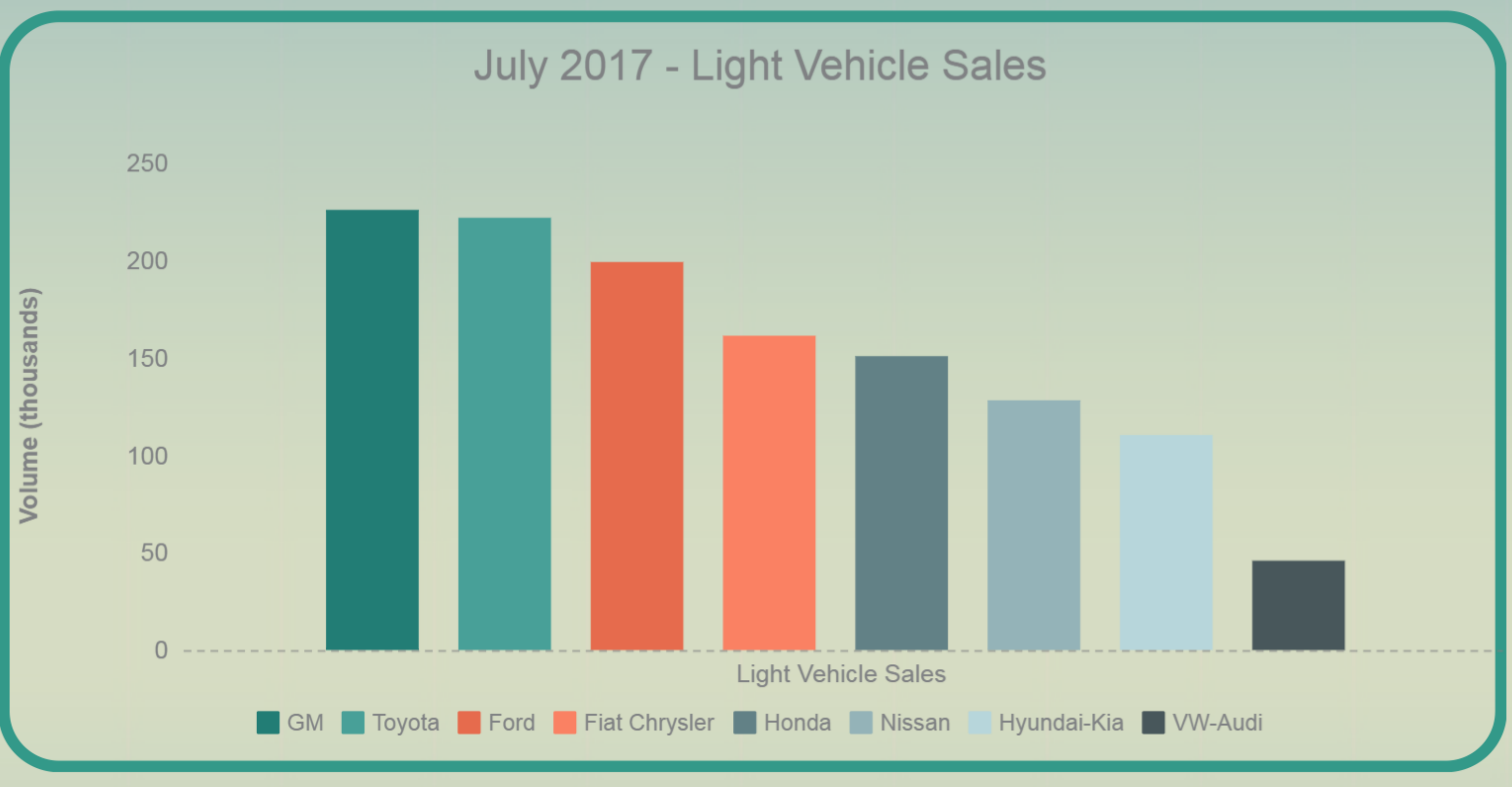
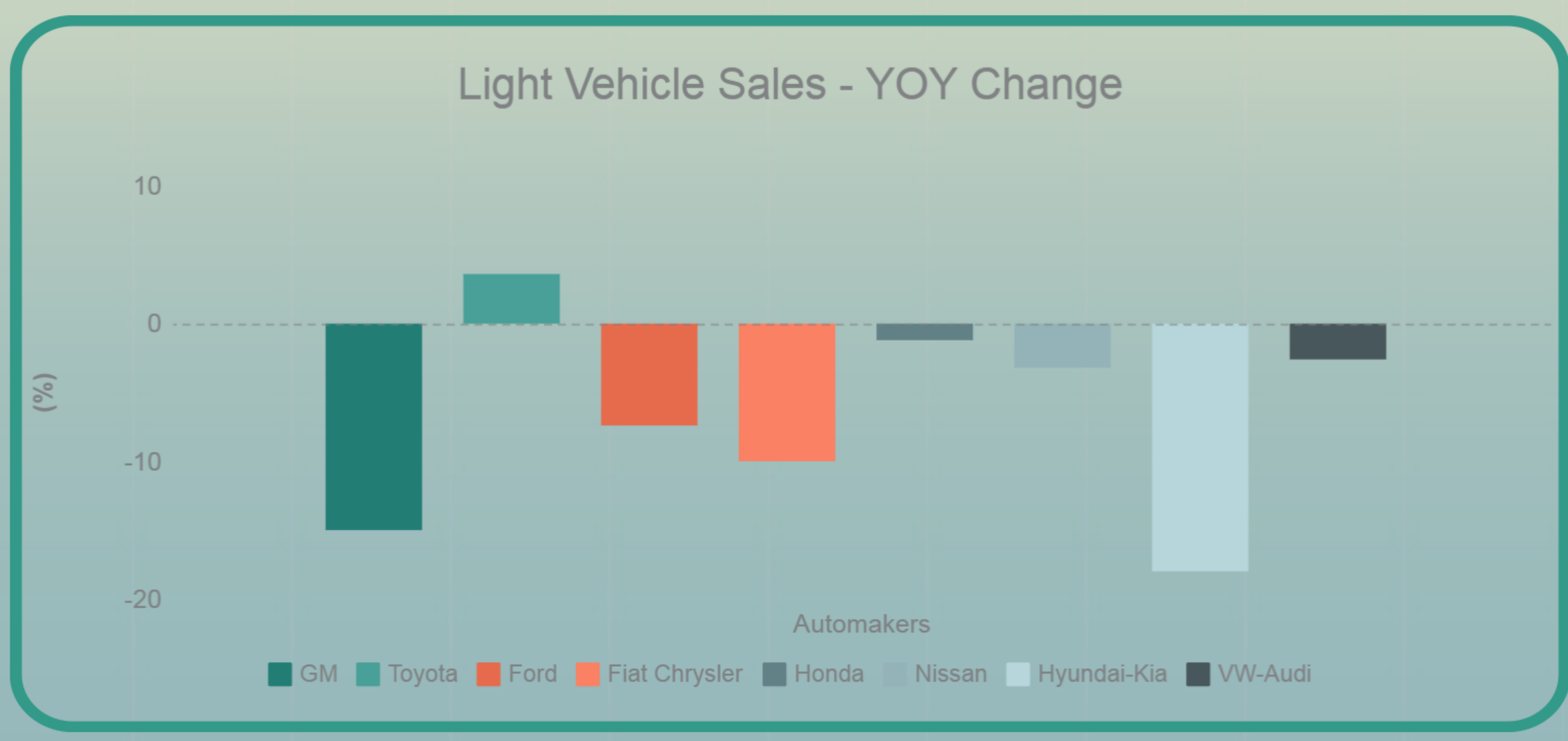
Auto Lending In A Tightening Market

In the second quarter of 2017, the credit union auto market share and portfolio expanded despite declines in auto production and sales.

Major Automaker

Performance



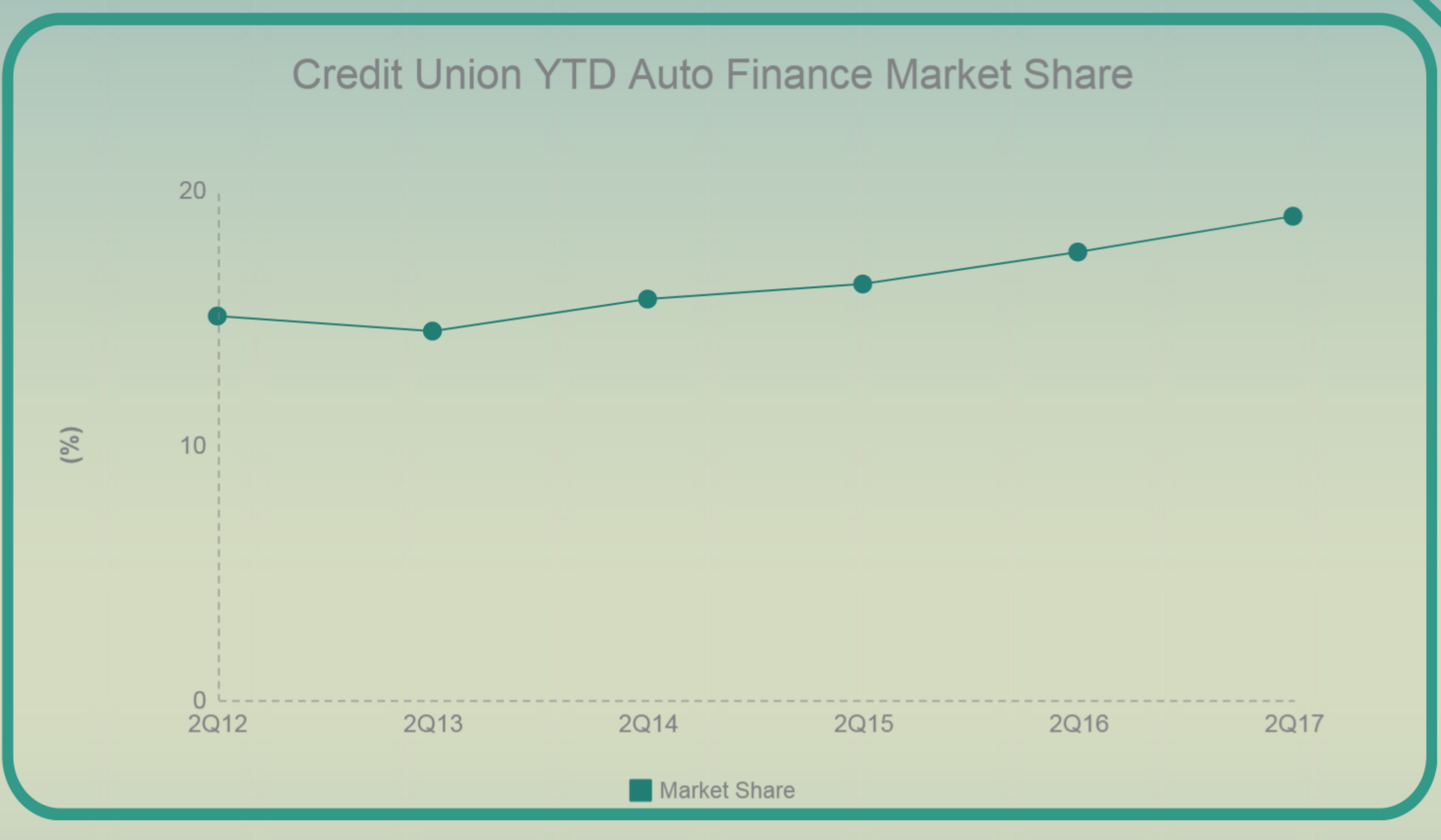


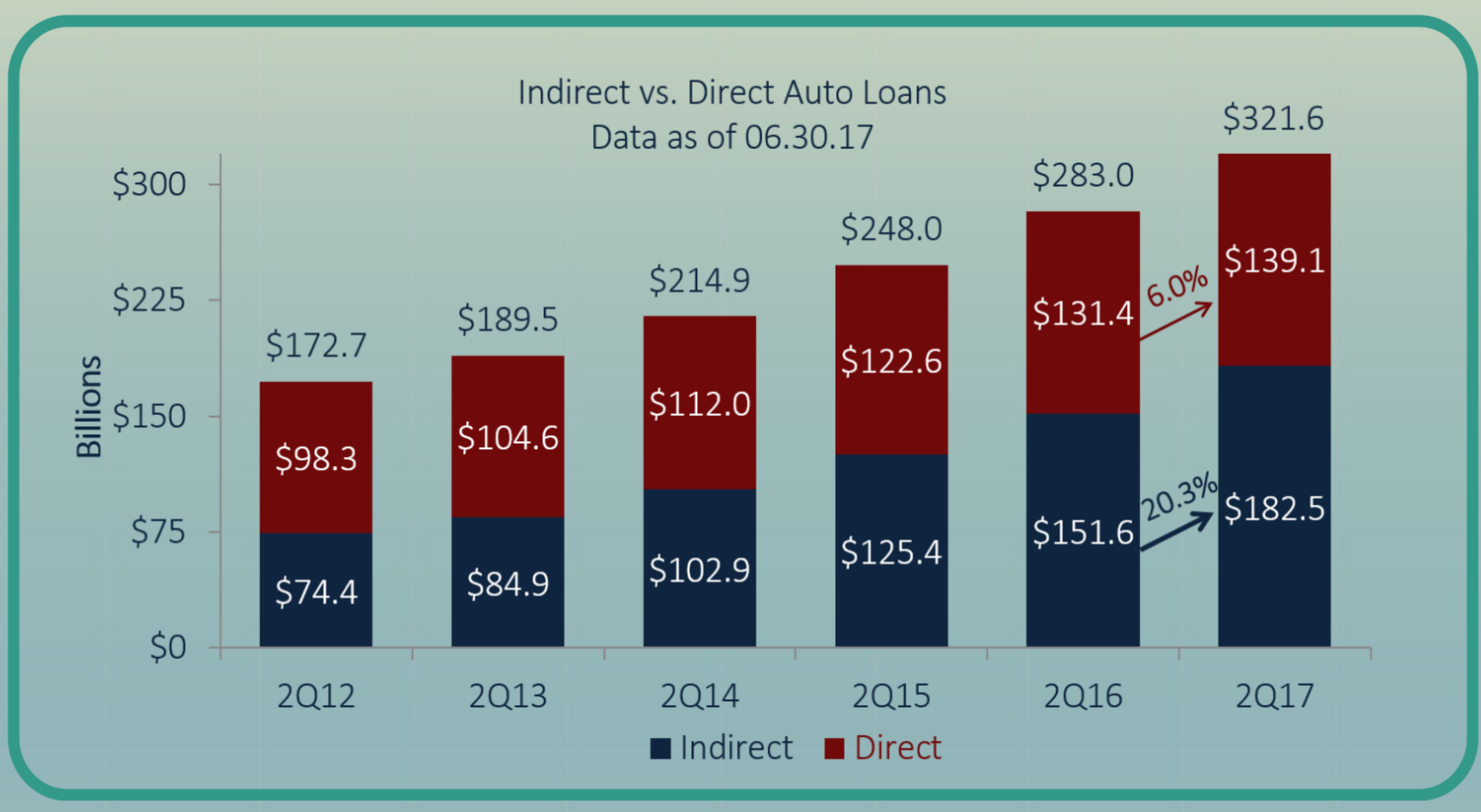
3 Reasons Automaker Performance Has Declined

- Approximately 13 million vehicles have left the U.S. fleet every year for the past two decades. That's far less than the number of new vehicles sold over the past five years, and the imbalance has caught up with automakers. Customers keen to upgrade have kept the market running hot, but now, more vehicles are staying in the driveway and fewer are coming off the lot.
- Vehicles made in the past 15 to 20 years are more reliable than their predecessors. The U.S. auto industry is in a pickle, in part, because it did too good of a job.
- With each advancement in electric powertrains and autonomous driving, it's easier to envision a game-changing machine, the prospect of which shifts some would-be buyers into the wait-and-see category. Why buy a new car now when the car of your dreams is just over the horizon?

Credit Union

Performance





4 Facts About Credit Union Auto Lending

- Amid declines in vehicle production and sales, credit unions captured greater finance market share. That's up 1.4 percentage points year-over-year.
- For second quarter 2017, auto loan balances at credit unions are on track to increase 13.7% year-over-year. That's an increase of $38.7 billion in loans since June 30, 2016.
- The annual growth rates for direct lending and indirect lending are down 1.2 percentage points and 50 basis points, respectively. But balances continue to expand across the portfolio.
- Auto penetration for the industry has increased 1.0 percentage points year-over-year to 20.0%

FOR U.S. CREDIT UNIONS | DATA AS OF 06.30.17

Sources:
*Callahan & Associates
*Experian
*Bloomberg

CALLAHAN & ASSOCIATES
the credit union company