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CUDL'S 2008 AUTO LENDING BUSINESS INTELLIGENCE REPORT DETAILS CREDIT UNION PERFORMANCE AND TRENDS

New Report shows that credit unions continued to perform well versus banks in 2007.

Rancho Cucamonga, Calif. April 15, 2008 – Credit unions' performance in the auto lending marketplace closely mirrored the performance of banks and other financial institutions in 2007, according to CUDL's newly released 2008 Auto Lending Business Intelligence Report.

The annual report, which highlights key credit union auto lending trends and statistics over the previous year, revealed that credit unions maintained a significant market presence in 2007. According to the report, 16.9% of all auto loans originated in 2007 were through credit unions, down slightly from 18.0% in 2006. Likewise, banks' market share dropped from 34.2% to 32.6% in 2007.

CUDL (CU Direct Corporation), which administers the nation's largest indirect and point-of-sale lending network for credit unions, has developed the Auto Lending Business Intelligence Report as a resource for credit union organizations to better understand credit unions' role in the auto lending market, benchmark their performance and learn best practices. Currently the network includes more than 600 credit unions and 9,000 automotive dealers nationwide.

The report reveals that a key to credit union market success in 2007 was their ability to offer competitive financing to their members when compared to other lending institutions. Credit unions continued to offer low rates and flexible loan terms to grow loan volume, whereas other financial institutions turned to non-prime and sub-prime lending to boost their loan volumes. For instance, sub-prime loans made up nearly half of all the loans that finance companies originated in 2007.

"Auto lending continues to be the one area where credit unions held a significant market share," said CUDL's market research analyst, Joe James. "In fact, there are five states where an individual credit union is the top lender in the entire state."

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The report also showed that credit unions continue to effectively manage risk of their auto lending portfolios. Although credit union indirect delinquencies and charge-offs increased from 2006, these rates were still in line with the delinquency and charge-off rates on other consumer loans that credit unions offer. The credit union delinquency rate on indirect loans was 1.2% in 2007 while the credit union delinquency rate on other consumer loans was 1.3%.

Average loan maturities on new and used vehicle loans funded by credit unions on the CUDL platform varied from the vehicle loans funded in 2006. The average new vehicle loan maturity in 2007 was 72 months, compared to 65 months in 2006. The report also shows that 69.3% of the loans had maturities greater than five years. For used vehicle loans, maturities experienced a shift in the other direction in 2007. Used vehicle loan maturities funded on the CUDL platform decreased from 70 months in 2006 to 65 months in 2007. This is a reflection of market trends as J.D. Power and Associates reported that 82.0% of all auto loans originated in 2007 had maturities between 60 and 77.9 months.

The report shows that 2007 was a year when credit unions sought to grow loan portfolios through new channels, including the recreational vehicle, watercraft, and motorcycle markets. Credit unions funded over 10,000 of these loans in 2007. The average loan amounts for these vehicles ranged from \$6,830 for an all-terrain vehicle (ATV) to \$25,039 for a boat.

“Although we saw a decline in credit union market share from 2006 to 2007, a reflection of the current down turn in the auto industry, credit unions have maintained a strong presence in the auto lending arena,” said Tony Boutelle, President and CEO of CUDL. “Credit unions have used new channels such as the internet to grow auto loans but they have also used traditional channels to stay competitive.”

Credit unions interested in obtaining a copy of the 2008 Auto Lending Intelligence Report can do so by visiting www.cudl.com.

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About CUDL

Based in Rancho Cucamonga, California, CUDL® (CU Direct Corporation) is the leader in indirect and point-of-sale lending services for the credit union industry. CU Direct Corporation administers both the CUDL and CUDL DApp programs, which allow members to receive credit union financing at the auto dealership through an automated decisioning system. As a Credit Union-owned Service Organization, CUDL develops custom applications, training and marketing programs to help credit unions achieve their indirect lending goals. Participants include more than 9,000 dealerships and 600 credit unions in over 45 states nationwide. For more information on CUDL, visit www.cudl.com. Credit union members can find all the latest CUDL AutoSMART auto buying and research tools at: www.cudlautosmart.com.