



EXPERIAN AUTOMOTIVE



CELEBRATING THE 75<sup>TH</sup> SAFM WEBINAR PRESENTATION

# State of the Automotive Finance Market



**Melinda Zabritski**  
Head of Automotive  
Financial Insights

# Q3 Report overview

- 1 Overall origination trends
- 2 Origination trends on new loans & leases
- 3 Origination trends on used financing
- 4 Updates on auto refinance
- 5 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

## Velocity<sup>SM</sup> 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 Dashboards<sup>TM</sup>

- 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



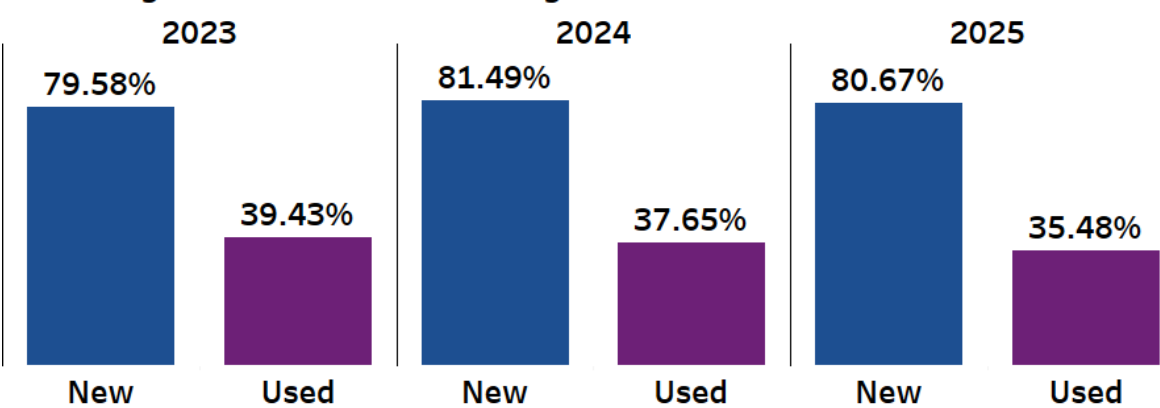
A man with a beard and glasses, wearing a light blue button-down shirt, is smiling and shaking hands across a wooden desk. He is holding a set of car keys in his left hand. The background shows a car dealership with cars parked. The image has a purple overlay on the left side with white text and faint background graphics of bar and line charts.

# Q3 2025 Originations

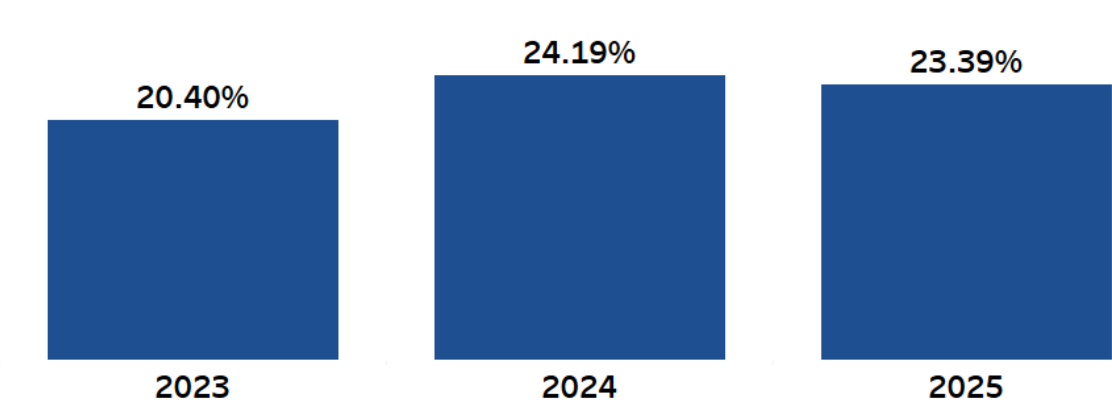
Trends in automotive loan and  
lease originations

# Automotive financing: snapshot of how and what consumers are purchasing

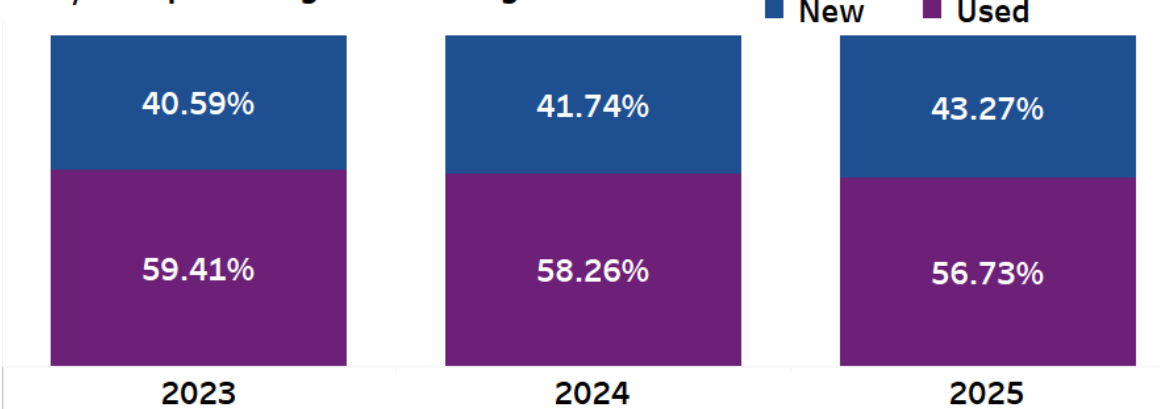
Percentage of vehicles with financing



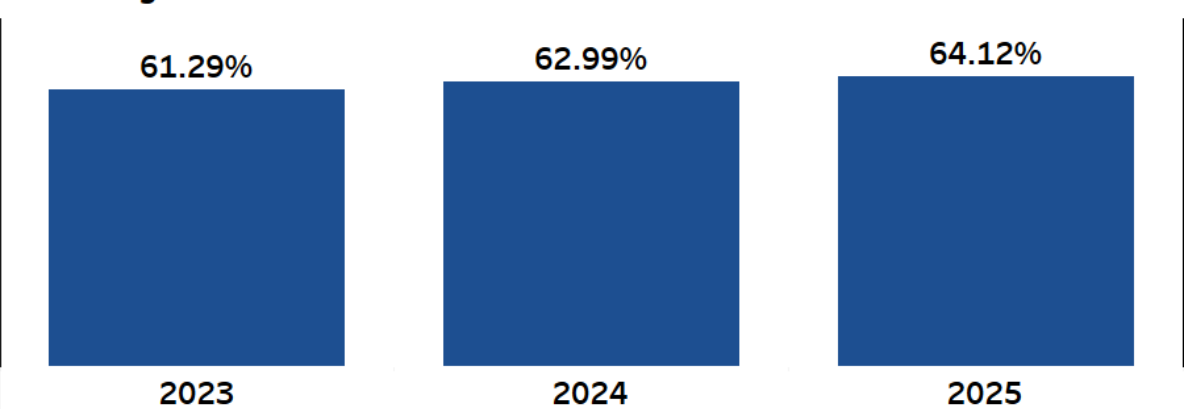
% of all new vehicles that are leased



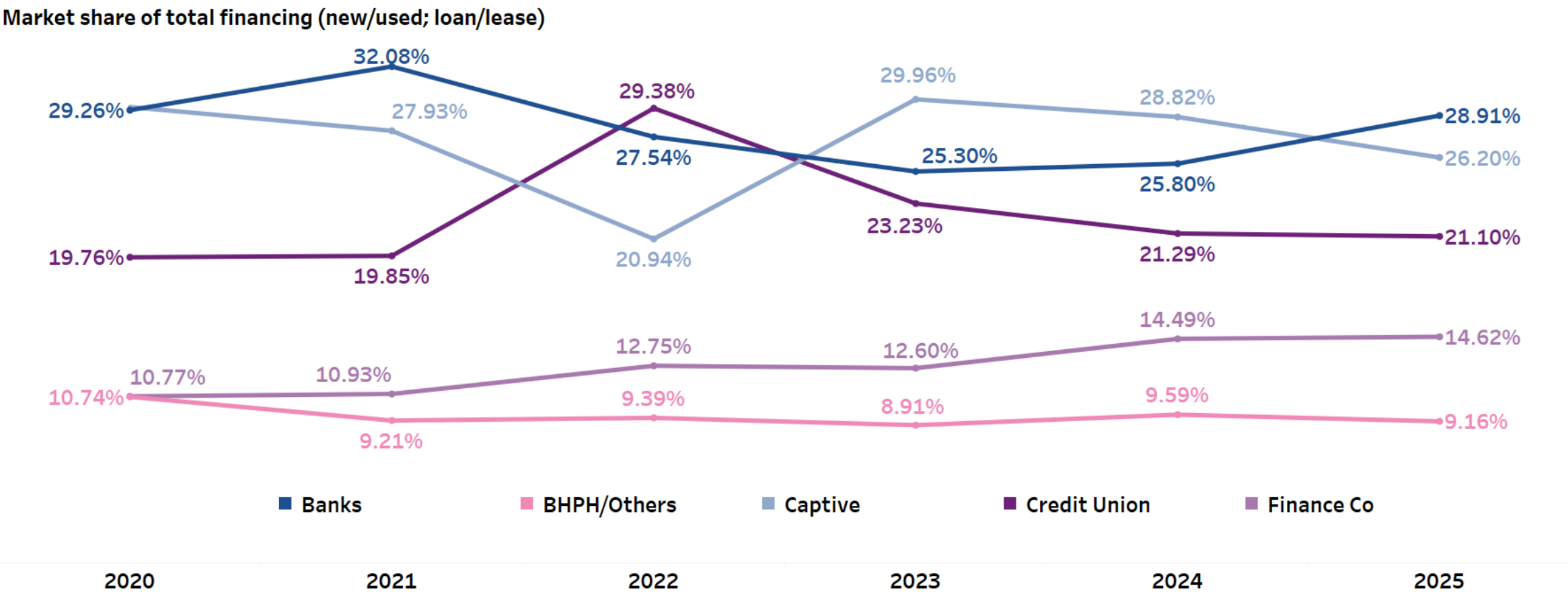
New/Used percentage of financing



Percentage of loans that are current +3MY

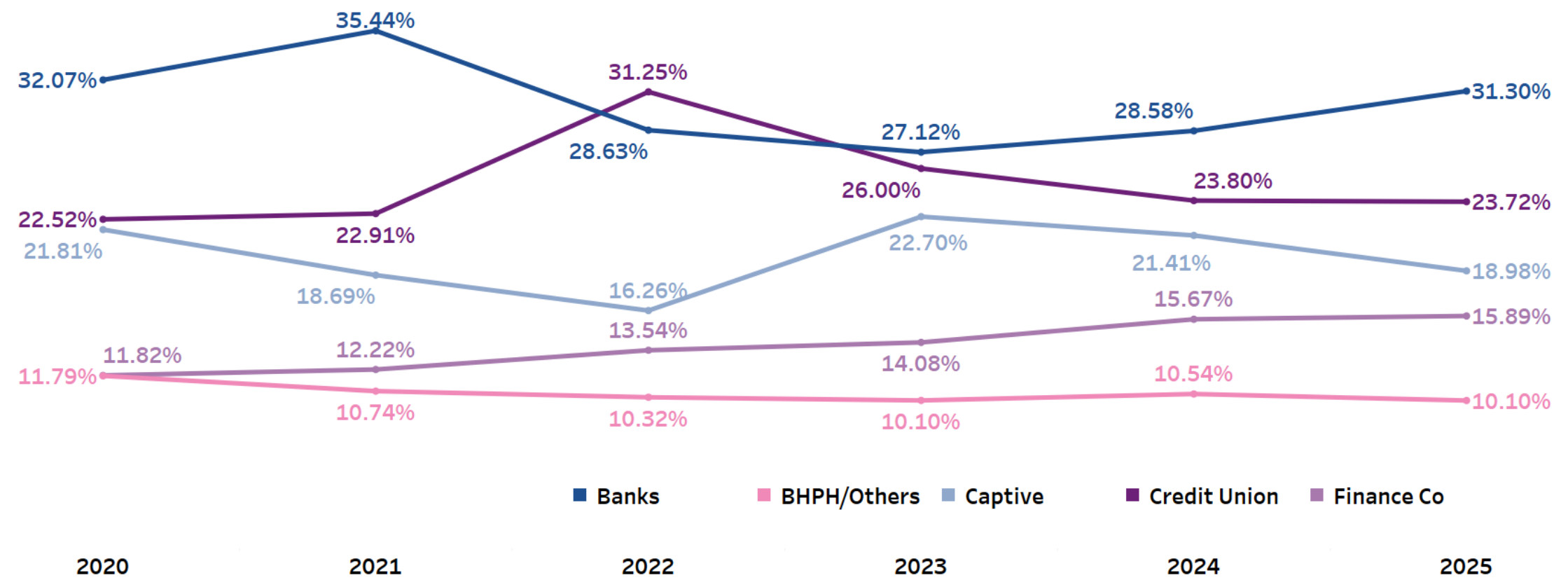


# Banks gain largest lender type for Q3



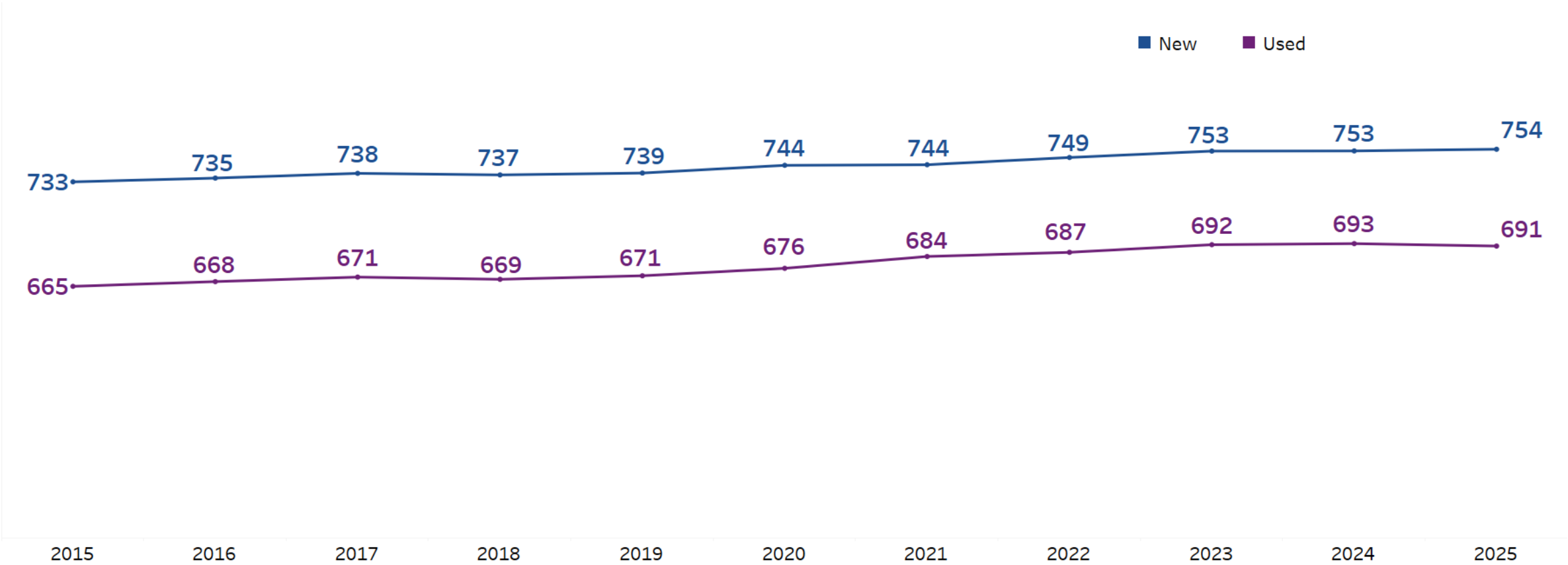
# Banks increase to over 30% loan share; Finance Companies see some growth while other lenders lose share

Total loan market share



# Average score increase slows for Q3; new score up 1 point while used score decreases 2 points

Average score by vehicle type

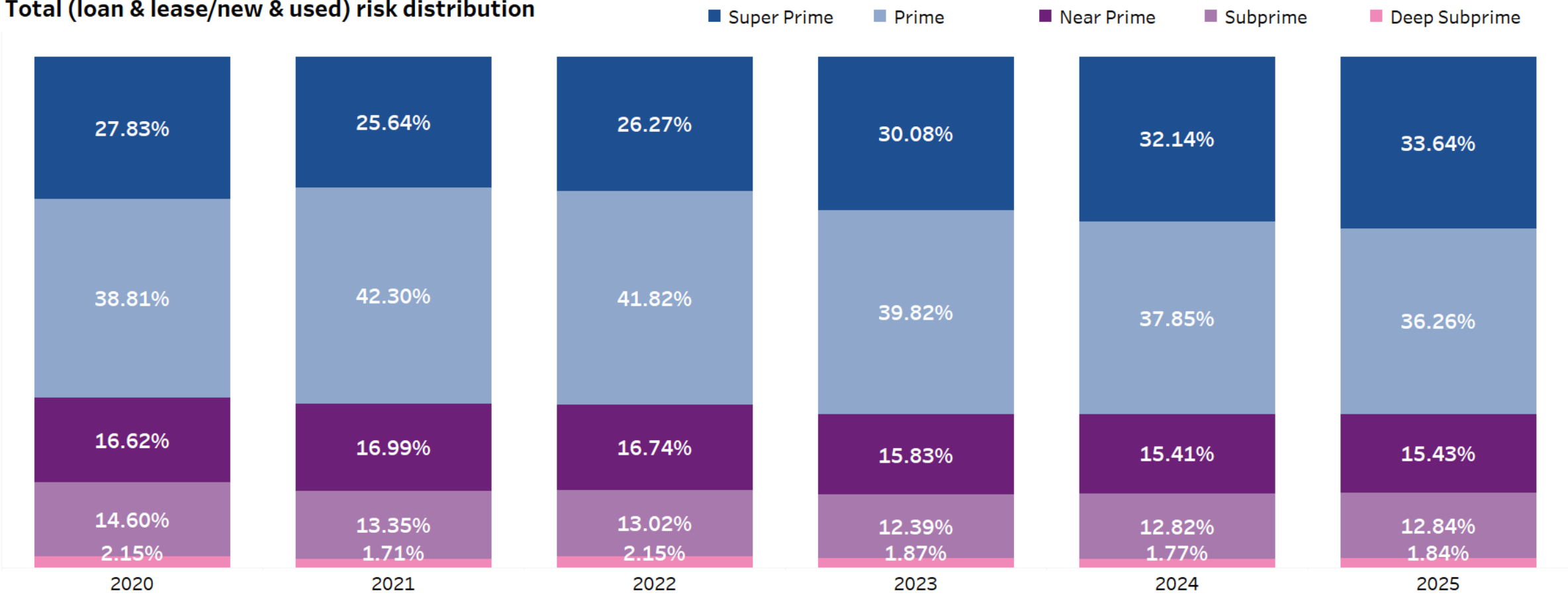


VantageScore® 4.0



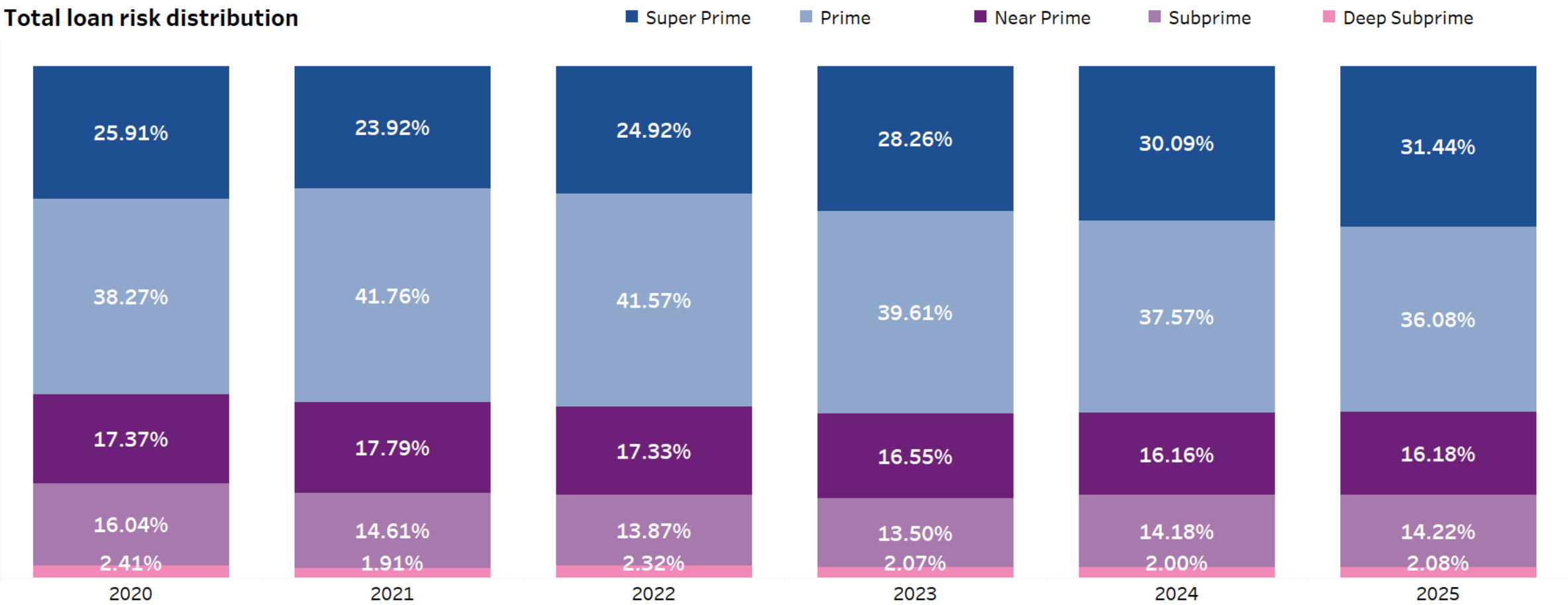
# Tiers outside of Prime see growth

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



VantageScore® 4.0

# Growth occurring outside of Prime



VantageScore® 4.0

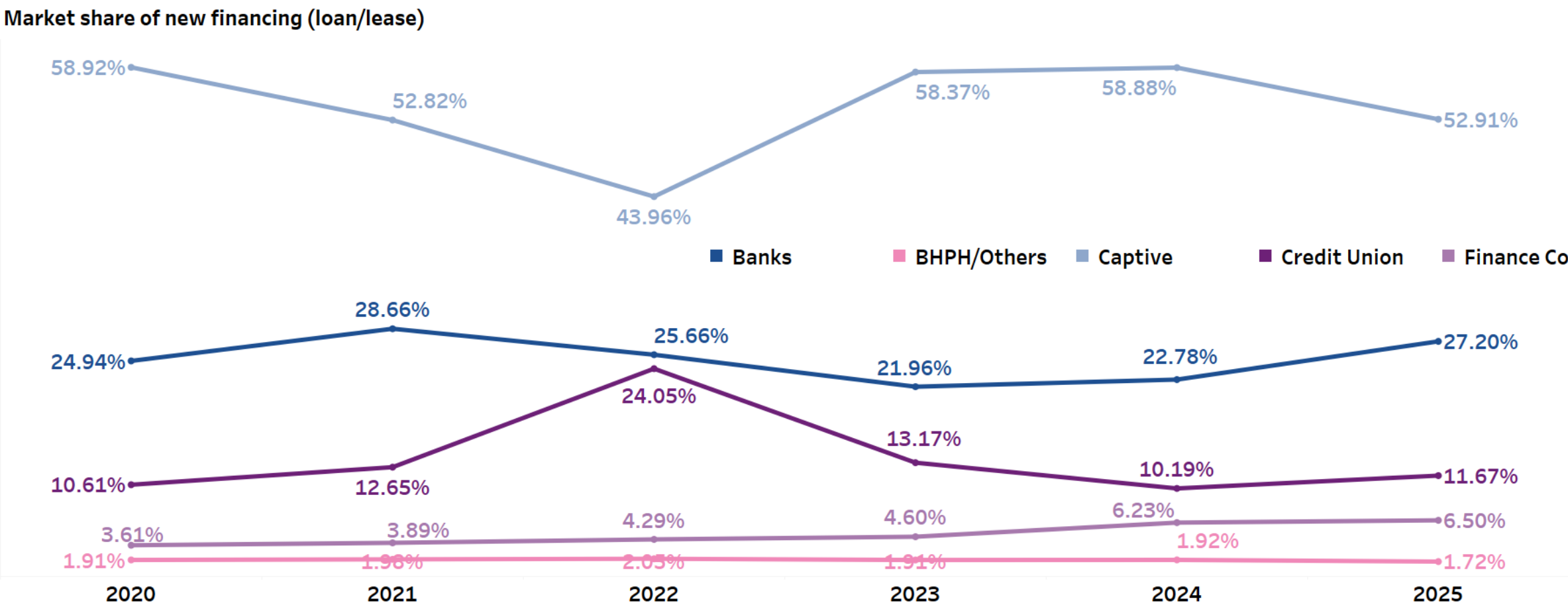




# Q3 2025 New financing

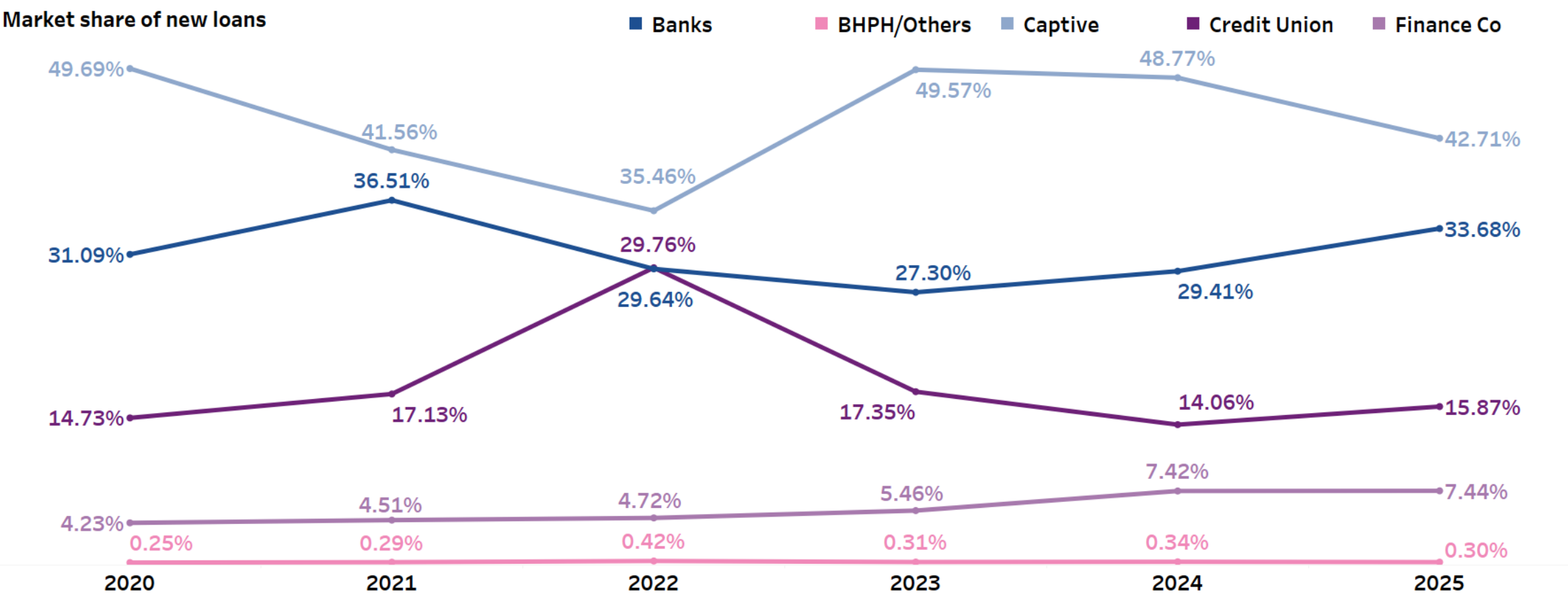
A look at new lease & loan trends

# Captives continue to dominate new financing; Banks, Credit Unions and Finance Companies increase new share



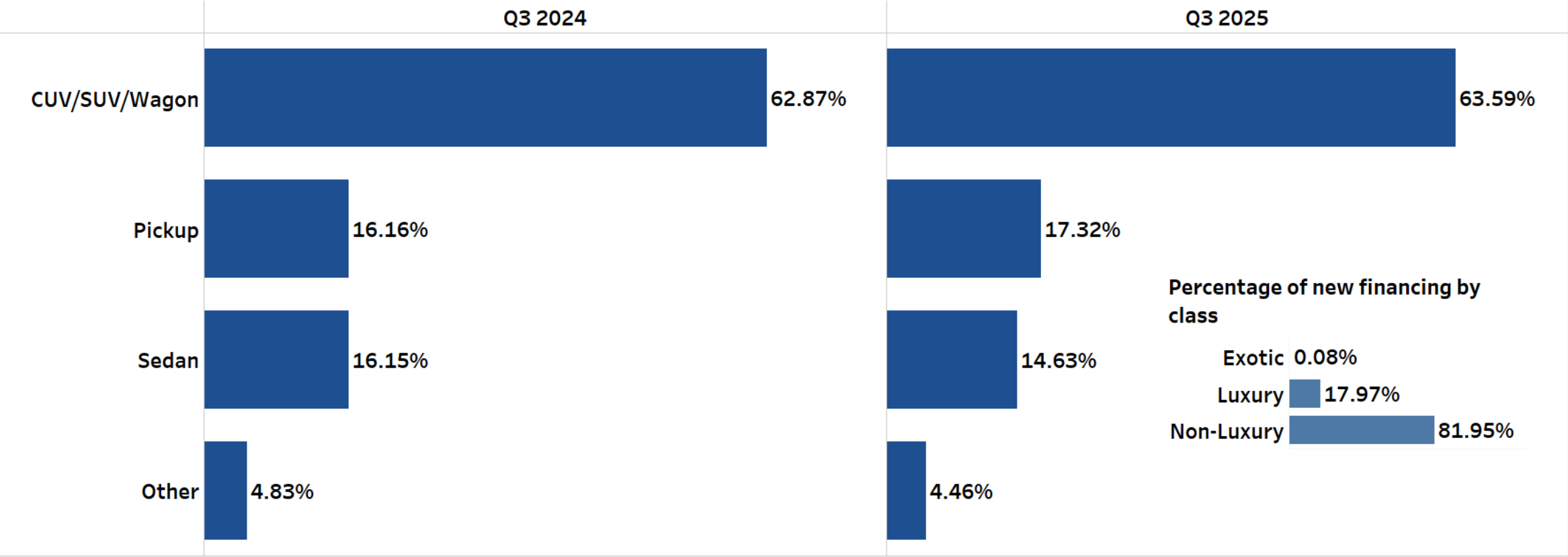


# Banks, Credit Unions and Finance Companies pull new loan share away from Captives



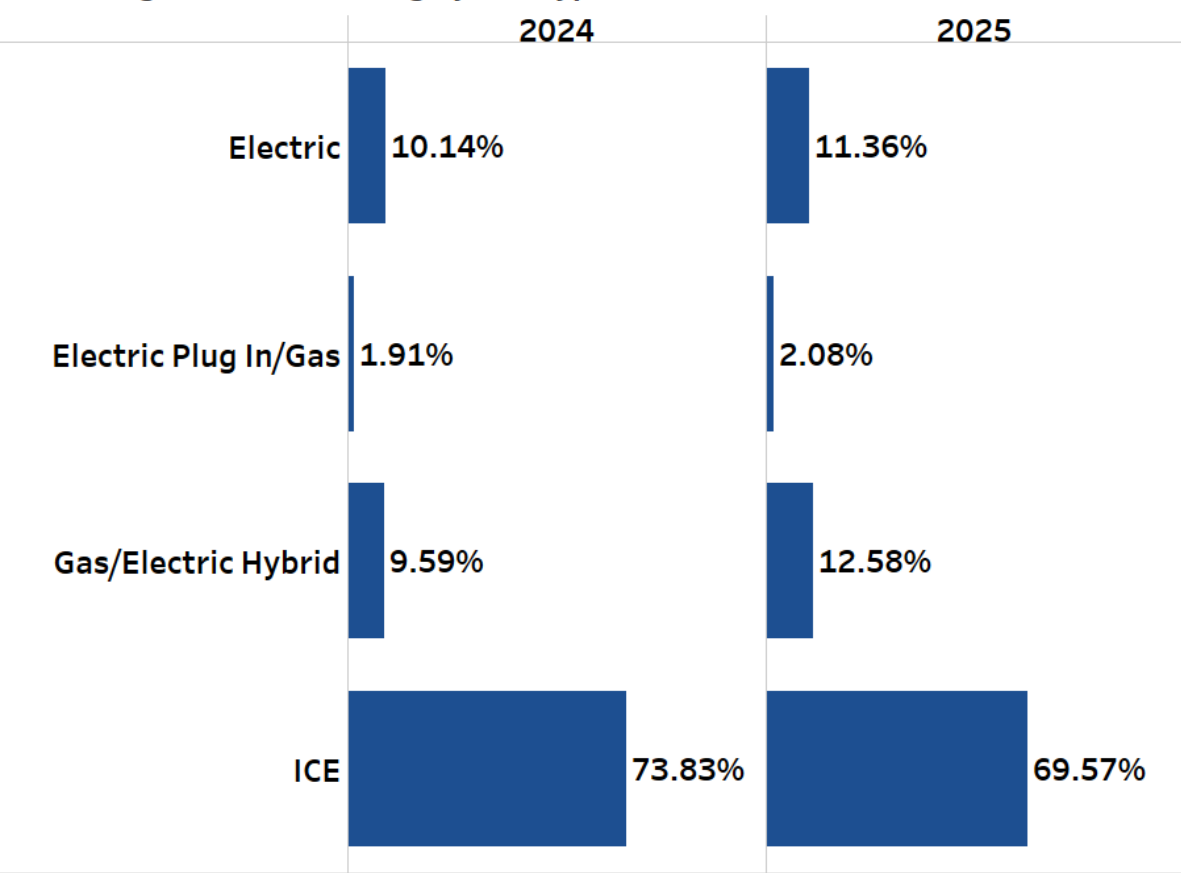
# CUV/SUVs and Pickups pull share away from Sedans

Percentage of new financing by segment

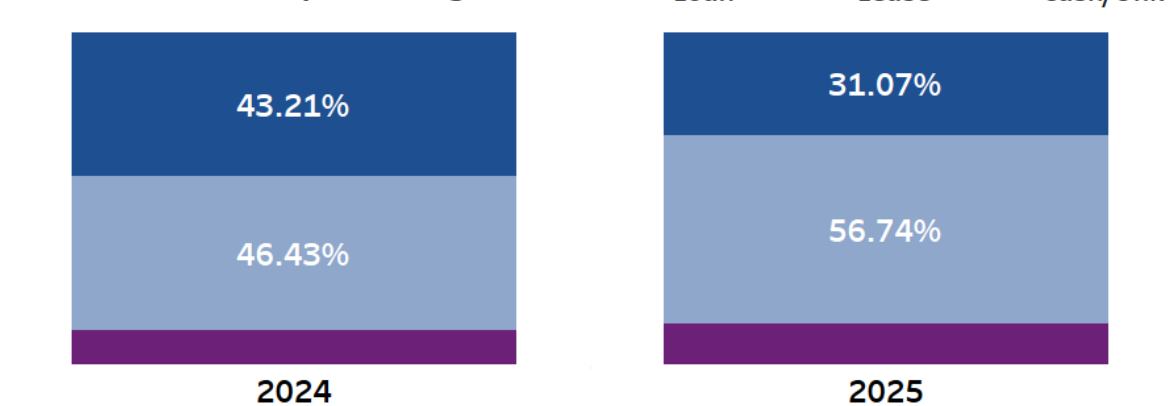


# EV share of new purchases ramped up in Q3 to reach 11.36%; leasing remained dominant while EVs hit 25% of all Q3 leases

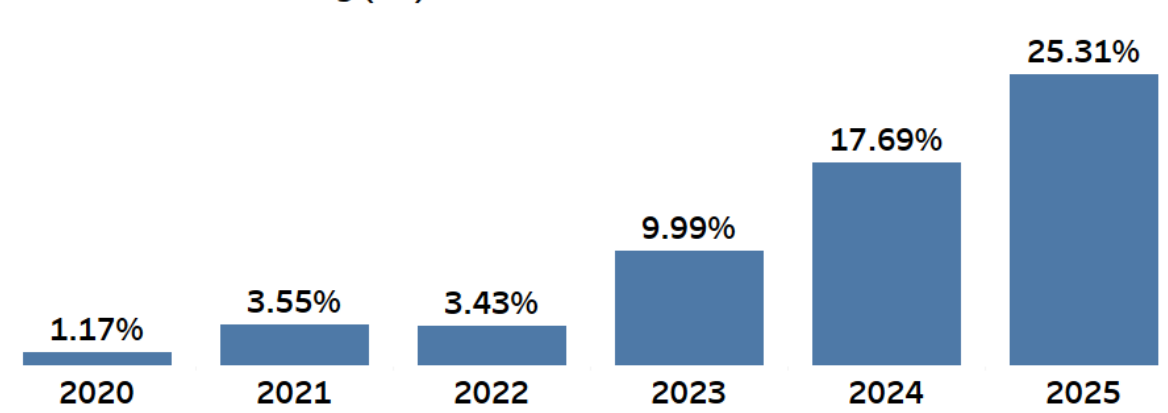
Percentage of new financing by fuel type



How are consumers purchasing new EV

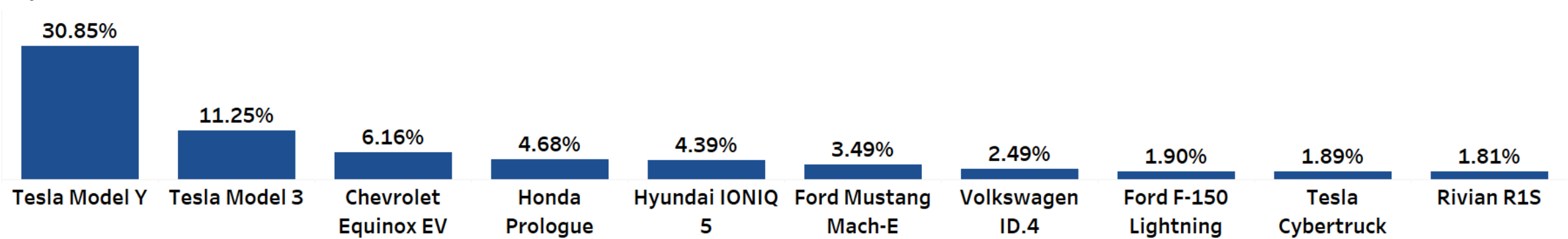


EV share of new leasing (Q3)

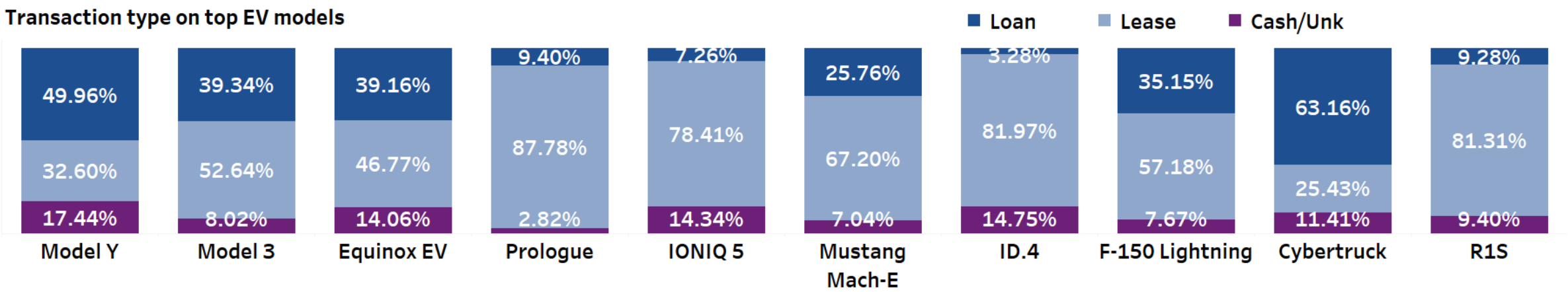


# Top 10 New EV Models: transaction types vary considerably among the top new EVs

Top 10 EV models



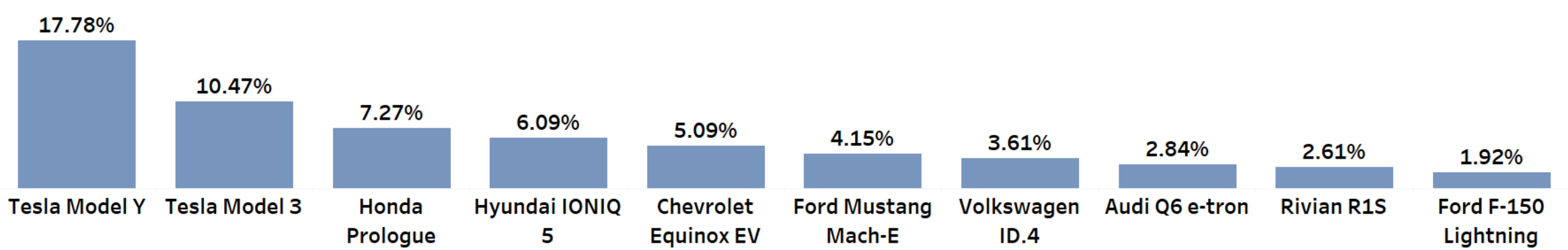
Transaction type on top EV models



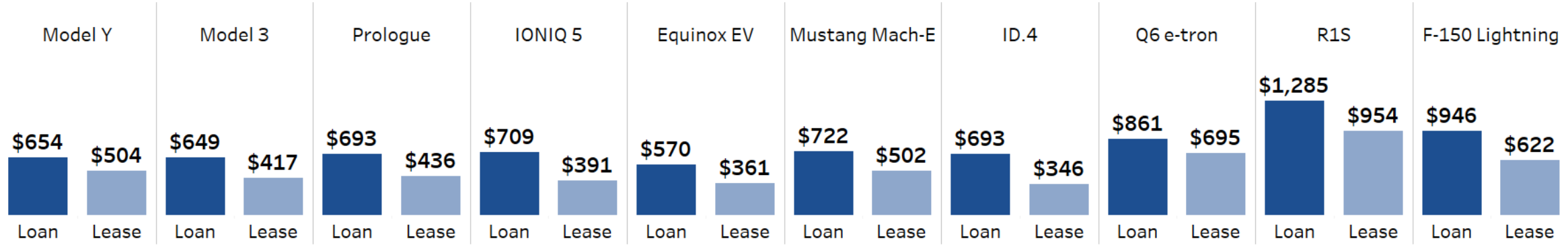


# Average payment difference between a lease and a loan across all EV models is \$172

Top 10 leased EV models

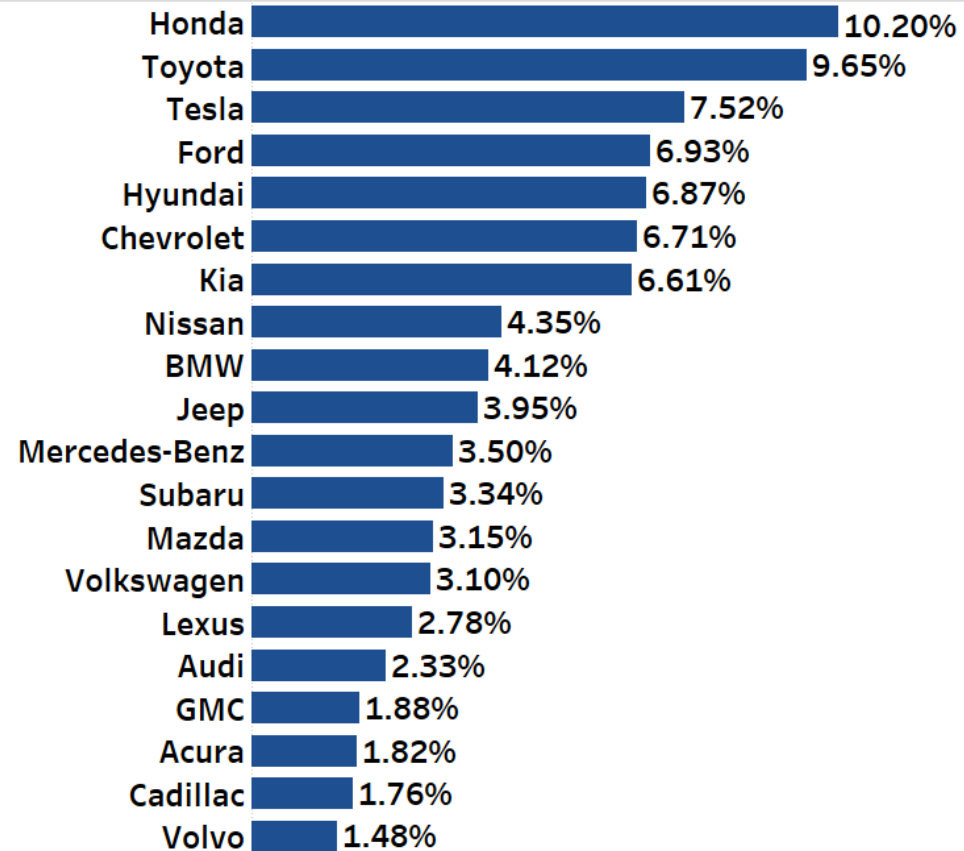


Average monthly payment on top leased EV models

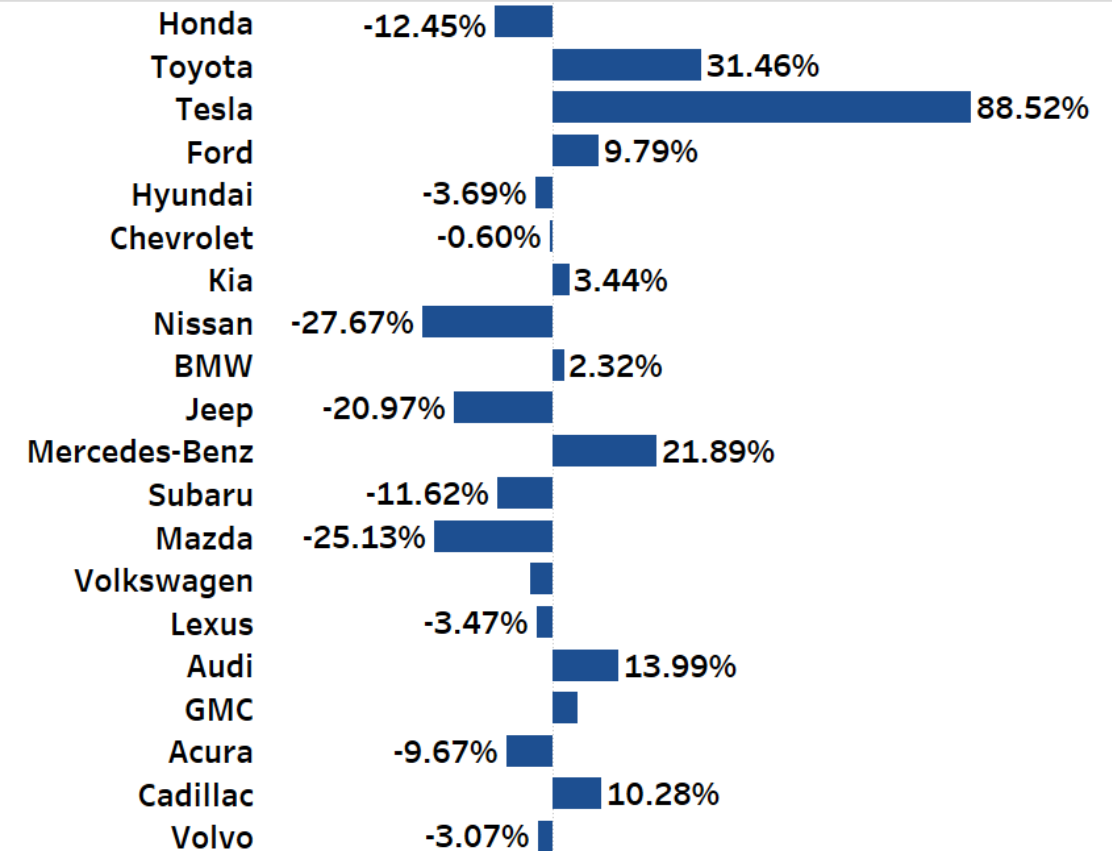


# Honda remains as number one leased make; Tesla sees the largest YOY growth

Top 20 leased new makes

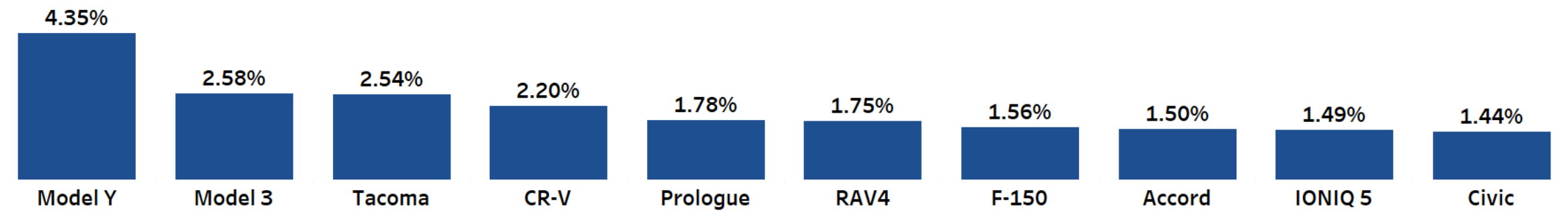


YOY Growth on Top 20 leased makes

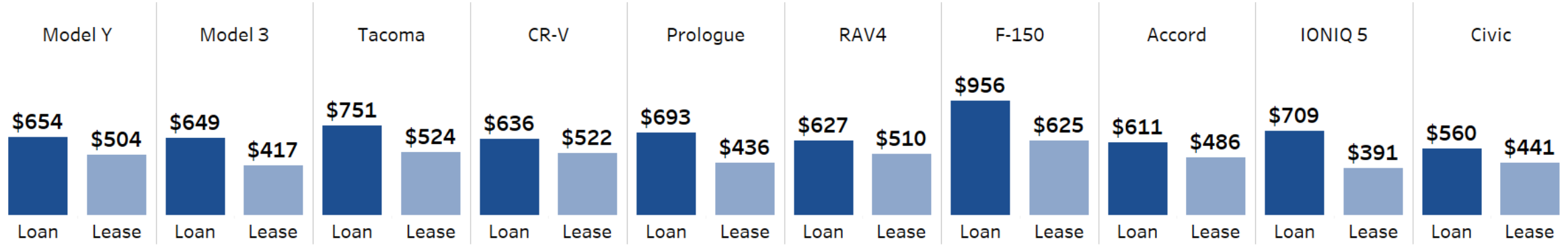


# Four of the top leased models are EV; average payment difference of \$152

Top 10 leased models

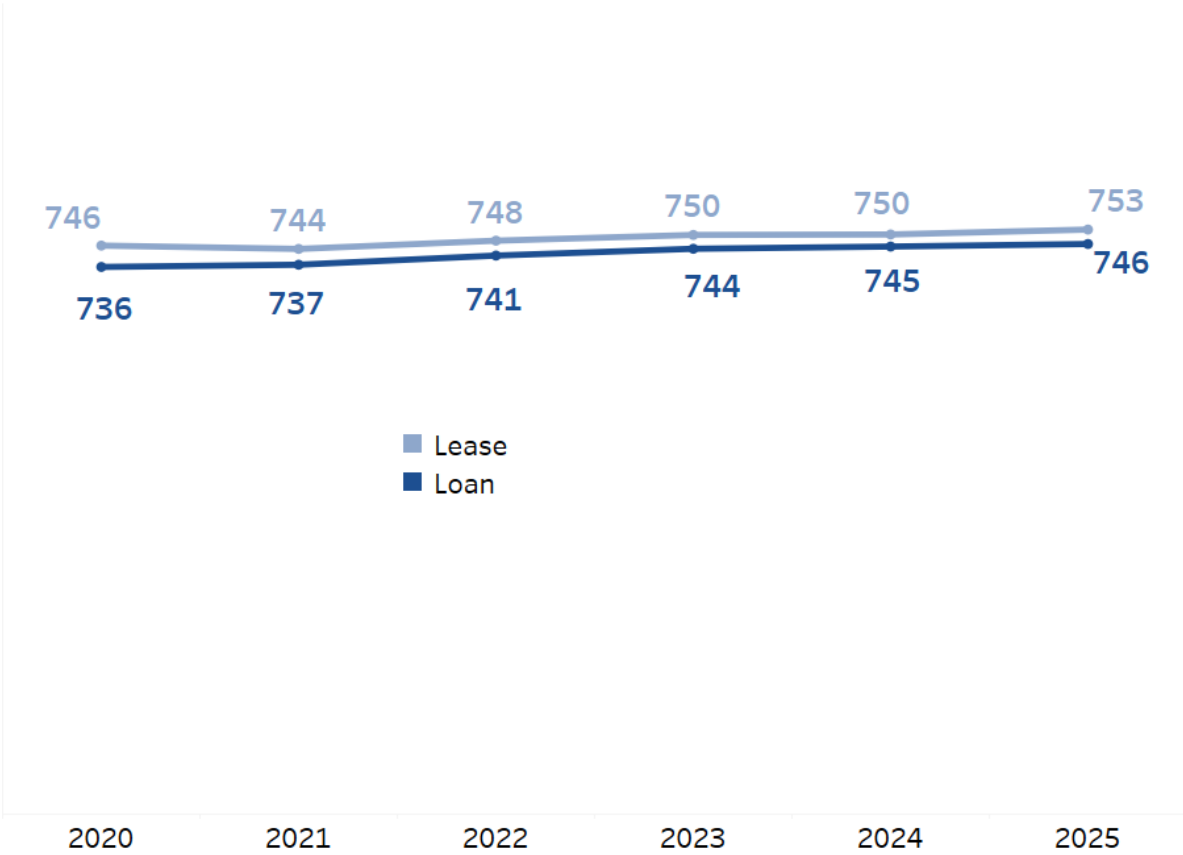


Average monthly payment on top leased models

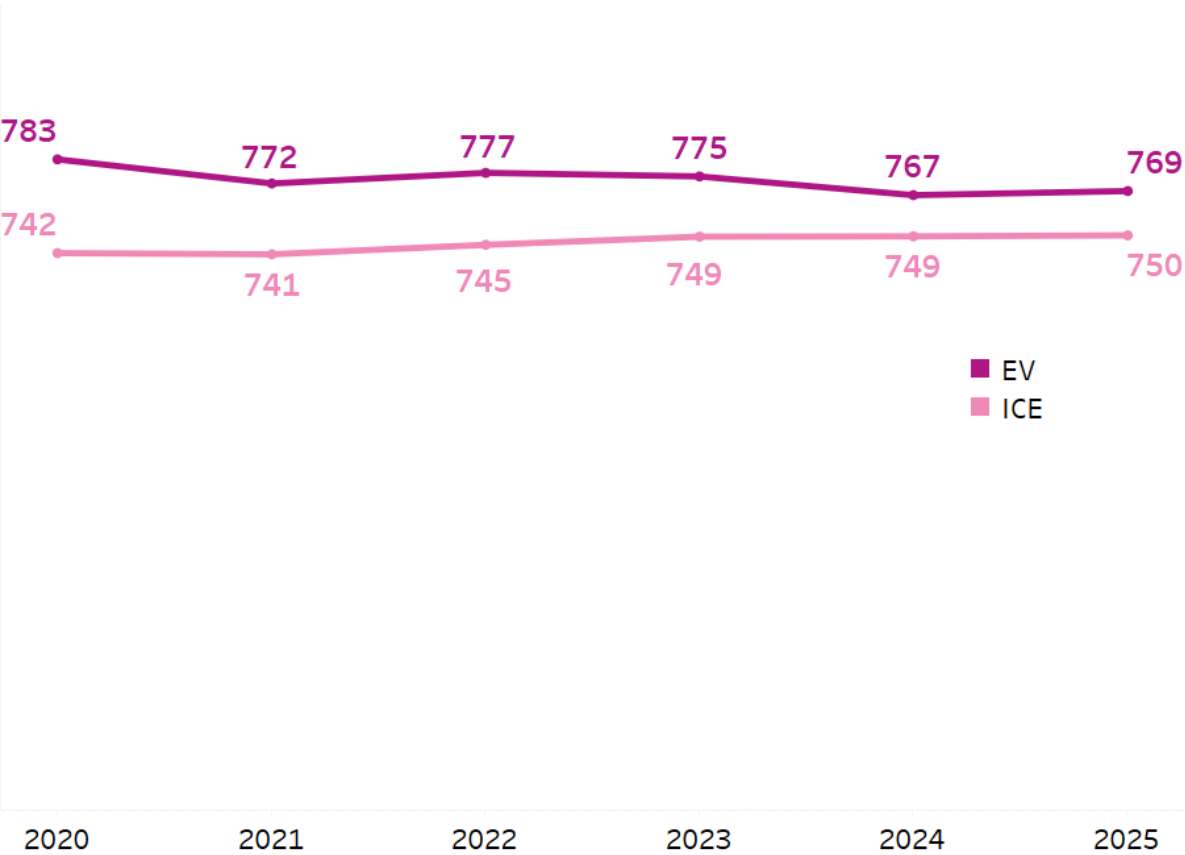


# New scores are up 3 points for lease and 1 for loan; EV score increased 2 points while ICE is up 1 point

Average new score by transaction type



Average new score by fuel type

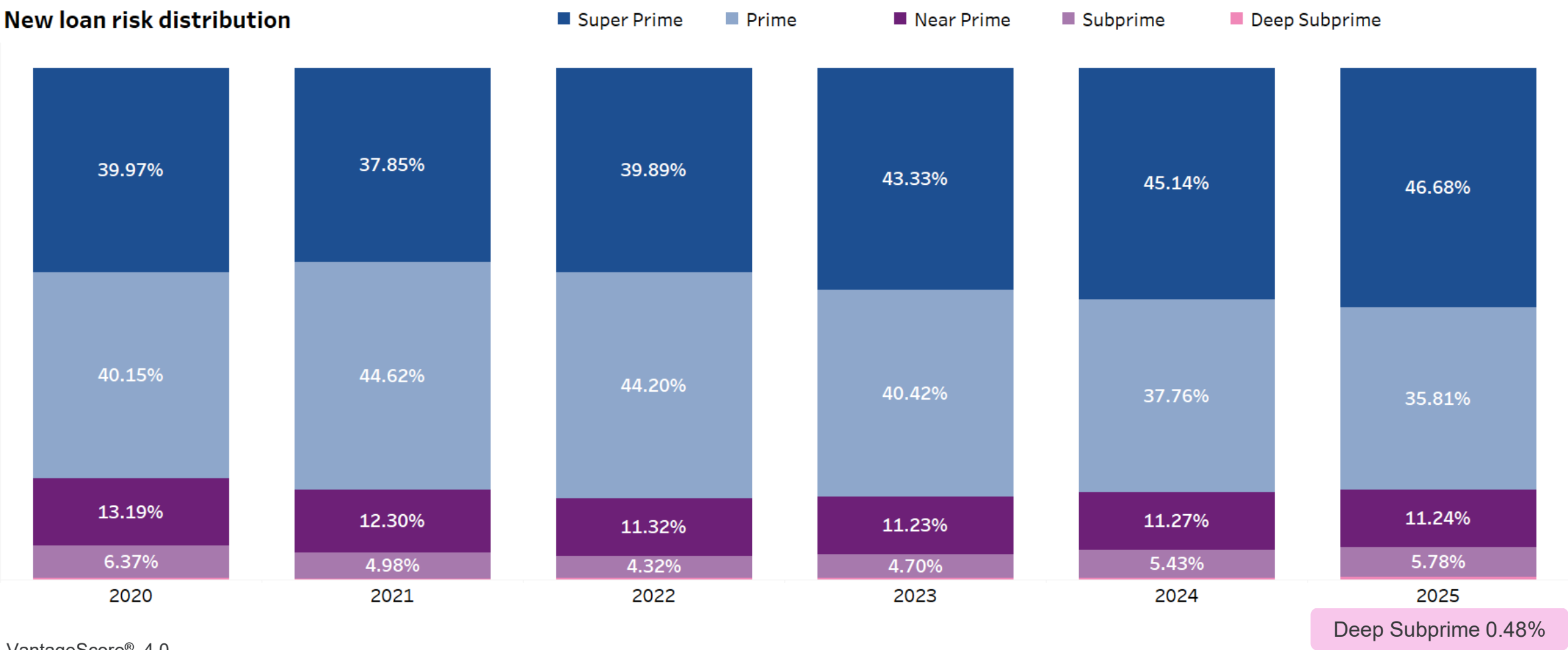


VantageScore® 4.0

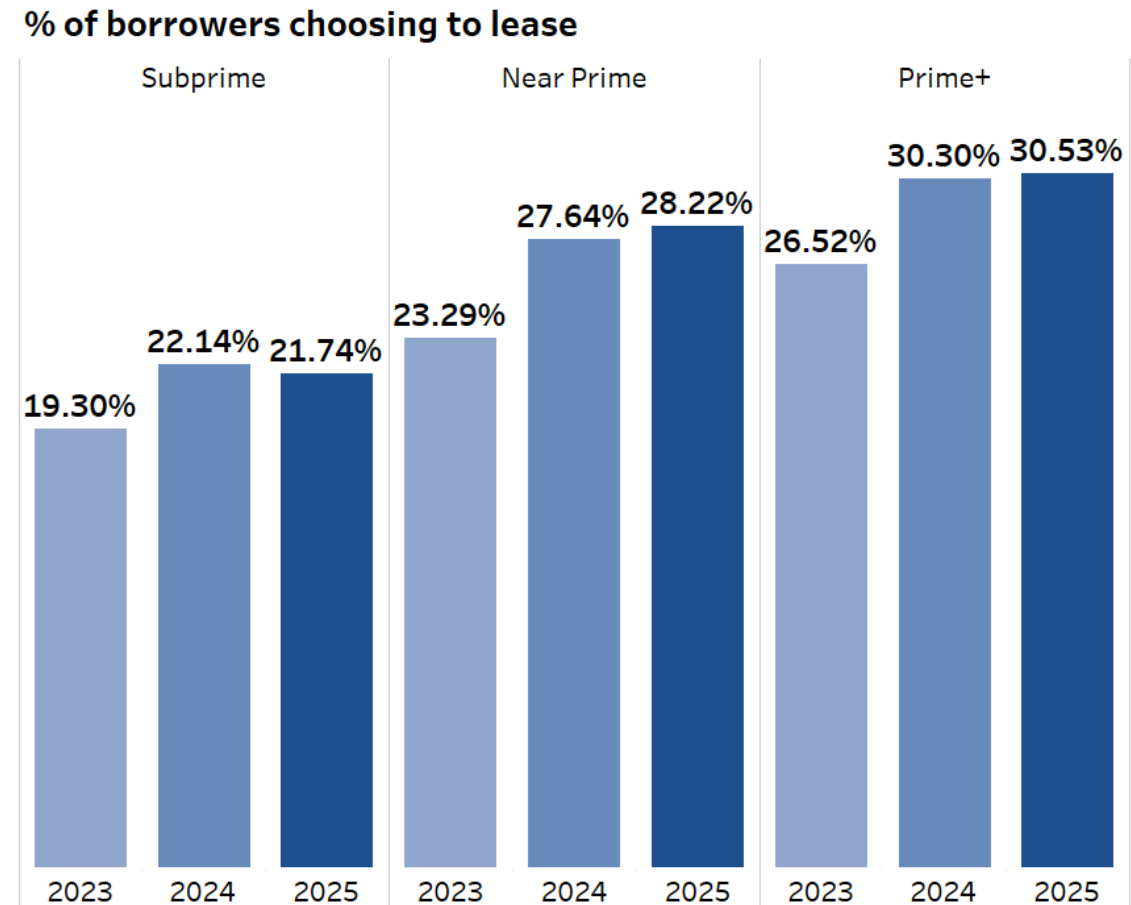
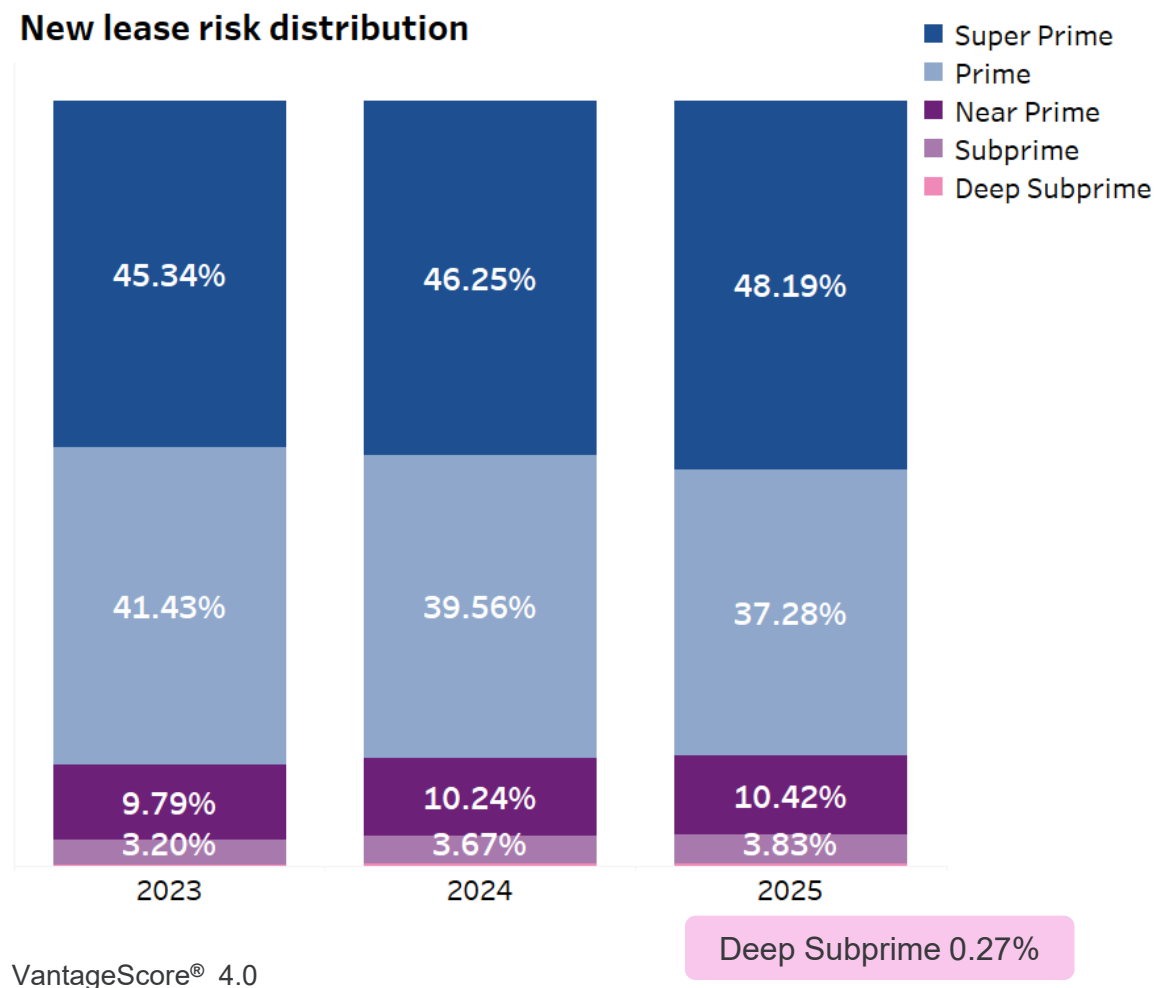




# New loans see growth in Super Prime and Subprime; over 82% of new loans are Prime+

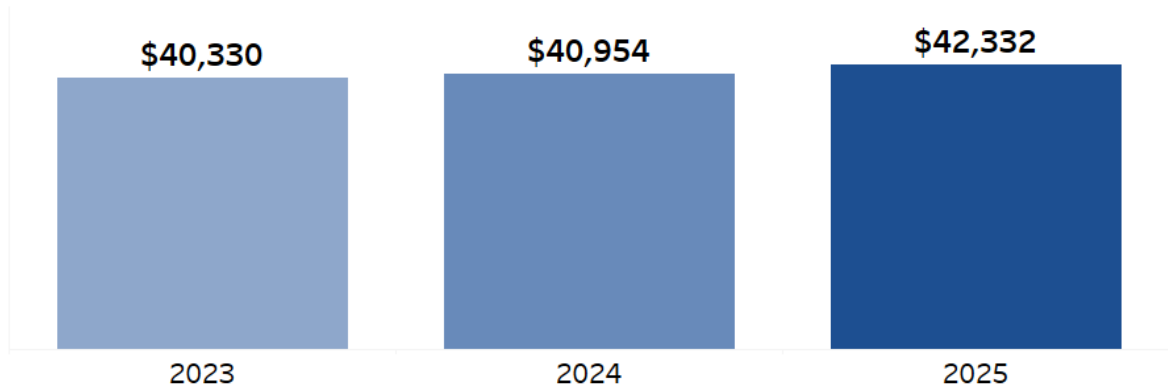


# Nearly 86% of new leasing is Prime+; more Near Prime and Prime+ are choosing to lease

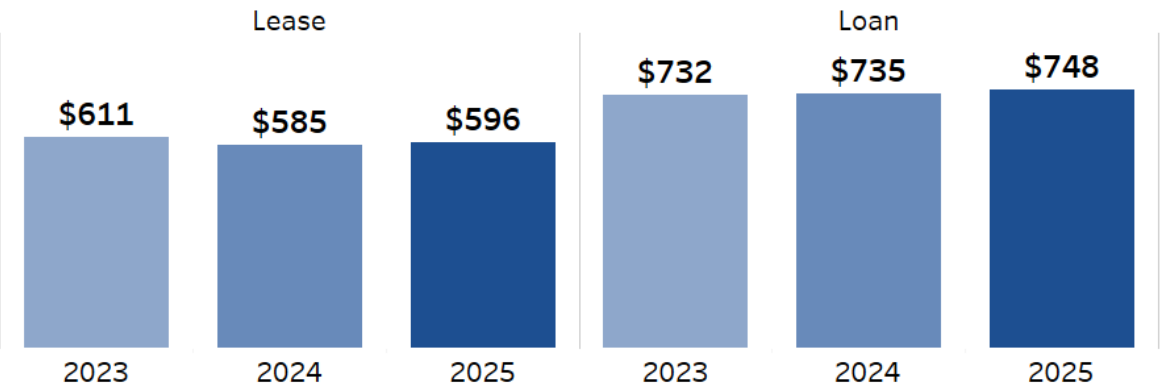


# Average new loan amount increases; loan payments and term increase while rates decrease

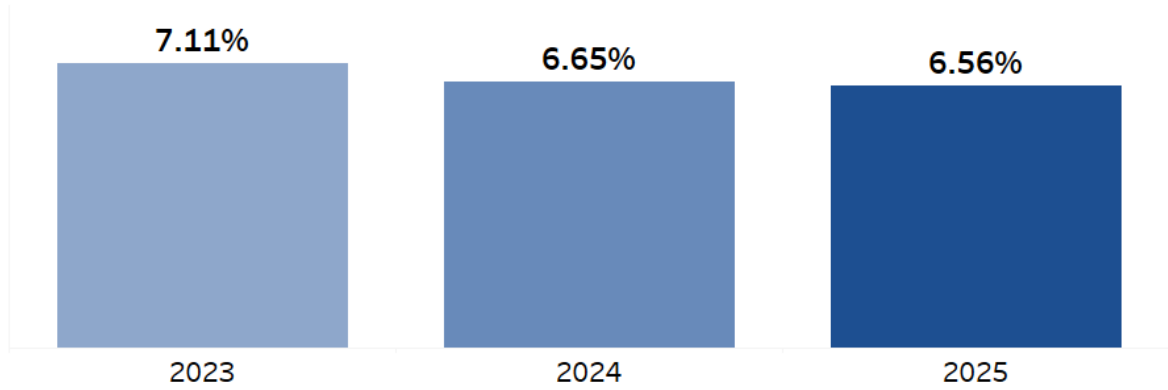
Average new amount financed



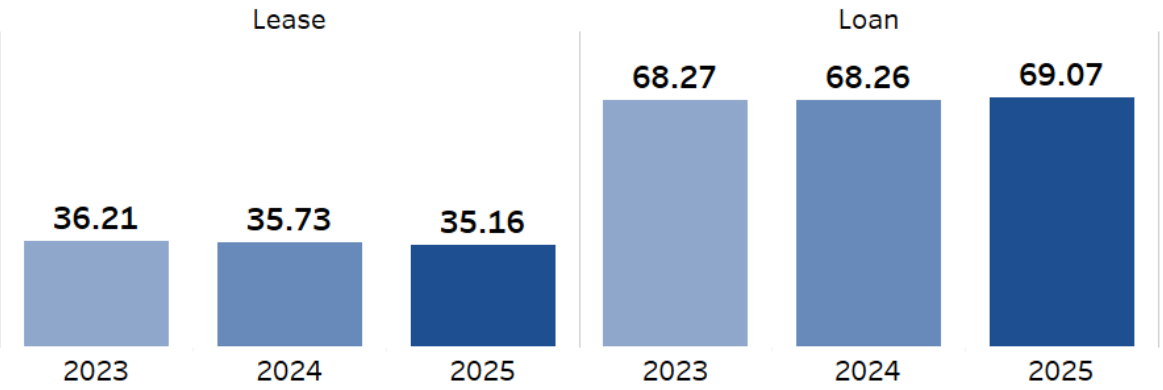
Average new monthly payment



Average new loan rate

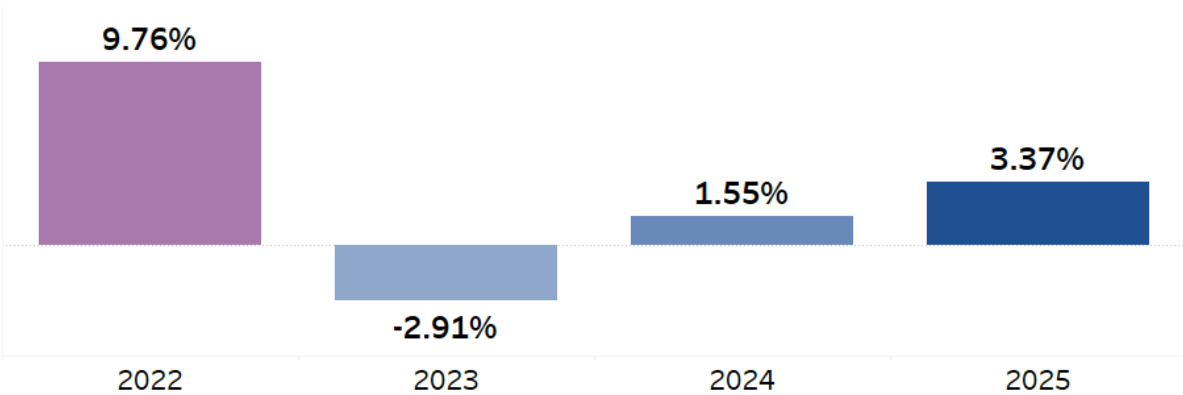


Average new loan term

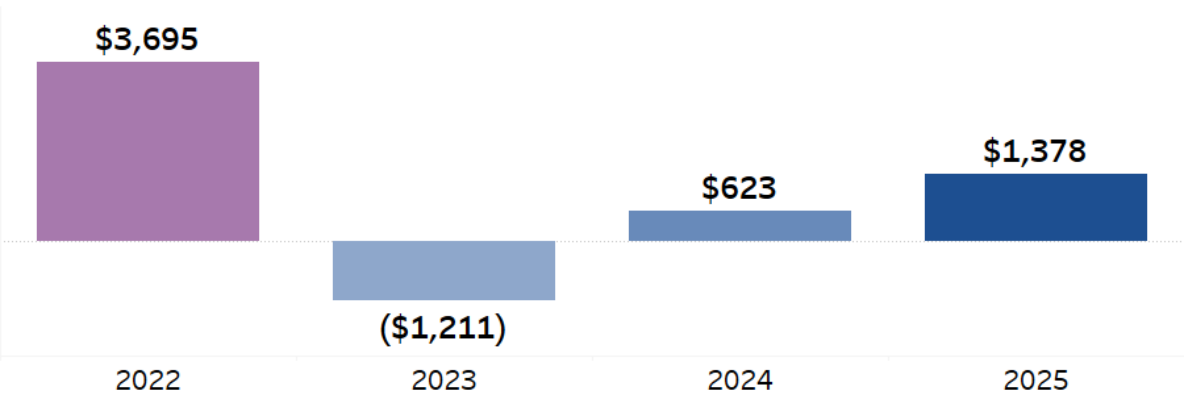


# Loan amounts increase both year-over-year and quarter-over-quarter

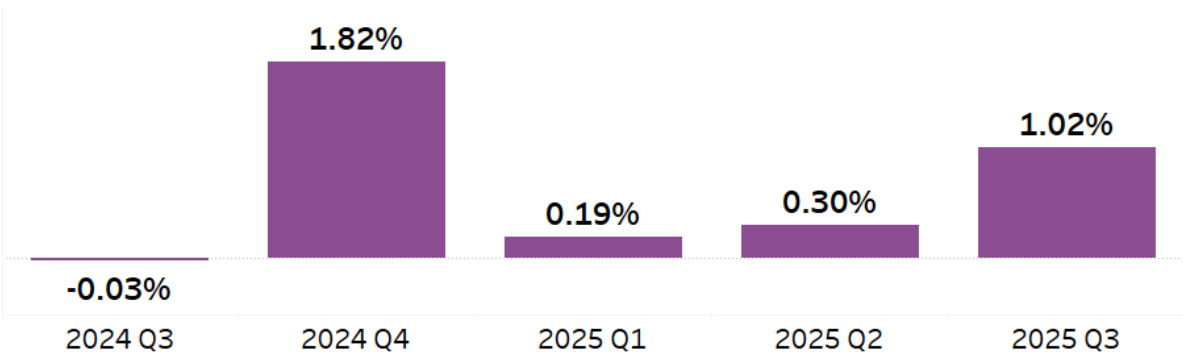
YOY growth in average new loan amount



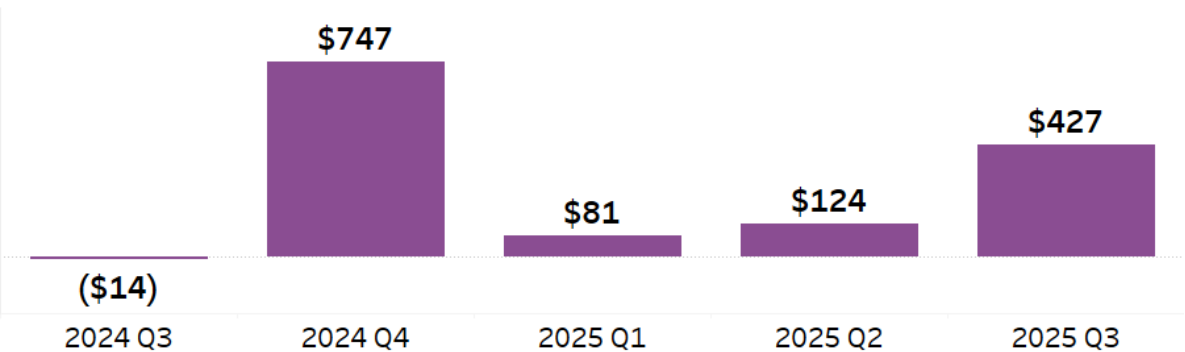
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount



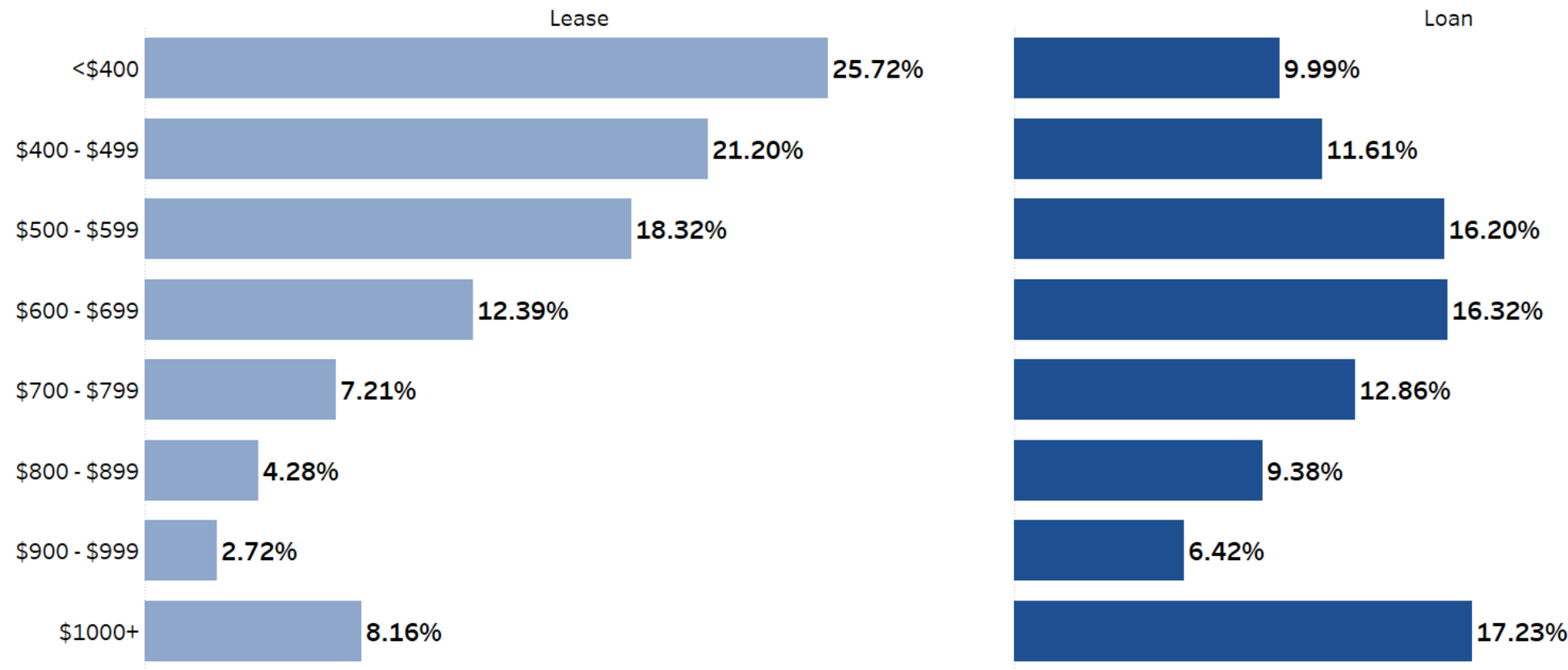
QOQ \$ difference in average new loan amount





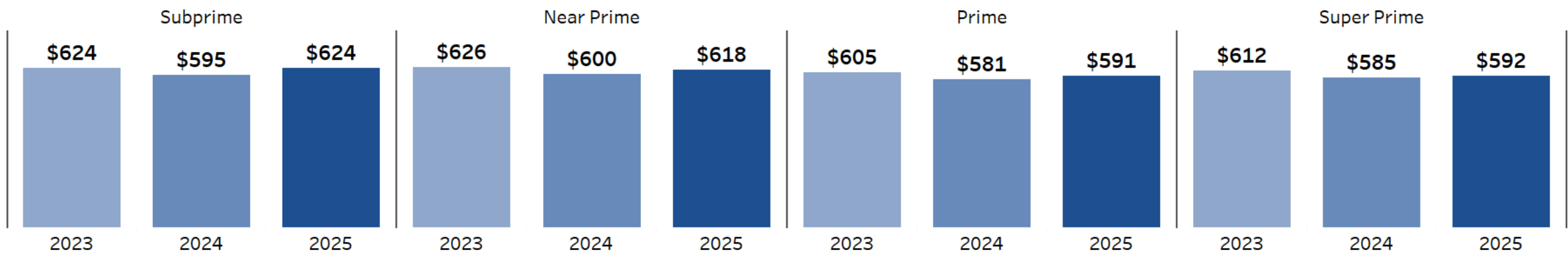
# Over 15% of all new payments (loan & lease combined) are over \$1k

Average monthly payment

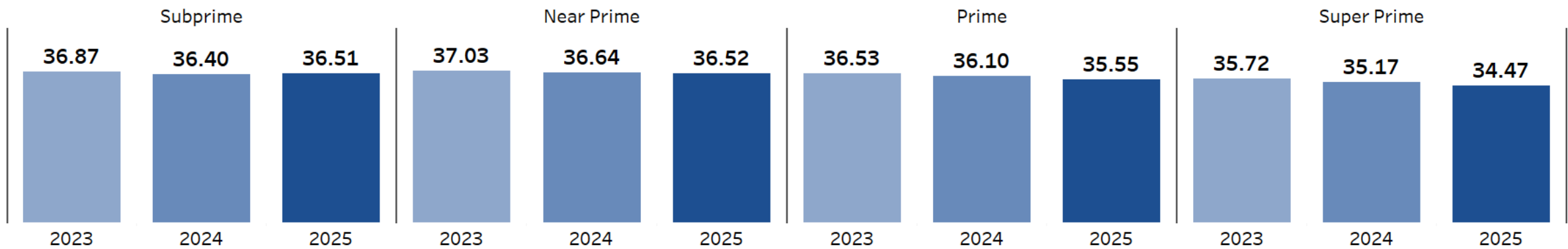


# Lease payments increase across all risk segments; terms decrease for all except Subprime

Average lease payment by risk tier



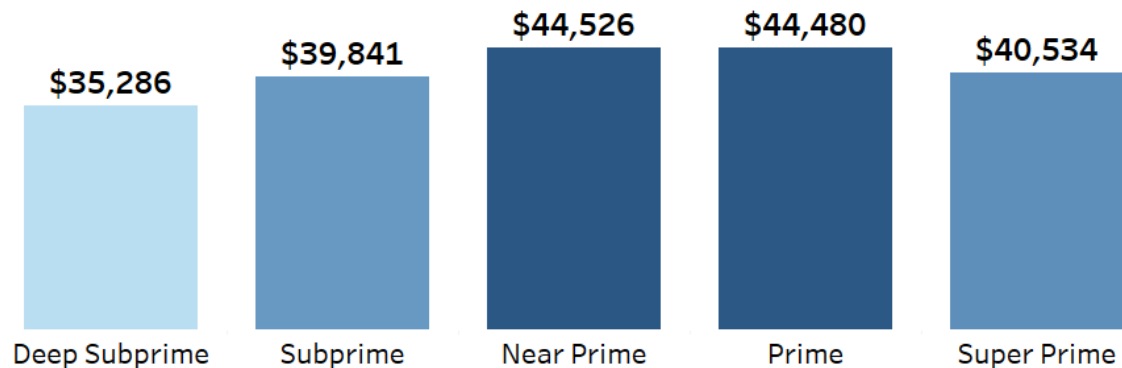
Average lease term by risk tier



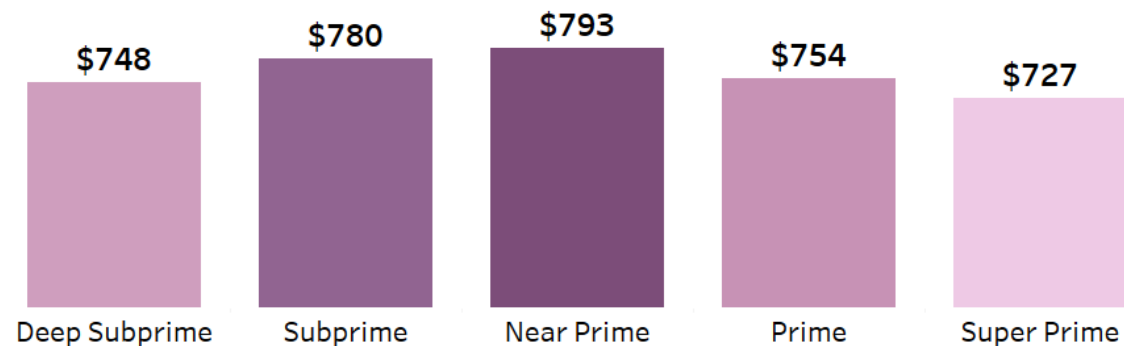
VantageScore® 4.0

# Loan amounts and payments increase across all risk segments

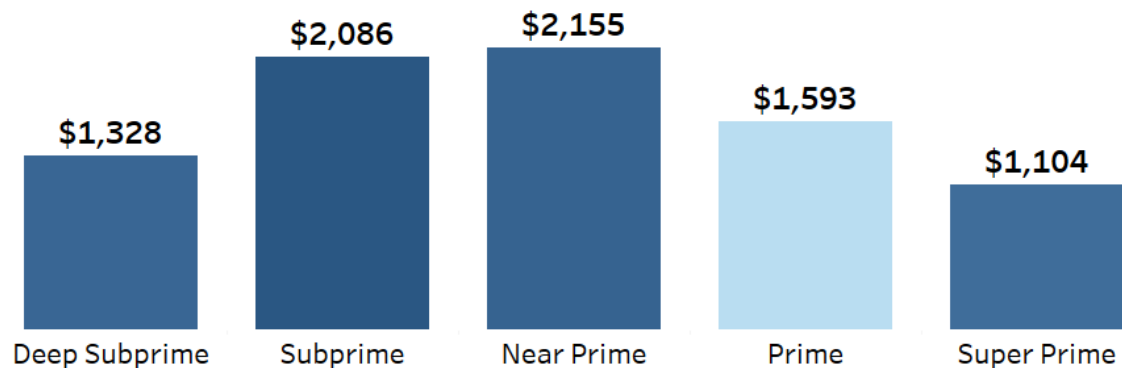
Average new loan amount financed by risk



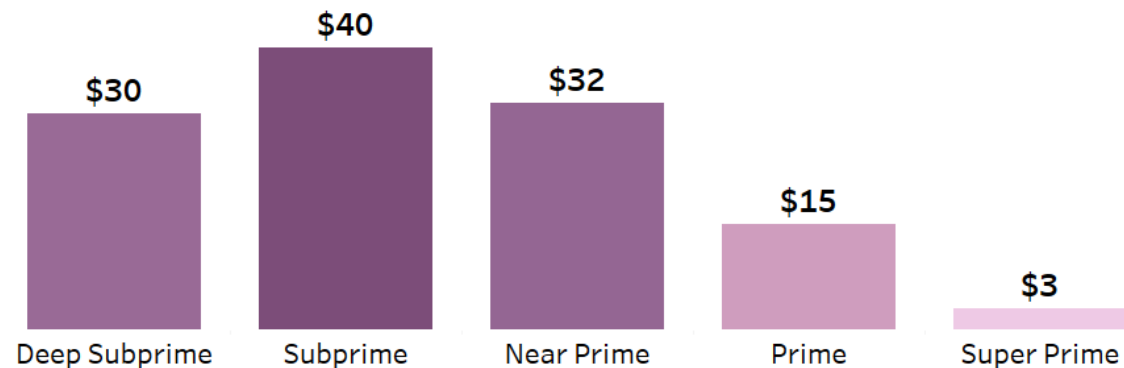
Average new loan monthly payment by risk



Year-over-year change in new loan amount



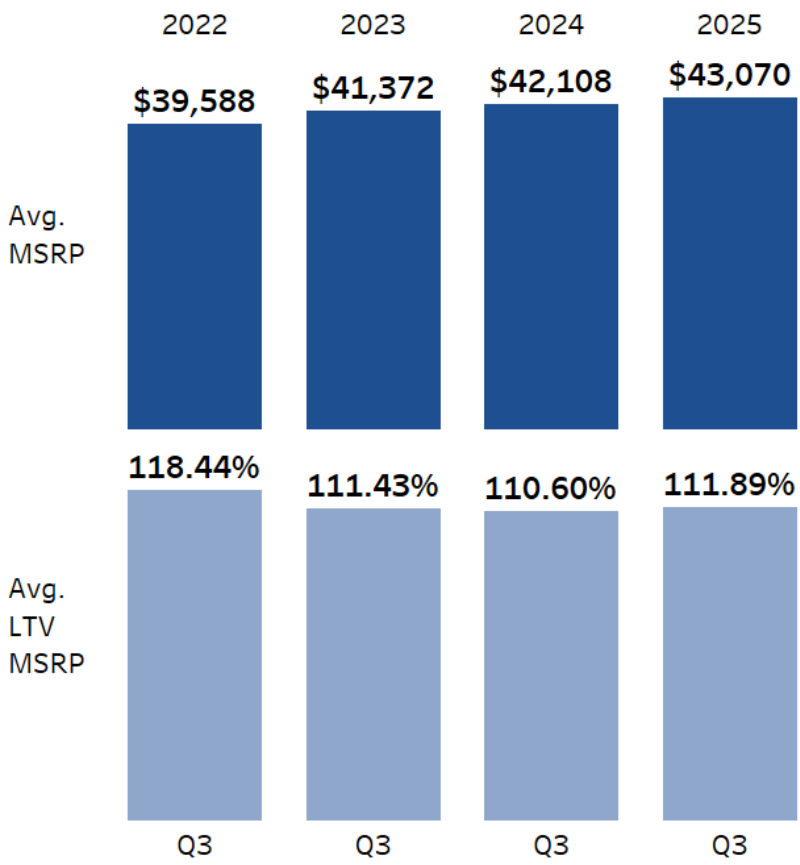
Year-over-year change in new monthly payment



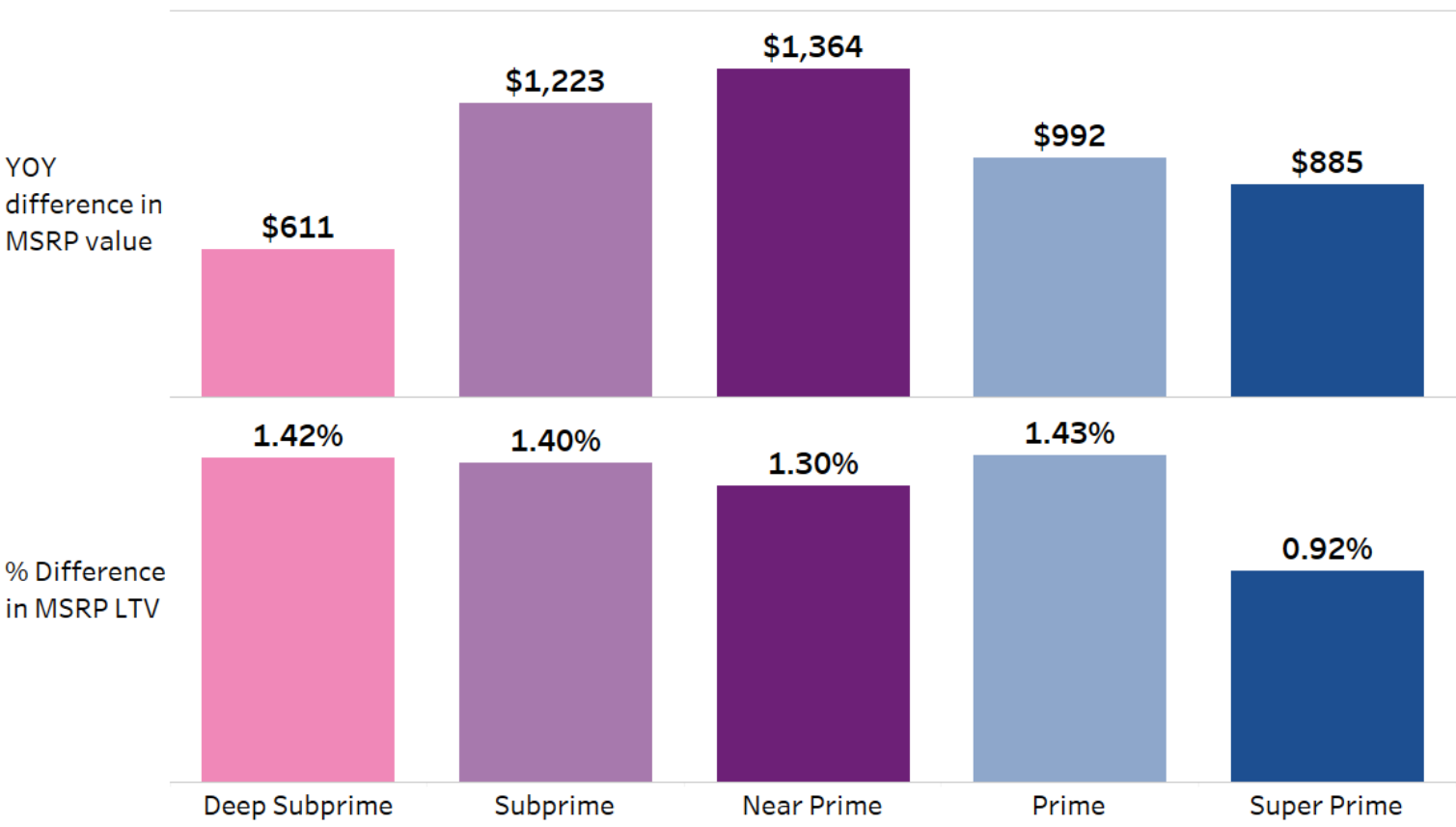
VantageScore® 4.0

# New values and LTVs are increasing across all risk segments

Avg New Values

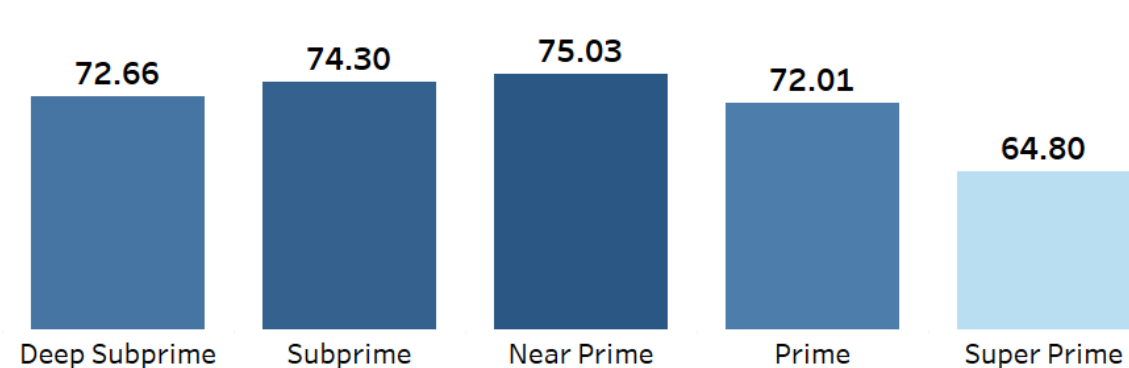


YOY change in new values

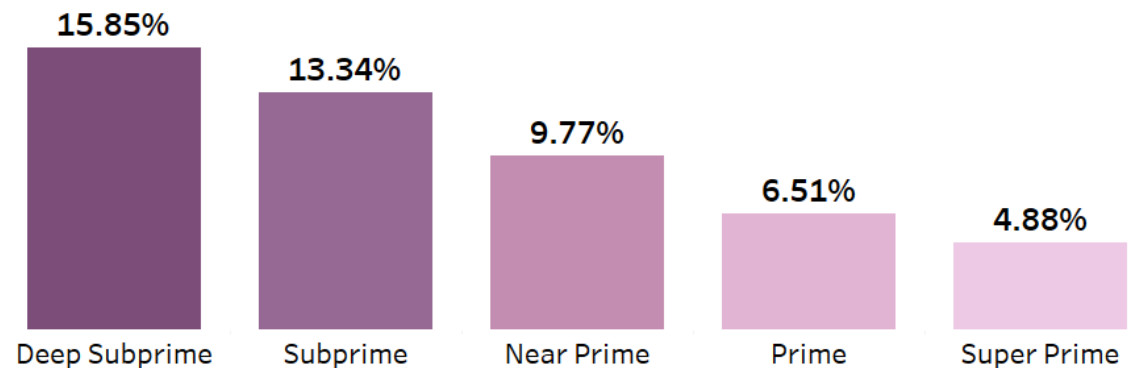


# Terms increase across the market while rates decrease for all but Subprime

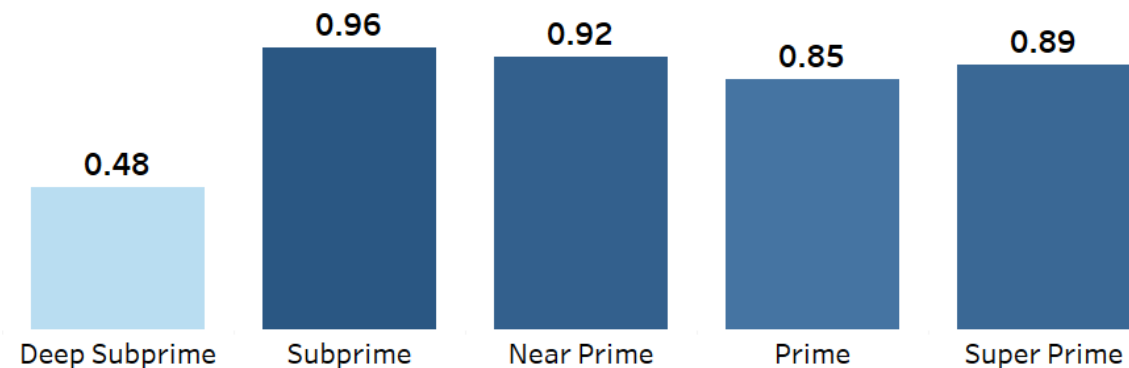
Average new loan term by risk



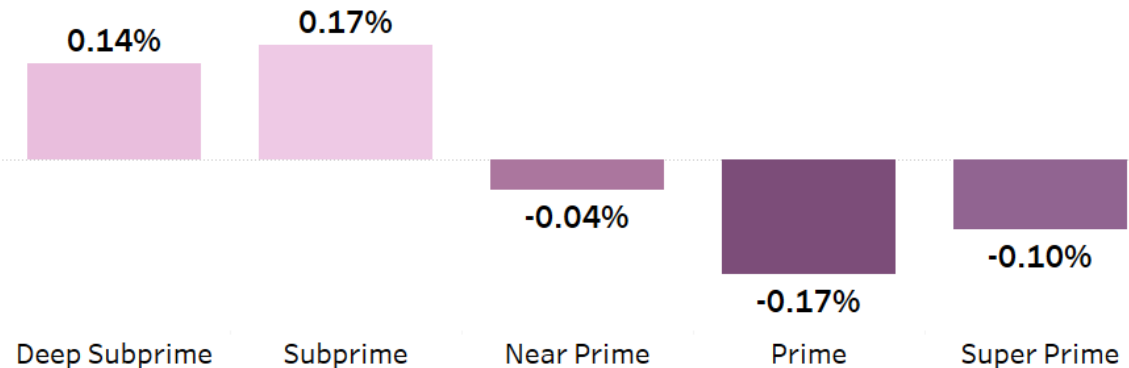
Average new loan rate by risk



Year-over-year change in new loan term



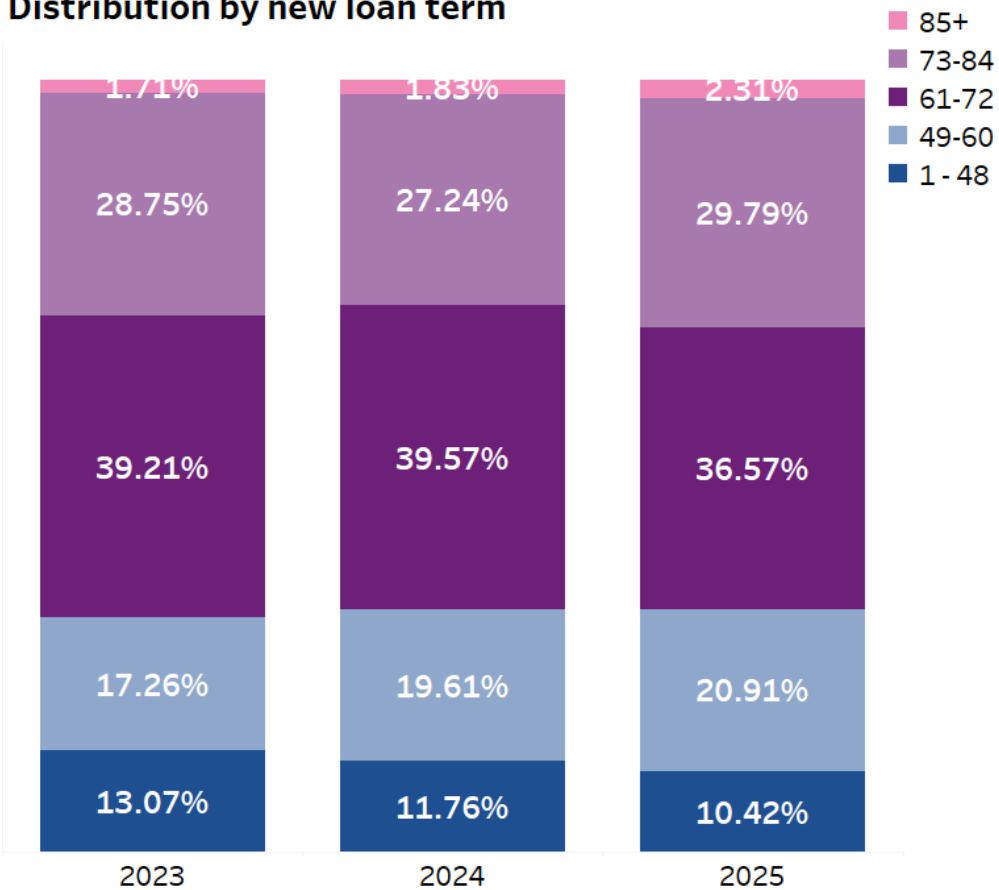
Year-over-year change in new rate



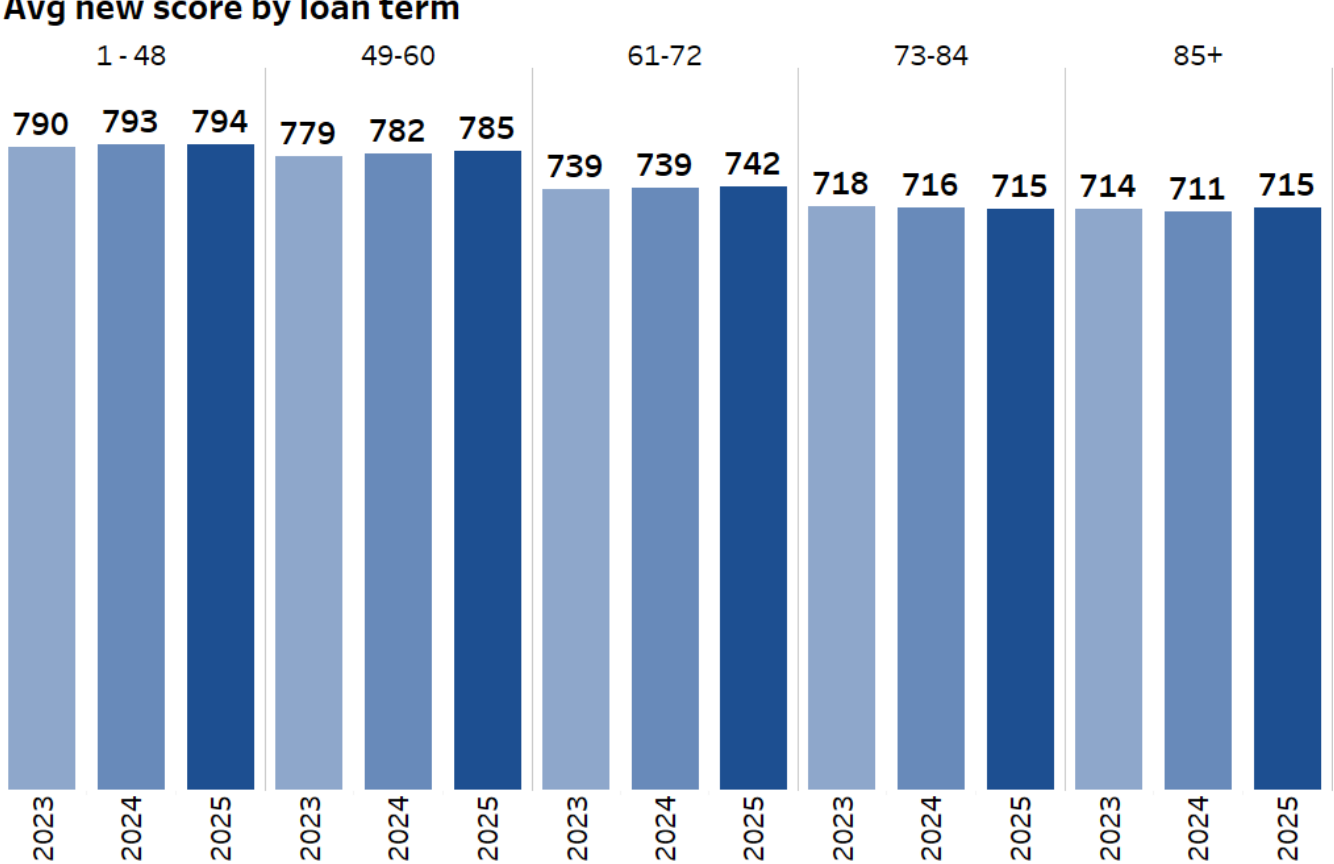
VantageScore® 4.0

# Majority of term growth is occurring 73+ month term loans; slight decrease in scores for 73-84 terms


Distribution by new loan term



Avg new score by loan term





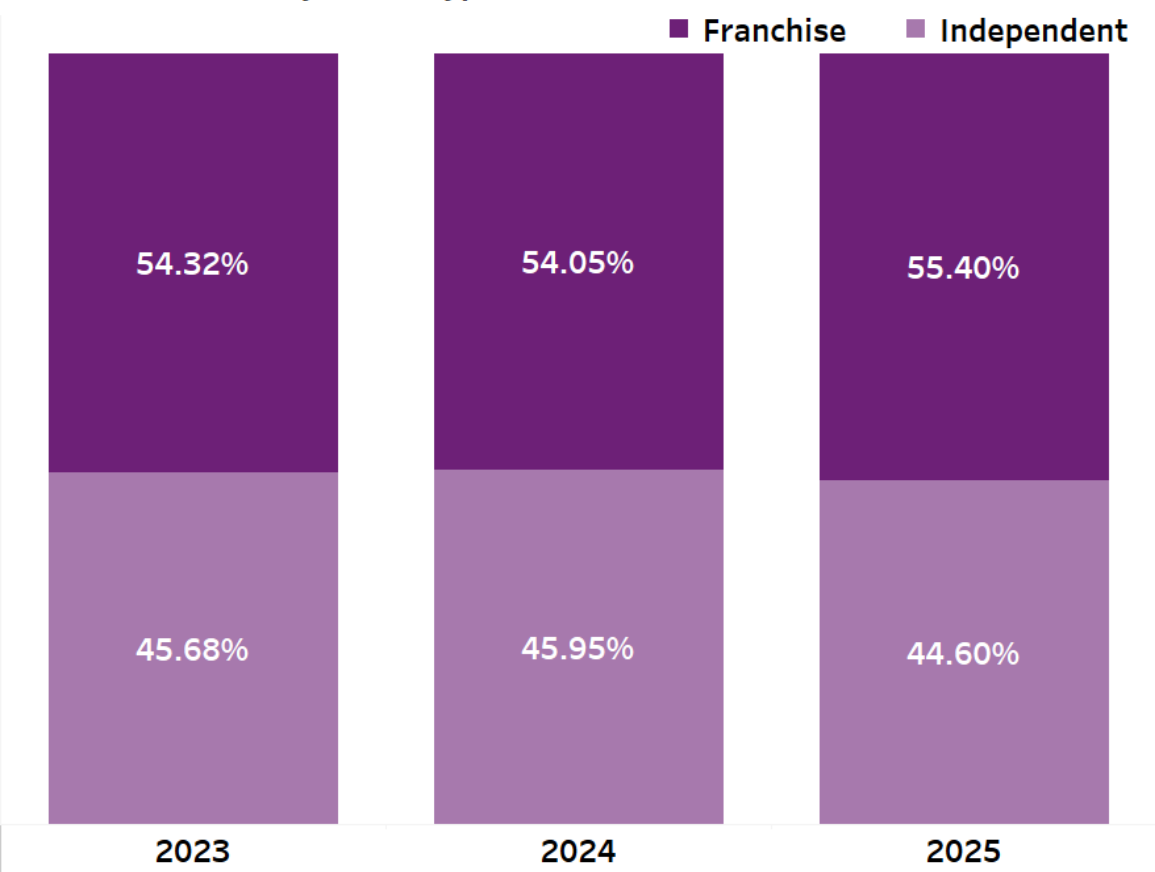


# Q3 2025 Used financing

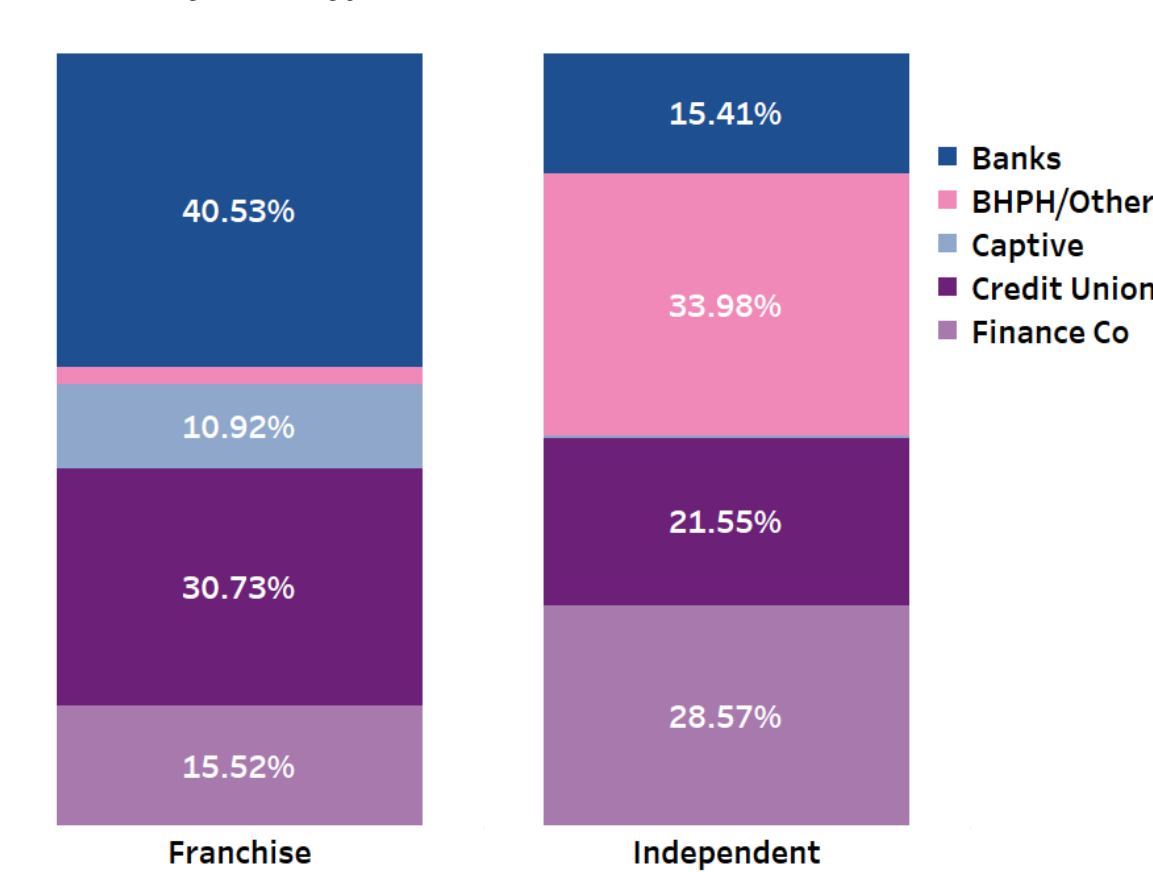
A look at used automotive loan trends

# Dealer type snapshot: Independent Dealers decrease share of used purchases

Used transactions by Dealer type

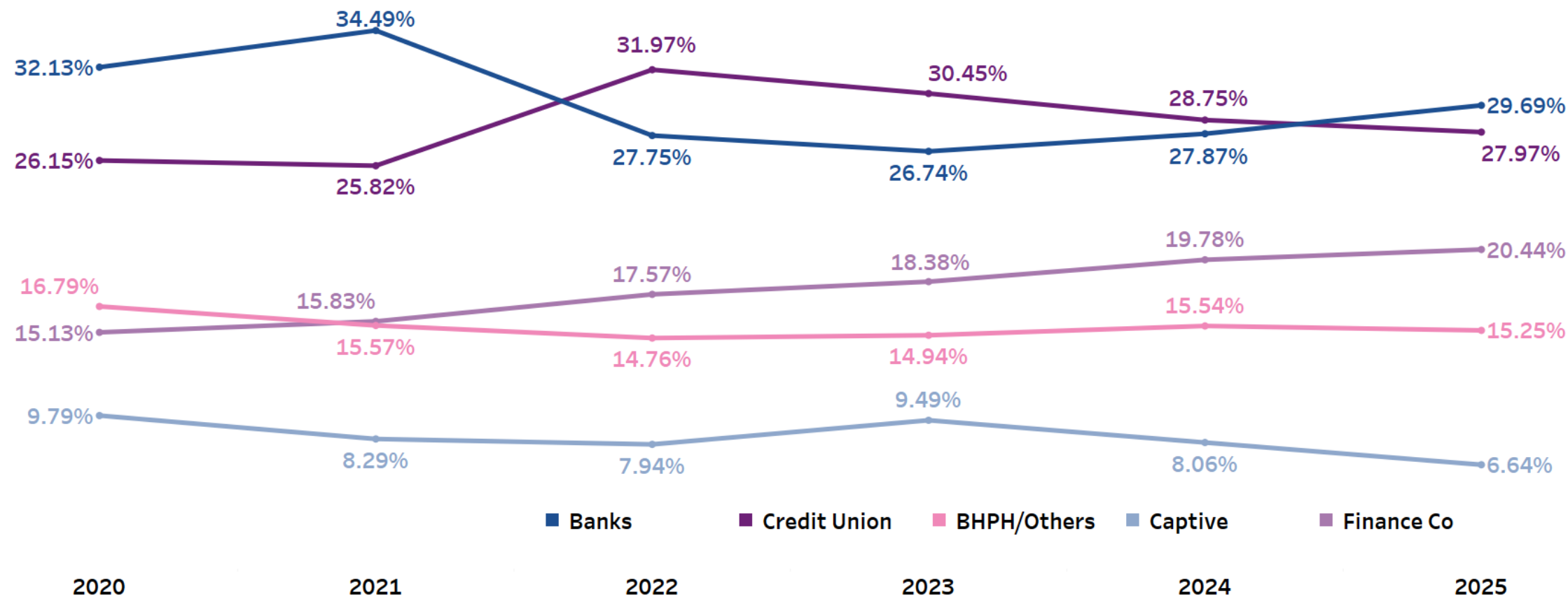


Used loans by lender type and Dealer



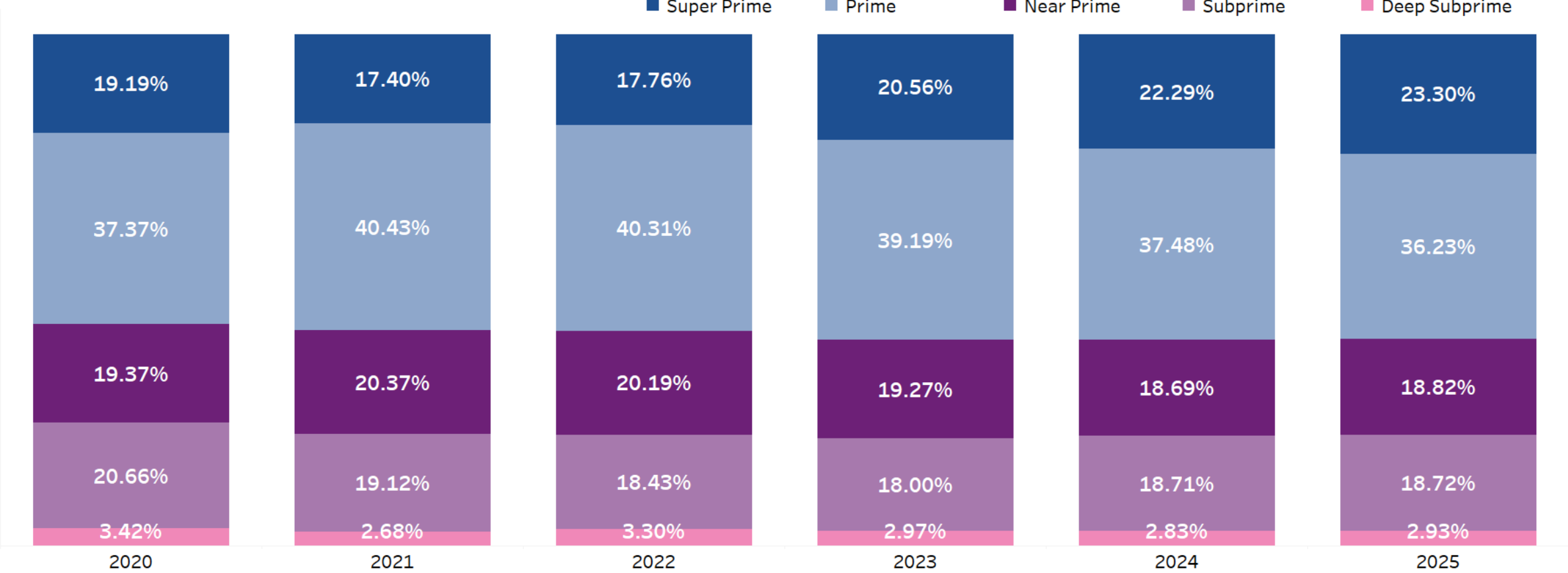
# Banks remain as largest lender type for used loans, slightly widening the gap with Credit Unions; Finance Companies increase to over 20%

Used loan market share by lender type



# Growth occurring in Super Prime and Subprime segments

Used loan risk distribution

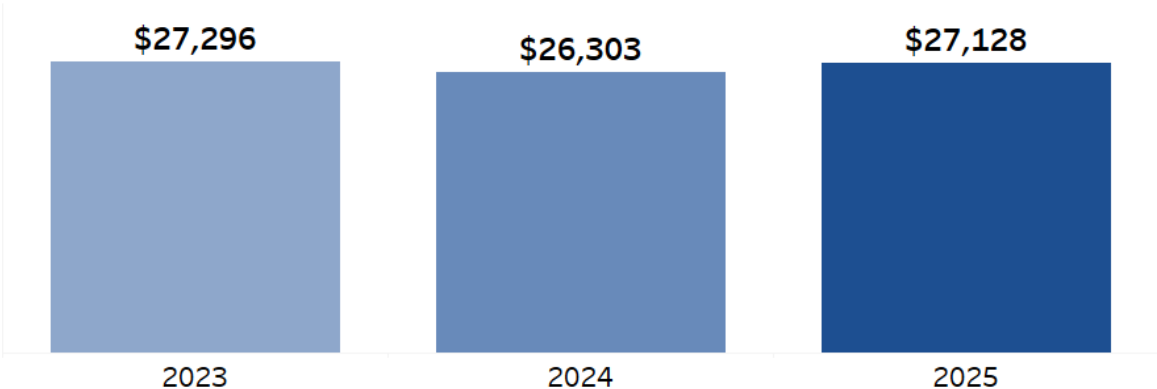


VantageScore® 4.0

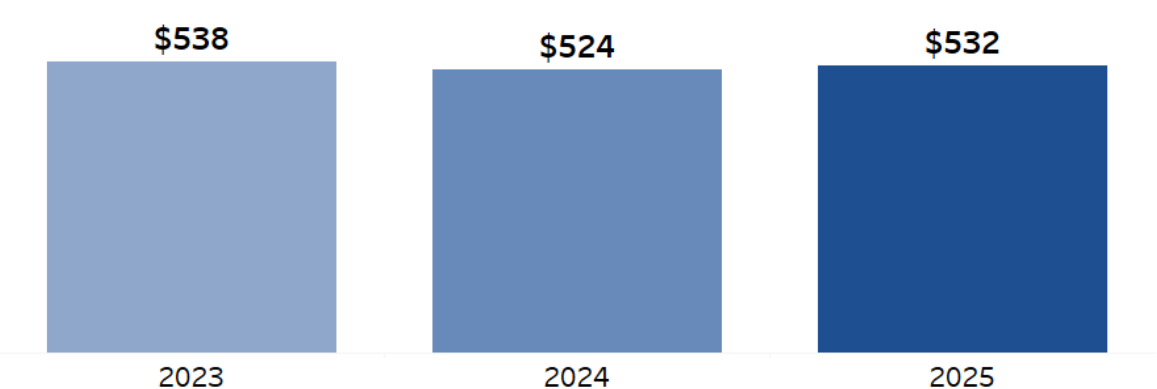


# Loan amounts, payments and terms increase while rates see a decrease

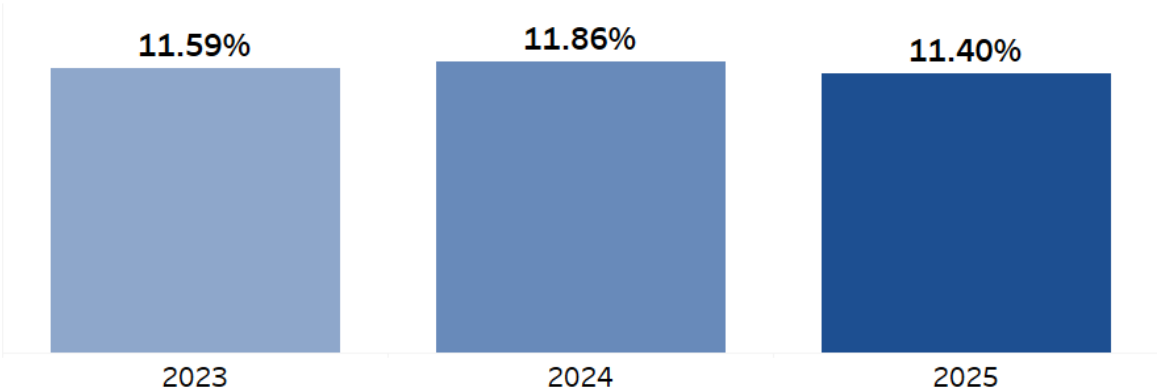
Average used amount financed



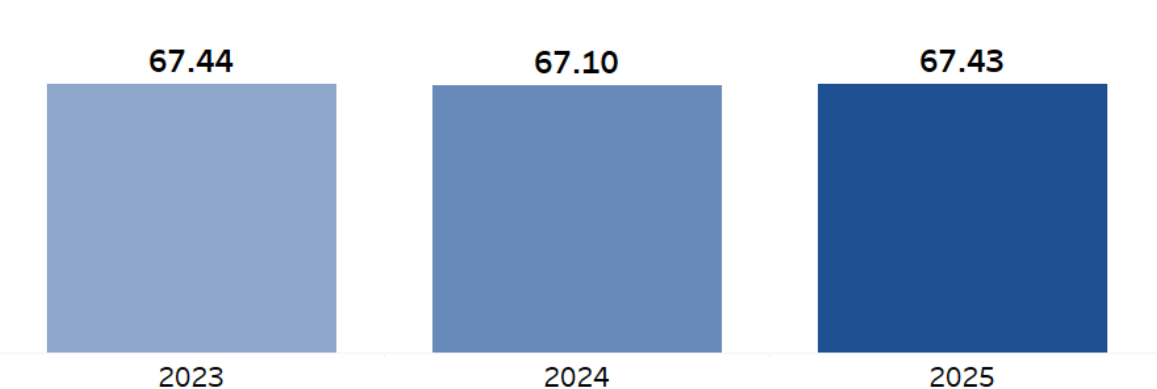
Average used monthly payment



Average used loan rate

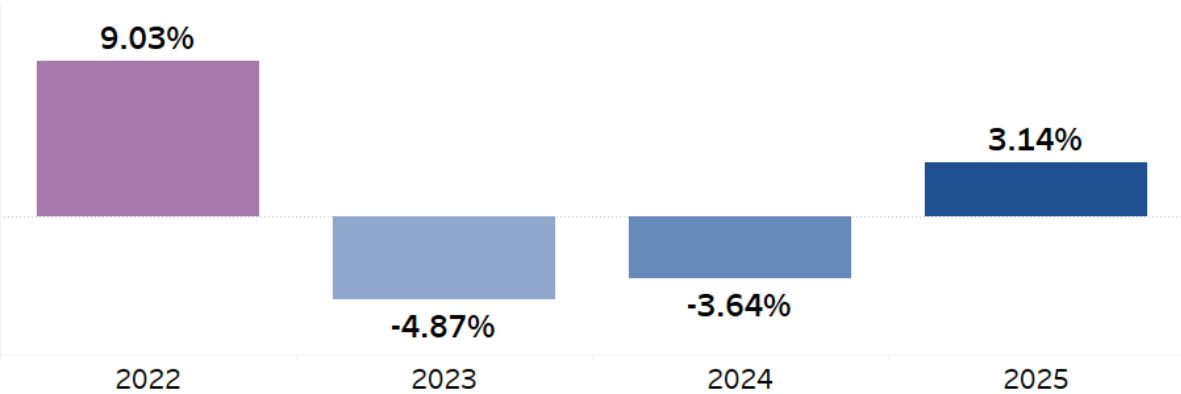


Average used loan term

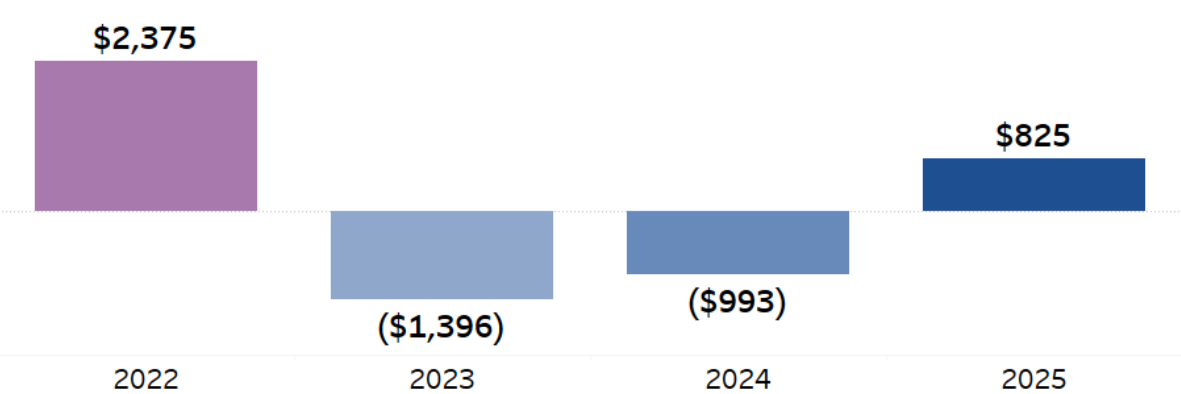


# Used loan amounts increase year-over-year and up slightly quarter-over-quarter

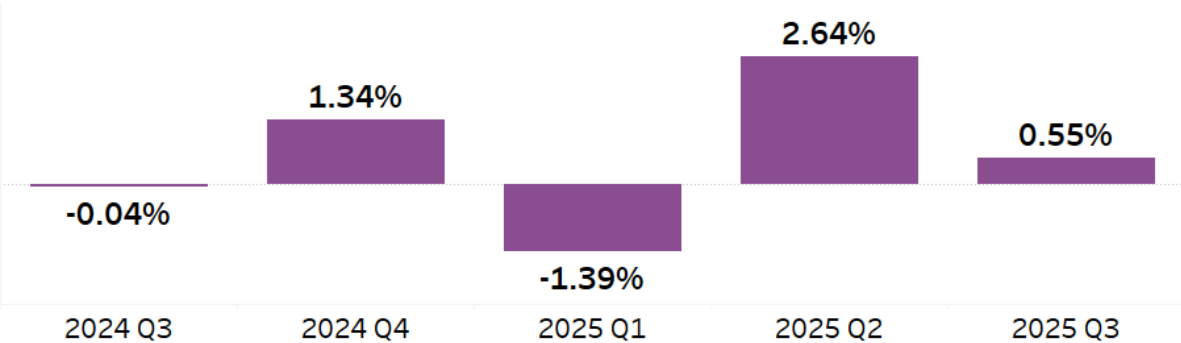
YOY growth in average used loan amount



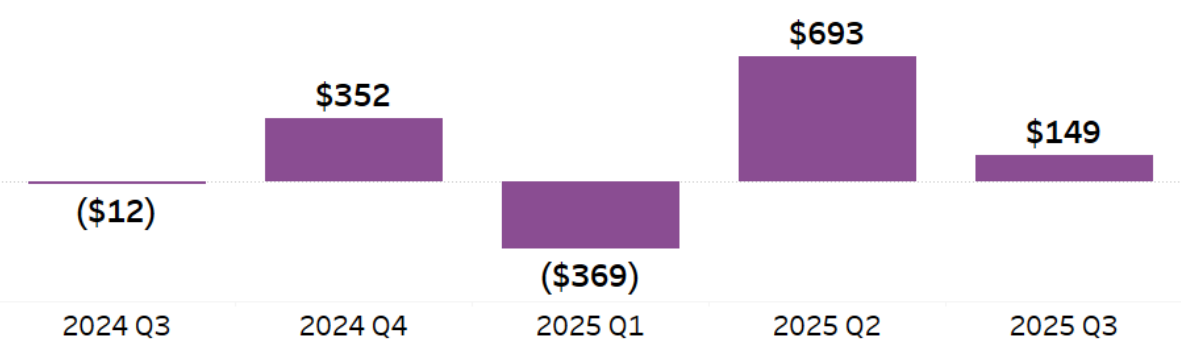
YOY \$ difference in average used loan amount



QOQ growth in average used loan amount



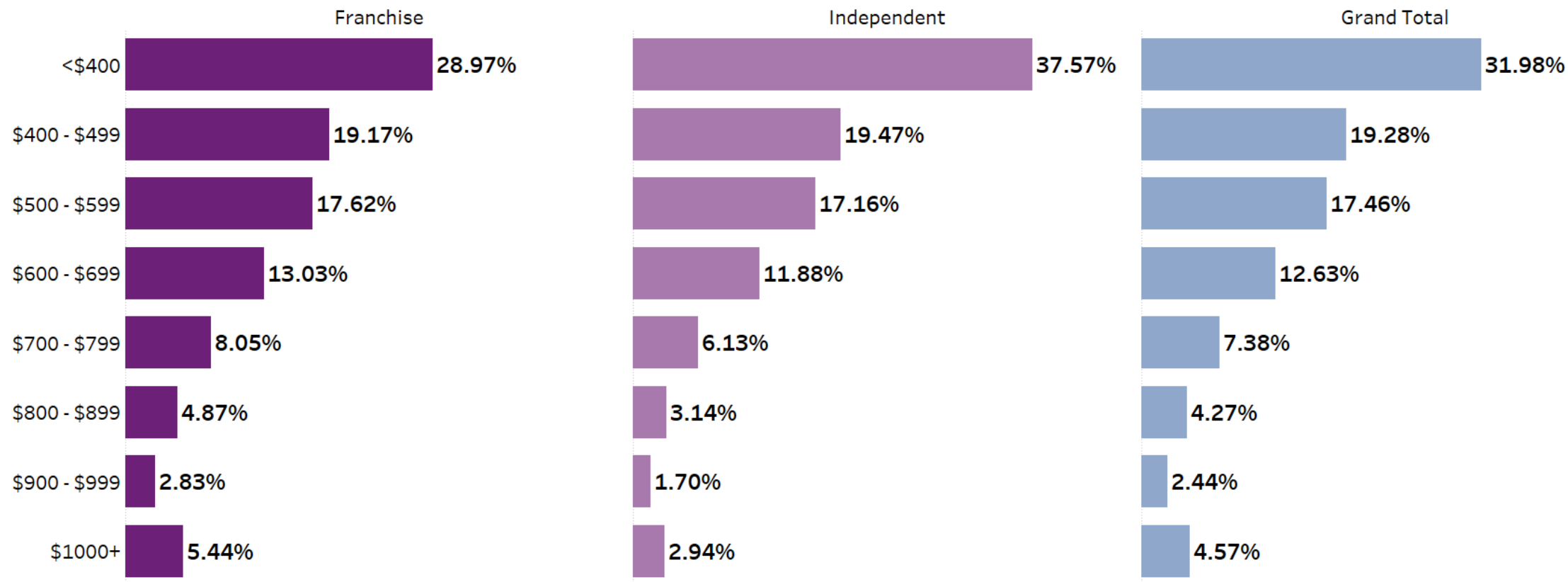
QOQ difference in average used loan amount





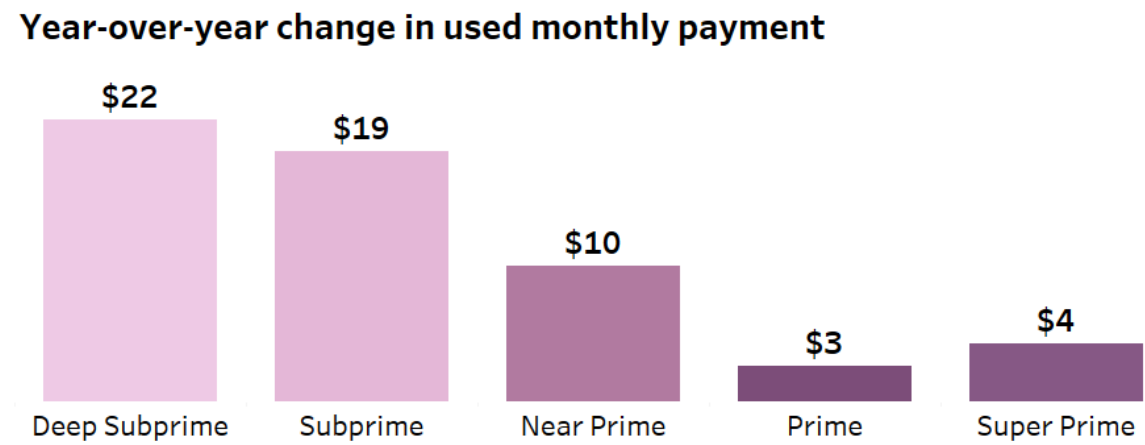
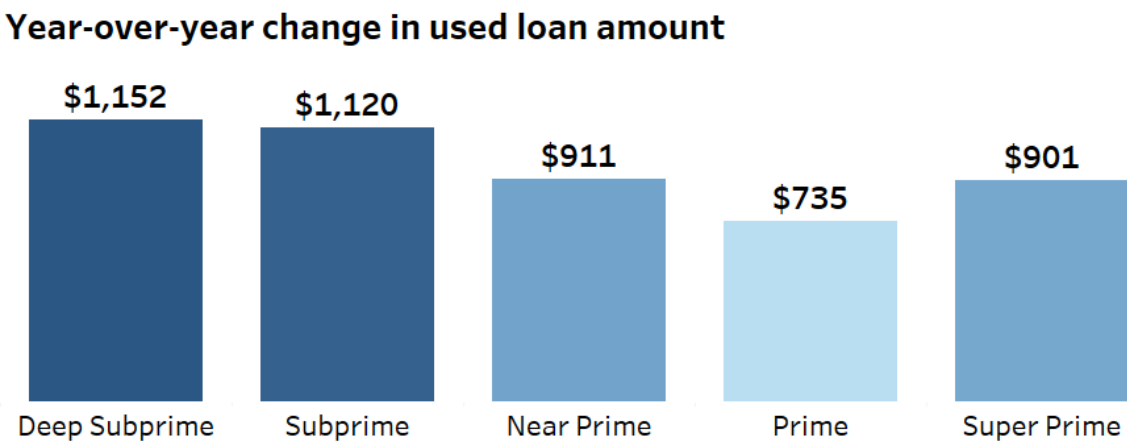
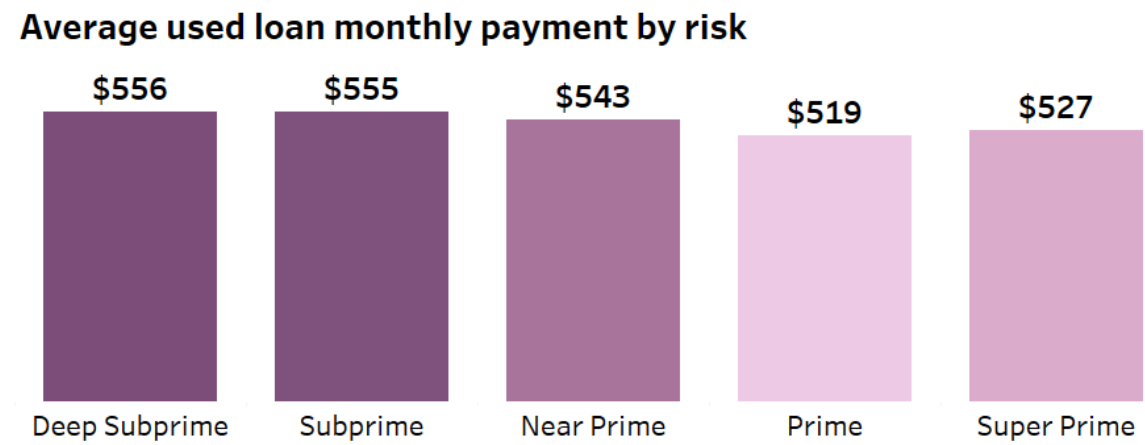
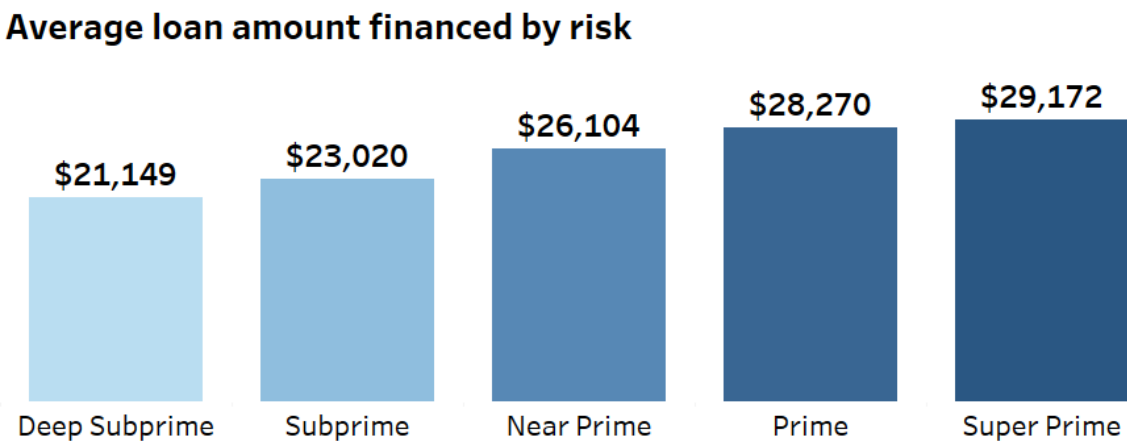
# Across all used loans\* 32% are under \$400; over 4% are over \$1k

## Used loan monthly payment distribution



\*All used loans include private-party and unknown dealer

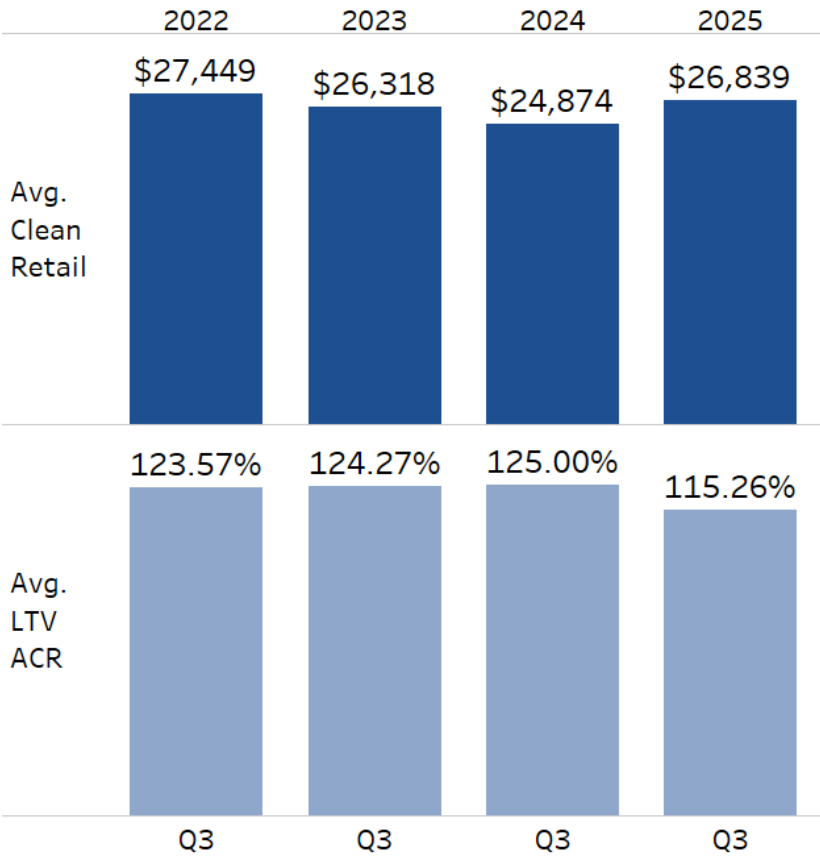
# Loan amounts and payments increase for all risk segments



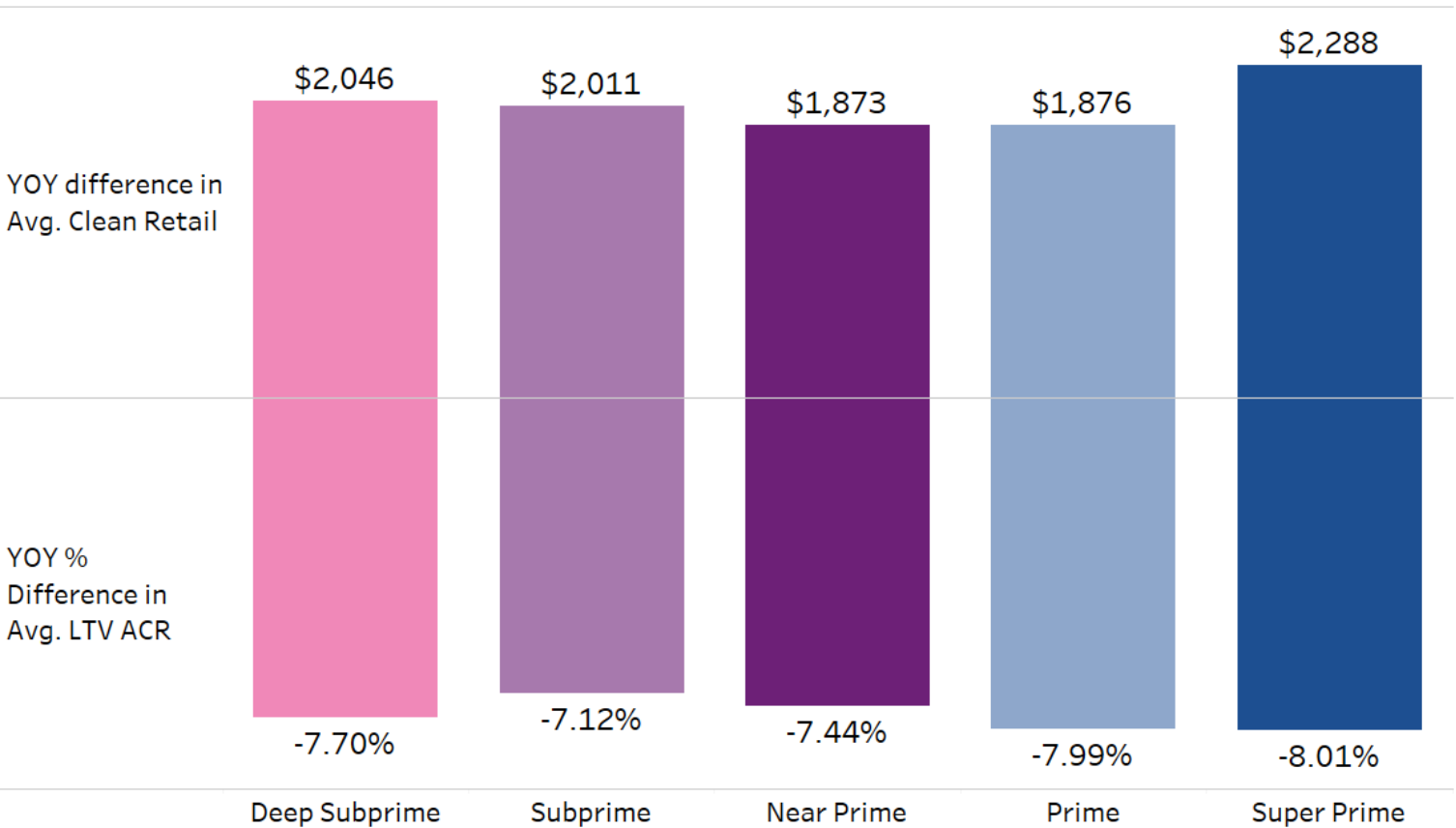
VantageScore® 4.0

# While used values increase, LTVs are down

Avg Used Values

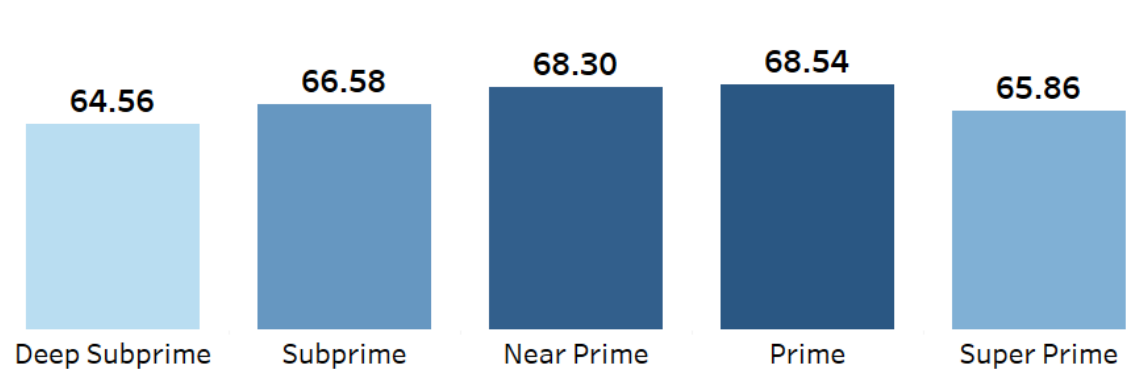


YOY change in used values

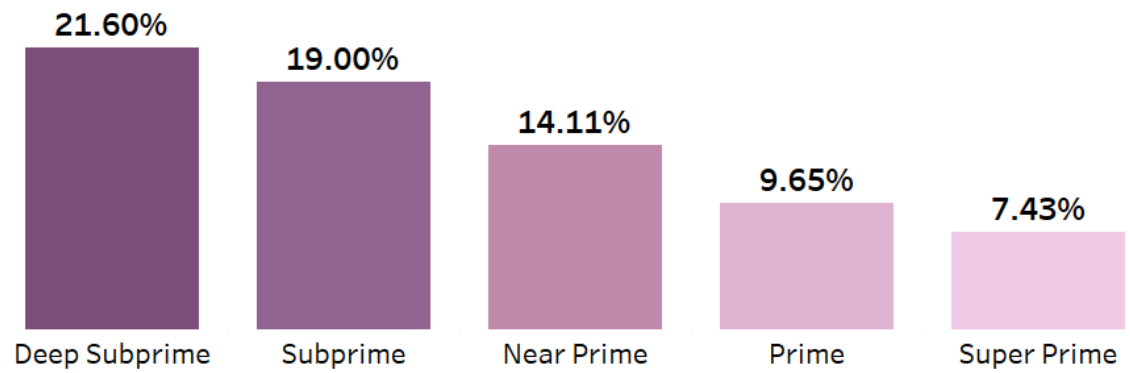


# Terms increase for all; rates decrease across all risk segments

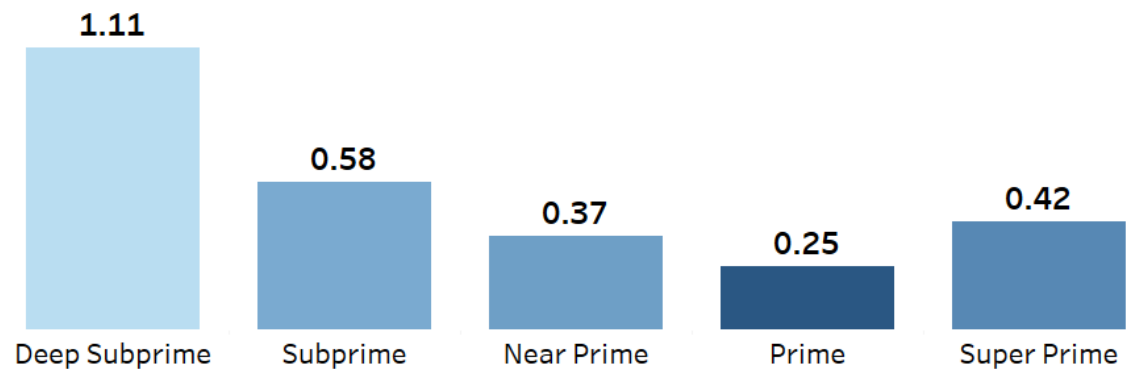
Average used loan term by risk



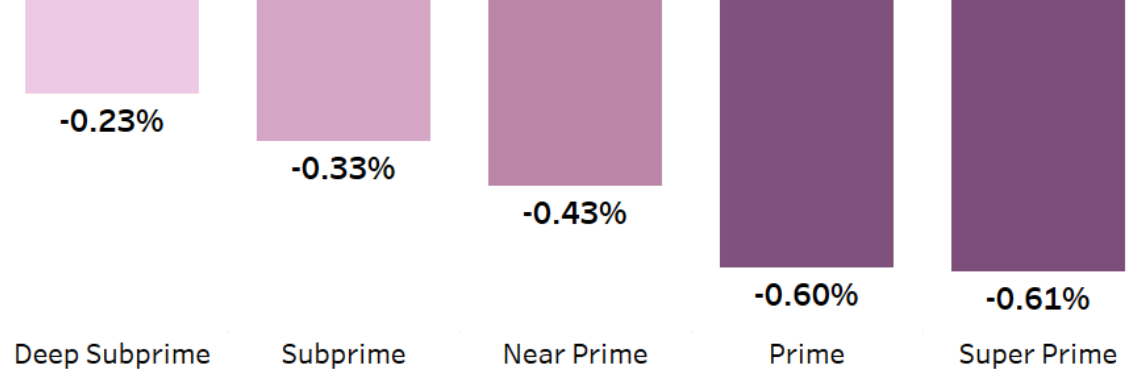
Average used loan rate by risk



Year-over-year change in used loan term



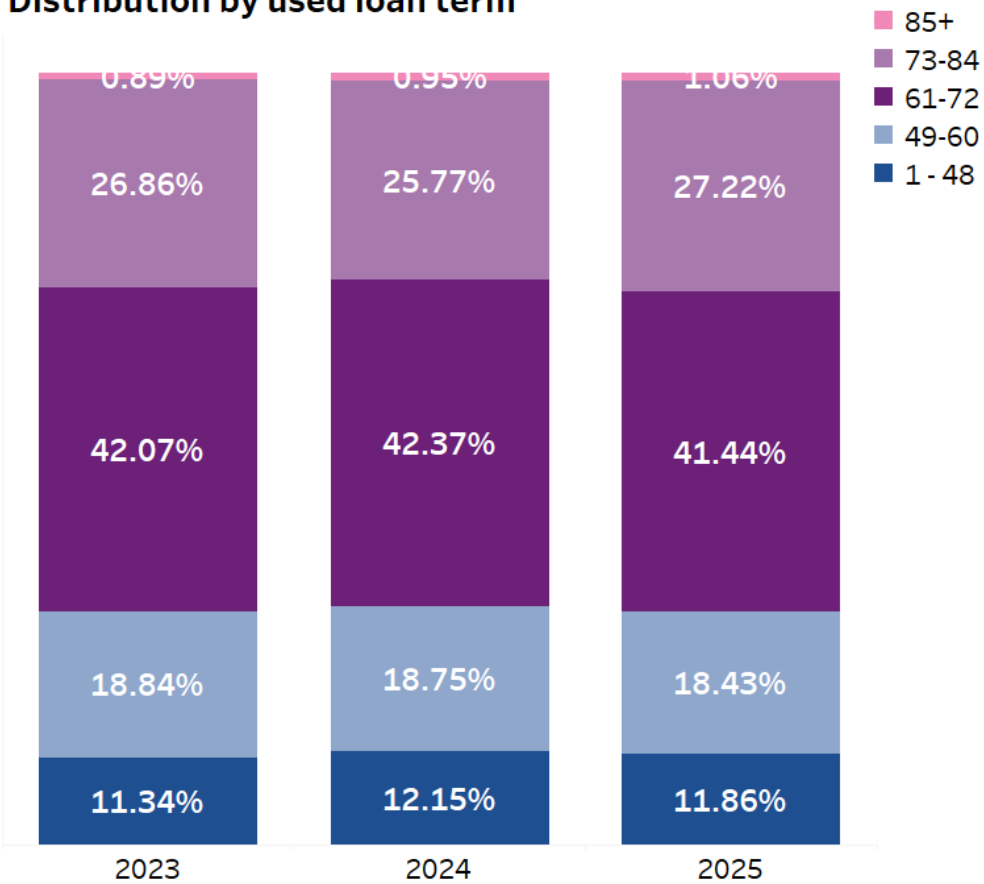
Year-over-year change in used rate



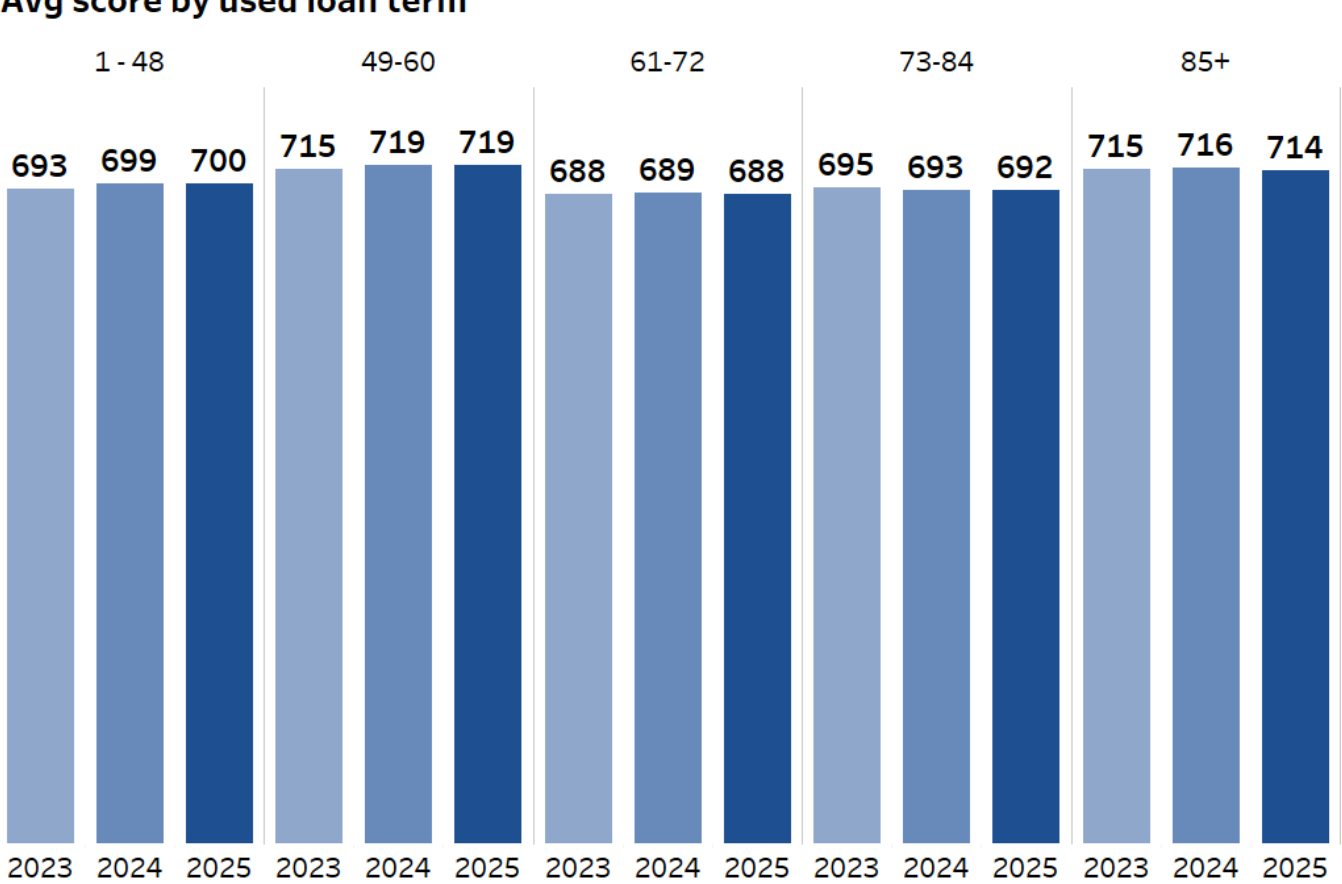
VantageScore® 4.0

# Nearly 70% of used terms are 61+ months; scores decrease for longer term used loans

Distribution by used loan term



Avg score by used loan term





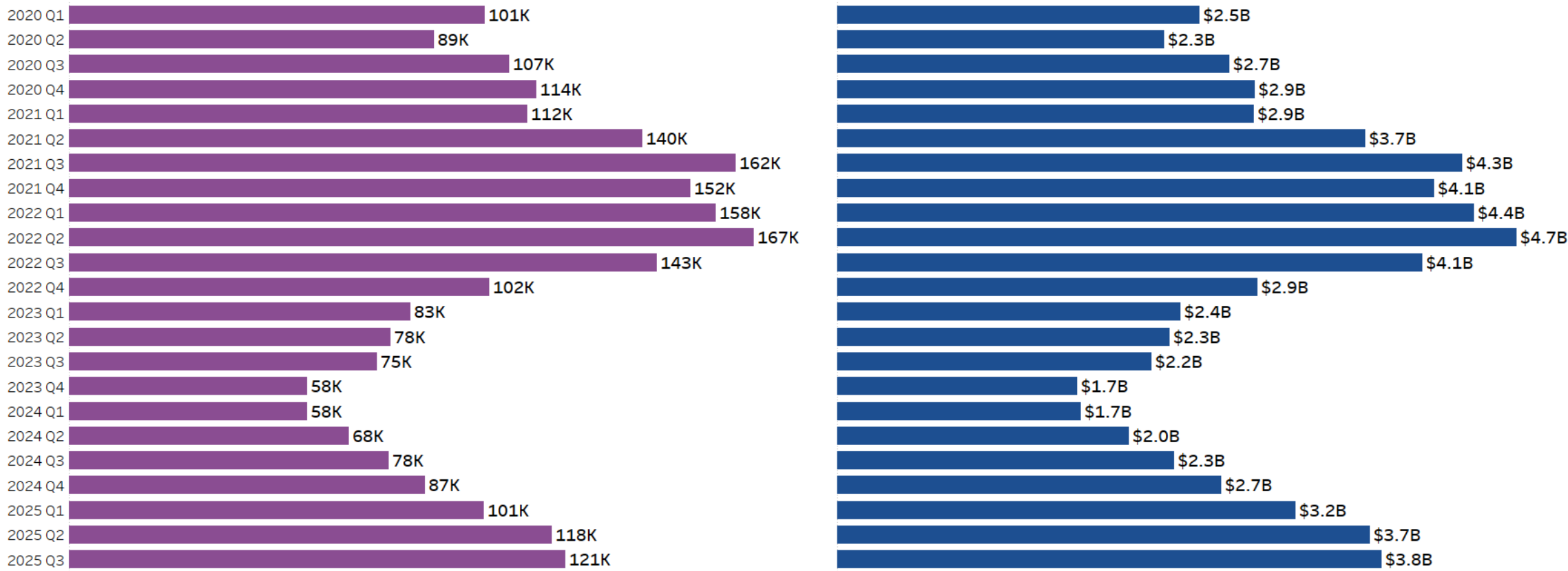
# Q3 2025 Refinance

A special look into automotive refinance trends



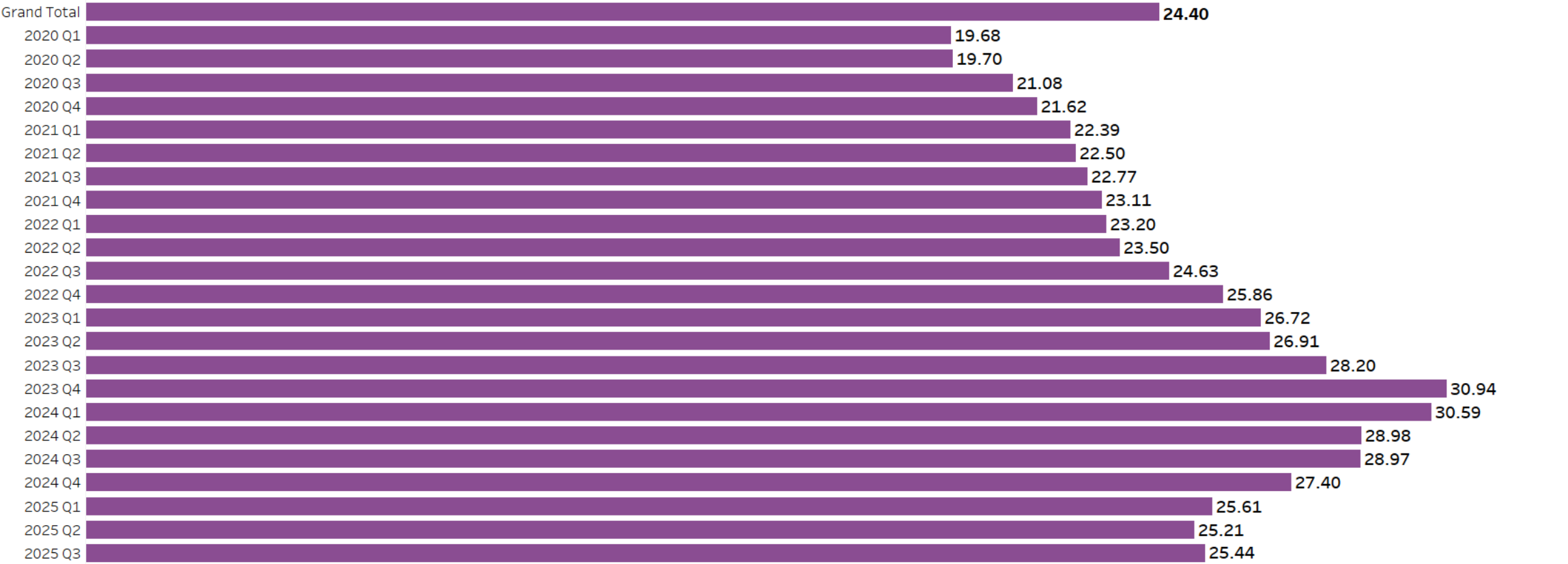
# Refinance volume continues to increase

Quarterly volume and total amount refinanced

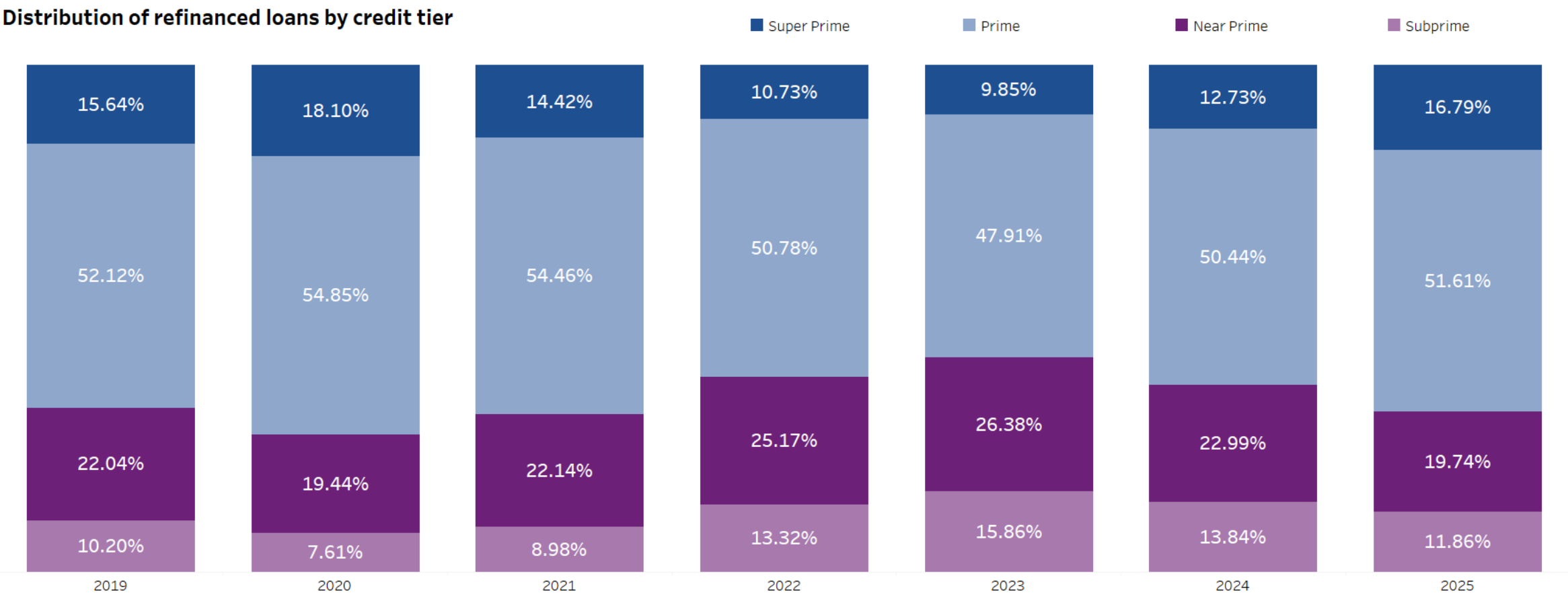


Since 2022, the average months to refinance is 24.4; average months has increased quarter-over-quarter

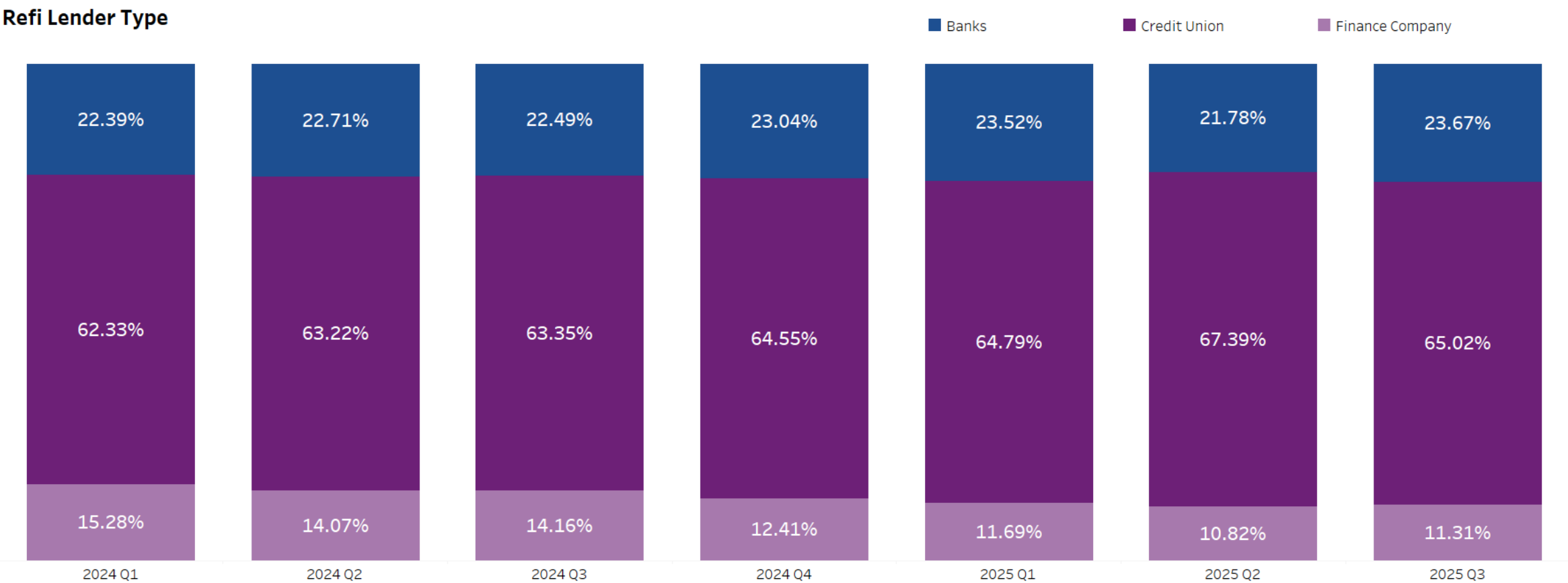
Average months to refinance



# While refi occurs across the credit spectrum the majority occurs in Prime

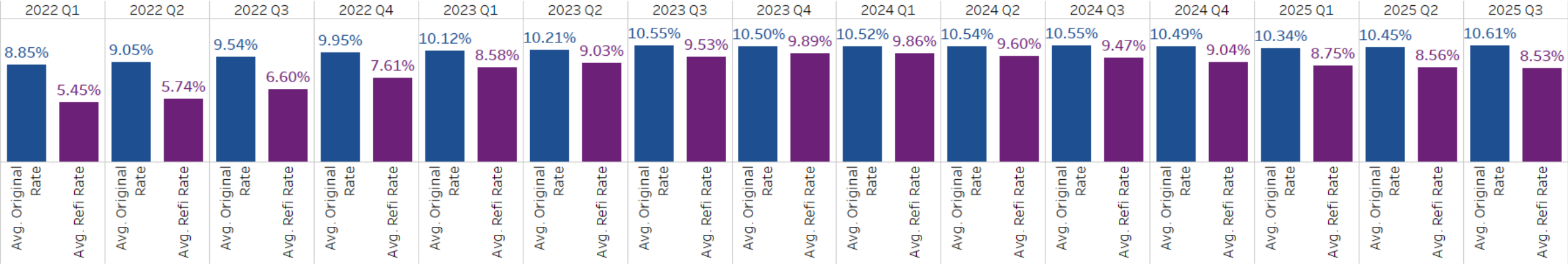


# Banks and Finance Companies have increased share of refinance year-over-year

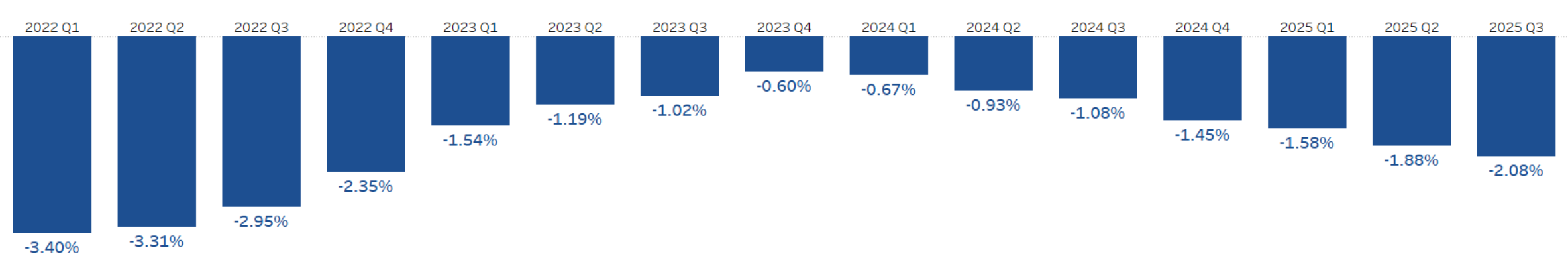


# In Q3 2025, consumers saved over 2% on their refinanced loan rate

Average rate of original and refinanced loan

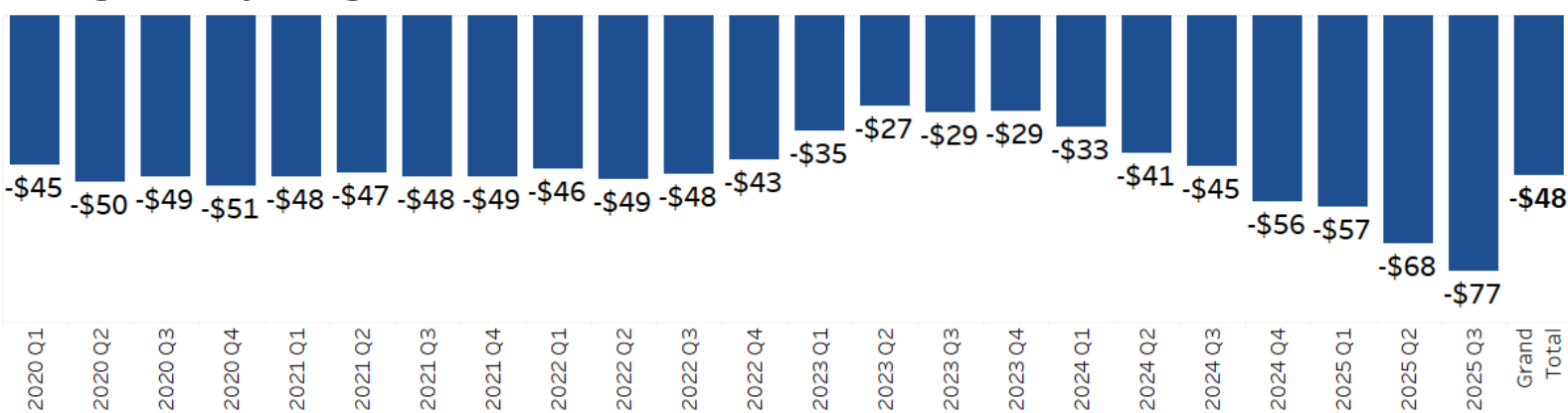


Rate Difference

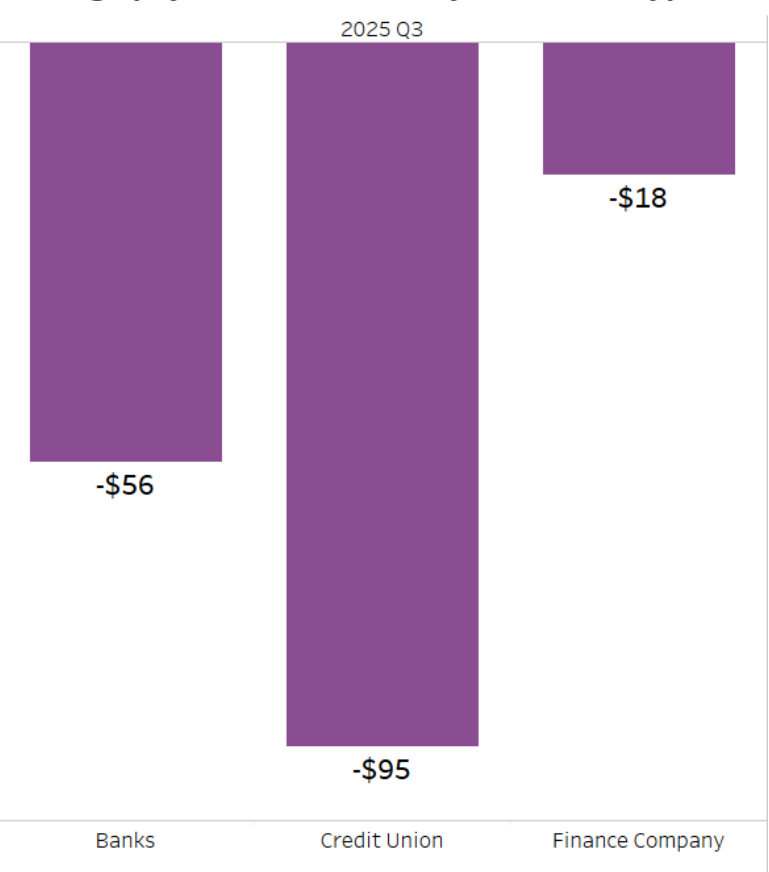


Since 2020, the average monthly savings is \$48 with the amount increasing since 2023; Credit Unions offer the largest payment difference

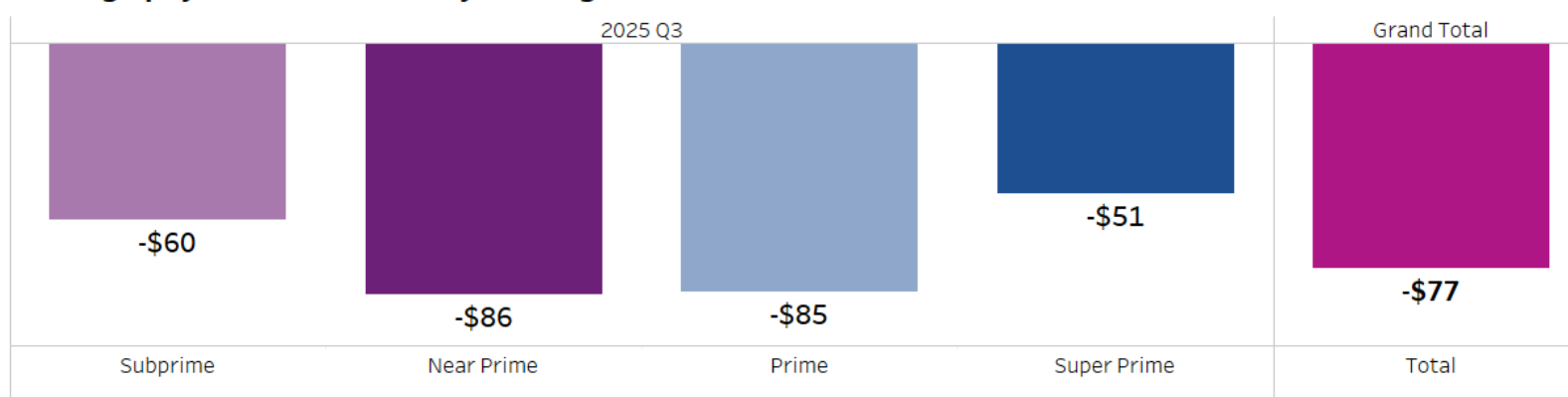
Average monthly savings



Average payment difference by refi lender type

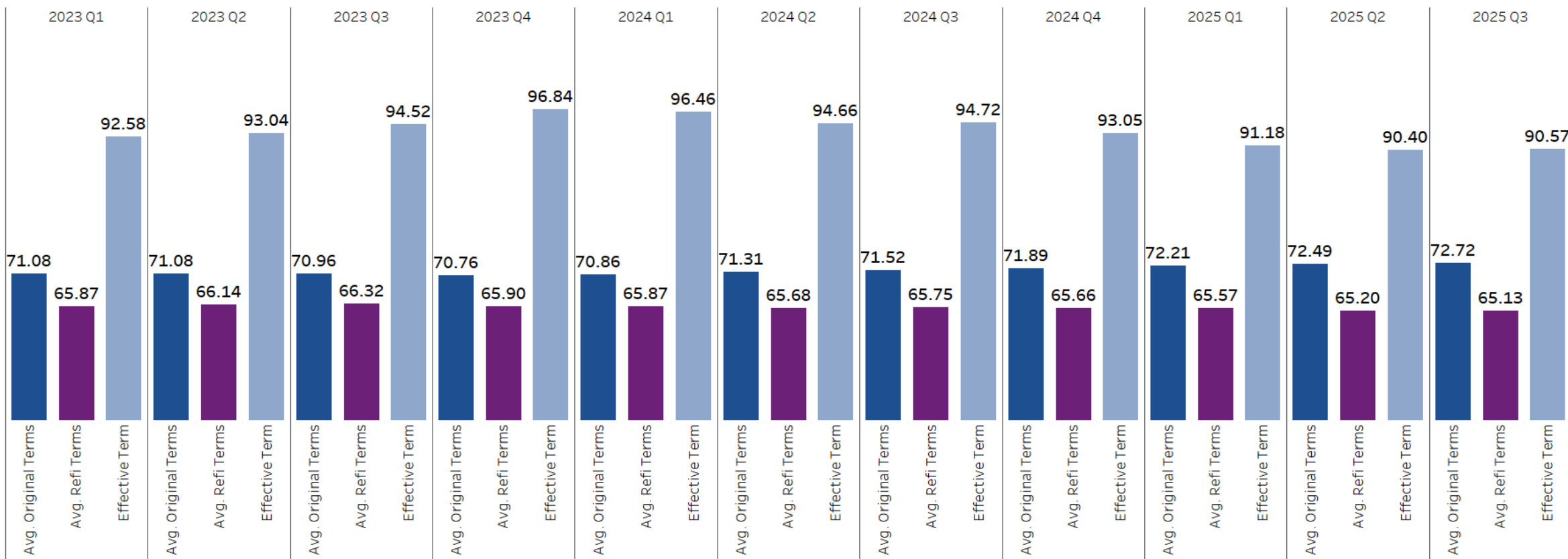


Average payment difference by risk segment



# Average refi term has been around 65 months, but the effective term is over 90 months

Average terms (original, refi & effective)





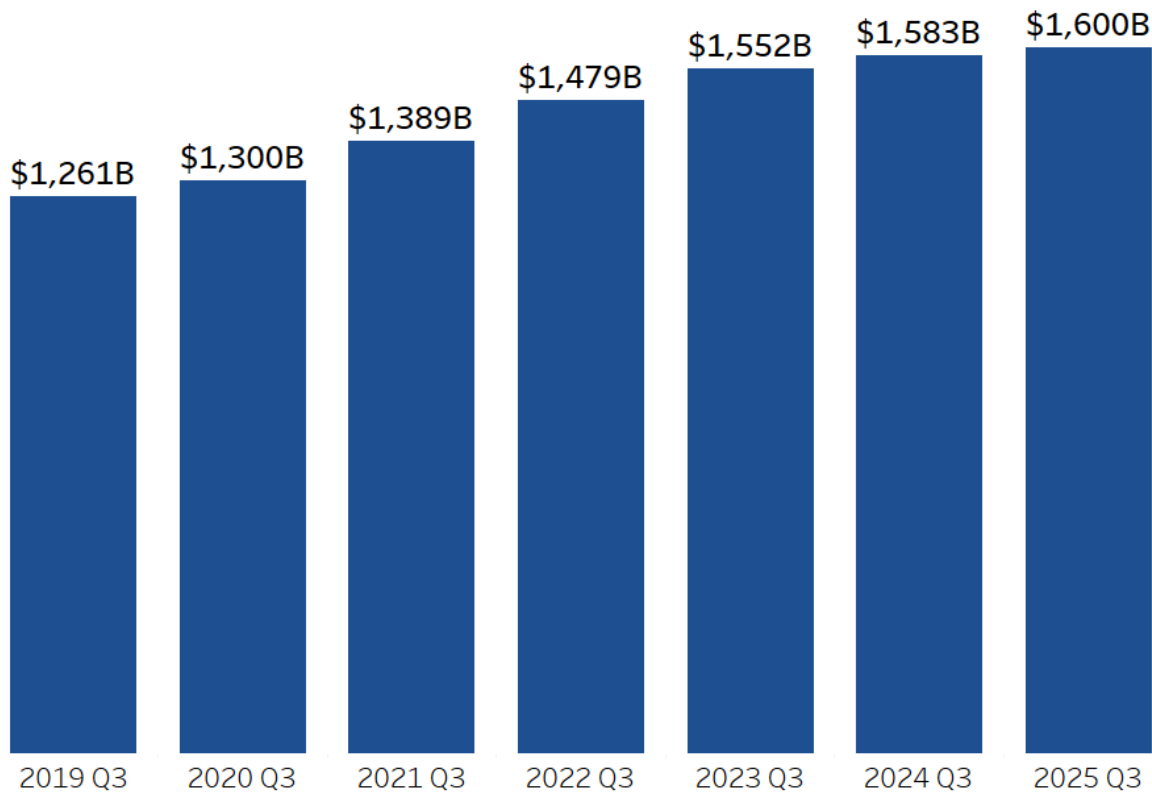


# Q3 2025 Market overview

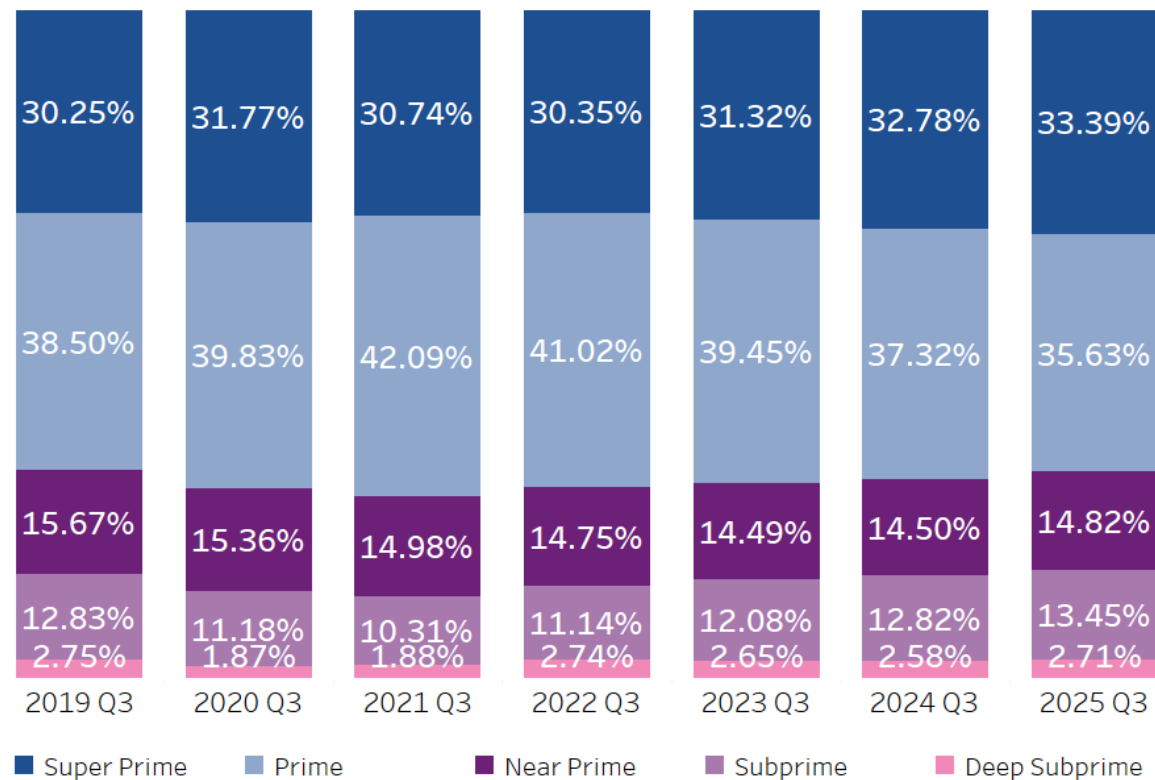
Balances and delinquency on all  
open auto loans & leases

# Outstanding balances grow 1% year-over-year; Subprime sees 5% growth

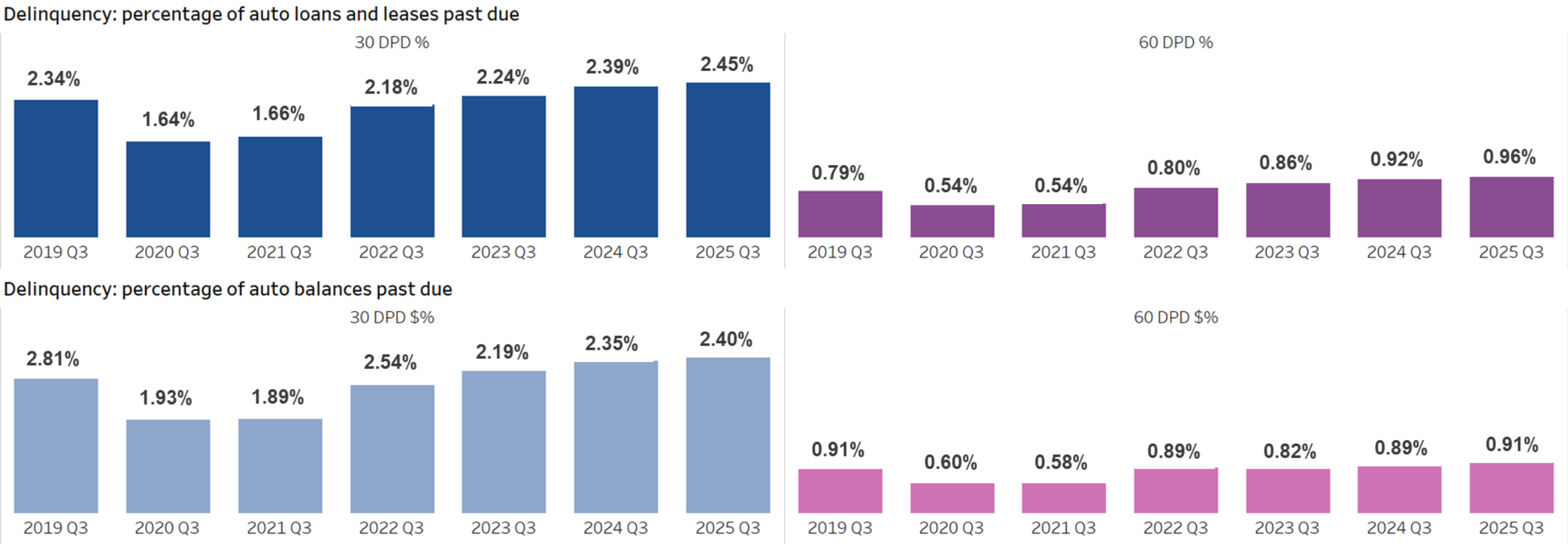
Outstanding Automotive Balances



Risk Distribution of Outstanding Auto Balances



# Delinquencies increase YOY and remain high



# Delinquency by vehicle and fuel-type

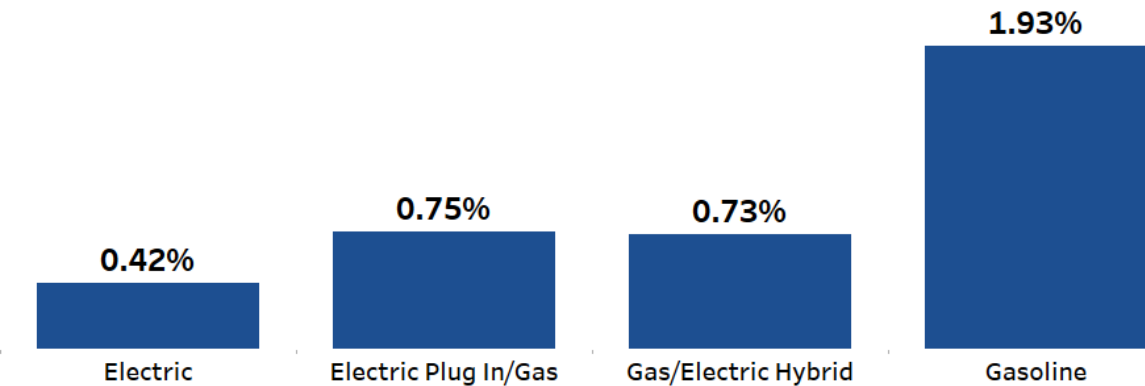
Current 60 day delinquency rate by new/used



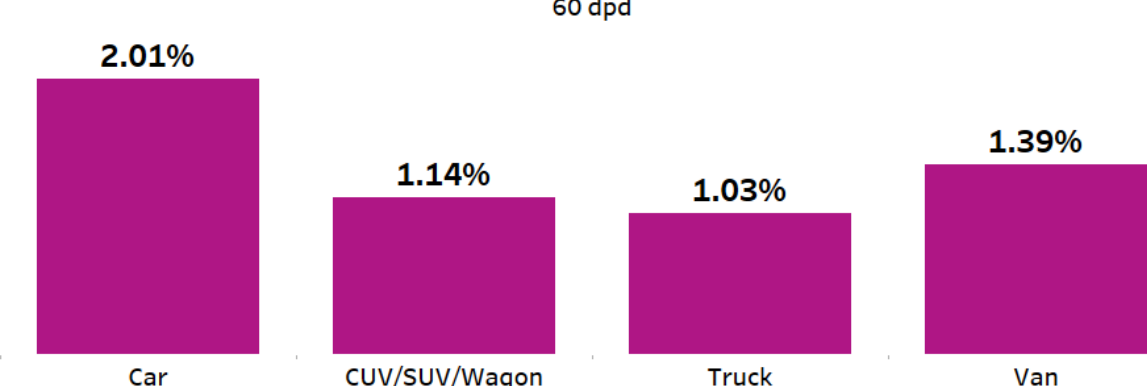
Current 60 day delinquency rate by dealer type on used loans



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



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



## Q3 Summary

- Leasing rates decrease; cash remains high
- Scores continue to rise; used score decreased
- Banks pick up market share across the board
- EV share increases to over 11% with leasing remaining the predominant purchase type
- Loan amounts and payments are on the rise for both new and used vehicles
- Despite value increases, LTVs are down for used loans
- Refinance increases with an average savings of \$77/month
- Overall balance growth slows, and delinquencies are up





# Stay informed



STAY INFORMED:

## Experian Automotive Market Insights

### EXPERIAN AUTOMOTIVE REPORT TRENDS:



Scan this  
**QR Code**

To view all of our  
trend reports!

Or, click buttons below to access trend reports.



**Automotive Consumer  
Trends Report**



**Automotive Market  
Trends Report**



**State of the Automotive  
Finance Market Report**



# FREE



# Connect & Follow Us



CONNECT WITH US ON

**LinkedIn:**

**Experian  
Automotive**

GO







*CELEBRATING THE 75<sup>TH</sup> SAFM WEBINAR PRESENTATION*

# Thank You!



**Experian Automotive** is prepared to meet your needs with integrated solutions designed to drive your business forward.