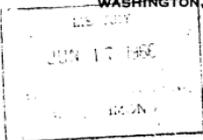




BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 14, 1966.

*Dianna, consumer -  
Creditment -  
Auto loans 4-4*

Mr. B. U. Ratchford, Vice President,  
Federal Reserve Bank of Richmond,  
Richmond, Virginia. 23213

Dear Sir:

Starting this month, we are converting our L.4.1 report into an official press release of the Board. As in the past, the release will focus on auto loan characteristics at major sales finance companies, but for the first time it will include cross-classification of contracts according to maturities and dealer-cost ratios.

The release is based on data for 11 large companies accounting for about 90 per cent of all new car contracts acquired by the industry. A copy of the first press run is enclosed for your information. All names on the distribution list for the old L.4.1 will be automatically placed on the mailing list for the new report. Should any of your staff have an interest, their names can also be added by writing to the Board's Publication Section. Or, let us know and we will be glad to arrange it.

Sincerely yours,

Tynan Smith, Associate Adviser,  
Division of Research and Statistics.

Enclosure.

RECEIVED RESEARCH

JUN 17 1966

FEDERAL RESERVE BANK  
OF RICHMOND

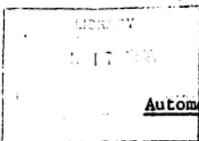


# FEDERAL RESERVE

statistical release

45

G.25

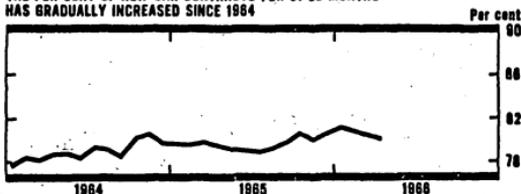


For immediate release

June 14, 1966.

## Automobile Loans by Major Sales Finance Companies

THE PER CENT OF NEW CAR CONTRACTS FOR 31-36 MONTHS HAS GRADUALLY INCREASED SINCE 1964



### Maturity Distribution - New Car Contracts

	24 months or less %	25-30 months %	31-36 months %	Over 36 months %	Balloon paper %	Total	No. of contracts reported (000)
<b>Seasonally adjusted</b>							
April 1966	15.4	3.3	80.1	0.5	0.7	100.0	126
March 1966	15.1	3.3	80.5	0.5	0.6	100.0	154
February 1966	14.8	3.3	80.9	0.4	0.6	100.0	130
January 1966	14.7	3.2	81.1	0.4	0.6	100.0	128
<b>Unadjusted</b>							
April 1966	15.1	3.3	80.6	0.4	0.6	100.0	138
Month ago	15.2	3.3	80.3	0.5	0.7	100.0	152
Year ago	15.1	3.8	79.9	0.5	0.7	100.0	144

### Maturity Distribution - Used Car Contracts

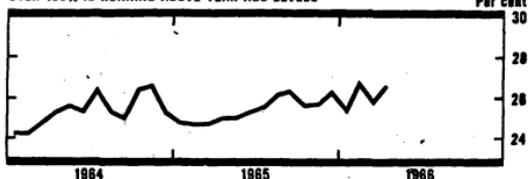
	18 months or less %	19-24 months %	25-30 months %	Over 30 months %	Balloon paper %	Total	No. of contracts reported (000)
<b>Seasonally adjusted</b>							
April 1966	8.4	20.9	32.4	37.9	0.4	100.0	44
March 1966	7.9	20.1	32.6	39.0	0.4	100.0	53
February 1966	8.0	19.9	32.7	38.9	0.5	100.0	46
January 1966	7.7	18.6	32.1	41.0	0.6	100.0	45
<b>Unadjusted</b>							
April 1966	7.4	19.1	32.6	40.5	0.4	100.0	47
Month ago	7.1	17.9	32.0	42.6	0.4	100.0	52
Year ago	6.8	16.8	32.9	43.0	0.5	100.0	50

Note: Monthly data available on request for years 1960-65.

G.25

Automobile Loans by Major Sales Finance Companies

THE PROPORTION OF NEW CAR CONTRACTS WITH DEALER COST RATIOS\*  
OVER 100% IS RUNNING ABOVE YEAR AGO LEVELS



Distribution of Dealer Cost Ratios - New Car Contracts  
(loan as per cent of dealer cost)

	90 or less	91-100	101-105	106-110	Over 110	Total	No. of contracts reported (000)
	%	%	%	%	%		
<b>Seasonally adjusted</b>							
April 1966	41.9	31.5	13.5	7.1	6.0	100.0	113
March 1966	43.1	13.1	31.1	7.0	5.7	100.0	139
February 1966	42.6	30.7	13.5	7.1	6.1	100.0	118
January 1966	43.2	31.4	12.9	6.9	5.6	100.0	117
<b>Unadjusted</b>							
April 1966	42.6	31.1	13.5	7.1	5.7	100.0	124
Month ago	43.1	30.6	13.3	7.1	5.9	100.0	138
Year ago	45.2	30.1	12.7	6.7	5.3	100.0	131

Distribution of Dealer Cost Ratios - Used Car Contracts  
(loan as per cent of wholesale value)

	90 or less	91-100	101-110	111-120	Over 120	Total	No. of contracts reported (000)
	%	%	%	%	%		
<b>Seasonally adjusted</b>							
April 1966	22.9	22.9	23.0	15.3	15.9	100.0	37
March 1966	23.3	22.3	24.4	15.6	14.4	100.0	43
February 1966	24.3	23.2	24.4	15.1	13.0	100.0	37
January 1966	23.9	25.4	23.8	14.1	12.8	100.0	38
<b>Unadjusted</b>							
April 1966	22.5	22.2	23.6	16.1	15.6	100.0	39
Month ago	23.6	22.2	24.5	15.7	14.0	100.0	43
Year ago	26.8	25.1	24.5	13.3	10.3	100.0	42

\*The value of the loan (excluding finance and insurance charges) as a percentage of the car's cost to the dealer.

G.25

Automobile Loans by Major Sales Finance Companies

DEALER COST RATIOS AND MATURITIES  
ON AUTOMOBILE INSTALMENT LOANS

APRIL 1966

NEW CARS

(Percentage distribution of contracts)  
Not seasonally adjusted

Loan as per cent of dealer cost	Maturities					Total
	24 months or less	25-30 months	31-36 months	Over 36 months	Balloon paper	
90% or less	10.7	1.9	29.9	0.1	0.1	42.7
91% to 100%	2.0	0.9	27.9	0.2	0.2	31.1
101% to 105%	0.6	0.4	12.3	0.1	0.1	13.5
106% to 110%	0.3	0.1	6.6	0.1	*	7.1
Over 110%	<u>0.3</u>	<u>0.1</u>	<u>5.2</u>	<u>0.1</u>	<u>0.1</u>	<u>5.7</u>
Total	13.9	3.4	81.9	0.5	0.4	100.0

USED CARS

(Percentage distribution of contracts)  
Not seasonally adjusted

Loan as per cent of wholesale value	Maturities					Total
	18 months or less	19-24 months	25-30 months	Over 30 months	Balloon paper	
90% or less	4.1	5.9	6.1	6.3	*	22.5
91% to 100%	1.0	3.7	7.7	9.7	0.1	22.2
101% to 110%	0.6	3.0	8.4	11.6	0.1	23.6
111% to 120%	0.4	2.0	5.6	8.1	*	16.2
Over 120%	<u>0.6</u>	<u>2.1</u>	<u>5.4</u>	<u>7.5</u>	<u>0.1</u>	<u>15.6</u>
Total	6.7	16.7	33.1	43.3	0.3	100.0

Note: Details may not add to totals because of rounding.

\*Less than one-tenth of one per cent.