How Many Car Buyers Actually Get Declined? (2026 Data)

Market Data · Greenlight Insights

Every dealer has a rough sense that "some" customers don't get financed. Few have put a number to it — and the number is bigger than most expect.

Across 2026, the overall auto-loan approval rate has moved in a band roughly between **70% and 74%**, according to Cox Automotive's Dealertrack Credit Availability Index. In January it was 71.8%; by March it had slipped to 70.8%; April recovered to 71.0%; May rose to 72.4%. The month-to-month picture bounces around — but the through-line is clear: **roughly one in four auto-finance applications does not end in an approval.**

That's not a rounding error. For a dealership processing hundreds of applications a month, it's a structural, recurring segment of your traffic walking out without a car.

The approval rate is down year-over-year — even when it looks like it's improving

Here's the nuance that matters. Headlines in 2026 have often described auto credit as "loosening," and in some respects it is — the Dealertrack index reached its best readings since 2022. But the *approval rate itself* has been **down year-over-year in most months**. March 2026's 70.8% was about 180 basis points below March 2025. April was down roughly 120 bps year-over-year.

In plain terms: even in a market described as improving, a slightly *larger* share of applicants is being turned away than a year ago. The declined-buyer population isn't shrinking. It's holding steady or growing.

Who gets declined — and why it's the customer you can least afford to lose

Declines cluster among a few reasons: credit score below a lender's threshold, insufficient time on job, income that doesn't support the payment, too much existing debt, or an insufficient down payment. Increasingly, the common denominator is **affordability**.

Consider what a buyer is up against in 2026:

- The **average new-vehicle monthly payment hit a record $770** (Experian, Q1 2026), up 2.9% year-over-year.
- The **average new-vehicle loan reached $43,925** (Experian, Q1 2026).
- More than a third — **35.55%** — of new-vehicle loans now carry terms longer than six years, an all-time high, as buyers stretch to make payments work (Experian, Q1 2026).

When payments and loan sizes hit records, more buyers land in the marginal zone where a lender says "not today." And the credit bar to get a *yes* has risen: the average credit score for a new-vehicle approval climbed to **753 in Q4 2025, up from 746 in 2021** (Experian, via Bankrate).

The declined population is under historic pressure

The clearest signal that this is a large and growing group: subprime borrowers — the segment most likely to be declined — are under generational stress. **Subprime 60+ day auto-loan delinquencies hit a 32-year record high in January 2026**, the worst reading since 1994 (Fitch Ratings). Repossession activity has risen in parallel.

This matters for a dealership in a specific way. The subprime and near-prime buyers getting declined today aren't gone forever — but the clock is against them. Every additional application and rejection tends to ding their credit further. The dealer who stays engaged and helps them become approvable captures the eventual sale. The dealer who lets them walk hands that customer to a competitor.

What "one in four" means for your store

Put a rough frame on it. If your store sees, say, 400 finance applications in a month and the market approval rate holds around 72%, that's roughly **112 declined applications every month** — over 1,300 a year. Most dealerships have no structured process for a single one of them.

Even recovering a *small fraction* — helping a share of those buyers become approvable over 30, 60, or 90 days — represents real, recurring gross. And it's the cheapest gross available, because you already paid to generate the lead: the marketing spend, the lot visit, the salesperson's time are all sunk costs. Recovery captures value you'd otherwise write off.

The bottom line

The declined buyer isn't an edge case. With approval rates down year-over-year, a rising credit bar, record affordability stress, and subprime distress at a 32-year high, the population of declined-but-recoverable customers moving through dealerships is large and growing.

The only question is whether your store treats them as lost — or as revenue you already earned but haven't collected yet.

See your own number. How many customers is *your* store declining each month — and what could recovering a share of them be worth? Our free recovery calculator runs your actual numbers in about 60 seconds. No inflated promises, just your math. → **app.greenlightrecover.com/roi**

Sources: Cox Automotive Dealertrack Credit Availability Index (2026); Experian State of the Automotive Finance Market (Q4 2025, Q1 2026); Fitch Ratings subprime auto ABS delinquency (Jan 2026); Bankrate (2026).