**Credit Unions Expect Tariffs to Dampen Auto Sales but Majority Optimistic About Auto Portfolios**

*Compared to nine months ago, credit unions are more optimistic about auto finance – 77% vs 57%; majority expect significant increase in vehicle prices and affordability issues to drive an increase in vehicle leasing*

**San Diego, CA** **– August 25, 2025** – A new survey from Credit Union Leasing of America (CULA) reveals that credit unions are generally more optimistic about their auto finance portfolios than they were [nine months ago](https://www.cula.com/credit-unions-cautiously-optimistic-about-auto-finance-landscape-expect-improvements-mid-2025/), with the majority having seen an increase in auto financing compared to last year. Nevertheless, the vast majority (85%) expect that President Trump’s tariffs will mean consumers delay vehicle purchases, with 65% of respondents anticipating that the tariffs will drive a decrease in vehicle sales. Only 21% expect Trump to soften his stance on tariffs and that the market will stabilize. The survey was conducted among credit union professionals in late June through early August of 2025.

Reflecting sentiment in CULA’s recent [consumer survey](https://www.cula.com/affordability-is-top-driver-for-consumers-leasing-vehicles-according-to-new-cula-survey/) that showed affordability was the key factor in consumers’ leasing vehicles, the majority of credit union professionals expect vehicle prices to increase over the next 12 months and that affordability will, indeed, lead more consumers to opt for vehicle leases over loans, with 75% of respondents expecting consumers to choose leasing over loans over the next six months. Rising prices on consumer goods, that are leading to a rise in cost of living, was at the top of the list of macroeconomic drivers expected to increase vehicle leasing. Echoing this, Experian reported that vehicle leasing increased from 23.71% in Q1 2024 to 24.69% in Q1 2025 [[1]](#footnote-1)

“While credit unions’ positive outlook has increased, these survey results reveal that they also have concerns about the impact of tariffs on vehicle sales, as well as an expectation that vehicle prices will rise, creating affordability issues that, they expect, will drive more consumers to choose a vehicle lease in the next six months,” said Ken Sopp, President of CULA. “This leasing increase is also reflected in the growth we are seeing in our business at CULA, as we help more credit unions offer their members the lower monthly payments and term flexibility vehicle leasing provides.”

In spite of concerns about tariffs and rising vehicle prices, credit union professionals’ sentiment about auto finance is more positive than it was nine months ago, with 77% of respondents reporting that they are somewhat (58%), or very (19%), optimistic about the auto finance landscape through the end of 2025, versus only 57% who were somewhat or very optimistic in the third quarter of 2024. Meanwhile, 84% surveyed expect their auto finance portfolios to grow (53%) or remain the same (31%) over the next six months, with only 16% expecting a decline. This could be because the majority of those surveyed have seen an increase in auto financing year-to-date compared to last year.

Of the 23% who are not optimistic, tariffs were the number one reason cited, with delinquencies, continuing inflation, and high interest rates scoring nearly as highly. In addition to the 71% of credit union respondents expecting an increase in vehicle prices as the vehicle market plays out over the next 12 months, 49% expect that credit standards will tighten, 42% expect that vehicle inventory will continue to decrease, while only 21% expect interest rate increases.

“The optimism expressed about their auto finance future by the majority of credit unions surveyed, even in the face of some market headwinds, is encouraging – and typical of credit unions. After all, credit unions prioritize helping their members with financing options in good times and bad,” said Chris Harper, Director of Business Development for CULA. “Their expectation that their portfolios will grow in the next six months aligns with what we are seeing; and, as we partner with credit unions to help more of their members into vehicle leases, we are delighted to support that growth.”

CULA’s “Future of Auto Finance” snapshot survey was conducted online from June 24, 2025 through August 7, 2025 among 119 credit union professionals.

*Key Survey Takeaways*

* 65% of credit union professionals surveyed expect President Trump’s tariffs on autos to drive a decrease in sales
* 71% say auto financing year-to-date has increased (58%) or stayed the same (13%), compared to last year; 29% have seen a decrease
* 84% expect their auto finance portfolios to grow (53%) or remain stable (31%) in the next six months, compared to the previous six months; 16% expect a decline
* 77% describe their overall feeling about the auto finance landscape through the end of 2025 as optimistic, with 58% somewhat optimistic and 19% very optimistic
* For the 23% who are not optimistic about the auto finance landscape for the balance of the year, tariffs were the number one reason, with delinquencies, continuing inflation, and high interest rates scoring nearly as highly
* 71% expect vehicle prices to increase over the next 12 months
* 75% expect more consumers to choose leasing over loans over the next six months, with rising prices on consumer goods, leading to a rise in cost of living cited as the top reason

**About Credit Union Leasing of America**

Credit Union Leasing of America (CULA) has been the leader in indirect vehicle leasing for credit unions for over 35 years. Founded in 1988, CULA provides best-in-class program assistance, analytics reporting, compliance support, dealer management tools and member services. The CULA indirect vehicle leasing program empowers credit union innovators to diversify their existing loan portfolios, improve yield and expand member services. Visit <https://www.cula.com/> to learn more.

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1. Experian State of the Automotive Finance Report Q1 2025 [↑](#footnote-ref-1)