



# Auto Finance Year-in-Review Electric Vehicles & Affordability

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# Discussion points

- **How (and what) are consumers purchasing**
- **Financing trends in the EV space**
- **EV and performance**
- **Affordability around the United States**

**Data Sources: Experian Automotive registration, title and credit data.**





# What are the different fuel types?

Bi-Fuel

Biodiesel

Diesel

**Electric** - - - over 645k consumer retail in 2022 up 48%

Electric Plug in/Gas - - - over 154k in 2022

Flex Fuel

Flex Fuel~Gasoline

Gas/Electric Hybrid - - - over 668k

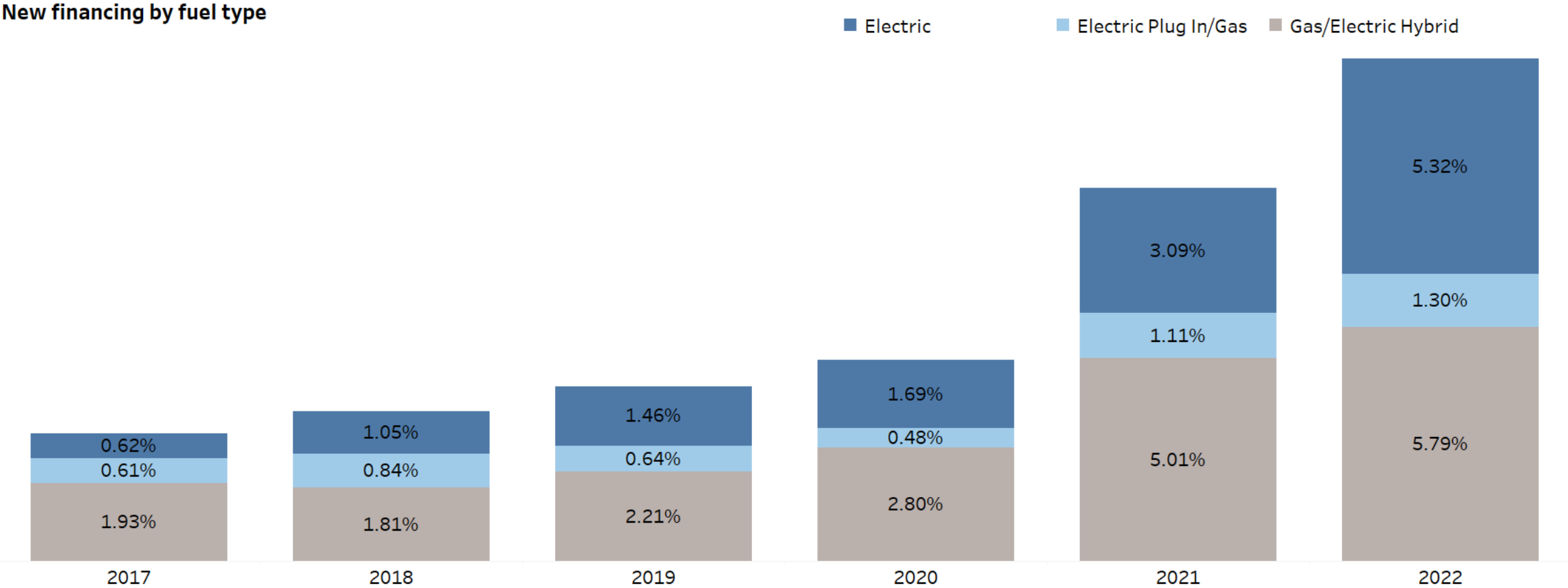
Gasoline

Hydrogen Fuel Cell

Natural Gas

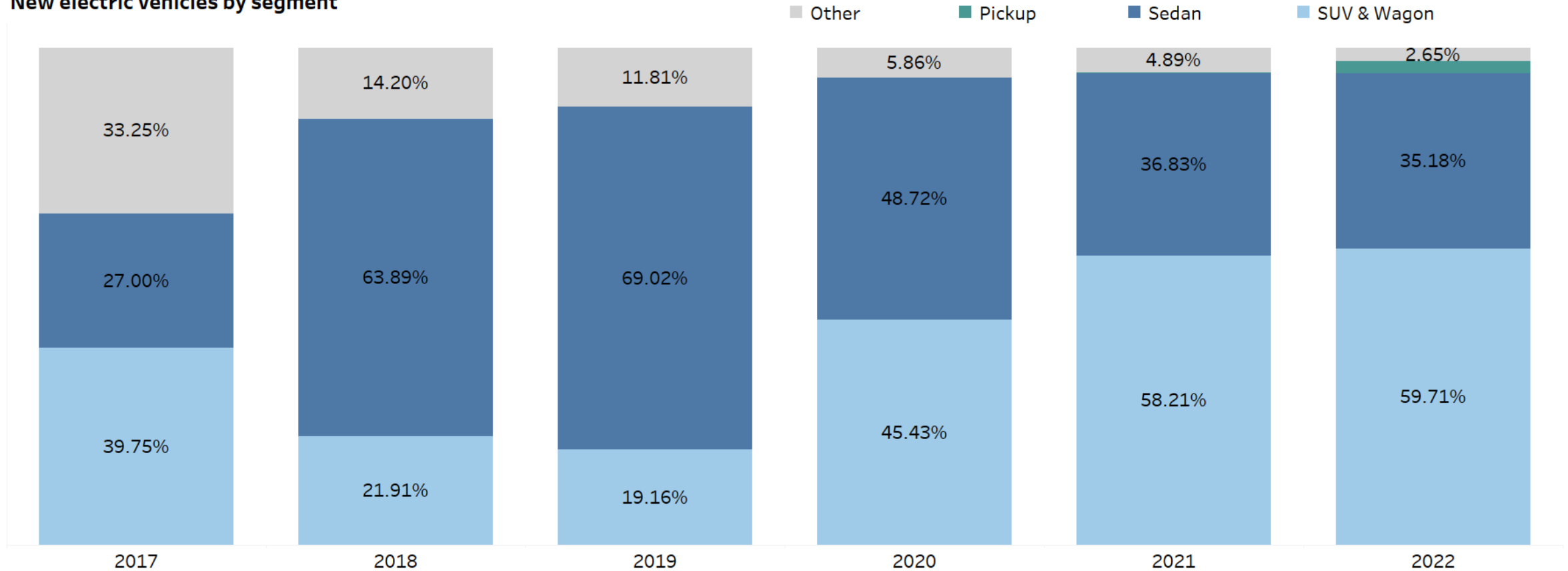


# EV has grown to over 5% of new vehicle financing in 2022

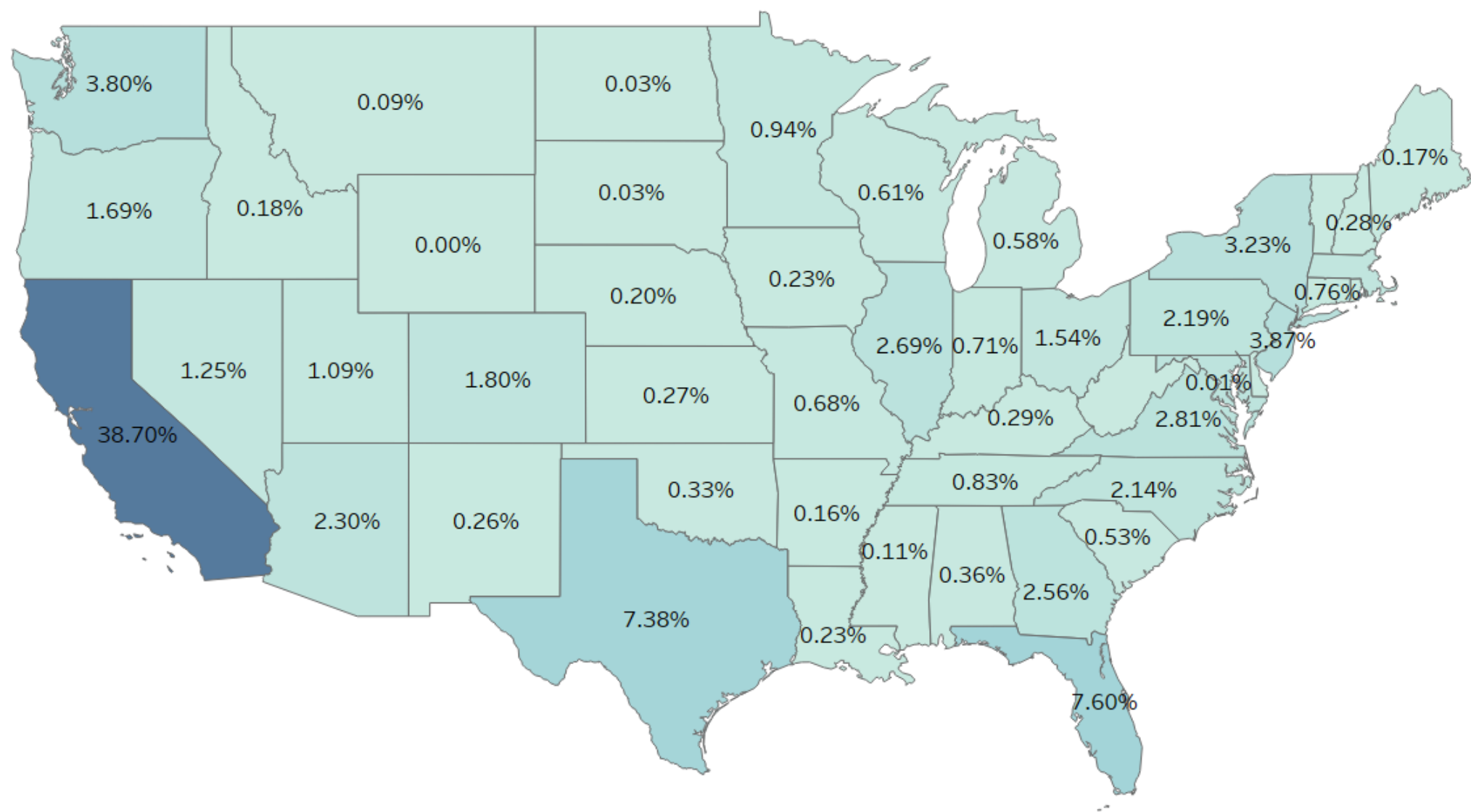


# Just like the overall market, electric vehicles are mostly SUVs

New electric vehicles by segment

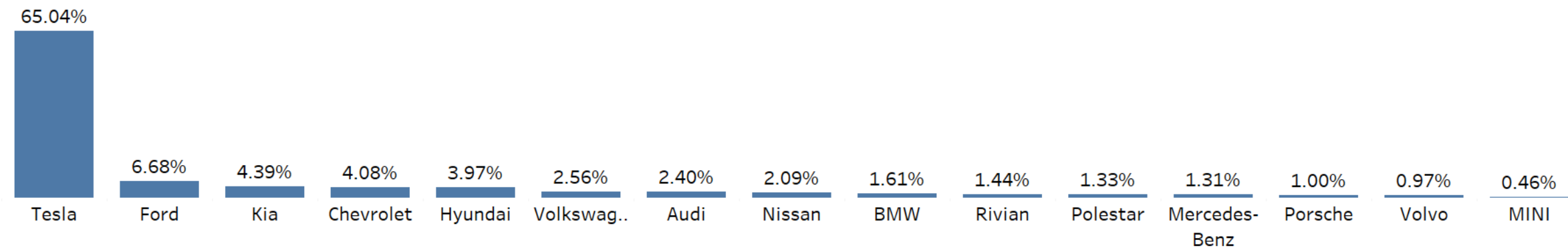


# Over 38% of all EVs are in California

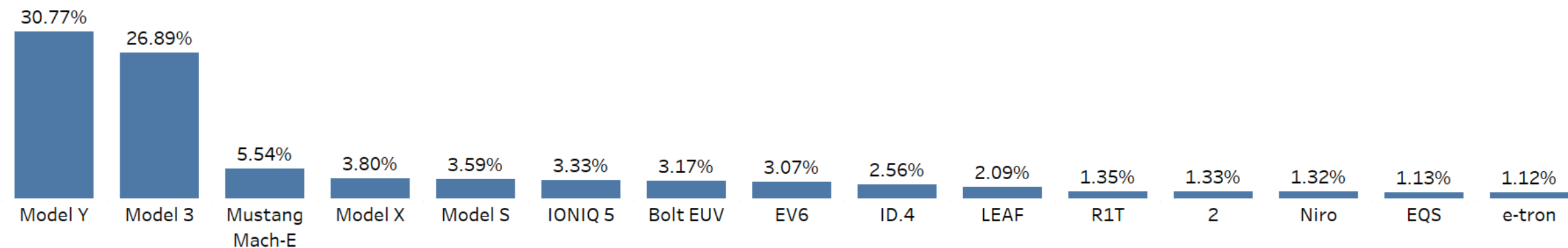


# While Tesla dominates the market, consumers are getting more options

Top financed electric makes in 2022

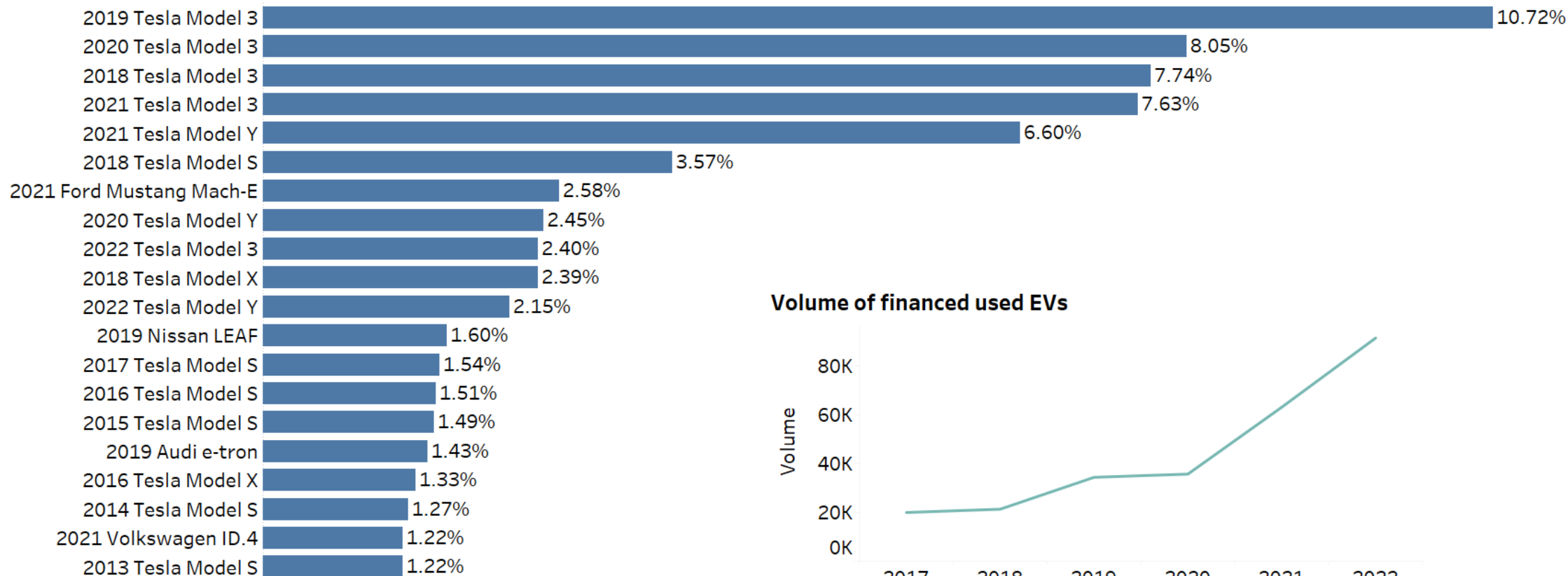


Top financed electric models 2022

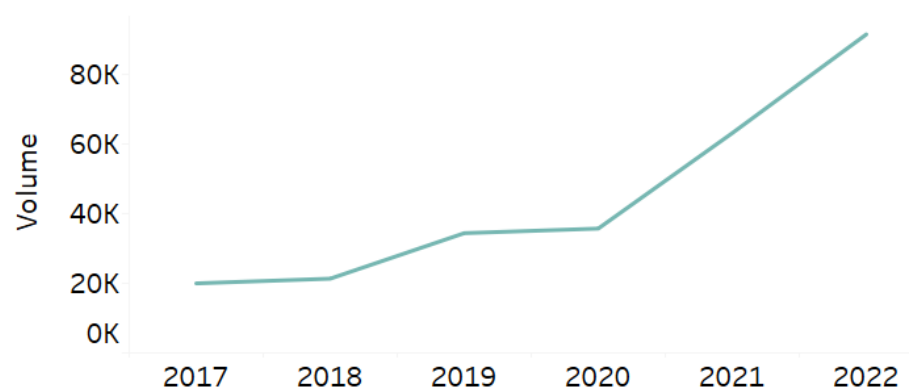


# What about the used market? Over 91k used EVs were financed in 2022, up 45%

## Top financed used electric models

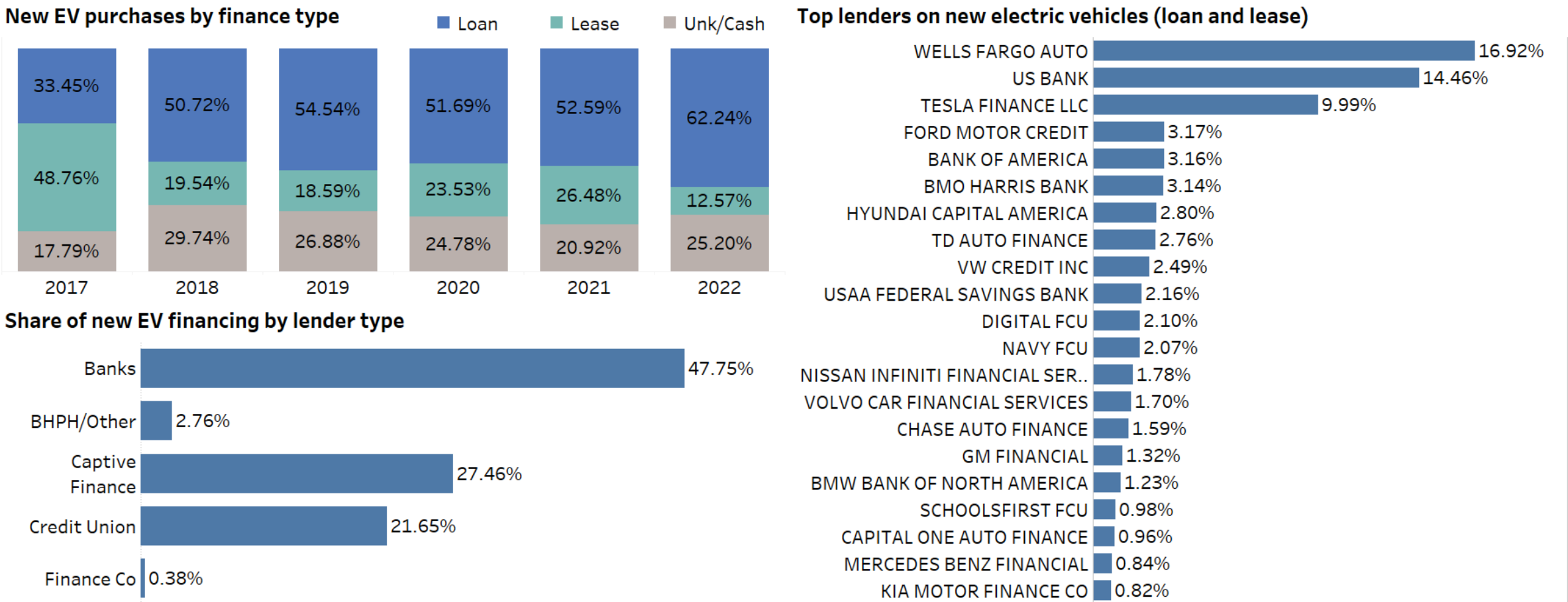


## Volume of financed used EVs





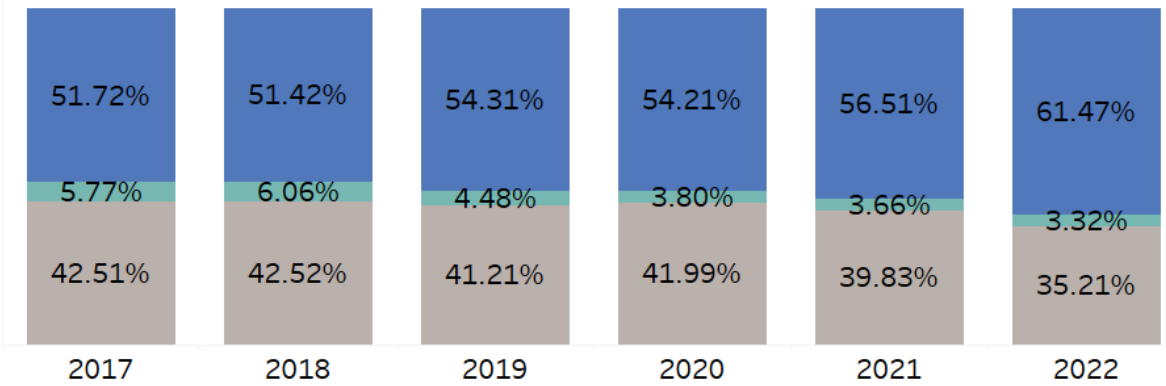
# Banks dominate the new EV space; EV leasing took a harder hit than the rest of the market



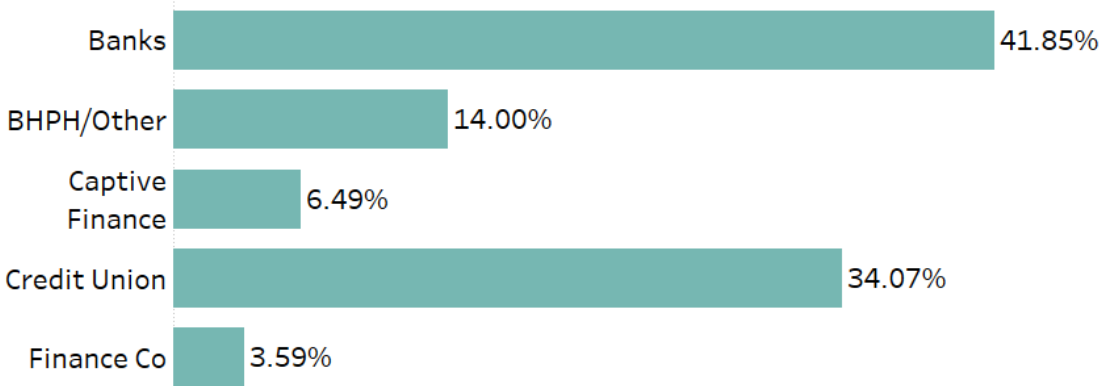
# Credit Unions have higher share in the used EV space

Used EV purchases by finance type

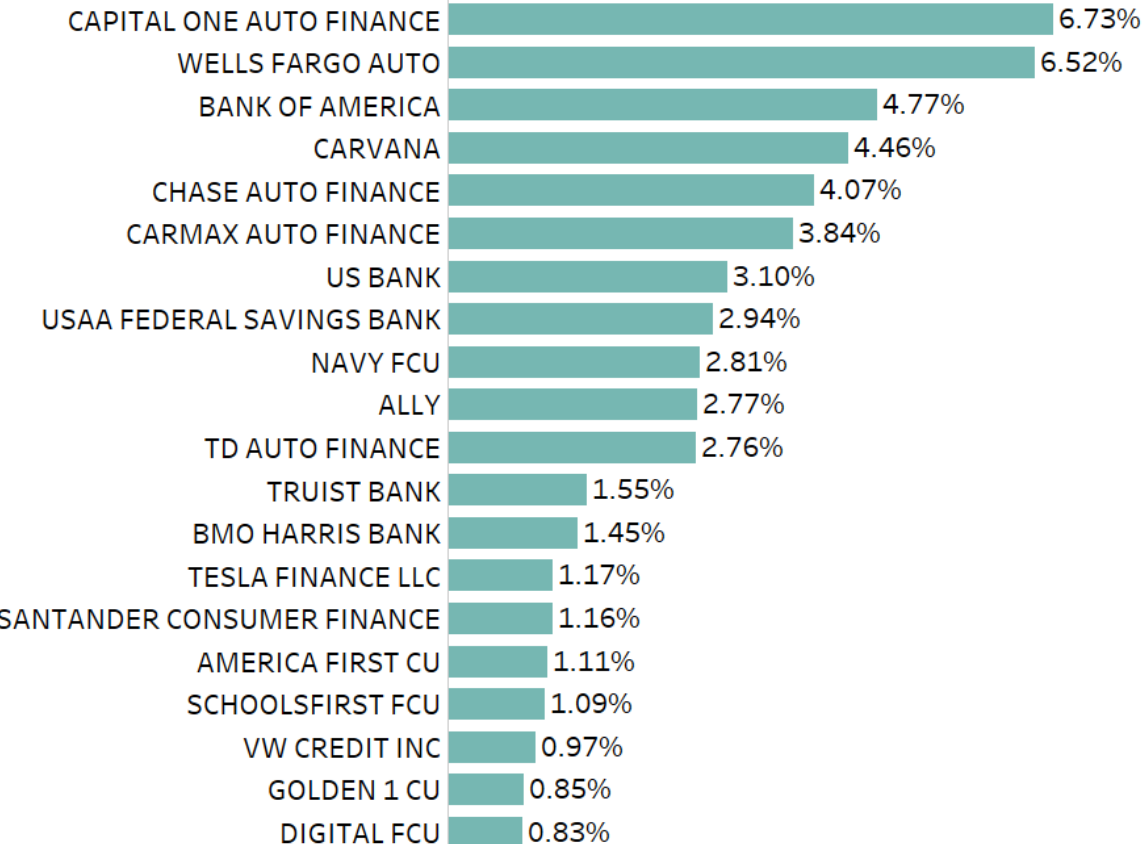
■ Loan ■ Lease ■ Unk/Cash



Share of used EV financing by lender type

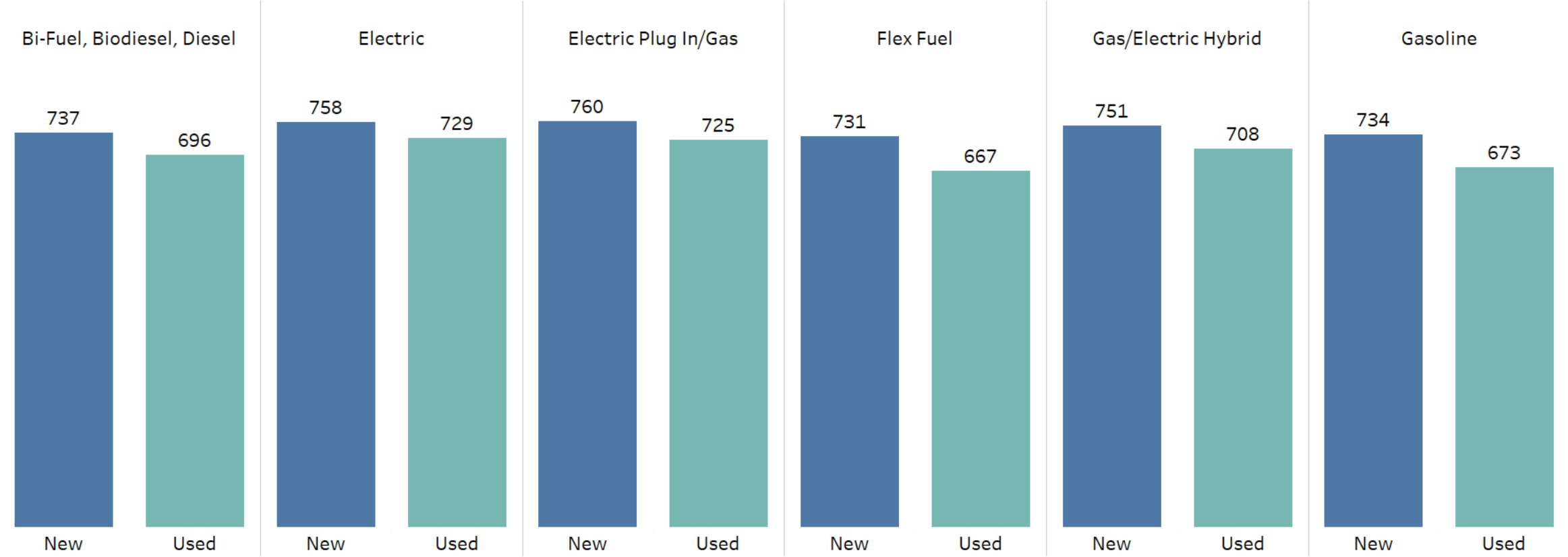


Top lenders on used electric vehicles (loan and lease)



# EV and hybrids attract a more prime buyer

Average score by fuel type

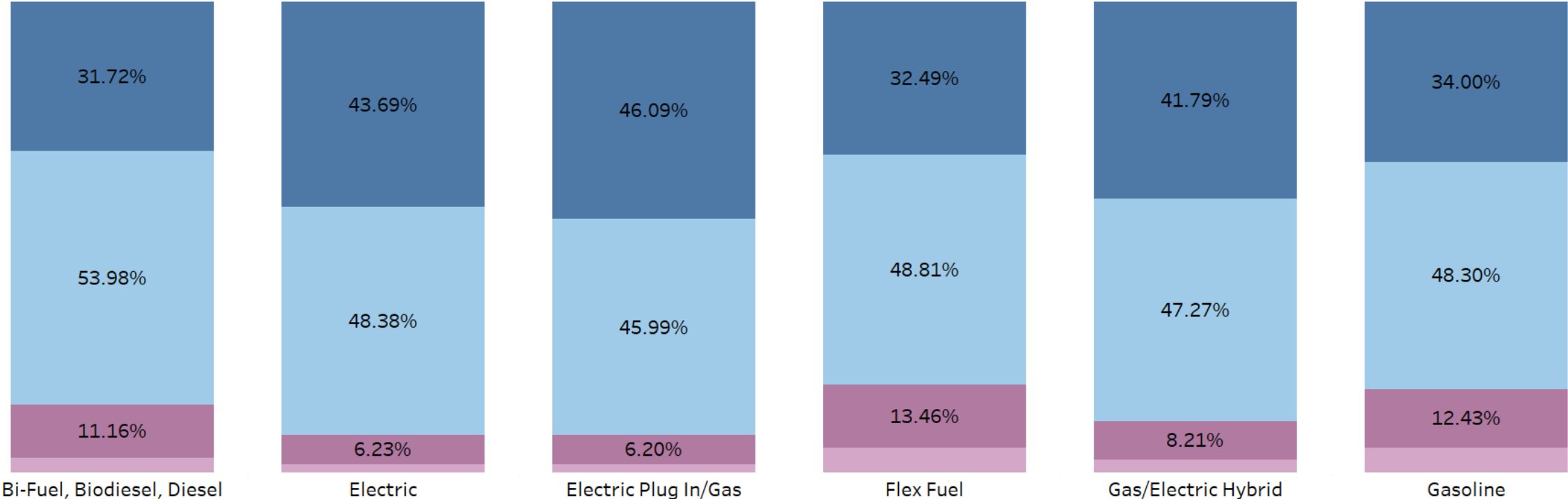


# New risk distributions by fuel type

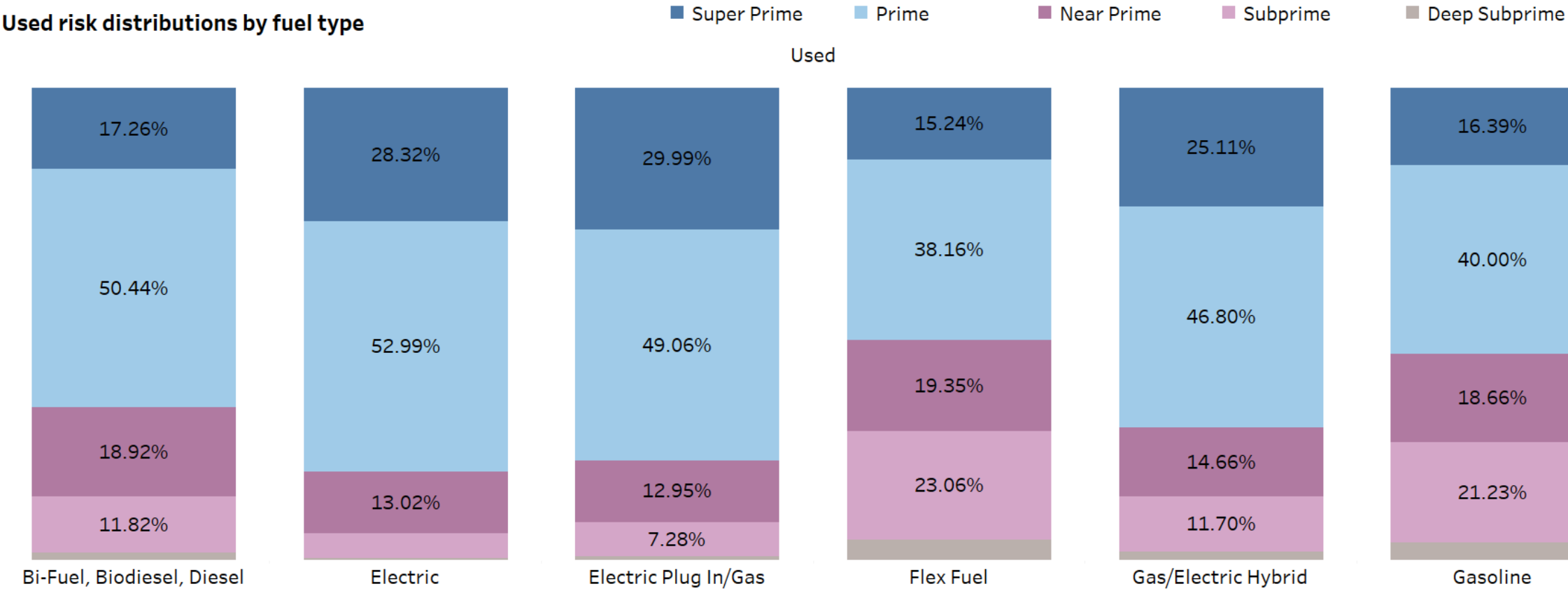
New risk distributions by fuel type

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

New



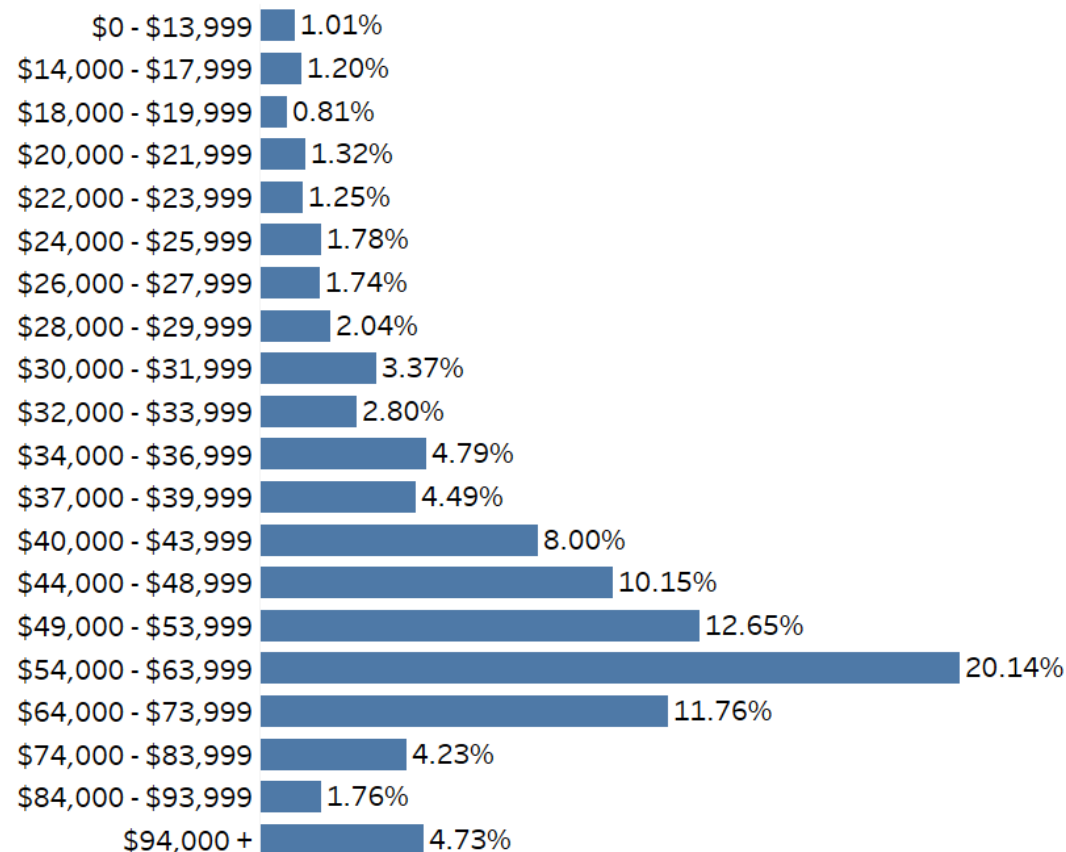
# Used risk distribution by fuel type



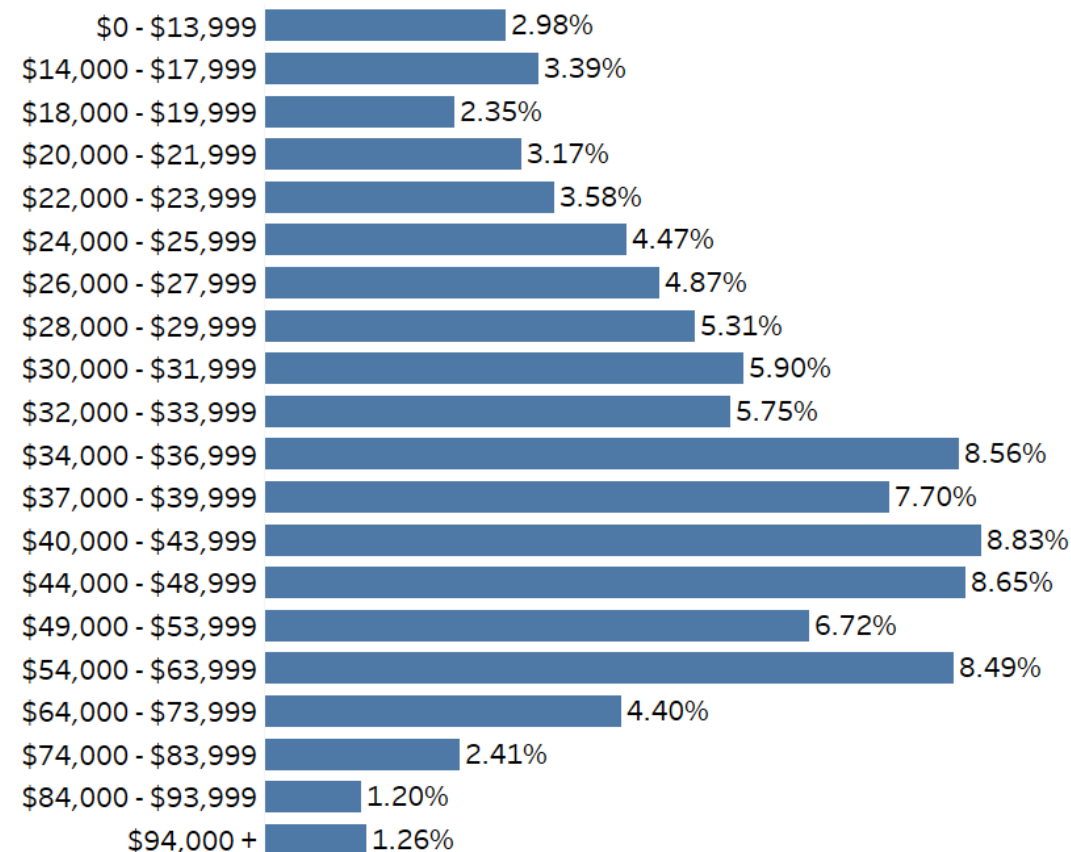


# Majority of new EV is over \$44k with 1:5 between \$54-\$63,999

New loan amount distribution on EV

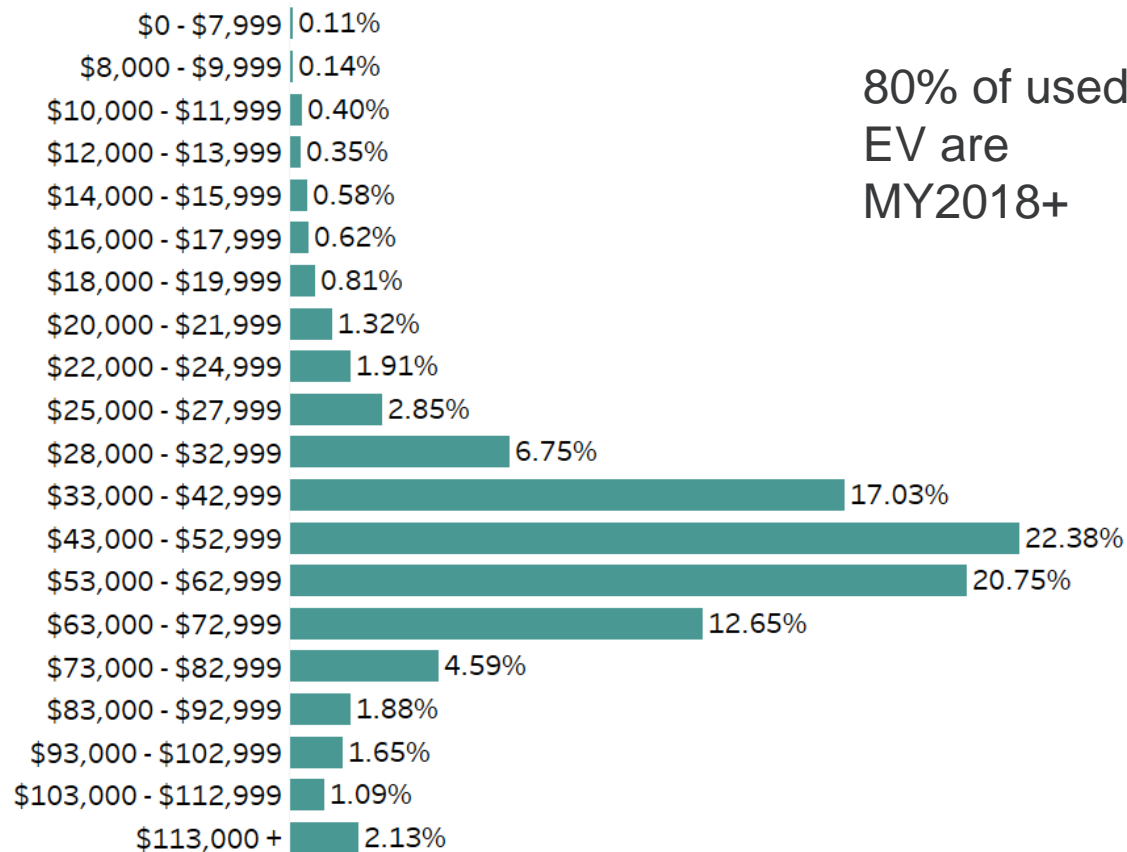


New loan amount distribution on all other vehicles

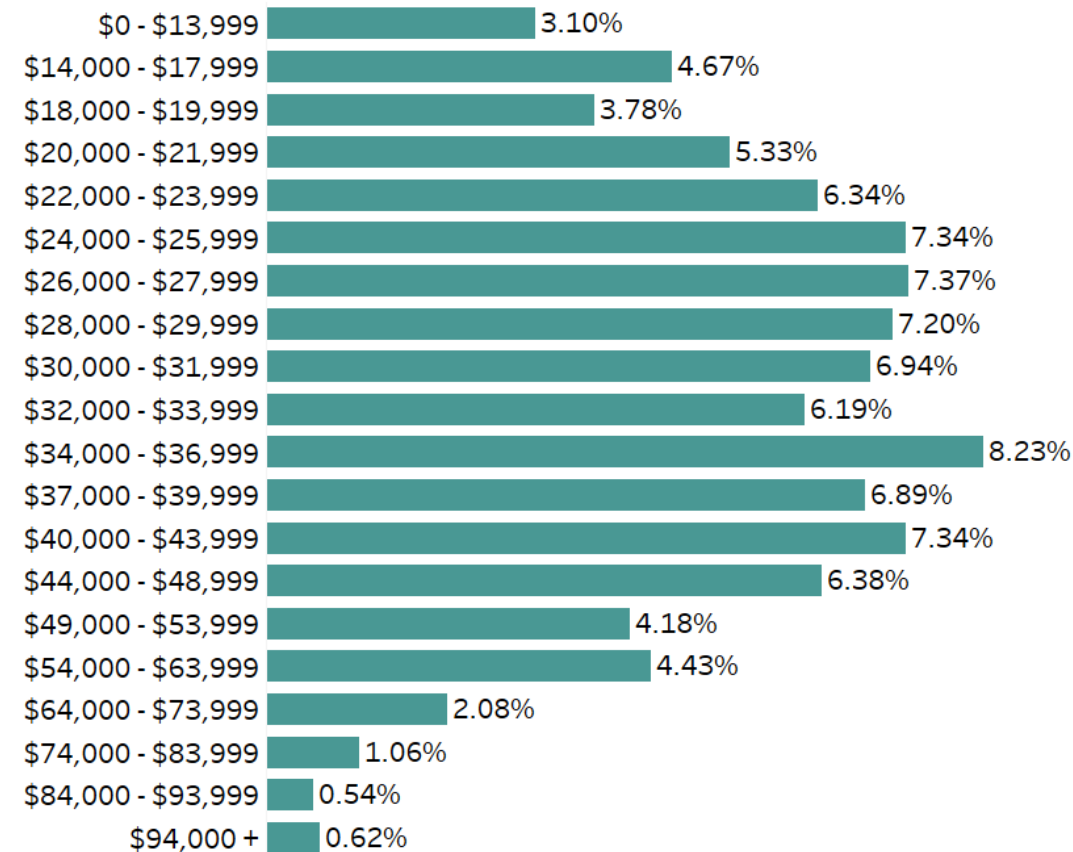


# 43% of used EV are between \$43-63k

Used loan amount distribution on EV

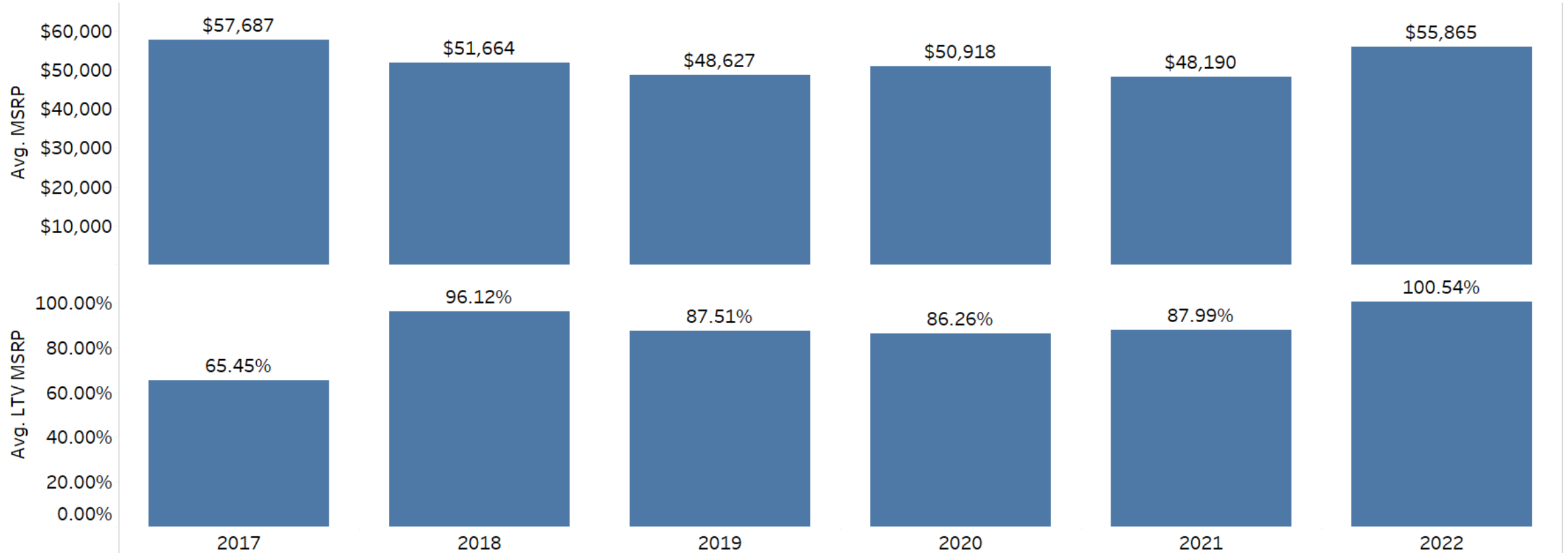


Used loan amount distribution on MY2018+ all other vehicles



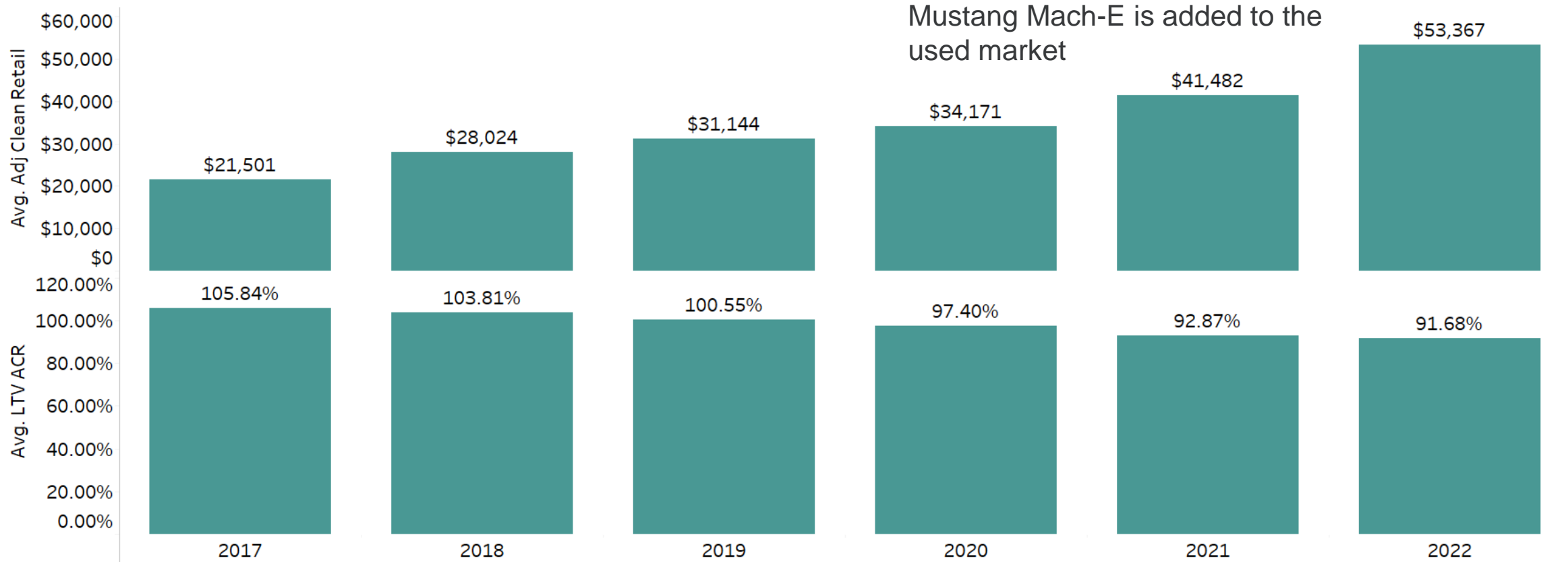
# Average MSRP and LTVs for new EV are also rising YOY

Average MSRP on new EV



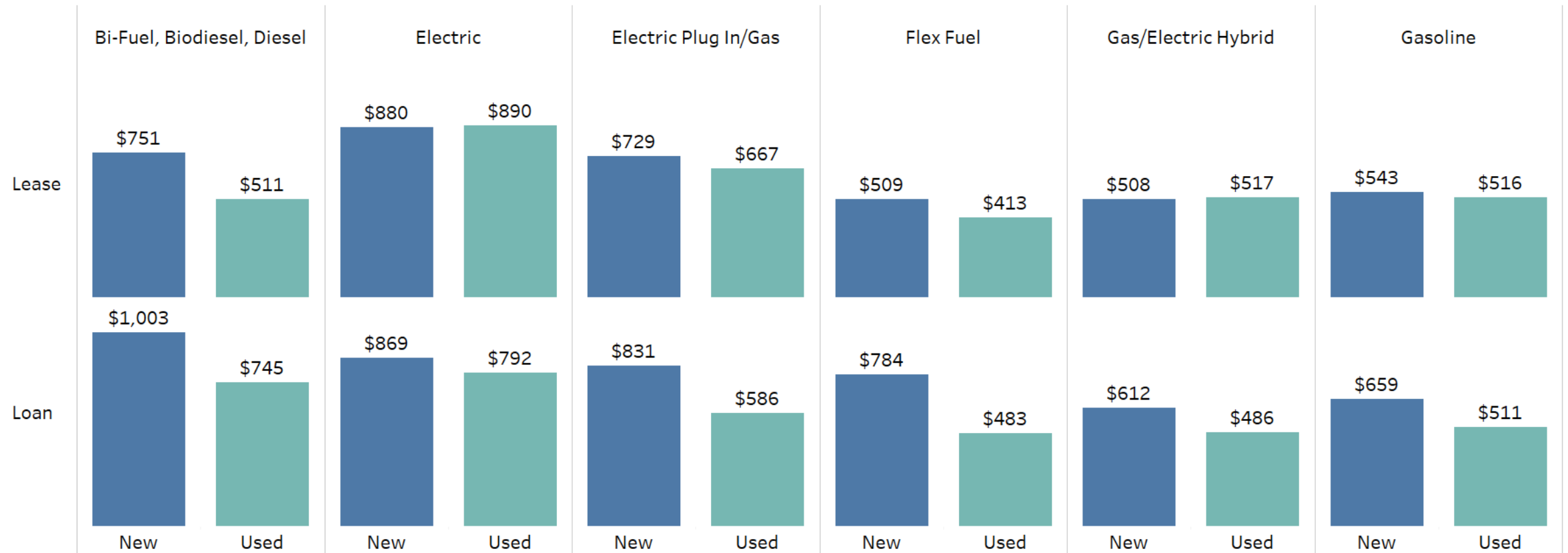
# Used values are on the rise, while the LTV drops YOY

Average Clean Retail on used EV



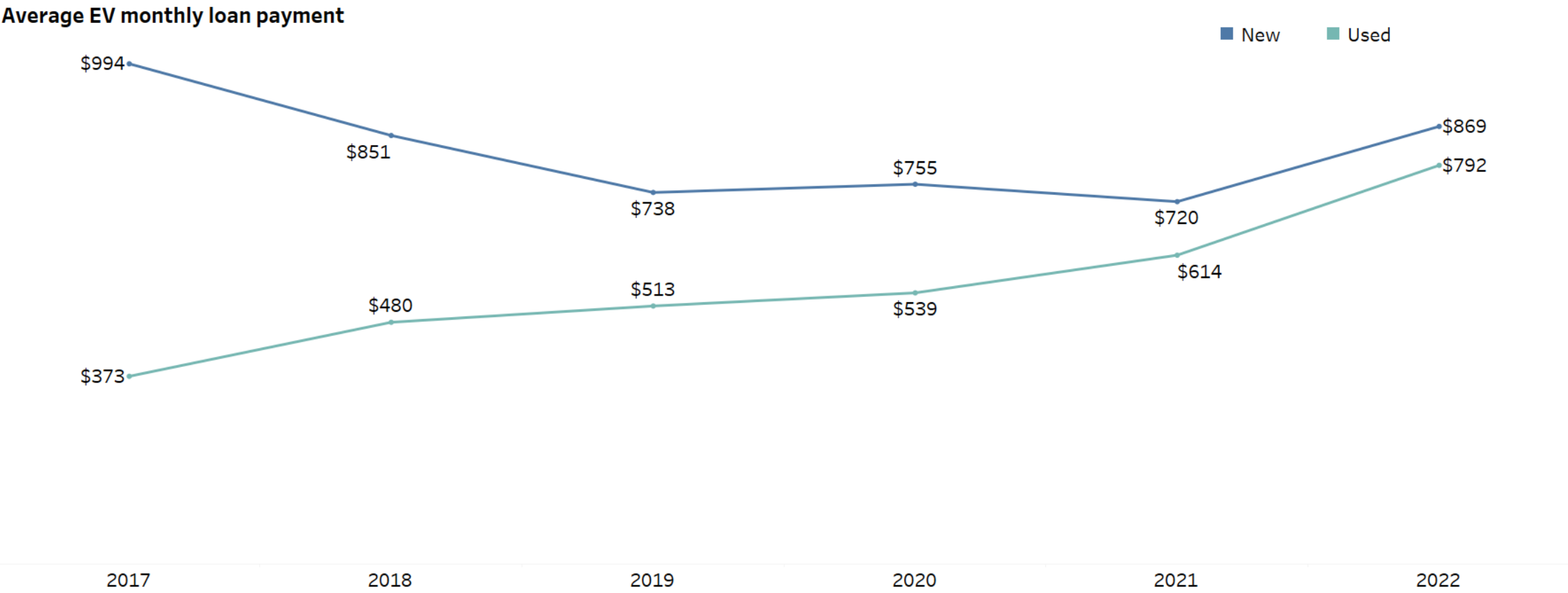
# EV payments tend to be higher than other fuel types

Average new monthly payment by fuel type



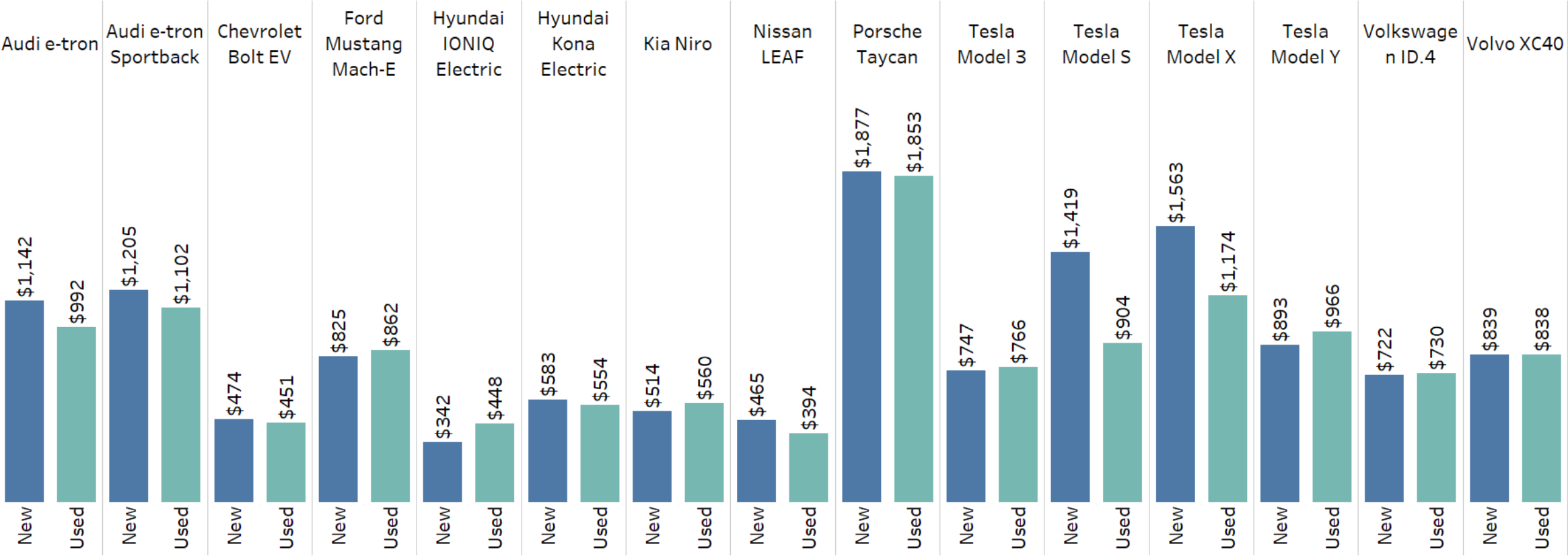


# New payments had been trending down as more options enter the market



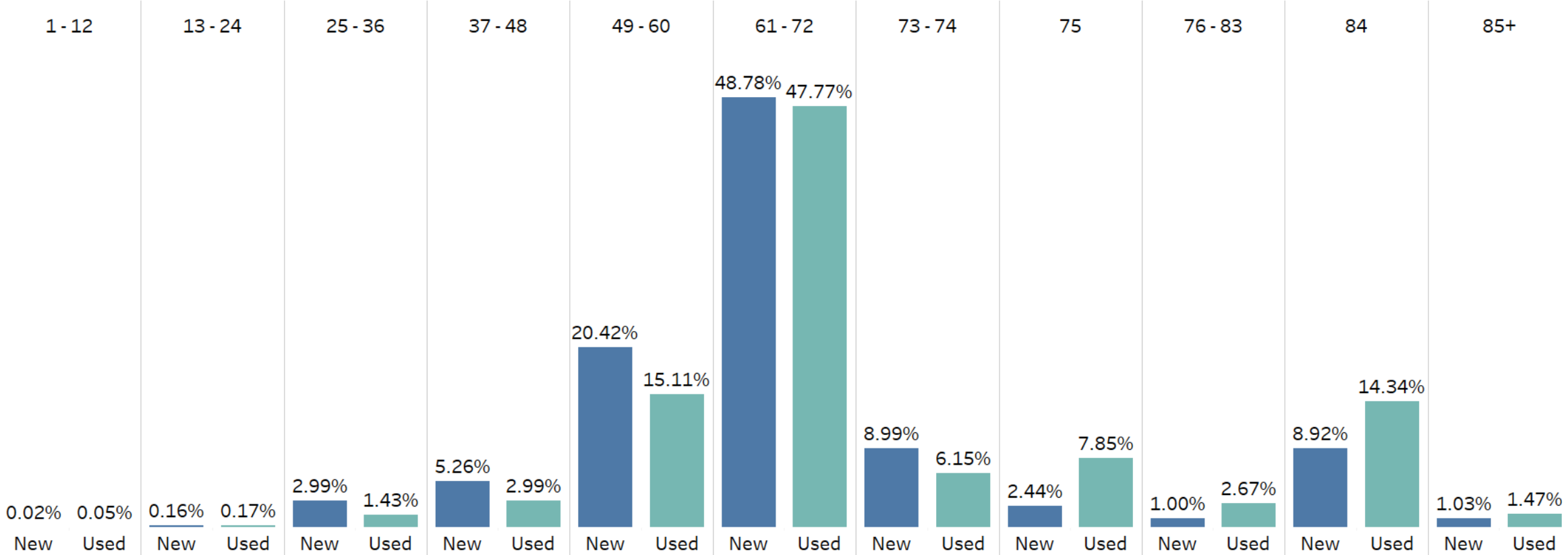
# Hyundai IONIQ offers the lowest new loan monthly payment; LEAF has lowest used payment

Average new payment on top EV models



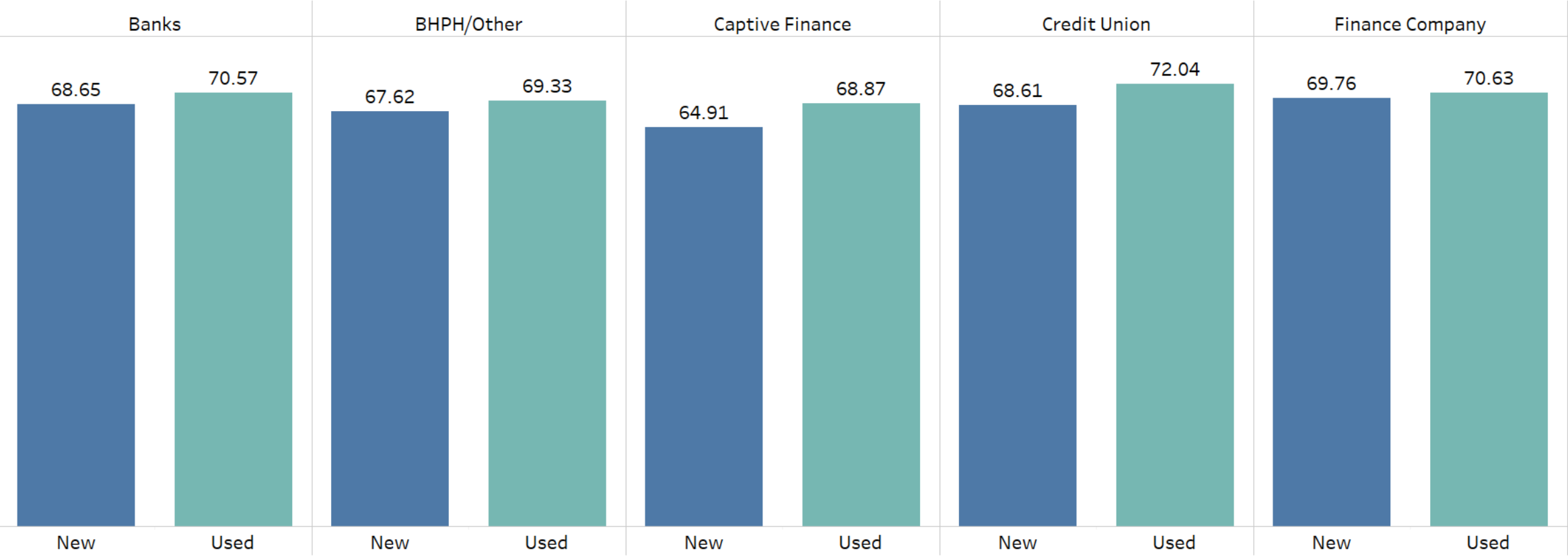
# Average new term on EV is 67.94 months while used is 70.76

Loan term distribution on electric vehicles



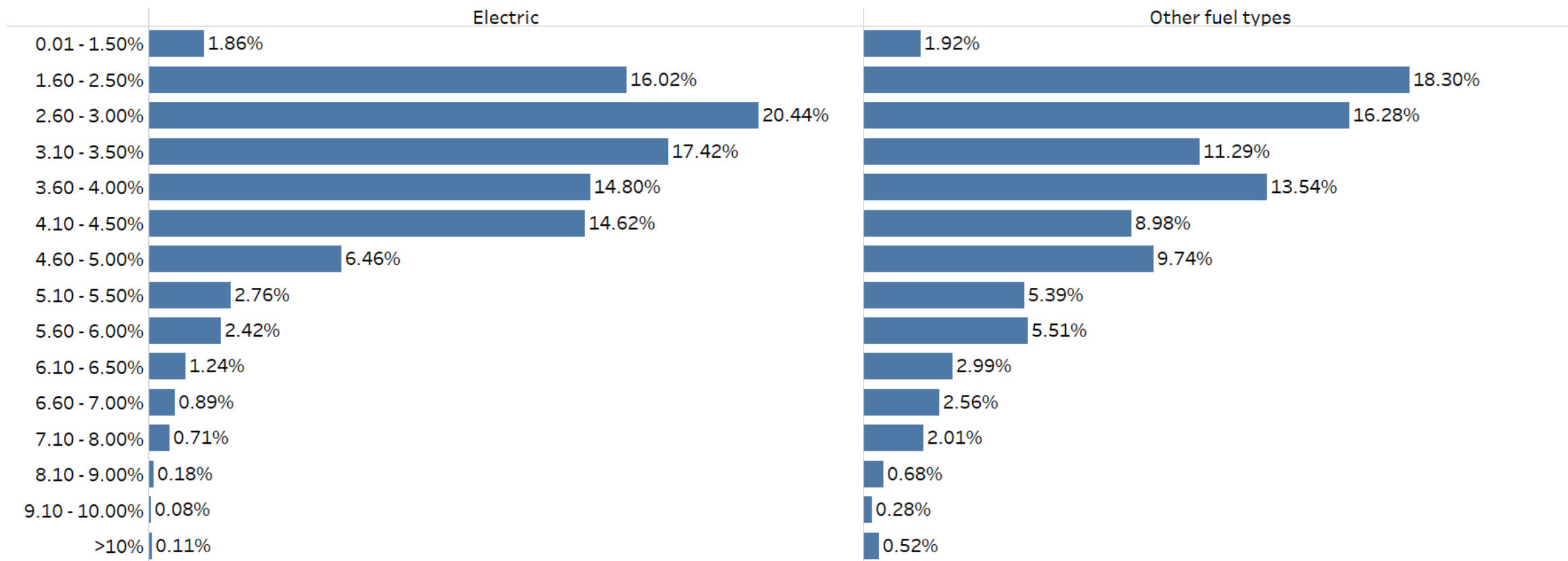
# Finance companies are offering the longest new terms, while credit unions have the longest used terms on EVs

Average EV loan term by lender type



# New EV rates are trending lower than other fuel types (3.58% vs 3.93%)

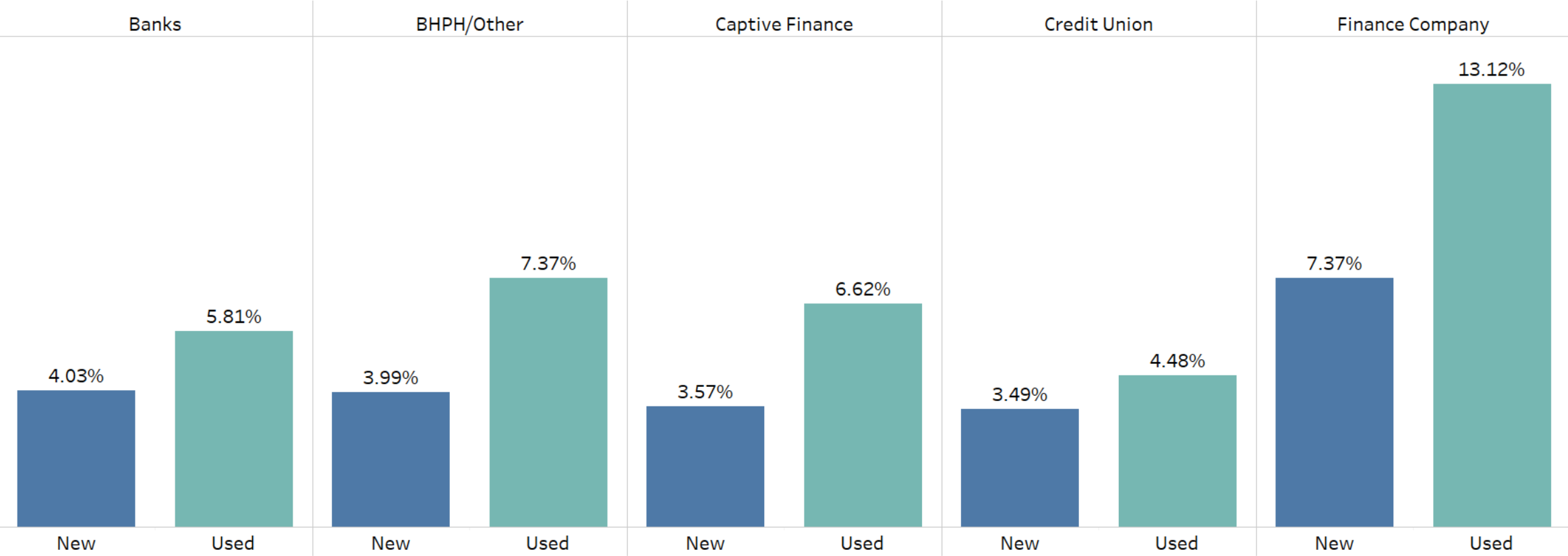
New loan rate distribution on Prime and Super Prime with LTV<104% (excluding captive)





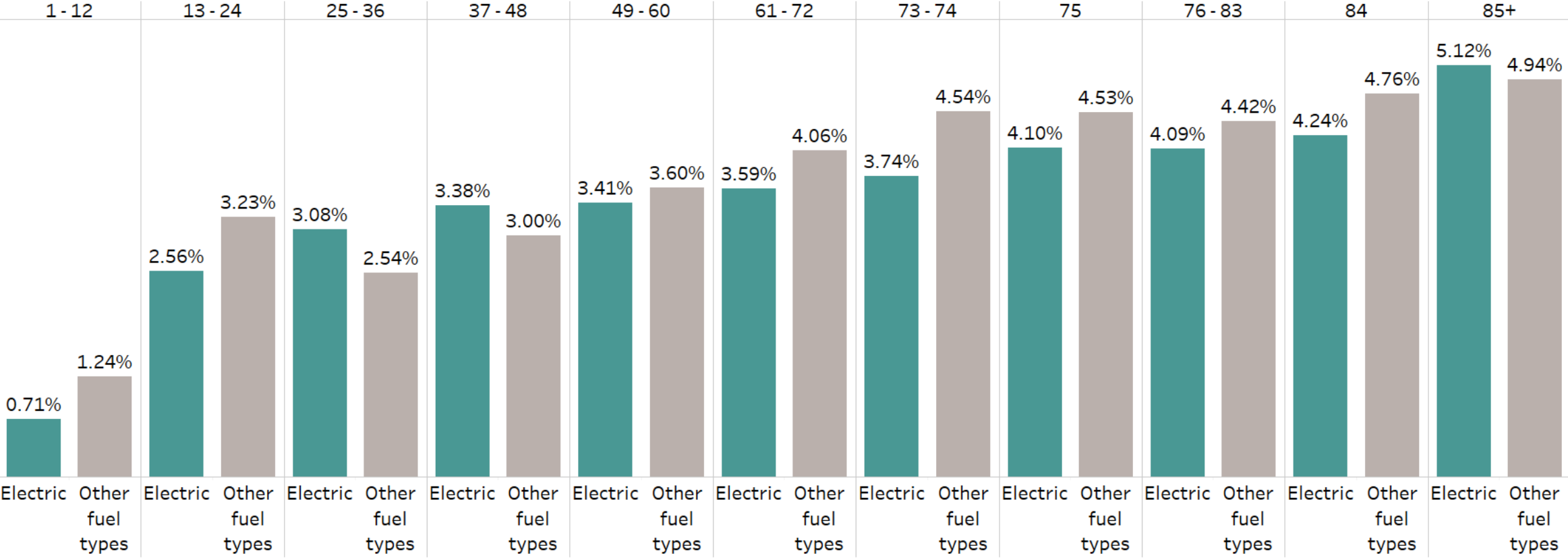
# Credit Unions currently leading with lowest term on EV for both new and used

Average EV loan rate by lender type



# EV rates trend lower across nearly all terms

Average new loan rate by term on Prime and Super Prime with LTV<104% (excluding captive)

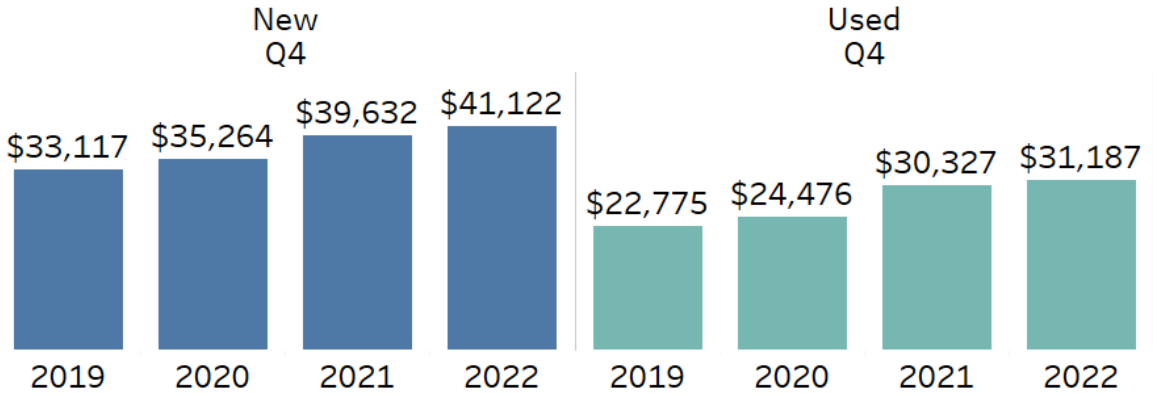


# A look at affordability around the country Q4 2022

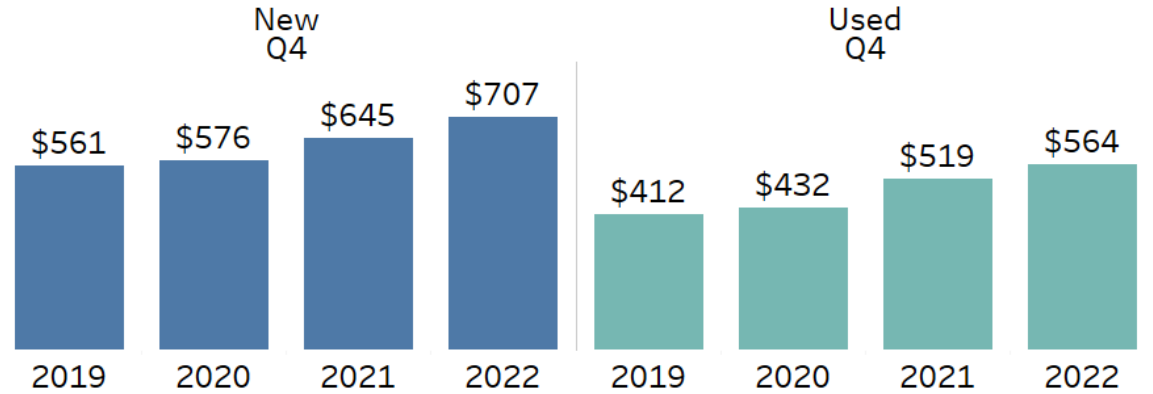


# New loan amount up 24% while used has increased 37% since 2019; payments up 26% for new and 337% for used

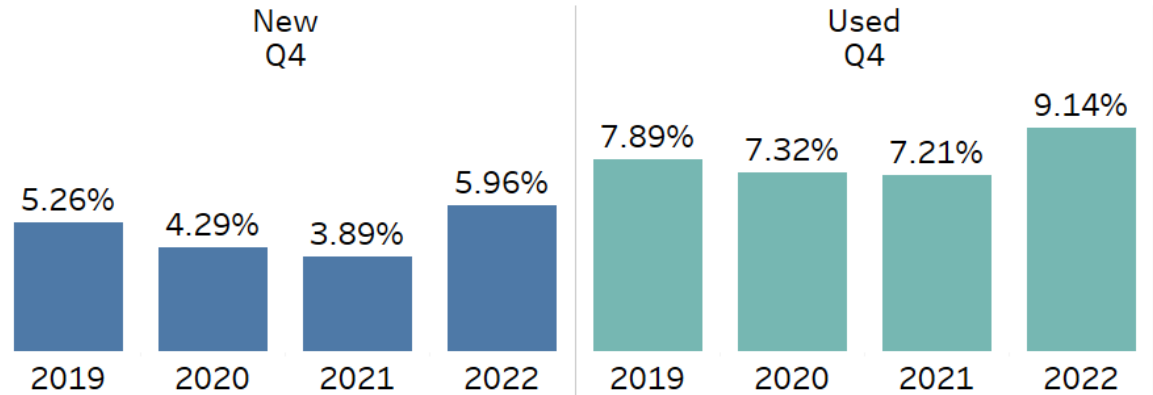
Average amount financed (Franchised Dealers)



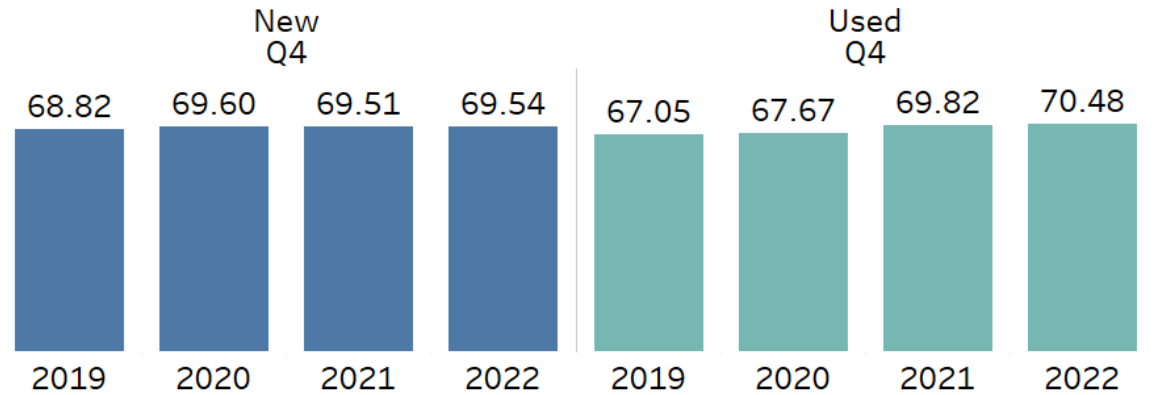
Average monthly payment (Franchise Dealers)



Average loan rate (Franchise Dealers)

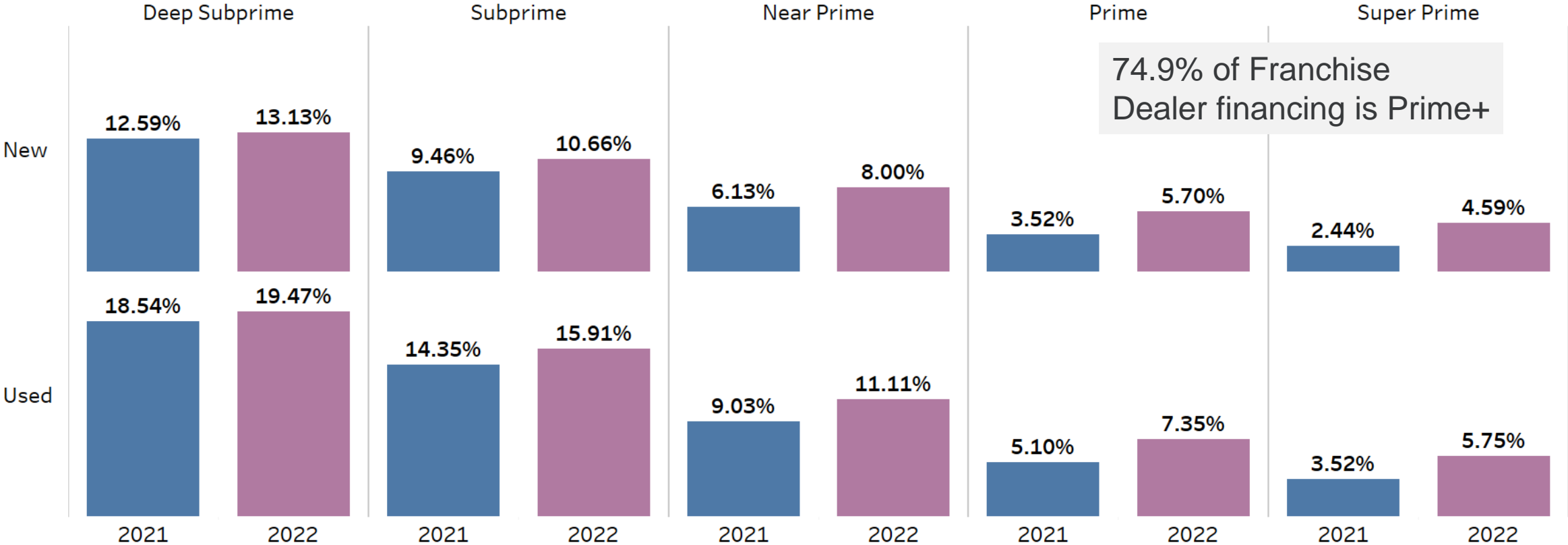


Average loan term (Franchise Dealers)



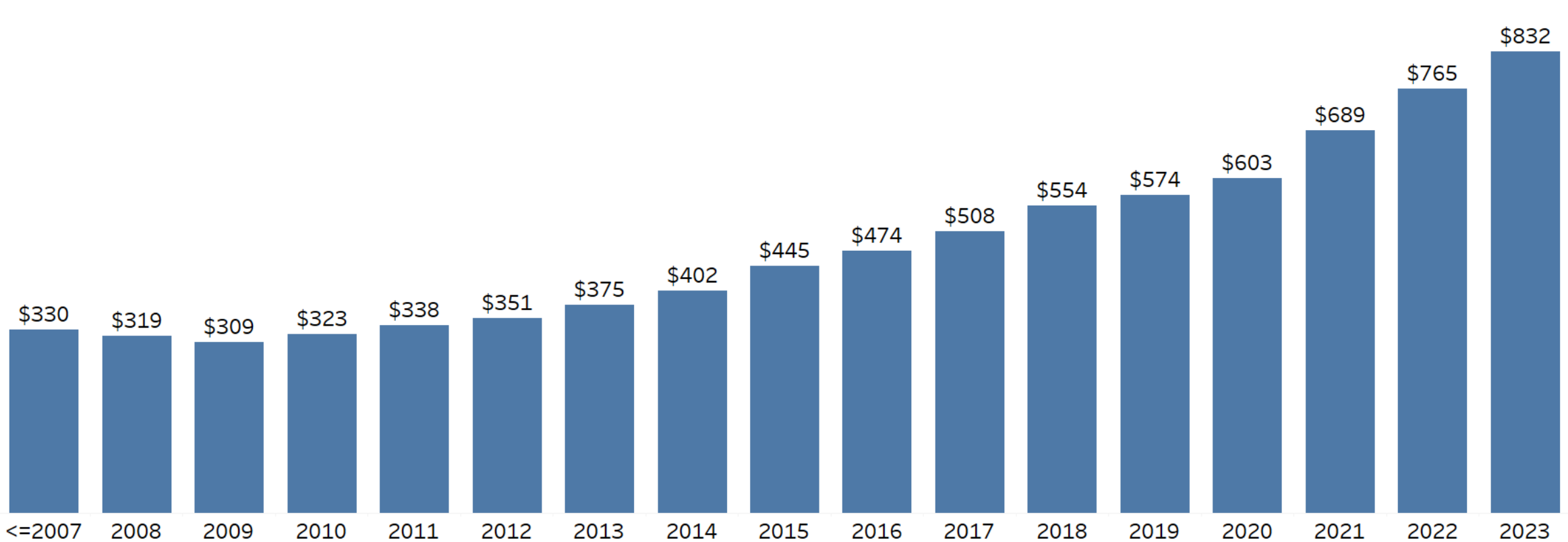
# Rates have climbed for all risk segments with an average Super Prime rate of 4.59% for new and 5.75% for used

Average loan rate by risk segment for Q4 2022 v 2021

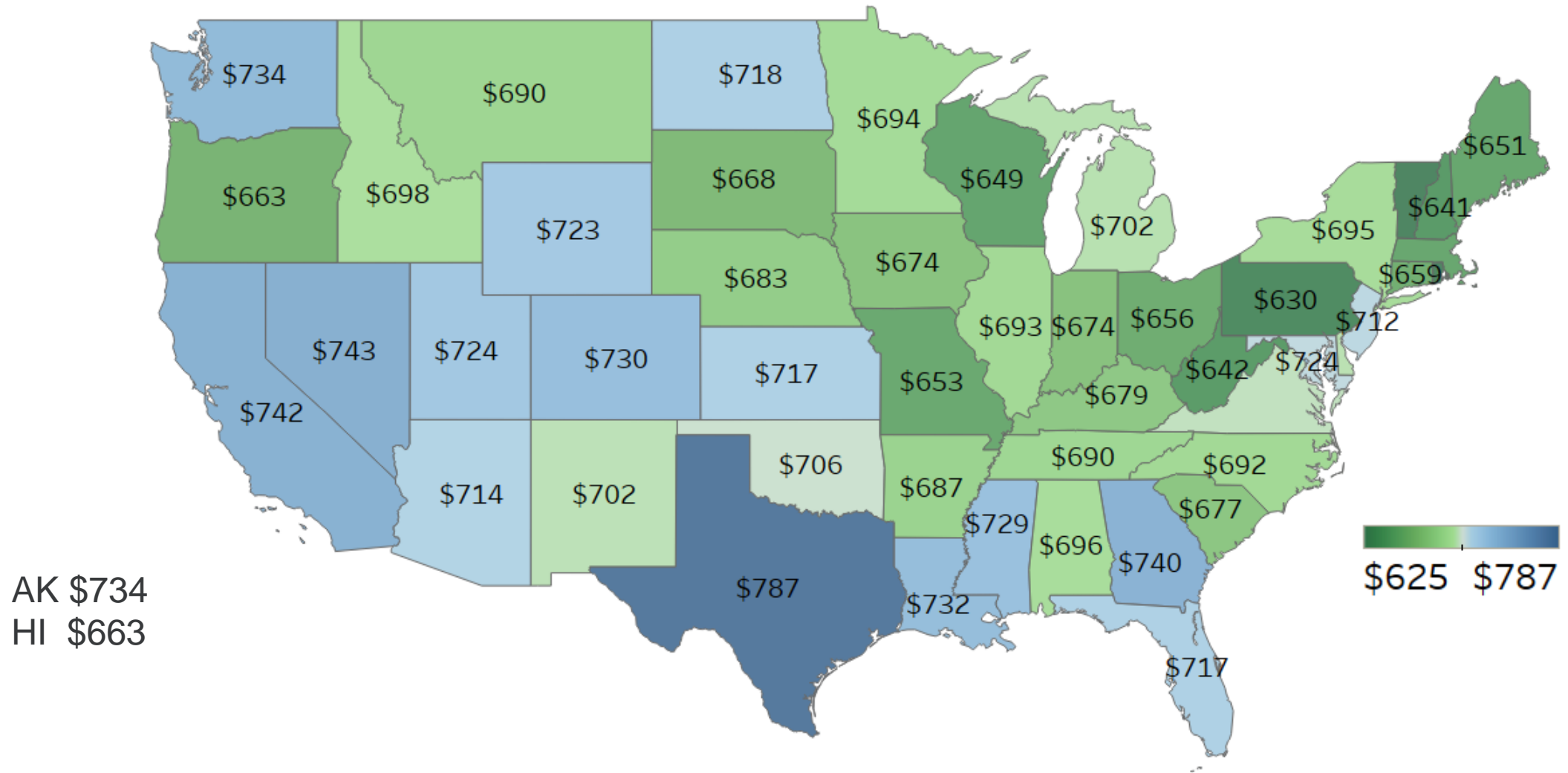


# For used vehicles, payments drop under \$500 on average with 2016 and older vehicles

Average monthly payment by model year on used Franchise Dealer loans



# Texas has the highest new average loan monthly payment of \$787 while Vermont has the lowest of \$625



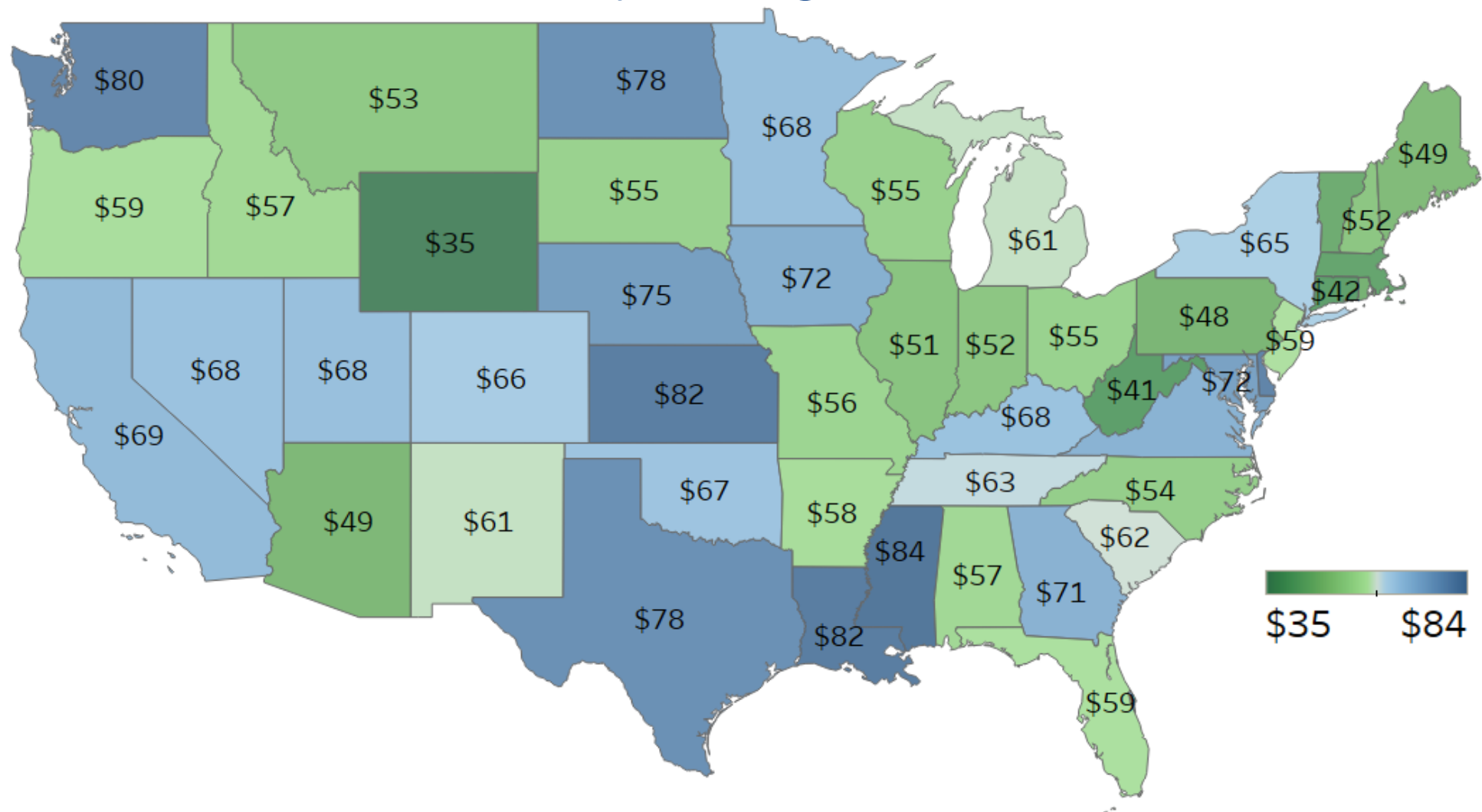


# How do Texas and Vermont compare?

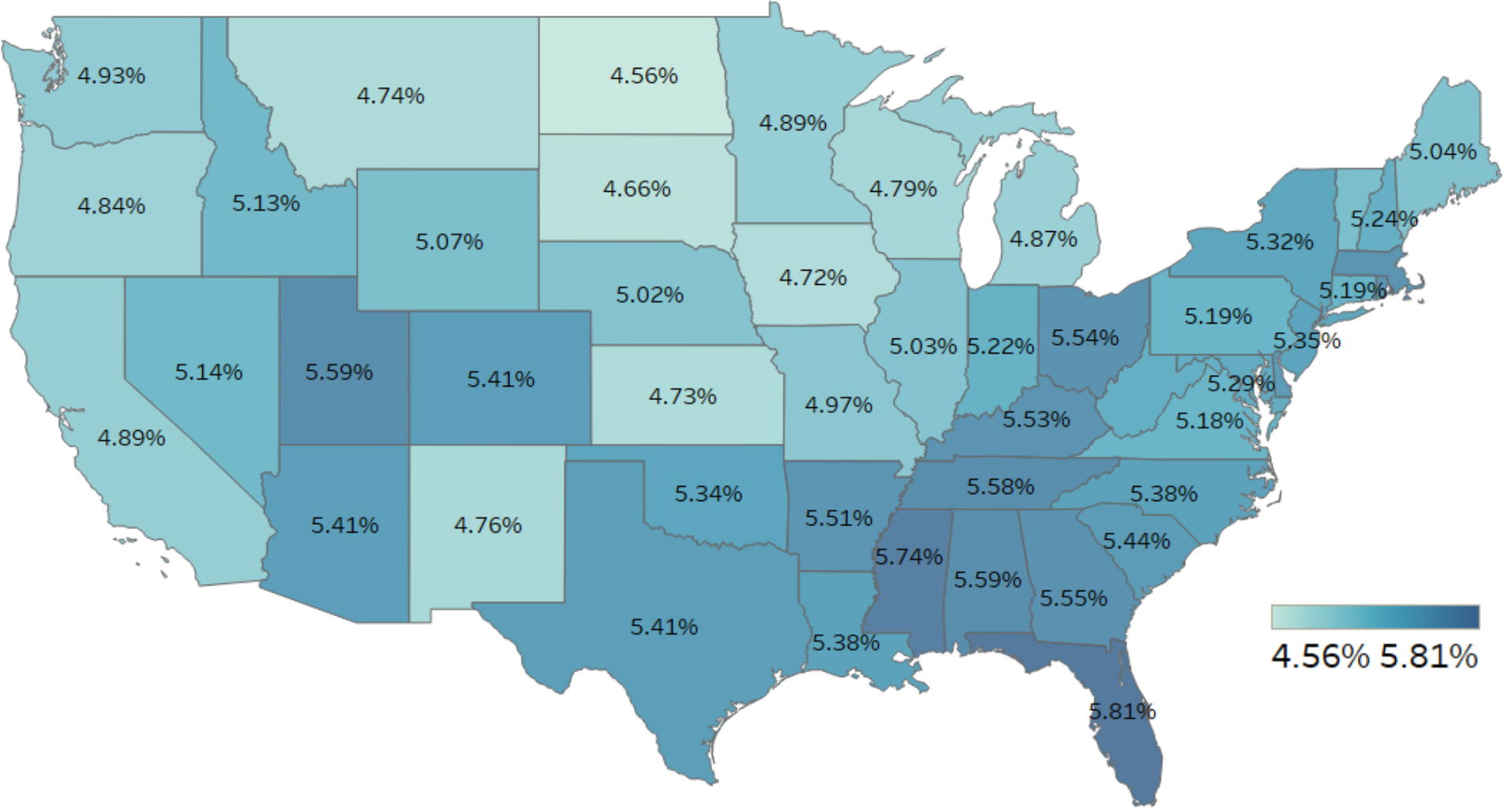
Texas	Vermont
<b>Top 3 Vehicles</b> 2022 Ford F-150 2022 Chevrolet Silverado 1500 2023 Toyota Camry	<b>Top 3 Vehicles</b> 2023 Subaru Crosstrek 2022 Toyota RAV4 2022 Ford F-150
<b>Vehicle Type</b> Car 20.72% CUV/SUV 53.86% Truck 23.617% Van 1.81%	<b>Vehicle Type</b> Car 9.98% CUV/SUV 62.17% Truck 25.67% Van 2.19%
Average new loan credit score: <b>707</b>	Average new loan credit score: <b>741</b>
<b>Average new loan attributes</b> Loan amount \$45,484 payment \$787 Term 69.97 months Rate 6.27%	<b>Average new loan attributes</b> Loan amount \$35,703 Payment \$625 Term 67.35 months Rate 5.48%



Since Q4 2021 the largest increase has been in Mississippi (\$84) while the lowest is Wyoming (\$35)



# Average Prime+ new loan rate by state in Q4 2022: Florida has the highest average rate while North Dakota is the lowest



# In Summary

- **The Electric Vehicle market is growing with increased consumer options**
- **Expect a more prime consumer and heavy competition among Credit Unions who are leading with low rates and longer terms**
- **Higher loan amounts and monthly payments compared to other fuel types**
- **Loan amounts and payments have soared in recent years with rising rates pushes payments even higher**





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