



TABLE OF CONTENTS

STATE OF THE NON-PRIME AUTO FINANCE INDUSTRY AND 2022 OUTLOOK..... 6

INTRODUCTION..... 6

SURVEY PARTICIPANTS ..... 7

DATA SOURCES AND METHODOLOGY ..... 8

*Data Sources*..... 8

*Methodology*..... 8

HIGHLIGHTS..... 9

OVERVIEW ..... 10

    Overall Non-Prime Auto Finance Market ..... 10

    Non-Prime Lending and Consumer ..... 10

    2021 Survey Participants ..... 11

    NAF Competition Index..... 11

THE U.S. VEHICLE MARKET - MACRO VIEW ..... 12

    Retail Auto Sales Trend..... 12

    Used Vehicle Purchase Trend ..... 12

    Retail Inventories to Sales Ratio ..... 12

*Used vehicle prices* ..... 13

ORIGINATIONS..... 14

    Market Share by Lender Type ..... 14

*Origination Composition*..... 15

    Credit Scores..... 15

    Average Amount Financed ..... 16

    Average Monthly Payment ..... 16

    Payment to Income Ratio ..... 16

    New versus Used Vehicle Financing ..... 16

    Dealer Type..... 16

    Loan Interest Rate ..... 17

    Average Contract Term..... 17

    Manual Decisions..... 18

    Automated Decisions..... 18

    Decision Turn Time ..... 18

    Contract Booking ..... 19

    Contract Funding ..... 19

    Number of Dealership per Sales Representatives and Their Location. .... 20

    Origination Process..... 21

    Touchless Process Adaptation and Digitization ..... 21

*2022 Participants' expectations*..... 22

        Expected Growth and Drivers of Growth..... 22

        State of Competition ..... 22

NON-PRIME PORTFOLIO OVERVIEW ..... 23

    Accounts Outstanding ..... 23

    Dollars Outstanding ..... 23

*Portfolio Performance* ..... 24

        Total Industry Delinquencies ..... 24

        Annual Default and Charge-Off Rates..... 24

        Deficiency Balance Recovery ..... 25

        Contract Duration ..... 25

        Customer Accomodations ..... 26

*Customer Service*..... 27

        Payments ..... 27

*Collection strategy*..... 28

        Collection Strategy..... 28

        Dialer Use ..... 28

*Fraud Trends*..... 29

COMPENSATION AND BENEFITS..... 30

    Employee Benefits ..... 30

    Loan Officers - Salary and Other Compensation..... 31

    Funding Auditors - Compensation ..... 32

    Collectors - Salary ..... 32



FINANCIAL PERFORMANCE.....33

*Expenses* ..... 33

        Operating Expense..... 33

        Total Cost of Salaries and Benefits ..... 33

        Cost of Funds ..... 33

        Loan Loss Allowance..... 33

*Income and Returns*..... 34

        Finance Charge Income ..... 34

        Return on Assets..... 34

        Return on Equity..... 34

EQUIFAX – ALTERNATIVE CREDIT .....35

    Other Consumer Credit..... 35

ABOUT .....39

APPENDIX.....41

*Survey Questions*..... 41