EXPERIAN AUTOMOTIVE

Q2 2026

State of the Automotive Finance Market

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Today's presenter

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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.

Q2 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

Velocity℠ 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 Dashboards™

- 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

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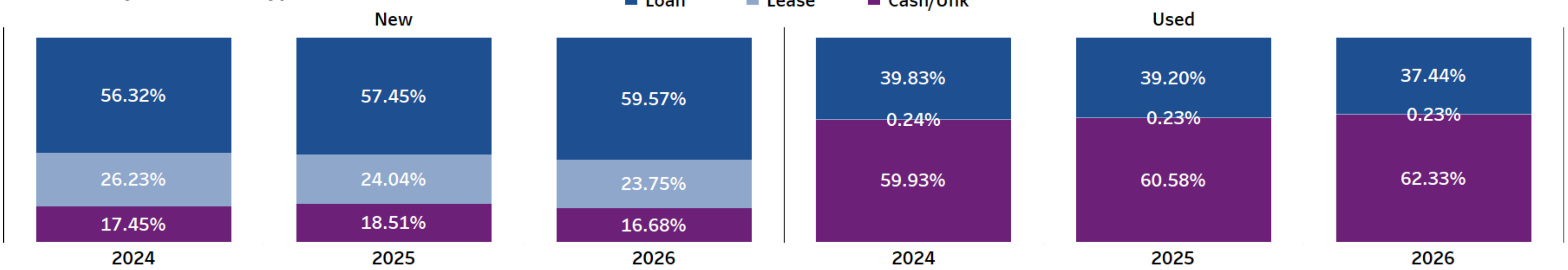
Q2 2026
Market

A look at what and how consumers are purchasing

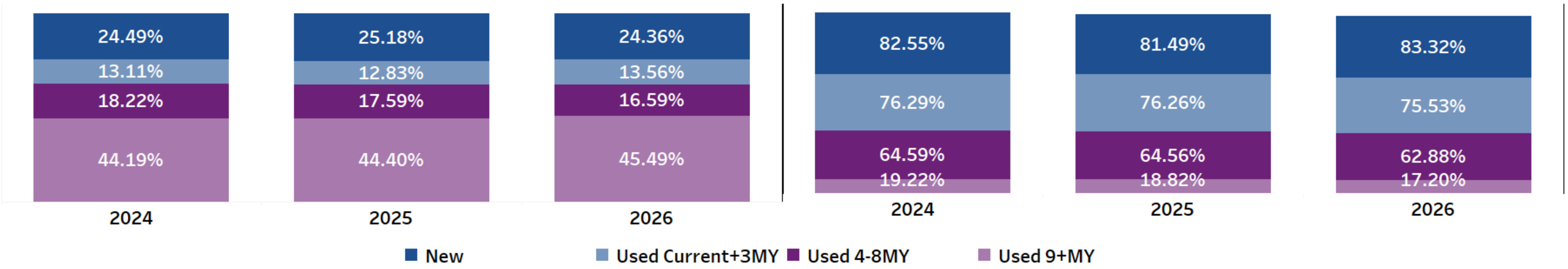
Automotive financing: snapshot of how and what consumers are purchasing

Purchases by transaction type

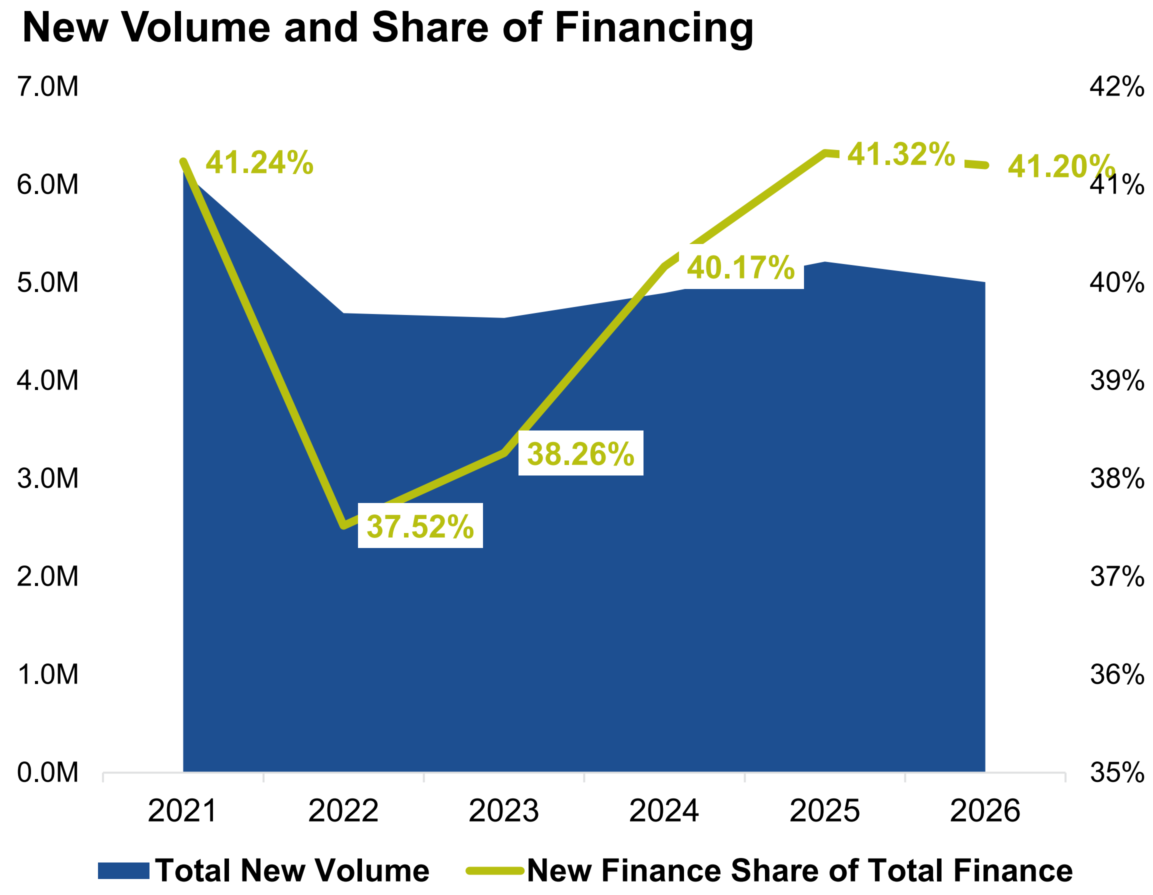


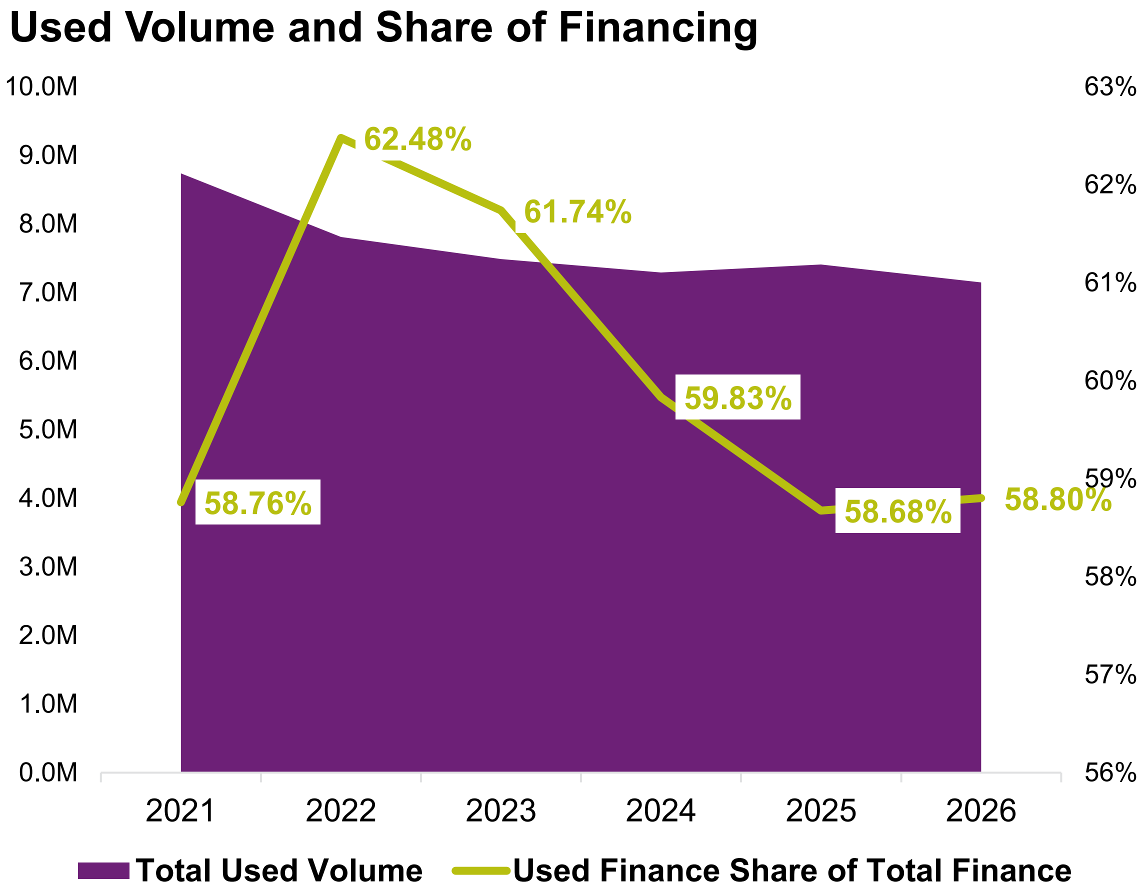
Purchases by vehicle age group

Percentage of vehicle age group with financing

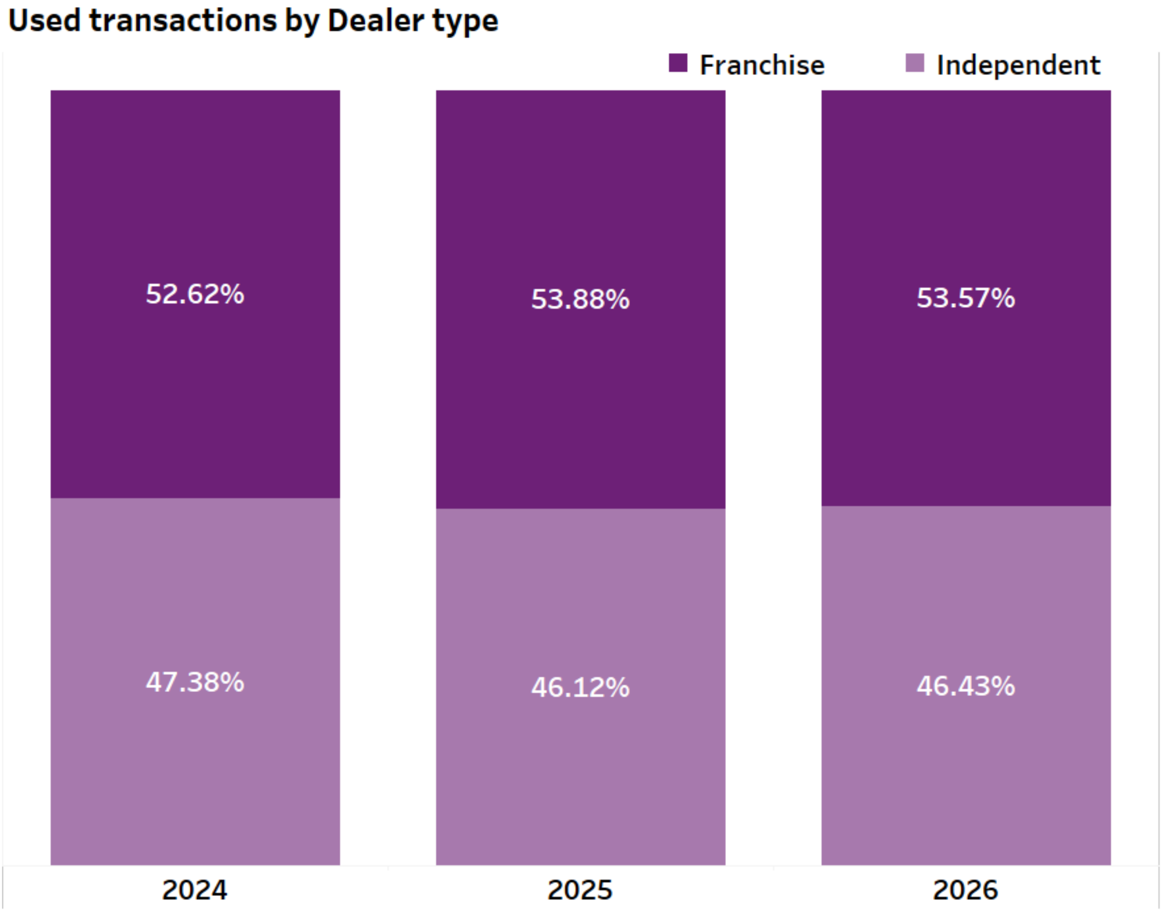


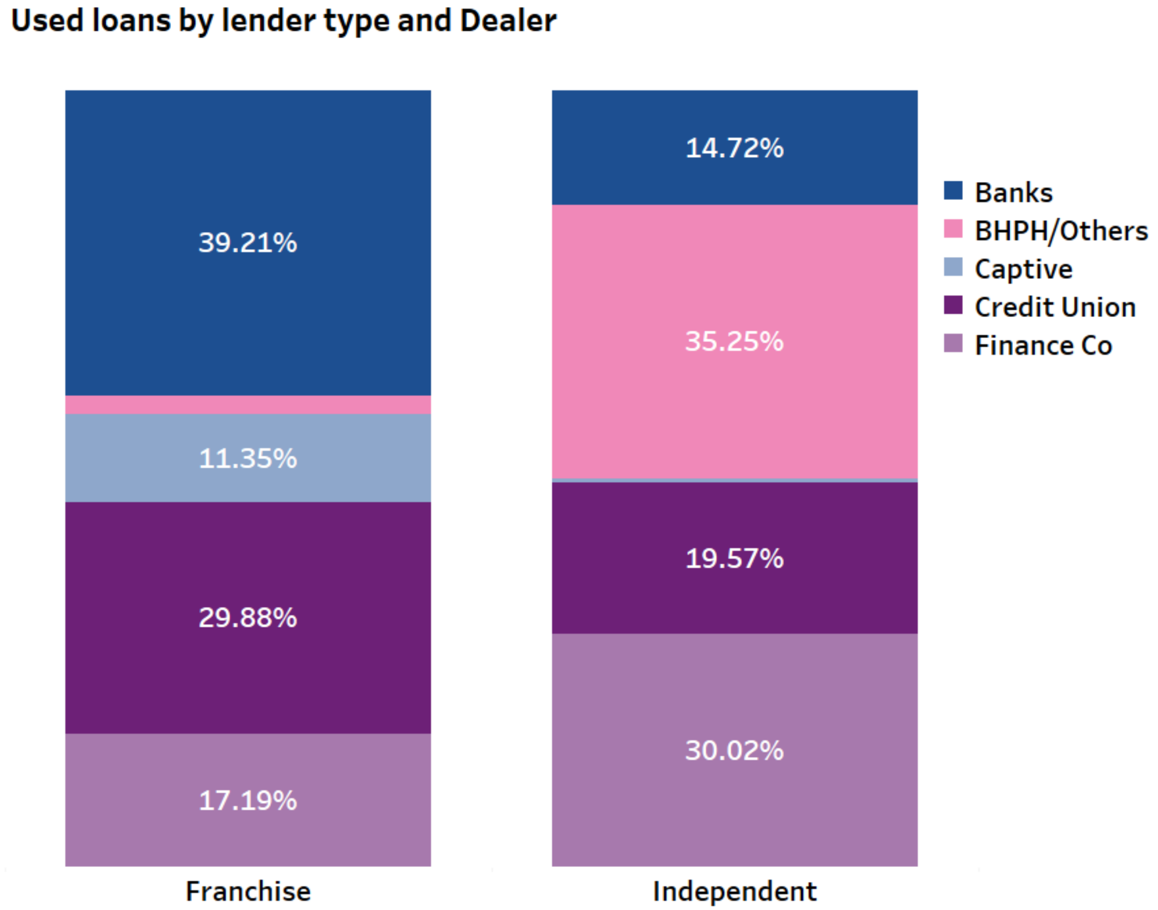
Used has increased it’s share of financing; volume is down YOY for new and used purchases



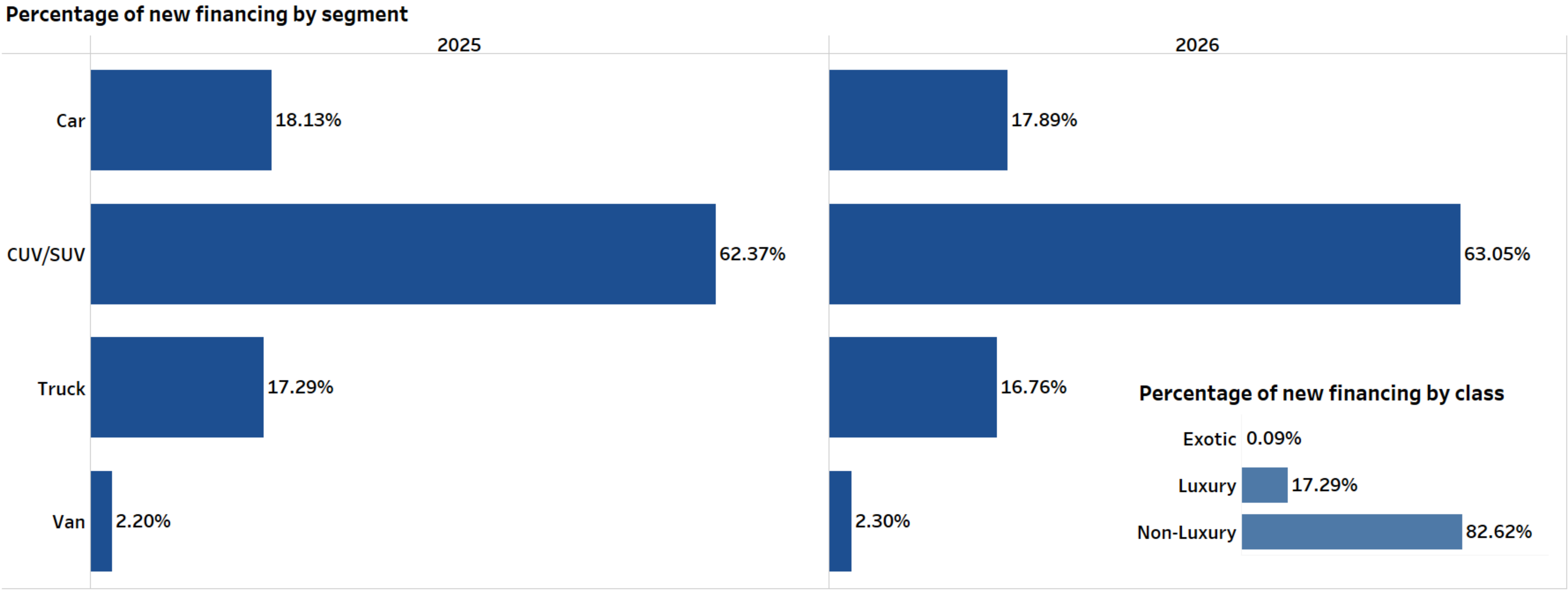


Dealer type snapshot: Independent Dealers increase share of used purchases

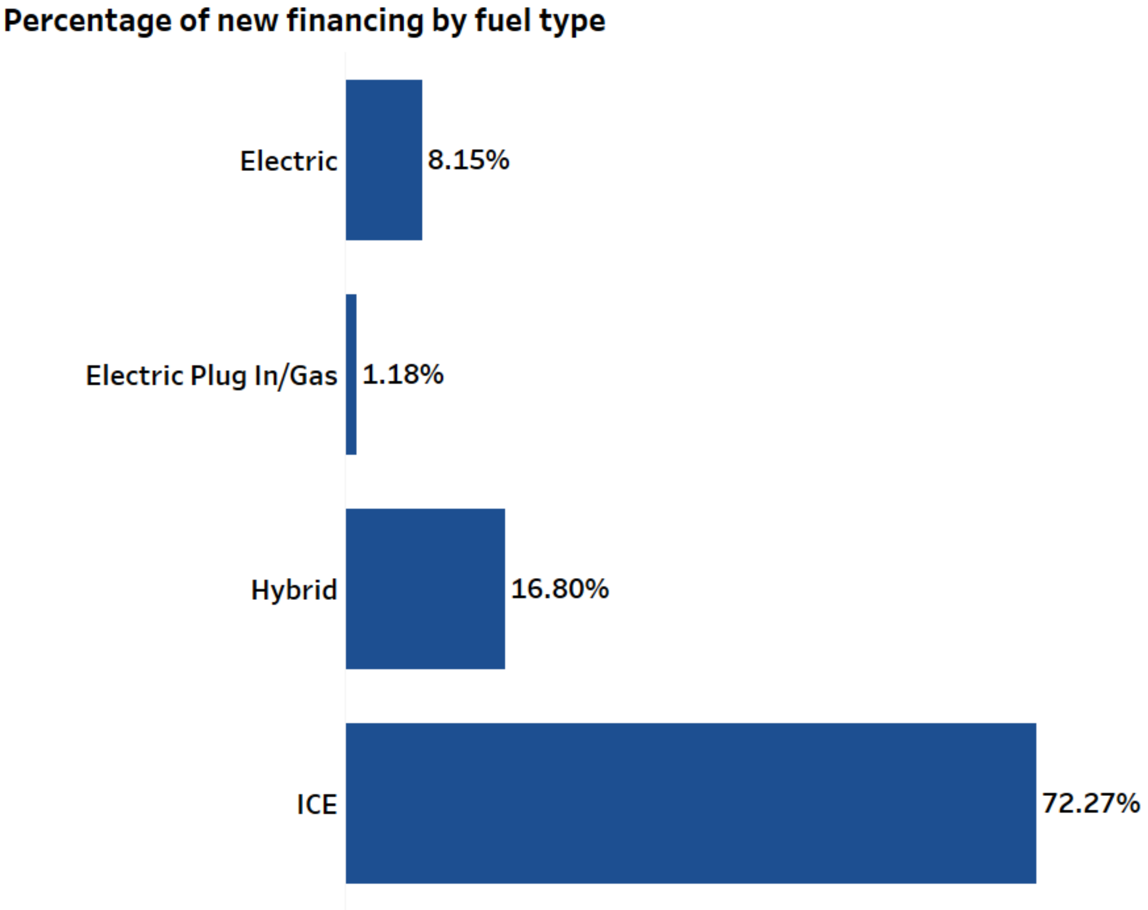


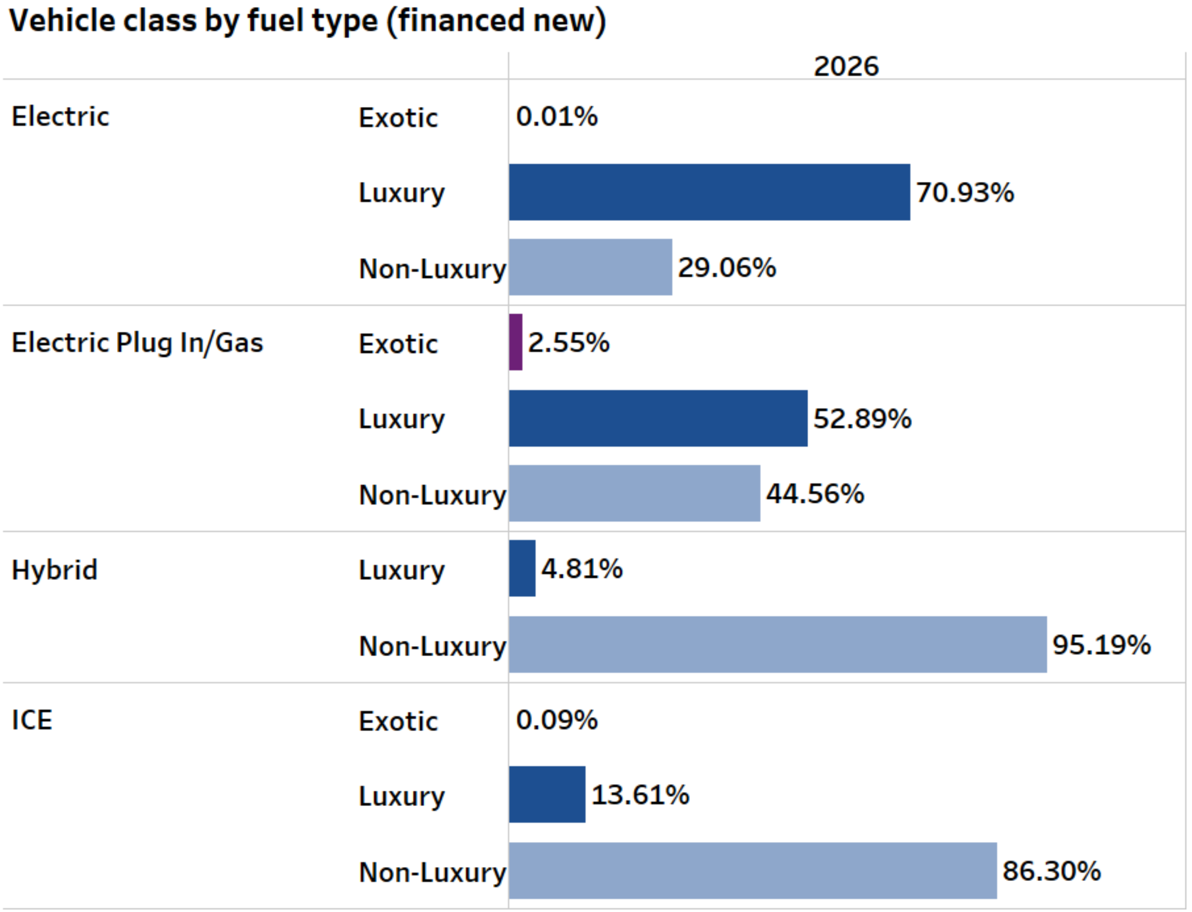


CUVs and Vans see increased share YOY

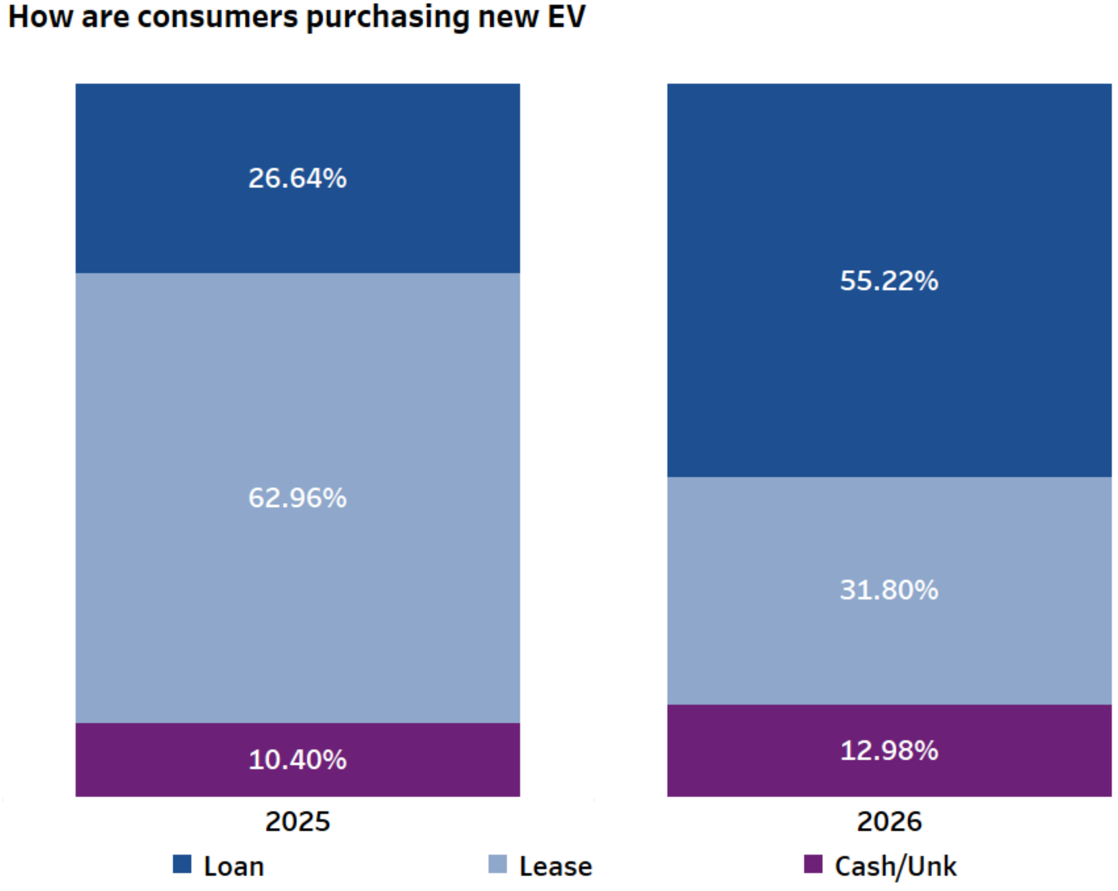


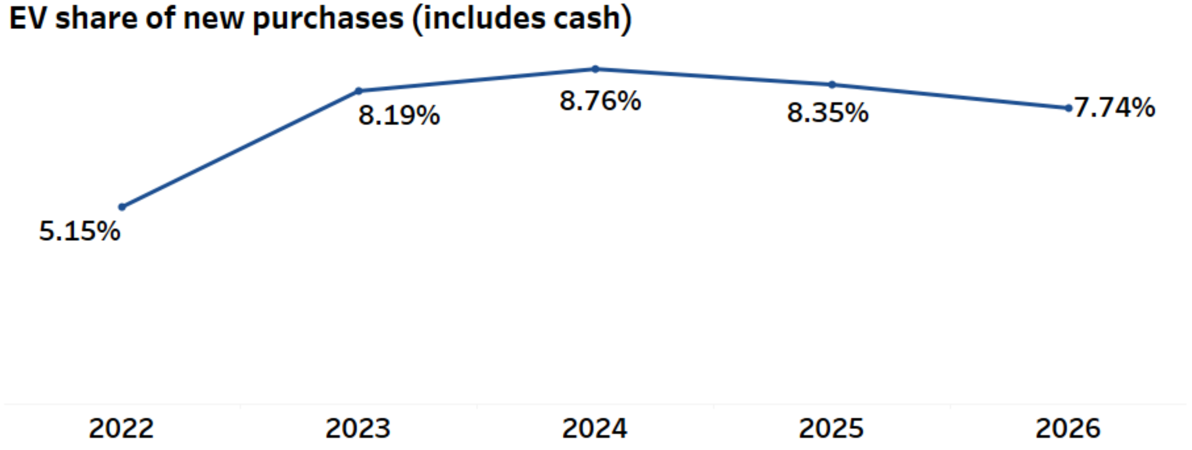
Hybrid vehicles pick up share YOY (12.99% to 16.8%) and are primarily Non-Luxury vehicles

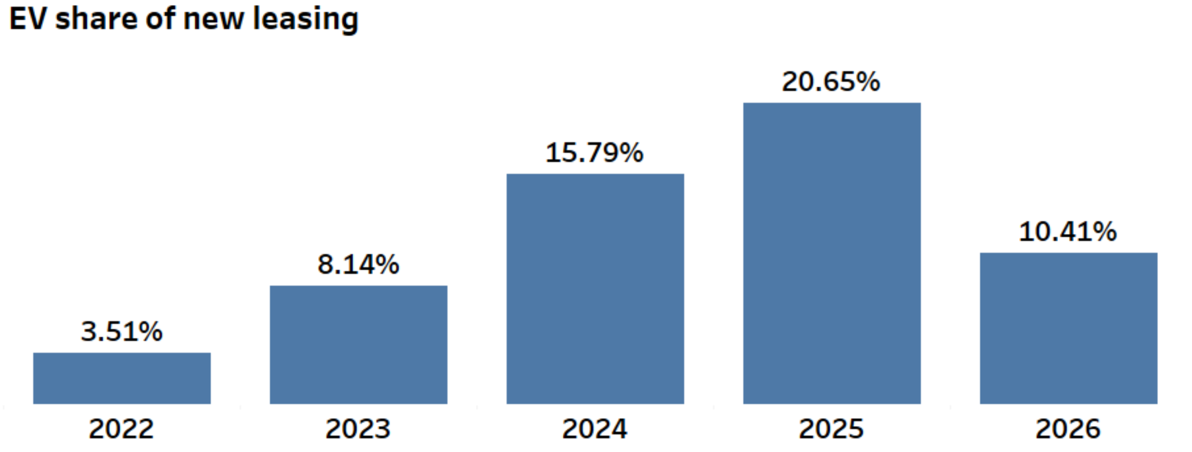




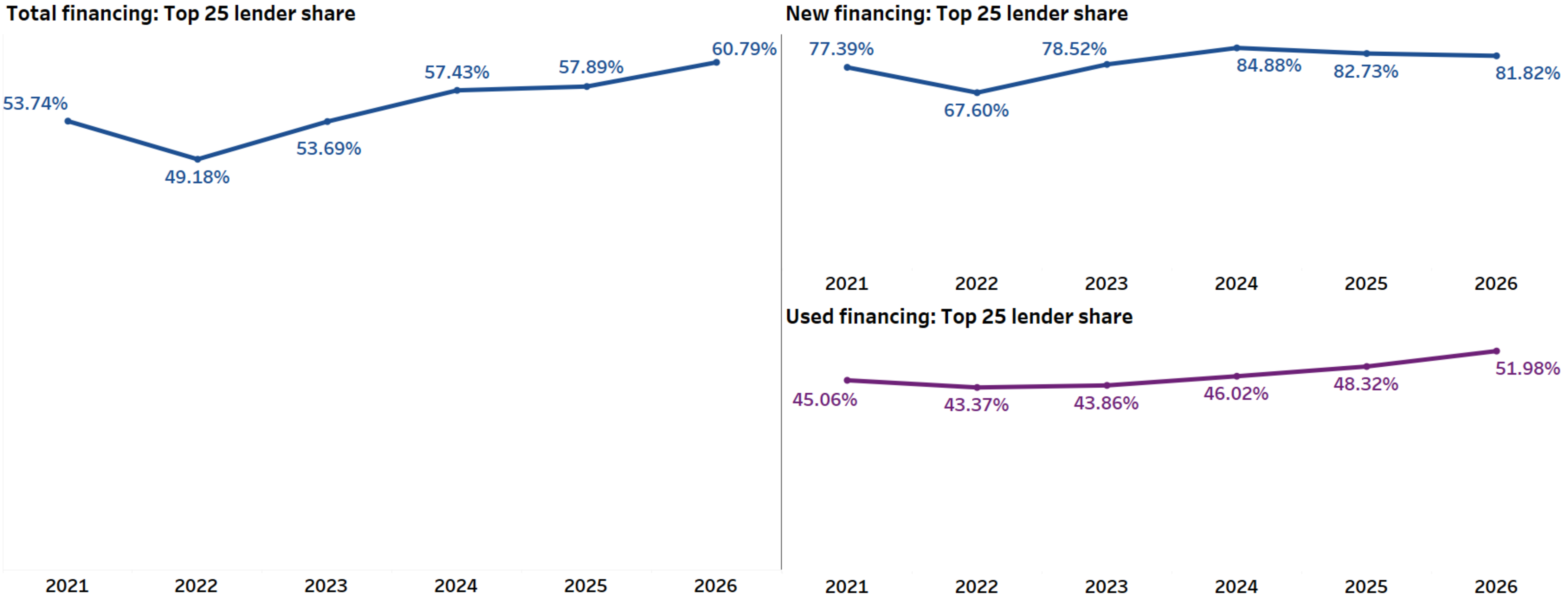
EV share of new purchases falls; leasing remains dominant





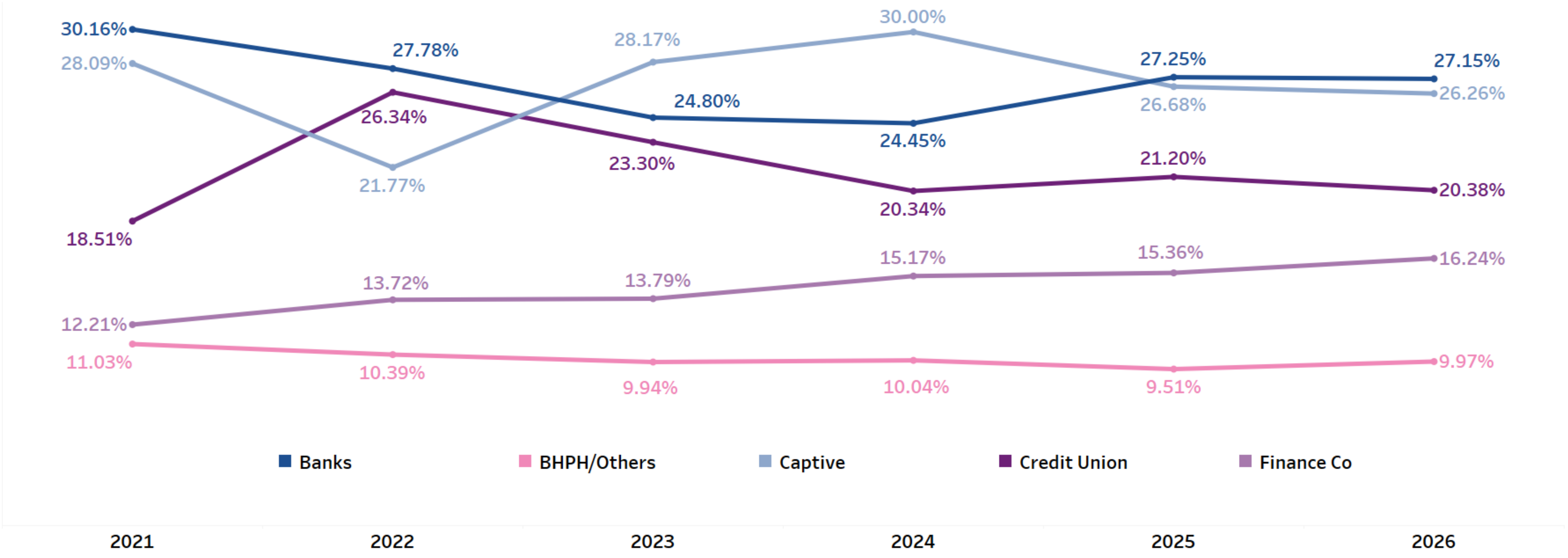


Financing is primarily consolidating among the top used lenders



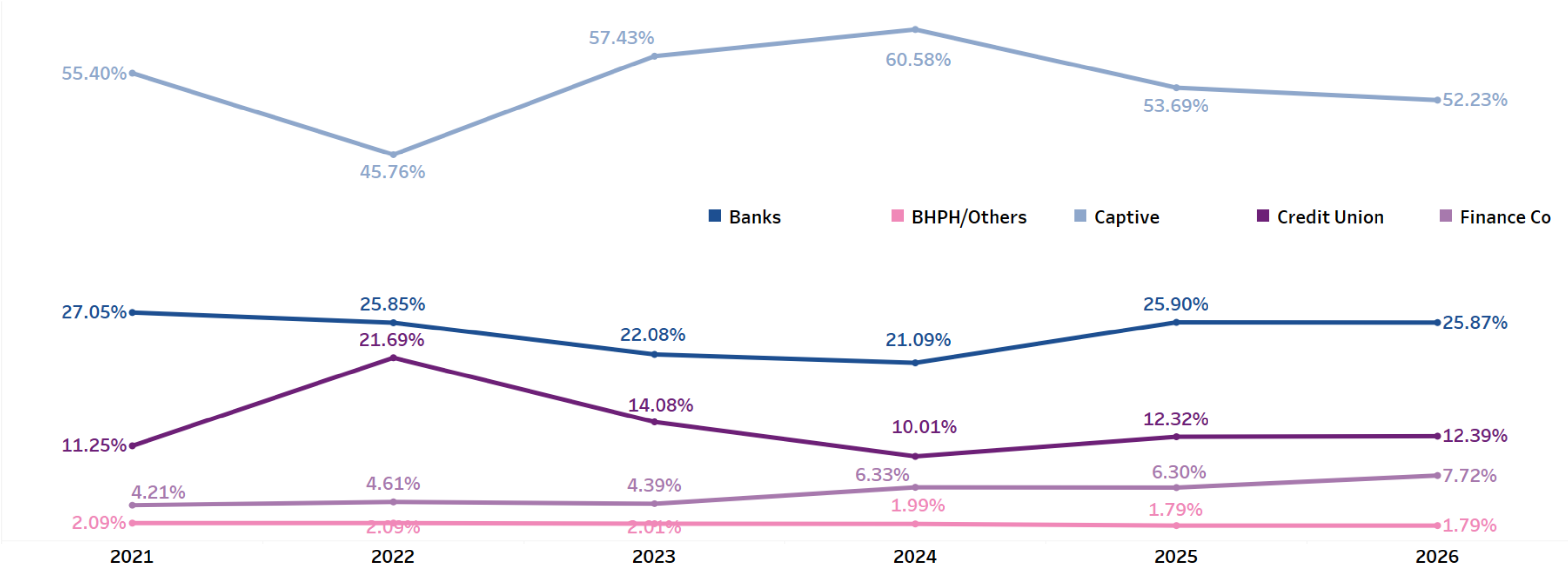
Share increased for Finance Companies and BHPH/Other

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



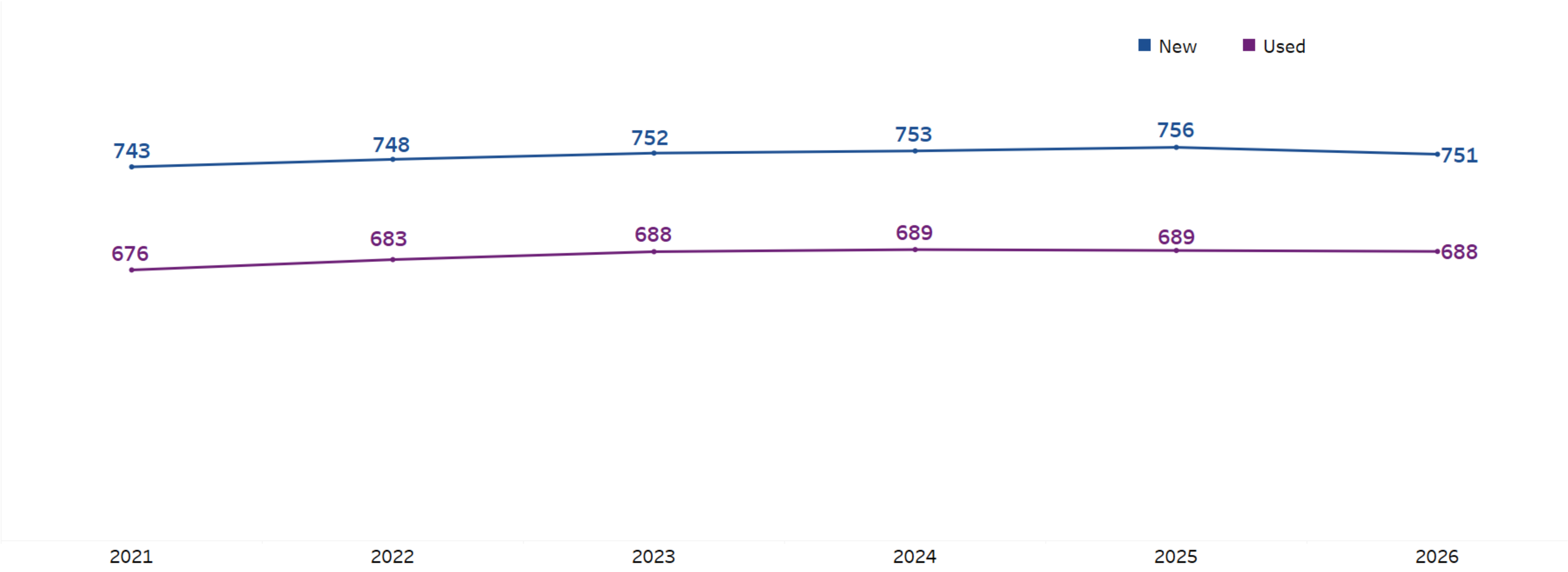
Captives continue to dominate new financing yet decrease share YOY; share increased for Credit Unions and Finance Companies

Market share of new financing (loan/lease)

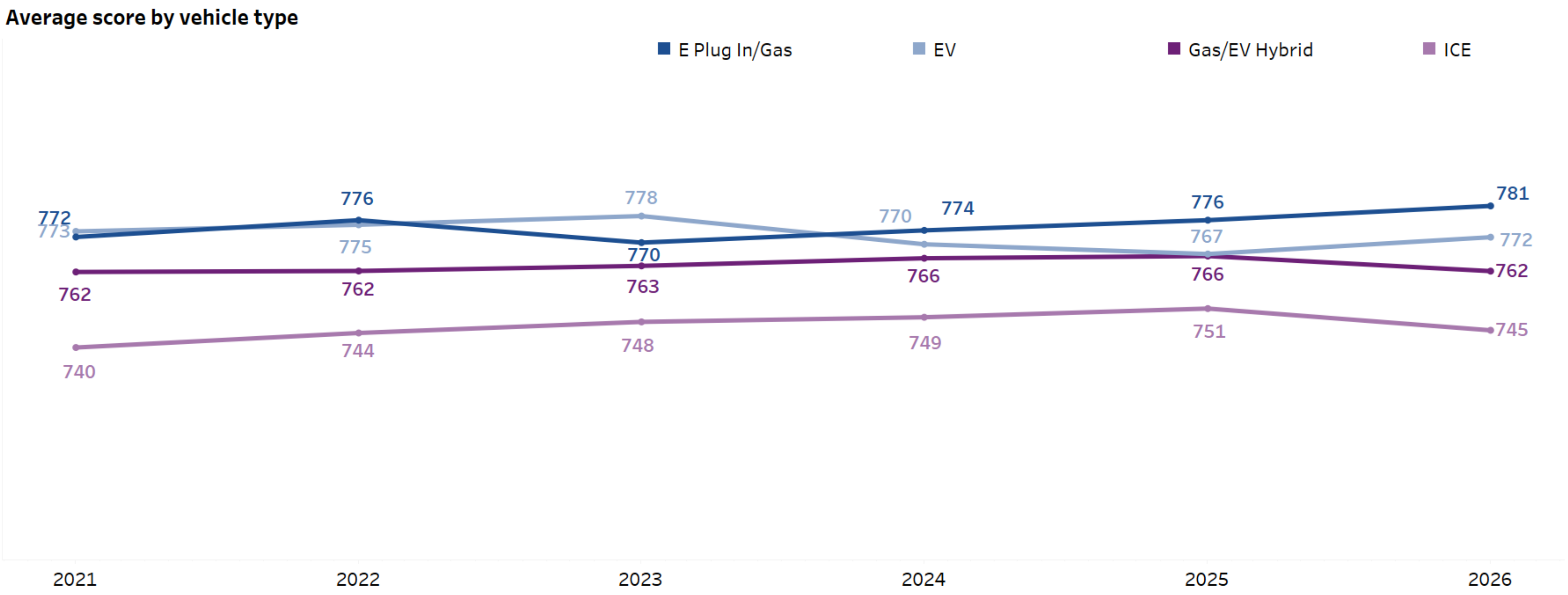


Average new score decreases 5 points while used is down 1

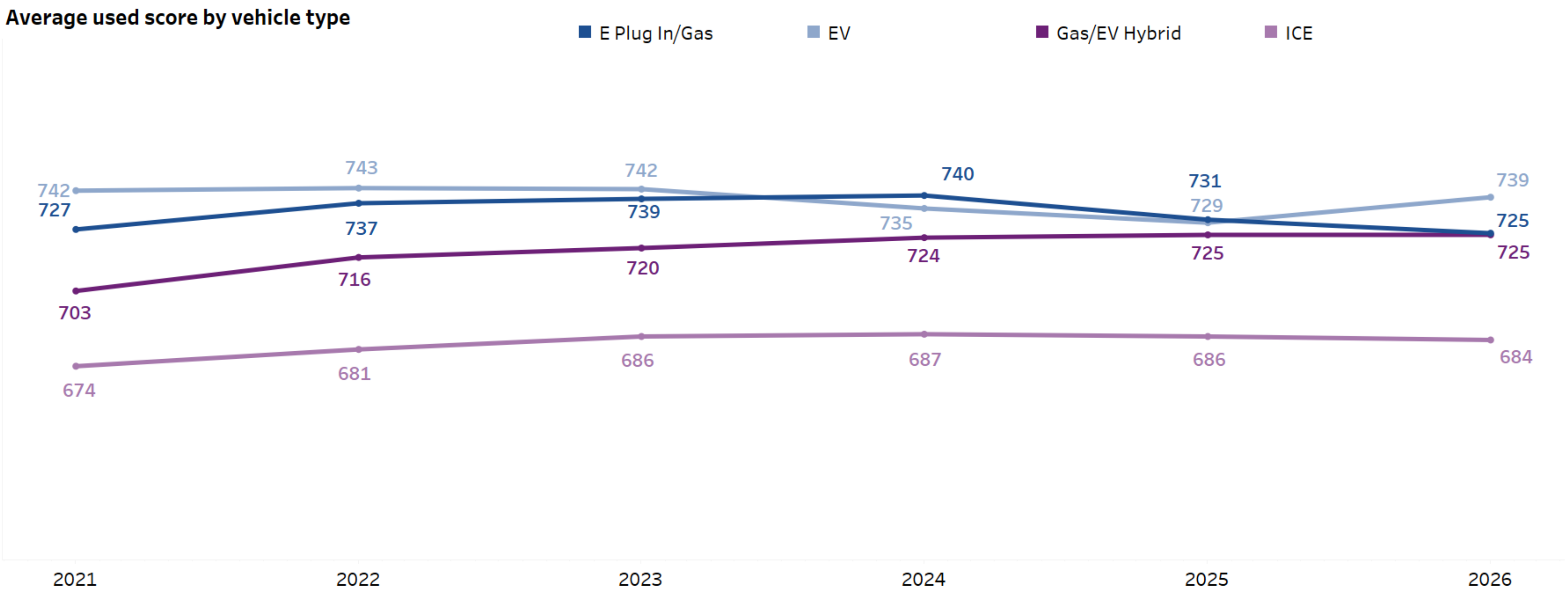
Average score by vehicle type



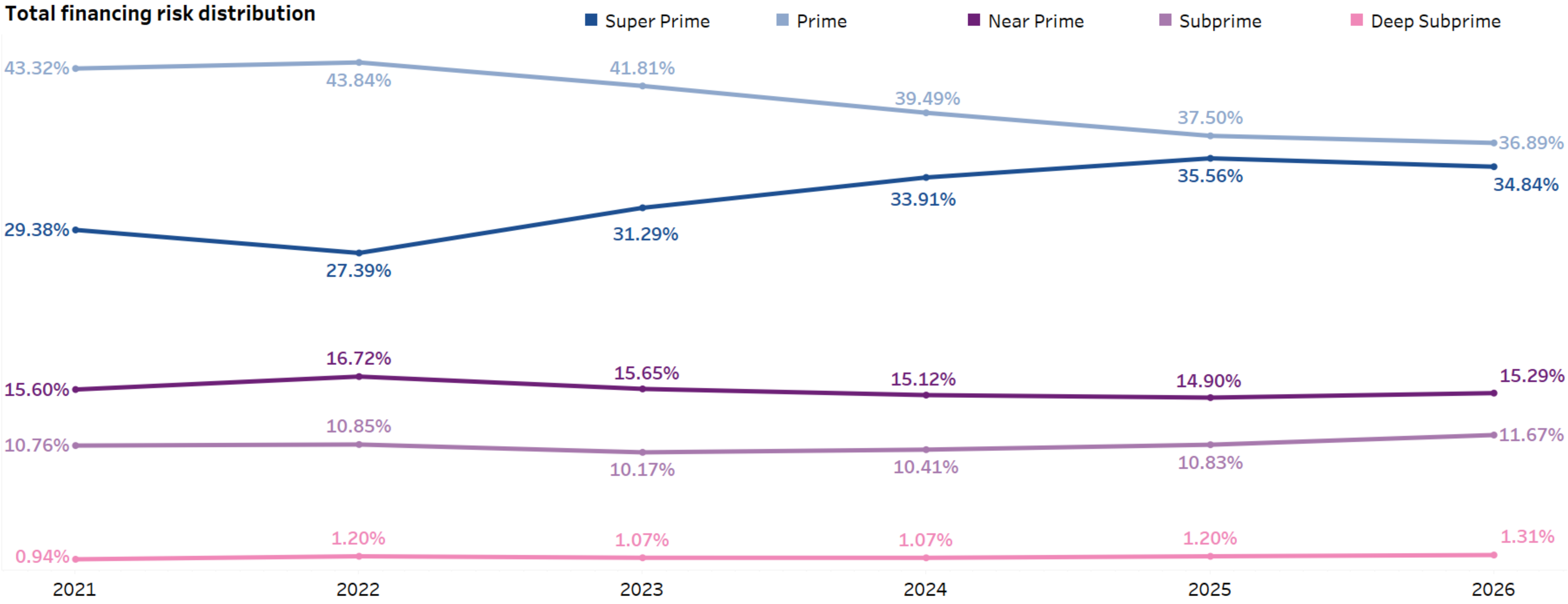
New scores electrified vehicles increase; Hybrid and ICE are down



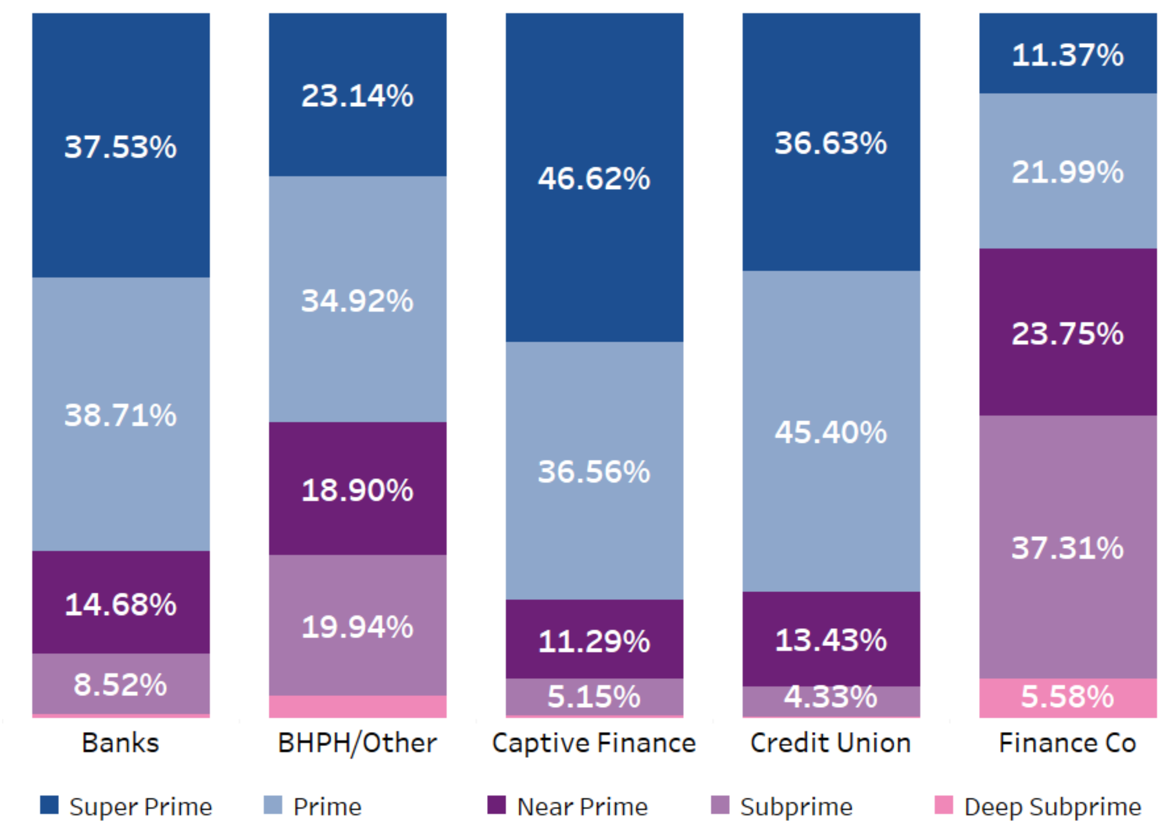
Used EV scores increased 10 points while Hybrids stayed flat

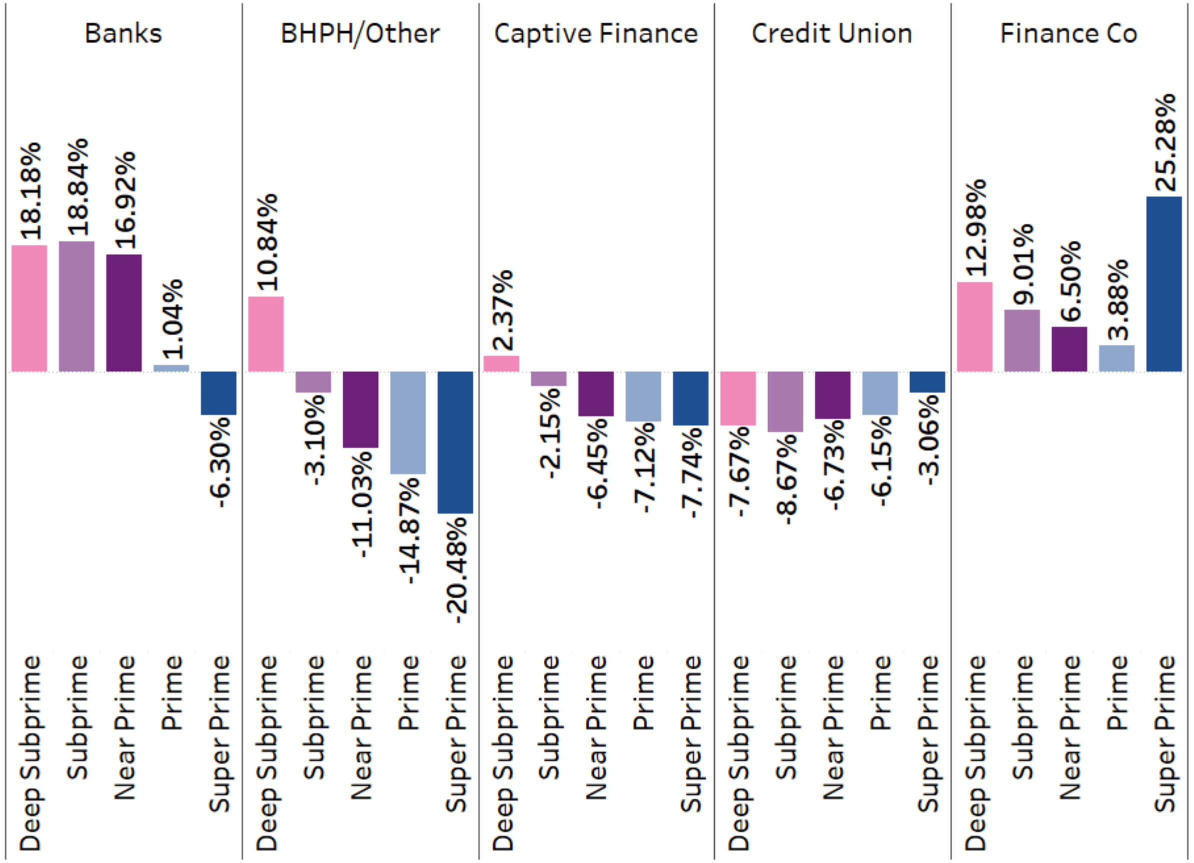


Growth occurring outside of Prime; Super Prime and Prime decrease YOY yet remains over 71% of total financing



Banks grow outside of prime; Finance Companies increase across all segments



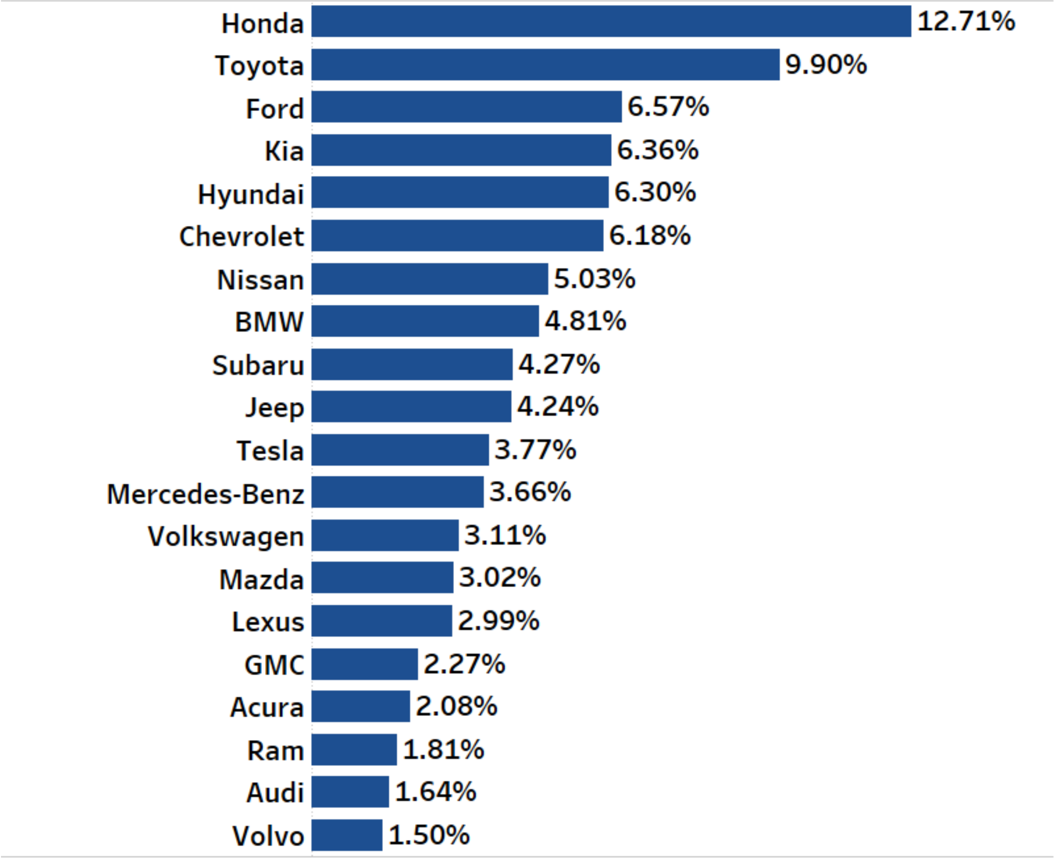


Q2 2026
Leasing

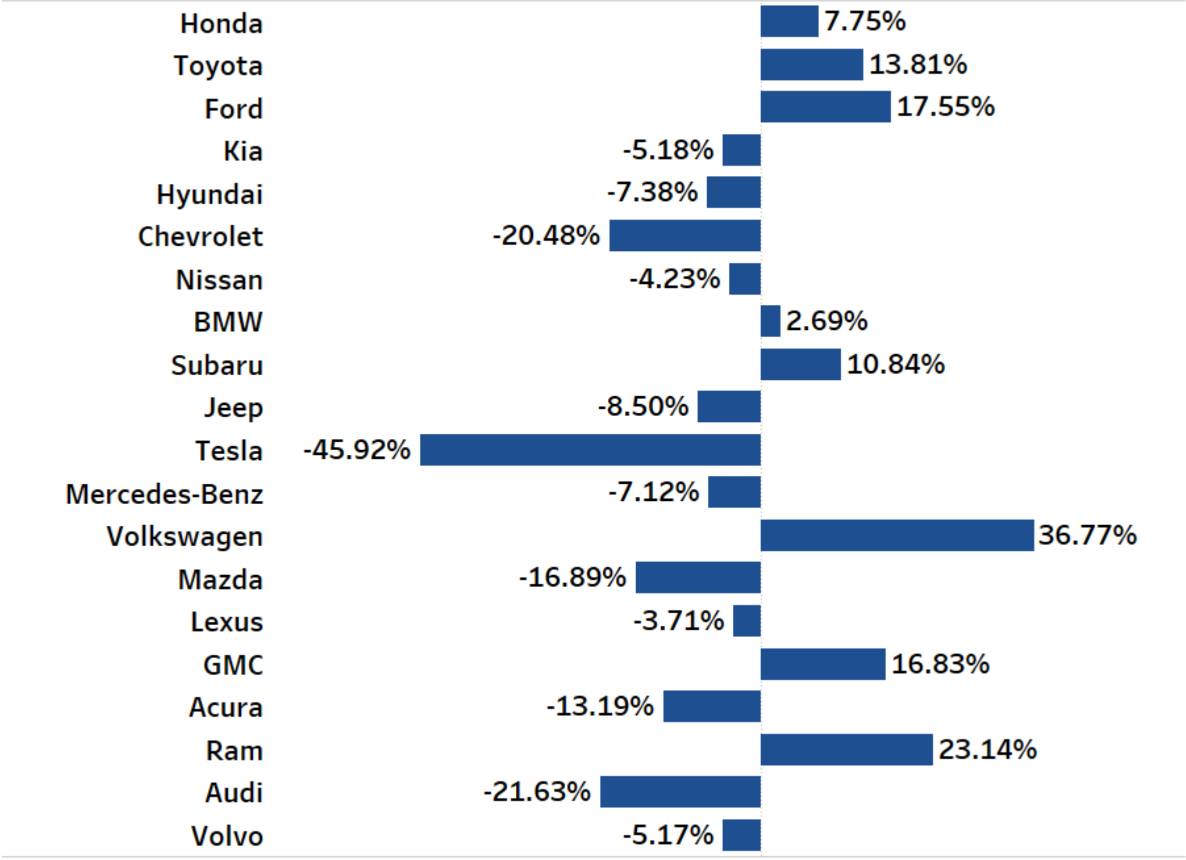
Insights into the leasing market

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

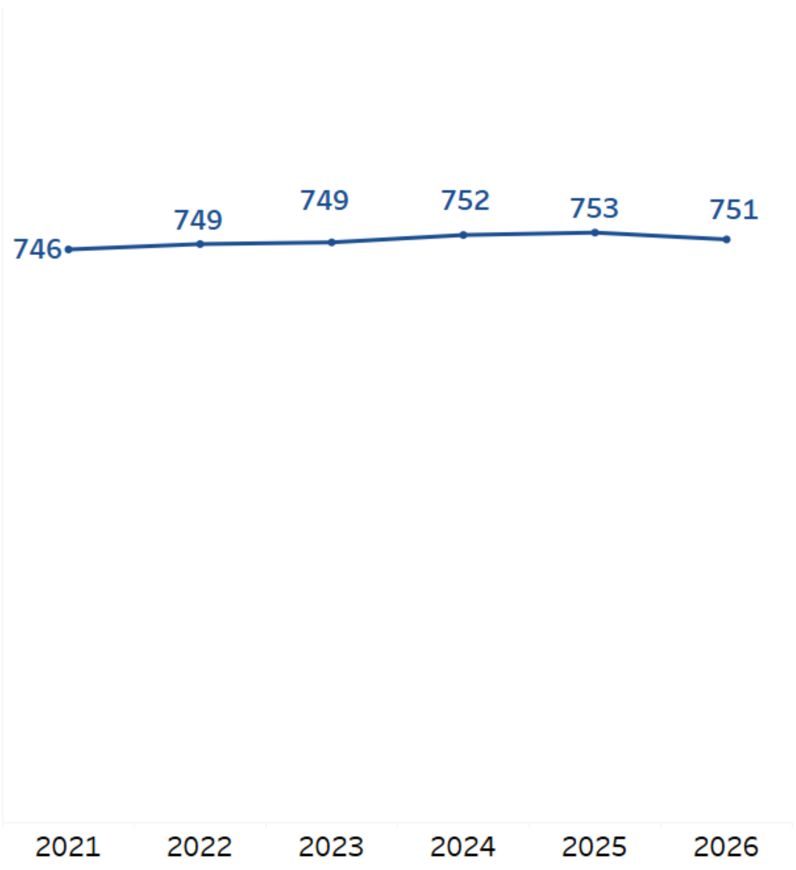
Top 20 leased new makes

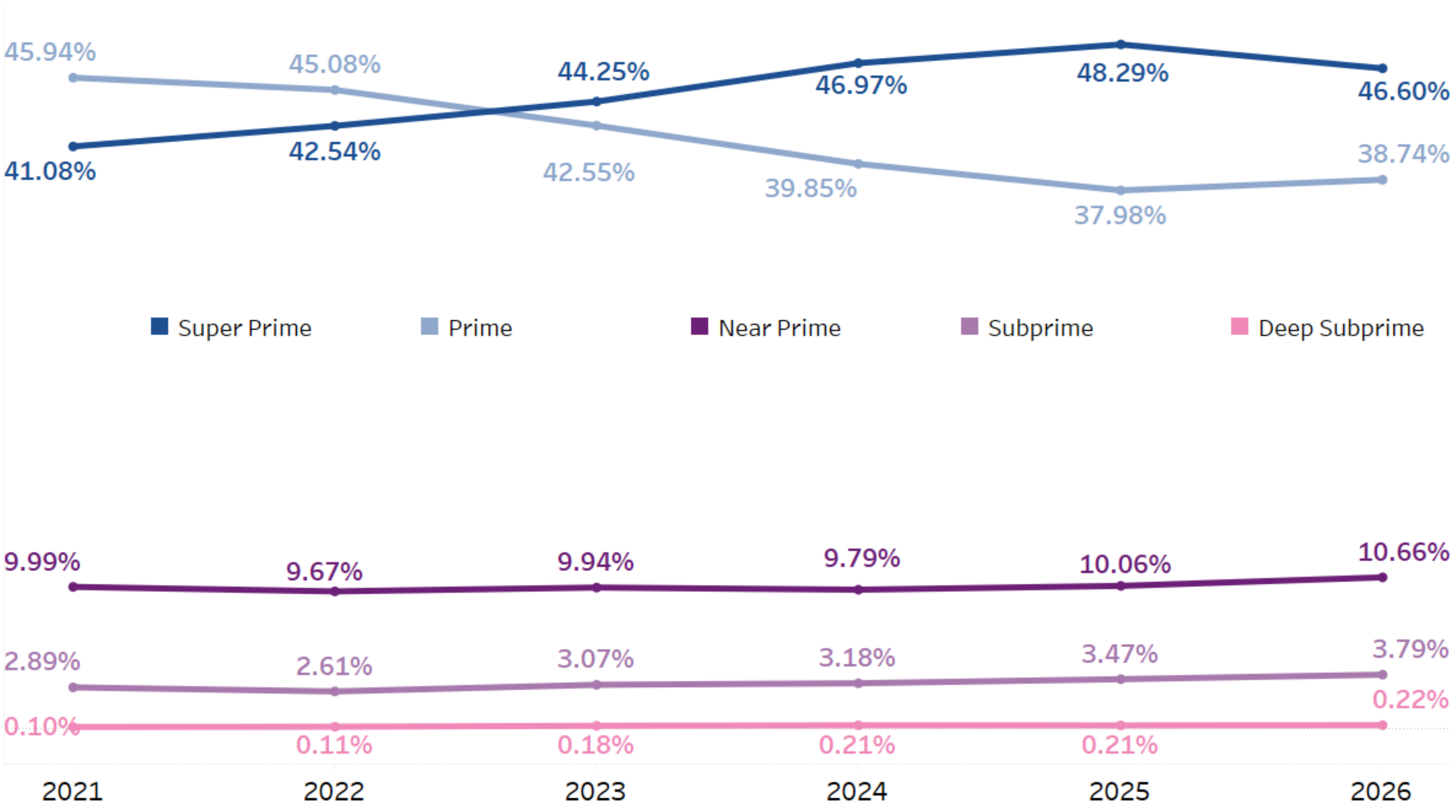


YOY Growth on Top 20 leased makes



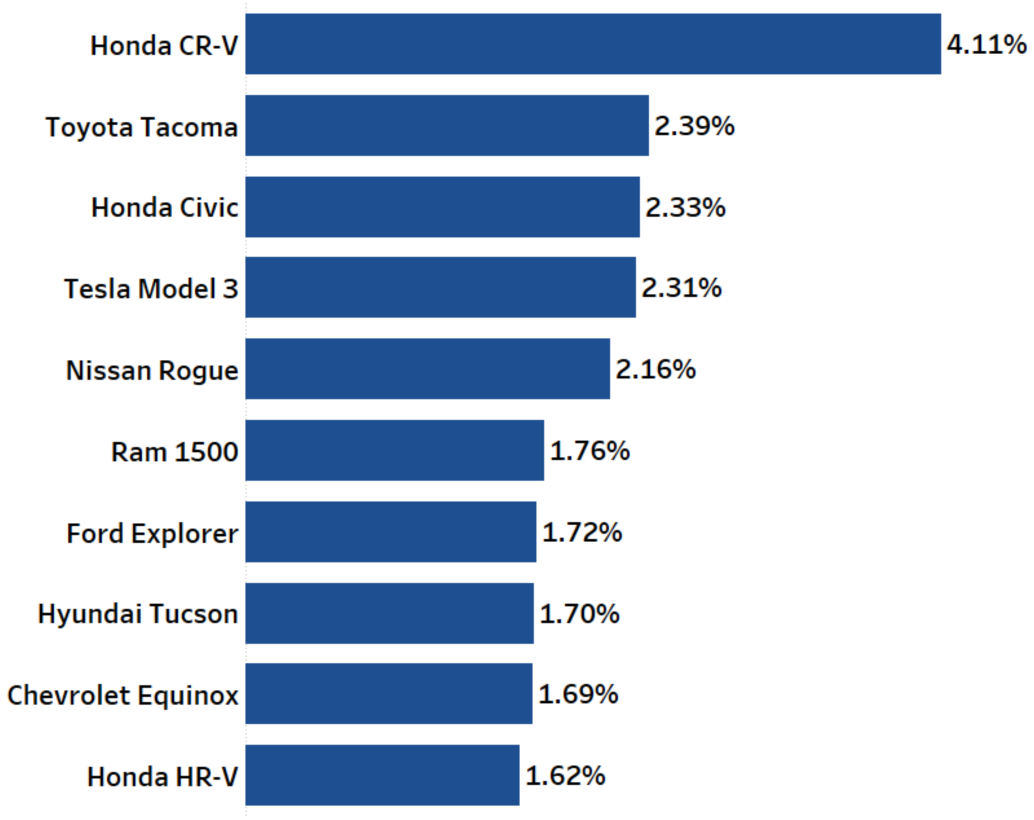
Leasing scored decrease 2 points and leasing increases across all segments but Super Prime



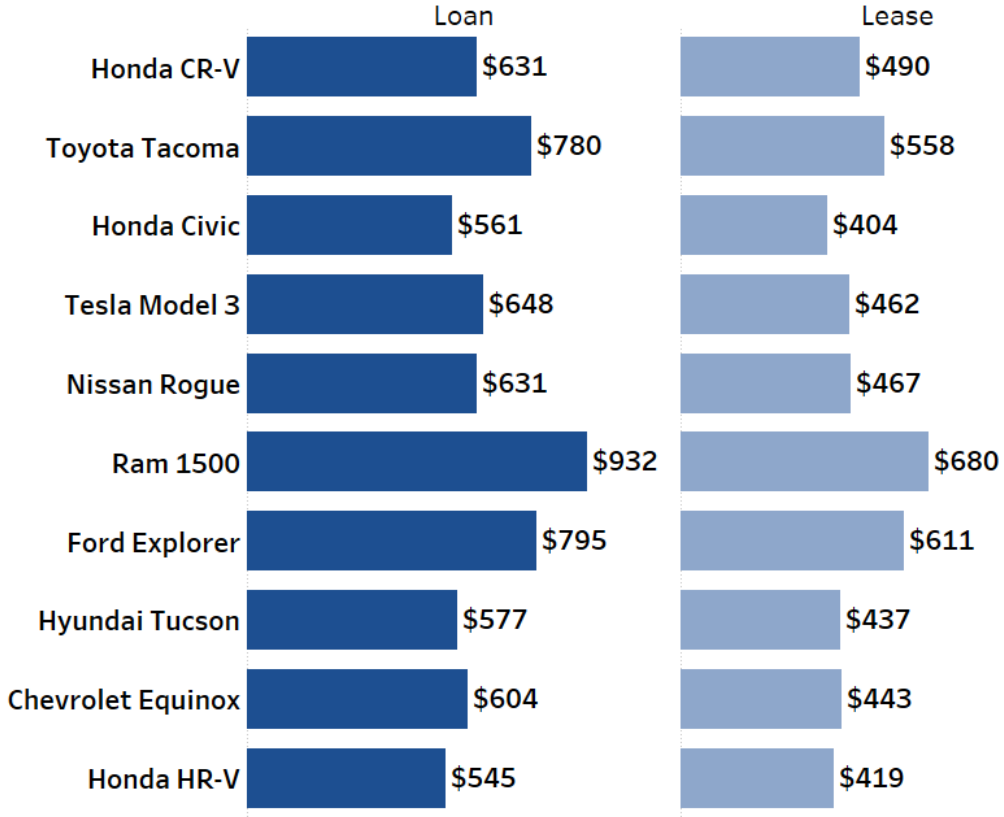


Honda CR-V hits top leased model; average payment difference of $148 across all leased models

Top 10 leased models

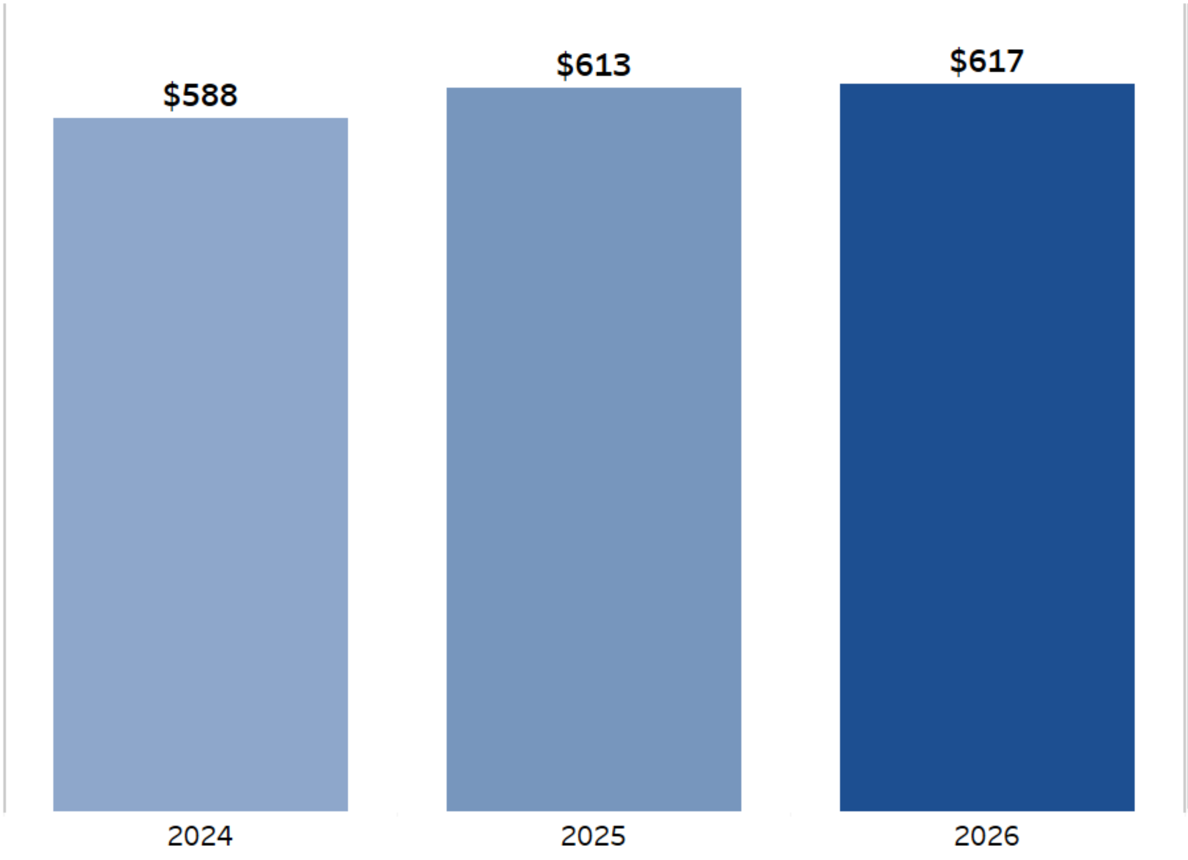


Average lease v loan payment on top leased models

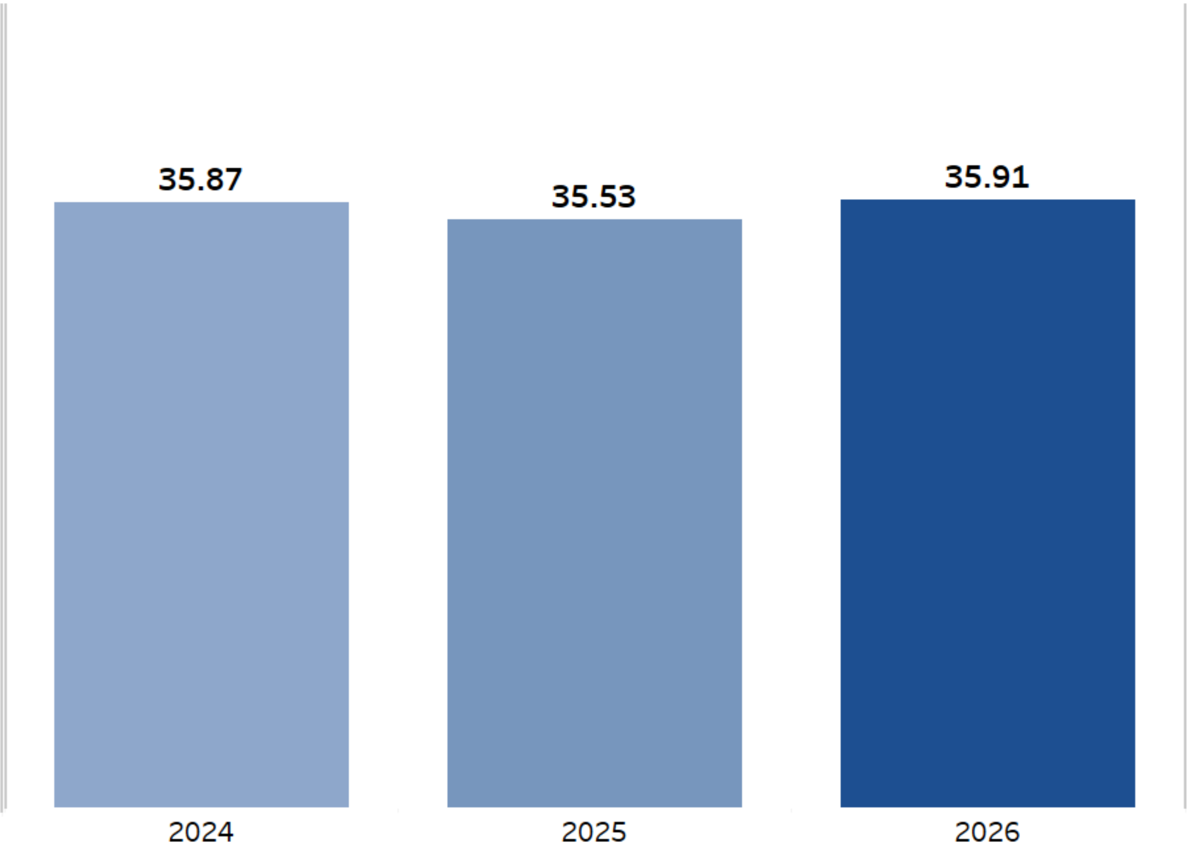


Lease payments increase $4 and terms rise

Average new lease payment

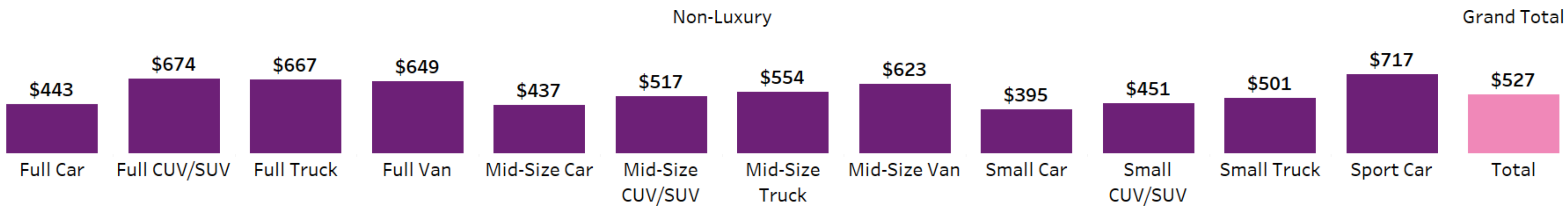


Average new lease term

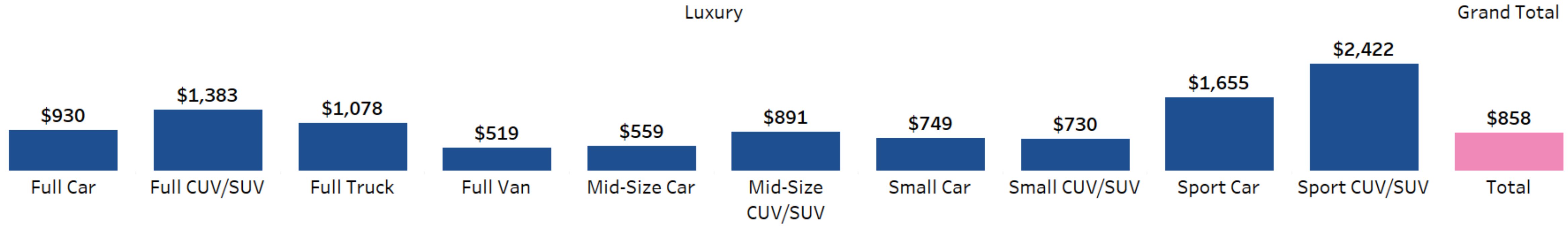


Non-luxury sports cars have the highest monthly payment; sport CUV/SUVs carry the highest payment for luxury vehicle leases

Average new lease payment for non-luxury vehicles

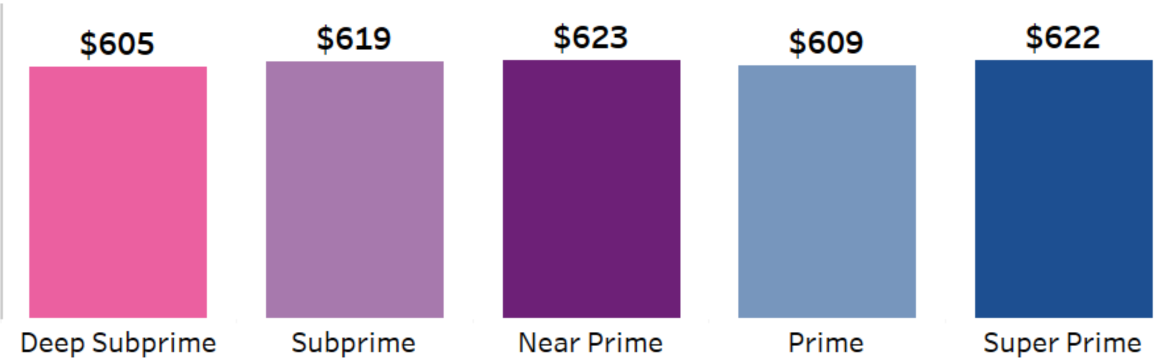


Average new lease payment for luxury vehicles

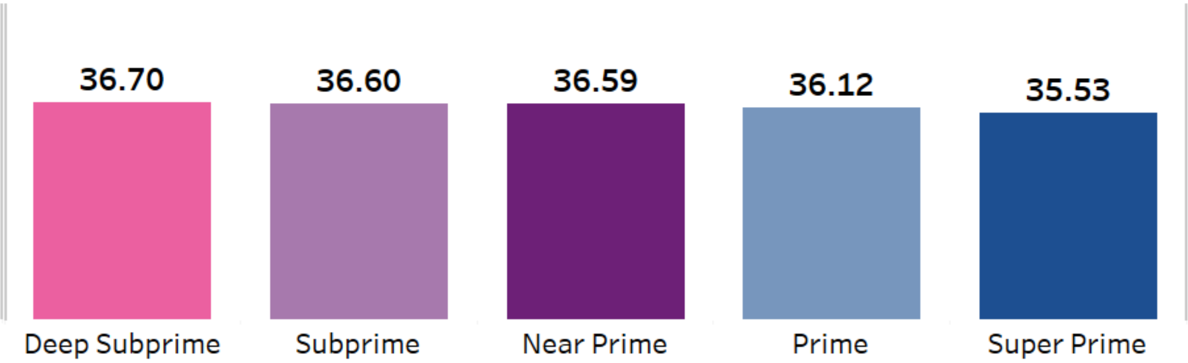


Lease payments are up across all risk segments; terms increase the most in Super Prime

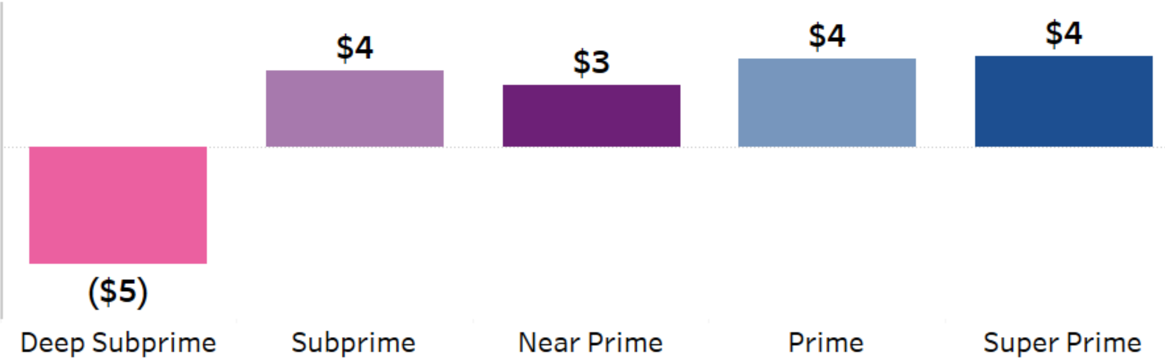
Average new lease monthly payment



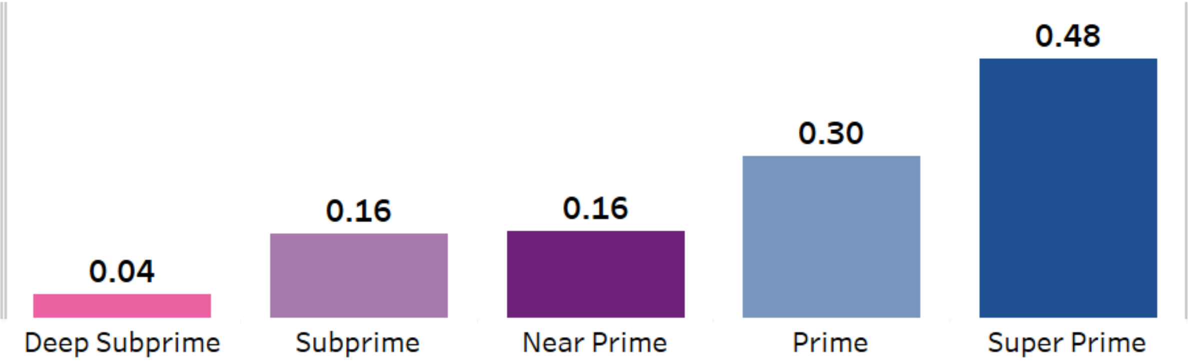
Average new lease term



YOY change in monthly payment



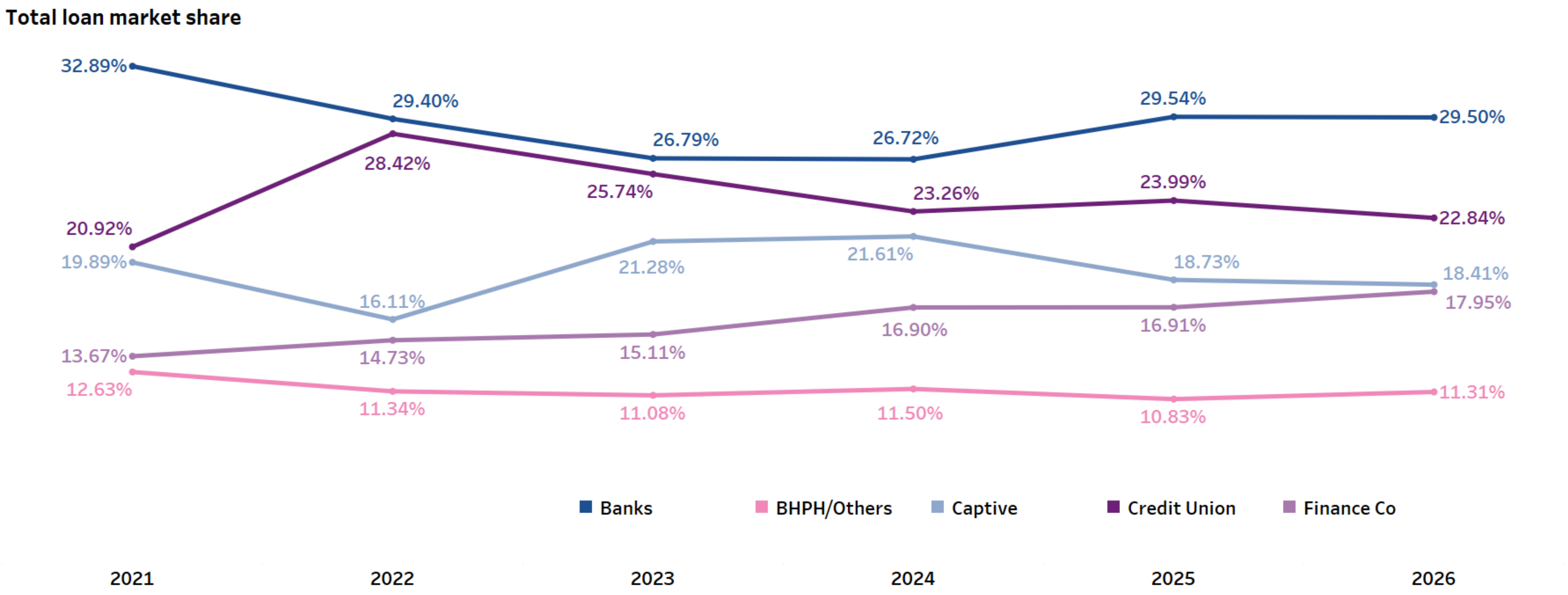
YOY change in lease term



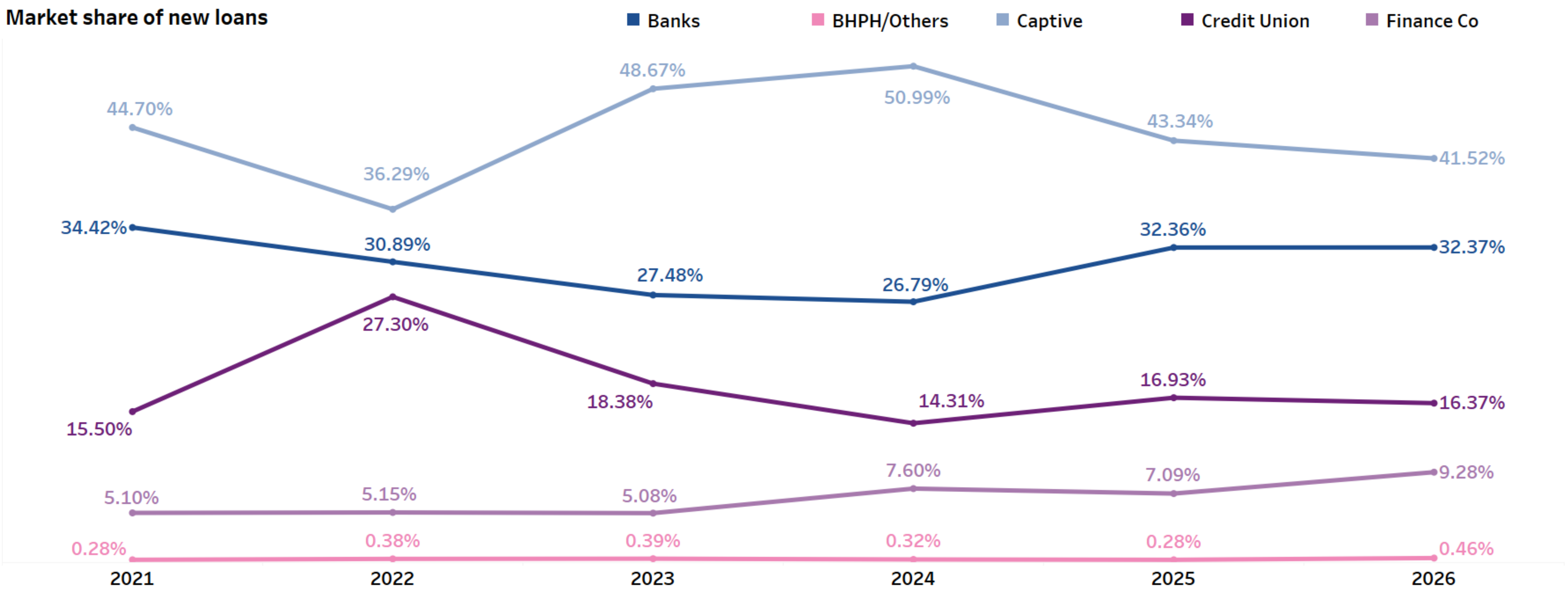
Q2 2026
Loans

Dynamics of automotive loans

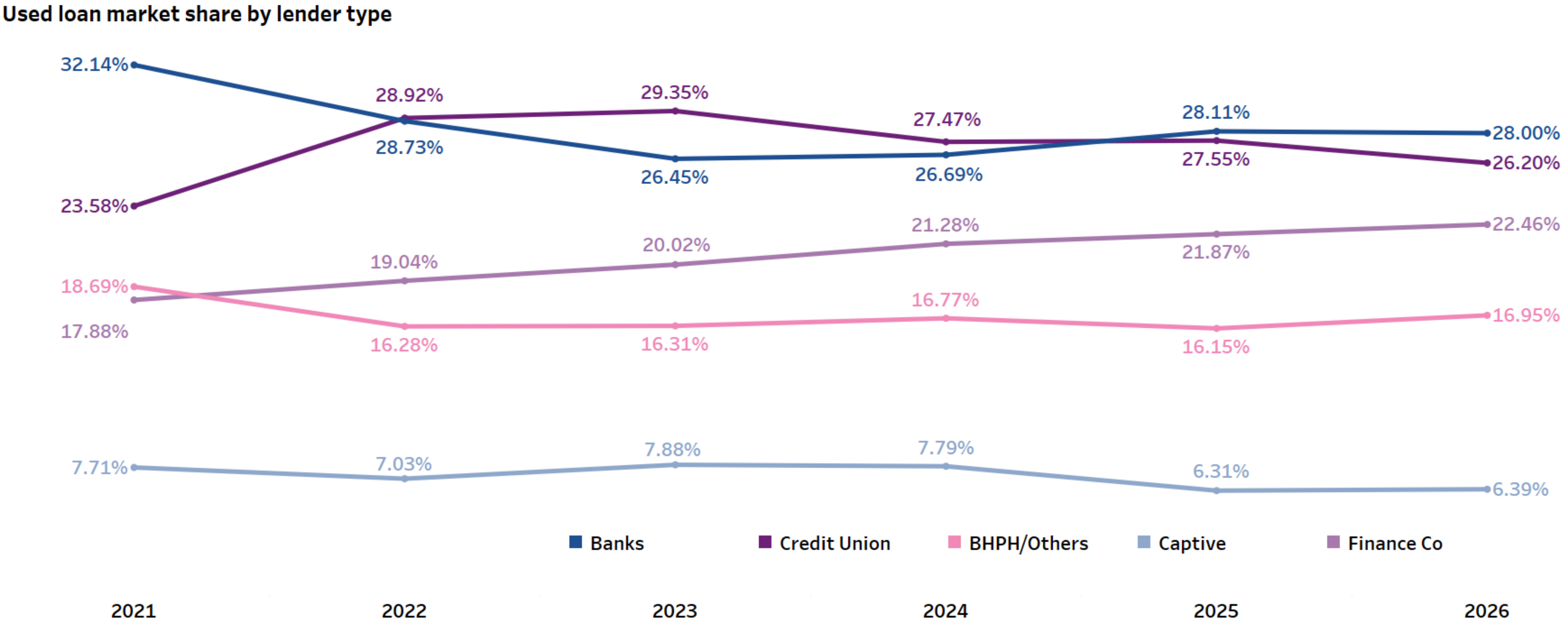
Bank share decreases; Finance Companies and BHPH/Other lenders see growth



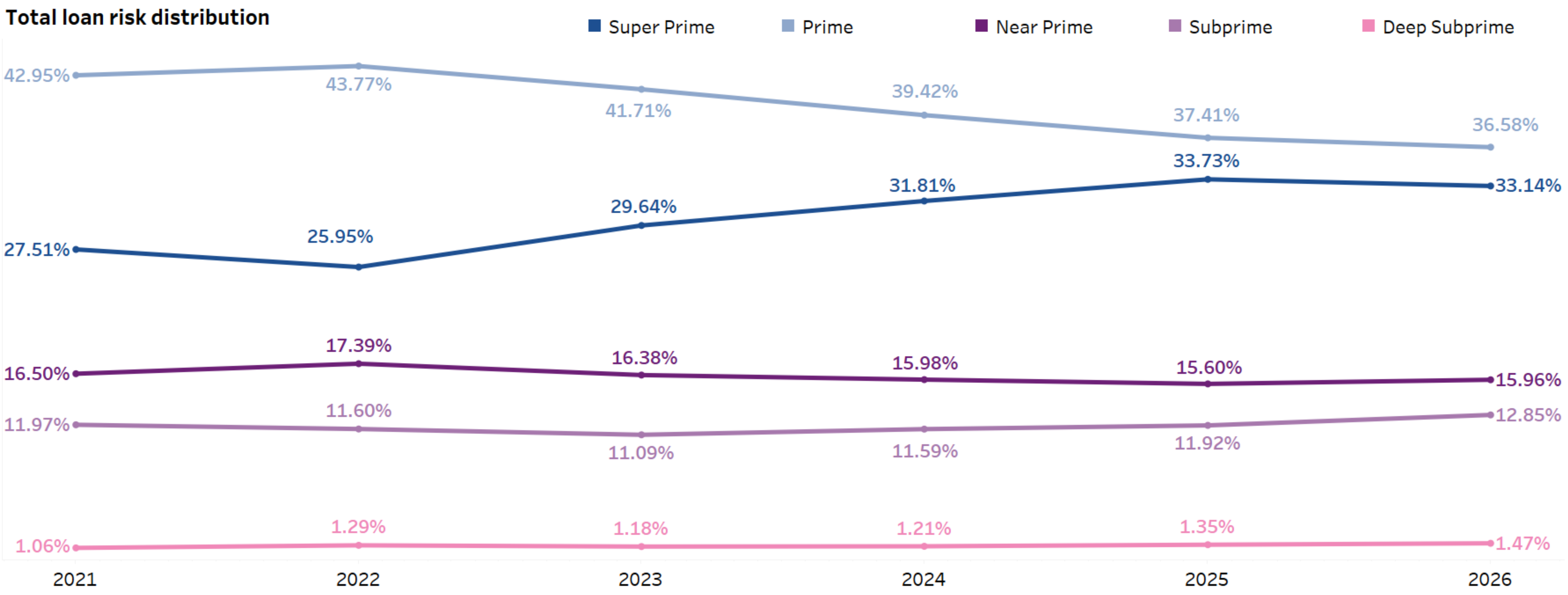
Slight share increase for Banks; Finance Companies grow share



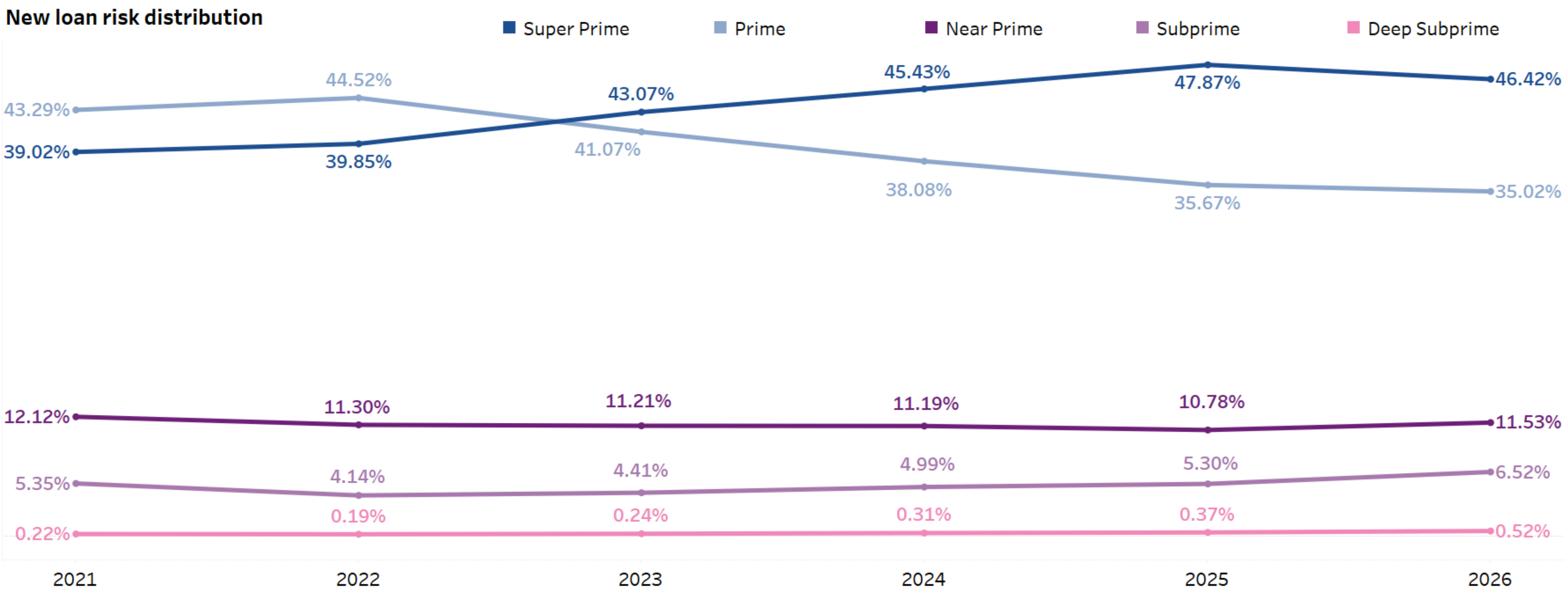
Finance Companies, BHPH/Other and Captives all see share increase for used loans



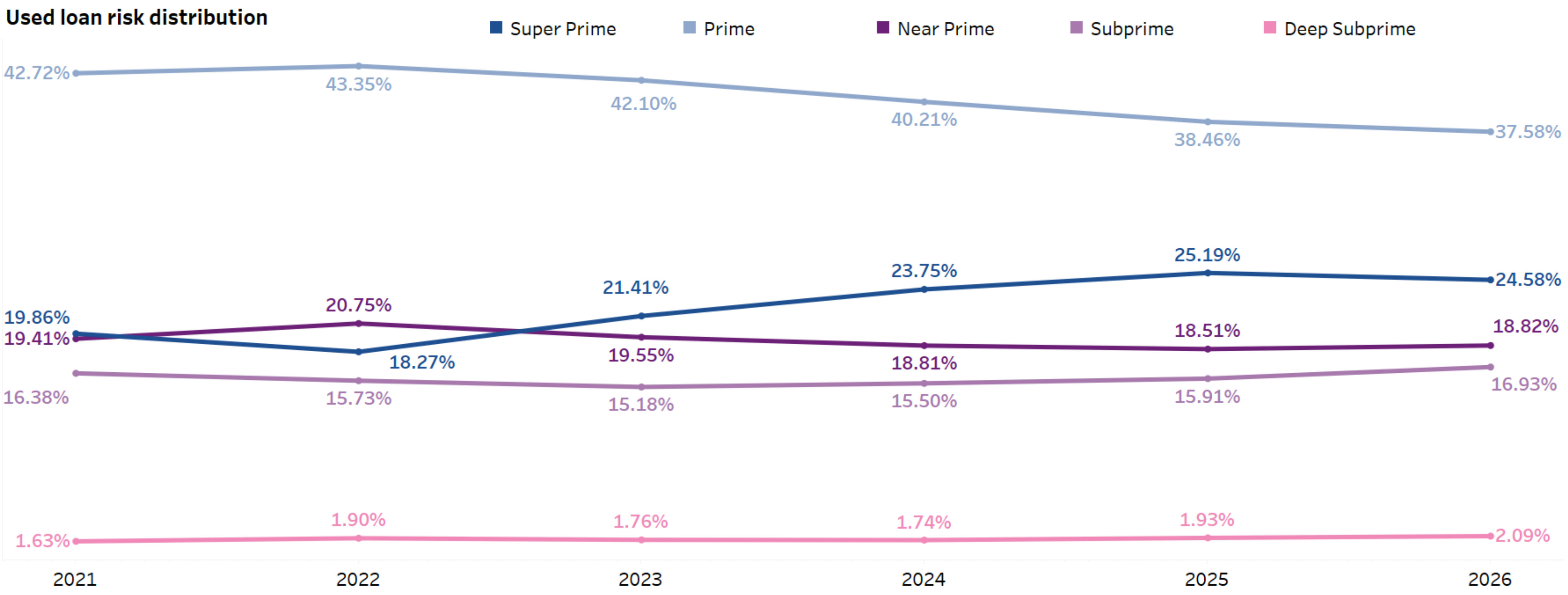
Total loans see growth outside of Prime+; just under 70% of loans remain Prime+



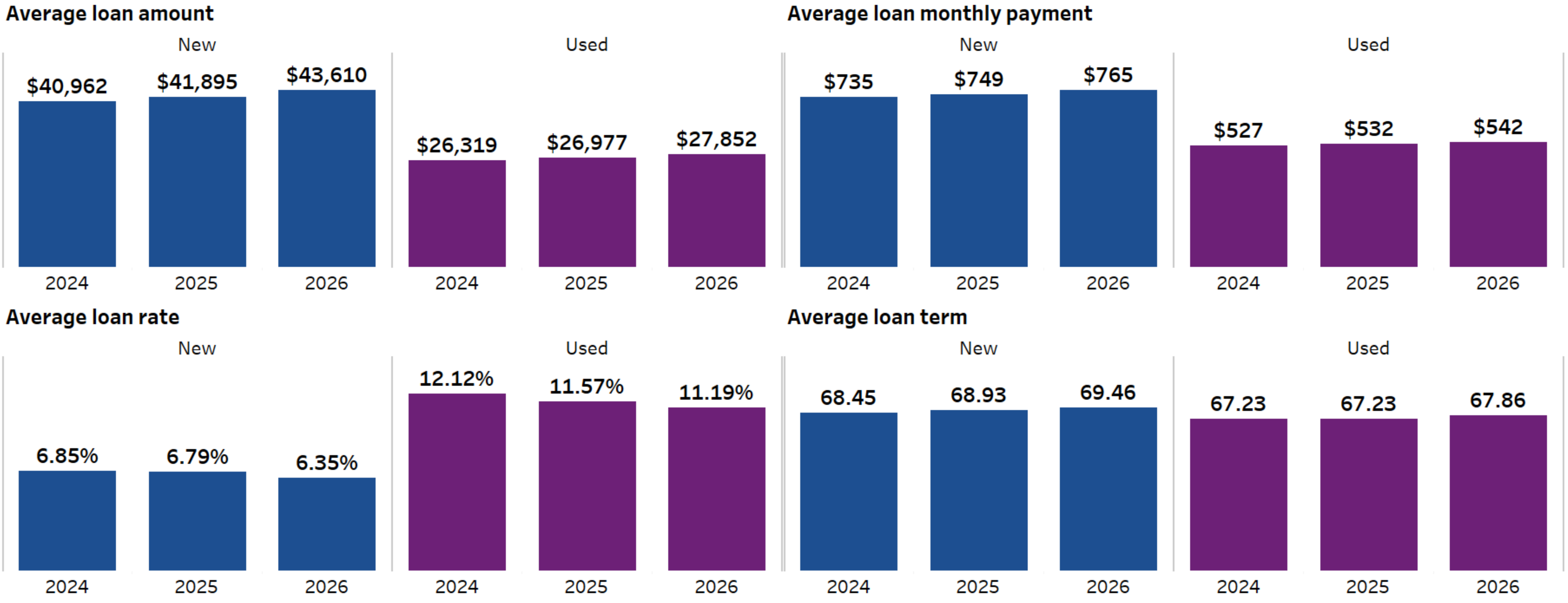
While most new loans are Prime+ (81.4%) growth is occurring outside of Prime



Used lending also sees growth outside of Prime+

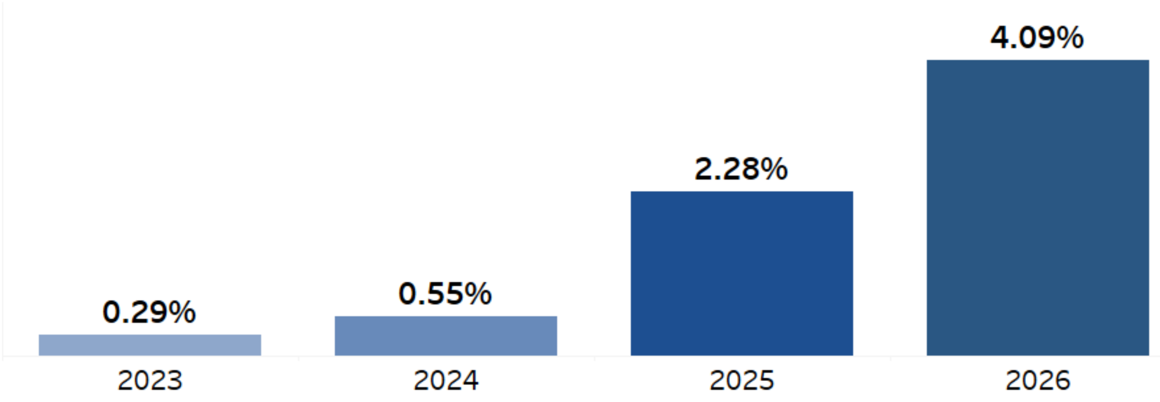


New loan amounts reach nearly $44k; payments and terms increase despite decrease in rates

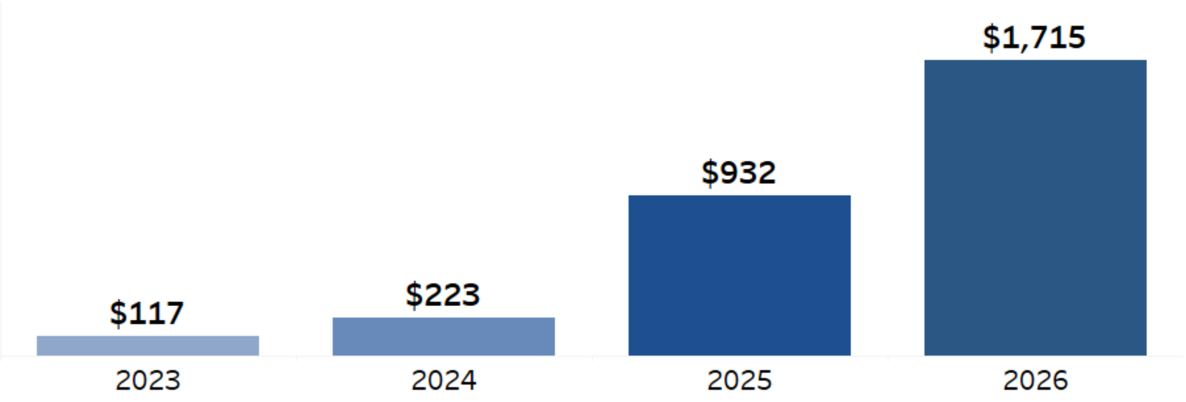


New loan amount increases more significantly than prior years, but is down quarter-over-quarter

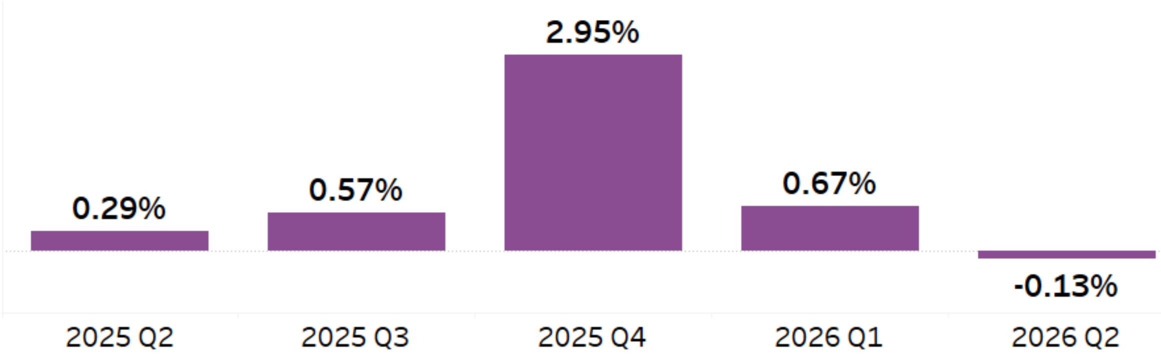
YOY growth in average new loan amount



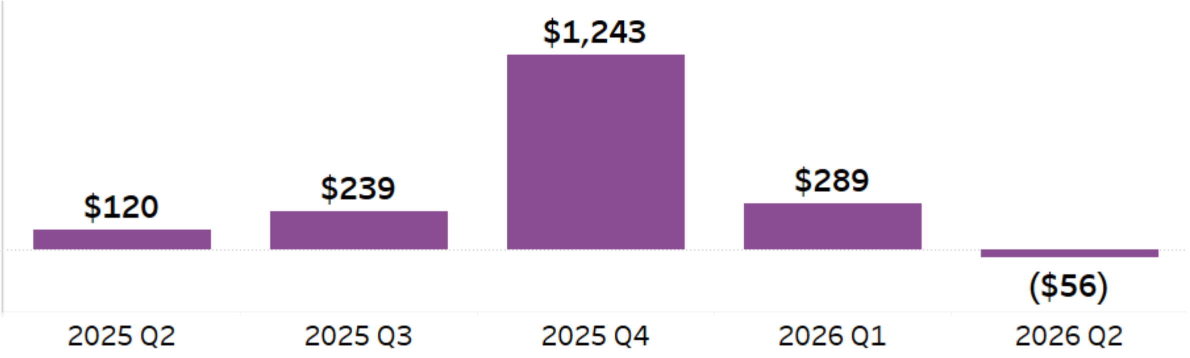
YOY $ difference in average new loan amount



QOQ growth in average new loan amount

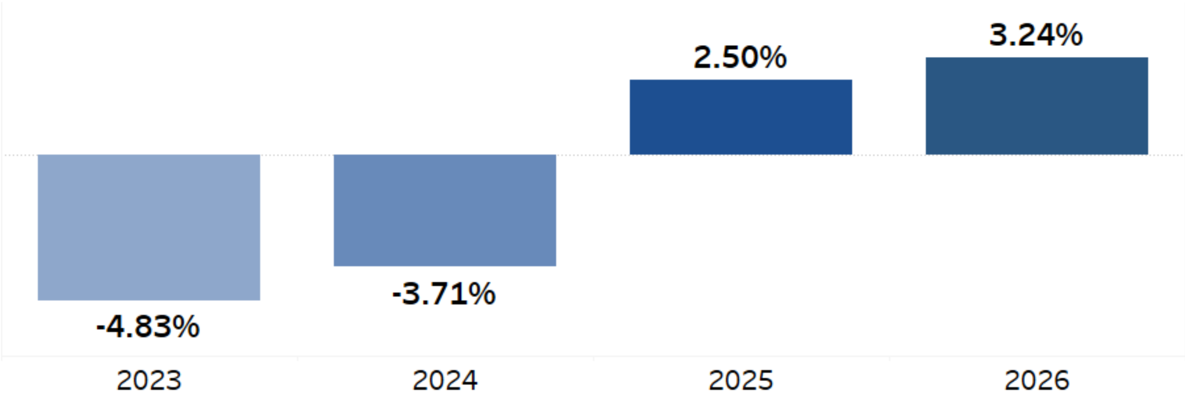


QOQ $ difference in average new loan amount

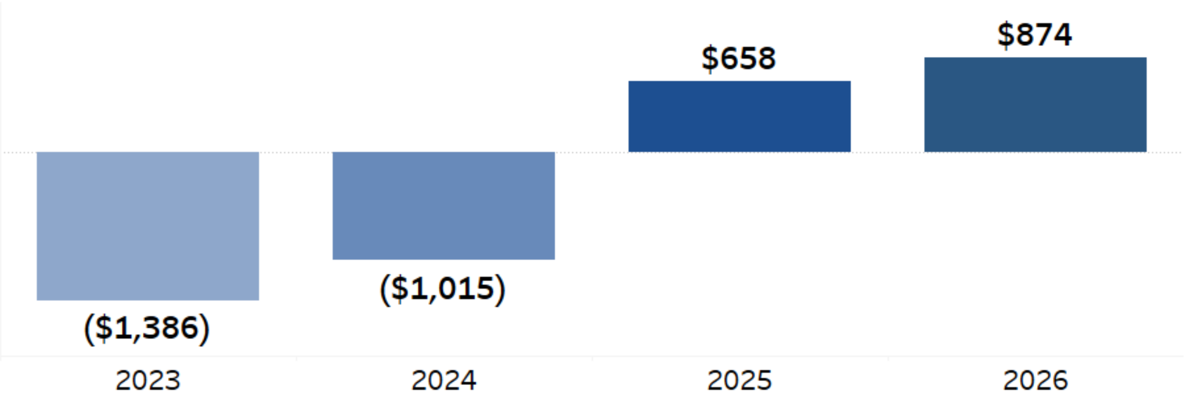


Used loan amounts increase both year-over-year and quarter-over quarter

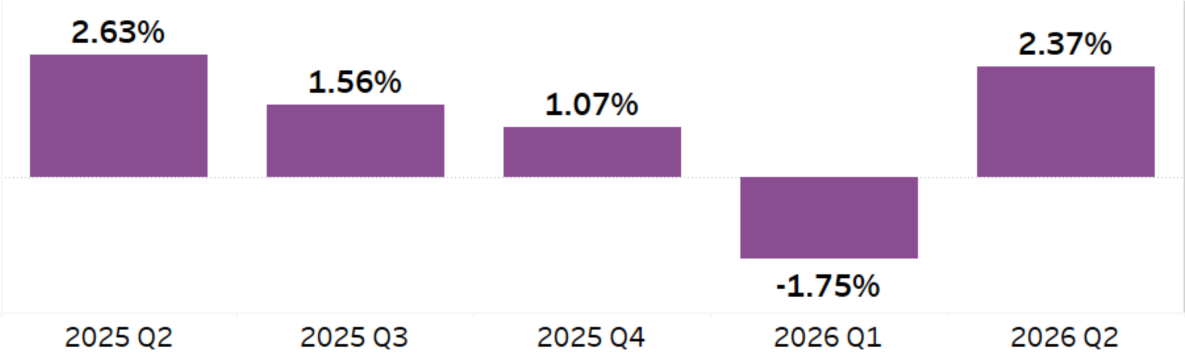
YOY growth in average used loan amount



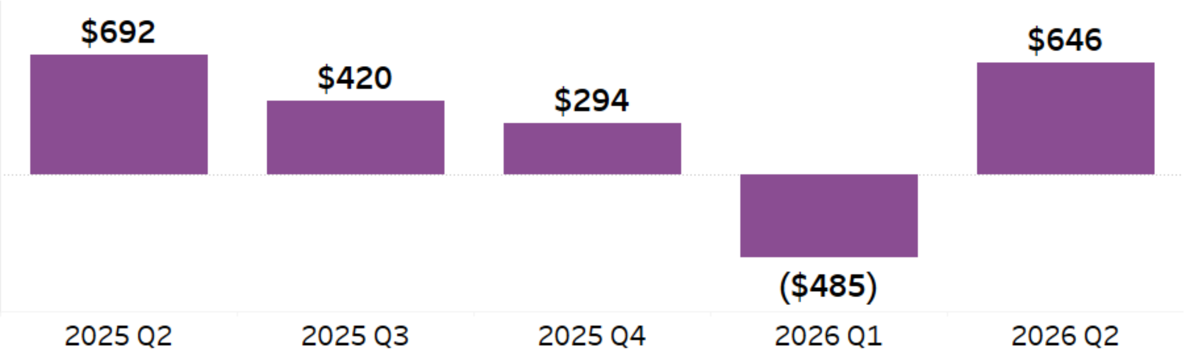
YOY $ difference in average used loan amount



QOQ growth in average used loan amount

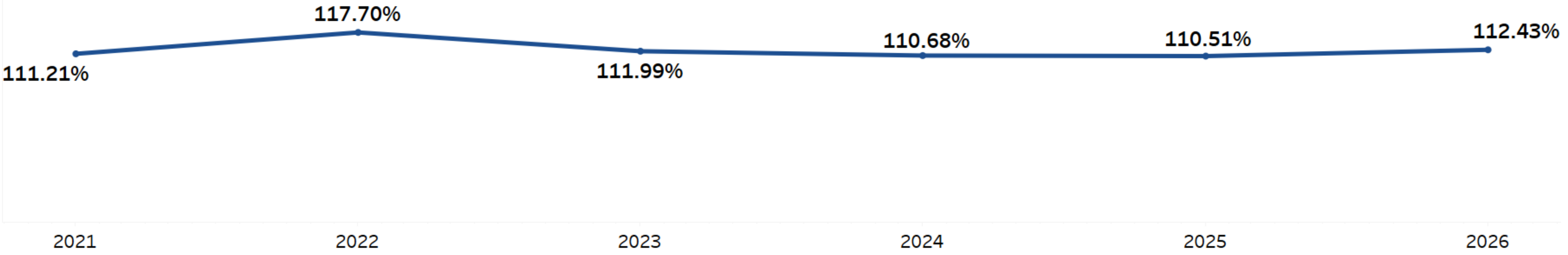


QOQ $ difference in average used loan amount

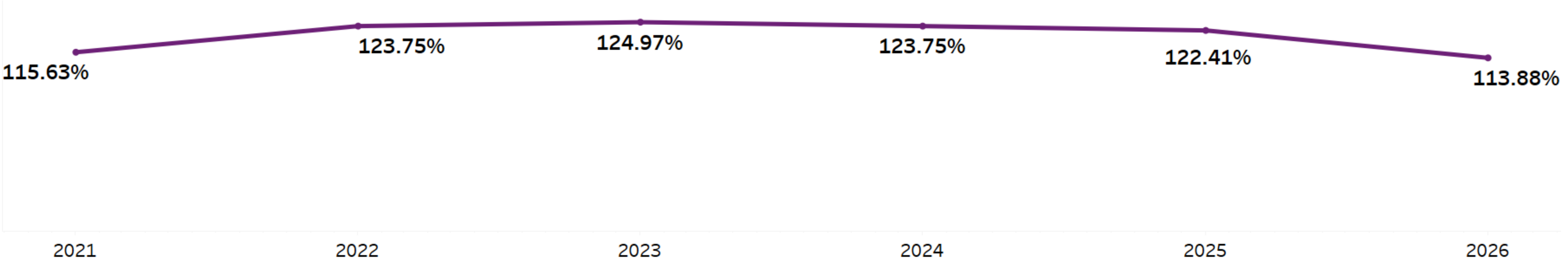


New LTVs are increasing while used have declined

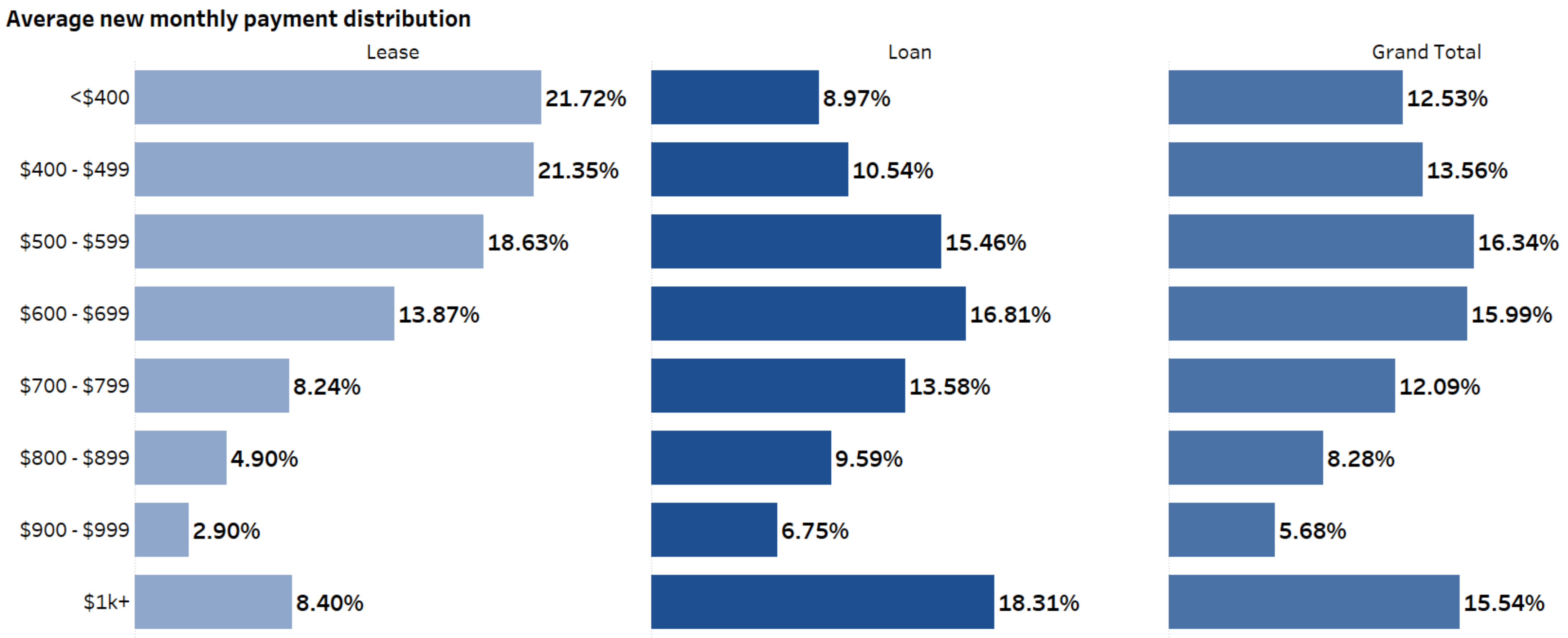
Average loan-to-value (LTV) for new vehicles



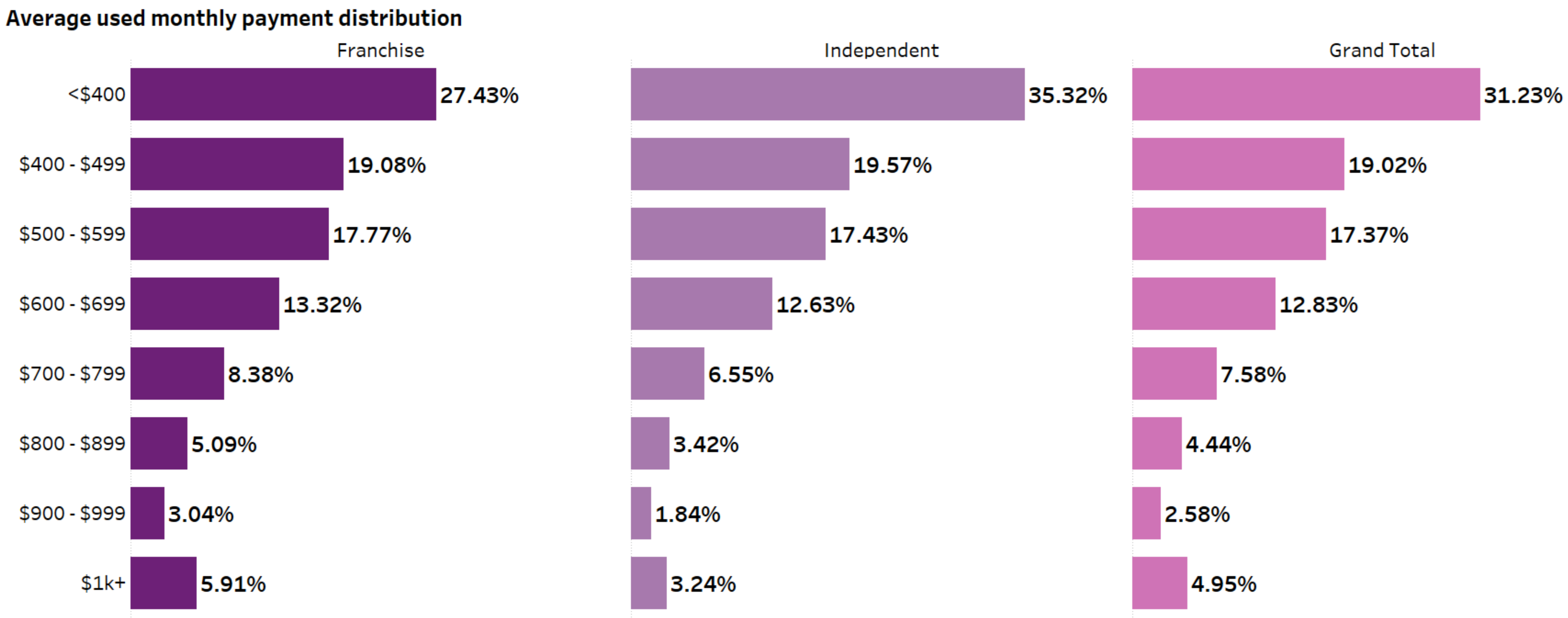
Average loan-to-value (LTV) for used vehicles (Clean Retail)



Over 18% of loan payments and over 15% of all new payments are $1k or more (down from Q1)

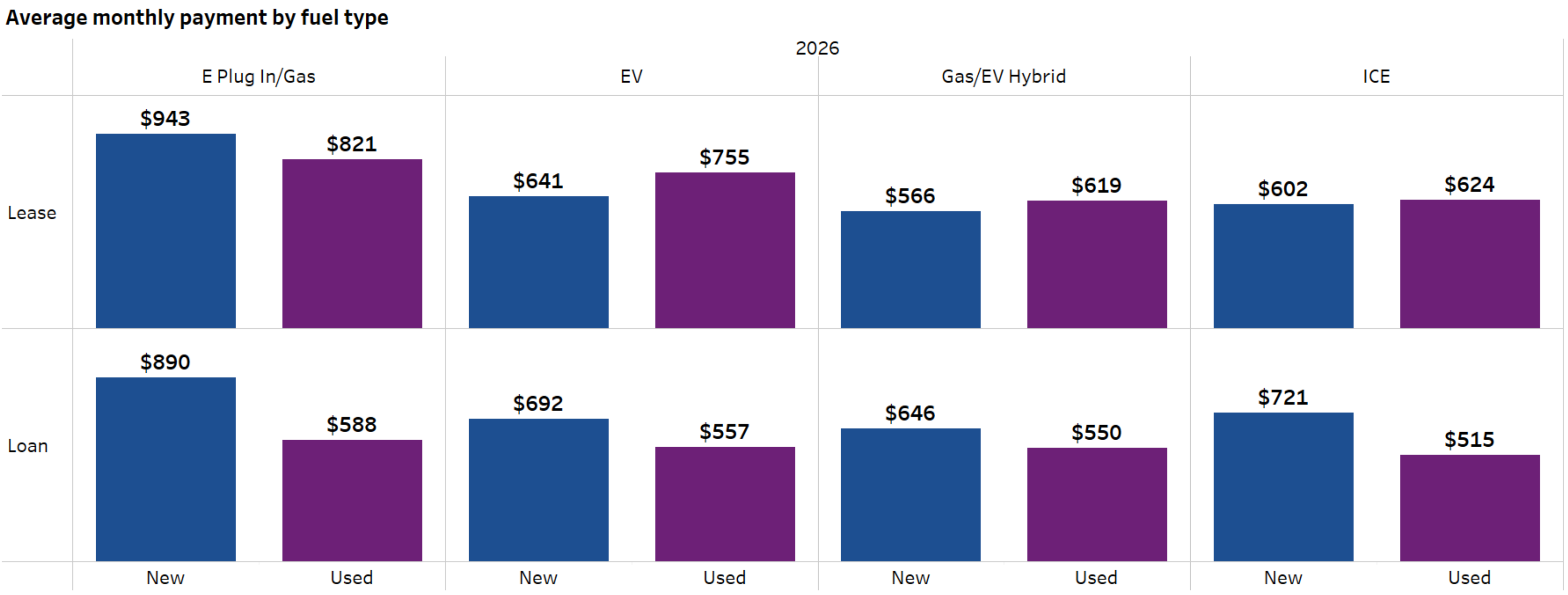


Nearly 5% of all* used payments are over $1k; nearly 1:3 payments for used vehicles are still under $400

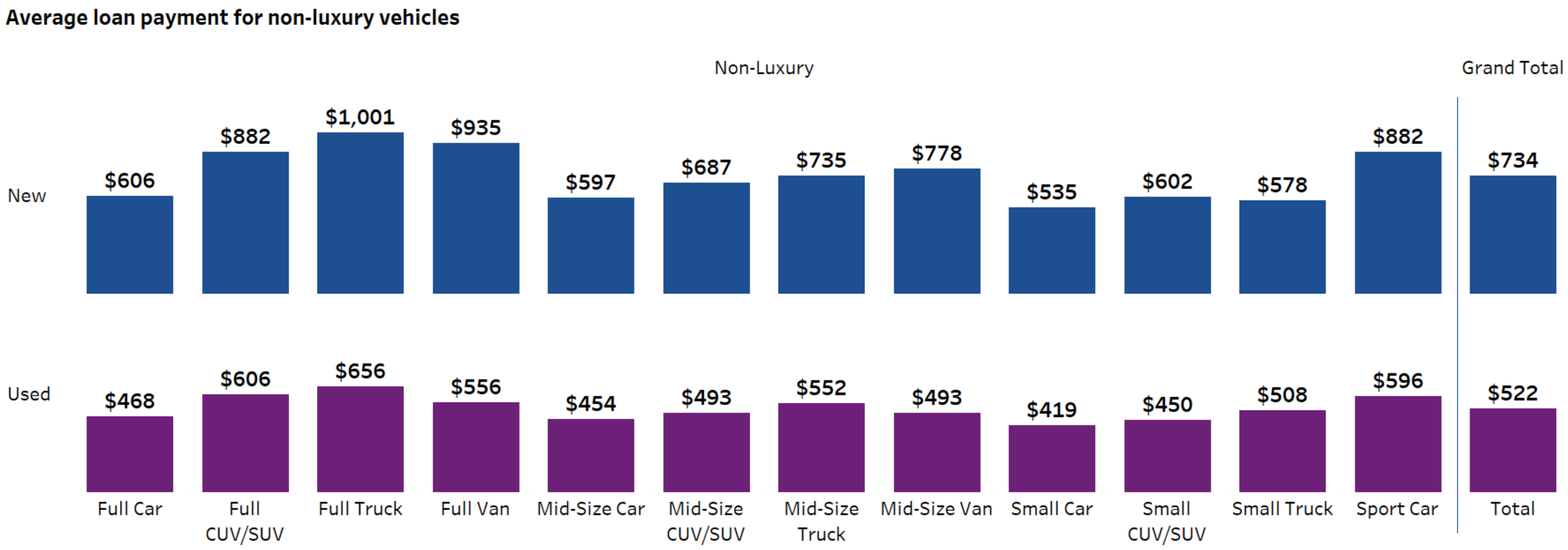


*Grand Total includes private party transactions

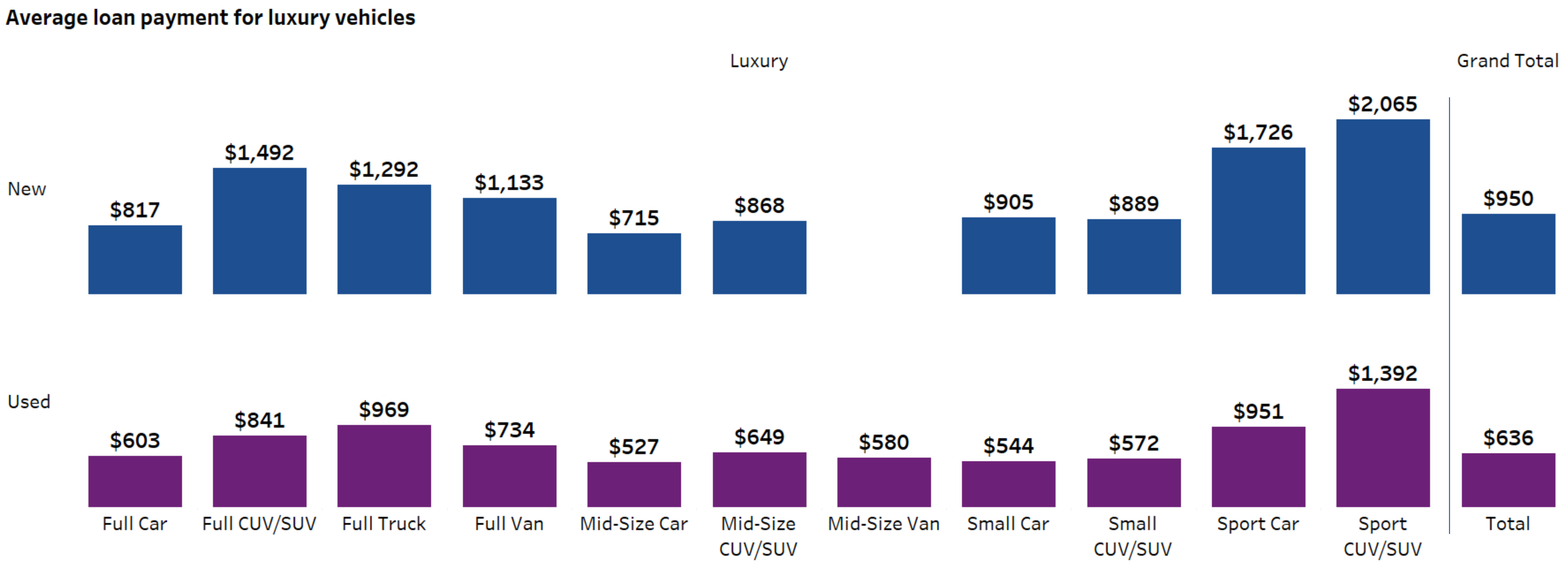
New Hybrids offer the lowest monthly payments



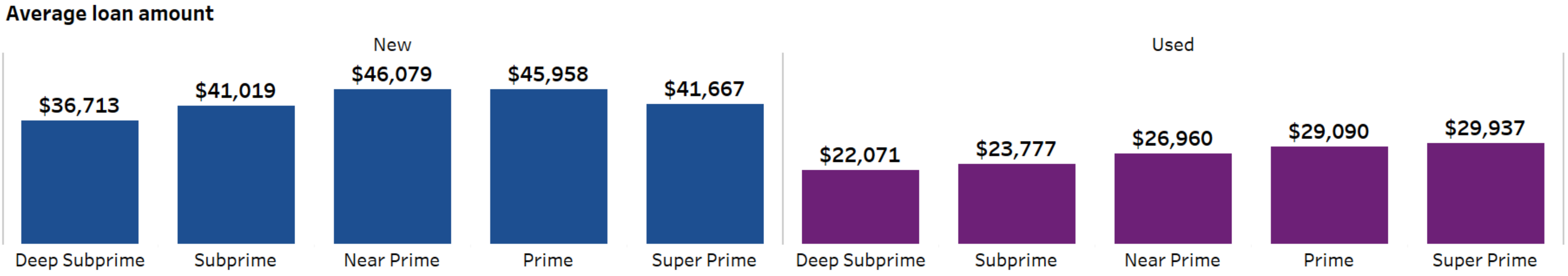
Lowest payments are found in new and used small cars

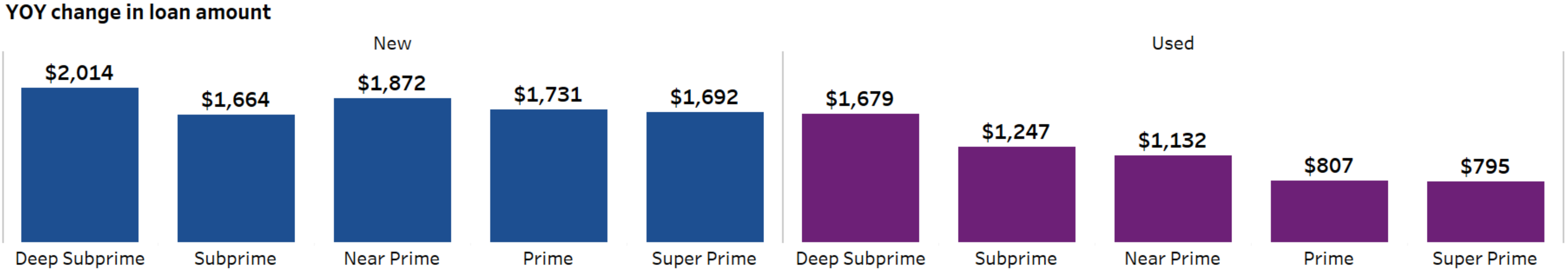


Highest luxury payments are in the Sport CUV/SUV



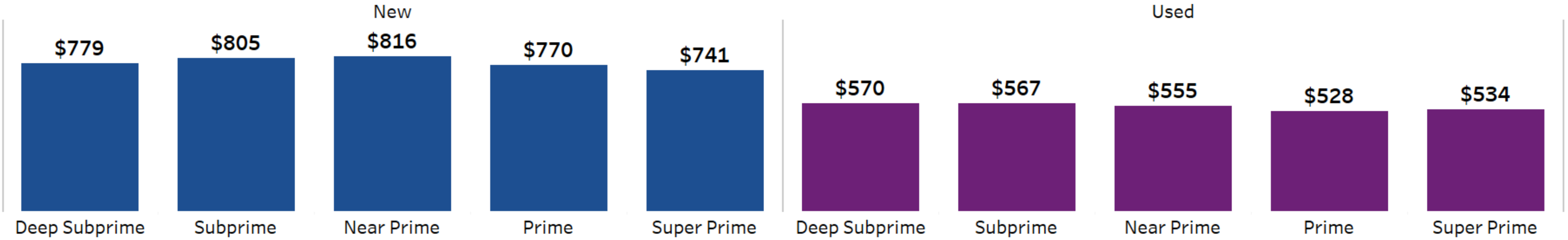
Loan amounts and payments are up across all risk segments



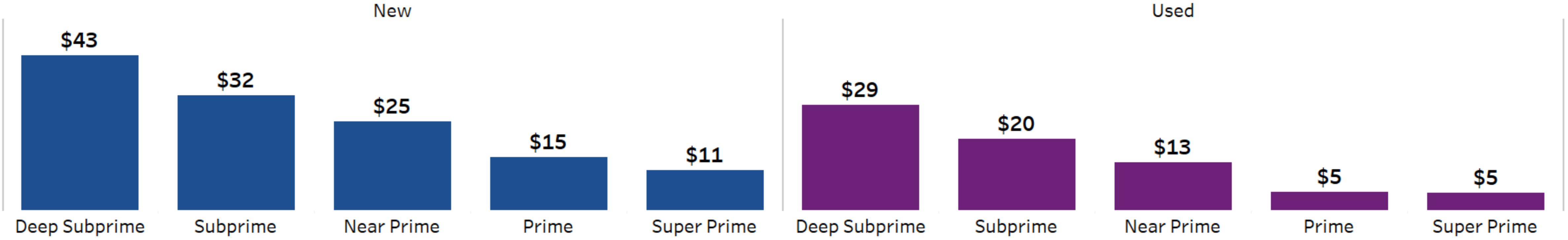


Monthly payments increase across all risk segments; larger increases as scores decrease

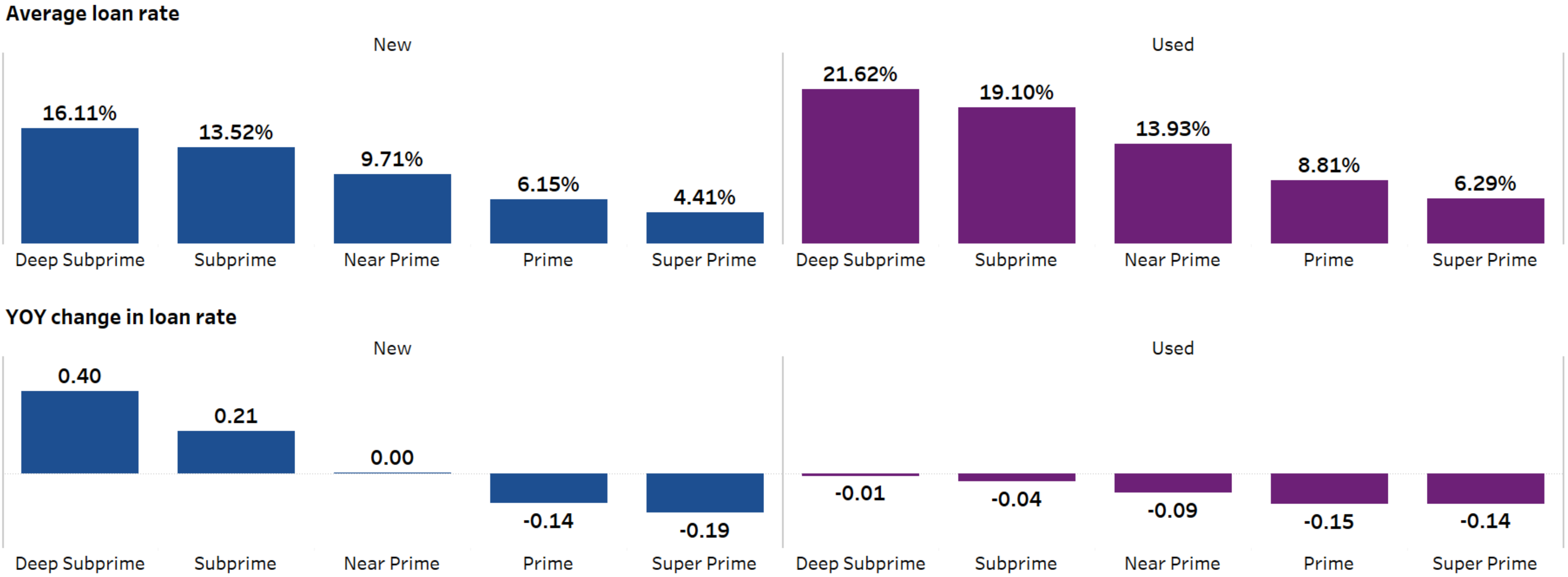
Average monthly payment



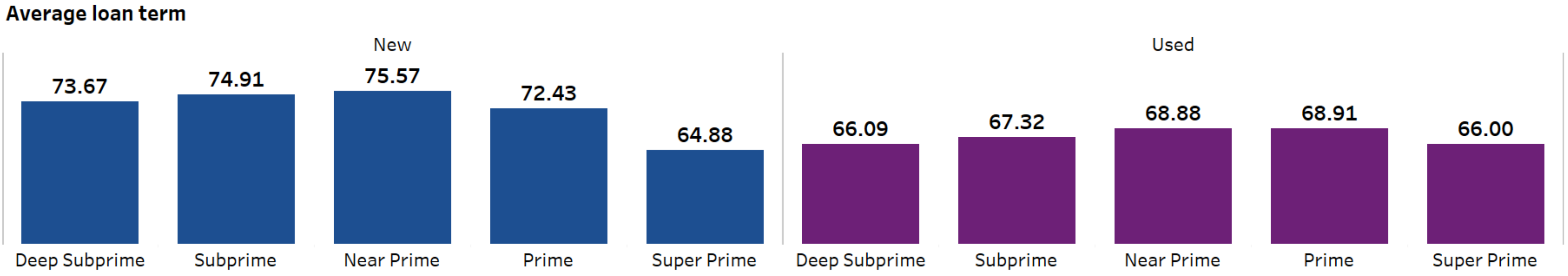
YOY change in monthly payment

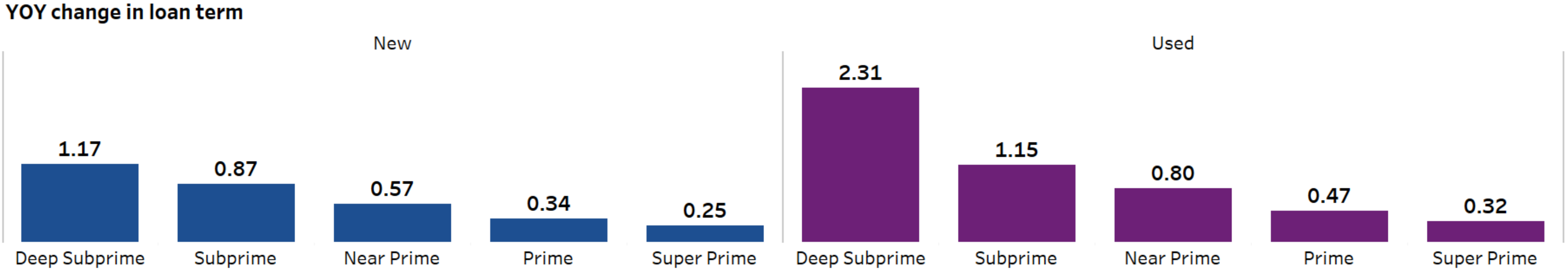


New rates increase outside of prime; used decrease across all risk segments

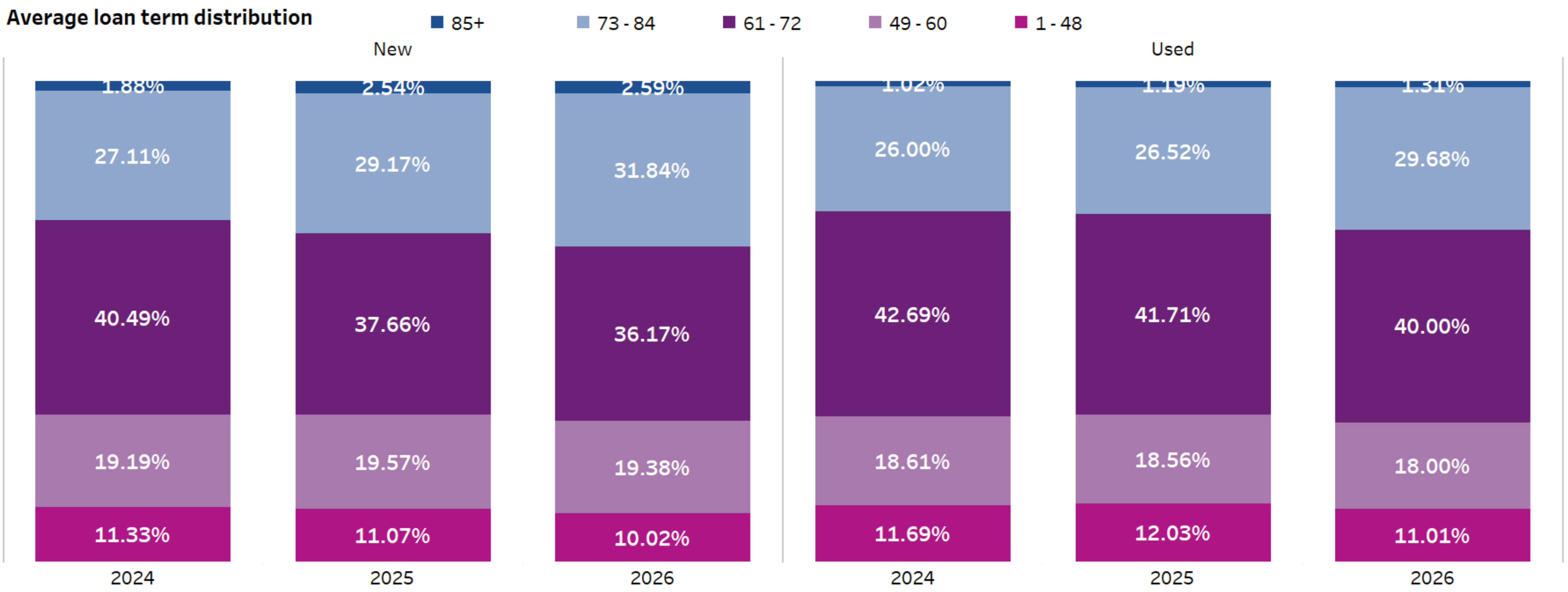


Loan terms increase for new and used vehicle loans across all risk segments

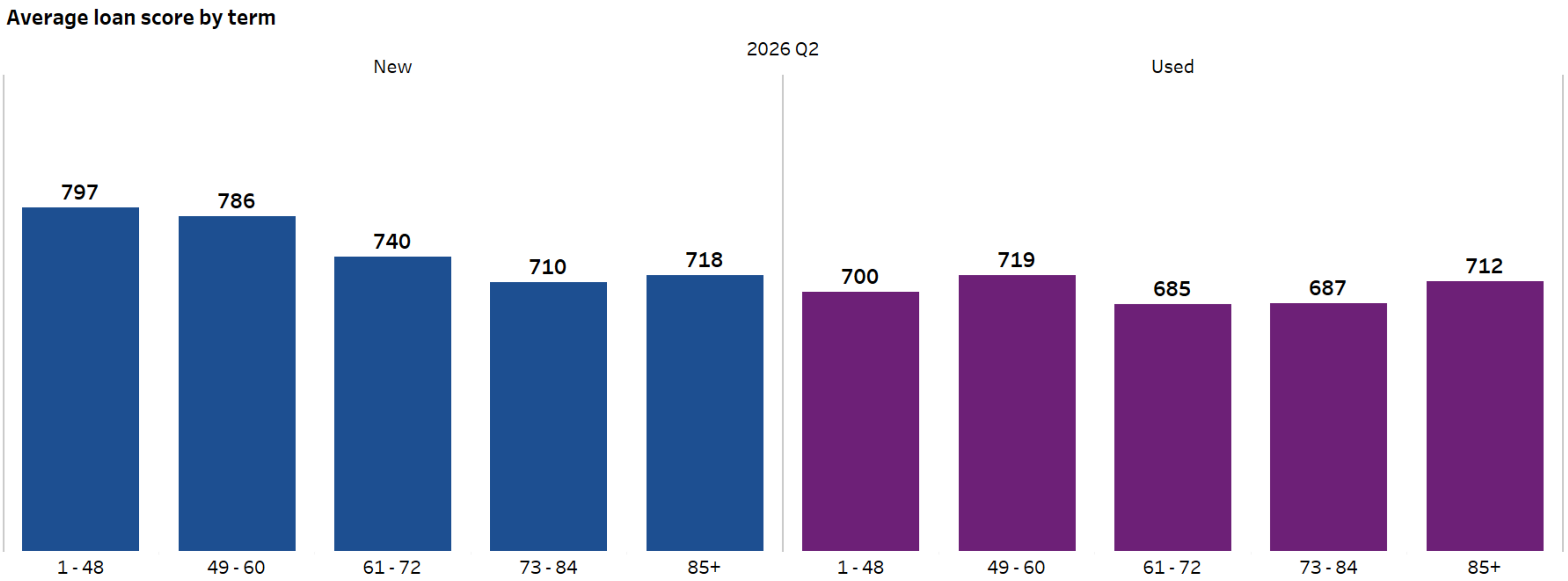




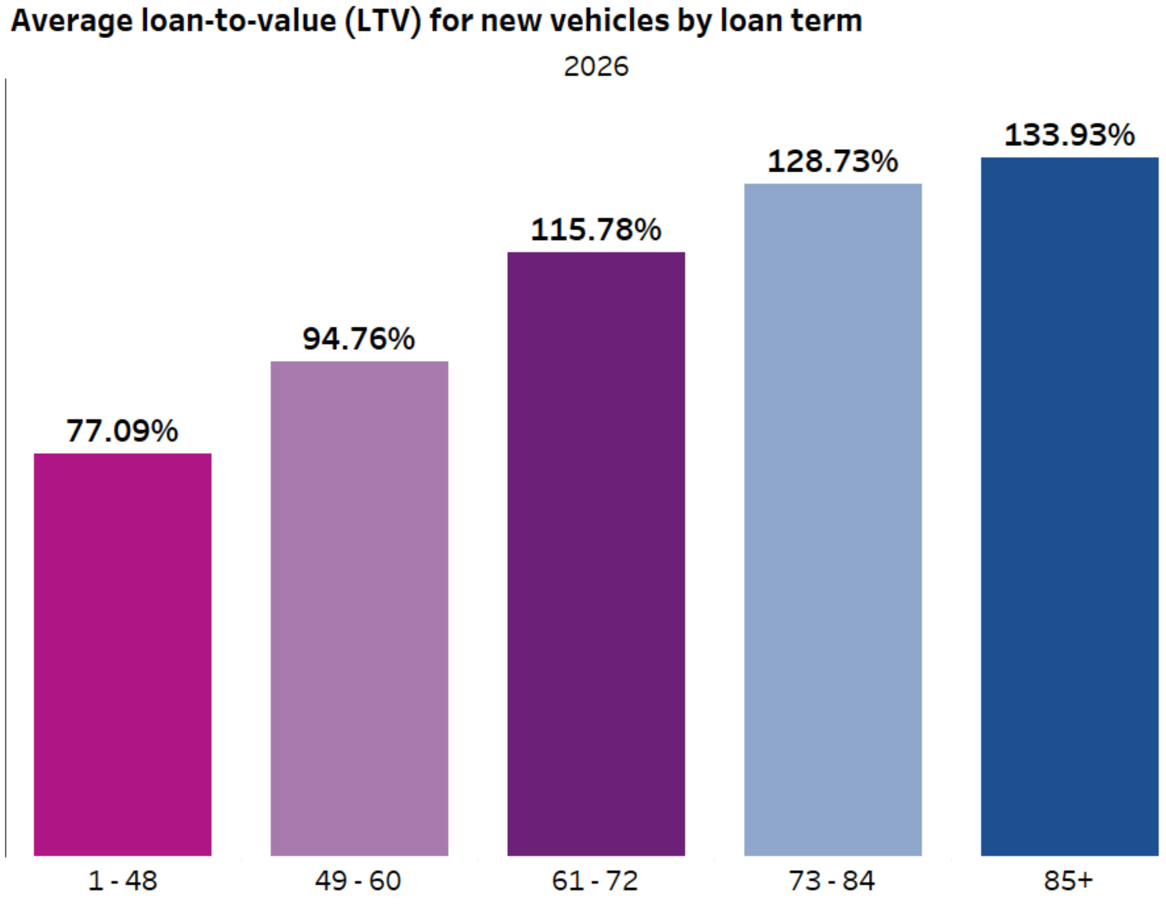
Growth occurring 73+ month loans; over 1/3 of all loans are over 6-years

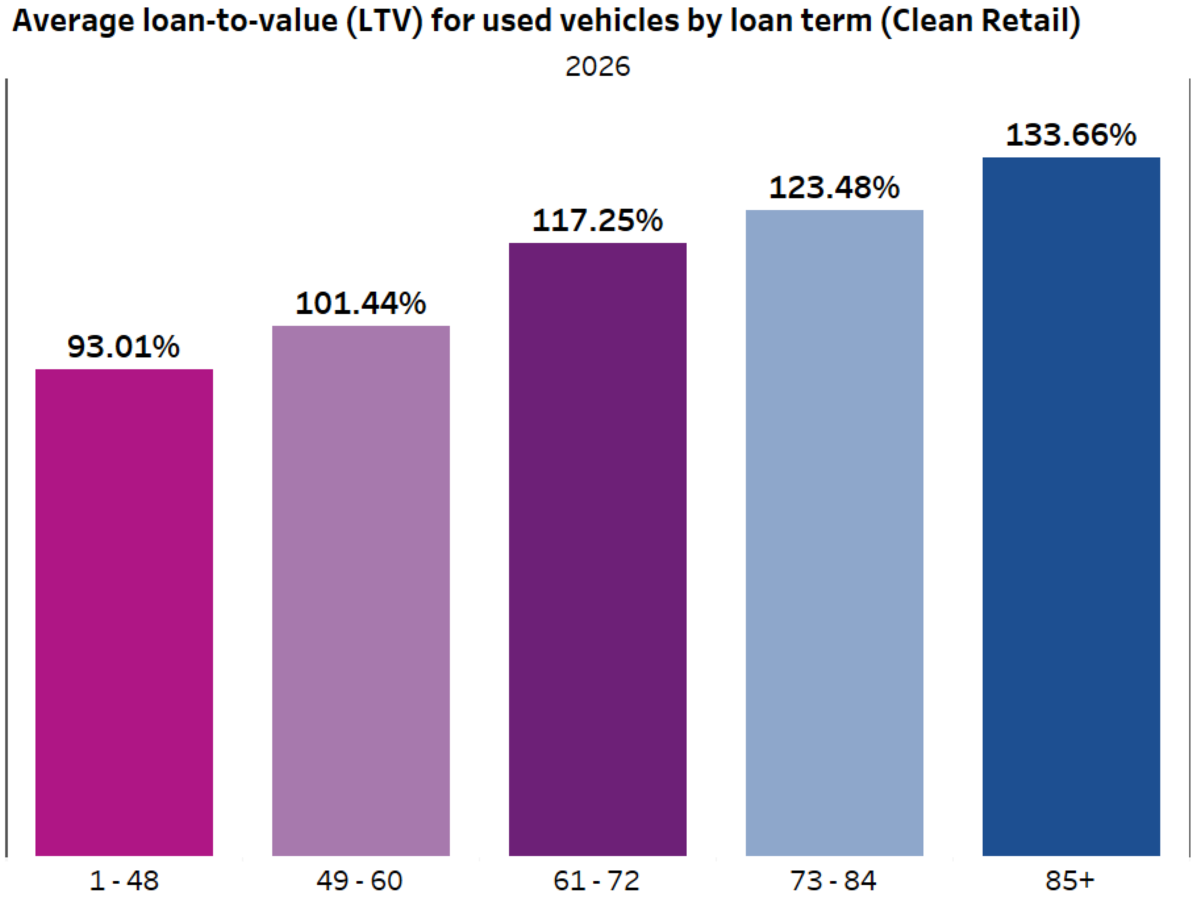


Higher scores are usually found in shorter term loans



LTVs increase with loan term

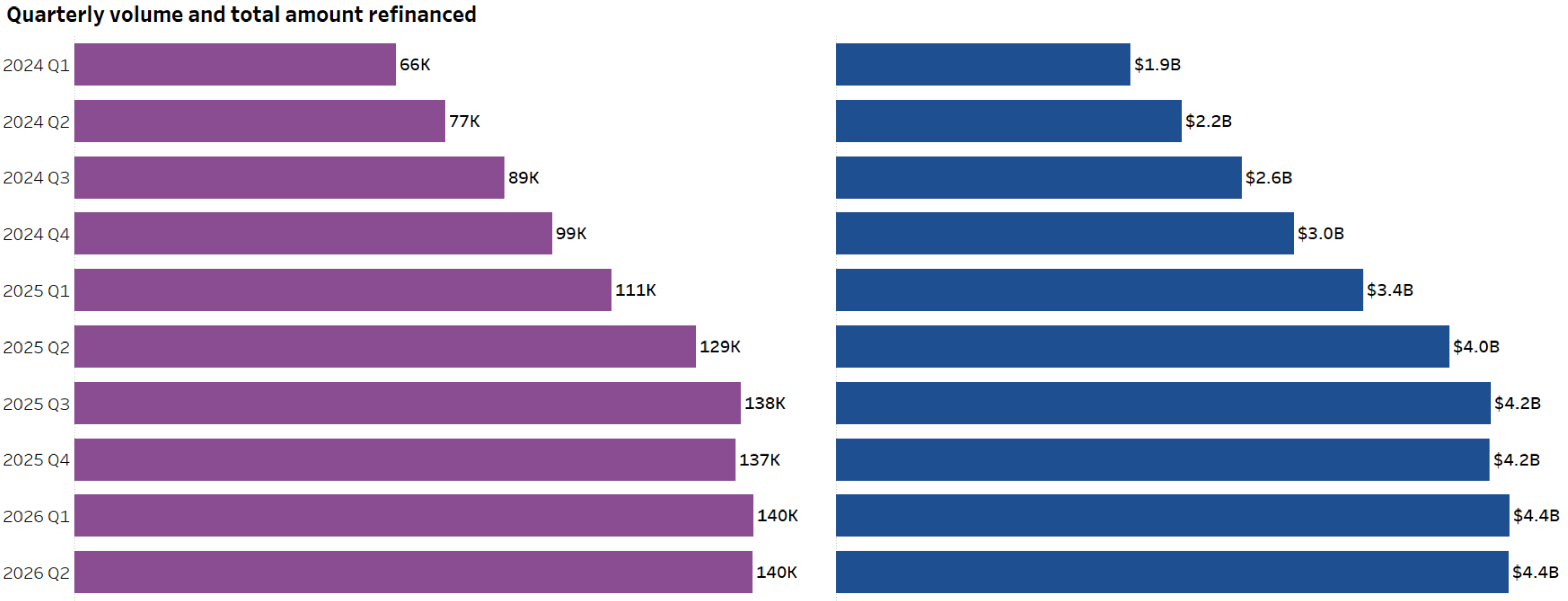




Q2 2026
Refinance

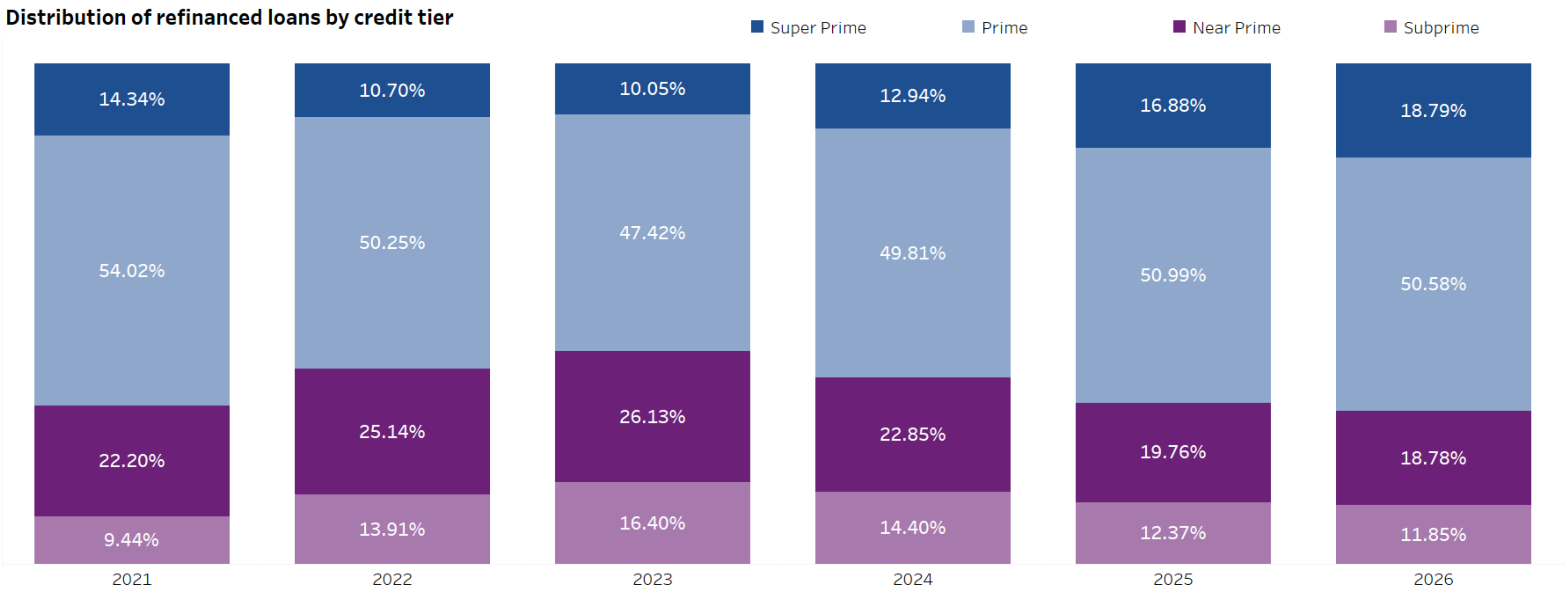
Insights into automotive refinance

Refinance volume remains consistent

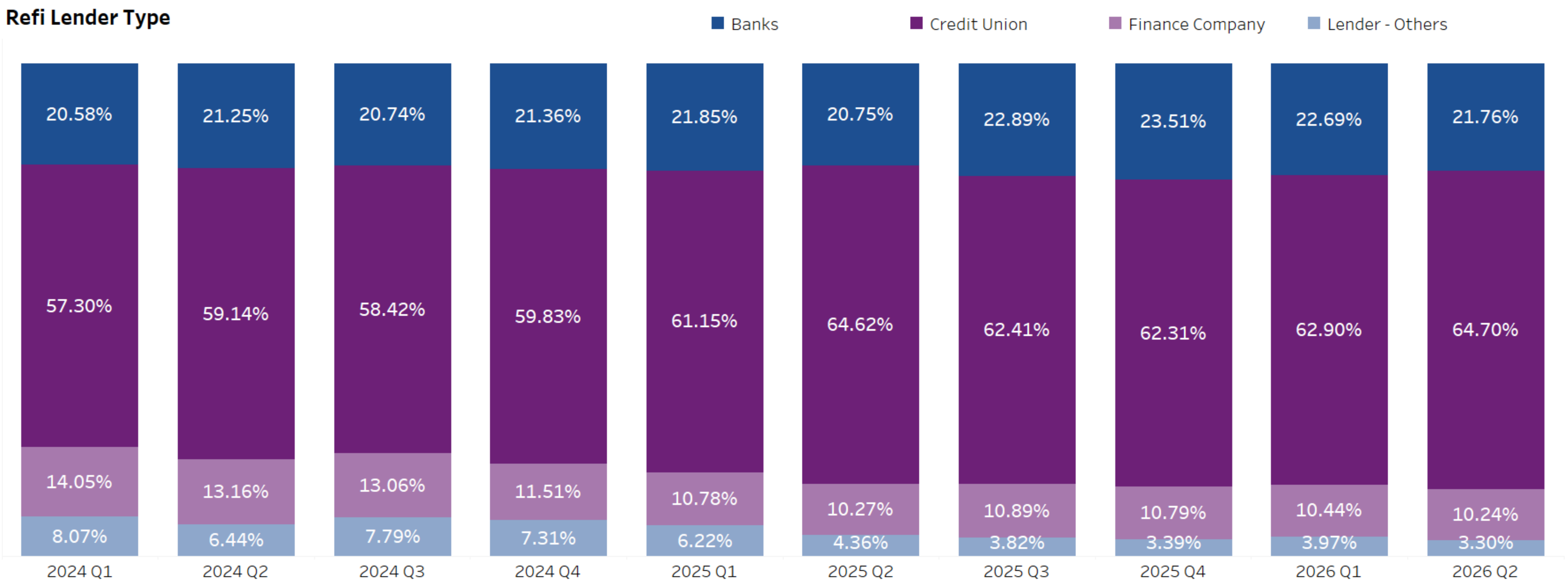


Since 2024, the average months to refinance is 27.48; average months has decreased quarter-over-quarter

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

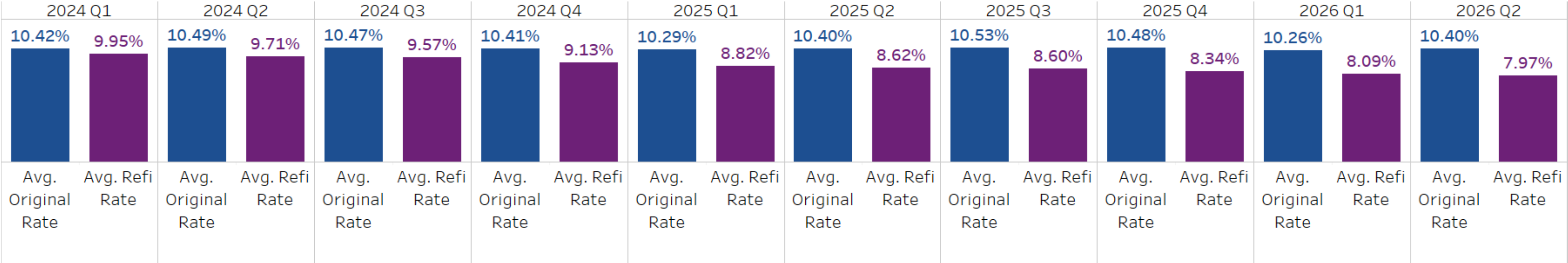


Credit Unions increase their share of refinance

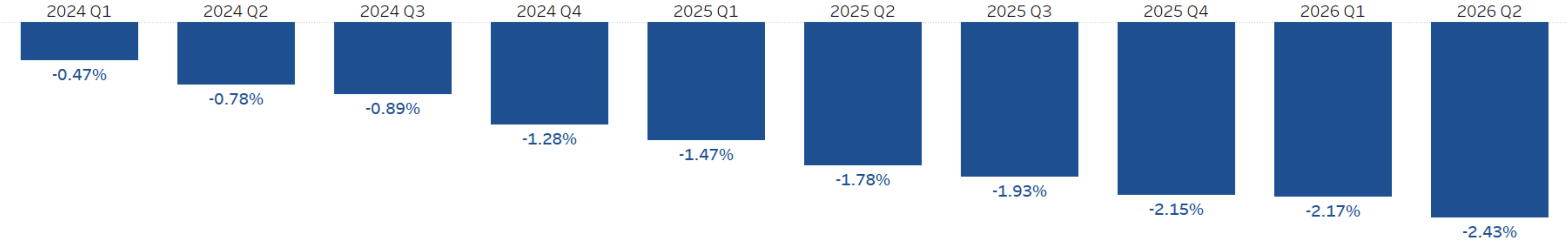


In Q2 2026, consumers saved over 2.4% on their refinanced loan rate as rates have decreased

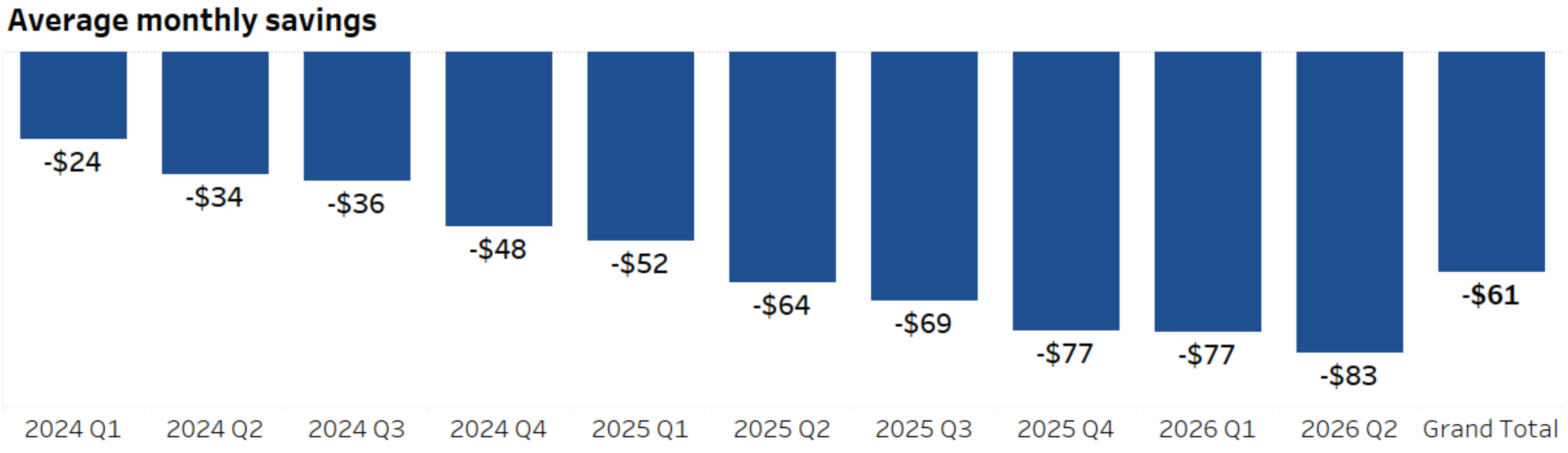
Average rate of original and refinanced loan

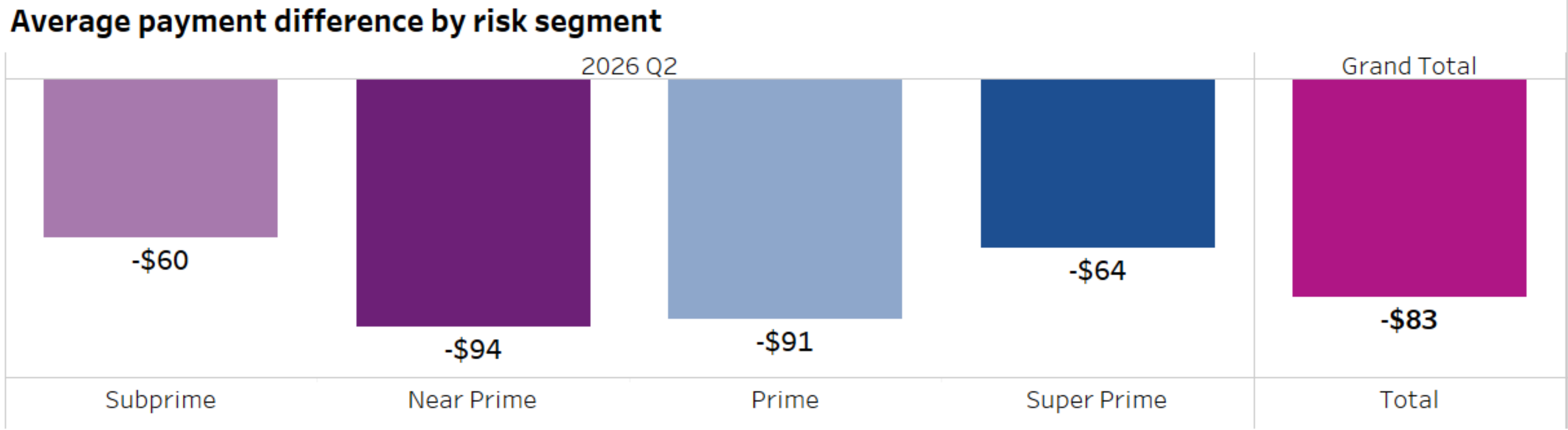


Rate Difference

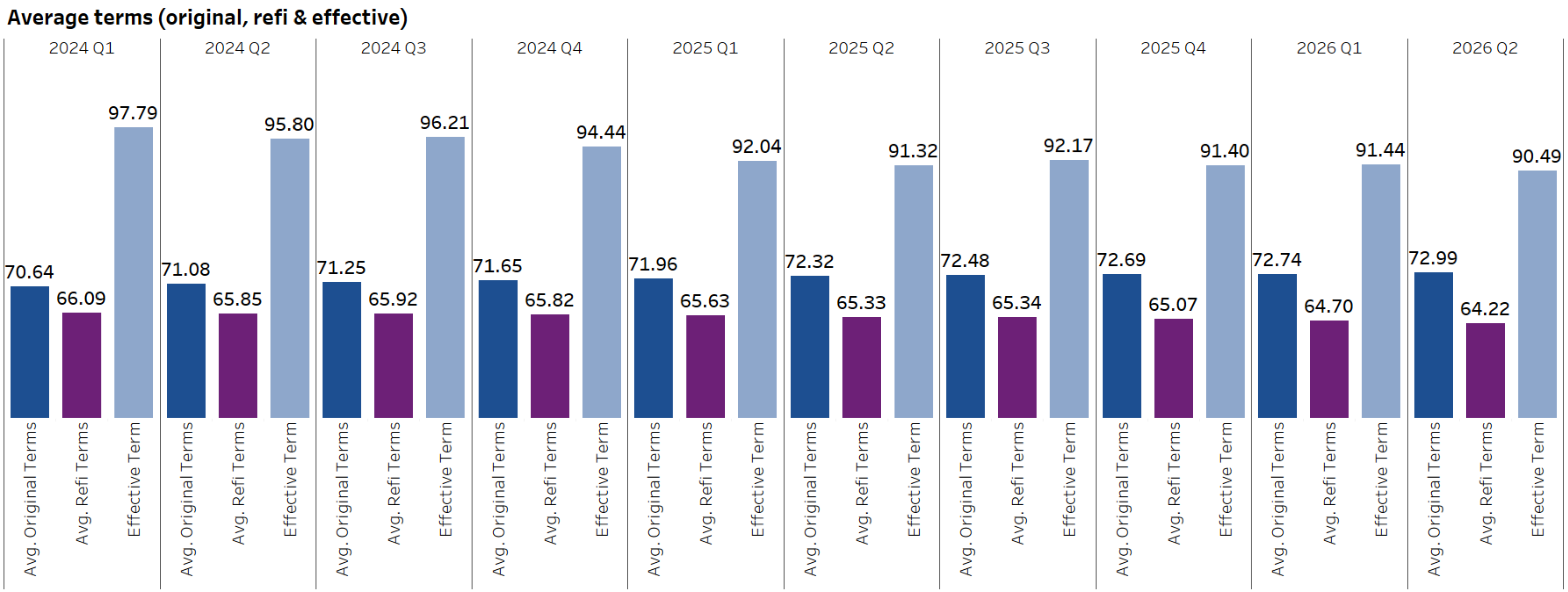


Since 2024, the average monthly savings is $61 and Q2 2026 saved $83; Credit Unions offer the largest payment difference of over $100





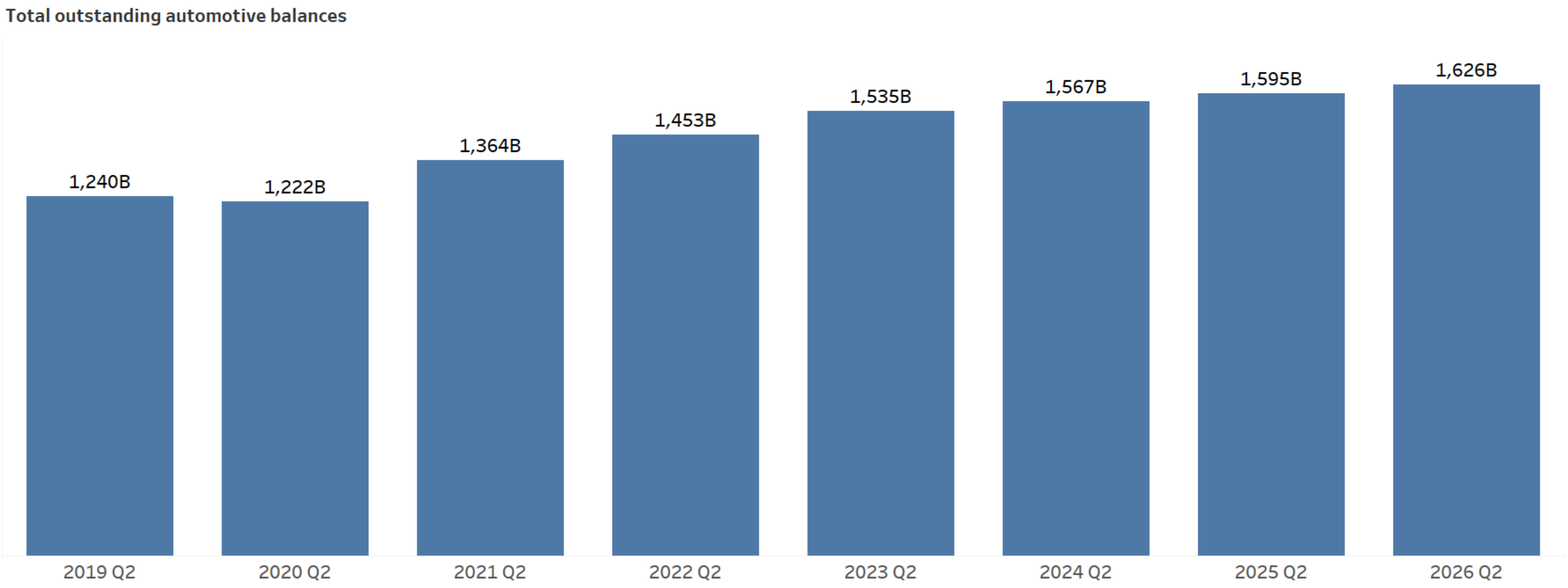
Average refi term has been around 65 months, but the effective term is over 90 months



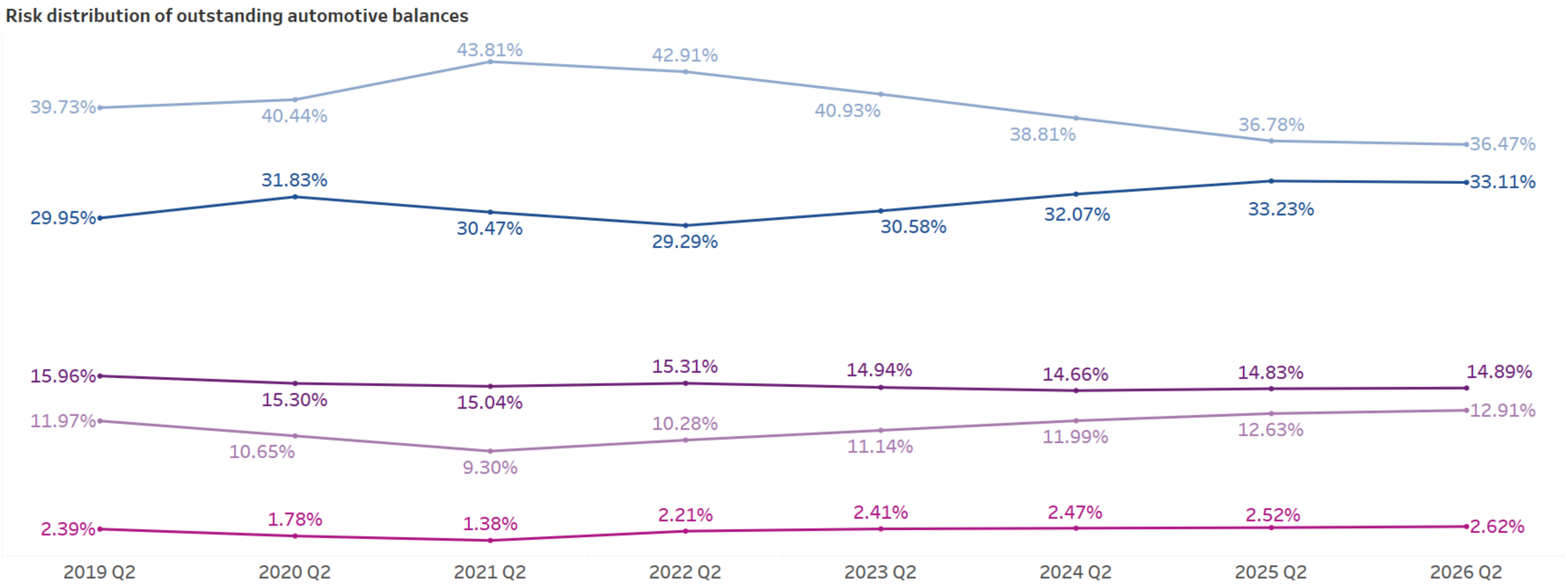
Q2 2026
Portfolio

Outstandings and delinquency

Outstanding balances grow 2% year-over-year

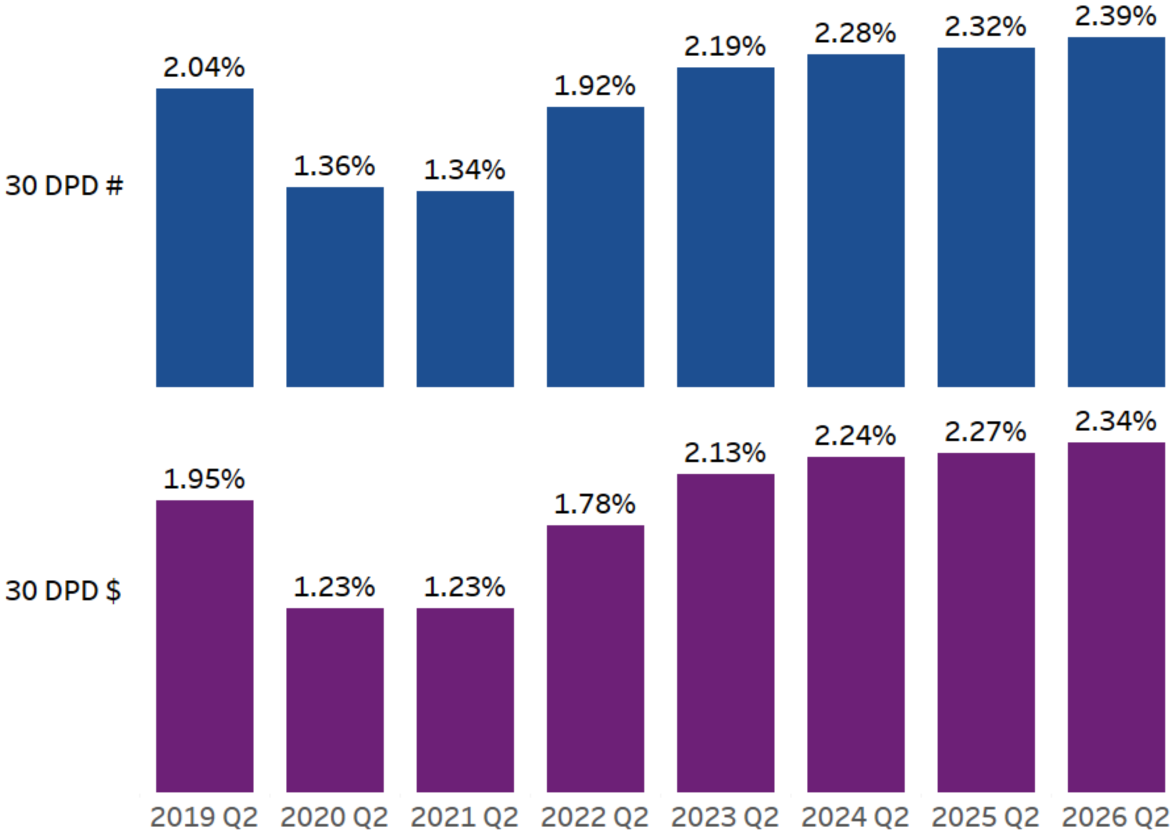


Balance growth occurring in all segments but Prime+

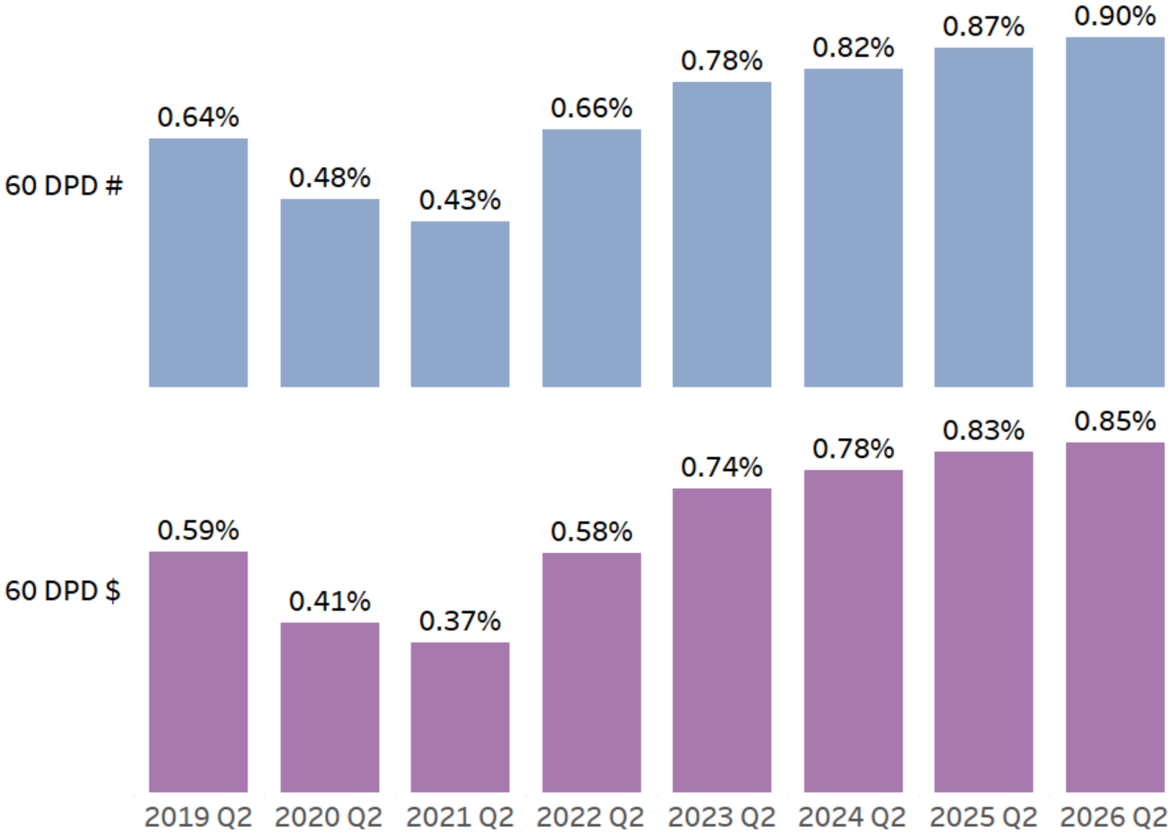


Delinquencies increase YOY

Automotive delinquency: 30 days past due

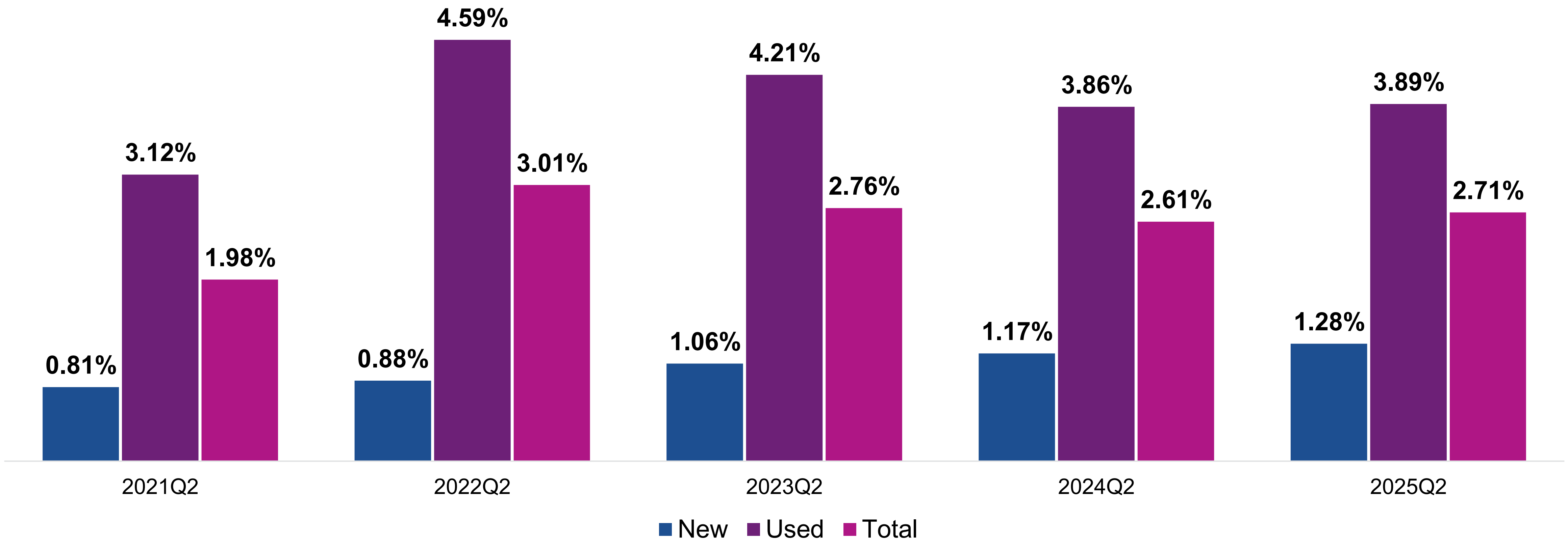


Automotive delinquency: 60 days past due



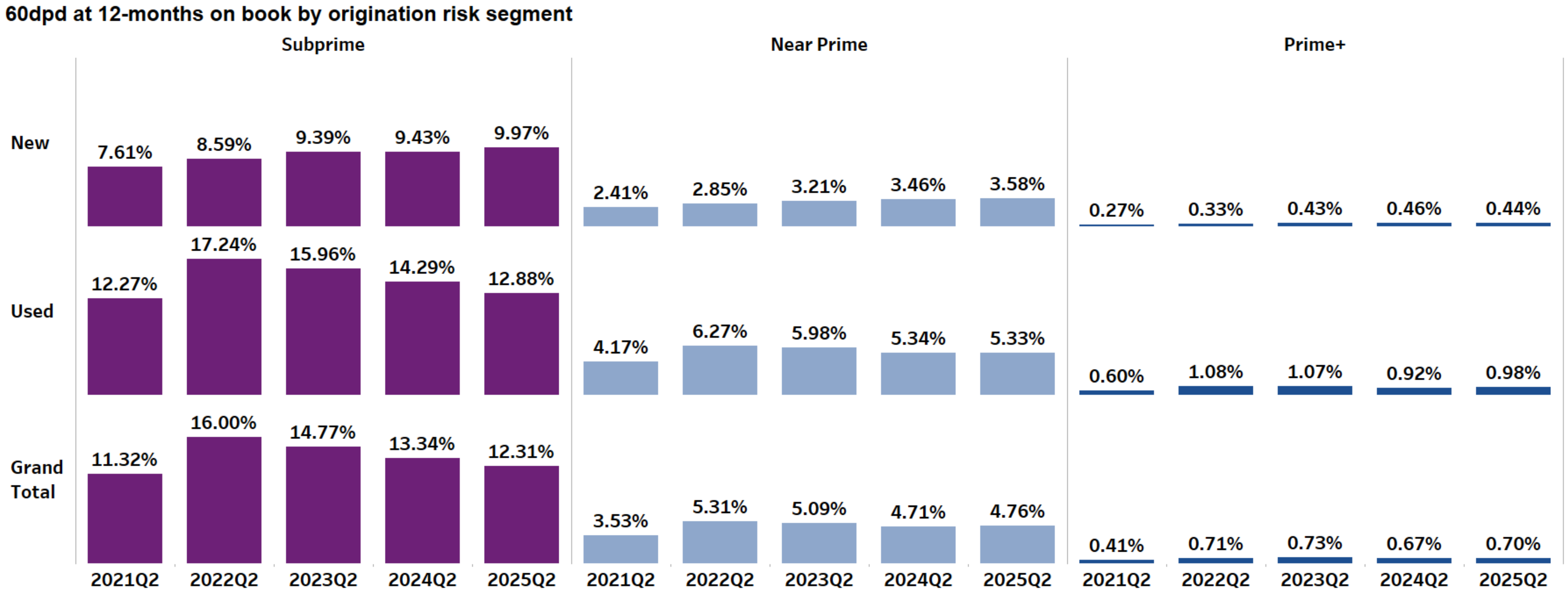
Delinquency on new vehicles has increased on 2025 vintages compared to prior years; used peaked with 2022 originations

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



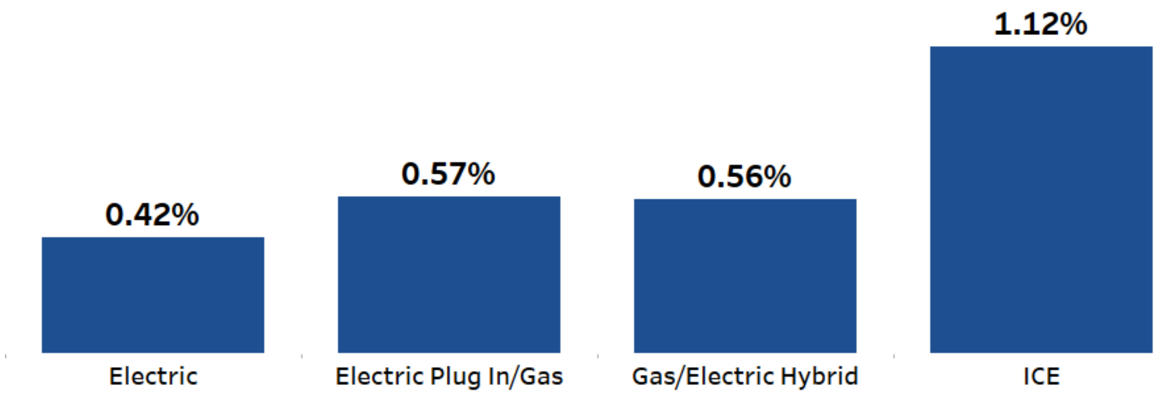
60 days past due at 12-months on book by quarterly originations (Velocity Performance)

Delinquency by vehicle and fuel-type

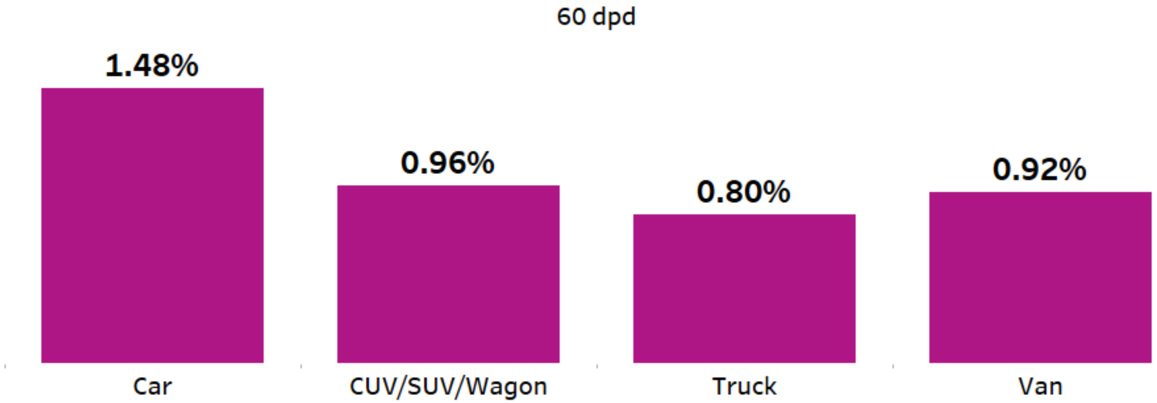
Current 60 day delinquency rate by new/used

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)



Q2 Summary

- Leasing rates decrease; cash increases for used while new sees more loans
- Scores decrease; growth occurring outside of prime
- Finance Companies and BHPH/Other lenders pick up share
- EV share returns to pre-tax credit share
- Loan amounts and payments are on the rise for both new and used vehicles; used payment hits record high
- New LTVs are rising while used have declined
- Refinance increases with an average savings of $83/month
- Overall balances increase while delinquencies rise
- Performance in recent vintages deteriorates in Near Prime and Prime+

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