

ProPublica and Scripps News collaborate on investigation into used car loan hidden costs

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ATLANTA – In a joint investigation published today, ProPublica and Scripps News reveal a pattern of complaints against Exeter Finance – one of the largest auto lenders in the nation. Reporters spoke to dozens of borrowers who were given the option of skipping payments when they got into financial trouble but were surprised to learn they then owed large lump sums at the end of their loans.

Exeter specializes in high-interest loans to people with histories of not paying bills or defaulting on debt. The company has more than 500,000 active loans and a partnership agreement with CarMax.

To examine Exeter's practices and their effect on borrowers, ProPublica's Ryan Gabrielson, Byard Duncan, Jeff Ernsthause and Mollie Simon, along with Scripps News' Patrick Terpstra and Carrie Cochran, analyzed data on more than 10 million auto loans included in bonds issued in the past five years and spoke to industry regulators, former company employees and borrowers.

"Dozens of customers told us that Exeter didn't clearly explain the added costs," said Byard Duncan, ProPublica reporter. "That's something experts say undermines a key consumer protection law."

The investigation found more than 200,000 Exeter loans are at least three payments behind schedule – a degree of delinquency that is roughly twice that of any other subprime lender in the data.

"These are families who thought they were getting a reprieve when they fell behind on paying Exeter for a car they desperately needed," said Terpstra, Scripps News national investigative reporter. "But we learned that what seemed like a lifeline was actually an agreement that could cost them thousands of more dollars than they realized."

Each time the company grants an extension, it resets the clock and reclassifies the loan as being on schedule with borrowers continuing to make payments in hopes of catching up. Each time, though, interest continues to build during the reprieve, driving up the borrower's debt. Regulatory records show many customers paid the equivalent of the full loan, or more, only to see their cars repossessed when they couldn't pay the extra charges.

Exeter's top executives declined to be interviewed for the story but issued a statement that said it's "fully committed to transparency in its lending practices" and "has no reason to mislead customers." Exeter says borrowers can request to hear what their extension will cost.

[Read the full investigation here.](#)

In May, [Scripps News announced it would be partnering with ProPublica to produce original investigations](#). These collaborations premiere on air and across Scripps News and ProPublica digital platforms. Scripps News also features ProPublica reporters on local and national programming regularly to highlight the organization's original reporting.



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