



Fast Facts

- **Today, the majority of auto financing is done on site at the dealership.** Last year alone, more than 40 million auto financing transactions were arranged through dealerships. Dealing in such large volume allows dealers to offer competitive rates and access to multiple financing sources.
- **Virtually all 22,000 automotive dealerships offer the convenience of one-stop shopping through on-site financing offerings that assist consumers in securing financing.** Most dealerships work with 5 to 10 different banks or finance companies so that they can offer competitive deals to their customers.
- **Because of a dealer's access to multiple financing sources, borrowers with all kinds of credit histories can secure competitive deals, including buyers considered to be high-risk.** Dealers have provided financing to millions of consumers with credit challenges.
- **Customers can and do shop around for the best auto financing deals, demonstrating the high degree of competition in this marketplace:**
 - According to data from J.D. Power & Associates, 60 percent of auto purchasers went online for information in 2002.
 - Forrester Research estimates that shoppers send 1.8 million financing requests to dealers through their web sites each month.
 - Forrester says that 5 percent of all Internet searches are related to research for an automobile purchase.
 - Auto-related web sites receive 60 million hits per month.
 - A study by Wirthlin Worldwide commissioned by ART reported that 50 percent of 887 consumers interviewed, all of whom had purchased or leased a car in the past 18 months, used the Internet to research their car purchases, and 26 percent used it to research financing alternatives. Twenty-three percent visited more than one dealership to find information on auto financing.



Americans Well-Informed on
Automobile Retailing Economics

Educating consumers about auto financing



Fast Facts, Continued

- **Now, there are multiple sources of financing for automobile purchases beyond dealerships and traditional banks.** These include credit unions, savings banks, loans from stock brokerage firms, and home equity loans. This has created a highly competitive marketplace and lower rates for all consumers.
- **The current auto financing system employs hundreds of thousands of people, generating tremendous state and federal tax revenue.**
- **Most dealers disclose to consumers that the finance rate they are offered may be negotiable and that the dealership may receive a portion of the finance charge for helping the buyer secure credit.** Additionally, to help consumers make informed decisions, the National Automobile Dealers Association and American Financial Services Association, in cooperation with the Federal Trade Commission, created a brochure called “Understanding Vehicle Financing” that walks consumers through the vehicle financing process, and encourages shopping around to find the best deal.

