

## **Average Auto Loan Amounts Head Lower - Consumer Finance**

As auto sales have decreased over the past few months, so have the prices paid for automobiles and light trucks. Recent data compiled by the Federal Reserve Bank of St. Louis show that the average amount financed for a new car loan has fallen to \$38,739, down from \$40,155 in September 2022.

Automobile dealerships nationwide have been accumulating larger inventories of cars and trucks, which they haven't been able to sell as quickly as before. The disruption of supply chains and availability of auto components during the pandemic elevated prices for new and used cars very quickly amongst an environment of dismal supply.

Now with supply chains restored and product supply back on track, demand has weakened, leaving large inventories and falling prices. Even though prices have fallen, consumers are still seeing larger than average auto payments due to high interest rates. Unless rates drop, consumers may continue to hesitate buying automobiles while dealers continue to amass inventories of unsold cars.

Sources: Federal Reserve Bank of St. Louis

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