

# State of the Automotive Finance Market Third Quarter 2010

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# Data Overview

- Third quarter 2010 Automotive Finance Market Overview
  - ▶ All open automotive loans by risk tier
  - ▶ Automotive loan delinquencies
  - ▶ Source: Experian-Oliver Wyman Market Intelligence Reports
  - ▶ Visit [www.marketintelligencereports.com](http://www.marketintelligencereports.com)
- Automotive Financing in third quarter 2010
  - ▶ New versus Used vehicles
  - ▶ Top Lender report
  - ▶ Loan characteristics, now including Loan-to-Value
  - ▶ Source: Experian Automotive National Vehicle Database sourced from DMV title registrations and NADA Used Car Guides. Visit: [www.autocount.com](http://www.autocount.com)

Risk Tiers		
Category	Scorex PLUS <sup>SM</sup>	VantageScore
Super Prime	740+	801 – 990
Prime	680 – 739	701 – 800
Nonprime	620 – 679	641 – 700
Subprime	550 – 619	601 – 640
Deep Subprime	<550	501 - 600



# Session overview



Automotive market overview with a look at consumer delinquency



How new and used financing is changing



Questions and answers

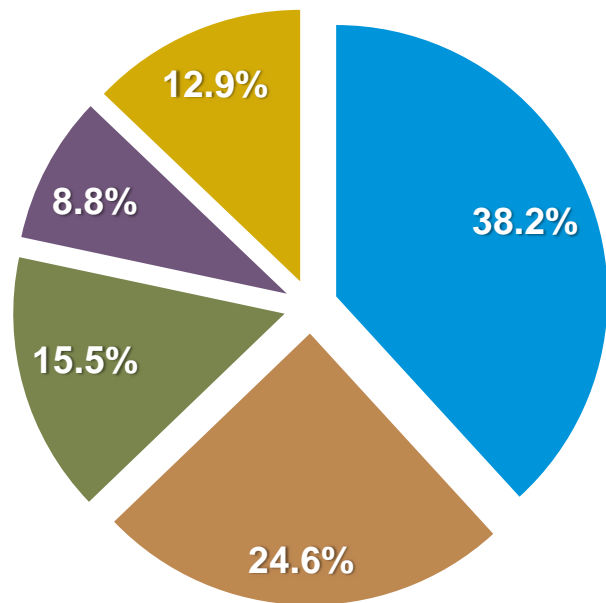


## Automotive market overview with a look at consumer delinquency

# Automotive Finance Market

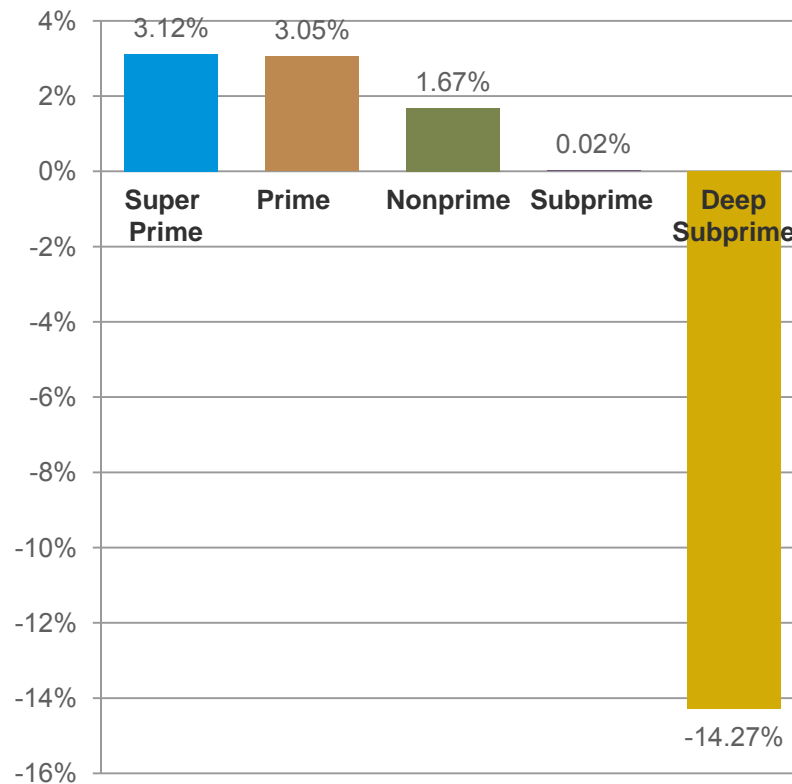
## How has the market been changing?

### Risk Distribution of Open Automotive Loans



■ Super Prime ■ Prime ■ Nonprime ■ Subprime ■ Deep Subprime

### Change in Risk Distribution from Q3 2009

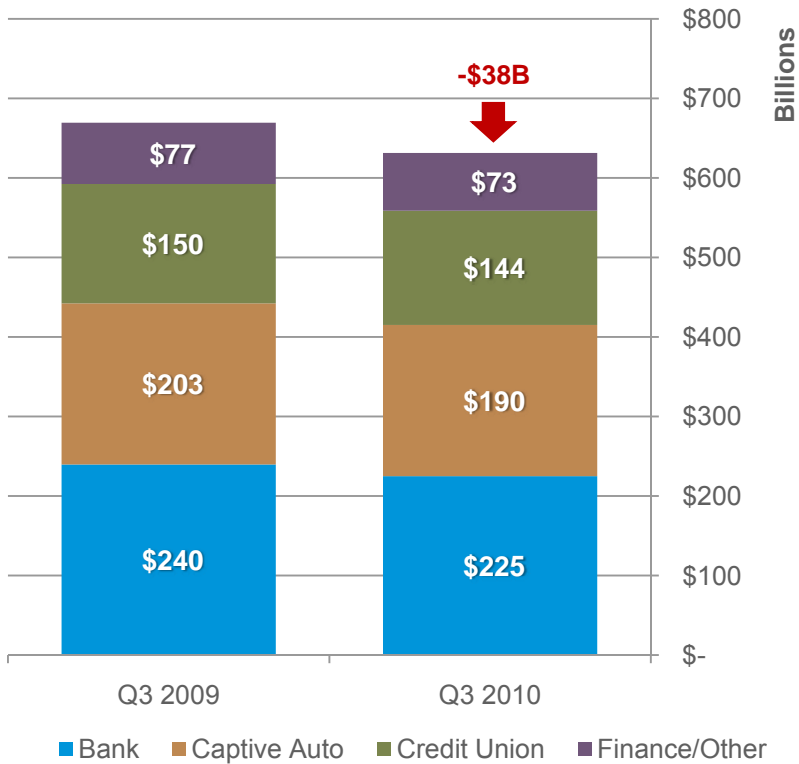


Source: Experian-Oliver Wyman Market Intelligence Reports

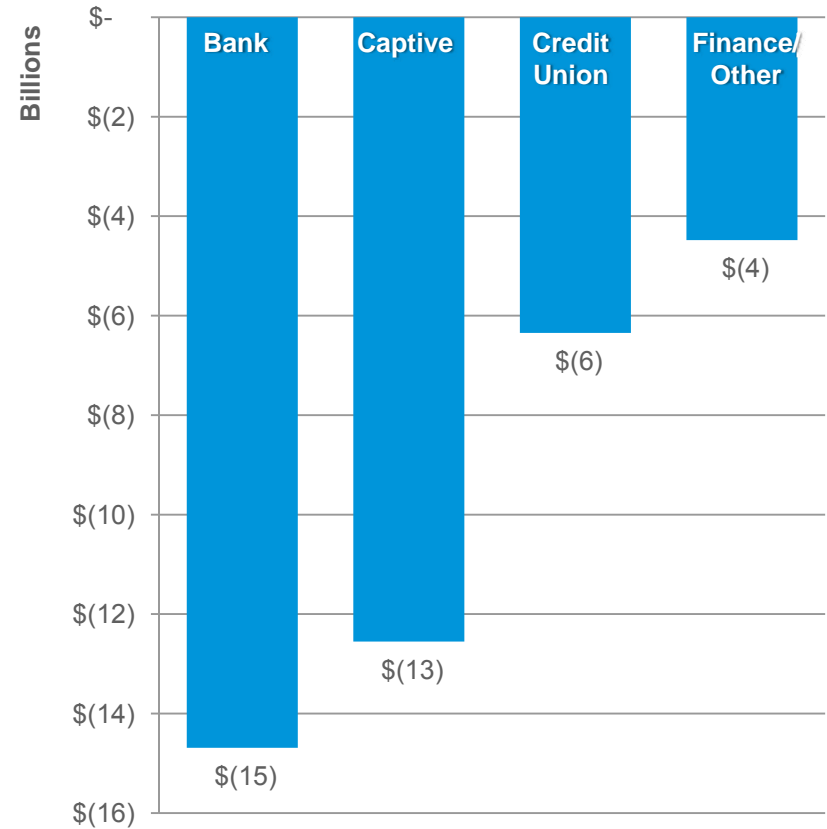
# Total Automotive Balance

## Who holds the open loans?

### Total Outstanding Automotive Balance



### Change in Balance from 3Q2009



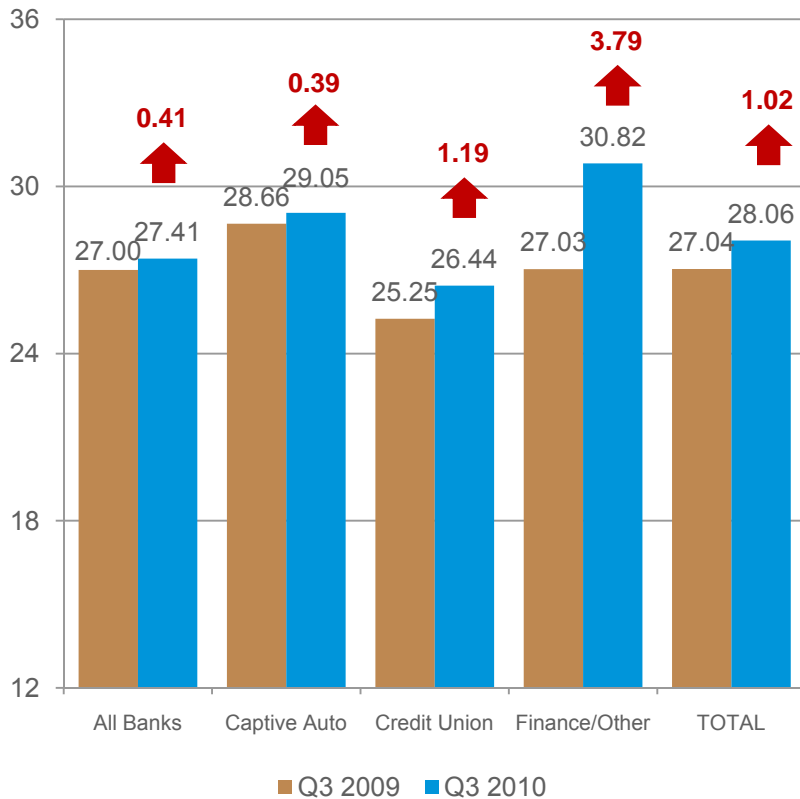
YOY Change

Source: Experian-Oliver Wyman Market Intelligence Reports

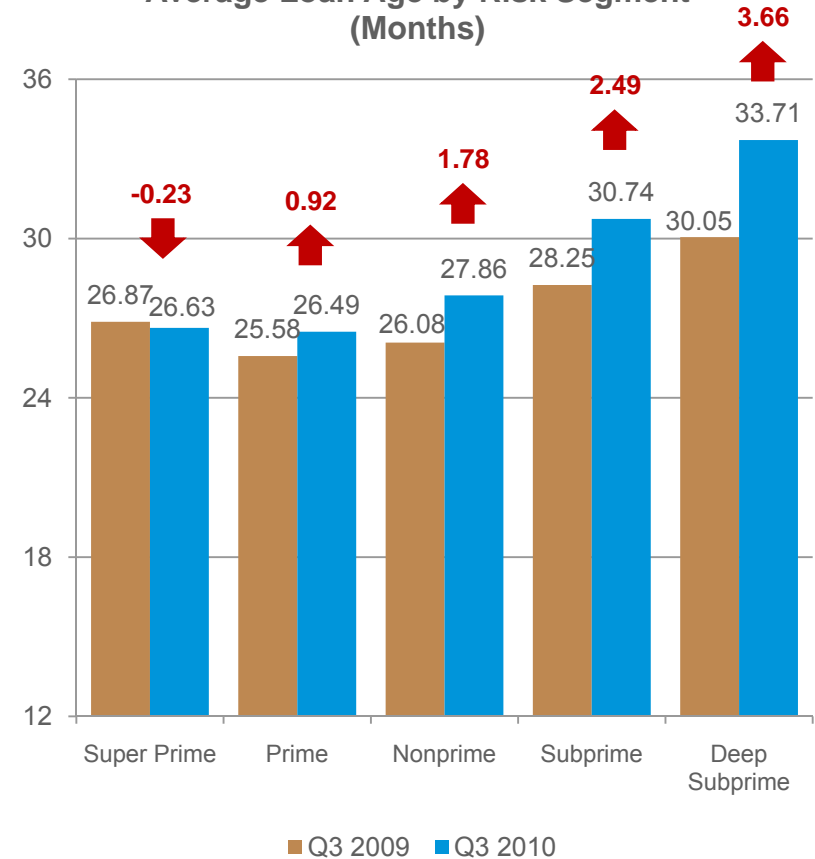
# Average Age of Automotive Loans

## Are consumers holding onto loans longer?

Average Loan Age by Lender Type (Months)



Average Loan Age by Risk Segment (Months)



YOY Change

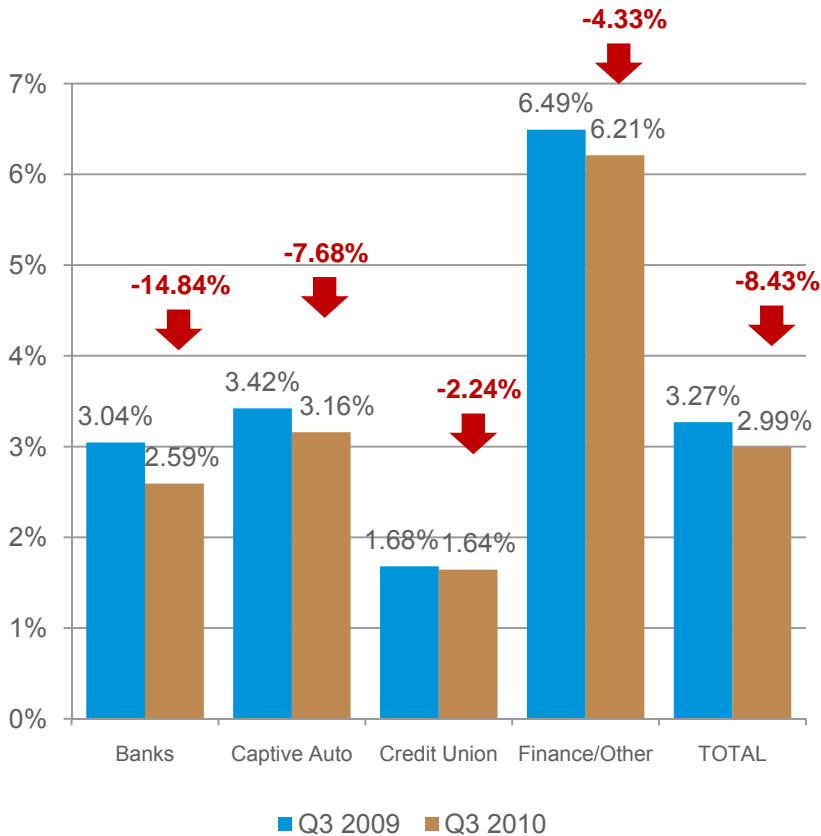
Source: Experian-Oliver Wyman Market Intelligence Reports



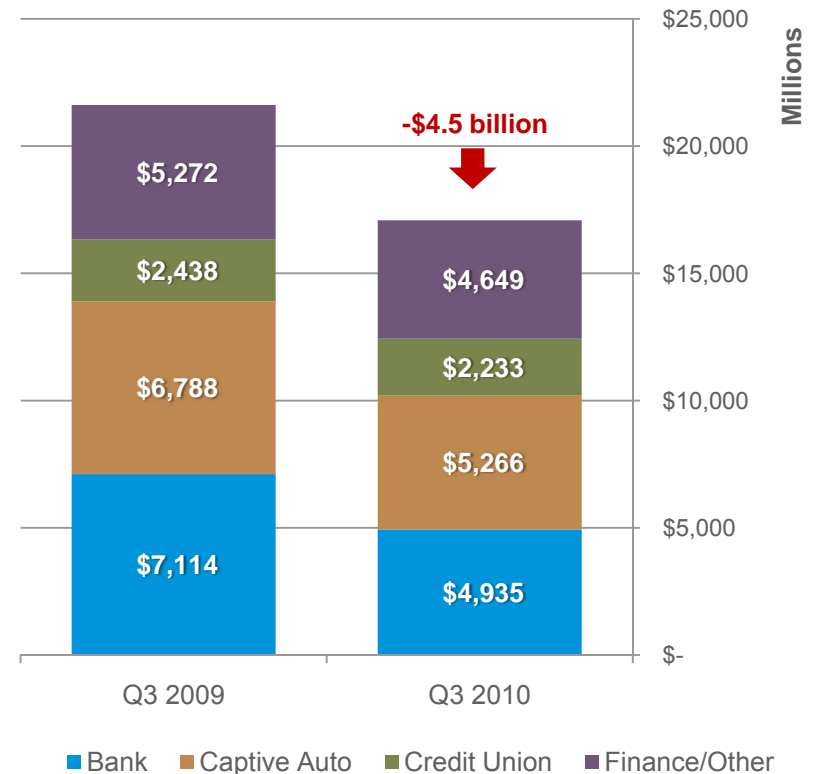
# Recent Automotive Delinquency: 30 Day Delinquency

## How are automotive loans performing?

### 30 Day Delinquency



### Total Balance of 30 Day Delinquent Loans



YOY Change

Source: Experian-Oliver Wyman Market Intelligence Reports

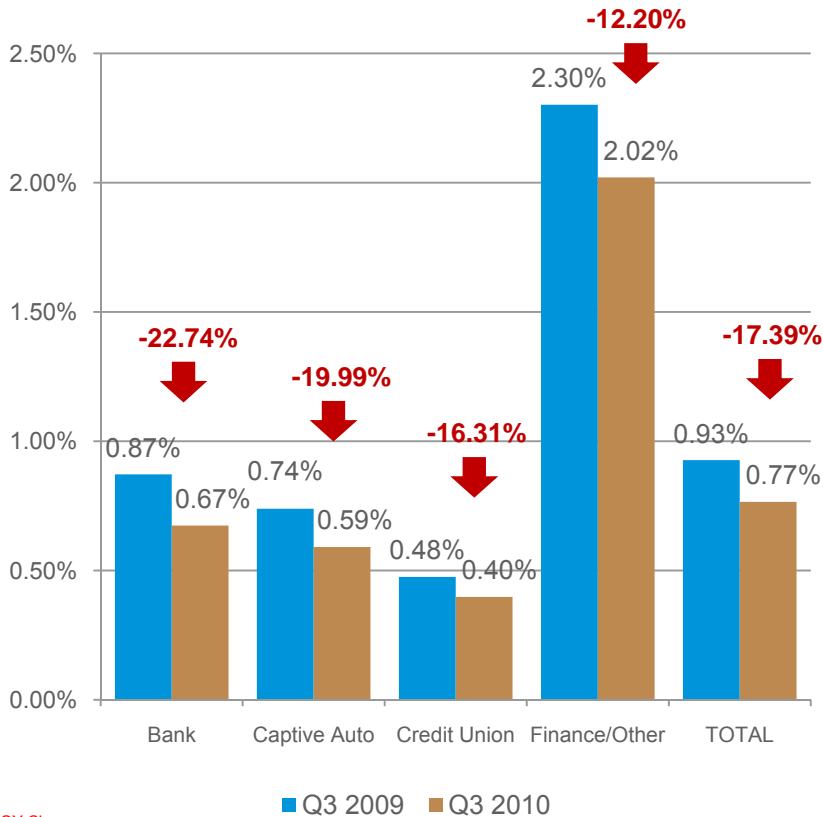




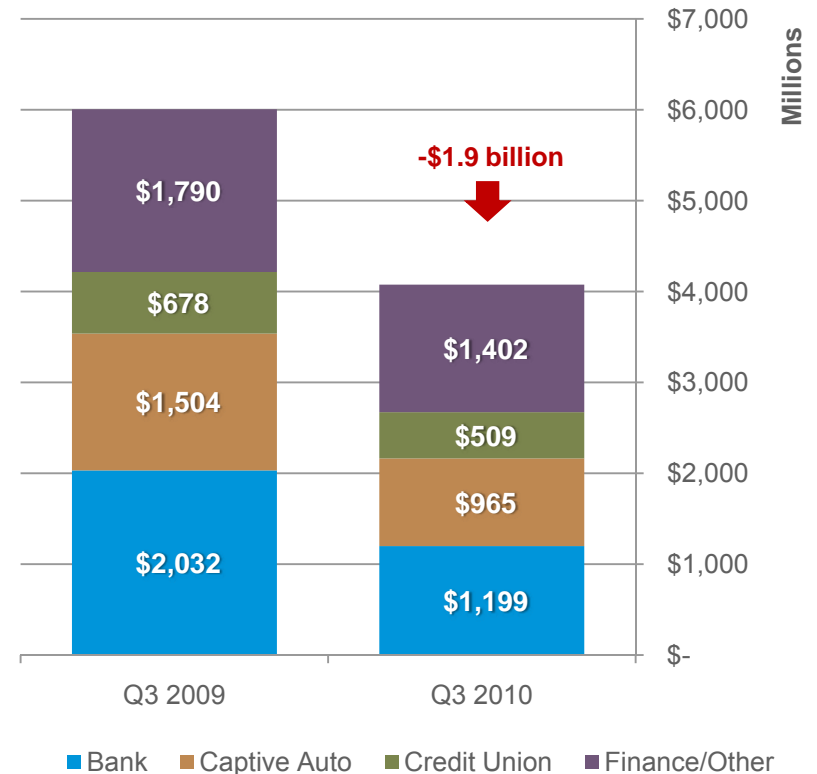
# Recent Automotive Delinquency: 60 Day Delinquency

## How are automotive loans performing?

### 60 Day Delinquency



### Total Balance of 60 Day Delinquent Loans



YOY Change

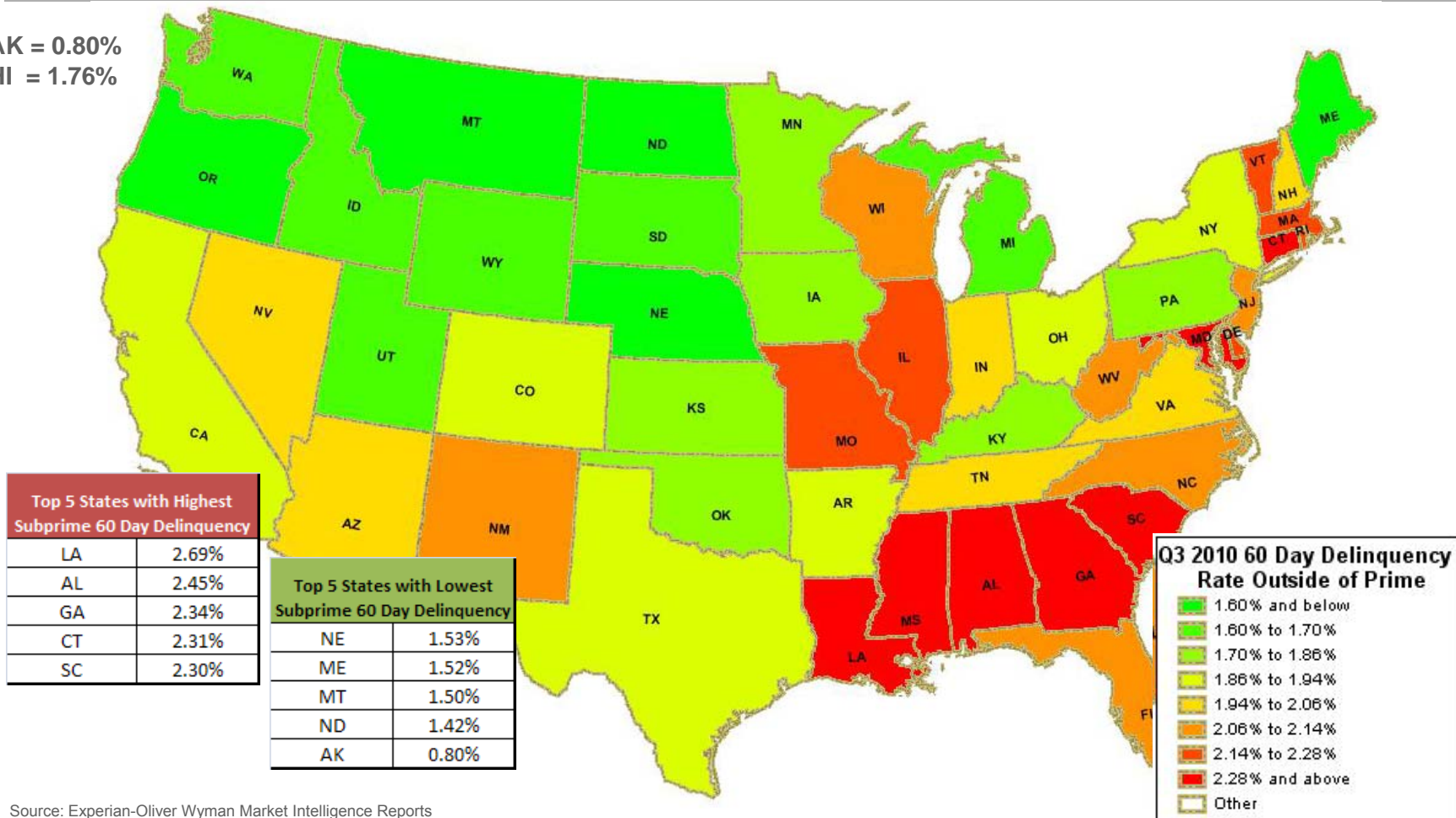
Source: Experian-Oliver Wyman Market Intelligence Reports



# Outside of Prime: 60 Day Delinquency Rate

## Which states lead in 60 day delinquency?

AK = 0.80%  
HI = 1.76%

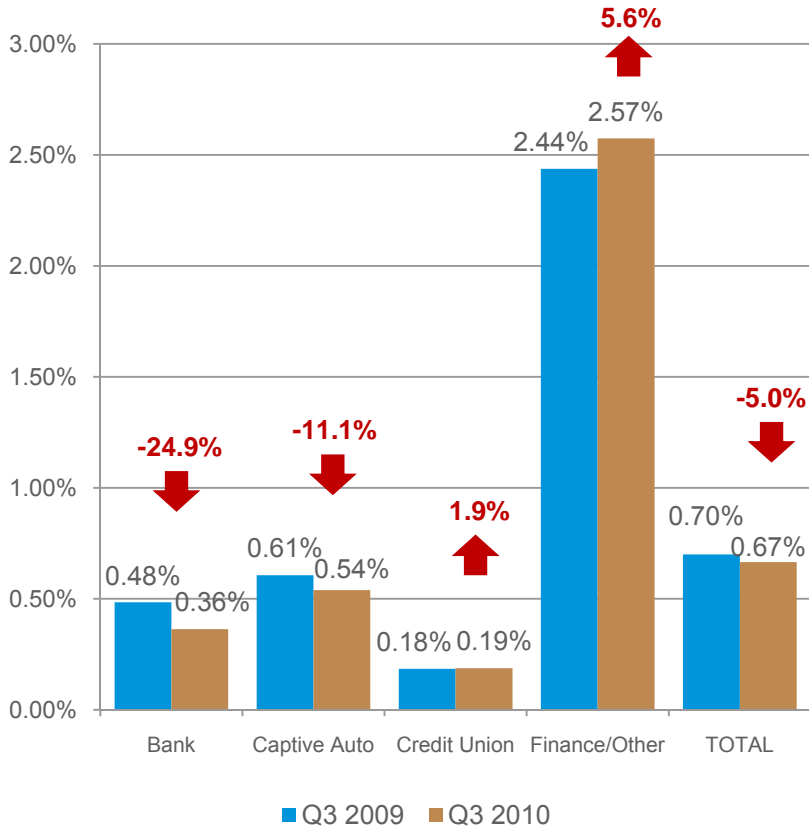


Source: Experian-Oliver Wyman Market Intelligence Reports

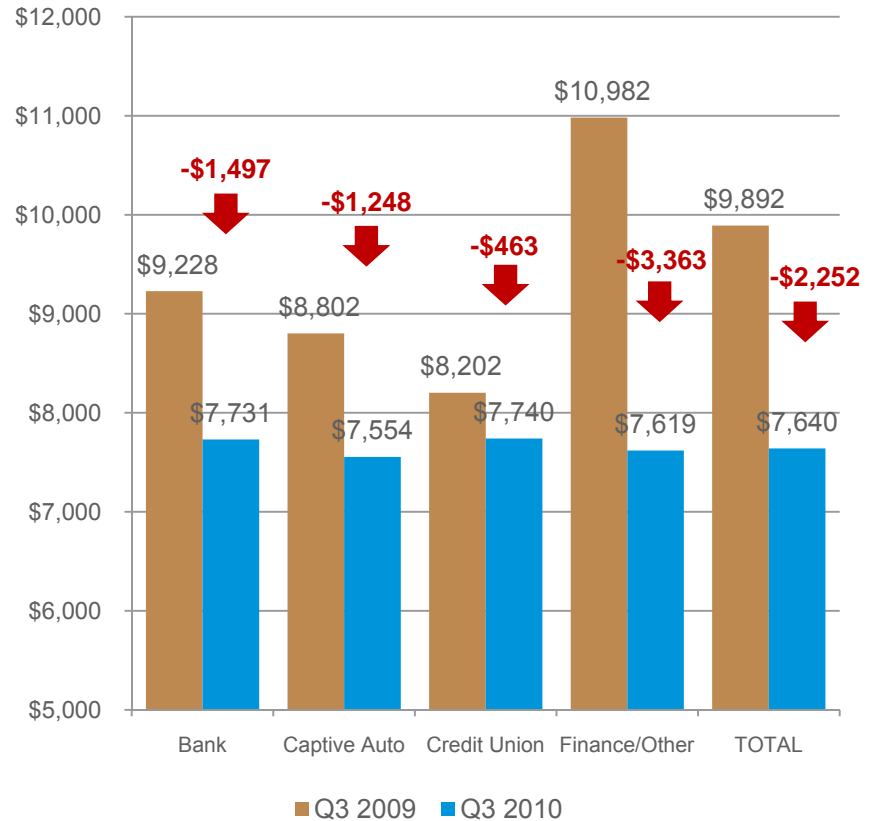
# Recent Automotive Repossessions

## How have repossessions changed?

### Repossession Rates



### Average Charge-Off Amount



YOY Change  
Source: Experian-Oliver Wyman Market Intelligence Reports



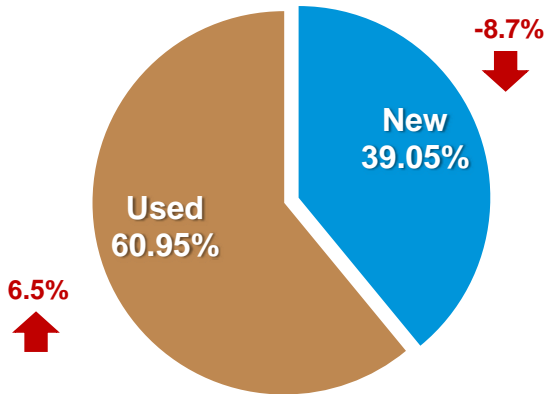
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## Automotive financing in the third quarter 2010

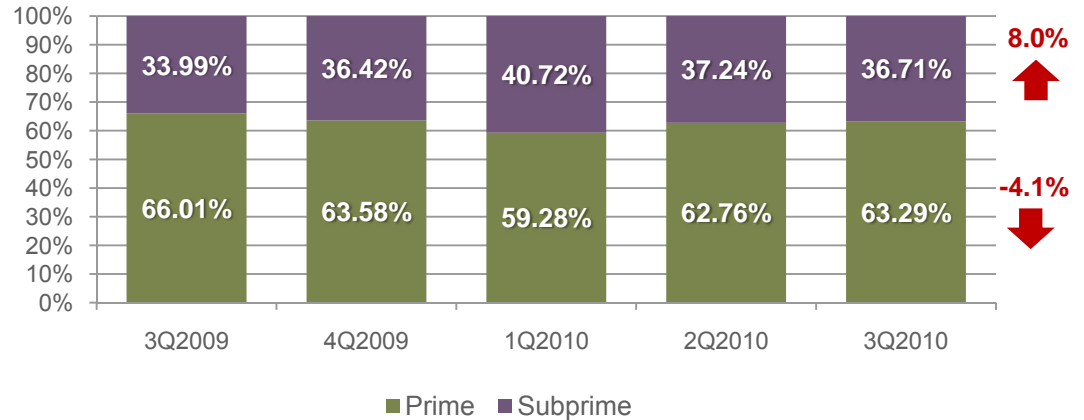
# Market Snapshot on Vehicle Financing

## How has financing on vehicles changed?

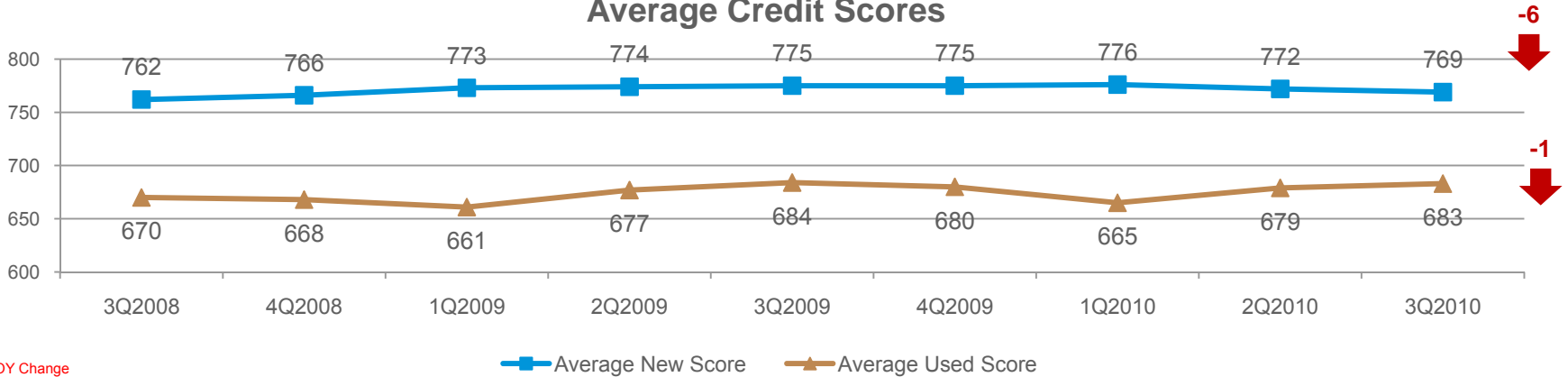
Financing by Vehicle Type



Financing by Risk Segment



Average Credit Scores



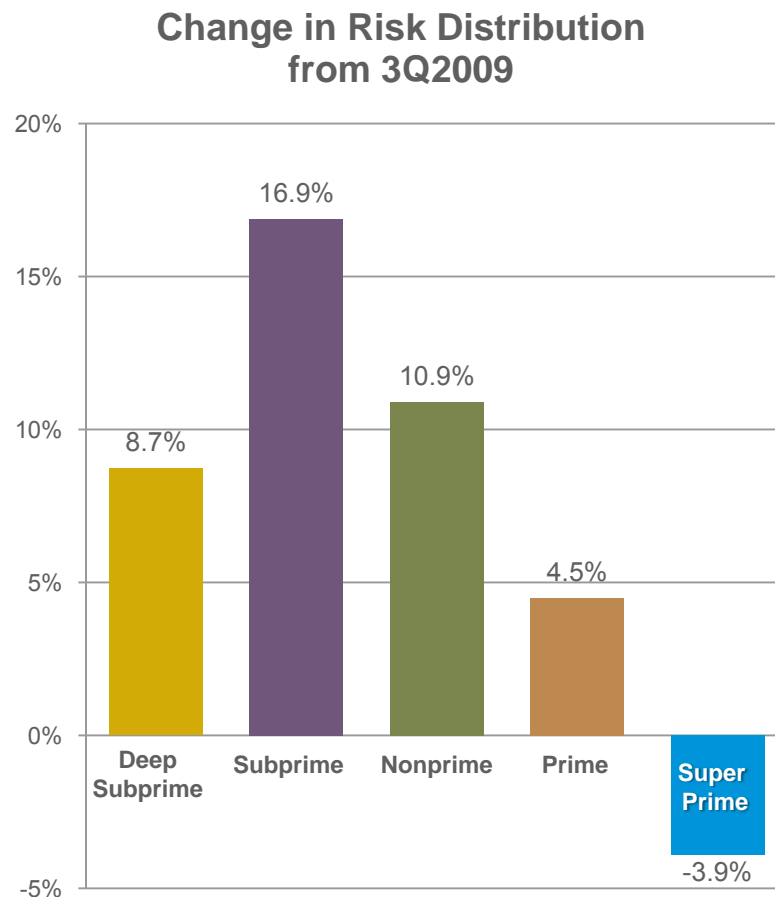
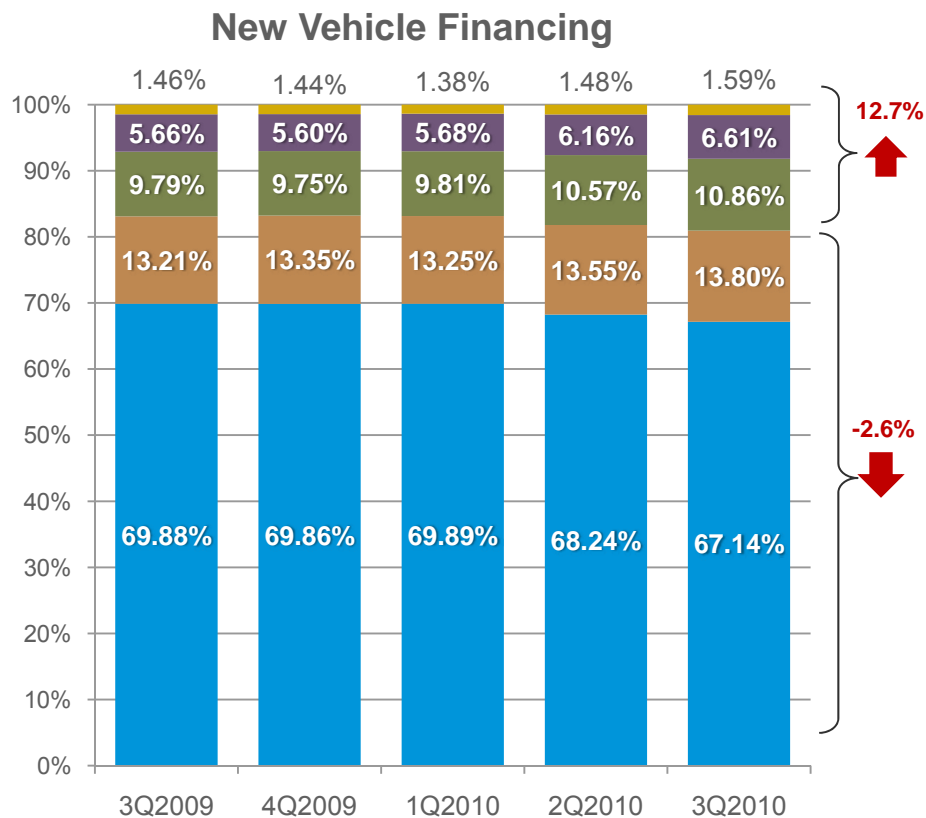
YOY Change

Source: Experian Automotive



# Quarterly Financing for New Vehicles

## How has credit changed for new financing?



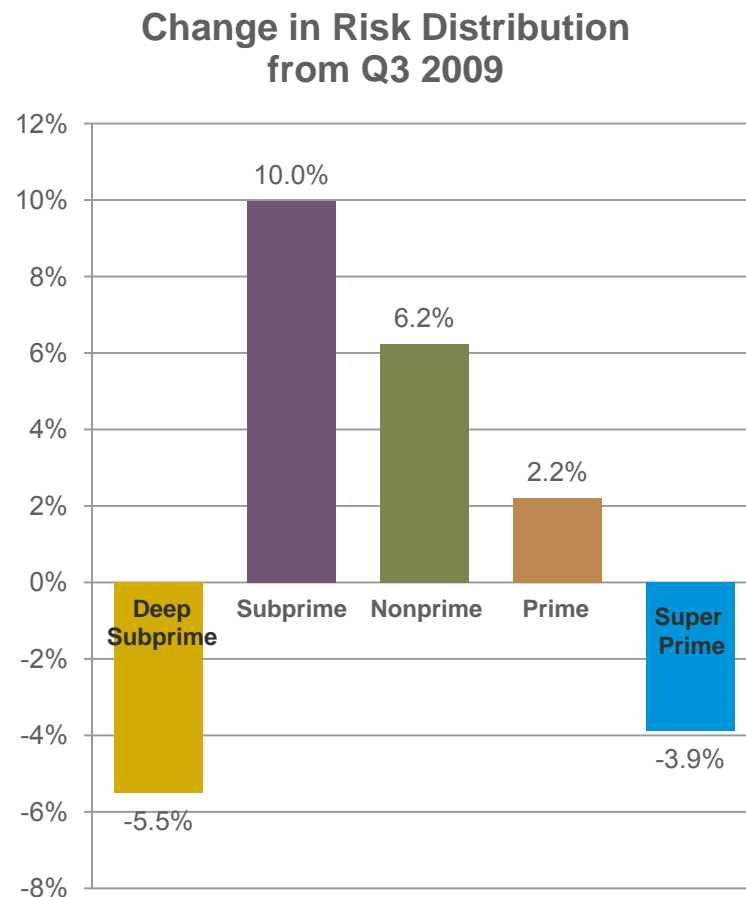
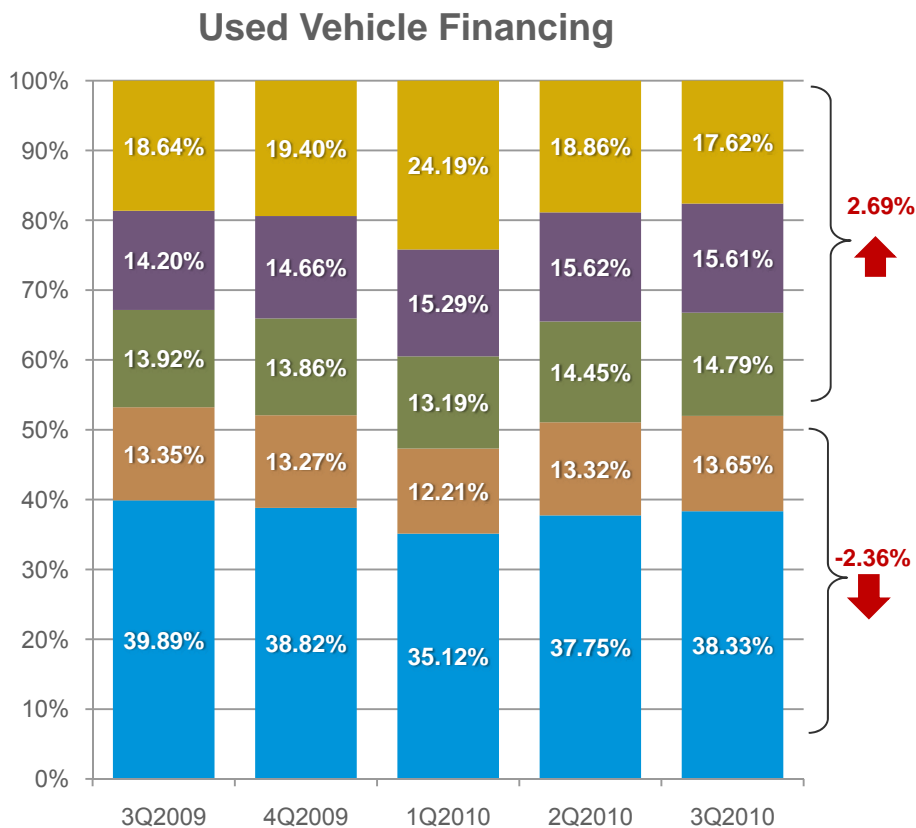
Legend: Super Prime (blue), Prime (orange), Nonprime (green), Subprime (purple), Deep Subprime (yellow)

Source: Experian Automotive



# Quarterly Financing for Used Vehicles

## How has credit changed for used financing?



Legend: Super Prime (blue), Prime (orange), Nonprime (green), Subprime (purple), Deep Subprime (yellow)

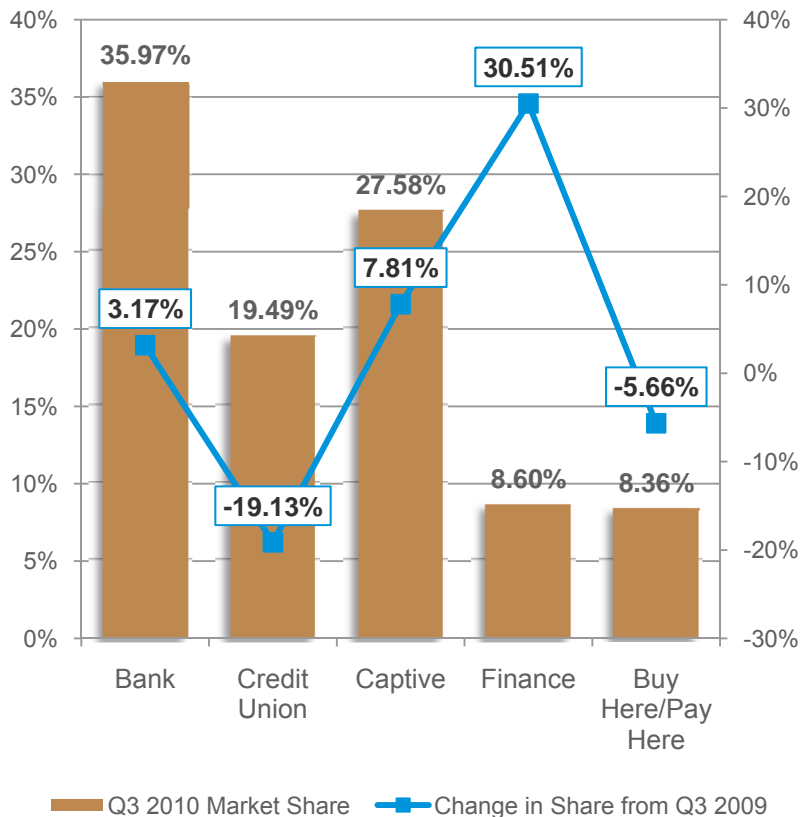
Source: Experian Automotive



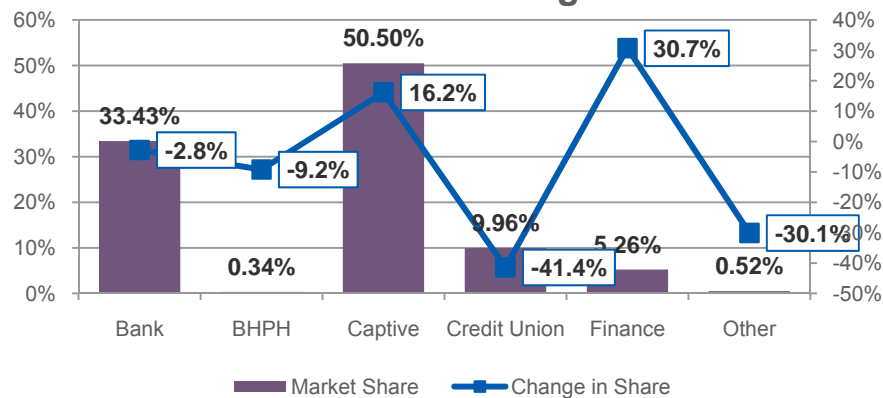
# Automotive Finance by Lender Type

## What lenders are gaining share?

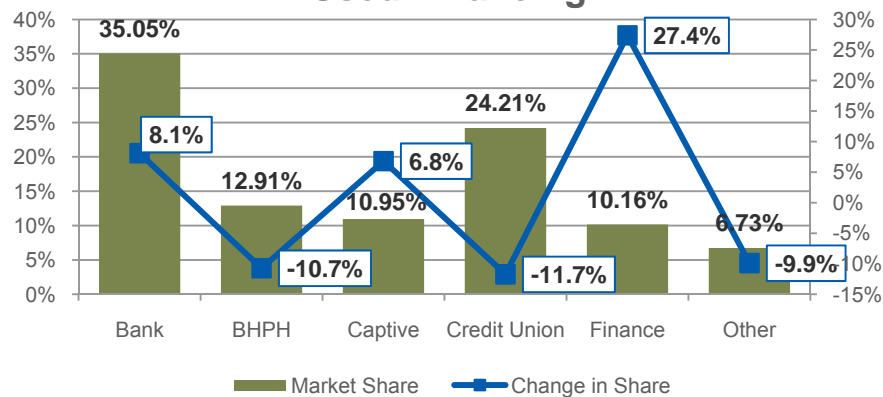
### Overall Market Share by Lender



### New Financing



### Used Financing



Source: Experian Automotive

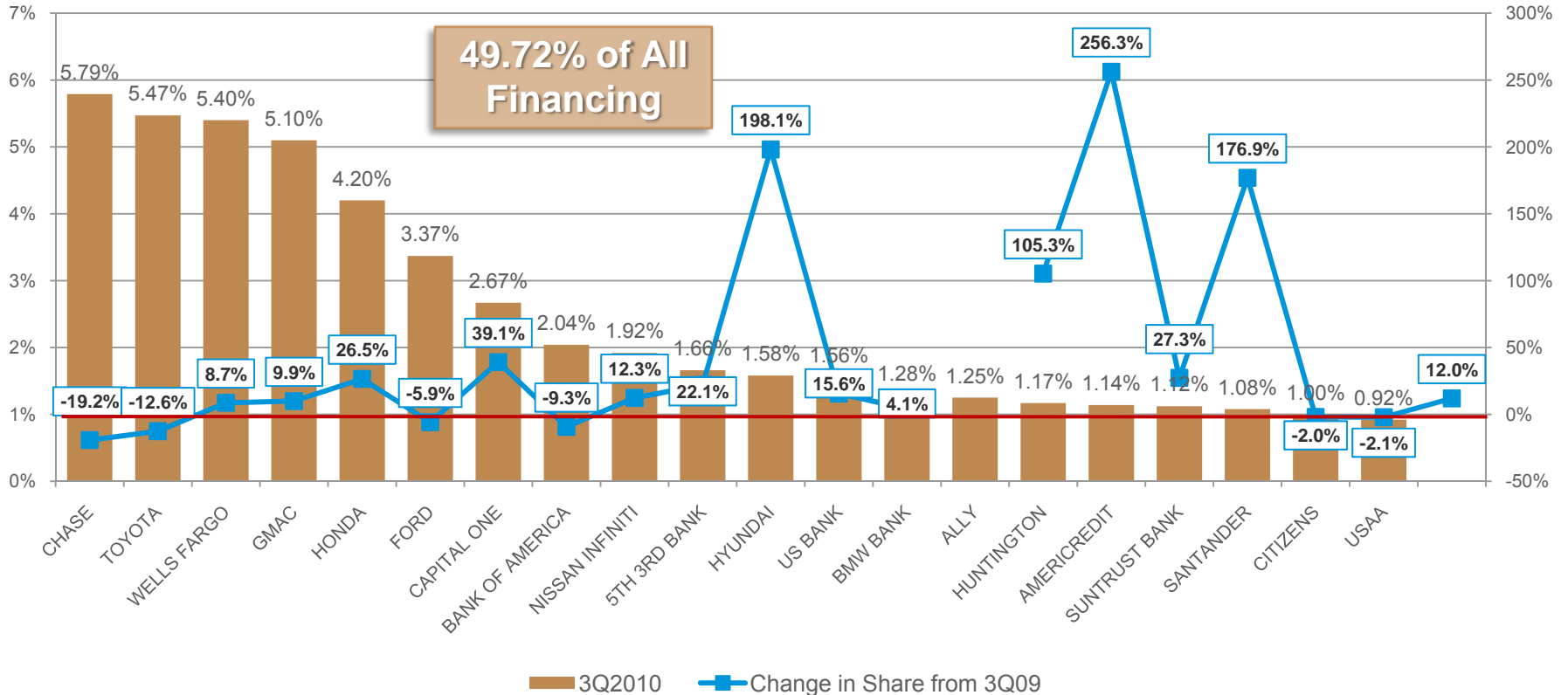




# Top 20 Lenders by Market Share

## Who gained or lost share?

### Top 20 Lenders: Total Loan



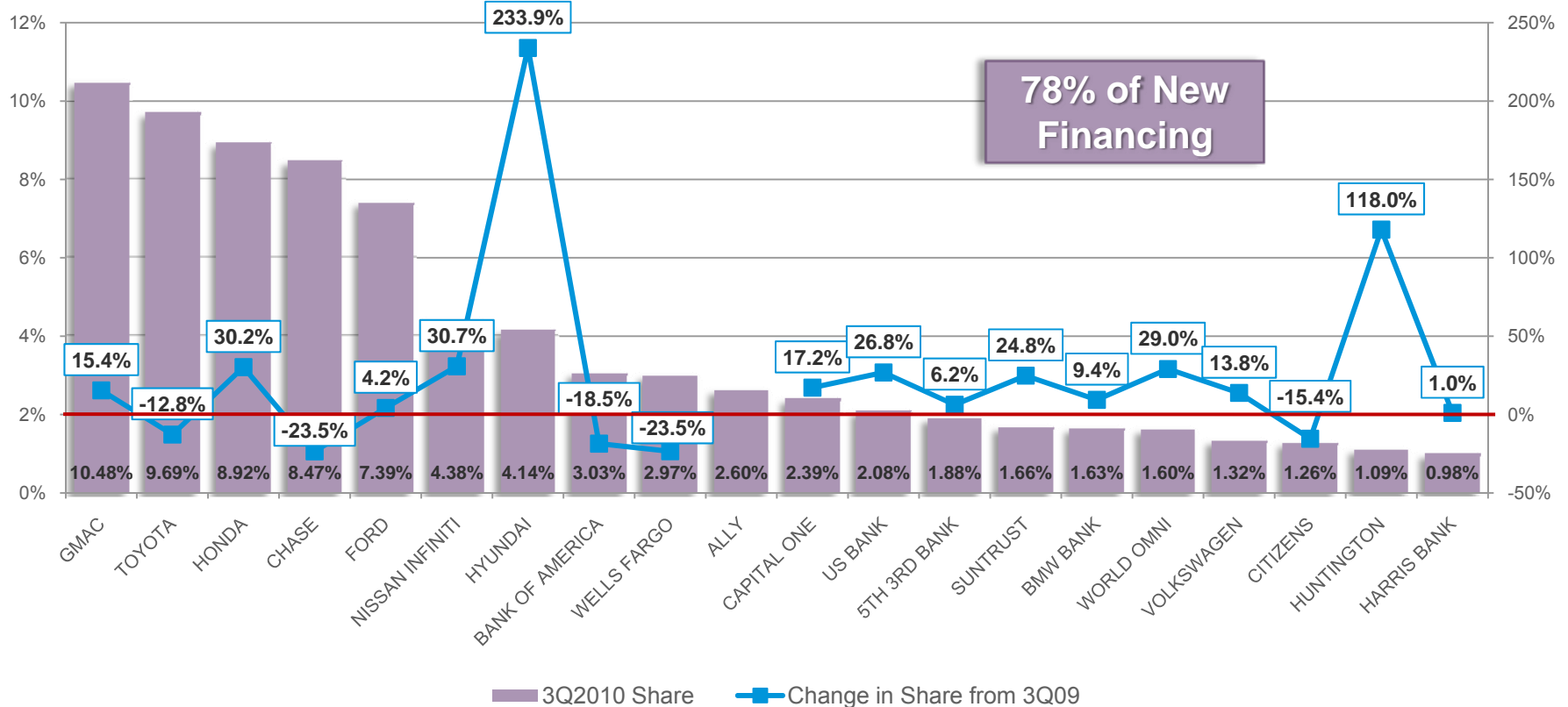
Source: Experian Automotive



# Top 20 New Lenders by Market Share

## Who gained or lost share on New Vehicle Financing?

### Top 20 New Lenders by Market Share



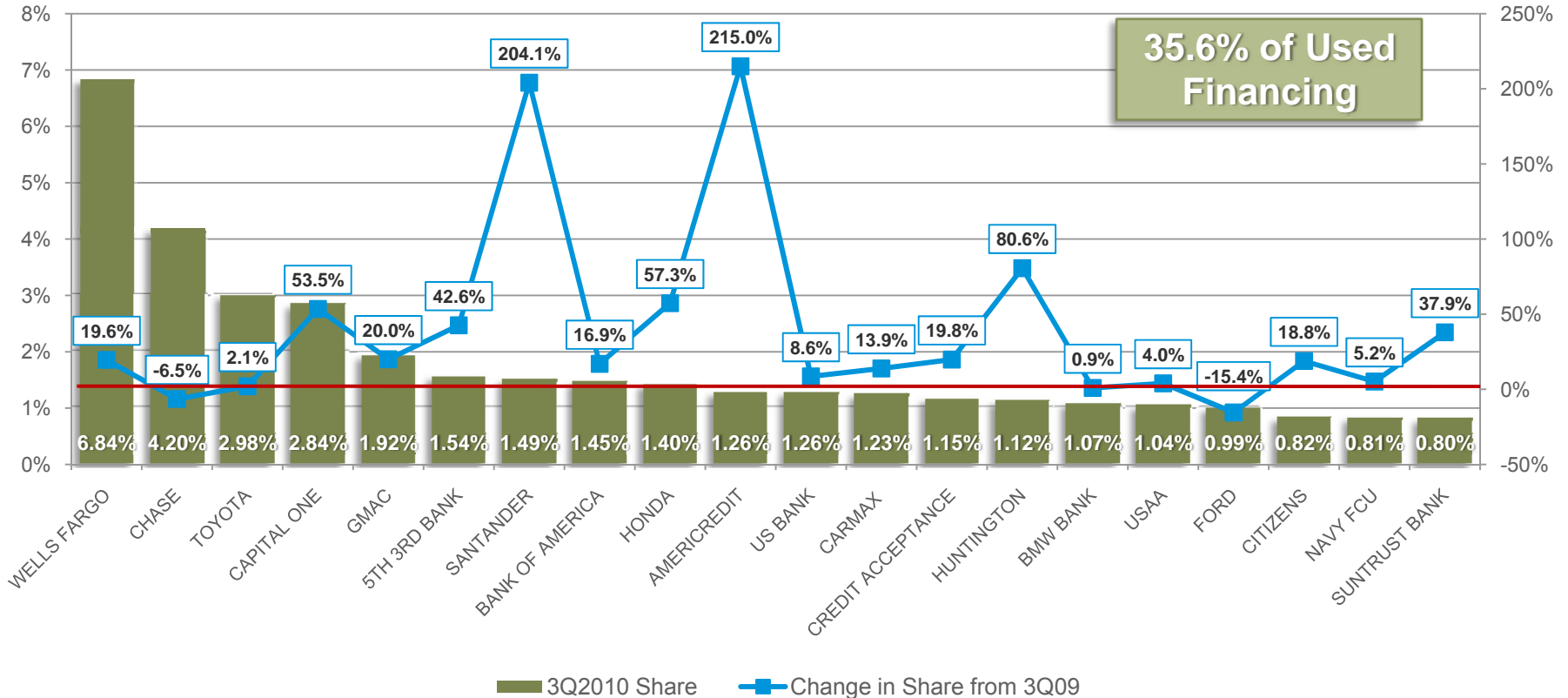
Source: Experian Automotive



# Top 20 Used Lenders by Market Share

## Who gained or lost share on Used Vehicle Financing?

Top 20 Used Auto Lenders by Market Share



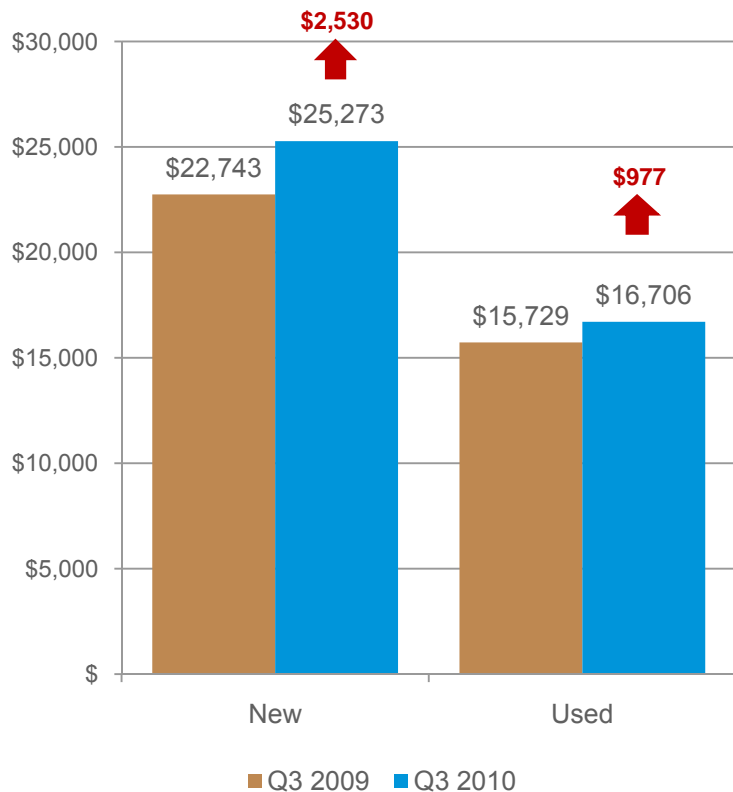
Source: Experian Automotive



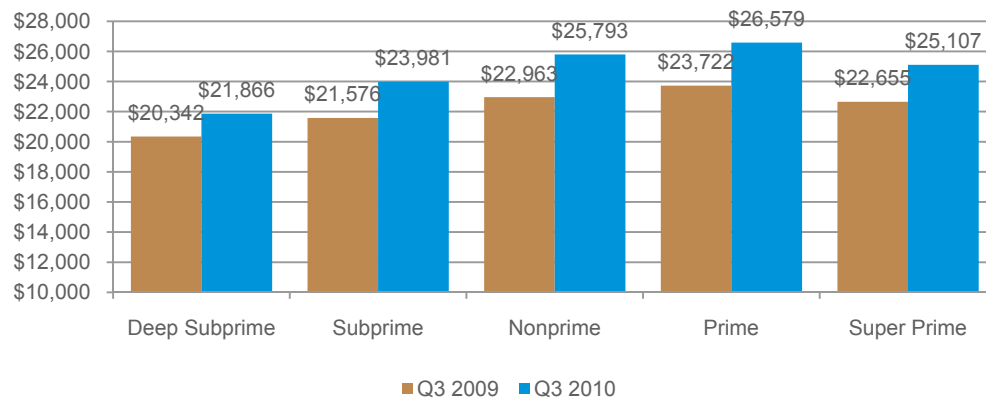
# Vehicle Financing

## How has financing changed?

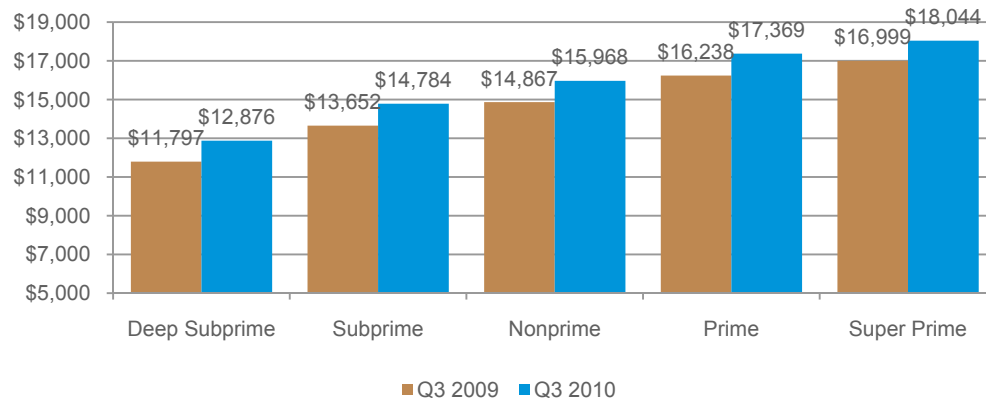
### Average Amount Financed



### Average Amount Financed: New Vehicles



### Average Amount Financed: Used Vehicles



YOY Change

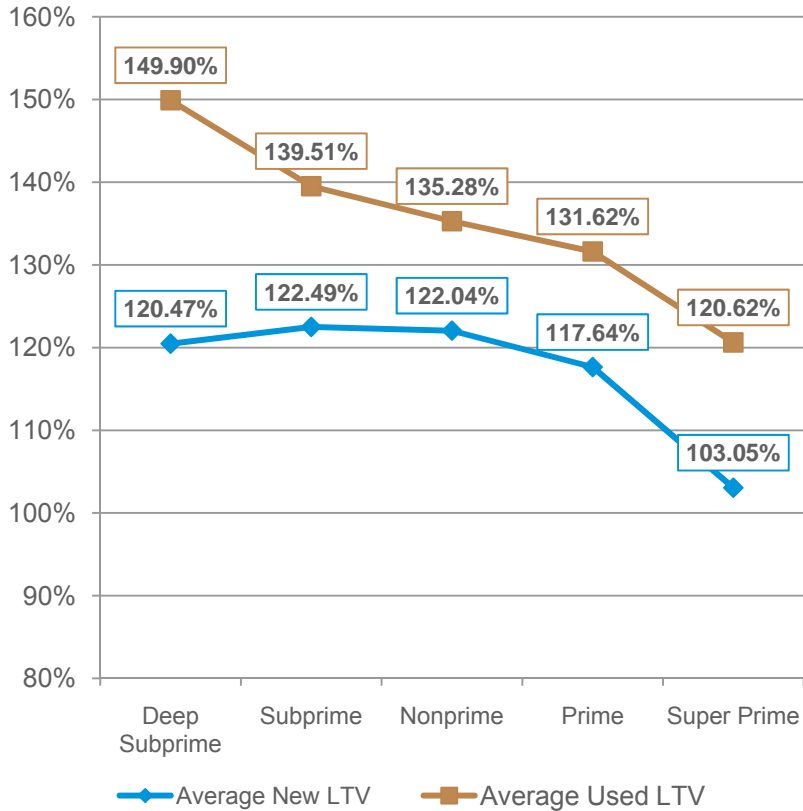
Source: Experian Automotive



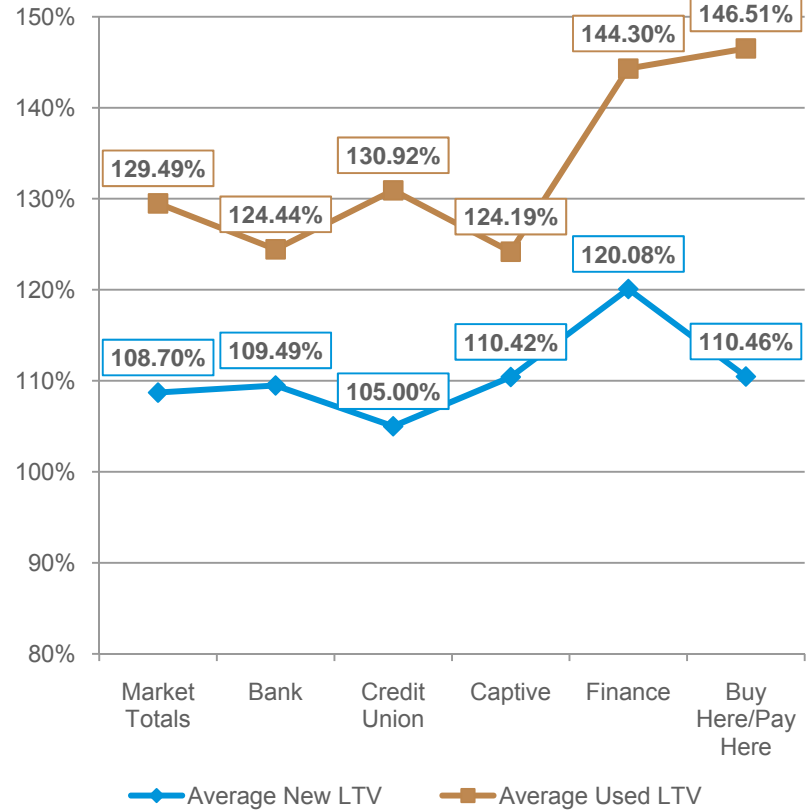
# Vehicle Values and Loan-to-Value

How do the lenders and risk segments compare?

### Average LTV by Risk Segment



### Average LTV by Lender Type



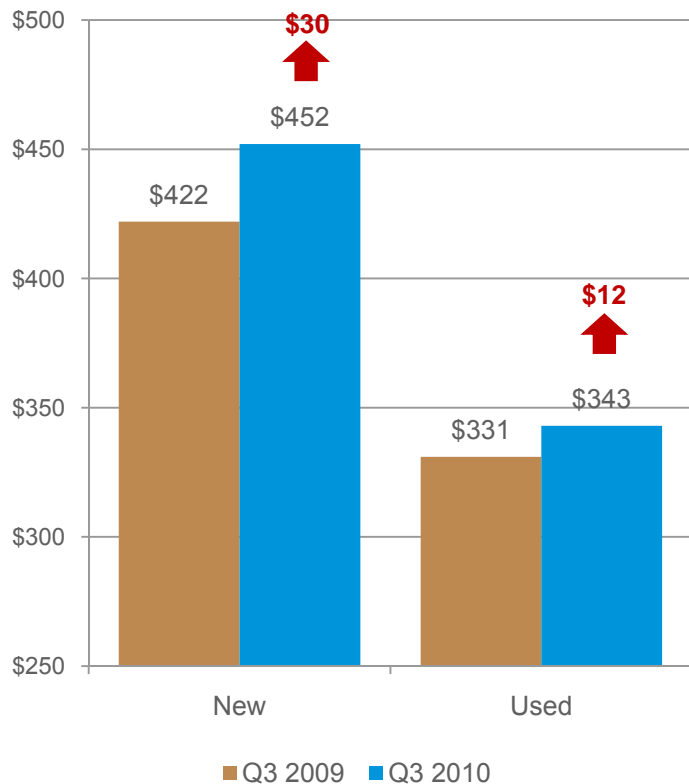
Source: Experian Automotive and NADA Used Car Guides



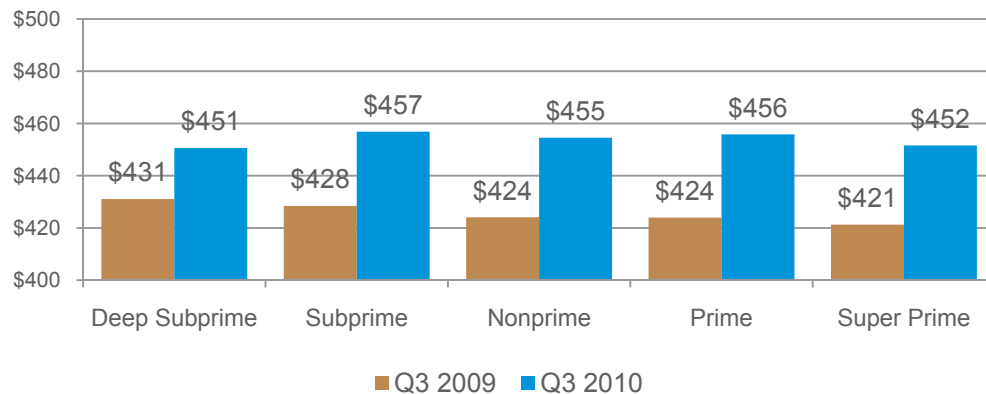
# Vehicle Payments

## How have monthly payments changed?

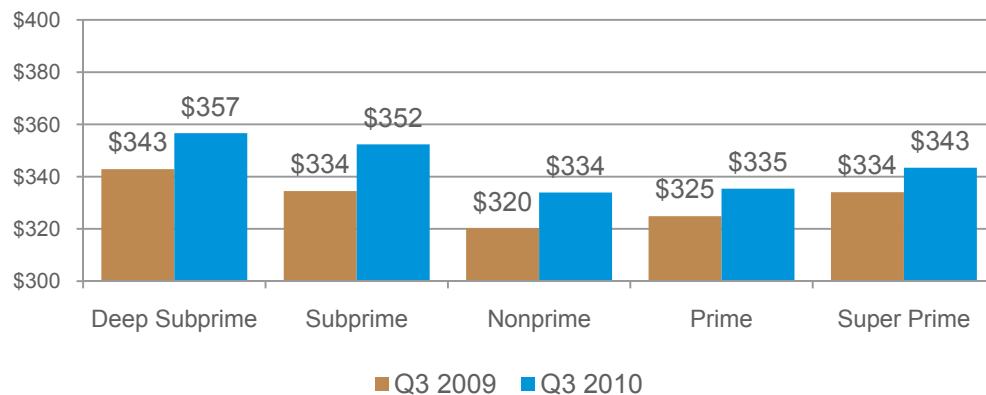
### Average Monthly Payment



### Average Monthly Payment: New Vehicles



### Average Monthly Payment Used Vehicles



YOY Change

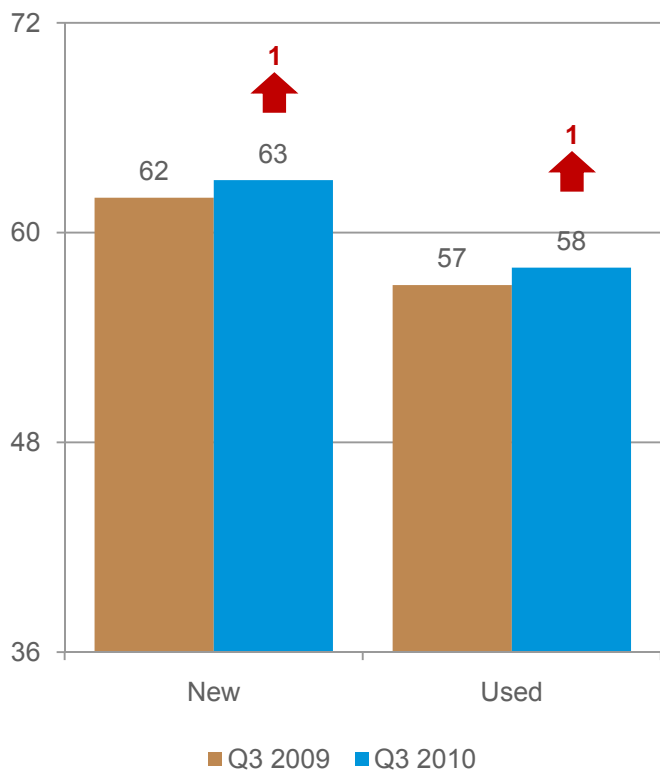
Source: Experian Automotive



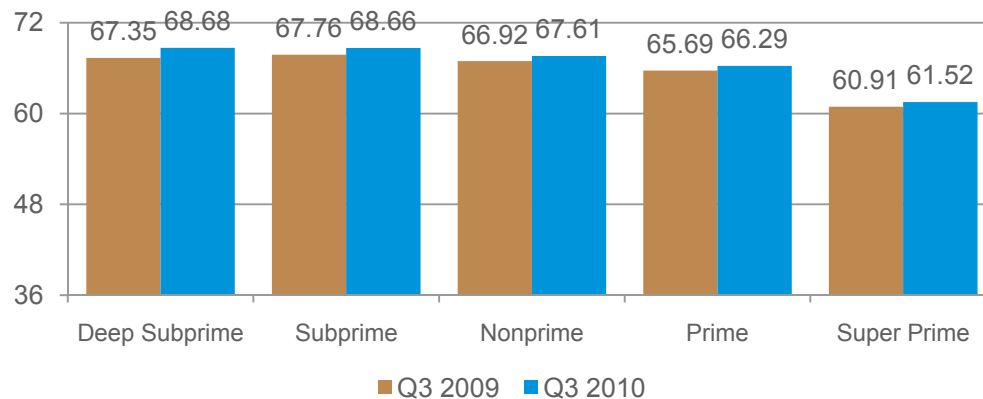
# Vehicle Loan Terms

## How have terms changed?

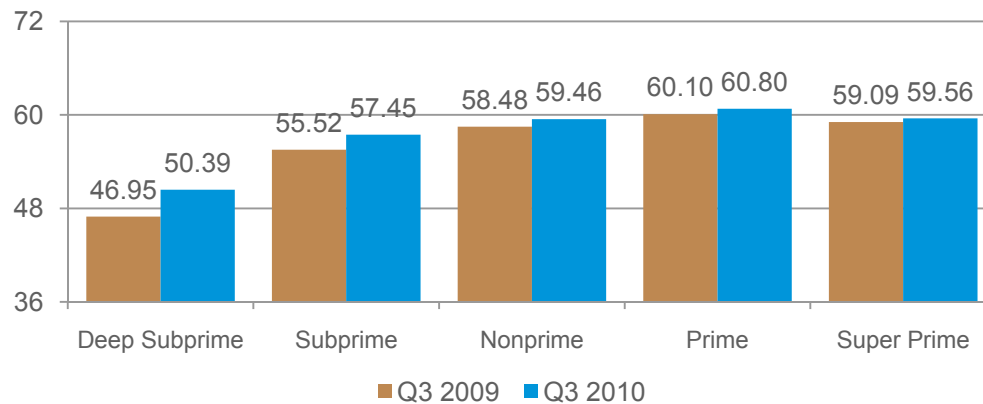
### Average Term



### Average Term: New Vehicles



### Average Term: Used Vehicles



YOY Change

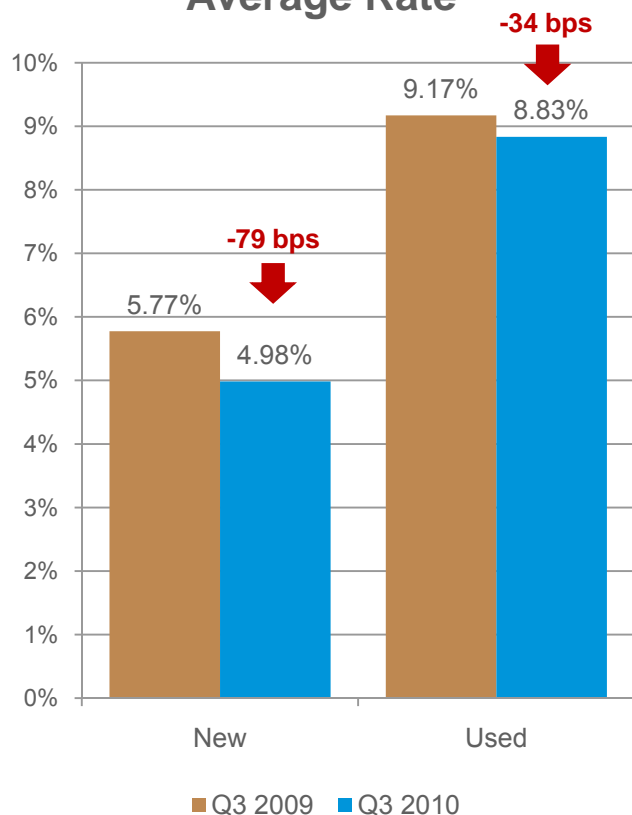
Source: Experian Automotive



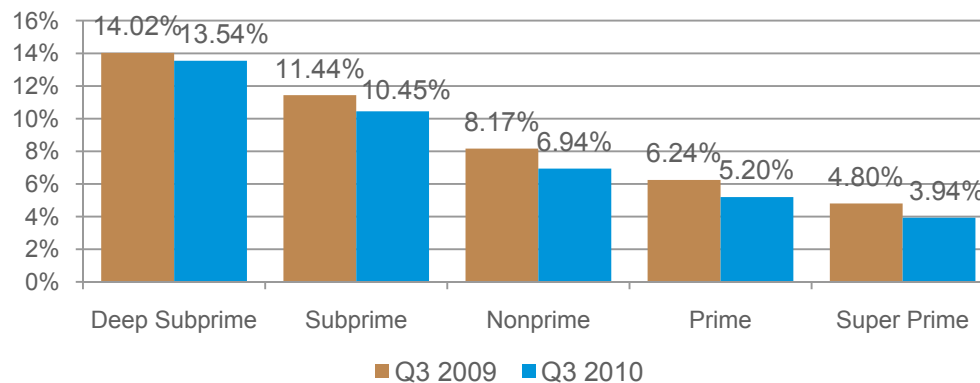
# Vehicle Loan Rate

## How have rates changed?

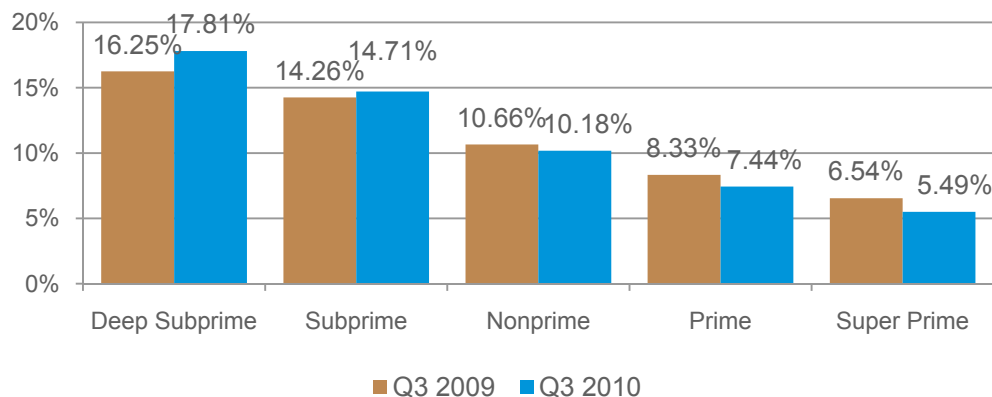
### Average Rate



### Average Rate: New Vehicles



### Average Rate: Used Vehicles



YOY Change

Source: Experian Automotive

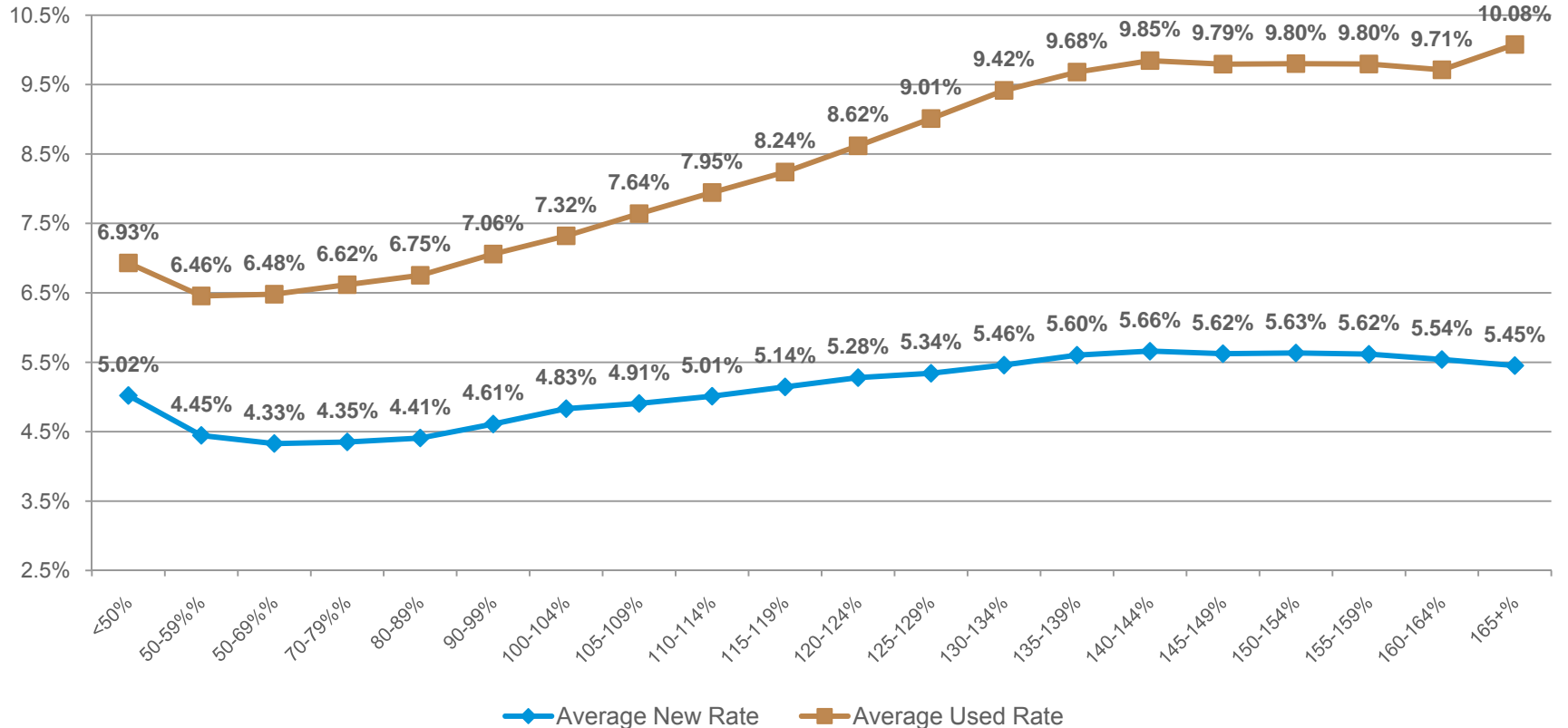




# Average Rates by LTV

## How do rates and scores vary by LTV?

### Average Rate by LTV



Source: Experian Automotive and NADA Used Car Guides



# In Summary

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- Overall loan portfolios are strong with highest risk segments decreasing and improved delinquencies
- Originations showing signs of loosening as subprime experiences first increase since 2007
  - ▶ Used financing still decreasing year-over-year in highest risk tier
  - ▶ New financing increased across all segments except super prime
- Finance companies experienced greatest growth trend with captives gaining market share
  - ▶ Finance companies carry highest LTVs
- Consumer loans grew by \$1,401 overall with payments and terms also increasing
- Rates continue to adjust in the higher risk used loans

# Mark your calendars

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Q4 2010  
Automotive Credit  
Trends Briefing

**February 24, 2011**

