



Auto Finance

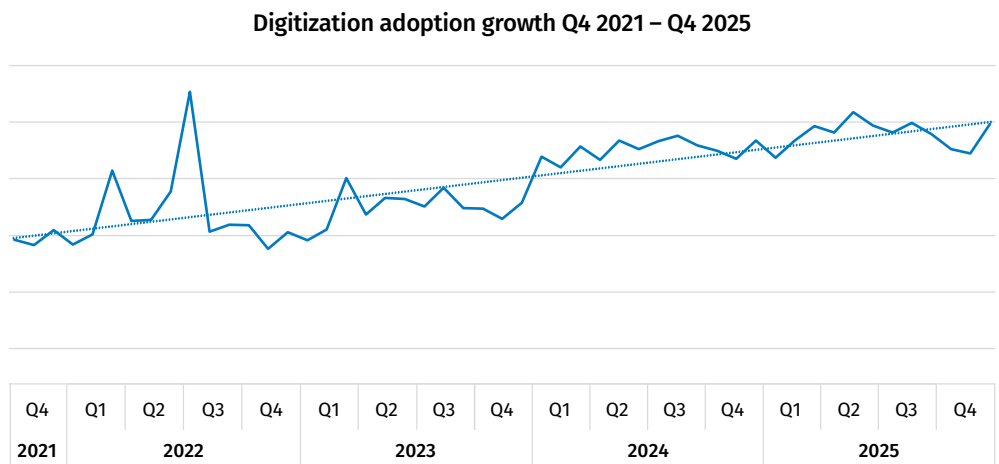
Automotive Finance Digital Transformation Index Q4 2025

Wolters Kluwer, a global leader in professional information, software solutions, and services, announced the fourth-quarter 2025 analysis from its Auto Finance Digital Transformation Index, a key resource that tracks the rate at which the industry is advancing digitization from paper-based finance back-office processes. The latest Index reveals that long-term momentum for eContracting adoption remains steady, despite a slight quarterly decline. Meanwhile, the auto securitization market ended the year with an impressive surge.

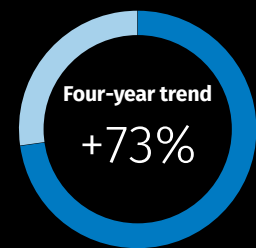
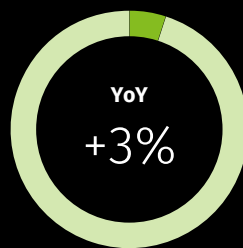
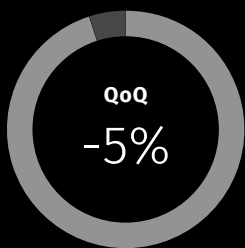
eContracting adoption rate downshifts, but still outpaces broader market

Auto dealers, service providers, and lenders decelerated their digitization journey in the fourth quarter of 2025, with eContracting volumes dipping 4.6 percent compared to the third quarter. However, the long-term growth trajectory for digital transformation remains positive, with a year-over-year increase of 3.2 percent and a 73 percent growth rate dating back to Q4 2021, underscoring the industry's acknowledgment of the value of increasing back-office efficiency by incorporating digitized contracting and documentation workflows.

The quarterly decline in eContracting was largely attributed to consumers putting the brakes on Electric Vehicle (EV) purchases following the expiration of federal tax credits, which resulted in that market plummeting 37 percent year-over-year. Further impacting the slight quarterly decline was a strategic decrease in digital volume among several subprime lenders. Still, despite these developments, digital growth outpaced the broader market's annual performance; while the overall market increased by 1.8 percent between 2024 to 2025, the rate of digital adoption increased more than 6 percent.



eContracting digital adoption rate



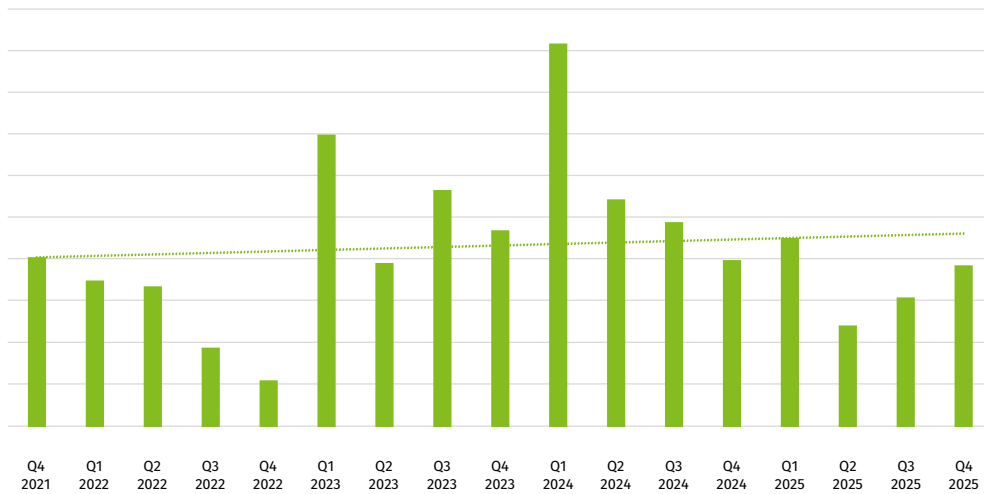
Digital auto securitization activity revs up in fourth quarter

The auto securitization market put the pedal to the metal in the fourth quarter, with digital transactions increasing nearly 25 percent compared to third-quarter activity. The notable quarterly jump was attributed to repeat issuances and several smaller issuers completing their first digital deals of the year. Although there was a slight dip of 3.3 percent when comparing the fourth quarter of 2025 with the same time period in 2024, the four-year trend in securitizations remained strong, with a growth rate of nearly 15 percent measured since Q4 2021.



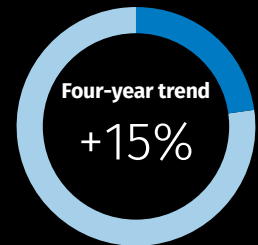
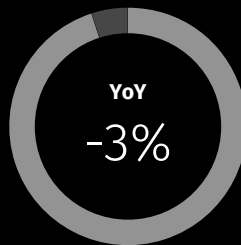
Matt Babcock
Digital Lending Product
Strategy for Wolters Kluwer

Auto securitization transactions by quarter



This year continued to define the current opportunities presented for digital transformation in auto finance. While Q4 presented headwinds — particularly in the EV and subprime sectors — our data shows that lenders who have committed to digital workflows are continuing to outpace the general market. Even when sales volume fluctuates in the broader markets, the shift toward evidentiary integrity and standardized digital documentation is providing the foundation that lenders need to withstand regulatory uncertainty, industry volatility, and institutional scrutiny.

Securitization digital 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. Results of the Q4 2025 Index reveal that long-term eContracting adoption remain positive despite a slight quarterly drop, while securitized markets rebounded with a 25 percent increase.

