THINK LIKE AN F&I MANAGER

EFG Subprime Intelligence

ARE YOU
PREPARED FOR LONGER TERMS AND HIGHER PAYMENTS?

ACCORDING TO EXPERIAN,

Clearly, more and more consumers are pushing for longer terms to get into the cars they want, and **with longer terms come a higher risk of delinquency or default.** Traditionally, lending institutions rely on a managed tiered-rate structure as a buffer against that risk. However, there are other ways to help mitigate it. **F&I products make it possible for consumers to continue making their monthly payments in the event of a vehicle breakdown, which can interrupt their ability to make their loan payments.**

By pairing the benefits of consumer protection products with a well-executed rate structure, **lenders set their institutions up to materially reduce the risk of default while at the same time, adding value to the loan for both consumers and dealerships.**

The average subprime consumer

finances $27,528 for a new vehicle at a 9.39% APR

for 71 months.

This equates to a monthly payment of $424.

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