# Is AI Adversely Impacting the Car Buying Process?

In a new survey of dealers and lenders, eLEND took a look at what is behind the inaccurate payments that, the vast majority say, are having an adverse impact on the buying experience. This infographic reveals the dual culprits - AI-based pricing and a reduction in lender transparency – and their impact on mis-matched desked deal and final lender decisions.

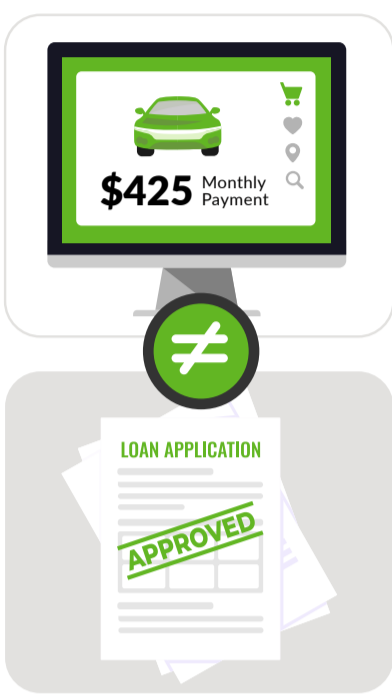## The Ripple Effect of Inaccurate Payment Quotes

86% of lenders/dealers acknowledge that inaccuracies in online digital retailing payment quotes are having an adverse impact on buying experiences.
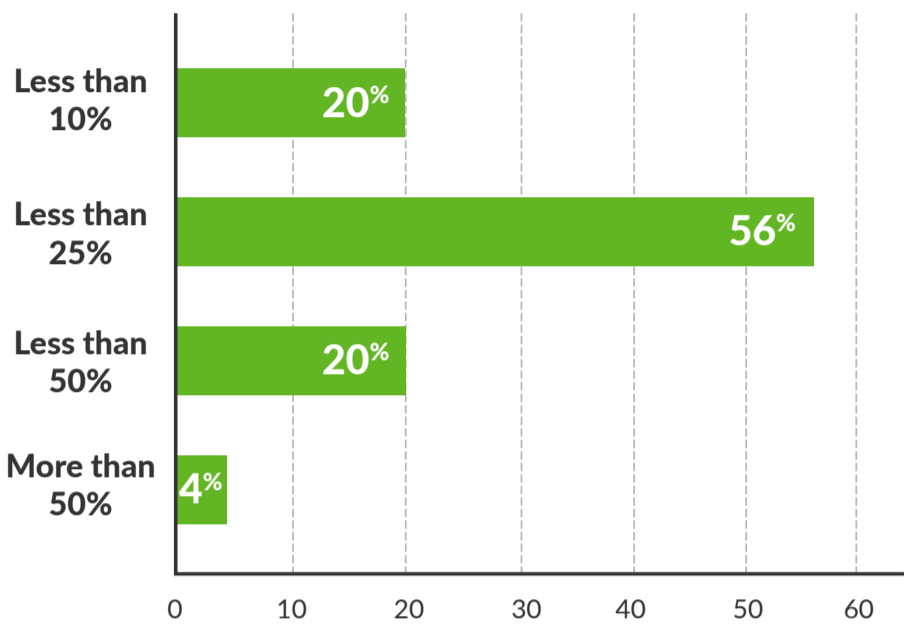
86%

SHOWROOM
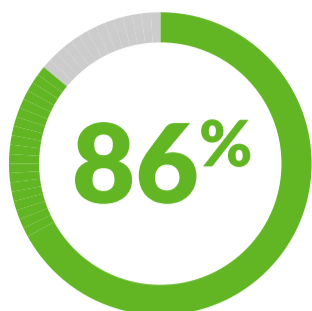
Of Dealers Think Inaccurate Online DR Quotes Have Adverse Impact on Buying Experience
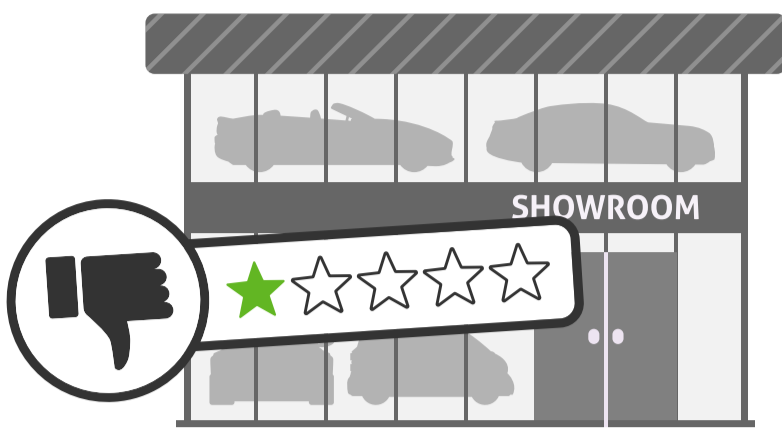
This is not surprising, given that the majority of dealers/lenders (76%) say initial digital retail payment quotes match final lender decisions less than half the time– leading to confusion and distrust among buyers.
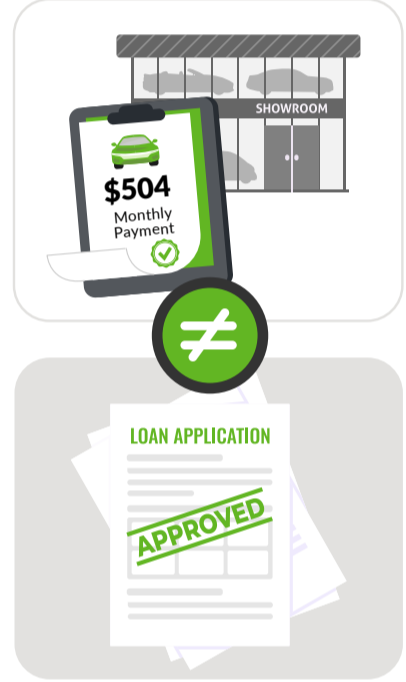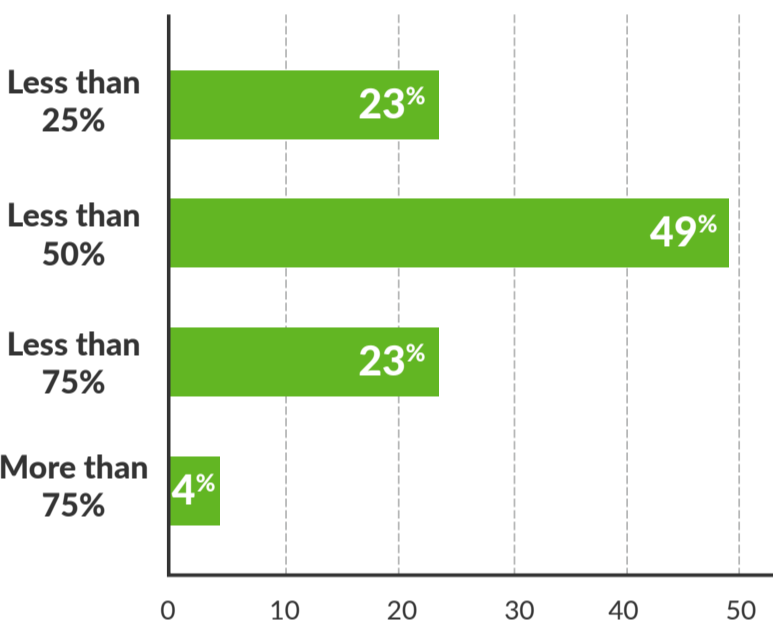
$425 Monthly Payment

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LOAN APPLICATION
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Percentage of Time Estimate DR Quote Matches Final Lender Decision

| Category	Percentage
Less than 10%	20%
Less than 25%	56%
Less than 50%	20%
More than 50%	4%

(scale: 0 10 20 30 40 50 60)

The result? The desked deal matches final lender decisions less than 50% of the time, exacerbating friction in the process.

Percentage of Time Desk Deal Matches Final Lender Decision

Category	Percentage
Less than 25%	23%
Less than 50%	49%
Less than 75%	23%
More than 75%	4%

(scale: 0 10 20 30 40 50)

SHOWROOM

$504 Monthly Payment

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LOAN APPLICATION
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What is causing this? Lenders and Dealers say AI and a lack of lender transparency.

The reliance on AI-powered pricing, with its more nuanced view of a borrower's financial situation, has led to a significant disconnect, with 90% of survey respondents citing it as a contributor to payment quote inaccuracies.

90% AI
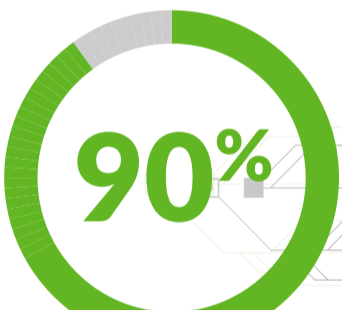
Of Dealers Think AI-Based Pricing Is Contributing to Inaccurate Online Quotes

And nearly as many confirm a reduction in lenders providing rate-sheet pricing bulletins, which is what dealers rely on to estimate the customer's payment – leading to misaligned deals.

87%

Of Dealers Have Seen a Reduction in Lenders Providing Rate Sheet Pricing Bulletins

All of which creates significant disconnects in the auto finance process….

But, report dealers and lenders, there is even more to the challenges at the intersection of the lender, the dealer, the consumer - and the deal. Find out more in Part 2 of this series which includes more data on why today's online payment quotes are anything but 'penny perfect,' including reliance on consumer-provided credit scores, mistimed lender/desking decisions as well as where there is consensus on how this can be solved.