

Will Having Finance in Deal Flow Before First Pencil Improve the Car Buying Process?

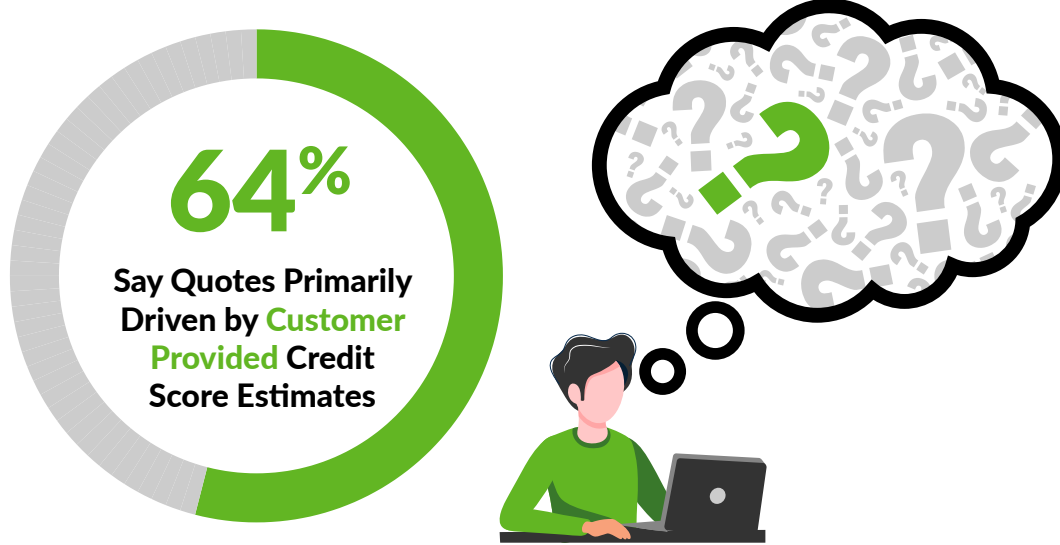
It is no secret there are major disconnects in the auto finance process – from diminishing lender transparency to AI-powered pricing – all of which leads to inaccurate price quotes. Could a new look at timing be the answer? Timing, after all, is everything...

In the auto finance process, not only is deal flow timing way off, but so is information flow, as this new survey from eLEND Solutions reveals, with dealers making desking deals based solely on consumer-provided credit scores and 'penny perfect' parameters that are anything but penny perfect...

The good news? Emerging pre-desking technology can solve these issues for dealers and lenders alike.

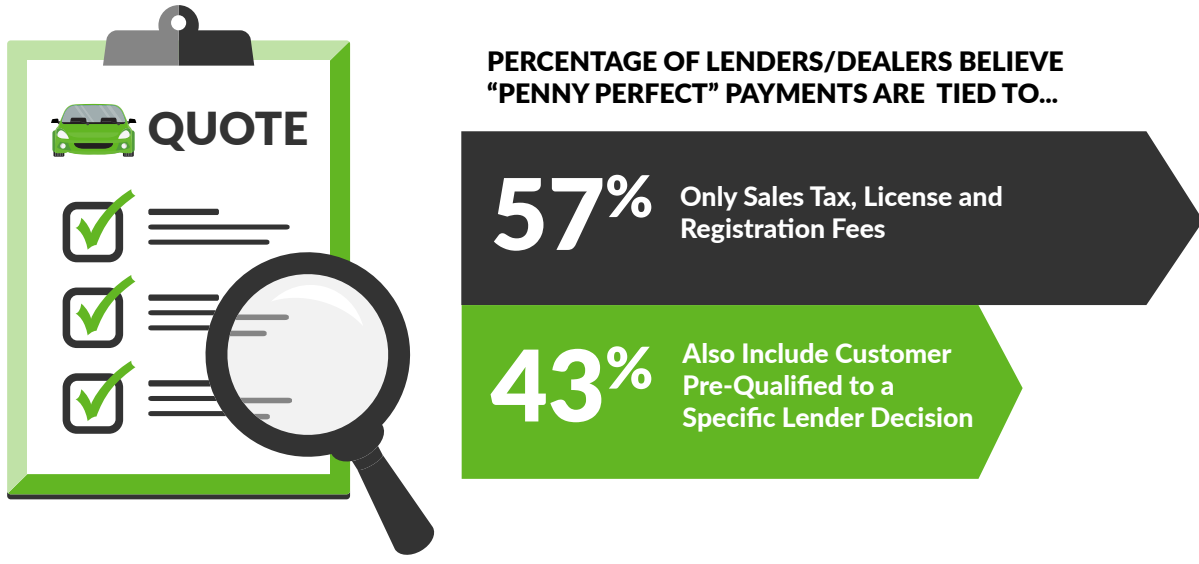
The Flawed Foundation of Online Quotes

A lack of relevant, objective information early in the process is leading to inaccurate payment quotes. In fact, 64% of dealer/lender respondents say today's online quotes are primarily driven by consumer-provided credit score information, versus by actual FICO scores or lender decisions.



Misunderstanding of "Penny Perfect" Payments

An industry misperception of what 'penny-perfect payments' actually should mean is adding to the information gap: less than 50% of lenders/dealers believe that 'penny perfect' includes the actual customer pre-qualified to a specific lender decision.



Negotiations Ahead of Lender Decisions

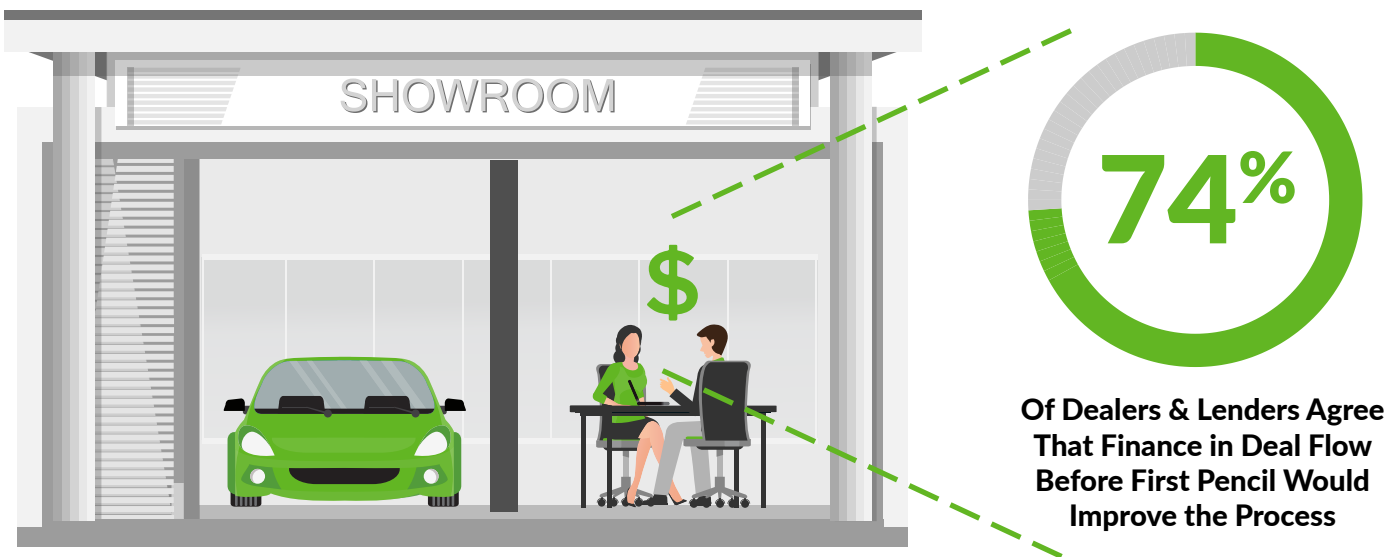
And yet, in spite of all these information gaps, dealers continue to 'put the cart before the horse' when it comes to negotiating payment terms – *over half* report that payment terms are negotiated with the online customer *before* an actual lender decision.



Could a Change of Timing Help?

Dealers and Lenders agree that having finance involved early in the deal flow prior to the first pencil, digitally or otherwise, would improve the process for all parties.

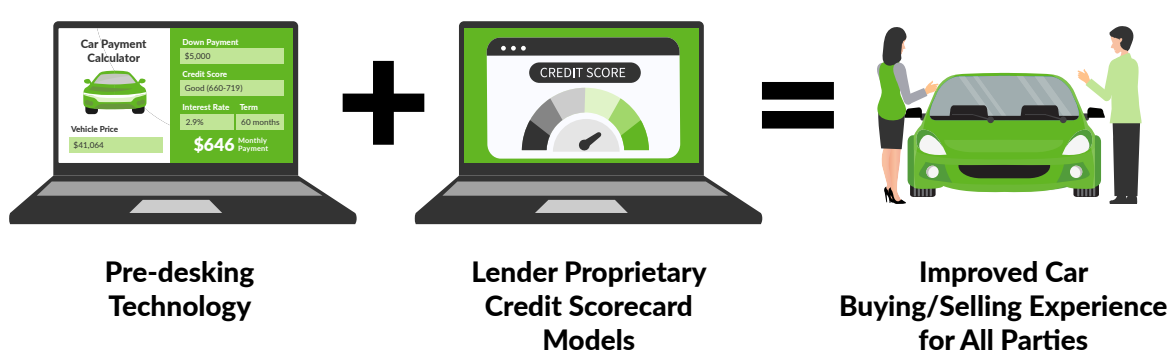
74% of respondents in the eLEND survey of dealers and lenders agree that having finance involved early in the deal flow prior to the first pencil, digitally or otherwise, would improve the process for all parties.



The Timing Solution: Pre-Desking Technology

Having finance involved in the deal flow prior to the first pencil will go a long way to solving these information gaps, which is why 94% of dealers/lenders agree that pre-desking technology, integrated with lender-specific credit scorecard models, would improve the car buying/selling experience for all parties.

94% of Dealers Agree...



Conclusion: Crossing a New Bridge

The information gap is generating major friction in digital finance, but can be bridged if industry players come together to change processes, increase transparency and embrace that allow sales and finance to begin the transaction together. The integration of finance in the initial stages of the deal flow isn't just a possibility—it's the key to unlocking a new standard of efficiency and satisfaction in automotive sales.

The last time the industry experienced major disruption around lender dealer communication was twenty years ago when 'faxes' between dealers and lenders were eliminated. The time for the next big disruption has come.

[Click here](#) to view Part 1 of this two-part infographic.



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About eLEND Solutions

eLEND Solutions™ (formerly DealerCentric) is an automotive FinTech company providing a middleware solution designed to power transactional digital retailing experiences for the retail automotive industry. The platform specializes in hybrid credit report, identity verification, and 'pre-desking' solutions, accelerating end-to-end purchase experiences - concluding with a transactable, fundable deal structure.

Source: 2024 survey of over 300 auto dealerships and lenders across the U.S., fielded by eLEND Solutions