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Florida Credit Unions Providing More Auto Loans to Low-Income Families

TALLAHASSEE, FL – The League of Southeastern Credit Unions & Affiliates (LSCU & Affiliates) is excited to share that Florida credit unions are providing more auto loans to those with low credit scores than other financial institutions do, according to Equifax data that was analyzed by the Credit Union National Association (CUNA). The [September 2022 Credit Union Auto Lending Report](#) shows that credit unions continue to fulfill their mission of enhancing the financial well-being of members everywhere, especially those in underserved areas.

“The auto lending data shows that our credit unions are providing access to affordable, reliable transportation through automobile loans,” said Patrick La Pine, CEO of LSCU & Affiliates. “Credit unions are 1.5 times more likely to lend to subprime borrowers than other financial institutions, and the interest rates at credit unions are far lower, which means consumers save thousands of dollars over the life of the car loan. At a time when Americans are still battling unemployment and the impacts of the pandemic, credit unions are filling the gap by ensuring consumers have access to affordable transportation, a significant barrier to employment, and other financial services.”

When it comes to subprime lending, which is a loan for consumers with credit scores lower than 660, Florida credit unions own 18.8% of the market share for outstanding loans, compared to banks at just 11.5%. This data shows that credit unions continue to grow in the automobile lending market, with Florida credit unions showing a 23.6% increase in auto loans year over year.

“Consumers recognize that credit unions are the best place for auto loans and other accounts,” La Pine. “Credit unions, simply put, provide better rates and more affordable access to credit for those of modest means.”

Furthermore, the auto lending report proves that credit unions have stronger loan quality than other financial institutions. Credit union auto loans have lower delinquency rates (even for those with low credit scores), which is due in part to lower interest rates, lower monthly payments, and the consultative approach credit unions take with lending and financial education.

Florida credit unions charge an interest rate anywhere from 1% to 2% lower than other financial institutions. Consumers with low credit scores who take out an auto loan of \$40,000 on a 72-month loan term can save anywhere from \$500 to \$2,600 over the life of the car loan. Credit unions are the way to go if you're in the market for an auto loan for a new or used vehicle. You can visit <https://www.yourmoneyfurther.com/> to find a credit union in your area that provides access to auto loans and other financial services.

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ABOUT THE LEAGUE OF SOUTHEASTERN CREDIT UNIONS & AFFILIATES

The League of Southeastern Credit Unions & Affiliates represents 302 credit unions throughout Alabama, Florida, and Georgia and has a combined total of more than \$175 billion in assets and more than 11.6 million members. LSCU provides advocacy, compliance services, education and training, cooperative initiatives, and communications. For more information, visit www.lscu.coop. Follow LSCU on [LinkedIn](#), [Twitter](#), and [Facebook](#).