



## Open Lending Releases 2024 Vehicle Accessibility Report to Provide Insights on the Near- and Non-Prime Credit Segment

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*Sixty-three percent of near- and non-prime consumers plan to purchase or trade in a vehicle within two years; nearly half find it challenging to trust lenders*

AUSTIN, Texas--(BUSINESS WIRE)--Feb. 28, 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 released its [2024 Vehicle Accessibility Report](#). This report illustrates how traditional underwriting practices have alienated and excluded many creditworthy near- and non-prime consumers, providing insights to help automotive lenders offer reasonable loan opportunities to borrowers in this underserved but deserving credit segment.

With barriers to vehicle affordability remaining higher than ever, the report findings show that while near- and non-prime consumers are confident in their financial futures, they are careful about debt and wary of the lending process. Though members of this segment report high interest in making vehicle purchases, many doubt their ability to secure an acceptable loan or find it difficult to trust a lender. This represents an opportunity for banks, credit unions and captive finance companies to improve long-term profitability by building trust with this excluded market through personalized financing opportunities.

"Many of today's near- and non-prime consumers are the prime borrowers of the future. Overlooking creditworthy loan applicants in this segment stalls upward mobility and puts the automotive industry at risk." said Matt Roe, Chief Revenue Officer at Open Lending. "To stop these consumers from being pushed out of the market altogether, automotive lenders must offer accurately priced loans that applicants can accept. AI, alternative data and predictive analytics make this possible. By capturing a more detailed image of an applicant's creditworthiness, lenders can offer reasonable loans to near- and non-prime consumers while prioritizing portfolio performance and risk management."

Using survey results from 1,042 U.S.-based consumers who fall within either the near-prime (620-659) or non-prime (580-619) credit tier, key findings from the report include:

- **Near- and non-prime consumers are proactive about managing debt, have purchase intentions and maintain a positive outlook on their financial futures.** Sixty-nine percent of near- and non-prime car owners plan to pay off their loans early. Nearly three-quarters (74%) expect their financial situation to improve over the next year, and 63% plan to purchase or trade in a vehicle within two years.
- **Due to decreased affordability and low transparency, near- and non-prime consumers are buying more used vehicles outright or seeking alternate routes to car ownership.** Of the nearly one-third (32%) of respondents who purchased their vehicle outright, 38% did so to avoid debt, and 21% sought to forgo costly monthly payments and fees. Nearly half (48%) view securing the right interest rate as the most confusing or unclear part of the automotive lending process.
- **Near- and non-prime consumers feel the sting of lenders' focus on credit scores. For some, this makes it hard to trust lending providers.** Nearly half (48%) of near- and non-prime consumers do not fully trust financial institutions to offer honest, reasonable terms on automotive loans, with some reporting they have experienced bias in the lending process.
- **Gen Z near- and non-prime consumers are financially cautious, hesitant to take on unfavorable loan terms and quicker to purchase a car outright.** Sixty-one percent of car-owner respondents aged 18-42 have a loan term limit of 48 months or less, compared to just 42% of those aged 43-68. Meanwhile, of the Gen Z respondents who purchased their vehicles outright, 22% did so because they were unsatisfied with the loan rate or repayment terms offered to them.

Open Lending has focused on the near- and non-prime consumer for over two decades, culminating 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 return on assets and achieving yield targets.

Access the full 2024 Vehicle Accessibility Report [here](#).

To learn more about Open Lending, visit [openlending.com](#), or visit our booth #133 at the Credit Union National Association's annual [Governmental Affairs Conference](#) in Washington, D.C. between March 3-7, 2024.

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

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