Wolters Kluwer

Approaching a dangerous intersection

Overextended consumers are hit with high inflation and a slowing economy, setting the stage for an increase in the number of delinquencies and repossessions.

TRUE: Supply chain issues, limited inventory, and demand for luxury vehicles have driven car prices to new heights.

RESULT: The amount financed is larger than ever.

ALSO TRUE: Average monthly payments are higher than ever, with higher interest rates and loan terms extending to 108 months.

RESULT: American consumers are overextended. Delinquencies and repossessions are on the rise.

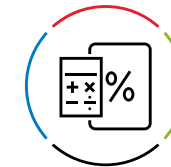**Buyers want more cars than ever before, even at subprime rates.**

$40,602[9] average amount financed in Q2 2022

$700[10] average new car payment, 13% higher than in 2021

Subprime auto loans in the United States account for **39%** of all auto loans in 2022[11]

Longer loan terms and higher loan amounts lead to delinquencies and repossessions.

23% of new car loans are over 73 to 84 months[12]

Loans extending to **108 months** due to higher car prices

10.9% of outstanding auto debt is 30 or more days past due[13]

The U.S. economic growth is slowing, inflation is high, and a recession is looming.

+3.9%[1] Q4 2022 US GDP growth rate

3.7% unemployment in November 2022[2] – a 45% decrease since November 2021

+7.1%[3] year-over-year CPI growth (for year ending November 2022)

Lenders are issuing more auto loans than ever before.

$1.52T[4] auto loans – third largest share of U.S. consumer debt[5]

$734B in 2021[6] (highest in 17 years)

100M Americans have auto loans in Q3 2022[7] (25% more than in 2012)[8]

Manage the risks and costs of repossessions

When repossession volume grows, it is important to act fast. You need to secure repossession titles and affidavits accurately and cost efficiently. You must account for specific jurisdictional requirements. You are under pressure to stay compliant and audit-ready.

We are here to help

Wolters Kluwer Lien Solutions is the trusted partner for quick, compliant, and transparent repossession titling solutions to help reduce time to vehicle resale and increase recovery of loss due to loan defaults.

[1] Federal Reserve Bank of Atlanta
[2, 3] Labor Force Statistics from the Current Population Survey
[4, 5, 10] Average Car Payment and Auto Loan Statistics 2023
[6, 8] Statista
[7] Consumer Financial Protection Bureau
[9] Edmunds
[11] Automotive Financial Insights from Experian
[12] NerdWallet
[13] LendingTree