



Auto Finance

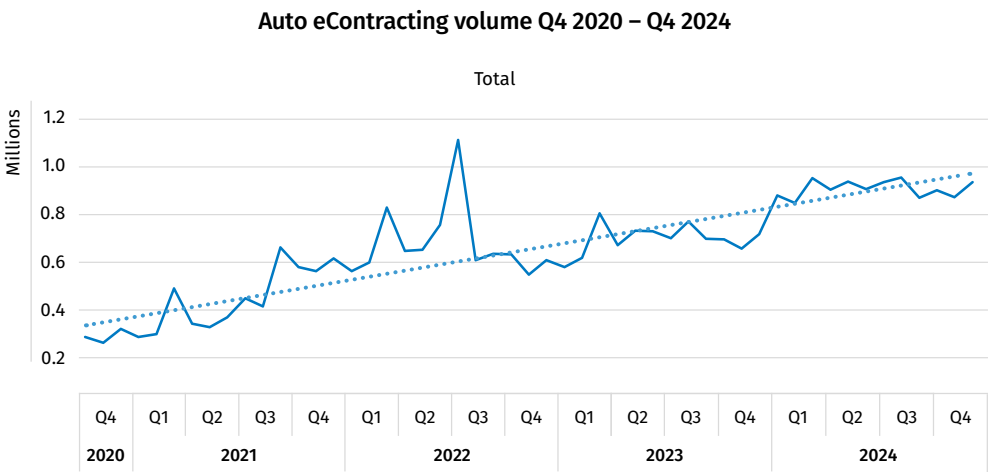
Automotive Finance Digital Transformation Index Q4 2024

Wolters Kluwer, a global leader in professional information, software solutions, and services, announced 2024 fourth-quarter results and analysis from its Auto Finance Digital Transformation Index. The key resource – which tracks the rate at which the industry is advancing digitization from paper-based finance back-office processes – revealed a robust four-year moving trend in the rate of digital adoption.

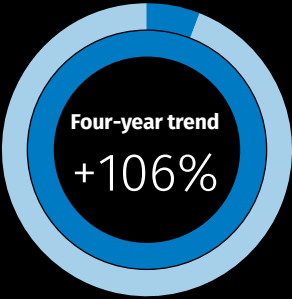
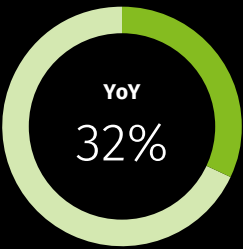
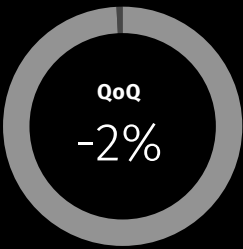
Acceleration of eContracting adoption continues

Auto dealers, service providers, and lenders closed out the year by putting the pedal to the metal on the adoption of digitized contracting and documentation workflows. Not only did the rate of digital adoption in the fourth quarter of 2024 increase 32 percent compared to the same period in 2023, but the four-year trend revealed a 106 percent upsurge dating back to Q4 2020. Although the fourth-quarter adoption rate was down slightly (2 percent) compared to Q3, the overall trends underscore that auto retailers and their lender partners continue to recognize the value in adopting eContracting workflows to increase back-office efficiency.

The growth in digital adoption was buoyed by [a surge in new vehicle sales](#); the 16 million sold in 2024 represent the highest number since 2019, with fourth-quarter new vehicle sales alone jumping 7.1 percent.



eContracting digital adoption rate



Four-year digitization rates continue to trend upward in securitization markets

Mirroring a noticeable decline in the value of the deep subprime sector toward the end of the year, digital adoption rates lagged in securitization markets during the fourth quarter, with the Wolters Kluwer Q4 Index registering a 18 percent decrease compared to Q3. Although the year-over-year rate of adoption was also down 15 percent, securitization transactions increased 10.4 percent when comparing the full year of 2024 to that of 2023. In addition, digital adoption for securitization markets saw a 55 percent increase over the past four years, demonstrating a continued overall increase.

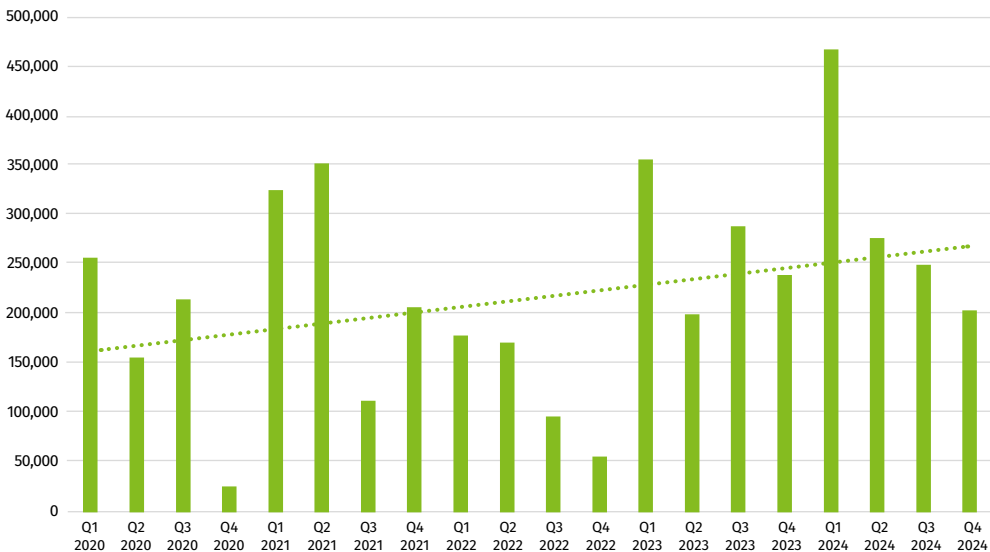
The fourth-quarter decline in digital adoption likely reflected the mixed results for US auto loan ABS performance in the latter part of 2024. Although annualized losses improved for both prime and subprime sectors month-over-month, prime losses rose sharply year-over-year, according to [S&P Global](#). However, continued economic growth, falling interest rates, and inflation approaching central banks' target levels should support most asset-backed securities going forward, according to [Moody's](#).



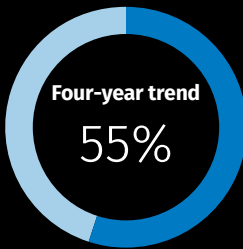
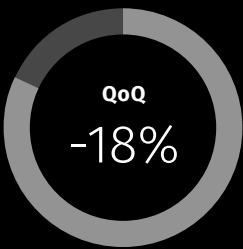
Matt Babcock
Digital Lending Product
Strategy for Wolters Kluwer

"The robust adoption of digital documentation processes over the last four years underscores the unwavering commitment of auto lenders and their dealer partners to modernize their operations. This rise in digital adoption compared to last year not only aligns with the strong finish we observed in auto sales toward the end of 2024 but also reflects the industry's growing recognition of the critical role digital assets play in enhancing efficiency and customer experience. The continued emphasis on converting paper-based documentation to digital formats signals a mature understanding of the long-term benefits of digital transformation in the auto finance sector."

Auto securitization transactions by quarter



Securitization adoption rate





Summary

The Wolters Kluwer Auto Finance Digital Transformation Index helps identify and track adoption drivers while providing insights into market shifts that may impact automotive industry digitization. The fourth-quarter 2024 Index results showed an impressive quarterly increase in eContracting, as well as steady growth for securitized markets.



About Wolters Kluwer Financial & Corporate Compliance

Wolters Kluwer (EURONEXT: WKL) is a global leader in information, software solutions and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2023 annual revenues of €5.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,400 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

©2025 Wolters Kluwer Financial Services, Inc. All Rights Reserved.

For more information, visit www.wolterskluwer.com. Follow us on LinkedIn, Twitter, Facebook, and YouTube.