



New and Used Vehicle Markets Stabilizing, According to Open Lending Analysis

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Automotive lending enablement provider releases data on national and regional vehicle registrations in the near- and non-prime market for Q2 2024

AUSTIN, Texas--(BUSINESS WIRE)--Nov. 14, 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, just released a new Near- and Non-Prime Consumer Brief, the latest installment in its quarterly series of data reports on vehicle registrations. The report found that, despite continued challenges in the vehicle market, new vehicle registrations have risen and used vehicle registrations have stabilized in the past year, though supply remains below pre-Covid levels. Limited used vehicle inventory and high interest rates continue to impact buyers, creating pent-up demand among near- and non-prime consumers.

Using AutoCreditInsight™ data from Q2 2024, the report offers insight into the opportunity for auto lenders to serve near- and non-prime consumers, a vital audience segment for financial institutions seeking member growth and greater yields in their auto lending portfolio. Key findings include:

- **The near- and non-prime new vehicle market is improving, while the used vehicle market continues to stabilize.** In Q2, new vehicle registrations among near- and non-prime consumers rose by 1% year-over-year and 7% compared to Q1. Used vehicle registrations dropped to 95% of last year's level and fell 5% from Q1, reflecting ongoing supply and pricing challenges.
- **New vehicle payments are rising where used vehicle payments are starting to fall.** The average monthly payment for new vehicle loans increased \$10 year-over-year in the second quarter of 2024, compared to a \$10 decrease for used vehicle monthly payments during the same period.
- **Compact utility vehicles continue to be the top choice for near- and non-prime borrowers, but other segments are gaining popularity.** Subcompact utility plus vehicles accounted for 13% of new vehicles purchased by near- and non-prime consumers in Q2, compared to just 5% in Q2 2020. Meanwhile, fewer borrowers purchased new, full-size half-ton pick-up trucks, indicating a shift towards more affordable and fuel-efficient vehicles.

"While the automotive market continues to show signs of recovery, the cost of a vehicle is still a strain for many near- and non-prime credit buyers who rely on used vehicle inventory, which continues to sit below pre-Covid levels. But pent-up demand now could mean better used vehicle options in 2025, as decreasing interest rates prompt buyers to sell or trade in their current vehicles," said Kevin Filan, SVP of marketing at Open Lending. "For automotive lenders, these shifting dynamics signal an opportunity to forge new borrower relationships and help near- and non-prime consumers access the vehicles they need. With Lending Enablement Solutions like our Lenders Protection™, lenders can engage responsibly with these consumers, helping them achieve car ownership in a market that hasn't fully adapted to their needs."

Read the full report [here](#).

Learn more at 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.

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