

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Statement for the Press

For immediate release.

March 23, 1942.

Under the instalment credit regulations as they were recently amended effective April 1, the credit value of a used automobile, instead of being based solely on the purchase price, must be based on the lower of either (1) the purchase price or (2) the average retail value as stated in one of the used-car guides designated by the Board of Governors of the Federal Reserve System. The Board has now determined which used-car guides are to be designated initially for the purposes of this rule.

For use for this purpose in any part of the United States the Board has designated certain editions of the N.A.D.A. Used Car Guide, the Market Record, and the Red Book or Blue Book. Certain other guides have also been designated for use in particular sections of the United States; these are Market Analysis Report (published at Boston), American Auto Appraisal (published at Detroit), Wisconsin Automobile Valuation Guide, Nebraska Used Car Survey, Kelley Blue Book (published at Los Angeles), The Official Guide (published at Los Angeles), and Northwest Used Car Values (published at Seattle). Detailed information as to which of these regional publications, and which editions of the national publications, have been designated for use in any particular territory, may be obtained from any Federal Reserve Bank or Branch.

A dealer is not required to use any particular automobile appraisal guide, but, for purposes of complying with Regulation W, may use quotations from any of the foregoing publications that are designated for use in his territory. The maximum credit value of a used automobile on or after April 1 will be $66\frac{2}{3}$ per cent of whichever is the lower of (1) the cash purchase price, or (2) the "appraisal guide value" (as determined from any designated guide). An exception is made for cars of 1934 and older models, for which the maximum credit value will be $66\frac{2}{3}$ per cent of the cash purchase price, as at present, without the requirement relating to the "appraisal guide value".