



Open Lending Report Reveals Lender Opportunity to Create Loyalty and Empower Underserved Populations through Vehicle Access

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Research shows lack of affordability (48%) and perception of an opaque lending process (40%) hinder ownership, and uncovers incentive for auto lenders to help near- and non-prime buyers fuel a better life

AUSTIN, Texas--(BUSINESS WIRE)--Dec. 15, 2022-- [Open Lending](#) Corporation (NASDAQ: LPRO) (“Open Lending” or “the Company”), an industry trailblazer in lending enablement and risk analytics solutions for financial institutions, has announced the full results of a survey on vehicle accessibility in the U.S. With responses from 1,347 full- and part-time employees, including 597 car owners and 750 non-car owners, the survey examines barriers to car ownership, misperceptions around the lending process, and opportunities for lenders to expand their customer base by reaching those who believe they can’t afford a car.

Between rising vehicle costs, the return to physical workplaces and a growing move away from urban hubs with public transportation, the question of vehicle access has come into sharp focus. Open Lending’s report shows how significantly vehicle access impacts job performance, earning potential and daily life. It also explores why lenders should look to dispel negative perceptions of the lending process and adopt solutions to engage non-vehicle owners — especially those in near- and non-prime credit segments.

Five key themes emerged from the survey:

- **Access misconceptions.** It comes as no shock that affordability issues stop people from purchasing cars. What’s more surprising is that vehicle affordability is a widely cited issue across income levels: 52% of Gen Zers and 50% of millennials say they can’t afford a car, regardless of annual earnings.
- **Car-buying complexity.** For many non-car owners, the process of getting approved for an auto loan lacks clarity, with just 11% saying they perceived the car-buying process as “extremely transparent.” By contrast, over one-third of non-owners (35%) said they viewed the process as either “mostly” or “extremely opaque.” At the same time, 83% said they would return to lenders for other purposes if they had a positive auto loan experience.
- **The professional toll.** A majority of non-car owners said owning a car would improve their job performance, with 64% saying they felt their earning potential would increase with access to a vehicle. It’s more than a gut feeling: 55% of non-car owners have had to turn down a better job or promotion due to not owning a car.
- **The ownership impacts.** When asked to explain in their own words how vehicle ownership would most change their lives, respondents widely cited flexibility, financial gains and independence as life-changing benefits of car ownership.
- **A discrepancy in equitable opportunities.** Non-car owners reported a slew of personal and professional inconveniences and hardships. 60% of non-car owners said essential tasks and errands are more challenging without a car, while 48% said not having a car makes it difficult to spend time with family and friends.

“For lenders, these findings illustrate the transformative power of more accessible auto loans. There’s virtually no aspect of daily life that isn’t impacted by lack of vehicle access,” said Matt Roe, Chief Revenue Officer at Open Lending. “By taking steps to put auto loans within reach for more Americans, lenders can improve quality of life and livelihoods across underserved populations, while also enhancing the loan experience for these underserved populations. And it’s good for business too: With industry-leading risk management solutions that include default insurance coverage, lenders can expand their portfolios to near- and non-prime buyers while controlling for risk — leading to higher yields and loyal repeat consumers.”

Learn more about Open Lending’s survey and read the full results [here](#).

With Open Lending’s [Opportunity Calculator](#), financial institutions can get customized results on their potential to securely increase near- and non-prime loan originations with the Lenders Protection™ risk management platform. Since its launch in 2003, Open Lending’s Lenders Protection™ program has been utilized by more than 400 financial institutions to originate and insure more than \$16 billion in auto loans.

About Open Lending

Open Lending (NASDAQ: LPRO) provides loan analytics, risk-based pricing, risk modeling and default insurance to auto lenders throughout the United States. For over 20 years they have been empowering financial institutions to create profitable auto loan portfolios by saying “yes” to more automotive loans. For more information, please visit www.openlending.com.

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