

THINK LIKE AN F&I MANAGER

EFG Subprime Intelligence

HOW ARE YOU BALANCING PROFITABILITY VS. RISK?

ACCORDING TO RECENT EQUIFAX AND EXPERIAN REPORTS:

ORIGINATIONS

Subprime originations are at the **highest level** since 2008

— and —

Year-to-date, subprime loans currently account for about **32%** of all approved auto originations

DELINQUENCIES

Q3 2014 year-over-year delinquencies grew

30-day: +3.7%

60-day: +8.6%

With everyone debating the possibility of a subprime bubble, lenders are now asking the question: ***how can I expand my market-share without significantly increasing risk?***

To answer this question, lenders are getting past traditional formulas and re-evaluating their criteria for determining credit-worthiness. Some lenders are also including **complimentary F&I products** on their loans to protect their loan portfolios from risk, increase their perceived value among consumers, and provide dealers the potential for upgrades, increasing dealership profit.