Approaching a dangerous intersection

Overextended consumers are hit with high inflation and a slowing economy, driving a sharp 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 before, with higher interest rates and loan terms now extending to 108 months.

**RESULT:** American consumers are over-extended. Delinquencies and repossessions are on the rise.

**U.S. economic growth is slowing, inflation is high, and a recession looks likely**

- +3.9%\(^1\) Q4 2022 US GDP growth rate
- 3.7% Unemployment November 2022\(^2\) – 45% decrease since 11/21
- Year-over-year CPI growth +7.1%\(^3\) (for year ending 11/2022)

**Lenders are issuing more auto loans than ever before**

- $1.52T\(^4\) Auto loans – 3rd 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)\(^8\)

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

- $40,602\(^9\) average amount financed Q2 2022
- $700\(^10\) average new car payment, 13% higher than 2021

**Subprime auto loans in the United States account for of all auto loans in 2022**

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

- 23% of new car loans are over 73–84 months\(^11\)
- 108 months due to a higher price of a car
- 10.9% of outstanding auto debt is 30 or more days past due\(^12\)

**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.