



EXPERIAN AUTOMOTIVE

Q4 2025

State of the Automotive Finance Market

Melinda Zabritski
Head of Automotive
Financial Insights

Q4 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 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

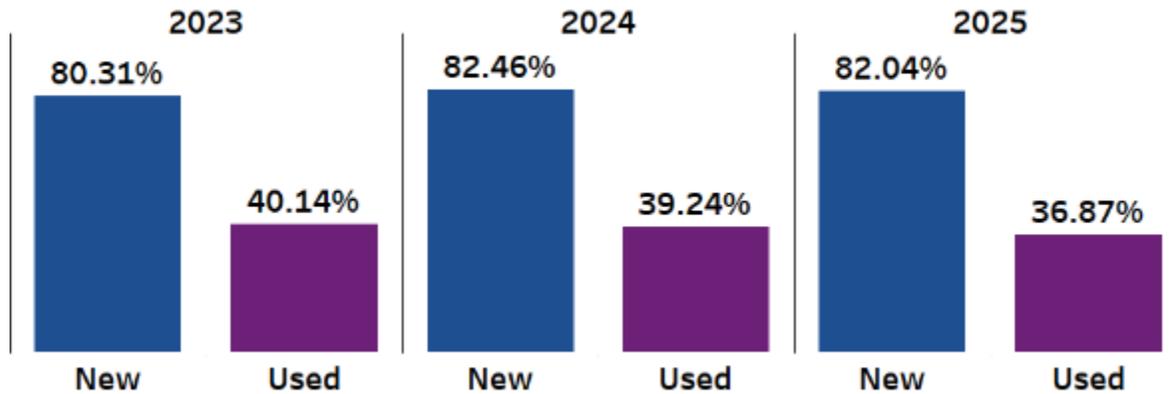


Q4 2025 Originations

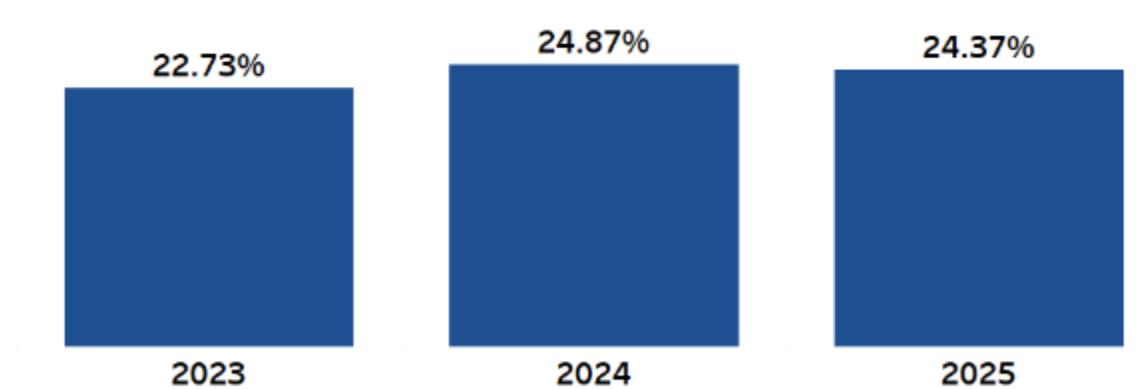
Trends in automotive loan and
lease originations

Automotive financing: snapshot of how and what consumers are purchasing

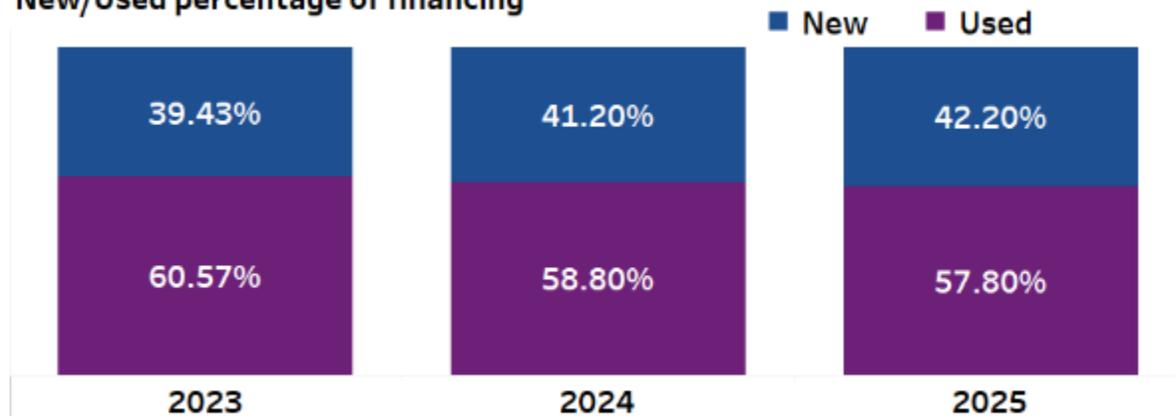
Percentage of vehicles with financing



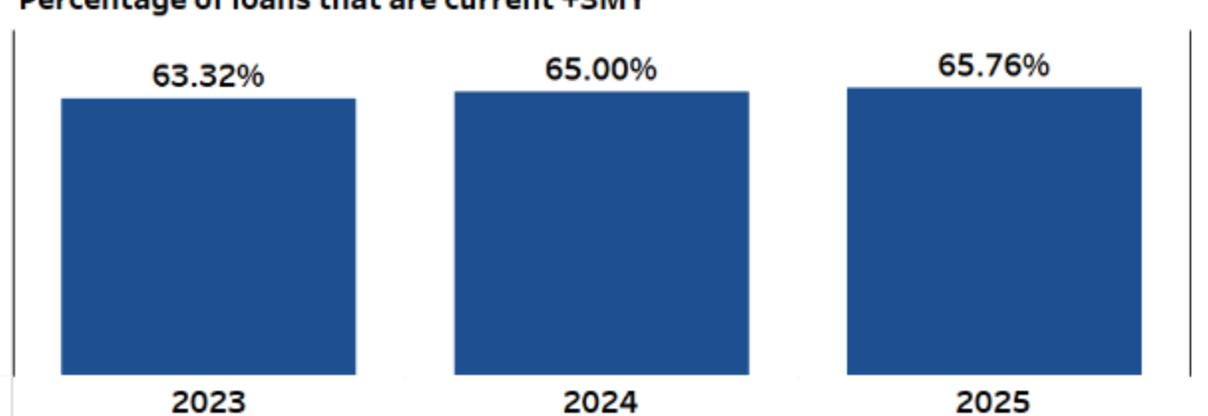
% of all new vehicles that are leased



New/Used percentage of financing

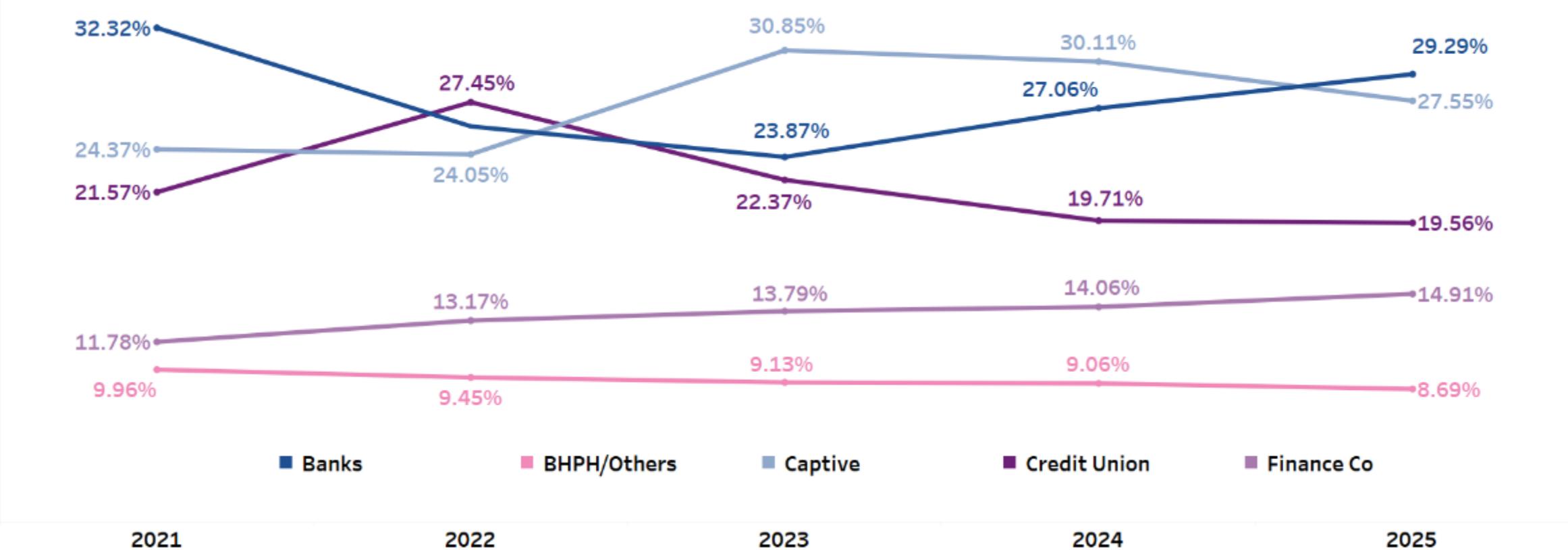


Percentage of loans that are current +3MY

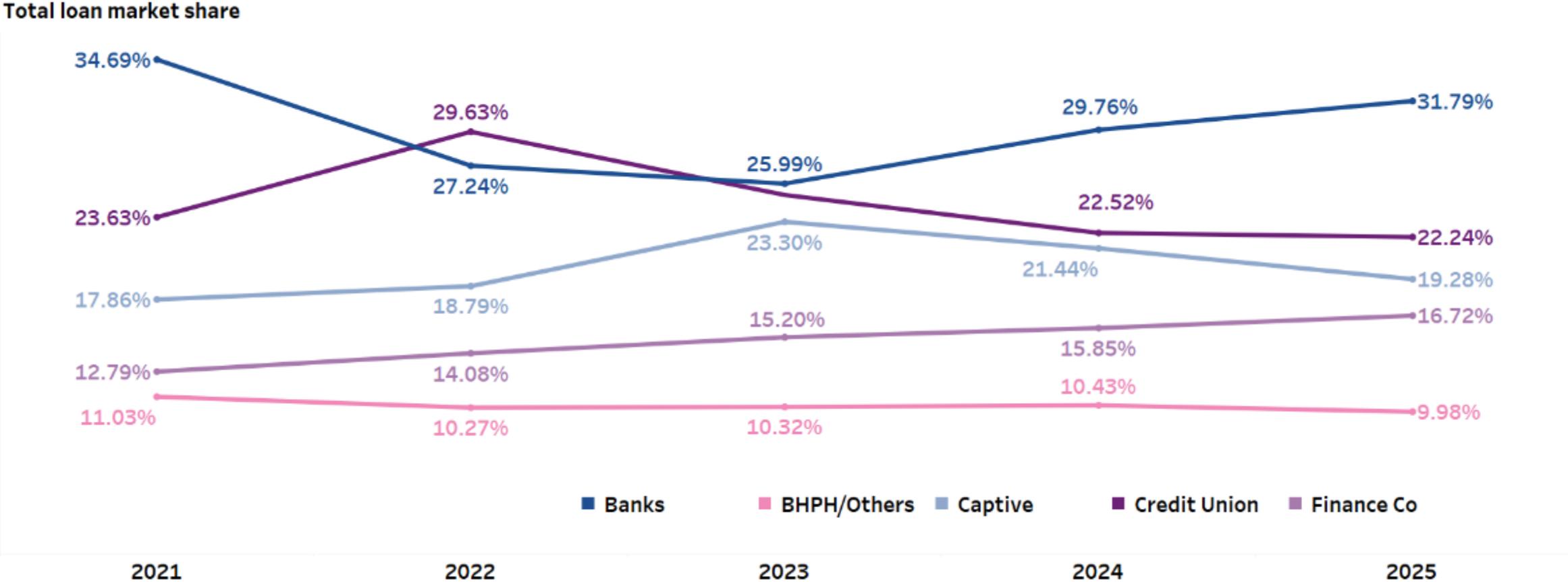


Banks gain largest lender type for Q4

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

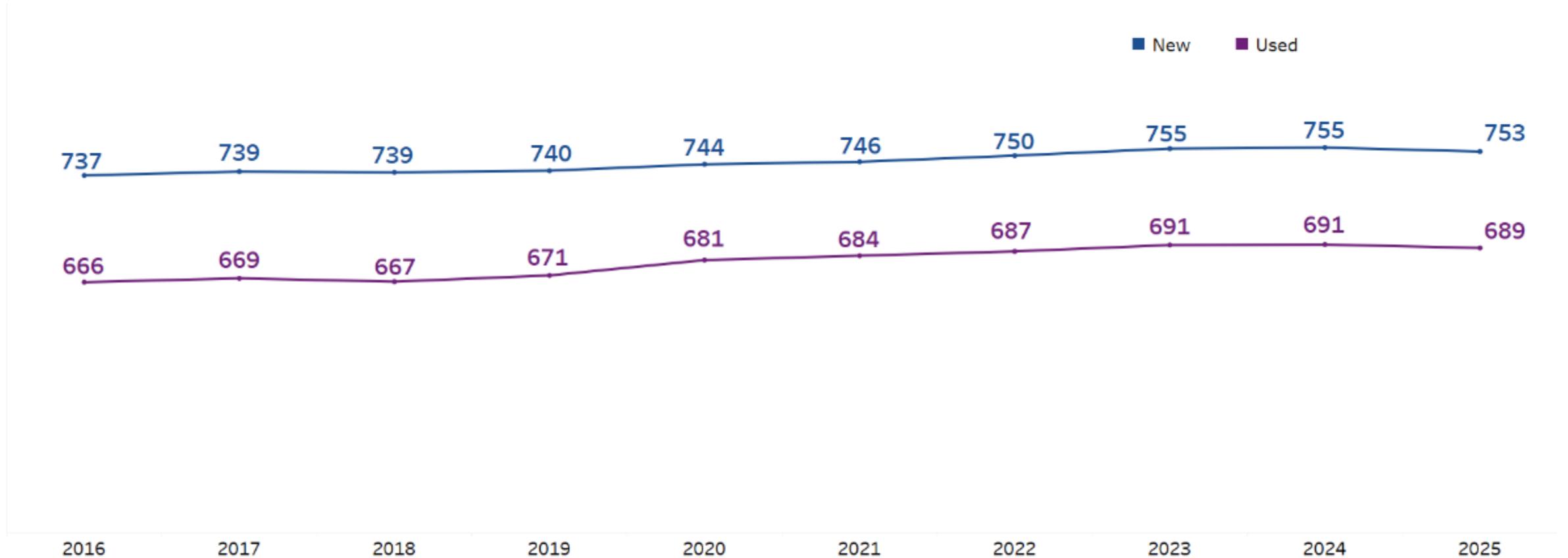


Banks increase to over 31% loan share; Finance Companies see some growth while other lenders lose share



Average scores decrease in Q4; new and used scores down 2 points

Average score by vehicle type

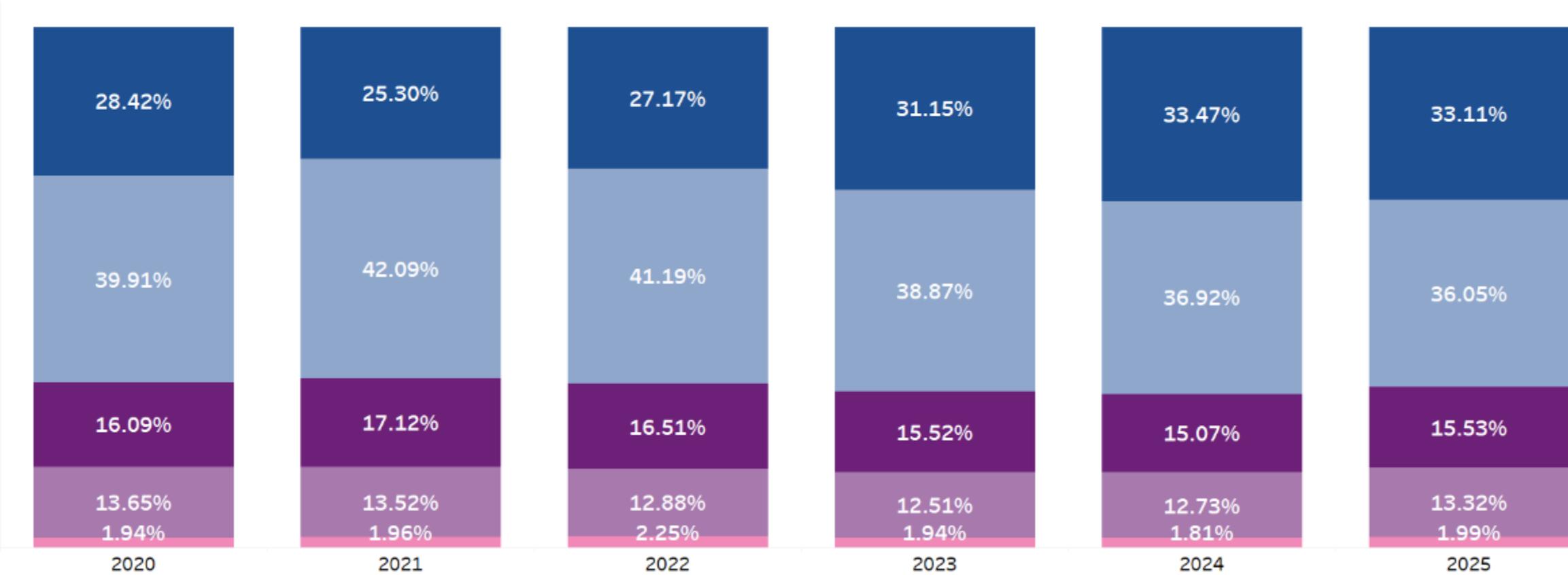


VantageScore® 4.0

Tiers outside of Prime see growth; total subprime grows to just over 15.3% (most since 2021)

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

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

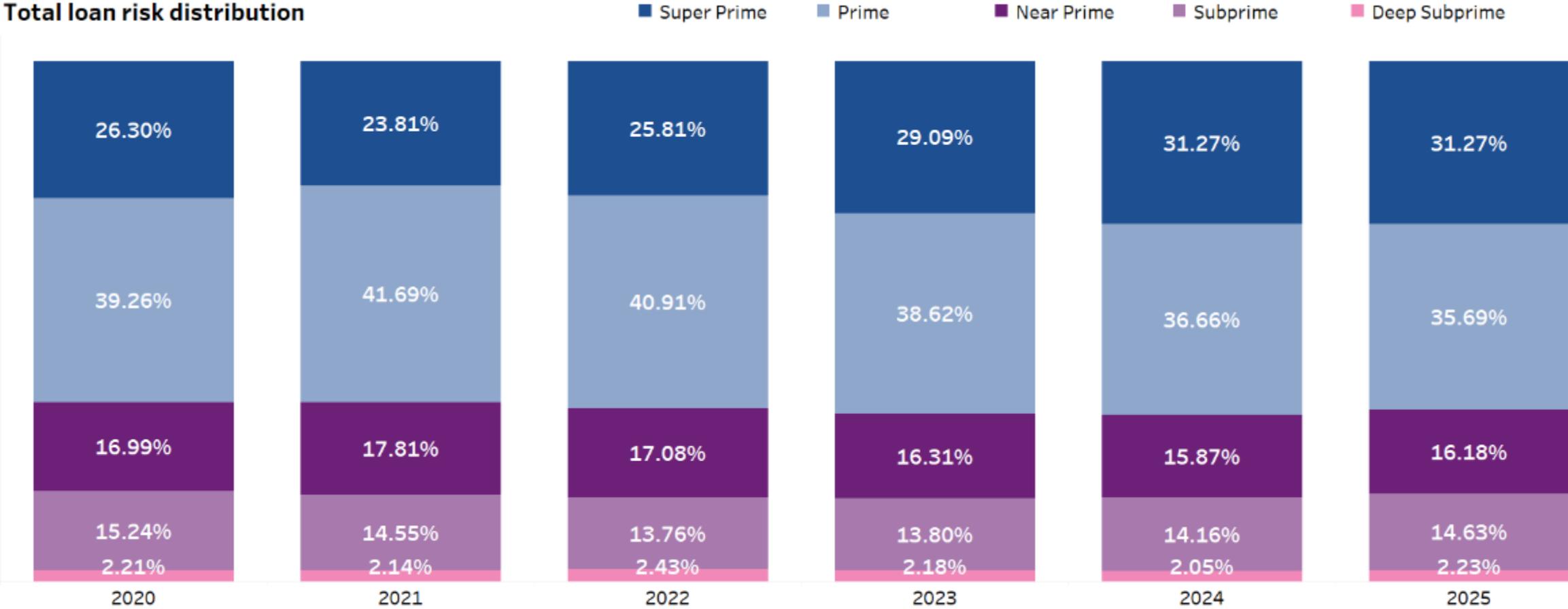


VantageScore® 4.0



Growth occurring outside of Prime; total subprime now 16.86% (most since 2020)

Total loan risk distribution



VantageScore® 4.0



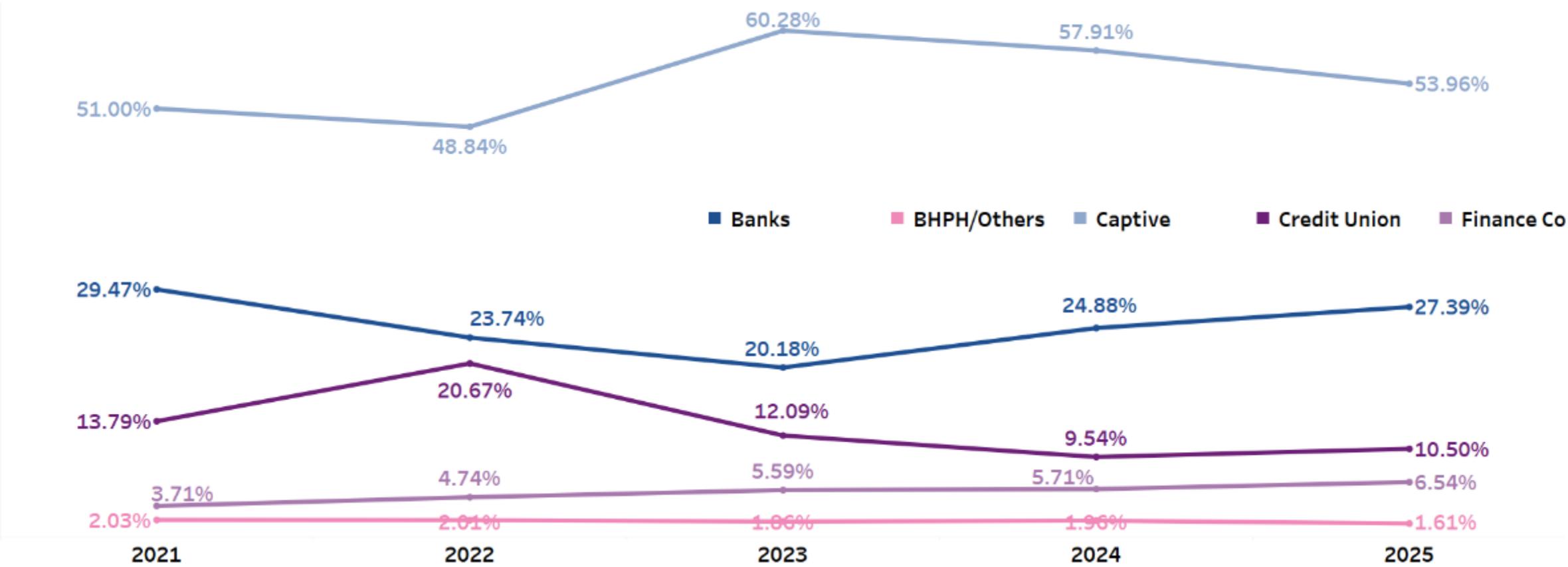


Q4 2025 New financing

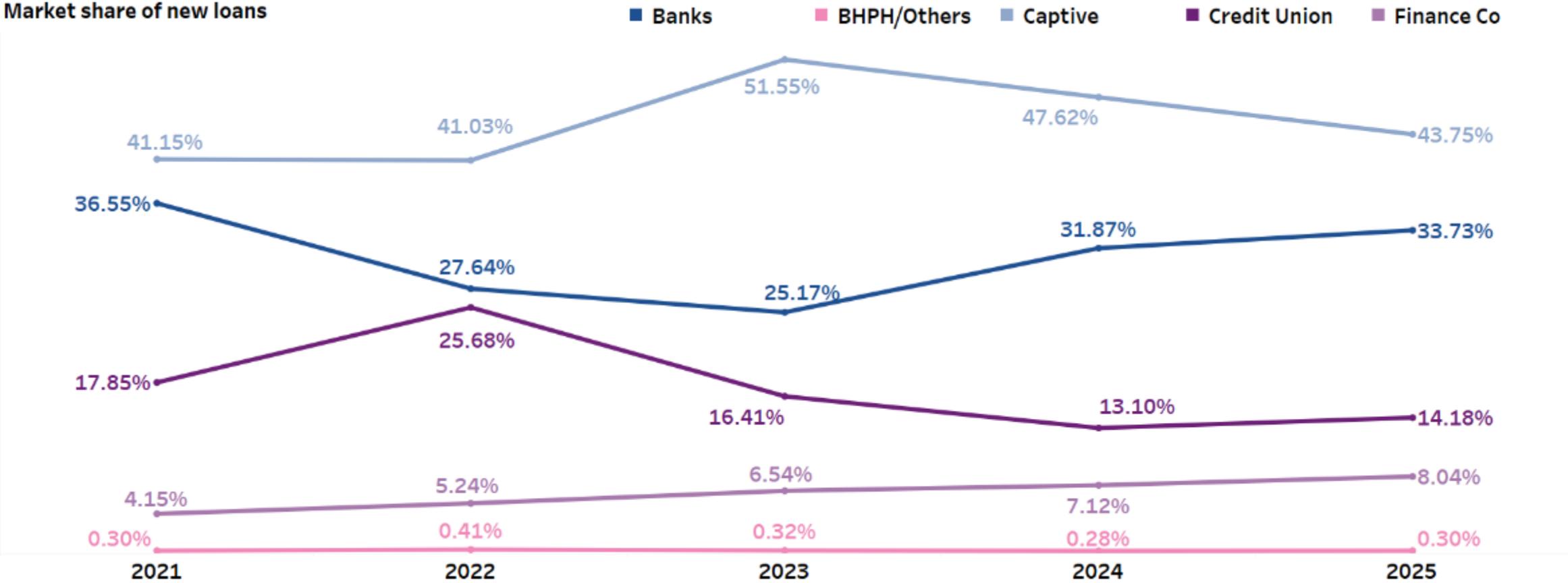
A look at new lease & loan trends

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

Market share of new financing (loan/lease)

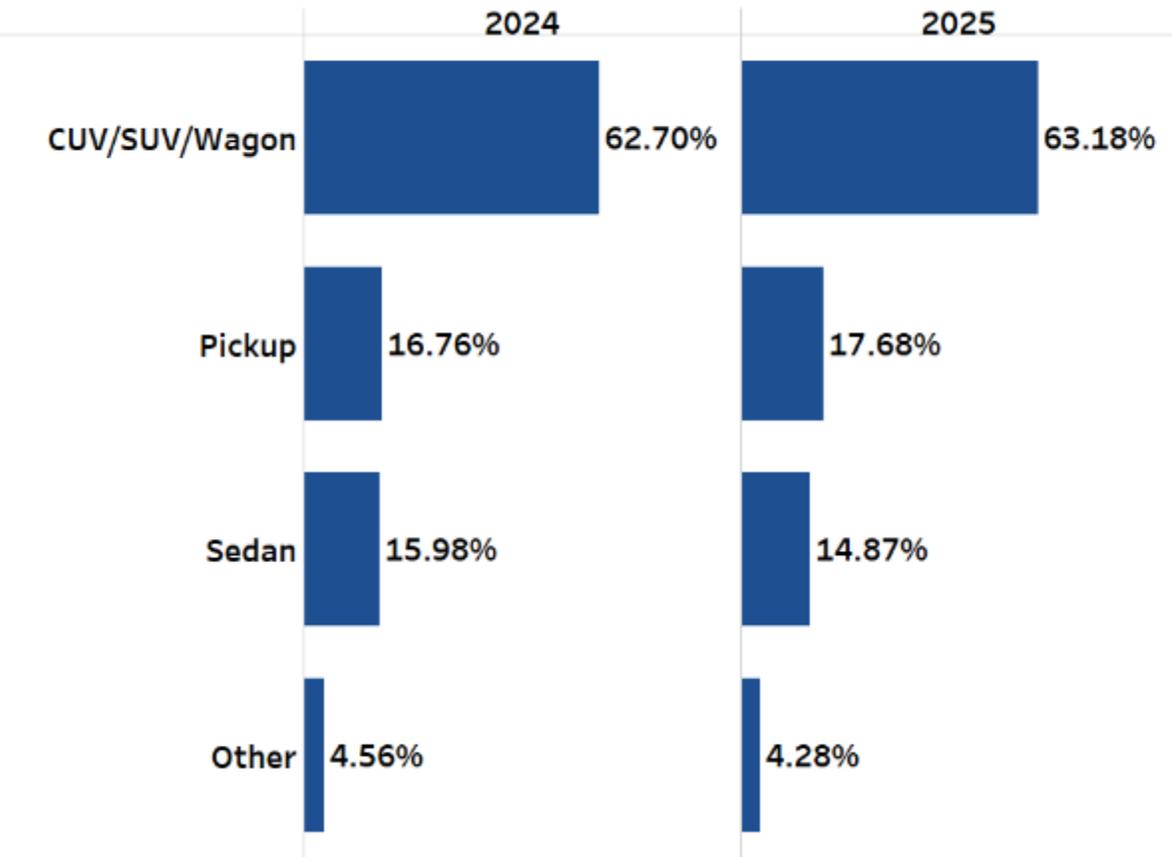


Banks, Credit Unions and Finance Companies pull new loan share away from Captives

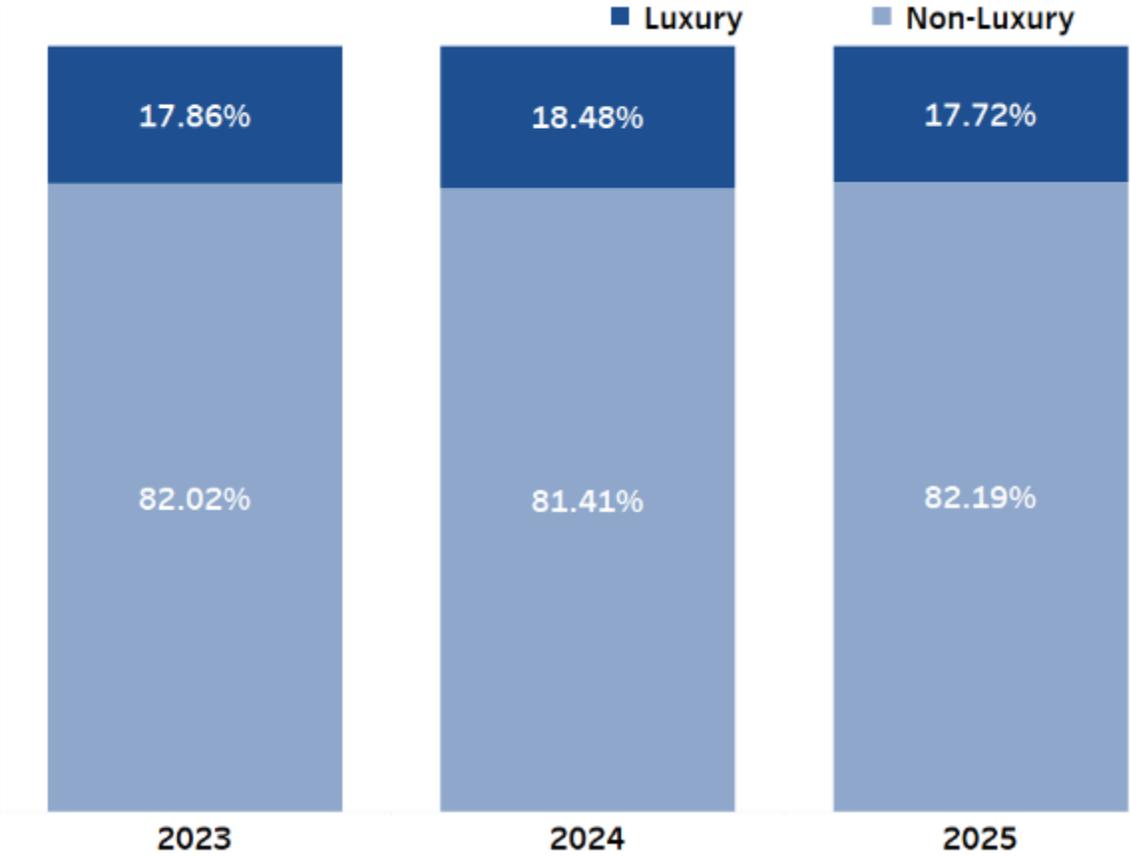


CUV/SUVs and Pickups pull share away from Sedans

Percentage of new financing by segment

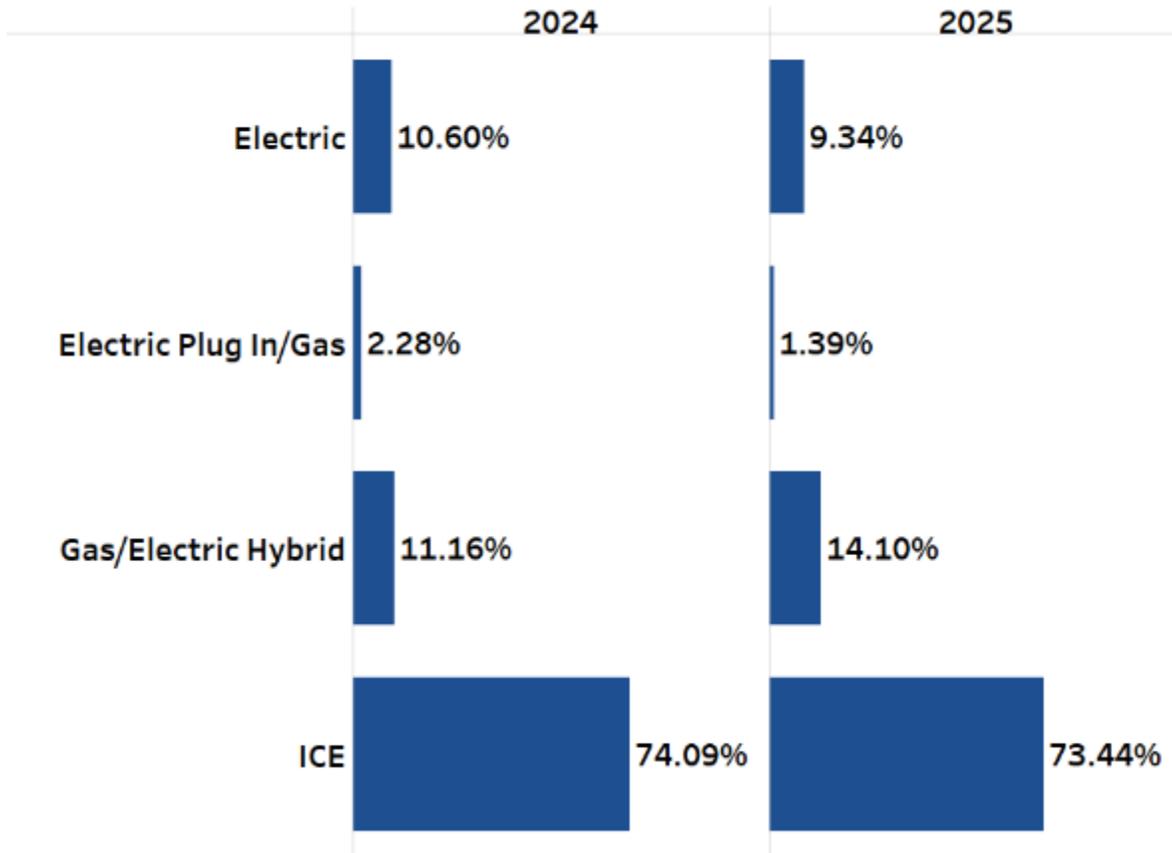


Percentage of new financing by class



EV share of new purchases decreased in Q4; leasing remained dominant while EVs hit nearly 20% of all new leases

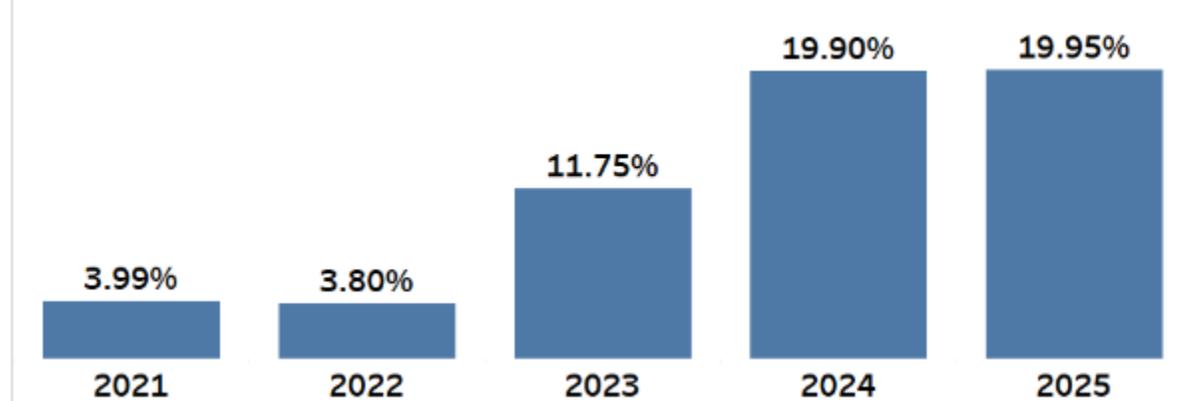
Percentage of new financing by fuel type



How are consumers purchasing new EV

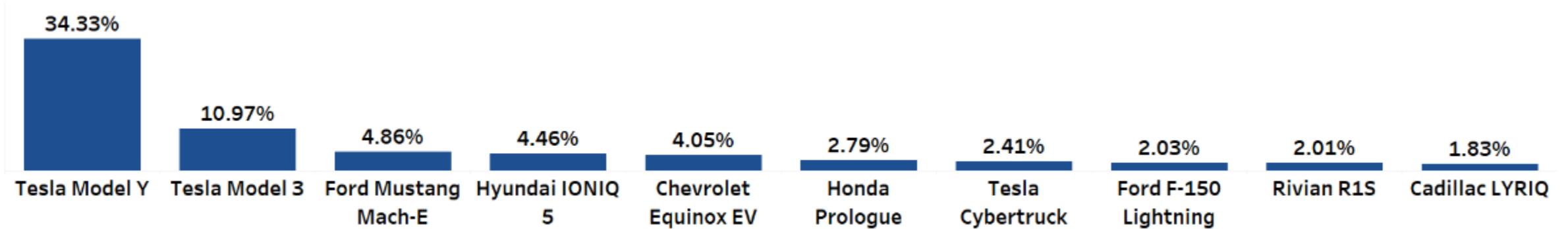


EV share of new leasing

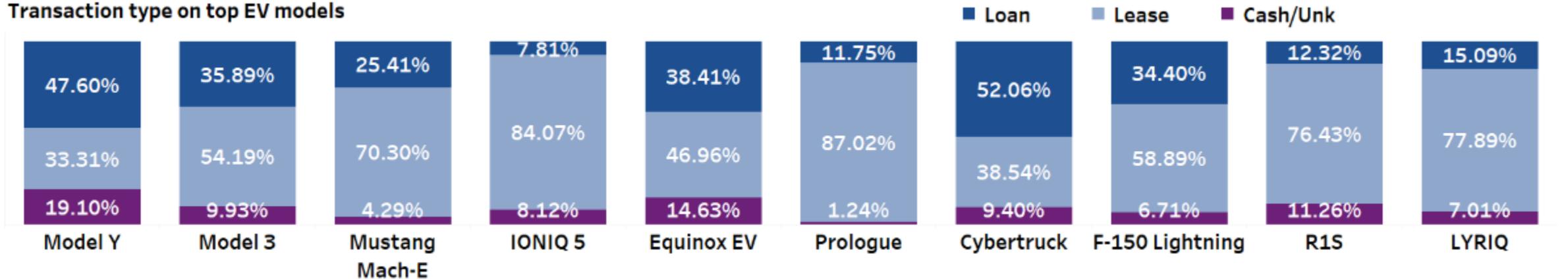


Top 10 New EV Models: transaction types vary considerably among the top new EVs

Top 10 EV models

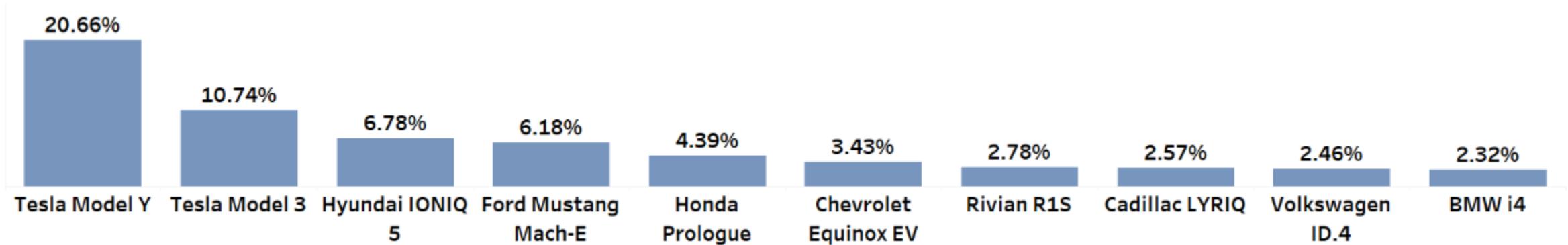


Transaction type on top EV models

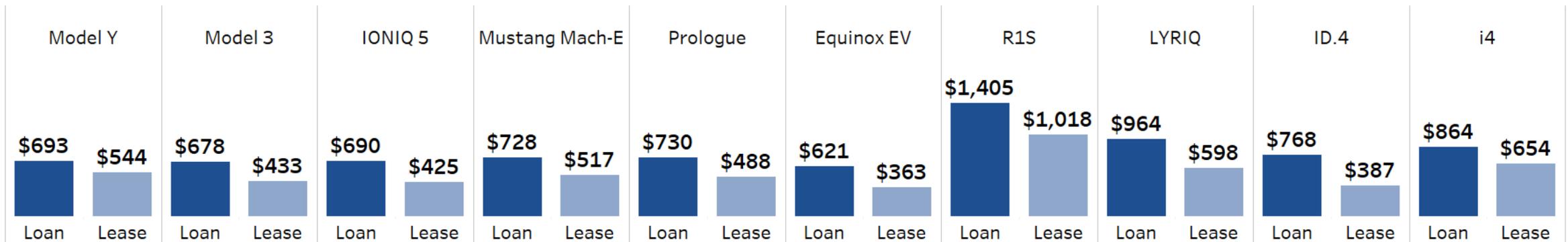


Average payment difference between a lease and a loan across all EV models is \$183

Top 10 leased EV models

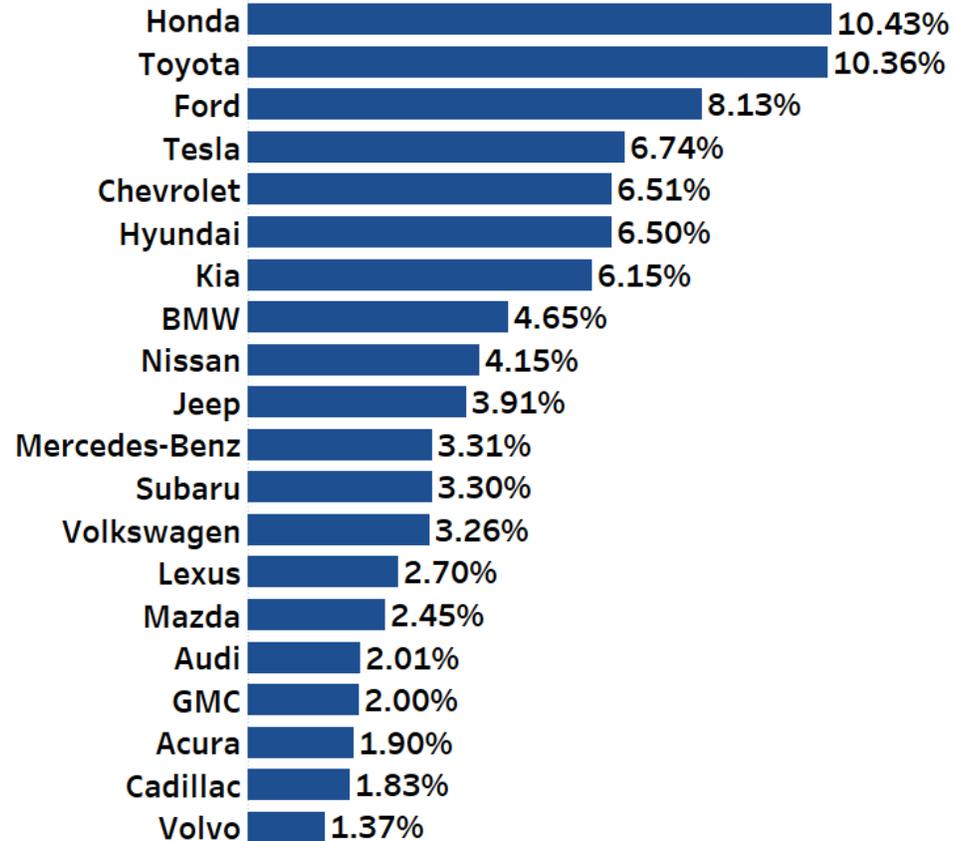


Average monthly payment on top leased EV models

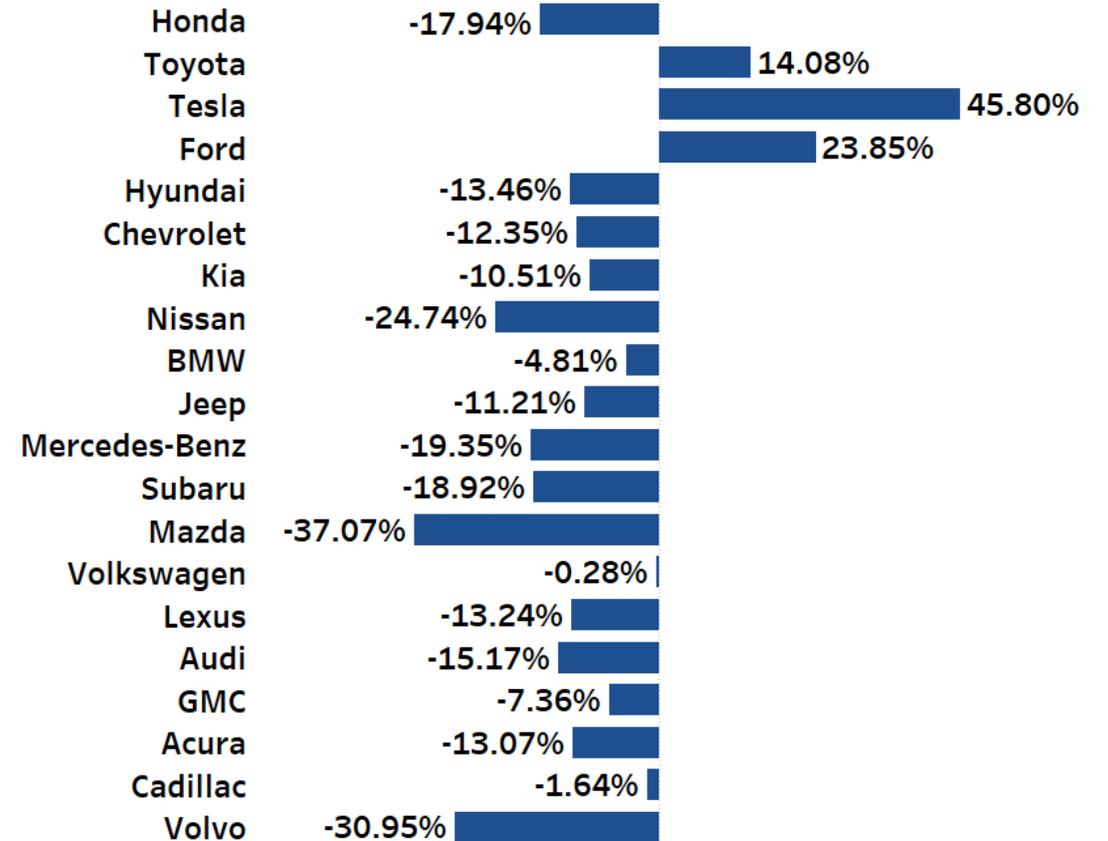


Honda remains as number one leased make; Tesla sees the largest YOY growth

Top 20 leased new makes

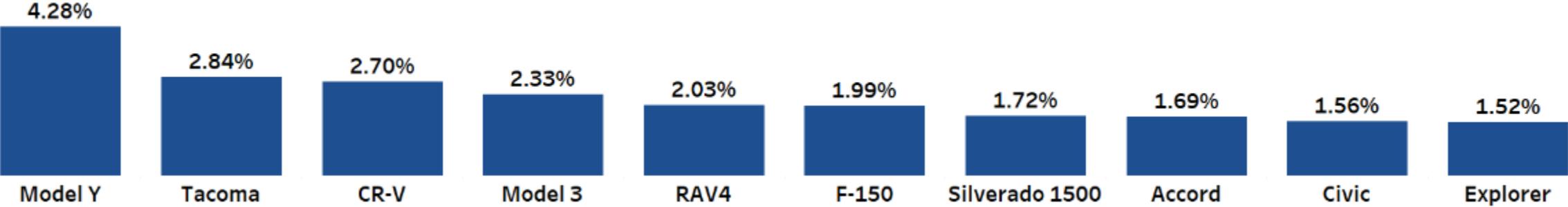


YOY Growth on Top 20 leased makes

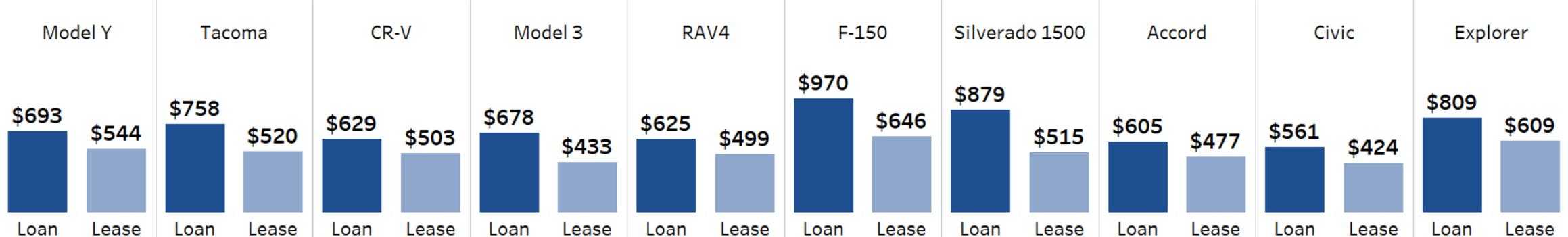


Model Y leads as top leased model; average payment difference of \$154

Top 10 leased models

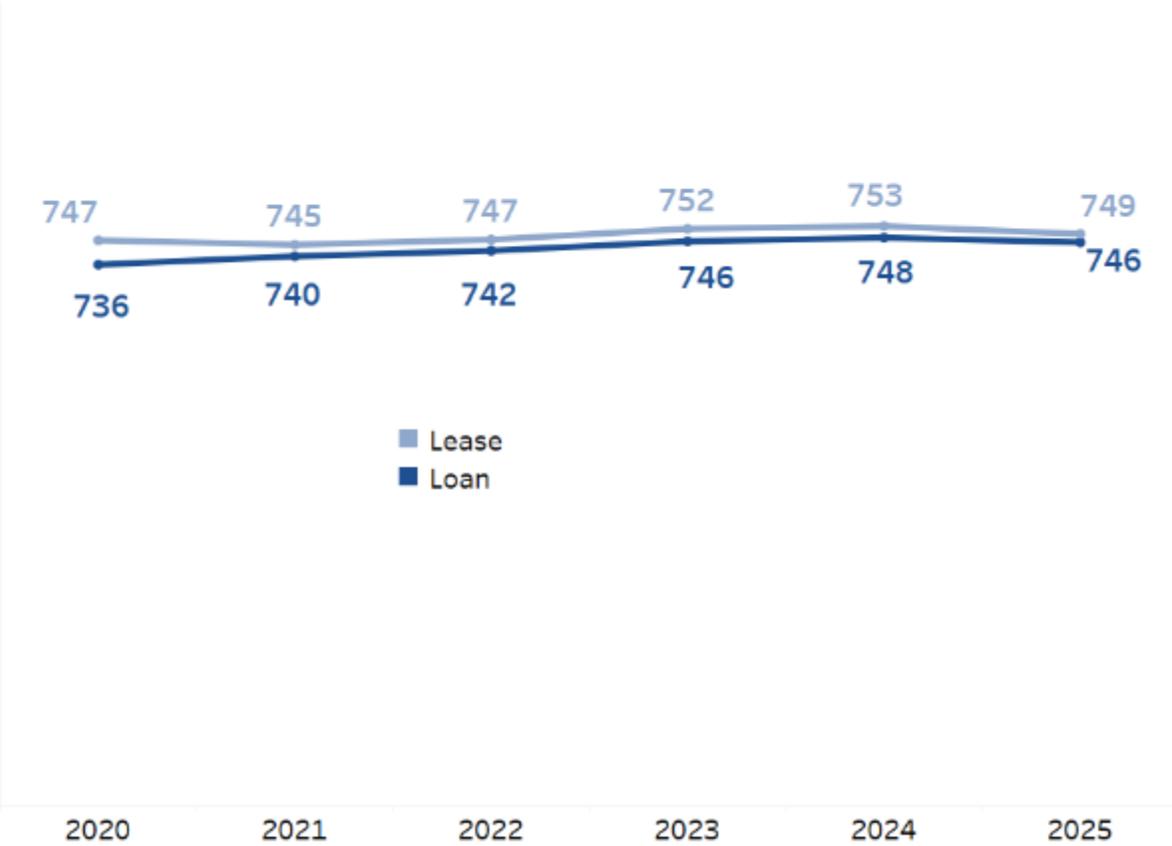


Average monthly payment on top leased models

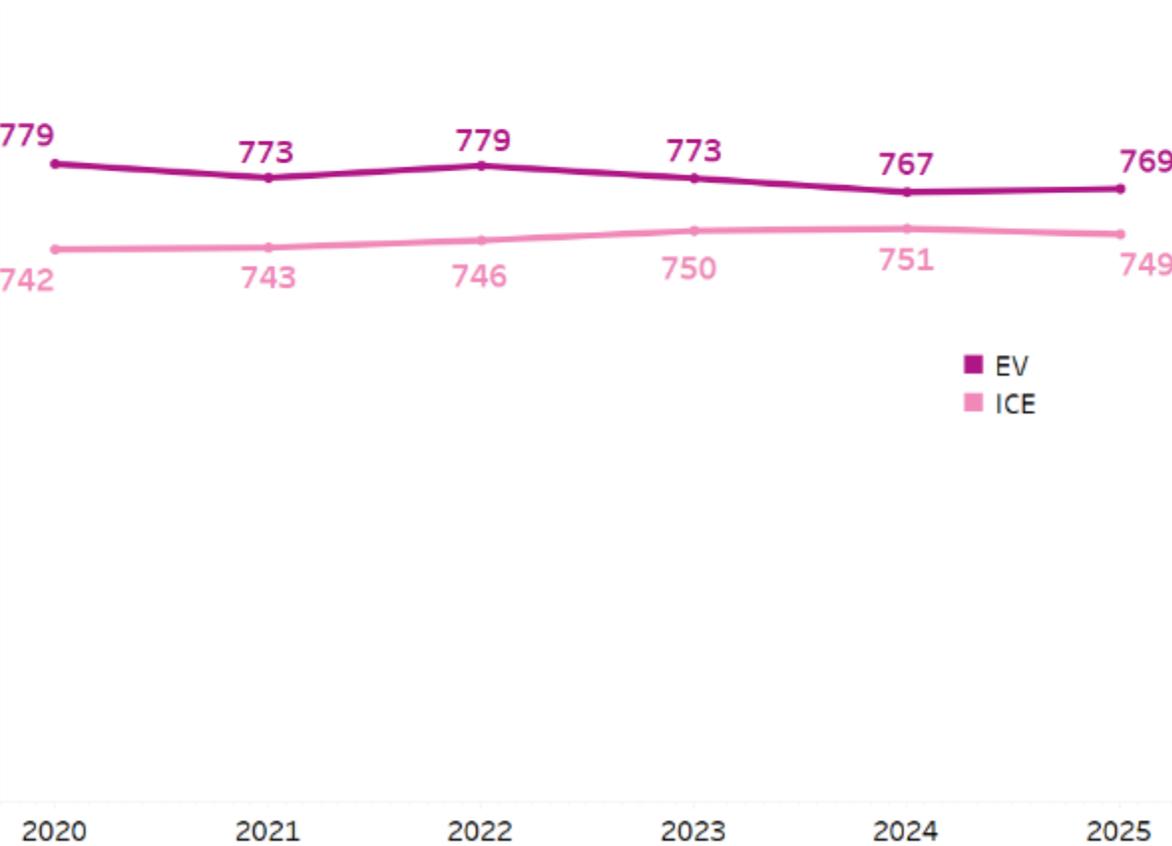


New scores decrease; EV scores increase 2 points

Average new score by transaction type

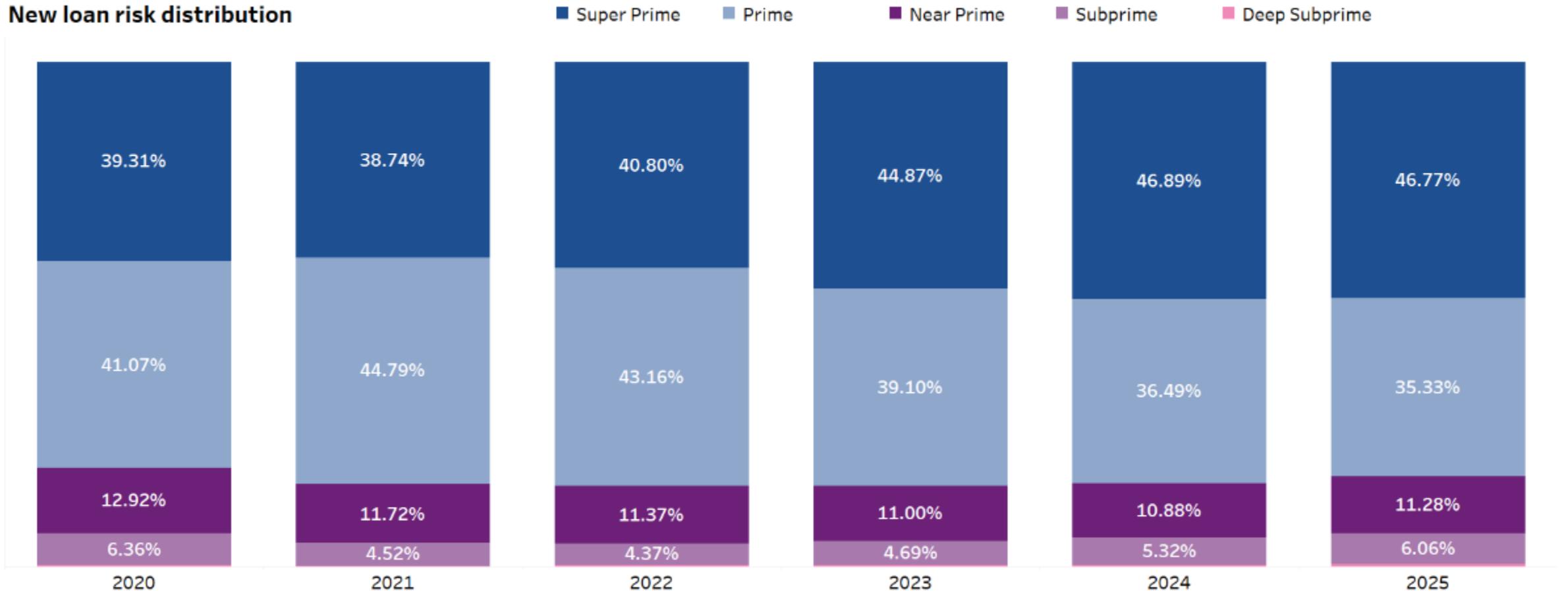


Average new score by fuel type



New loans also see growth occurring outside of prime (most subprime since 2020)

New loan risk distribution

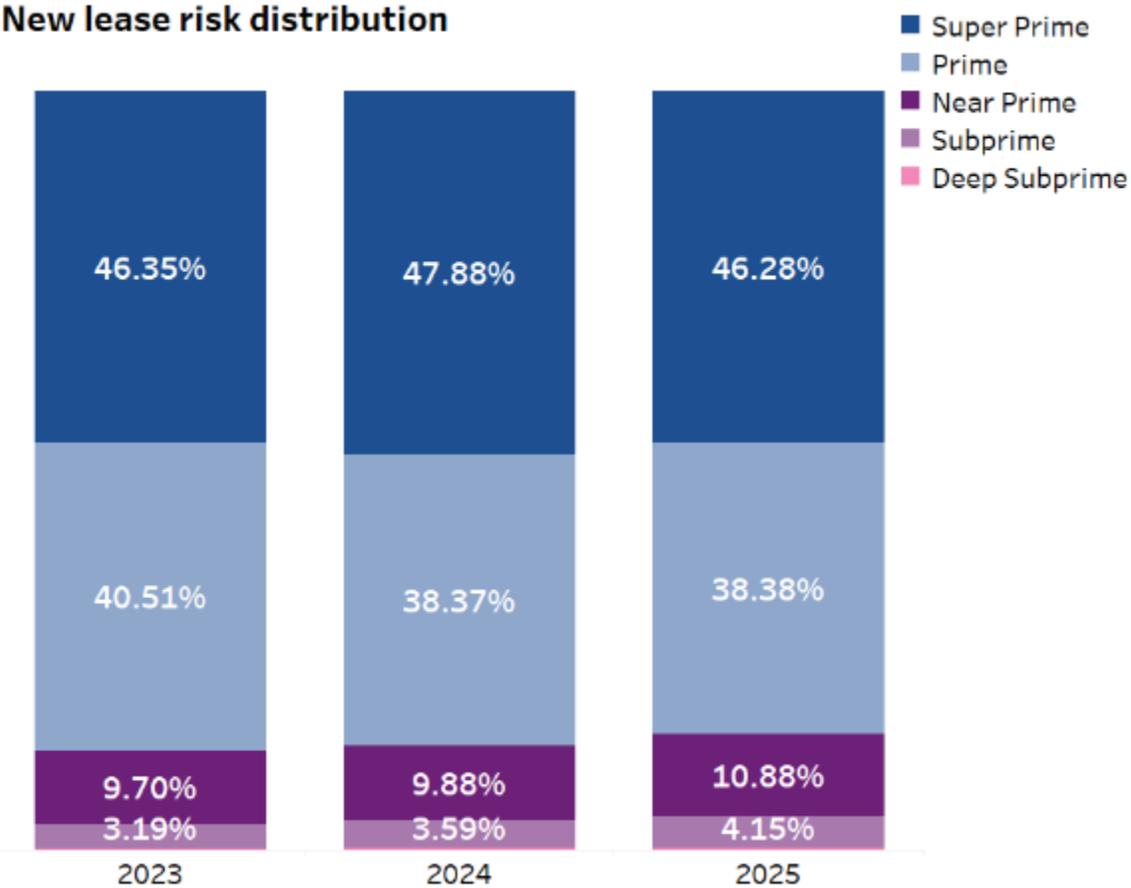


VantageScore® 4.0

Deep Subprime 0.55%

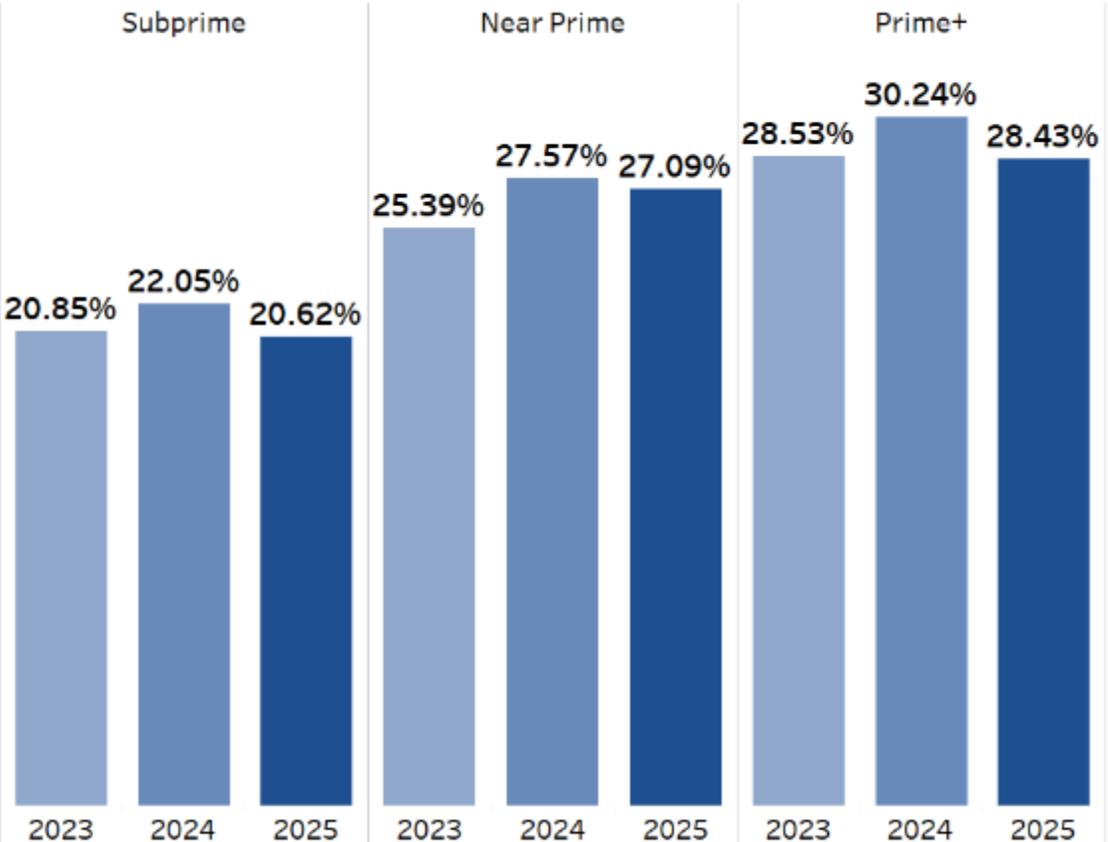
While over 84% of leasing is Prime+, growth is occurring outside of prime; leasing is down across all risk segments

New lease risk distribution



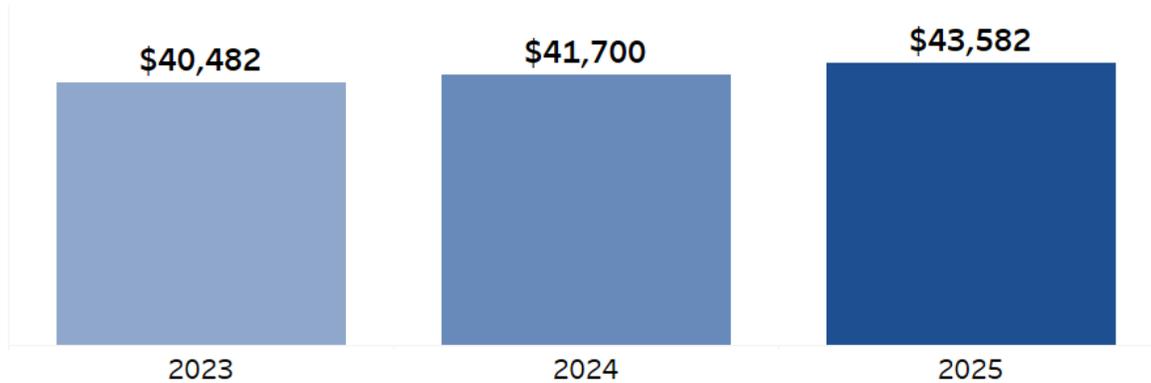
Deep Subprime 0.31%

% of borrowers choosing to lease

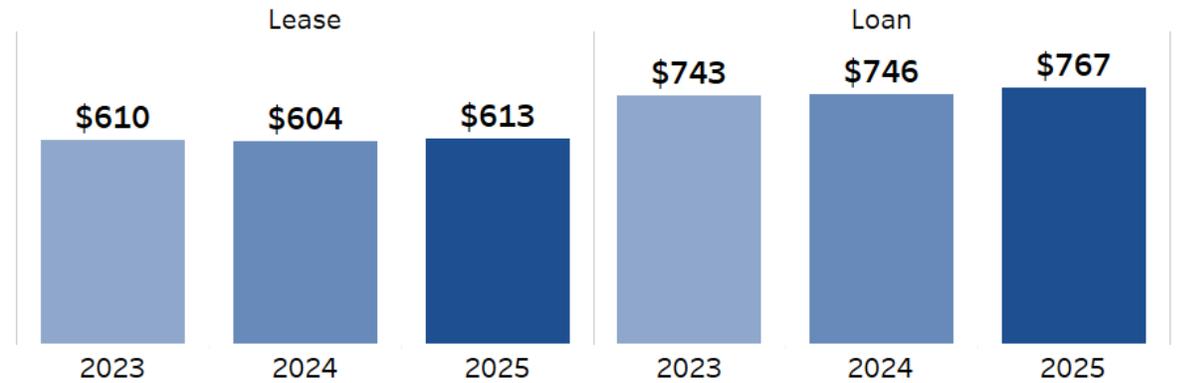


Average new loan monthly payment reaches record high despite terms continuing to expand

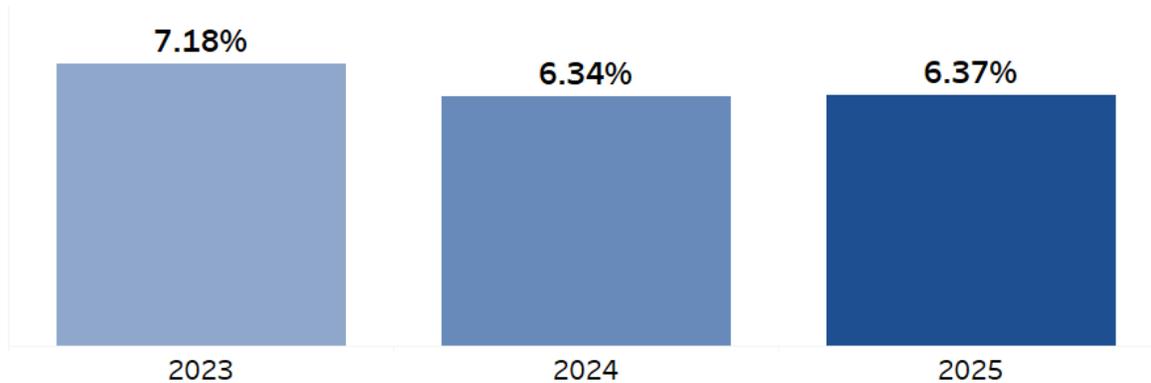
Average new amount financed



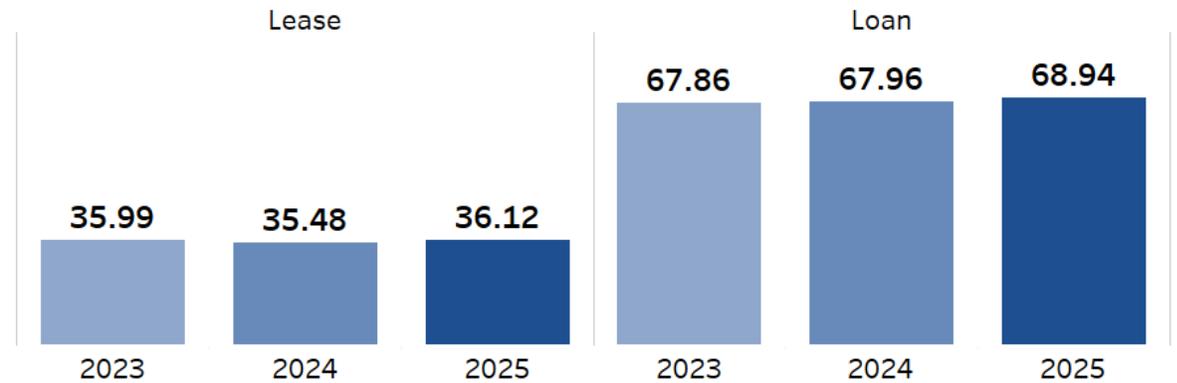
Average new monthly payment



Average new loan rate

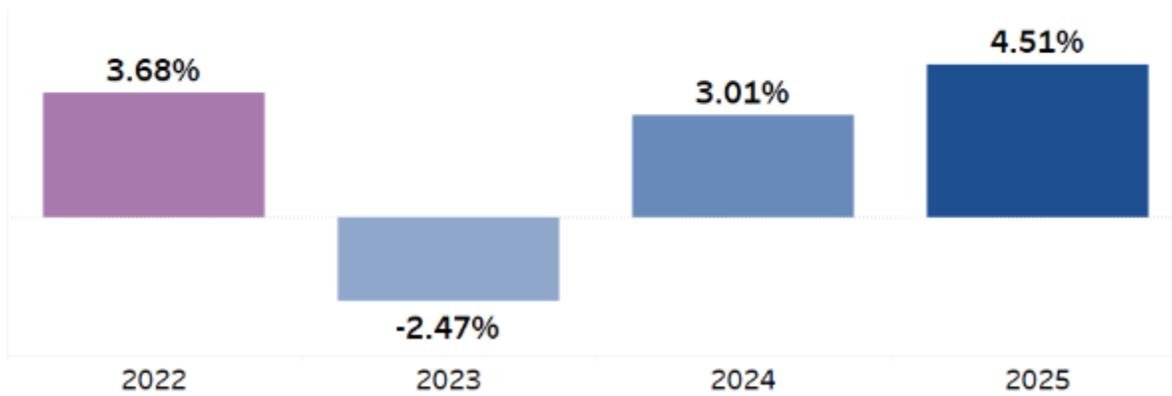


Average new loan term

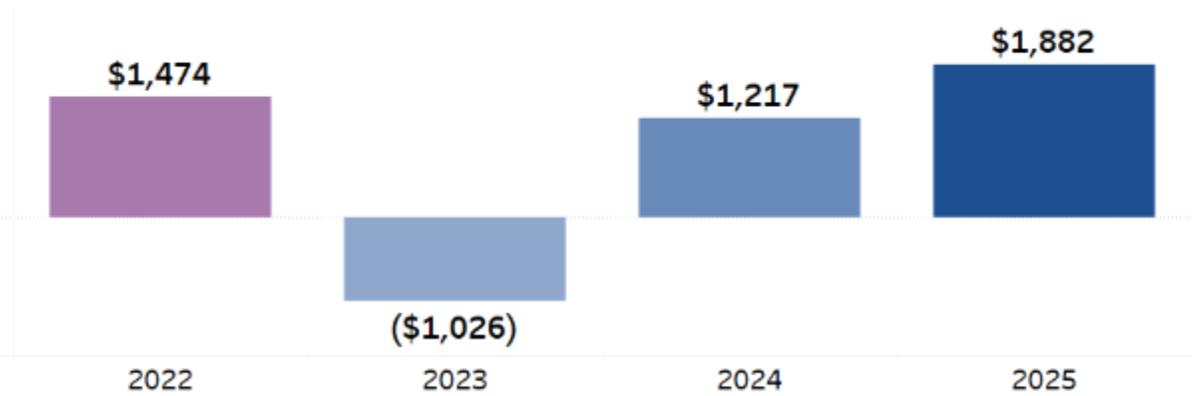


Loan amounts increase both year-over-year and quarter-over-quarter

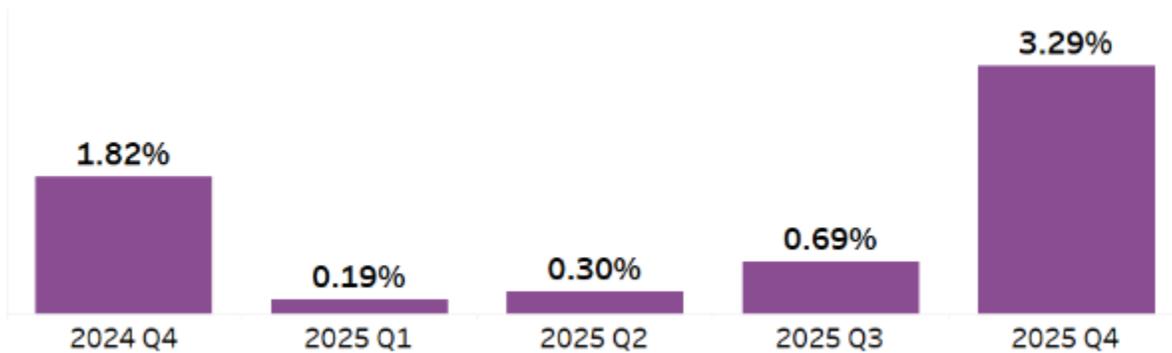
YOY growth in average new loan amount



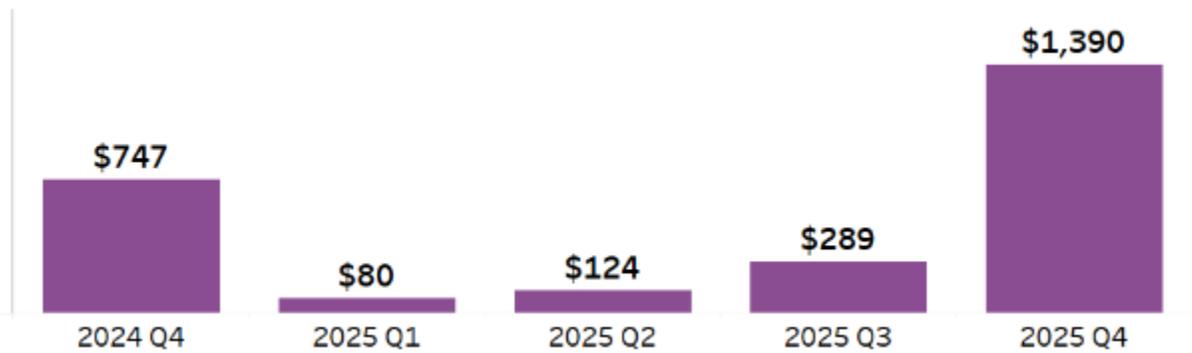
YOY \$ difference in average new loan amount



QOQ growth in average new loan amount

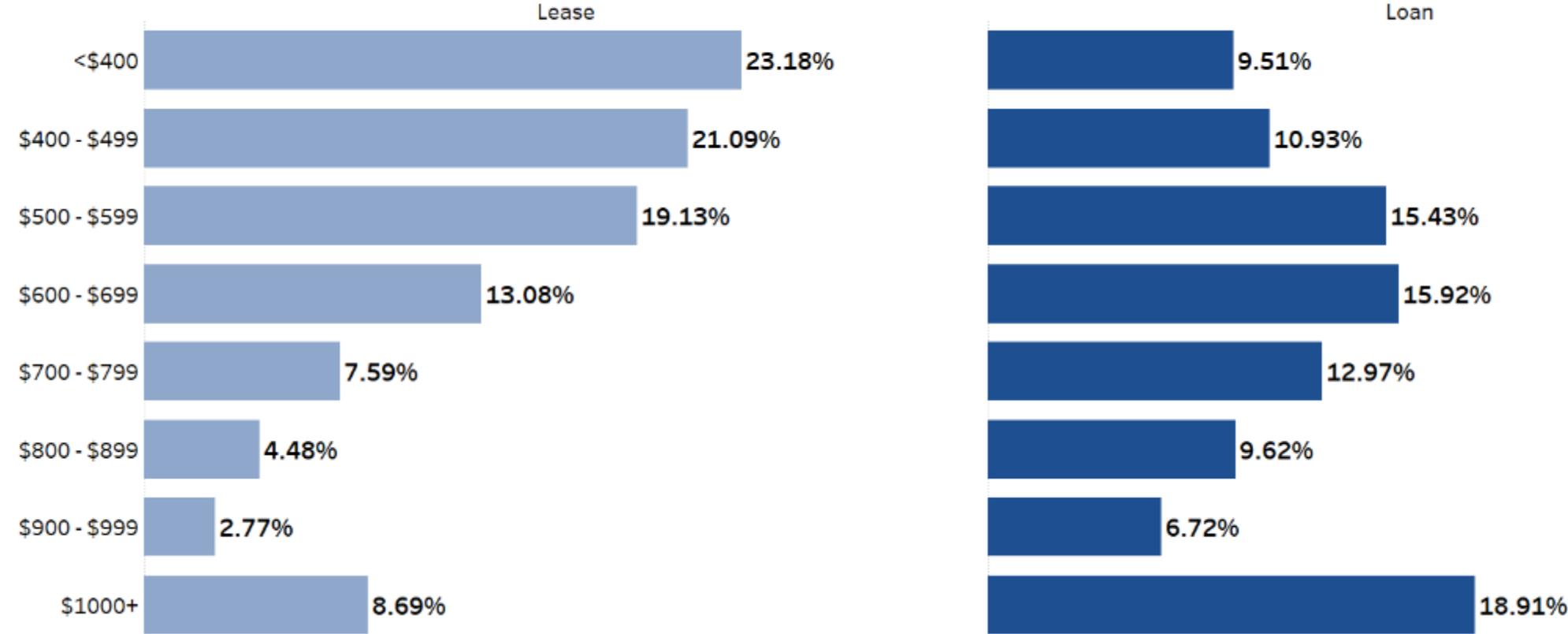


QOQ \$ difference in average new loan amount



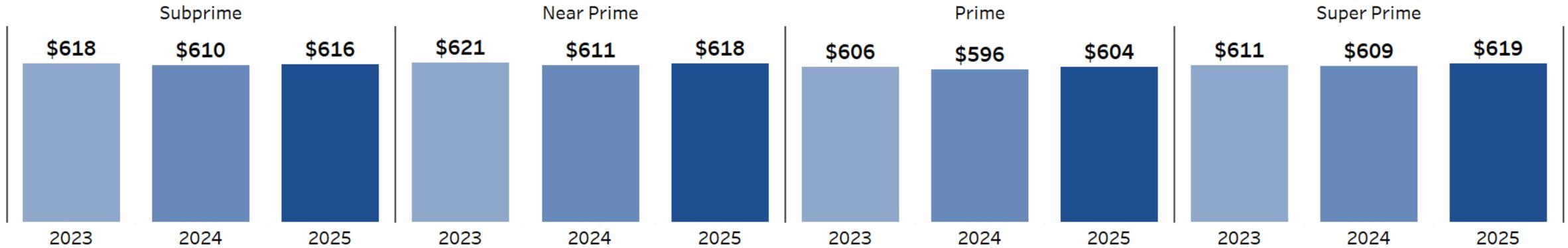
Nearly 19% of loan payments are over \$1k

Average monthly payment

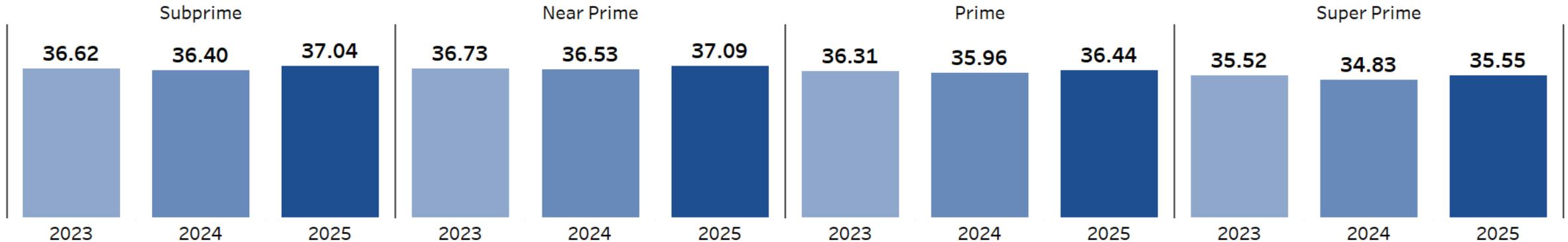


Lease payments increase across all risk segments; terms decrease for all except Subprime

Average lease payment by risk tier



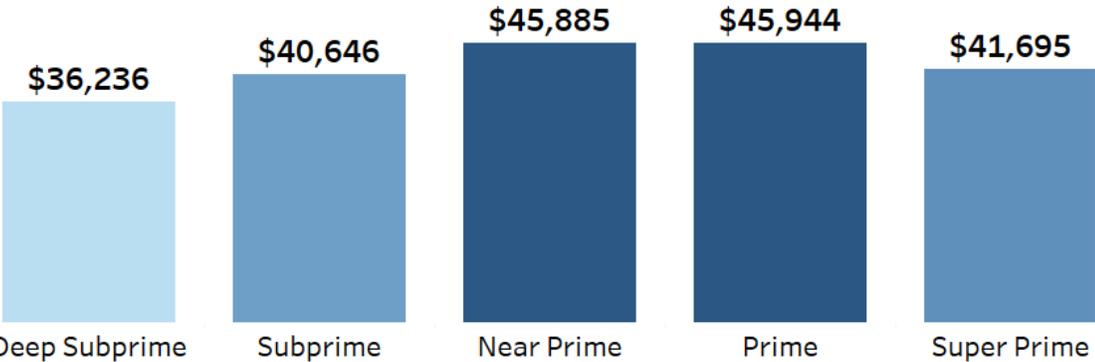
Average lease term by risk tier



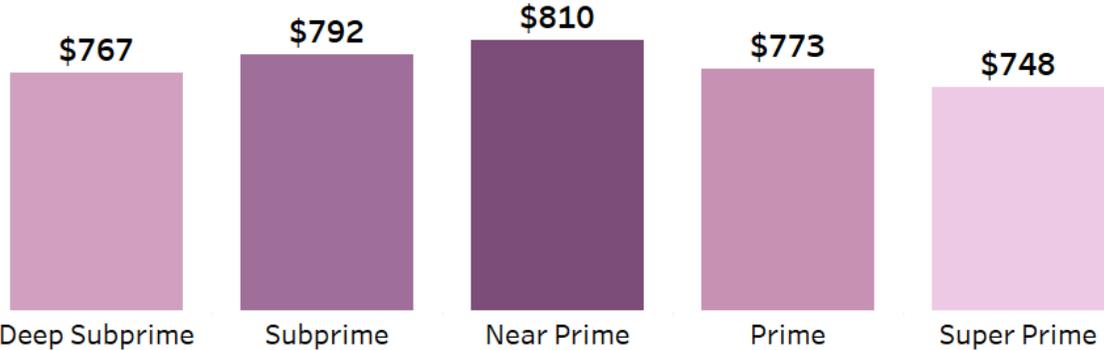
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Loan amounts and payments increase across all risk segments

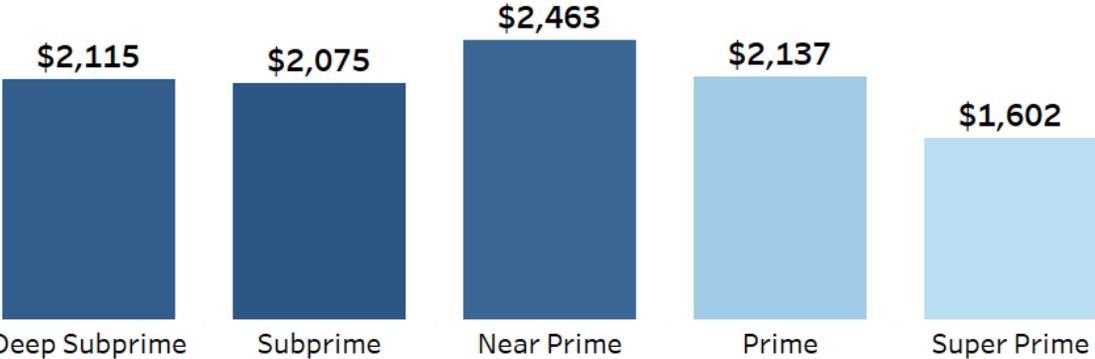
Average new loan amount financed by risk



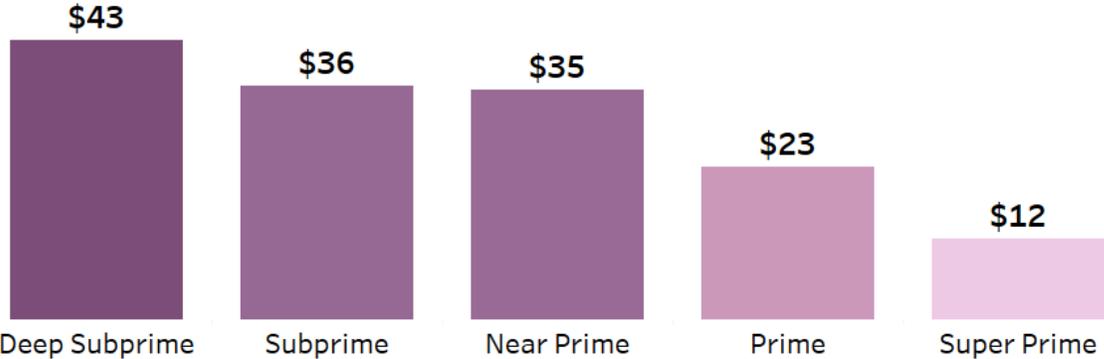
Average new loan monthly payment by risk



Year-over-year change in new loan amount



Year-over-year change in new monthly payment

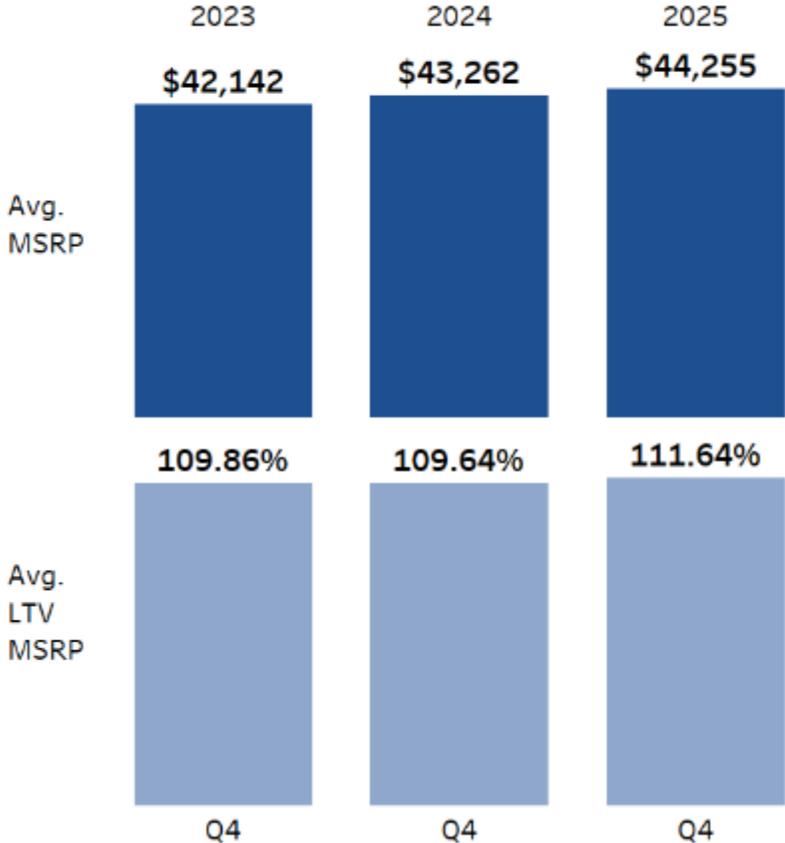


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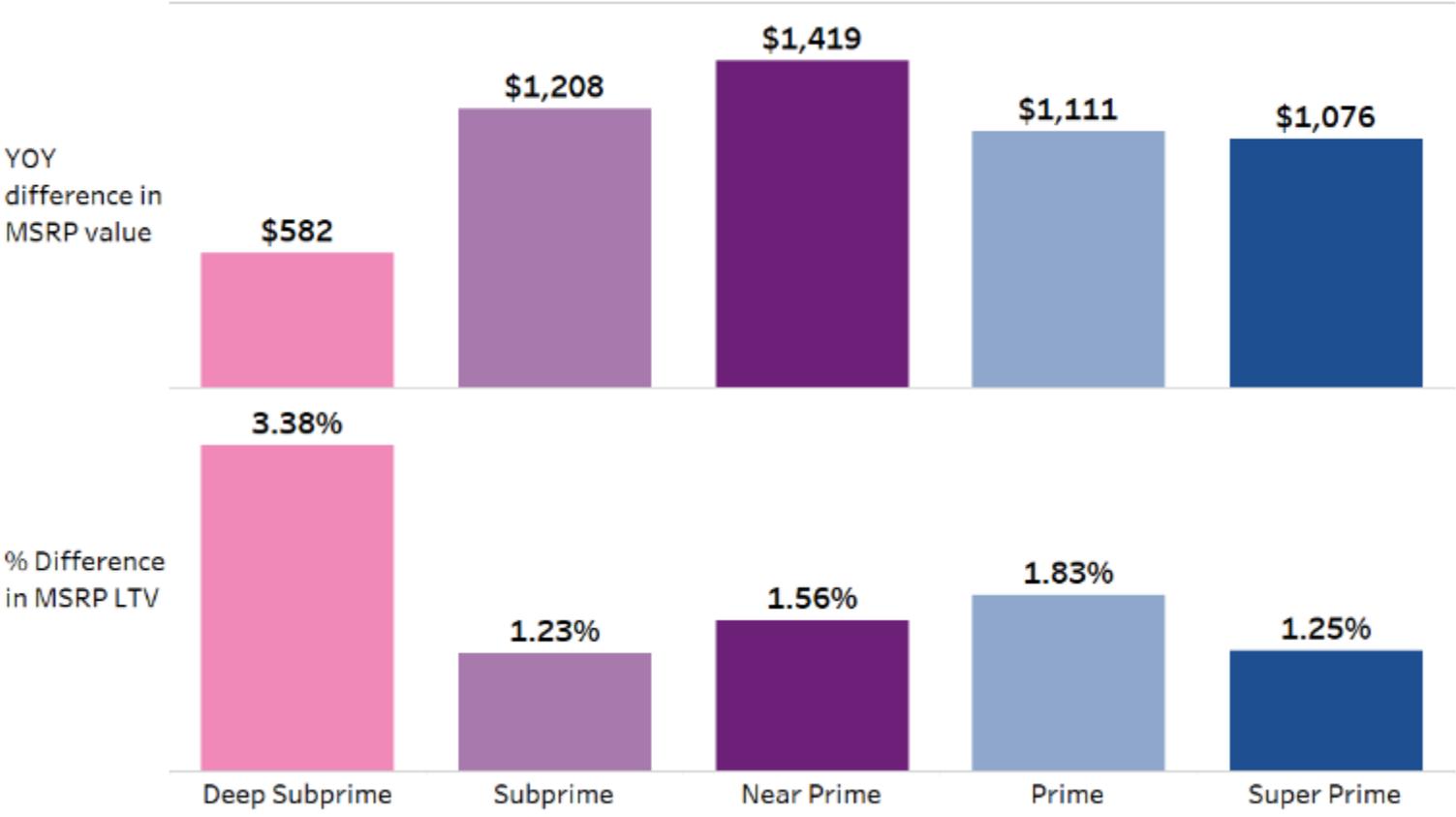


New values and LTVs are increasing across all risk segments

Avg New Values

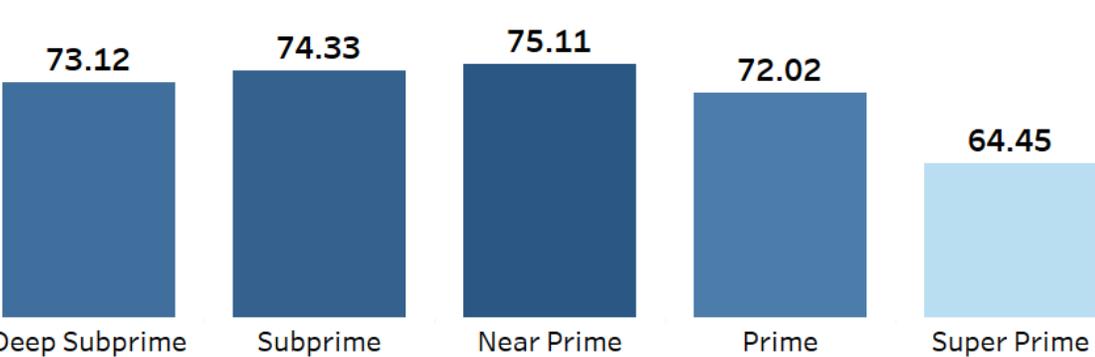


YOY change in new values

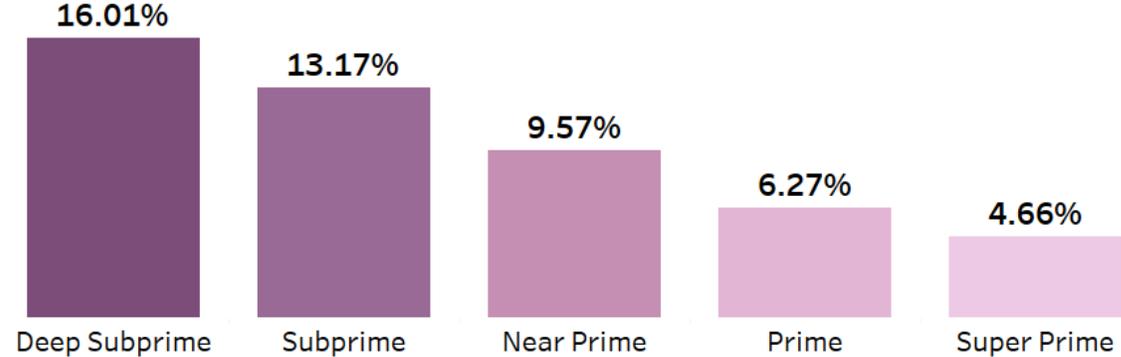


Terms increase across the market while rates decrease for all but Subprime

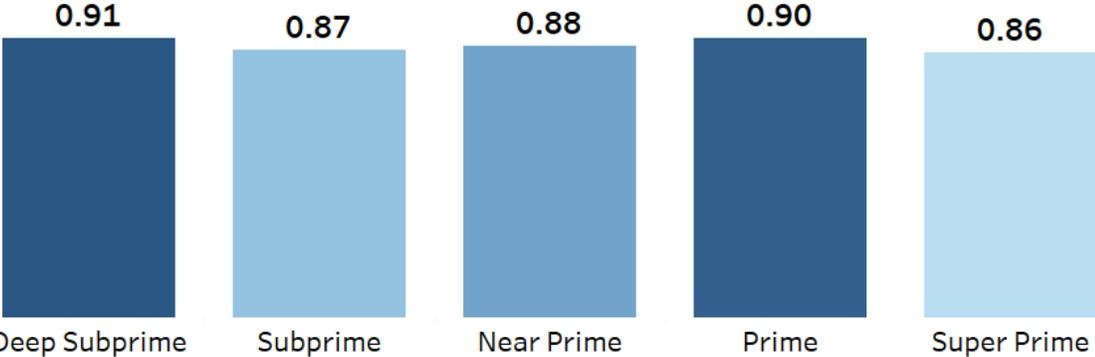
Average new loan term by risk



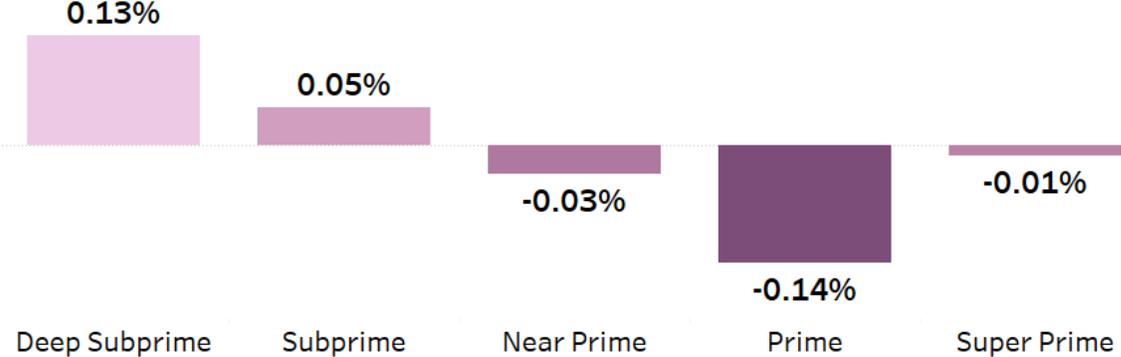
Average new loan rate by risk



Year-over-year change in new loan term



Year-over-year change in new rate

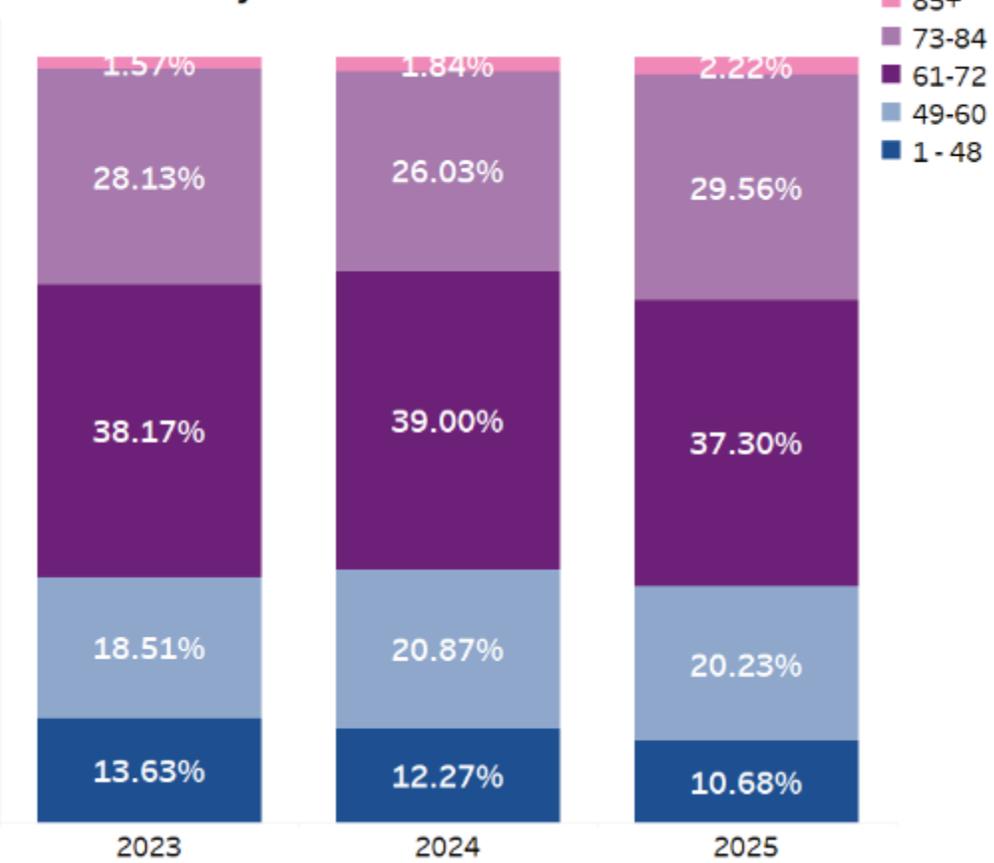


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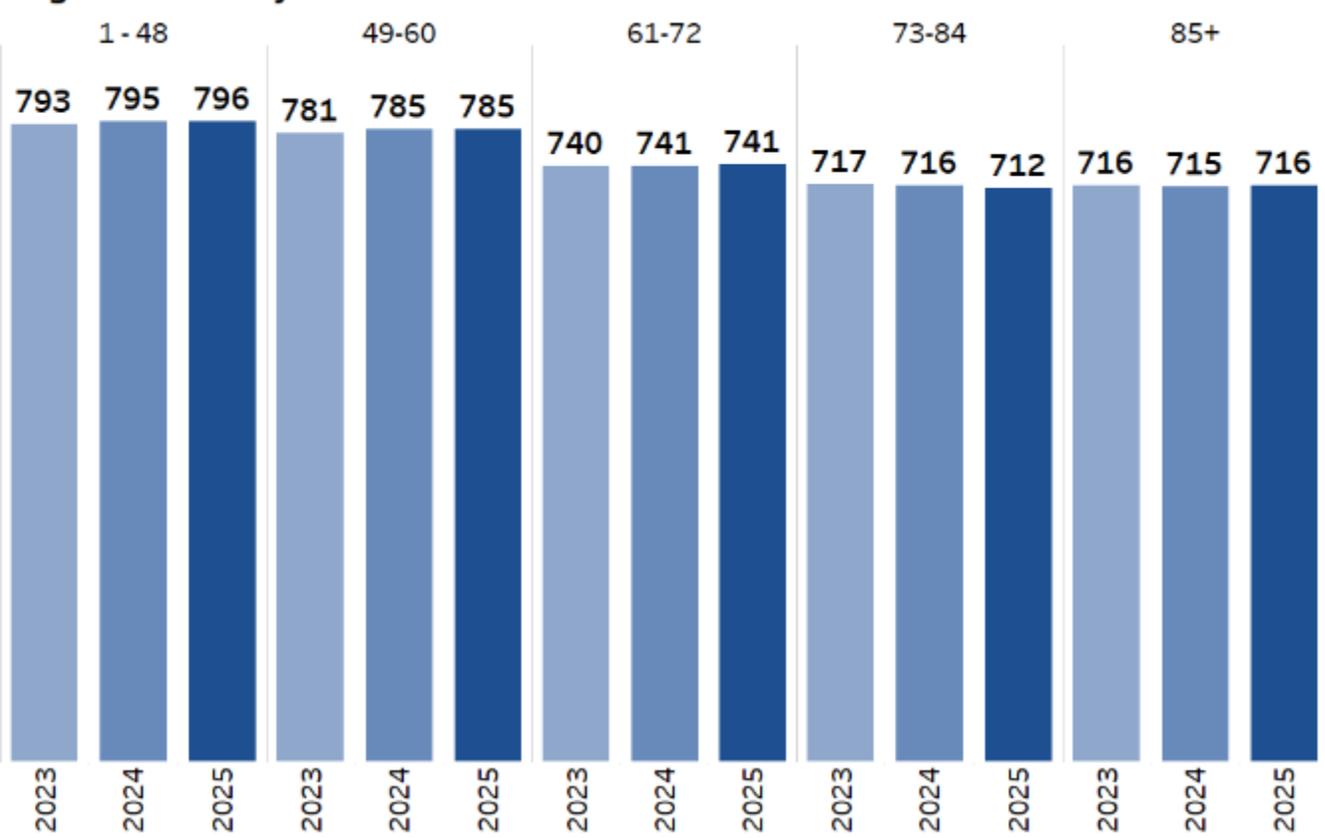


Majority of term growth is occurring 73+ month term loans; slight decrease in scores for 73-84 terms

Distribution by new loan term



Avg new score by loan term



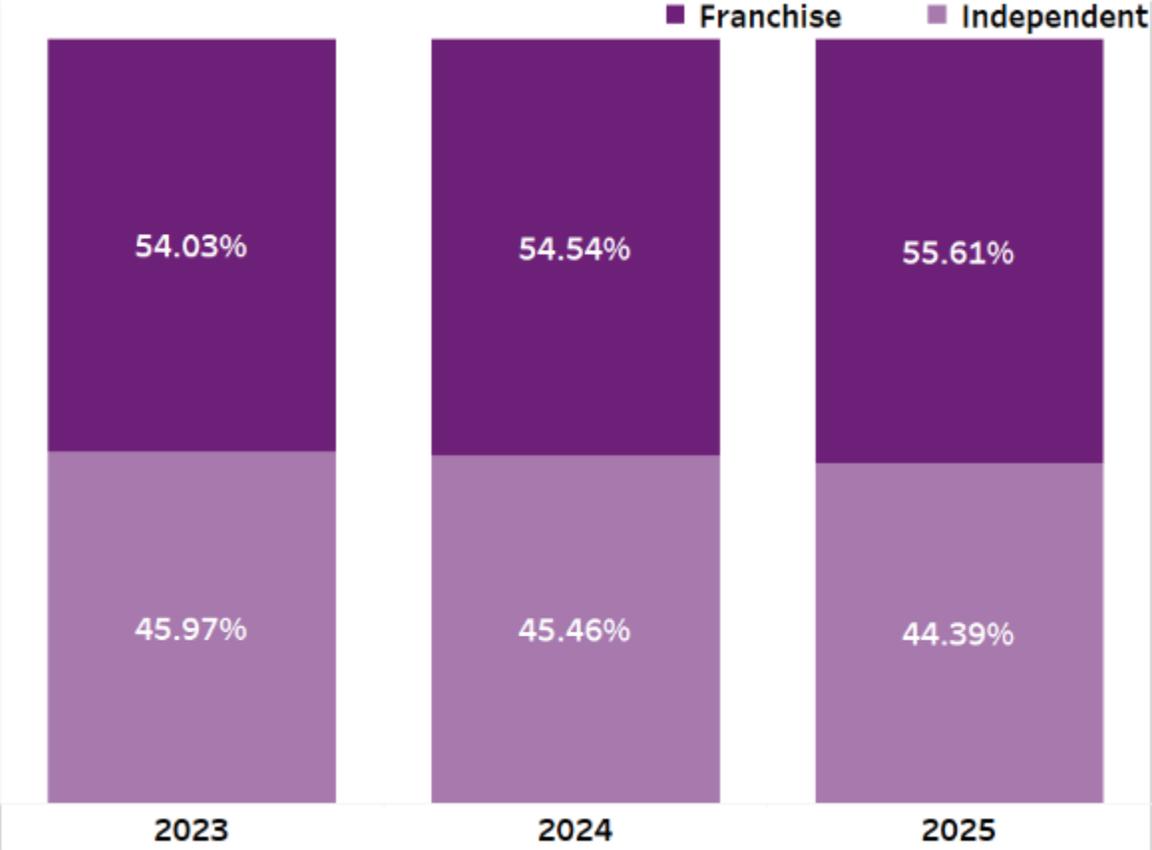
Q4 2025 Used financing

A look at used automotive loan trends

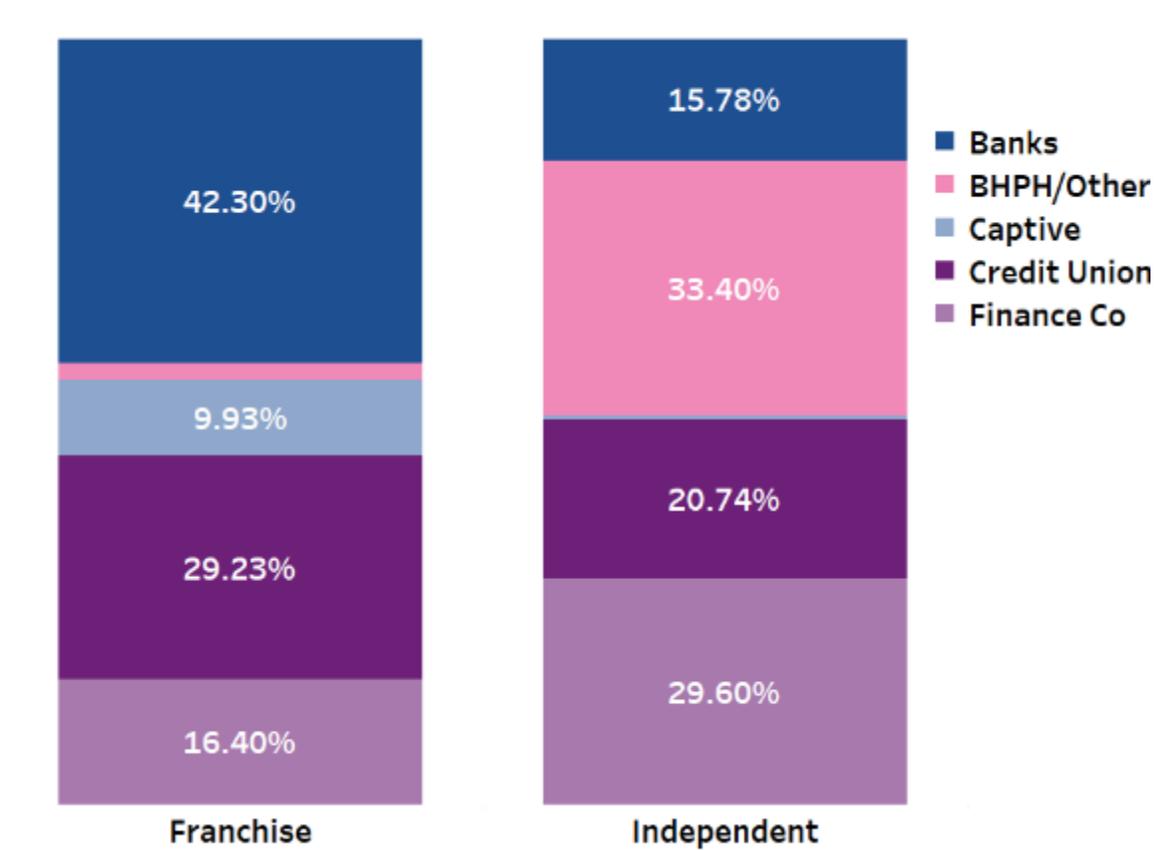


Dealer type snapshot: Independent Dealers decrease share of used purchases

Used transactions by Dealer type

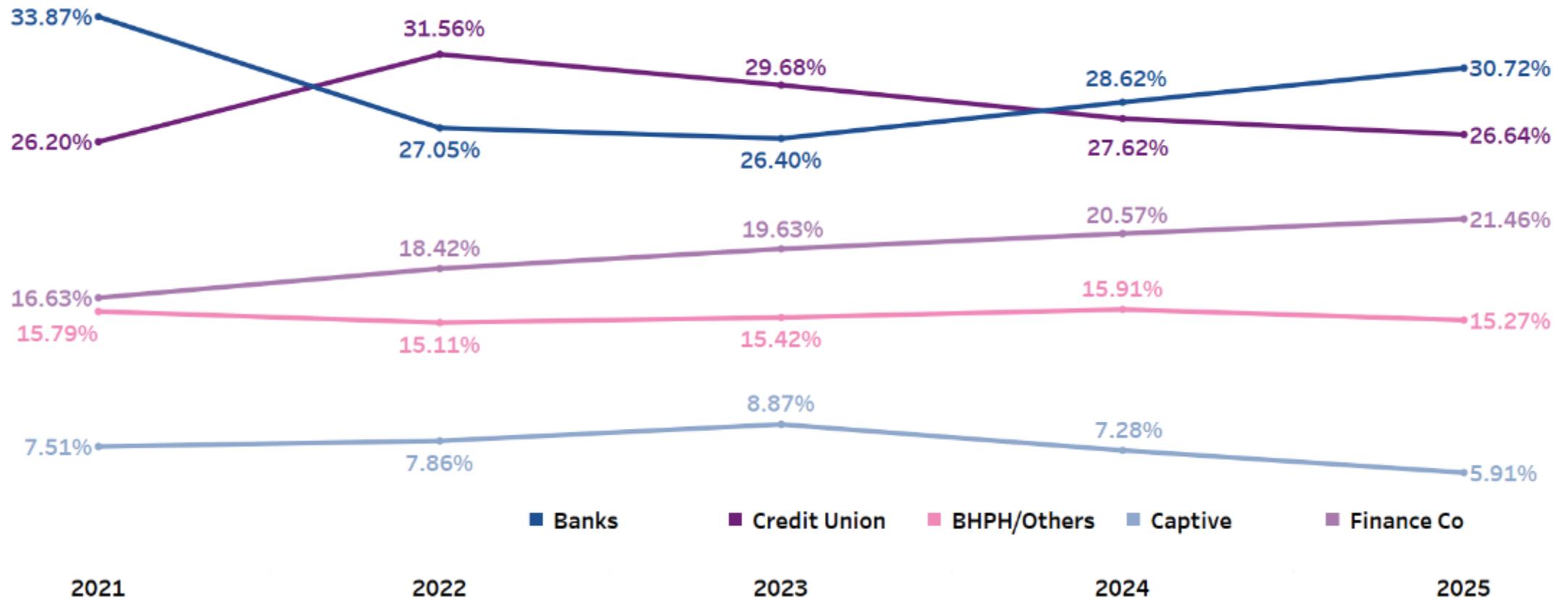


Used loans by lender type and Dealer



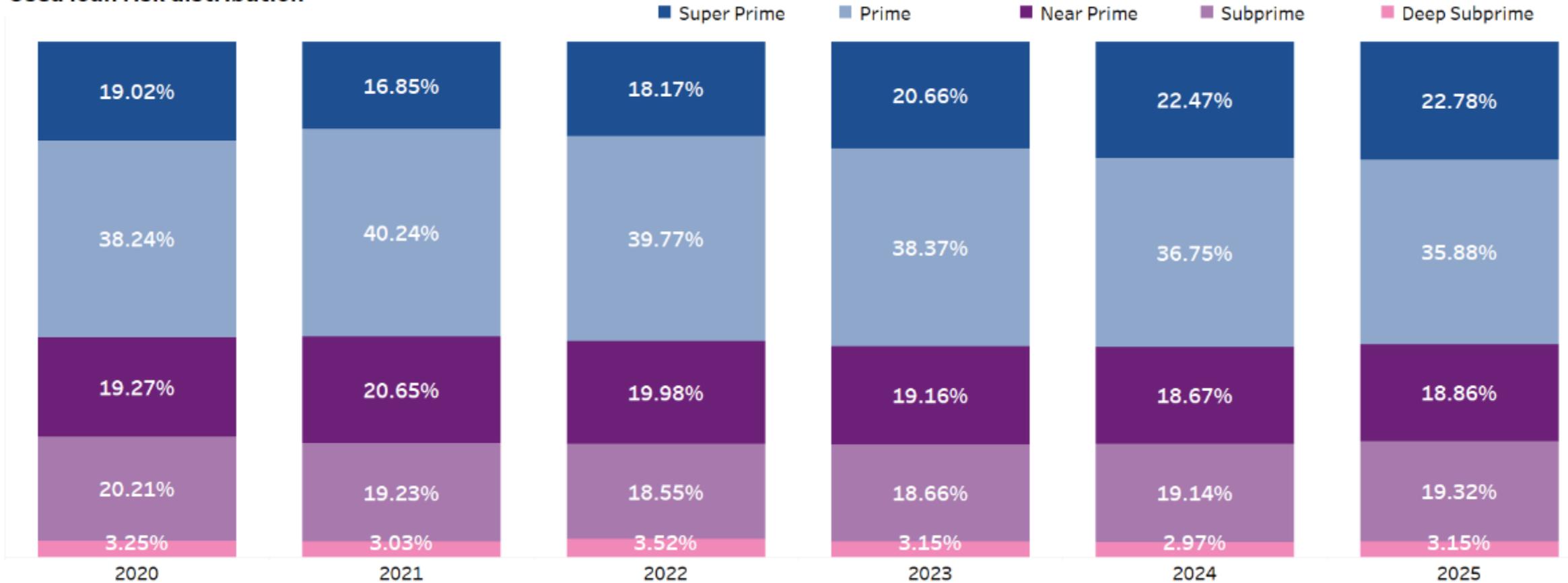
Banks remain as largest lender type for used loans, widening the gap with Credit Unions; Finance Companies increase to over 21%

Used loan market share by lender type



Growth occurring in Super Prime and outside of prime (most subprime since 2020)

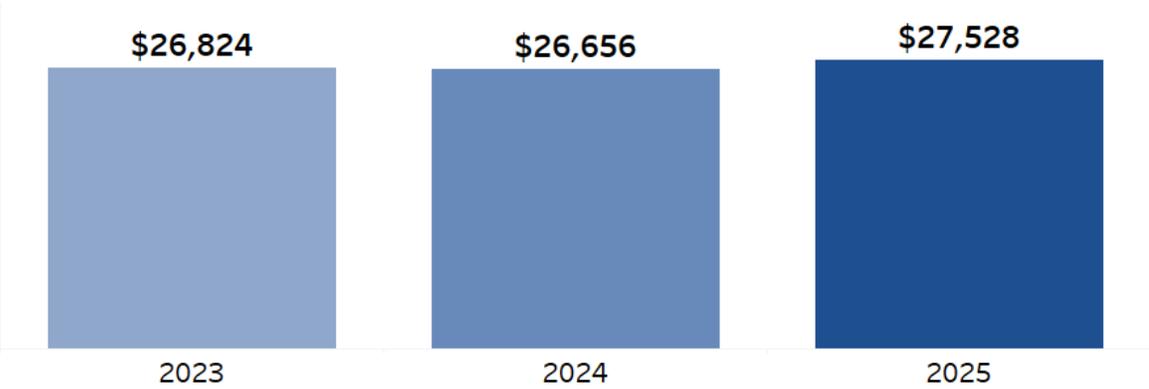
Used loan risk distribution



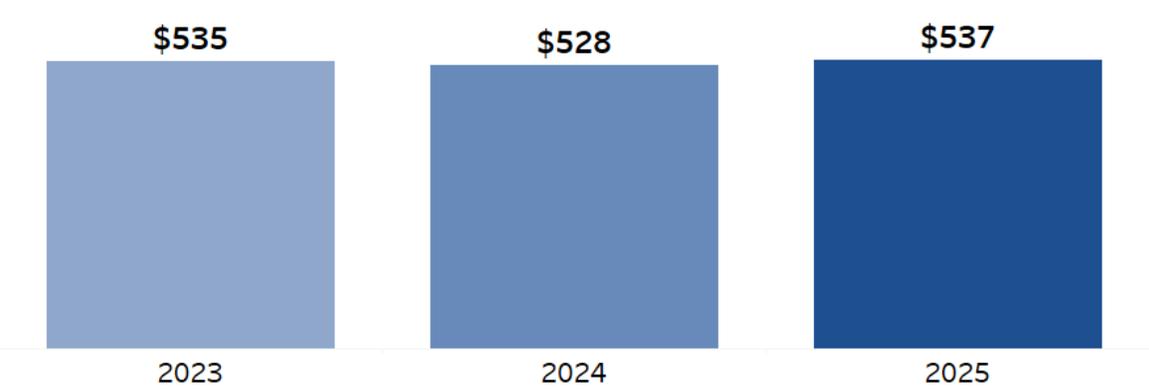
VantageScore® 4.0

Loan amounts, payments and terms increase while rates see a decrease; highest used loan amount since 2022

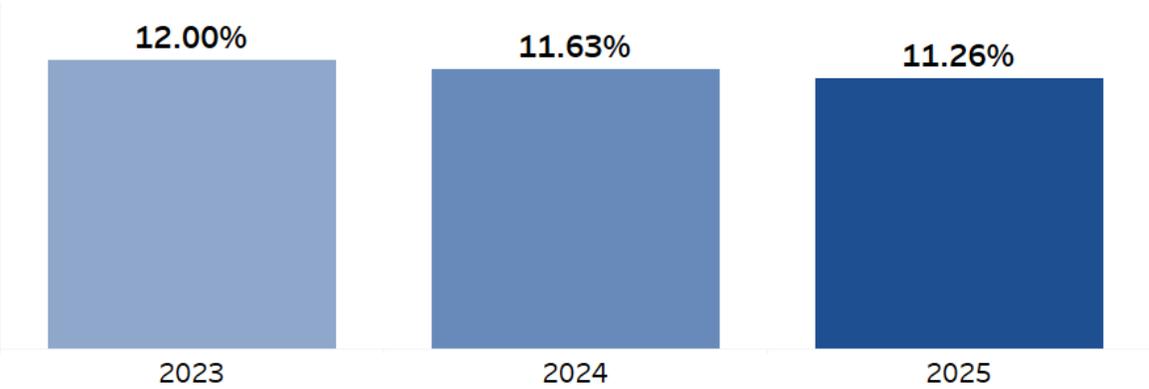
Average used amount financed



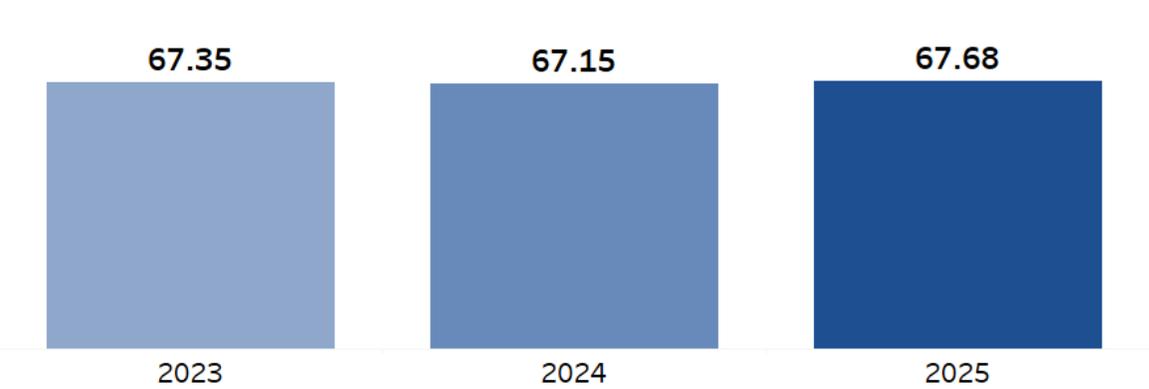
Average used monthly payment



Average used loan rate

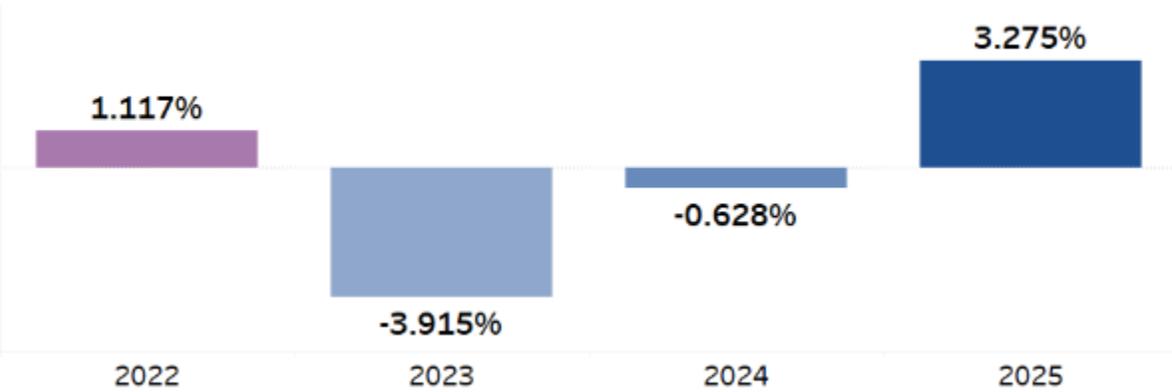


Average used loan term

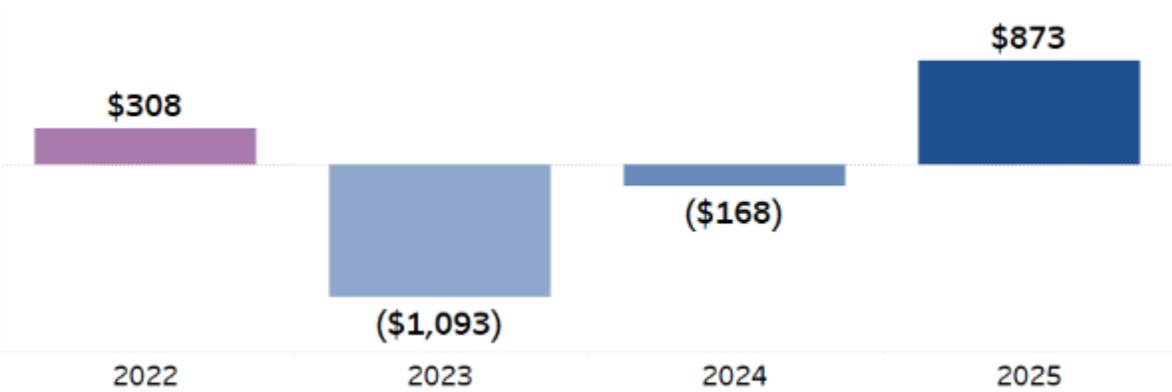


Used loan amounts increase year-over-year and up slightly quarter-over-quarter

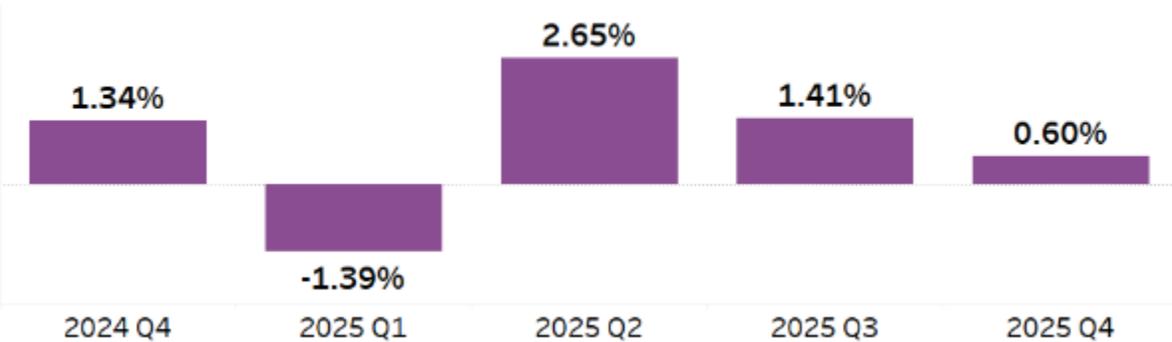
YOY growth in average used loan amount



YOY \$ difference in average used loan amount



QOQ growth in average used loan amount

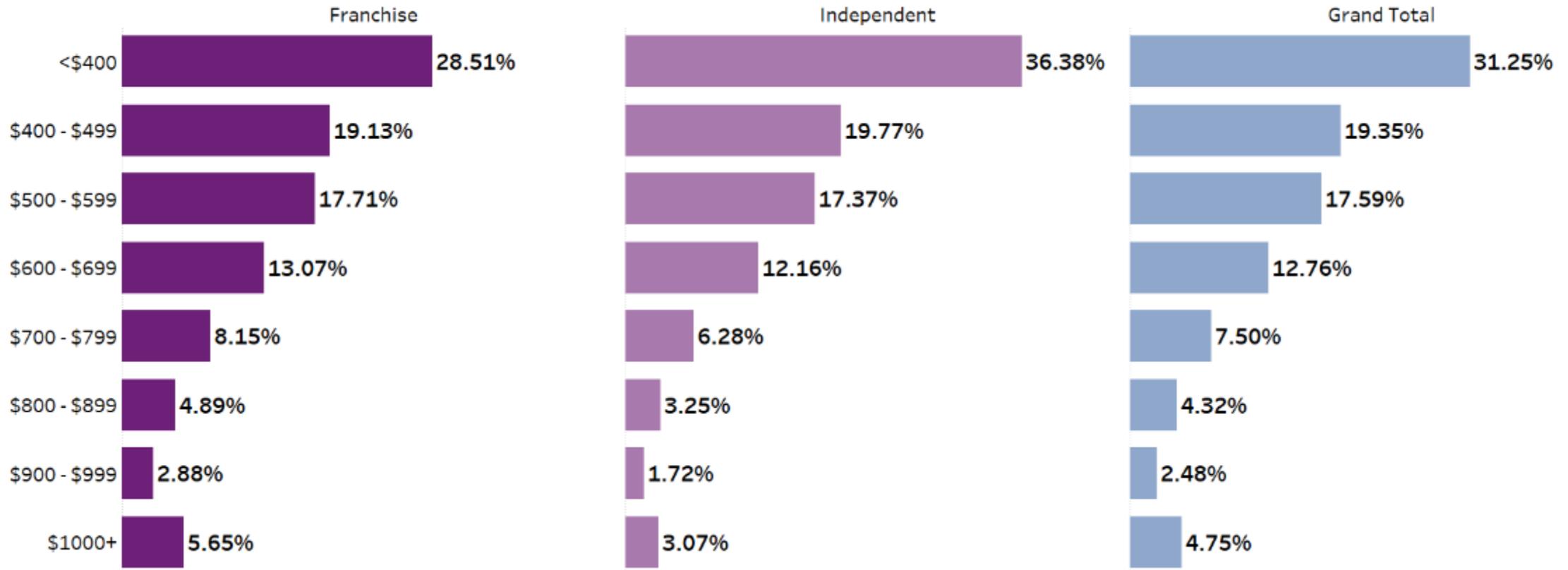


QOQ difference in average used loan amount



Across all used loans* over 31% are under \$400; nearly 5% are over \$1k

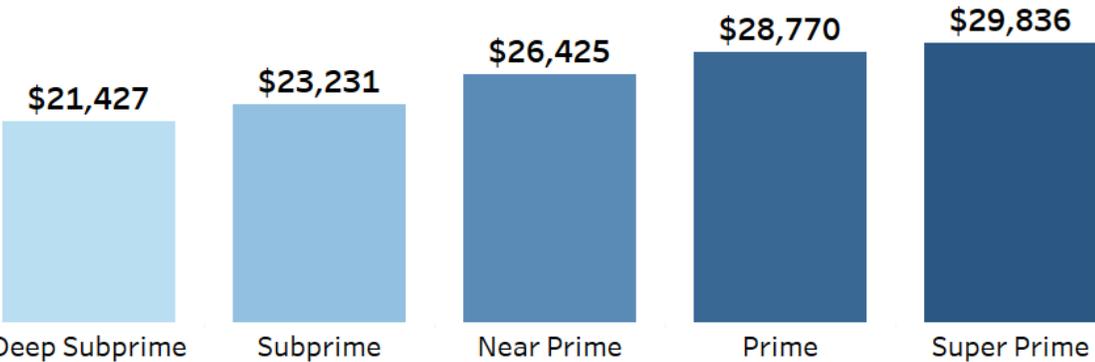
Used loan monthly payment distribution



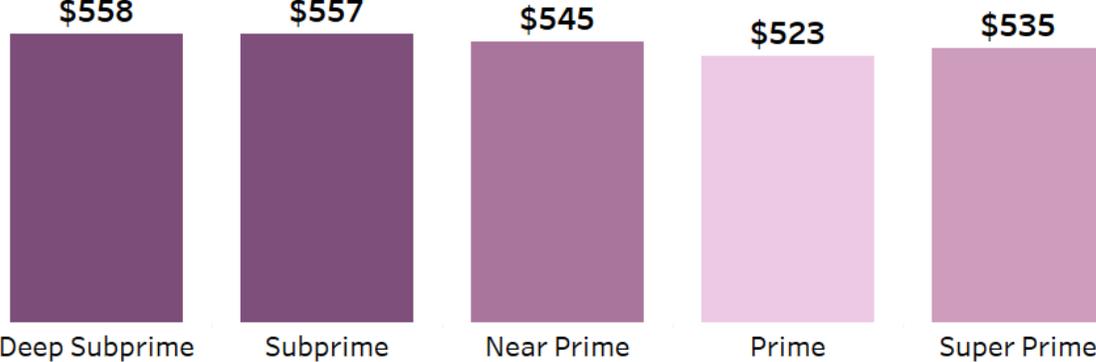
*All used loans include private-party and unknown dealer

Loan amounts and payments increase for all risk segments; Super Prime used loan amount approaches \$30k

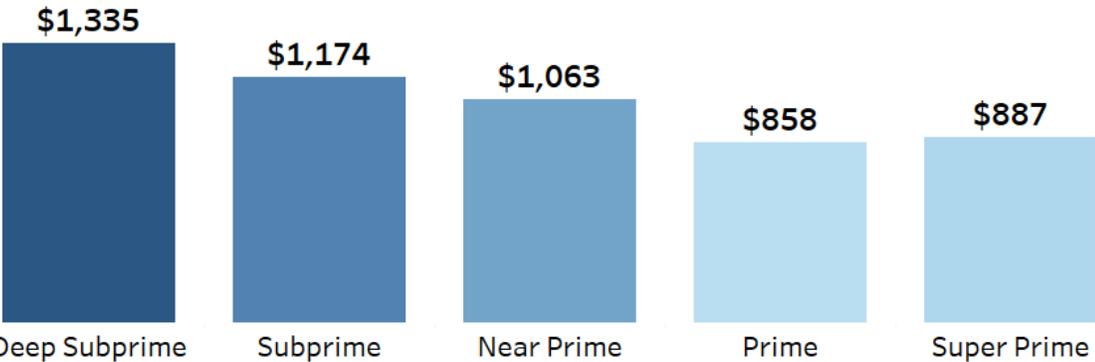
Average loan amount financed by risk



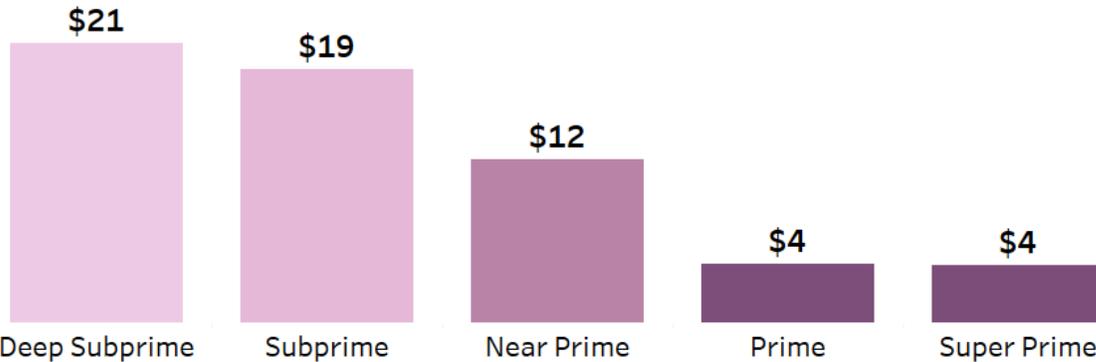
Average used loan monthly payment by risk



Year-over-year change in used loan amount



Year-over-year change in used monthly payment

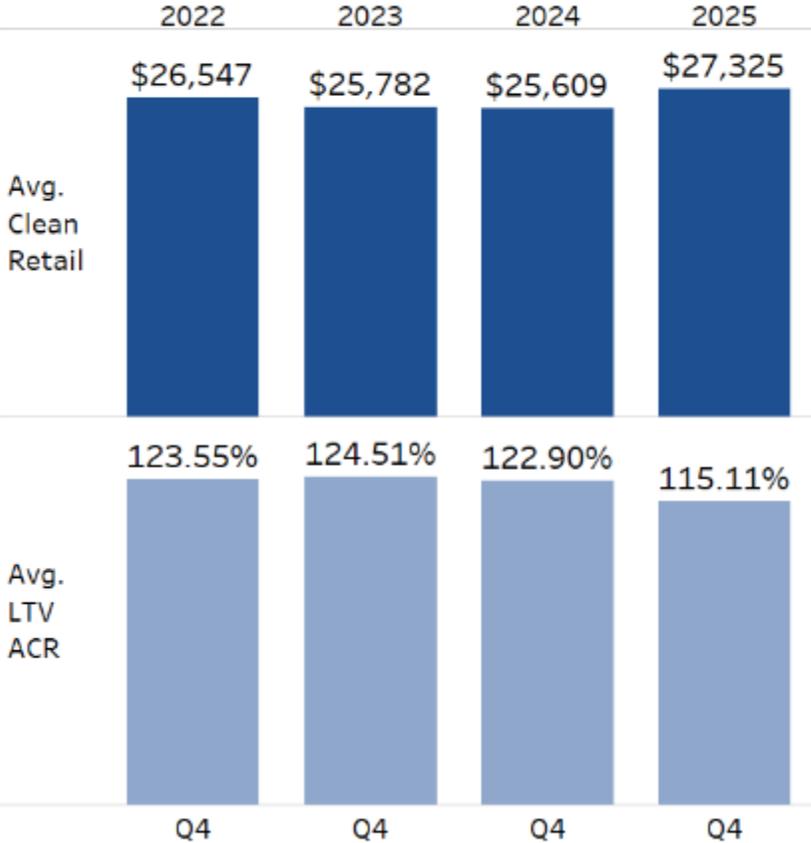


VantageScore® 4.0

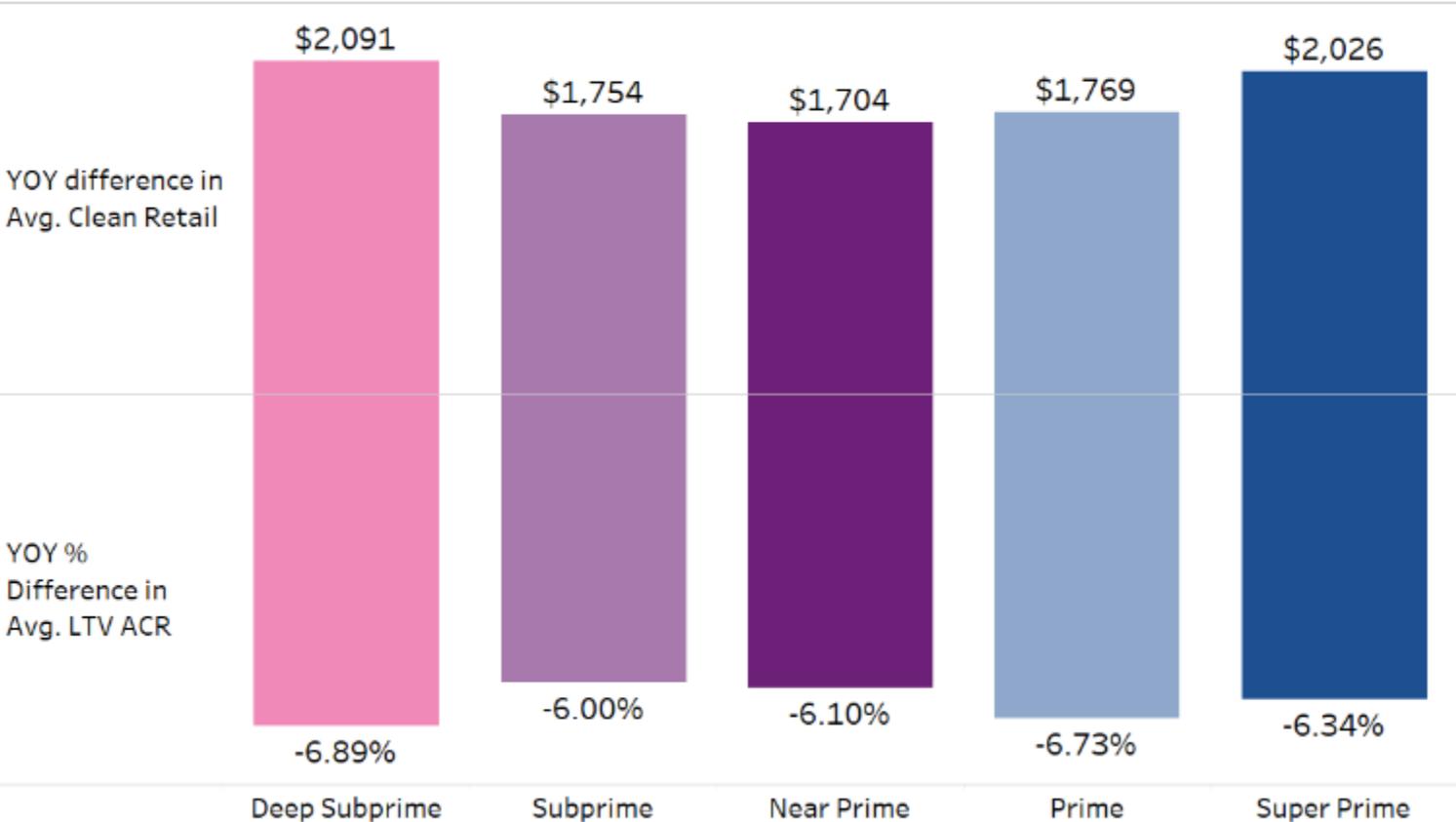


Used values increase and surpass 2022 highs; LTVs are down

Avg Used Values

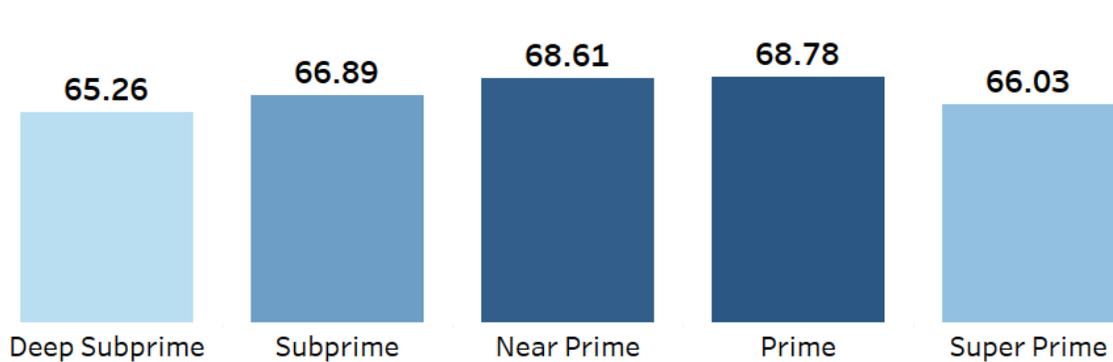


YOY change in used values

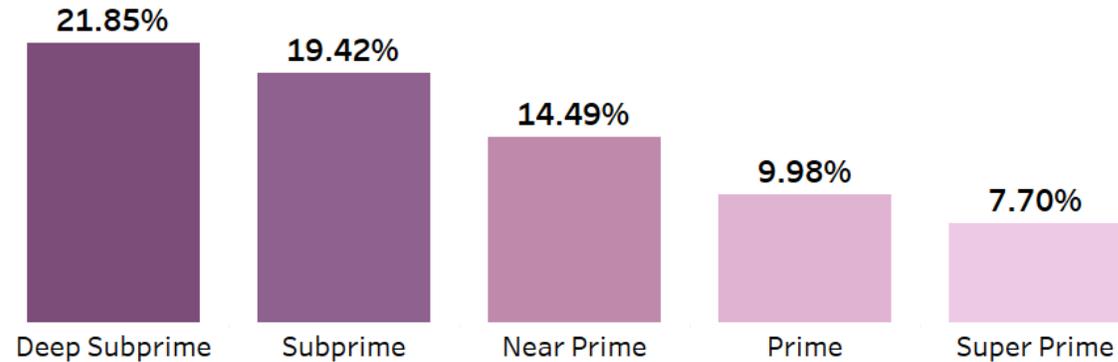


Terms increase for all; rates decrease across all risk segments

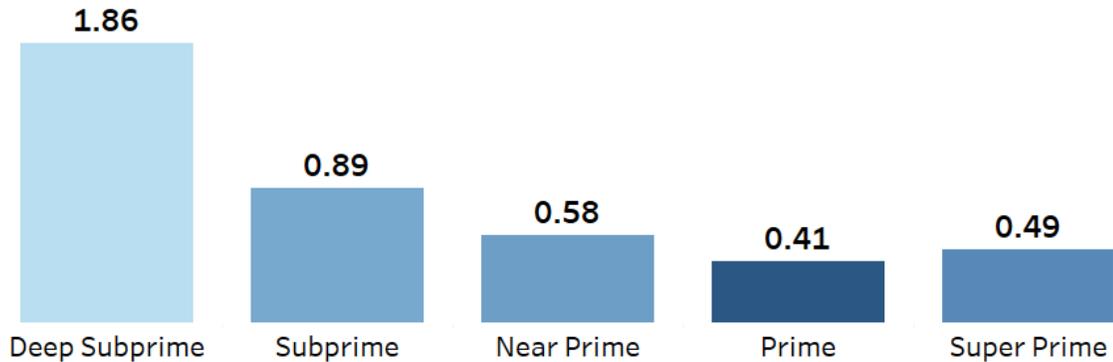
Average used loan term by risk



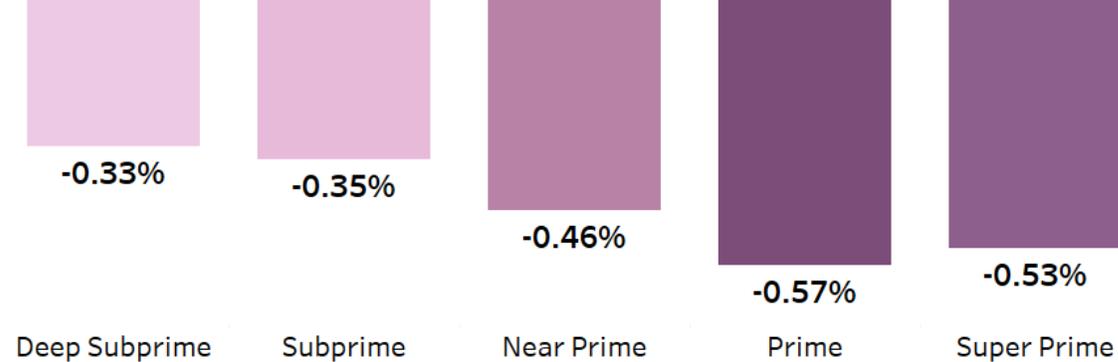
Average used loan rate by risk



Year-over-year change in used loan term



Year-over-year change in used rate

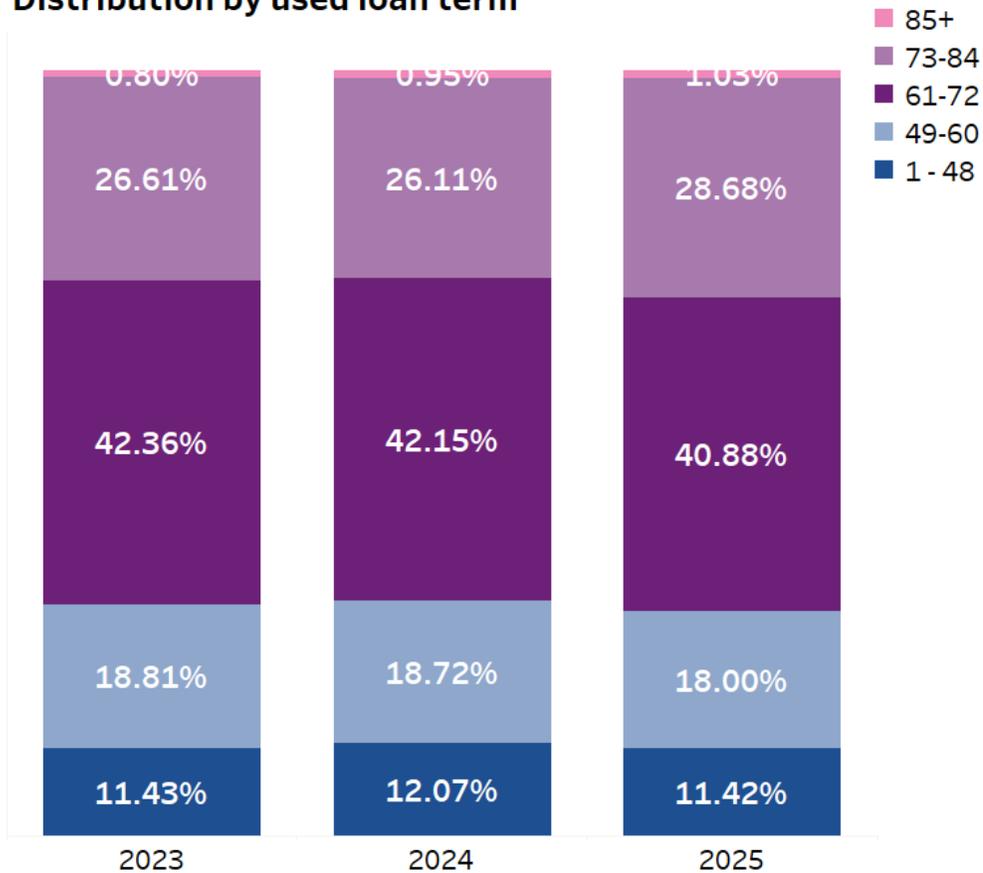


VantageScore® 4.0

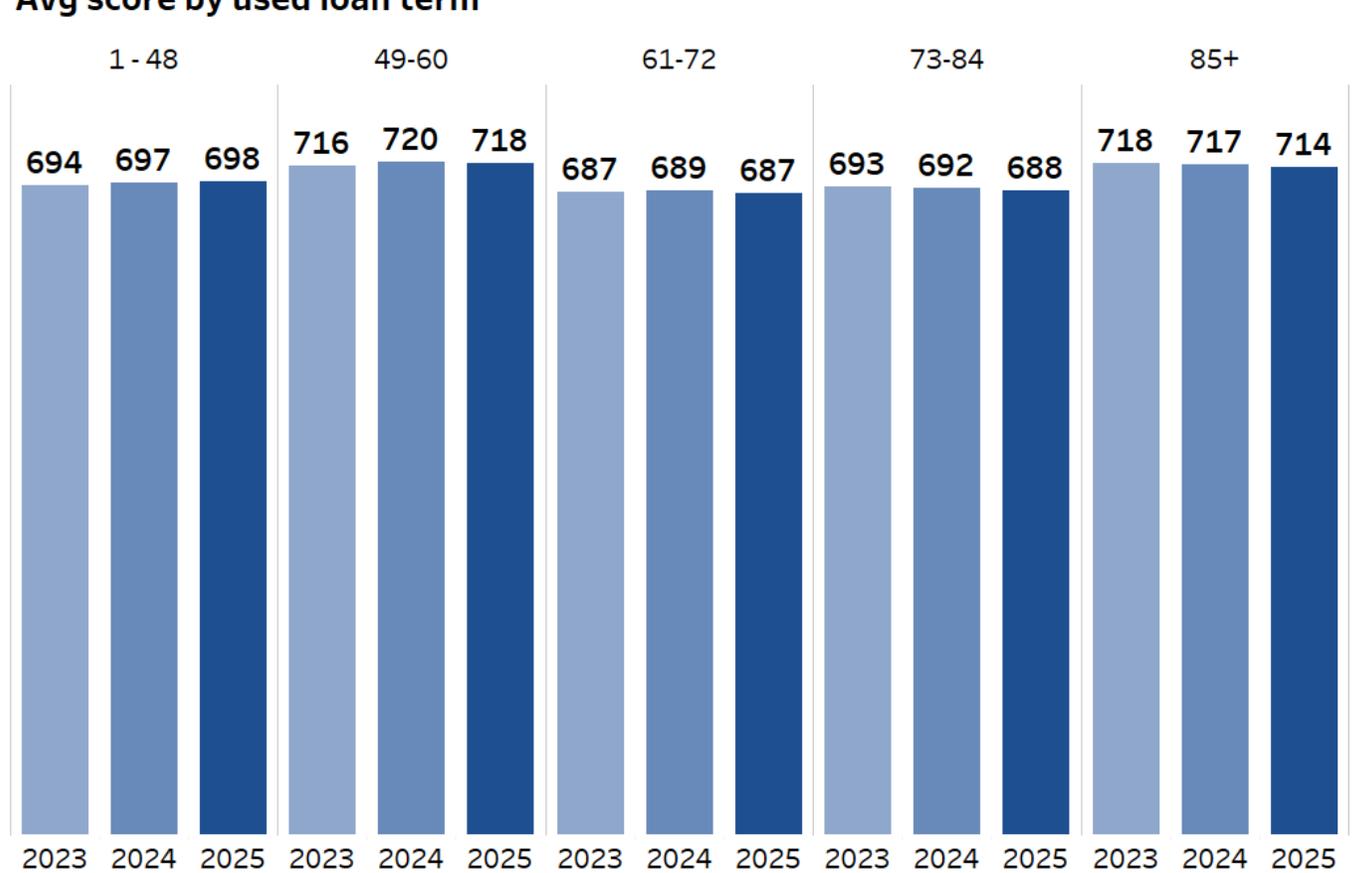


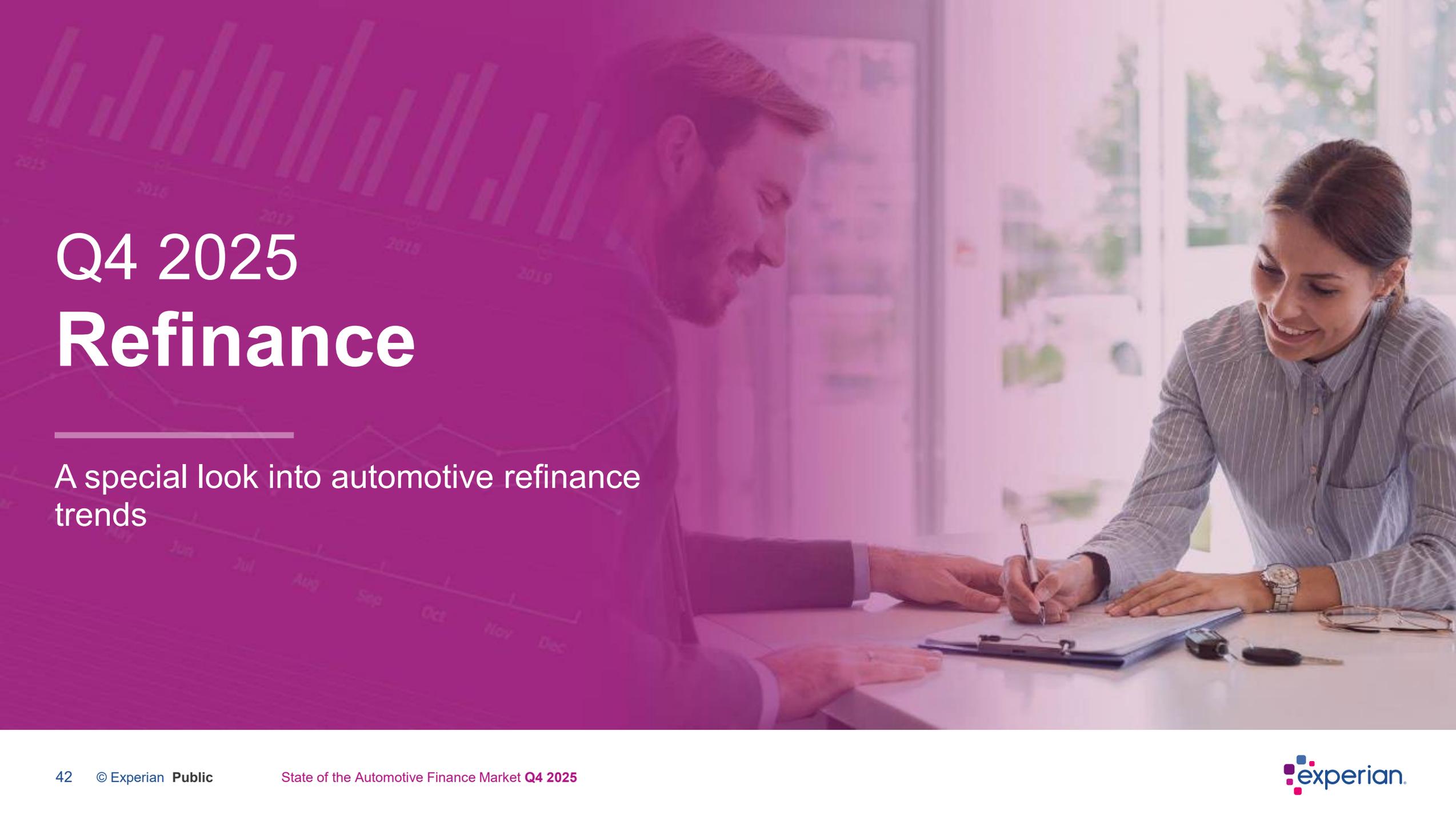
Nearly 1/3 of used terms are over 72-months; scores decrease for all terms over 48-months

Distribution by used loan term



Avg score by used loan term



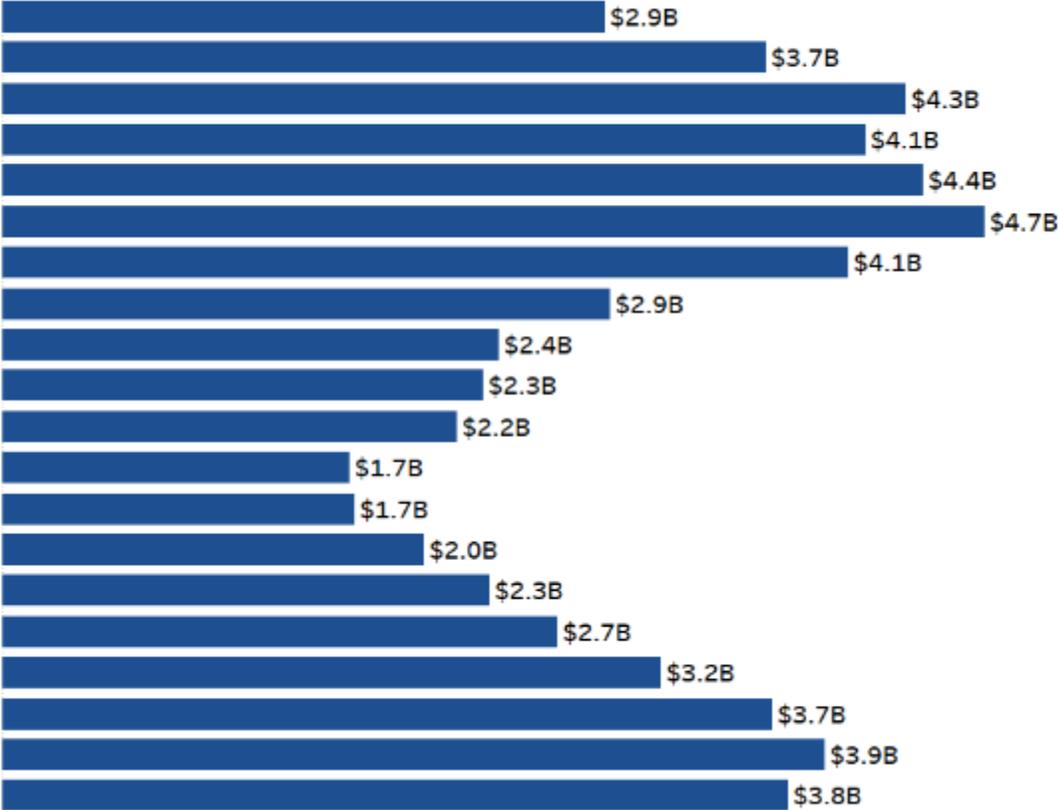
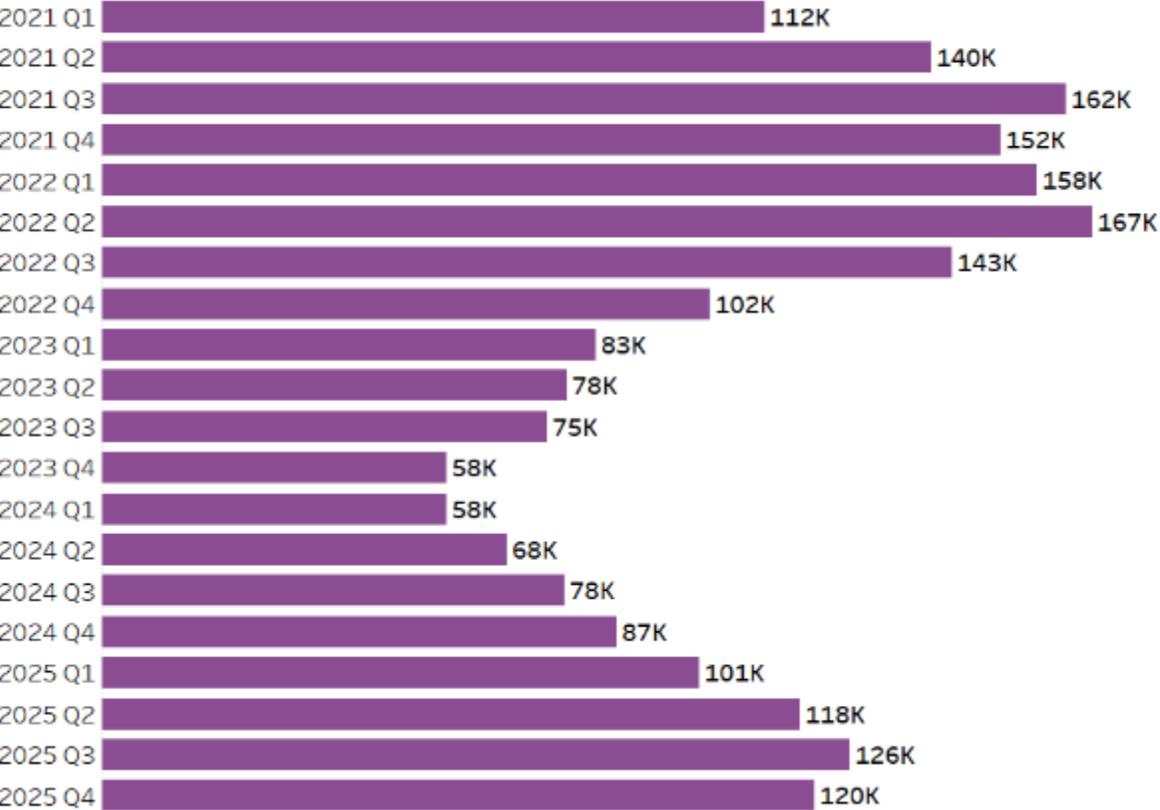


Q4 2025 Refinance

A special look into automotive refinance trends

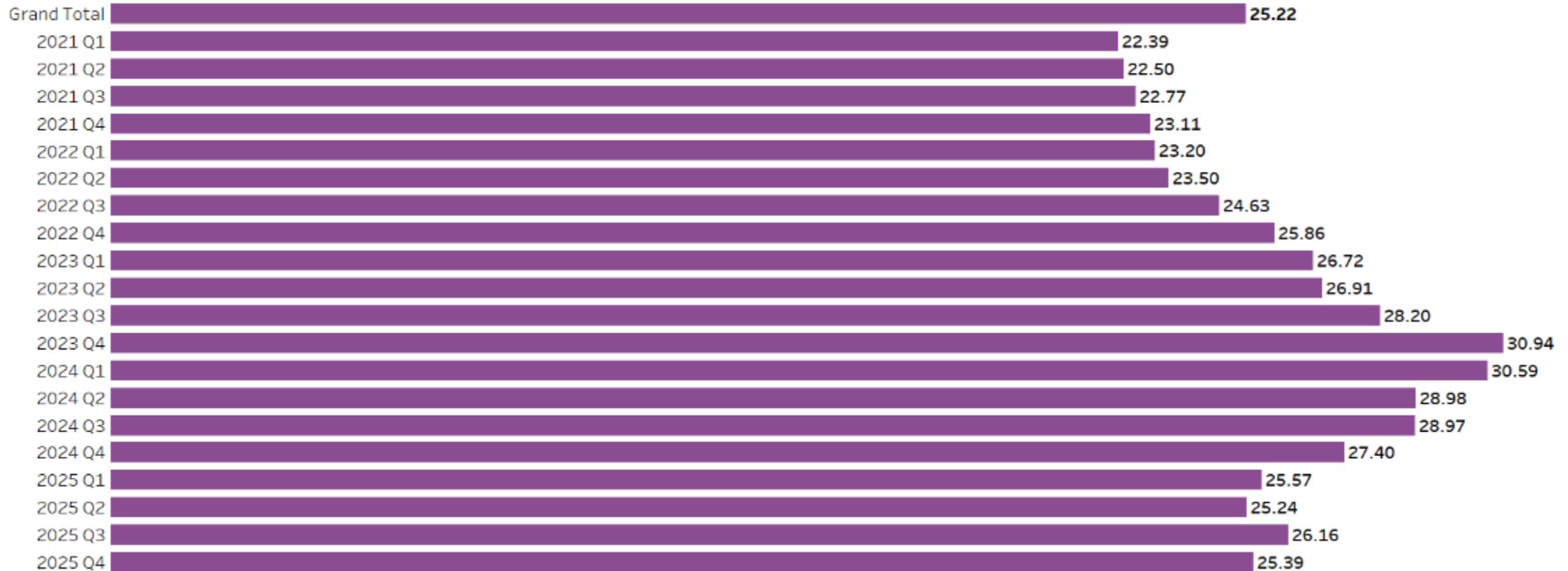
Refinance volume continues to increase, however is down quarter-over-quarter

Quarterly volume and total amount refinanced



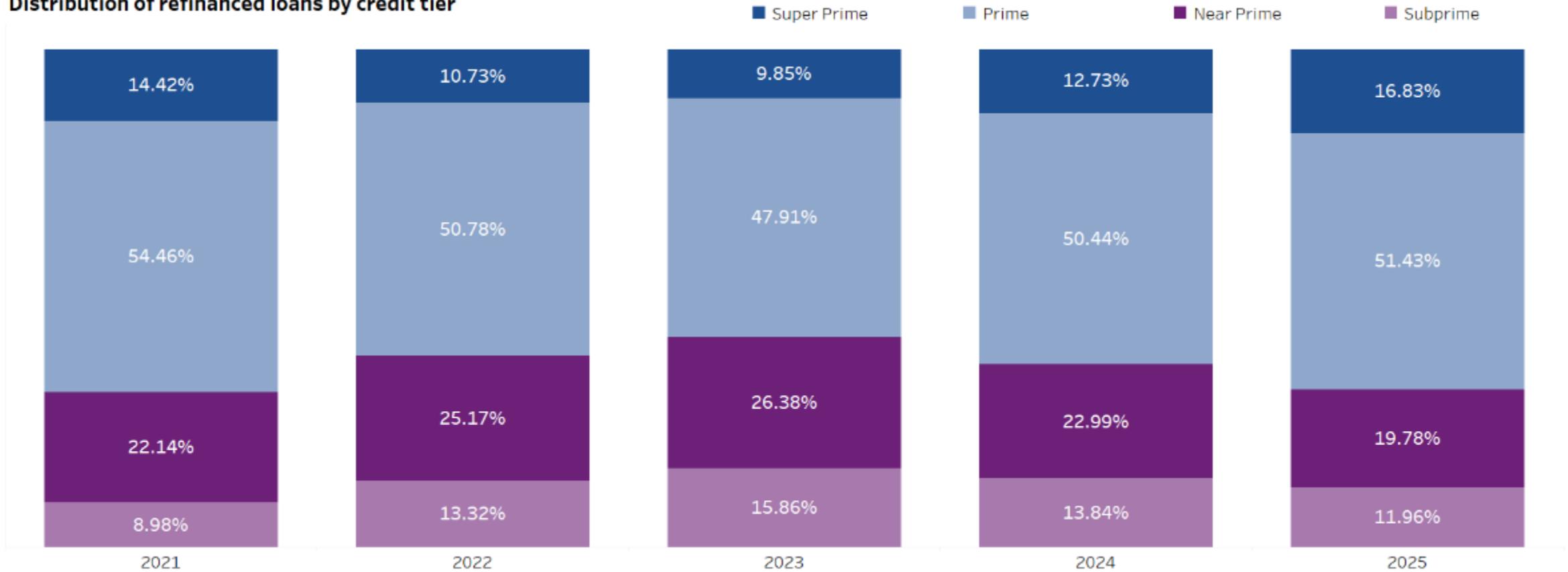
Since 2021, the average months to refinance is 25.2; Q4 2025 average was 25.39 months

Average months to refinance



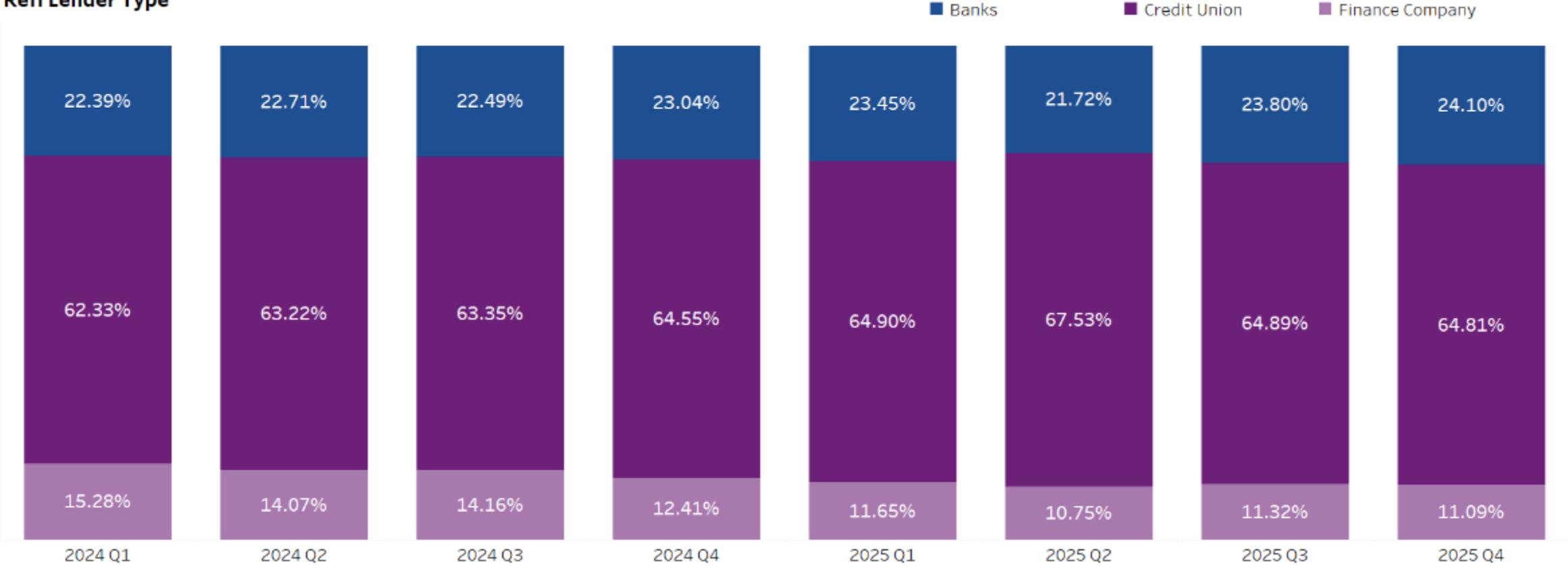
While refi occurs across the credit spectrum, over 68% is in Prime+

Distribution of refinanced loans by credit tier



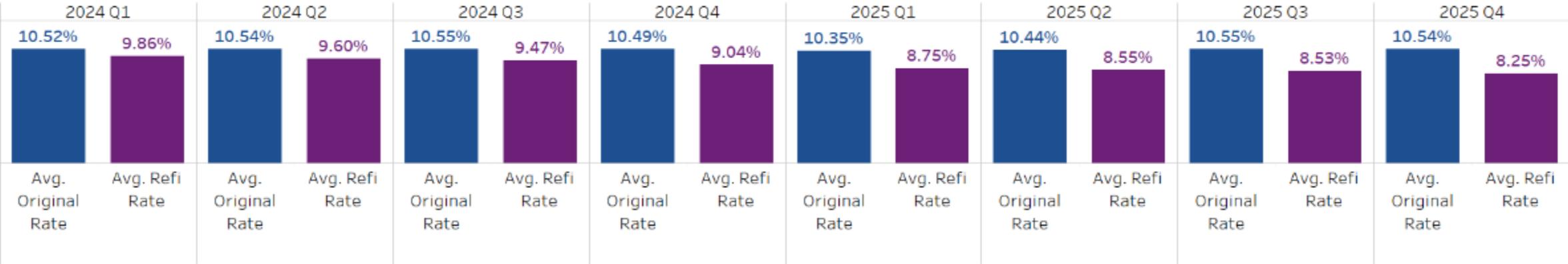
Most refinance occurs among Credit Unions; however, Banks are picking up share

Refi Lender Type

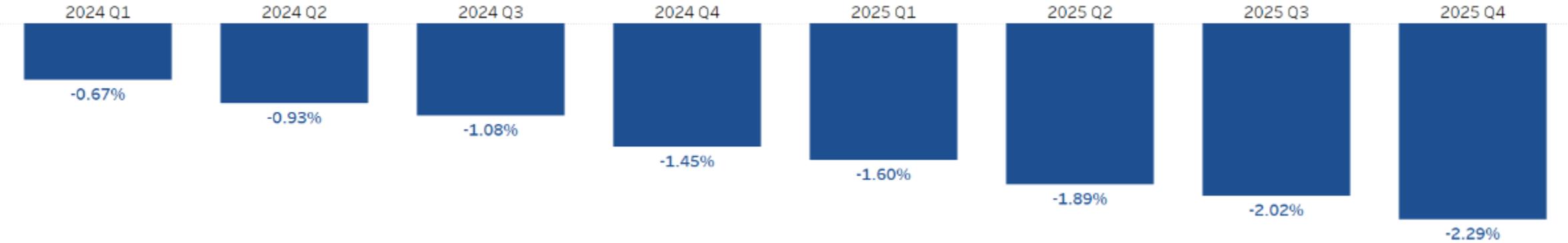


In Q4 2025, consumers saved over 2% on their refinanced loan rate

Average rate of original and refinanced loan

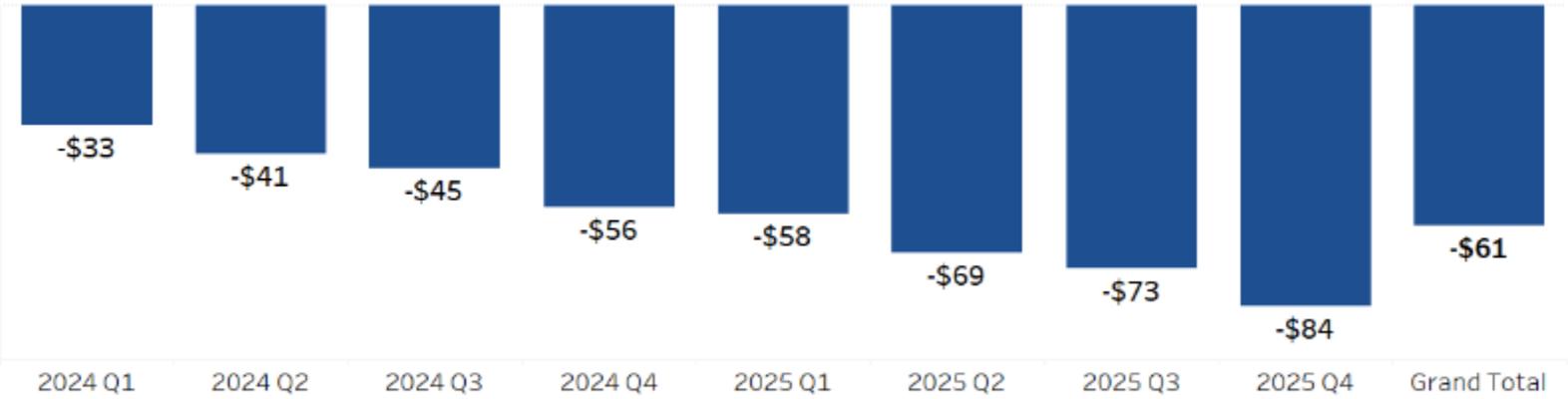


Rate Difference

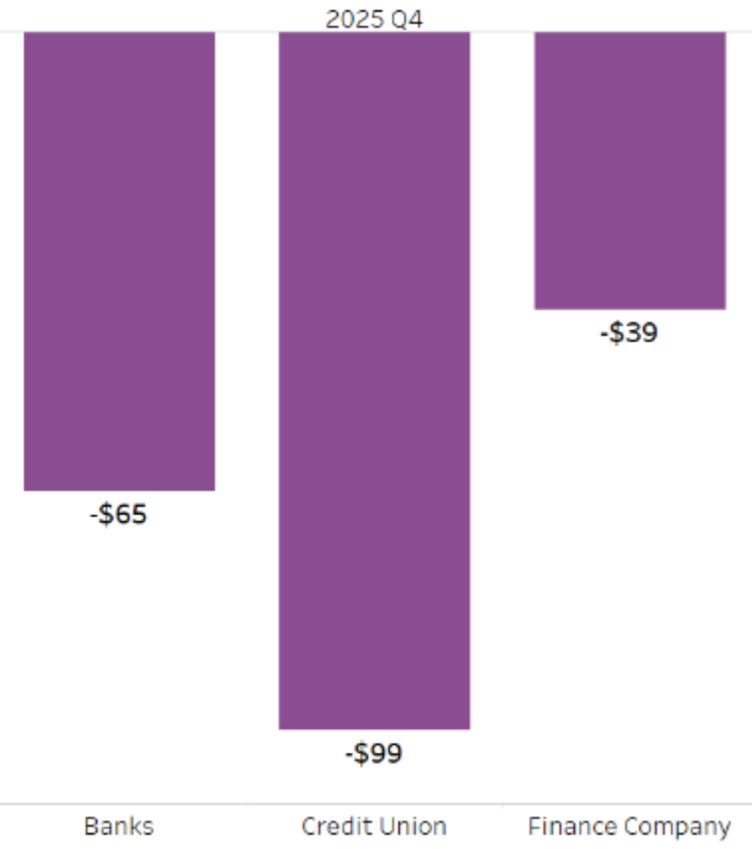


Since 2024, the average monthly savings is \$61 with the amount increasing; Credit Unions offer the largest payment difference

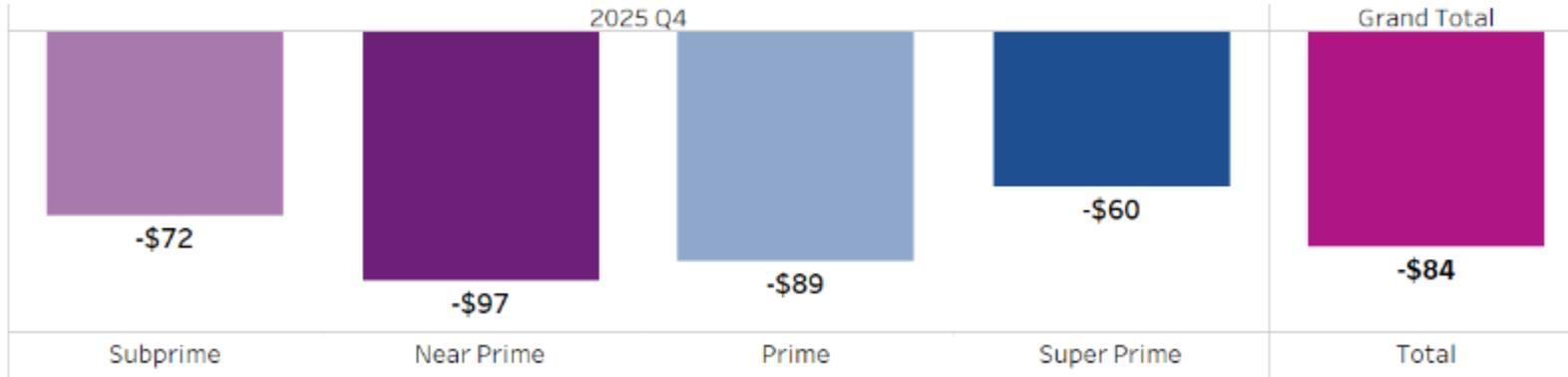
Average monthly savings



Average payment difference by refi lender type

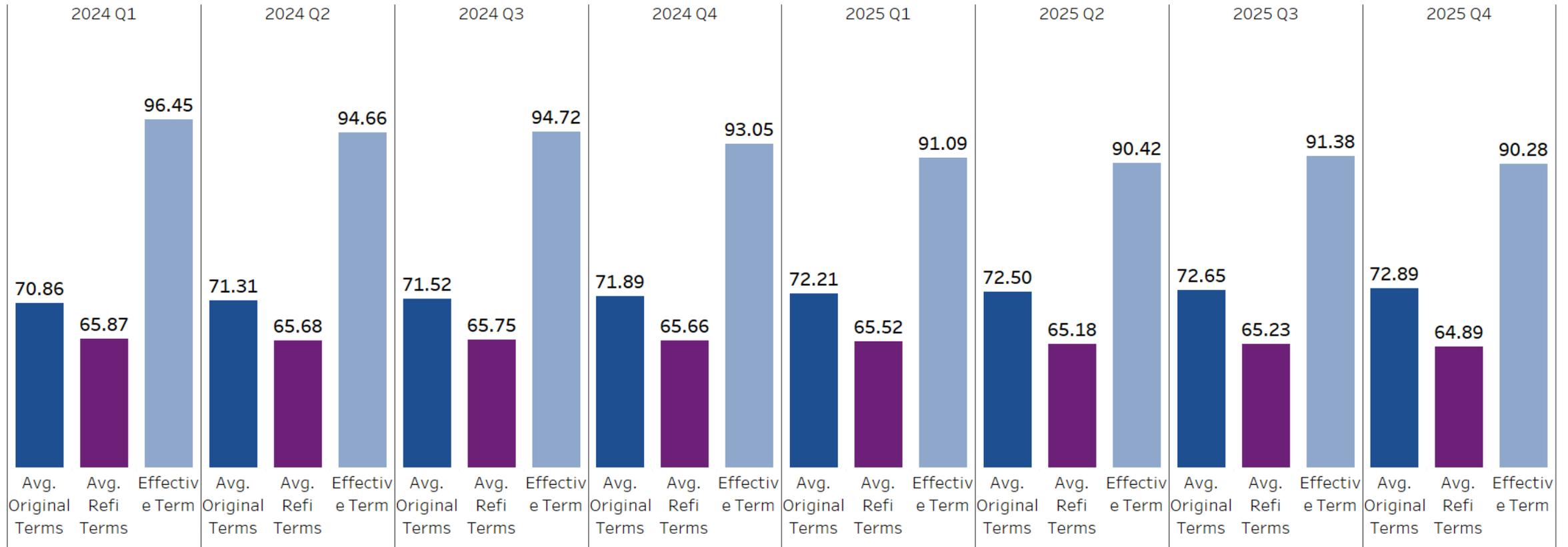


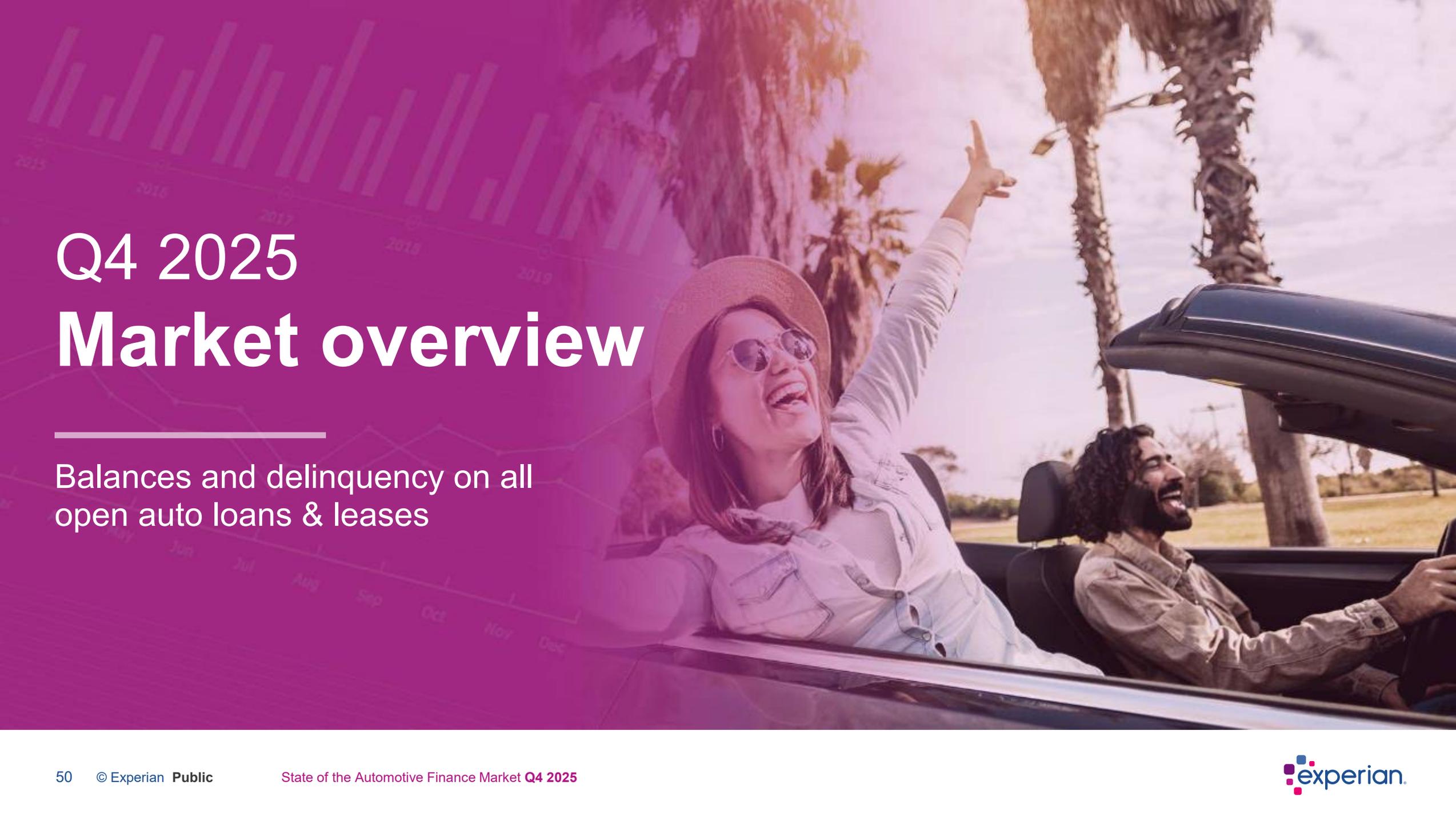
Average payment difference by risk segment



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

Average terms (original, refi & effective)



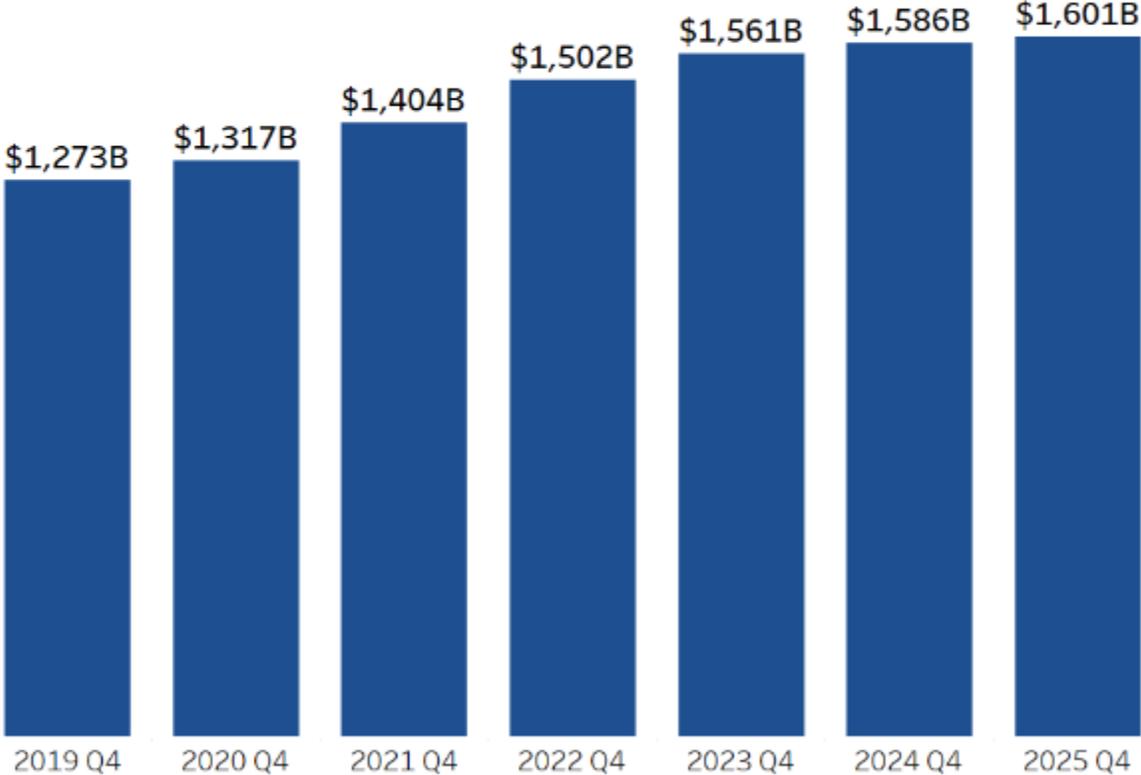


Q4 2025 Market overview

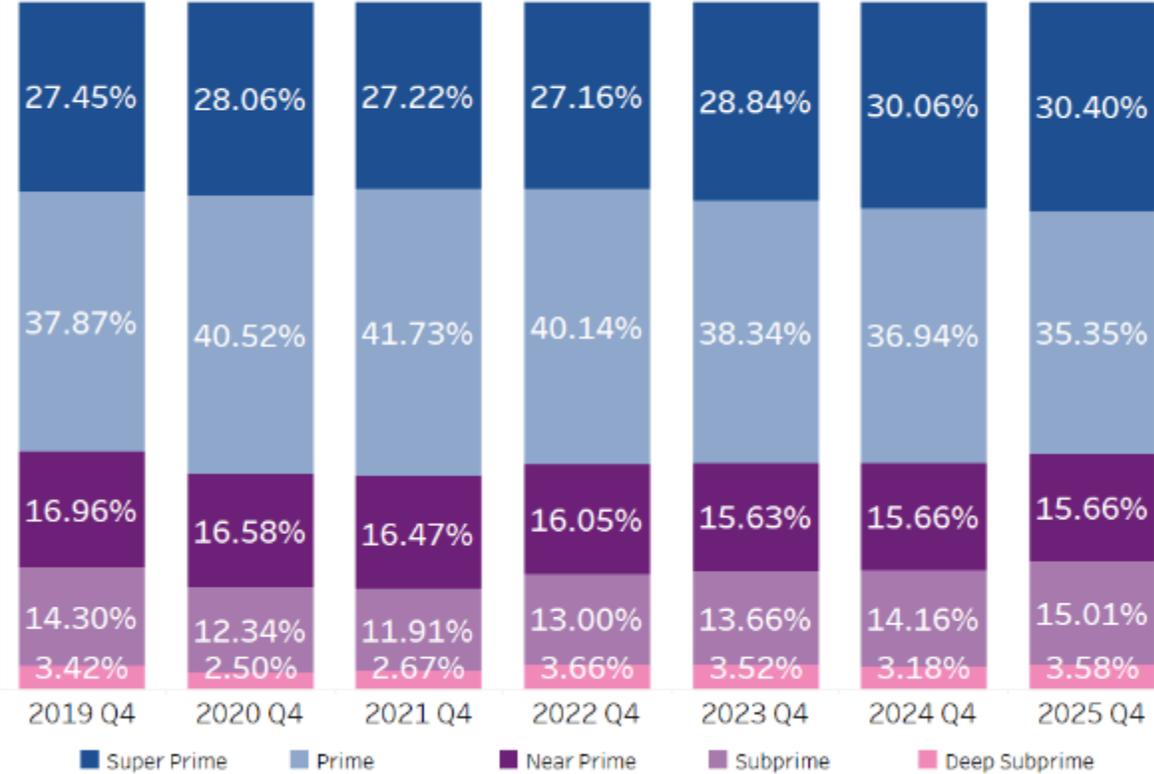
Balances and delinquency on all
open auto loans & leases

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

Outstanding Automotive Balances

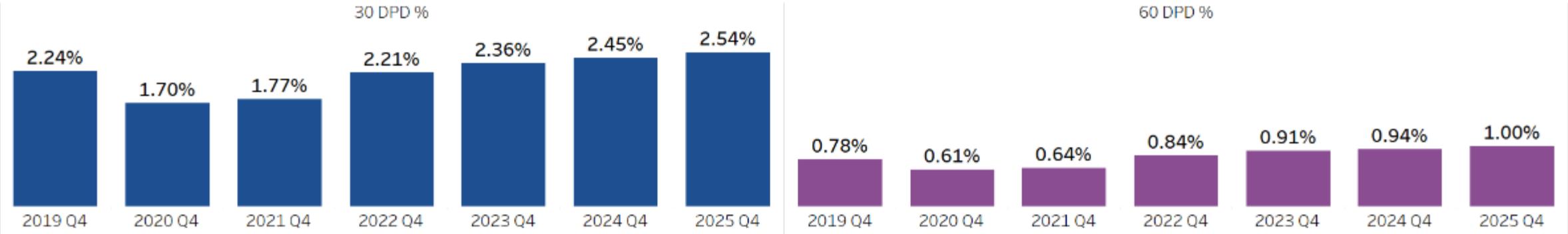


Risk Distribution of Outstanding Auto Loan Balance



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

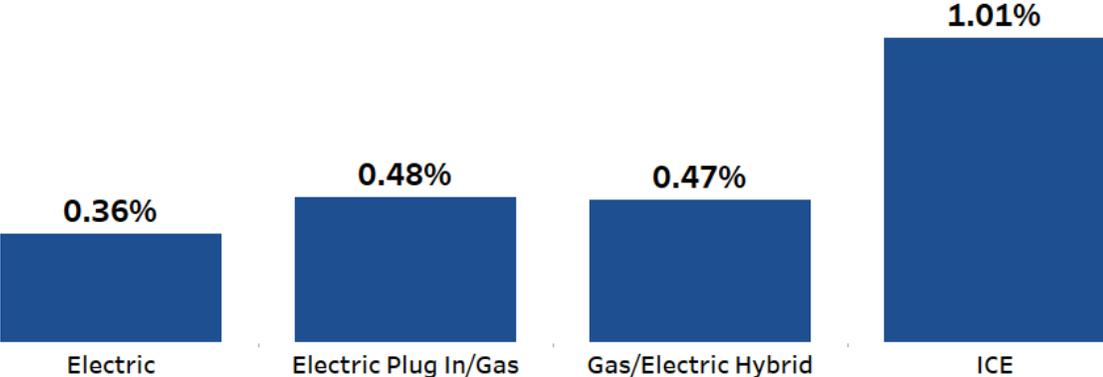
Current 60 day delinquency rate by new/used



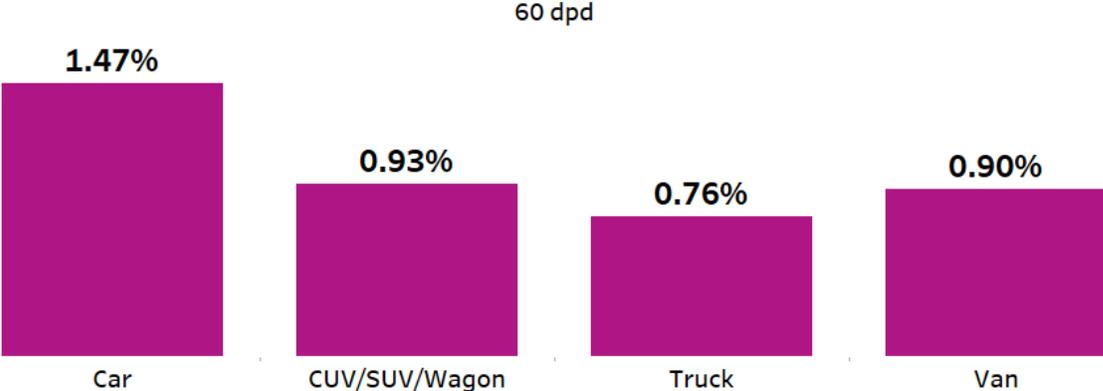
Current 60 day delinquency rate by dealer type on used loans



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



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



Q4 Summary

- Leasing rates decrease; cash remains high
- Scores decreased for both new & used buyers
- Banks continue to gain market share
- EV share decreased and remained nearly 20% of new leasing
- Loan amounts, payments and term are on the rise with new payments and new loan amounts hitting record highs
- Despite value increases, LTVs are down for used loans
- Refinance increases with an average savings of \$84/month
- Overall balance growth slows, and delinquencies are up



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