



EXPERIAN AUTOMOTIVE

Q2 2025

State of the Automotive Finance Market

Melinda Zabritski
Head of Automotive
Financial Insights

Q2 Report overview

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

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, 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

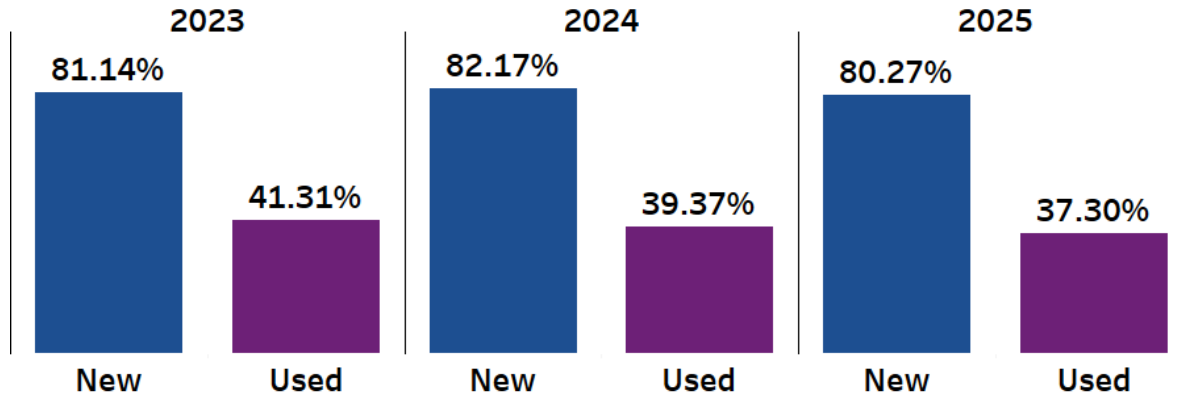


Q2 2025 Originations

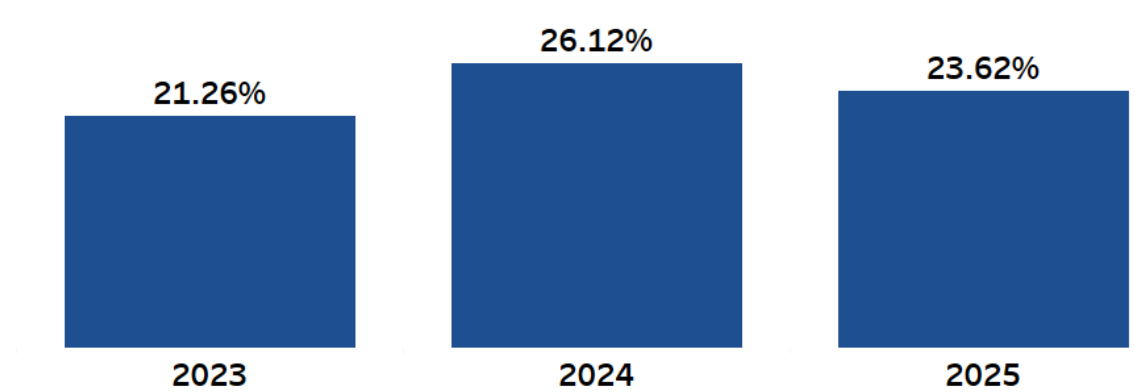
Trends in automotive loan and
lease originations

Automotive financing: snapshot of how and what consumers are purchasing

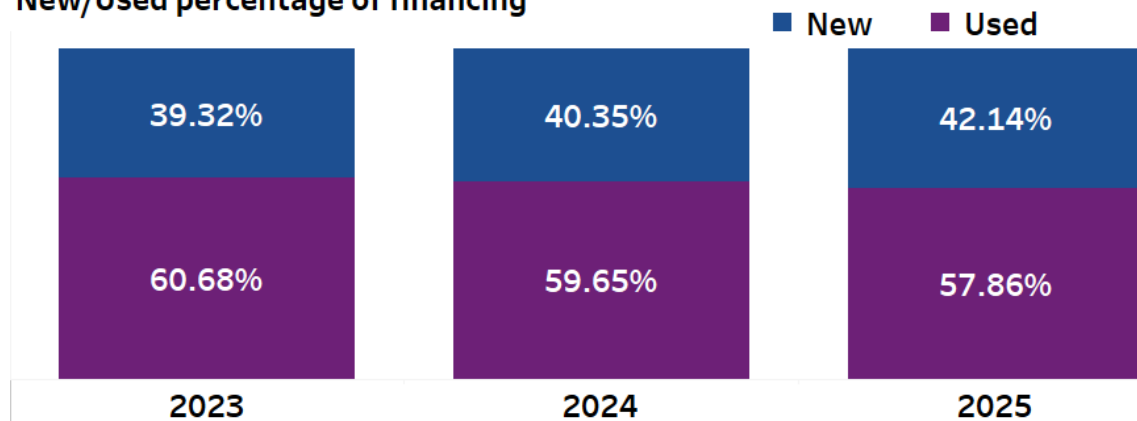
Percentage of vehicles with financing



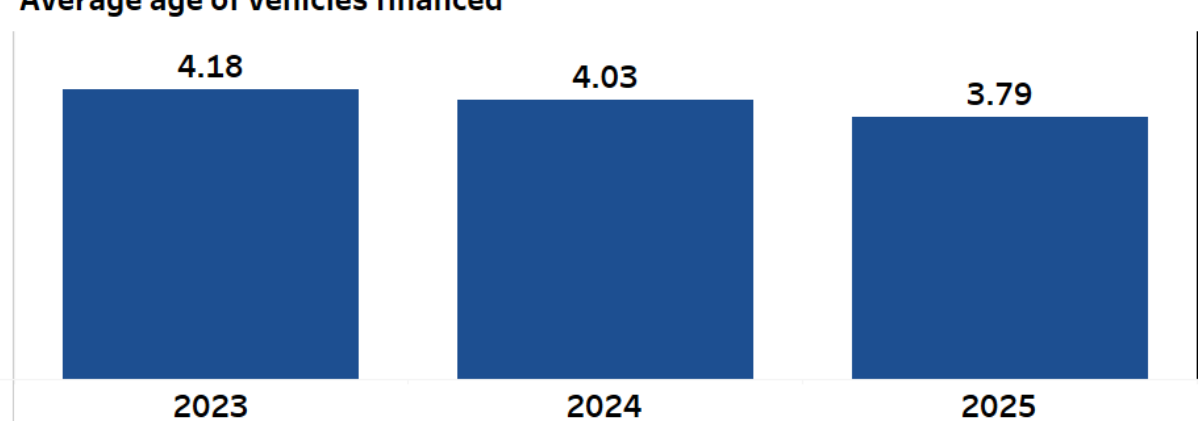
% of all new vehicles that are leased



New/Used percentage of financing

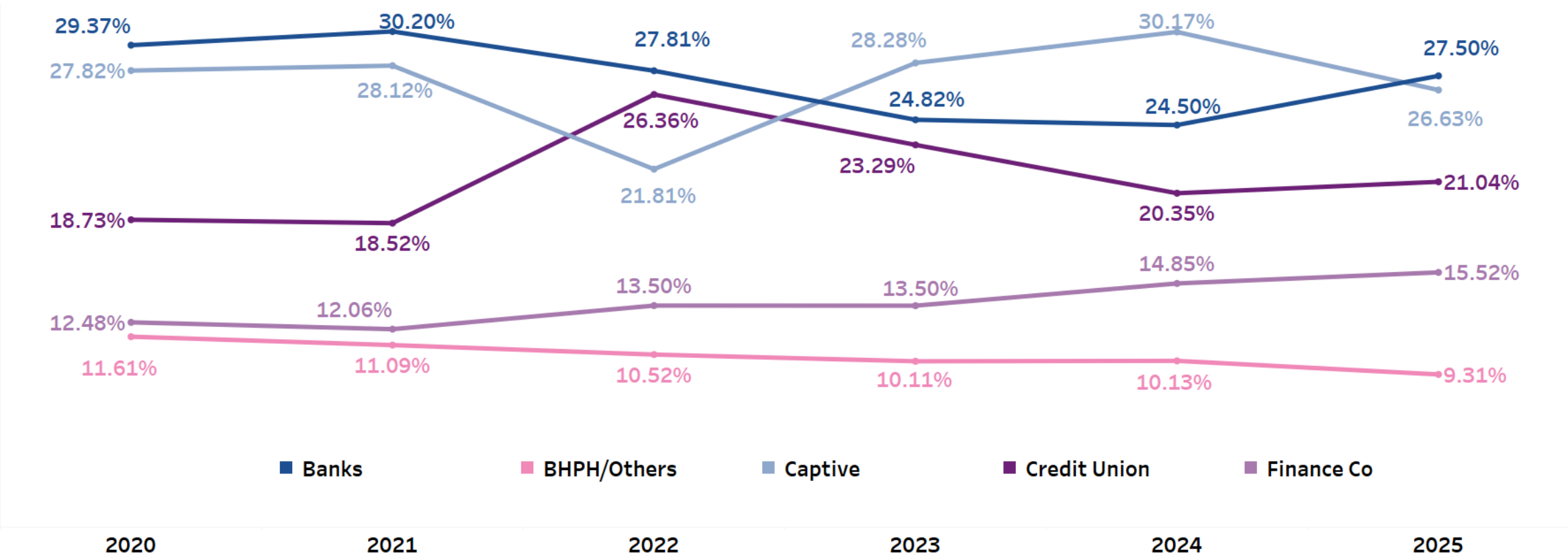


Average age of vehicles financed



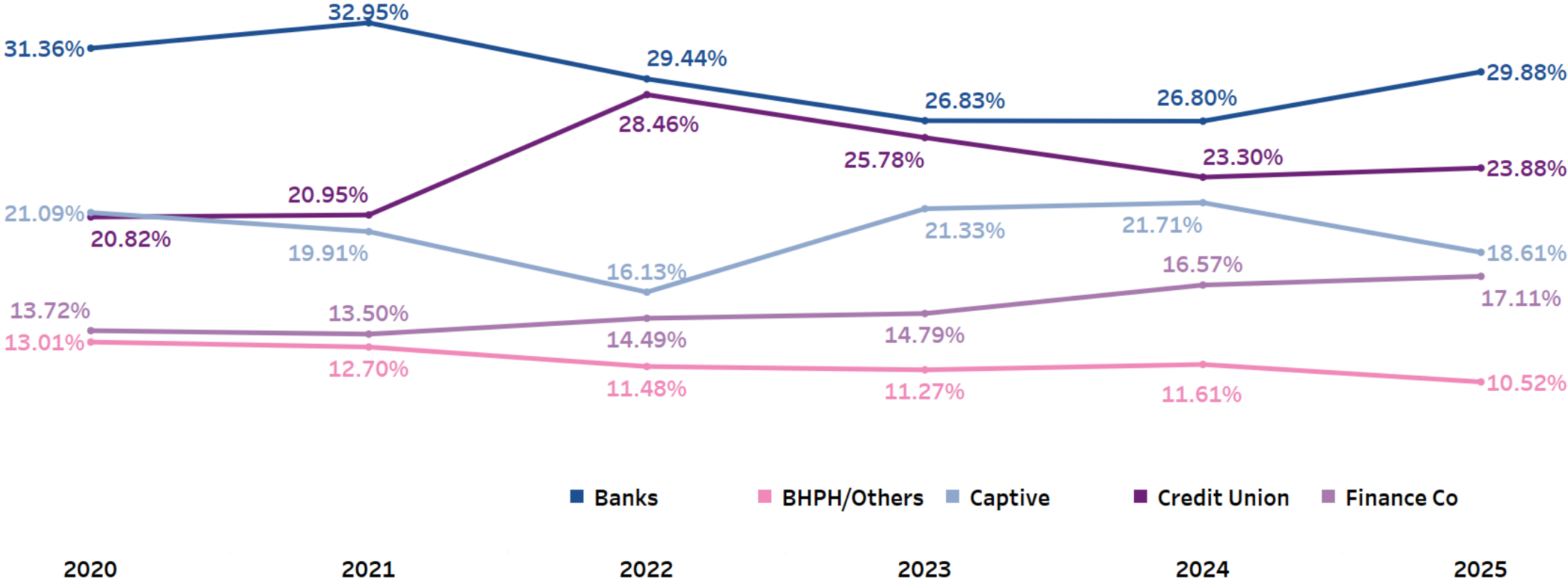
Banks return as the largest lender type

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



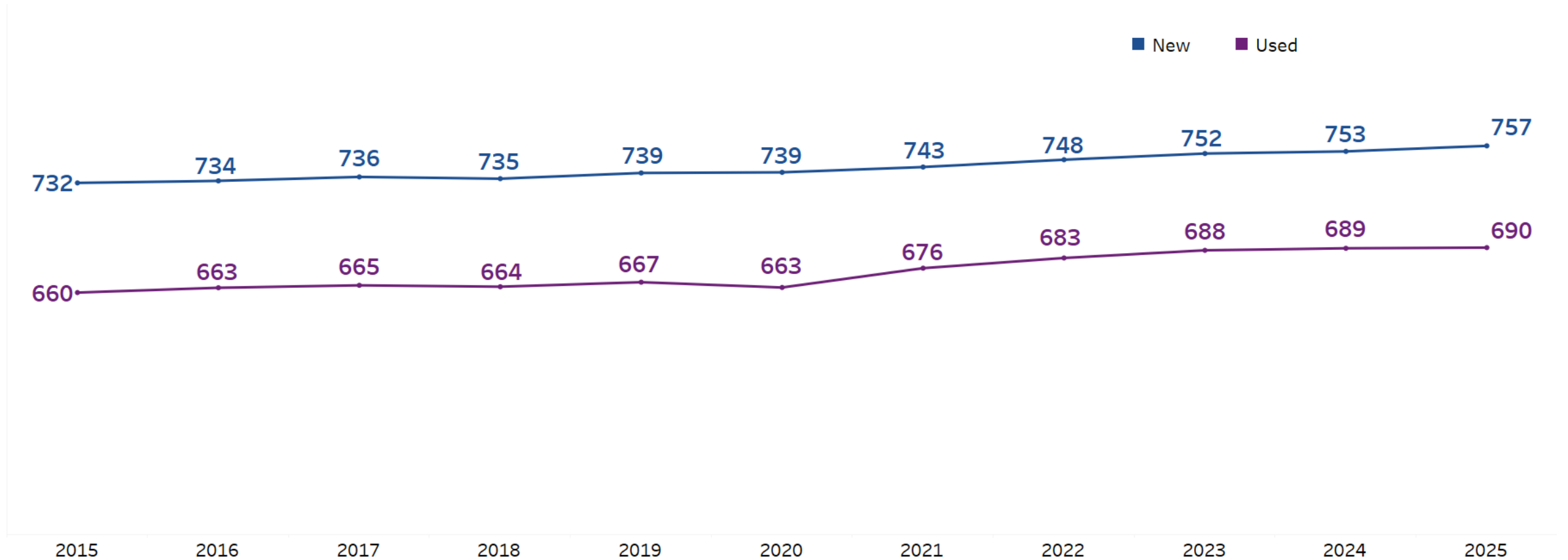
Banks remain largest loan providers; Credit Union and Finance Companies see share increases

Total loan market share



Average new score increases 4 points YOY while used is up one

Average score by vehicle type

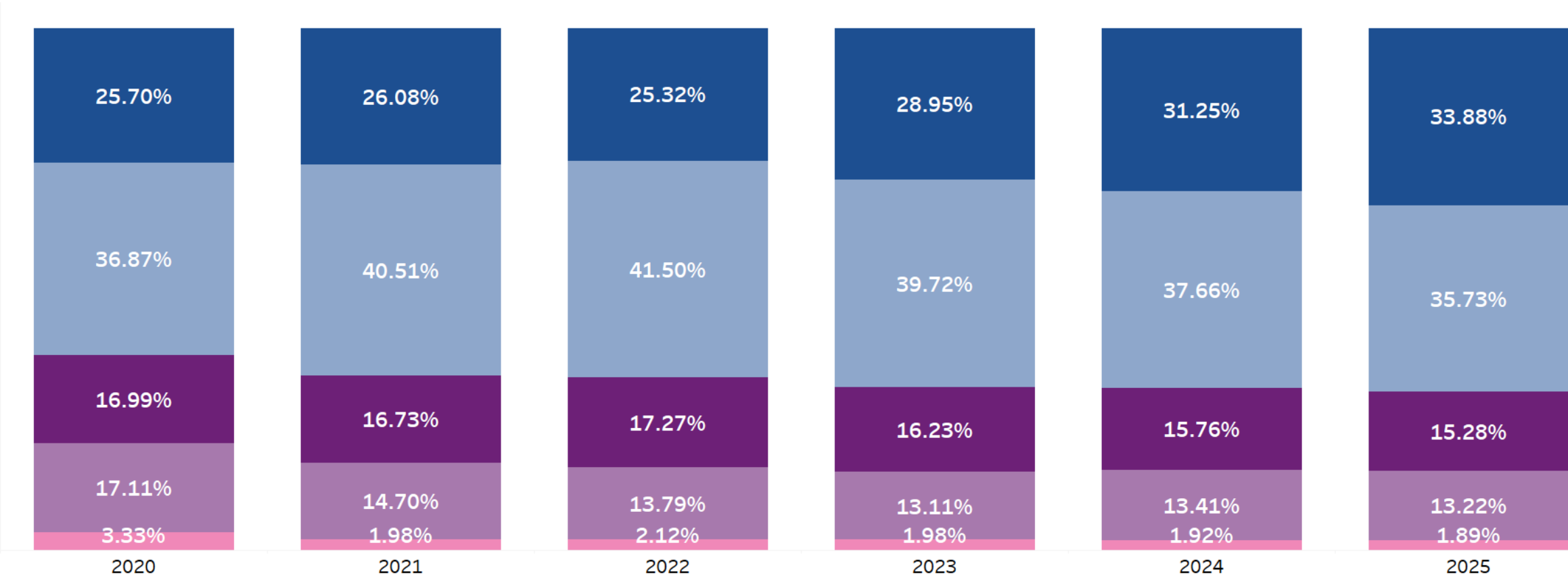


VantageScore® 4.0

Super Prime is the only risk tier to see growth YOY

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

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



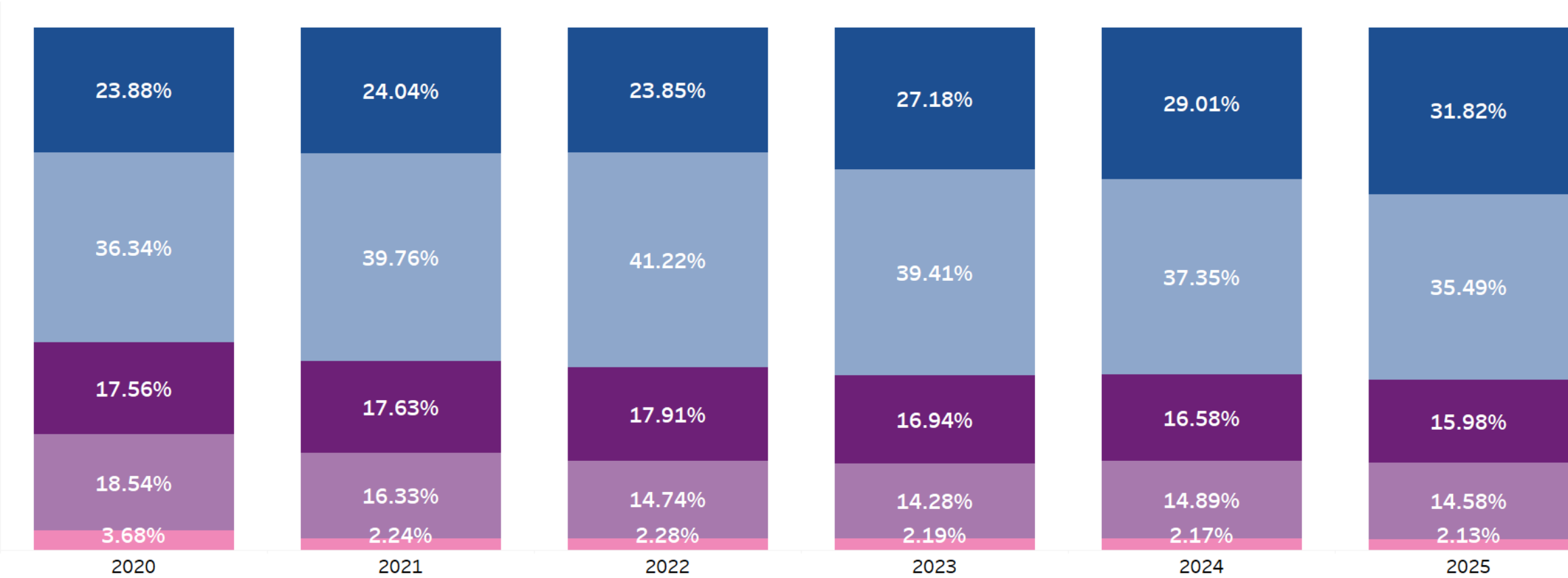
VantageScore® 4.0



Super Prime loans grow YOY

Total loan risk distribution

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



VantageScore® 4.0



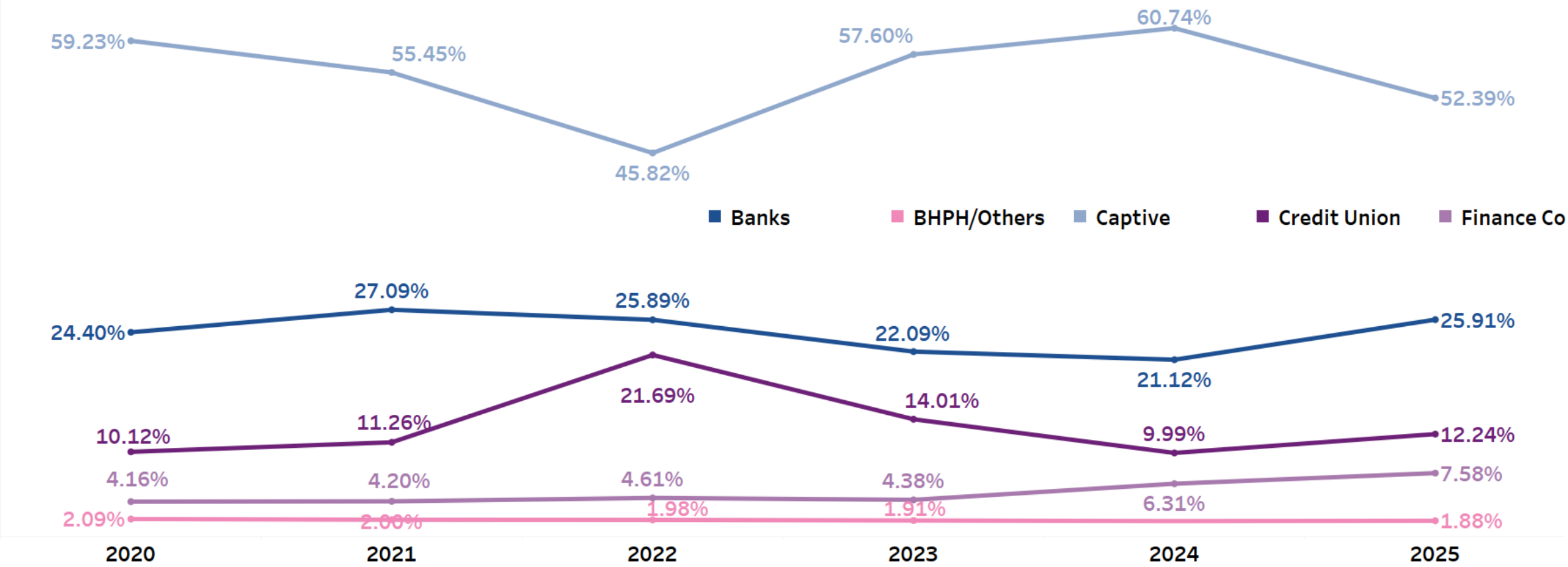
A man and a woman are smiling and looking at a silver car in a dealership. The car is partially covered with a red ribbon. The background shows a modern dealership interior with large windows. The image is overlaid with a purple semi-transparent layer containing text and faint background graphics of bar and line charts.

Q2 2025 New financing

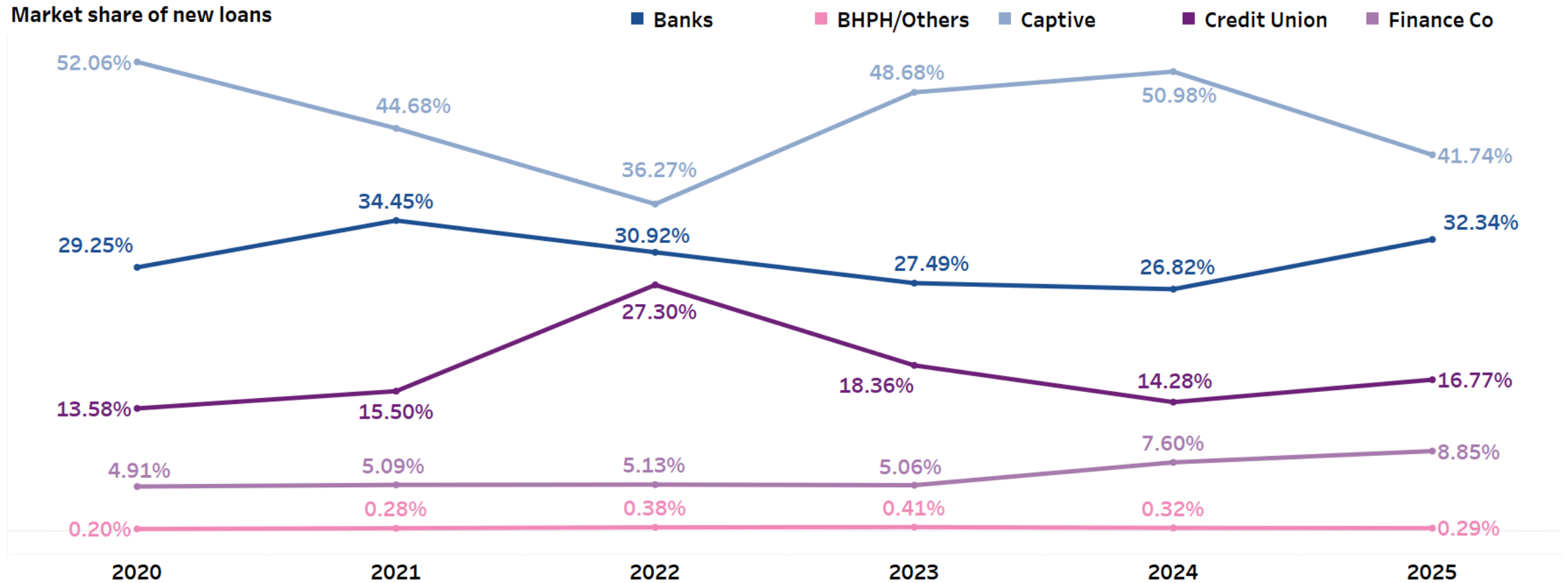
A look at new lease & loan trends

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

Market share of new financing (loan/lease)

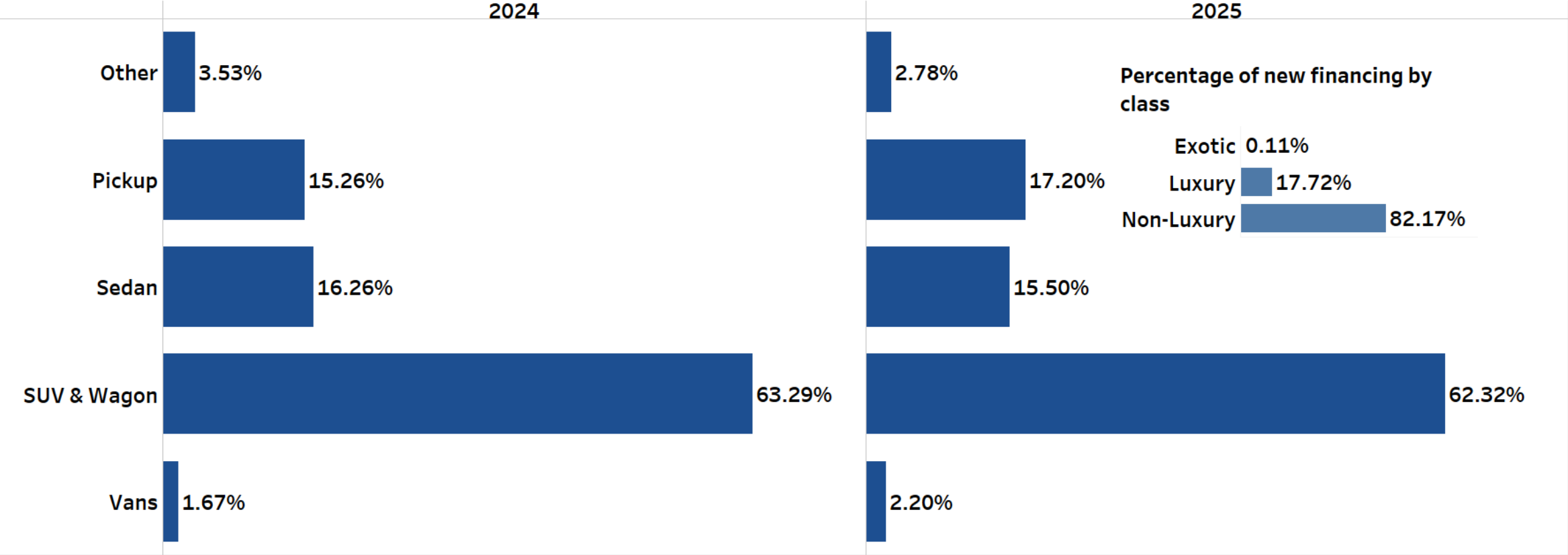


Banks, Credit Unions and Finance Companies pull new loan share away from Captives



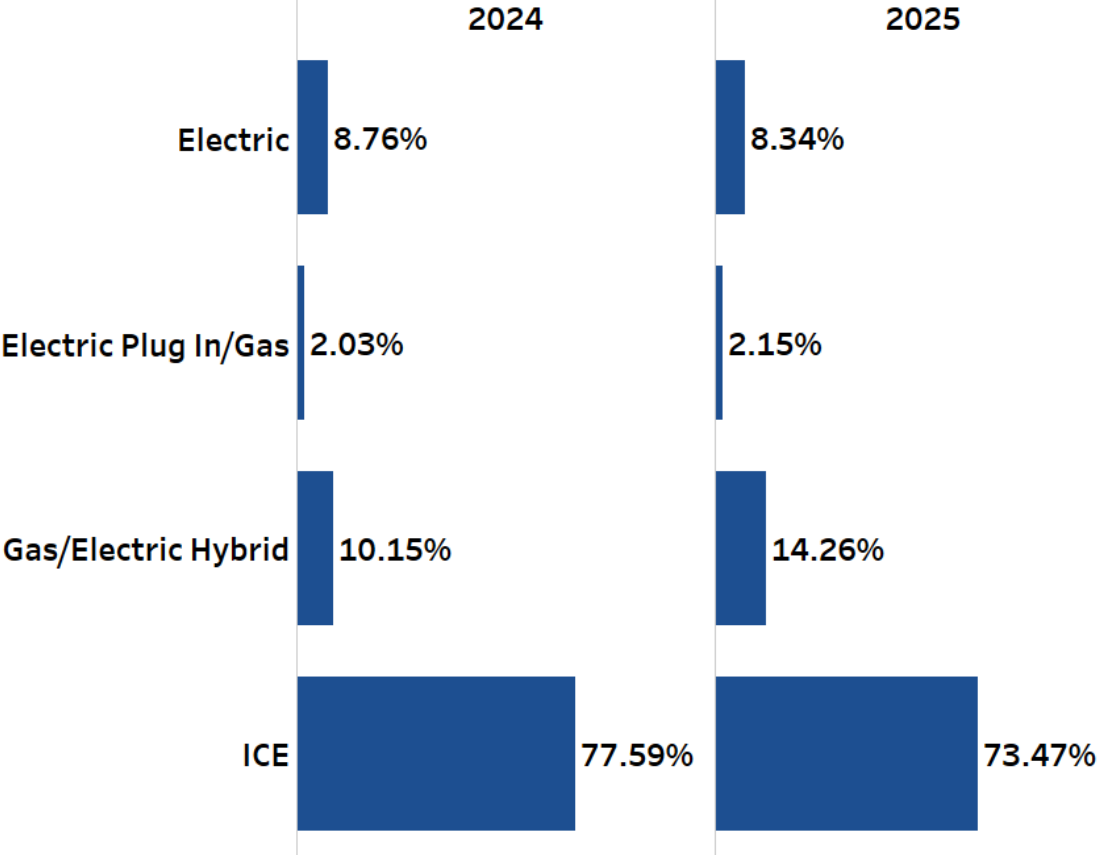
Pickups gain share from sedans and SUVs

Percentage of new financing by segment

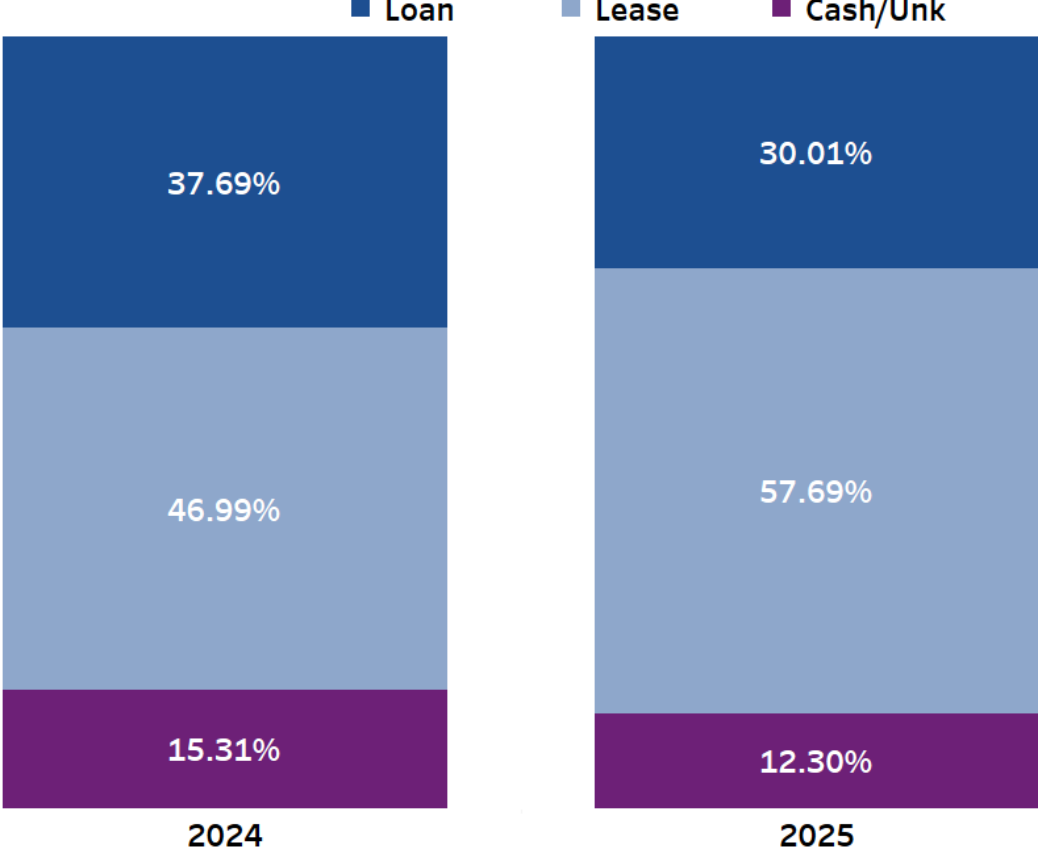


EV share of new purchases drops below 9% (9.83% in Q1) and EV lease rates are just under 58% (EVs are just over 20% of all new leasing)

Percentage of new purchase by fuel type

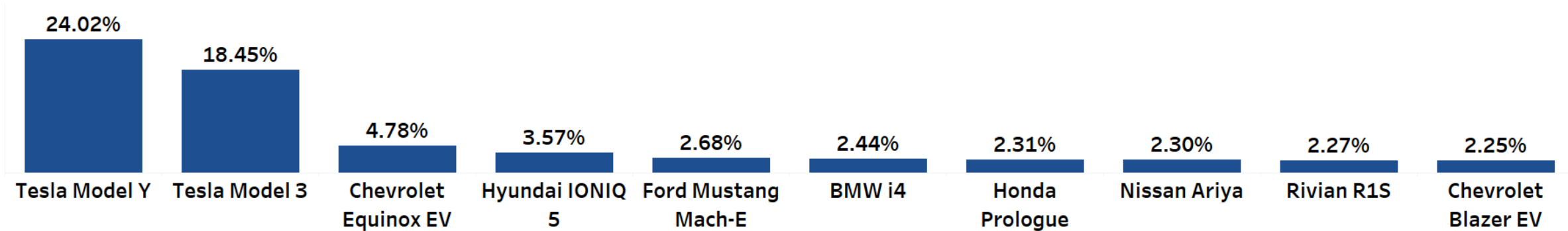


How are consumers purchasing new EV

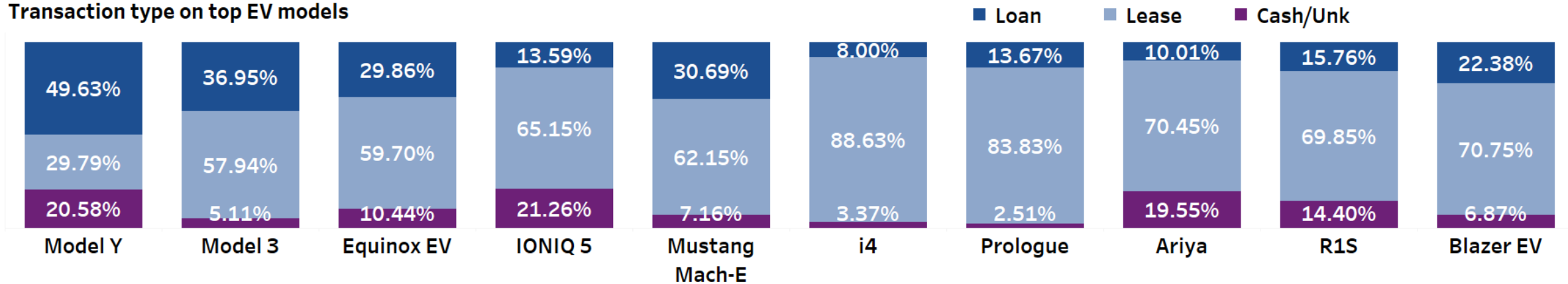


Top 10 New EV Models: transaction types vary considerably among the top new EVs

Top 10 EV models

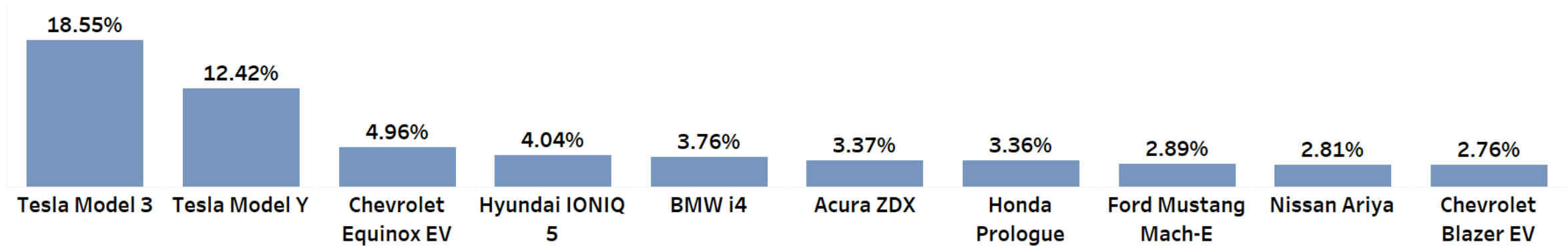


Transaction type on top EV models

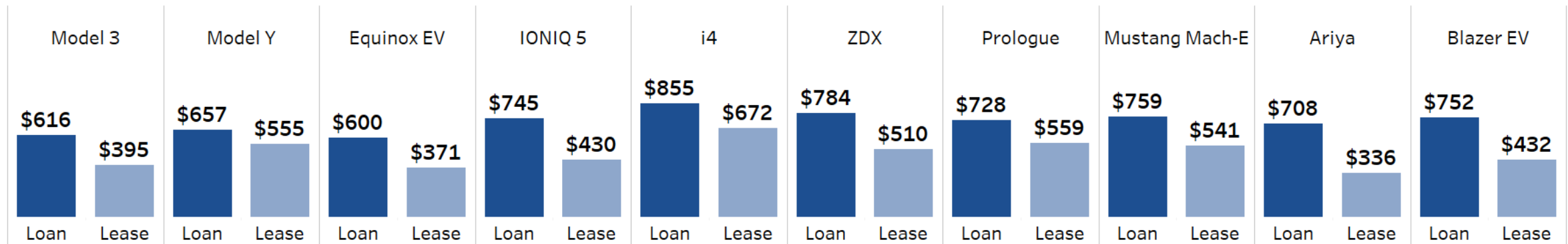


Average payment difference between a lease and a loan across all EV models is \$175

Top 10 leased EV models

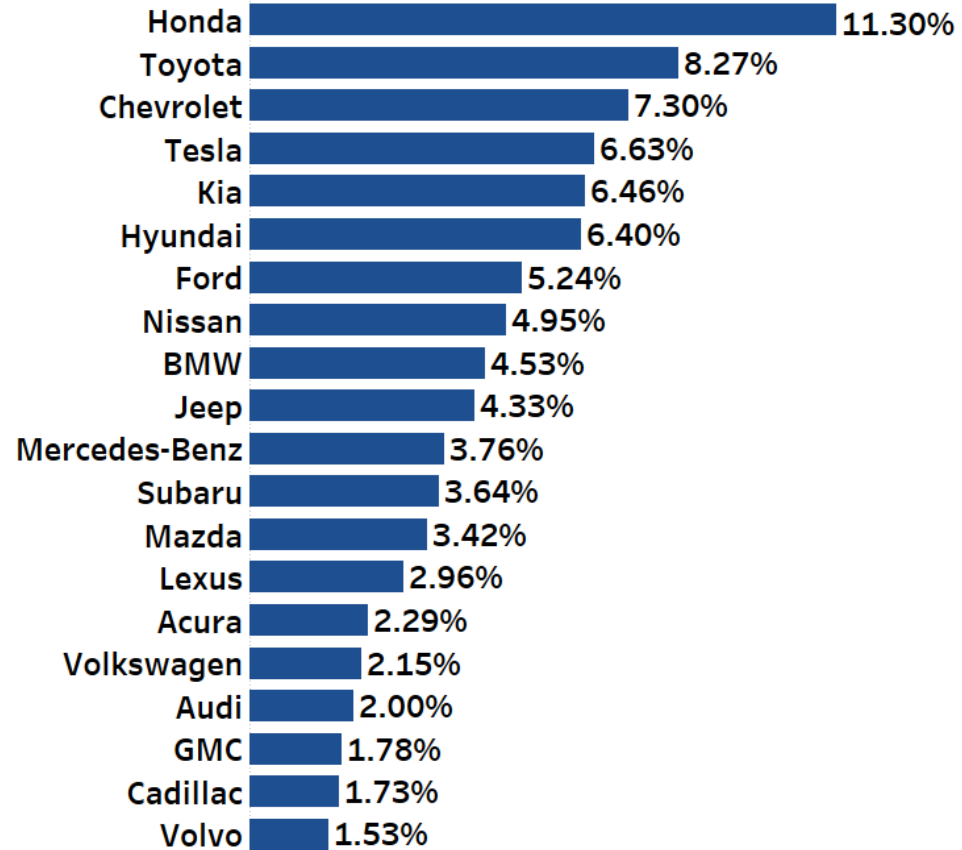


Average monthly payment on top leased EV models

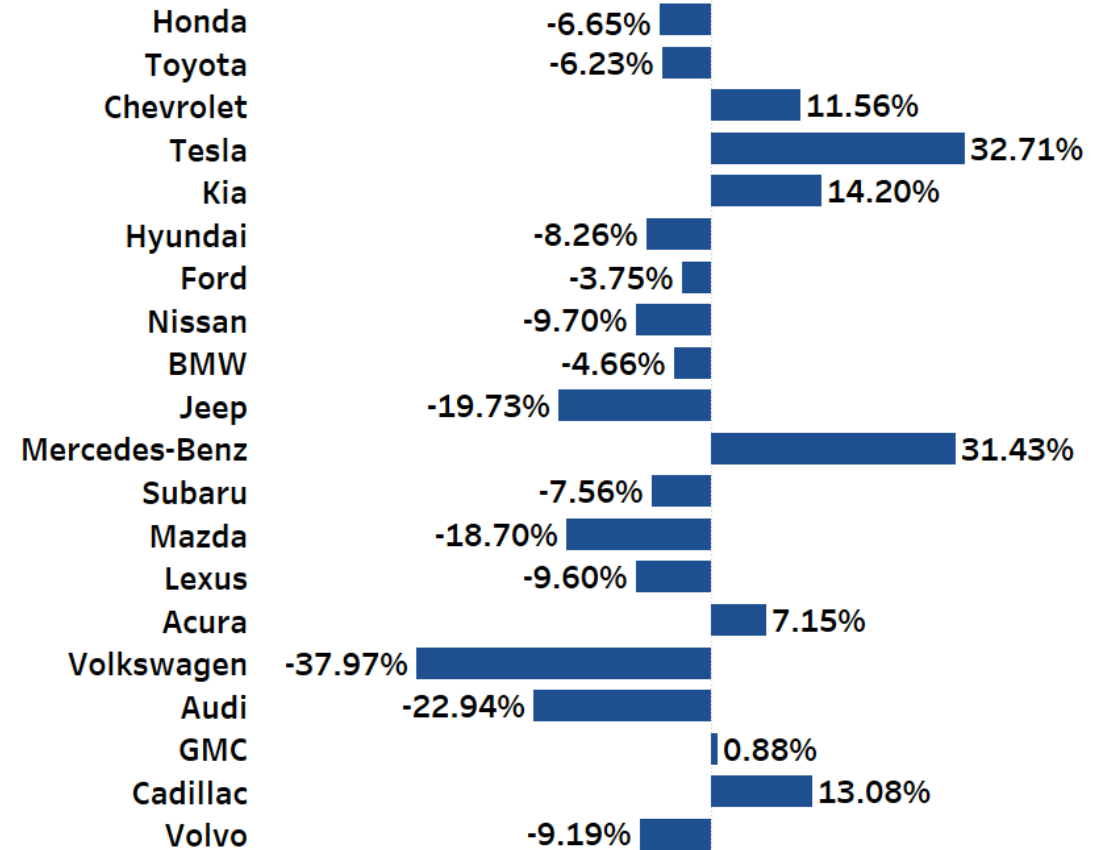


Honda remains as number one leased make; most see YOY decreases in leasing

Top 20 leased new makes

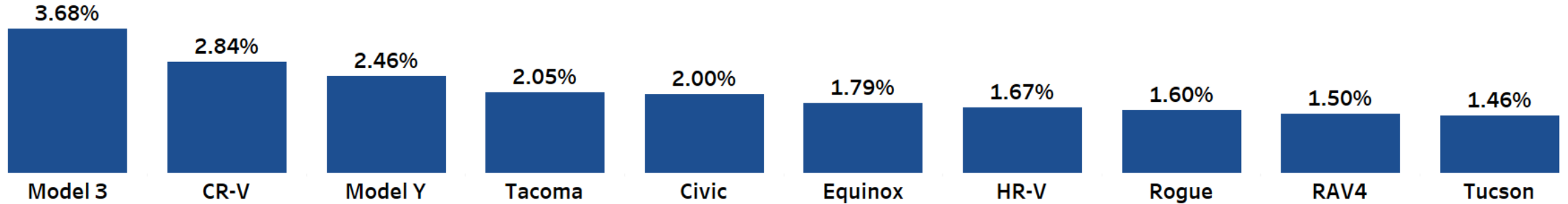


YOY Growth on Top 20 leased makes

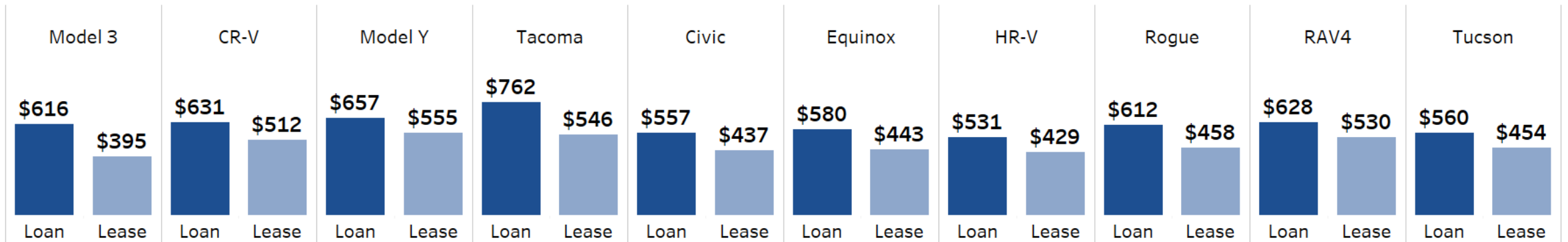


Two of the top leased models are EV; average payment difference of \$137

Top 10 leased models

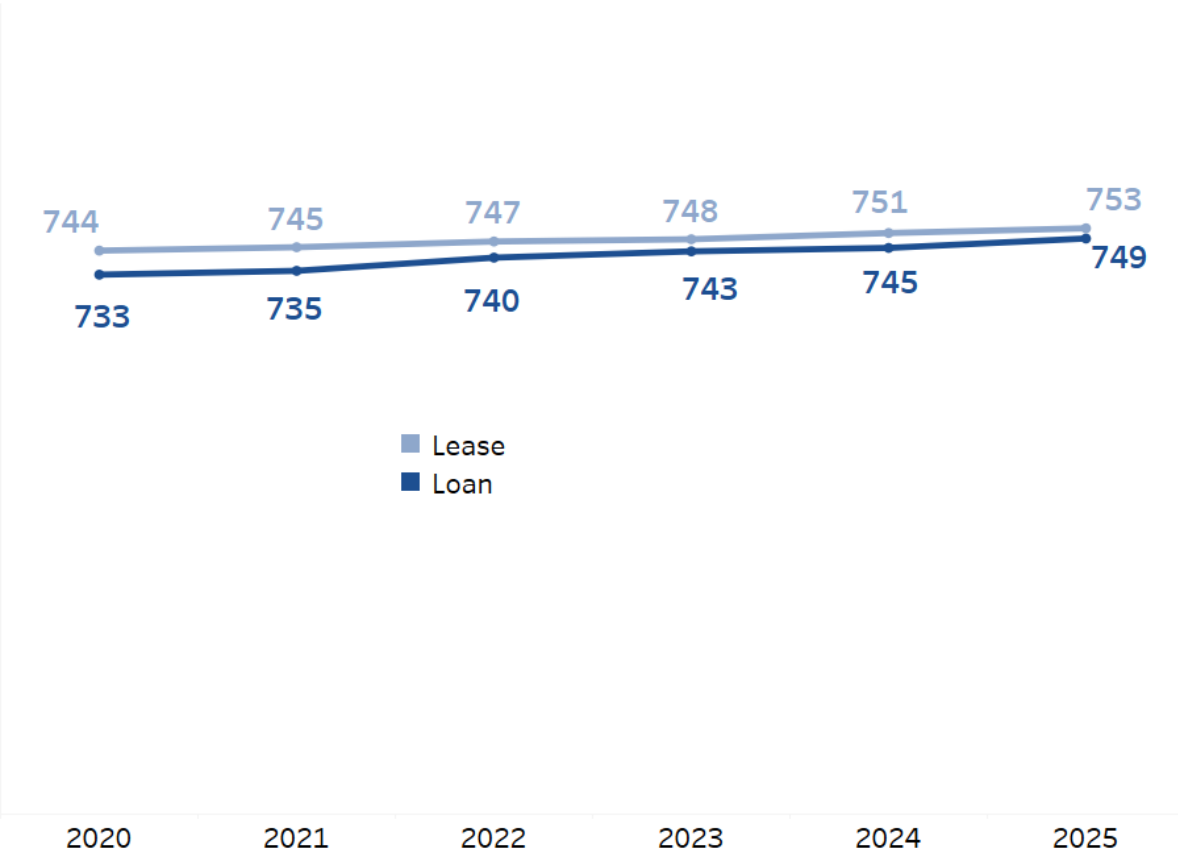


Average monthly payment on top leased models

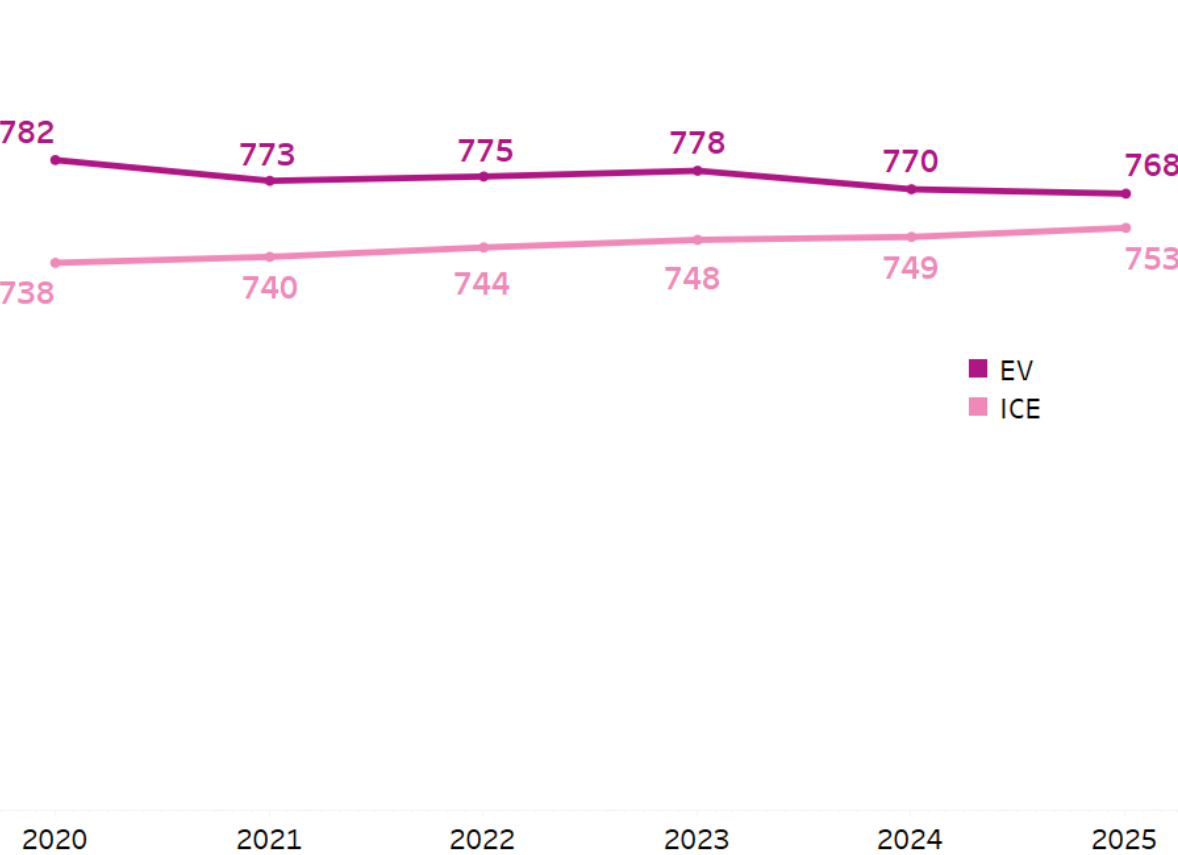


New loan scores increase 4 points; EV scores decrease 2 points while ICE is up 4 points

Average new score by transaction type



Average new score by fuel type

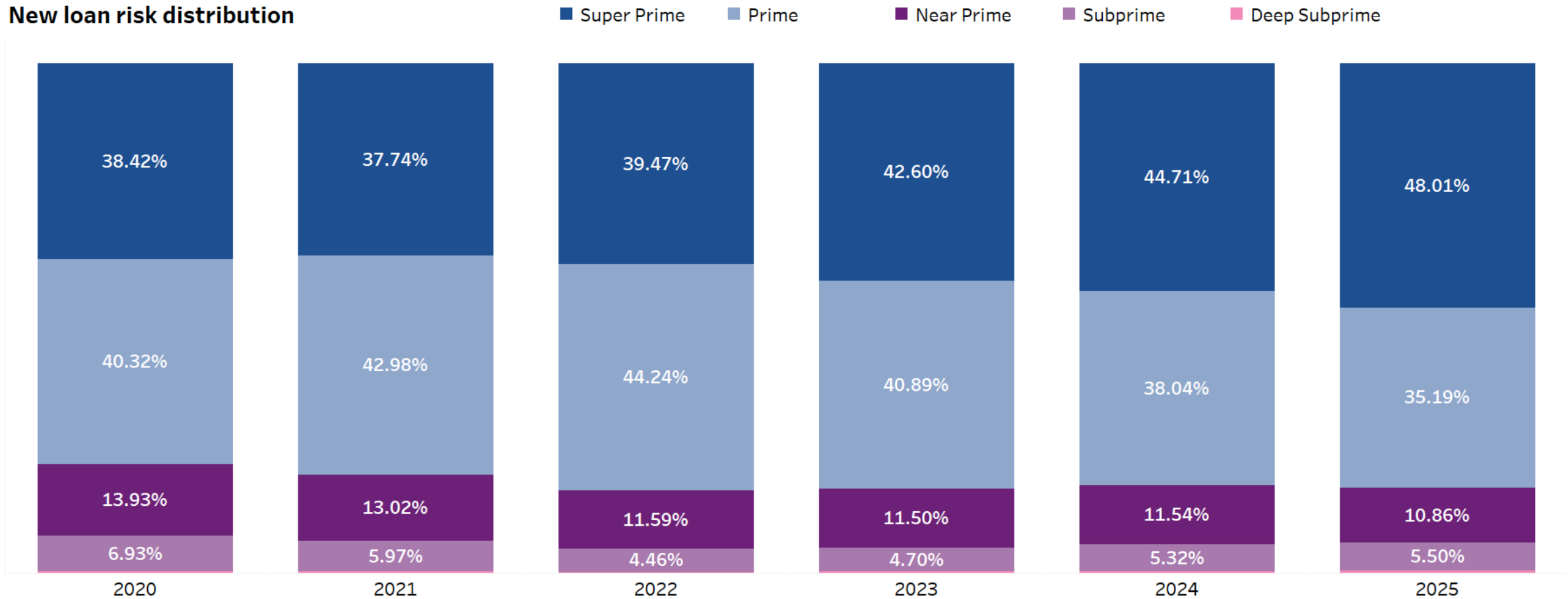


VantageScore® 4.0



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

New loan risk distribution

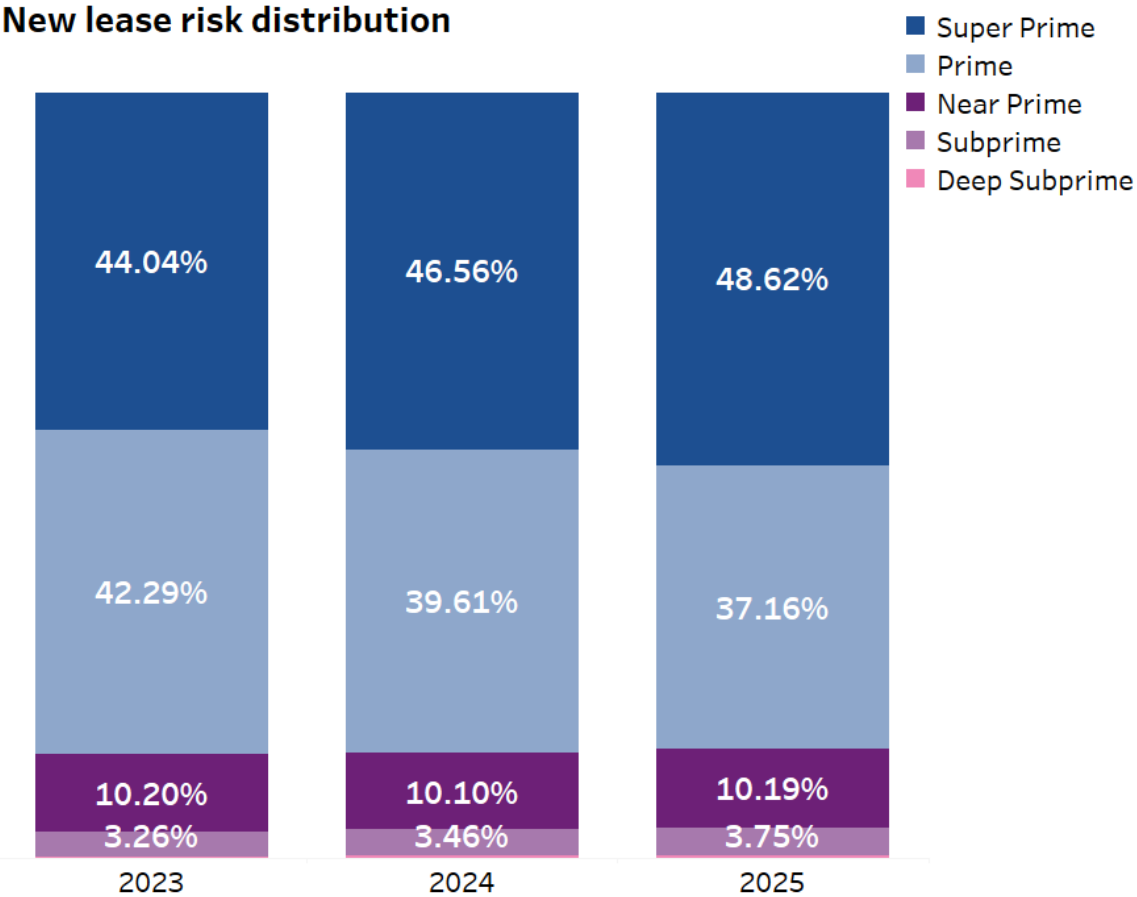


VantageScore® 4.0

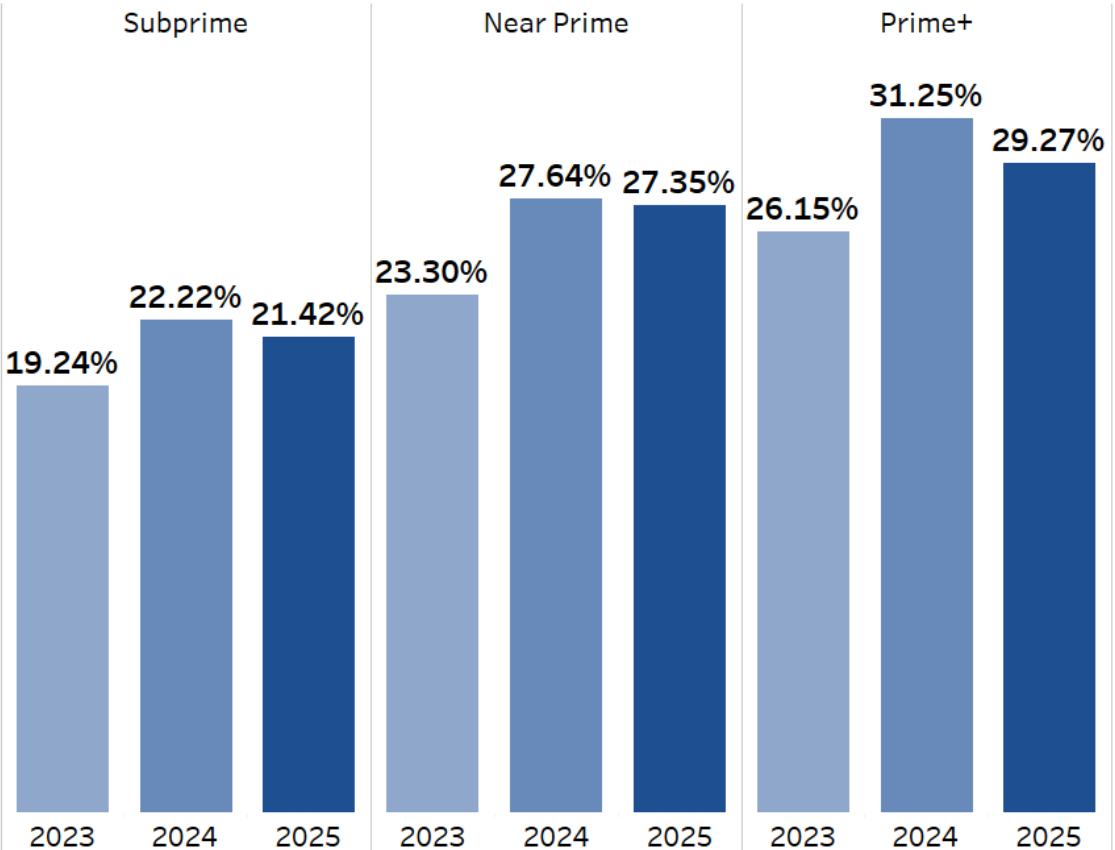
Deep Subprime 0.44%

Nearly 86% of new leasing is Prime+; some growth occurring in Near Prime and Subprime

New lease risk distribution



% of borrowers choosing to lease



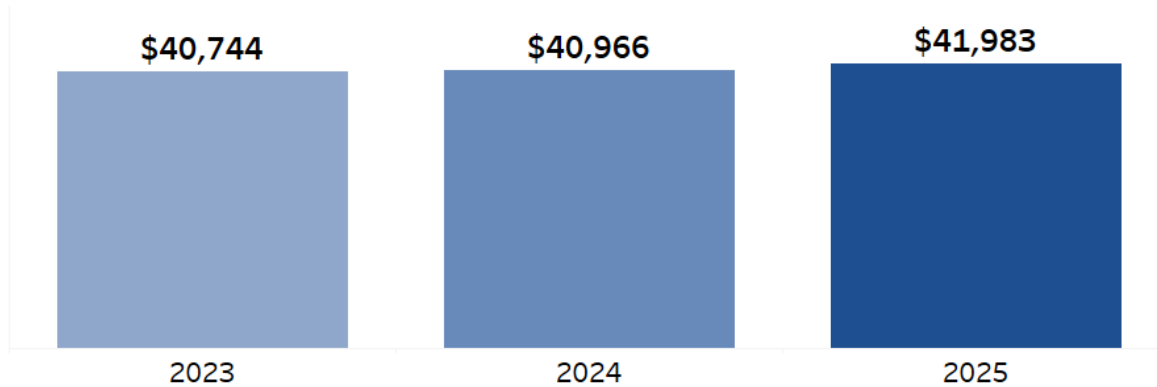
Deep Subprime 0.27%

VantageScore® 4.0

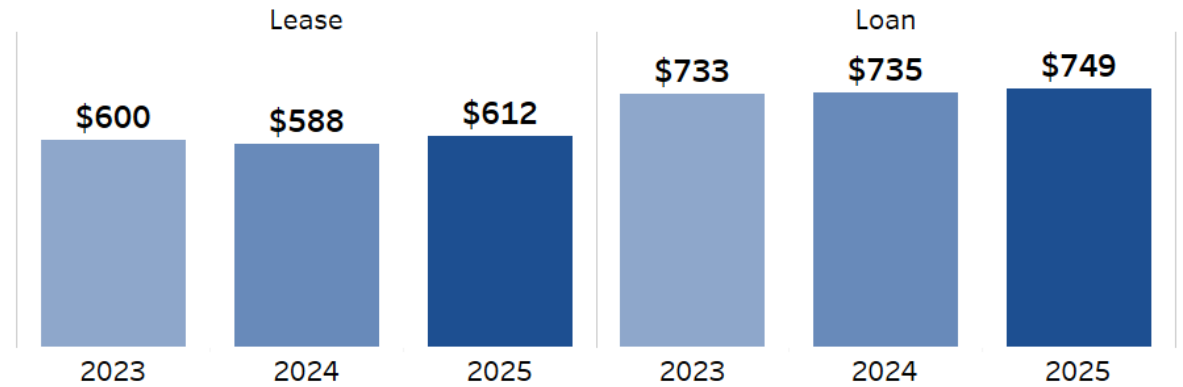


Average new loan amount increases; loan payments and term increase while rates decrease

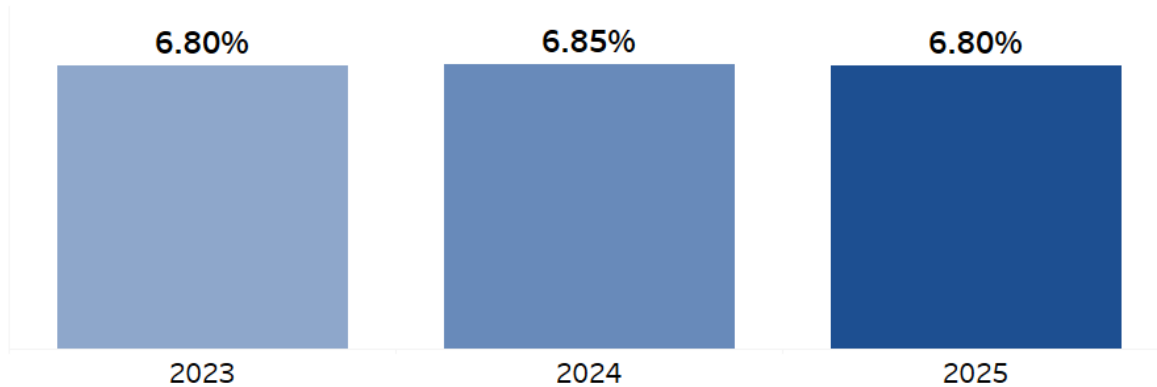
Average new amount financed



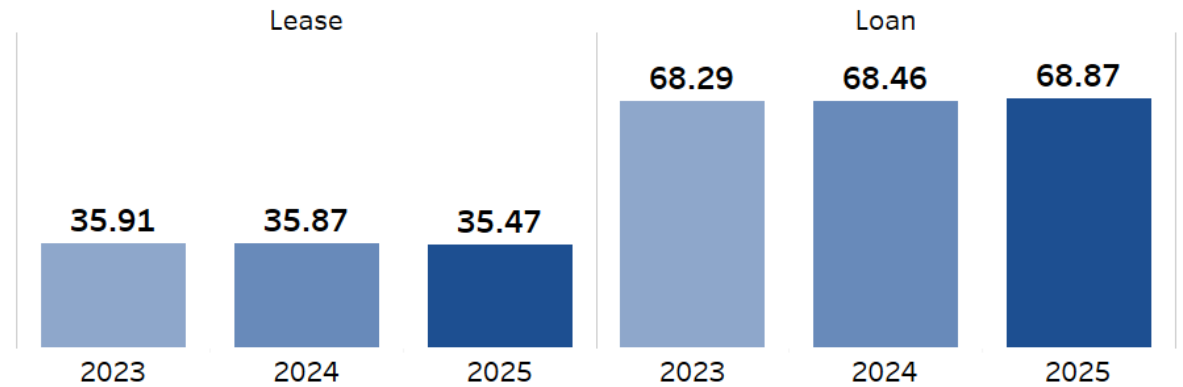
Average new monthly payment



Average new loan rate

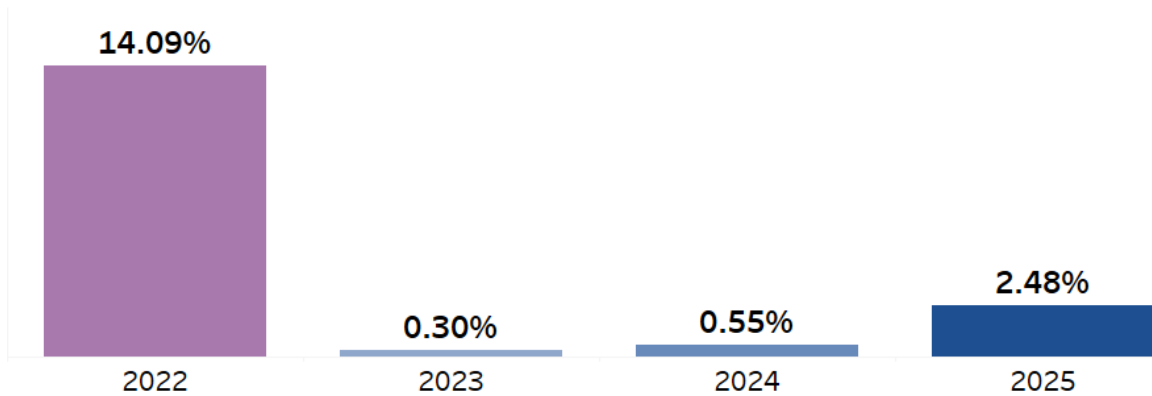


Average new loan term

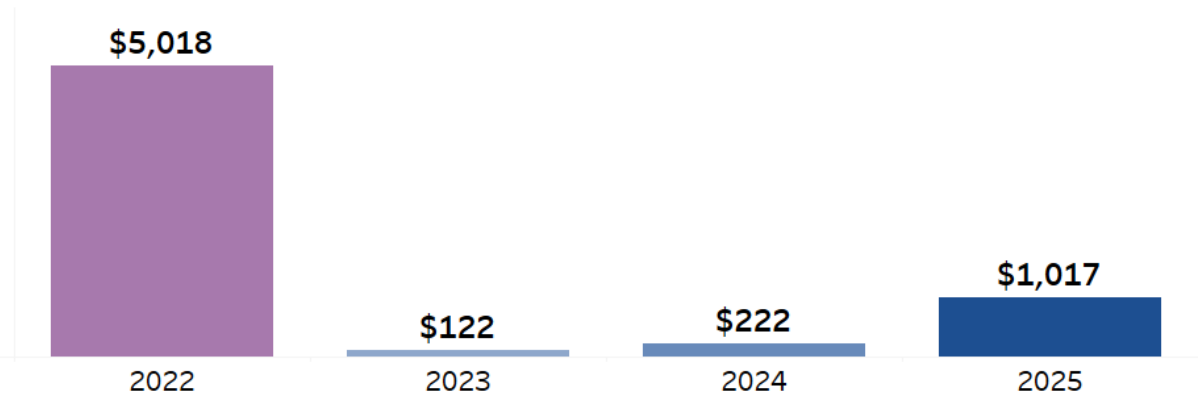


Loan amounts increase both year-over-year and are up slightly quarter-over-quarter

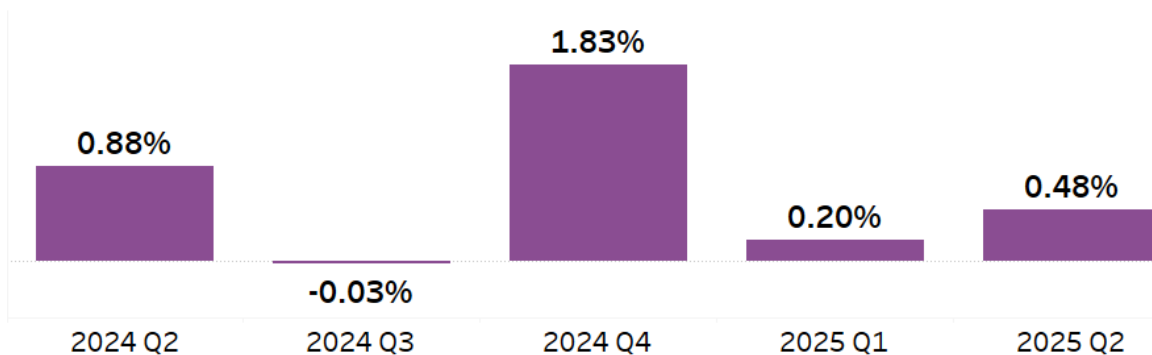
YOY growth in average new loan amount



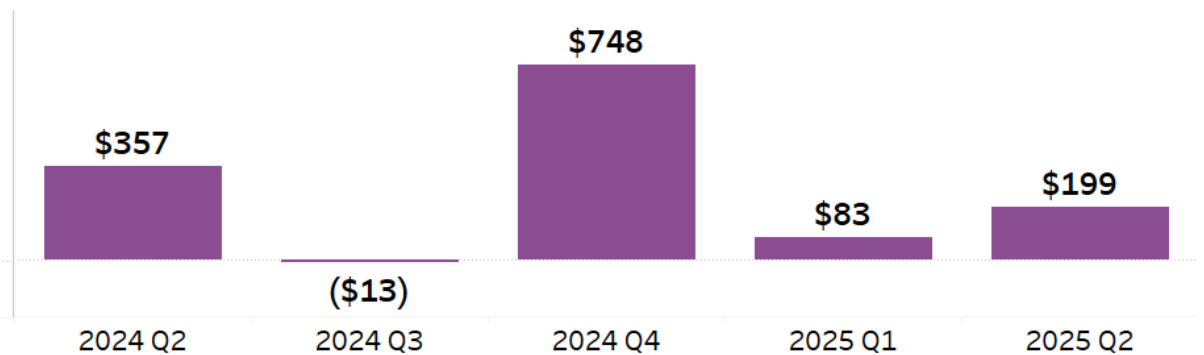
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount

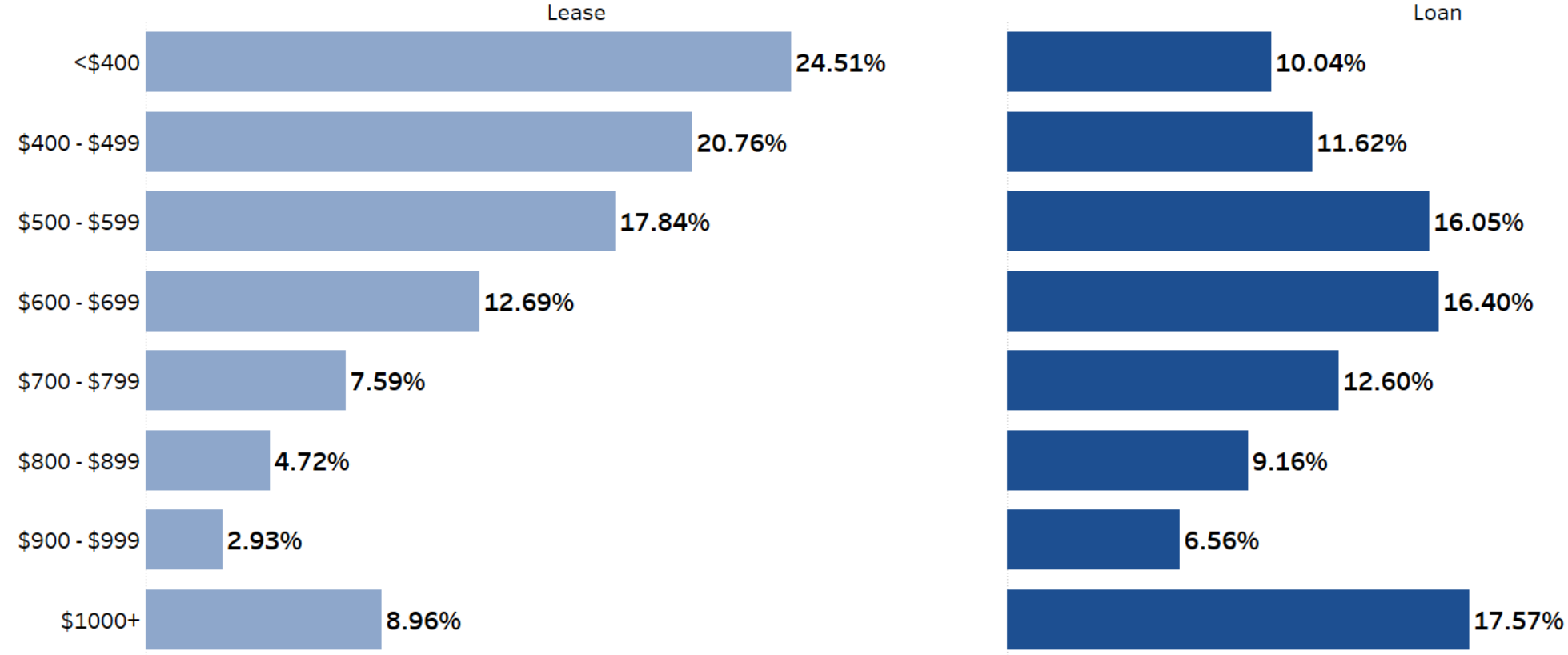


QOQ \$ difference in average new loan amount



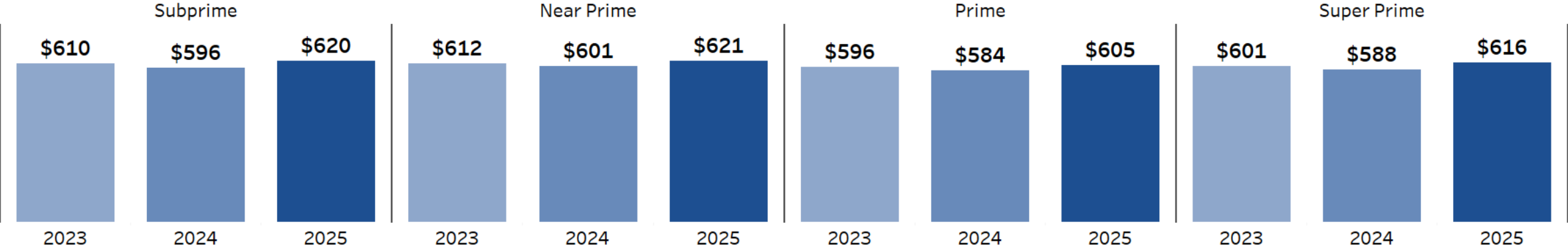
Over 15% of all new payments (loan & lease combined) are over \$1k

Average monthly payment

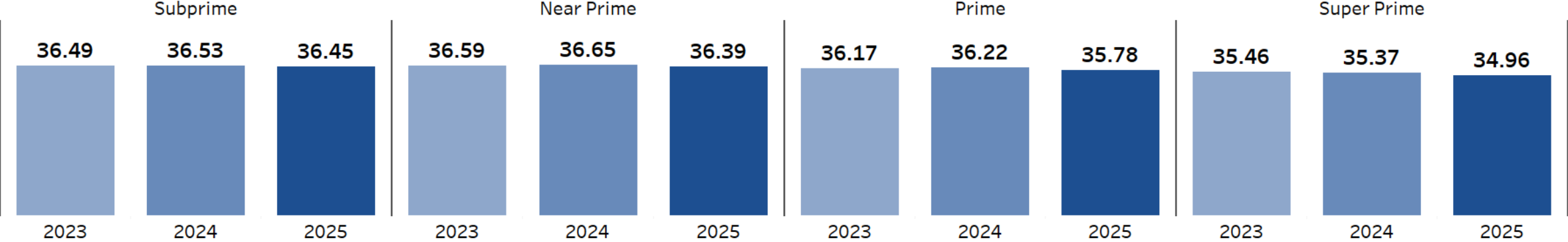


Lease payments increase across all risk segments

Average lease payment by risk tier



Average lease term by risk tier

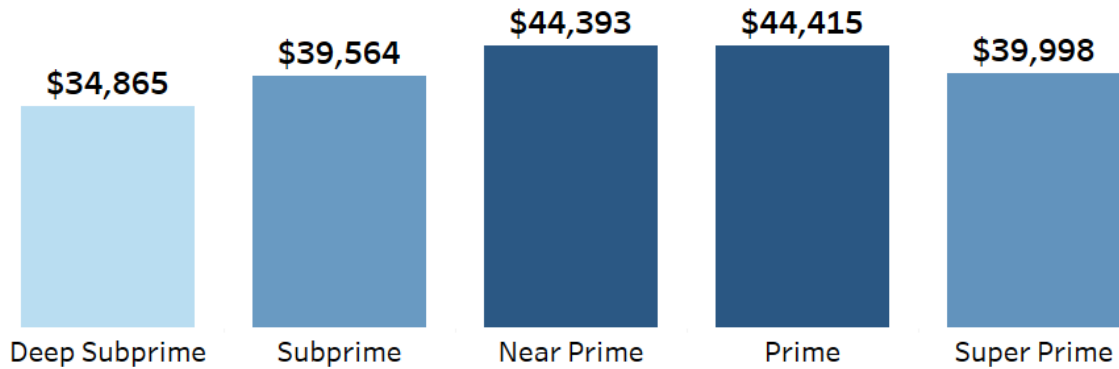


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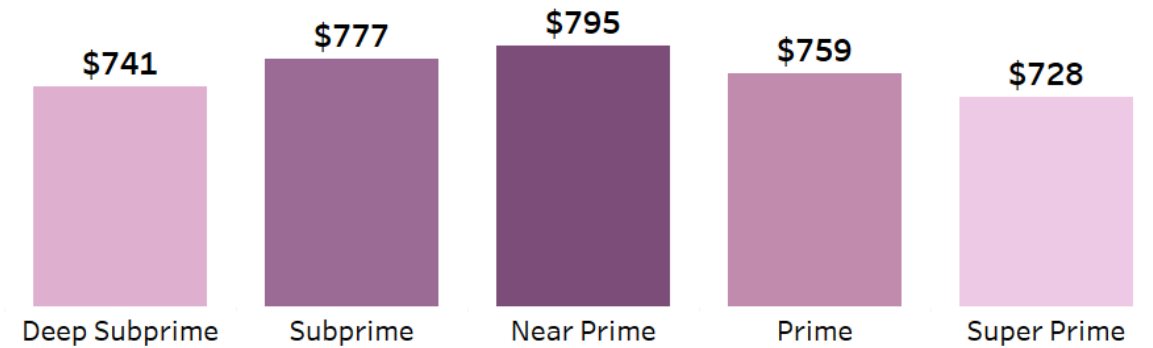


Loan amounts and payments increase across all risk segments

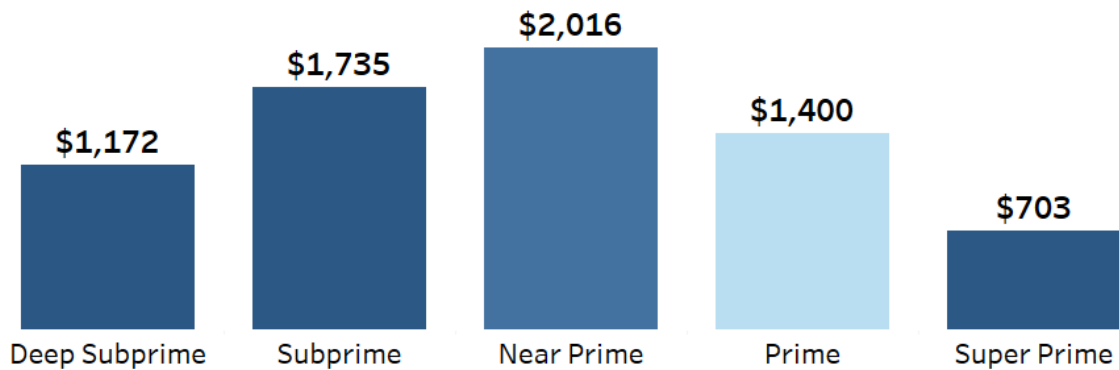
Average new loan amount financed by risk



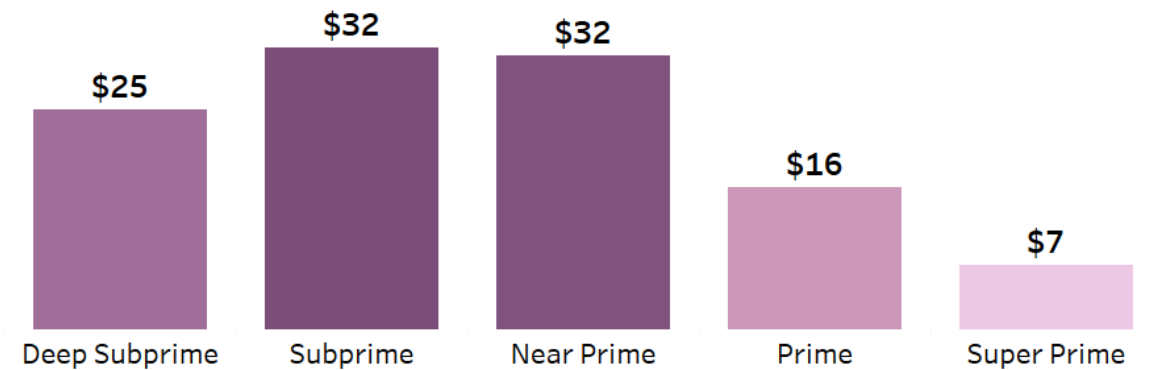
Average new loan monthly payment by risk



Year-over-year change in new loan amount



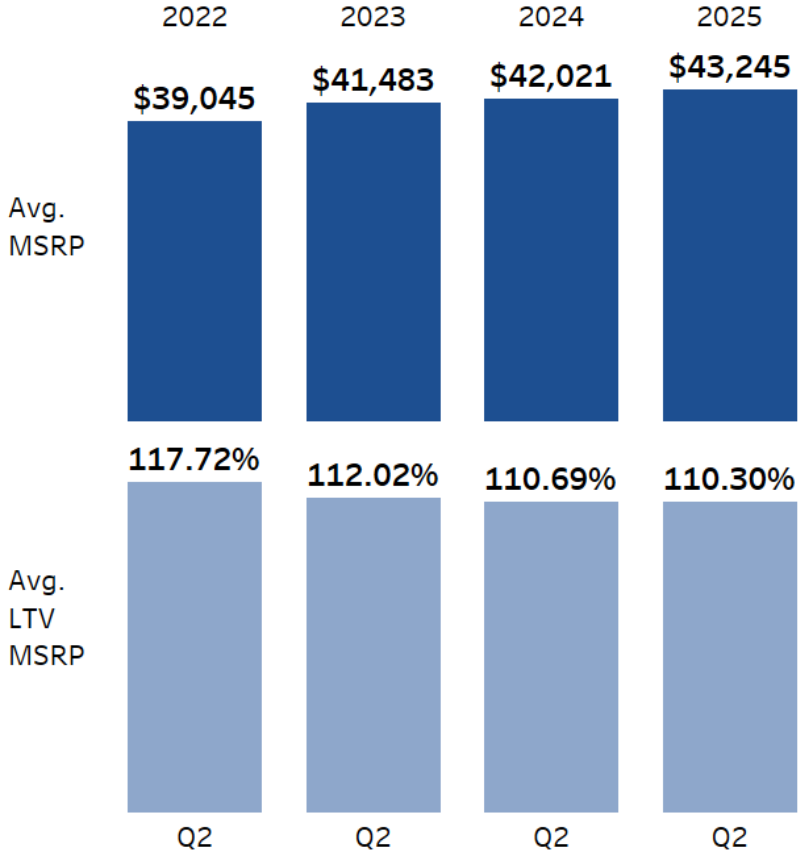
Year-over-year change in new monthly payment



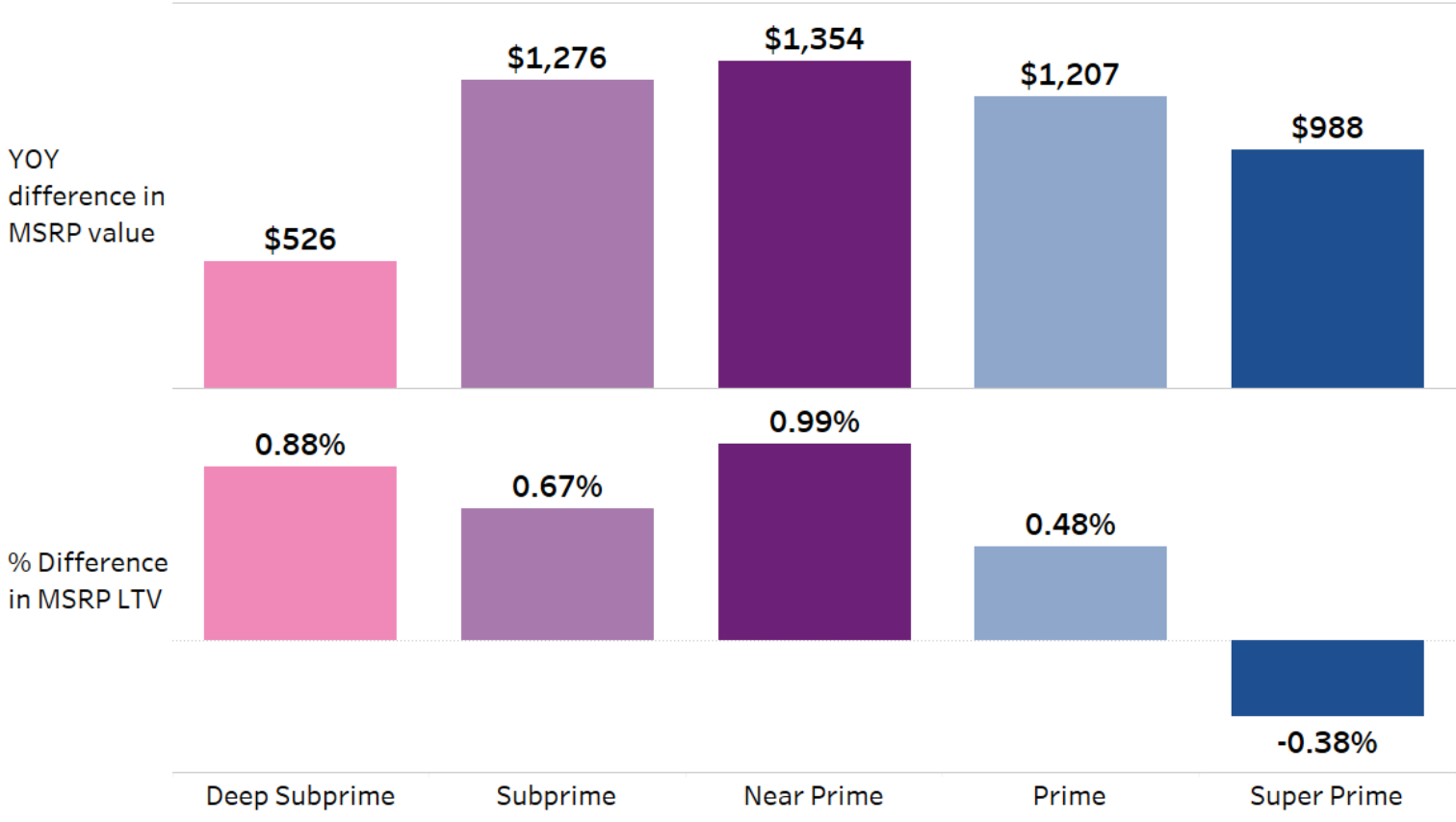
VantageScore® 4.0

New values increase while LTV decreases overall and in Super Prime

Avg New Values

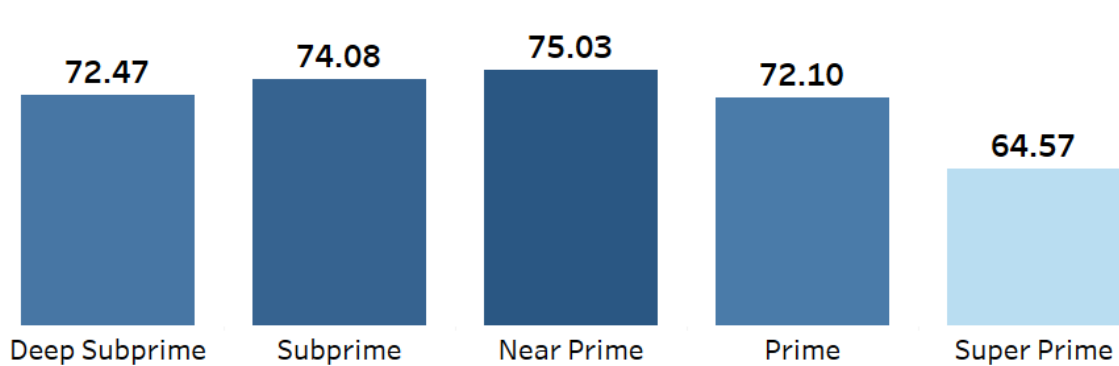


YOY change in new values

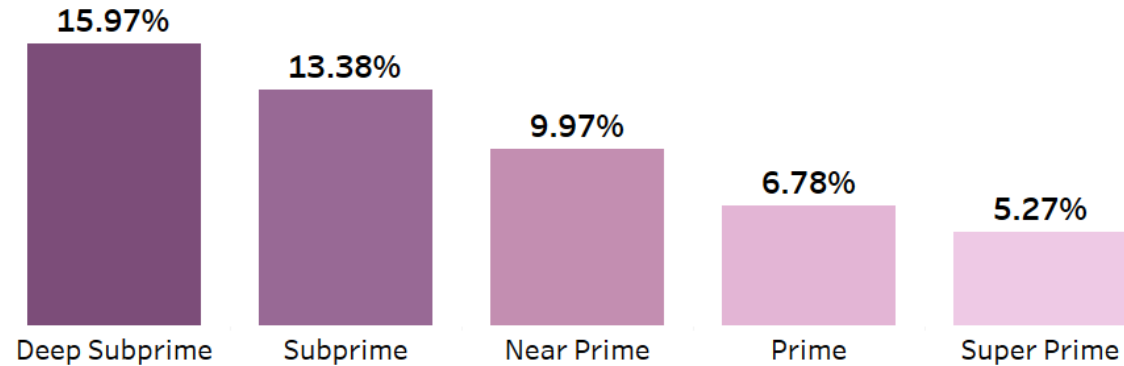


Terms increase across the market while rates decrease for Prime and Deep Subprime remain flat

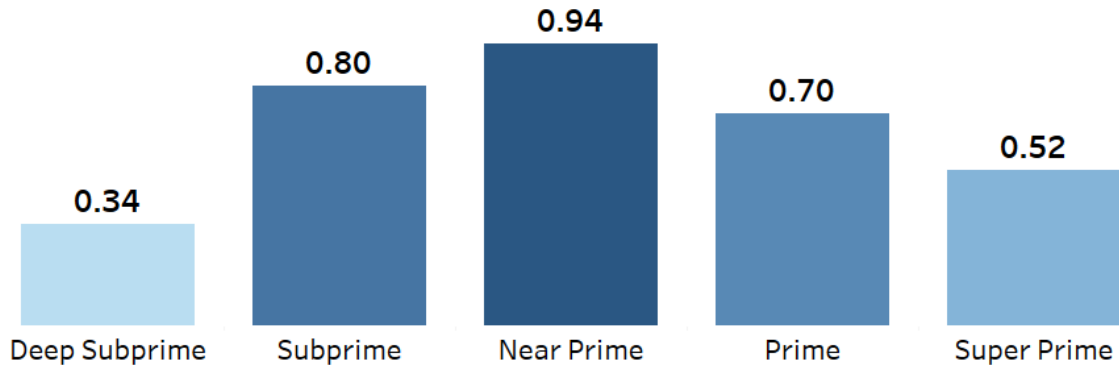
Average new loan term by risk



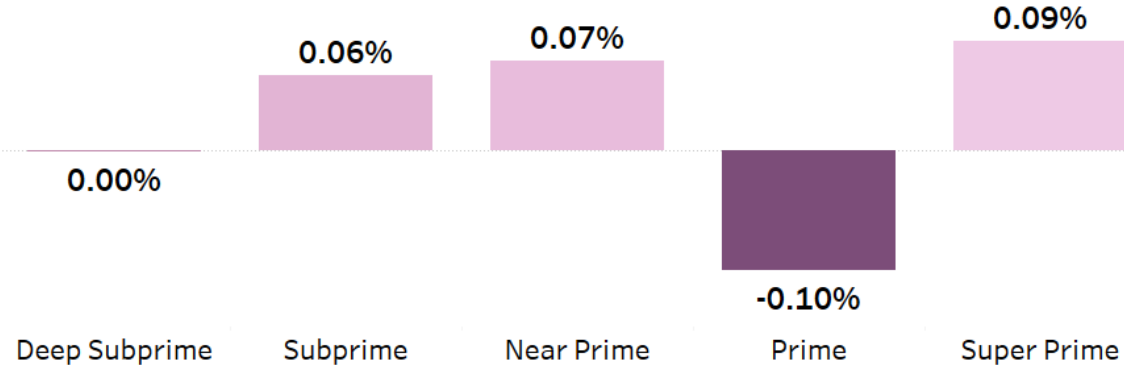
Average new loan rate by risk



Year-over-year change in new loan term



Year-over-year change in new rate

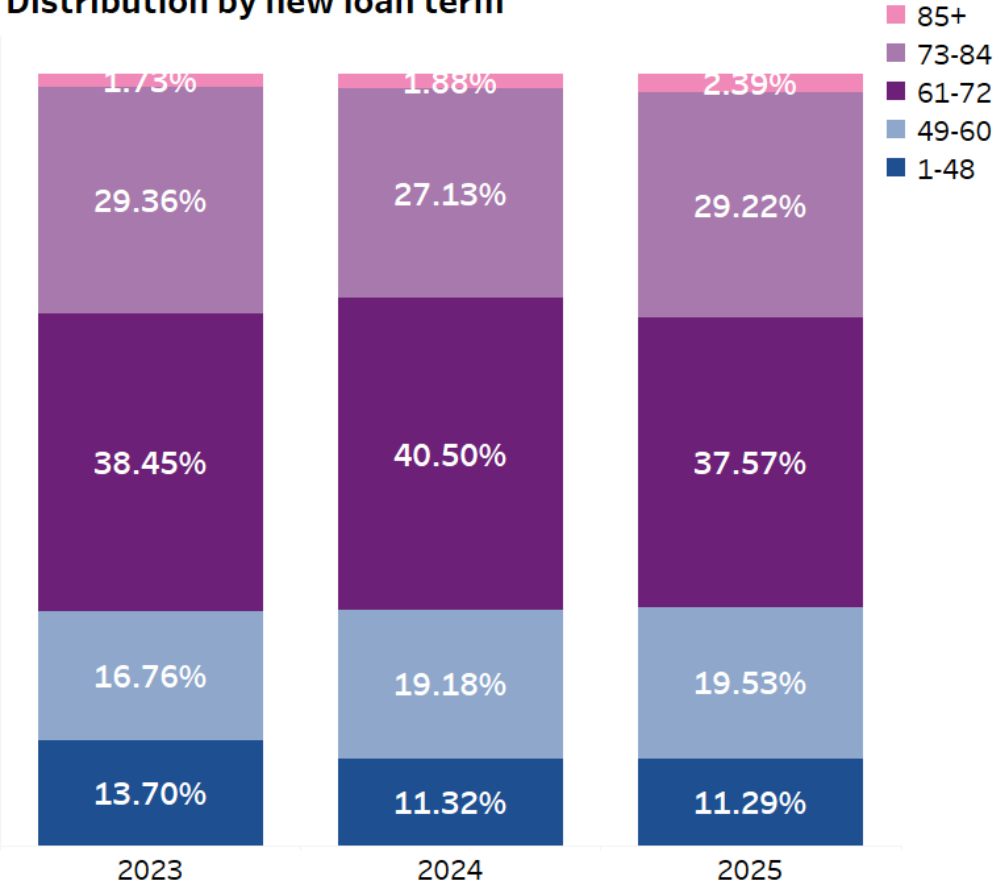


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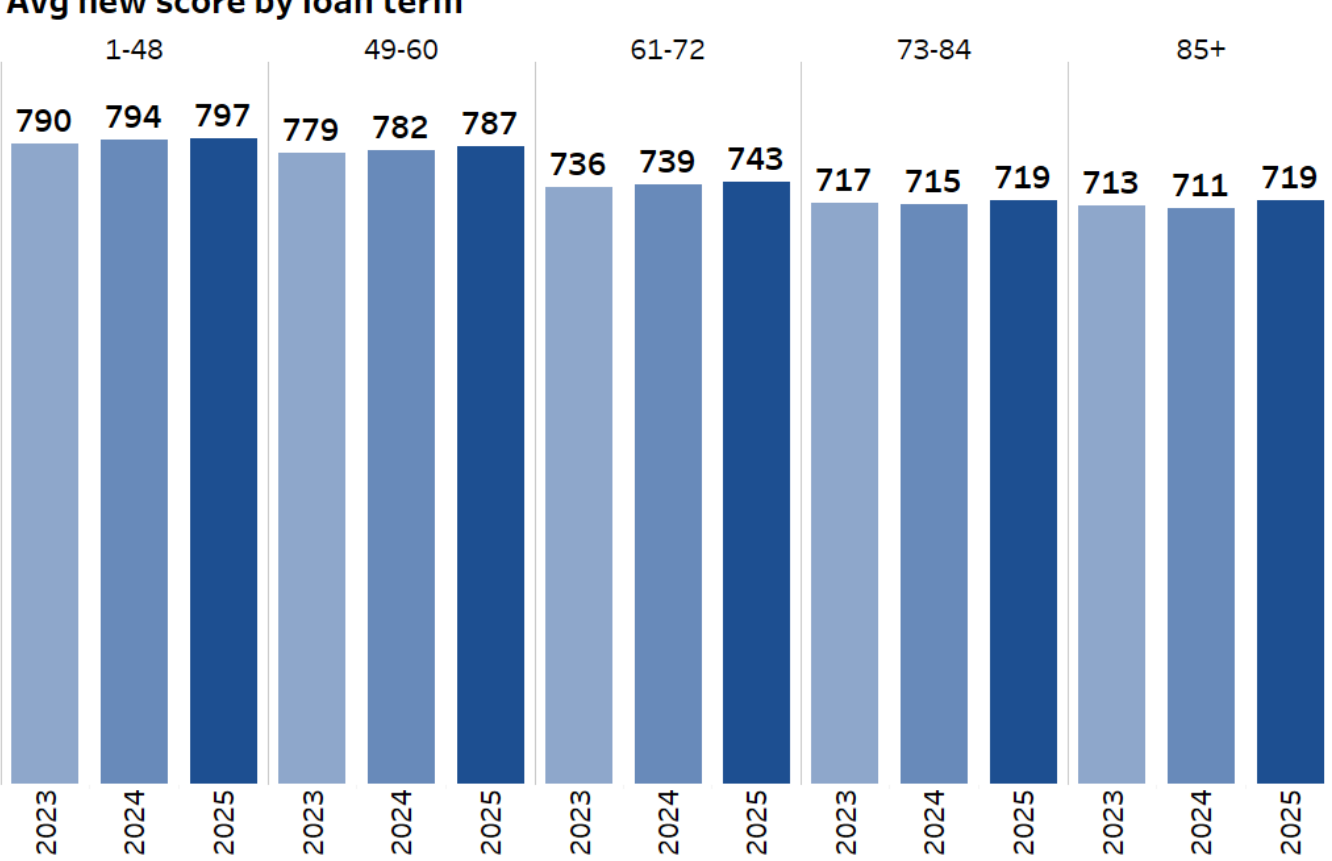


Majority of term growth is occurring 73+ month term loans while scores increase across all terms

Distribution by new loan term



Avg new score by loan term



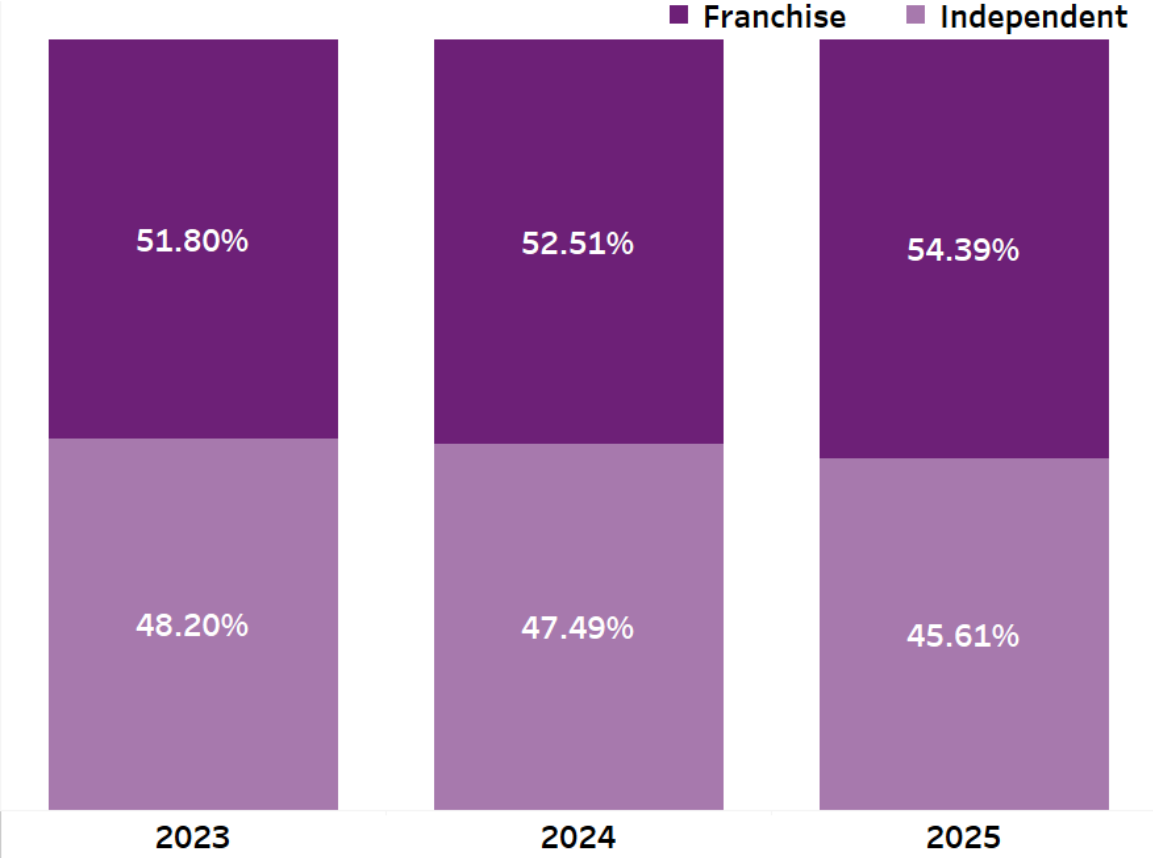
Q2 2025 Used financing

A look at used automotive loan trends

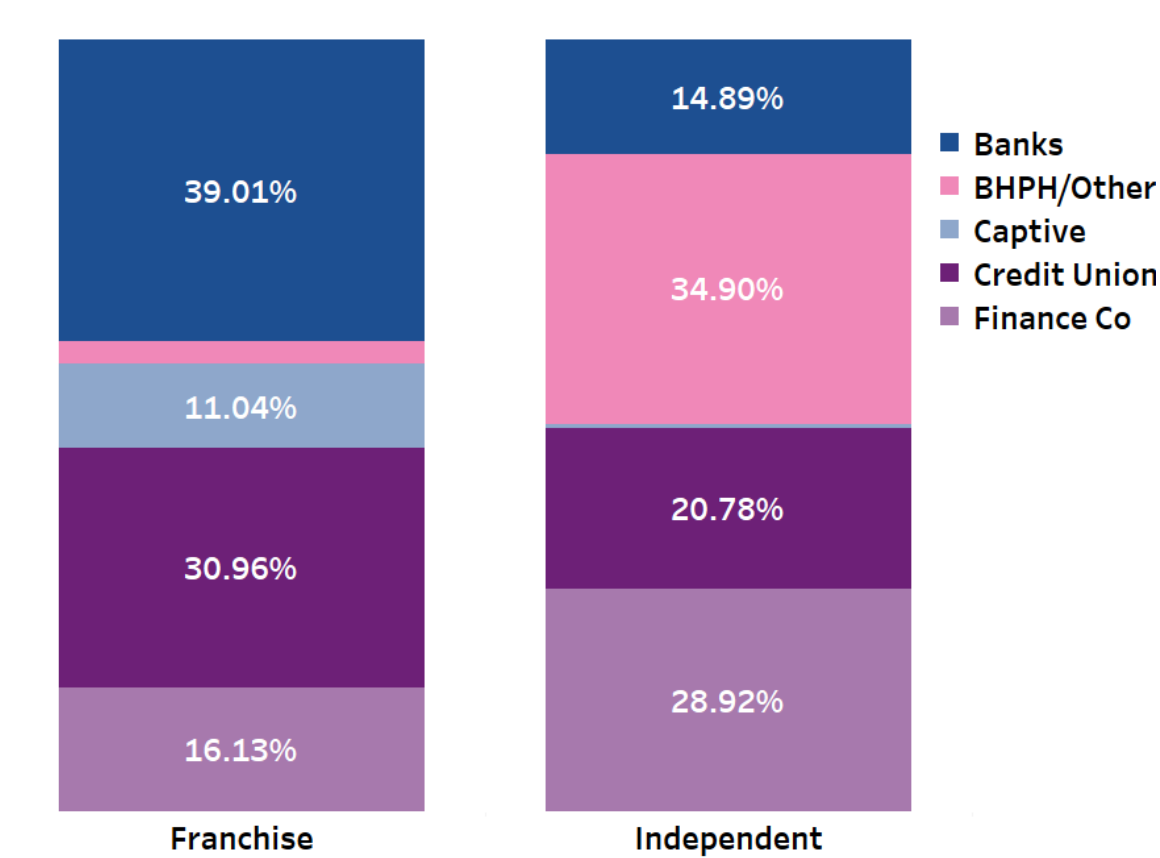


Dealer type snapshot: Independent Dealers decrease share of used purchases

Used transactions by Dealer type

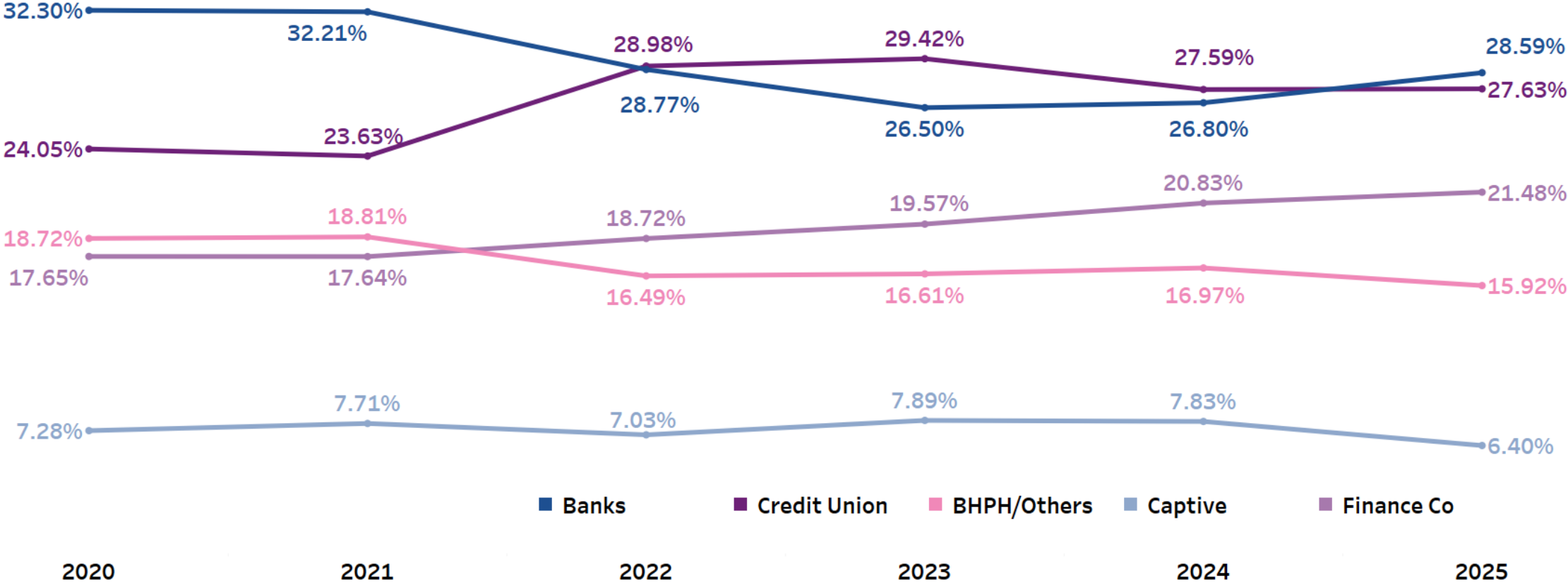


Used loans by lender type and Dealer



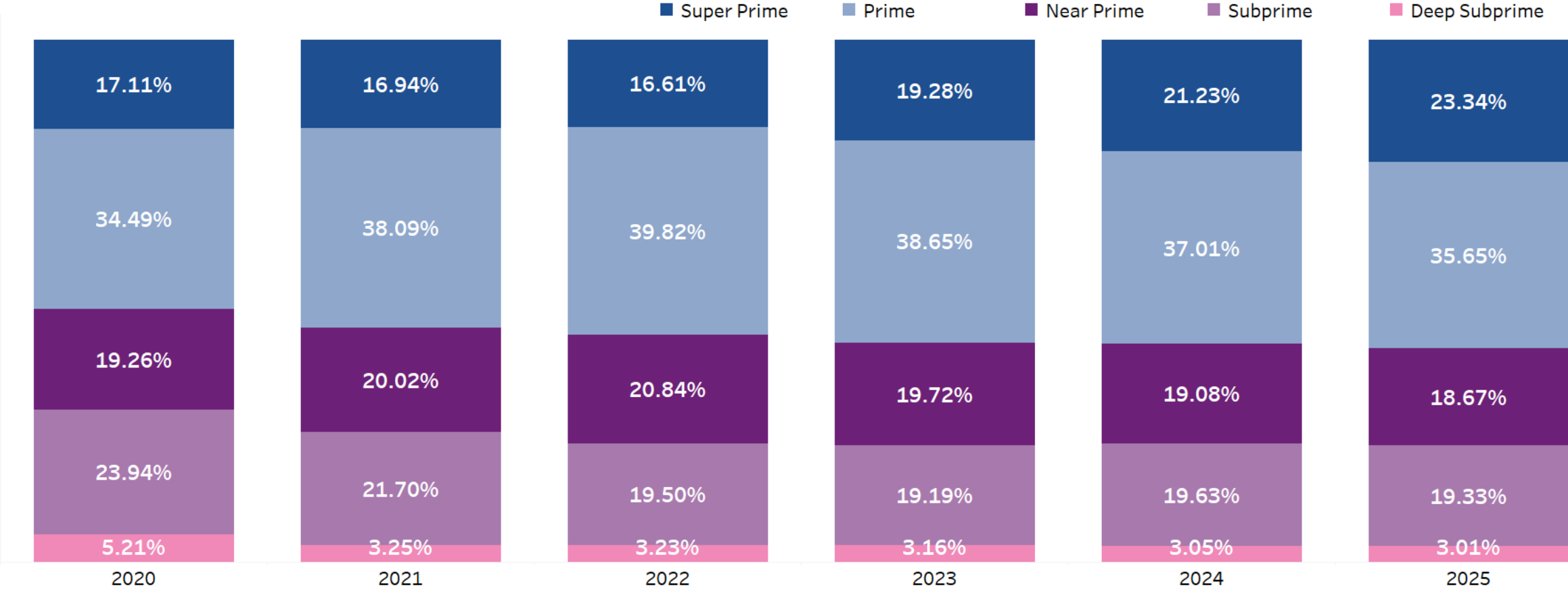
Banks remain as largest lender type for used loans, slightly widening the gap with Credit Unions; Finance Companies increase to over 21%

Used loan market share by lender type



Super Prime is the only risk segment to see growth for used loans

Used loan risk distribution

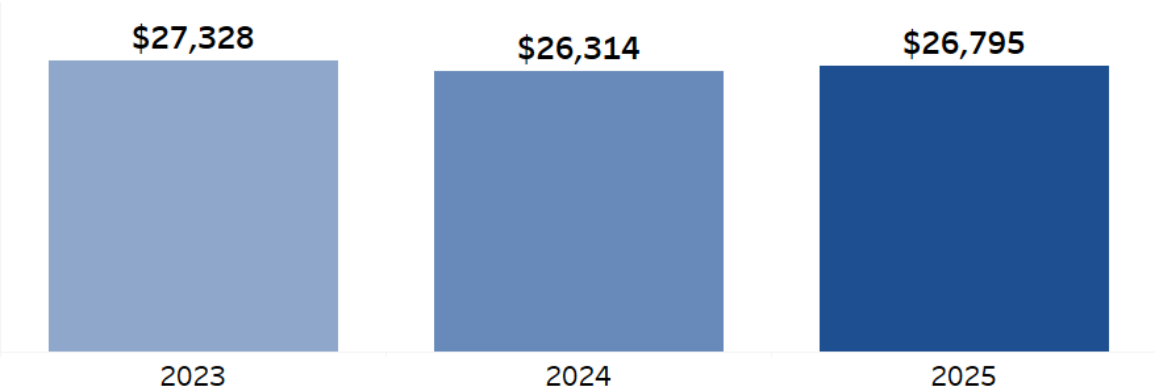


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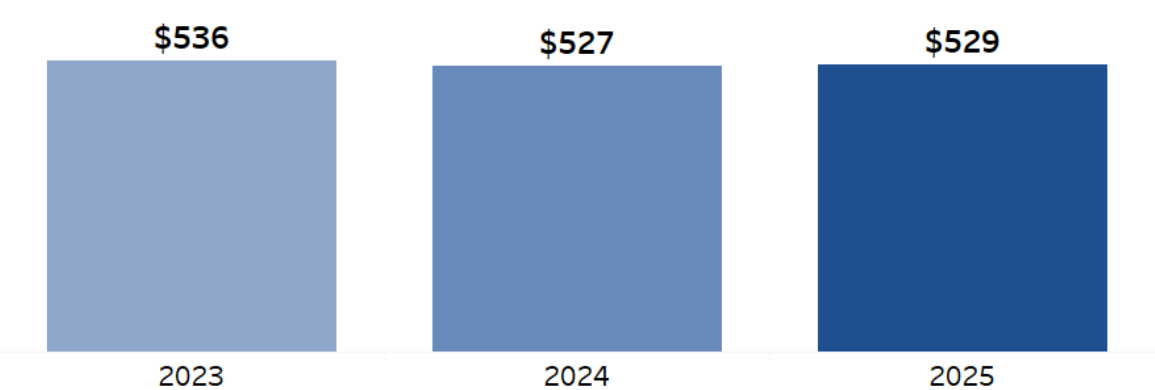


Rates decrease for used loans, however loan amounts and payments increase YOY

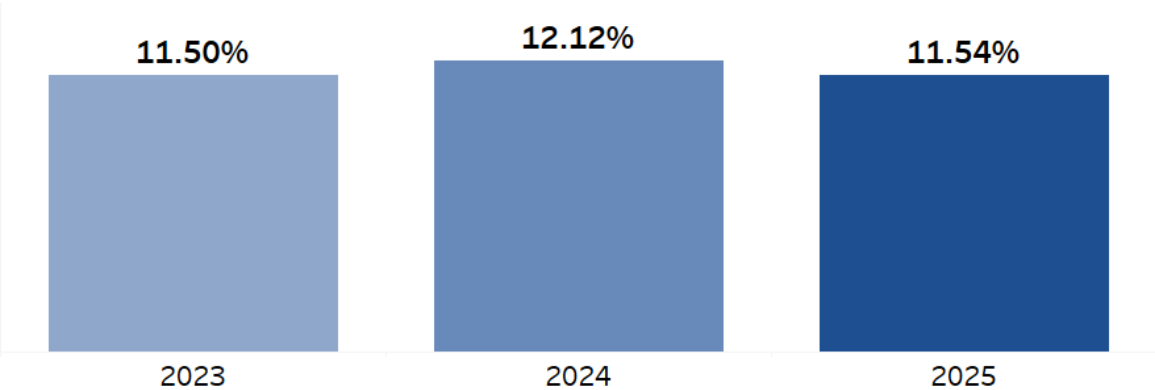
Average used amount financed



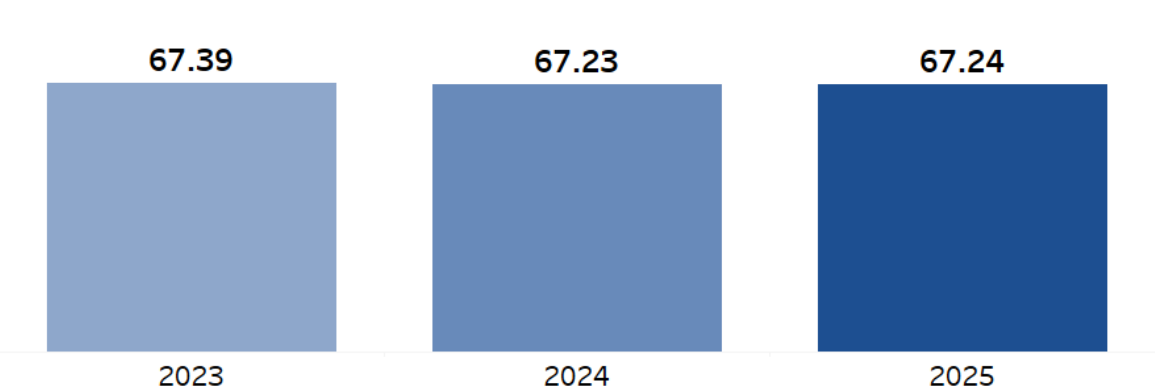
Average used monthly payment



Average used loan rate

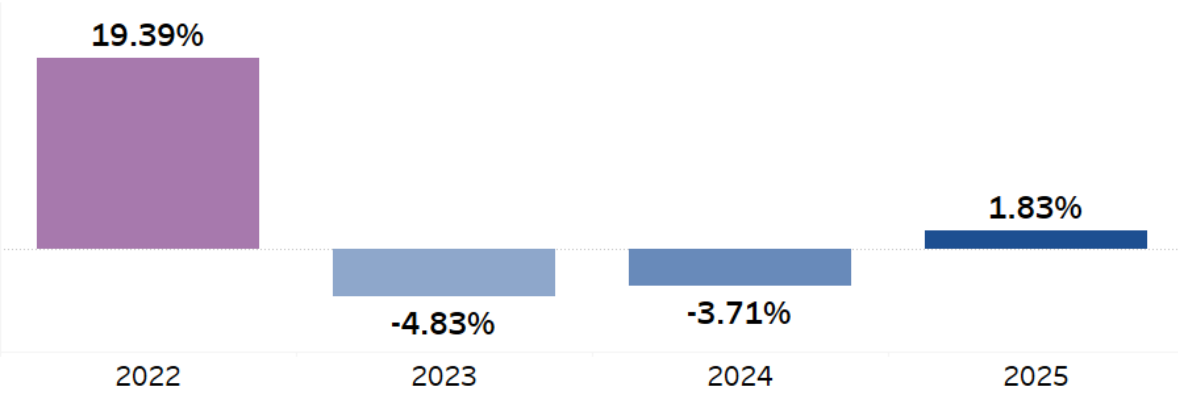


Average used loan term

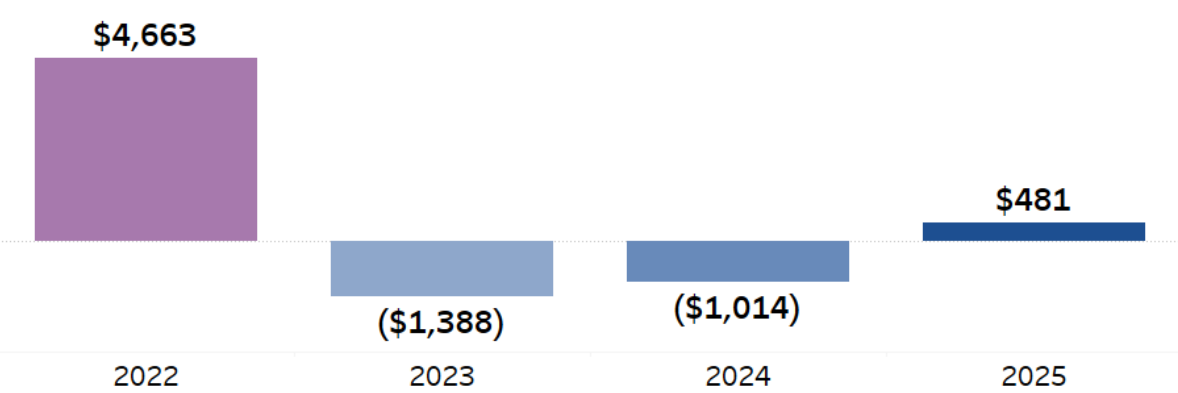


Used loan amounts increase slightly YOY and QOQ

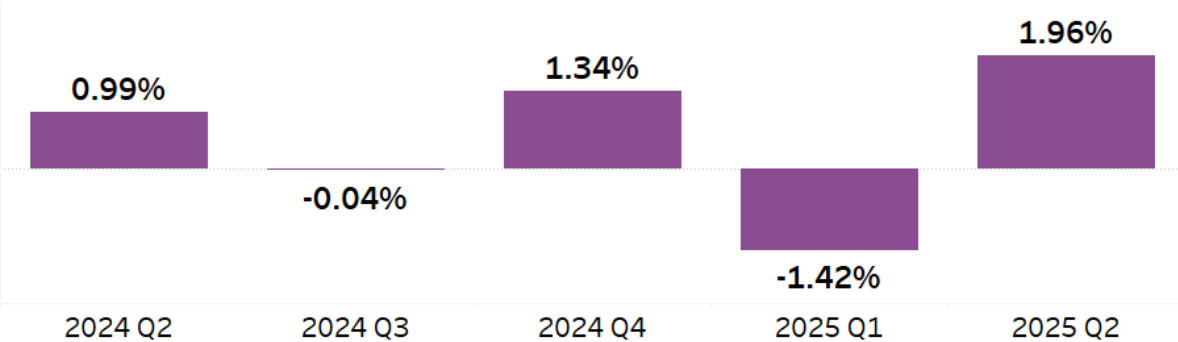
YOY growth in average used loan amount



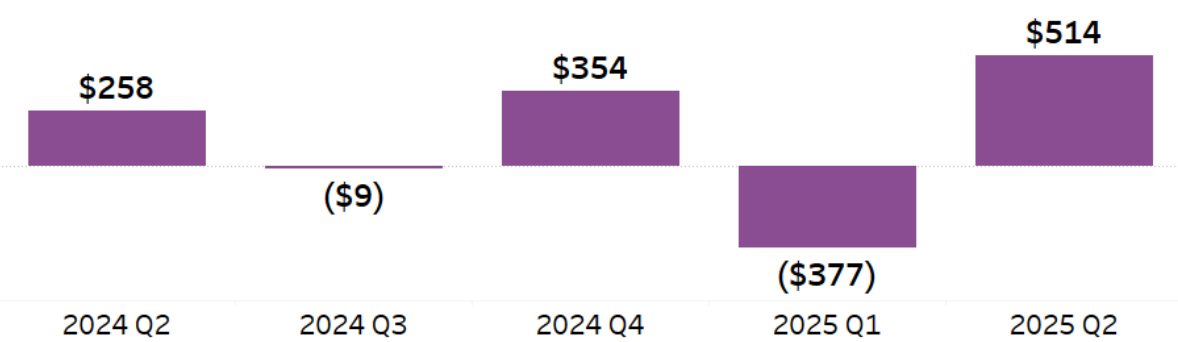
YOY \$ difference in average used loan amount



QOQ growth in average used loan amount

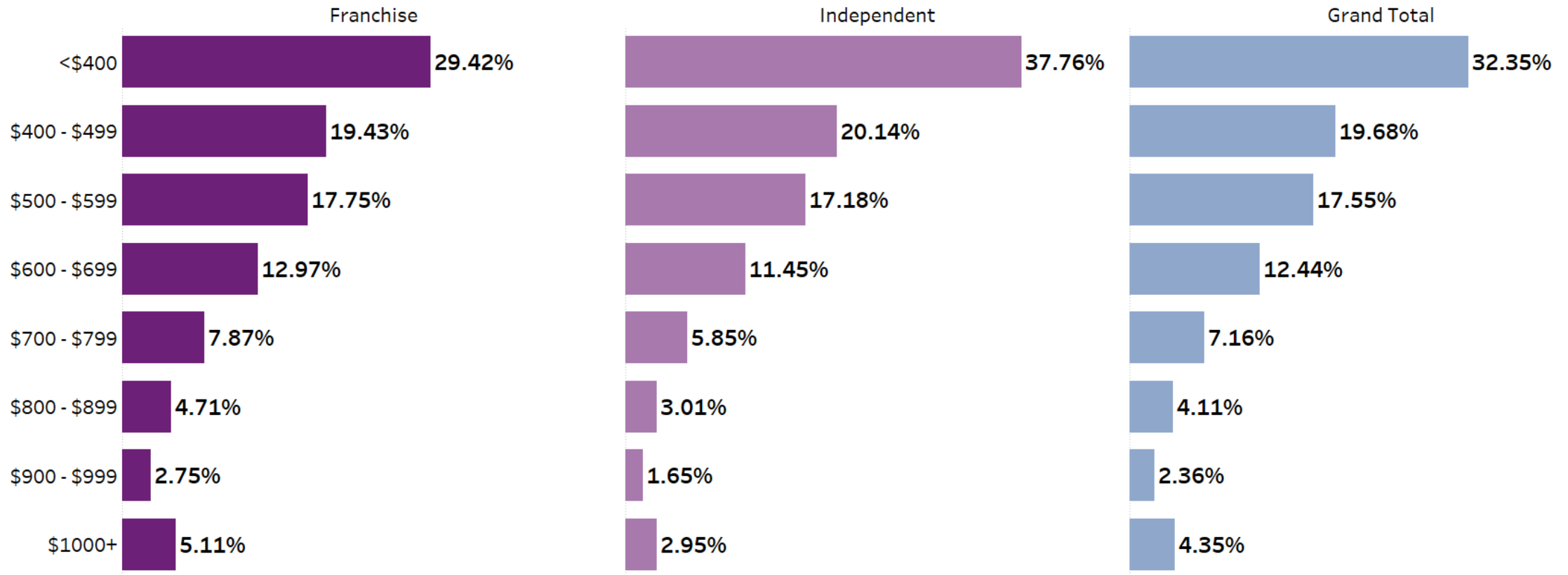


QOQ difference in average used loan amount



Across all used loans* 32.35% are under \$400; over 4% are over \$1k

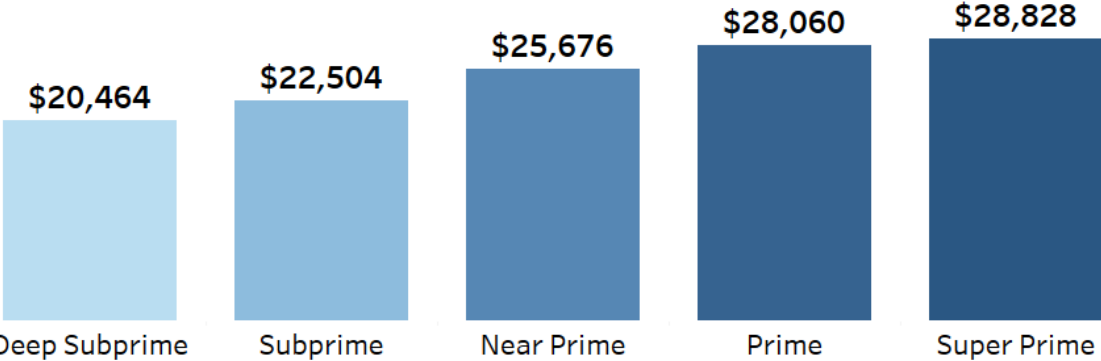
Used loan monthly payment distribution



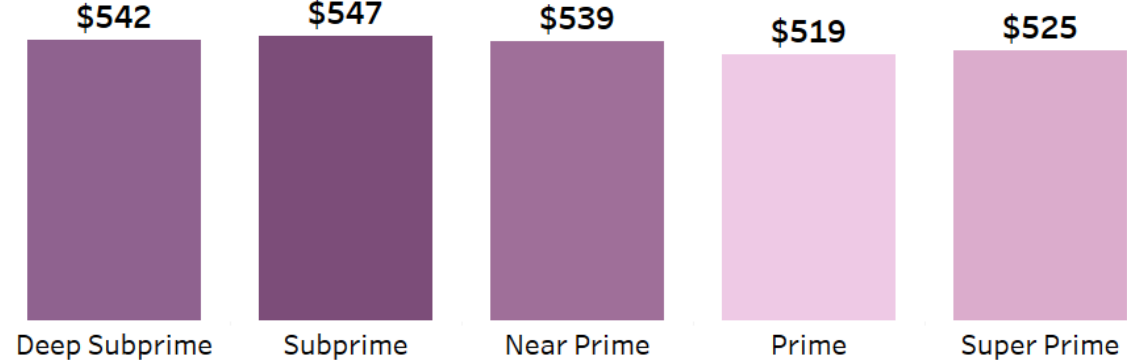
*All used loans include private-party and unknown dealer

Loan amounts increase for all segments; payments rise for outside of Prime while Super Prime remains flat

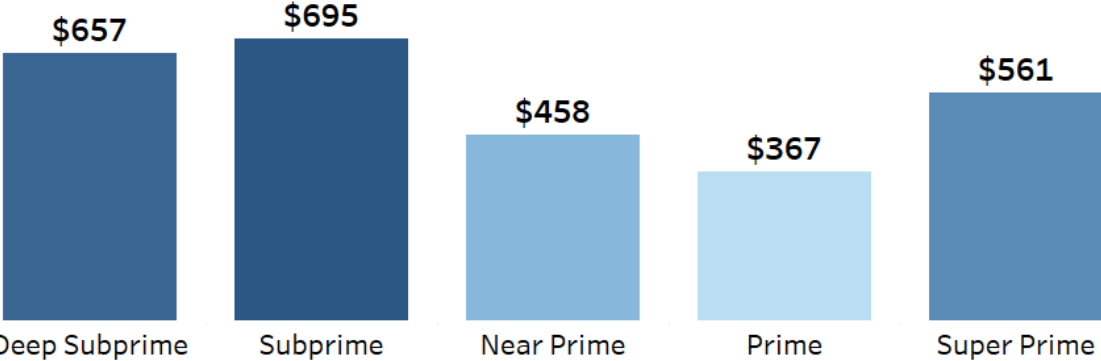
Average loan amount financed by risk



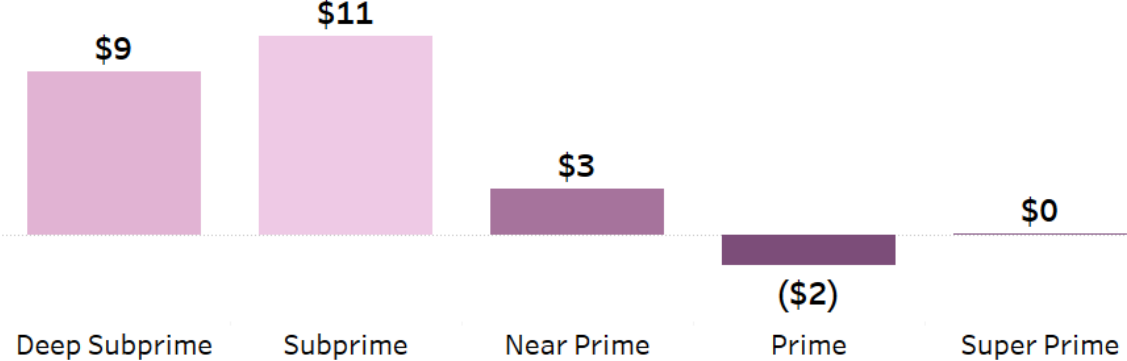
Average used loan monthly payment by risk



Year-over-year change in used loan amount



Year-over-year change in used monthly payment

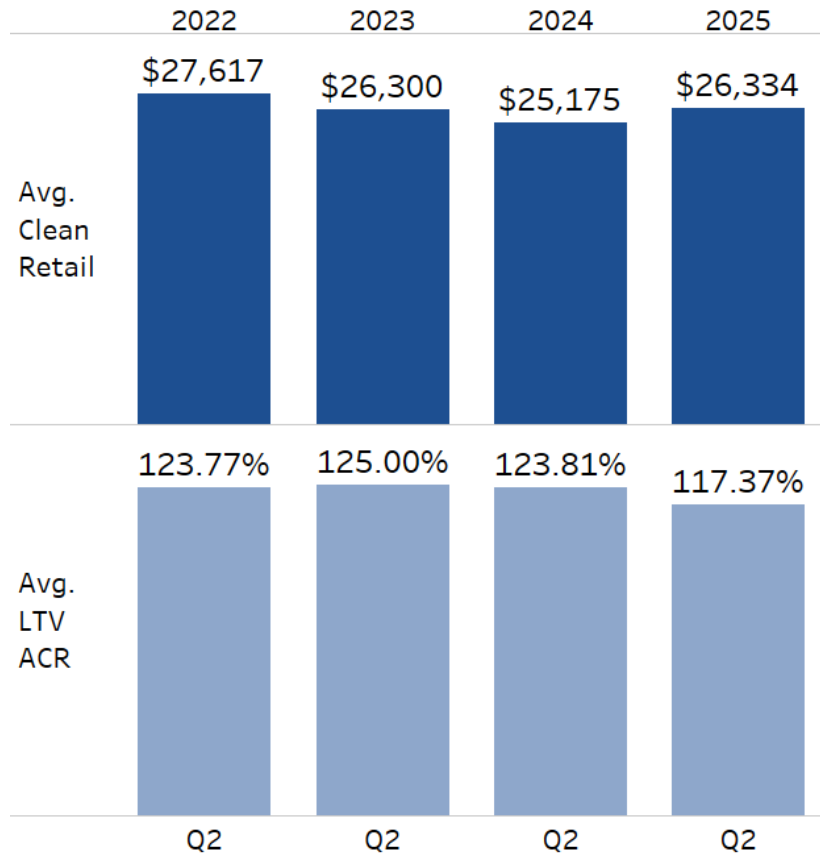


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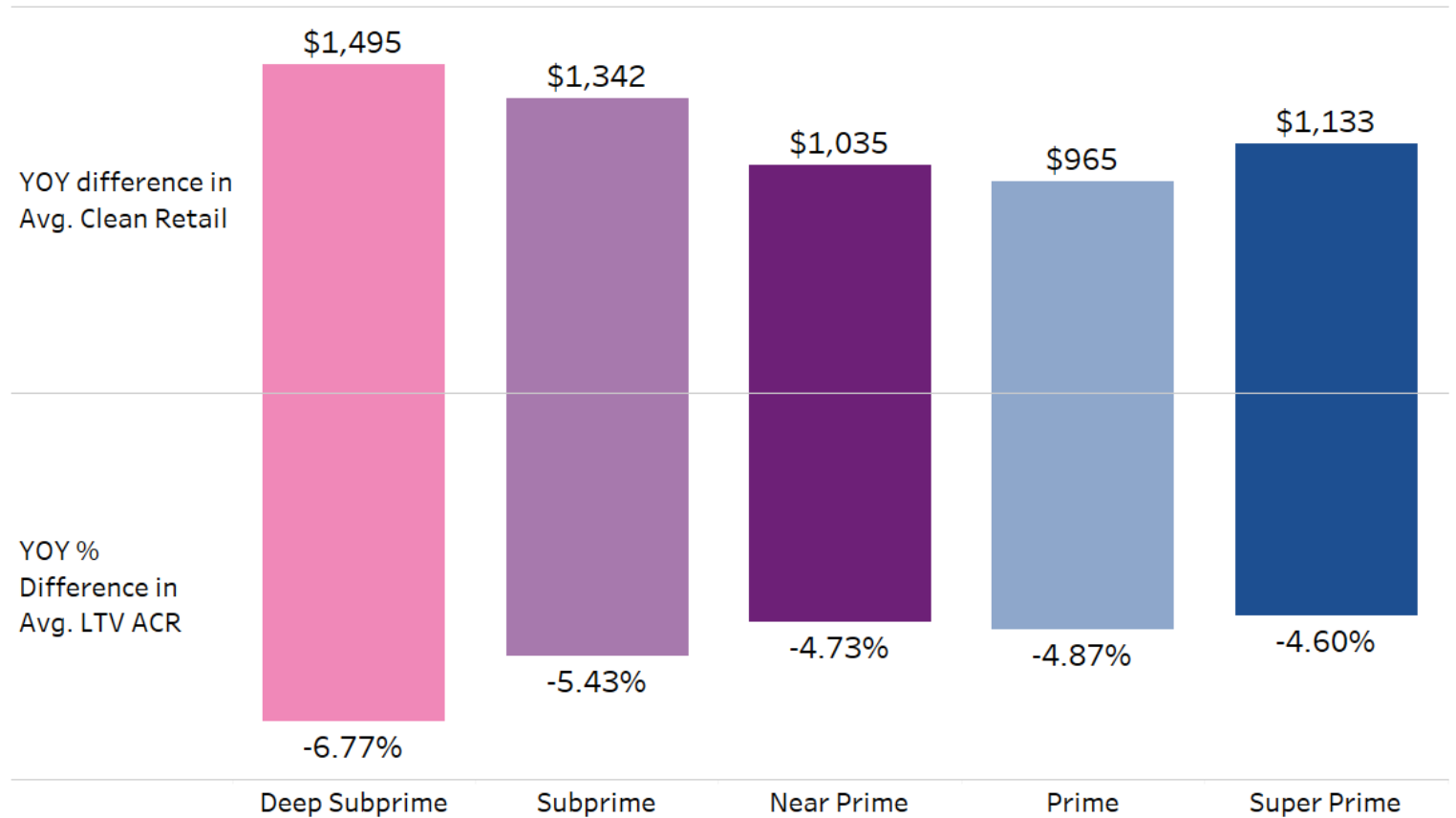


While used values increase, LTVs are down

Avg Used Values

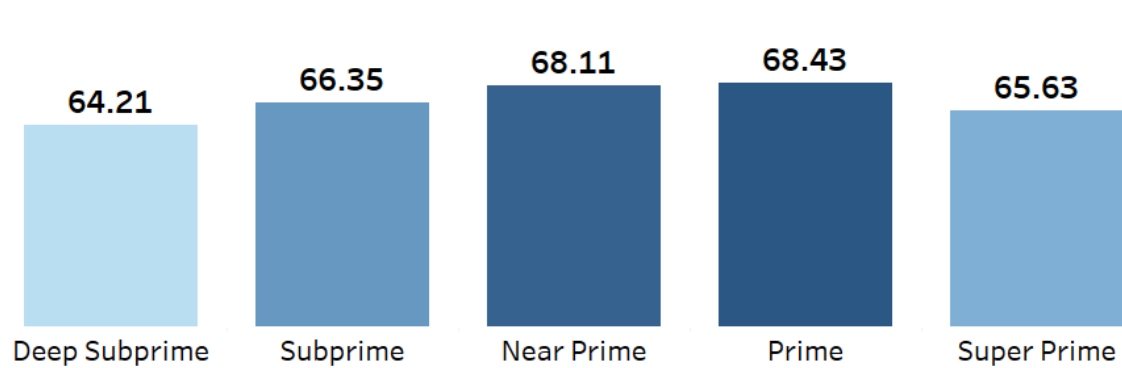


YOY change in used values

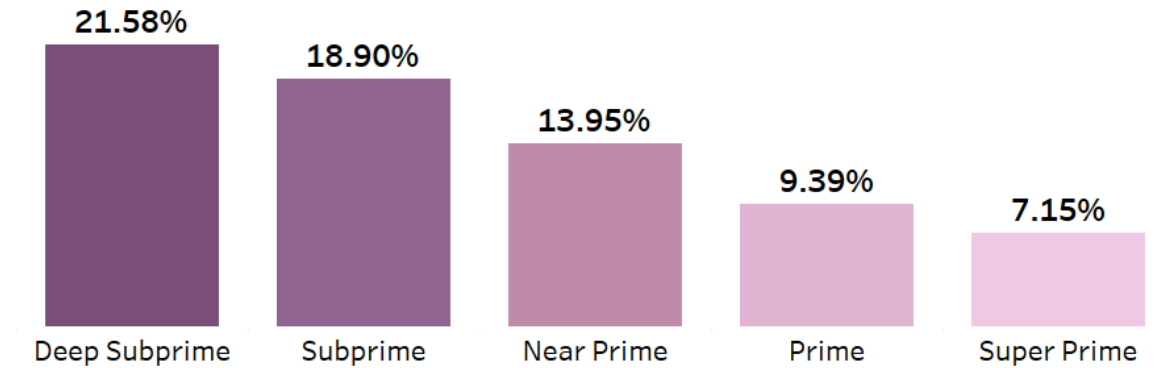


Terms increase for all but Prime; rates decrease across all risk segments

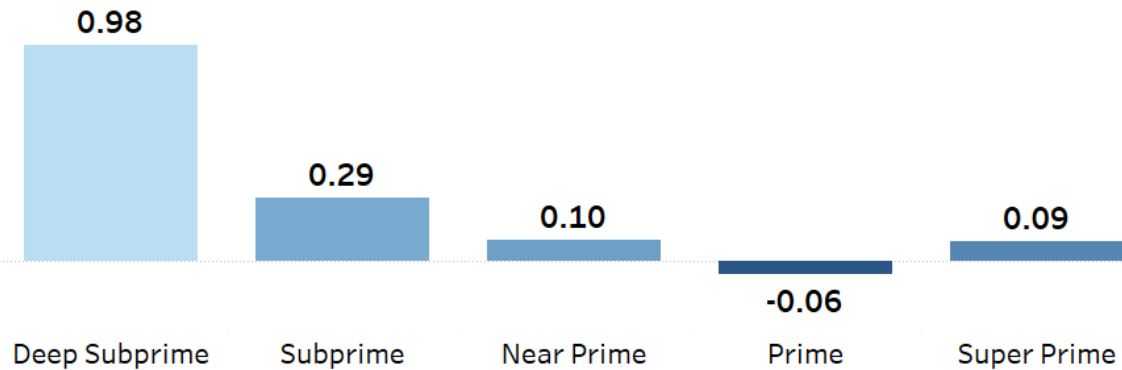
Average used loan term by risk



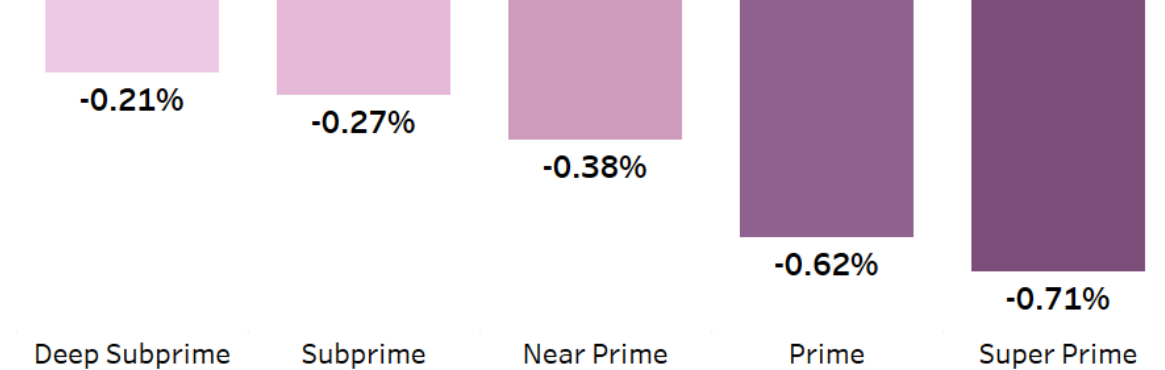
Average used loan rate by risk



Year-over-year change in used loan term



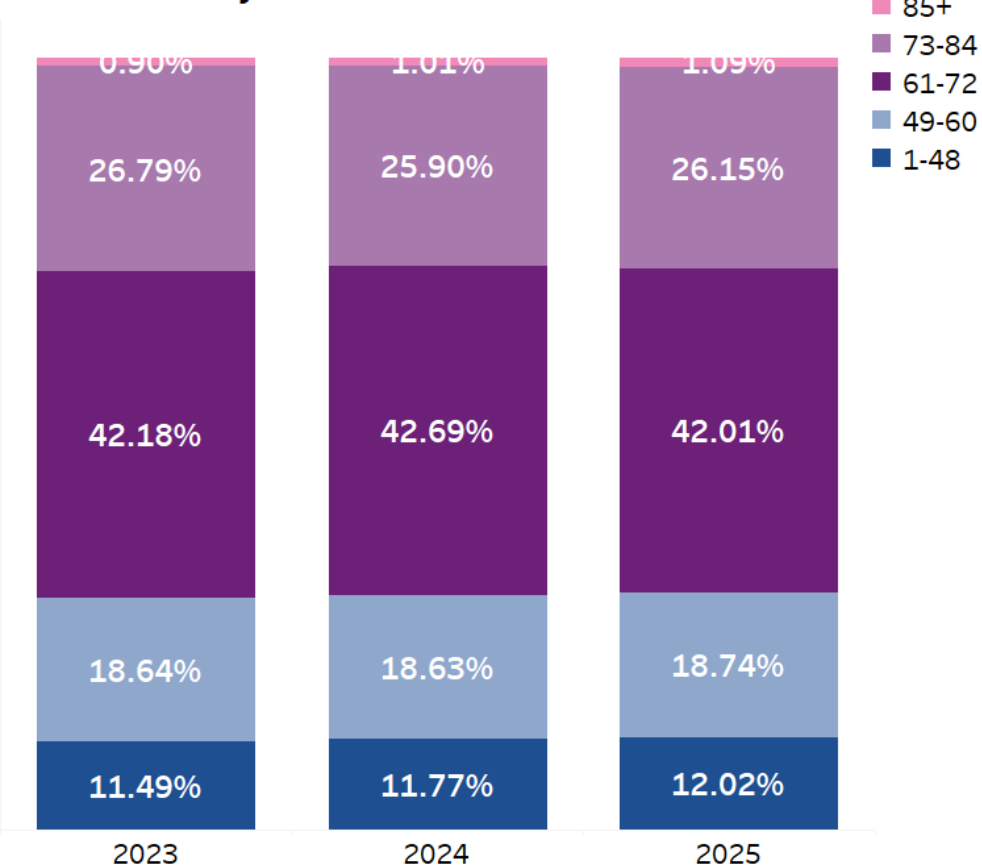
Year-over-year change in used rate



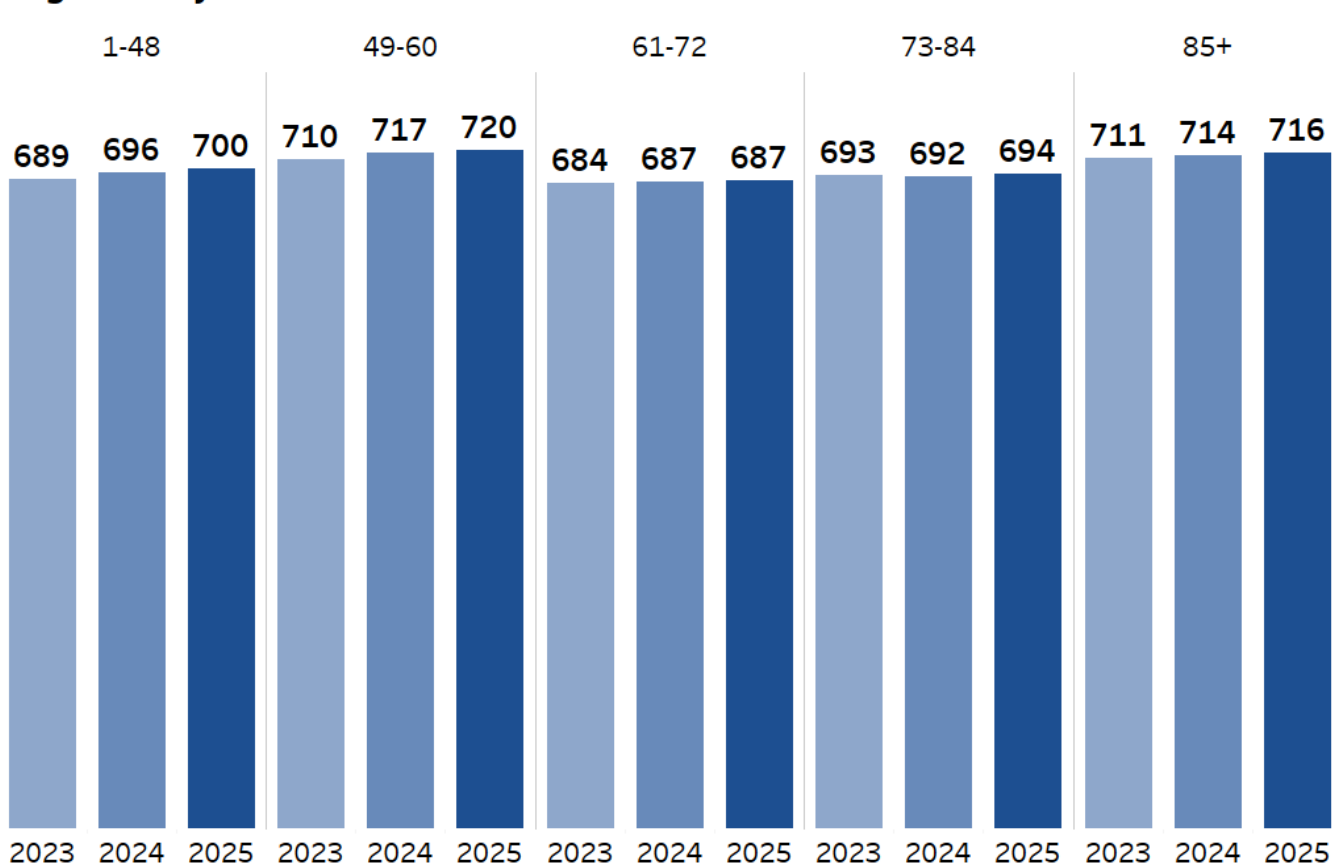
VantageScore® 4.0

Nearly 70% of used terms are 61+ months with scores increasing across most of the terms

Distribution by used loan term



Avg score by used loan term



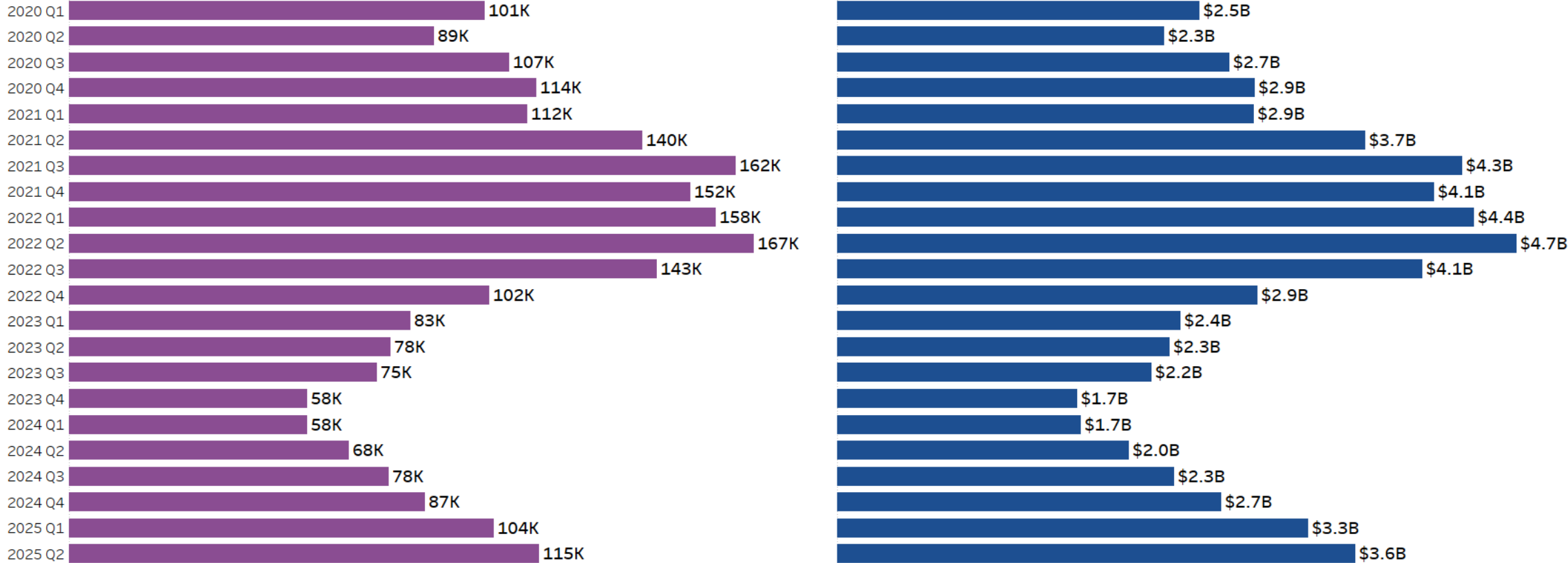


Q2 2025 Refinance

A special look into automotive refinance trends

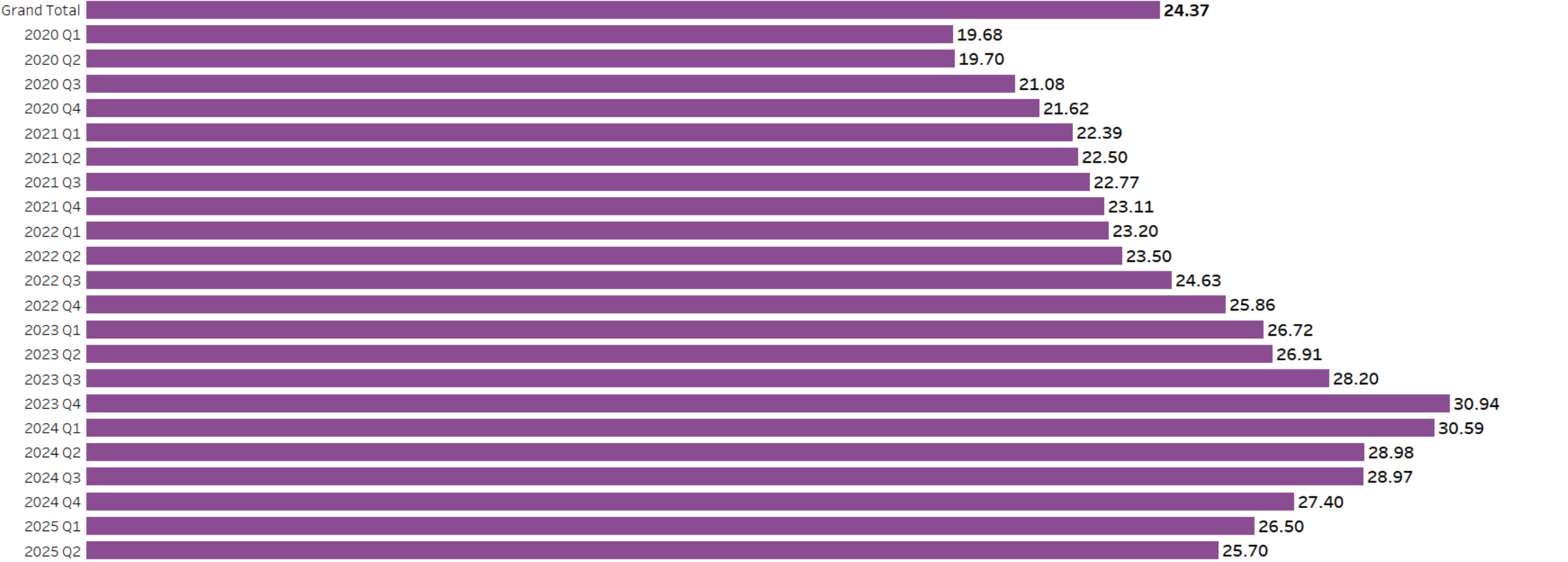
Refinance volume has increased 11% from 2025 Q1 and 29% from 2020 Q2

Quarterly volume and total amount refinanced



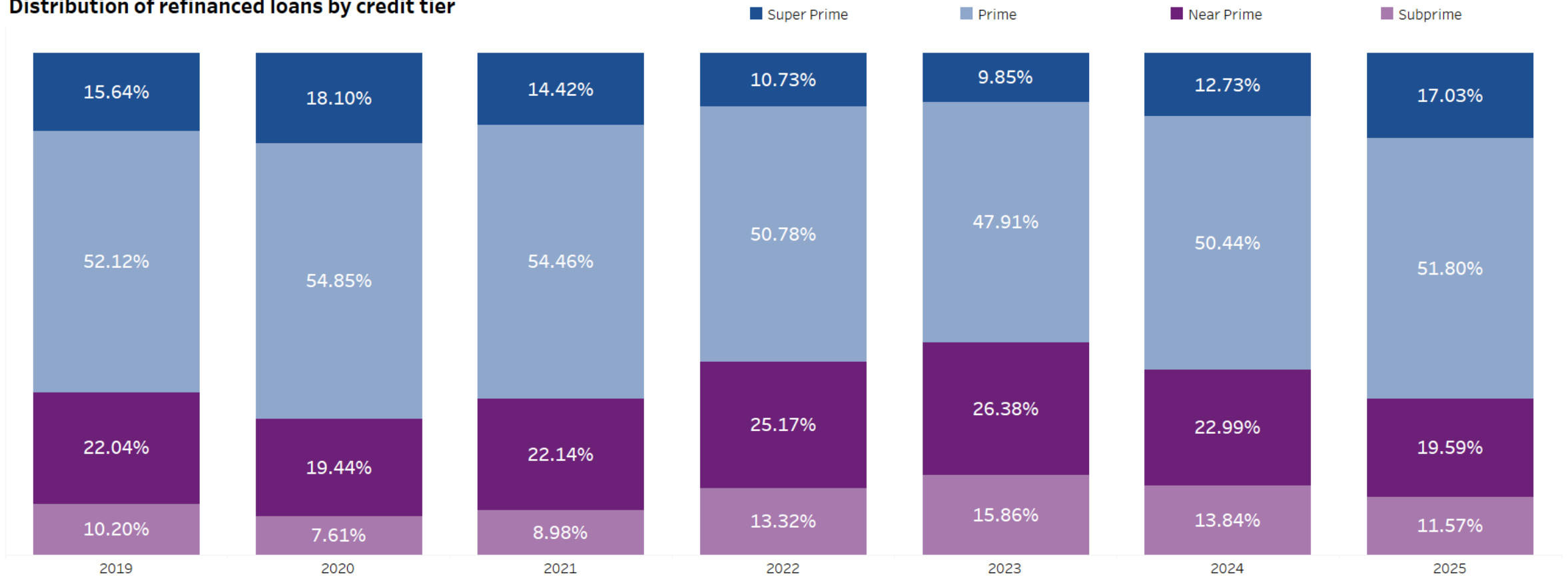
Since 2020, the average months to refinance is 24.37; average months has been decreasing since the peak in 2023 Q4

Average months to refinance



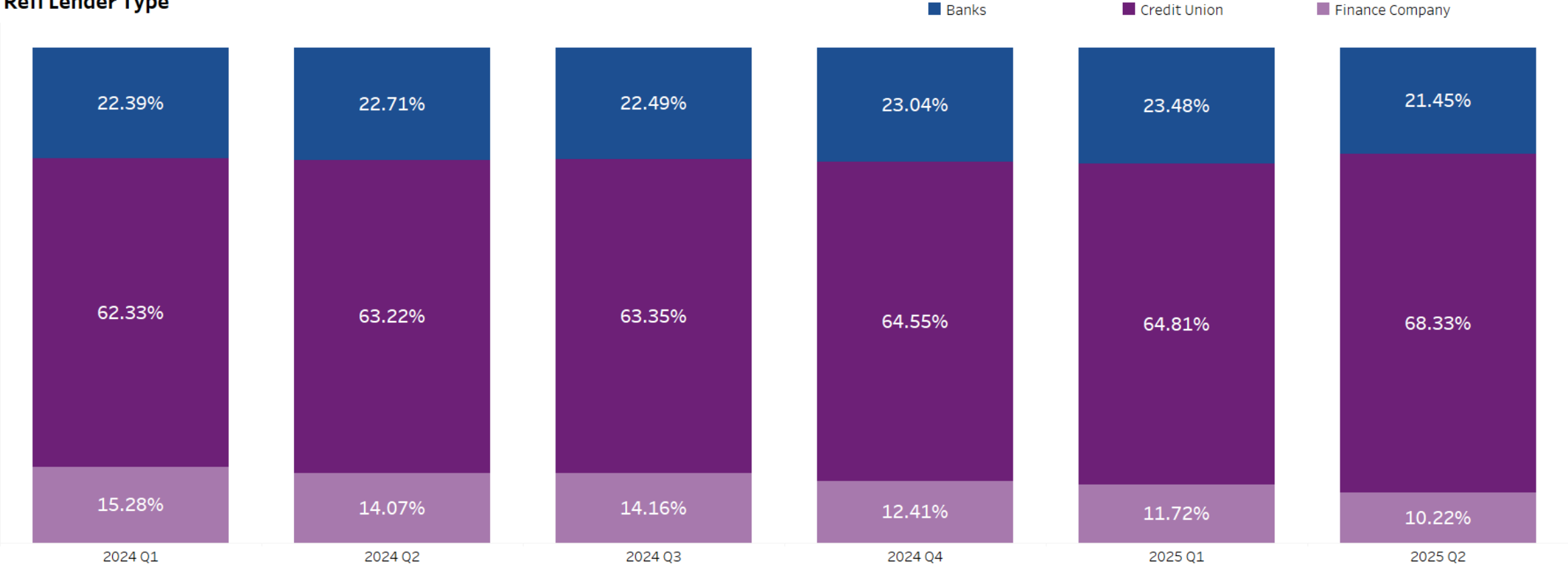
While refi occurs across the credit spectrum the majority occurs in Prime

Distribution of refinanced loans by credit tier



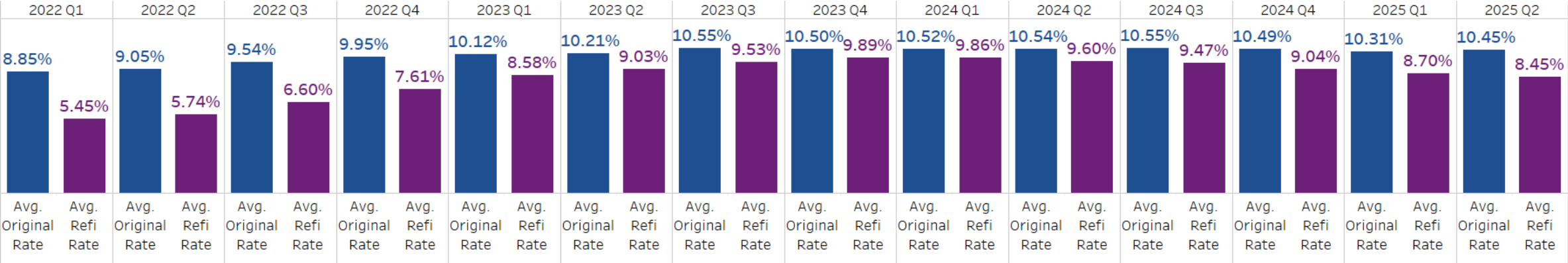
Credit Unions have steadily increased their share of the refinance space

Refi Lender Type

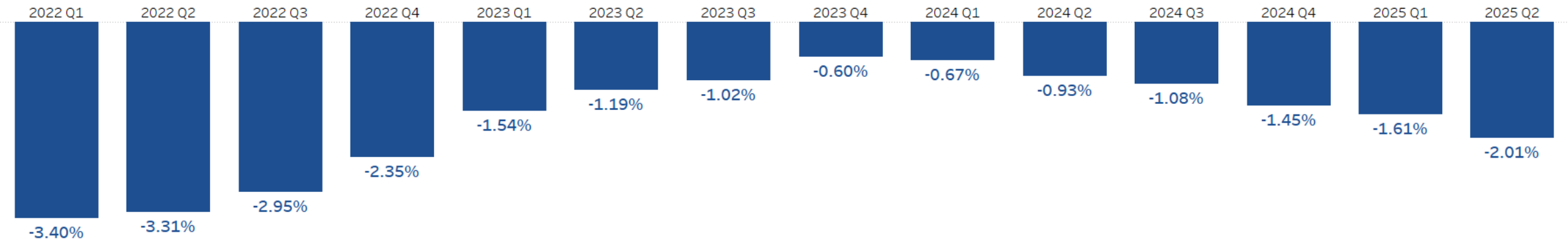


In Q2 2025, consumers saved over 2% on their refinanced loan rate

Average rate of original and refinanced loan

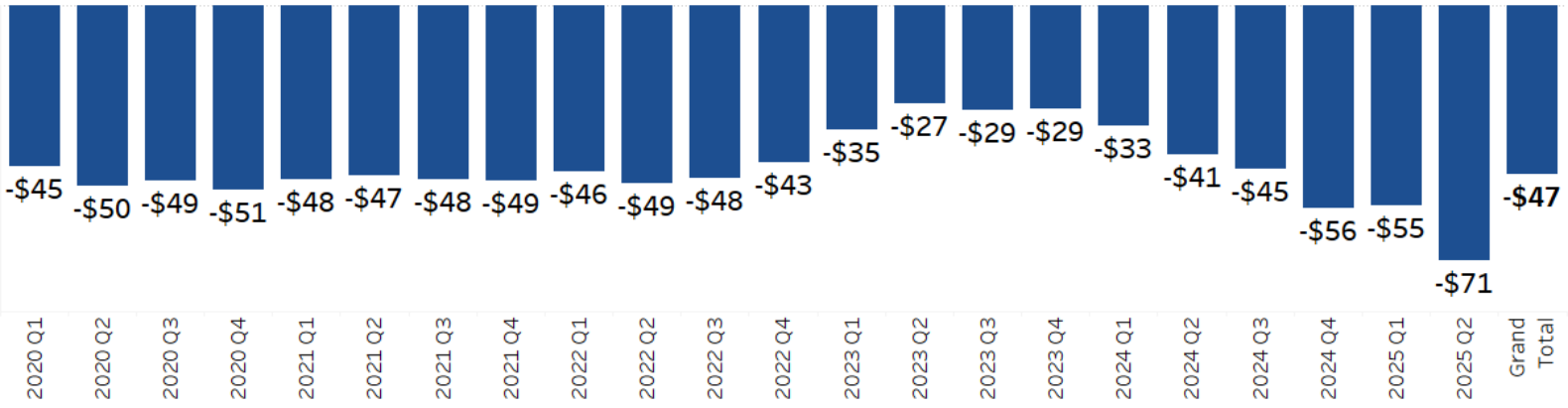


Rate Difference

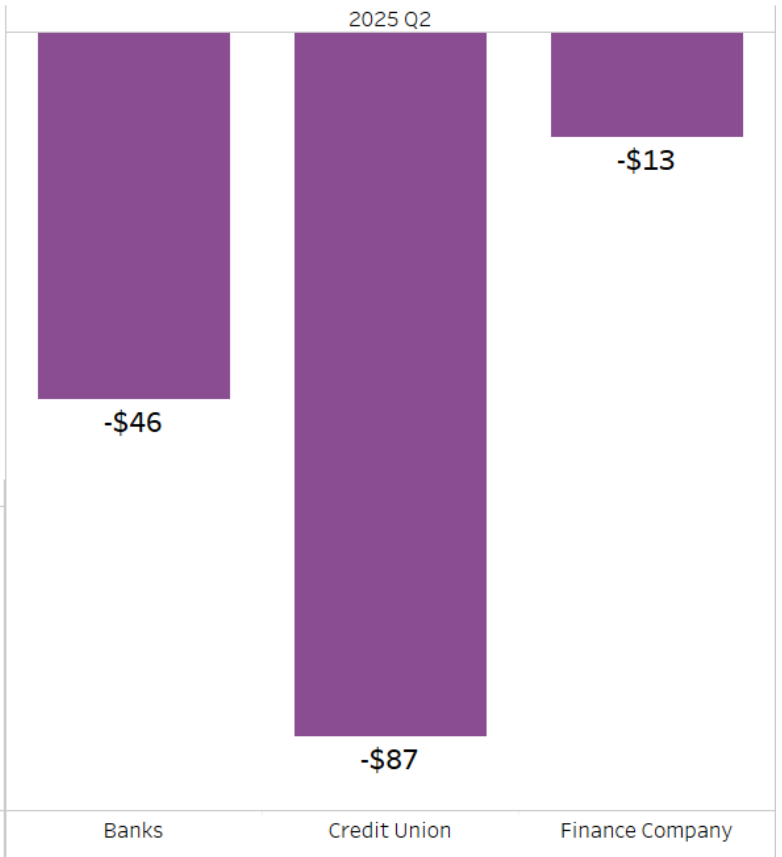


Since 2020, the average monthly savings is \$47 with the amount increasing since 2024; Credit Unions offer the largest payment difference

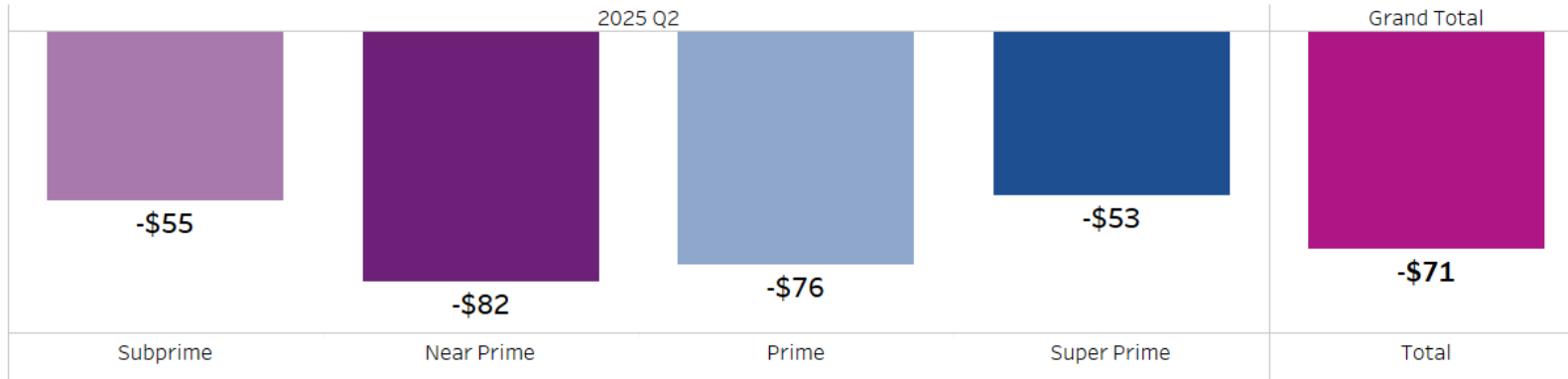
Average monthly savings



Average payment difference by refi lender type

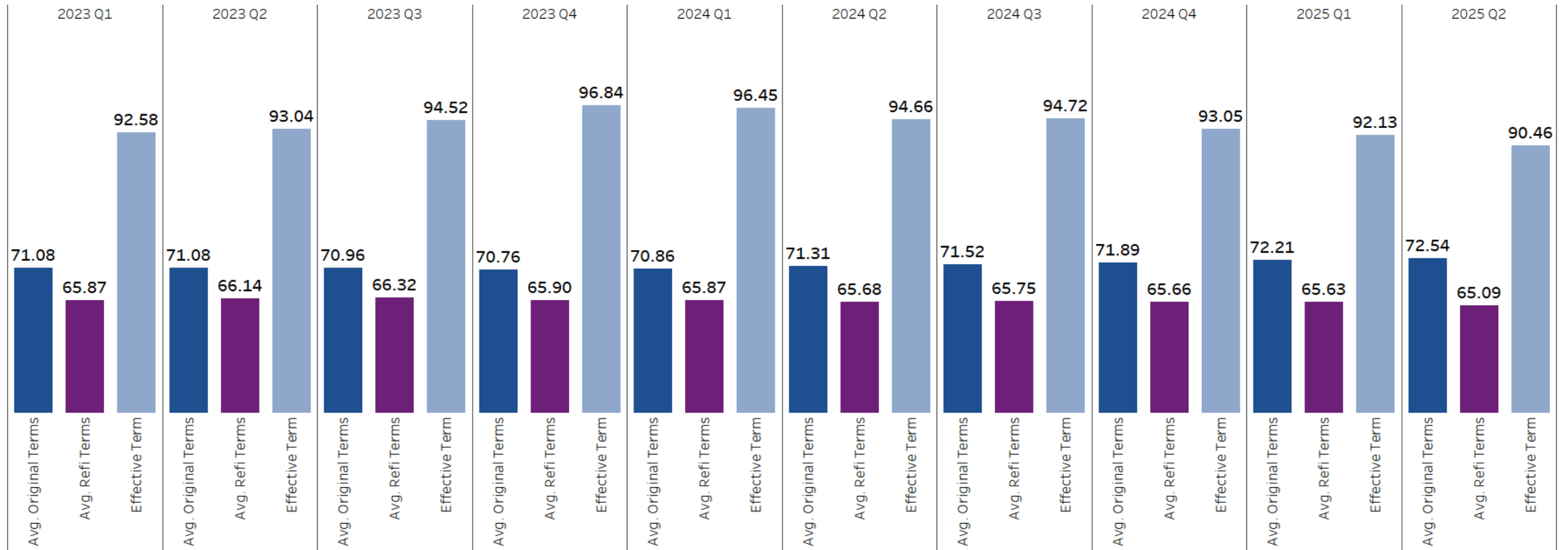


Average payment difference by risk segment



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

Average terms (original, refi & effective)



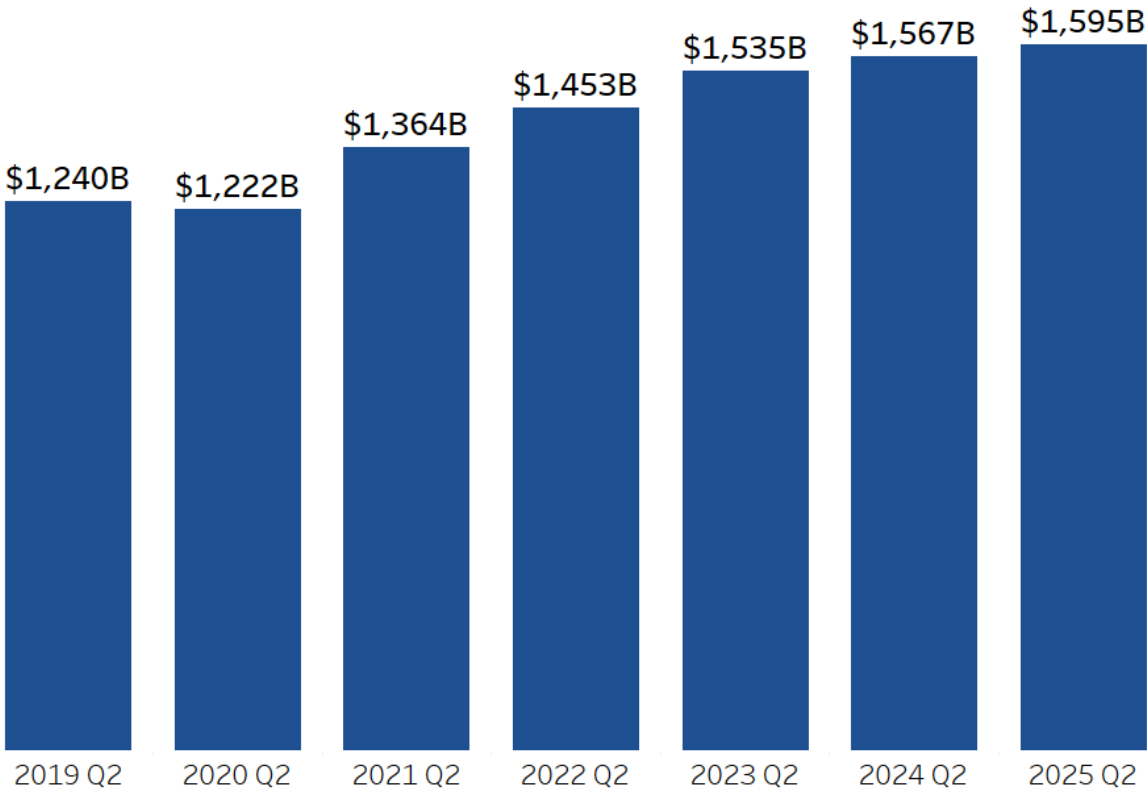


Q2 2025 Market overview

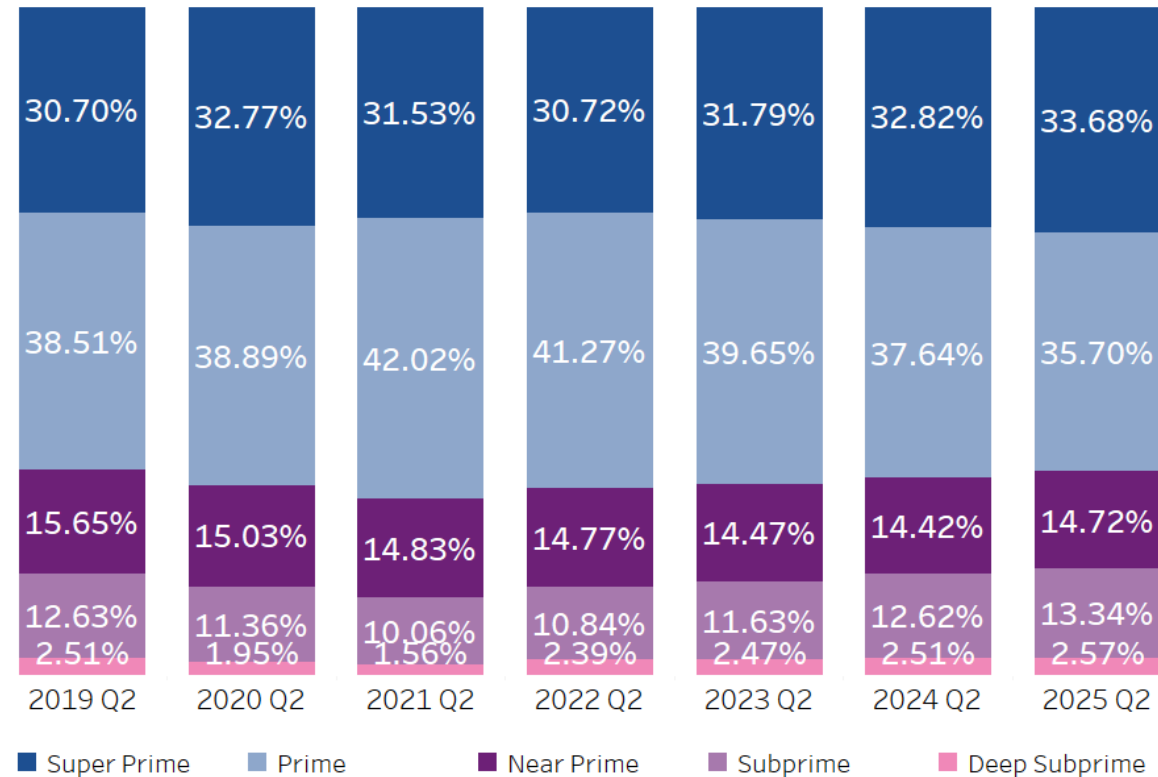
Balances and delinquency on all
open auto loans & leases

Balance growth has slowed, but up YOY

Outstanding Automotive Loan Balance

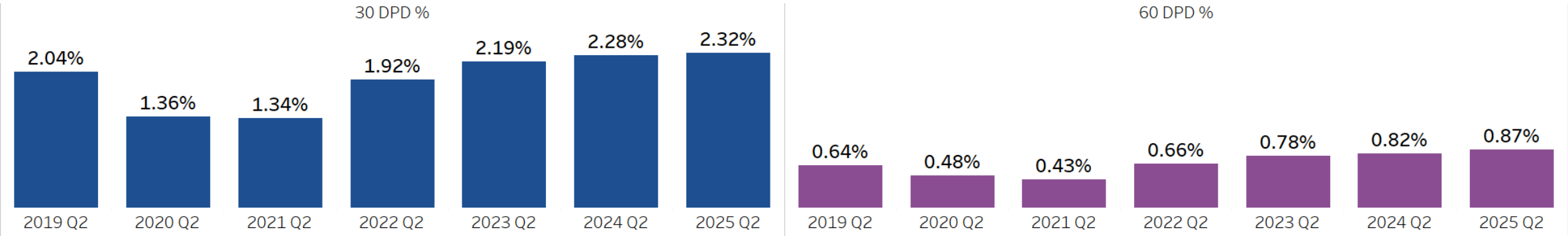


Risk Distribution of Outstanding Auto Loan Balance

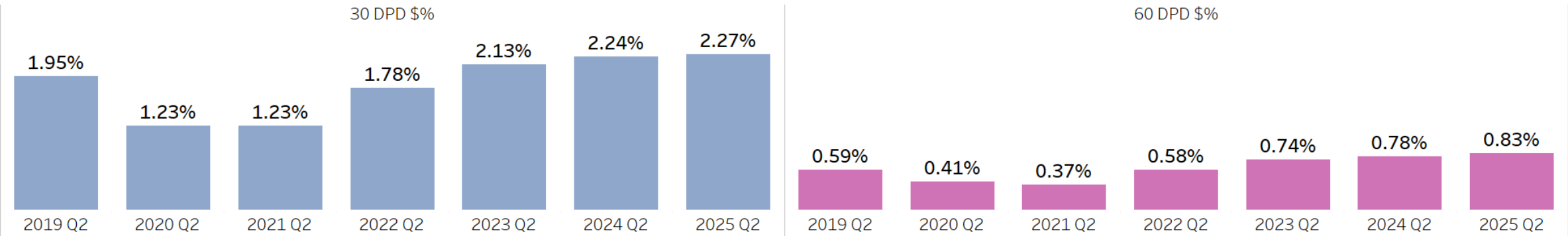


Delinquencies increase YOY and remain high

Delinquency: percentage of auto loans and leases past due



Delinquency: percentage of auto balances past due



Delinquency by vehicle and fuel-type

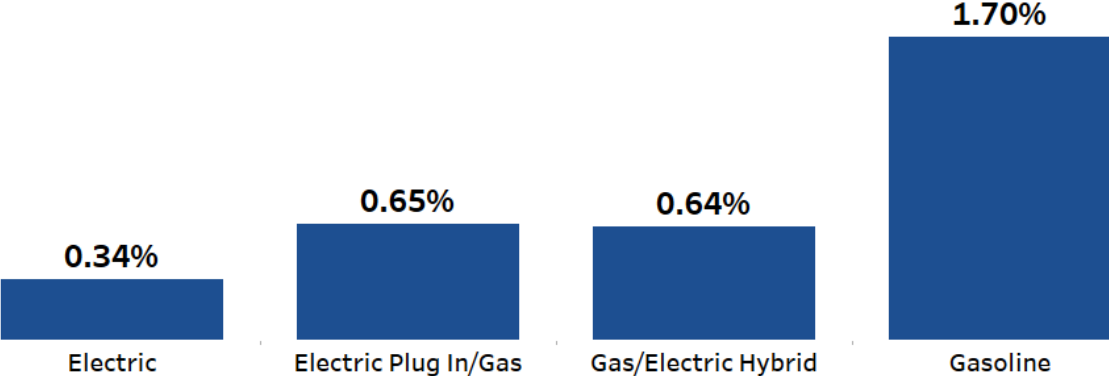
Current 60 day delinquency rate by new/used



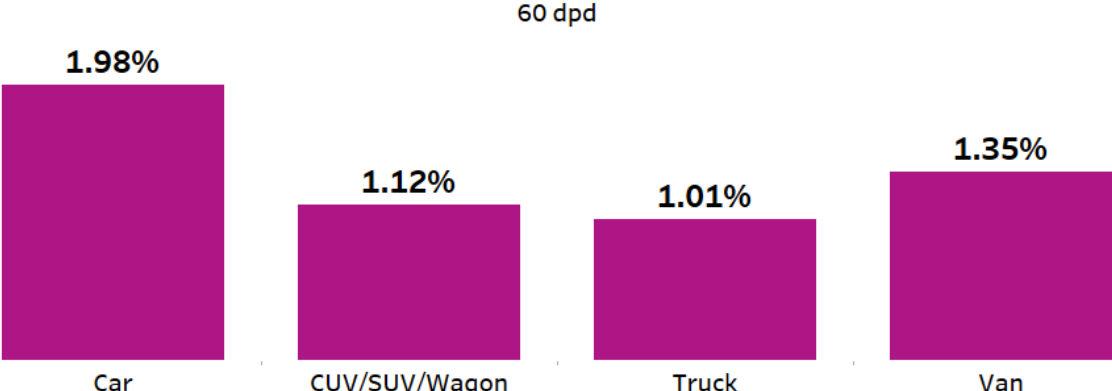
Current 60 day delinquency rate by dealer type on used loans



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



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



Q2 Summary

- Leasing rates decrease; cash remains high
- Scores continue to rise
- Banks pick up market share across the board
- EV share falls under 9% 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 both new & used loans
- Refinance increases with an average savings of \$71/month
- Overall balance growth slows, and delinquencies are up



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Automotive **Consumer** Trends Report



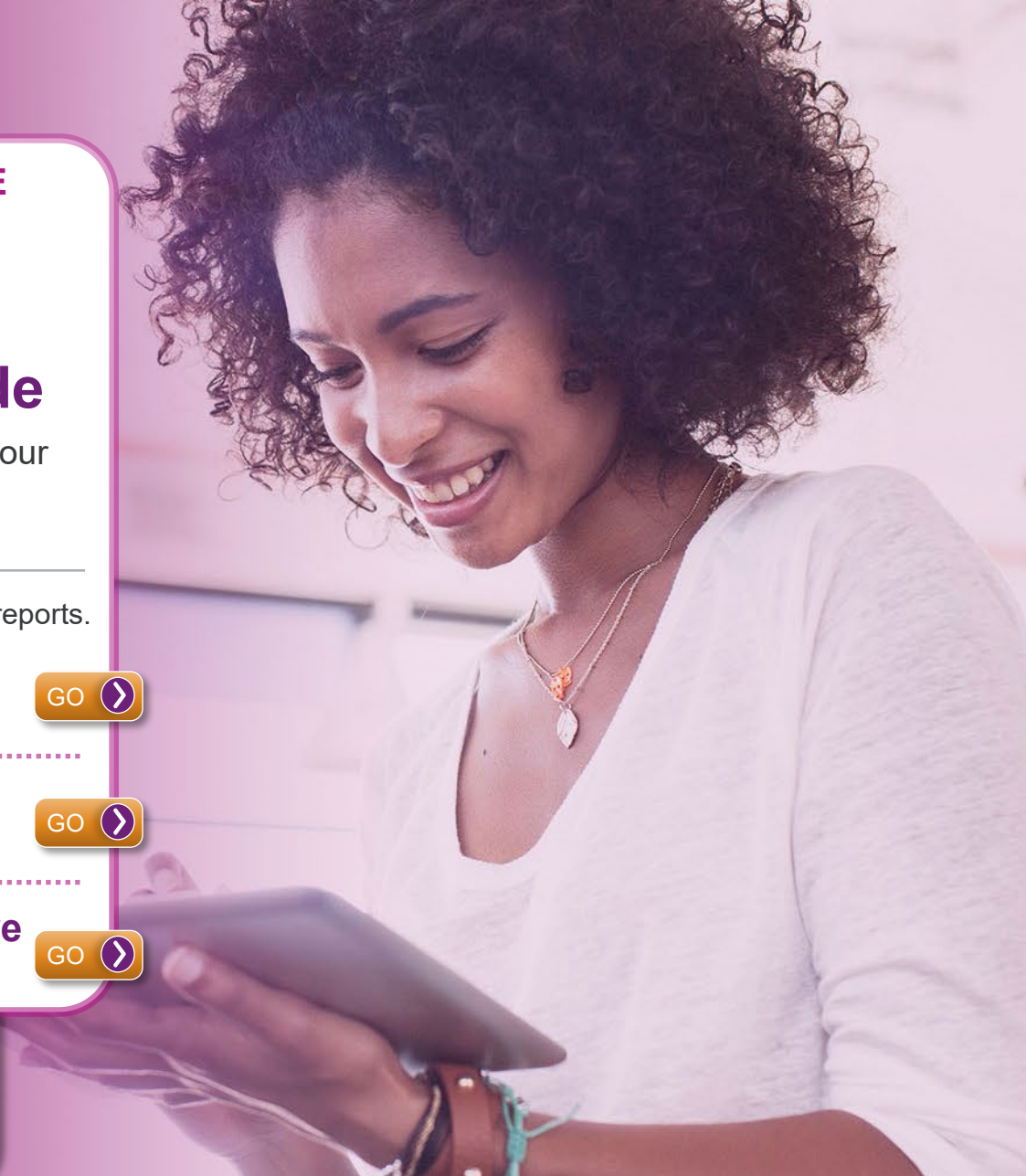
Automotive **Market** Trends Report



State of the Automotive **Finance** Market Report



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