TransUnion Auto Credit Industry Insights Report

Q1 2025

Background on the Credit Industry Insights Report and our purpose for sharing this information

- TransUnion's Credit Industry Insights Report (CIIR) provides the financial services industry with market-level intelligence and key insights on four credit market segments: auto, card, consumer lending and mortgage.
- Two TransUnion business intelligence tools are used to create the auto CIIR:
  - TruIQ™: cloud-based analytics platform including credit data on credit-active consumers in the US.
  - AutoCreditInsight™: developed by TransUnion in partnership with S&P Global Mobility; blends depersonalized credit data with personal registrations for light vehicles in the US market.
- The high-level results and key insights are updated and shared every quarter via press release and webinar.
- As part of our mission to impart meaningful and actionable insights to the auto segment, we're providing our auto customers with this shortened presentation summarizing the auto-specific results from the CIIR.
- Customers can generate their own market-level or even more customized insights through TransUnion's Business Intelligence solutions: TruIQ™ and AutoCreditInsight™, in partnership with S&P Global Mobility
  - Please contact your TransUnion sales associate to learn how to obtain access to these tools.

Auto Industry Insights Overview

Originations

In Q4 2024, total origination volumes were up 8.2% YoY

- Super prime led origination growth at 15.7% YoY
- Despite stronger incentive programs from captives, banks are maintaining share of new vehicle financing at 32%

Delinquencies

60+ DPD account delinquencies climbed at a slower 5bps YoY increase versus 14bps growth the year prior

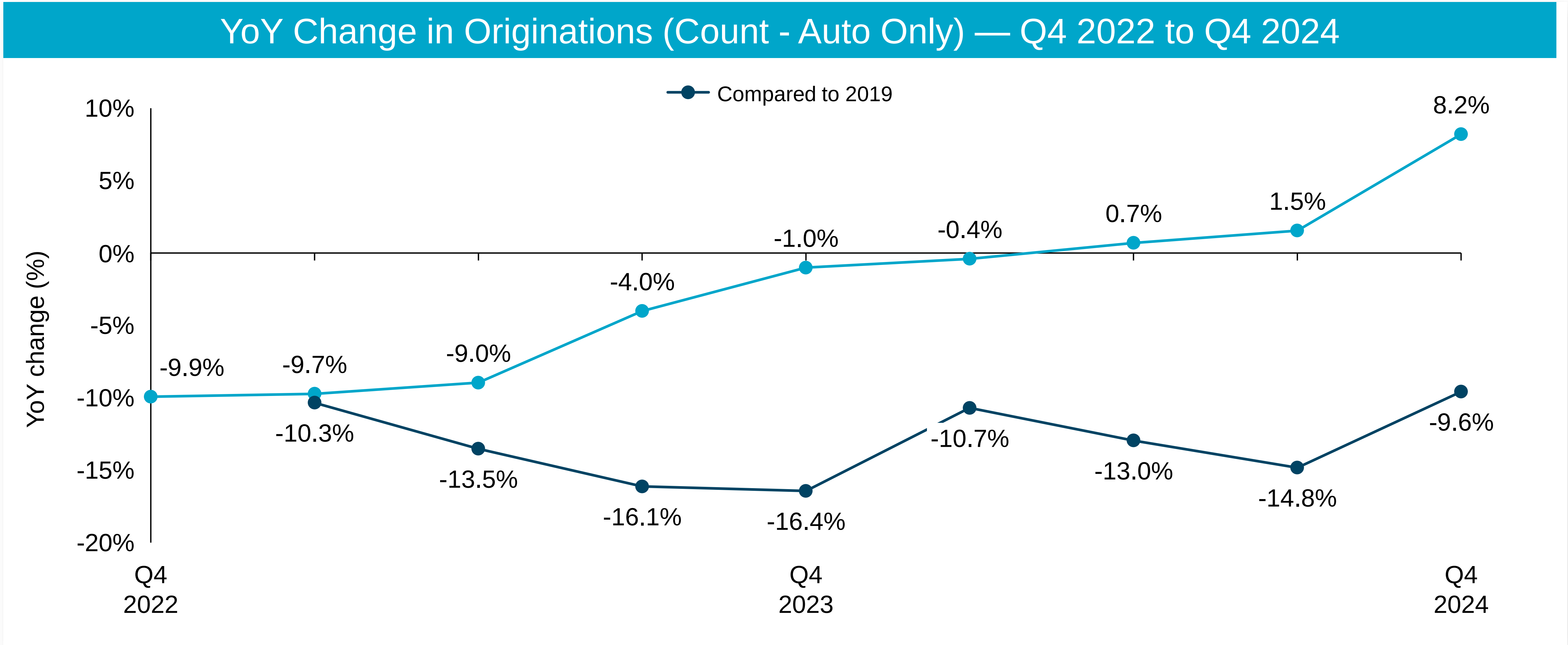
Quarterly Spotlight

Peaking interest rates and continued affordability concerns enable a sizable auto refinance market with considerable growth potential

Originations

- In Q4 2024, total origination volume was up 8.2% YoY despite remaining down -9.6% when compared to Q4 2019
- All risk tiers showed origination growth for the first time in several quarters, however super prime remains the only tier above 2019 levels
- Banks are maintaining new vehicle financing market share despite stronger captive incentive programs

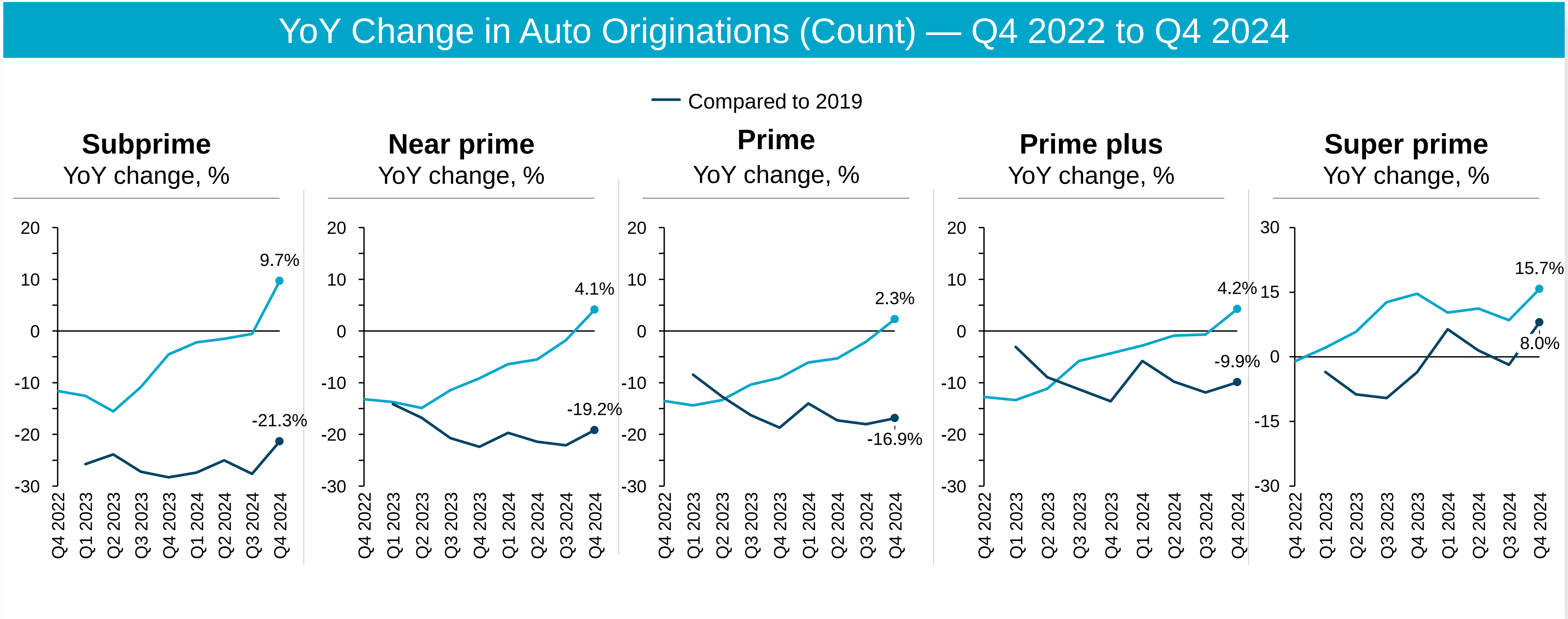
Total auto origination volumes grew 8.2% YoY, however, remain 9.6% below 2019 levels



Note: Originations are viewed one quarter in arrears to account for reporting lag

Source: TransUnion US consumer credit database

All risk tiers had positive YoY growth in Q4 2024, while super prime remains the only risk tier above 2019 levels



VantageScore® 4.0 risk ranges, calculated at origination

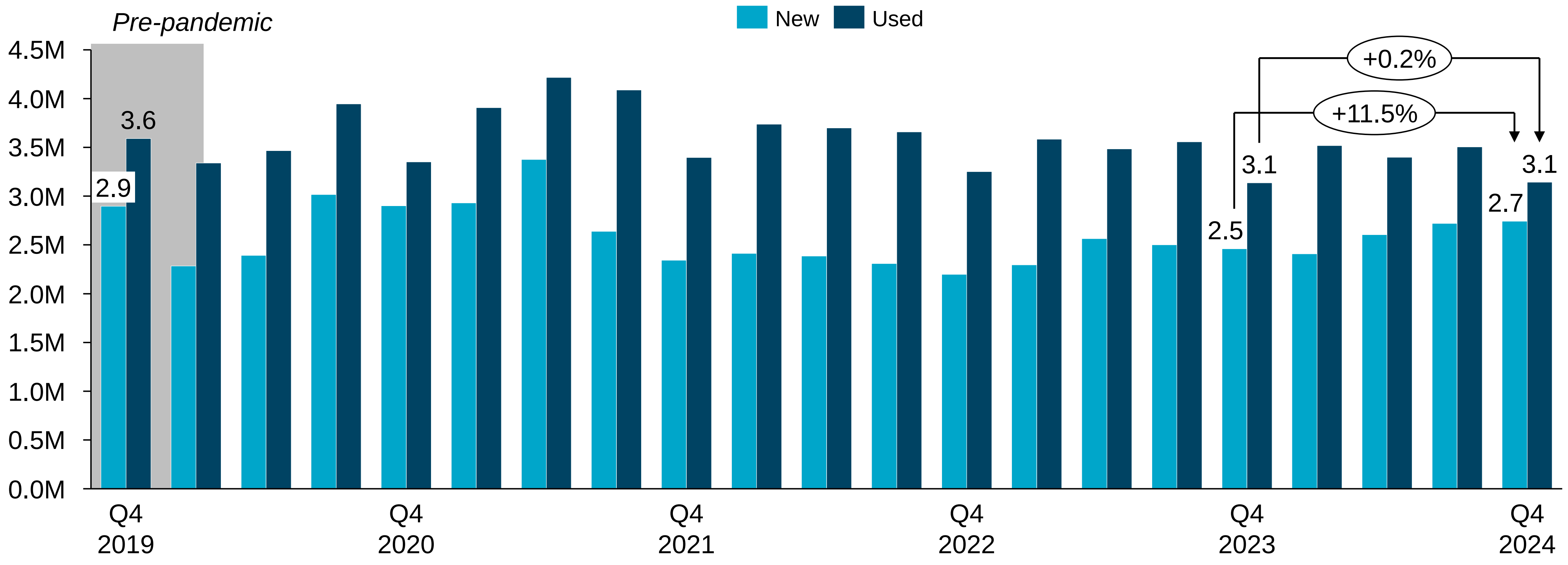
Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

Note: Originations are viewed one quarter in arrears to account for reporting lag

Source: TransUnion US consumer credit database

New vehicle registrations were up 11.5% YoY in Q4 2024, while used vehicle registrations were flat

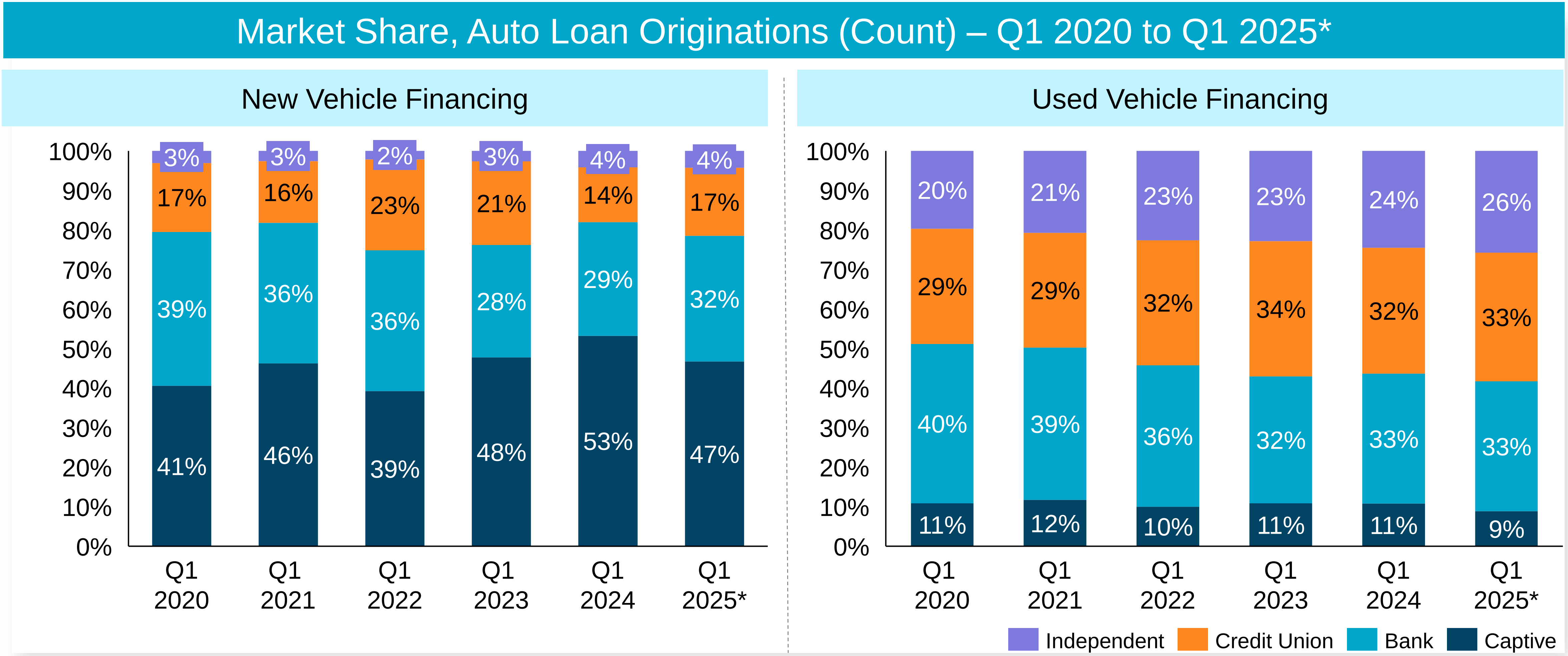
Vehicle Registrations (Loan and Leases - Count) – Q4 2019 to Q4 2024



S&P Global Mobility

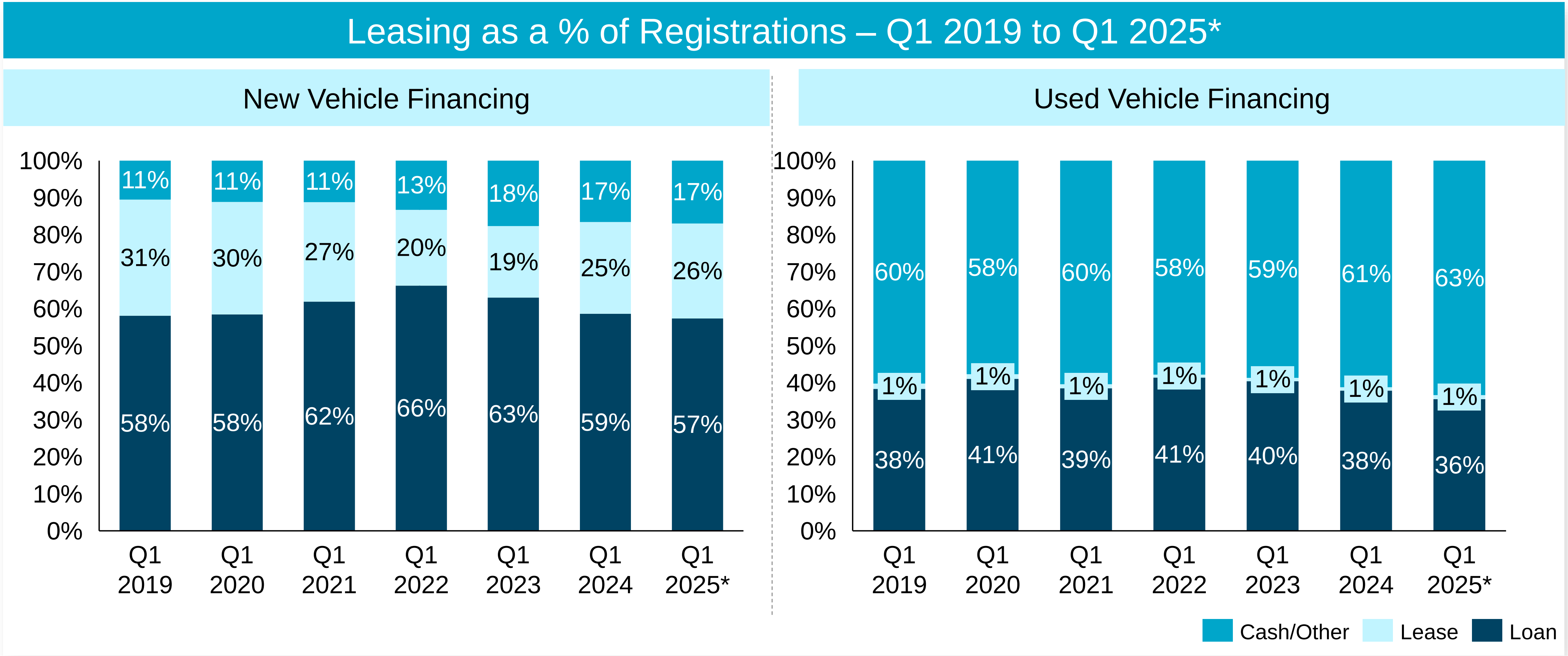
Source: AutoCreditInsight™ by S&P Global Mobility, TransUnion

Banks are maintaining share of new vehicle financing at 32%, despite stronger captive incentive programs



*Q1 2025 Reflects partial quarter data

The share of new vehicles leased stalled in 2024 and remains below pre-pandemic levels, while cash remains elevated



*Q1 2025 Reflects partial quarter data. Cash may appear elevated in the most recent period as the credit trade may not be reported yet.

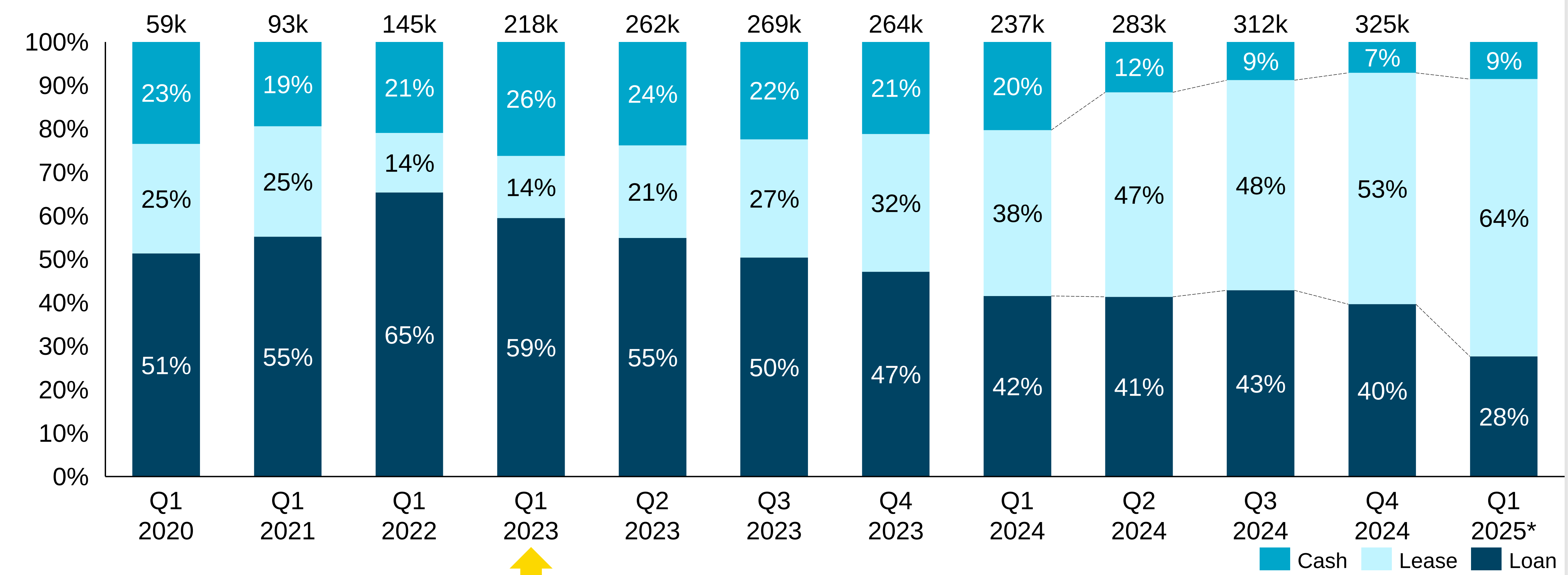
**Displaying lease market share only, due to data reporting lag on new vehicle registrations

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

EV lease penetration continues to grow and outpace overall market lease rates

New Vehicle EV Registrations – Q1 2020 to Q1 2025*



Treasury announces leased EVs not assembled in North America eligible for IRA tax credit as of 1/1/23

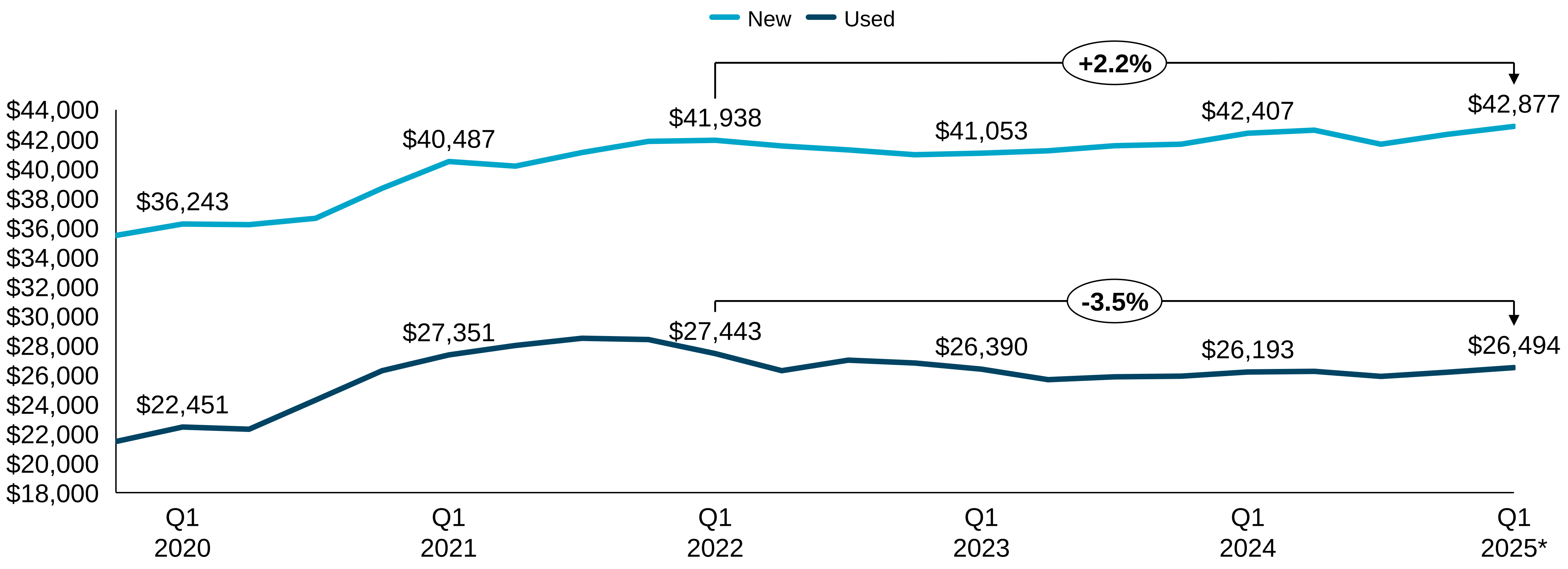
*Q1 2025 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

S&P Global Mobility

Since the peak in vehicle values in 2022, used vehicle financing is down 3.5%, while new vehicle financing is up 2.2%

Average Amount Financed (Loans) – Q1 2020 to Q1 2025*



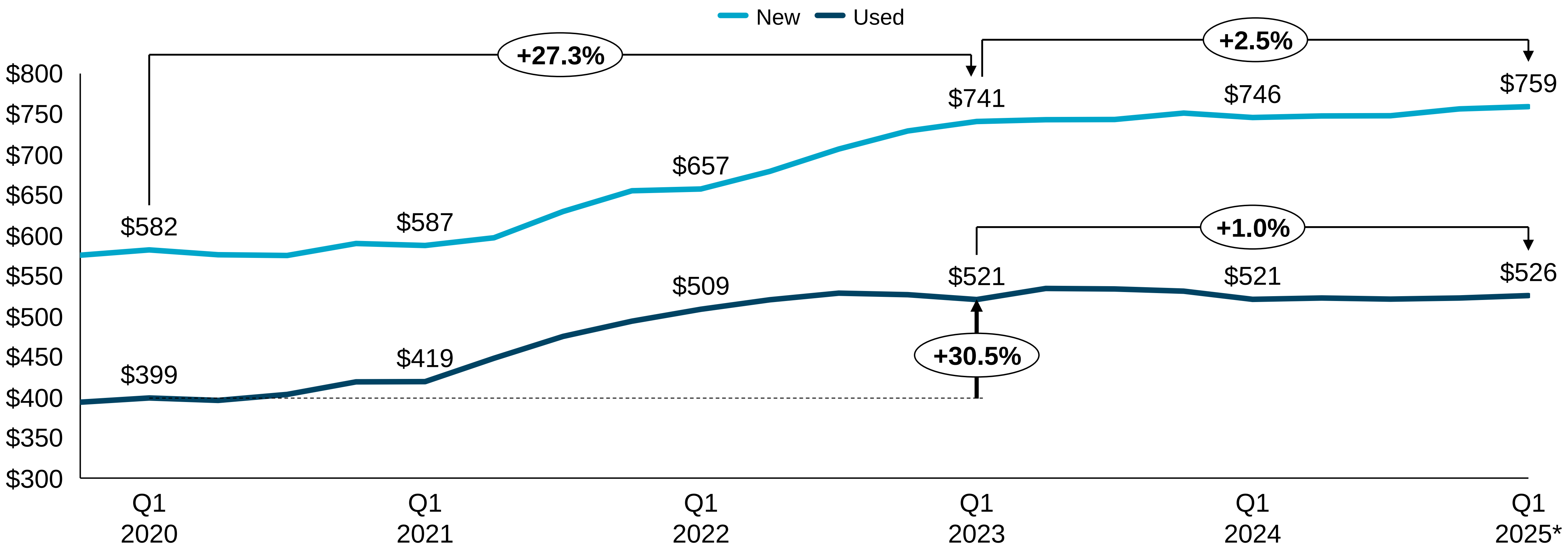
*Q1 2025 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Following significant growth through 2023, average monthly payments have grown modestly over the past two years

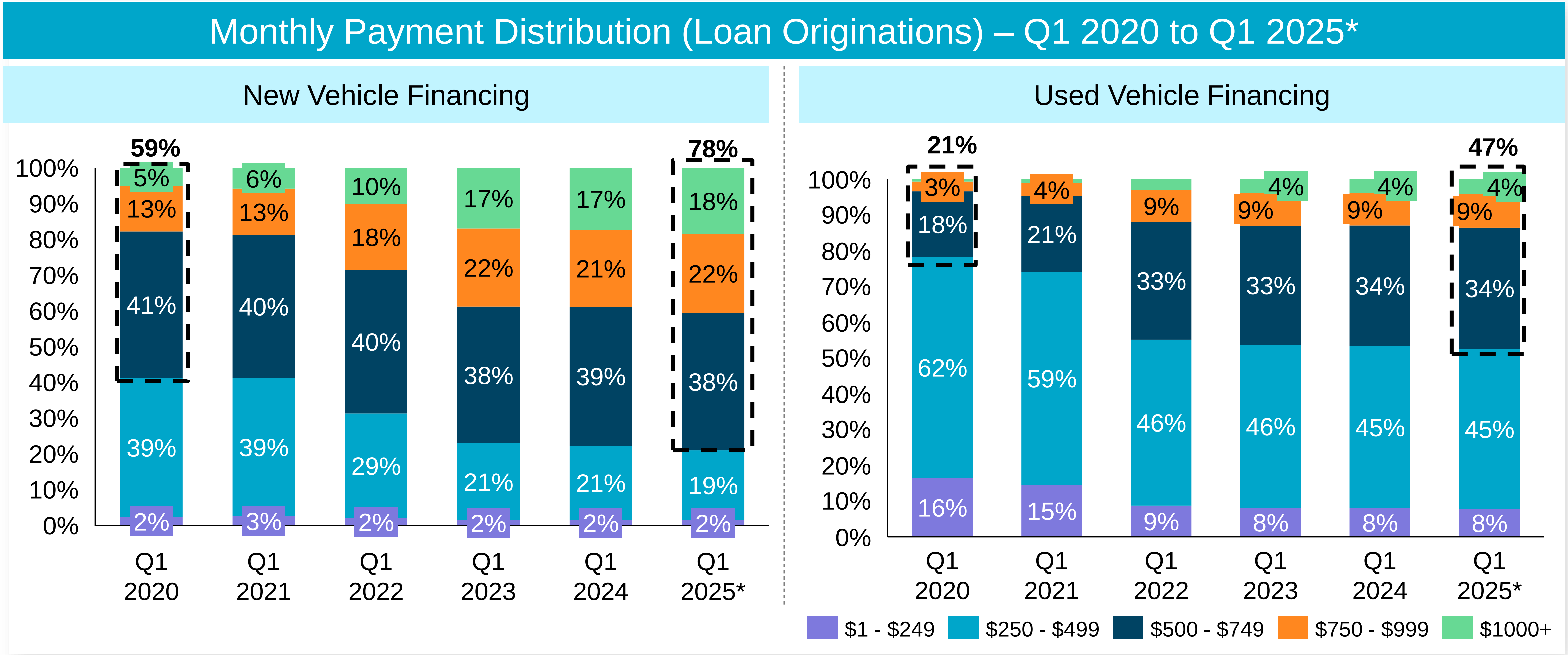
Average Monthly Payment (Loan Originations) – Q1 2020 to Q1 2025*



*Q1 2025 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

78% of new vehicle payments and nearly half of used vehicle payments remain over $500 in Q1 2025



New Vehicle Financing

	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2024	Q1 2025*
$1000+	5%	6%	10%	17%	17%	18%
$750 - $999	13%	13%	18%	22%	21%	22%
$500 - $749	41%	40%	40%	38%	39%	38%
$250 - $499	39%	39%	29%	21%	21%	19%
$1 - $249	2%	3%	2%	2%	2%	2%

Used Vehicle Financing

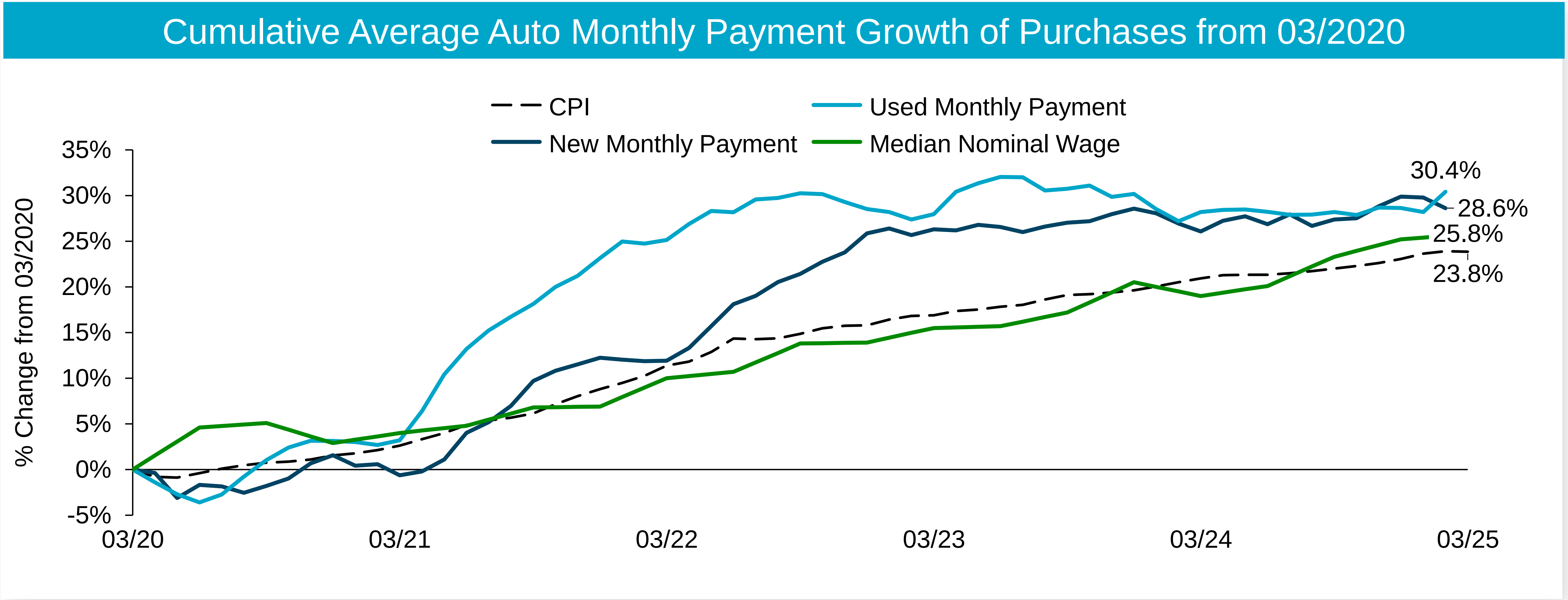
	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2024	Q1 2025*
$1000+				4%	4%	4%
$750 - $999	3%	4%	9%	9%	9%	9%
$500 - $749	18%	21%	33%	33%	34%	34%
$250 - $499	62%	59%	46%	46%	45%	45%
$1 - $249	16%	15%	9%	8%	8%	8%

*Q1 2025 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

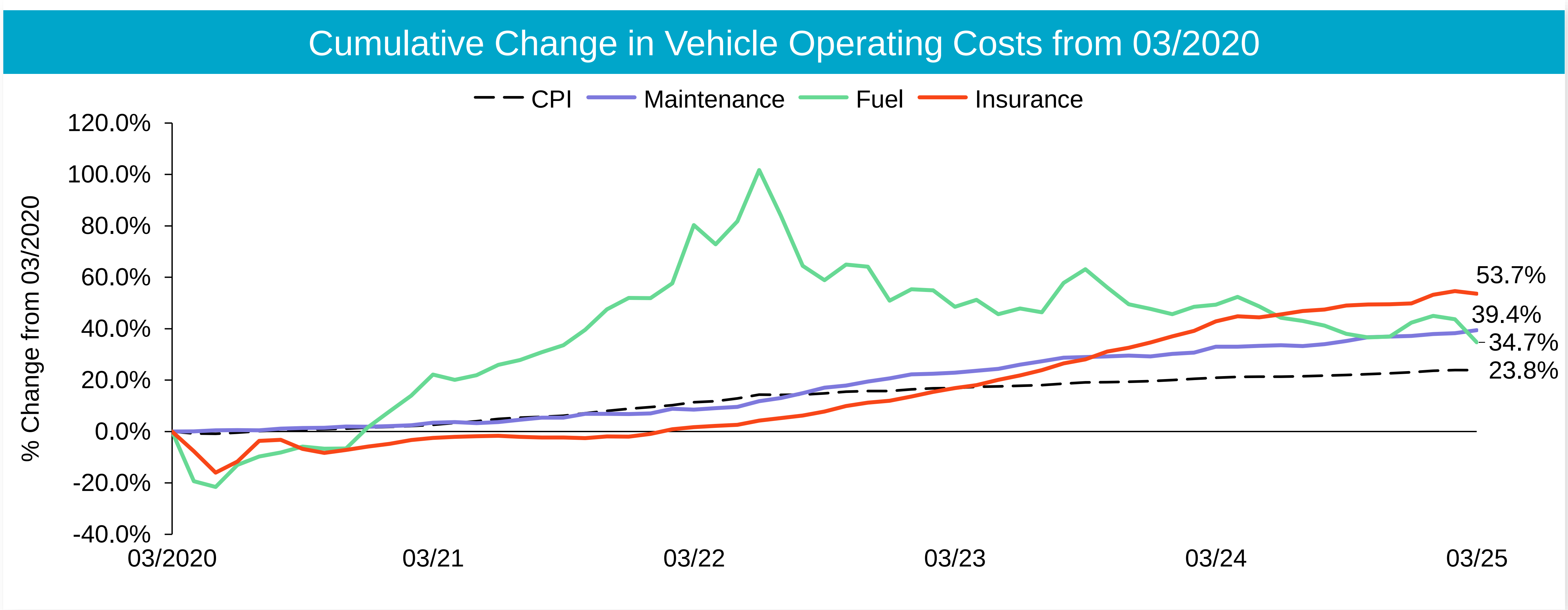
Monthly vehicle payments remain above general inflation and median wage growth from the pre-pandemic period



Source: AutoCreditInsight by S&P Global Mobility, TransUnion,
U.S. Bureau of Labor Statistics Consumer Price Index via FRED
U.S. Bureau of Labor Statistics Weekly and Hourly Earnings from the Current Population Survey via FRED

S&P Global Mobility

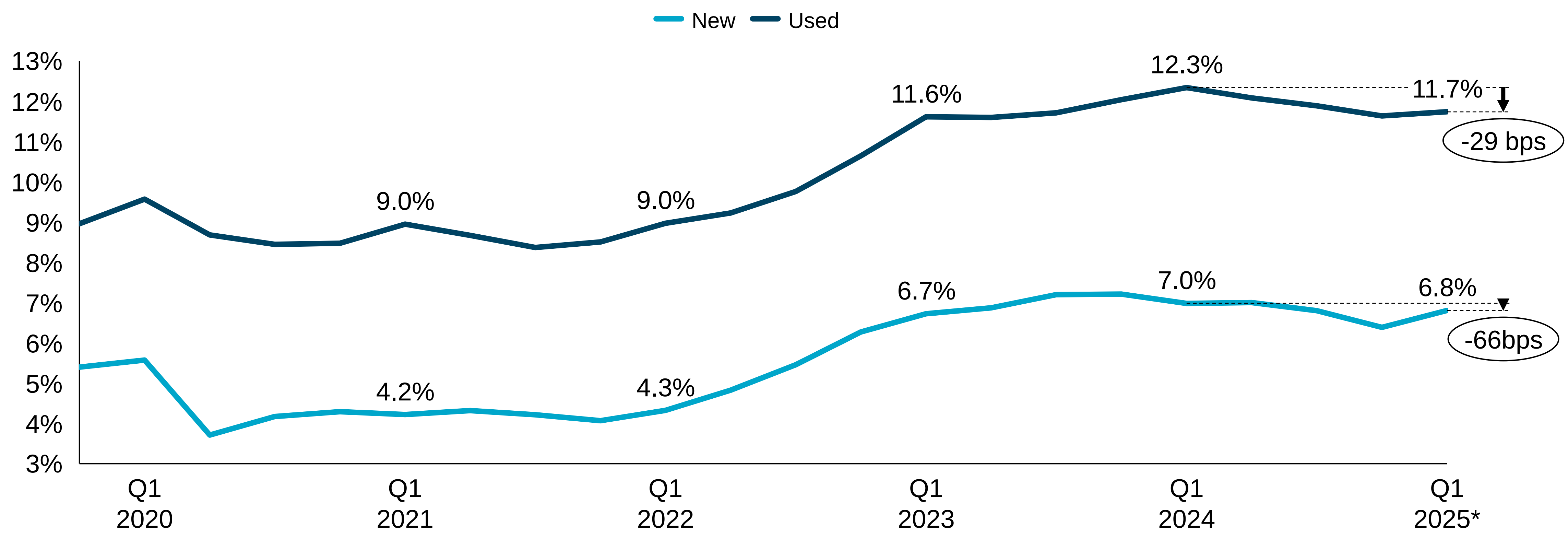
In addition to vehicle payments, maintenance, insurance and fuel costs have also contributed to lower affordability



Source: U.S. Bureau of Labor Statistics Consumer Price Index via FRED;
U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Motor Fuel, Motor Vehicle Maintenance and Repair, and Motor Vehicle Insurance in U.S. City Average

Average APRs declined for new and used vehicles

Average APR (Loan Originations) – Q1 2020 to Q1 2025*

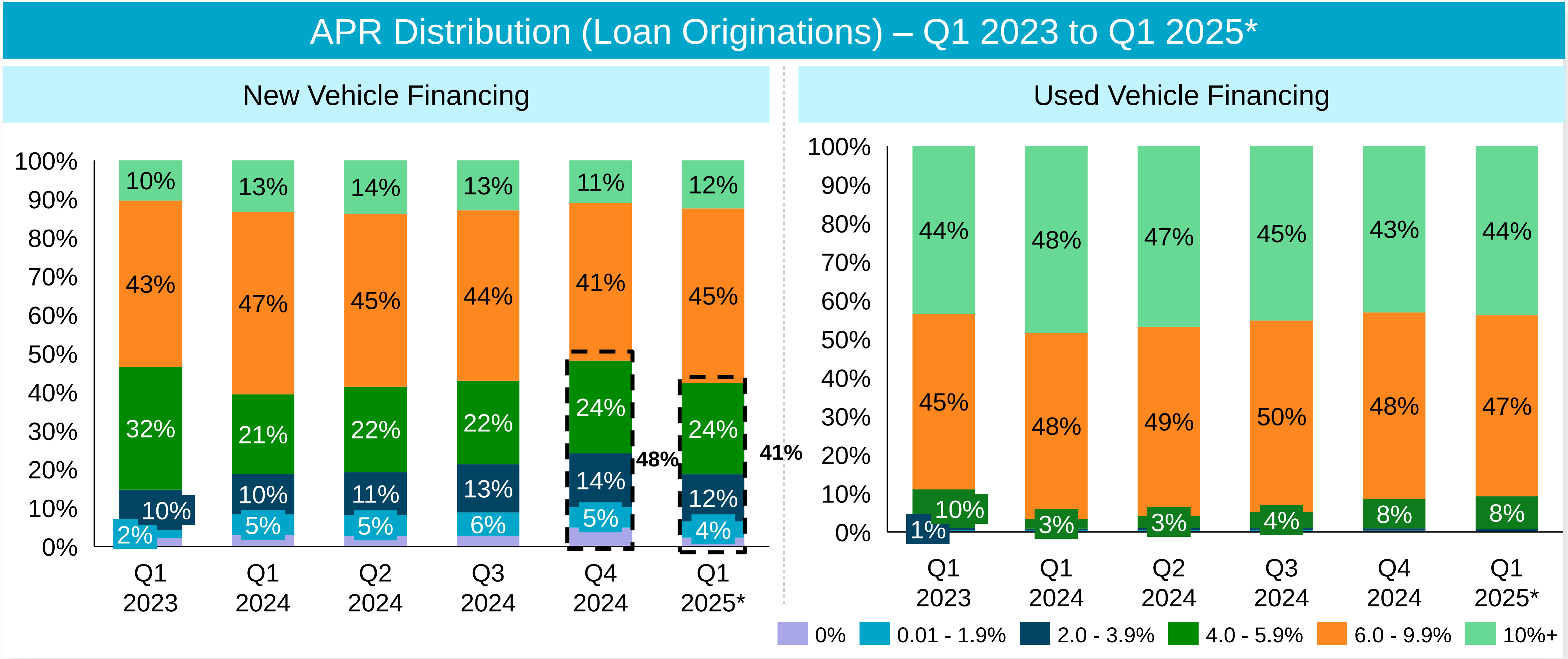


*Q1 2025 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

New vehicle originations growth of below 5.9% APRs pulled back in Q1 2025 and used vehicle APRs remained flat QoQ



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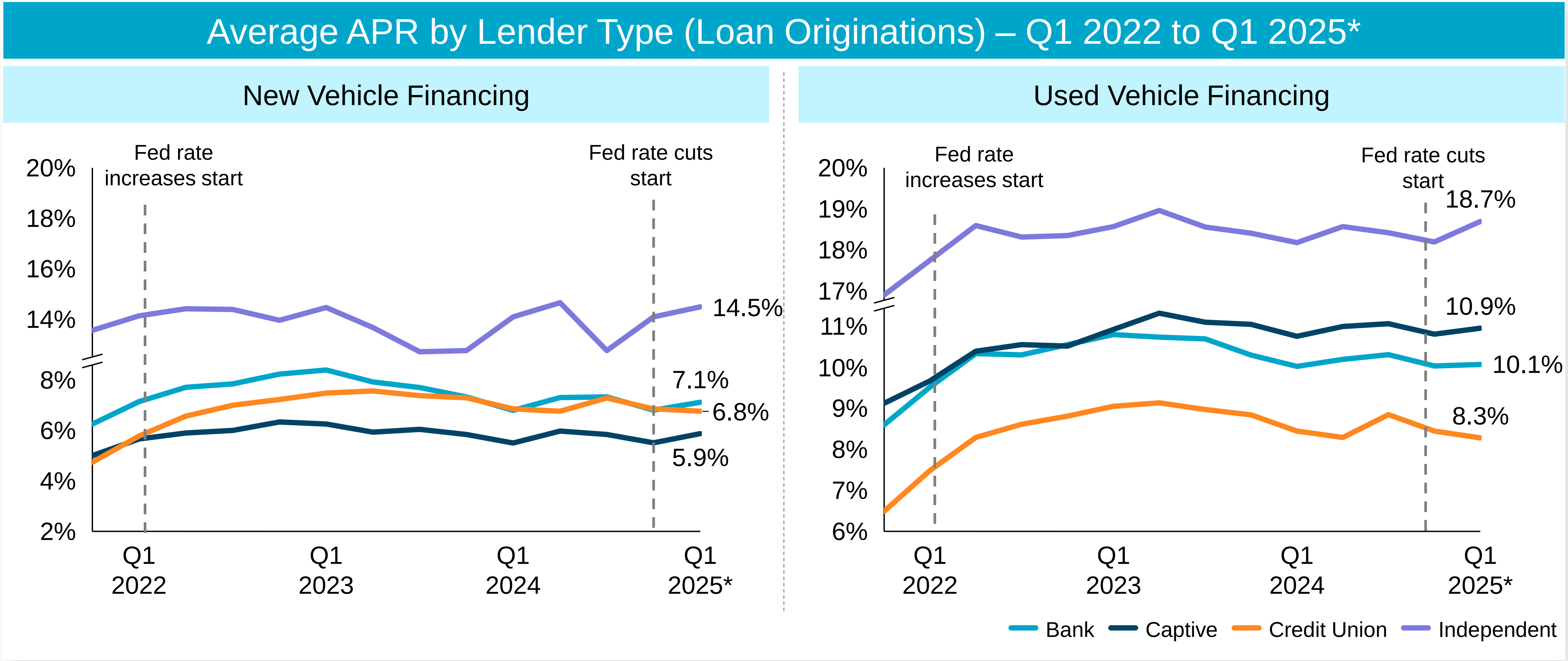
S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Average rates by lender type are mostly flat following Fed rate cuts



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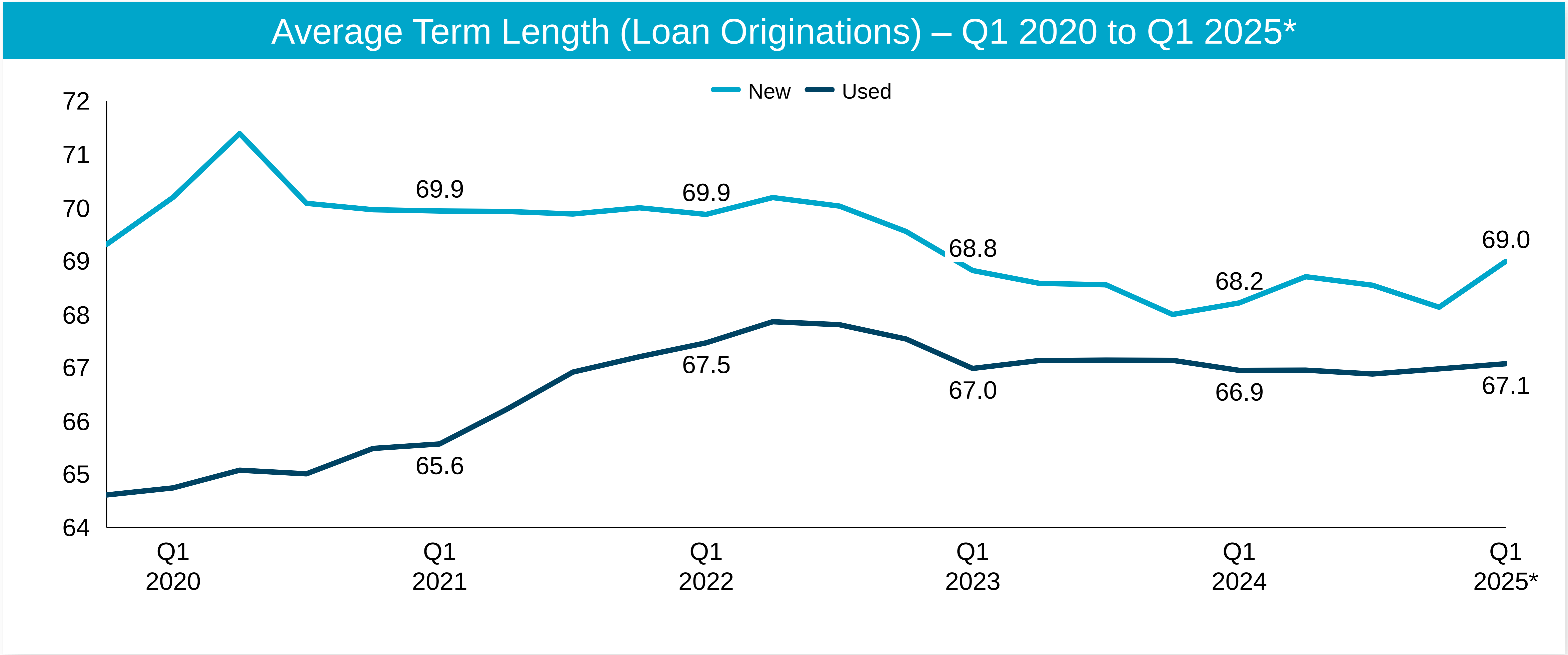
S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

New incentive financing lowered new terms, while used terms remain flat following a significant rise from 2019

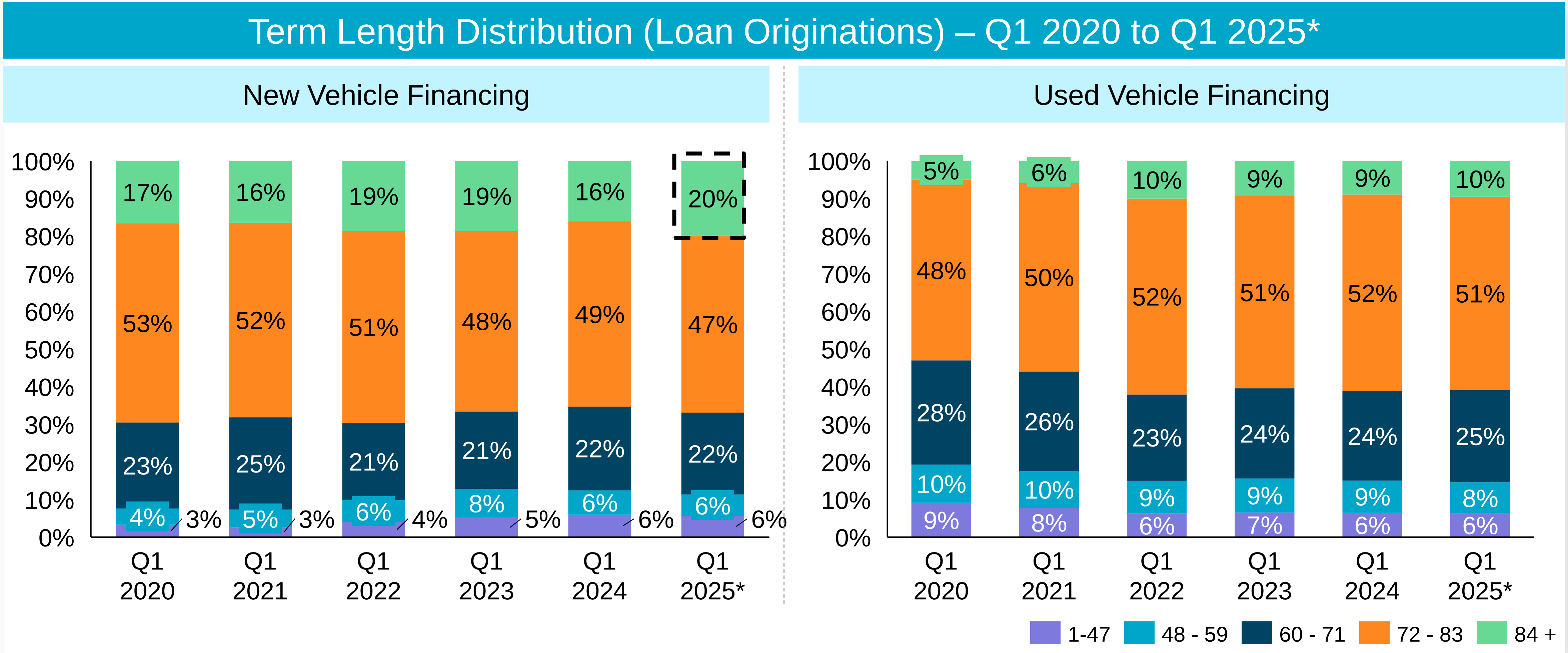


*Q1 2025 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

New vehicles financed for 84+ months increased, while used vehicles' term distributions remain similar compared to prior year

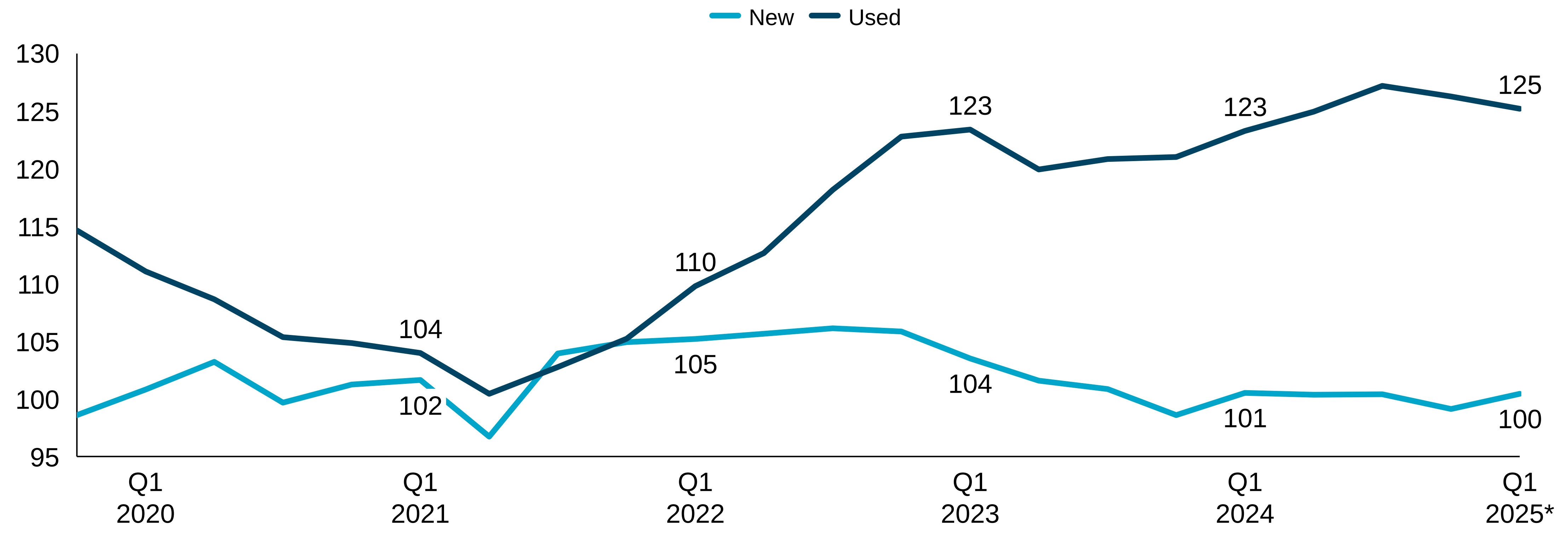


*Q1 2025 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Originating LTVs remain elevated for used vehicles while new vehicle LTVs are flat YoY

Average Loan-To-Value (LTV) (Loan Originations) – Q1 2020 to Q1 2025*



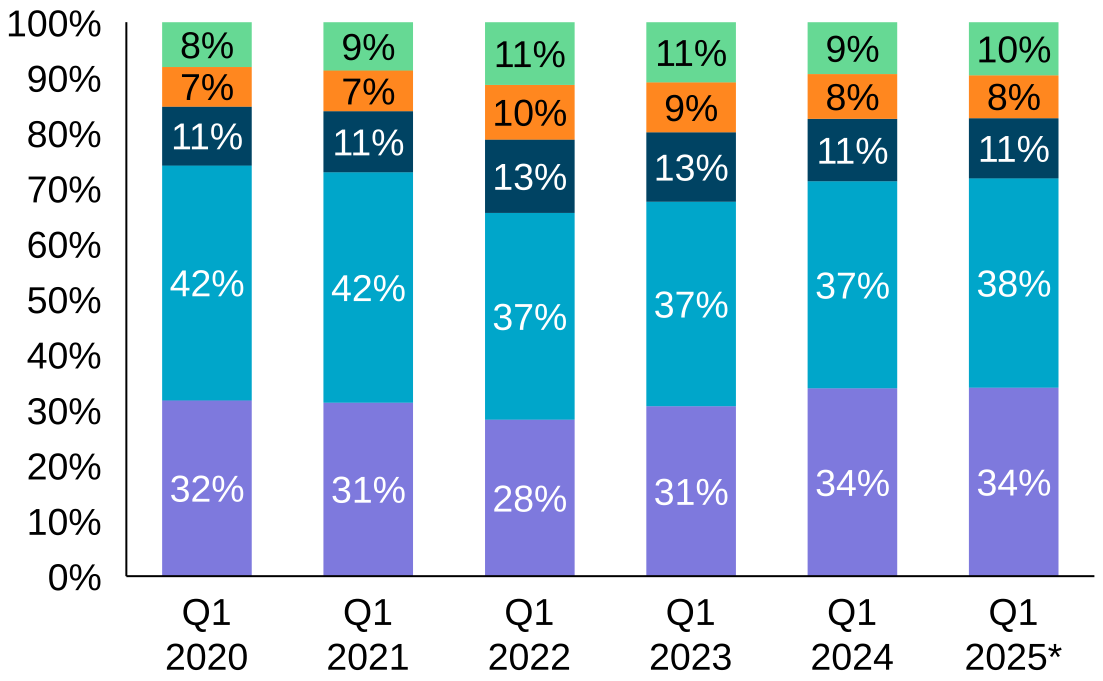
*Q1 2025 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

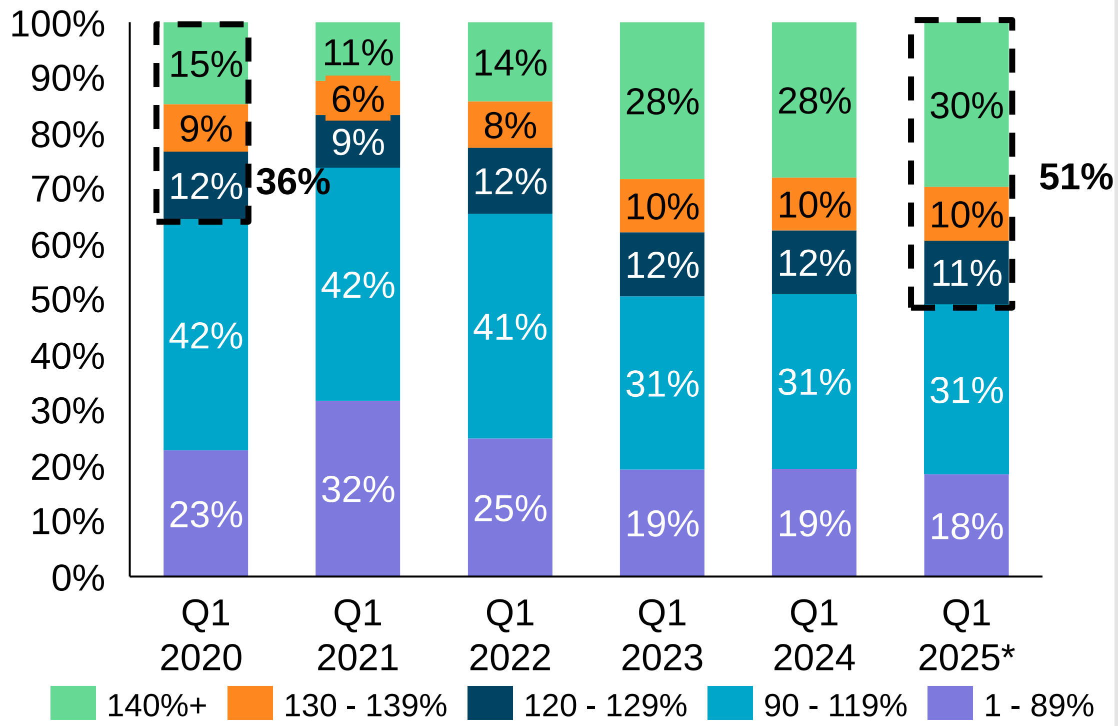
The share of used vehicle originations with a starting LTV of 120%+ has increased in the last three years, from 36% to 51%

LTV Distribution (Loan Originations) – Q1 2020 to Q1 2025*

New Vehicle Financing



Used Vehicle Financing



*Q1 2025 Reflects partial quarter data

S&P Global Mobility

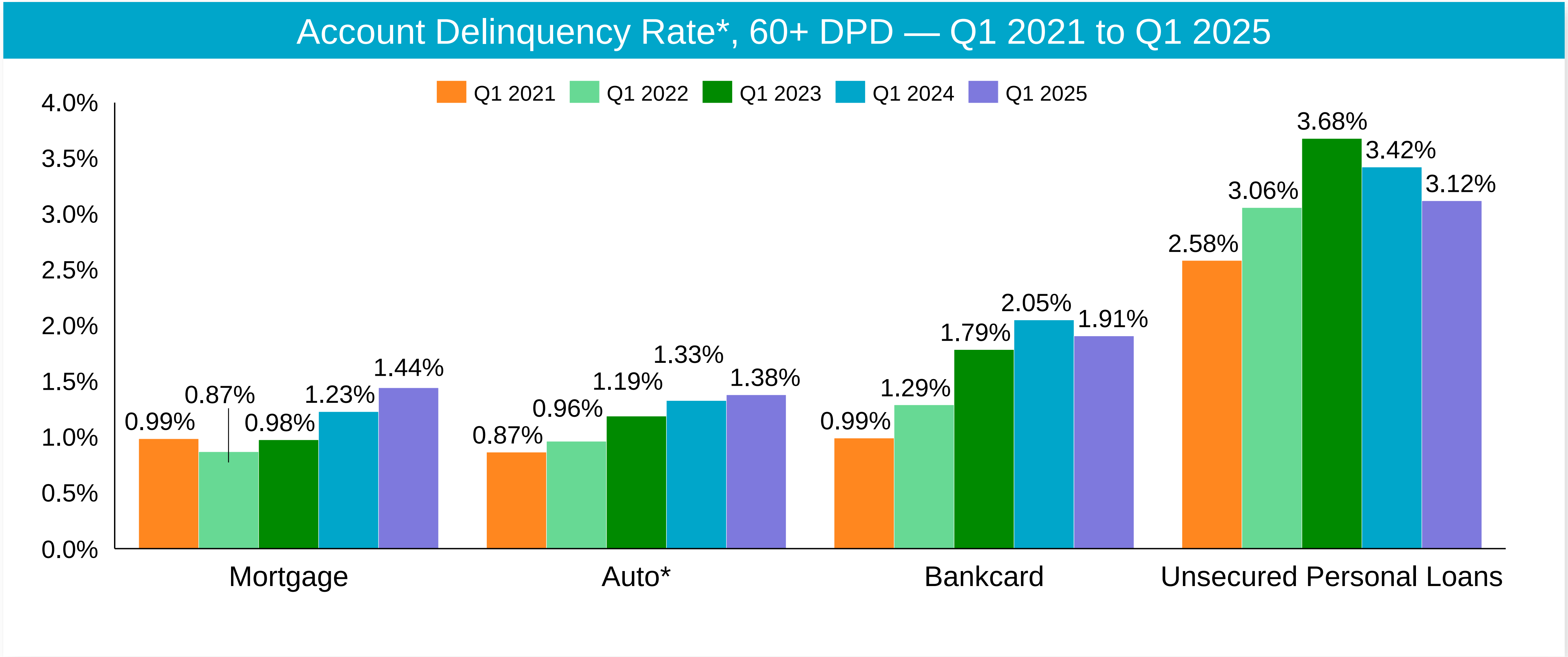
Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Delinquencies

In Q1 2025, account level 60+ DPD **delinquencies climbed 5 basis points YoY**

*Point-in-time market delinquency rates have been restated from Q2 2020 to present beginning with the Q3 2023 report to exclude irregular data reporting from a data furnisher

Point-in-time, account-level delinquency rates have increased for installment credit products

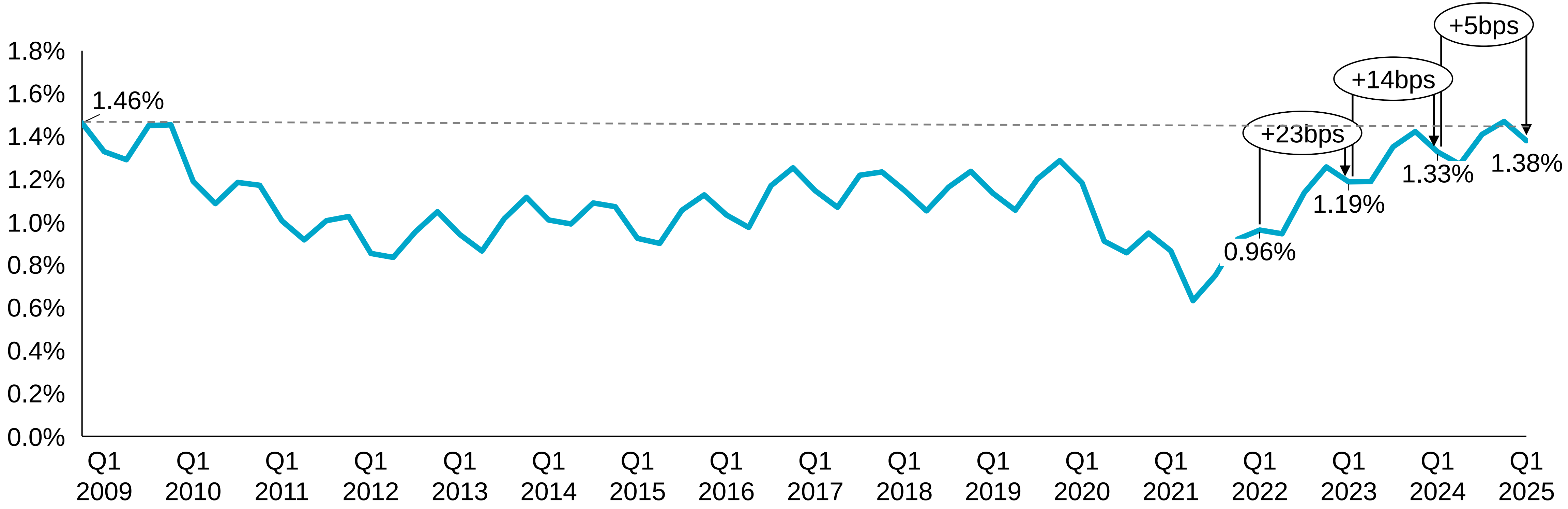


*Point-in-time market delinquency rates have been restated for auto from Q2 2020 to present to exclude irregular data reporting from a data furnisher

Source: TransUnion US consumer credit database

60+ DPD account delinquencies increased 5bps YoY to 1.38%, nearing the 2009 peak

Account Delinquency Rate*, 60+ DPD — Q1 2009 to Q1 2025

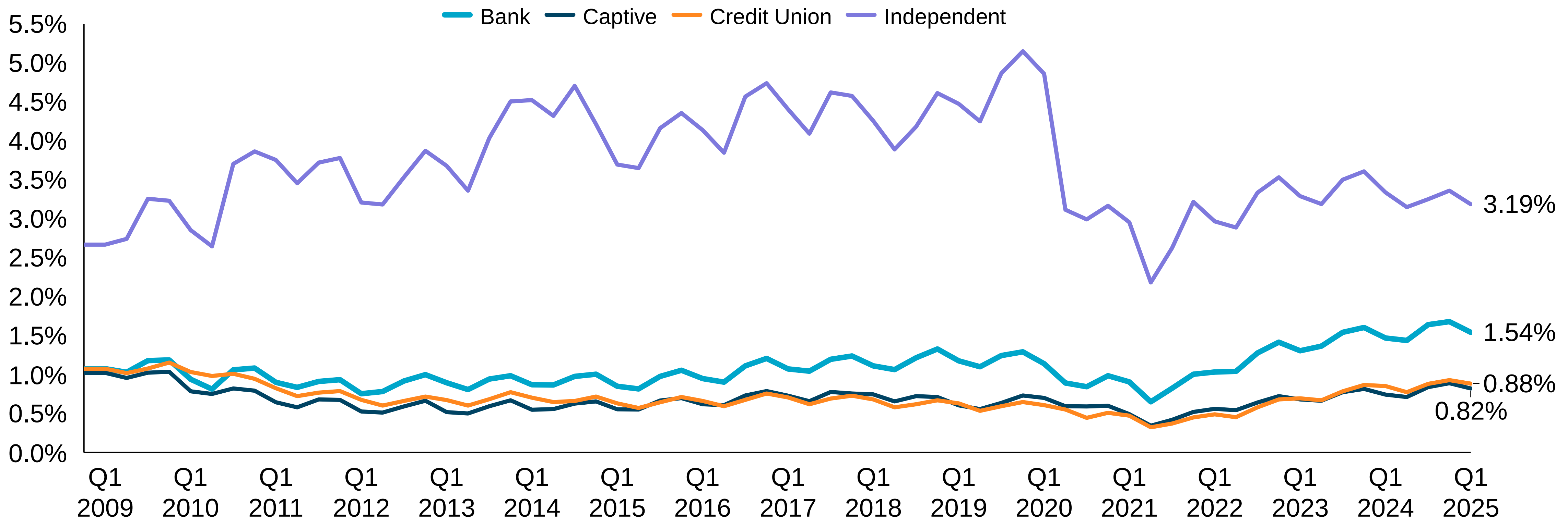


*Point-in-time market delinquency rates have been restated for auto from Q2 2020 to present to exclude irregular data reporting from a data furnisher

Source: TransUnion US consumer credit database

60+ DPD account delinquencies increased for banks and independents above ‘Great Recession’ peaks, but remains lower for captives and CU

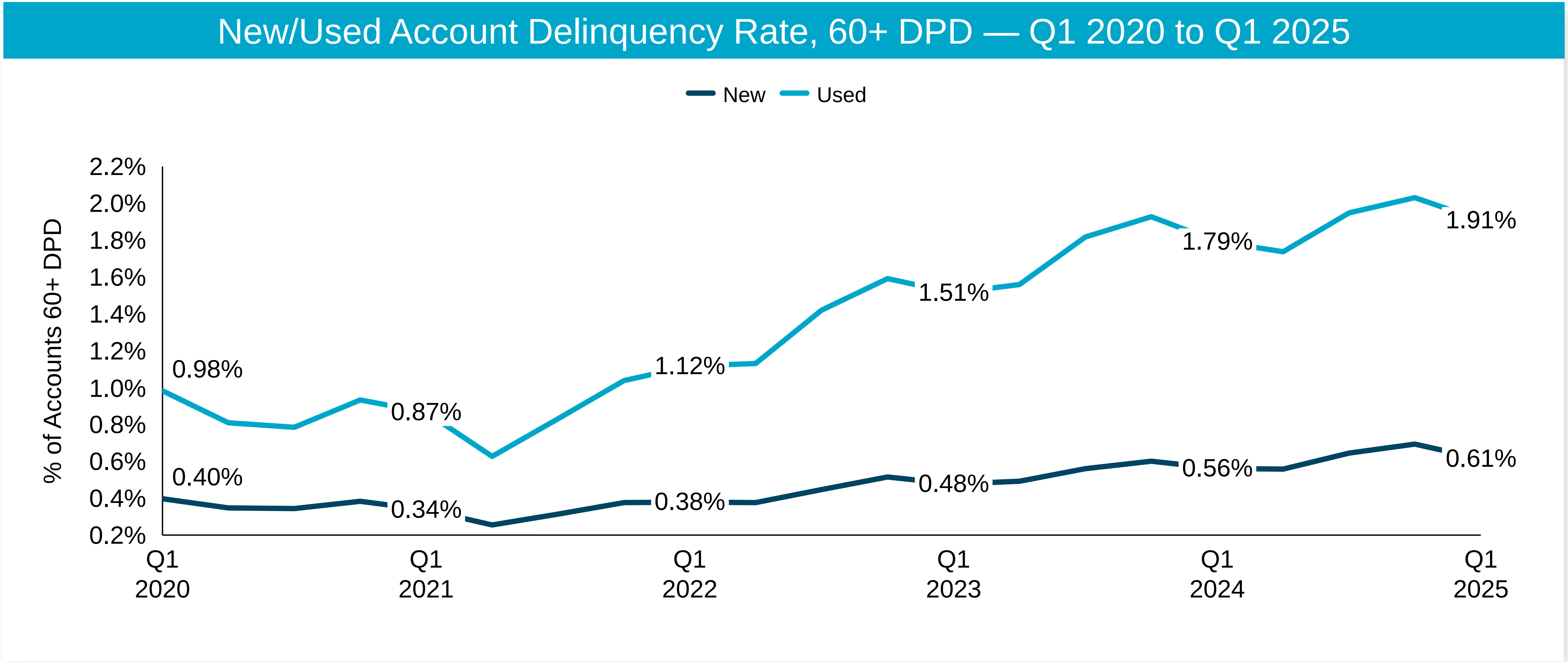
Account Delinquency Rate* by Lender Type, 60+ DPD — Q1 2009 to Q1 2025



*Point-in-time market delinquency rates have been restated for auto from Q2 2020 to present to exclude irregular data reporting from a data furnisher

Source: TransUnion US consumer credit database

Used vehicle delinquency is the primary driver of the overall rate increase; however, we also observed a rise in new delinquencies

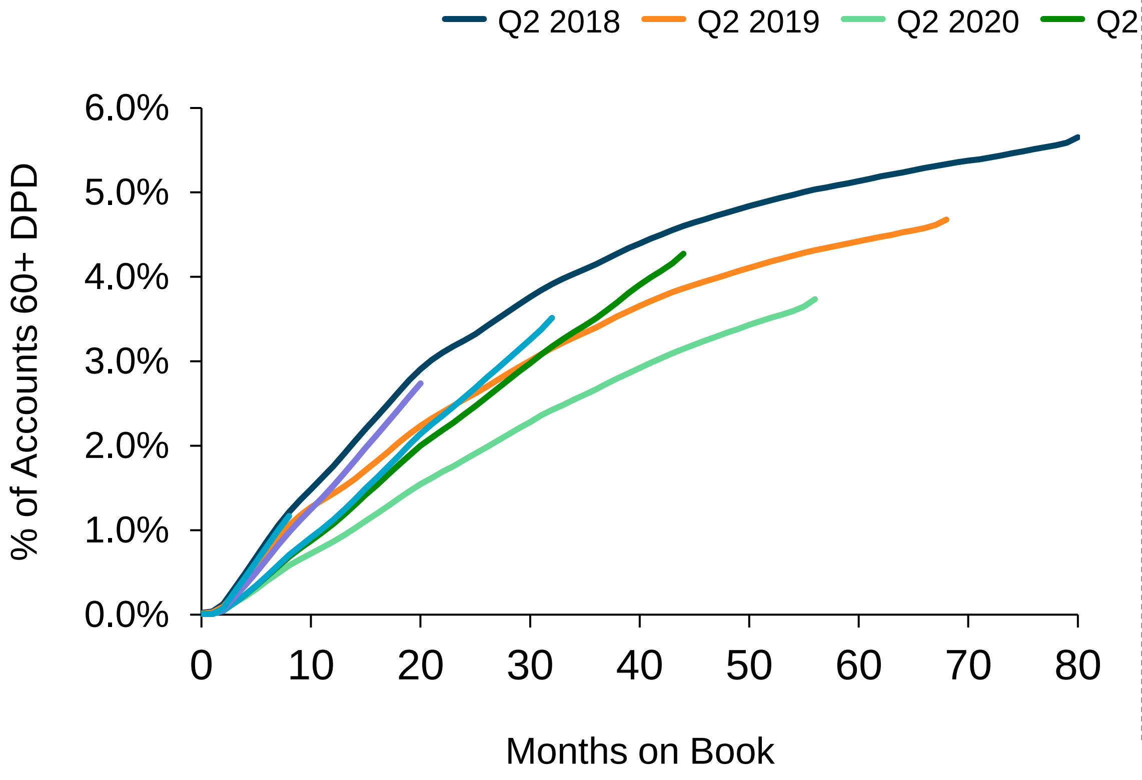


S&P Global Mobility

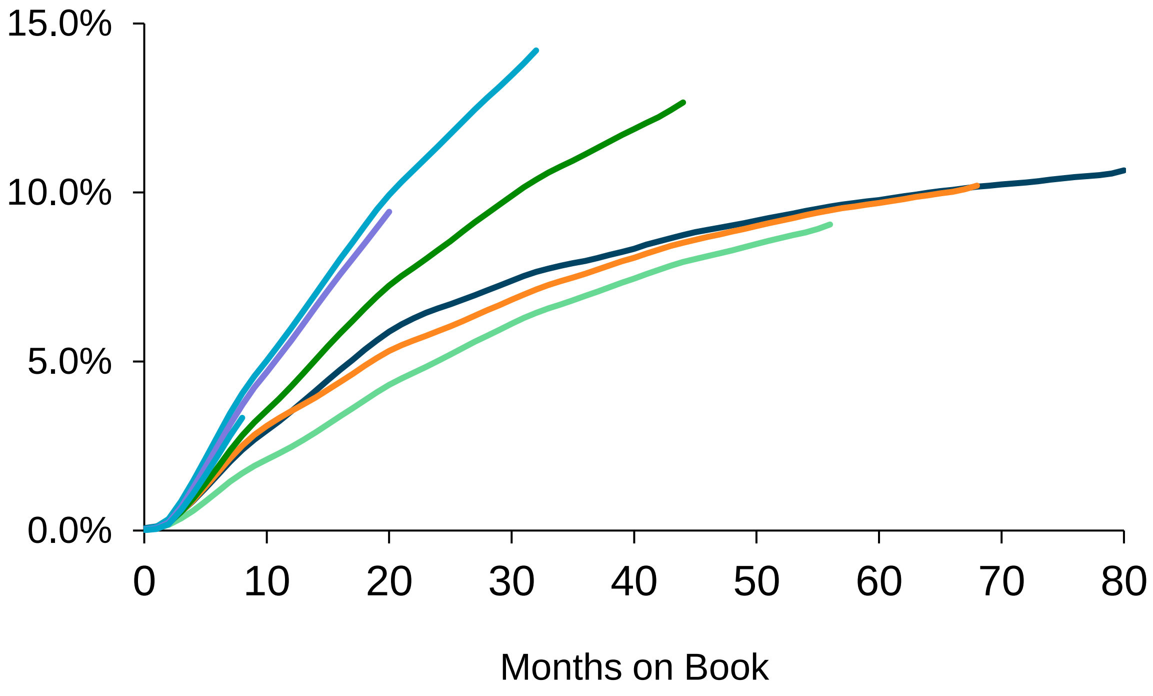
Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Used vehicle vintages have shown deterioration while new vehicle vintages have generally performed in line with pre-pandemic levels

Vintage Delinquency of **New** Auto Loans and Leases



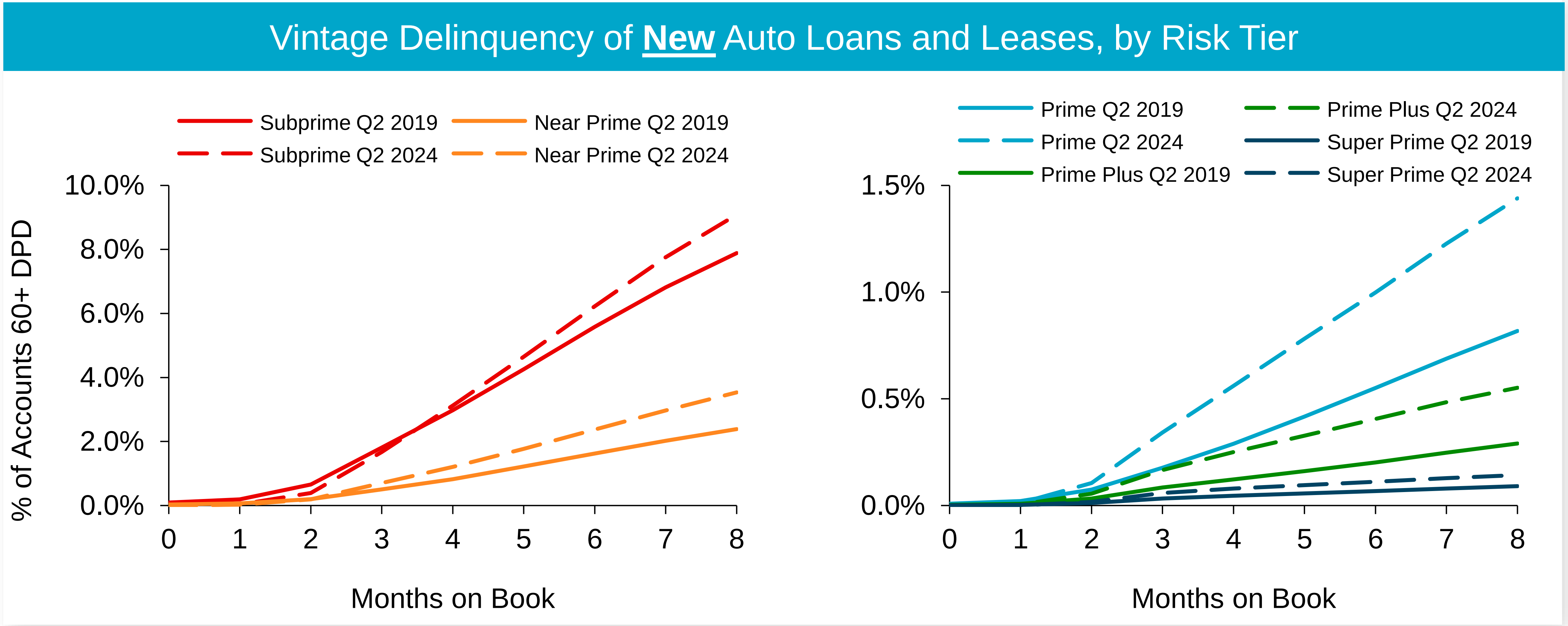
Vintage Delinquency of **Used** Auto Loans and Leases



S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

New vehicle vintages broken out by risk tier elevated delinquency levels across all risk tiers



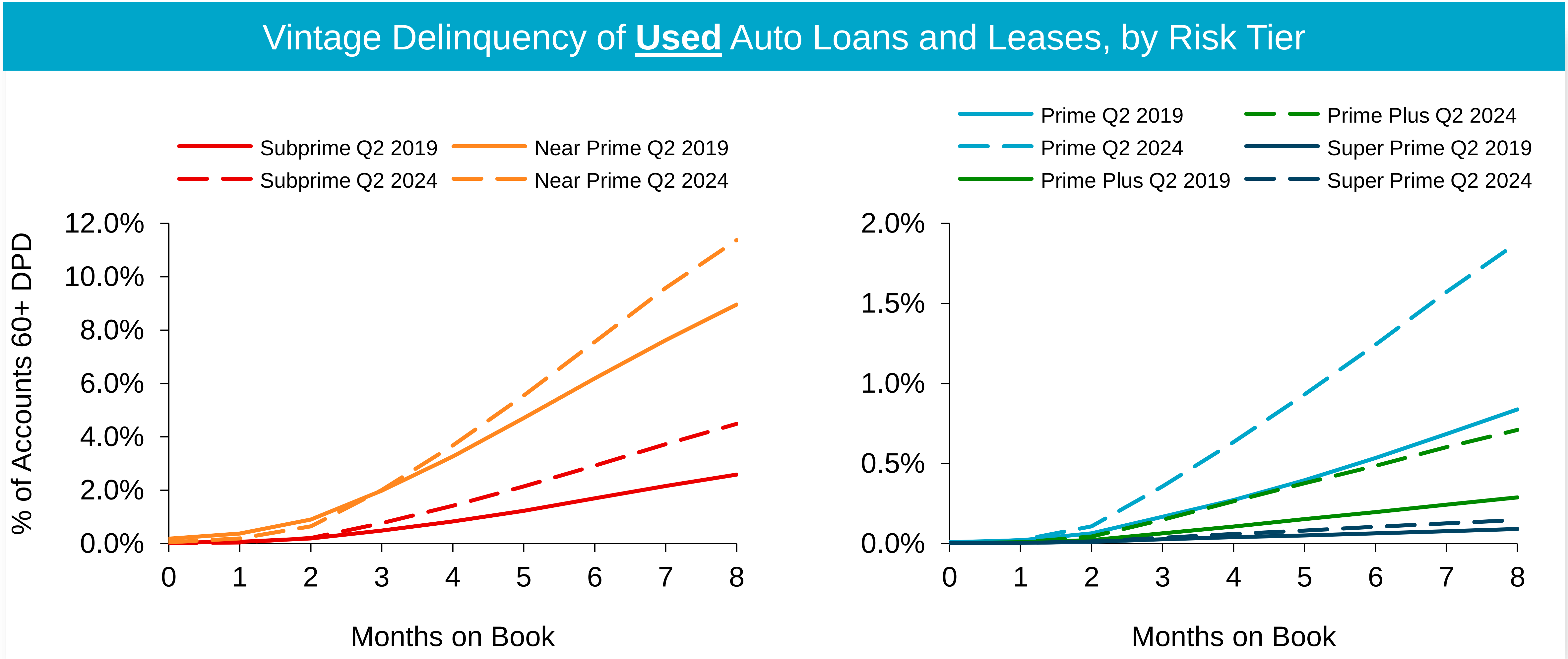
VantageScore® 4.0 risk ranges

Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

S&P Global Mobility

For used vehicle vintages, deterioration by risk tier rank orders



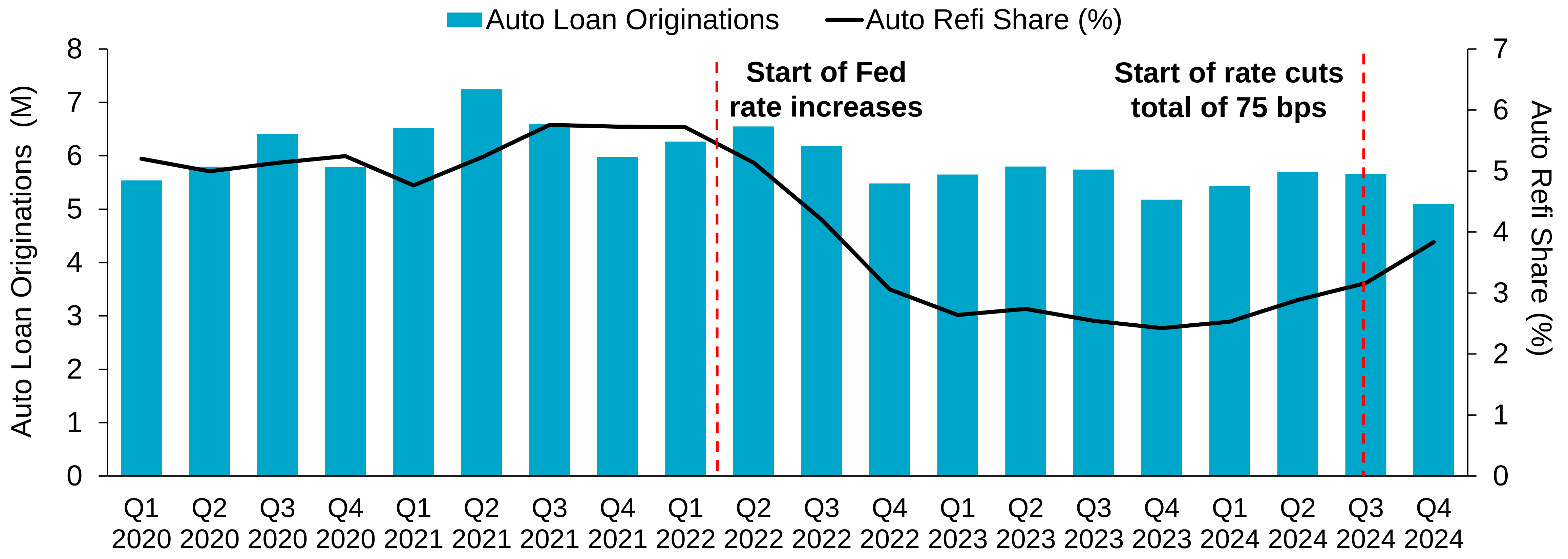
Quarterly Spotlight:

Driving Affordability: The Opportunity of Auto Refinance in Today’s Market

- New research finds that peaking interest rates and continued affordability concerns enable a sizable auto refinance market with considerable growth potential

As rate increases began in March of 2022, refinance share of all auto loans consistently declined until Q1 2024

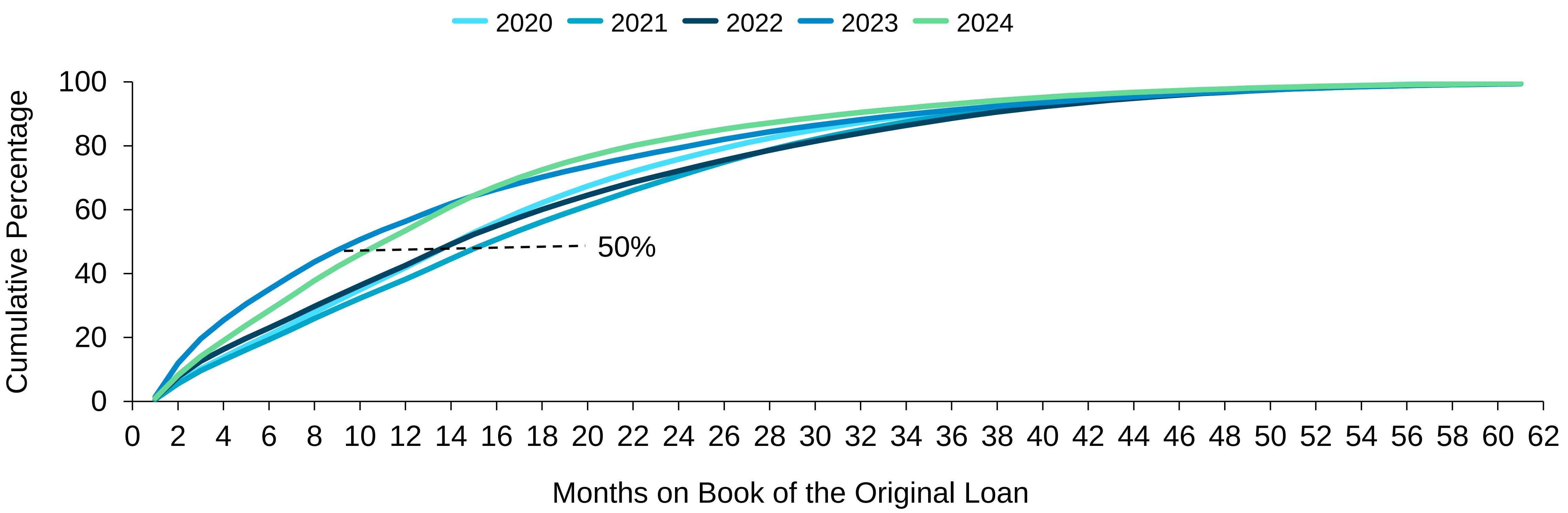
Auto Originations and Refi Share %



Source: TransUnion US consumer credit database

Historically, half of refinance activity occurs within the first ~16 months; consumers are now refinancing earlier

Timing of Auto Loan Refinancing (activity to date)



Source: TransUnion US consumer credit database

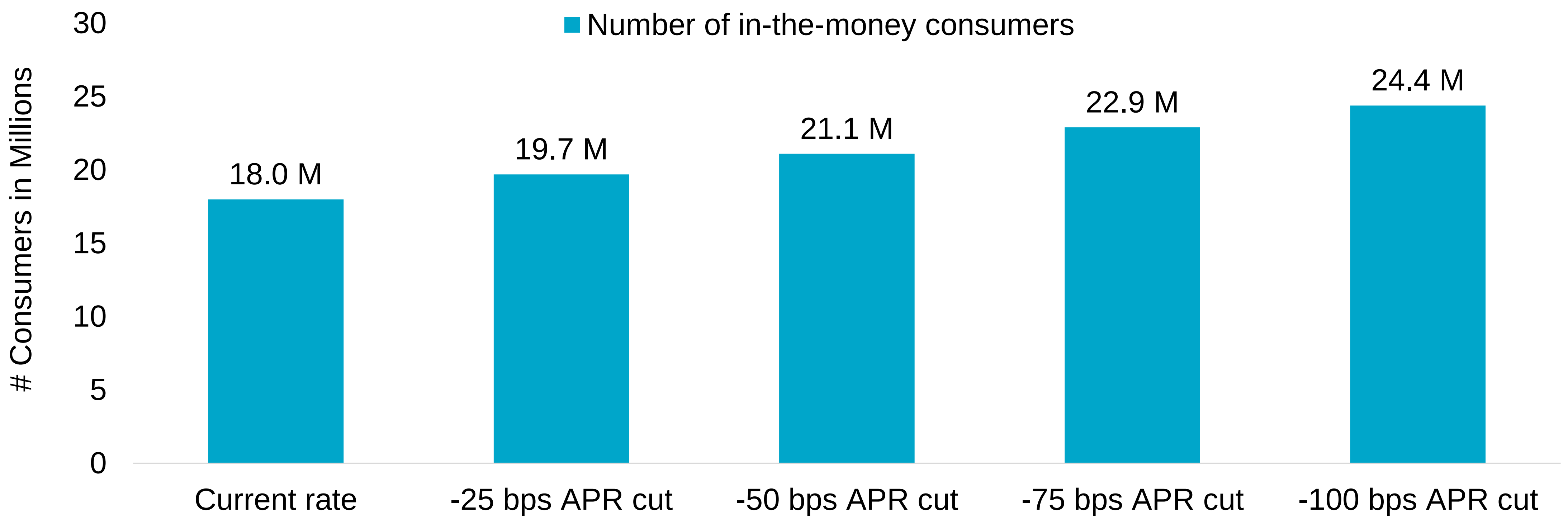
To estimate the market opportunity, we define a consumer as ‘in-the-money' for a refinance under the following conditions:

“In-the-money” condition	As defined by…
Rate reduction opportunity exists	Estimated APR was 1% above the prevailing auto loan refinance APR* for borrower’s credit score range
Current on auto loan payments	Not delinquent on auto loan (30+ DPD)
Enough balance worth refinancing	Minimum $5,000 remaining balance
Terms on existing auto loans	> = 24 months remaining
Current LTV on existing auto loans	Lender dependent

*Refinance APRs obtained from publicly available as of February 2025

A 100-bps rate cut would result in an additional 6.4 million consumers being ‘in-the-money’

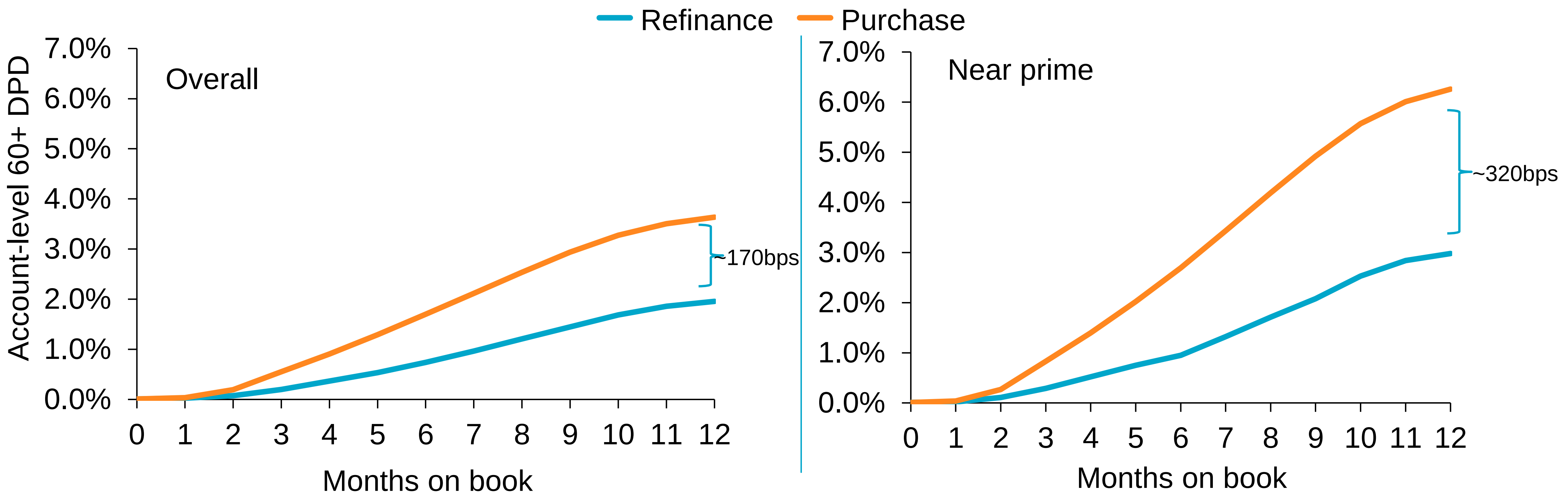
“In-the-Money” Consumers Under Different APR Reduction Scenarios



Source: TransUnion US consumer credit database

At each risk tier, refinance loans consistently outperform original purchase loans

Q4 2023 Vintage Performance of Refinance vs. Purchase Loans



Source: TransUnion US consumer credit database

Please find the full study by clicking on to the following link:

https://www.transunion.com/content/dam/transunion/global/business/documents/fs2025/fs-summit/driving-affordability-the-opportunity-of-auto-refinance-in-todays-market.pdf

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