Auto Finance

Automotive Finance Digital Transformation Index Q1 2026

Wolters Kluwer

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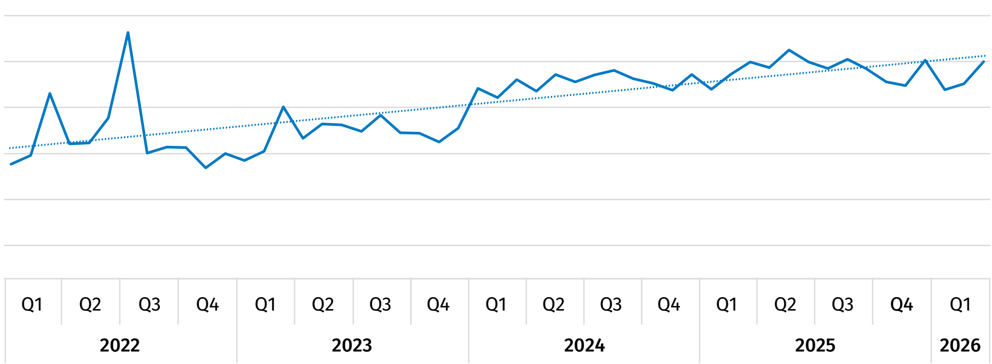
Wolters Kluwer, a global leader in professional information, software solutions, and services, announced the first-quarter 2026 analysis from its Auto Finance Digital Transformation Index, a key resource that tracks the rate at which the industry is advancing digitization from paper-based finance back-office processes. The latest Index reveals that eContracting adoption not only outpaced the performance of the broader auto market, but digital securitization activity registered a strong quarter-over-quarter increase.

eContracting adoption rate underscores resiliency amid auto market volatility

Wolters Kluwer's first quarter data highlights the strength of digital contracting in the midst of a challenging auto market mired by rising affordability pressures, record-high loan terms, and continued EV segment uncertainty. Despite new auto sales declining nearly 7 percent year-over-year, the rate of eContracting adoption dropped just 1.50 percent during the same period. Similarly, eContracting volumes decreased by only 1.15 percent between Q4 2025 and Q1 2026, while broader new vehicle sales plummeted approximately 6.5 percent. Even more, the four-year digital adoption trend continues to show substantial advancement, growing more than 61 percent since the first quarter of 2022.

The relative outperformance noted by the Index can be attributed in part to increasing momentum in used vehicle sales, the continued expansion of digital adoption across lender types, and a resurgence in the subprime lending environment.

Digitization adoption growth Q1 2022 – Q1 2026

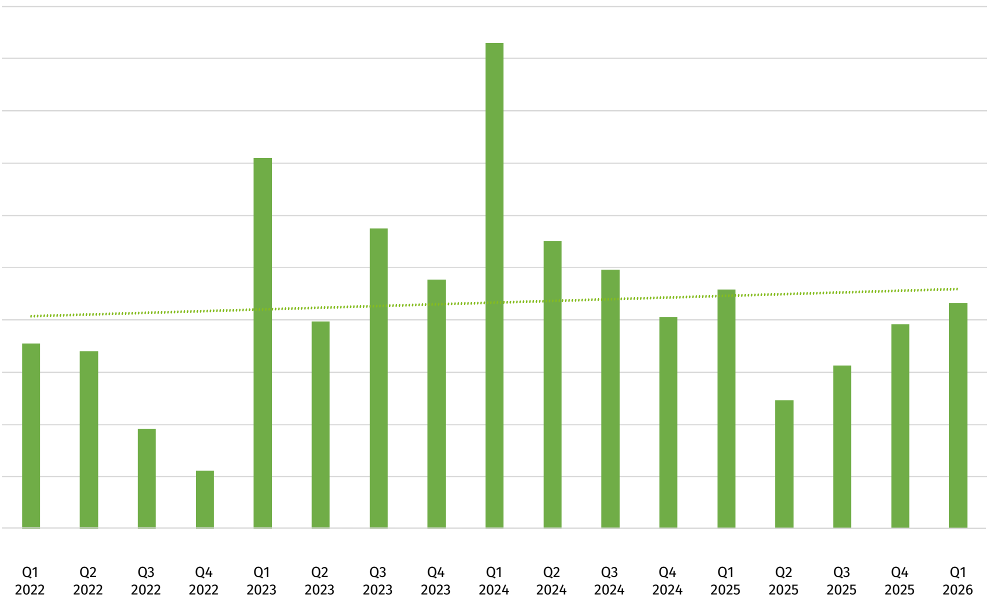


eContracting digital adoption rate

Digitization adoption accelerates in securitized markets

Between Q4 2025 and Q1 2026, the number of transactions in digital securitization markets rose nearly 10.5 percent, a gain that was especially noteworthy considering S&P Global predicted [a 4 percent drop] in overall auto ABS issuance for 2026. Based on Wolters Kluwer transaction data, a key factor for the upswing in adoption was a growing interest in digital adoption among credit unions, coupled with continued issuer adoption of digital-first workflows. Meanwhile, although the year-over-year adoption rate for securitized markets declined 5.65 percent, the long-term forecast remained robust, with the four-year trend growing 12.65 percent. Also of note, securitized auto delinquencies showed sequential improvement in February, with digitization representing a critical tool in helping to provide the transparency and data integrity investors require during periods of heightened scrutiny.

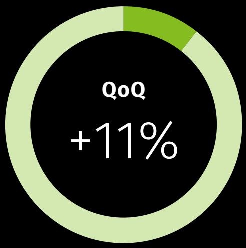
Auto securitization transactions by quarter

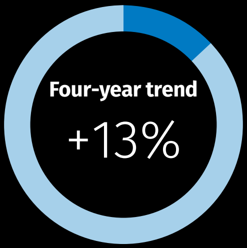


Matt Babcock
Digital Lending Product Strategy for Wolters Kluwer

"The first quarter is a compelling story of digital resilience in the face of real market headwinds. New vehicle sales fell roughly 7 percent year-over-year, yet eContracting volume declined only 1.5 percent, a clear signal that digitally enabled lenders are better positioned to weather market volatility. On the securitization side, digital transactions surged more than 10 percent this quarter, even as overall market issuance is forecasted to drop. This growth highlights how digitization has become a critical tool for providing the transparency and data integrity investors require, especially as the market navigates a shifting lending environment. The foundation being built today through digital documentation and standardized workflows will define which institutions lead in the years ahead."

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 digitization in the automotive industry. Results of the Q1 2026 Index confirm that the rate of eContracting adoption continues to outperform the broader automotive market, while digital activity in the securitization segment demonstrated a strong quarter-over-quarter increase.