



EXPERIAN AUTOMOTIVE

Q1 2026

State of the Automotive Finance Market

Melinda Zabritski
Head of Automotive
Financial Insights

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.

Q1 Report overview

- 1 Overall origination trends
- 2 Leasing insights
- 3 Loan market trends
- 4 Refinance trends
- 5 Portfolio review & delinquency

Risk Tiers

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

VantageScore® 4.0

Data sources

VelocitySM Market, Risk, Performance and Refinance

- 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, vehicles, dealers and vintages
- Research the drivers of refinance and who's engaged in the market

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

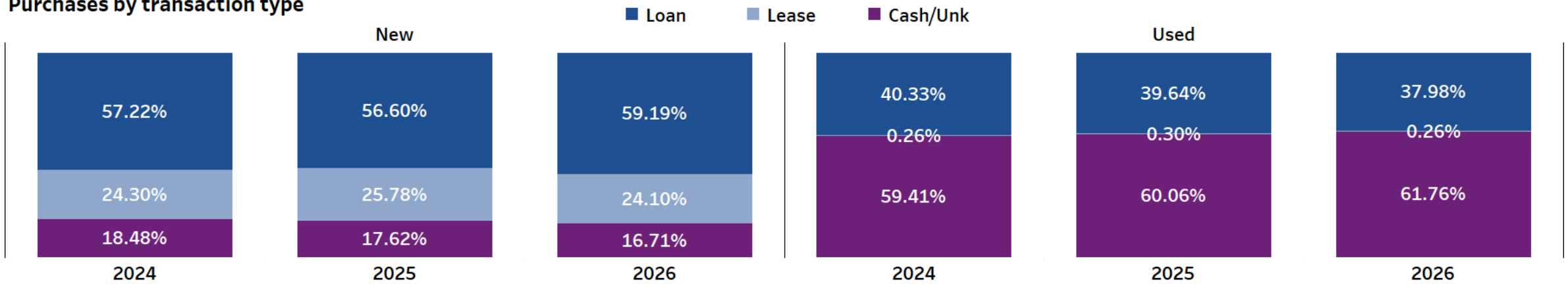


Q1 2026 Market

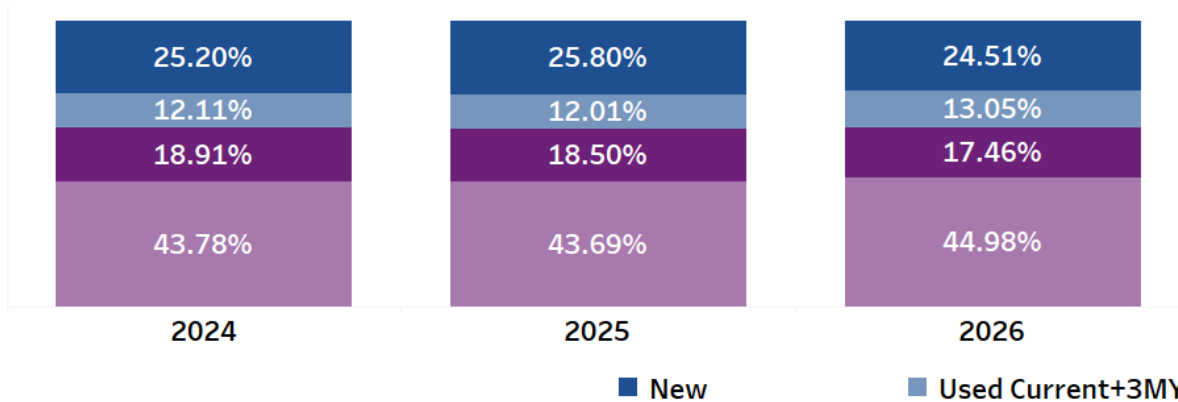
A look at what and how consumers
are purchasing

Automotive financing: snapshot of how and what consumers are purchasing

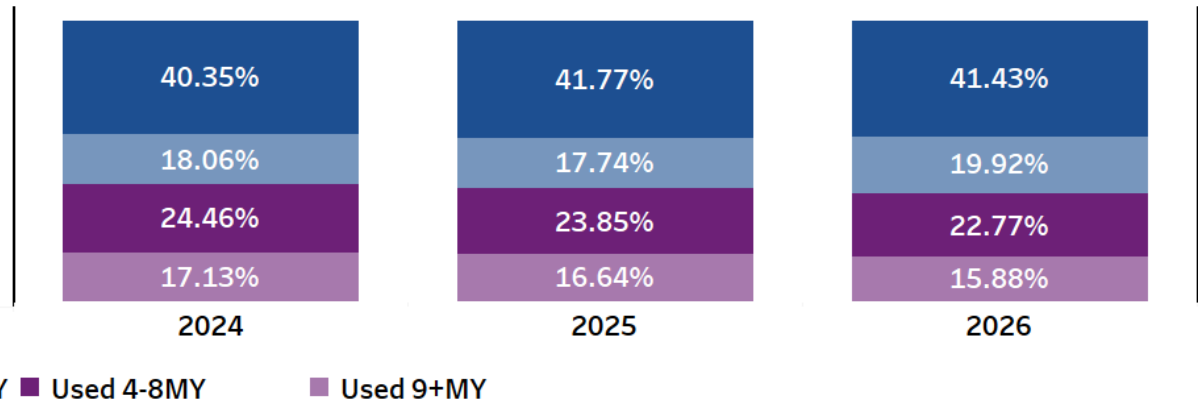
Purchases by transaction type



Purchases by vehicle age group

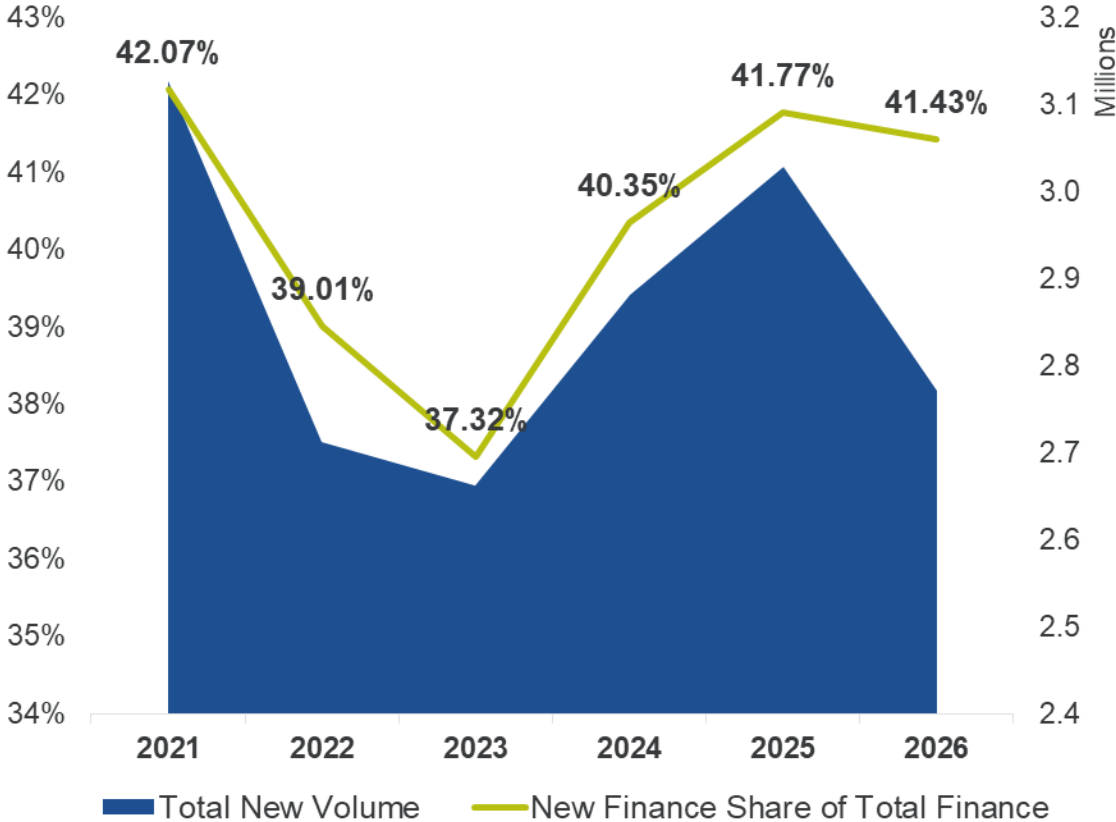


Financing by vehicle age group

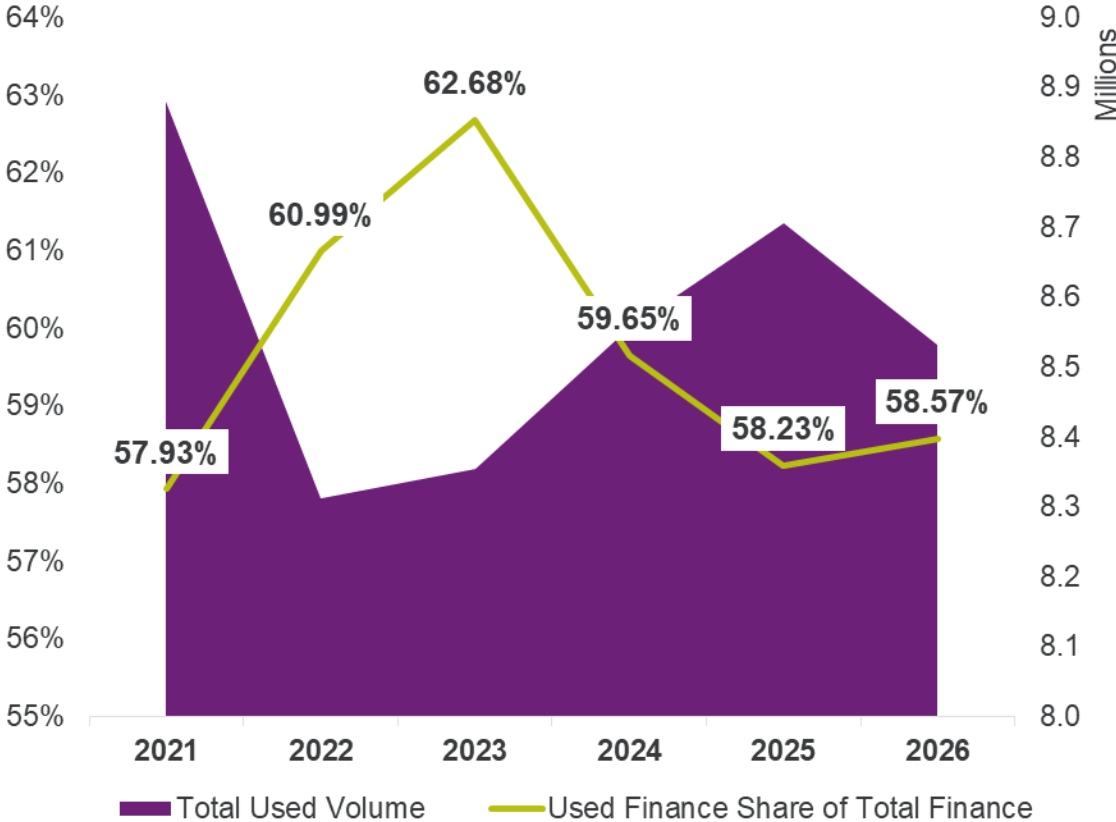


Used has increased it's share of financing; volume is down YOY for new and used purchases

New Volume and Share of Financing

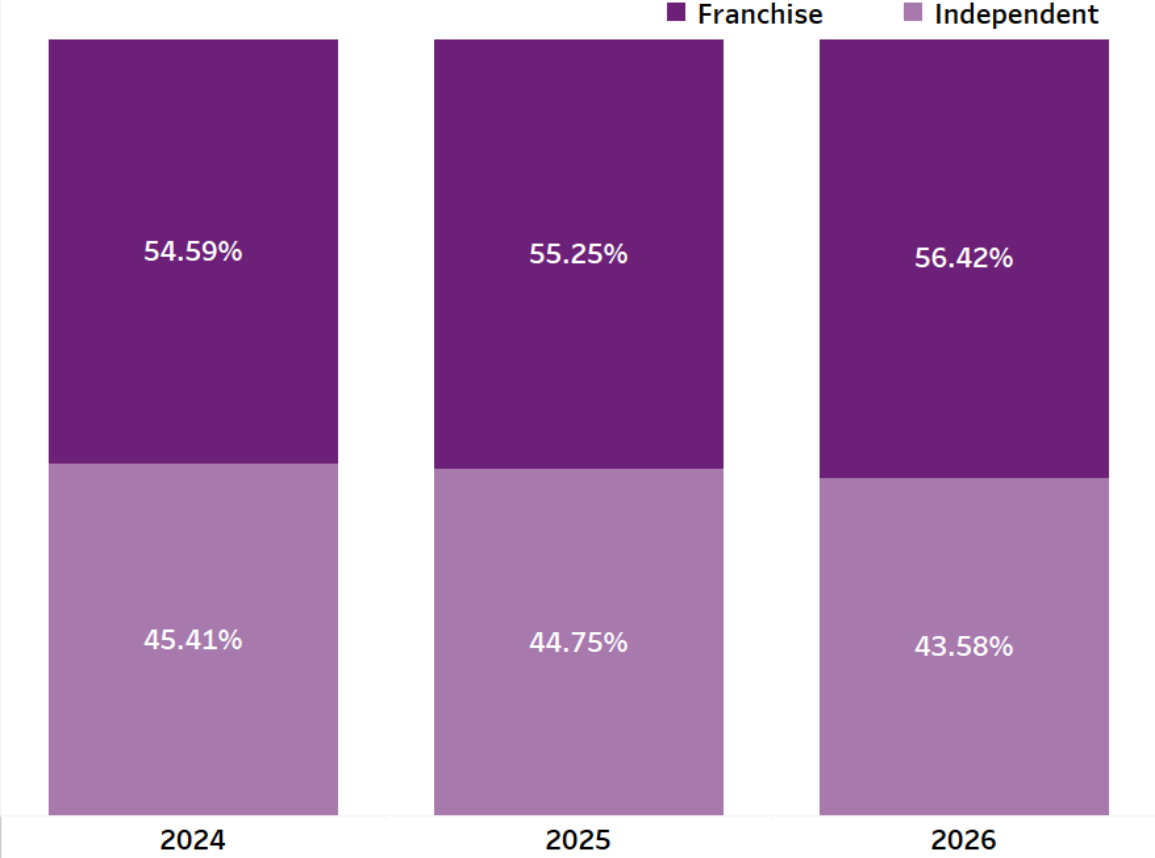


Used Volume and Share of Financing

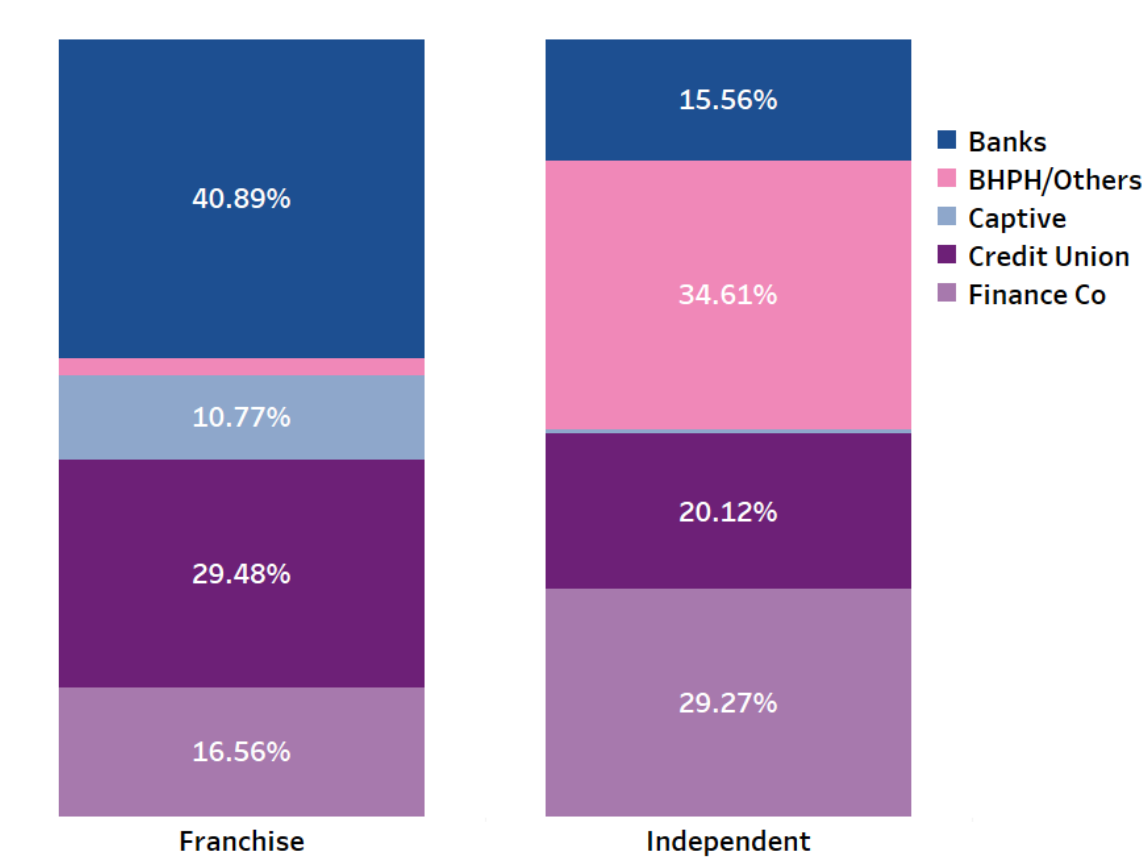


Dealer type snapshot: Franchise Dealers increase share of used purchases

Used transactions by Dealer type

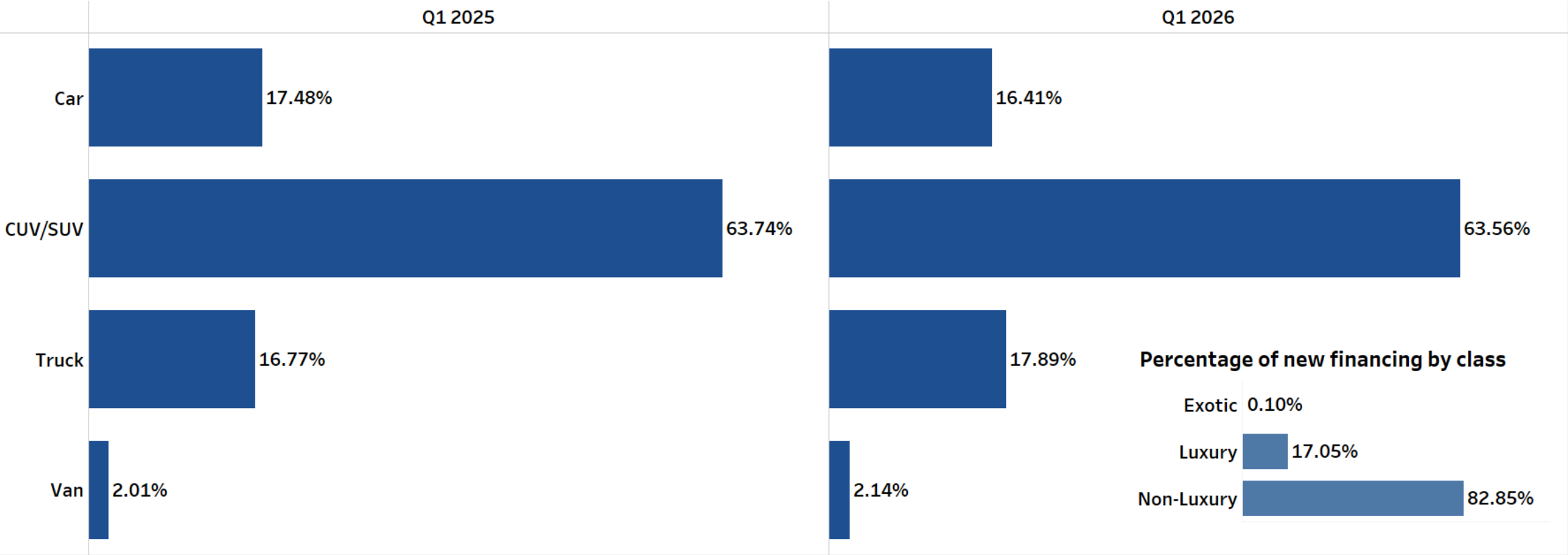


Used loans by lender type and Dealer



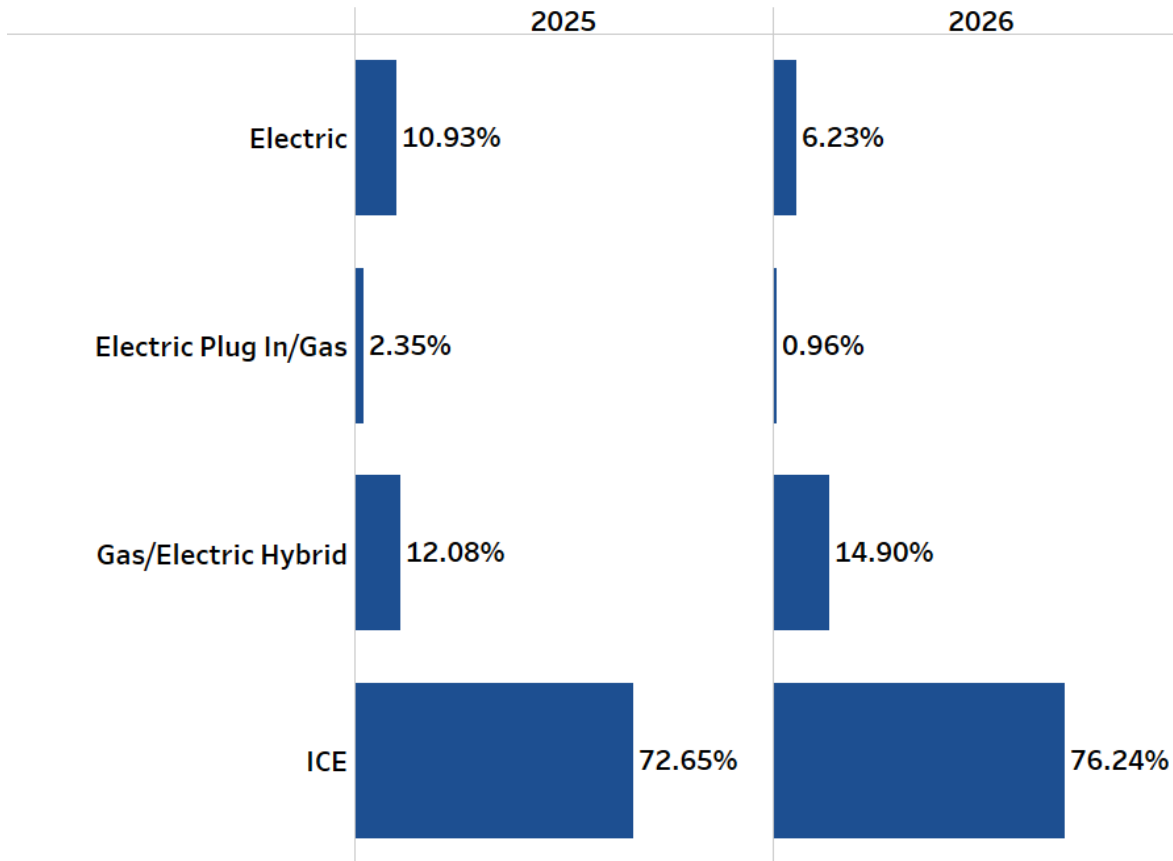
Trucks and Vans see increased share YOY

Percentage of new financing by segment

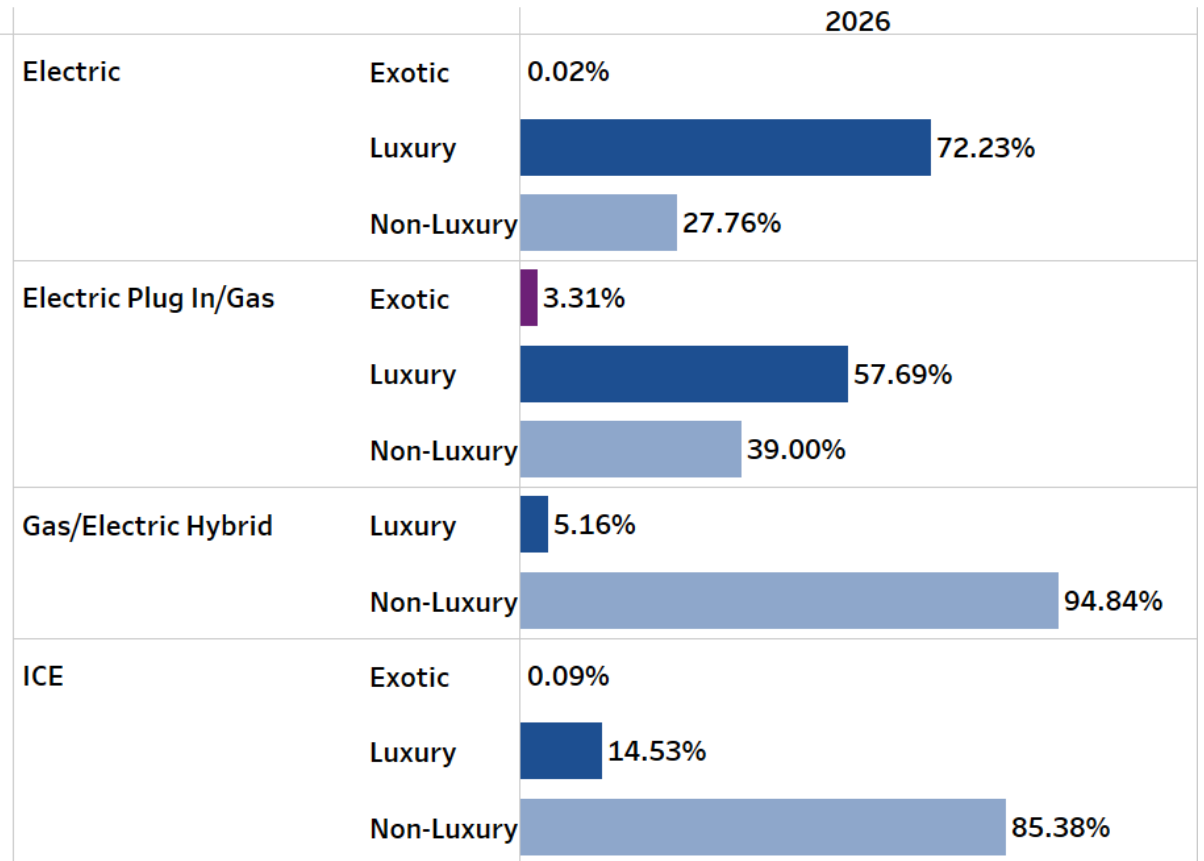


Gas/Hybrid vehicles pick up share YOY and are primarily Non-Luxury vehicles

Percentage of new financing by fuel type

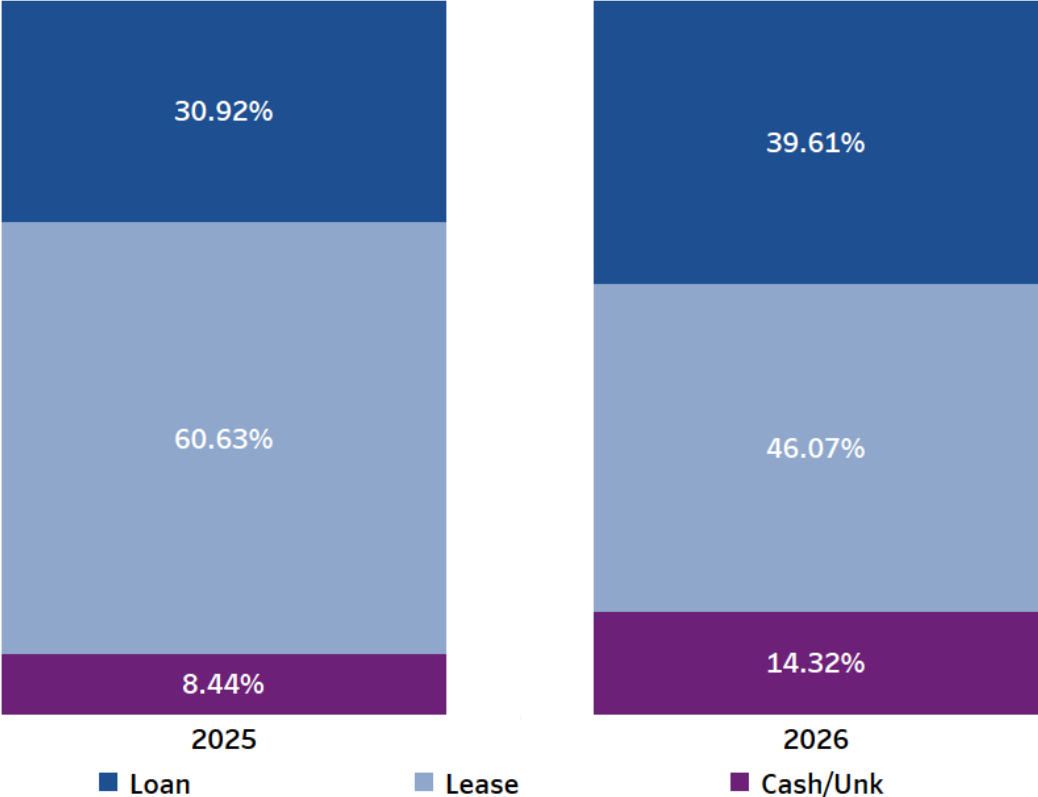


Vehicle class by fuel type (financed new)

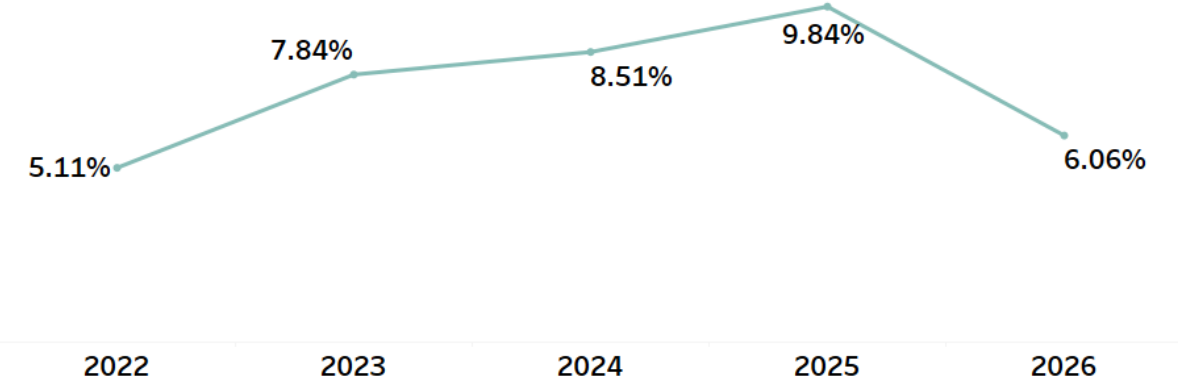


EV share of new purchases falls; leasing remains dominant

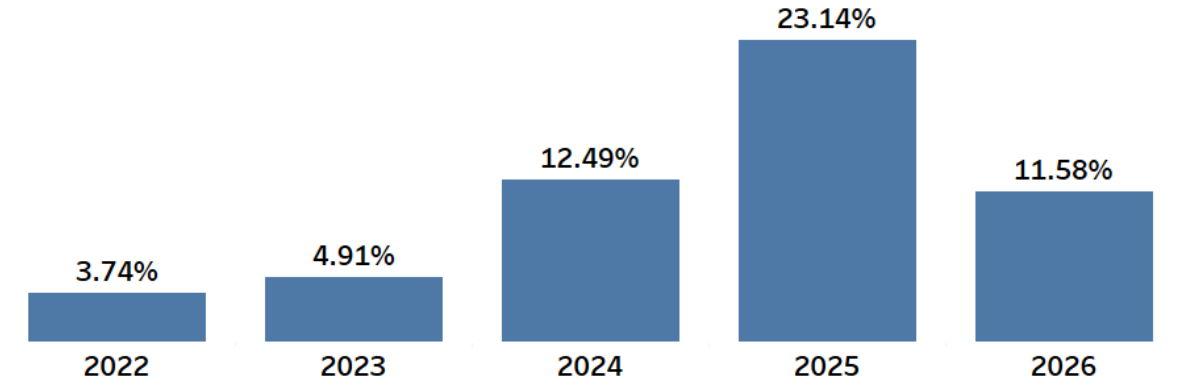
How are consumers purchasing new EV



EV share of new purchases (includes cash)

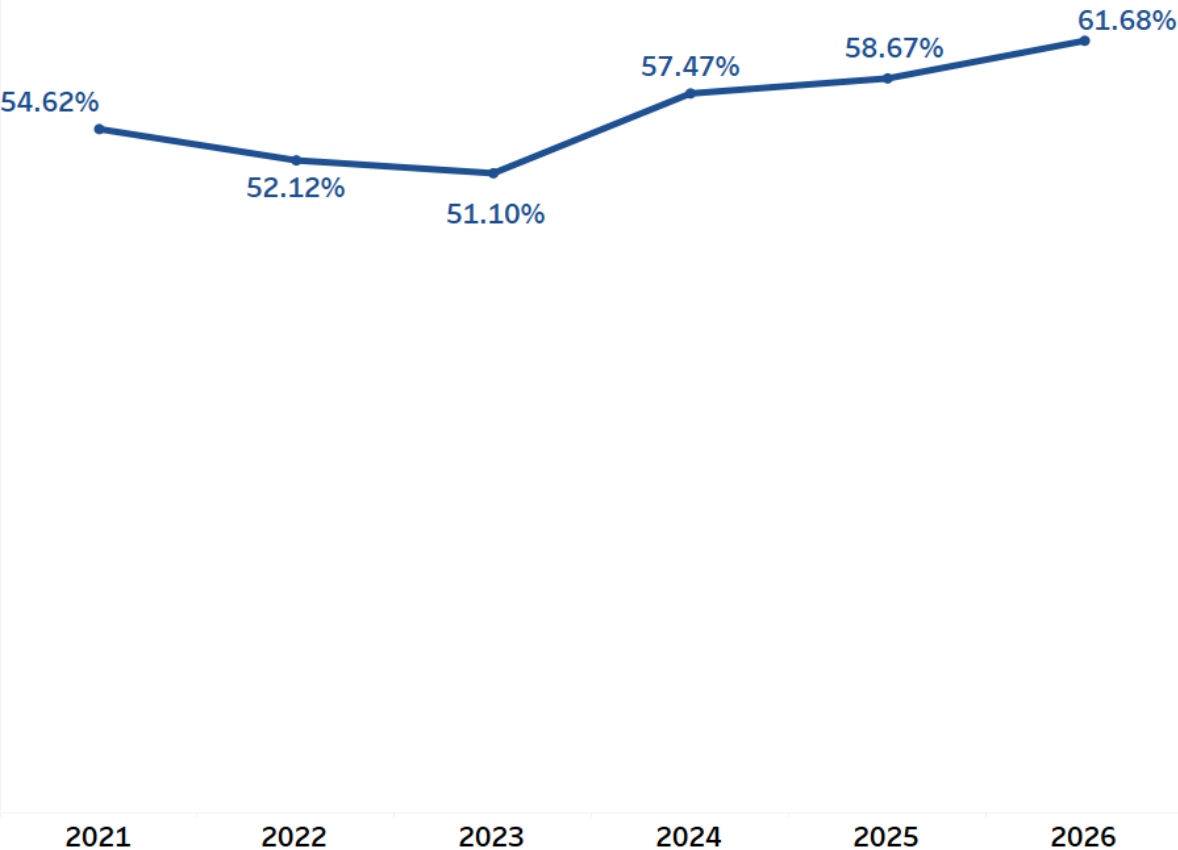


EV share of new leasing

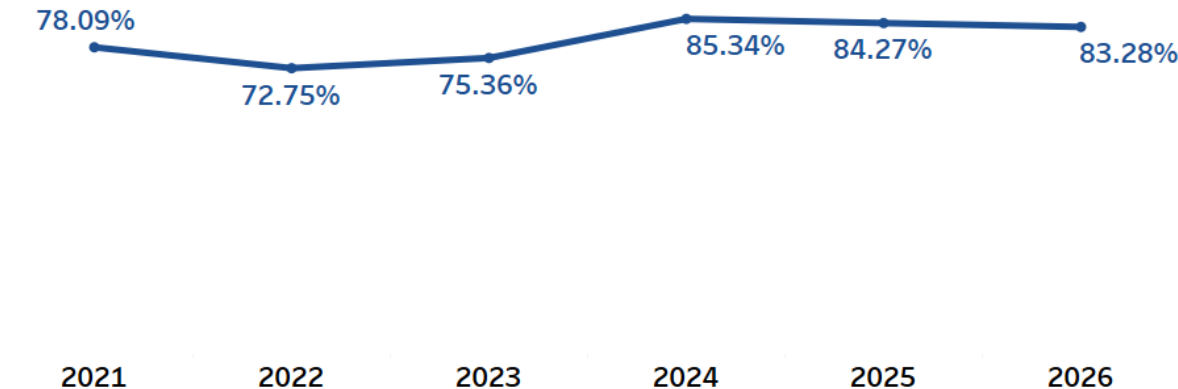


Total and used financing is consolidating among the top 25 lenders

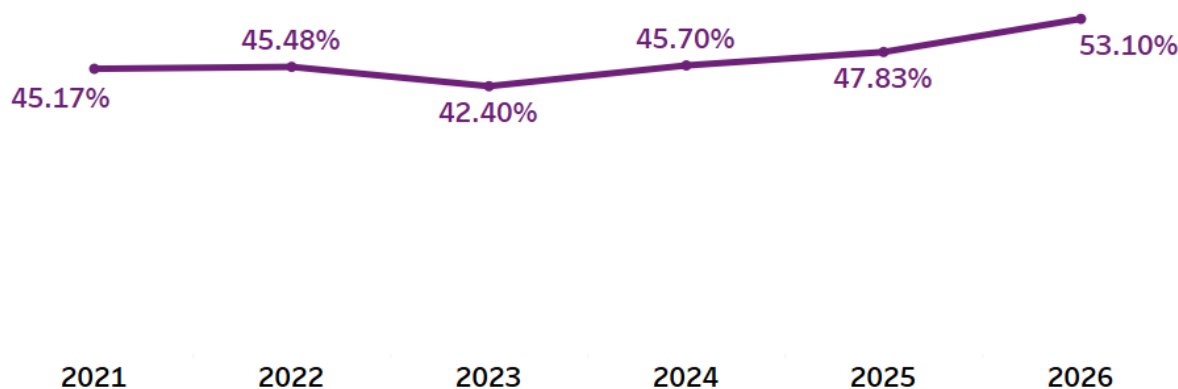
Total financing: Top 25 lender share



New financing: Top 25 lender share

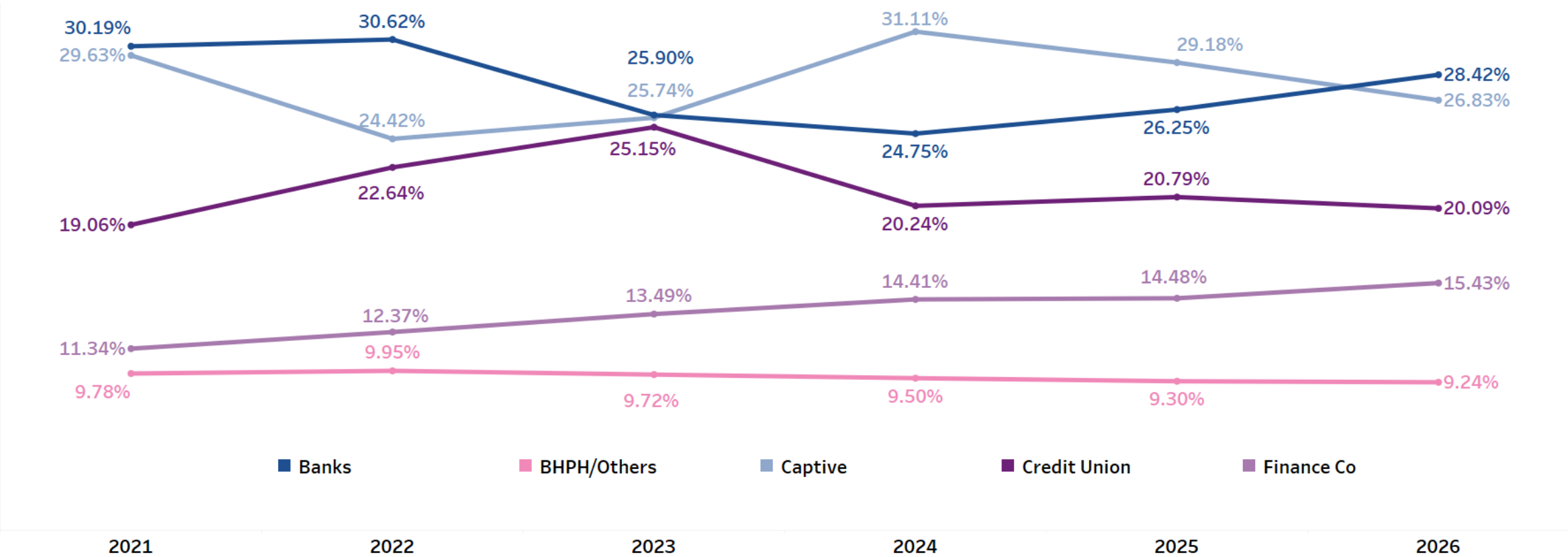


Used financing: Top 25 lender share



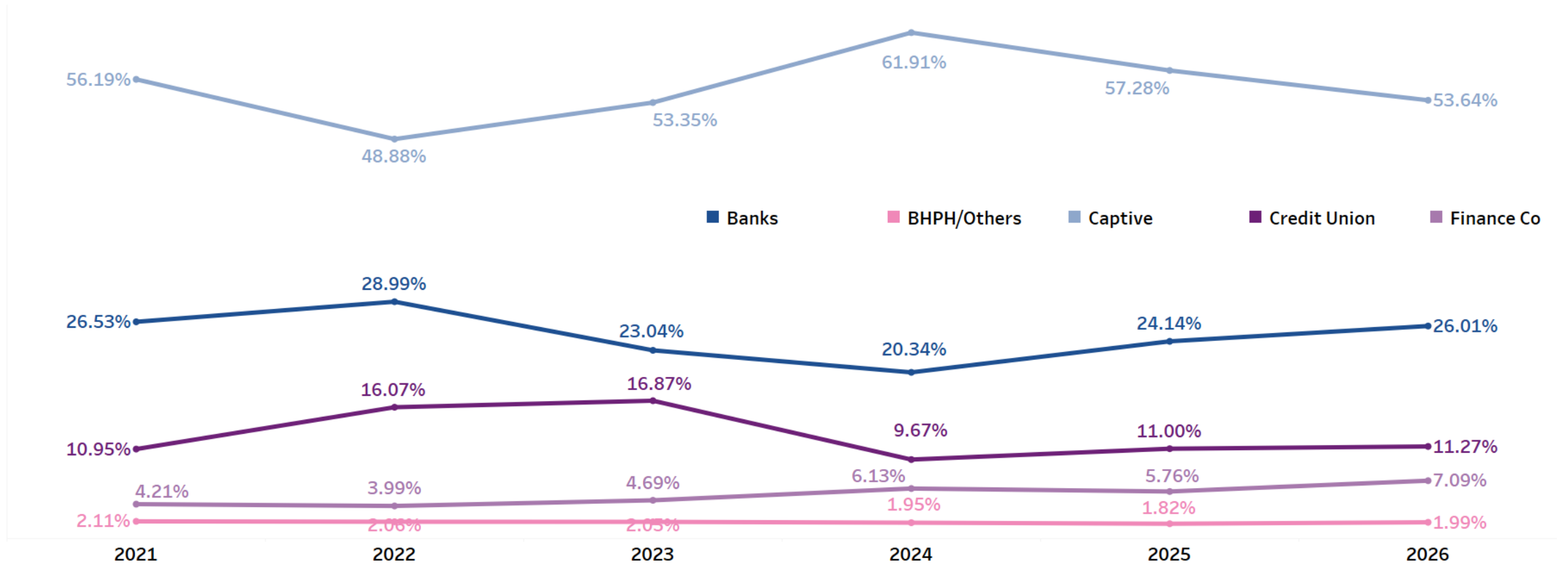
Banks and Finance Companies continue to increase share

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



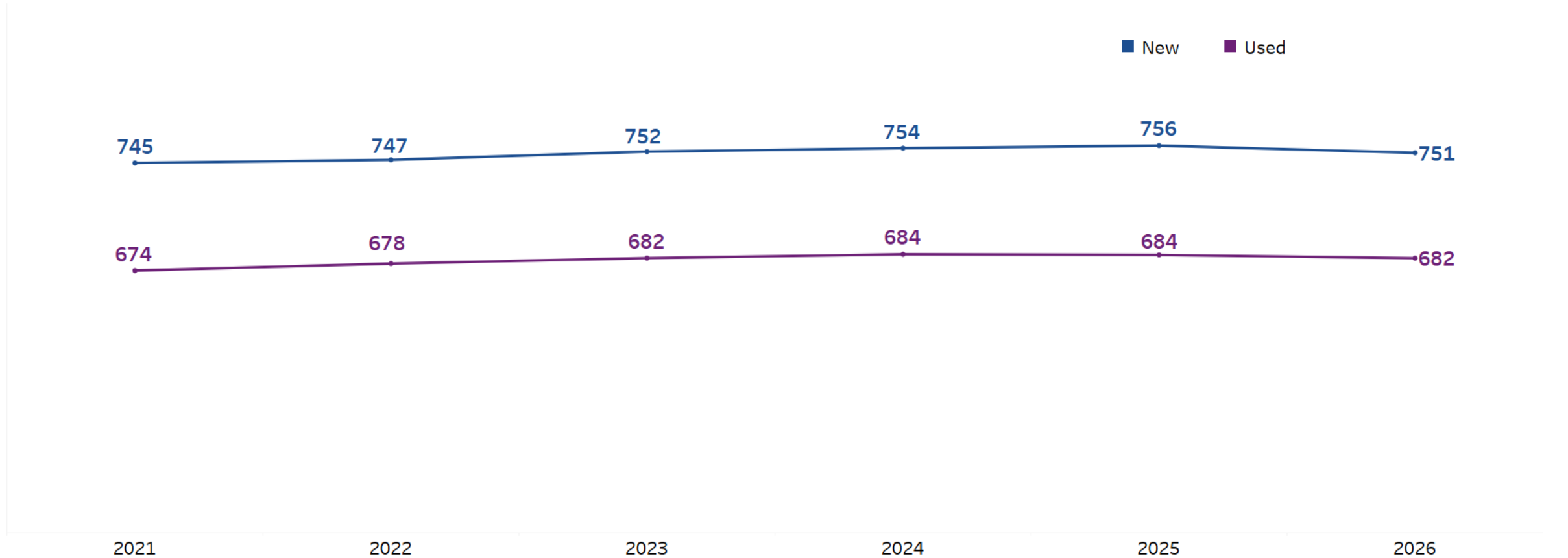
Captives continue to dominate new financing yet decrease share YOY while all other lenders increase share

Market share of new financing (loan/lease)



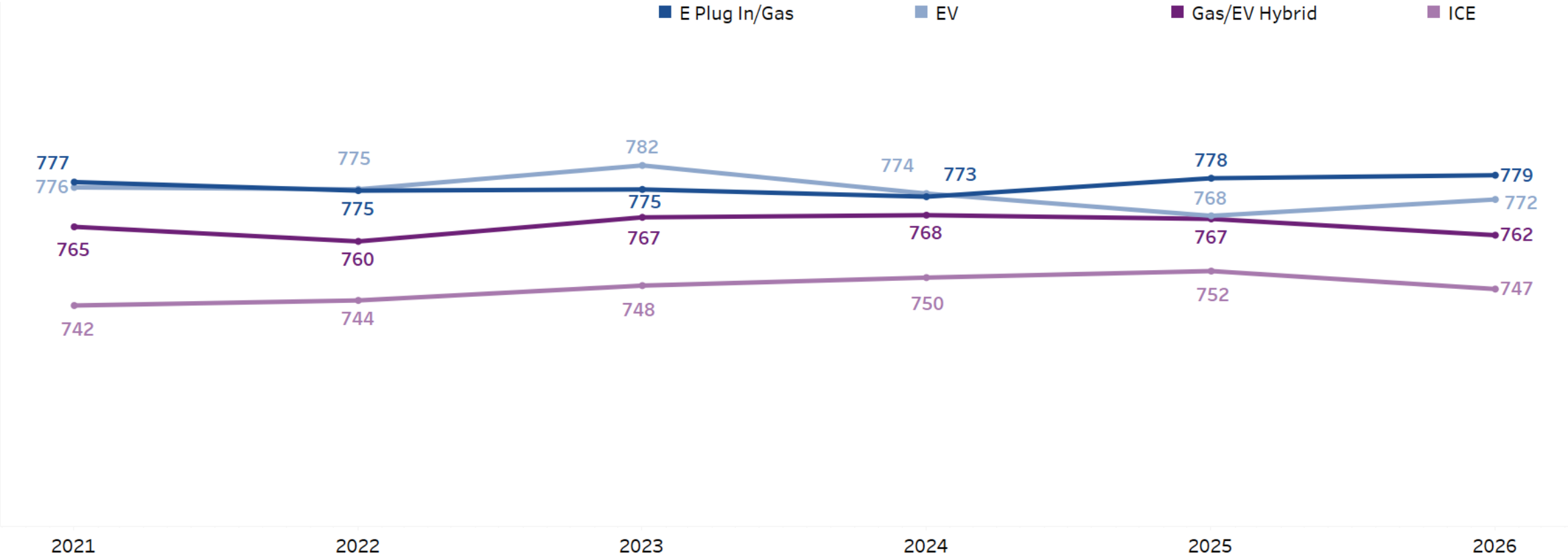
Average new score decreases 5 points while used is down 2

Average score by vehicle type

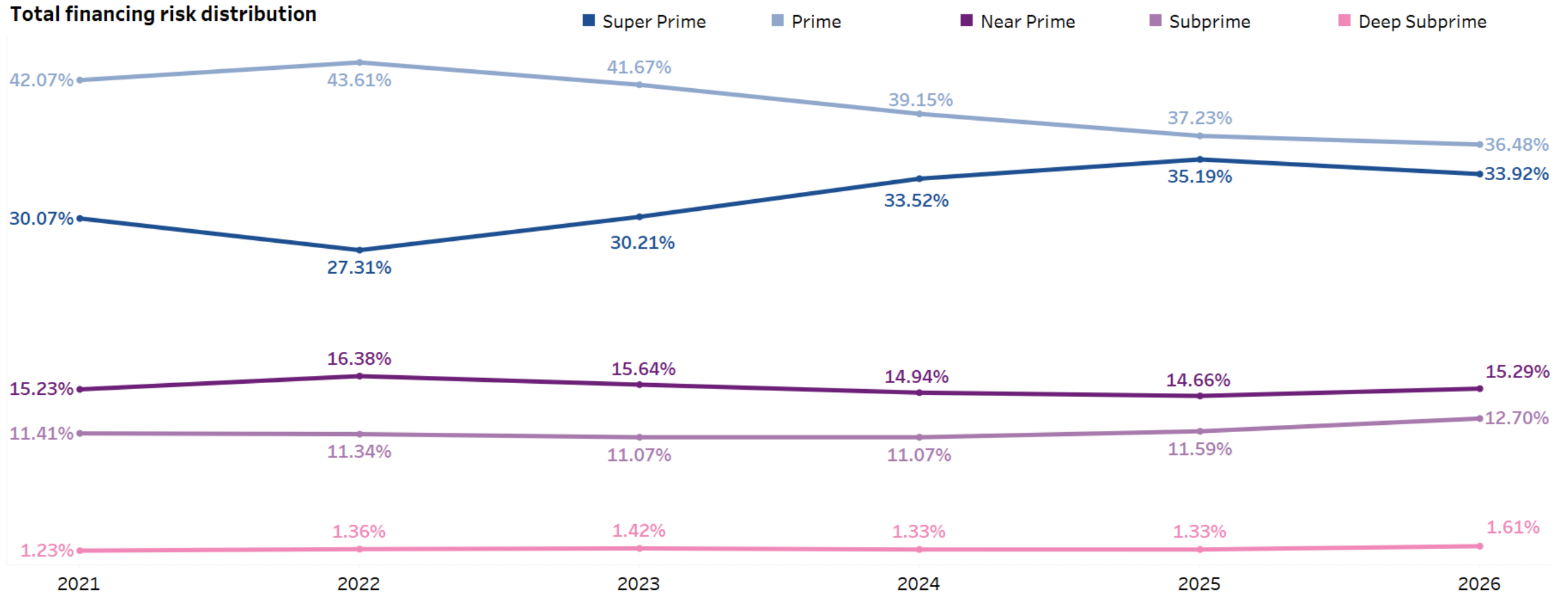


New scores on hybrids and ICE decrease; EV scores increase 4 points

Average score by vehicle type

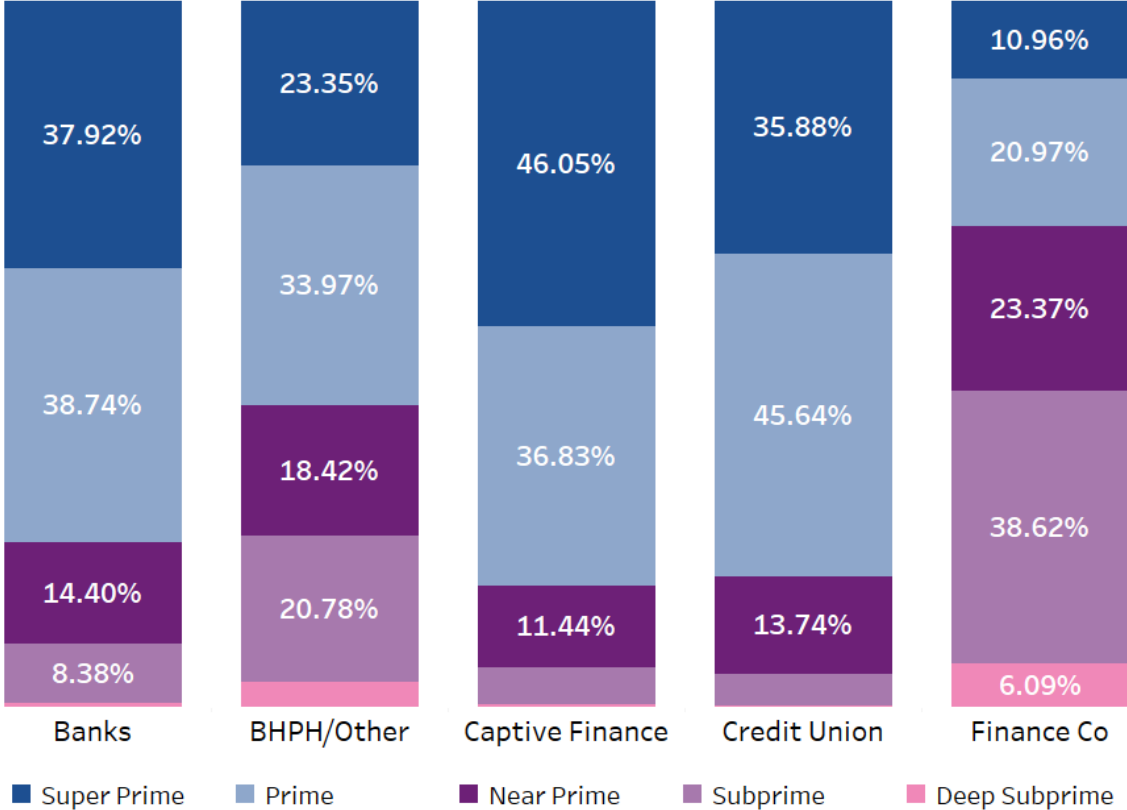


Growth occurring outside of Prime; Super Prime and Prime decrease YOY

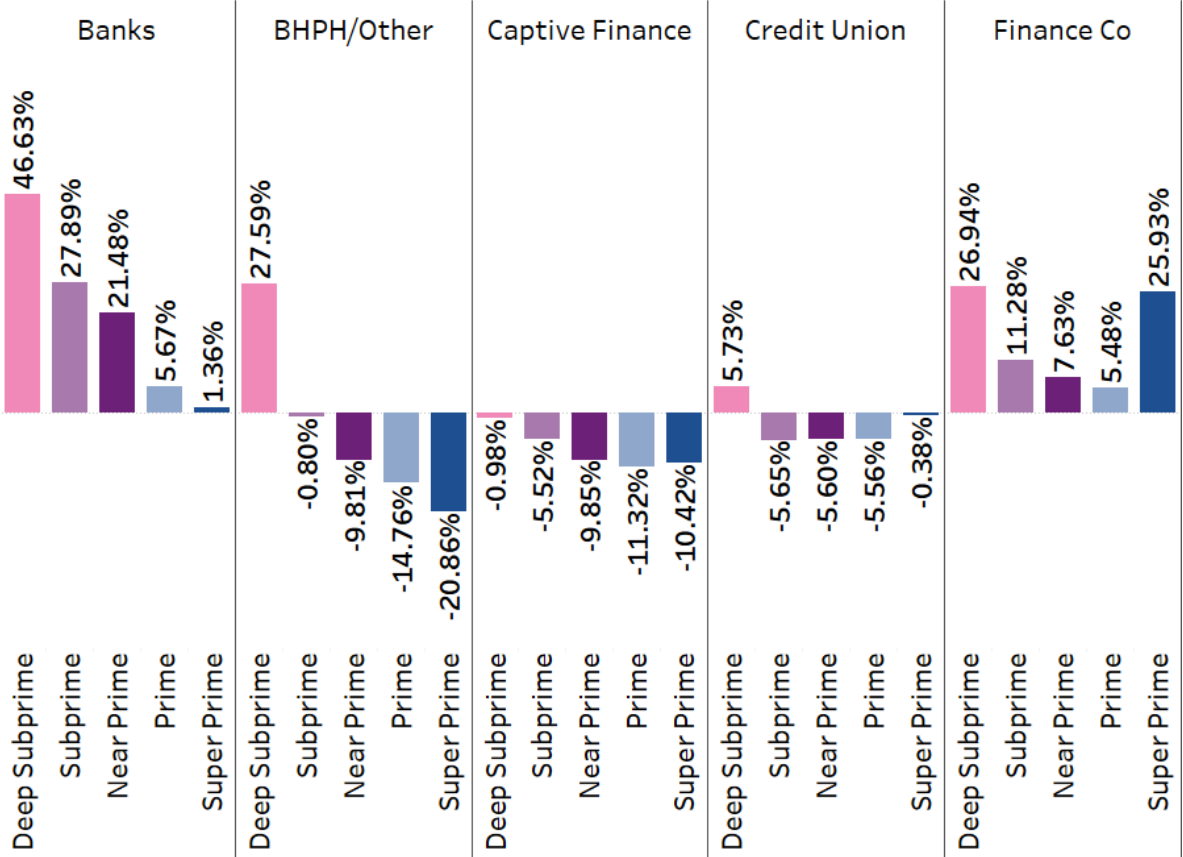


Banks and Finance Companies see growth across all risk segments

Total financing risk distribution by lender type



YOY change in risk by lender type



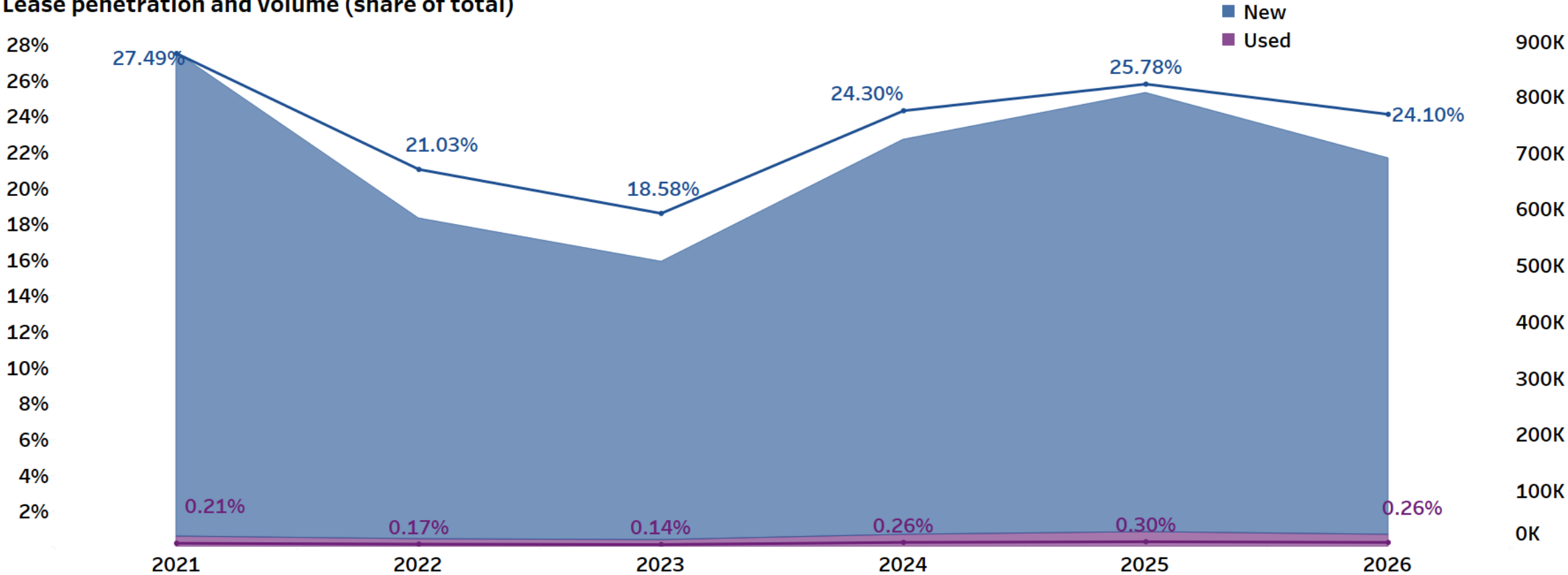


Q1 2026 Leasing

Insights into the leasing market

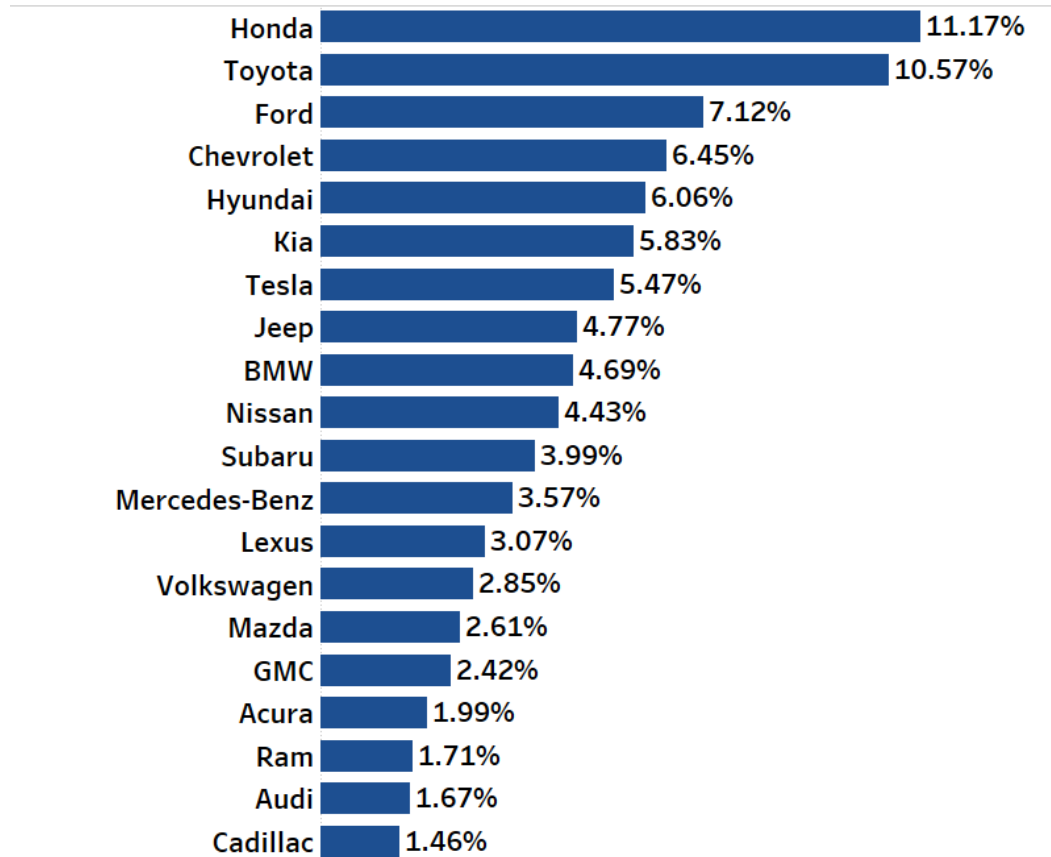
New lease volume and penetration decreases YOY; while used is leased only 0.26% of used purchases, it's 3.21% of all leased vehicles

Lease penetration and volume (share of total)

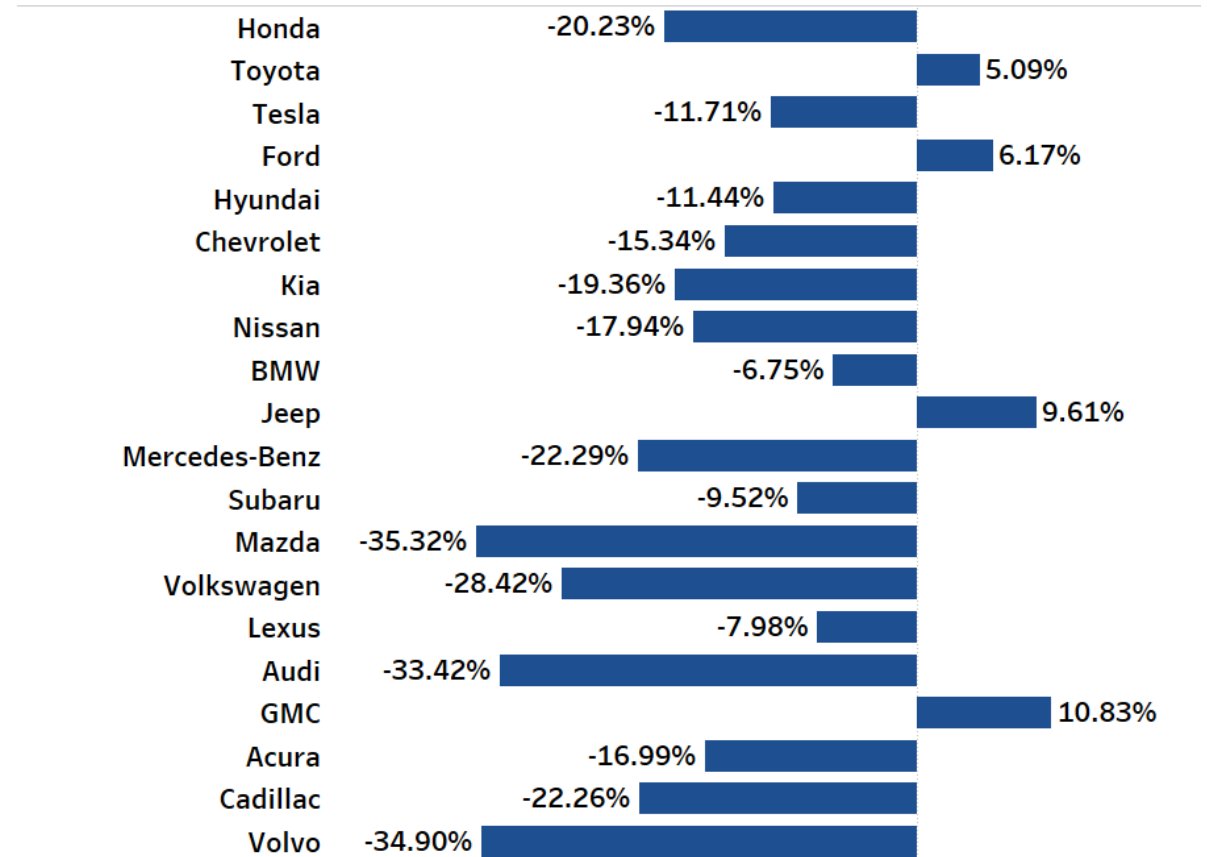


Honda remains as number one leased make; leasing is down YOY for nearly all makes

Top 20 leased new makes

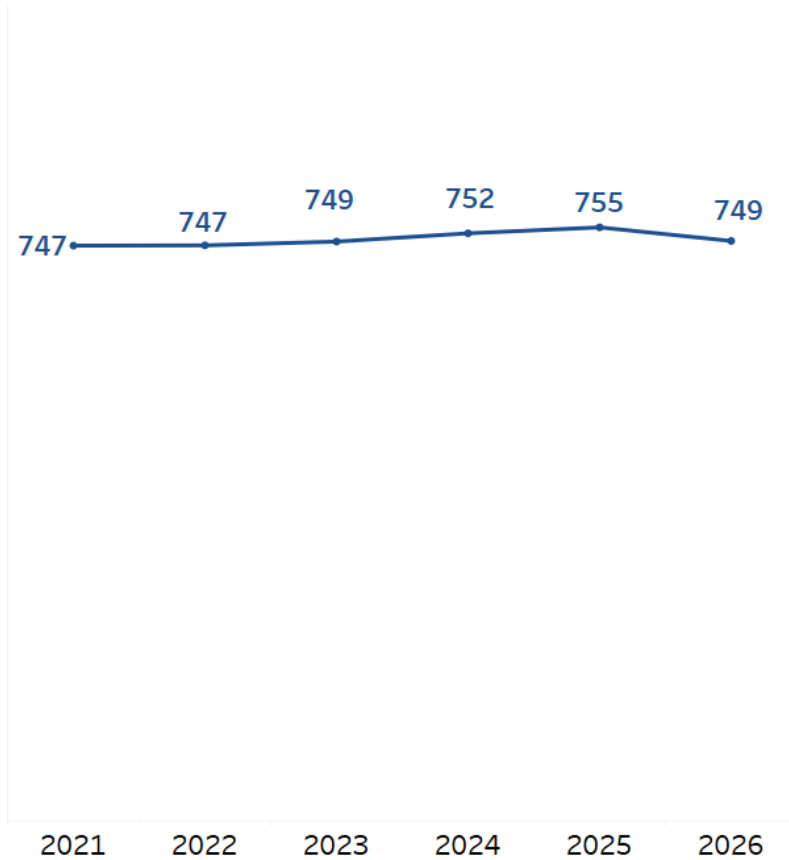


YOY Growth on Top 20 leased makes

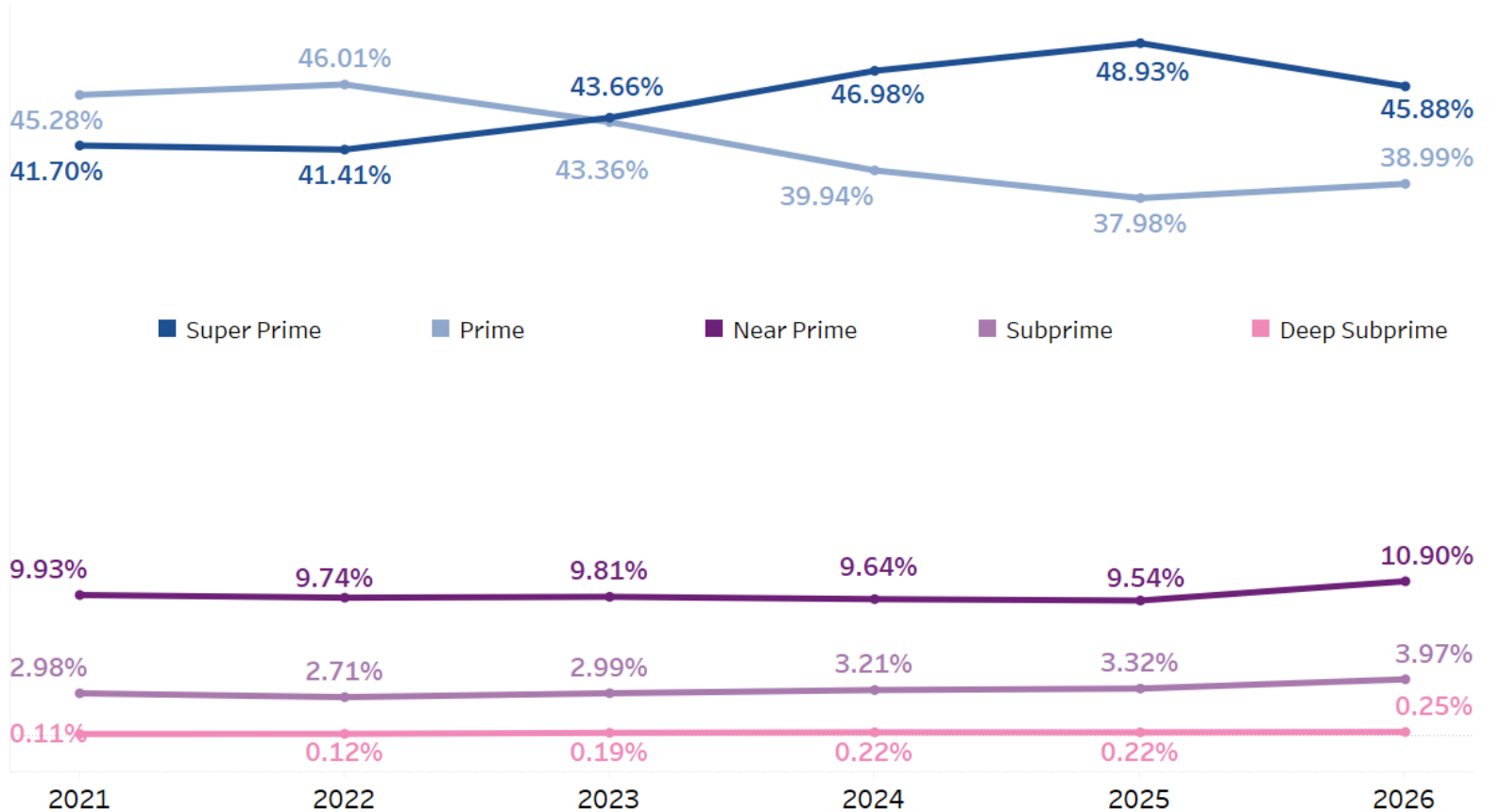


Leasing scored decrease 6 points and leasing increases across all segments but Super Prime

Average new lease score

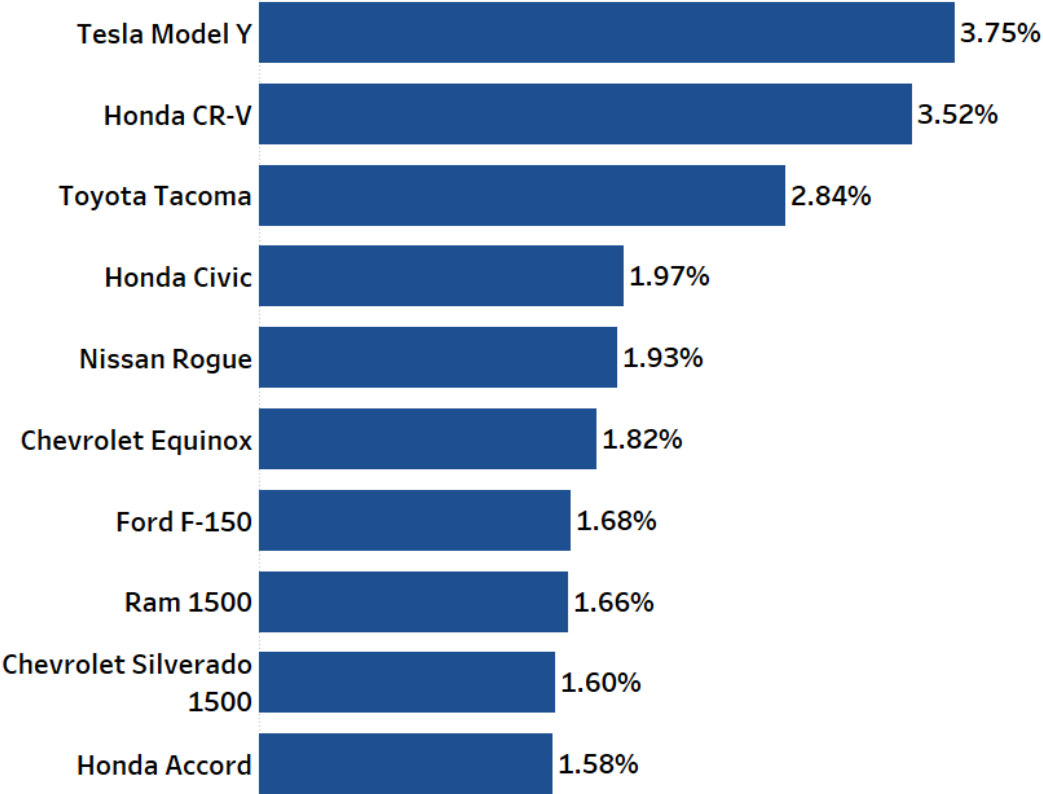


New leasing risk distribution

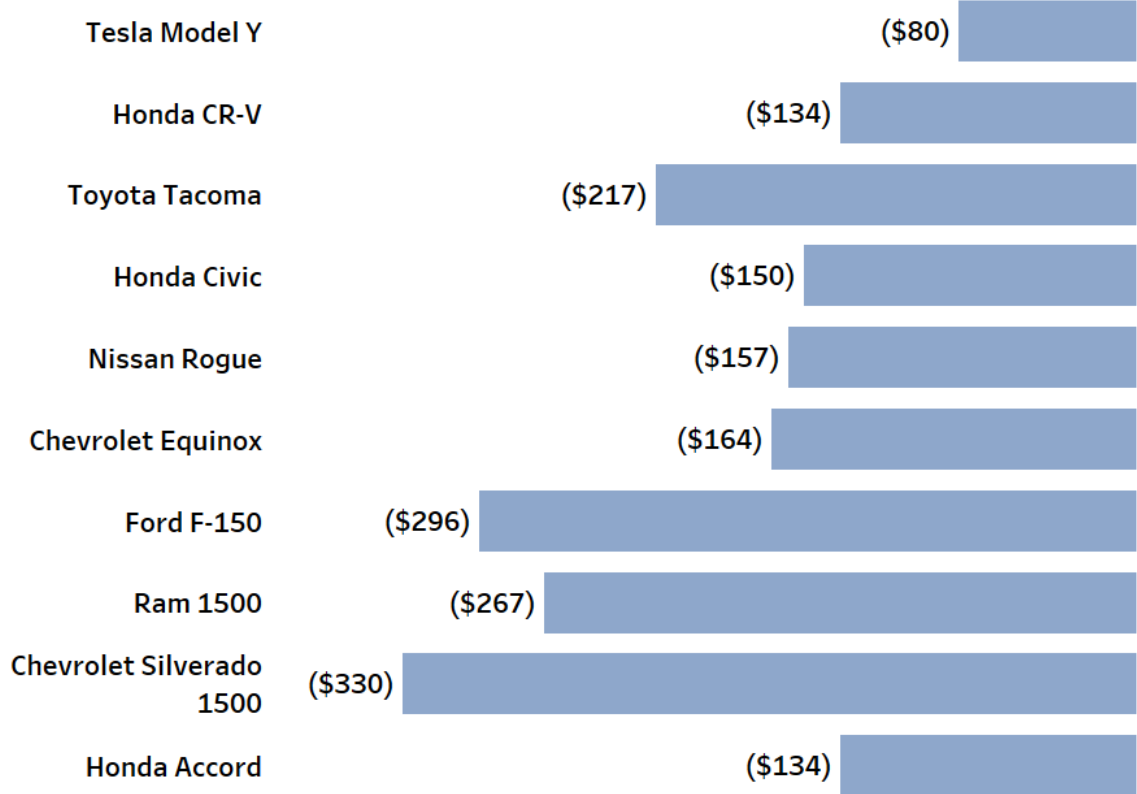


Model Y remains the top leased model; average payment difference of \$151 across all leased models

Top 10 leased models

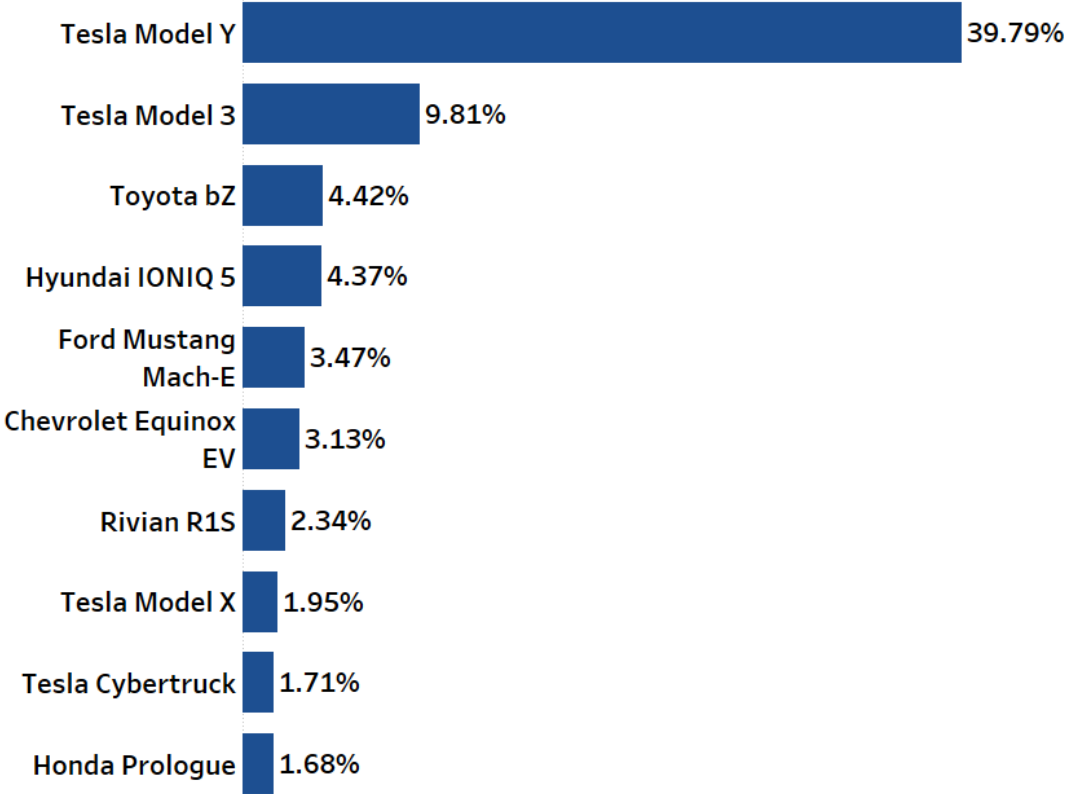


Lease payment difference compared to a loan

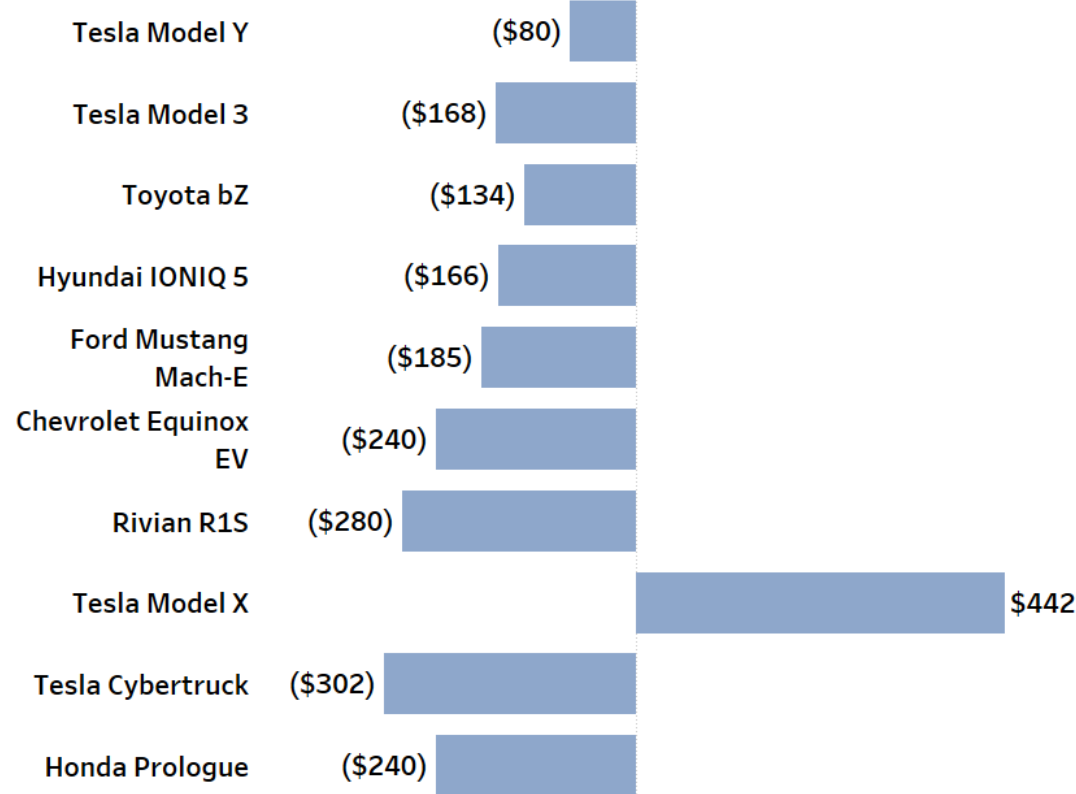


Overall, leasing an EV provides a payment difference of \$95

Top 10 EV models

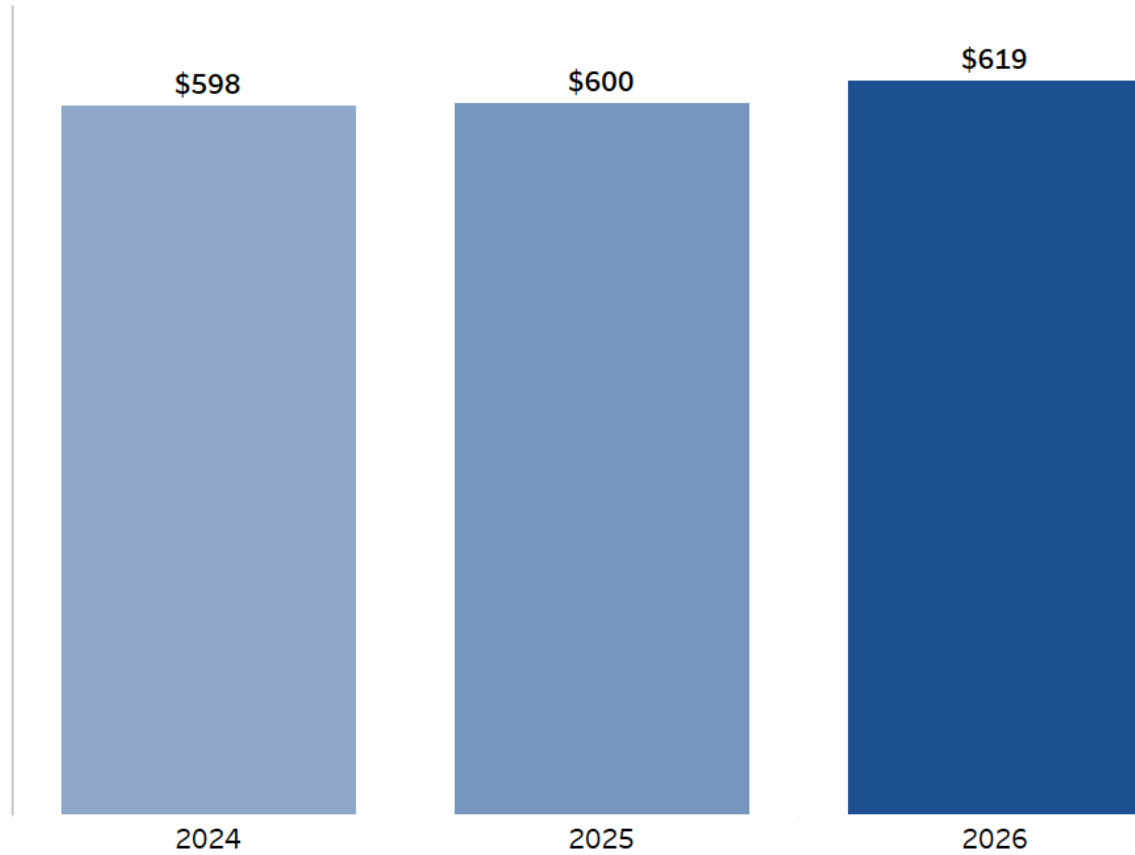


Lease payment difference compared to a loan

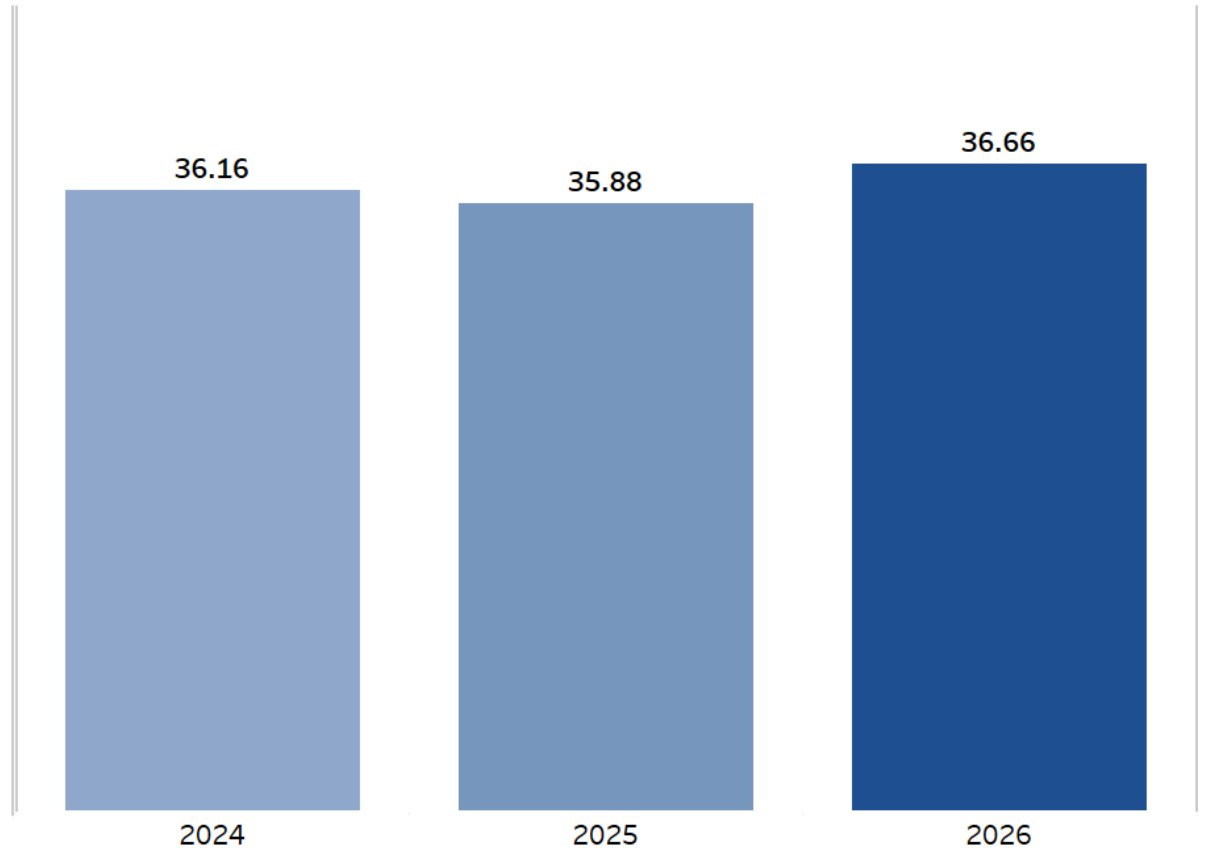


Lease payments increase \$19 and terms increase

Average new lease payment

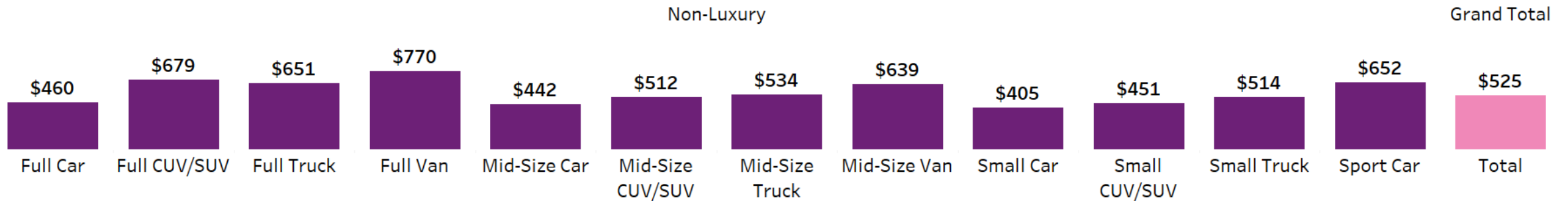


Average new lease term

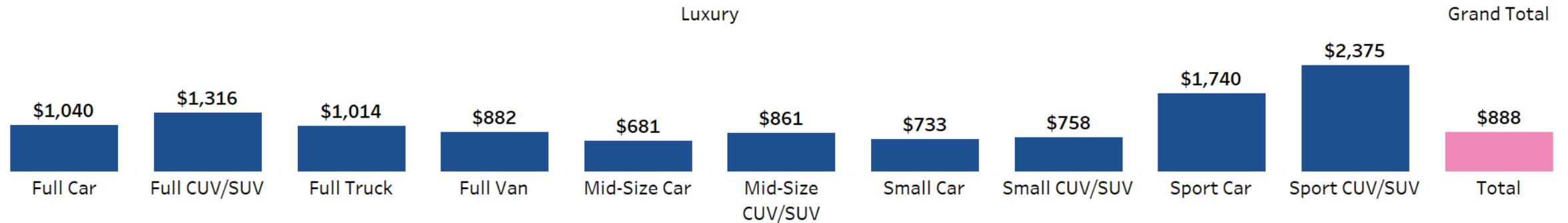


Non-luxury vans have the highest monthly payment; sport CUV/SUVs carry the highest payment for luxury vehicle leases

Average new lease payment for non-luxury vehicles

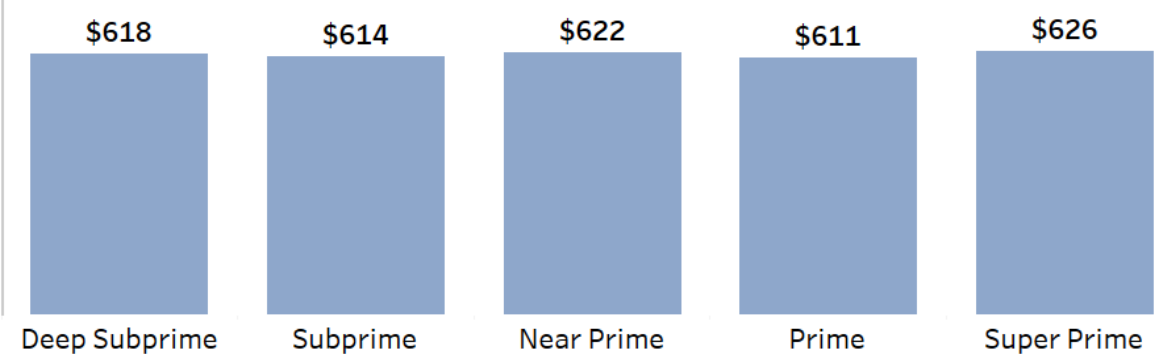


Average new lease payment for luxury vehicles

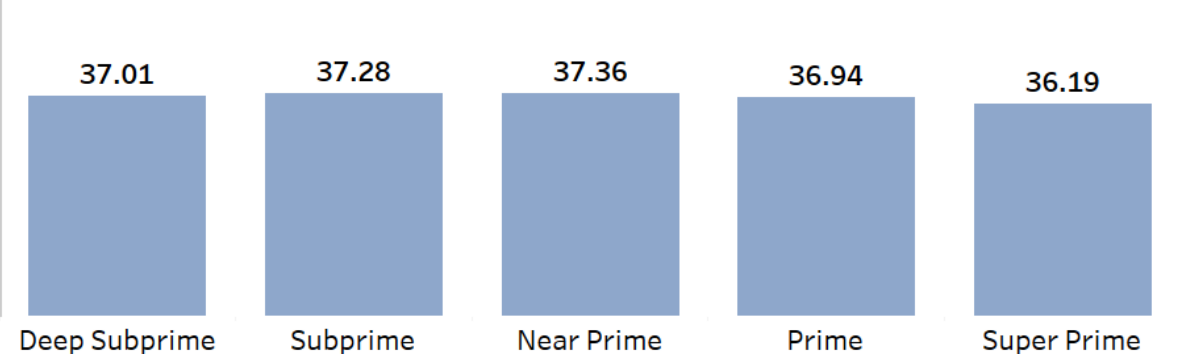


Lease payments and terms have increased for payments and terms

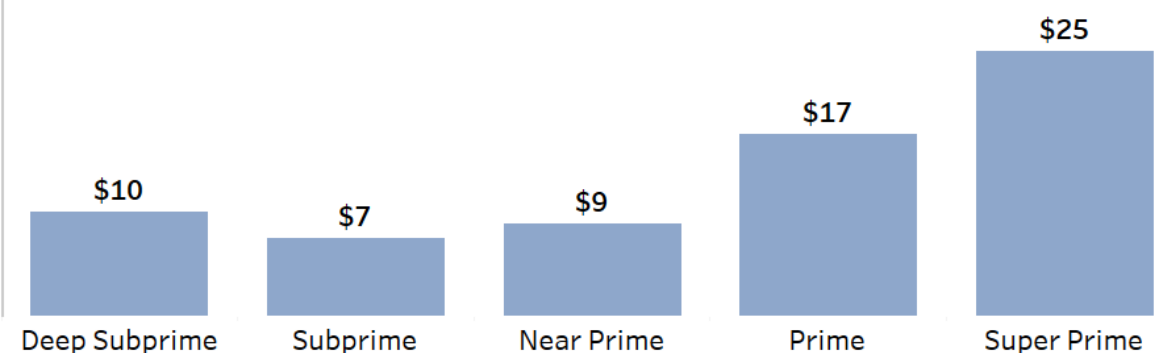
Average new lease monthly payment



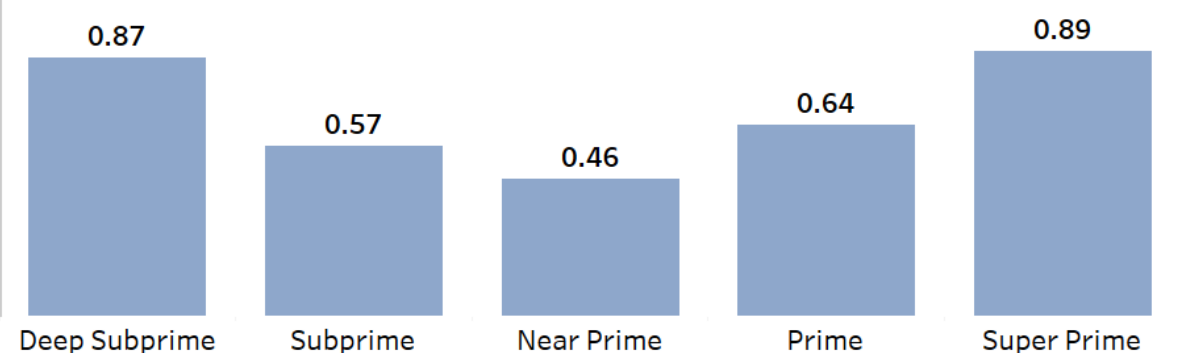
Average new lease term



YOY change in monthly payment



YOY change in lease term



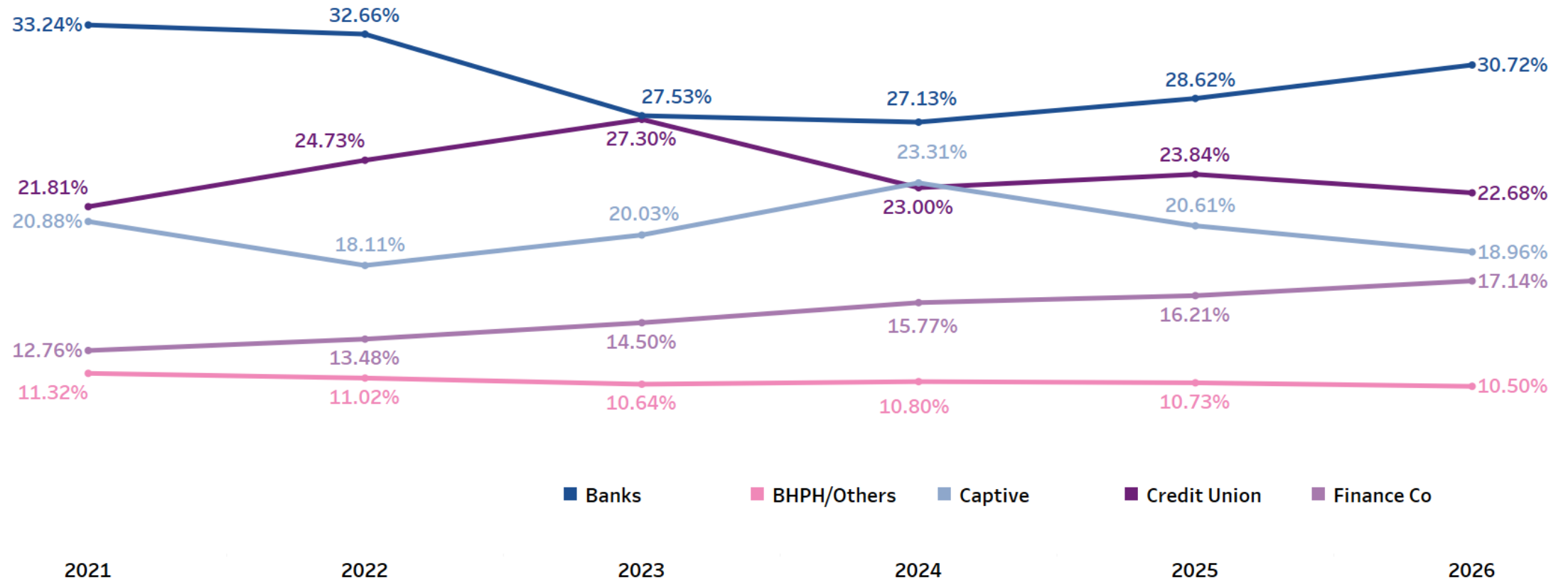
Q1 2026 Loans

Dynamics of automotive loans

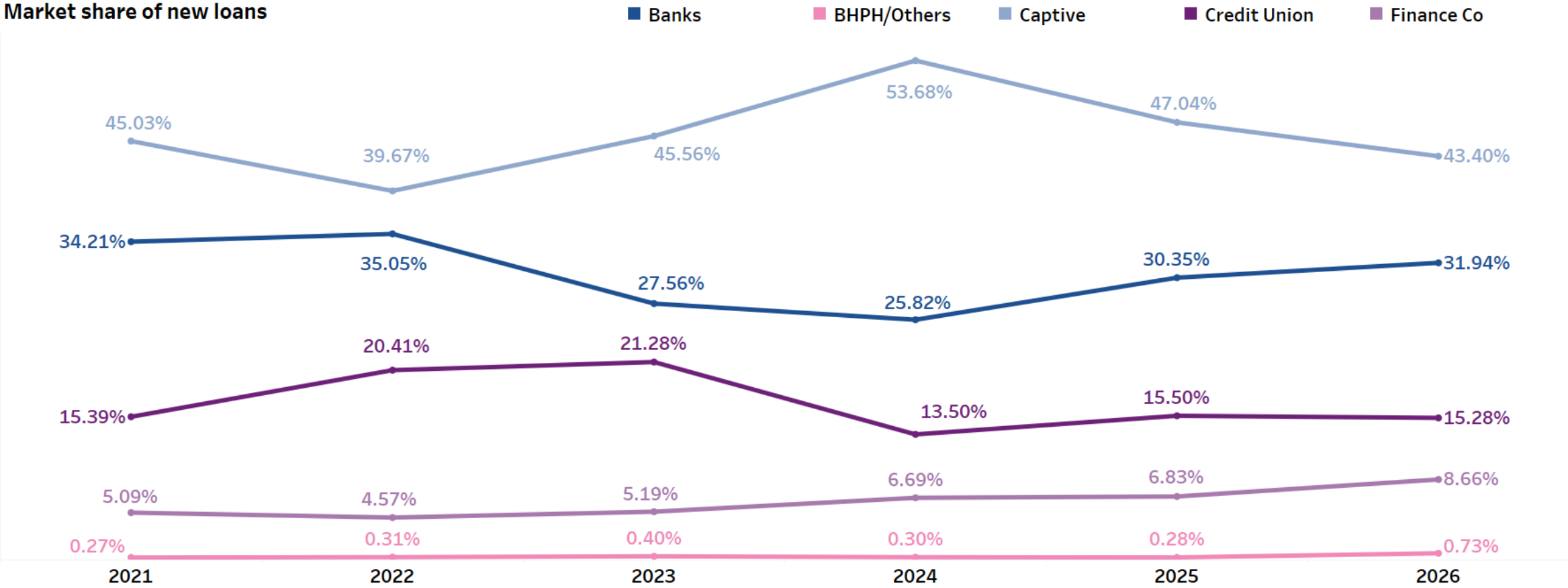


Banks increase to over 30% loan share; Finance Companies see growth while other lenders lose share

Total loan market share

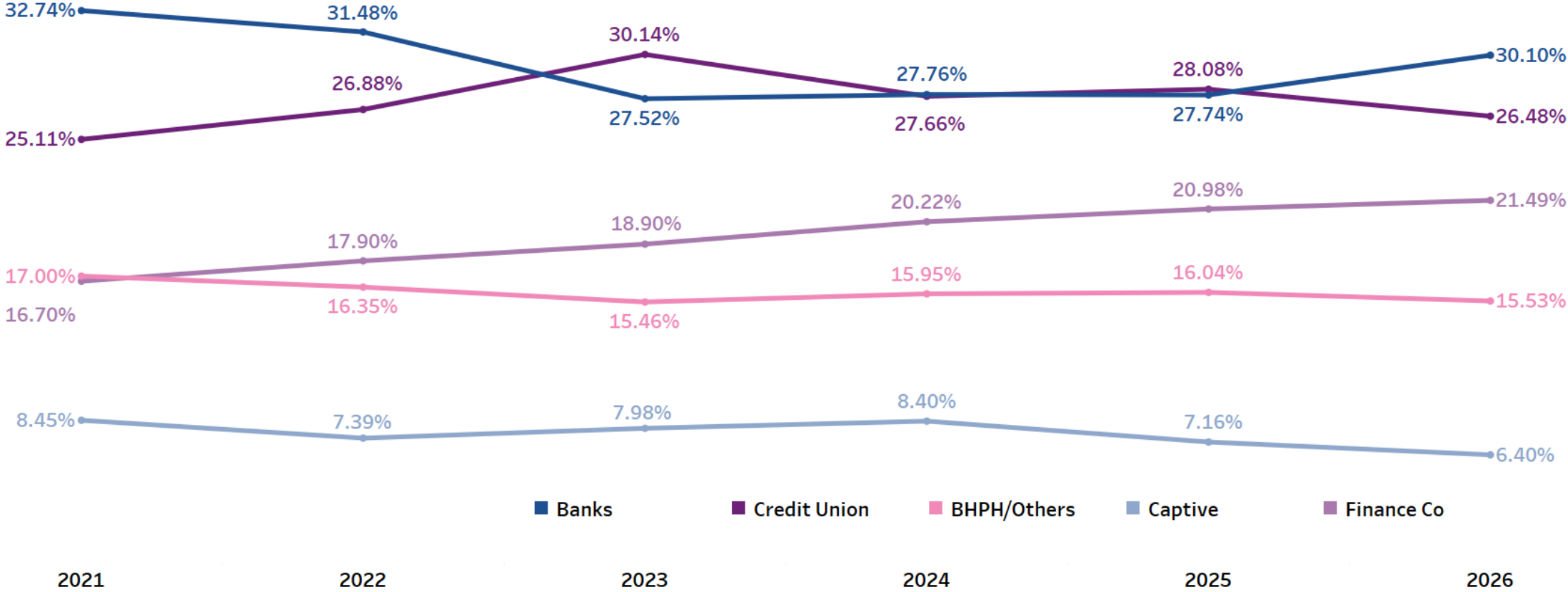


Banks are the only lenders in Q1 increasing market share of new loans

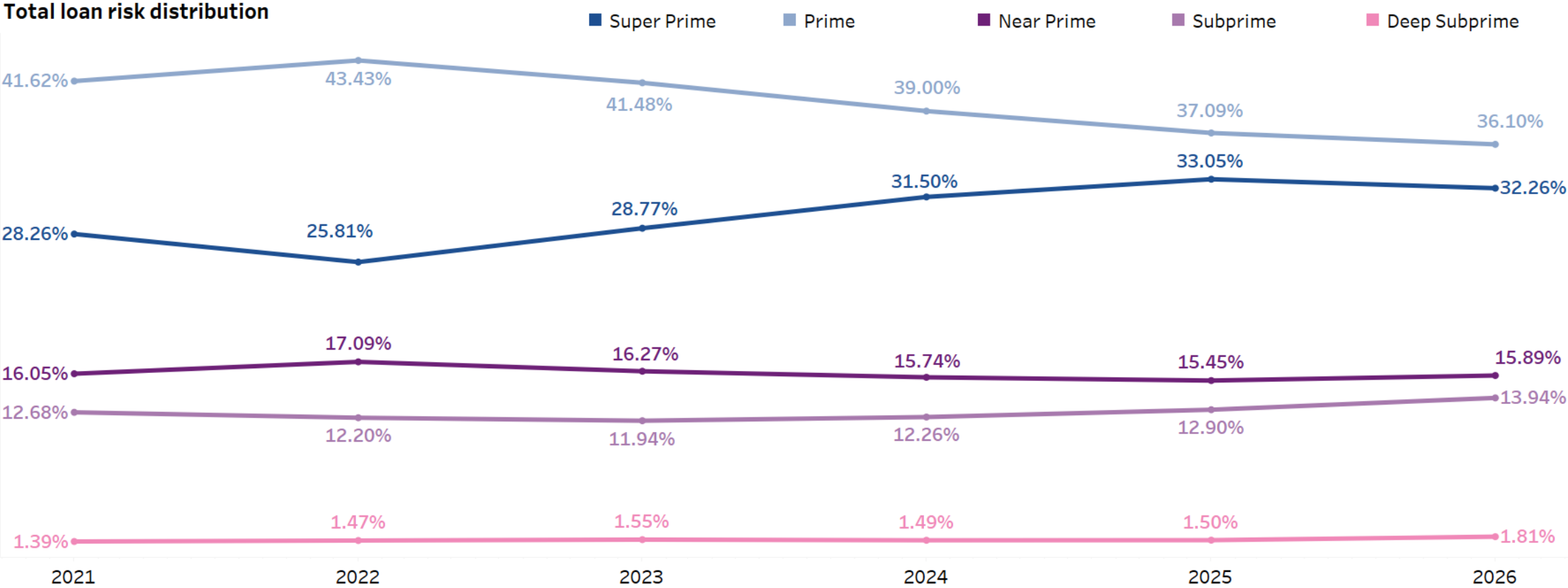


Banks and Finance Companies increase share of used loans

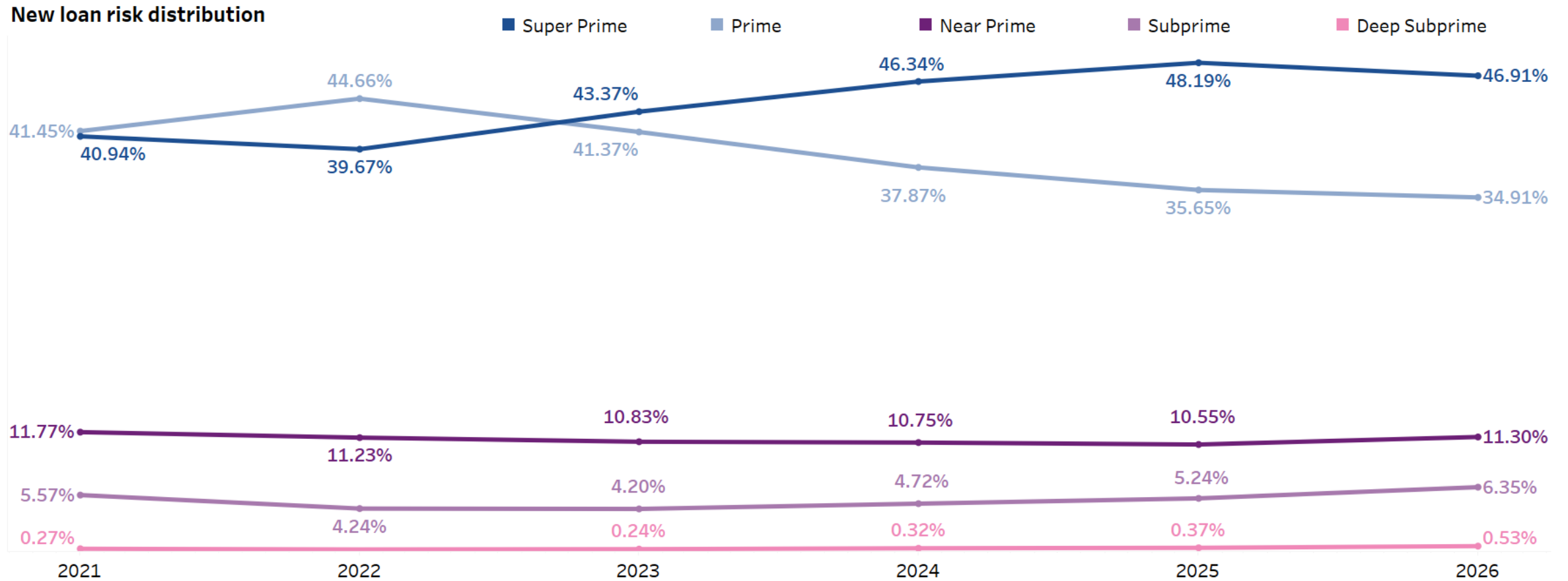
Used loan market share by lender type



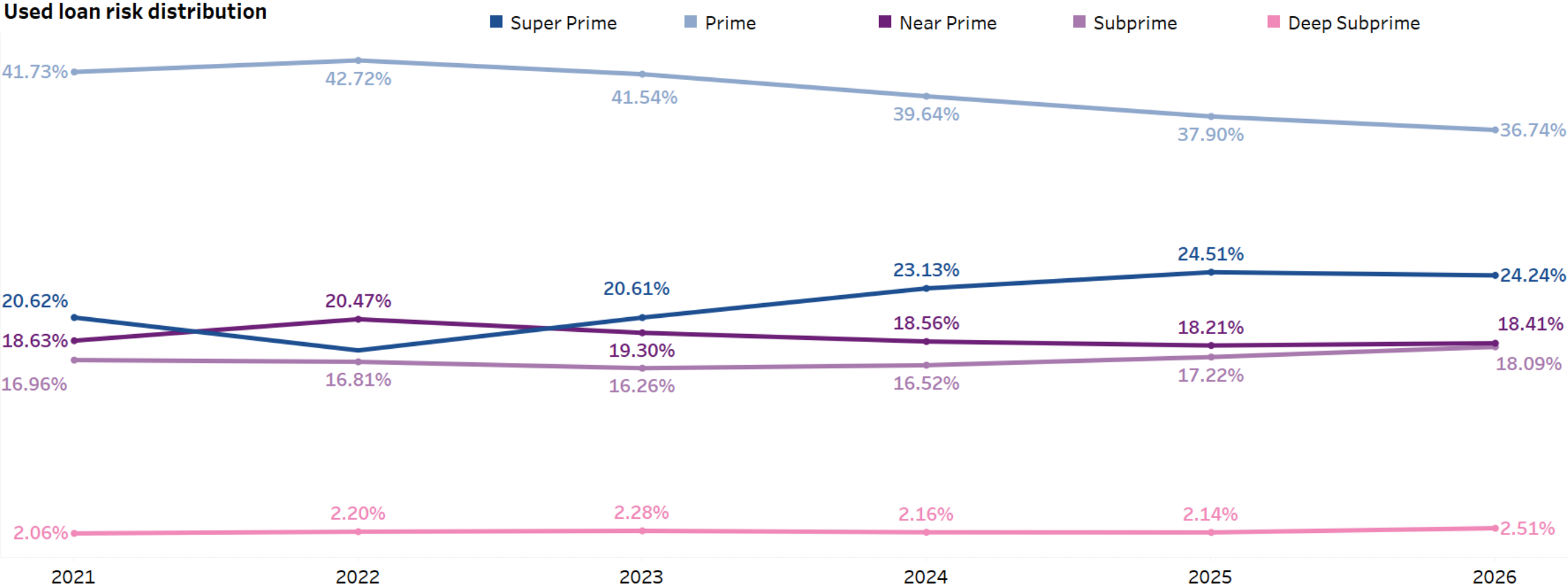
Total loans see growth outside of Prime+



While most new loans are Prime+ growth is occurring outside of Prime

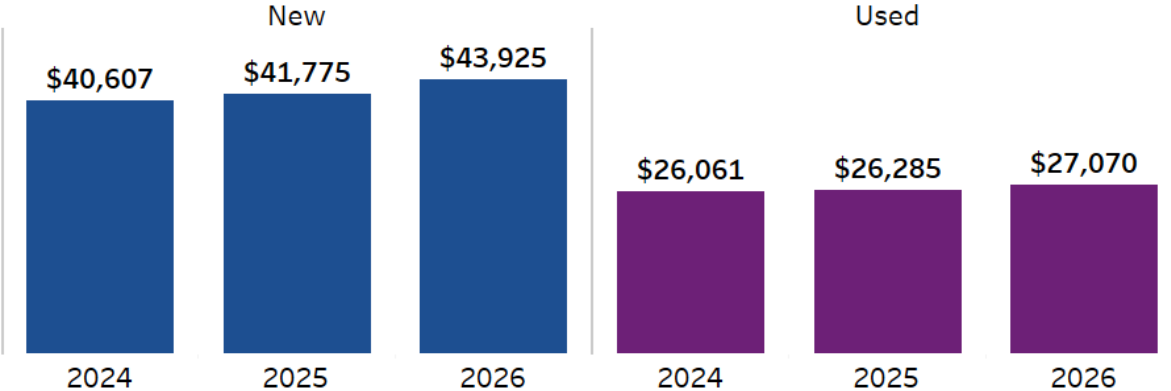


Used lending also sees growth outside of Prime+

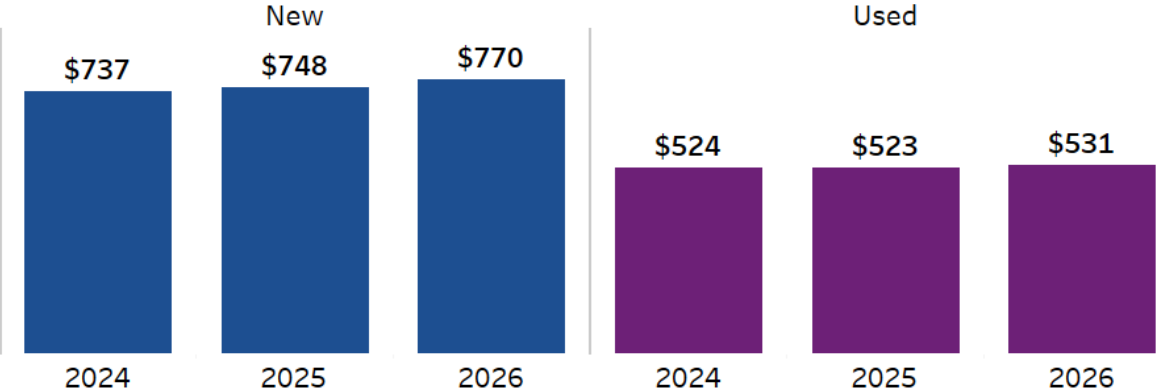


New loan amounts reach nearly \$24k; payments and terms increase despite decrease in rates

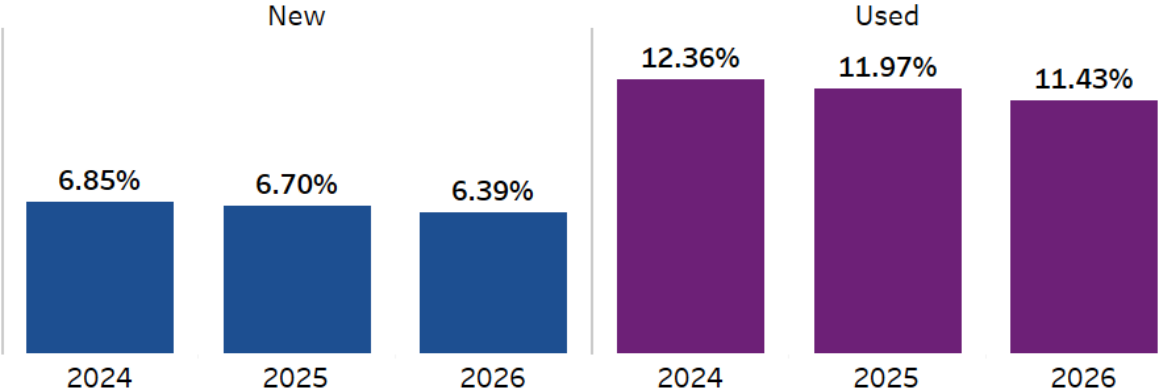
Average loan amount



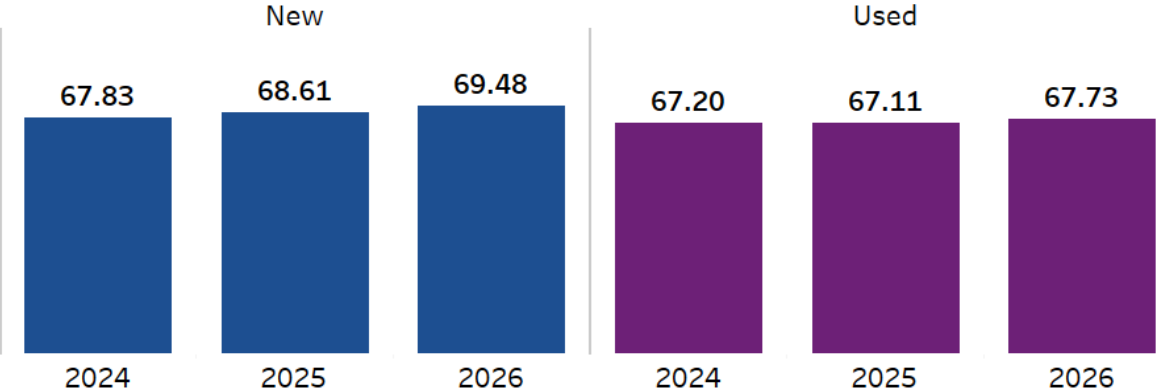
Average loan monthly payment



Average loan rate

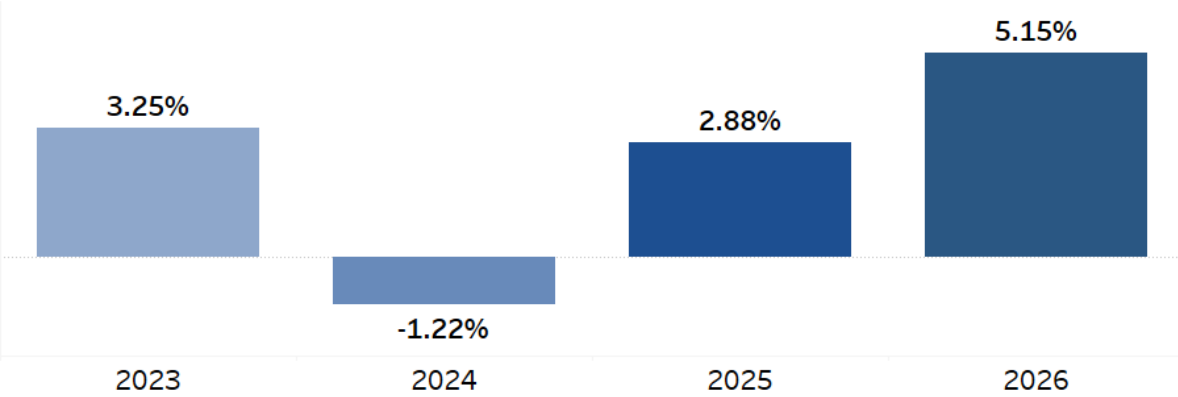


Average loan term

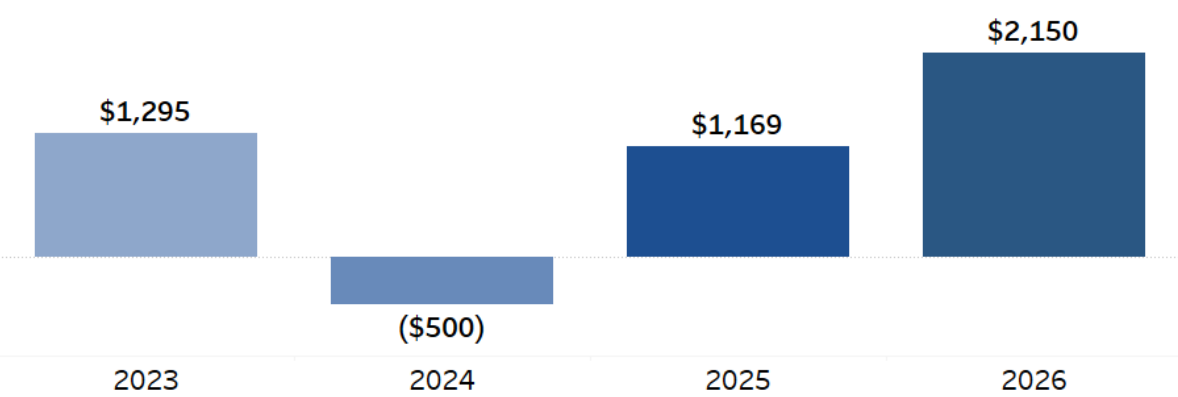


New loan amount increases more significantly than prior years

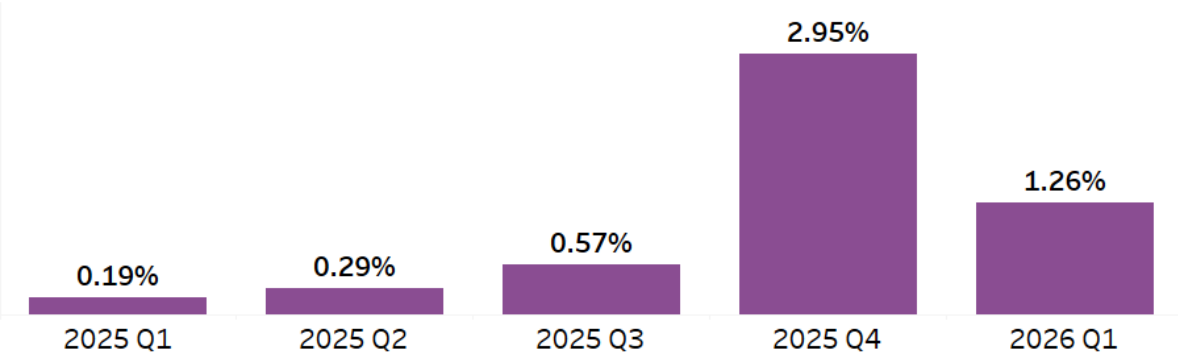
YOY growth in average new loan amount



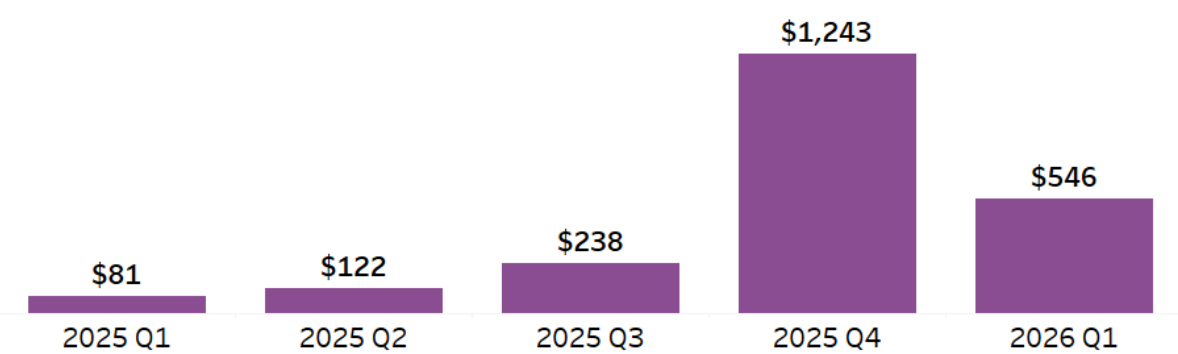
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount

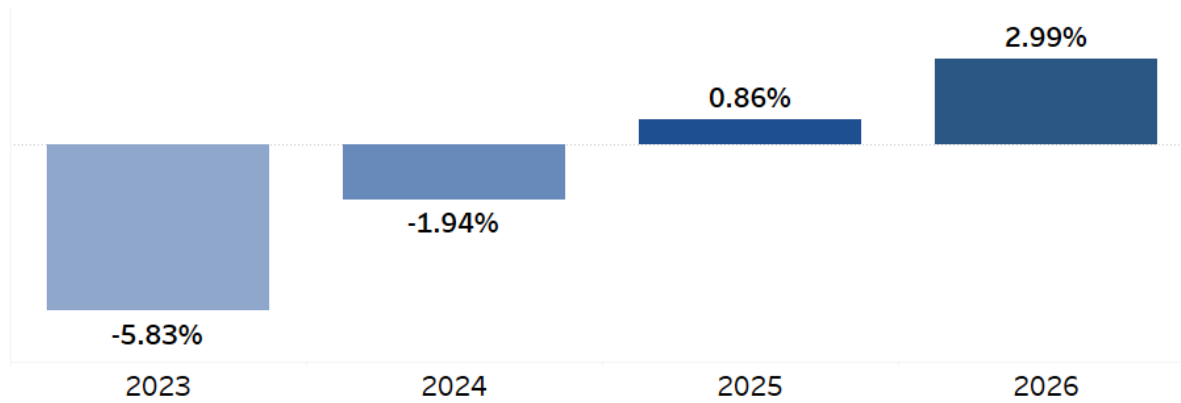


QOQ \$ difference in average new loan amount

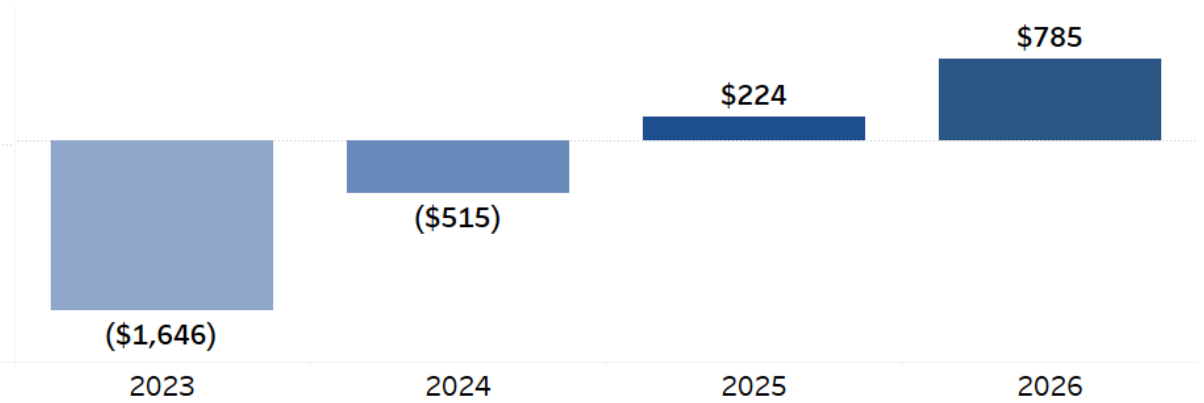


Used loan amounts also increase year-over-year, but are down quarter-over-quarter

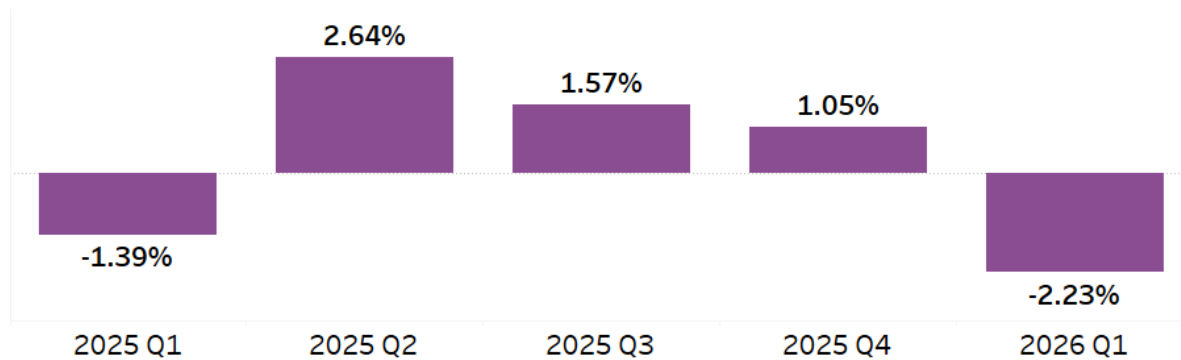
YOY growth in average used loan amount



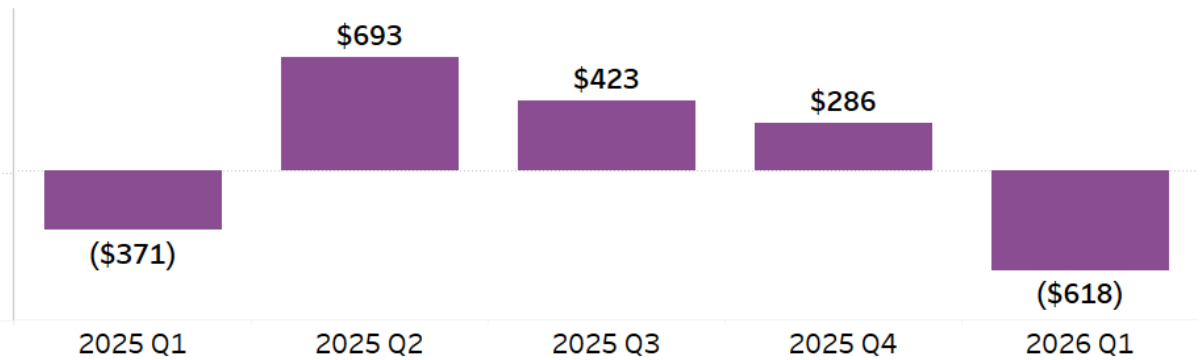
YOY \$ difference in average used loan amount



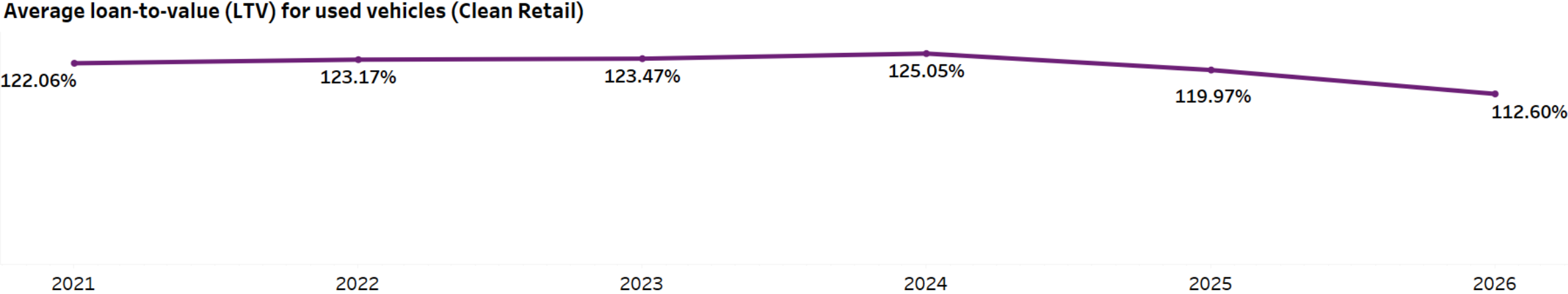
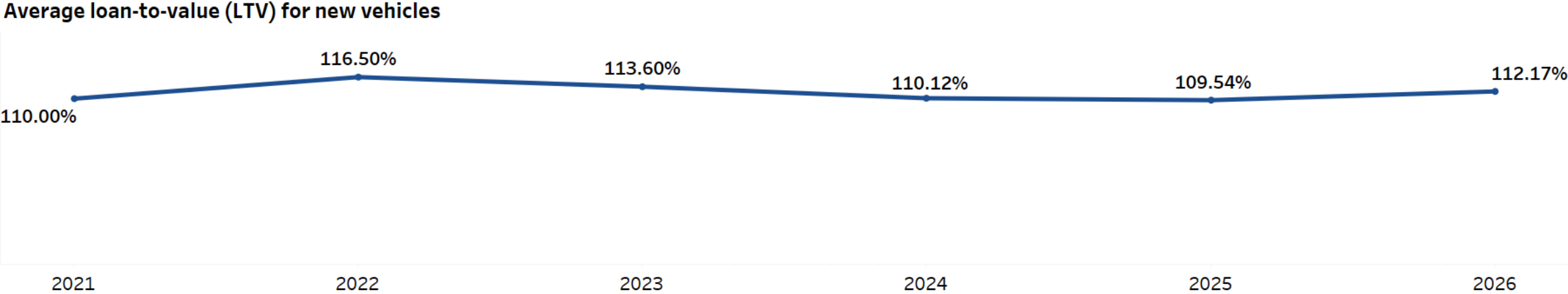
QOQ growth in average used loan amount



QOQ \$ difference in average used loan amount

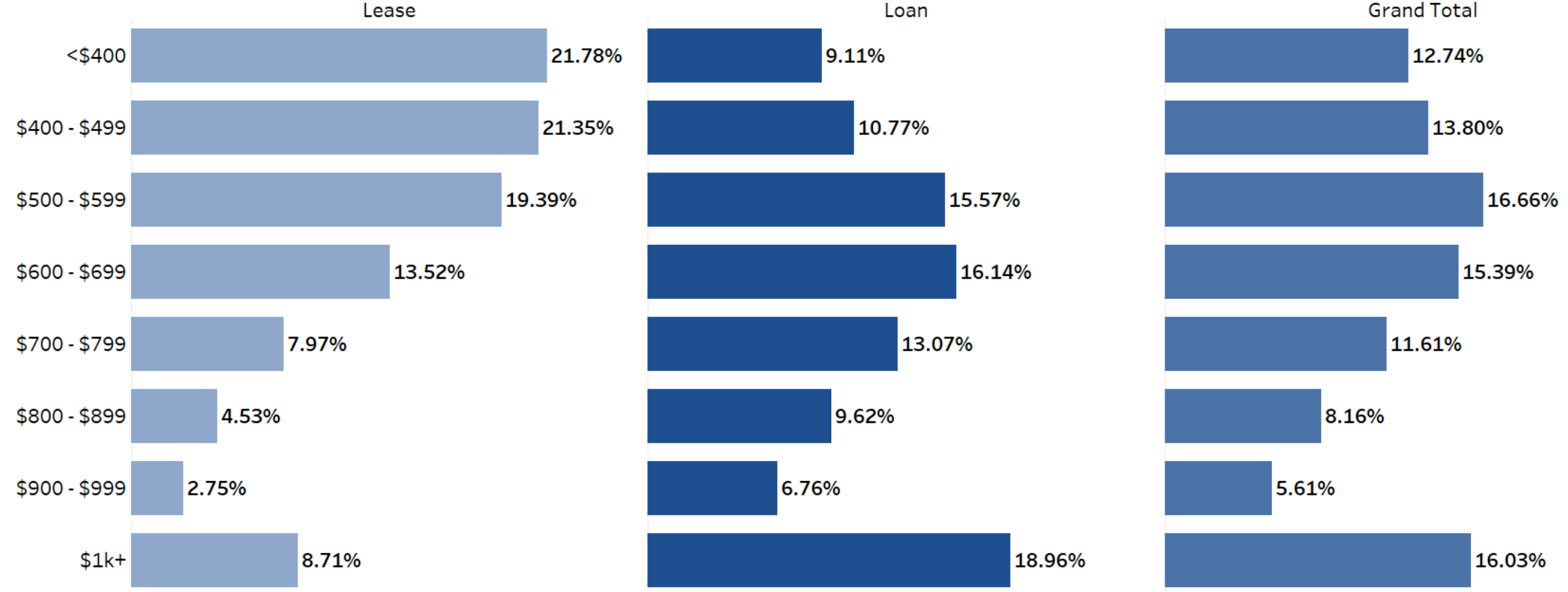


New LTVs are increasing while used have declined



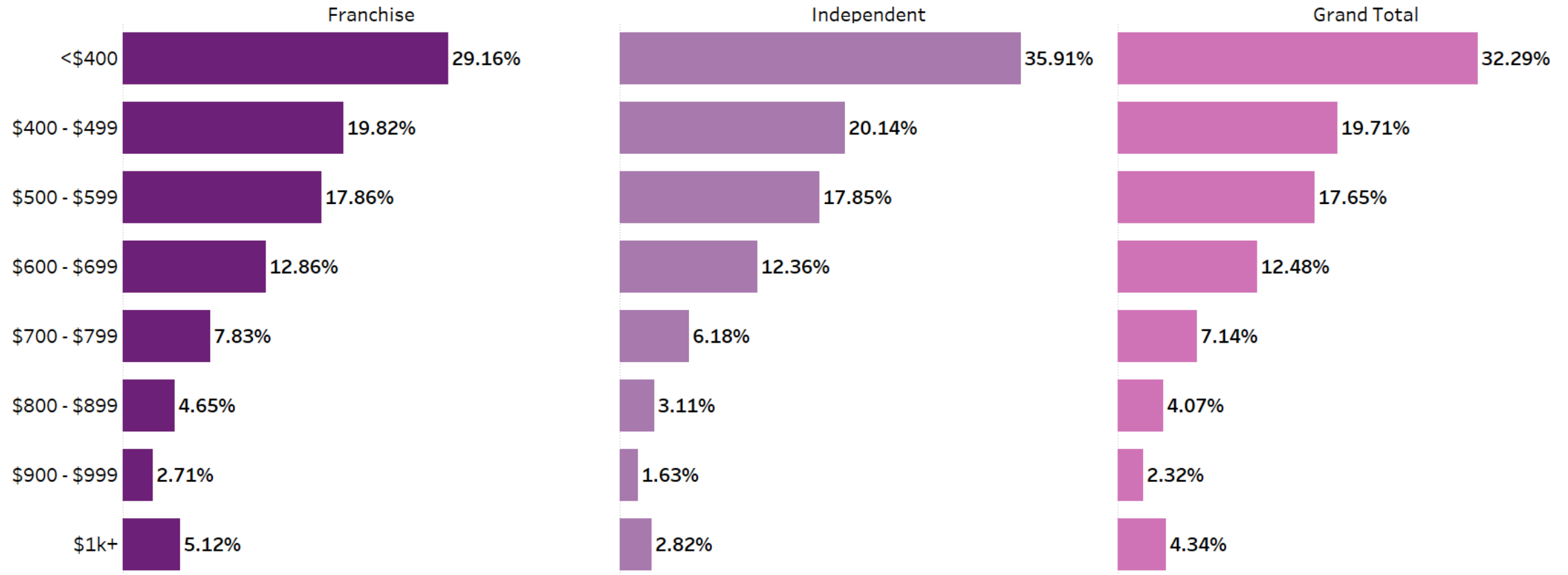
Nearly 19% of loan payments and over 16% of all new payments are \$1k or more

Average new monthly payment distribution



Over 4.3% of all* used payments are over \$1k; just under 1/3 payments for used vehicles are still under \$400

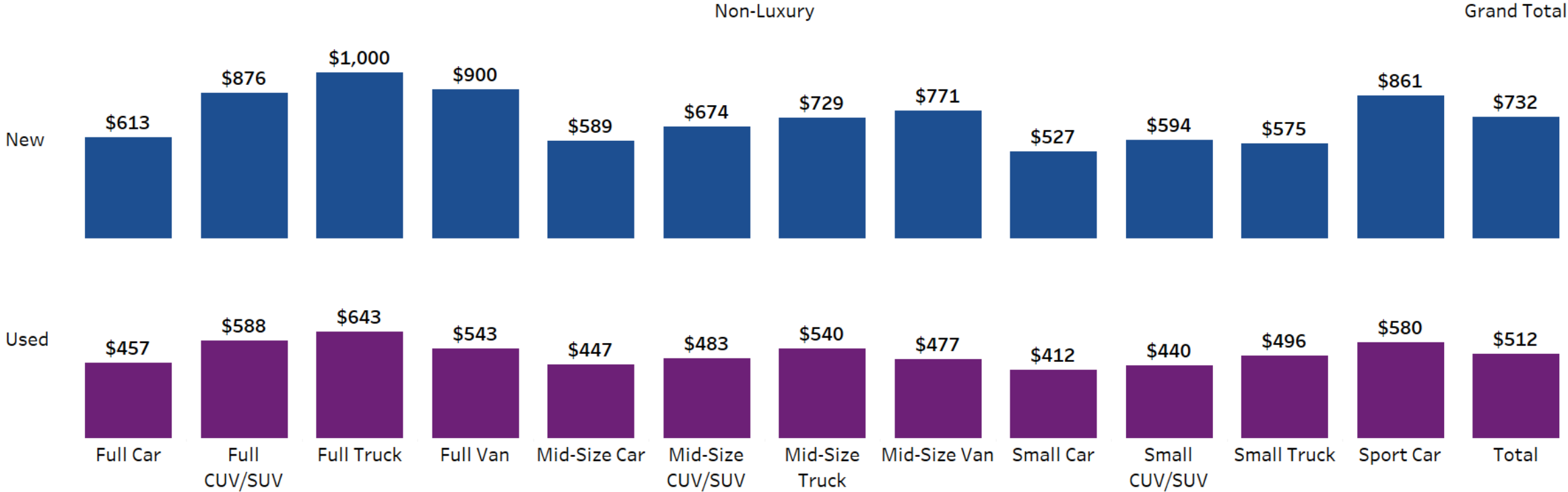
Average used monthly payment distribution



*Grand Total includes private party transactions

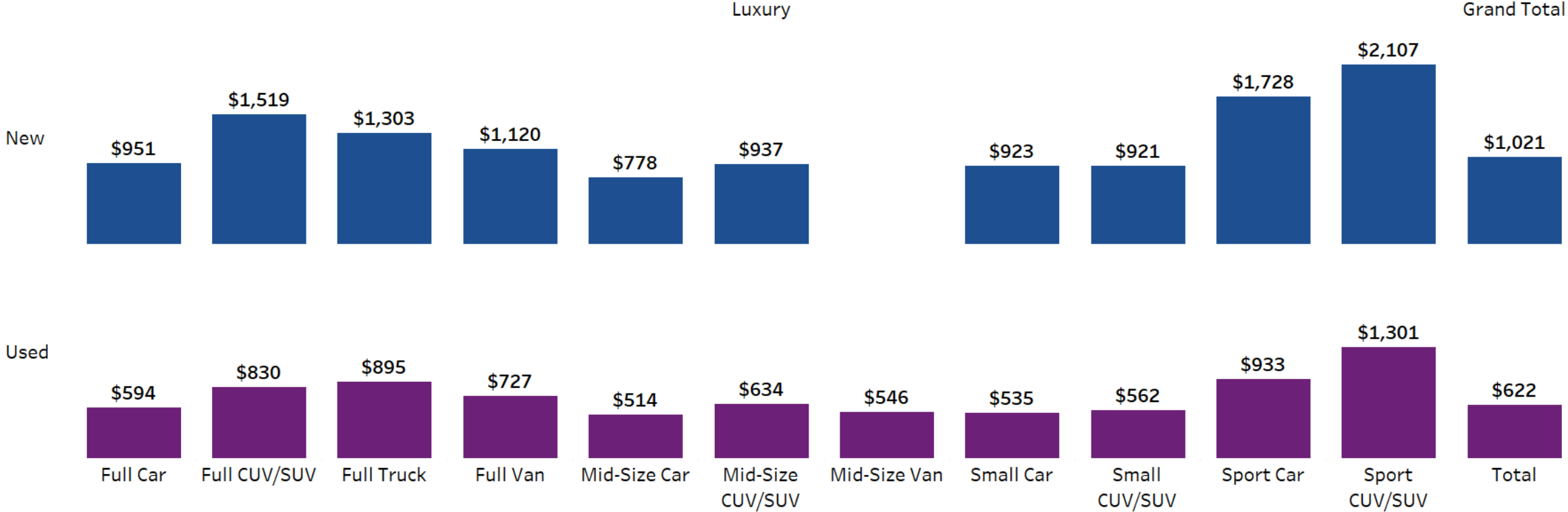
Lowest payments are found in new and used small cars

Average loan payment for non-luxury vehicles



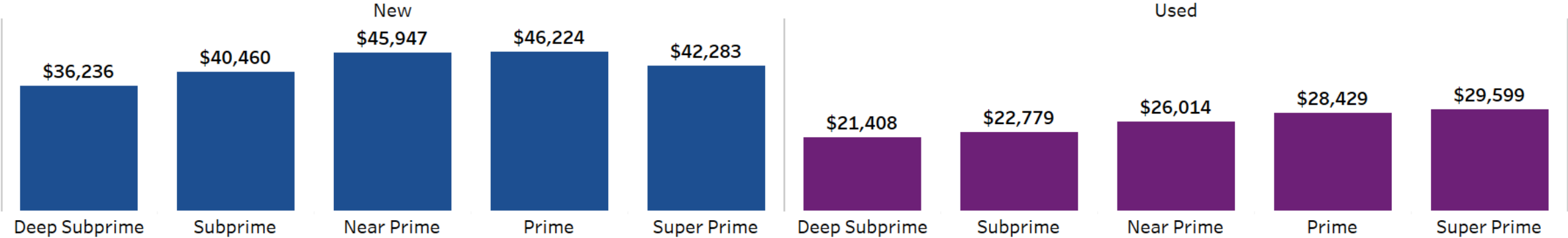
Highest luxury payments are in the Sport CUV/SUV

Average loan payment for luxury vehicles

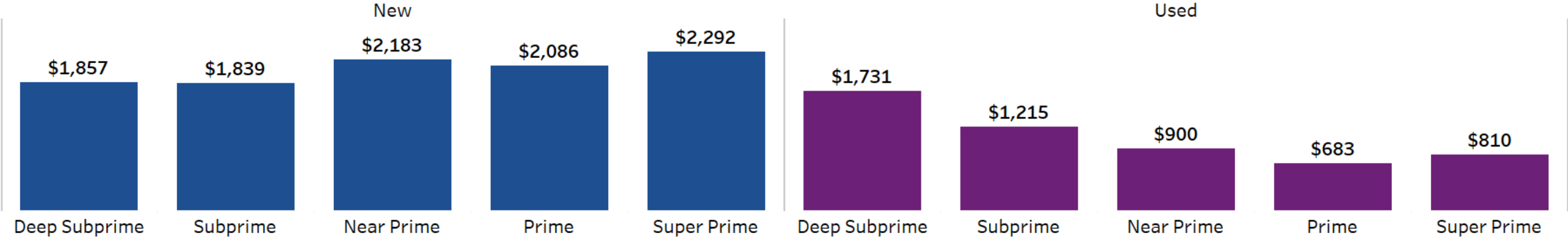


Loan amounts and payments are up across all risk segments

Average loan amount

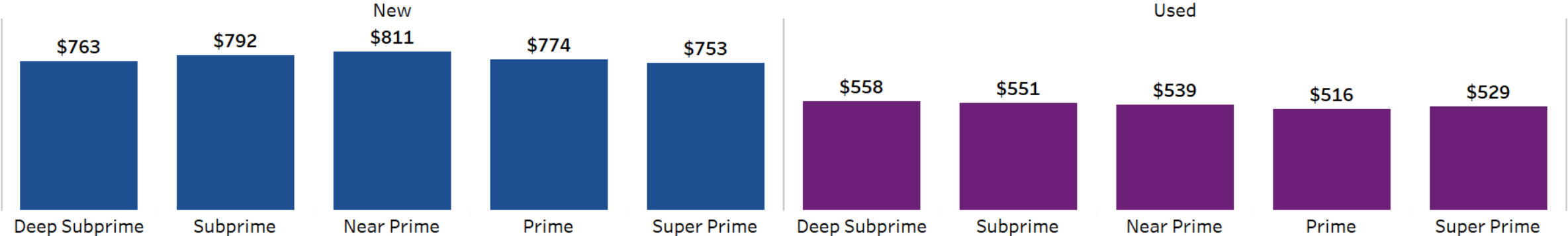


YOY change in loan amount

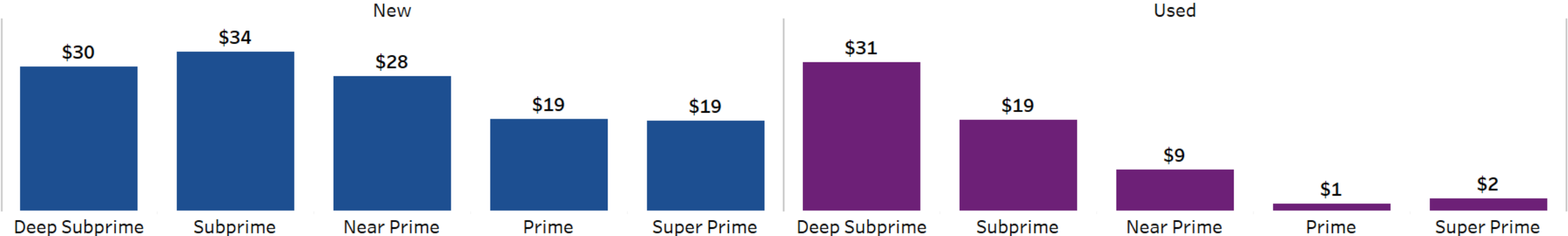


Monthly payments increase across all risk segments

Average monthly payment

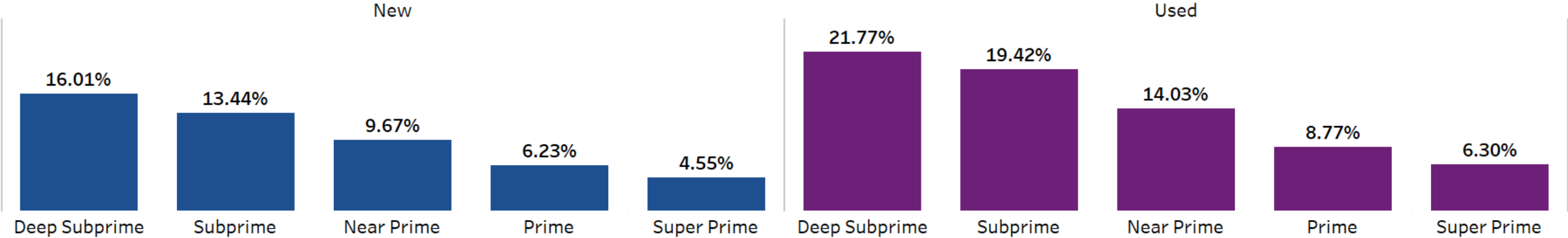


YOY change in monthly payment

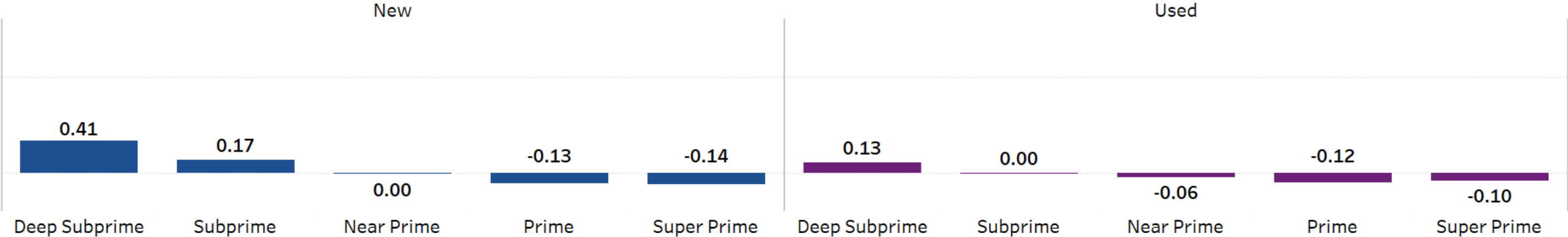


Outside of prime see rate increases for new and used loans

Average loan rate

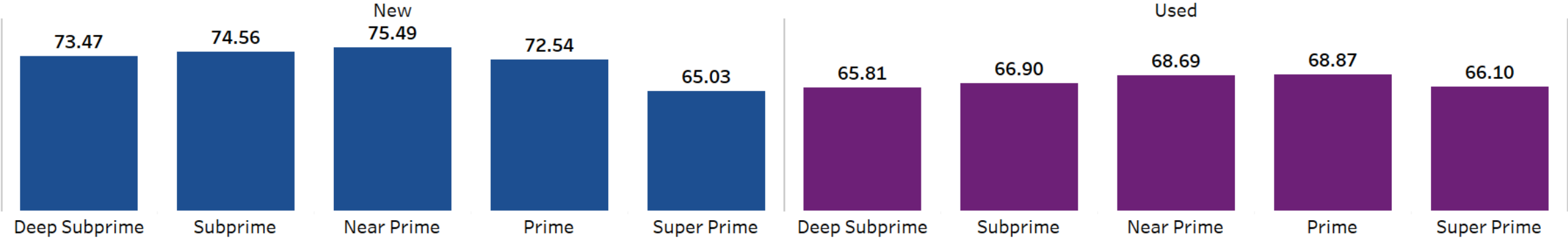


YOY change in loan rate

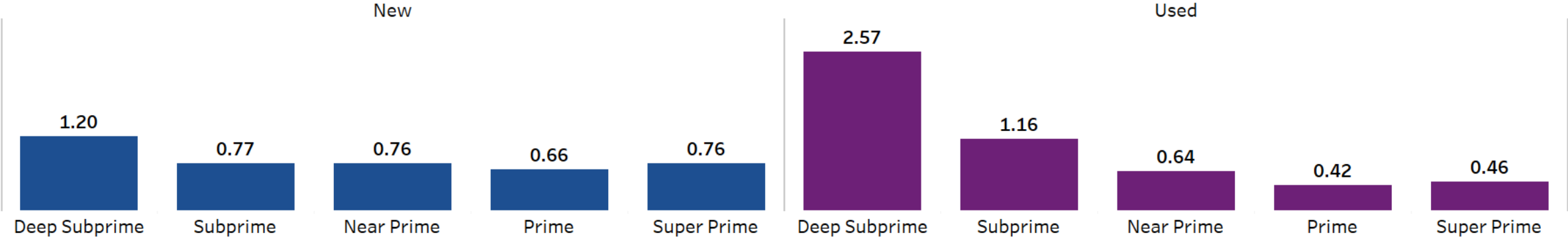


Loan terms increase for new and used vehicle loans across all risk segments

Average loan term

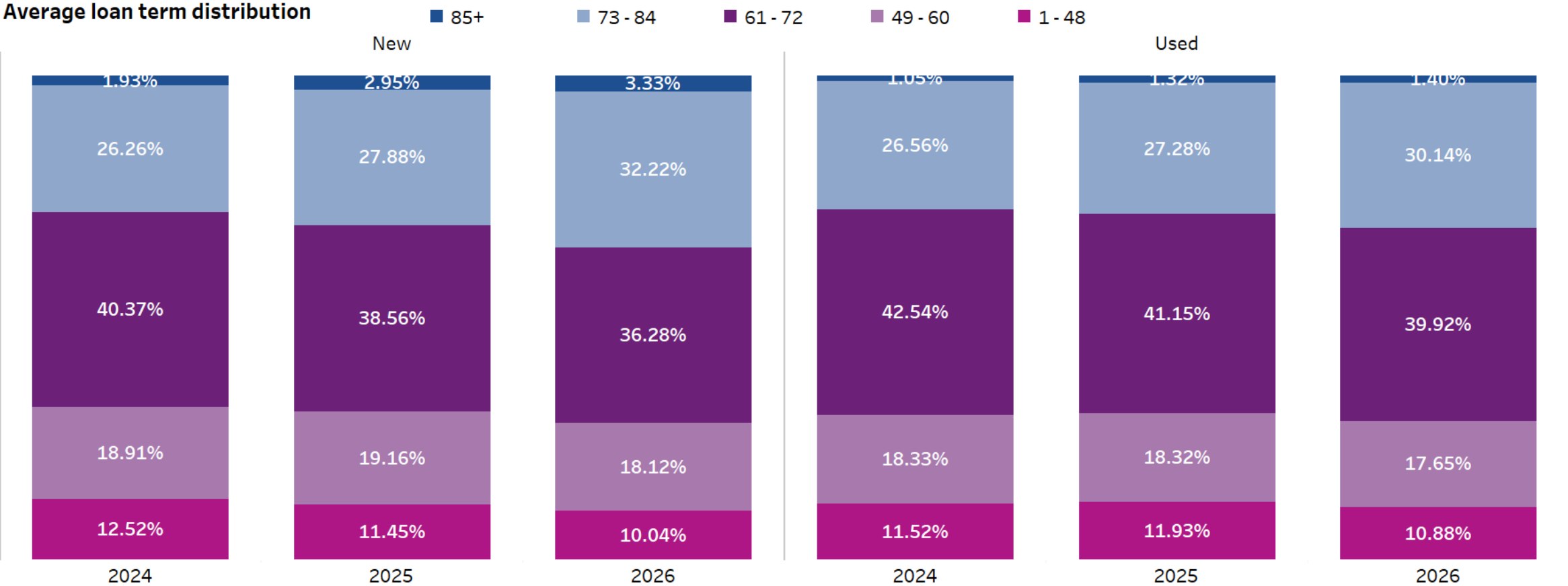


YOY change in loan term



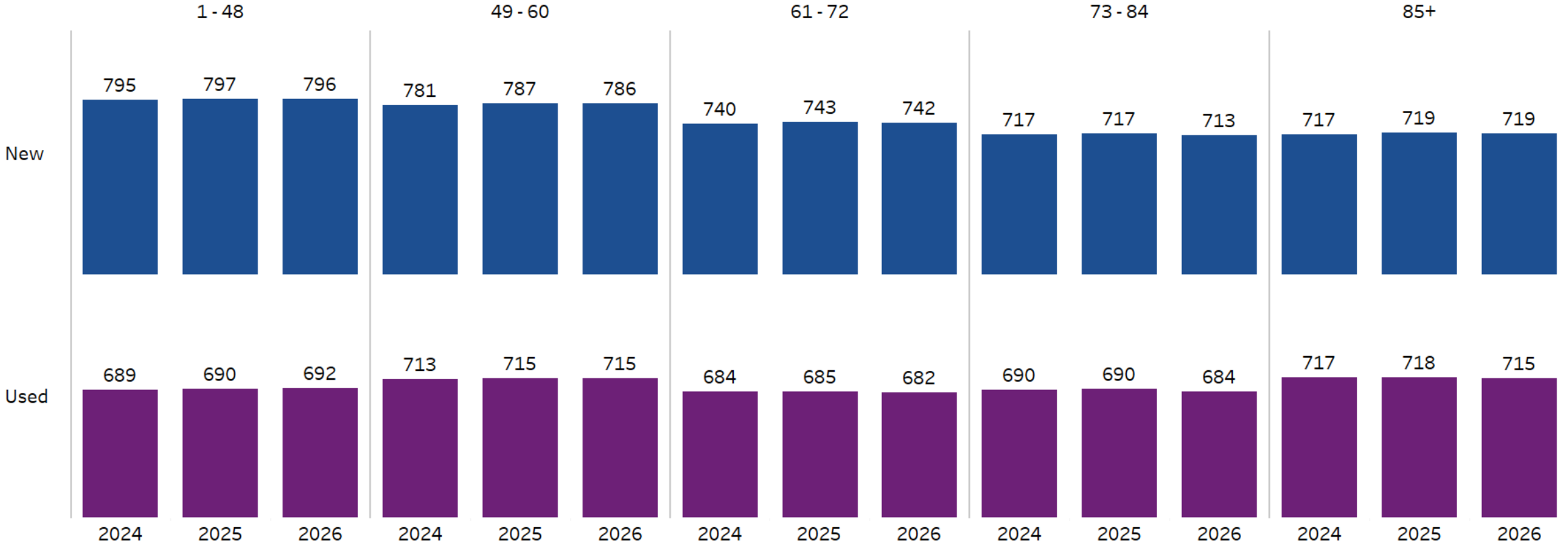
Growth occurring 73+ month loans; nearly 1/3 of all loans are over 6-years

Average loan term distribution



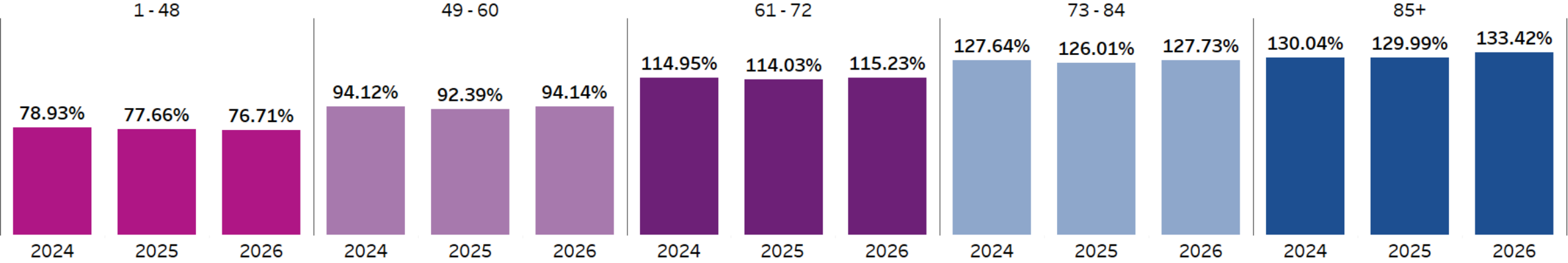
Scores decrease across all terms except shorter term used loans

Average loan score by term

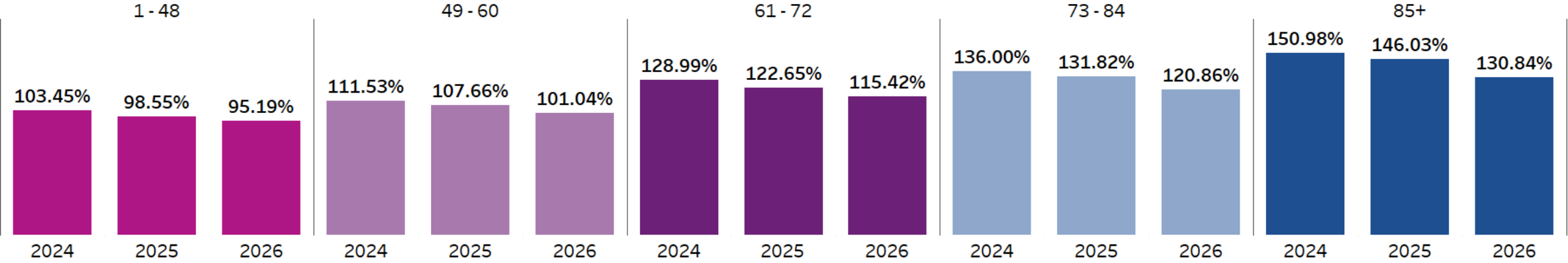


LTVs increase with loan term; new LTVs are up for all but shorter-term loans; used LTVs decline across all loan terms

Average loan-to-value (LTV) for new vehicles by loan term



Average loan-to-value (LTV) for used vehicles by loan term (Clean Retail)



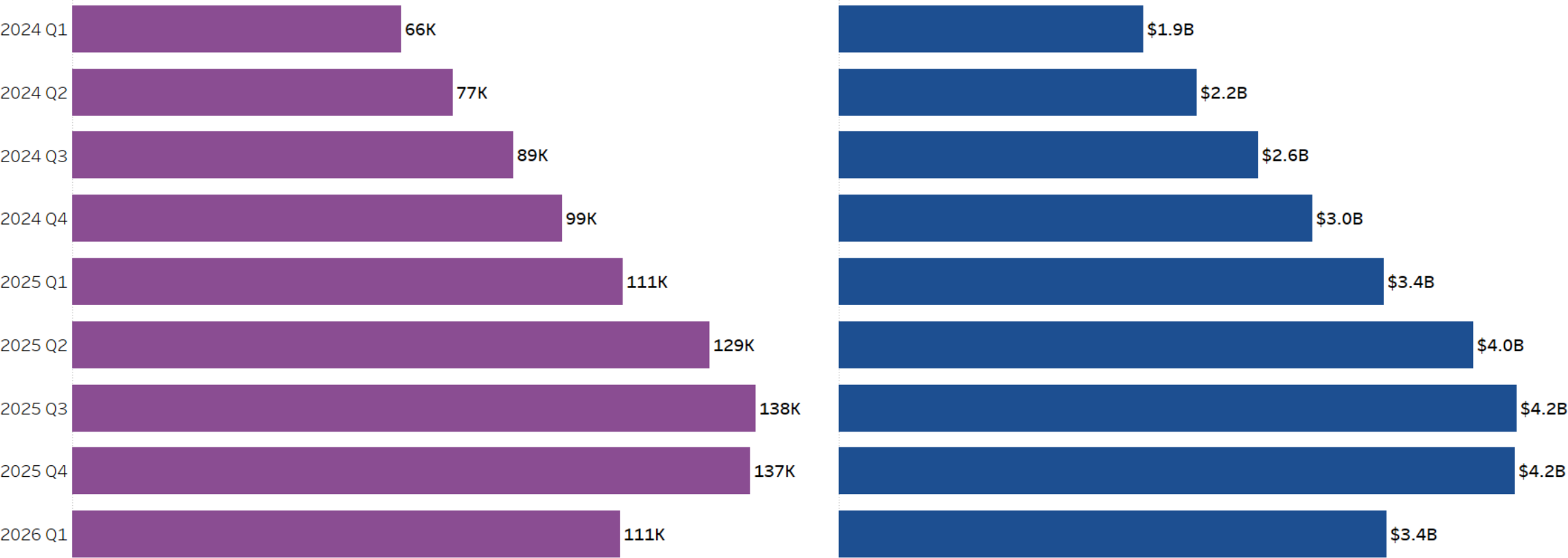


Q1 2026 Refinance

Insights into automotive refinance

Refinance volume continues to increase

Quarterly volume and total amount refinanced



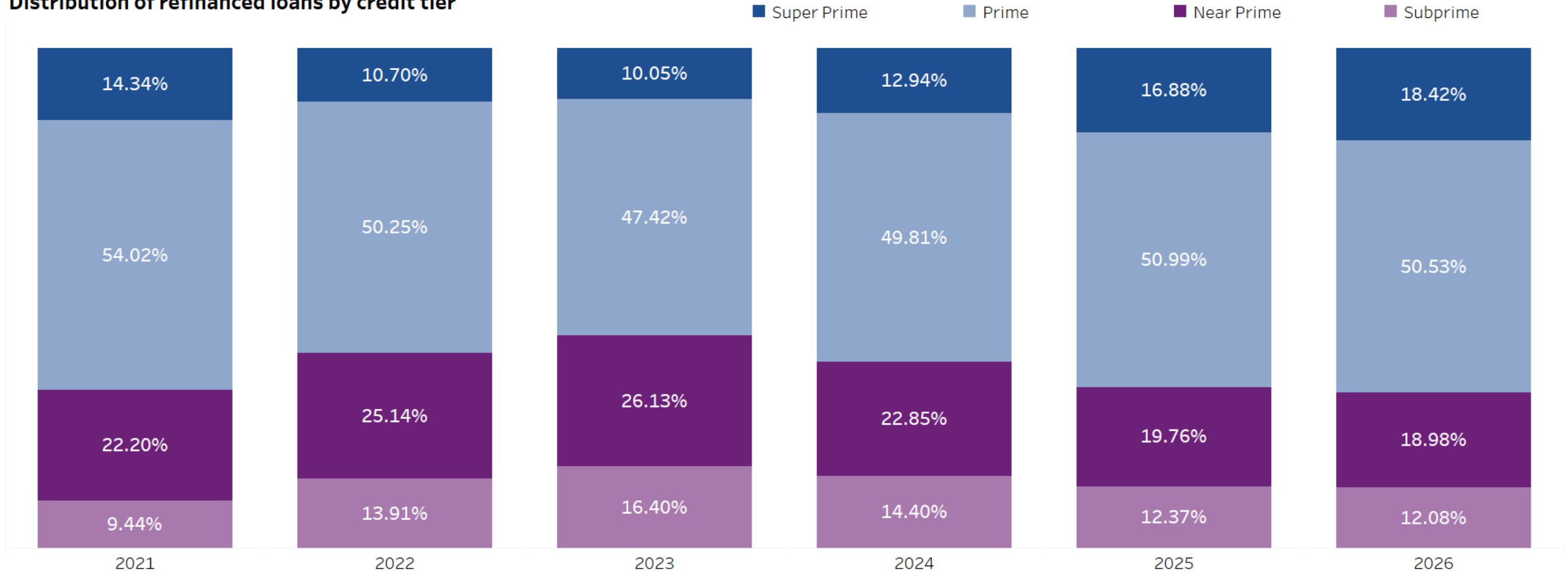
Since 2024, the average months to refinance is 27.64; average months has increased quarter-over-quarter

Average months to refinance



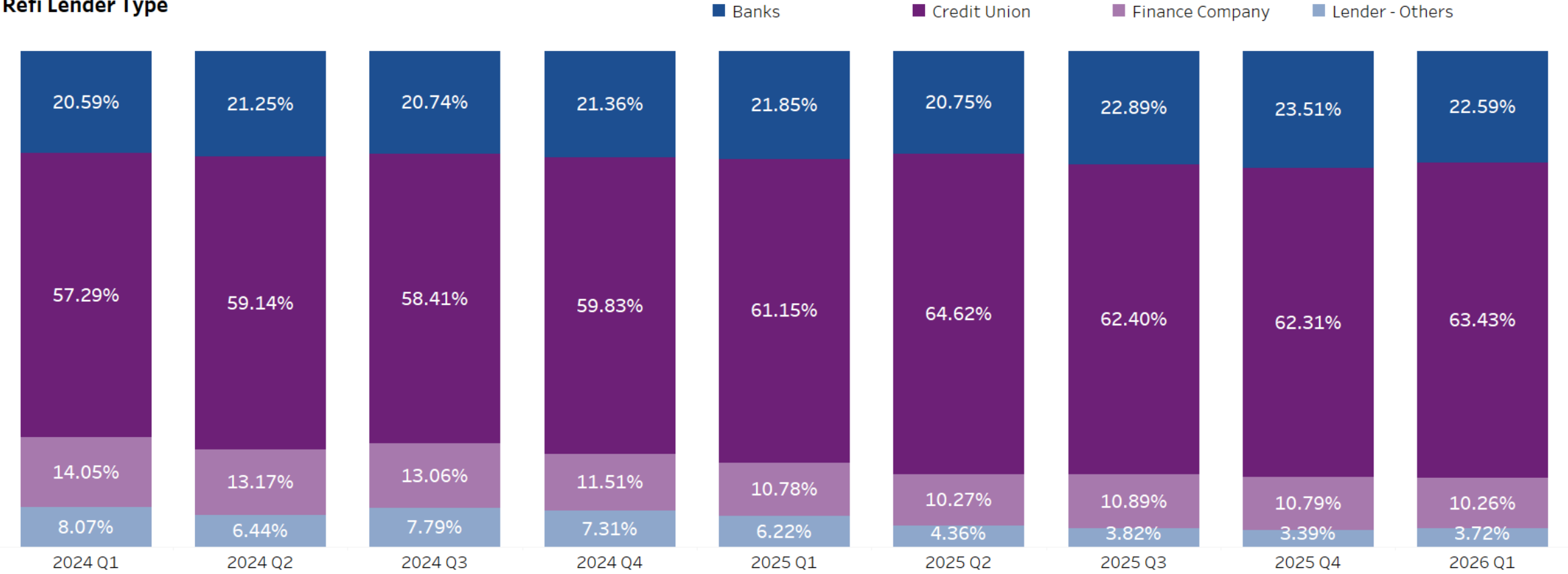
While refi occurs across the credit spectrum the majority occurs in Prime

Distribution of refinanced loans by credit tier



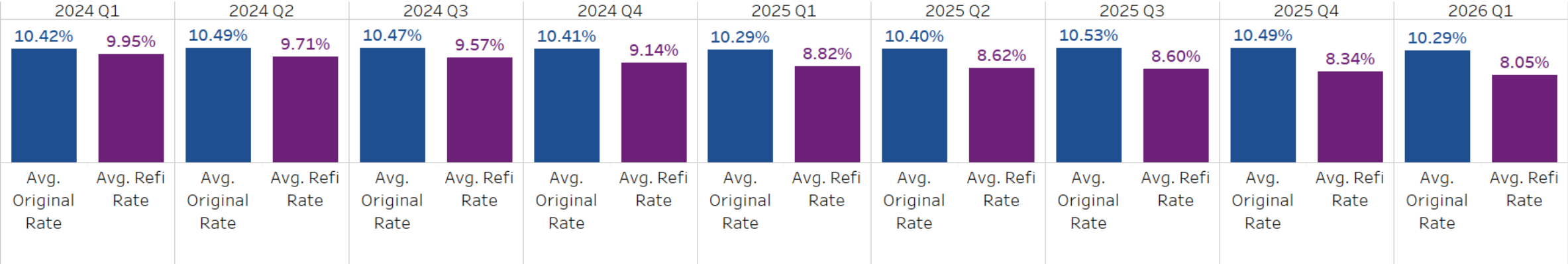
Credit Unions increase their share of refinance

Refi Lender Type

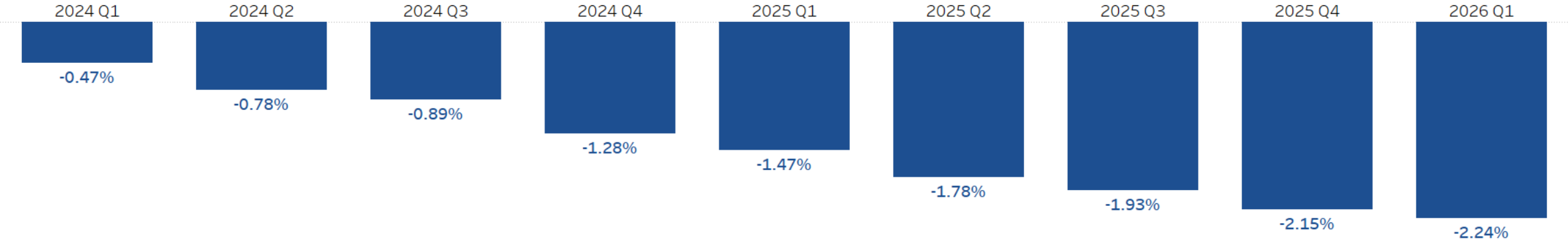


In Q1 2026, consumers saved over 2.2% on their refinanced loan rate

Average rate of original and refinanced loan

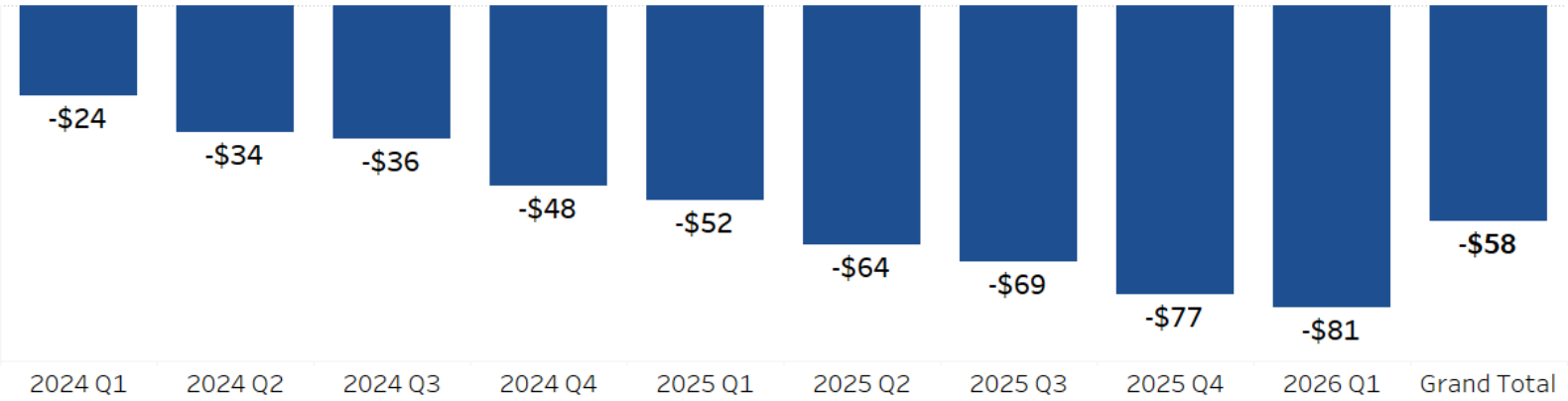


Rate Difference

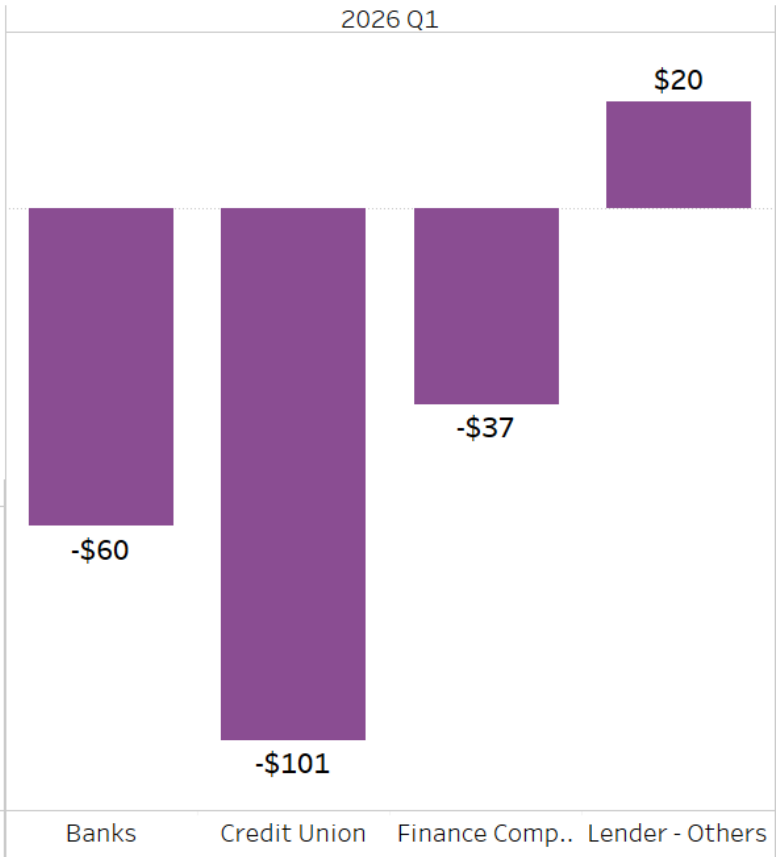


Since 2024, the average monthly savings is \$58 and Q1 2026 saved \$81; Credit Unions offer the largest payment difference of over \$100

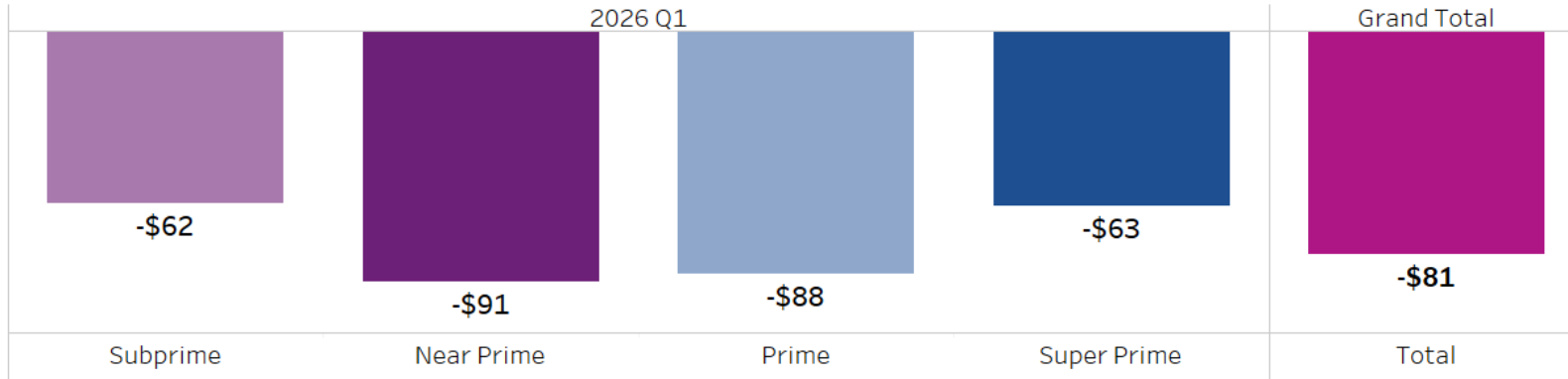
Average monthly savings



Average payment difference by refi lender type

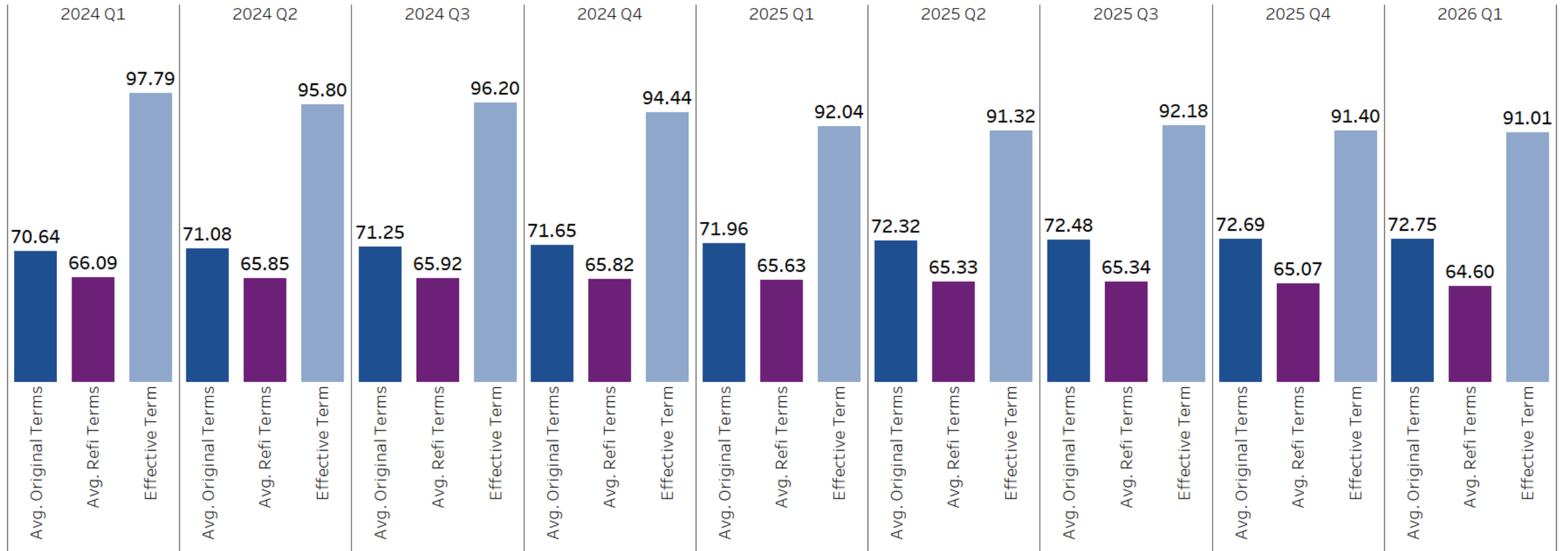


Average payment difference by risk segment



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

Average terms (original, refi & effective)



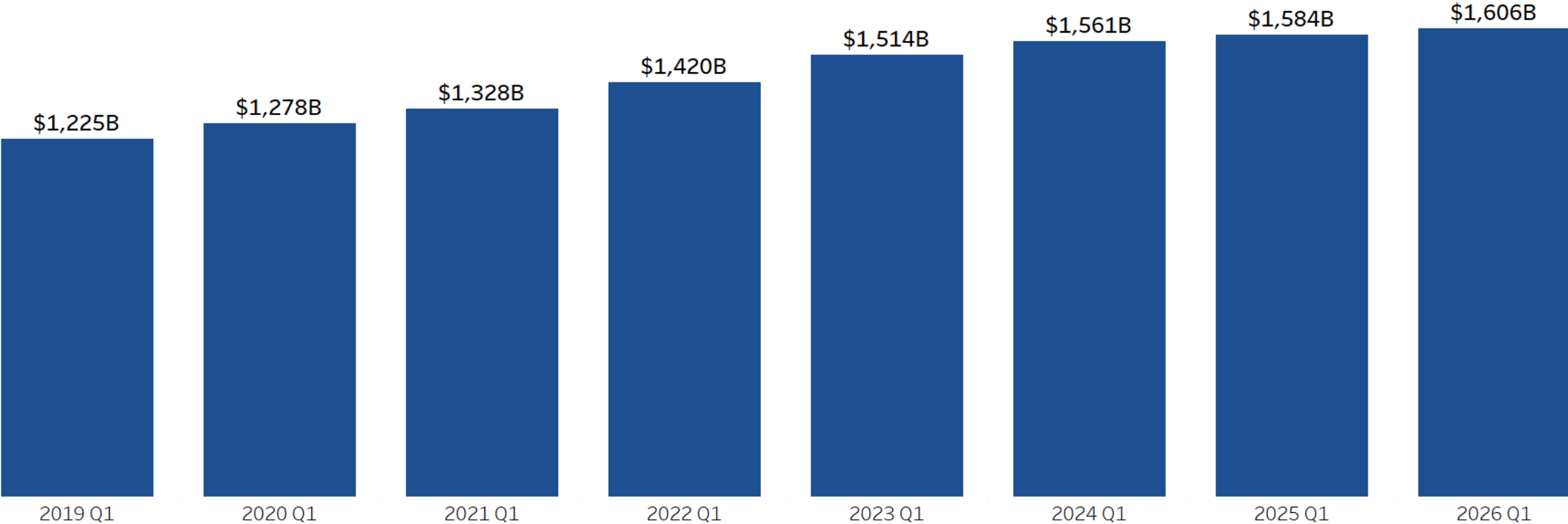


Q1 2026 Portfolio

Outstandings and delinquency

Outstanding balances grow 1% year-over-year

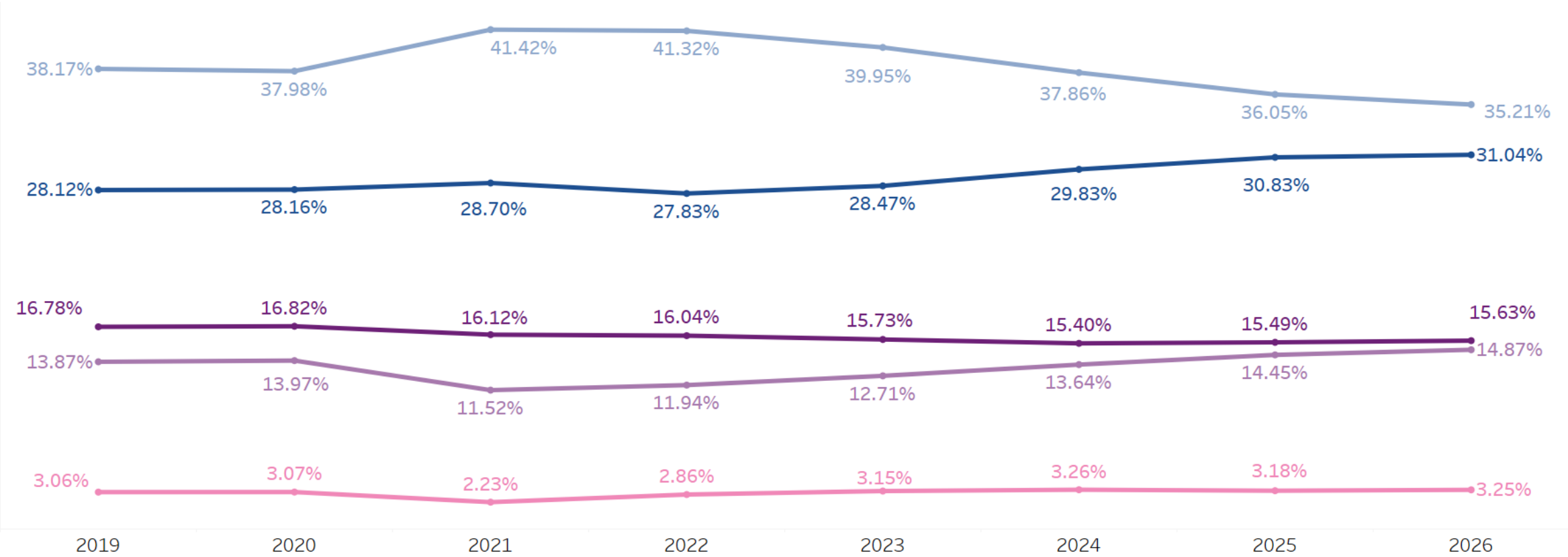
Outstanding Automotive Balances



Balance growth occurring in all segments but Prime

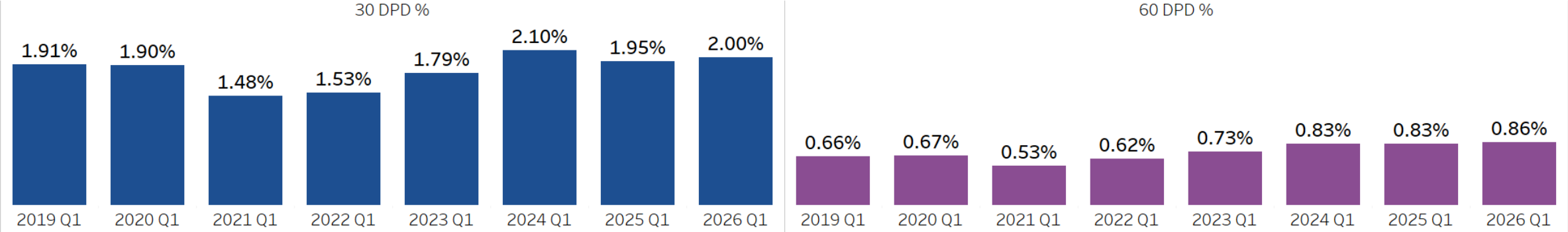
Risk Distribution of Outstanding Auto Loan Balance

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

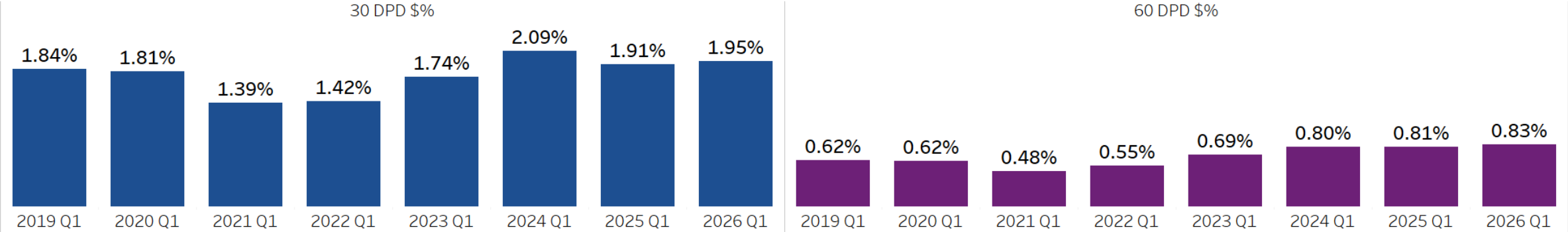


Delinquencies increase YOY and remain high

Delinquency: percentage of auto loans and leases past due

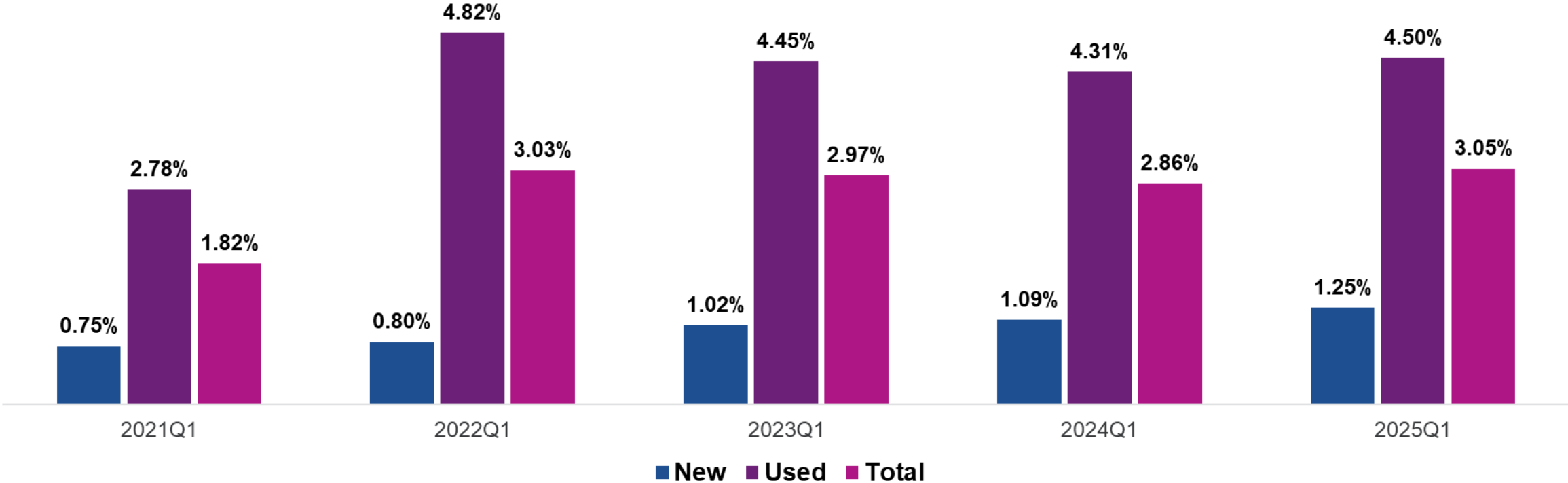


Delinquency: percentage of auto balances past due



Delinquency on new and used vehicles has increased on 2025 vintages compared to prior years; used peaked with 2022 originations

60dpd rate at 12-months on book

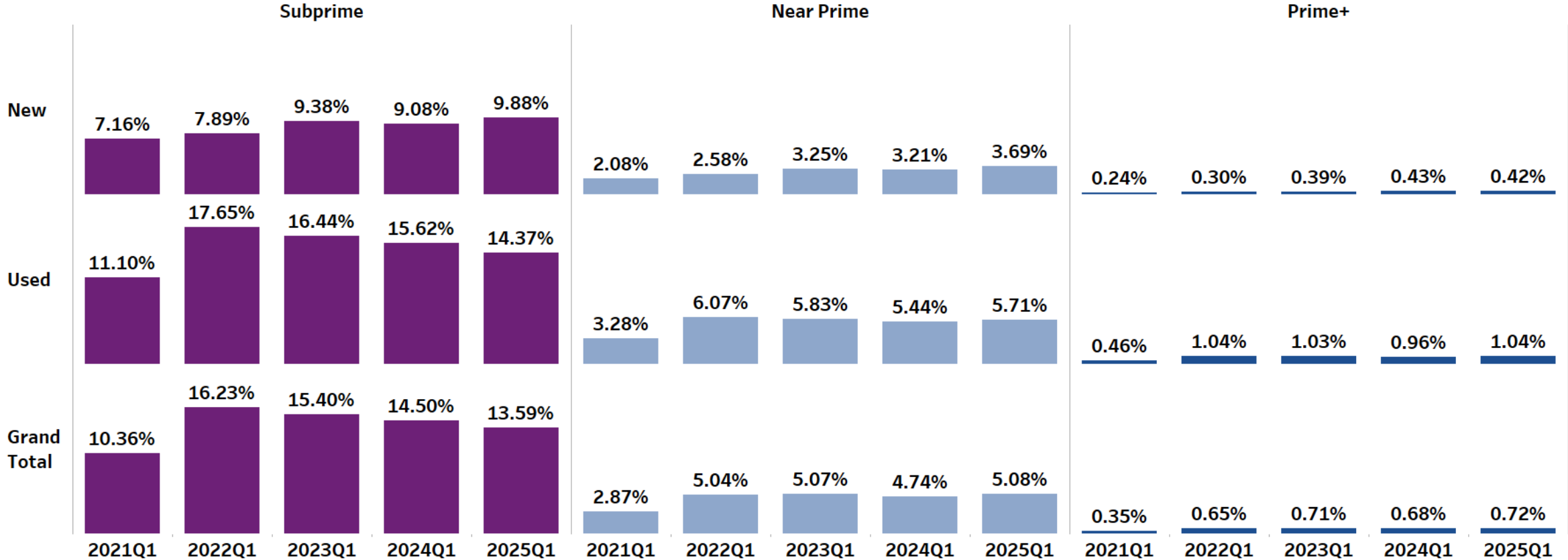


60 days past due at 12-months on book by quarterly originations (Velocity Performance)



Used Subprime performance is improving; delinquency is up for the Near Prime and Prime+ segments

60dpd at 12-months on book by origination risk segment



60 days past due at 12-months on book by quarterly originations (Velocity Performance)



Delinquency by vehicle and fuel-type

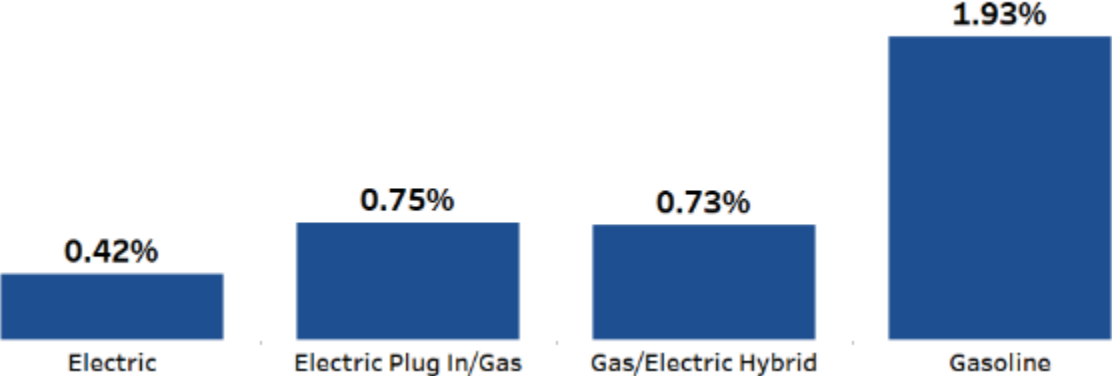
Current 60 day delinquency rate by new/used



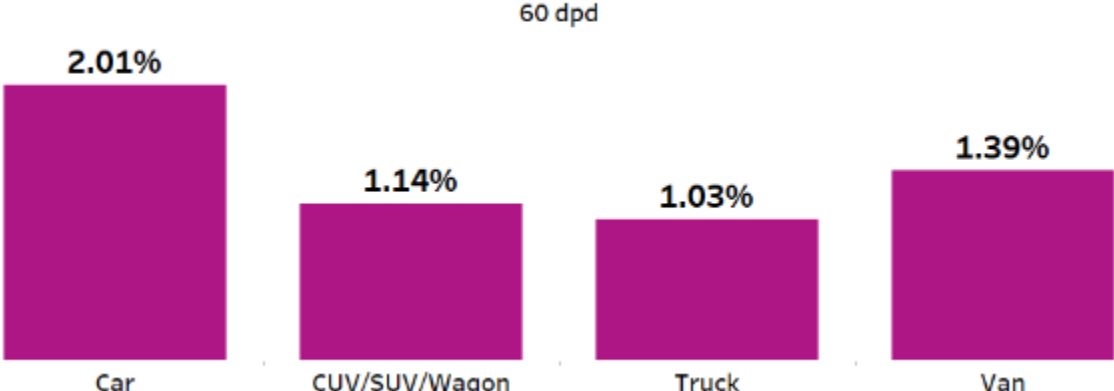
Current 60 day delinquency rate by dealer type on used loans



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



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



Q1 Summary

- Leasing rates decrease; cash remains high but is down YOY
- Scores decrease; growth occurring outside of prime
- Banks and Finance Companies pick up market share
- EV share returns to pre-tax credit share
- Loan amounts and payments are on the rise for both new and used vehicles
- Rates are down and terms increase
- New LTVs are rising while used have declined
- Refinance increases with an average savings of \$81/month
- Overall balance growth slows, and delinquencies continue to rise



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



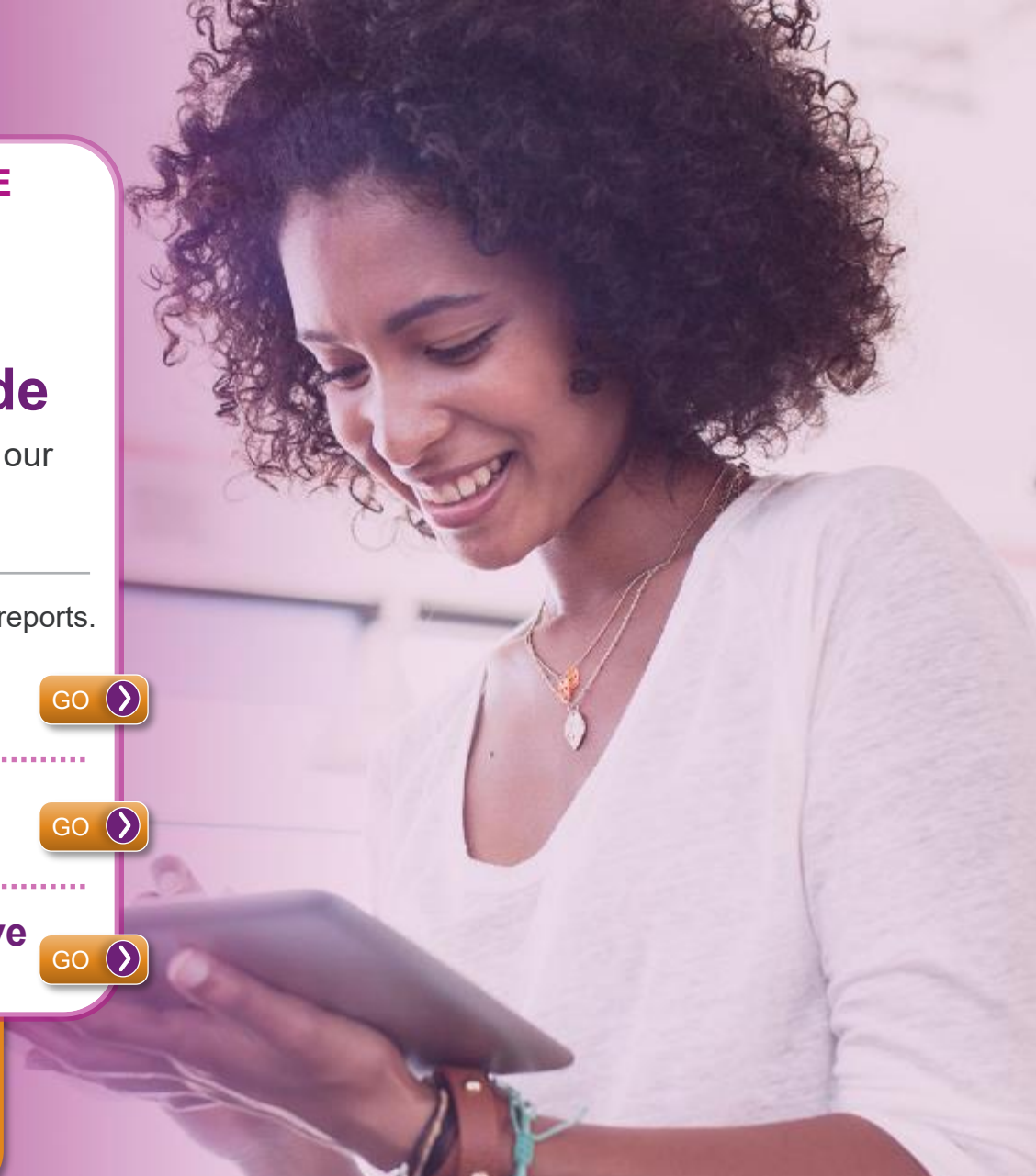
Automotive **Market** Trends Report



State of the Automotive **Finance** Market Report



FREE



 **Connect & Follow Us**



CONNECT WITH US ON

LinkedIn:

**Experian
Automotive**





Thank You!

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