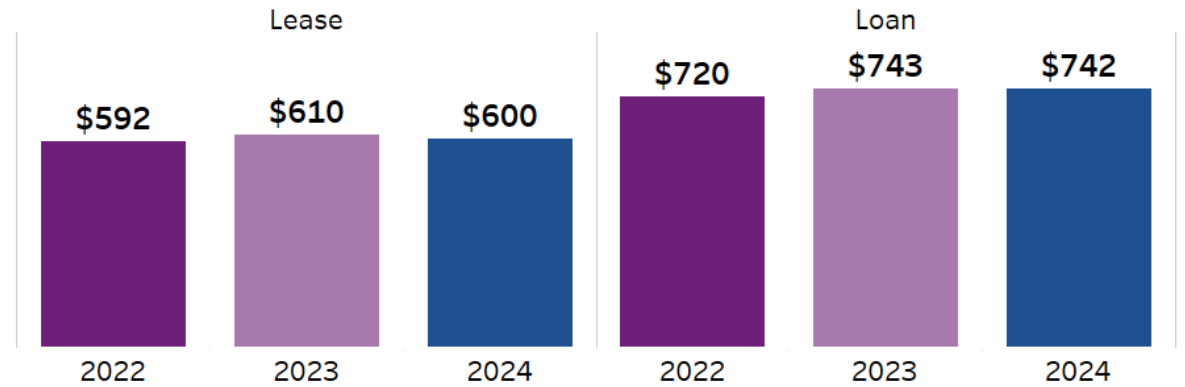


Average new loan amount increases; payments fall slightly as rates decrease and terms increase

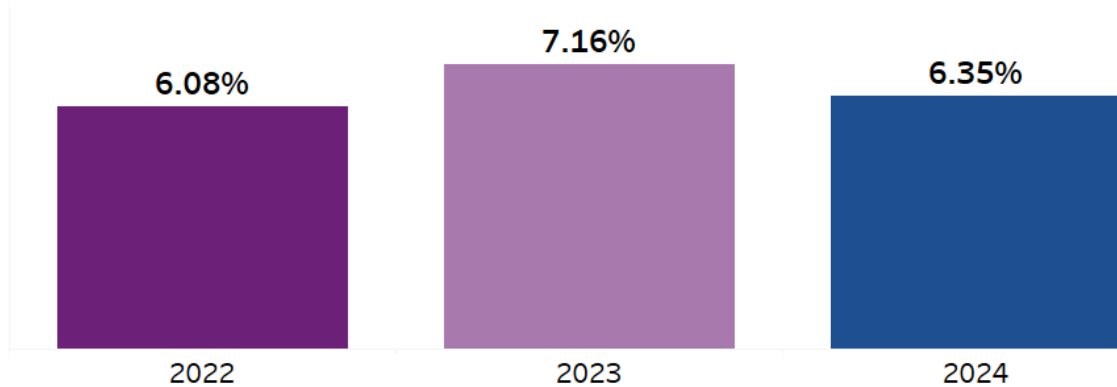
Average new amount financed



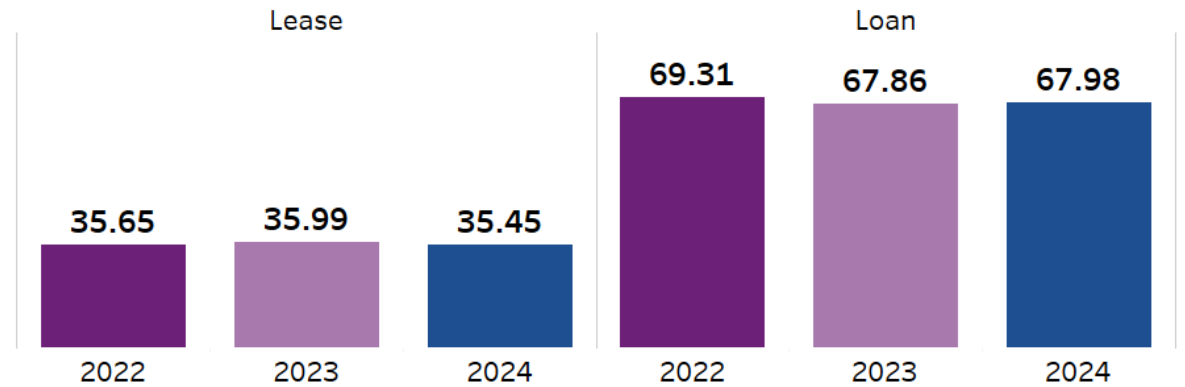
Average new monthly payment



Average new loan rate

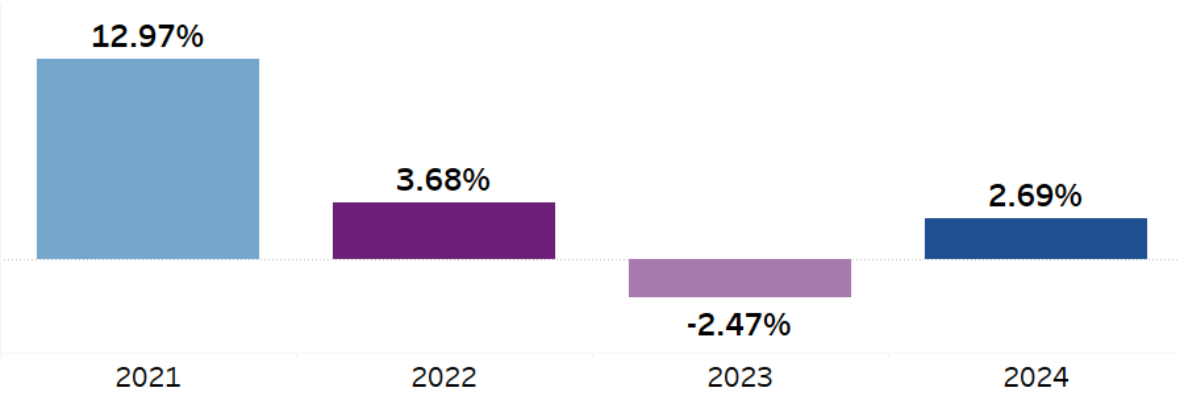


Average new loan term

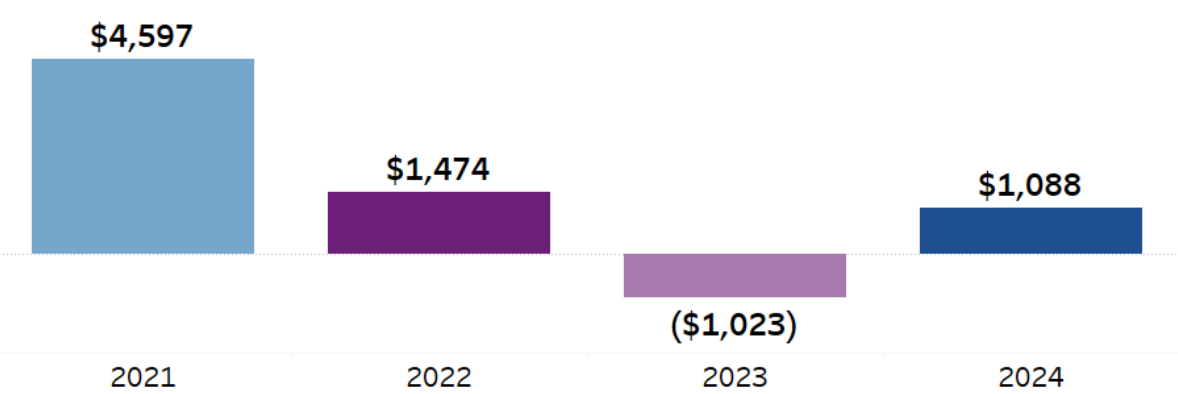


Loan amounts increase both year-over-year and quarter-over-quarter

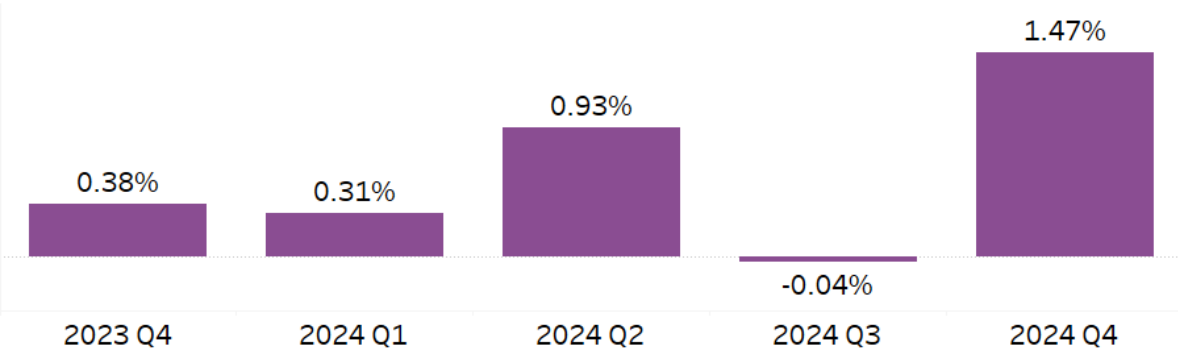
YOY growth in average new loan amount



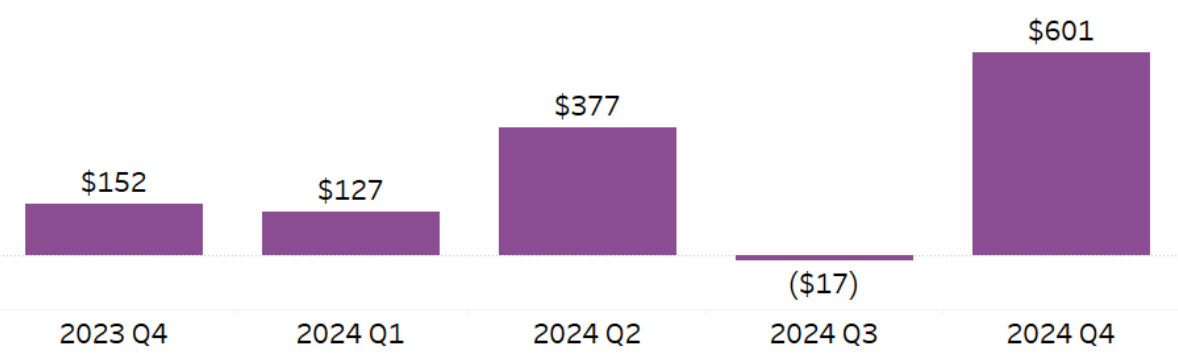
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount

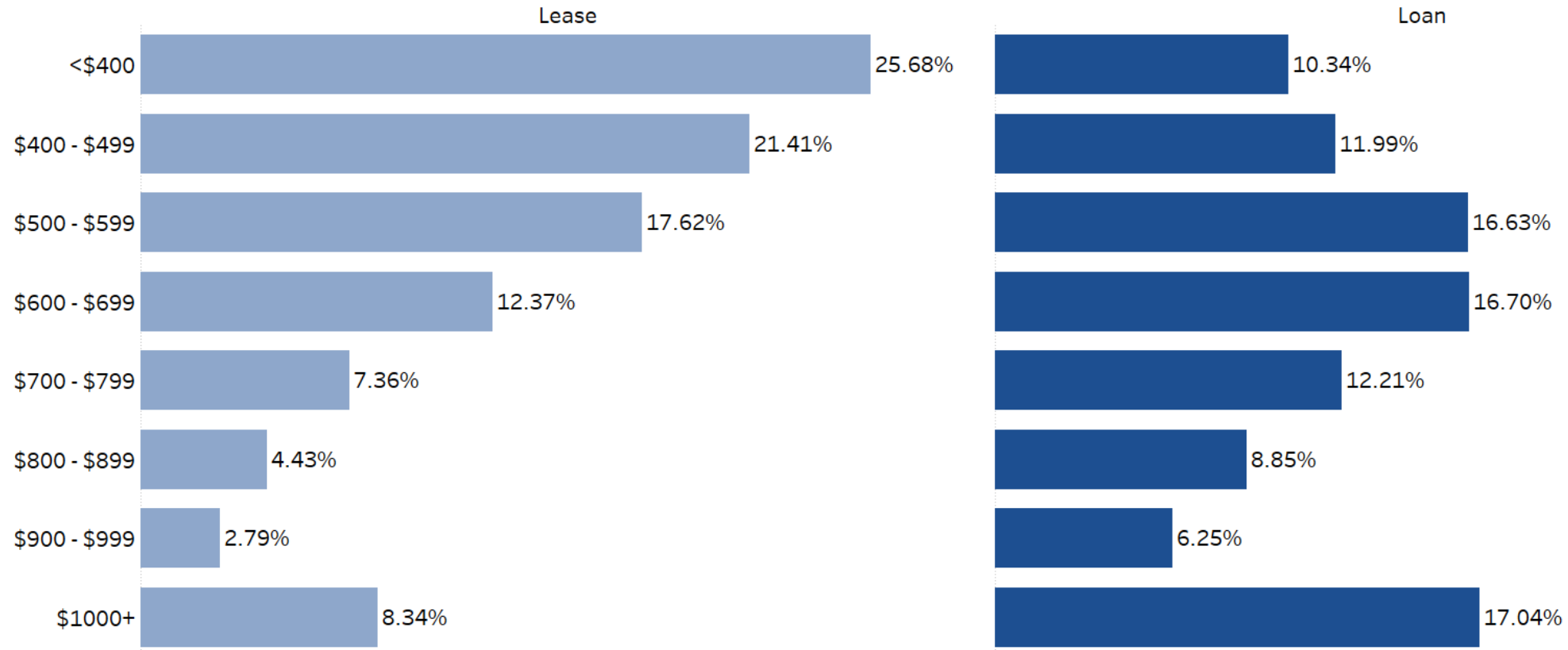


QOQ \$ difference in average new loan amount



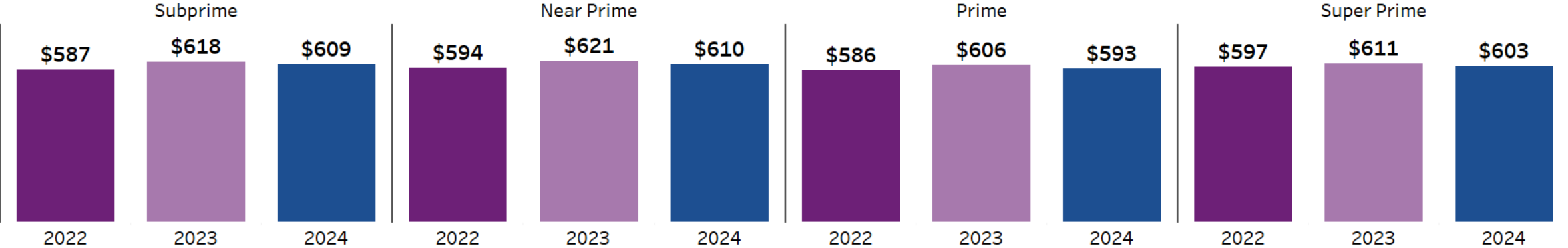
Over 14.5% of all new payments (loan & lease combined) are over \$1k

Average monthly payment

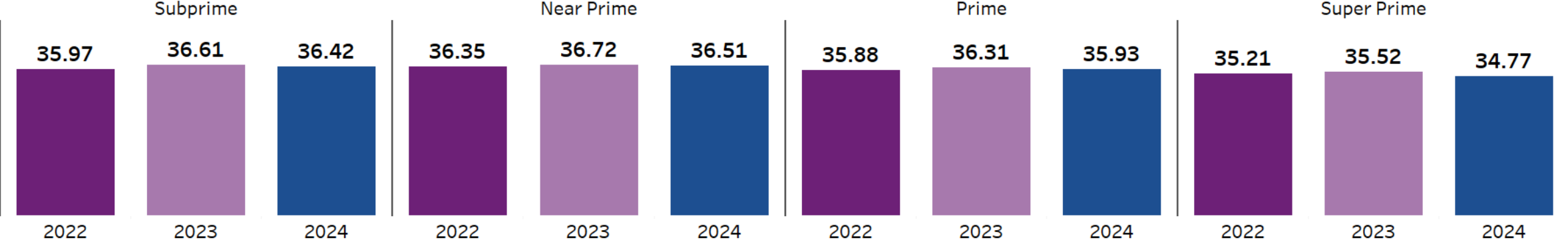


Lease payments and terms are down across all risk segments

Average lease payment by risk tier



Average lease term by risk tier

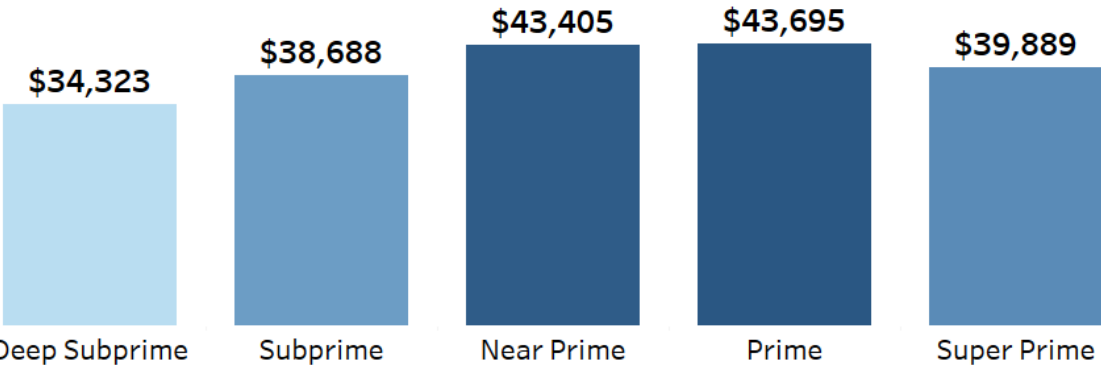


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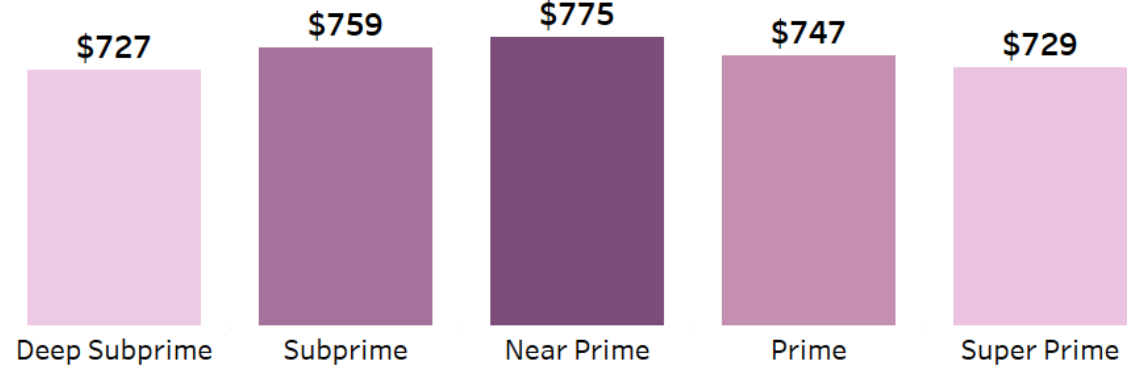


Loan amounts increase and payments are up for all but Super Prime

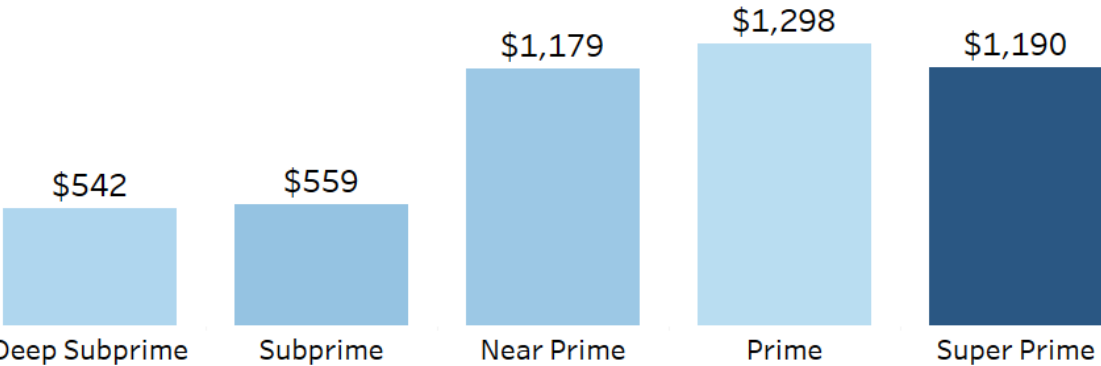
Average new loan amount financed by risk



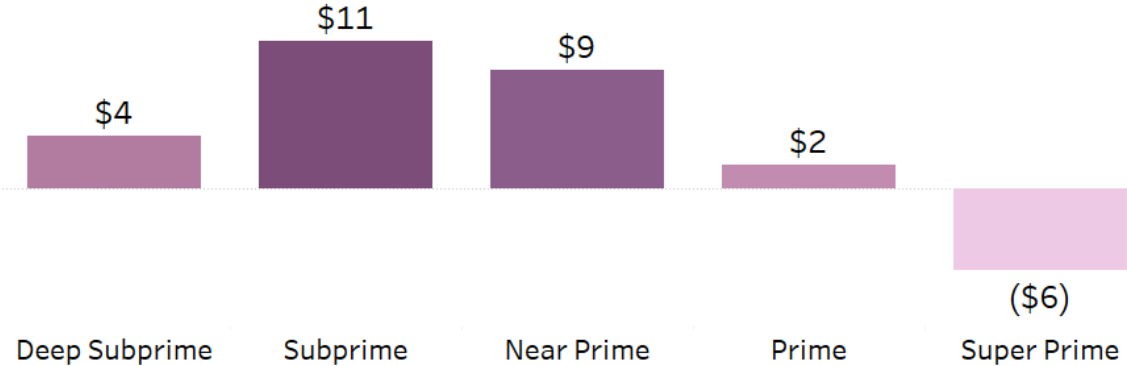
Average new loan monthly payment by risk



Year-over-year change in new loan amount



Year-over-year change in new monthly payment

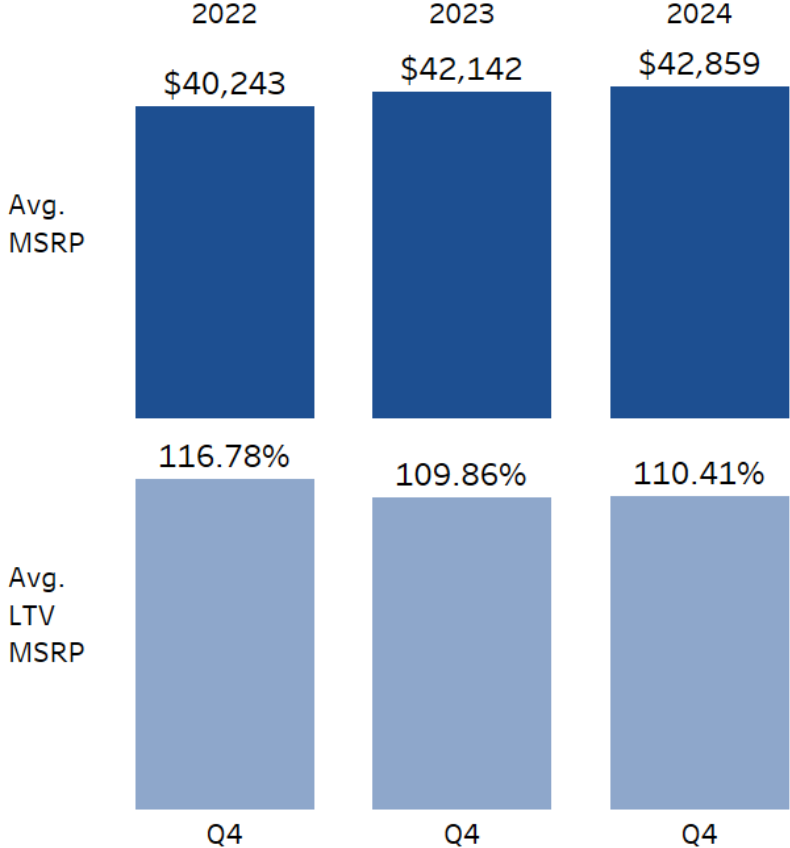


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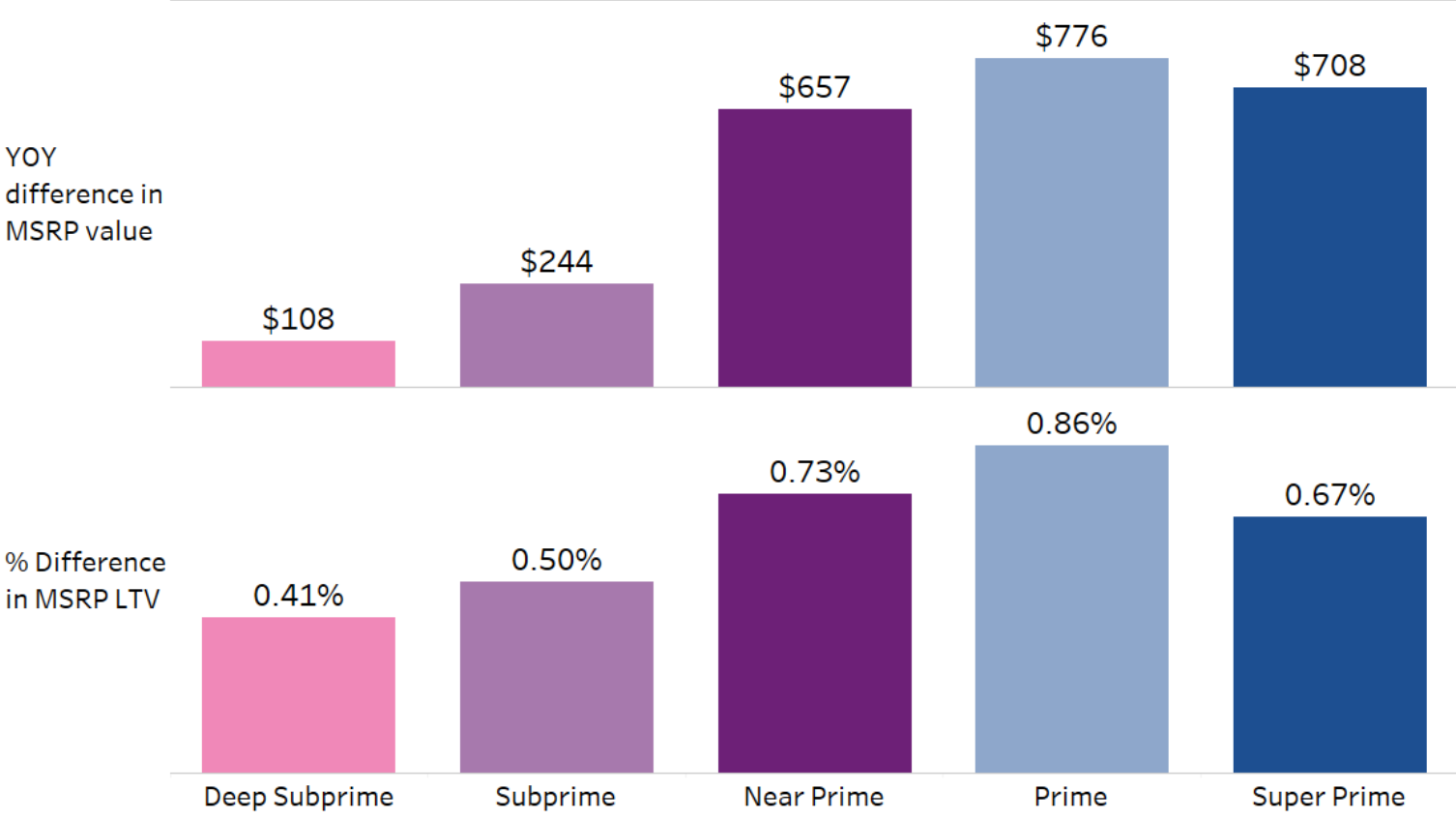


New values and LTVs rise year-over-year

Avg New Values

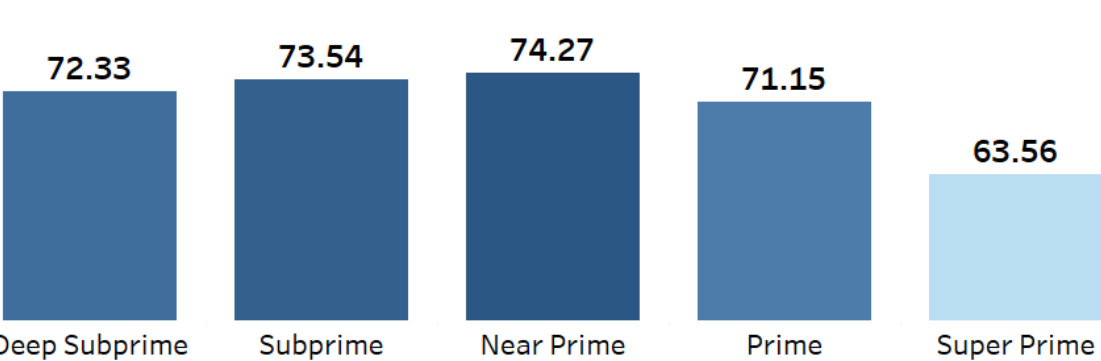


YOY change in new values

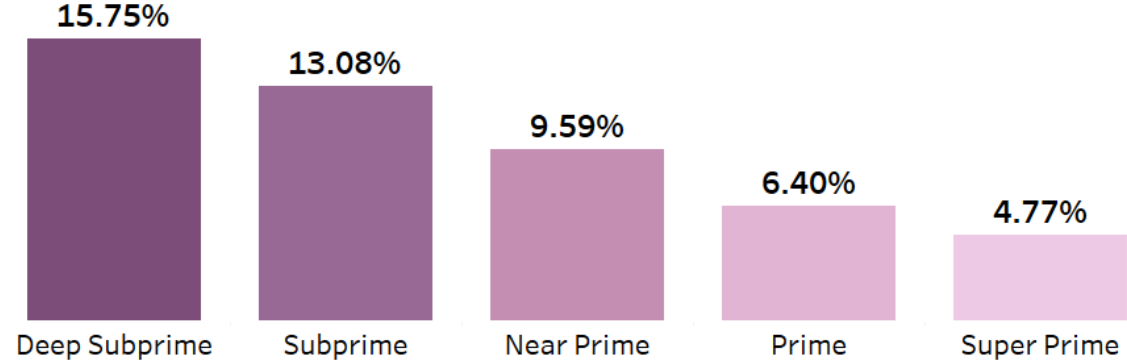


Terms increase across the market while rates decrease for all but Subprime

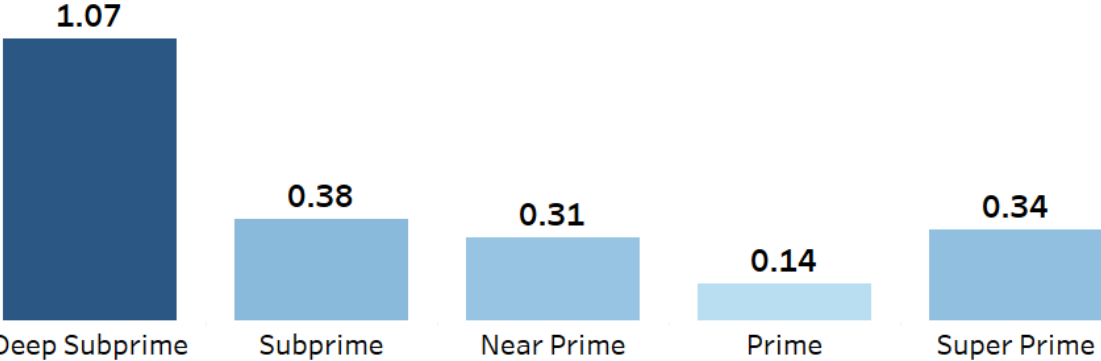
Average new loan term by risk



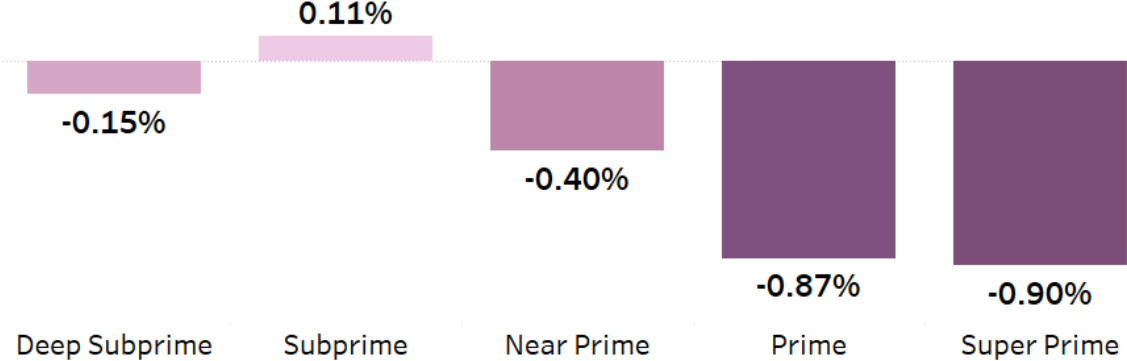
Average new loan rate by risk



Year-over-year change in new loan term



Year-over-year change in new rate

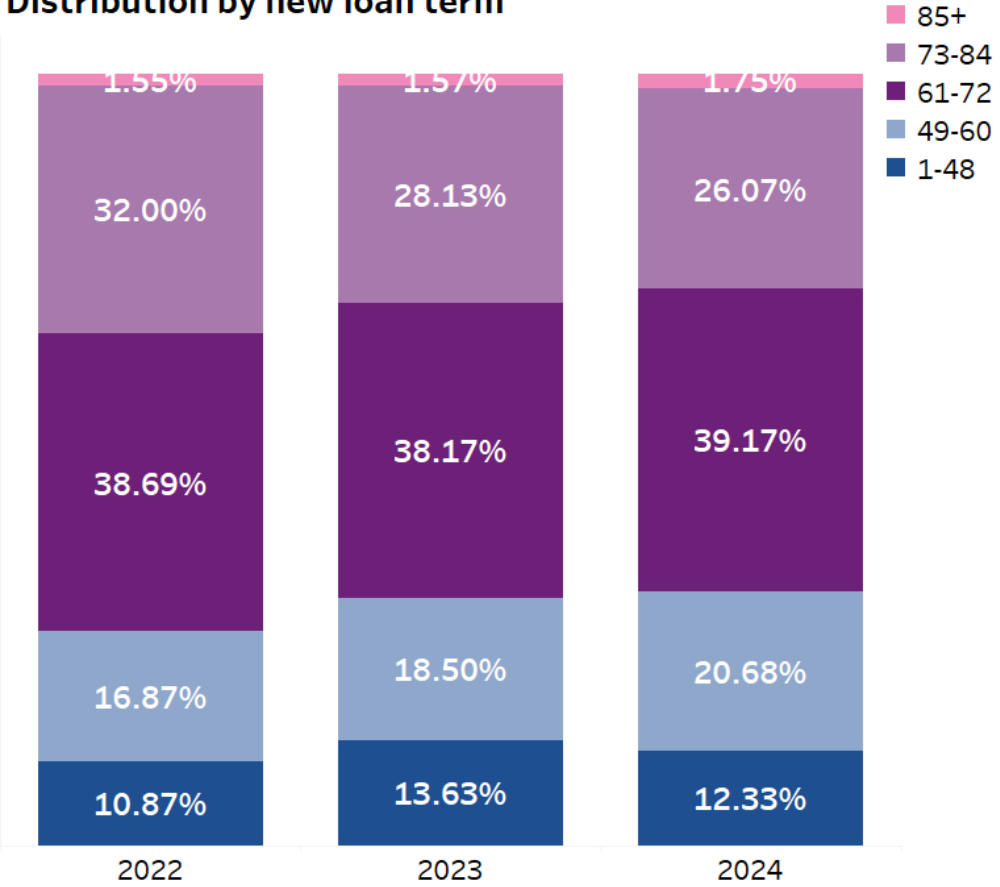


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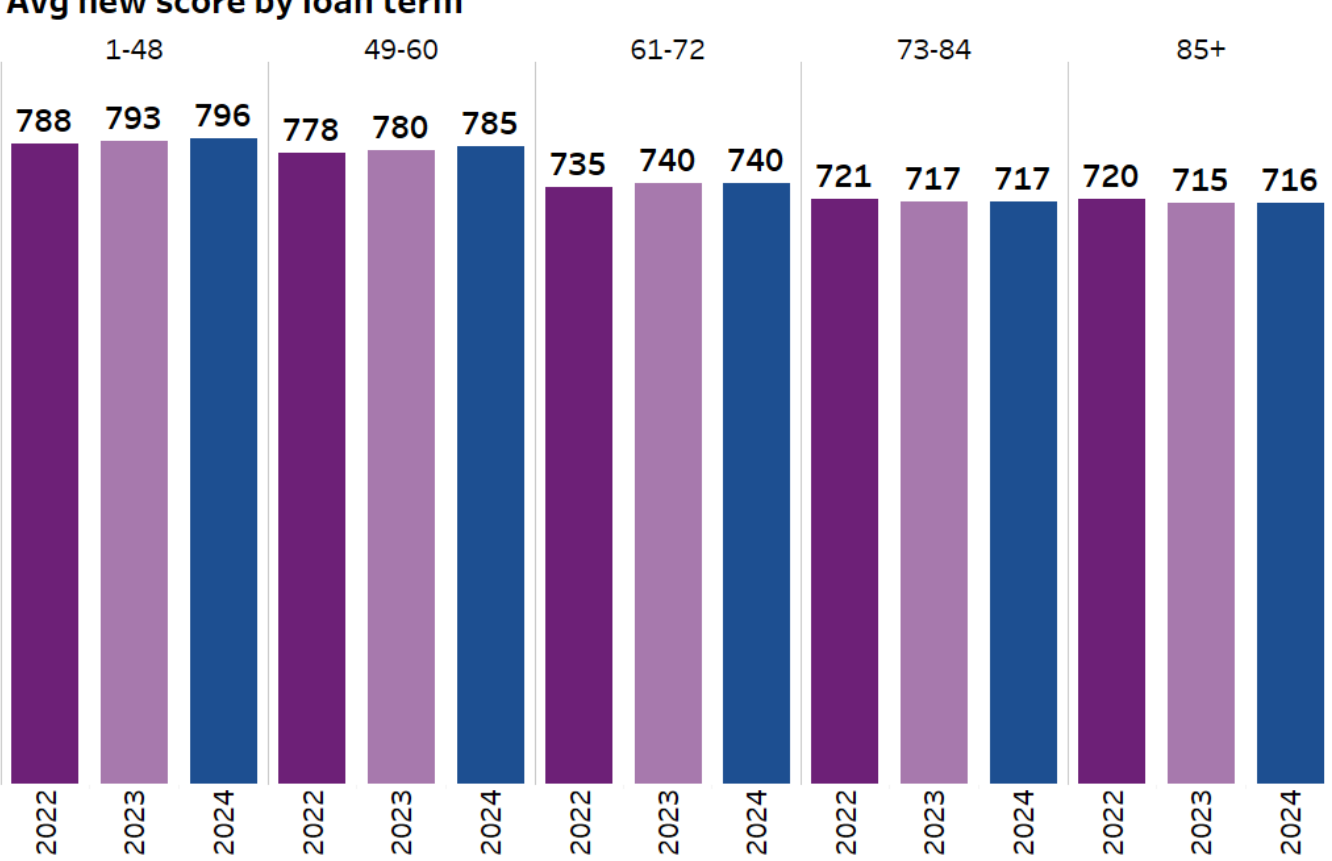


Growth occurring in 85+ and 49-72/month loans; scores increase for lower-term segments

Distribution by new loan term

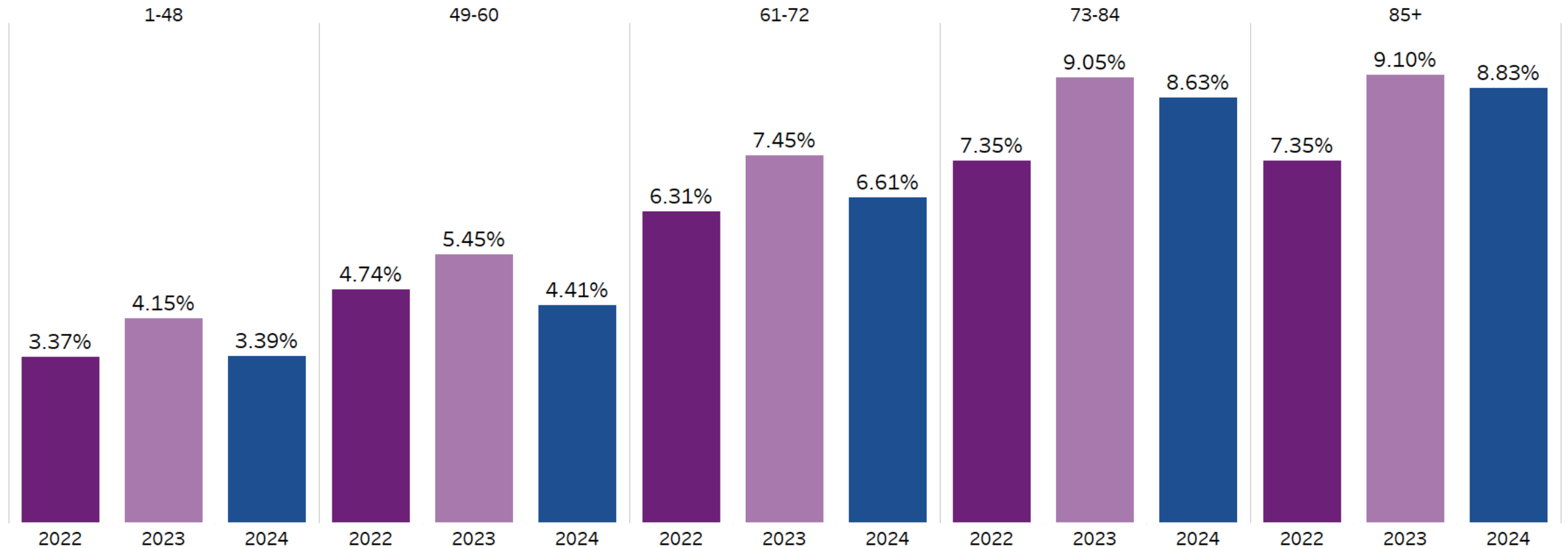



Avg new score by loan term



Rates decrease across all term bands; incentives drive down the shorter-term loans

Avg new loan rate by term



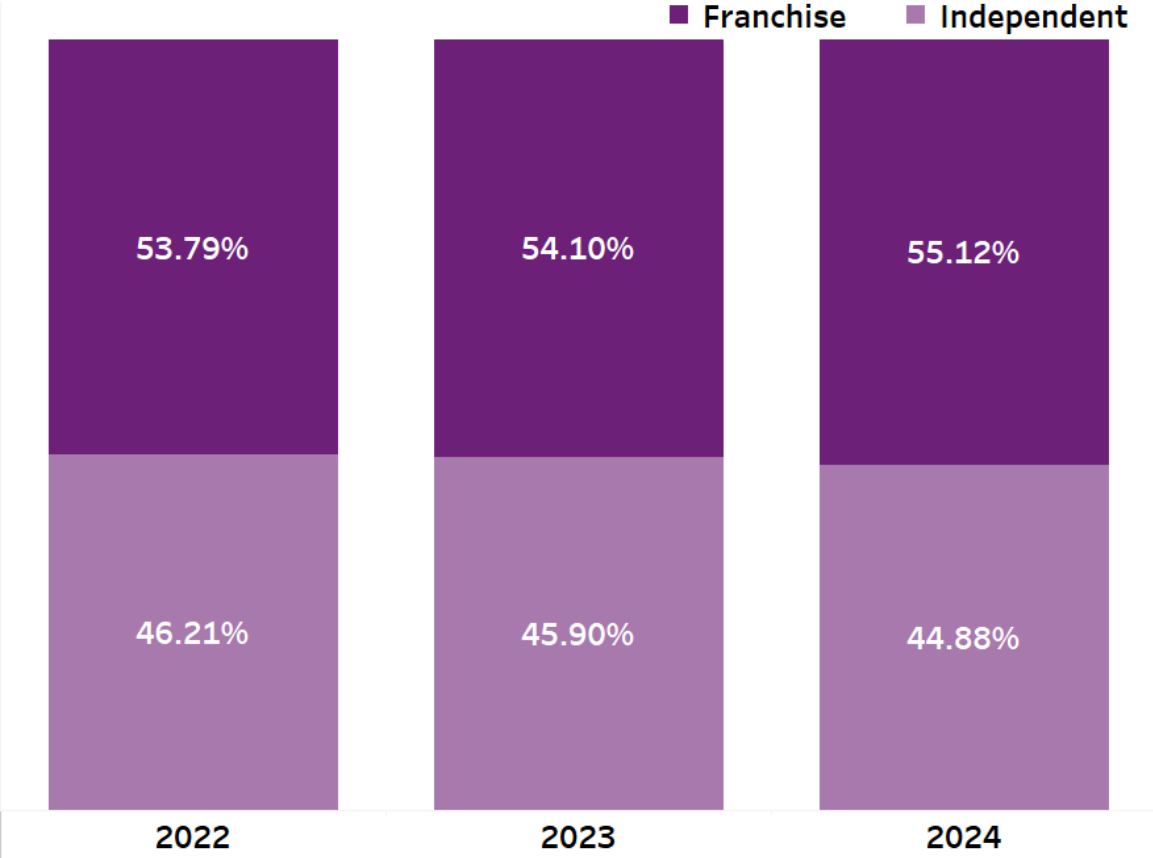


Q4 2024 Used financing

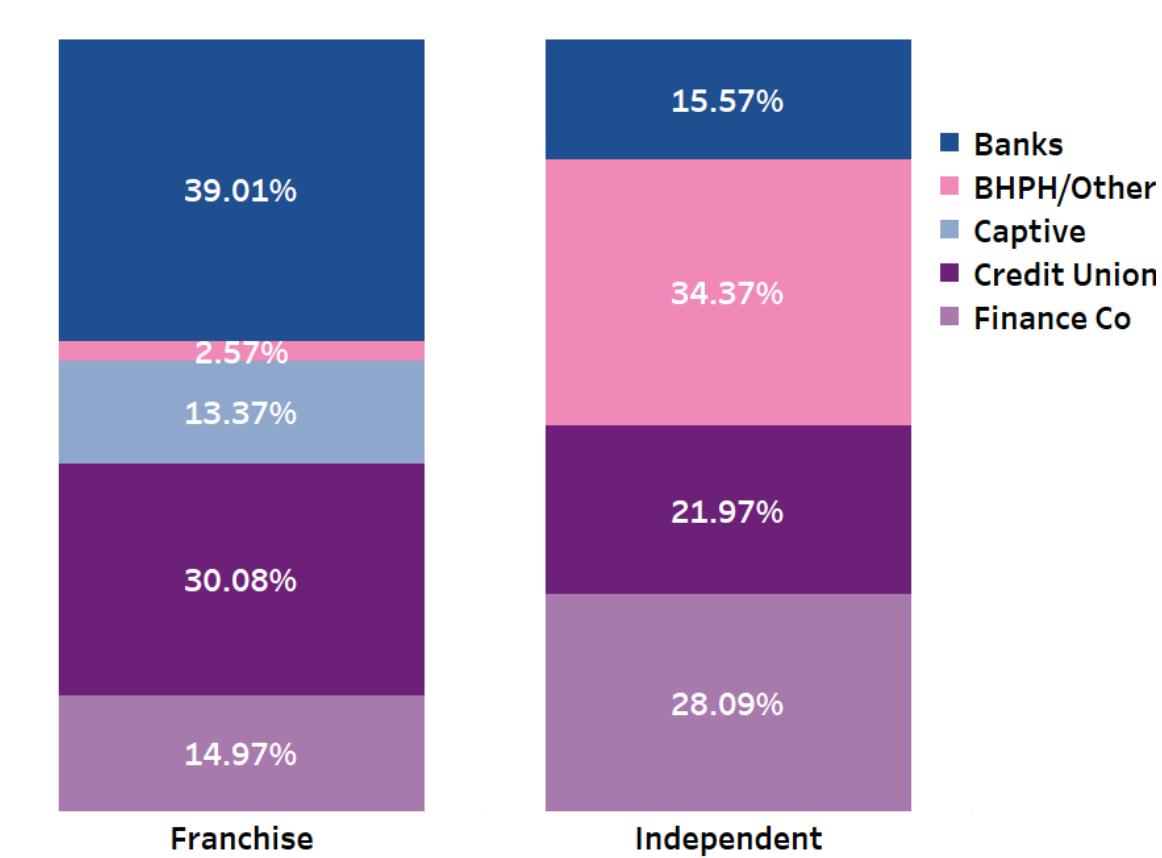
A look at used automotive loan trends

Dealer type snapshot: Independent Dealers decrease share of used purchases

Used transactions by Dealer type

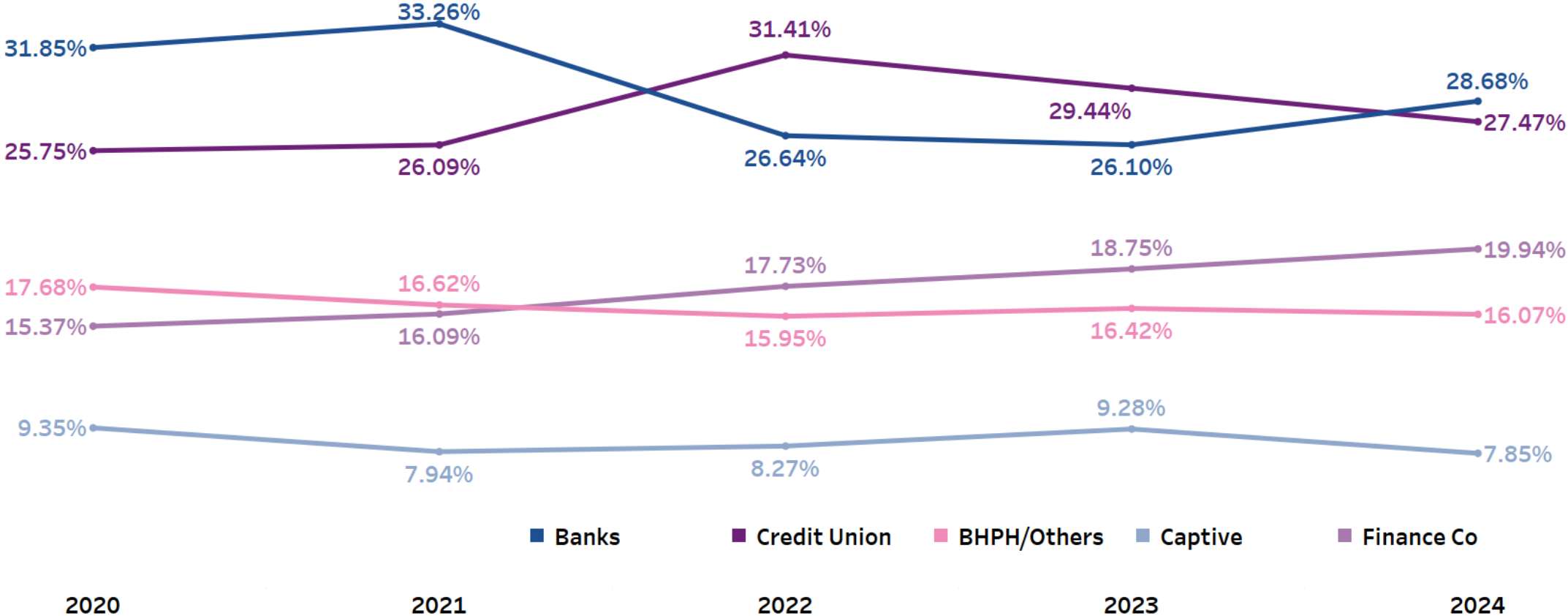


Used loans by lender type and Dealer

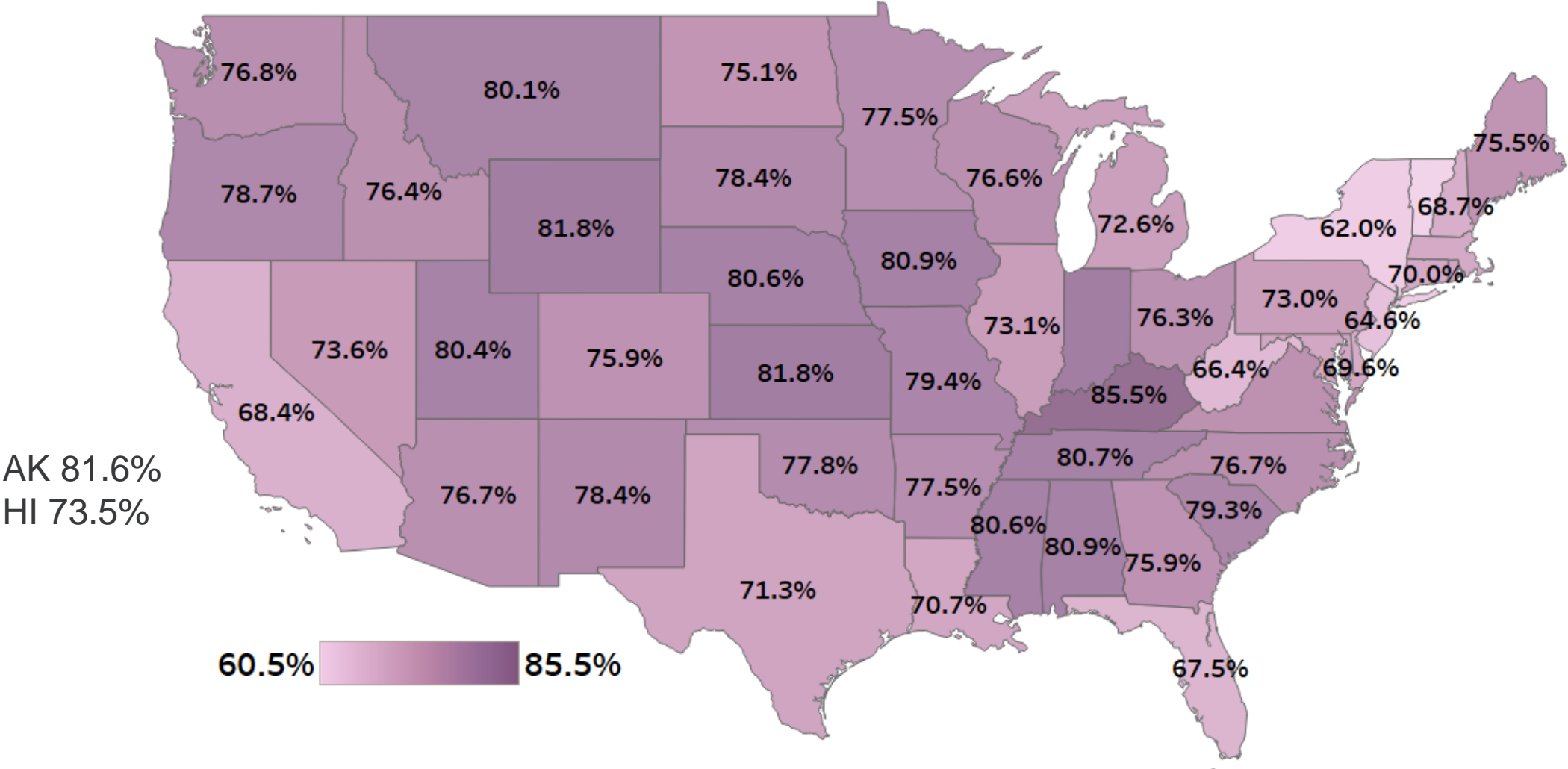


Banks return as largest lender type for used loans

Used loan market share by lender type

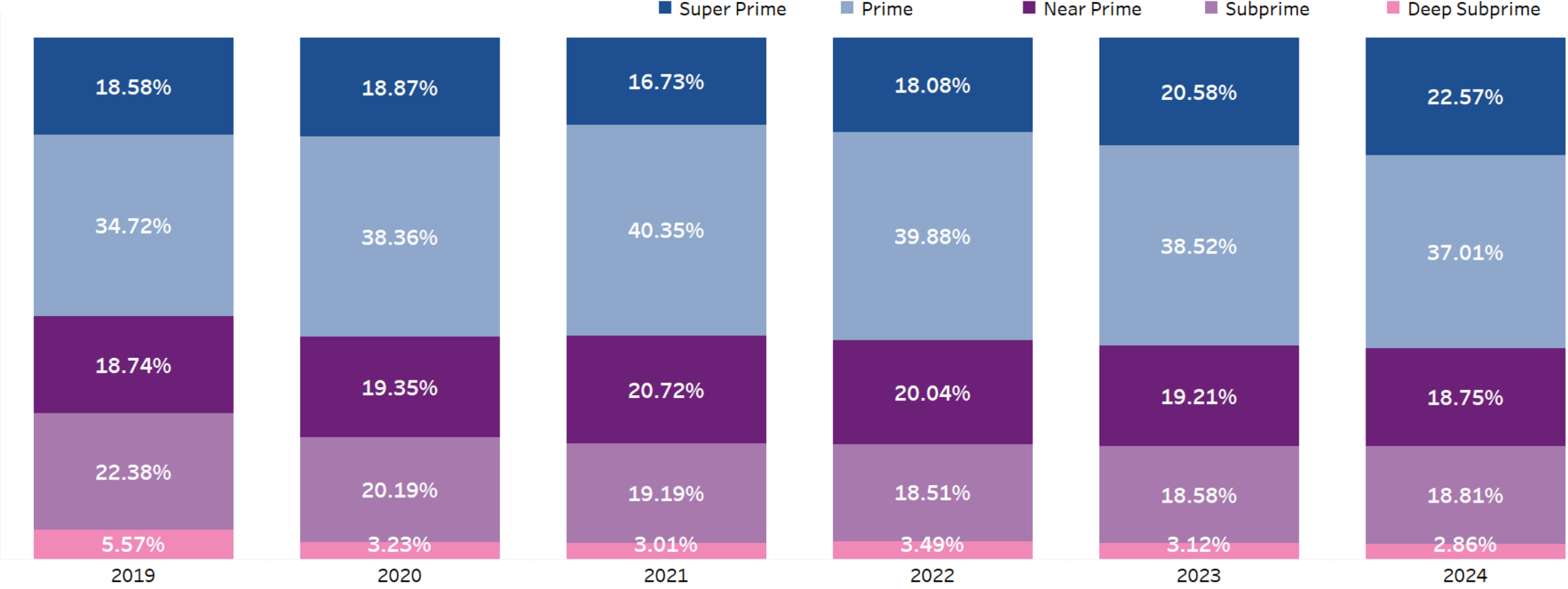


Kentucky has the largest share of their purchases as used vehicles; Vermont the lowest



Used lending sees growth in Subprime and Super Prime

Used loan risk distribution

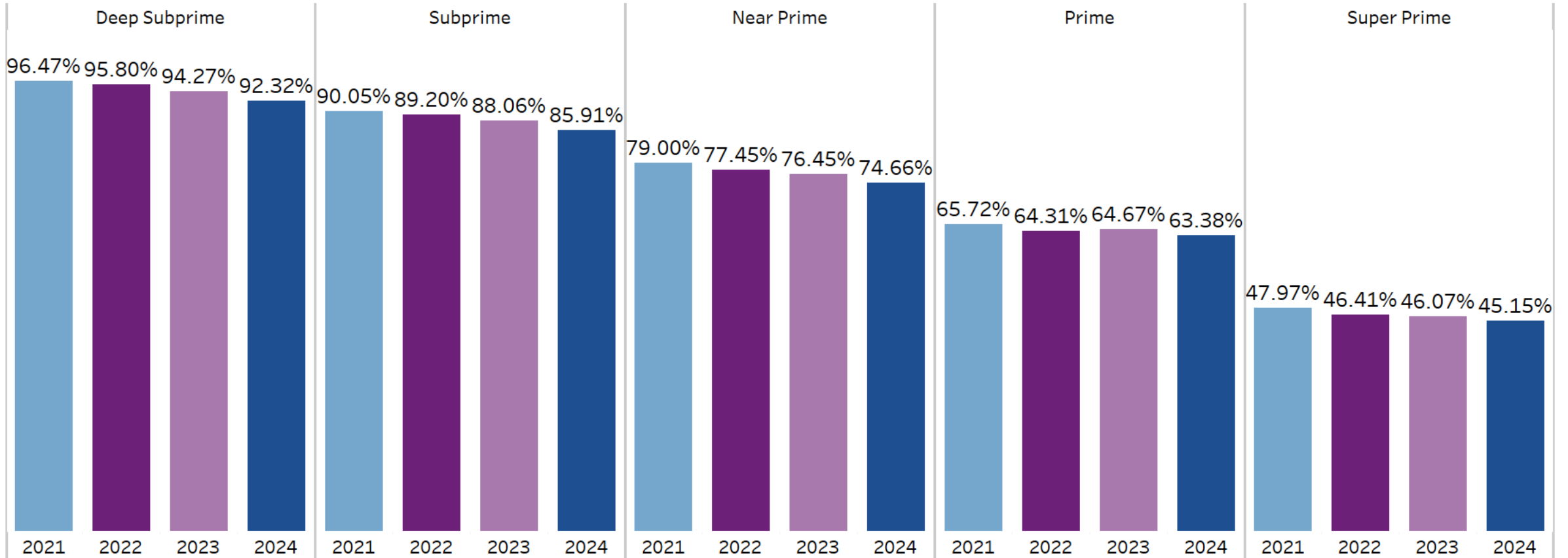


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All risk segments see decreases in financing used vehicles

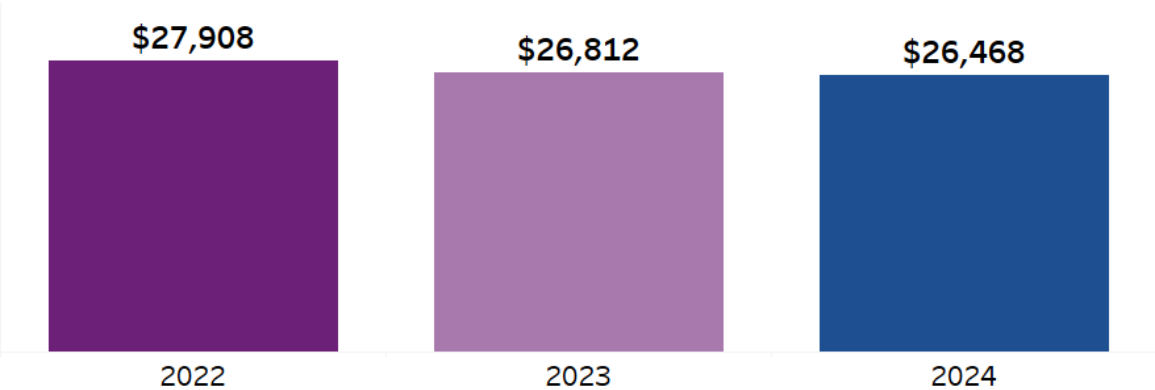
Consumers choosing used vehicles



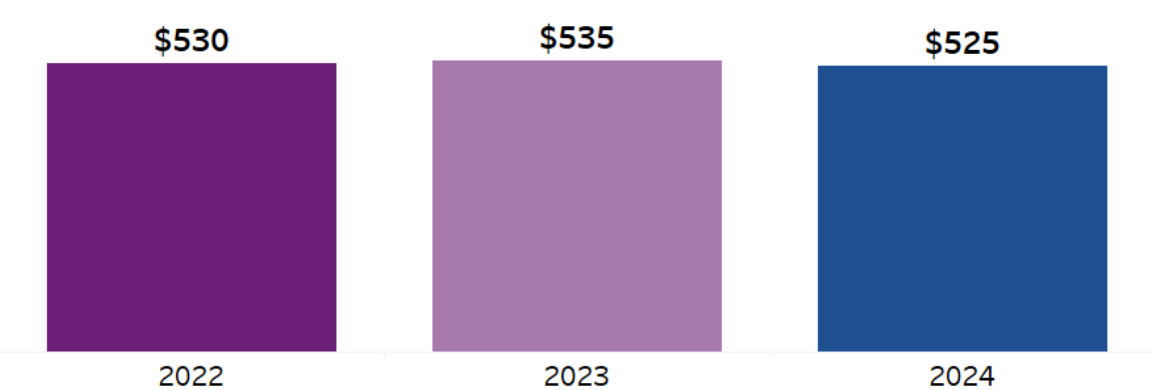
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Used attributes decrease year-over-year

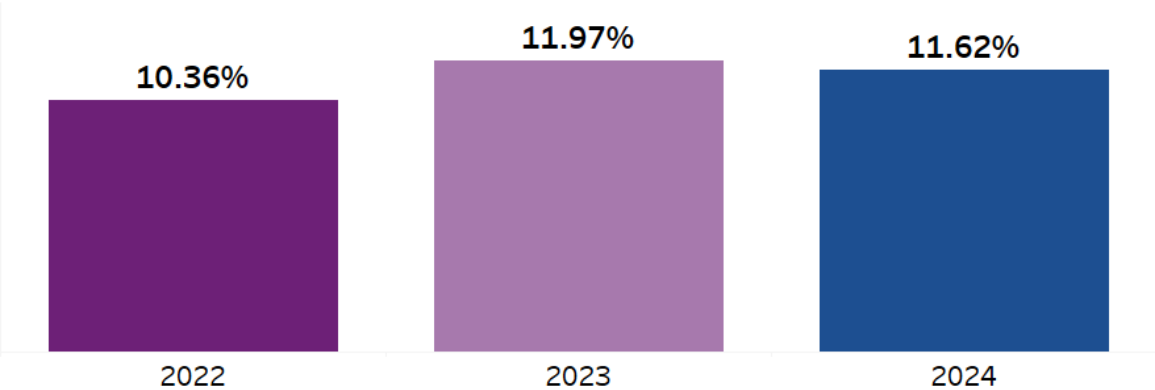
Average used amount financed



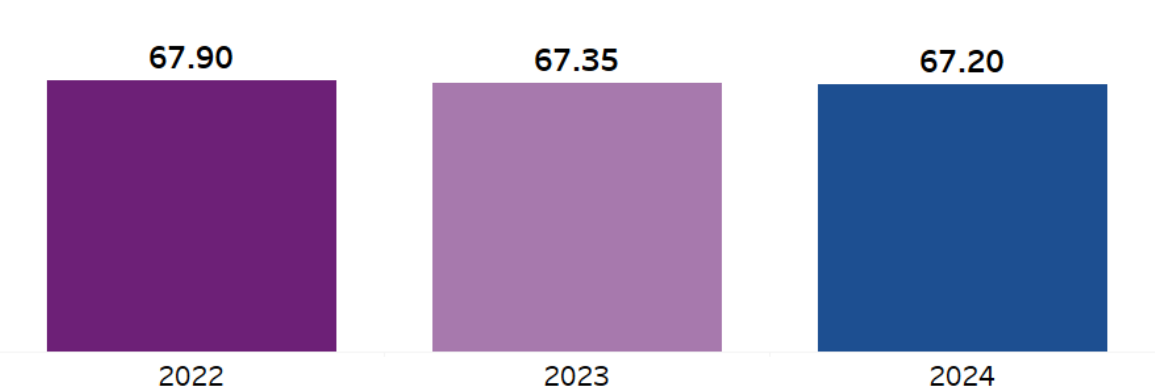
Average used monthly payment



Average used loan rate

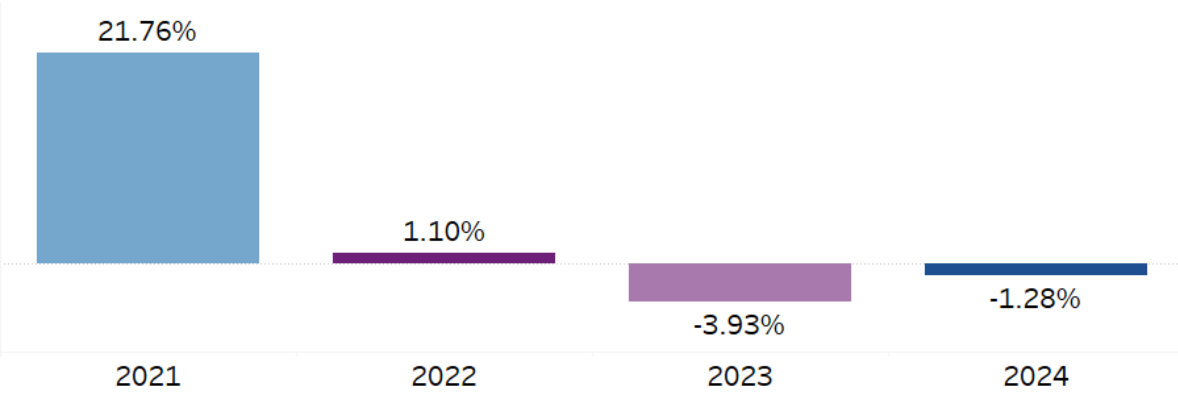


Average used loan term

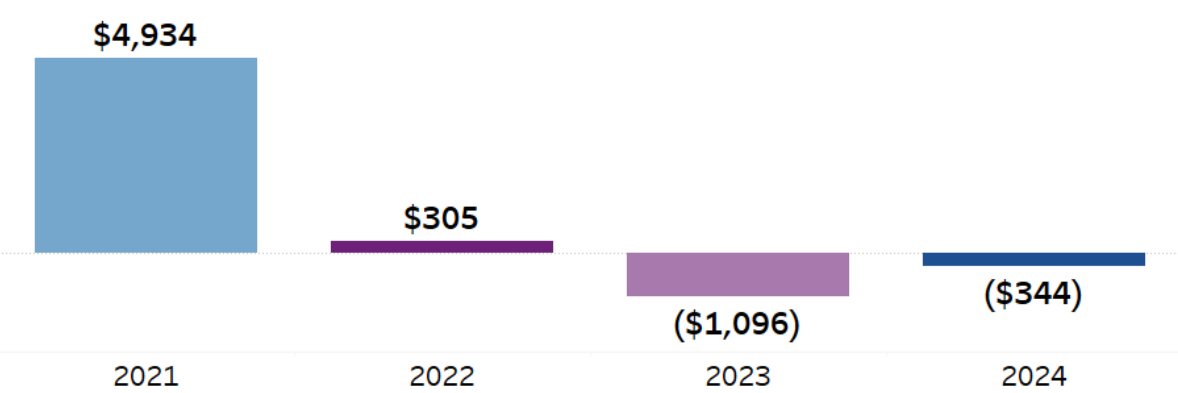


Loan amounts down year-over-year with a slight increase QOQ

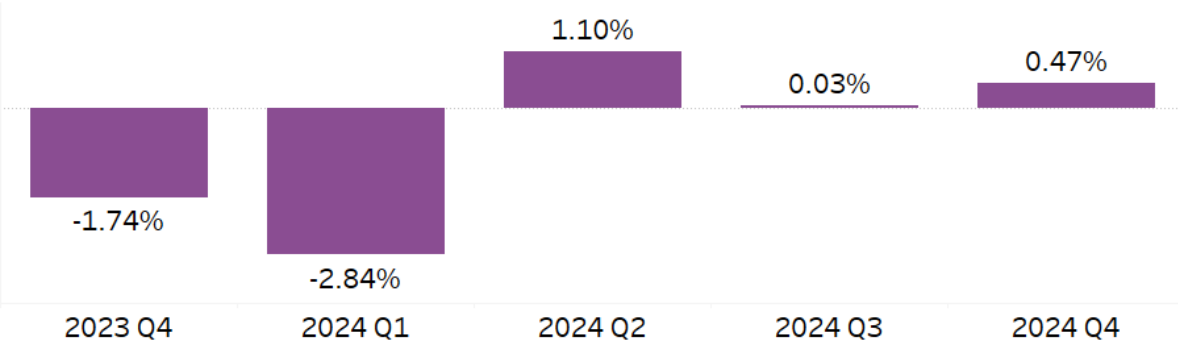
YOY growth in average used loan amount



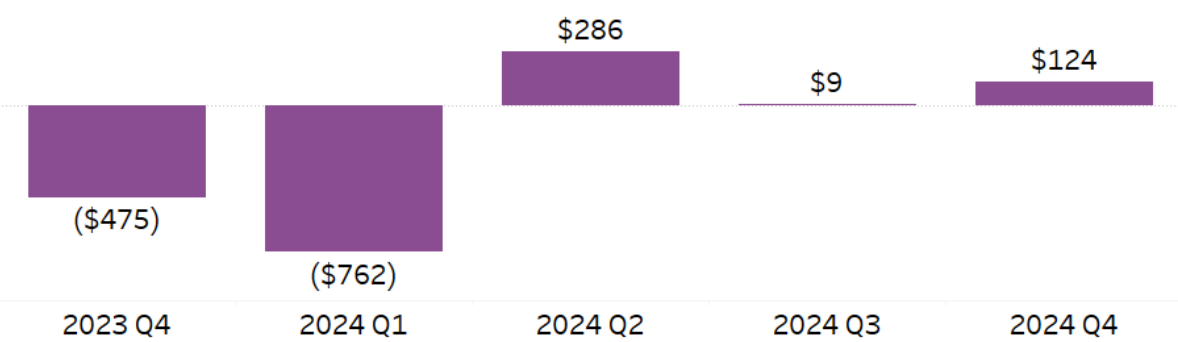
YOY \$ difference in average used loan amount



QOQ growth in average used loan amount

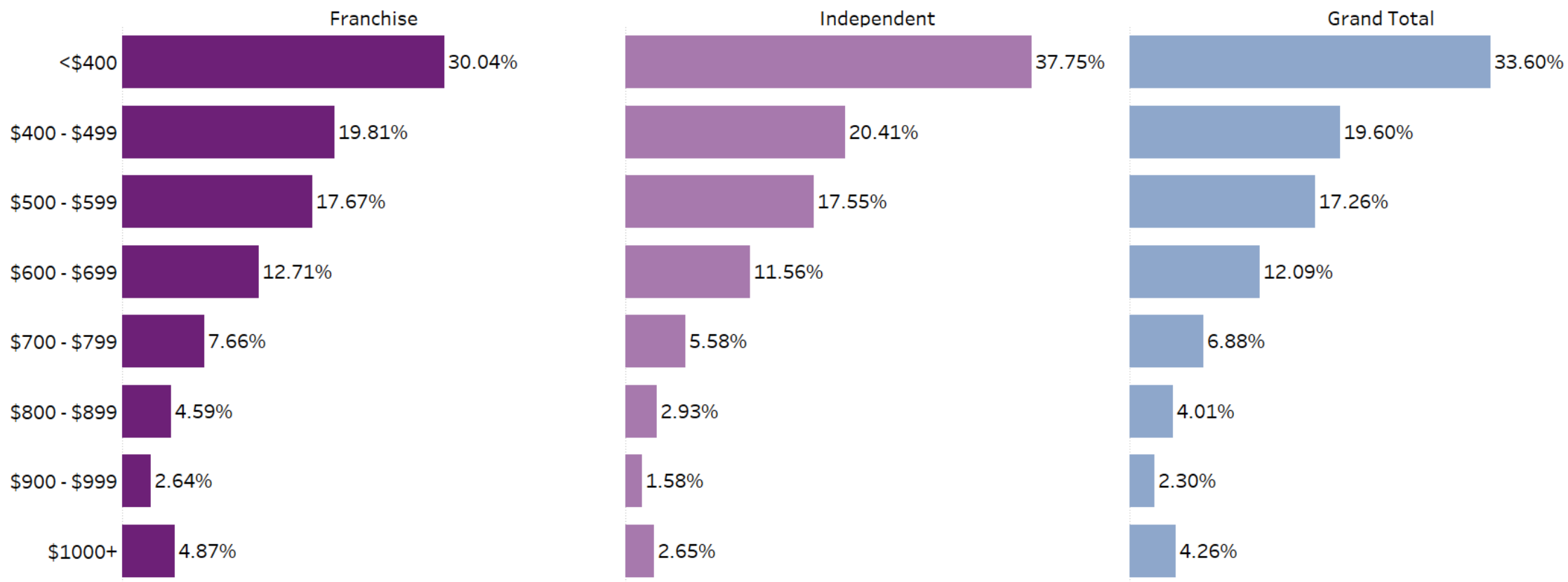


QOQ difference in average used loan amount



Across all used loans* 33.6% are under \$400

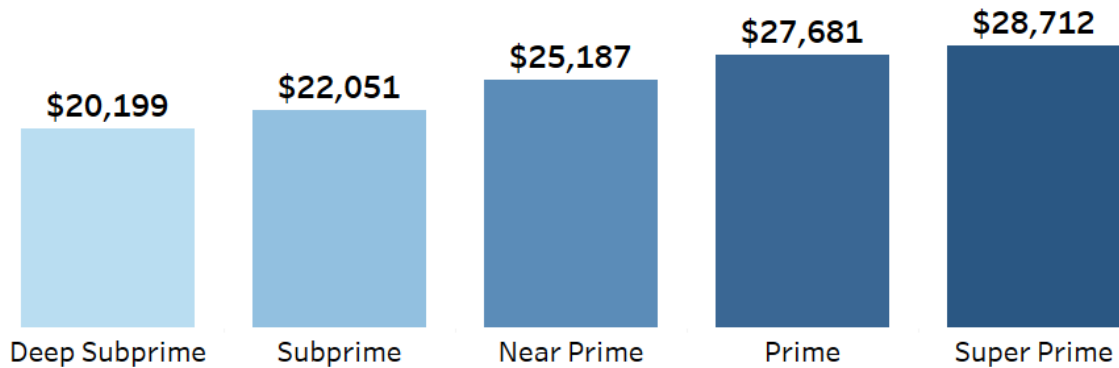
Used loan monthly payment distribution



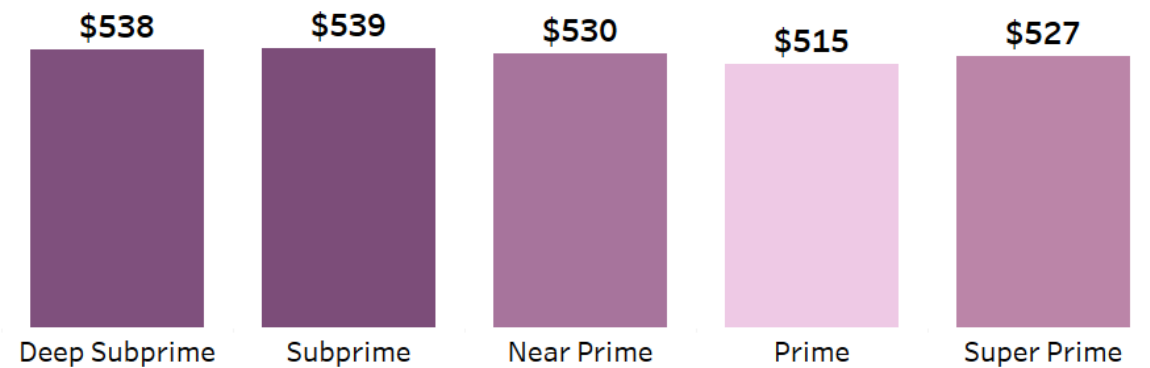
*All used loans include private-party and unknown dealer

Loan amounts increase for Super Prime and Deep Subprime; payments are down for all but Deep Subprime

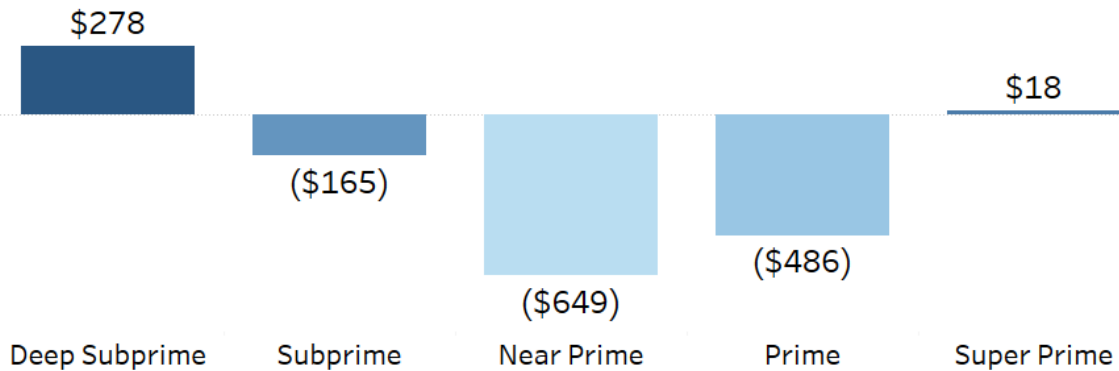
Average loan amount financed by risk



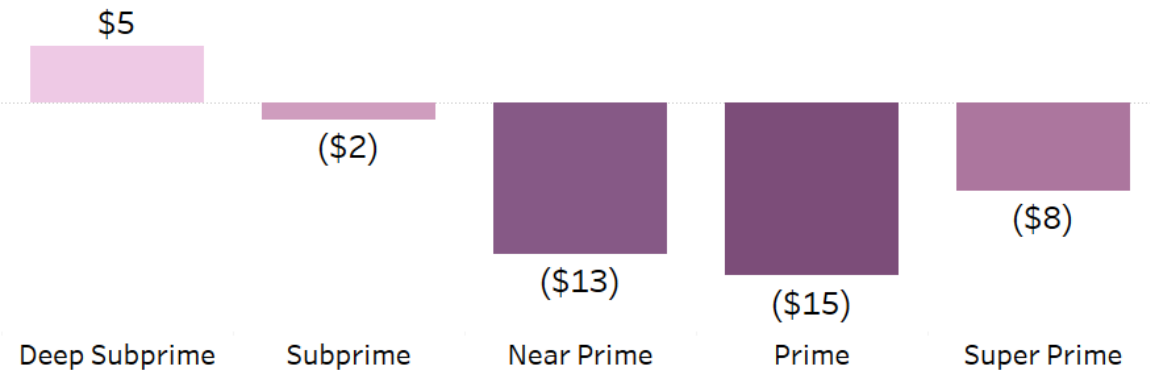
Average used loan monthly payment by risk



Year-over-year change in used loan amount



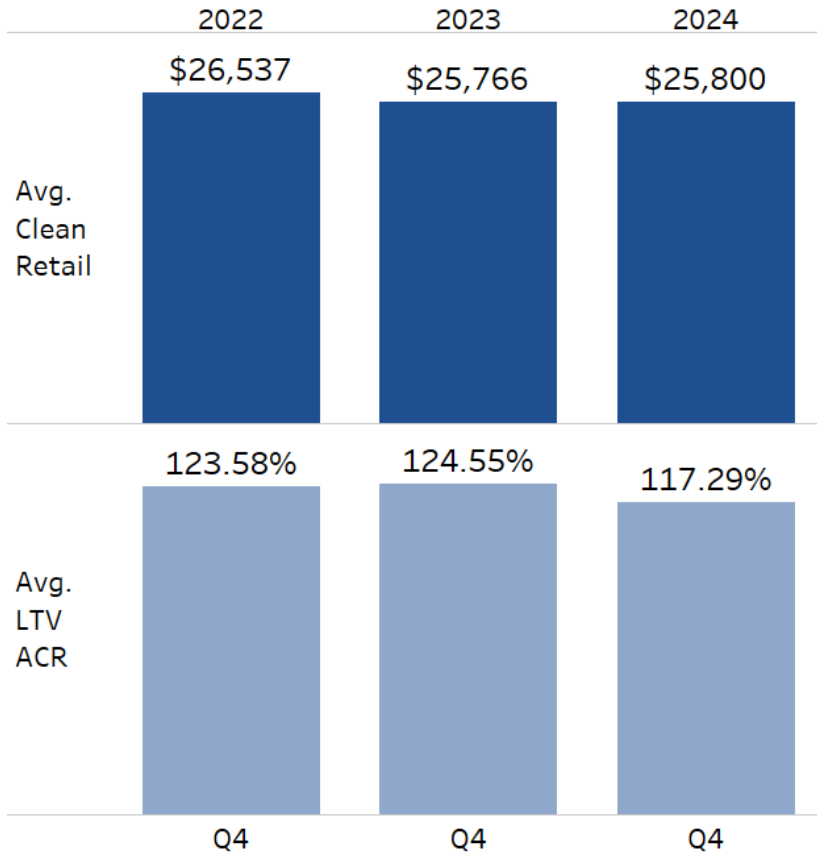
Year-over-year change in used monthly payment



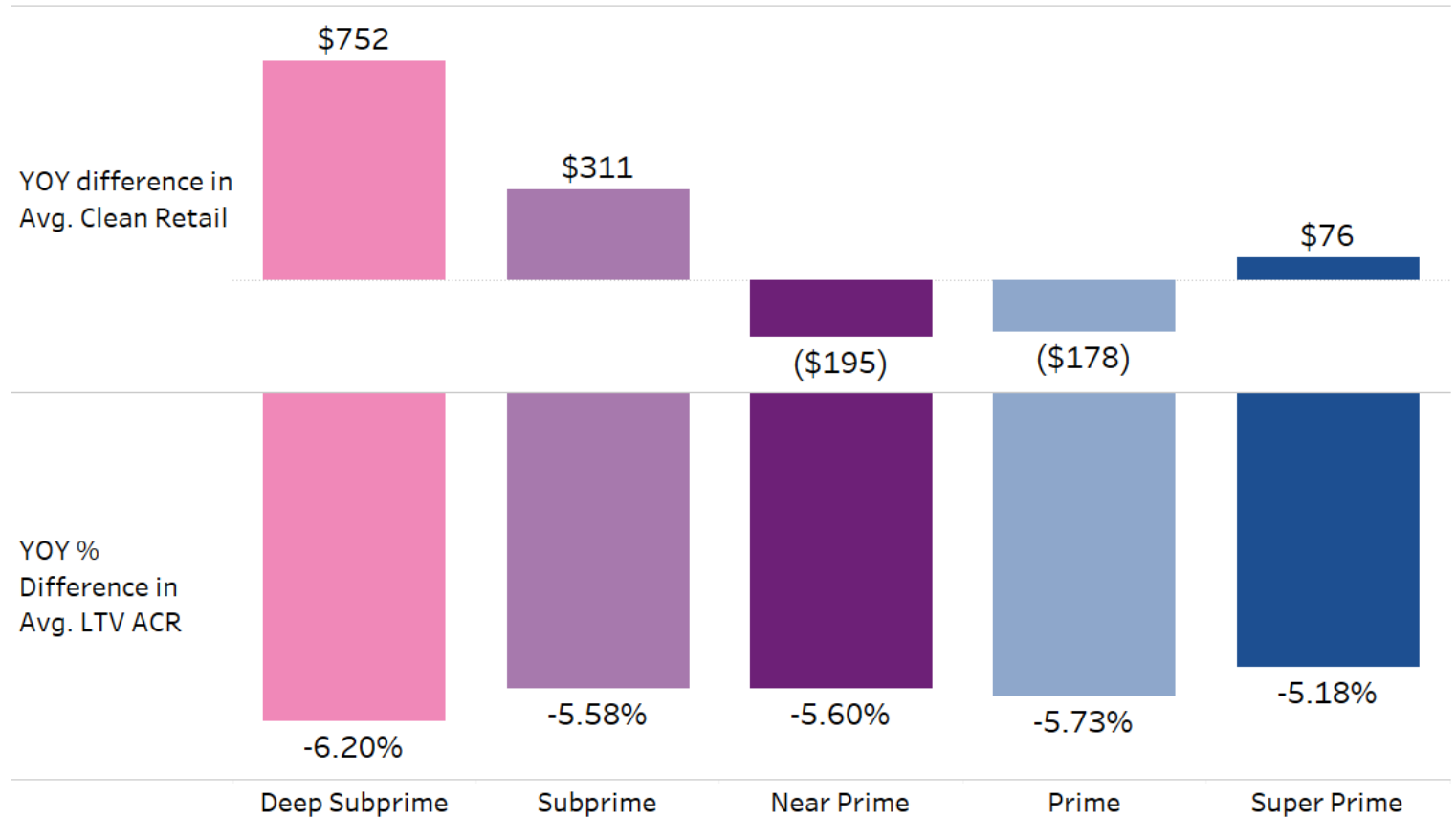
VantageScore® 4.0

Used values increase for all but Near Prime and Prime; LTVs are down for all risk segments

Avg Used Values

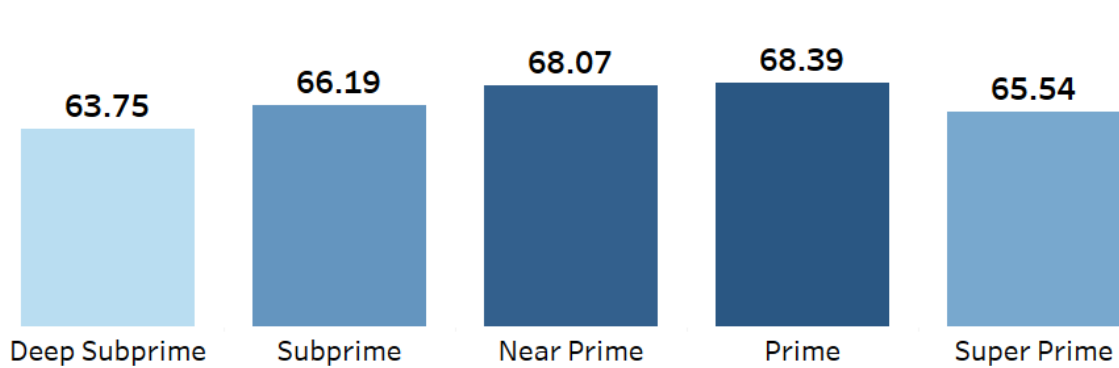


YOY change in used values

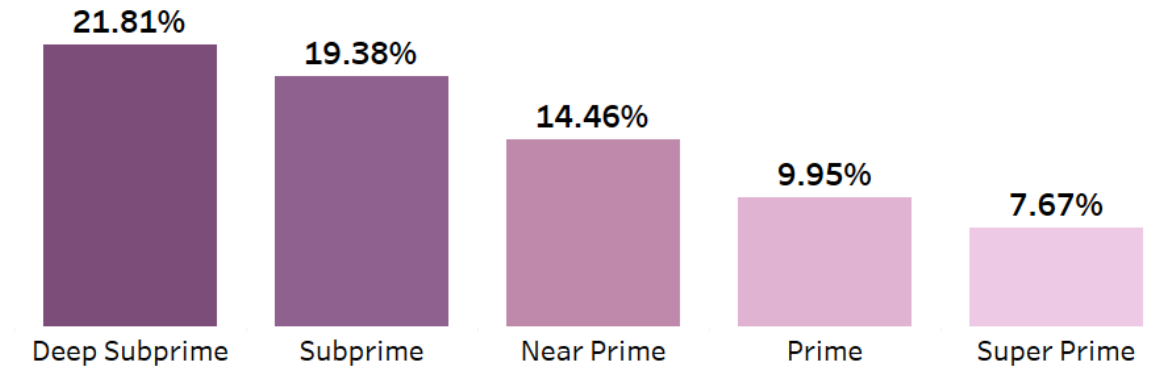


Terms increase for Subprime and Deep Subprime; rates increase outside of Prime segments

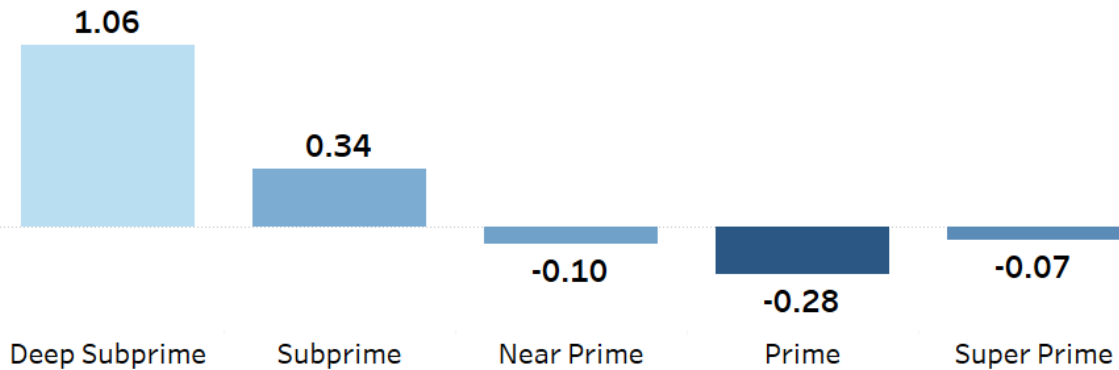
Average used loan term by risk



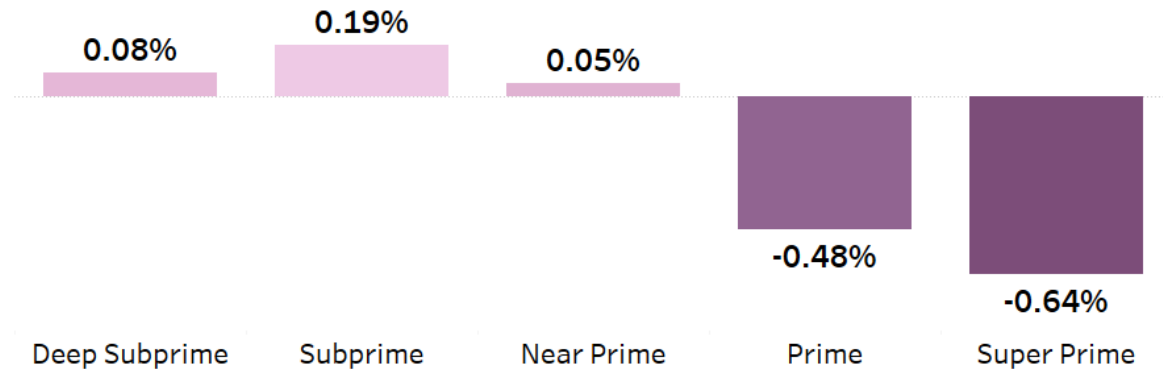
Average used loan rate by risk



Year-over-year change in used loan term



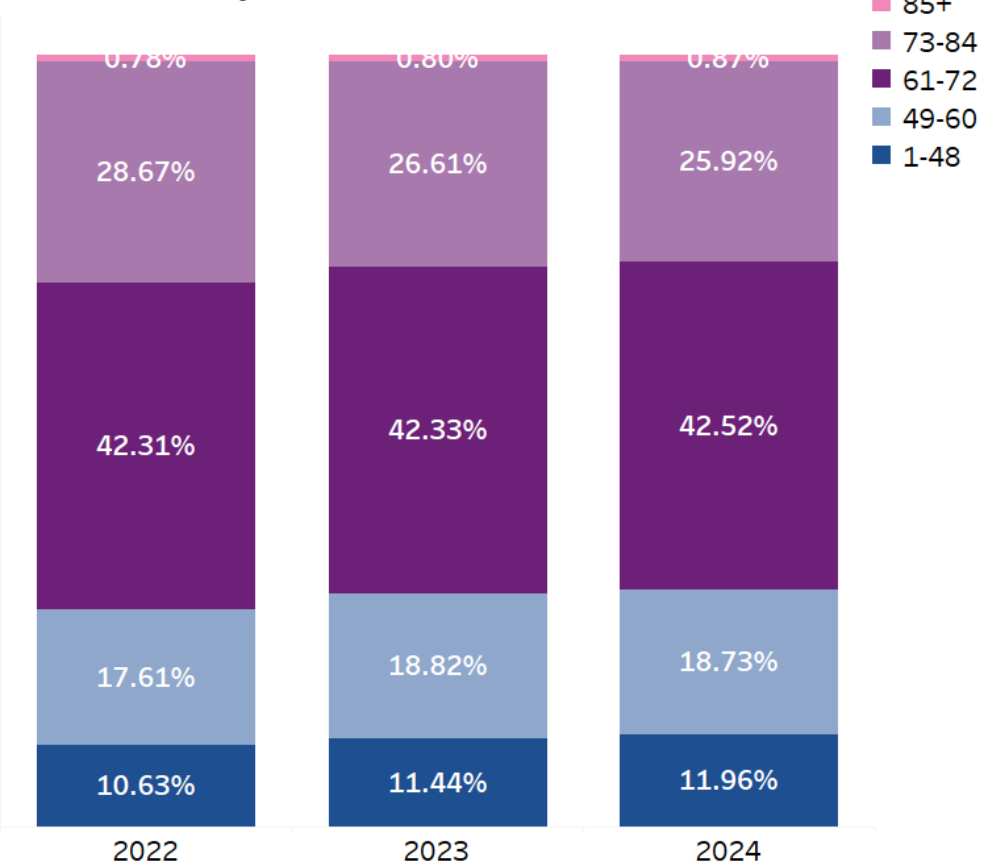
Year-over-year change in used rate



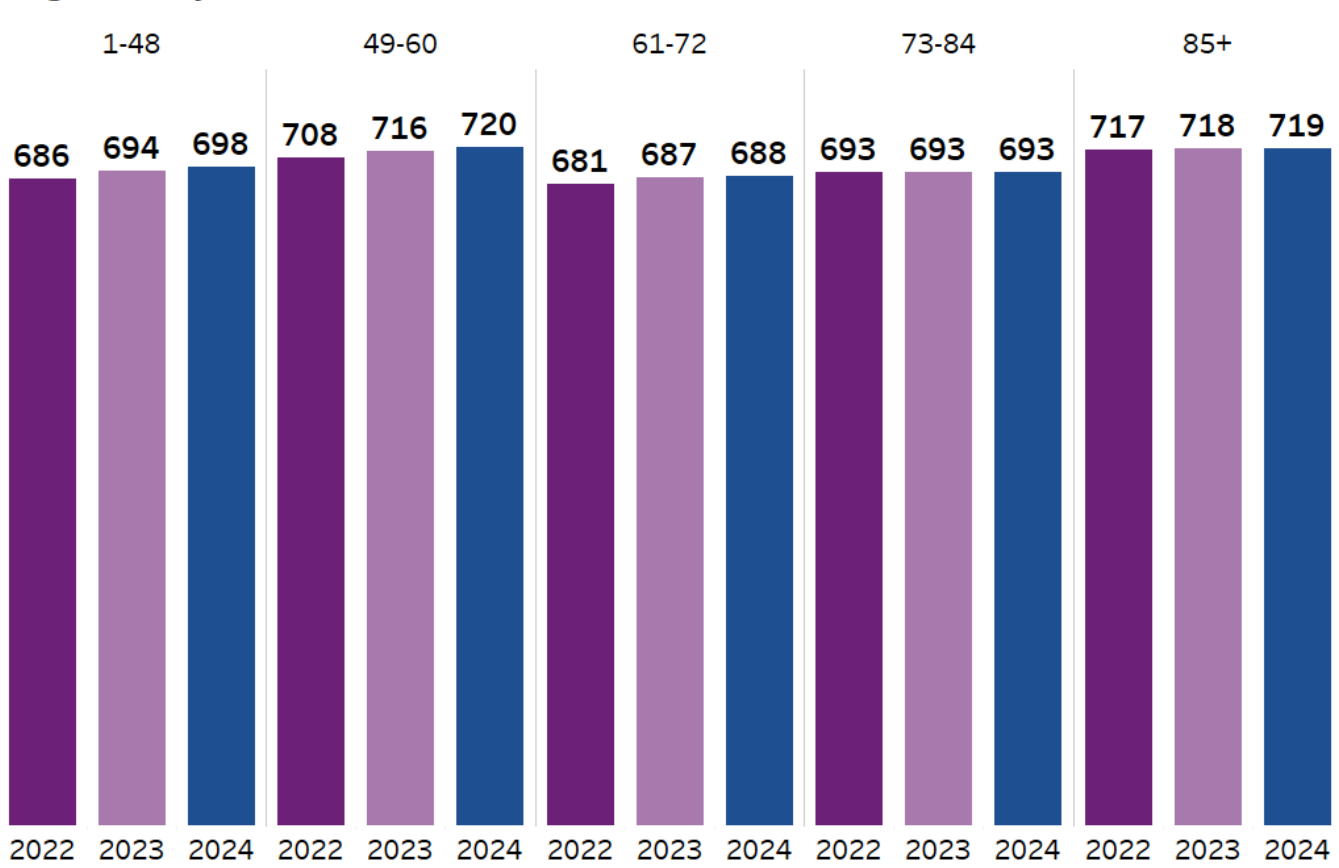
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Nearly 70% of used terms are 72+ months with scores increasing across most terms

Distribution by used loan term

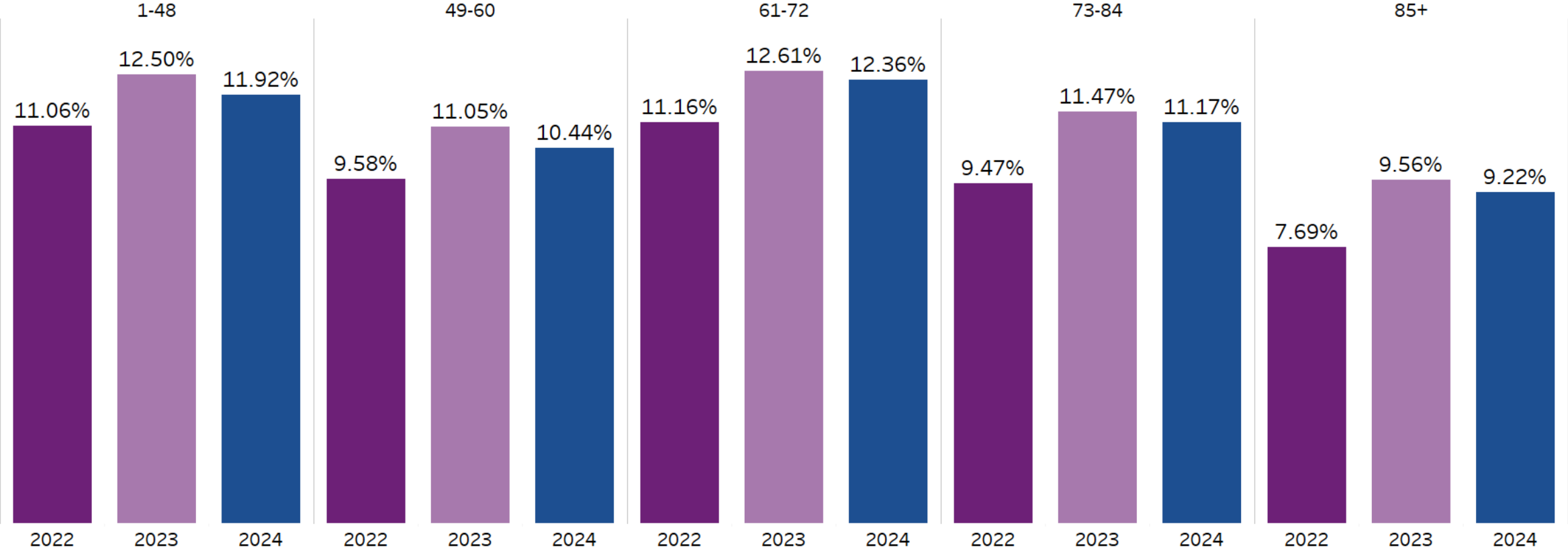


Avg score by used loan term



Rates decrease across all terms

Avg used rate by loan term



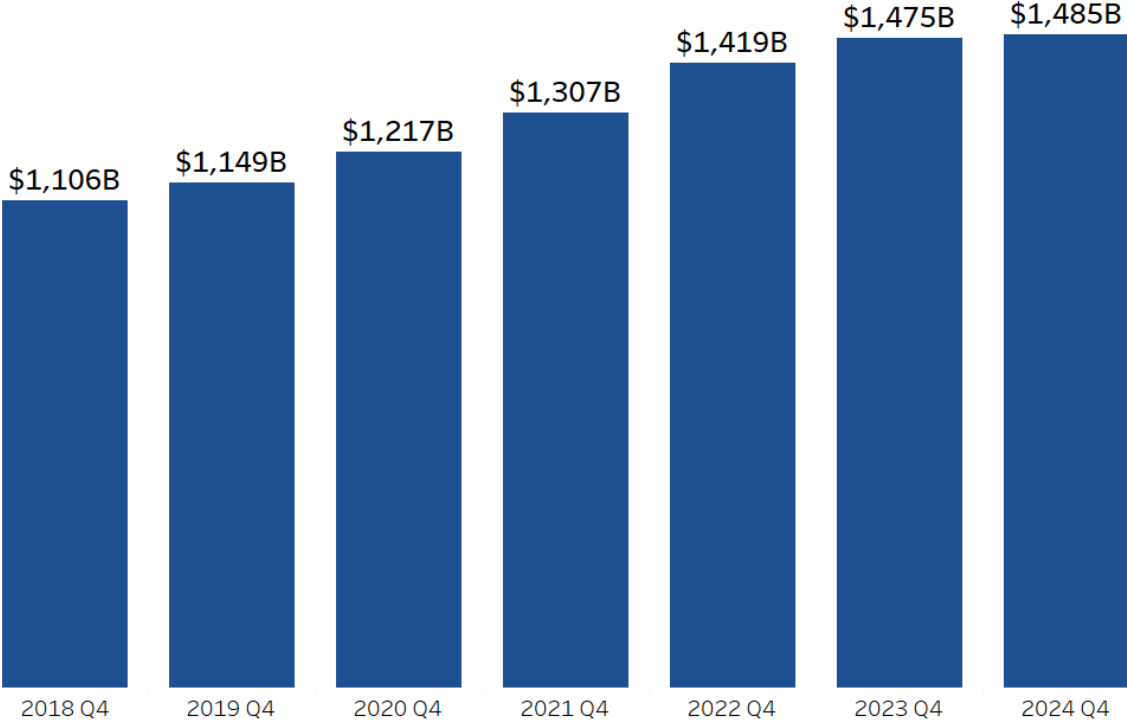


Q4 2024 Market overview

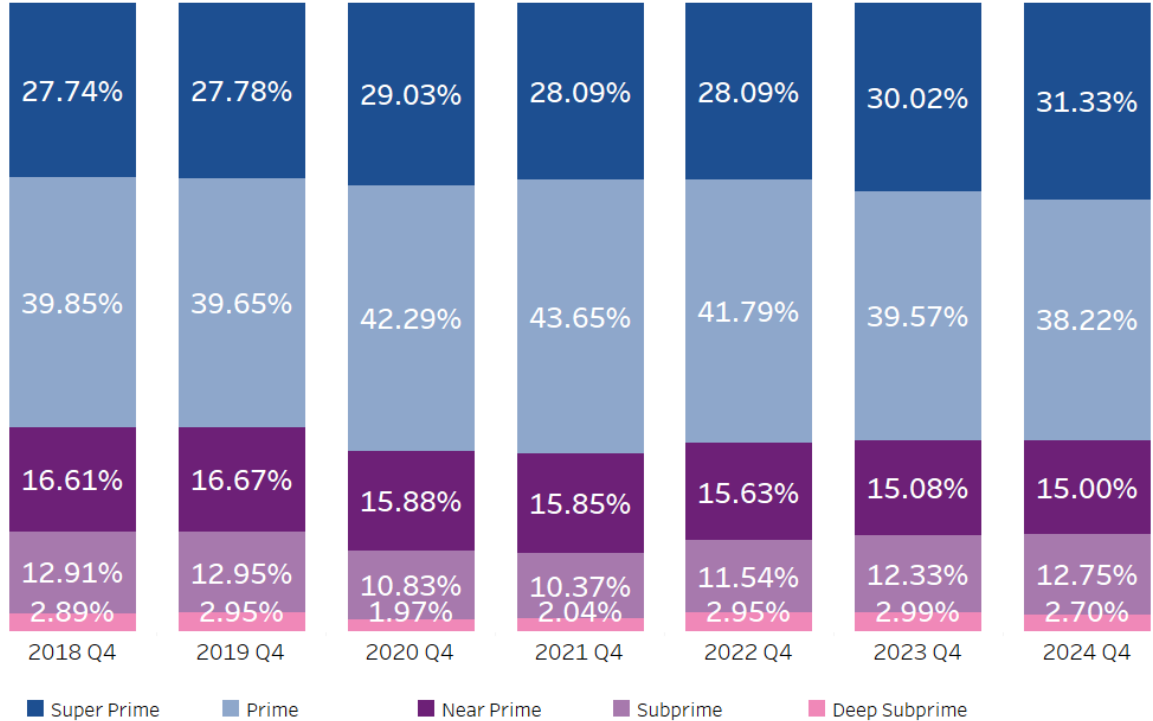
Balances and delinquency on all open auto loans & leases

Balance growth of less than 1% YOY; growth occurring in Subprime and Super Prime

Outstanding Automotive Loan Balance



Risk Distribution of Outstanding Auto Loan Balance

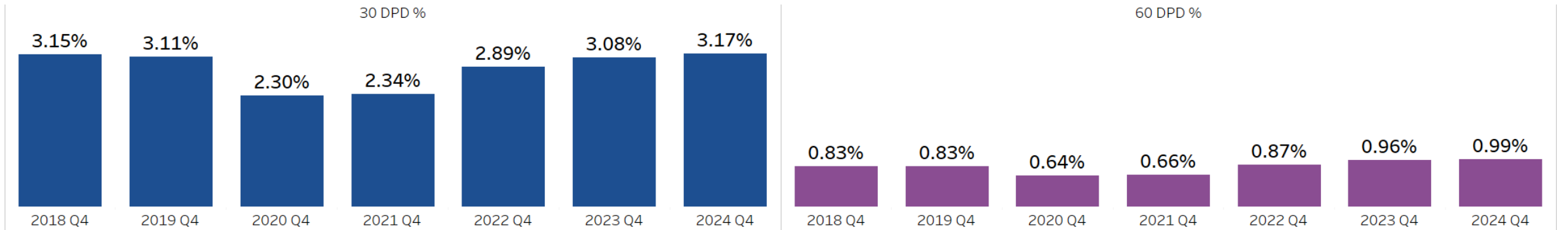


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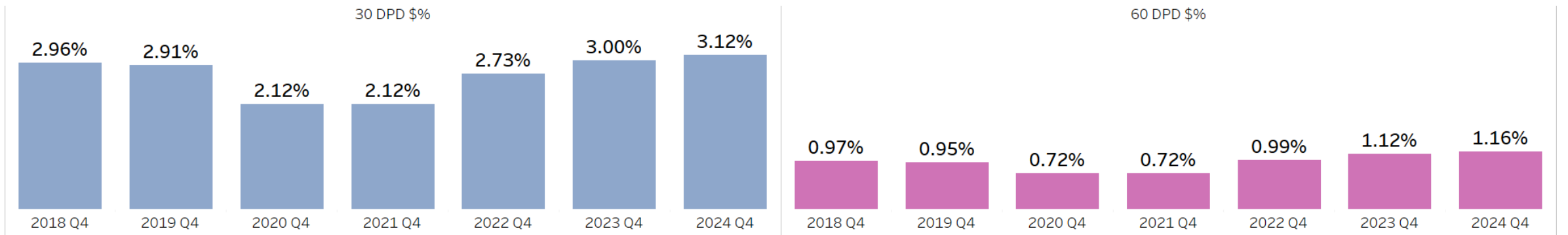


30-day delinquent balances are up 12bps; 60-day up 4bps

Delinquency: percentage of auto loans and leases past due



Delinquency: percentage of auto loans balances past due



Delinquency by vehicle and fuel-type

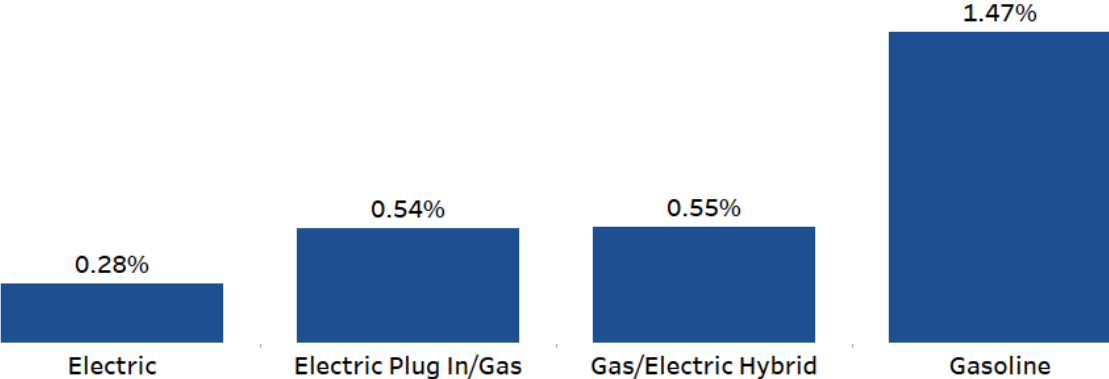
Current 60 day delinquency rate by new/used



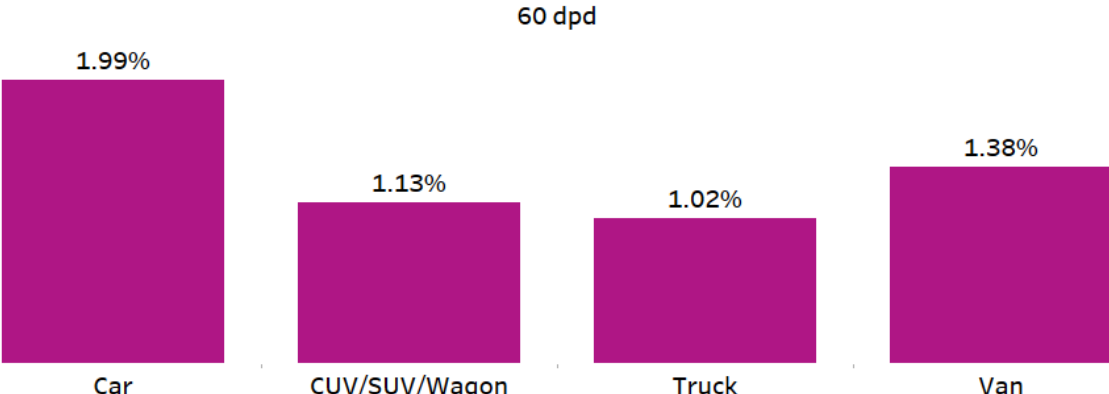
Current 60 day delinquency rate by dealer type on used loans



Current 60 day delinquency rate by fuel type (bought new)



Current 60 day delinquency rate by vehicle type (bought new & used)



Q4 Summary

- Leasing continues to increase; cash remains high, and more financing is comprised of late-model vehicles
- EV's reach nearly 20% of new leasing
- Credit scores level out and remain flat year-over-year
- Banks remain as largest loan lenders and return as the largest used loan lender
- While new loan amounts increase slightly, payments are down for loan & lease
- Used loan amounts and payments decrease
- Loan-to-value increases for new, while used LTVs show year-over-year decreases
- Overall balance growth slows, and delinquencies continue to rise



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Q4 2024

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