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The State of Wholesale Finance

Supply came back into balance. The cost of carrying it did not, and the risk moved from the balance sheet to the lot.

00

Executive summary

Five findings from eight months of public data across six asset classes.

Wholesale finance spent 2024 and 2025 absorbing a supply shock. It is spending 2026 absorbing something harder to see: a cost of carry that did not come down with the inventory, and a set of operational risks that periodic audits were never designed to catch.

1. Supply normalized. Carry did not.

New-vehicle days' supply peaked at a revised 96 in February 2026 and settled into the high seventies by summer.[1] That is a return to something close to a normal market. The financing that sits underneath it did not normalize with it. Floor plan lines are priced off a SOFR that has hovered near 3.6 percent with prime at 6.75 percent, and dealers reported net floor plan expense per unit rising roughly 39 percent year over year in a single 2025 quarter.[2,3] Fewer units on the lot, more cost per unit on the line.

2. One product name, six markets moving in different directions.

Equipment finance is heading for a record year while RV wholesale shipments are forecast to fall 8.2 percent. Heavy truck retail sales dropped 21 percent in the first quarter while June orders rose 241 percent. Agriculture dealers are in active de-stocking.[4,5,6,7] A single advance rate table and a single curtailment schedule applied across a mixed portfolio is no longer a simplification. It is a mispricing.

3. The biggest disclosed loss event of 2026 was operational, not credit.

In March a federal judge cleared a lender to take possession of $12.3 million of vehicle collateral from two Iowa rooftops, in a case alleging that units were shuttled between locations so that two lenders financed the same vehicles, backed by two sets of books.[8] No credit model catches that. A verification cadence does.

4. The dealer on the other side of the line is a different company than it was five years ago.

478 rooftops changed hands in the twelve months to Q1 2026, a record and 114 percent above the pre-pandemic five-year average.[9] Consolidated groups run treasury functions, compare lenders on funding speed and portal quality, and expect the same self-service they get from every other financial counterparty they have.

5. The technology question changed from "when" to "what shape."

Solifi acquired DataScan in September 2025, consolidating two of the category's larger positions.[10] Meanwhile banks continue to spend a large share of technology budgets maintaining platforms they cannot easily replace, and the pattern that has taken hold is not replacement. It is running a modern capability alongside the existing core.[11]

THE THROUGH LINE

Every finding in this report resolves to the same unit of account.

Wholesale finance is the only commercial lending product where the loan is a physical object with a serial number sitting in a place you can drive to. Pricing, risk, dealer experience and system design all improve or degrade together depending on one thing: whether the lender knows the current status of each individual unit, or only the status of a dealer-level balance that was accurate at the last audit.

01

Supply normalized. The cost of carrying it did not.

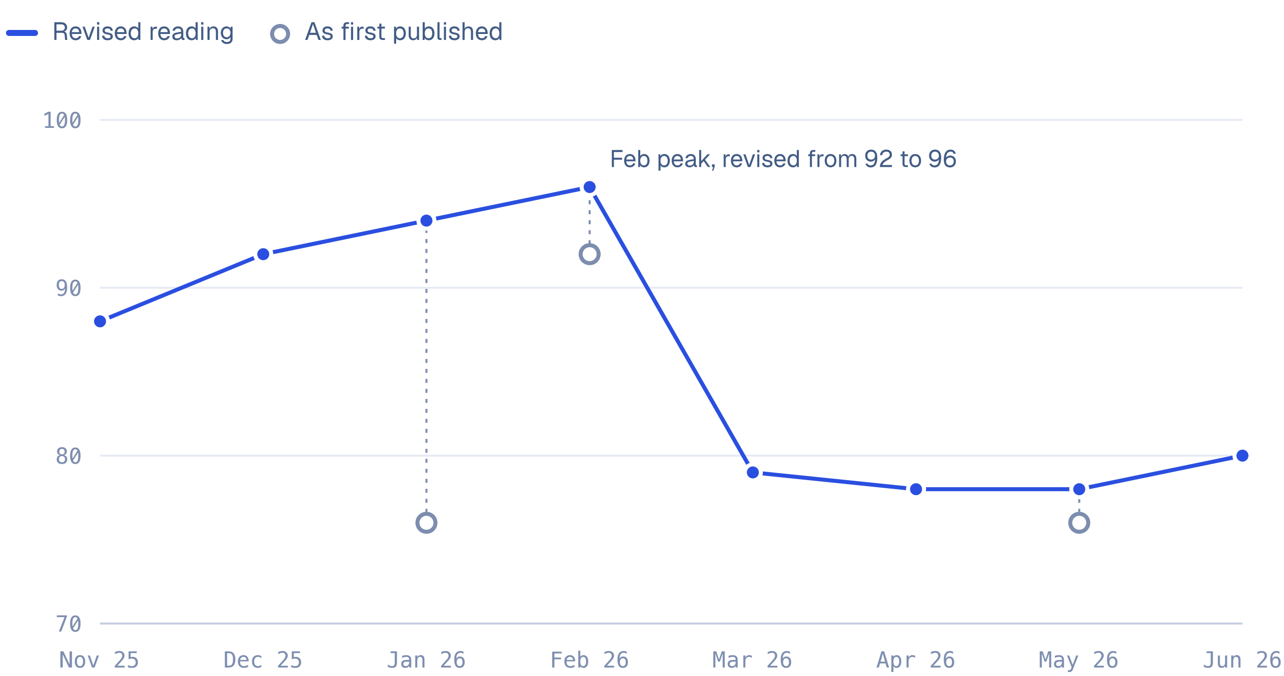
The headline metric came back to earth. The economics underneath it moved the other way, and the metric itself turned out to be less stable than the covenants written on top of it.

For two years the story of dealer inventory was volume. Lots refilled, then overfilled. New-vehicle inventory reached 2.97 million units and 88 days' supply in November 2025, against 71 days a year earlier.[2] By the summer of 2026 that had resolved. Inventory has held in a narrow band around 2.8 to 2.9 million units all year, and days' supply has spent the second quarter in the high seventies.[1]

That is the good news, and it is real. It is also where most industry commentary stops, which is a problem, because the two things a wholesale lender actually cares about both moved in the opposite direction.

FIG. 01 **Days' supply came down. The number itself moved too.**

US new-vehicle days' supply, monthly. Hollow markers show the figure as first published; the line shows the figure after revision. Days' supply is inventory divided by the prevailing sales pace, so a weaker-than-estimated sales month raises it retroactively.



Source: Cox Automotive monthly new-vehicle inventory reports, December 2025 through July 2026 releases.[1]

The revision is the finding

January 2026 was first reported at 76 days' supply, a figure that read as a sharp and welcome correction. It was later revised to 94.[1] February was first printed at 92 and revised to 96. The mechanism is not an error. Days' supply is a ratio, and the denominator is a sales pace that is estimated before it is known. When sales come in softer than the estimate, every unit on every lot silently ages.

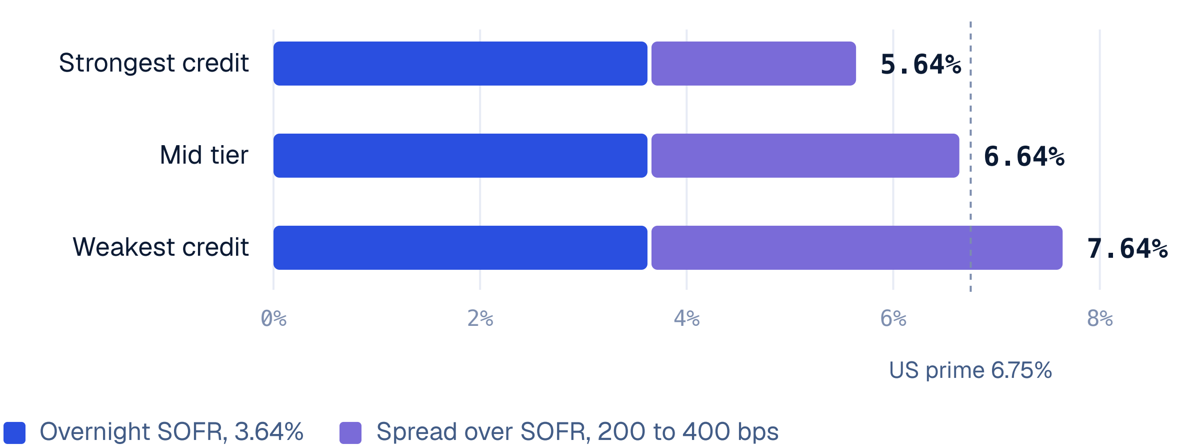
> **Why a lender should care about an 18-day revision.** Portfolio policy is frequently written against market days' supply: advance rates that step down when supply exceeds a threshold, aging triggers benchmarked to segment norms, concentration limits tied to market conditions. If the benchmark can restate by more than two weeks after the fact, policy anchored to it is anchored to something that moves. A lender's own aging report, computed from its own funding dates, never revises.

The rate stack did not follow inventory down

Floor plan is a floating-rate product. Lines are commonly priced at SOFR plus 200 to 400 basis points depending on credit quality, which puts an all-in rate somewhere between roughly 5.6 and 7.6 percent at the March 2026 SOFR reading of 3.64 percent.[3,12] Prime sat at 6.75 percent, unchanged since December 2025, and forecasts for 2026 range from one cut to none.[12]

FIG. 02 **What a floored unit actually costs to hold**

All-in floor plan rate by credit tier, built from the March 2026 overnight SOFR reading plus the reported spread range. Spreads vary by lender, program and collateral type; the range shown is what has been reported for auto floor plan in 2026.



Source: SOFR and prime as of March 2026; spread range as reported for auto floor plan facilities, 2026.[3,12] Illustrative of pricing structure, not a quote.

Rate is only part of carry. Dealers reported new-vehicle holding costs of about $7.90 per unit per day in the first quarter of 2025, easing about 3.5 percent by the third quarter but remaining elevated, and net floor plan expense per vehicle rising roughly 39 percent in the second quarter of 2025, an increase of about $139 per unit.[2] Facility fees and audit fees have moved up in the mid-teens in percentage terms over two years, non-usage fees have appeared on underutilized lines, and aging surcharges have become routine.[3]

HOLDING COST	NET FLOOR PLAN EXPENSE	TYPICAL SPREAD	FEE INFLATION
$7.90	**+39%**	**200 to 400**	**Mid-teens**
Per new unit per day, Q1 2025, easing about 3.5% by Q3	Per vehicle, year over year in Q2 2025, about $139 per unit	Basis points over SOFR, by credit quality	Percentage increase in facility and audit fees over two years

One structural tailwind, easy to miss

Floor plan financing interest remains fully deductible and sits outside the 30 percent limitation on business interest expense. For tax years beginning after 31 December 2024 the definition was widened: a trailer or camper designed to provide temporary living quarters and designed to be towed by a motor vehicle is now treated as a motor vehicle for this purpose.[13] For towable RV dealers, and for the lenders who fund them, that is a meaningful change in the after-tax cost of floored inventory arriving in exactly the year their unit volumes are forecast to fall.

LENDER TAKEAWAY

Stop benchmarking policy to a number that restates.

Where portfolio policy references market days' supply, replace it with the lender's own unit-level aging computed from funding dates. It is available in real time, it cannot be revised by a third party, and it is specific to the collateral actually on the line rather than to a national average that blends a 33-day Toyota lot with a 130-day Jeep lot. Keep the market figure as context. Do not let it drive a covenant.

02

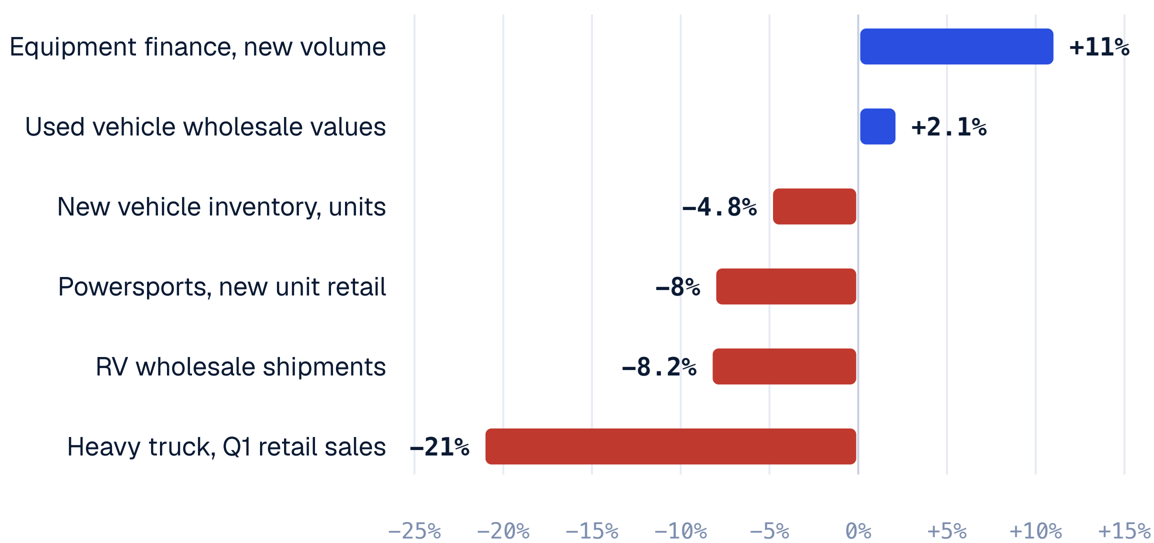
One product, six markets

"Wholesale finance" now describes segments whose 2026 direction, turn speed and collateral behaviour have almost nothing in common.

A lender with a mixed book is not running one business. In 2026 the spread between the strongest and weakest segment on the same balance sheet is wider than at any point since the supply chain disruption years, and it is running in both directions at once.

FIG. 03 **Year-over-year direction by segment, 2026**

Each bar is the most recent published year-over-year change for that segment. Measures are not identical across segments and are labelled individually; the chart shows direction and magnitude of movement, not a like-for-like comparison. One figure is deliberately left off the scale: Class 8 new orders in June 2026 were up 241 percent, a single-month comparison against an unusually weak base month, and plotting it would compress every other bar to nothing. It appears in the data table and is discussed below.



Sources: ACT Research and FTR; ELFA CapEx Finance Index; Cox Automotive Manheim Index and inventory reports; RVIA RV RoadSigns; SSI Data via Powersports Business.[4,5,6,14,15]

Auto, new: balanced, and unevenly so

The national average is the least useful number in the market. In the first half of 2026 Lexus ran 28 days and Toyota 33 while Jeep sat at 130 and Ram at 115.[1] A lender applying one aging schedule across a dealer group holding both franchises is either too tight on the Toyota store or far too loose on the Stellantis one. Average listing prices held near $49,000 all year, and roughly a third of available inventory sat below $40,000, which means the affordability segment where volume actually happens is a different market again.[1]

Tariffs remain the largest exogenous variable in unit cost. Reported industry cost increases of roughly $30 billion have driven average MSRP up about 10.4 percent, with imported vehicles absorbing $5,000 to $8,900 per unit and domestic vehicles $1,600 to $2,000.[16] For a floor plan lender, a 10 percent increase in the cost of a unit is a 10 percent increase in exposure per unit at an unchanged advance rate, and dealers have absorbed only a portion of the increase themselves.

Auto, used and independent: the volume engine, and the loss rate to watch

The independent dealer channel is where wholesale finance operates at the highest transaction count and the shortest duration. One public operator in this channel reported roughly 1.7 million finance transactions, about 15,000 unique independent dealers and $2.4 billion in average receivables managed, holding an annualized loss rate of 1.2 percent with an allowance equal to 1.1 percent of receivables.[17] That is the benchmark to hold a used-vehicle floor plan book against. It is also a reminder of scale: at that transaction count, no manual process survives contact with the volume.

Collateral values in this channel have been supportive rather than punishing. The Manheim Used Vehicle Value Index rose 6.2 percent year over year in March and had normalized to 2.1 percent by June after a strong and prolonged spring.[14] Rising wholesale values quietly flatter advance rates. They also mask aging, because a slow unit that appreciates does not look like a problem until the market turns.

RV: the segment with the most exposed floor plan

RVIA lowered its 2026 wholesale shipment forecast to a median of 314,000 units, an 8.2 percent decrease from the 342,200 shipped in 2025, citing higher financing costs and consumers deferring discretionary purchases.[5] Reporting in the used channel put more than $3.77 billion of unsold RV inventory on lots by late 2025 with an average age exceeding seven months.[18] Seven months of average age against a curtailment schedule written for a 90-day turn is not a slow season. It is a structural mismatch between the product's real turn speed and the credit product financing it.

Powersports and marine: pre-owned is carrying the segment

New-unit retail fell close to 8 percent in a single month of 2025 while used sales rose about 2 percent, with used UTVs up 13.8 percent, and dealers report margins on used units running two to three times new.[15] This inverts the usual floor plan assumption. The units generating dealer profit are the ones lenders advance least against and audit hardest, sourced from auction rather than from an OEM, with no invoice to advance against and a seasonal value curve that can soften 5 to 7 percent in late summer.[15]

Equipment: the record year

Equipment finance is having the opposite 2026. Deal volume tracked by the ELFA index is forecast to reach $129 billion, the highest annual total since the survey began in 2006, with first-half business up more than 11 percent year over year and the delinquency rate falling to 1.7 percent in June, below the 1.8 to 2.1 percent band of the prior two years.[4] Strong credit performance in a growth year is the environment in which underwriting standards loosen. It is worth naming that plainly while it is happening.

Agriculture: active de-stocking

The publicly traded ag and construction dealer group Titan Machinery raised its fiscal 2026 inventory reduction target to $150 million from $100 million, with agriculture revenue down 19 percent and continued pricing concessions on used equipment.[6] Floor plan interest expense fell for the simple reason that there was less interest-bearing inventory. When a dealer is deliberately liquidating, the lender's exposure declines and its yield declines with it, and the risk shifts from volume to the realizable value of what is left.

Heavy truck: the whiplash

Class 8 is the clearest illustration of why a single portfolio policy fails. New US Class 8 retail sales totalled 41,023 units in the first quarter of 2026, down 21 percent year over year and the weakest since 2020. Then June preliminary net orders came in at 30,500 units, up 241 percent year over year, with 2026 build slots expected to fill during July, before July orders settled to 22,000, down 31 percent from June but still up 75 percent year over year.[7] A book that sized its heavy truck line to the first quarter was wrong by summer, and a book that sized it to June is exposed if the pre-buy fades.

LENDER TAKEAWAY

Segment the policy, not just the report.

Most mixed-book lenders already report by asset class. Far fewer set advance rates, curtailment schedules, audit frequency and aging triggers by asset class, because legacy systems hold one set of parameters per dealer rather than per collateral type. In a year when RV turns in seven months and equipment is at a record, that single parameter set is the most expensive simplification on the balance sheet.

03 The risk moved to the lot

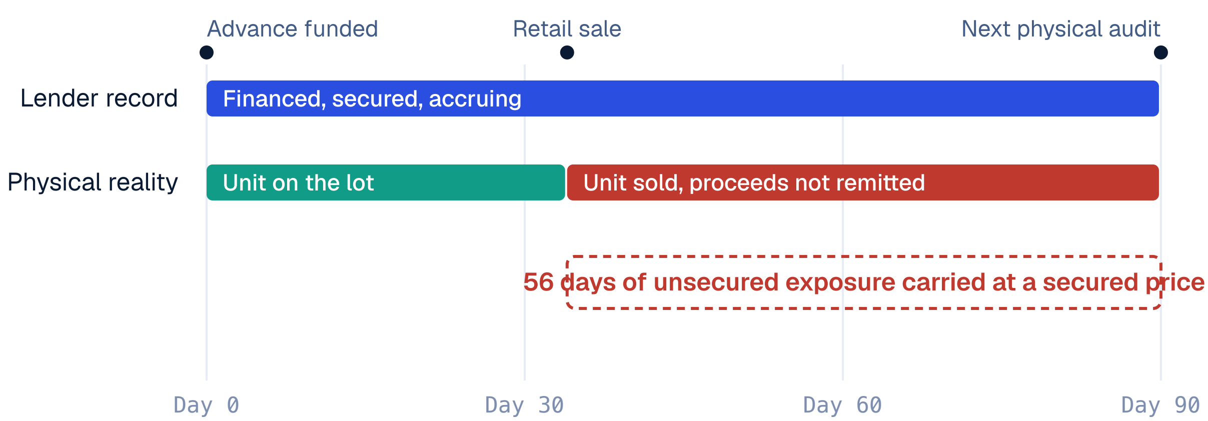
The defining loss events of this cycle are not credit deterioration. They are units that are not where the record says they are, discovered in the gap between audits.

On 31 March 2026 a federal judge cleared Stellantis Financial Services to take possession of $12.3 million of vehicle collateral from two Sky Auto Mall rooftops in eastern Iowa. The complaint alleged that vehicles were transferred between the two locations without notice to lenders, so that each lender unknowingly financed the same units, and that the dealership maintained two sets of accounting records. About $1.4 million of sale proceeds were allegedly retained rather than remitted. Ford Credit pursued its own seizure action.[8]

Nothing in that sequence is new. Double flooring and selling out of trust are the two oldest failure modes in this asset class, and the OCC's own handbook has described them for decades.[19] What has changed is the arithmetic around detection. Inventory turns faster, dealer groups operate more rooftops under more entities, and the physical audit that is supposed to catch this still happens on a calendar.

FIG. 04 **The exposure window a periodic audit cannot close**

One unit, one quarter, on a 90-day audit cycle. The lender's record and the physical reality diverge on the day the unit sells and stay divergent until the next physical verification. Illustrative, not drawn from a specific portfolio.



Vero illustration of the standard periodic audit cycle. Audit cadence varies by lender, dealer risk grade and collateral type.

What "out of trust" costs, structurally

A unit sold out of trust is not a slow payer. It is collateral that has ceased to exist while the loan against it continues to accrue and continues to be reported as secured. Every day between the sale and the discovery is a day of unsecured exposure carried at a secured price. On a 90-day cycle with a unit that sells on day 34, that is 56 days. Across a portfolio of several thousand units, the aggregate of those windows is the real number, and almost no lender computes it.

> **A useful internal metric almost nobody tracks.** Take every unit that paid off in the last twelve months. For each, compute the days between the retail sale date and the date the lender recorded the payoff. The median is your remittance lag. The 95th percentile is your actual out-of-trust exposure profile. The distribution's tail, not its average, is where losses live.

The audit is being rebuilt, and the direction is continuous

The category has moved quickly. One vendor reported digitizing close to 100,000 inventory audits for independent floor plan lenders and projected processing between 2.5 and 3 million verification images by the end of 2026.[20] In June 2026 a new entrant launched a platform built specifically around continuous VIN-level verification, with automated geolocation and timestamp validation and automated detection of retail events, rather than a scheduled physical count.[21]

The distinction that matters is not digital versus paper. It is snapshot versus stream. A digital audit that still happens quarterly produces a better-quality snapshot at the same interval. It does not shorten the window in Fig. 04. Shortening that window requires verification events that arrive between audits: a dealer-initiated sold notice, a payoff, a title movement, a geolocation ping, a lot check, a retail listing disappearing from a dealer's website.

Structure has already tightened, and it has tightened bluntly

Lenders responded to the last two years the way lenders do, by tightening terms. Advance rates on new units run 95 to 100 percent of invoice with the top of that range reserved for strong multi-store groups. Used advance rates run 75 to 90 percent, with independents at the lower end. Units past 90 to 120 days trigger curtailment or penalties. Electric vehicles carry separate sublimits and lower advance rates. Luxury units sit in tightly capped categories. Personal guarantees, widely eased before 2020, have been reintroduced across the market.[3]

FIG. 05 **Where floor plan structure has tightened**

Reported terms in the auto channel, 2026. Terms vary widely by lender and program; this is a summary of what has been publicly described, not a rate sheet.

TERM	WHERE IT SITS IN 2026	WHAT CHANGED
New unit advance	95 to 100% of invoice	100% now reserved for strong multi-store groups rather than offered broadly
Used unit advance	75 to 90% of value	Independent and used-focused stores sit at the bottom of the range
Curtailment trigger	90 to 120 days	Aging surcharges applied on top of curtailment rather than instead of it
EV units	Separate sublimit, lower advance	Carved out from the general new-unit line entirely
Luxury and high-value	Tightly capped category	Single-unit exposure caps, tighter concentration control
Personal guarantees	Widely required	Reintroduced after being eased in the pre-2020 low-rate period
Covenants	Liquidity minimums, aging limits	Location expansion now commonly requires lender consent
Fees	Facility, audit, non-usage	Mid-teens percentage increases over two years; non-usage fees are new

Source: reported floor plan structures and trends, auto channel, 2026.[3]

Every one of those levers is a blunt instrument applied at the dealer level. They price risk the lender cannot see. A lender that can see unit-level status has a different option available: keep the advance rate and shorten the verification interval. That trades a permanent revenue reduction for an operational cost, and in a market where dealers are consolidating and shopping their lines, the lender who does not need to reprice has an advantage that compounds.

LENDER TAKEAWAY

Measure the window before buying anything to close it.

Compute the remittance lag distribution described above, then compute total exposure-days between physical verifications across the book. Those two numbers turn an abstract argument about audit technology into a dollar figure, and they will tell you whether the answer is more frequent audits, better dealer reporting incentives, continuous verification, or a change in which dealers get which cadence. Most portfolios do not need the same answer for every dealer on the book.

04 The dealer is the counterparty now

Record consolidation has changed who signs the line, what they compare lenders on, and how fast they expect money to move.

Dealership consolidation reached another record in the first quarter of 2026. Completed buy-sell transactions hit 478 on a trailing twelve-month basis, up 21 percent year over year and 114 percent above the pre-pandemic five-year average. Multi-dealership transactions reached 108, up 36 percent. The Kerrigan Blue Sky Index climbed to 178, and 59 percent of surveyed OEM executives expect artificial intelligence to increase dealership profitability.[9]

BUY-SELL TRANSACTIONS	VERSUS PRE-PANDEMIC	MULTI-STORE DEALS	BLUE SKY INDEX
478	**+114%**	**108**	**178**
Trailing twelve months to Q1 2026, a record	Above the pre-pandemic five-year average	Up 36% year over year	Franchise valuations near historic highs

The operational consequence for a wholesale lender is not that dealers are bigger. It is that they are structurally different. A consolidated group holds multiple entities, multiple franchises with different turn profiles, floor plan from several lenders including at least one captive, and a controller or treasurer whose job includes comparing those lenders. That person is not evaluating relationship. They are evaluating cost of funds, funding speed, curtailment flexibility, audit disruption, and whether they can get an answer without a phone call.

Speed is now a term, not a service level

The payment infrastructure caught up in the background. The RTP network averages more than 1.5 million payments per day in 2026, approaching $500 billion in transaction value per quarter, and the single-payment limit was raised to $10 million in February 2025. Roughly 1,500 financial institutions had joined FedNow by the end of 2025, and 58 percent of US banks enabling instant payments now use both rails.[22]

A $10 million single-payment ceiling covers essentially every floor plan advance and payoff that exists. The constraint on same-day funding in wholesale finance is no longer the payment network. It is the approval and disbursement workflow sitting in front of it.

FIG. 06 **What the dealer expects to be able to do without calling anyone**

A self-service view of a floor plan line. Dealer, contacts and figures are illustrative.

dealer portal / summit-equipment

Summit Equipment Co.

CASEY MONROE · CONTROLLER · 3 ROOFTOPS

Request funding

TOTAL LINE	IN USE	AVAILABLE NOW	UNITS FLOORED	CURTAILMENT DUE
$1,000,000	**$881,000**	**$119,000**	**42**	**$18,400**
Reviewed 12 Jun 2026	88.1% committed	Funds same day to 6:00pm ET	Avg age 61 days	Due 20 Apr 2026

UNIT	DESCRIPTION	AGE	PRINCIPAL	STATUS
1FT8W3BT4NE	Skid steer loader, 74hp	18d	$86,400	Current
JCB3CX14FTA	Backhoe loader	47d	$124,500	Current
CAT299D3XTQ	Compact track loader	96d	$62,000	Curtailment due
KUB M7-172DT	Utility tractor, cab	12d	$139,100	Funding today

Four of 42 units shown. Total principal across the sample: $412,000.

Illustrative interface. Dealer name, contact and figures are fictional.

There is a second-order effect of consolidation that is easy to miss. When 478 rooftops change hands in a year, floor plan lines change hands with them. Every transaction is a moment where a dealer group's incoming owner re-evaluates the inherited lender, and where the acquiring group's existing lender is asked to extend a line across a new entity, a new franchise and a new state. Lenders whose onboarding takes weeks lose books during consolidation waves without ever being outbid on rate.

LENDER TAKEAWAY

Treat time-to-fund and time-to-onboard as competitive terms and measure them like rate.

Instrument two clocks: request received to funds disbursed, and signed commitment to first advance. Report them monthly next to yield. A consolidating dealer group will tolerate a slightly higher spread from a lender that funds the same day and can extend a line to a new acquisition in days. It will not tolerate a cheap line it cannot draw on when a deal is on the table.

05 The technology reset

The vendor landscape consolidated at the top while the deployment pattern moved decisively away from wholesale replacement.

In September 2025 Solifi acquired DataScan, a wholesale finance and inventory risk provider founded in 1989 and serving more than 45 major banks and captive lenders, whose products span wholesale loan servicing, digital audit and field audit services.[10] The transaction did two things at once. It validated the category, and it reduced the number of independent options available to a lender that wants a specialist wholesale system rather than a module of a general lending platform.

That matters because the constraint most wholesale lenders describe is not ambition. It is what sits underneath. Industry research puts the share of bank IT budgets consumed by maintaining legacy platforms at roughly 40 percent and in some cases far higher, and projects that around 40 percent of global banks will run modern capabilities alongside existing cores rather than replacing them.[11]

Why the sidecar became the default shape in wholesale specifically

General core replacement is famously slow. Wholesale finance is unusual in that it decomposes cleanly. The capabilities a lender needs are separable from one another and from the core: the dealer-facing portal, the audit and verification function, title management, funding and disbursement, unit-level inventory tracking, risk monitoring. Each has its own data, its own users and its own cadence, and each can run against a system of record that stays where it is.

This is why the practical question in 2026 is rarely "should we replace the platform." It is "which single capability, run alongside what we have, removes the most manual work and the most blind spots for the least disruption." Title management is the usual first answer because it is almost entirely self-contained. Audits and the dealer portal deploy the same way.

FIG. 07 **The same portfolio, seen at the unit level**

A lender-side view built on unit records rather than dealer balances. Dealers, auditors and figures are illustrative.

portfolio / risk / exceptions

Exception queue

38 DEALERS MONITORED · 2,914 UNITS · REFRESHED 4 MIN AGO

● 6 open exceptions

UNITS VERIFIED <30D	UNVERIFIED >90D	SOLD, UNREMITTED	MEDIAN REMITTANCE LAG
2,731	**51**	**6**	**3.1d**
93.7% of the book	Across 4 dealers	$214,800 principal	95th percentile 19d

DEALER	EXCEPTION	AGE	AT RISK	VERIFICATION COVERAGE
Ridgeline Truck Center	Sold, proceeds not received	19d	$96,300	
Cedar Ridge RV	4 units unverified since Feb audit	142d	$61,900	
Lakeside Powersports	Curtailment past due	11d	$34,200	
Harbor Material Handling	Unit listed for retail, not reported	6d	$22,400	

Assigned auditors: Avery Lang, Jordan Pike. Four of six open exceptions shown.

Illustrative interface. Dealer names, auditors and figures are fictional.

Where artificial intelligence is actually useful here, and where it is not

The honest position on AI in wholesale finance in 2026 is that the durable applications are narrow and unglamorous. Image-based unit verification is real and at scale, with one provider projecting 2.5 to 3 million verification images processed by year end.[20] Document extraction from titles, invoices and bills of sale is real. Anomaly detection across unit-level event streams, which is to say noticing that a dealer's reported status and its observable behaviour have diverged, is real and is exactly the class of problem where a model beats a threshold rule.

What is not yet real is credit judgment on dealer counterparties, where the population is small, the defaults are rare and the failure mode is a fraud pattern rather than a distribution. Fifty-nine percent of OEM executives expect AI to increase dealership profitability, which is a statement about optimism rather than about deployed systems.[9] The useful test for any AI claim in this category is simple: does it produce a verifiable fact about a specific unit, or does it produce a score about a dealer.

LENDER TAKEAWAY

Scope the next system by capability, not by platform.

Pick the single function where manual work and blind spots overlap most, run it alongside the current system of record, and require it to prove itself against a metric that existed before it arrived. Whole-platform replacement projects in this category consume years and are judged on go-live rather than on outcomes, which is precisely the wrong incentive for a book where the outcome is measured in exposure-days.

06

What to do in the next twelve months

Six moves, ordered by how quickly they pay back, plus a self-assessment.

- **Compute the remittance lag distribution.** Median, 90th and 95th percentile days from retail sale to recorded payoff, by dealer and by asset class. This is a query against data the lender already holds, and it converts out-of-trust risk from a fear into a number.
- **Total the exposure-days between verifications.** Sum, across the book, the days each unit spends unverified. Track it monthly. It is the single best proxy for how much of the portfolio is secured in theory rather than in fact.
- **Split policy by asset class.** Separate advance rates, curtailment schedules, aging triggers and audit cadence for each collateral type on the book. In 2026 the segments are not converging, they are diverging.
- **Replace market days' supply in covenants with internal unit-level aging.** The external benchmark restates. The internal one does not.
- **Instrument time-to-fund and time-to-onboard.** Report them next to yield every month. Consolidation is redistributing books, and these are the terms that decide it when rate is close.
- **Choose one capability to modernize alongside the core.** Not the platform. The capability with the worst ratio of manual hours to insight produced.

The operating model ladder

Most wholesale lenders can place themselves on this ladder in under a minute. The rungs are not maturity for its own sake. Each one closes a specific window in Fig. 04.

LEVEL 1

Dealer-level balances

The system knows what a dealer owes. Unit detail lives in spreadsheets and audit reports. Aging is estimated.

LEVEL 2

Unit-level records

Every advance is tied to a serial number with a funding date. Aging and curtailment compute themselves.

LEVEL 3

Dealer self-service

The dealer requests funding, reports sales and pays off units without a phone call. Reporting lag drops because reporting is easy.

LEVEL 4

Continuous verification

Verification events arrive between audits from several independent channels. The exposure window is measured in days, not quarters.

LEVEL 5

Exception-driven operations

Staff time goes to the units that disagree with expectation. Audit cadence, advance rate and pricing are set per dealer from observed behaviour.

SELF-ASSESSMENT

Ten questions that place a wholesale book on the ladder

Tick every statement that is true of your portfolio today. Nothing is recorded or transmitted; the score is computed in your browser.

- [ ] 01 Every advance on the book is tied to a specific serial number with its own funding date.
- [ ] 02 Unit aging and curtailment schedules compute automatically rather than being tracked in a spreadsheet.
- [ ] 03 Advance rates and curtailment schedules differ by asset class, not only by dealer.
- [ ] 04 Dealers can request funding and report a sale without contacting a person at the lender.
- [ ] 05 A payoff can be disbursed the same business day it is approved.
- [ ] 06 The lender can state, today, how many units have not been physically or digitally verified in the last 90 days.
- [ ] 07 The lender measures the days between a retail sale and the recorded payoff, and knows the 95th percentile.
- [ ] 08 Audit frequency varies by dealer based on observed behaviour rather than a fixed calendar.
- [ ] 09 Verification signals arrive between audits from at least one channel other than the dealer reporting them.
- [ ] 10 Staff time is organized around an exception queue rather than around a scheduled review of every account.

0/10

Start ticking

Your placement on the ladder will appear here.

07 Method, glossary and sources

What this report is built from, and what it deliberately is not.

Method

This edition synthesizes public data published between November 2025 and July 2026: industry association forecasts, public company filings and earnings materials, market data providers, regulatory handbooks, tax guidance, and one federal court matter. It is a synthesis, not a survey. Vero did not field a proprietary questionnaire for this edition, and no figure in this report is derived from Vero customer data.

Where a figure comes from a secondary report of a primary source, it is described that way. Where a number is a forecast, a range or an illustration, it is labelled. Two exhibits, Fig. 04 and the two interface exhibits, are illustrations created for this report rather than data drawn from a portfolio, and say so in their captions. Comparisons across asset classes in Fig. 03 use each segment's own published measure and are not like-for-like; they show direction and magnitude, not relative size.

Glossary

Floor plan financing A line of credit extended to a dealer, secured by the inventory it is used to purchase, repaid as individual units sell. Also called wholesale finance or inventory finance.	**Advance rate** The share of a unit's invoice or value the lender will fund. Higher on new units with an OEM invoice, lower on used units valued from a book or an auction price.
Curtailment A scheduled principal reduction on a unit that has not sold within a defined period, designed to keep the loan balance below the unit's declining value.	**Sold out of trust** A unit sold by the dealer where the sale proceeds were not remitted to the lender. The loan continues to be carried as secured against collateral that no longer exists.
Double flooring The same unit pledged to more than one lender at once, so that two lenders each believe they hold first position on it.	**Days' supply** Inventory divided by the prevailing daily sales rate. Because the denominator is estimated before it is known, published readings are revised.
Blue sky The intangible goodwill value of a dealership above its hard assets, and the basis of most buy-sell pricing.	**Exposure-days** Used in this report to mean the cumulative days units spend financed but not independently verified. Not a standard industry term.

Sources

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3. Harney Partners, "Floor-Plan Financing for Auto Dealers: Trends, Structures and What's Changing," 2026, on advance rates, spreads, covenants, guarantees and fees.
4. Equipment Leasing and Finance Association, CapEx Finance Index, June 2026 release, and 2026 Equipment Leasing and Finance US Economic Outlook.
5. RV Industry Association, RV RoadSigns quarterly forecast, summer 2026 edition.
6. Titan Machinery fiscal 2026 results and management commentary, as reported by Farm Equipment and Equipment Finance News.

7. ACT Research and FTR preliminary North American Class 8 net order data, February through July 2026, and Q1 2026 US Class 8 retail sales as reported.
8. Reporting on Stellantis Financial Services v. Sky Auto Mall, United States District Court for the Northern District of Iowa, ruling of 31 March 2026, as covered by the trade press.
9. Kerrigan Advisors, First Quarter 2026 Blue Sky Report, and the 2026 Kerrigan OEM Survey.
10. Solifi, "Solifi Acquires DataScan," announcement of 23 September 2025.
11. Core banking modernization research as reported in 2026, including Accenture estimates of legacy maintenance as a share of bank IT budgets and IDC projections on parallel-core deployment.
12. Overnight SOFR and US prime rate readings as of March 2026, and 2026 rate forecasts from the FOMC projections and sell-side commentary.
13. Internal Revenue Code section 163(j) as amended in 2025, treatment of floor plan financing interest, and the widened definition of a motor vehicle effective for tax years beginning after 31 December 2024.
14. Cox Automotive, Manheim Used Vehicle Value Index, March through June 2026 releases.
15. SSI Data and National Powersport Auctions figures as reported by Powersports Business, 2025 and 2026.
16. Reported industry tariff cost and vehicle price impact analysis, 2026, as covered by CBT News and dealer trade press.
17. OPENLANE, Inc. second-quarter 2026 results and earnings call materials, AFC finance segment.
18. Used RV inventory analysis, 2026, on unsold inventory value and average age.
19. Office of the Comptroller of the Currency, Comptroller's Handbook, Floor Plan Lending.
20. SBS, reported digital audit volumes for independent floor plan lenders and projected 2026 image verification volume.
21. Digital Floorplan Compliance Inc., launch announcement of continuous VIN-level collateral assurance, June 2026.
22. The Clearing House RTP network volume and limit data, and Federal Reserve FedNow participation figures, as reported 2026.

ABOUT THIS REPORT

Vero builds the system of record for wholesale finance.

Vero Technologies provides lending technology and services for floor plan and inventory finance across auto, powersports, RV, equipment and heavy truck, with more than ten years in the asset class. This report is published as market research. It contains no customer data and describes no Vero product.

Talk to our team