



## Open Lending Research Uncovers Near- and Non-Prime Consumers' Automotive Financing Hopes and Doubts

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*Sixty-nine percent of near- and non-prime consumers plan to pay off their loans early, with one-quarter of 2023 used car buyers spending more than \$600 on their monthly car payment*

AUSTIN, Texas--(BUSINESS WIRE)--Jan. 23, 2024-- [Open Lending](#) Corporation (NASDAQ: LPRO) ("Open Lending" or the "Company"), an industry trailblazer in automotive lending enablement and risk analytics solutions for financial institutions, has completed a study on vehicle accessibility and automotive financing perceptions among near- and non-prime consumers. As high interest rates and vehicle prices create affordability barriers, the findings show how lower-credit consumers approach car ownership and manage debt, highlighting opportunities for lenders to engage creditworthy near- and non-prime consumers. The full report will be released in February.

This year's report builds on [Open Lending's 2023 Vehicle Accessibility Index](#), which explored the barriers to vehicle ownership and how owning a vehicle impacts consumers' opportunities and livelihoods. For 2024, the report digs deeper into the near- and non-prime segment, which comprises consumers significantly impacted by vehicle accessibility.

Open Lending surveyed 1,042 U.S.-based consumers who fall within either the near-prime (i.e., credit score of 620-659) or non-prime (i.e., credit score of 580-619) credit tier. Initial findings from the survey include the following:

- **Near- and non-prime consumers are proactive about managing debt.** Sixty-nine percent plan to pay off their loan early.
- **Interest rate hikes and high vehicle prices are pushing near- and non-prime consumers out of the market.** Twenty-five percent of near- and non-prime consumers are paying over \$600 per month for a used car they purchased in 2023, up from the 8% who purchased one between 2020 and 2022.
- **Generation Z near- and non-prime consumers are more selective about automotive loans and reluctant to take on debt.** Sixty-one percent of those aged 18-42 have a term limit of 48 months or less, compared to just 42% of those aged 43-68.

"Near- and non-prime consumers have hesitations and doubts around the automotive lending process, and that's not something lenders should simply accept," said Matt Roe, Chief Revenue Officer at Open Lending. "Financial institutions and lenders can garner trust by making the process more transparent and accessible. By analyzing broader, alternative data to measure creditworthiness, lenders can offer loans to a more diverse pool of borrowers. And when lenders have more data and information about their customers, they can provide an experience that fosters continued loyalty."

Open Lending has focused on the near- and non-prime consumer for over two decades, resulting in deep expertise and experience in this segment's challenges and opportunities. Many near- and non-prime consumers are creditworthy but overlooked by lenders, creating a missed opportunity for financial institutions and deserving borrowers. Through research and analysis, the Company aims to empower automotive lenders to serve more consumers while growing ROA and achieving yield targets.

Sign up [here](#) to receive the full report as soon as it publishes.

To learn more about Open Lending, visit [openlending.com](https://openlending.com).

### 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 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](https://www.openlending.com).

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