

PRESIDENT'S MESSAGE



The association had a busy, productive and successful 2014. AFSA meetings experienced record attendance with sold out exhibit halls, membership enjoyed double-digit growth for the fourth straight year, advocacy on both the state and federal level was impactful, and many new programs and services were developed.

AFSA undertook two new projects in 2014: a comprehensive study of the indirect vehicle finance market and a campaign to tell the positive story of traditional installment loans. AFSA's members have been the key to the success of both initiatives, which you can read more about in this Annual Report.

AFSA staff engages in ongoing conversations with the Consumer Financial Protection Bureau (CFPB) and other federal and state regulators to explain the industry's position and protect access to affordable credit. We regularly meet with policymakers, journalists, and academics to emphasize the industry's perspective. We strive to meet our members' needs and enhance the value of membership.

Due to increased regulatory scrutiny, compliance is a chief concern for our member companies. Within one short year, AFSA's Operations & Regulatory Compliance Committee has become the association's largest committee with more than 100 members and has developed some of the most impactful resources. The most important of these is AFSA's web-based compliance training program for members. AFSA University, powered by FIS, offers more than 260 courses on key federal financial services laws and regulations. More than 60 member companies and 21,000 employees are using the program for compliance training.

From our activities on Capitol Hill, amicus briefs at the Supreme Court, comment letters at the state level, to compliance training, AFSA membership delivers more resources, better access and smarter advocacy than ever before.

I encourage you to review this Annual Report to learn about AFSA's major achievements and view the 2014 financial summary. Please feel free to contact me or any member of the AFSA team with questions.

Chris Stinebert
AFSA President & CEO

CHAIRMAN'S MESSAGE



The U.S. economy continues to improve, with auto sales leading the way. In 2014, new and used vehicle sales hit their highest level in eight years, marking the fifth consecutive year of growth. Analysts believe the market will continue to grow this year. Traditional installment lenders also had record highs in 2014 and the mortgage market is showing

signs of stabilization as foreclosures continue to fall. The job market is looking brighter, and more Americans are accessing the credit they need.

Despite these positive signs, many challenges face the financial services industry, from heightened regulatory scrutiny to new compliance requirements to evolving technology and cyber threats to constantly changing state and local regulations. AFSA helps its members stay ahead of these challenges by gathering intelligence and developing resources so that we are well prepared for success in this ever-changing environment.

As a prime example, AFSA responded to increased pressure on the indirect vehicle finance model from the CFPB by commissioning a study to illustrate the complexities of the marketplace. The study, conducted by Charles River Associates, found that variations in dealer reserves across contracts can be largely explained by objective factors other than race and ethnicity. In addition, the use of race and ethnicity proxies creates significant measurement errors, overestimates minority population counts, and results in overstated disparities – which can contribute to inflated estimates of alleged consumer harm.

A proactive approach is evident in each of AFSA's divisions. We play an active role in influencing regulations and how they are enforced. With strong advocacy programs at the federal and state levels, AFSA is fighting for consumers' right to affordable credit. The growing threat of legislation and regulation is a unique opportunity for AFSA and its members to demonstrate why indirect auto and traditional installment loans benefit consumers and the economy. We take this responsibility very seriously.

AFSA's value is apparent by the growing participation at its meetings and webinars. AFSA's meetings add value by bringing expert perspectives on the topics concerning our members, as well as providing networking opportunities with the top players in our industry.

Membership in AFSA today is more important than ever, because together we can accomplish great things, in 2015 and beyond.

Andrew Stuart
AFSA Chairman