



## 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 occurred at 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 five 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, consumers 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 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 2004 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.



## 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 extending 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.

