

Not for publication

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L. 4. 2

November 1964

DECONTROLLED AFTER SIX MONTHS
AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

DEC 1 1964

MATURITIES -- SEPTEMBER 1964 AND AUGUST 1964

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
New cars						
24 months or less	19.2	18.5	14.9	14.5	30.3	28.4
25-30 months	4.3	4.7	4.0	3.9	6.8	6.5
31-36 months	75.4	76.3	80.4	81.1	62.6	64.8
Over 36 months	0.6	0.5	0.7	0.5	0.3	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used cars ^{1/}						
12 months or less	14.7	13.3	11.6	10.3	21.2	19.7
13-18 months	12.8	12.9	11.2	11.6	16.1	15.8
19-24 months	36.1	37.0	34.7	35.4	30.9	40.5
Over 24 months	36.4	36.8	42.5	42.7	23.8	24.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} Figures are predominately for late model used cars but include data from a few banks for all used cars.

NOTE: Distributions are based on tabulations of data from 119 banks for September and August and are not intended to be estimates for all commercial banks. In September, reports covered about 40,000 contracts on new cars, 29,000 purchased and 11,000 direct, and 28,000 contracts on used cars, 19,000 purchased and 9,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

For distribution according to maturities and contract balances as a percentage of dealer cost see following pages.

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DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALMENT LOANS

SEPTEMBER 1964 AND AUGUST 1964

NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost <u>1/</u>	Maturities									
	24 months or less		25-30 months		31-36 months		Over 36 months		Total	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
PURCHASED PAPER										
80% or less	8.6	8.6	1.5	1.4	15.4	15.5	0.1	0.1	25.5	25.6
81% to 90%	2.0	1.9	0.7	0.7	15.7	16.1	*	0.1	18.4	18.8
91% to 100%	2.6	2.4	0.9	0.8	27.9	27.4	0.1	0.1	31.5	30.7
101% to 110%	1.2	1.2	0.6	0.6	15.0	14.9	*	*	16.8	16.7
Over 110%	0.4	0.4	0.2	0.6	7.2	7.2	*	*	7.8	8.3
Total	14.8	14.4	3.9	4.0	81.1	81.1	0.2	0.3	100.0	100.0
DIRECT LOANS										
80% or less	18.2	17.0	3.0	2.8	20.4	19.7	0.1	*	41.7	39.5
81% to 90%	5.0	4.1	1.1	1.1	11.8	11.1	*	*	18.0	16.3
91% to 100%	4.9	6.2	2.1	2.3	20.1	22.1	0.1	0.1	27.2	30.6
101% to 110%	1.1	1.1	0.6	0.6	6.6	7.2	0.1	*	8.4	8.9
Over 110%	0.6	0.7	0.2	0.2	3.9	3.7	*	*	4.7	4.6
Total	29.8	29.1	7.0	7.0	62.9	63.7	0.3	0.1	100.0	100.0
TOTAL										
80% or less	10.5	10.3	1.8	1.7	16.4	16.4	0.1	0.1	28.8	28.5
81% to 90%	2.6	2.4	0.8	0.8	15.0	15.0	*	0.1	18.3	18.3
91% to 100%	3.1	3.2	1.2	1.1	26.3	26.3	0.1	0.1	30.7	30.7
101% to 110%	1.2	1.2	0.6	0.6	13.3	13.3	*	*	15.1	15.0
Over 110%	0.4	0.5	0.2	0.5	6.5	6.5	0.1	*	7.2	7.5
Total	17.8	17.6	4.5	4.7	77.5	77.5	0.3	0.3	100.0	100.0

1/ Contract balance does not include finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions are based on tabulations of data from 64 banks for September and August and are not intended to be estimates for all commercial banks. In September reports covered about 20,000 contracts on new cars, 16,000 purchased and 4,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

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DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALLMENT LOANS (continued)

SEPTEMBER 1964 AND AUGUST 1964

USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value <u>1/</u> <u>2/</u>	Maturities									
	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
PURCHASED PAPER										
80% or less	4.1	3.6	2.2	2.7	5.5	5.5	5.3	5.2	17.1	17.0
81% to 90%	0.9	1.2	1.5	1.6	5.1	5.9	5.9	6.2	13.5	14.9
91% to 100%	1.9	1.5	2.3	1.9	3.0	3.2	10.1	10.2	22.3	21.9
101% to 110%	1.5	1.5	1.5	1.6	6.2	5.5	7.5	7.5	16.7	16.2
Over 110%	<u>2.2</u>	<u>2.1</u>	<u>3.1</u>	<u>3.0</u>	<u>11.2</u>	<u>11.0</u>	<u>13.7</u>	<u>13.9</u>	<u>30.4</u>	<u>30.1</u>
Total	10.8	9.9	10.6	10.8	36.1	36.1	42.5	43.1	100.0	100.0
DIRECT LOANS										
80% or less	11.6	10.3	6.4	7.1	14.4	12.5	6.0	5.8	38.3	35.7
81% to 90%	2.0	2.3	2.2	2.5	6.4	6.0	2.4	3.0	13.0	13.7
91% to 100%	4.4	4.0	3.9	3.8	10.2	12.1	5.8	4.5	24.3	24.4
101% to 110%	2.1	1.9	1.0	1.9	3.6	5.2	2.8	3.2	10.2	12.2
Over 110%	<u>2.4</u>	<u>2.3</u>	<u>2.5</u>	<u>2.9</u>	<u>5.8</u>	<u>4.7</u>	<u>3.6</u>	<u>4.1</u>	<u>14.2</u>	<u>14.0</u>
Total	22.5	20.8	16.7	18.2	40.3	40.5	20.5	20.6	100.0	100.0
TOTAL										
80% or less	6.1	5.5	3.4	3.9	8.0	7.4	5.5	5.3	22.9	22.1
81% to 90%	1.2	1.5	1.7	1.8	5.5	5.9	5.0	5.3	13.4	14.6
91% to 100%	2.6	2.2	2.7	2.4	8.6	9.3	8.9	8.6	22.8	22.5
101% to 110%	1.7	1.6	1.5	1.7	5.5	5.4	6.2	6.3	14.9	15.0
Over 110%	<u>2.4</u>	<u>2.1</u>	<u>3.0</u>	<u>3.0</u>	<u>9.7</u>	<u>9.2</u>	<u>10.9</u>	<u>11.2</u>	<u>25.9</u>	<u>25.6</u>
Total	13.9	12.9	12.2	12.8	37.2	37.2	36.4	36.3	100.0	100.0

1/ Contract balance does not include finance and insurance charges.

2/ Wholesale value represents "average wholesale," "as is," or "buying value" as indicated by used car guides.

NOTE: Distributions are based on tabulation of data from 62 banks for September and August and are not intended to be estimates for all commercial bank September reports covered about 14,000 contracts on used cars, 10,000 purchased, 4,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DEC 1 1954

TO: System users of monthly L.4.2 release
on terms of auto credit

FROM: Harlow D. Osborne

RE: Proposed changes in L.4.2 release

For some time we have been working on ways to improve the substance and presentation of the data presently distributed through our L.4.2 release.

This month we are enclosing with the regular release a set of new summary tables on which we should like your comments and suggestions.

These summary tables have a longer time span than does the present release and we are considering their adoption to replace page 1 of the present release.

In addition to these proposed changes in the form of presentation, work is being pushed along on the problems inherent in the small sample and its changing composition from month to month, and in the incorporation of sales finance company figures; and we are experimenting with seasonal adjustment of the data.

We should be glad to have your thoughts on the proposed new form of the release and also on these substantive matters.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

1964		Three months ending September	
Sept.	Aug.	1964	1963

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	18.9	18.4
36 months	60.4	61.1
Over 36 months	0.7	0.5

Contracts written for 36 months:

Most Frequent Loan/value ratio <u>1/</u>	95	95
Per cent of contracts with		
ratios above 95 per cent	36.2	35.8
100 per cent	24.6	25.0
110 per cent	7.2	7.2

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	22.8	21.9
19-24 months	34.7	35.4
25-36 months	42.5	42.7

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	96	95
Per cent of contracts with		
ratios above 96 per cent	30.7	29.3
100 per cent	25.8	24.7

1/ Computed mode of ratios based on dealer-cost values for new cars and wholesale prices for used cars.

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

November 1964

DIRECT AUTO LOANS BY COMMERCIAL BANKS

1964		Three months ending September	
Sept.	Aug.	1964	1963

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	37.1	34.9
36 months	62.6	64.8
Over 36 months	0.3	0.3

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	94	94
Per cent of contracts with ratios above 94 per cent	11.7	12.2
100 per cent	10.5	13.9
113 per cent	3.9	3.7

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	37.3	35.5
19-24 months	33.9	40.5
25-36 months	23.8	24.0

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	94	95
Per cent of contracts with ratios above 94 per cent	29.3	26.9
100 per cent	13.2	13.9

1/ Computed mode of ratios based on dealer-cost values for new cars and wholesale prices for used cars.