R&CO WEBINAR SERIES FOR AUTO DEALERS

WEBINAR

Winning and Retaining Customers When Credit Gets Tight

A balanced playbook for dealer principals, general managers and lending partners

November 2026



ISAAC PETERSON
Director of Sales, Fury Motors



ANDY MAYERS
Lender Strategist, Cox Automotive

FURY EST. 1963 | ROSENFIELD & Co. PLC Traditional Values | Extraordinary Results | COX AUTOMOTIVE

What we’re seeing



AI was used to generate this image

THE BOTTOM LINE

The strength was borrowed. Now the bill is due.

Customers still judge today's rates, payments and trade values against 2020–2021. Winning and keeping them starts with resetting that definition of "fair."

+36% New-car payment, $563 → $765 since 2019

6.35% New-car APR, up from the 3.86% low in 2021

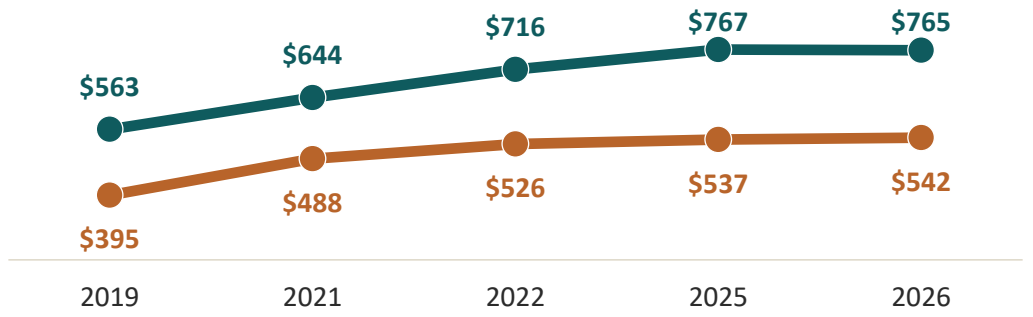
29.1% of trade-ins underwater in Q3, vs. 14.9% in 2021

FURY EST 1963 | ROSENFIELD & Co. | COX AUTOMOTIVE

The Bill Comes Due

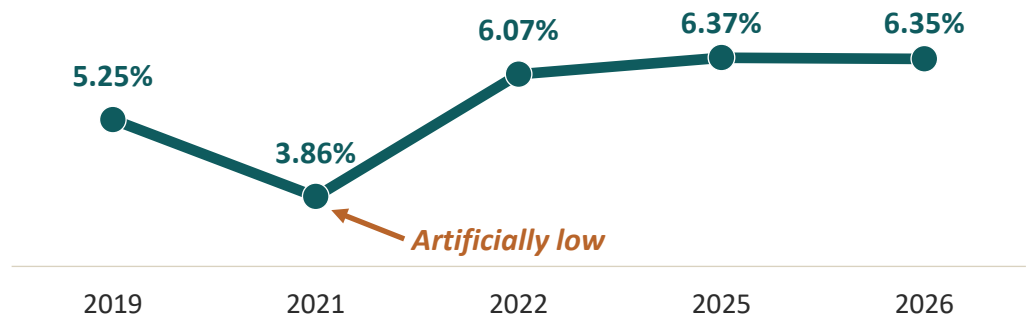
Avg. new and used payment

New payment $563 → $765 (+36%) **Used payment $395 → $542 (+37%)**



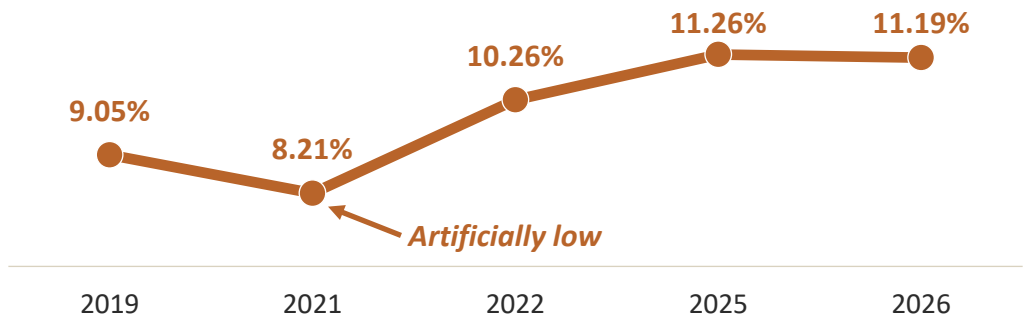
Avg. new-car APR

5.25% → 6.35%, up 1.10 points since 2019



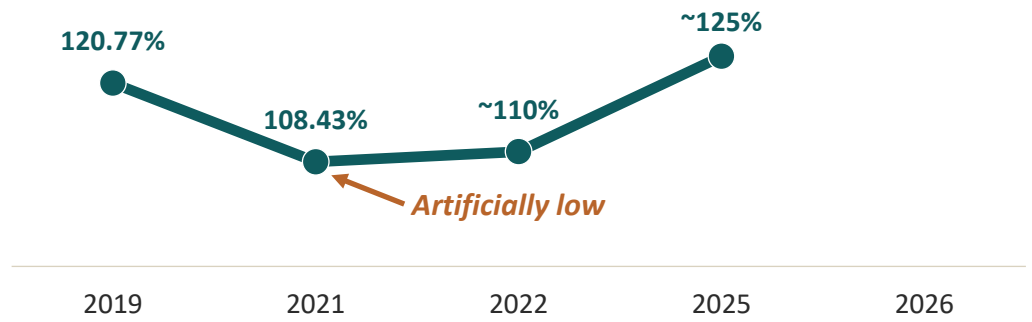
Avg. used-car APR

9.05% → 11.19%, up 2.14 points since 2019



Avg. used-vehicle LTV

120.77% → ~125% in 2025; no comparable 2026 series



Metrics as provided; 2026 = latest available (Q2 for APRs and payments). Used-vehicle LTV for 2022 and 2025 is approximate.

THE CREDIT CYCLE AT A GLANCE

Setting the Scene

2019

NORMAL

5.25%
Average new-car APR

703
Average U.S. FICO

32.7%
Trades with negative equity

2020–2021

ARTIFICIAL STRENGTH

3.86%
Average new-car APR

714
Average U.S. FICO

14.9%
Trades with negative equity

2025 Forward

THE BILL IS DUE

6.37%
Average new-car APR

713
Average U.S. FICO

29.3%
Trades with negative equity

The strength was borrowed. Now the bill is due.

2019 set the normal baseline, 2020–2021 flattered every customer's credit, and 2025 forward is when payments, rates and equity catch up.

Figures from the 2019–2025 metrics on slide 8. 2020–2021 figures are 2021 values.

WHAT HAPPENED

2019 was normal; 2020–2021 were artificially strong

	2019: Normal customer	2020–2021: Artificially strong customer
Income	**Normalized household income** $68,703 median household income	**High government social benefits** Payouts to individuals rose from $3.09T in 2019 to $4.57T in 2021, about $13,735 per person.
Credit	**Normal credit** Average U.S. FICO score of 703	**Credit scores rose** No student loan payments to make, plus extra income to pay down debt. Average FICO reached 714.
Interest rates	**Normal interest rates** New-car APR 5.25%, used-car APR 9.05% (Q4)	**Artificially cheap money** Rates subsidized by the Fed and manufacturers to keep the economy running. New-car APR fell to 3.86%, used to 8.21% by Q4 2021.
Negative equity	**Normalized negative equity** 32.7% of new-car trade-ins underwater, averaging $5,658	**Negative equity virtually disappeared overnight** A lack of new-vehicle supply sent new and used values skyrocketing. Only 14.9% of new-car trade-ins were underwater, averaging $4,147.

Figures from the 2019–2021 metrics on the previous slide.

THE SQUEEZE

Where the problem began: the COVID-era credit cycle

	Normal	Artificially strong customer	
Metric	**2019**	**2020**	**2021**
Median Household Income	$68,703	$67,521	$70,784
Average U.S. FICO	**703**	**710**	**714**
Avg. New-Car APR – Q4	**5.25%**	**4.31%**	**3.86%**
Avg. Used-Car APR – Q4	9.05%	8.43%	8.21%
Avg. New Loan Amount – Q4	$33,255	$35,228	$39,721
Avg. Used Loan Amount – Q4	$20,824	$22,467	$27,291
Avg. New Payment – Q4	**$563**	**$576**	**$644**
Avg. Used Payment – Q4	**$395**	**$413**	**$488**
Avg. Negative Equity on Underwater Trade – Q4	$5,658	$5,063	$4,147
% of New-Car Trade-ins With Negative Equity – Q4	32.7%	31.4%	14.9%
Avg. Used-Vehicle LTV – Q2	**120.77%**	**120.83%**	**108.43%**
Government Social Benefits – Total	$3.09T	$4.19T	$4.57T
Government Social Benefits Per Capita	~$9,350	~$12,620	~$13,735

Metrics as provided, 2019–2021. Q4 and Q2 values as labeled in each row.

THE DATA BEHIND THE BILL

Credit, payments and equity, 2019 to 2026

Metric	2019	2021	2022	2025	2026 – Latest
Median Household Income	$68,703	$70,784	$74,580	$87,460	N/A
Average U.S. FICO	**703**	**714**	**714**	**713**	**714**
Avg. New-Car APR	**5.25%**	**3.86%**	**6.07%**	**6.37%**	**6.35% – Q2**
Avg. Used-Car APR	9.05%	8.21%	10.26%	11.26%	11.19% – Q2
Avg. New Loan Amount	$33,255	$39,721	$41,445	$43,582	$43,610 – Q2
Avg. Used Loan Amount	$20,824	$27,291	$27,768	$27,528	$27,852 – Q2
Avg. New Payment	**$563**	**$644**	**$716**	**$767**	**$765 – Q2**
Avg. Used Payment	**$395**	**$488**	**$526**	**$537**	**$542 – Q2**
Avg. Negative Equity on Underwater Trade	$5,658	$4,147	$5,353	$7,214	$7,107 – Q3
% of Trade-ins With Negative Equity	32.7%	14.9%	17.7%	29.3%	29.1% – Q3
Avg. Used-Vehicle LTV	**120.77%**	**108.43%**	**~110%**	**~125%**	**N/A comparable series**
Government Social Benefits – Total	$3.06T	$4.49T	$3.96T	$4.82T	$5.10T annualized – Q3
Government Social Benefits Per Capita	~$9,300	~$13,500	~$11,900	~$14,100	~$14,900 annualized

Highlighted rows are the metrics charted on the previous slide. 2026 – Latest shows the period noted in each cell.

THE CHALLENGE AHEAD

Risk 1: Temporary strength felt permanent

THE DATA BEHIND EACH THOUGHT: 2019 → 2021

"My credit is strong."	Average FICO 703 → 714	
"Money is cheap."	Average new-car APR 5.25% → 3.86%	
"My trade is worth more."	Trades with negative equity 32.7% → 14.9%	Average negative equity $5,658 → $4,147
"I have more financial support."	Government social benefits per capita ~$9,350 → ~$13,735	*Not all direct cash; includes broader government benefits.*
"I can afford to stretch."	Average new-car amount financed $33,255 → $39,721	Average new payment $563 → $644

The customer didn't feel risky. They felt stronger than ever.

They didn't become irresponsible. The environment trained them to believe a bigger loan, payment and term were manageable.

Sources: 2019–2021 metrics (slide 3). Government benefits per capita include broader transfers, not only direct cash.

THE CHALLENGE AHEAD

Risk 2: A reset definition of “fair”

RISK 2: A RESET DEFINITION OF “FAIR”

Expectations were shaped by the system, not the market

- Government support, lender subsidies and dealer processes set a below-market baseline for rates and values.
- Customers now judge today’s rates, payments and trade values against that artificial standard.

WHAT “FAIR” NOW MEANS TO THE CUSTOMER

≤ 3%

New-car rates

Customers see 3% or below as fair.

< 7%

Used-car rates

Customers see anything under 7% as fair.

2 years

Trade-in timing

Customers expect to trade out after 2 years with positive or break-even equity.

Anchored to subsidized 2020–21 conditions, not today’s market.

Sources: 2019–2021 metrics (slide 3). Customer expectations as described by the presenter.

The Art of the Deal



AI was used to generate this image

FURY EST 1963 | ROSENFIELD & Co. | COX AUTOMOTIVE

The strength was borrowed. Now the bill is due.

Thank You

Connect with us!



ISAAC PETERSON
Director of Sales, Fury Motors
isaac@furymotors.com



ANDY MAYERS
Lender Strategist, Cox Automotive
Andrew.Mayers@coxautoinc.com



ROSENFIELD & CO.
Webinar Host
info@rosenfieldandco.com