



EXPERIAN AUTOMOTIVE

Q1 2025

State of the Automotive Finance Market

Melinda Zabritski
Head of Automotive
Financial Insights

Q1 Report overview

- 1 Overall origination trends
- 2 Origination trends on new loans & leases
- 3 Origination trends on used financing
- 4 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

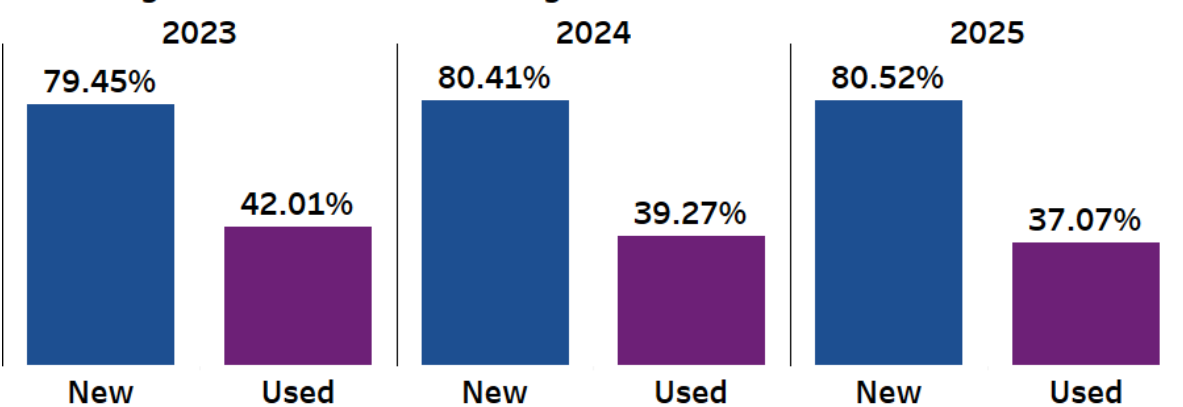


Q1 2025 Originations

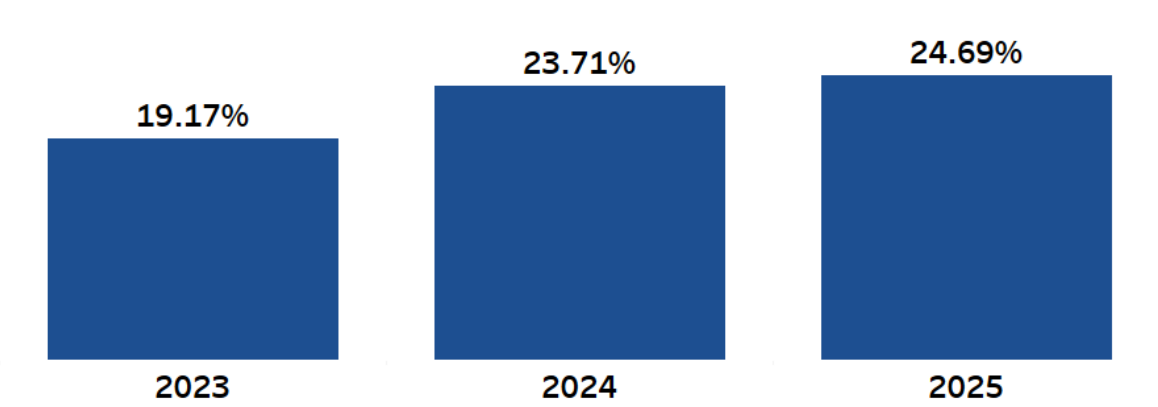
Trends in automotive loan and
lease originations

Automotive financing: snapshot of how and what consumers are purchasing

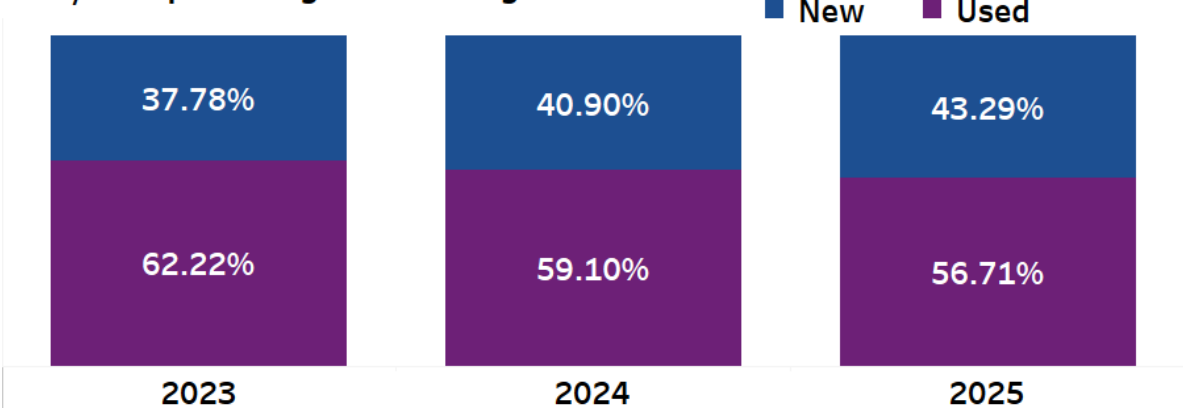
Percentage of vehicles with financing



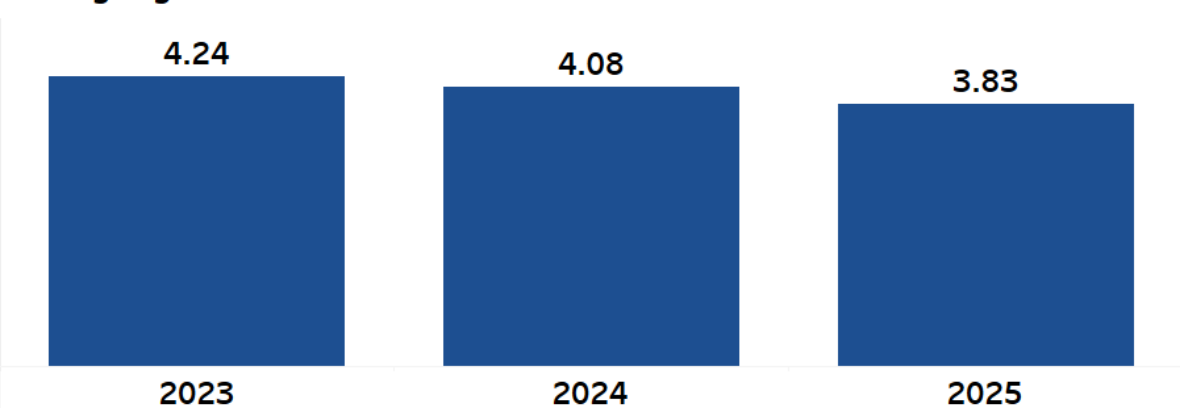
% of all new vehicles that are leased



New/Used percentage of financing

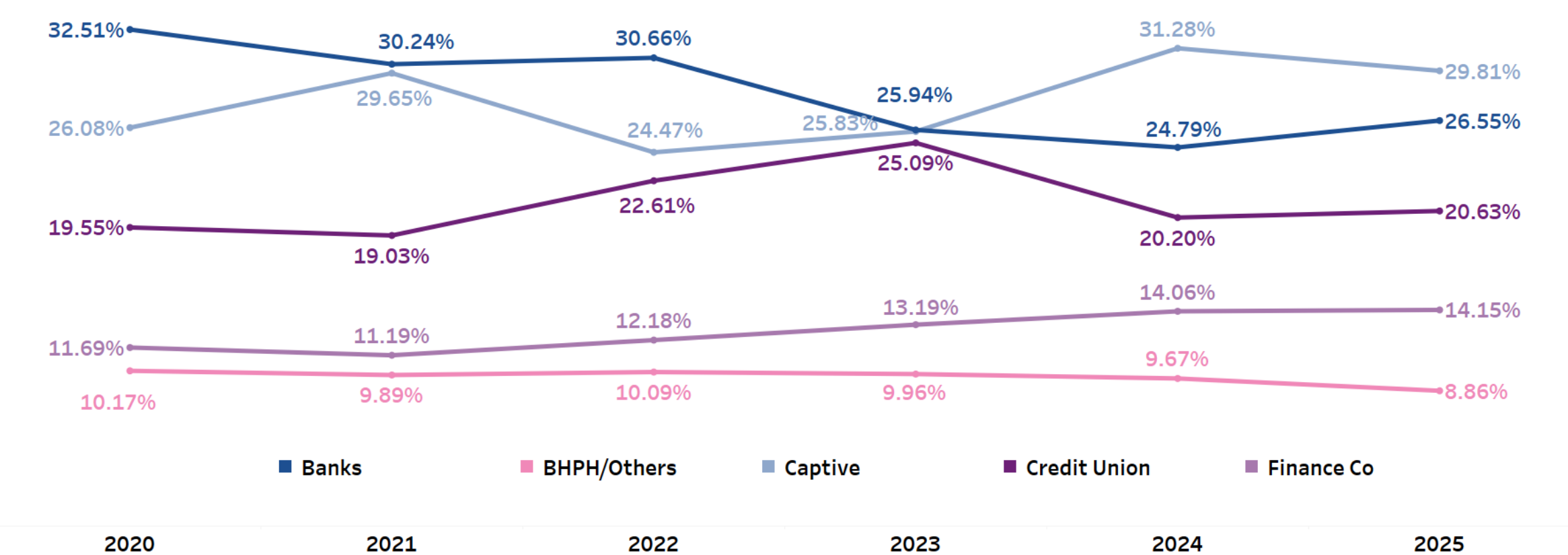


Average age of vehicles financed



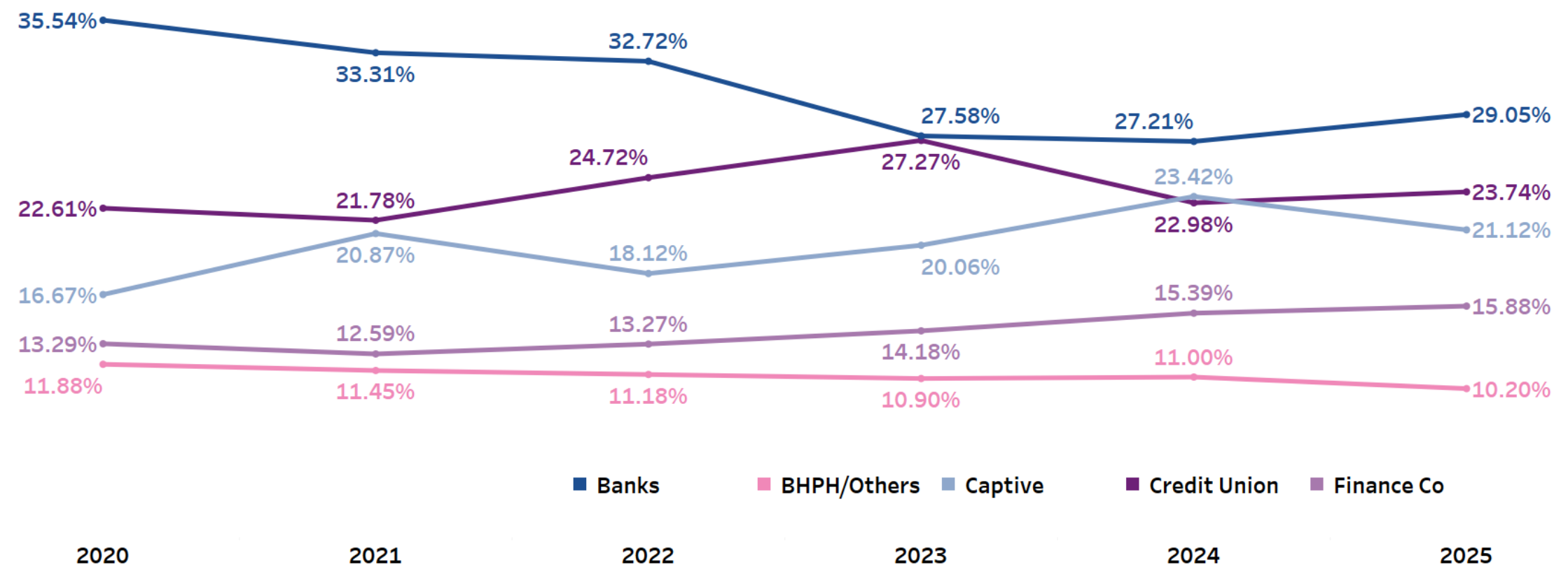
Captives maintain as largest lender type for Q1

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



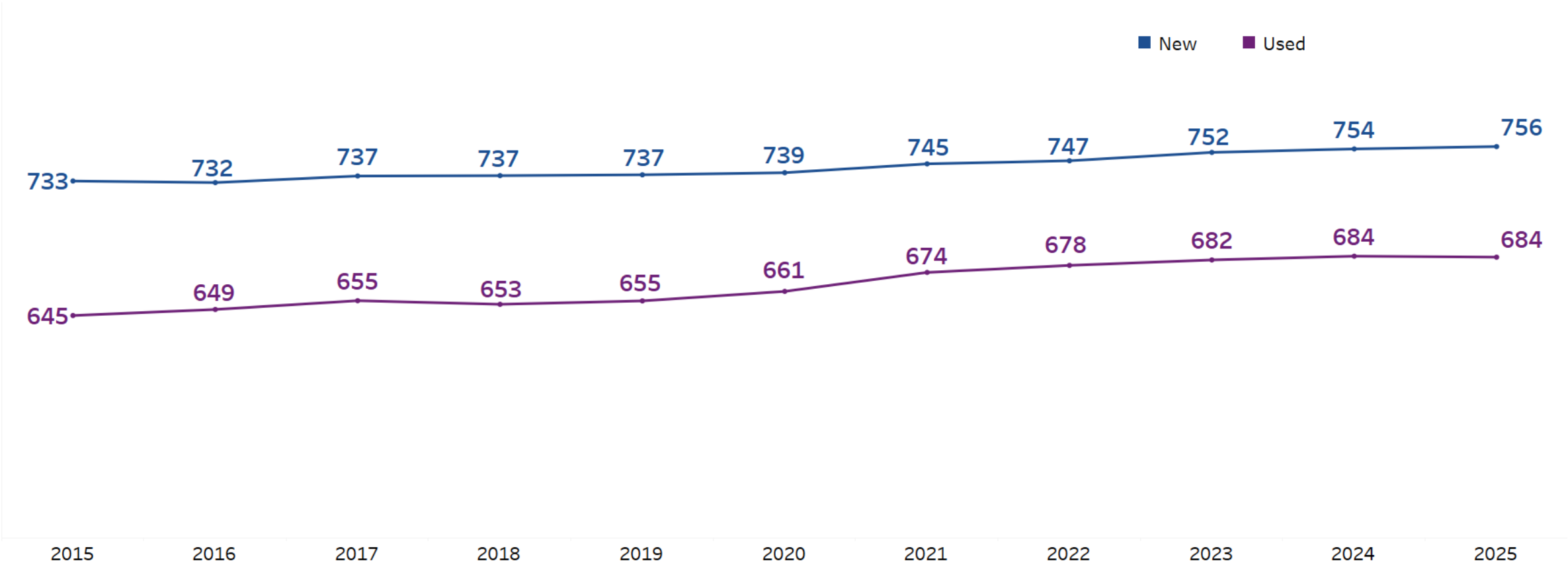
Banks gain share to remain largest loan providers; Credit Union and Finance Companies see share increases

Total loan market share



Average used scores remain flat YOY while new is up 2 points

Average score by vehicle type

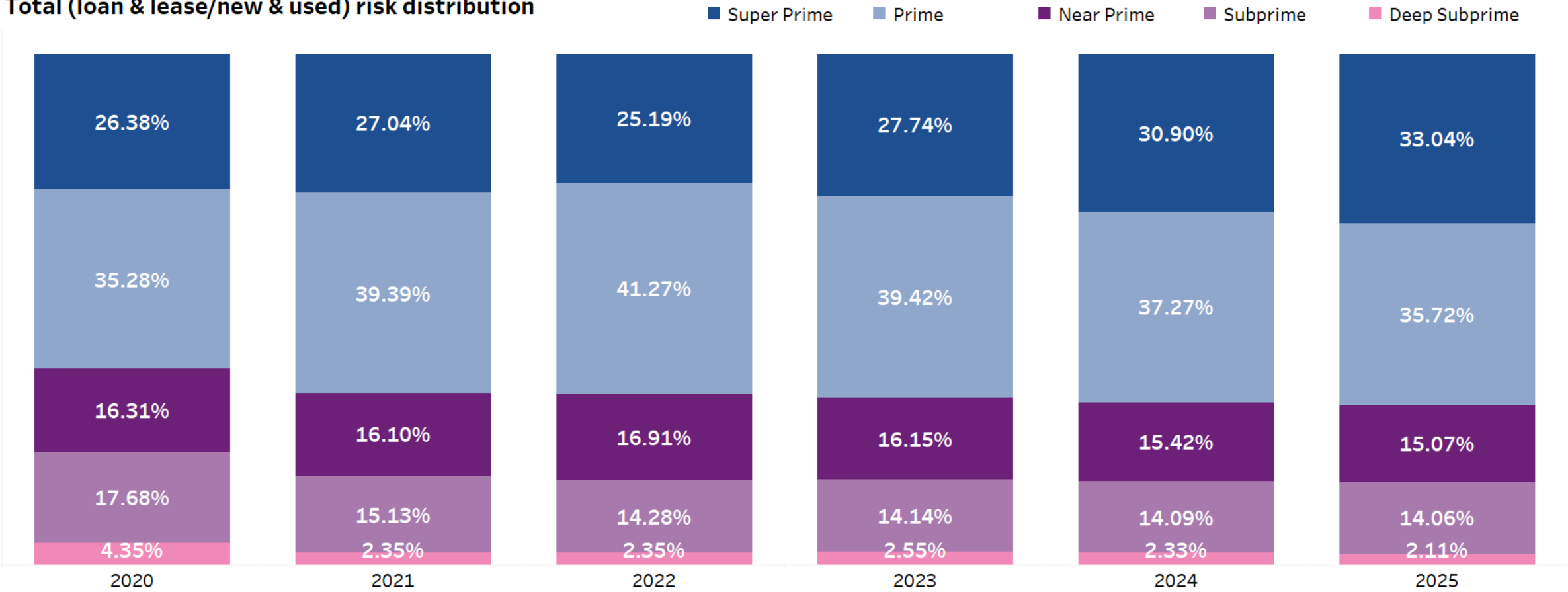


VantageScore® 4.0



Super Prime is the only risk tiers to see growth YOY; combined Subprime falls 26.6% since 2020

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

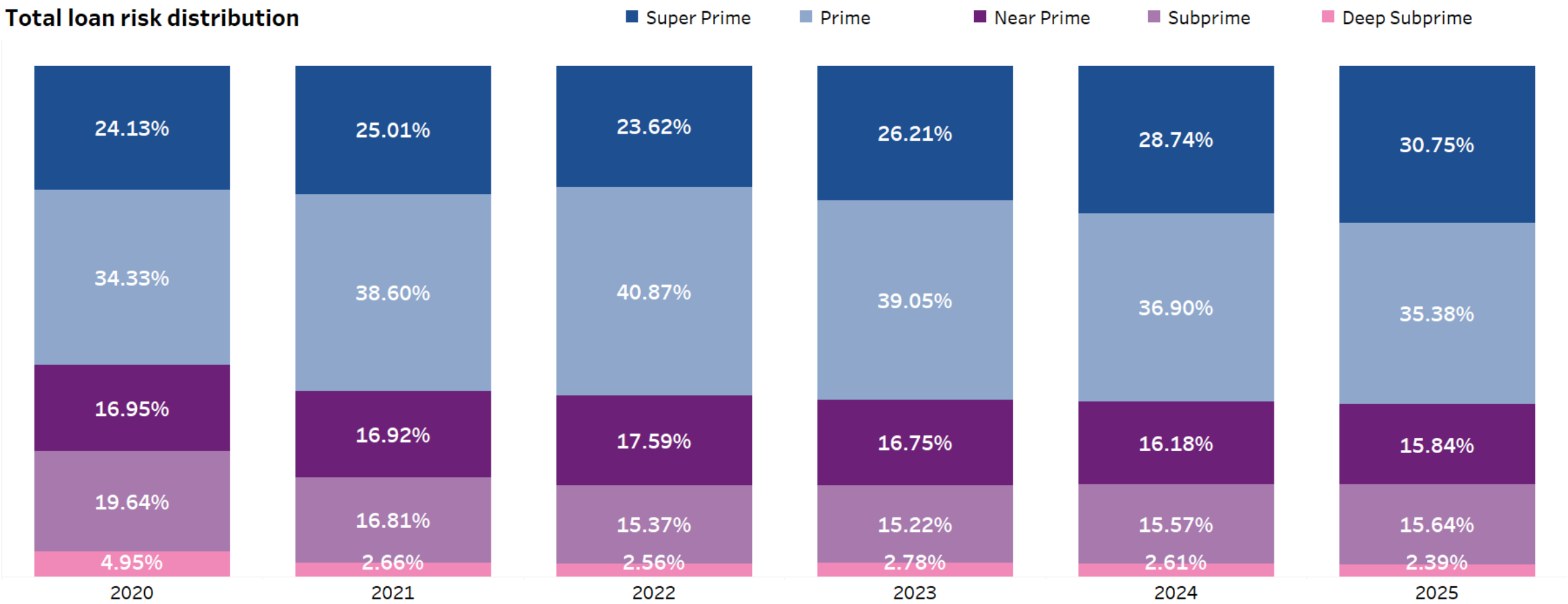


VantageScore® 4.0



Super Prime and Subprime see total loan growth

Total loan risk distribution



VantageScore® 4.0

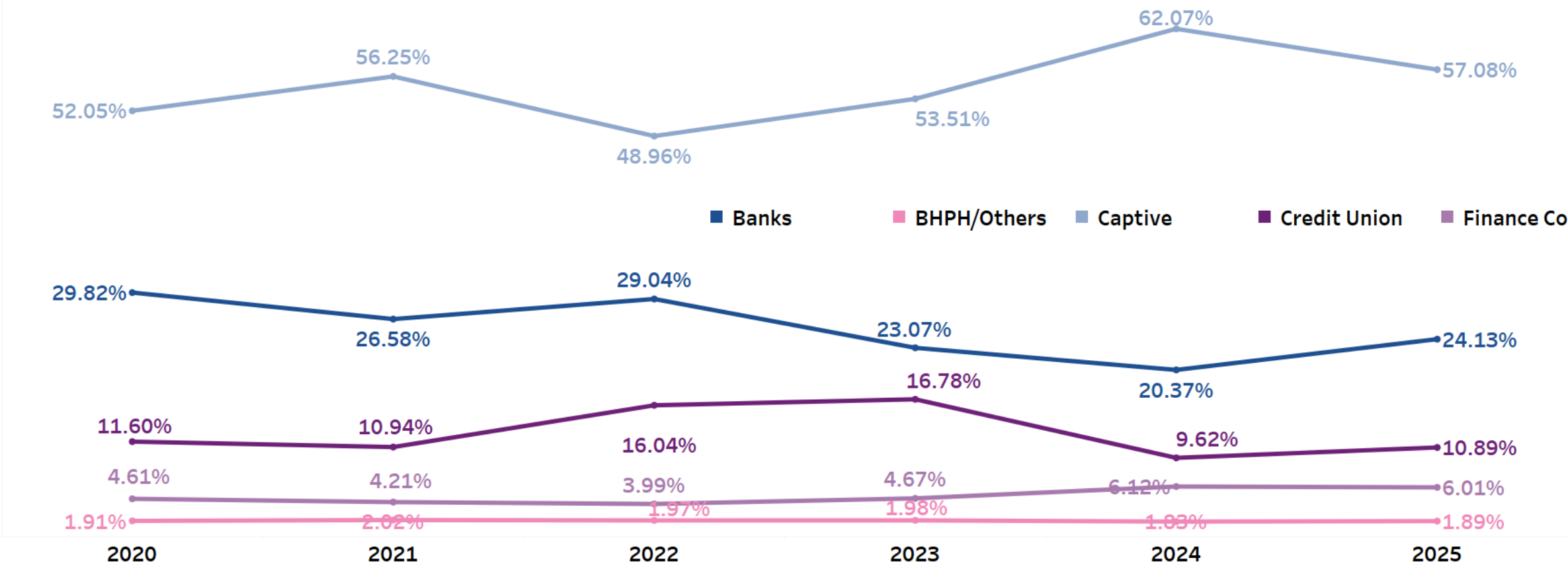


Q1 2025 New financing

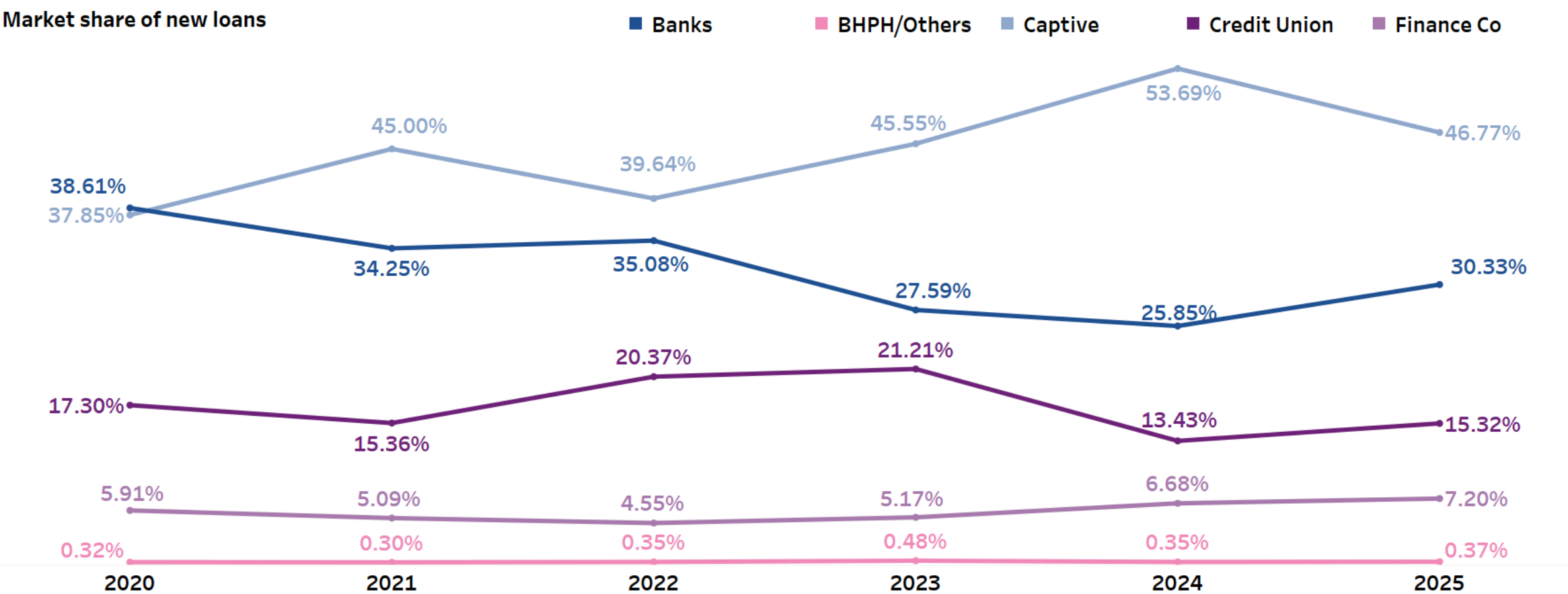
A look at new lease & loan trends

Captives continue to dominate new financing; Banks and Credit Unions increase new share

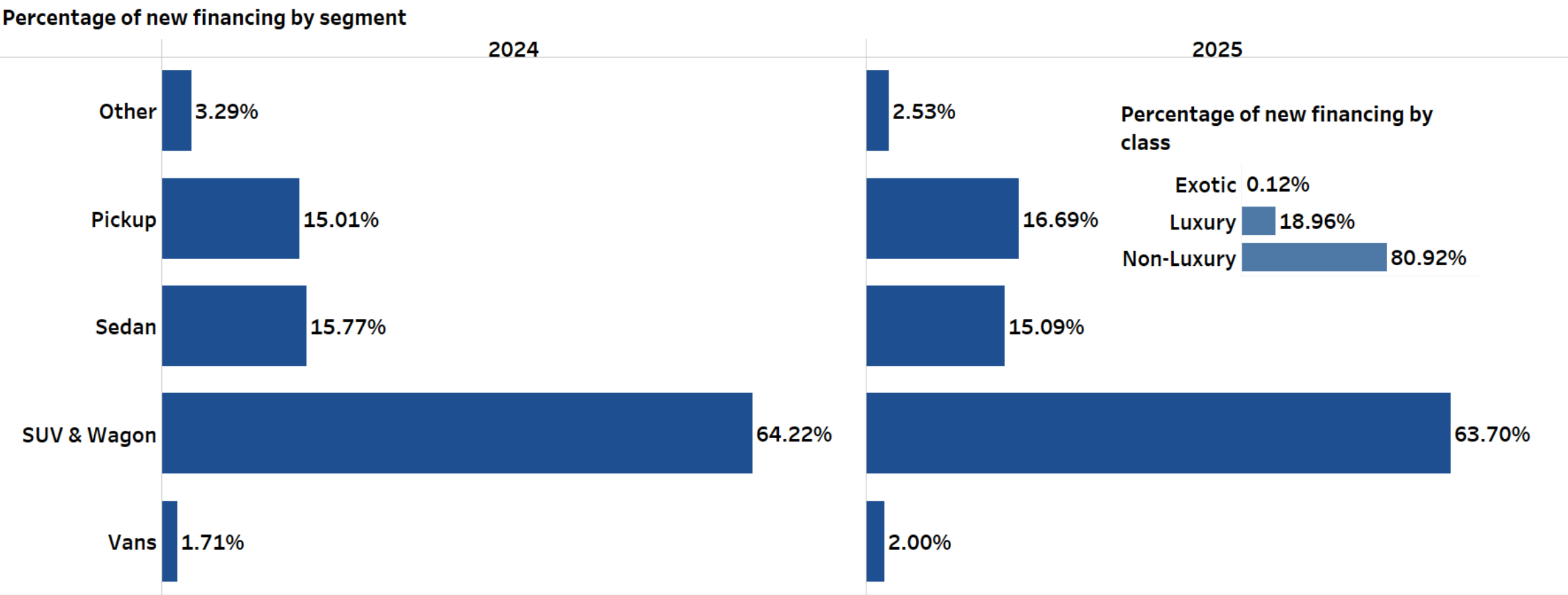
Market share of new financing (loan/lease)



Captive share decreases, but still is dominate for new loans

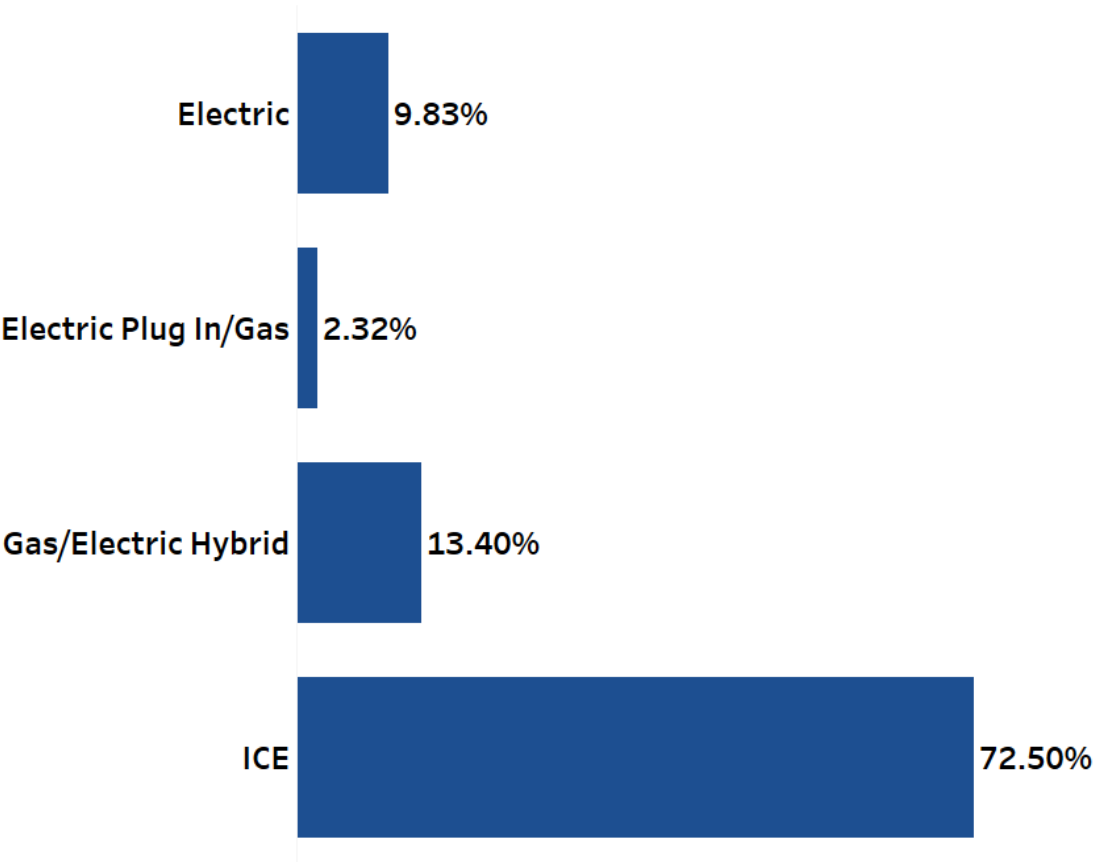


SUV share has decreased while Pickups gain share

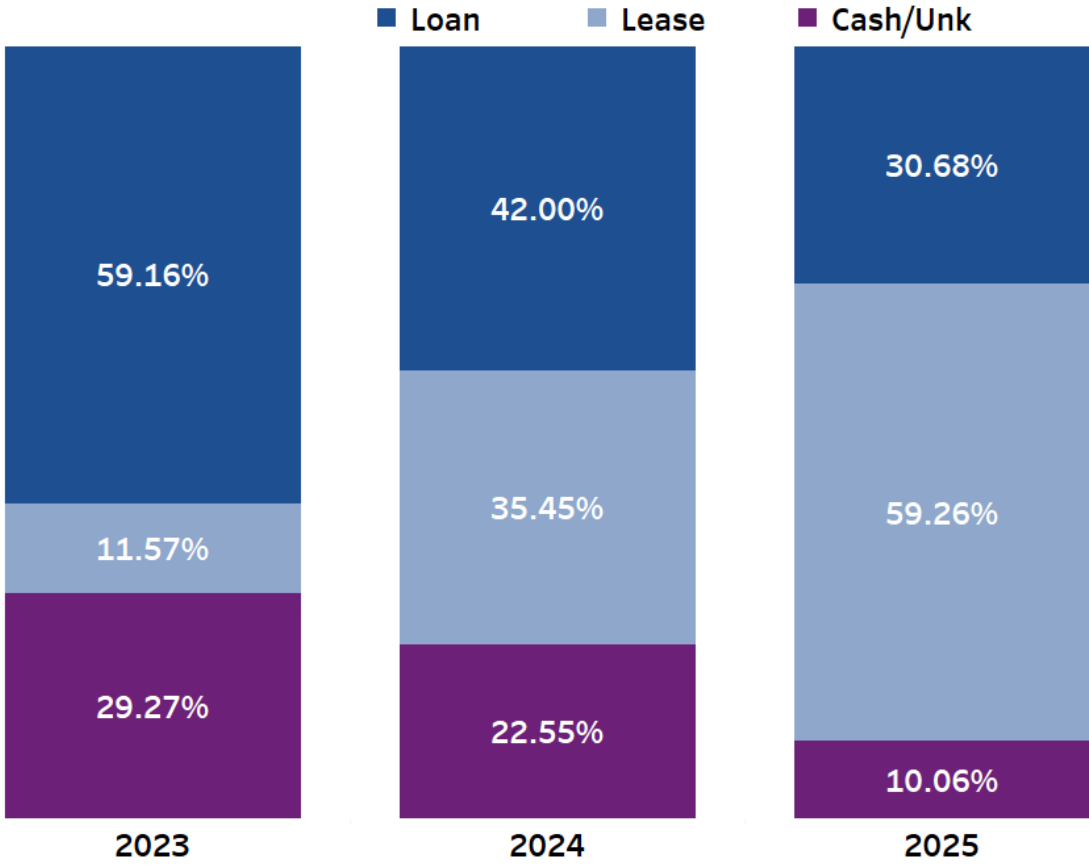


EVs reach nearly 10% of new purchases and are leased at almost 60% (nearly 23% of all new leasing)

Percentage of new purchase by fuel type

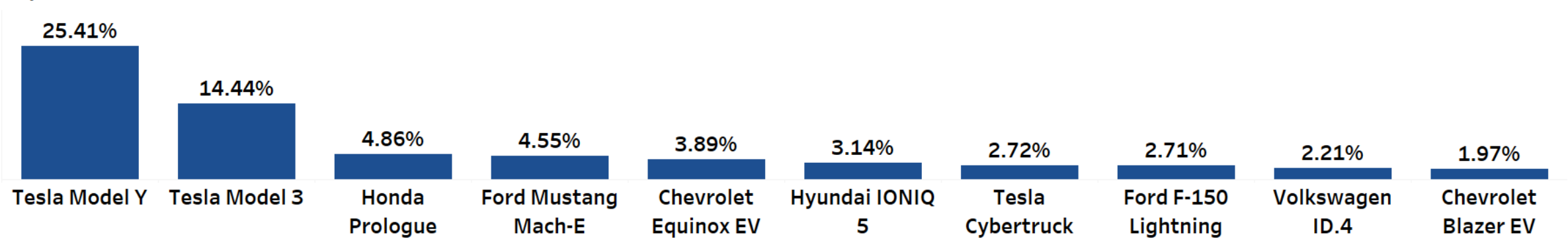


How are consumers purchasing new EV

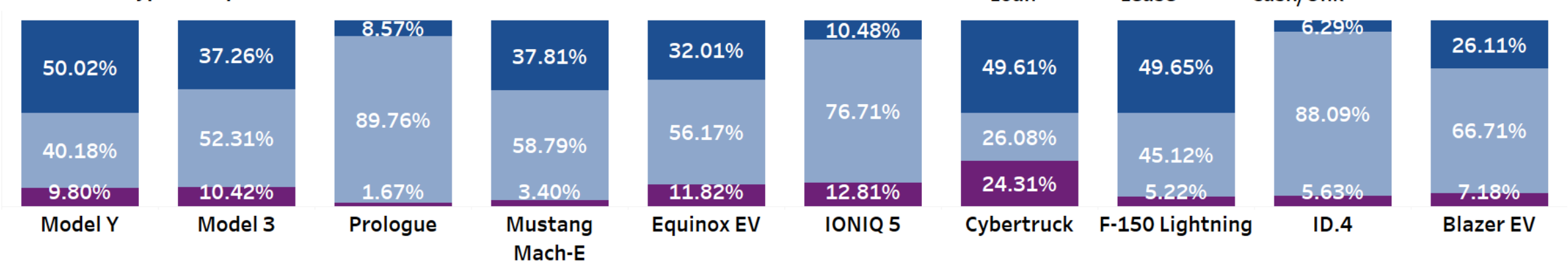


Top 10 New EV Models: transaction types vary considerably among the top new EVs

Top 10 EV models

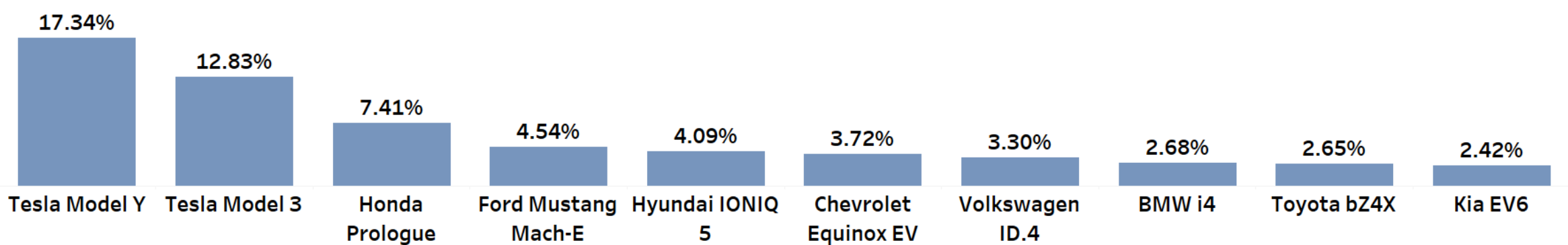


Transaction type on top EV models

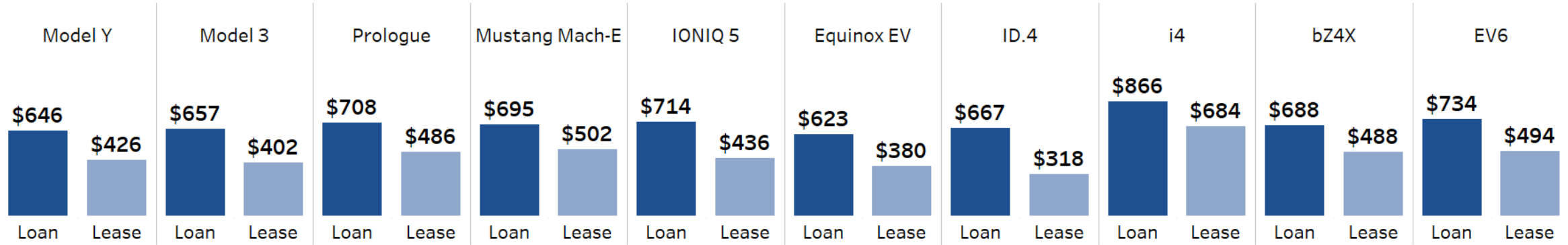


Average payment difference between a lease and a loan across all EV models is \$175

Top 10 leased EV models

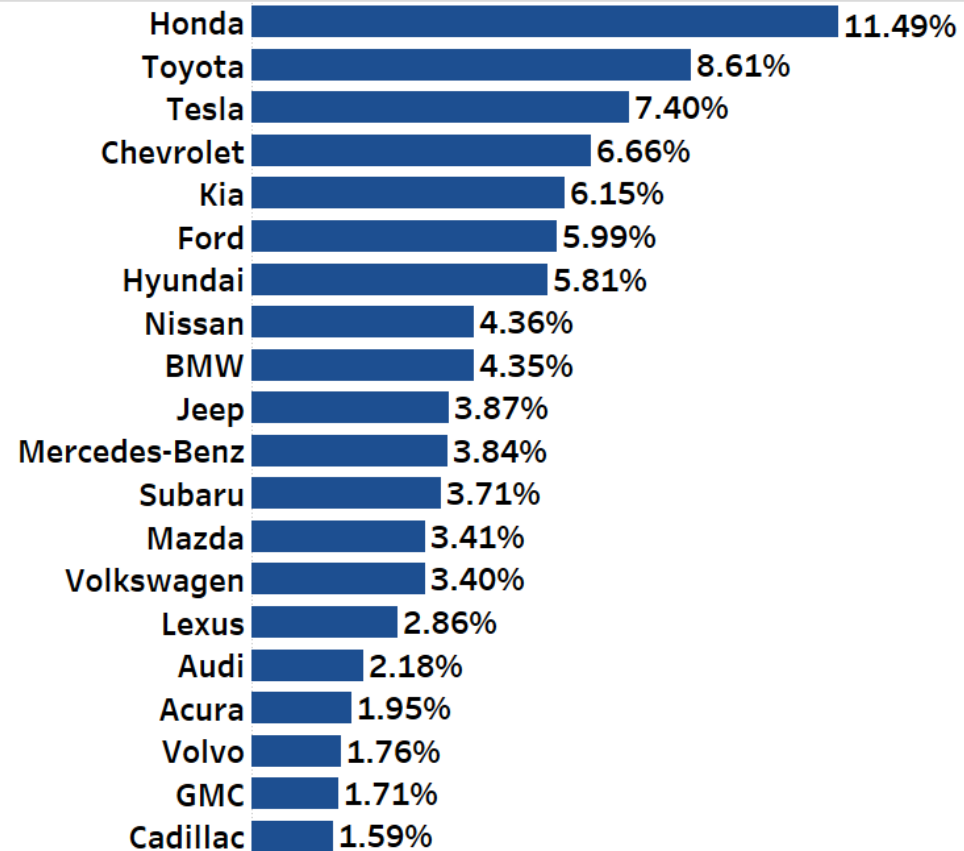


Average monthly payment on top leased EV models

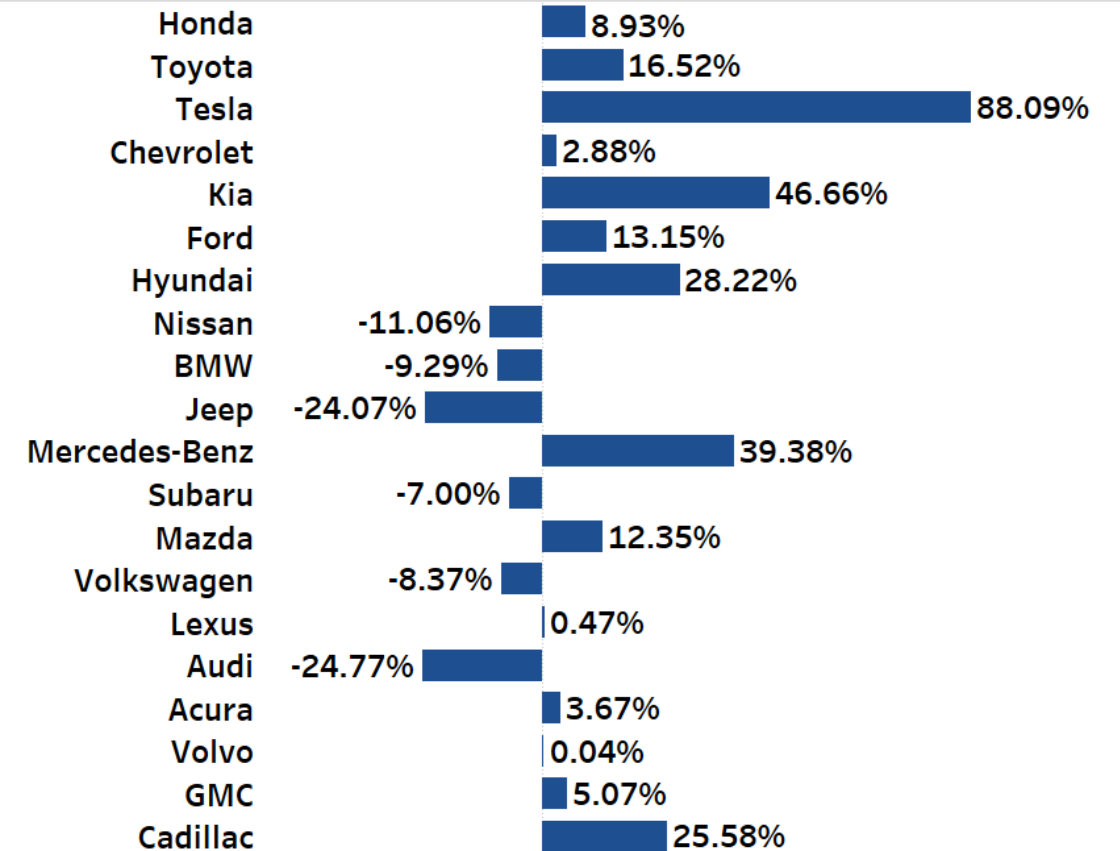


Honda remains as number one leased make; Tesla increases 88% to hit 3rd largest leased make

Top 20 leased new makes

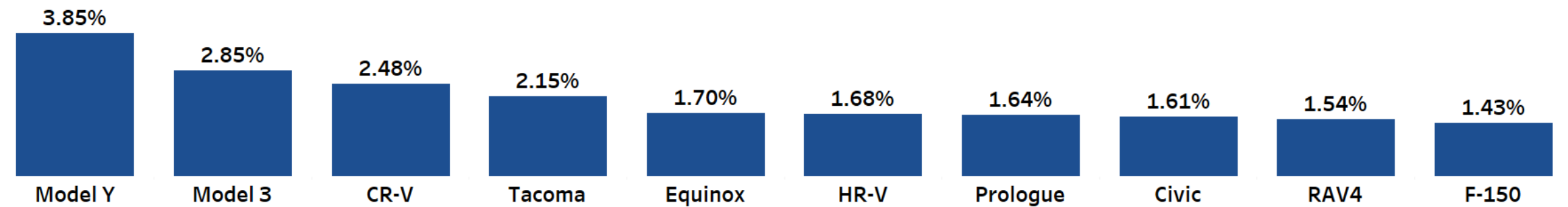


YOY Growth on Top 20 leased makes

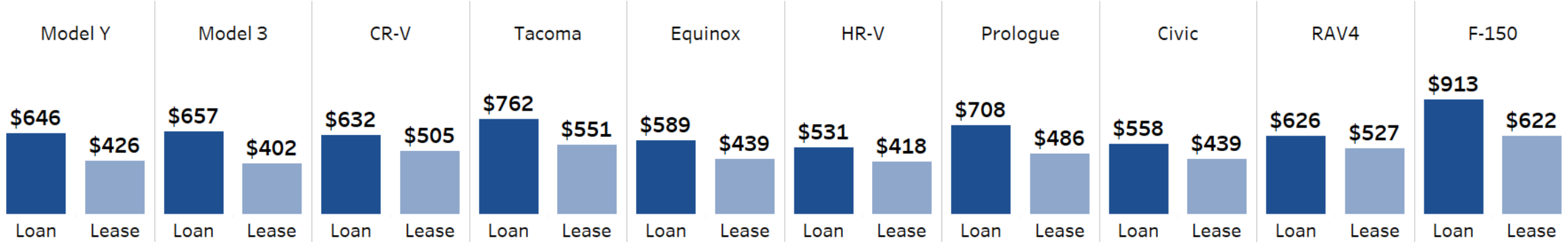


Three of the top leased models are EV; average payment difference of \$142

Top 10 leased models



Average monthly payment on top leased models

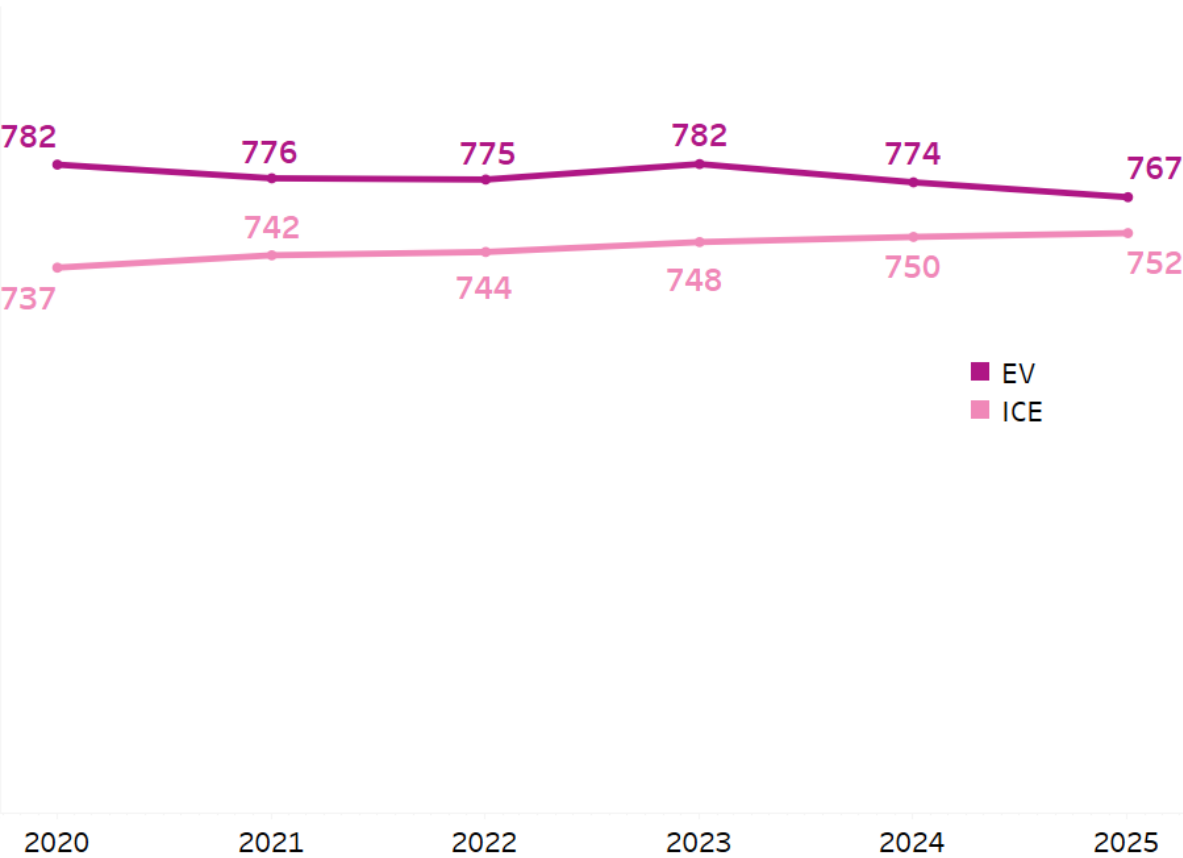


New loan scores increase 2 points; EV scores decrease 7 points while ICE is up 2 points

Average new score by transaction type



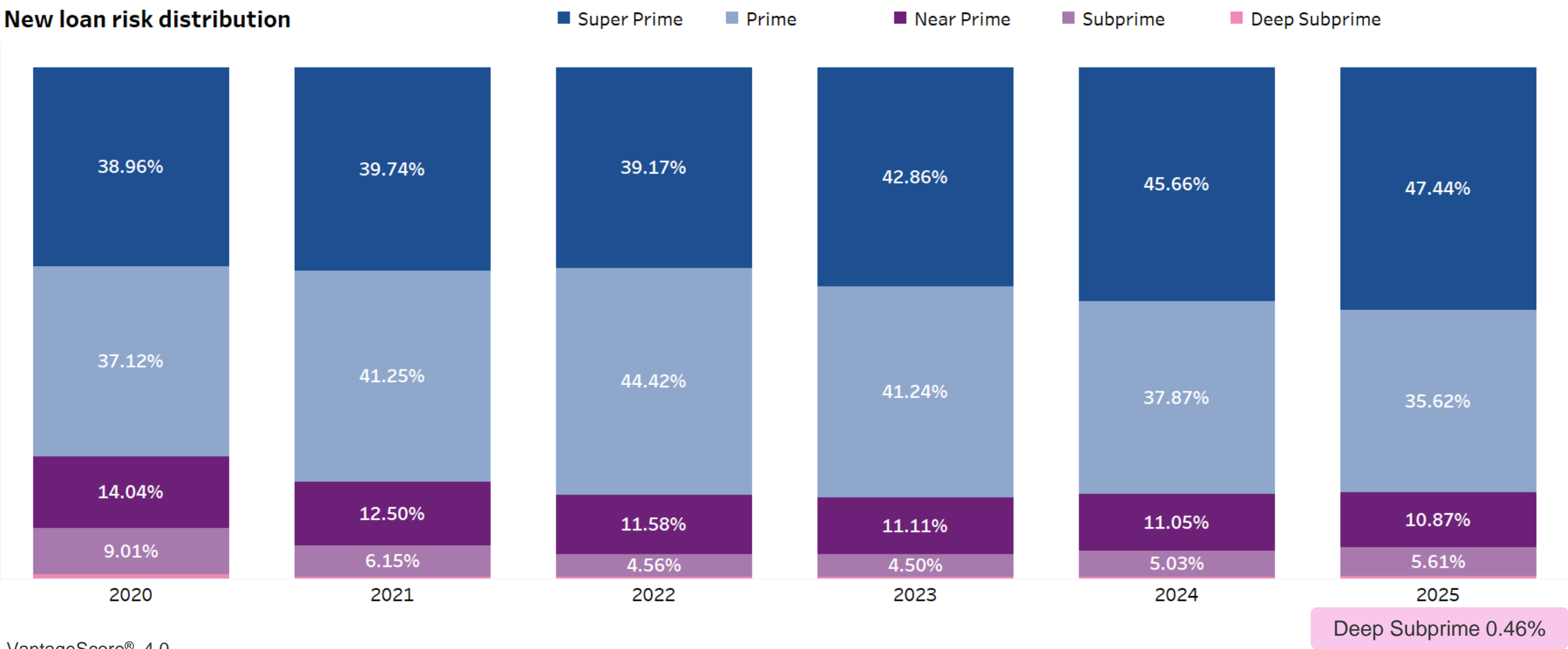
Average new score by fuel type



VantageScore® 4.0

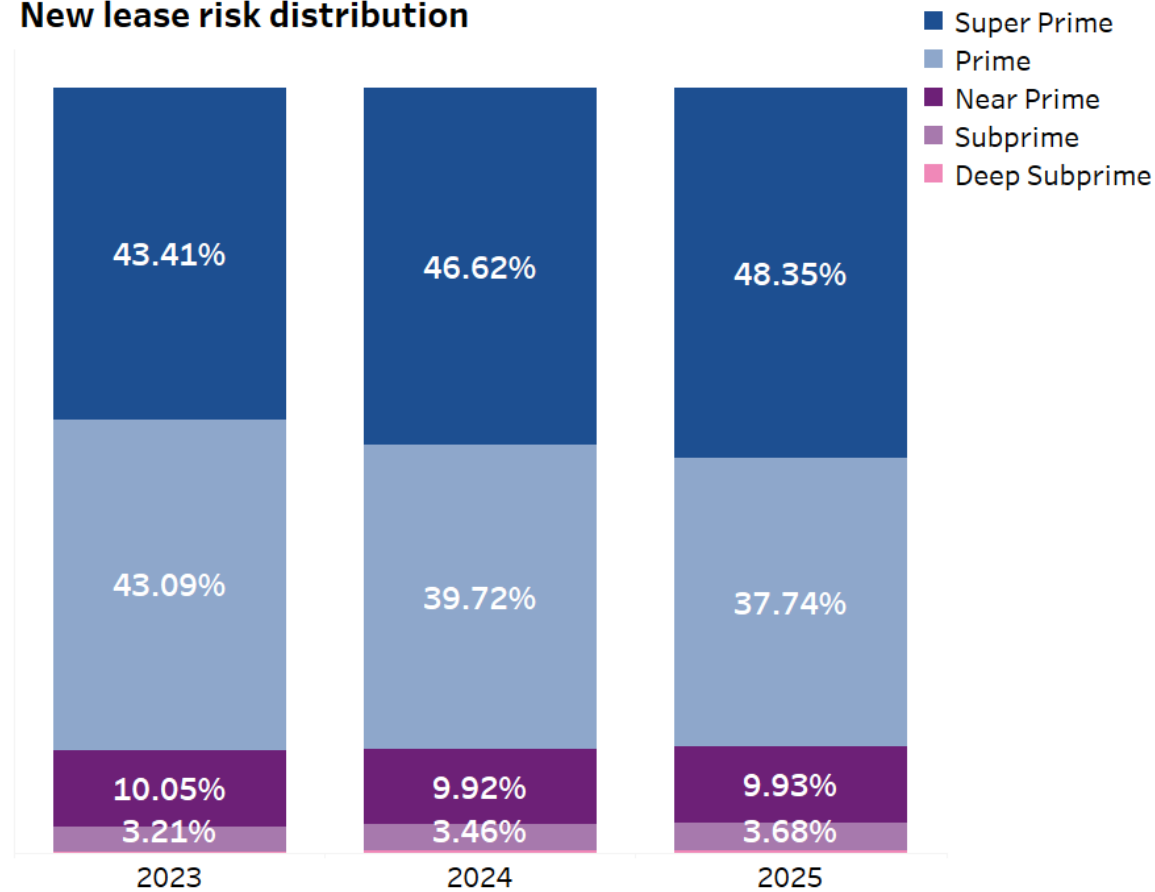


New loans see growth in Super Prime and Subprime; over 83% of new loans are Prime+



Over 86% of new leasing is Prime+; some growth occurs in Subprime

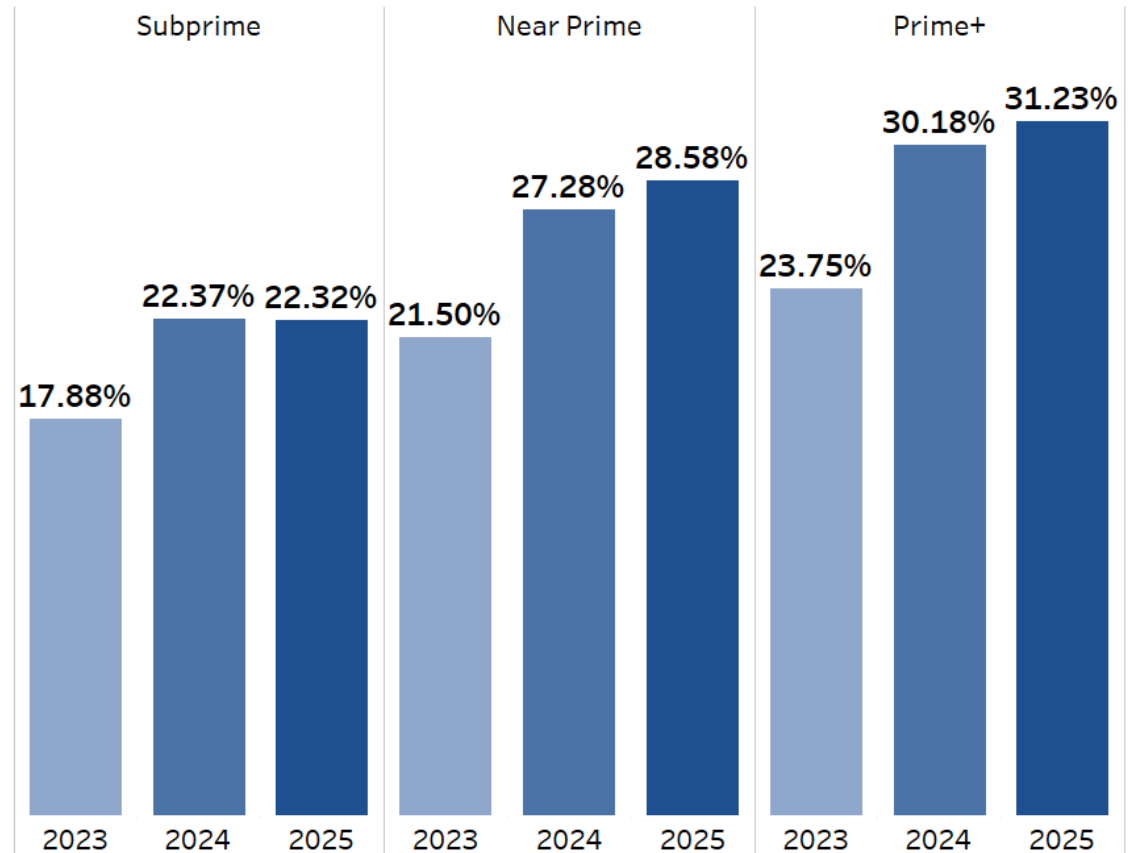
New lease risk distribution



VantageScore® 4.0

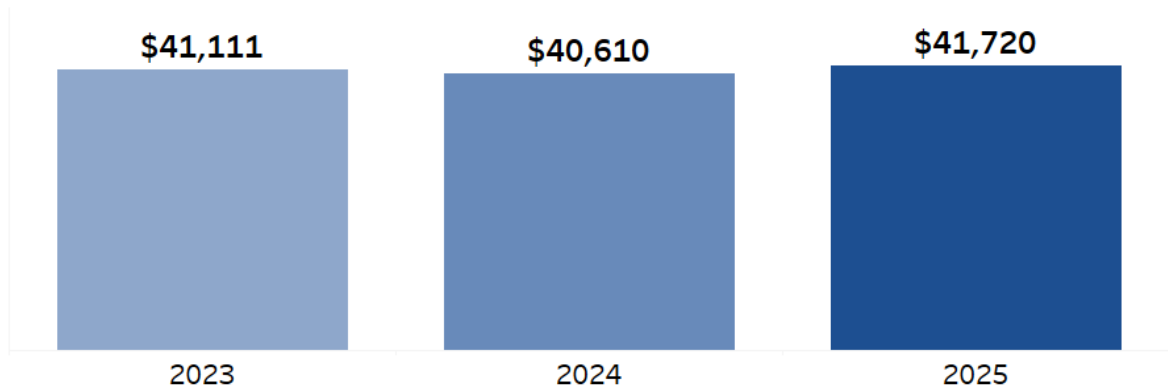
Deep Subprime 0.30%

% of borrowers choosing to lease

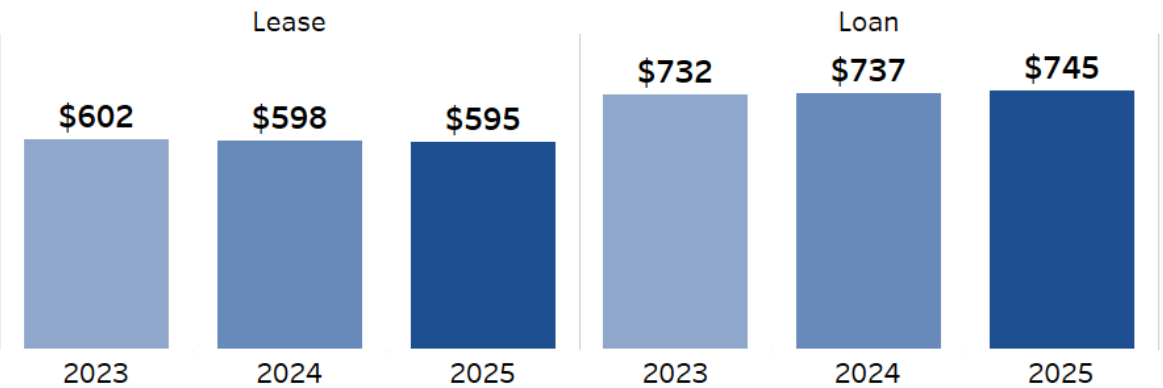


Average new loan amount increases; loan payments and term increase while rates and lease payment decrease

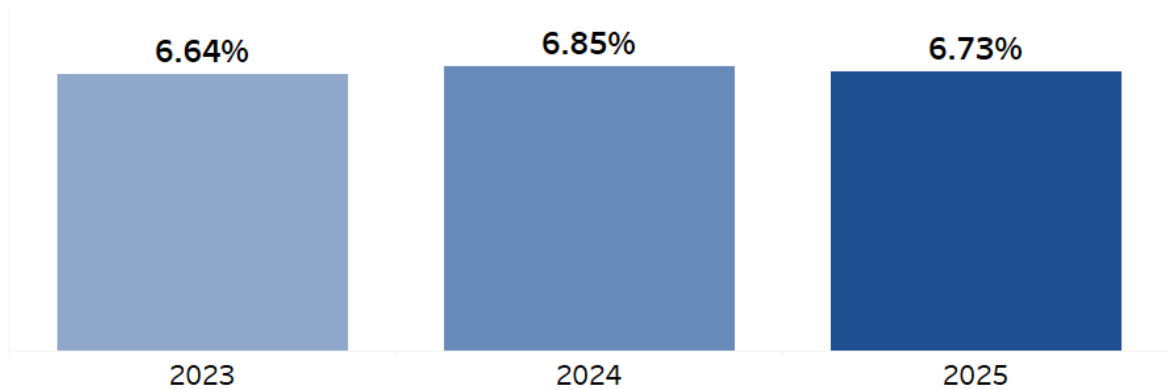
Average new amount financed



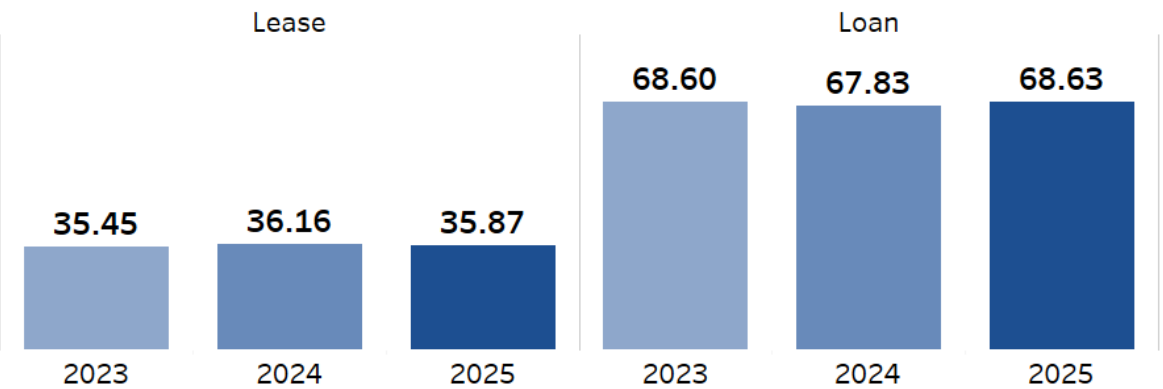
Average new monthly payment



Average new loan rate

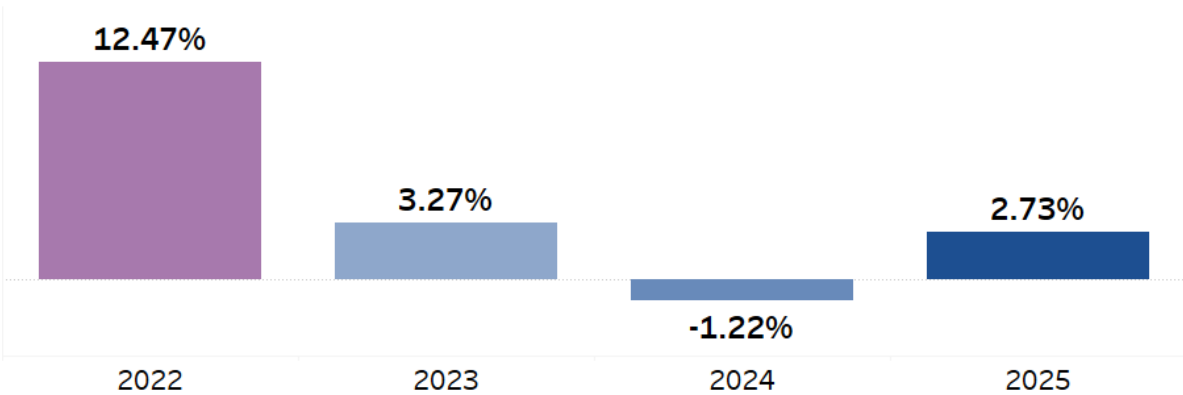


Average new loan term

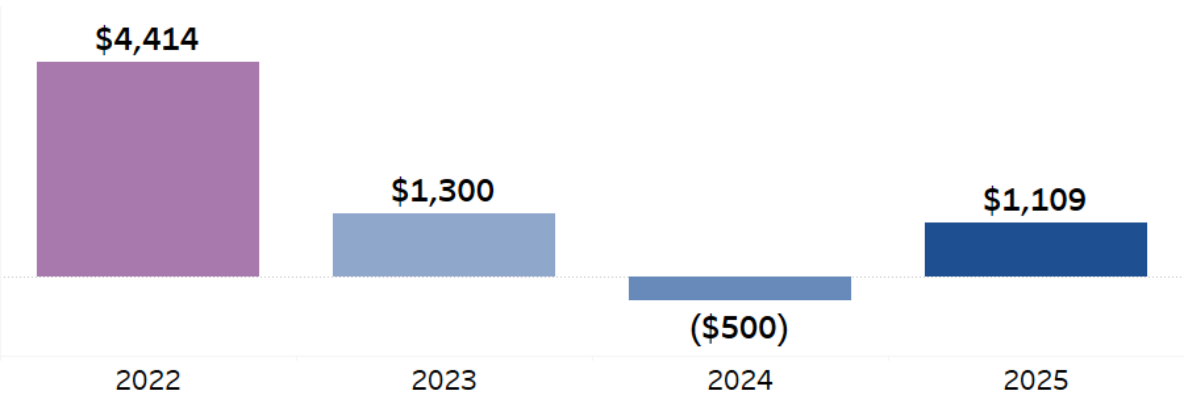


Loan amounts increase both year-over-year and are up slightly quarter-over-quarter

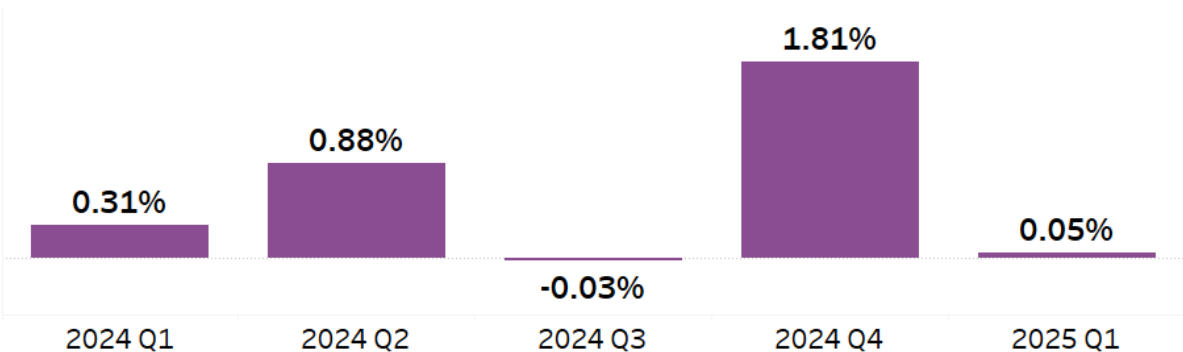
YOY growth in average new loan amount



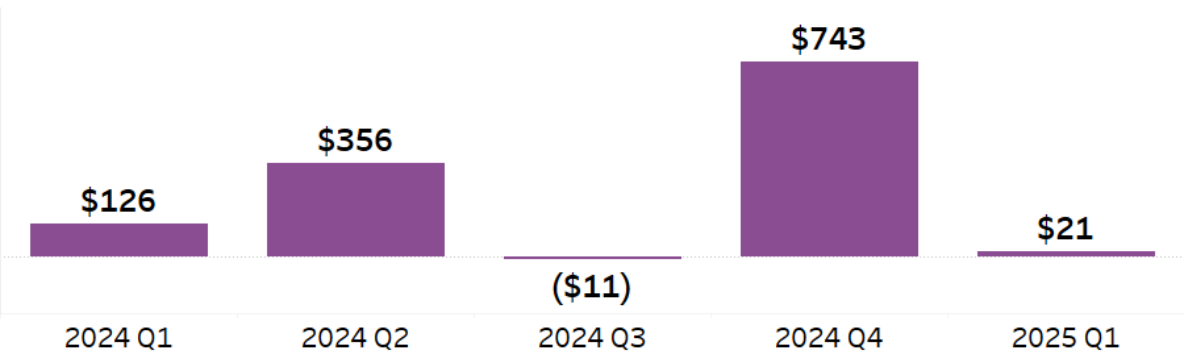
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount

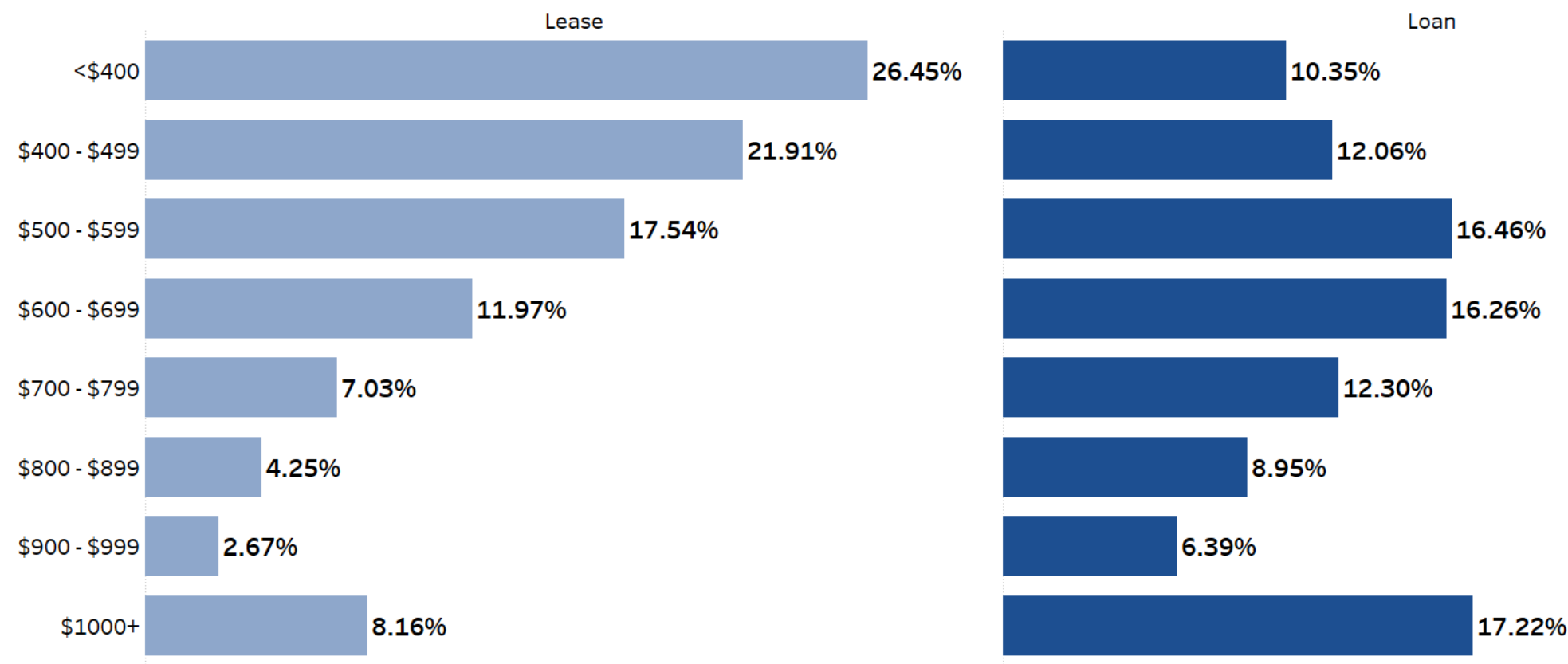


QOQ \$ difference in average new loan amount



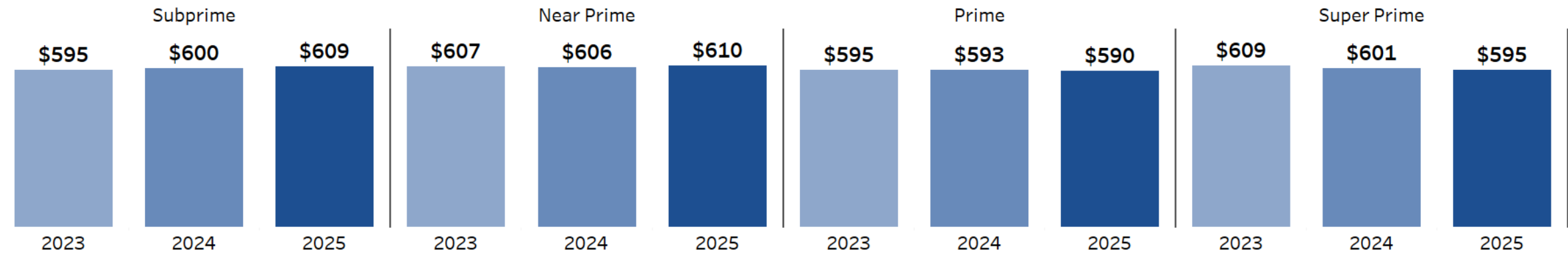
Nearly 14.5% of all new payments (loan & lease combined) are over \$1k

Average monthly payment

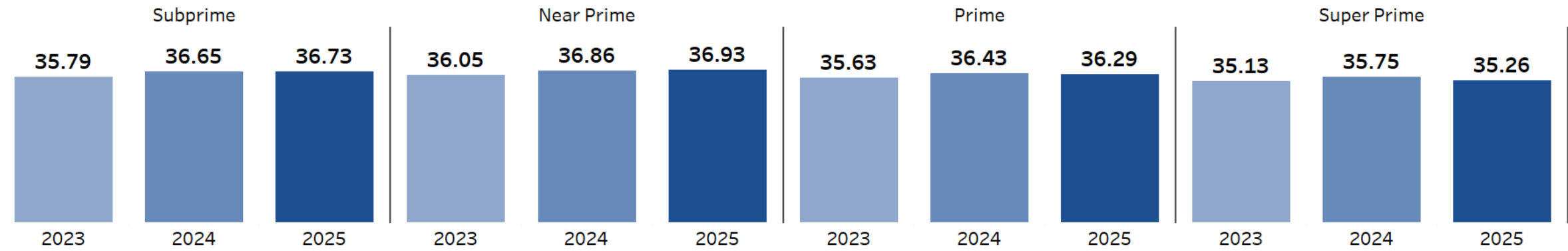


Lease payments and terms are up outside of Prime+

Average lease payment by risk tier



Average lease term by risk tier

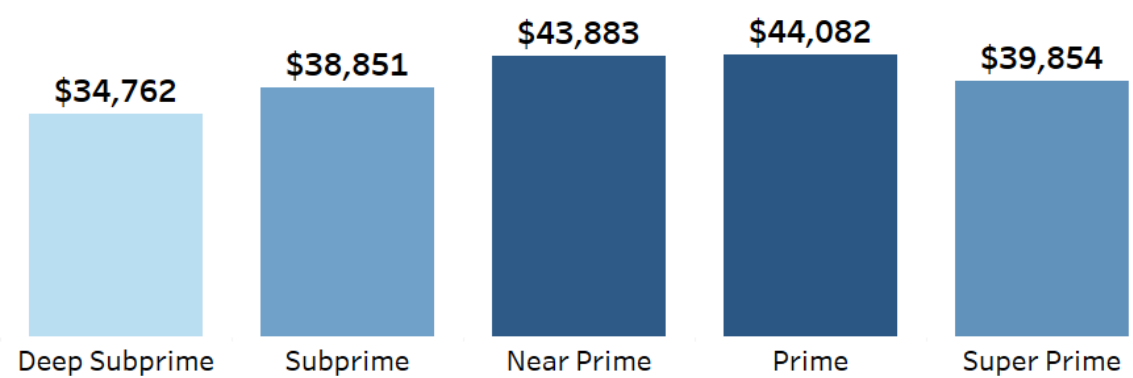


VantageScore® 4.0

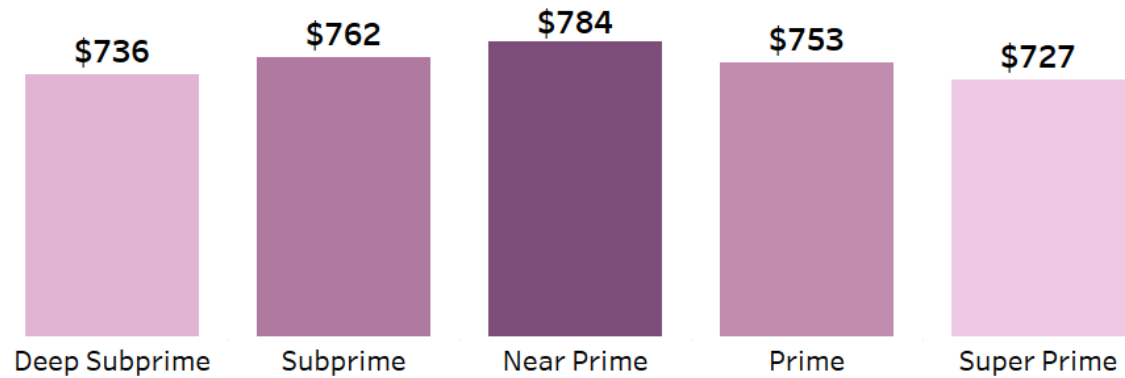


Loan amounts increase and payments are up for all risk segments with Near Prime having the highest YOY increase

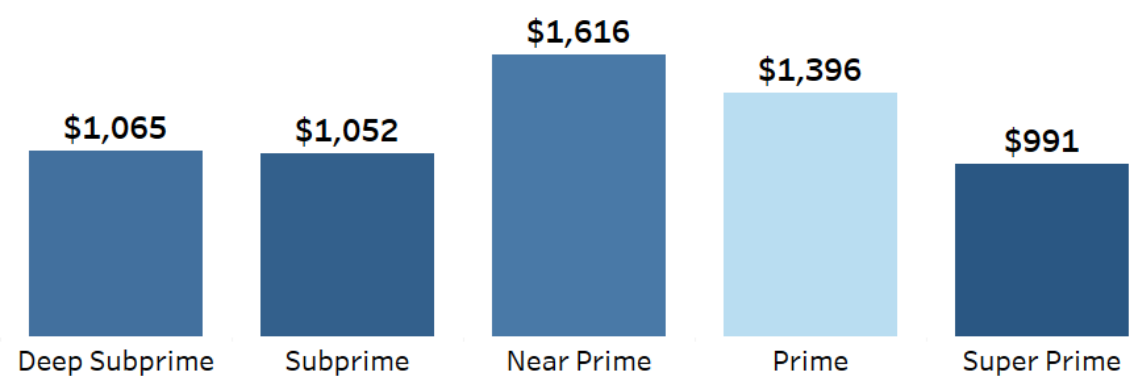
Average new loan amount financed by risk



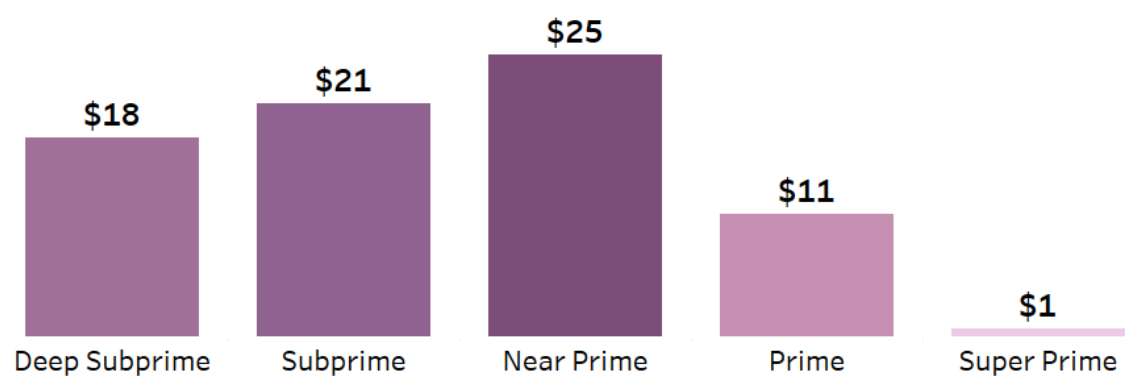
Average new loan monthly payment by risk



Year-over-year change in new loan amount



Year-over-year change in new monthly payment

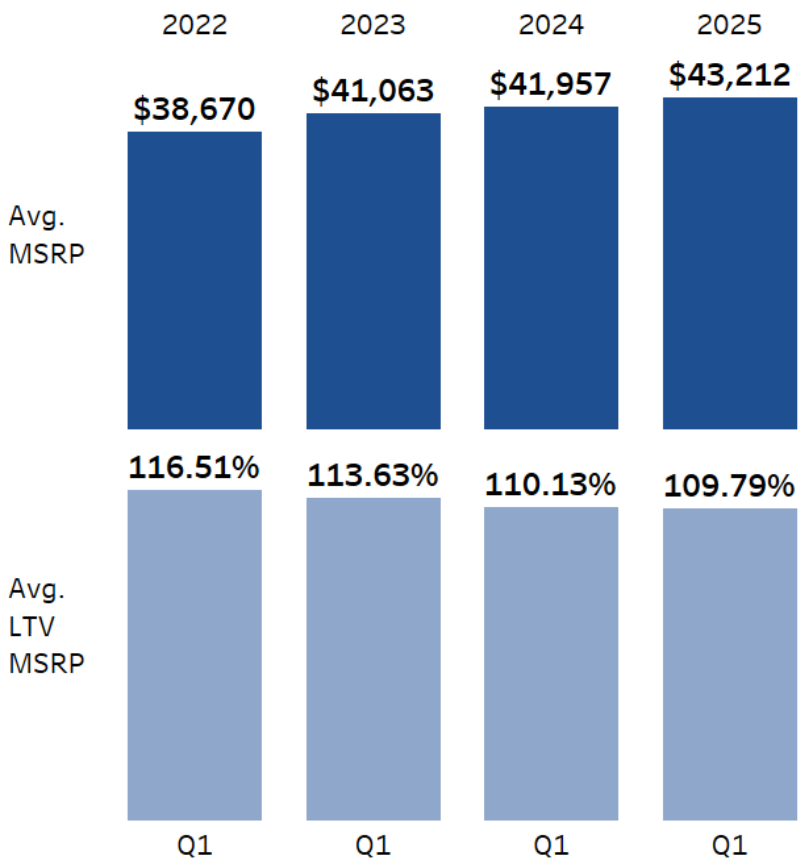


VantageScore® 4.0

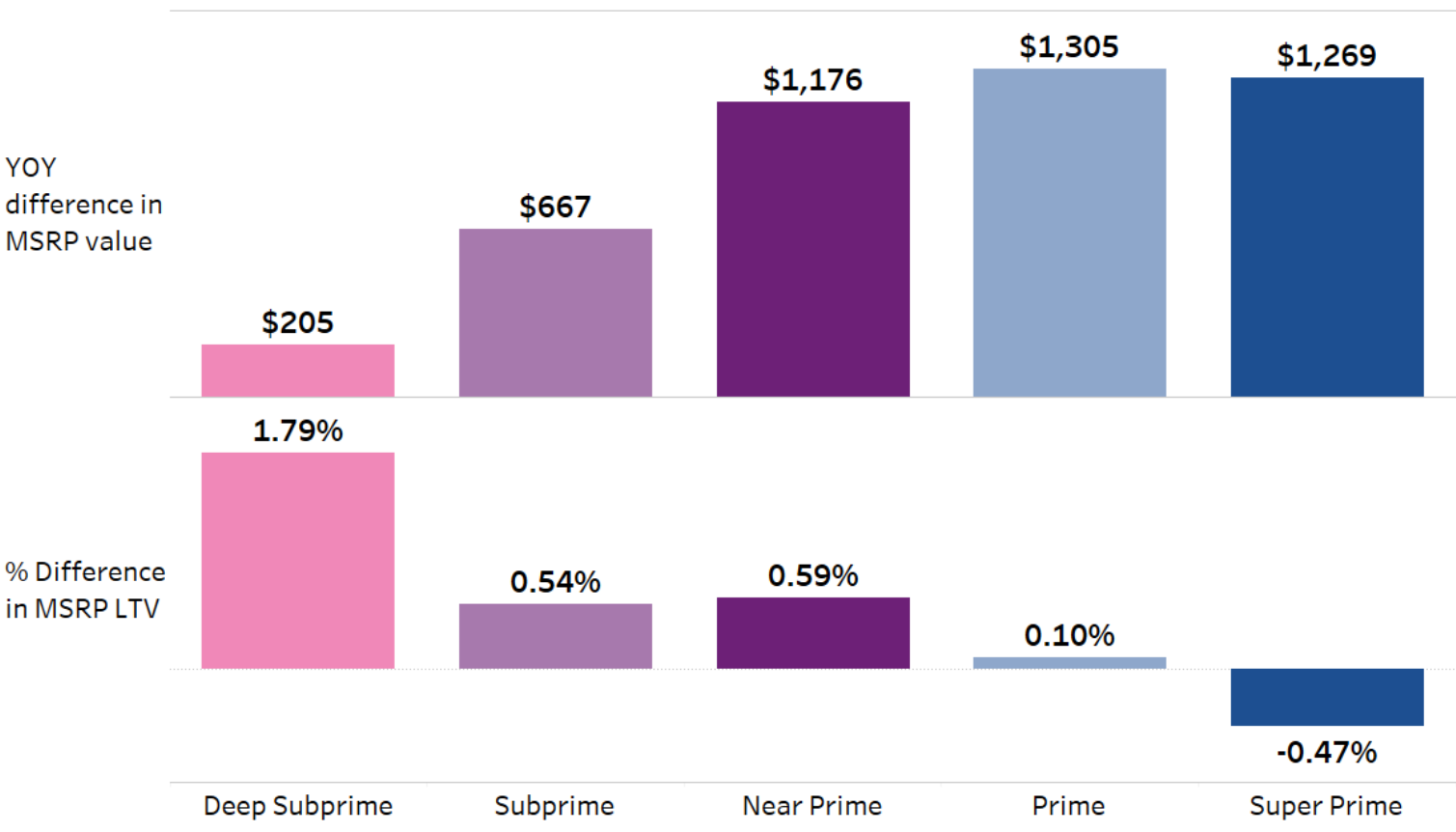


New values increase while LTV decreases overall and in Super Prime

Avg New Values

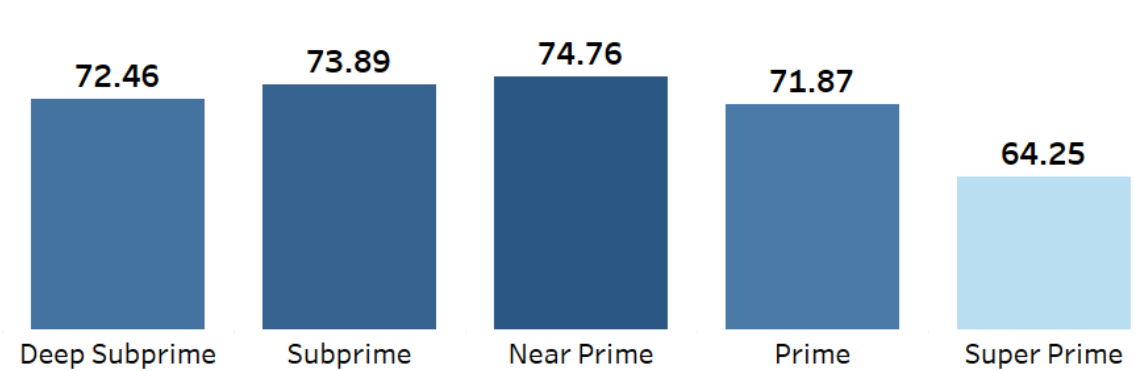


YOY change in new values

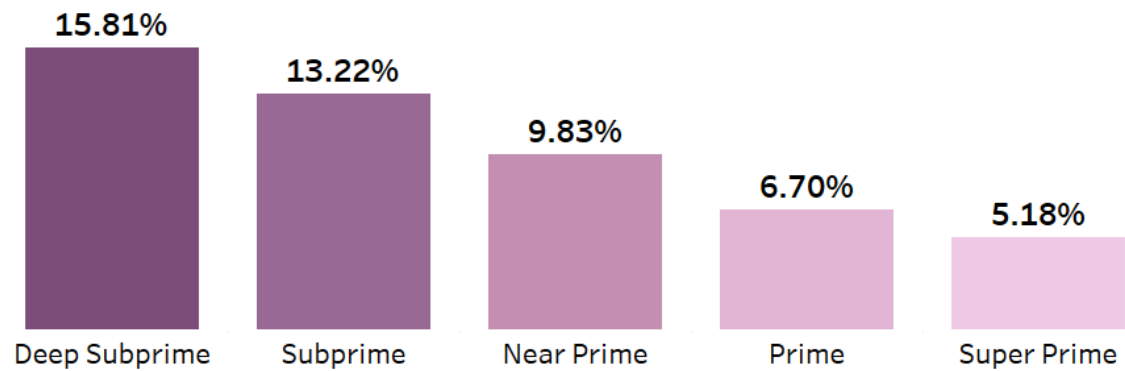


Terms increase across the market while rates decrease for Prime and Super Prime

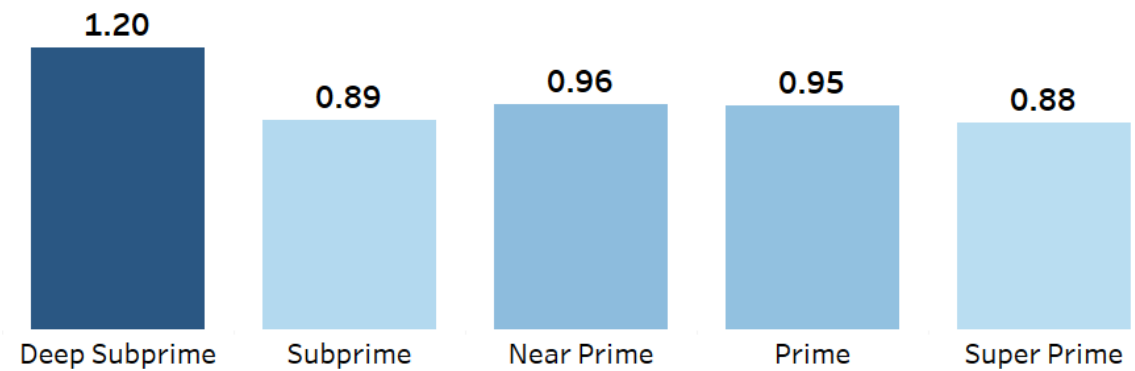
Average new loan term by risk



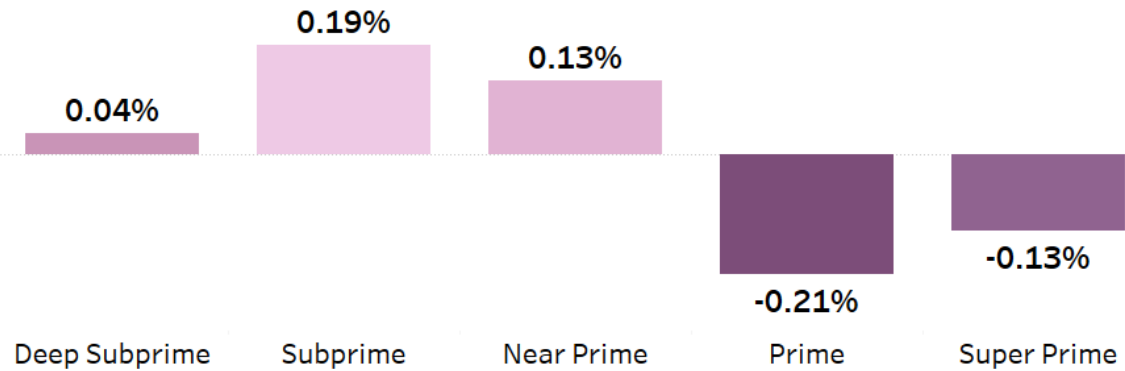
Average new loan rate by risk



Year-over-year change in new loan term



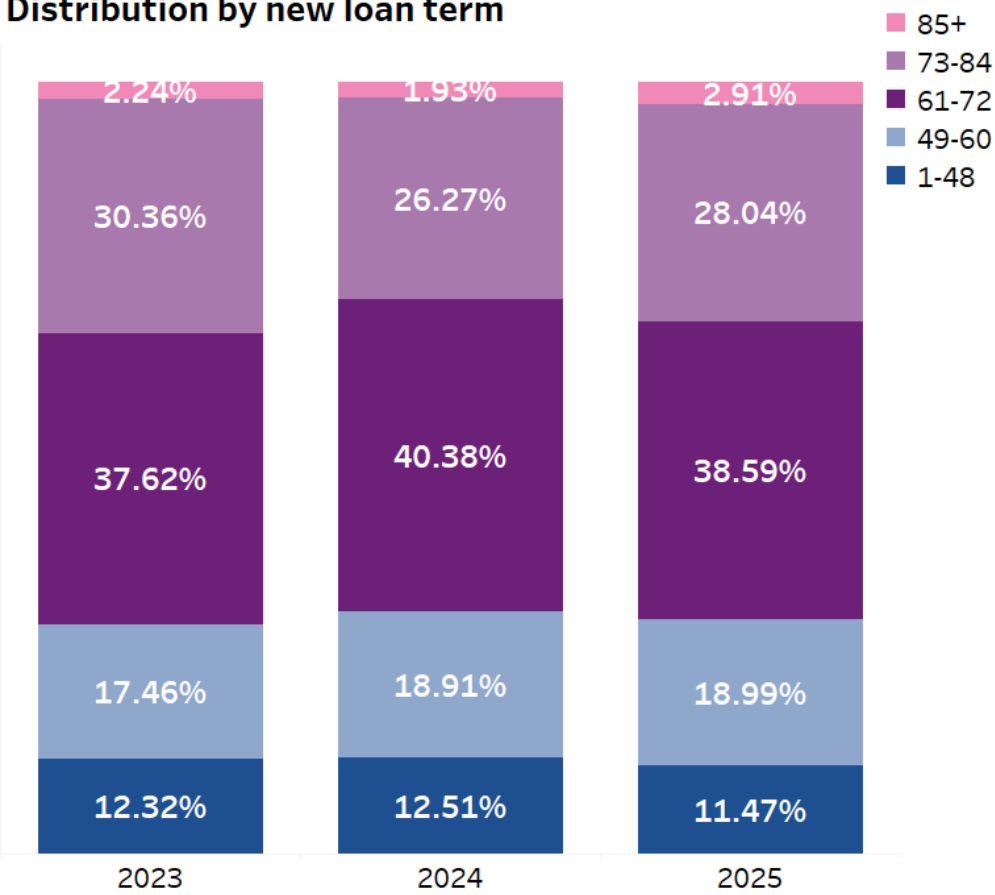
Year-over-year change in new rate



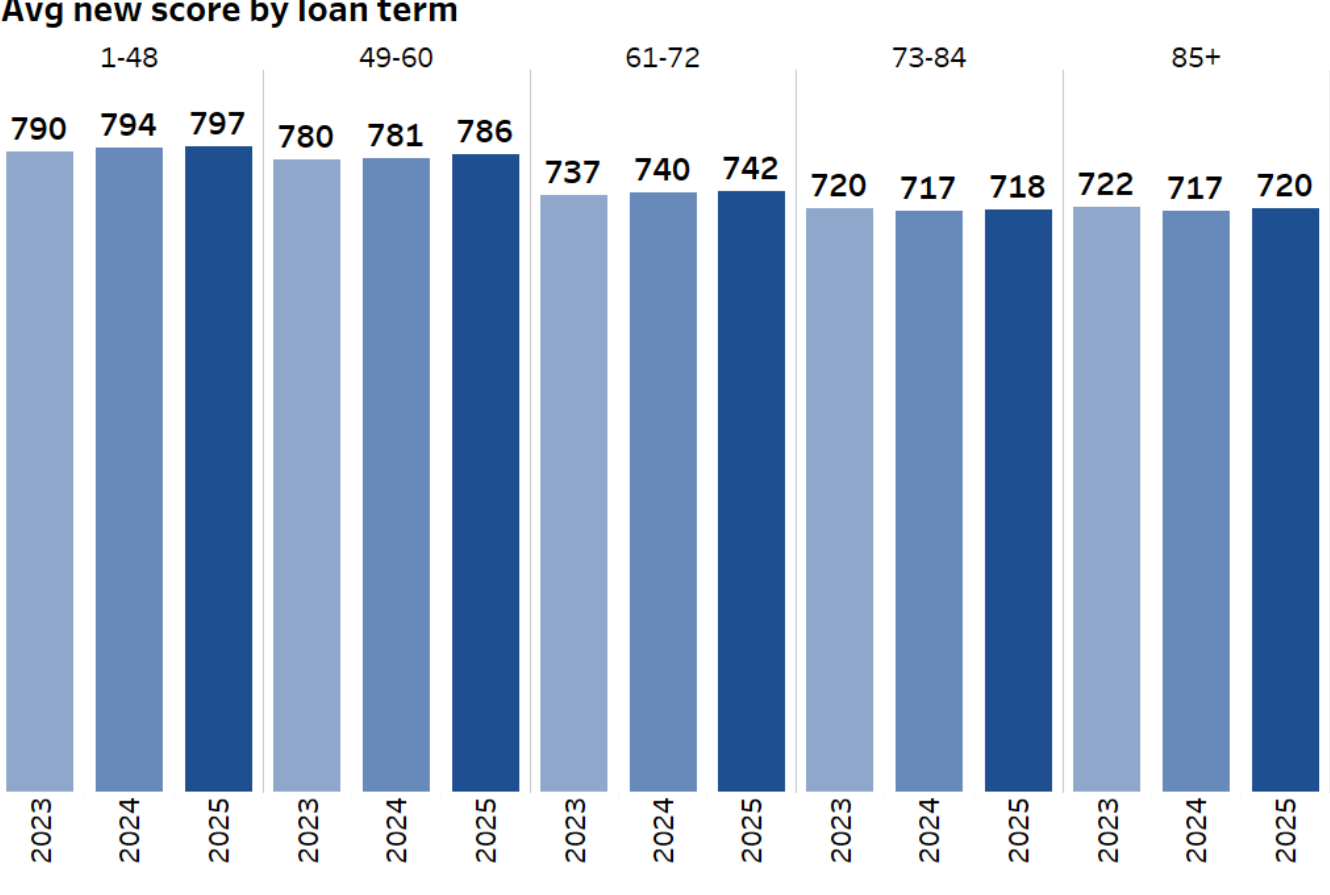
VantageScore® 4.0

Majority of term growth is occurring 73+ month term loans while scores increase across all terms

Distribution by new loan term



Avg new score by loan term



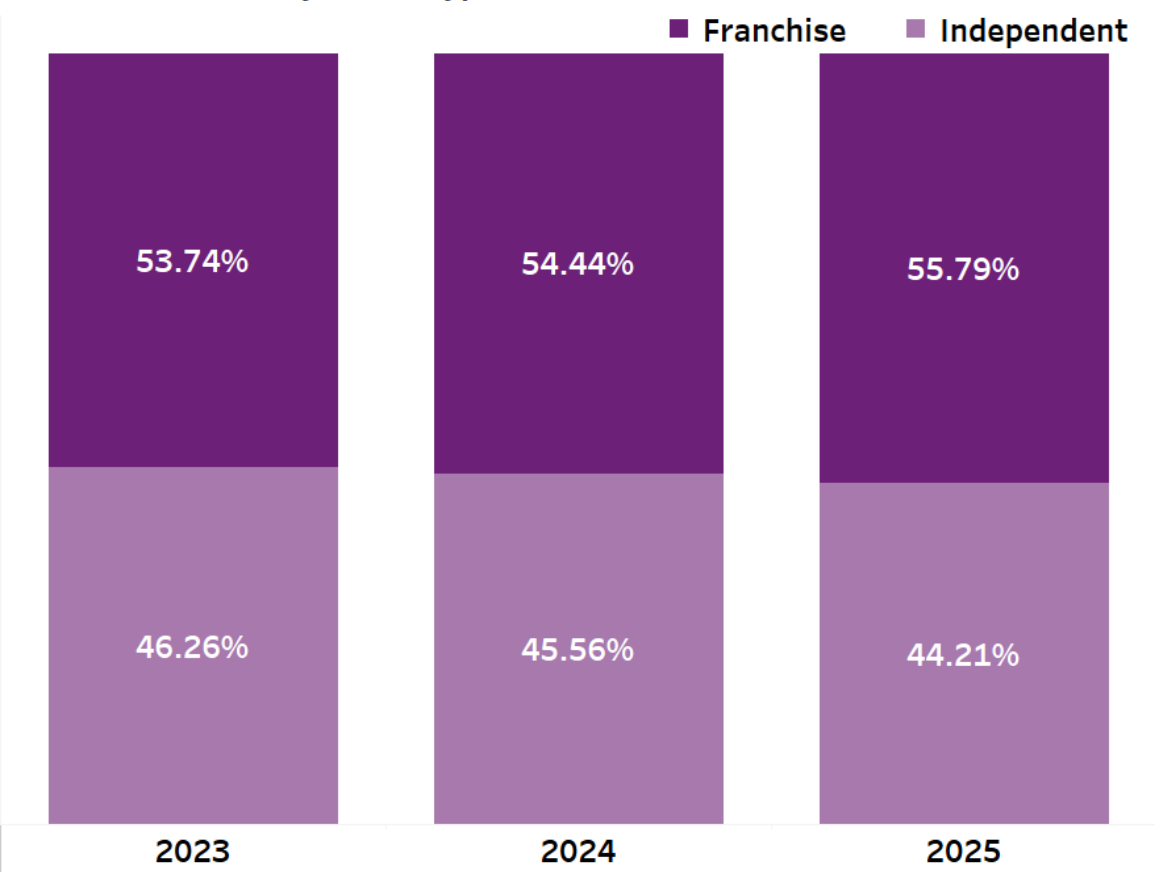


Q1 2025 Used financing

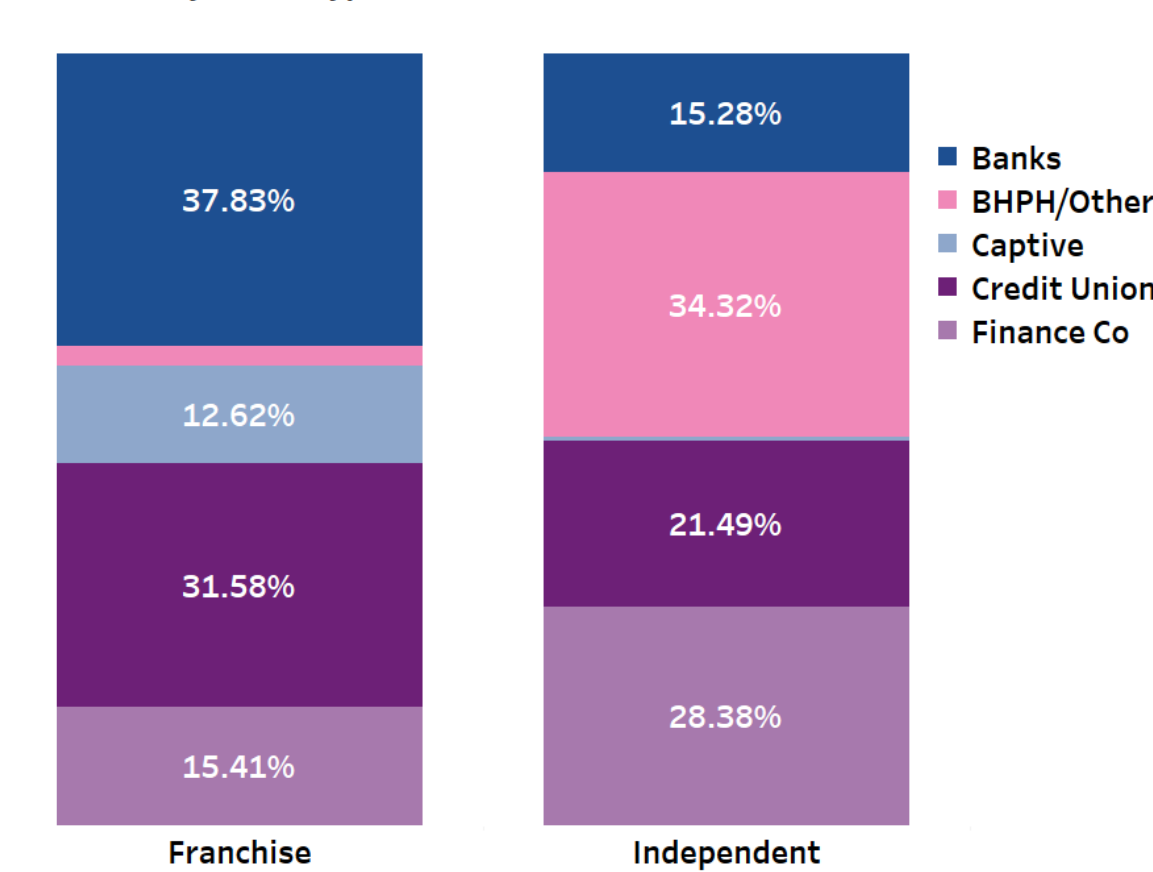
A look at used automotive loan trends

Dealer type snapshot: Independent Dealers decrease share of used purchases

Used transactions by Dealer type

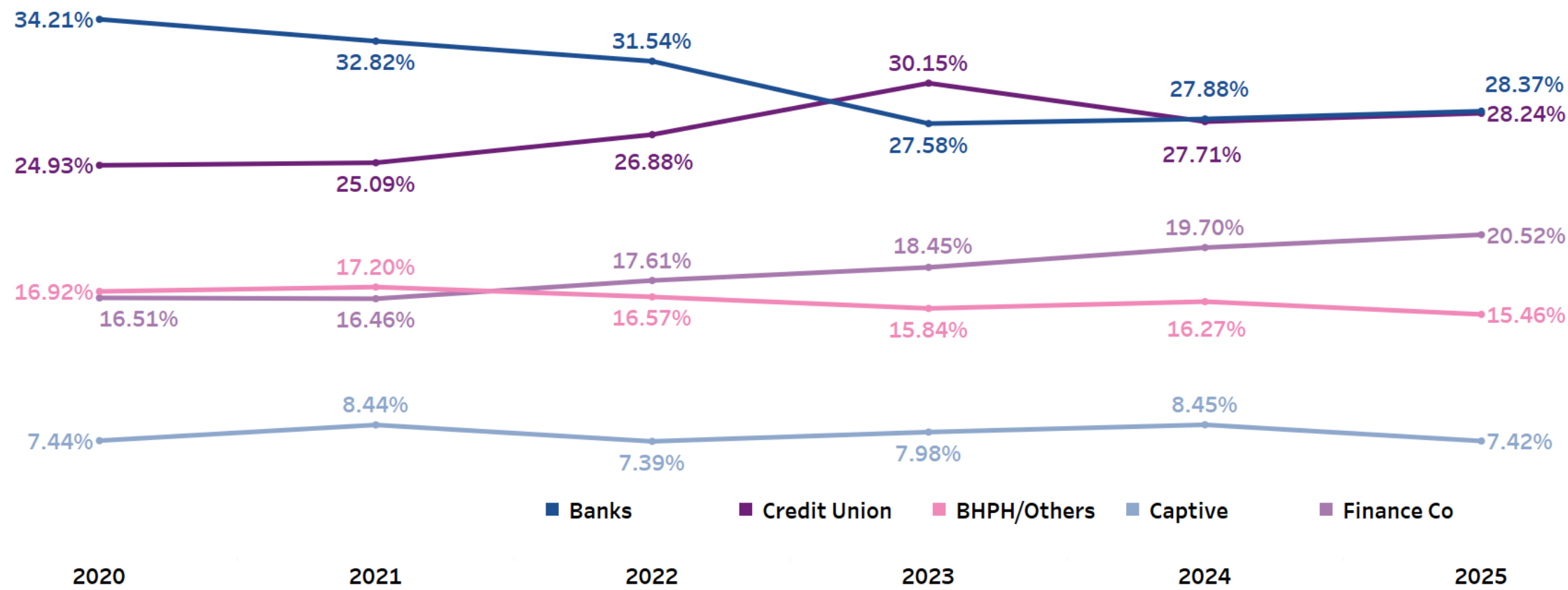


Used loans by lender type and Dealer

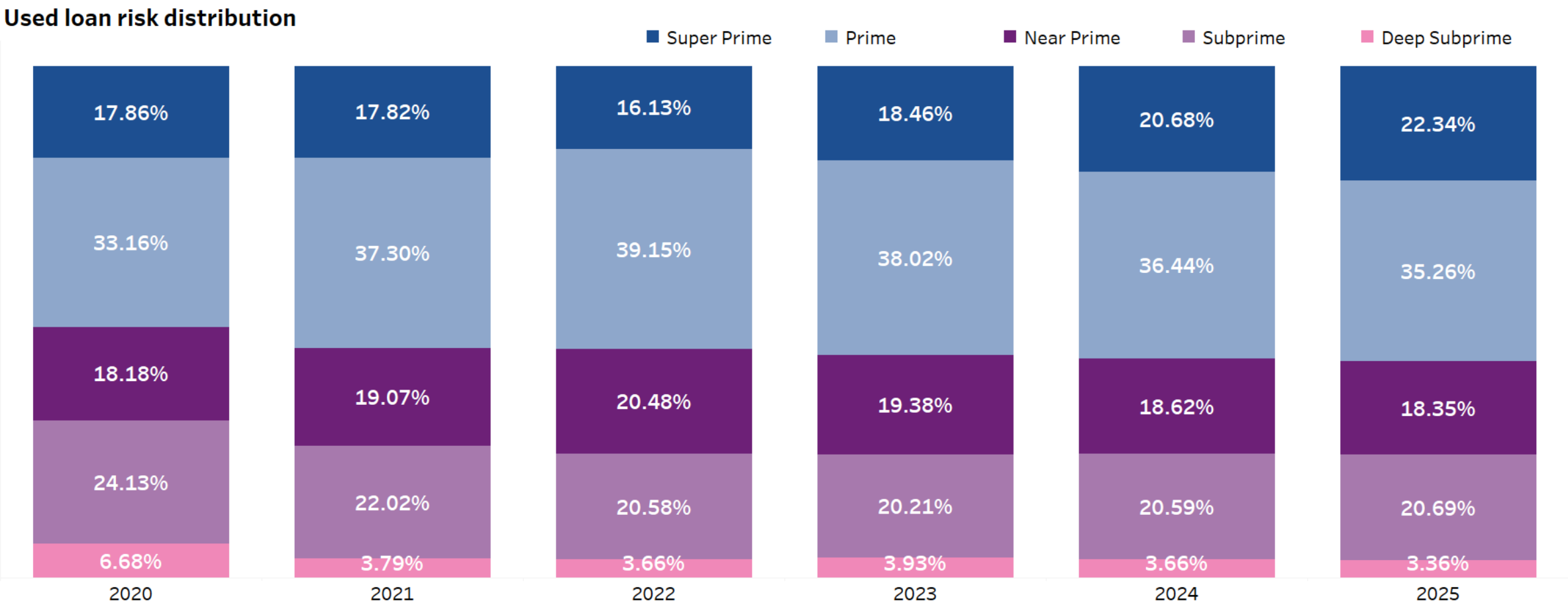


Banks return as largest lender type for used loans, barely edging out Credit Unions

Used loan market share by lender type



Used lending sees growth in Subprime and Super Prime

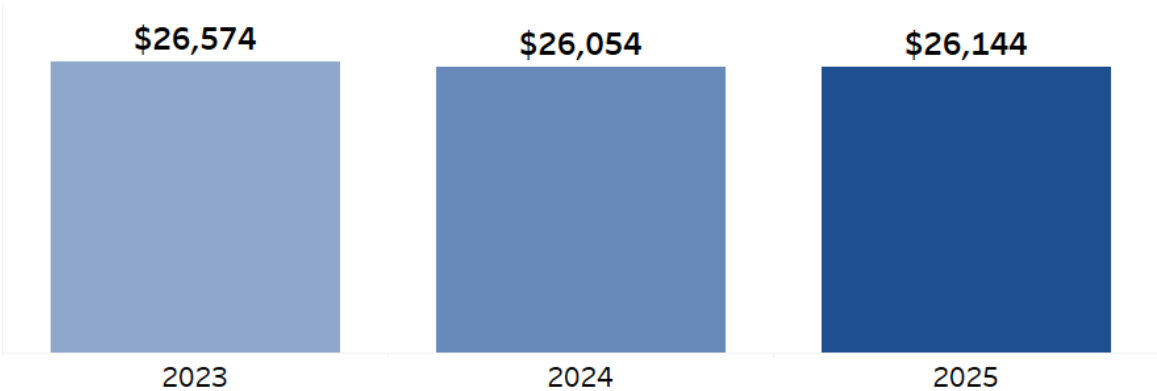


VantageScore® 4.0

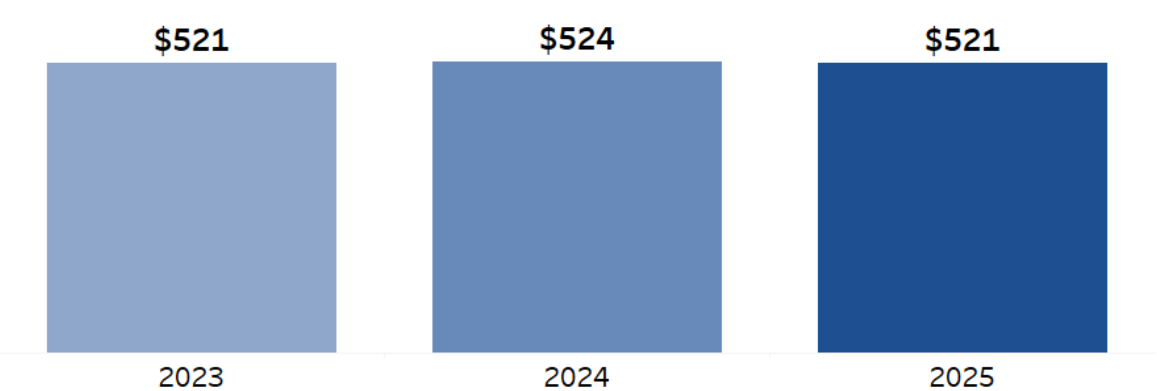


Despite loan amount increasing, payments are down as rates decrease, and term is up slightly

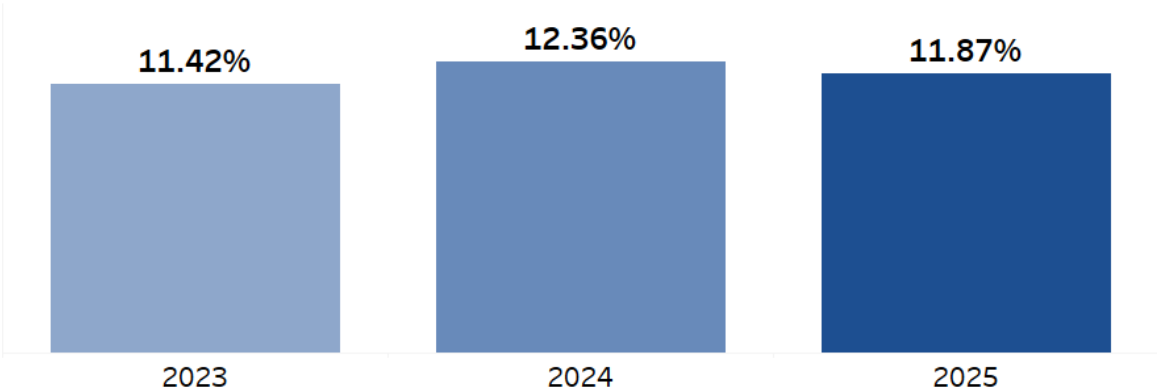
Average used amount financed



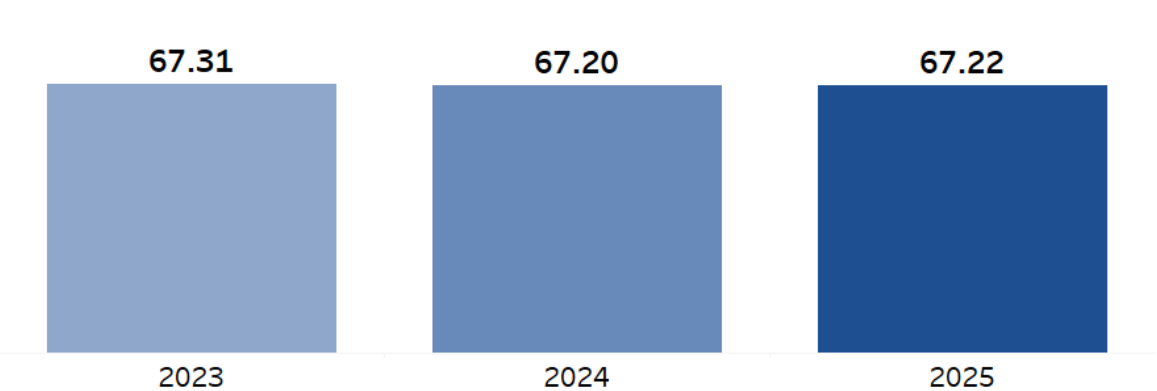
Average used monthly payment



Average used loan rate

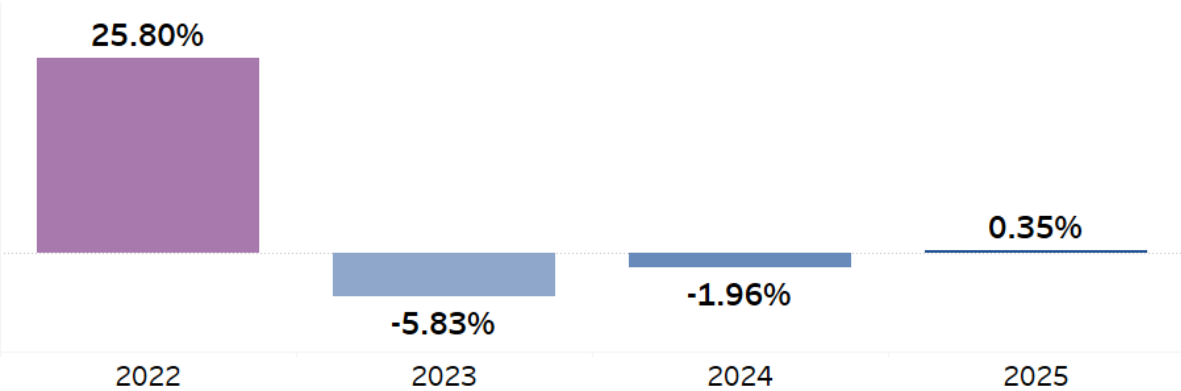


Average used loan term

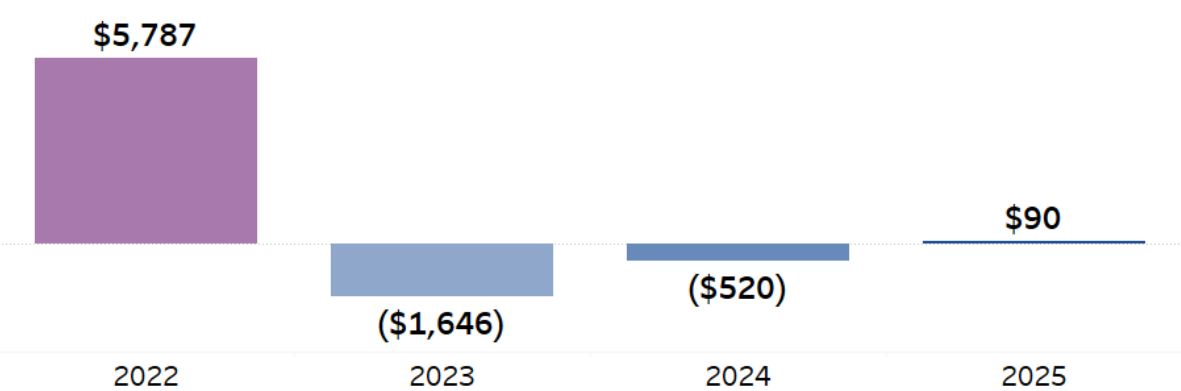


Used loan amounts increase slightly YOY but decrease QOQ

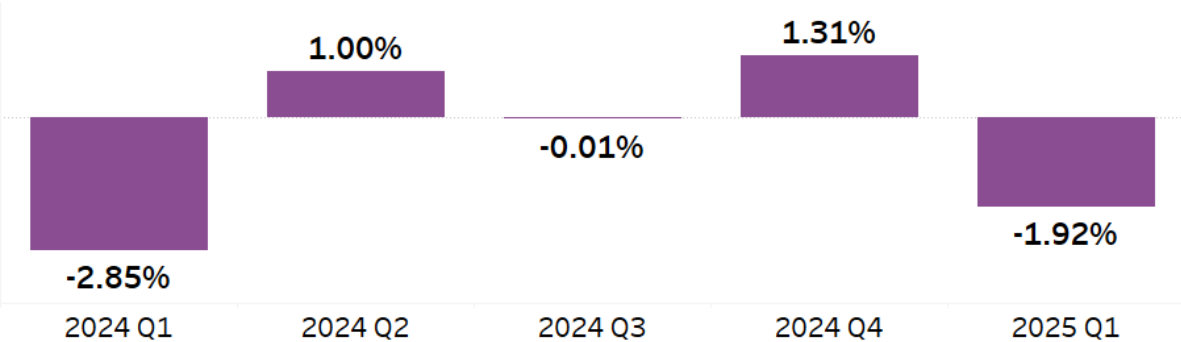
YOY growth in average used loan amount



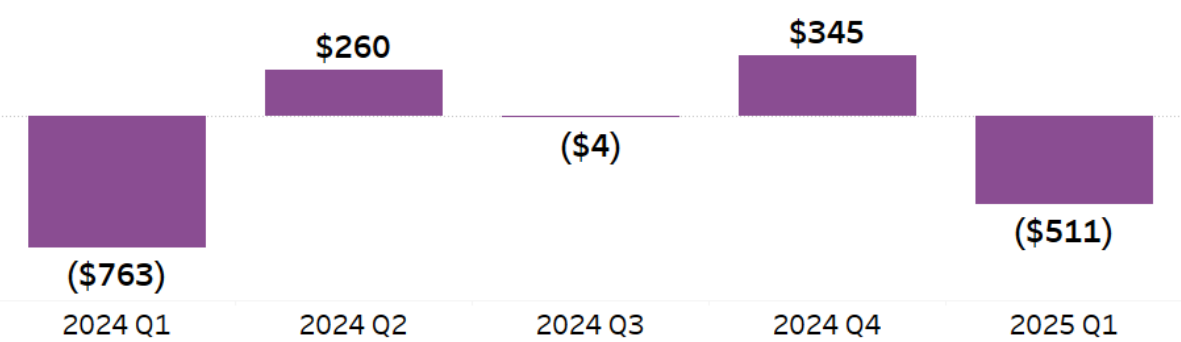
YOY \$ difference in average used loan amount



QOQ growth in average used loan amount

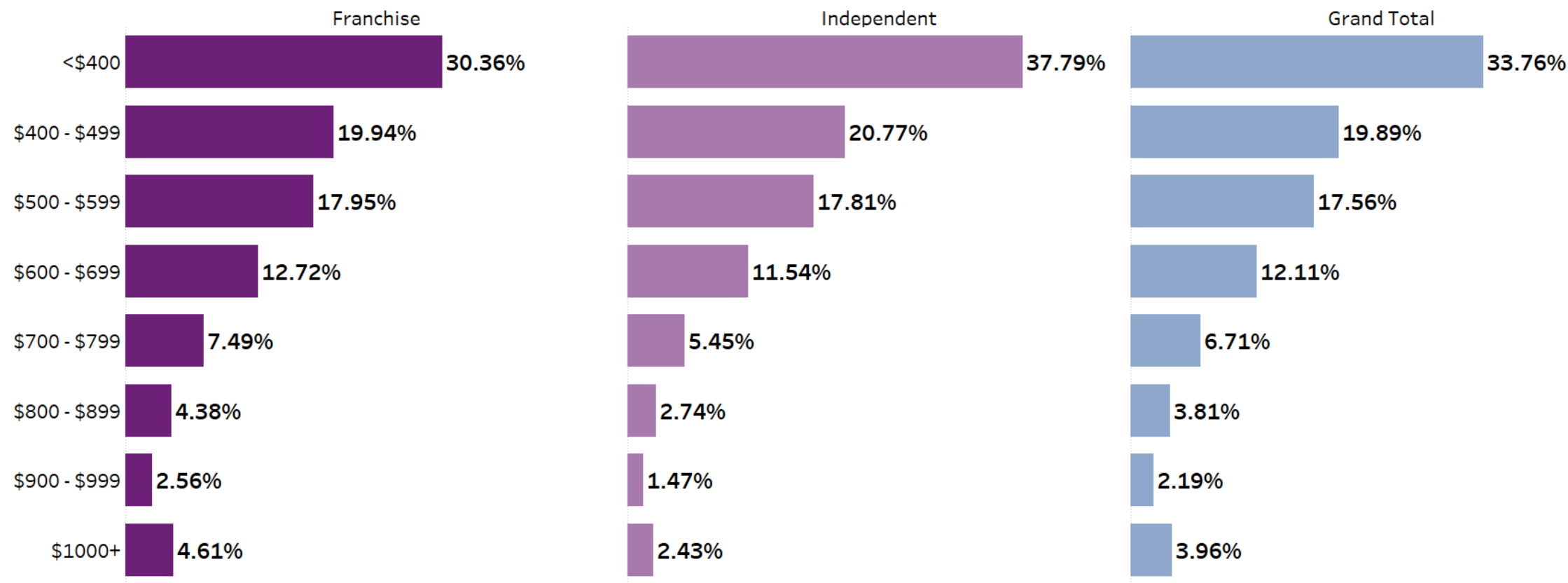


QOQ difference in average used loan amount



Across all used loans* 33.8% are under \$400; nearly 4% are over \$1k

Used loan monthly payment distribution

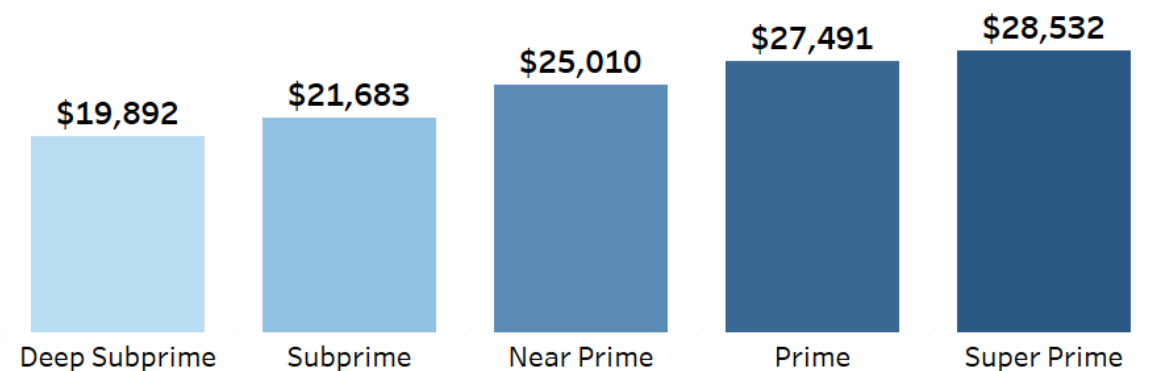


*All used loans include private-party and unknown dealer

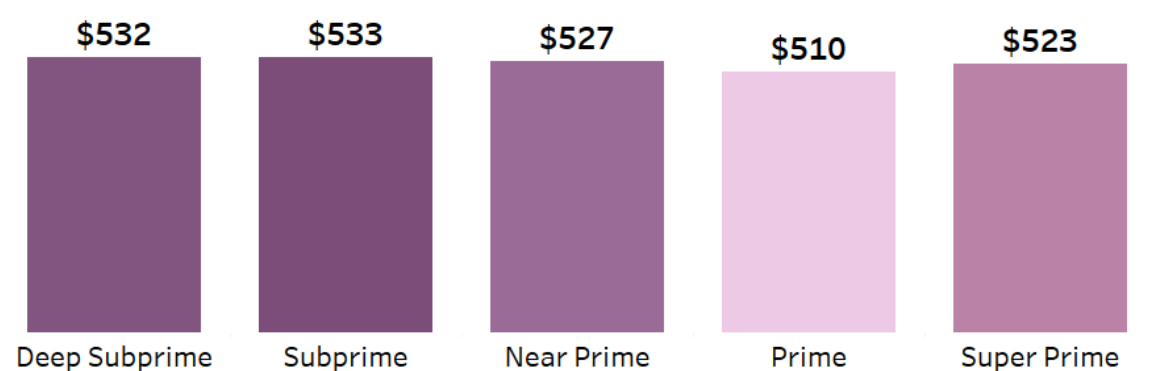


Loan amounts are down for Near Prime and Prime; payments are down outside of subprime

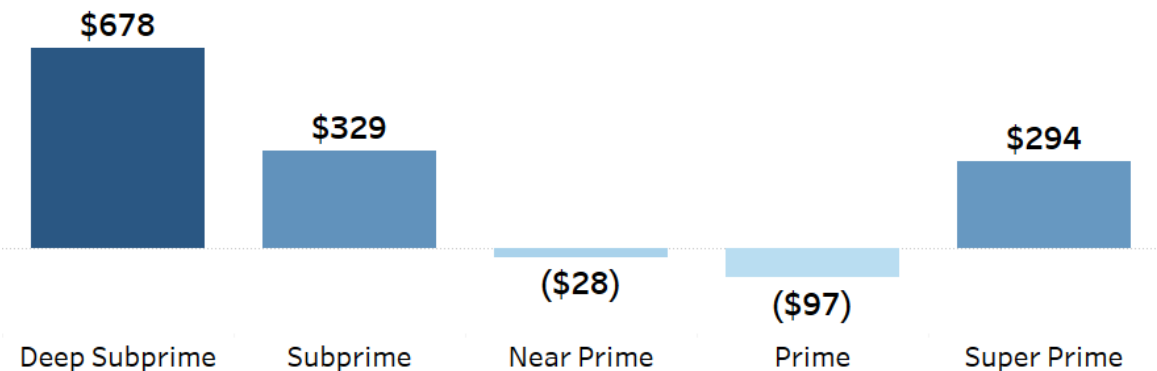
Average loan amount financed by risk



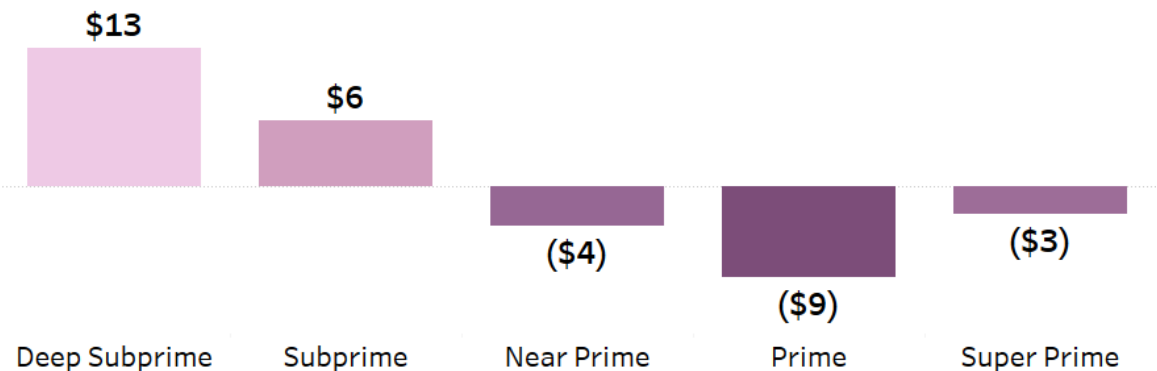
Average used loan monthly payment by risk



Year-over-year change in used loan amount



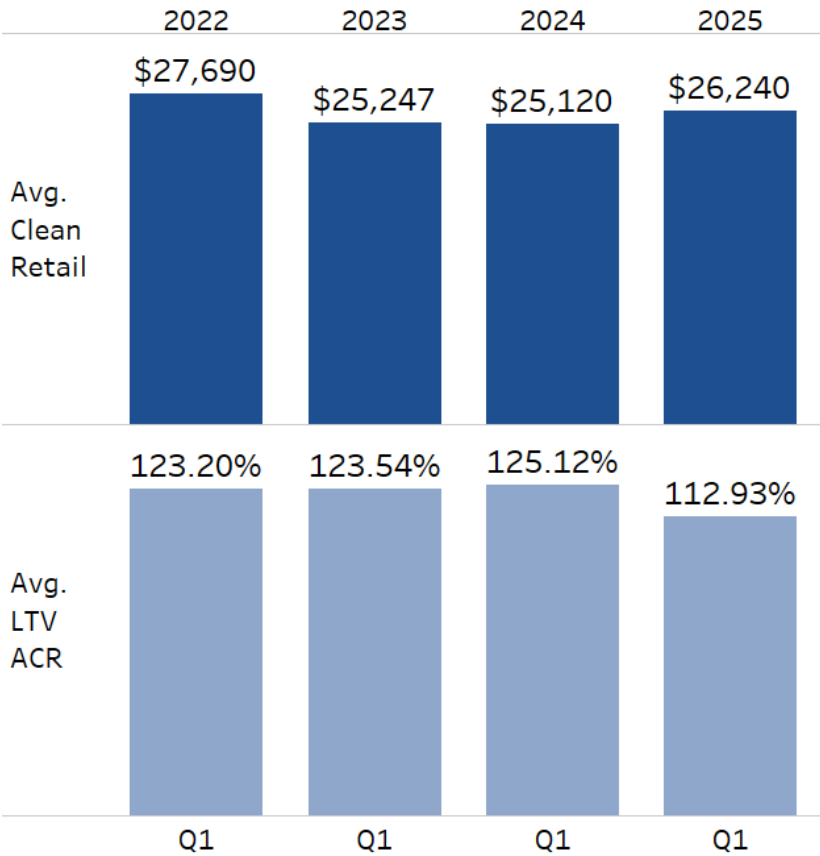
Year-over-year change in used monthly payment



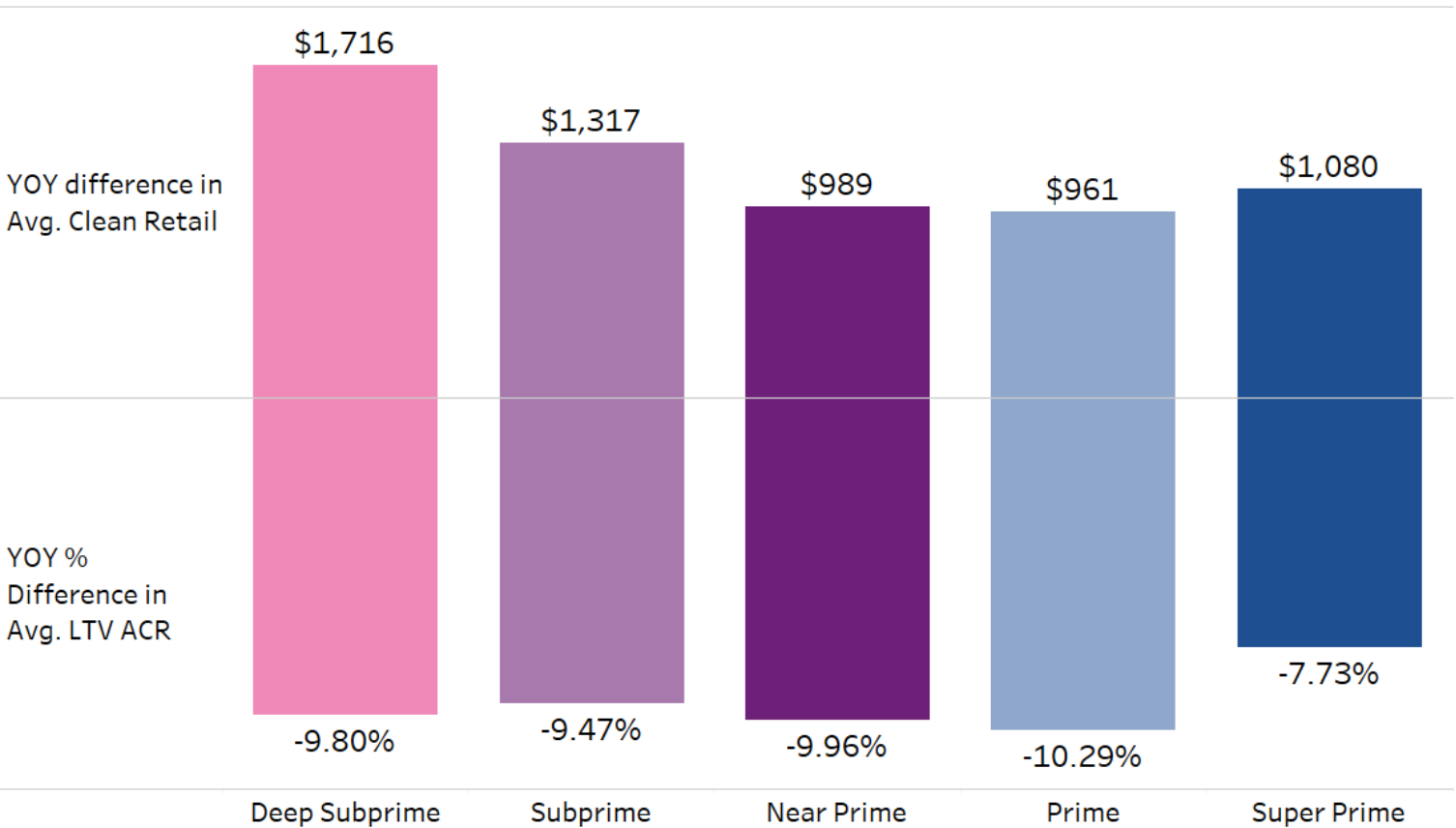
VantageScore® 4.0

While used values increase, LTVs are down

Avg Used Values

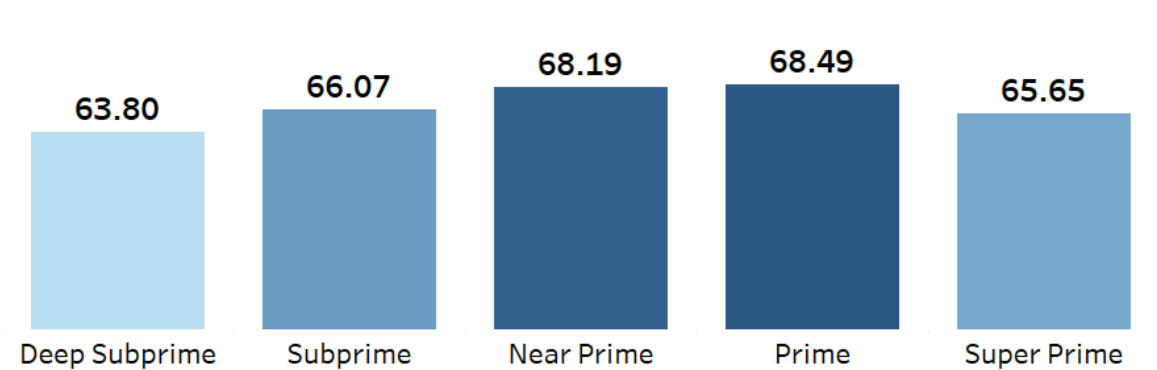


YOY change in used values

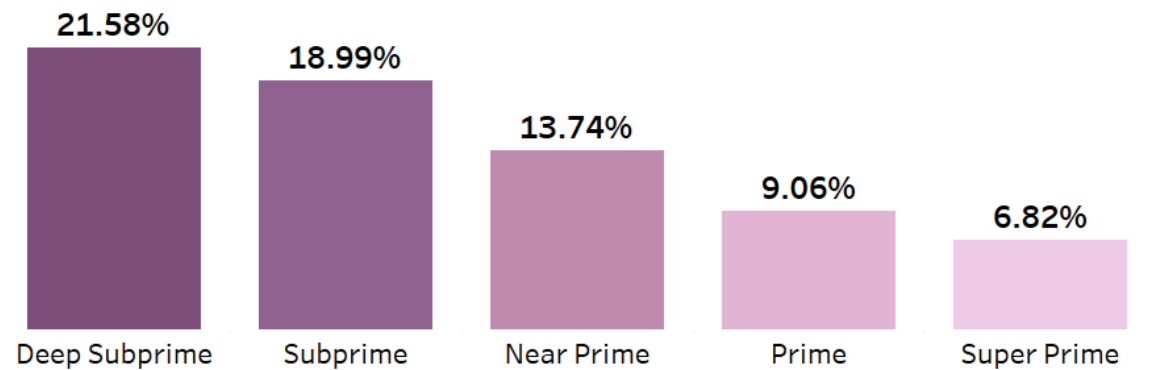


Terms increase for all but Prime; rates decrease across all risk segments

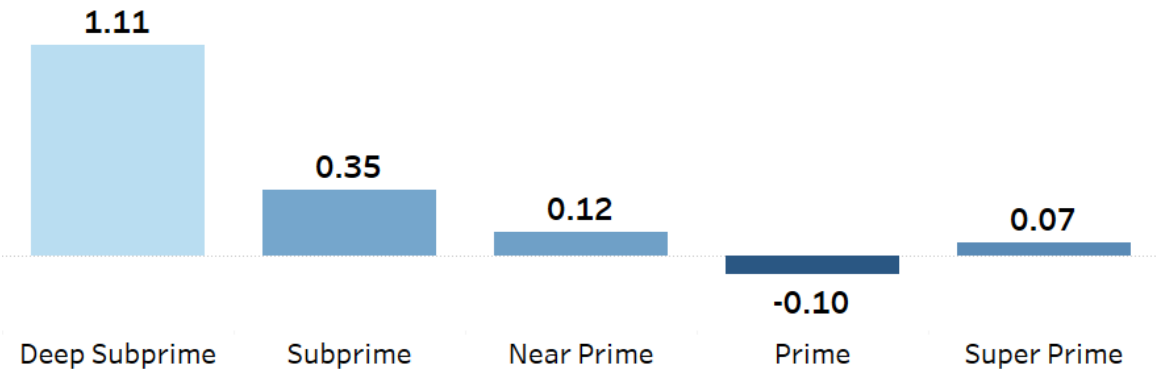
Average used loan term by risk



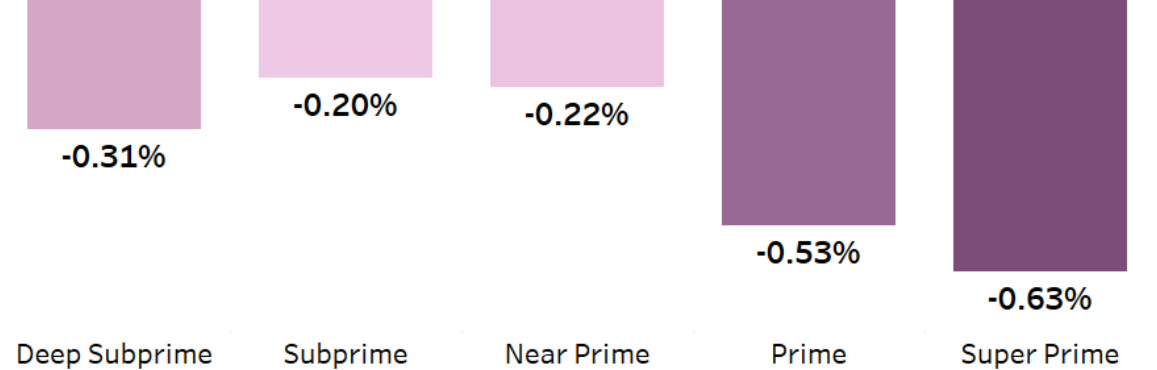
Average used loan rate by risk



Year-over-year change in used loan term



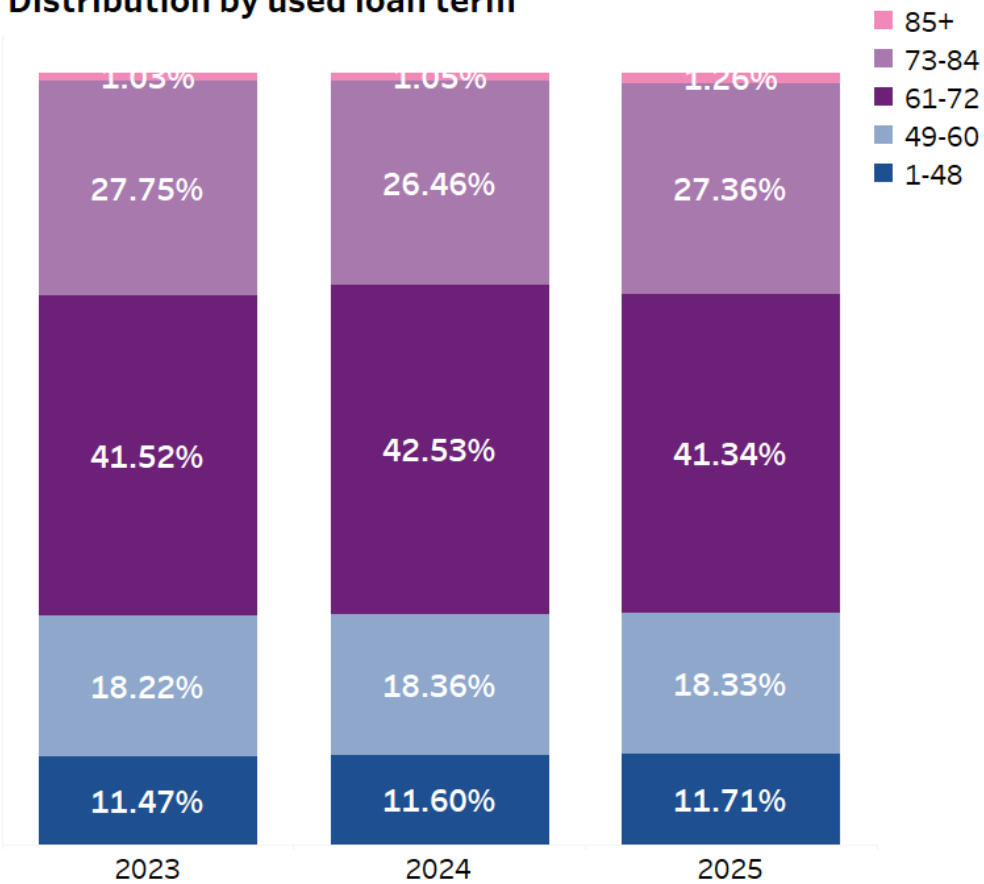
Year-over-year change in used rate



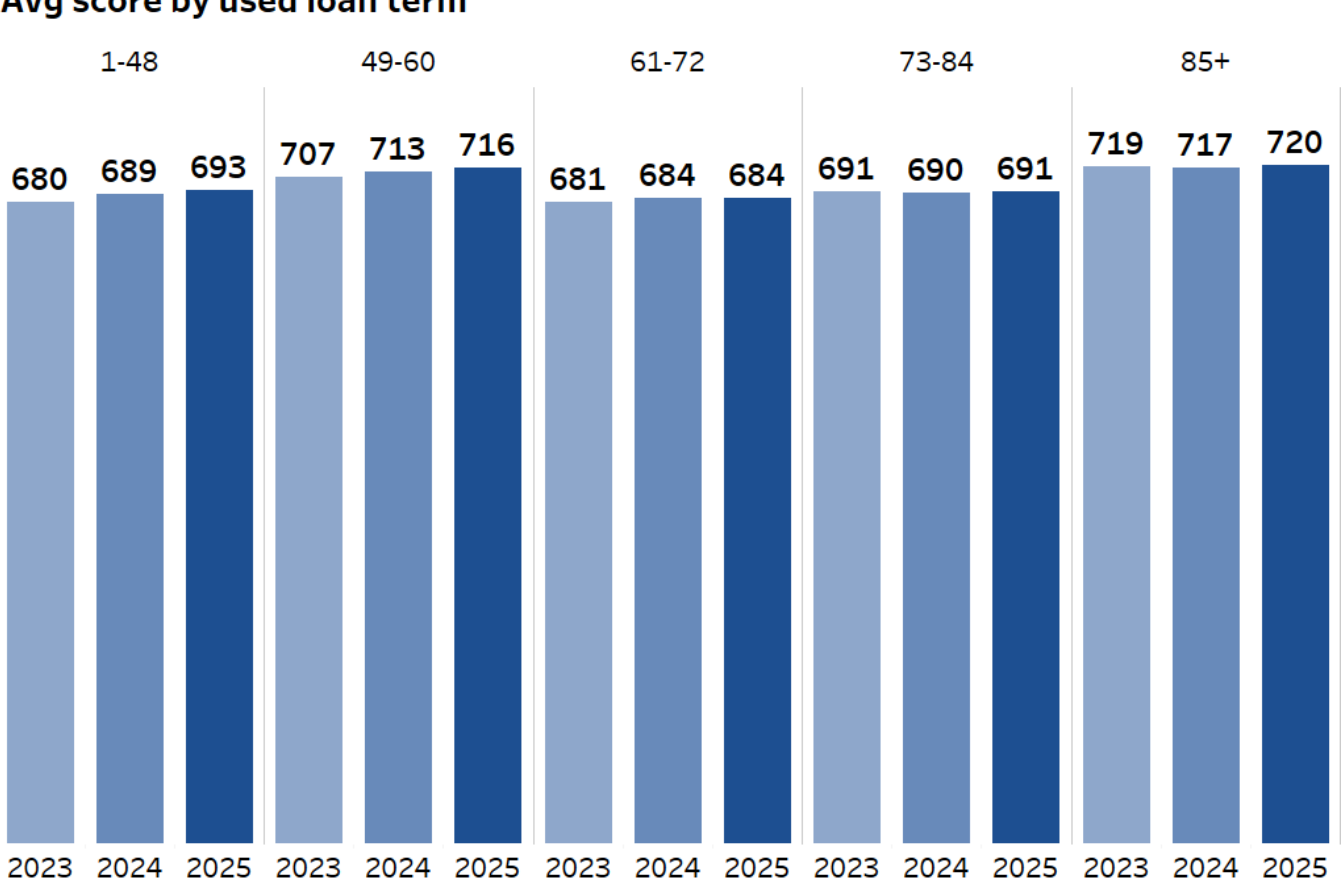
VantageScore® 4.0

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

Distribution by used loan term



Avg score by used loan term



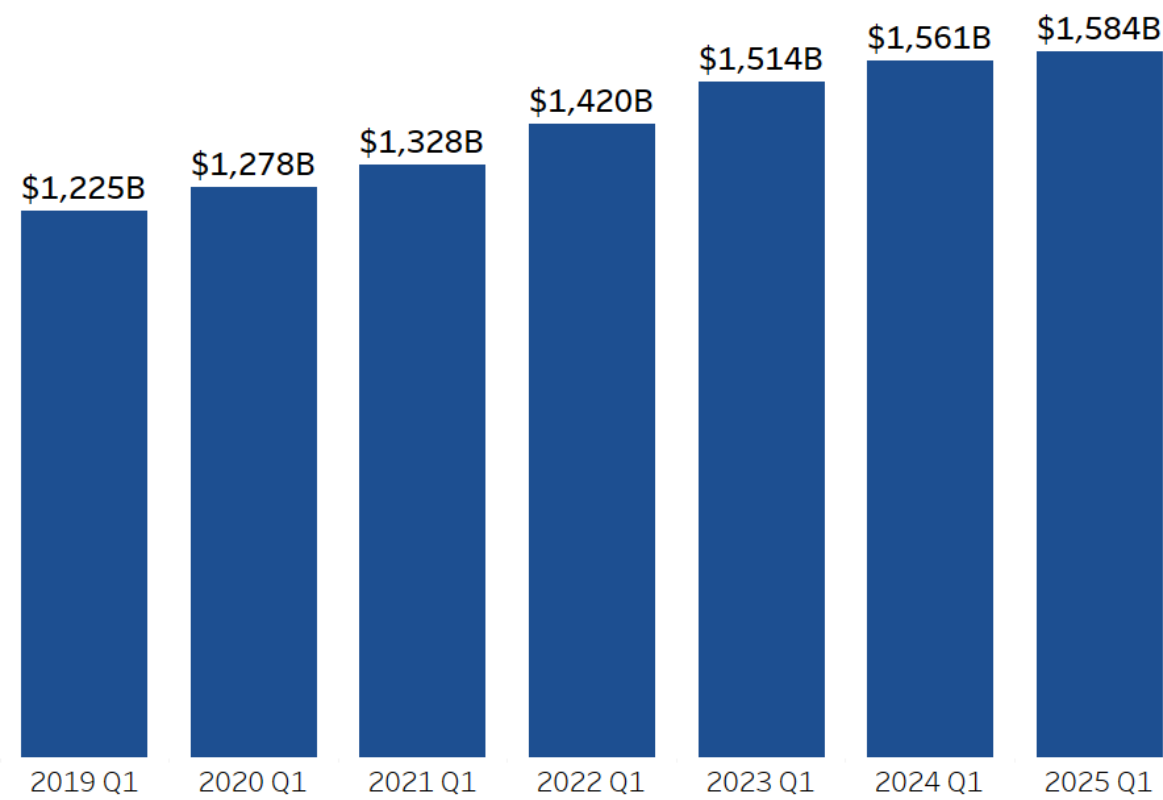
A couple is driving in a dark-colored convertible car. The woman in the passenger seat is wearing a light-colored denim jacket, a wide-brimmed hat, and sunglasses, and she is pointing her right index finger upwards with a joyful expression. The man in the driver's seat is also smiling and looking towards the woman. The background shows palm trees and a clear sky. A semi-transparent purple overlay covers the left side of the image, featuring faint financial charts and bar graphs. The text 'Q1 2025 Market overview' is prominently displayed in white on the left. Below it, a horizontal line separates the title from the subtitle 'Balances and delinquency on all open auto loans & leases'. At the bottom left, there is a page number '42' and copyright information '© Experian Public'. At the bottom right, the 'experian.' logo is visible.

Q1 2025 Market overview

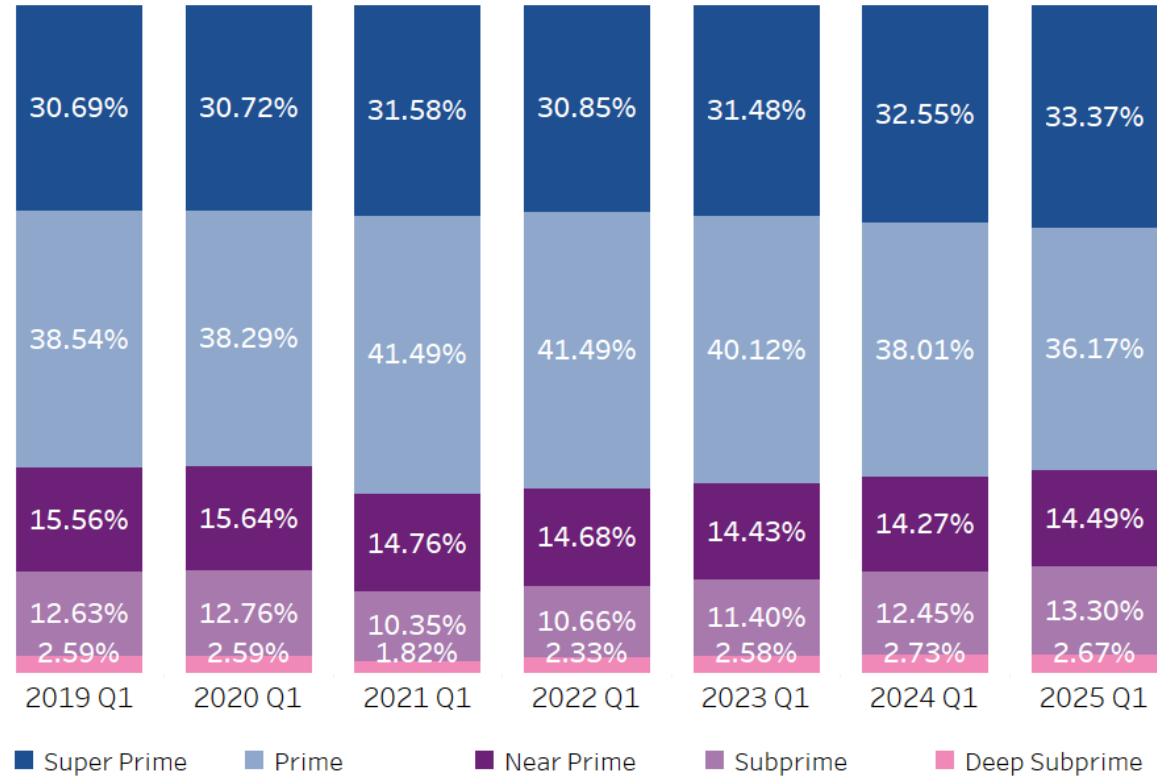
Balances and delinquency on all
open auto loans & leases

Balance growth of 1.43% YOY; growth occurring in Super Prime and Near Prime

Outstanding Automotive Loan Balance



Risk Distribution of Outstanding Auto Loan Balance

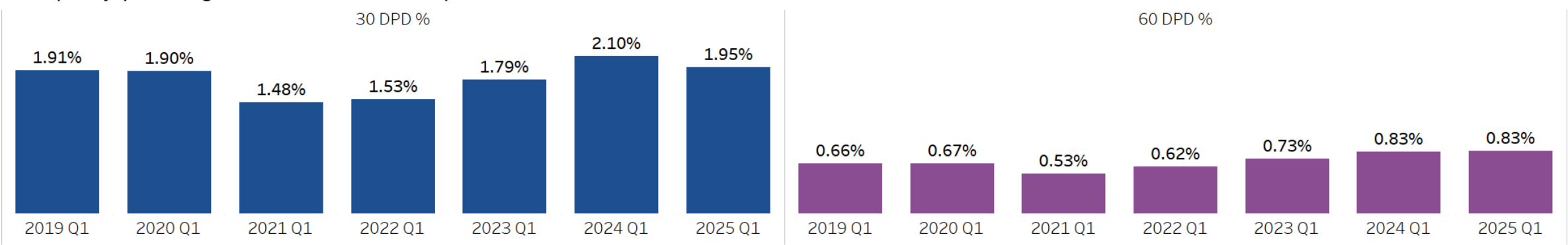


VantageScore® 4.0

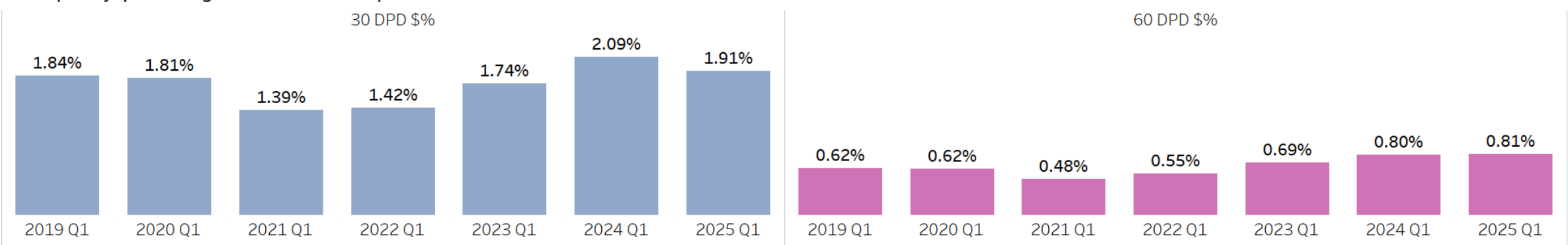


30-day delinquency improves YOY while 60-day remains flat and 60-day balances increases 1bps

Delinquency: percentage of auto loans and leases past due



Delinquency: percentage of auto balances past due



Delinquency by vehicle and fuel-type

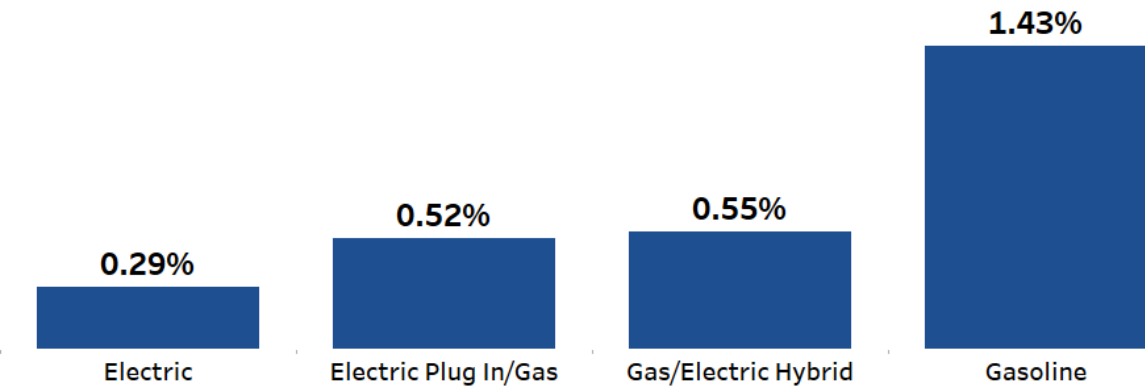
Current 60 day delinquency rate by new/used



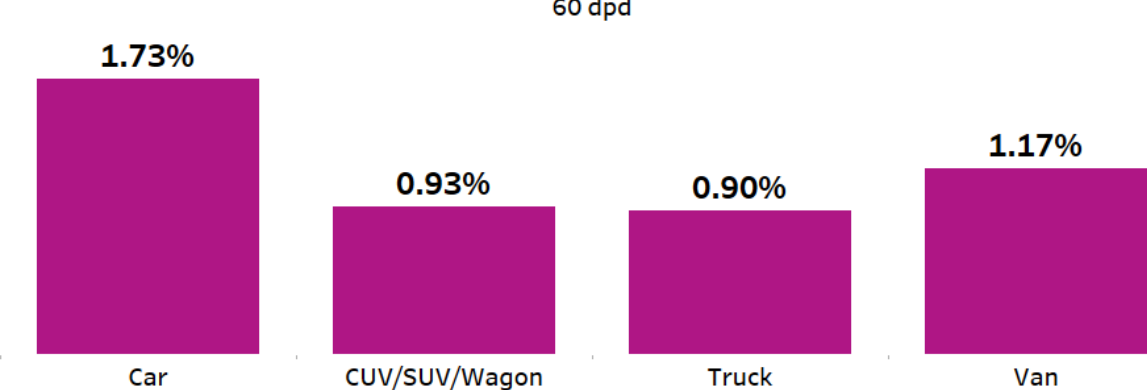
Current 60 day delinquency rate by dealer type on used loans



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



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



Q1 Summary

- Leasing continues to increase; cash remains high
- New scores increase while used remain flat year-over-year
- Captives remain as largest loan lenders as Banks lead for used loans
- While new loan amounts increase slightly, loan payments are up
- Used loan amounts increase; however, payments are down
- Despite value increases, LTVs are down for both new & used loans
- Overall balance growth slows, and delinquencies flatten



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