



Open Lending Releases Initial Survey Findings on Market Challenges for Auto Lenders, Opportunities to Improve Return on Assets

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Research shows financial institutions that use auto lending enablement solutions outperform their peers, uncovers financial resiliency among near-prime borrowers

AUSTIN, Texas--(BUSINESS WIRE)--Apr. 20, 2023-- [Open Lending Corporation](#) (NASDAQ: LPRO) (“Open Lending” or “the Company”), an industry trailblazer in lending enablement and risk analytics solutions for financial institutions, has released initial findings from a survey of financial institutions across the U.S. With responses from 95 leaders at credit unions, banks and captive finance companies of all sizes, the report illuminates the challenges financial institutions are facing in 2023 and how they are using lending enablement solutions to compete in the market.

Using a combination of software applications, data analytics tools and integration capabilities that streamline loan origination, underwriting, and servicing, lending enablement solutions allow financial institutions to efficiently manage and automate their lending processes. Effective lending enablement solutions include features such as loan origination systems (LOS), loan management systems (LMS), credit scoring and risk assessment tools, and automated decision-making capabilities. They can also include integrations with third-party data sources to help lenders make more informed lending decisions.

In a tenuous financial environment, lenders are under pressure to mitigate risk while improving return on assets (ROA), a financial performance ratio that measures a company's profitability by comparing its net income to its total assets. The survey results show that traditional underwriting methods are leaving financial institutions more vulnerable to market volatility, while lending enablement solutions are playing a strong role in improving decisioning speed, increasing ROA and reducing risk exposure. Additionally, findings show that near-prime borrowers are generally more accustomed to financial hardship and are therefore more resilient during economic downturns.

Set to release on May 11, the full report shows:

- Institutions that use lending enablement solutions report more success meeting ROA targets.
- Across financial institutions, improving loan-decisioning speed is a top priority for 2023 — but it shouldn't introduce avoidable risk.
- Lending enablement users are far less likely to report a rise in delinquency rates among borrowers, especially those in the near-prime category.

“In market downturns, it's critical for financial institutions to have a balanced, resilient portfolio. But that requires reaching borrowers across credit segments with personalized, risk-mitigated loans — and fast,” said Matt Roe, Chief Revenue Officer at Open Lending. “Our research found that lenders are really feeling this pressure right now, and those who aren't using lending enablement solutions are falling behind. With risk-based pricing, automated loan decisioning and default protection, financial institutions can engage the borrowers they need to stay competitive in this market.”

Sign up [here](#) to receive the full report and attend the *Credit Union Times* webinar *State of the Industry: Lending Challenges Facing Credit Unions in 2023* on Thursday, May 11, at 2 p.m. ET. Matt Roe will share report findings, market insights, and tips to improve the loan decisioning process while minimizing risk.

With Open Lending's [Opportunity Calculator](#), financial institutions can get customized results on their potential to securely increase near-prime loan originations with the Lenders Protection™ risk management platform. Since its inception in 2000, Open Lending has insured more than \$18.3 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 20 years we have been empowering financial institutions to create profitable auto loan portfolios with less risk and more reward. For more information, please visit www.openlending.com.

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