



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF RESEARCH AND STATISTICS

DECONTROLLED AFTER SIX MONTHS

January 14, 1965

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

FROM: Harlow D. Osborne

SUBJECT: Proposed new format for page 1 of L.4.2 release.

This version reflects the comments and suggestions that
have been received on the draft format we sent you last month.
Further comments will be welcome.

H. D. O.

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L. 4. 2

January 14, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

1964		Three months ending November	
Nov.	Oct.	1964	1963

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	40.4	39.5	38.9	44.0
36 months	59.4	60.2	60.3	55.7
Over 36 months	0.2	0.3	0.3	0.3

Contracts written for 36 months:

Most frequent loan/value ratio <u>1</u> /	94	94	94	93
Per cent of contracts with ratios above 94 per cent	37.2	39.6	40.6	34.5

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	35.8	34.8	35.4	38.5
19-24 months	38.1	39.1	39.1	39.0
25-36 months	26.1	26.1	25.5	22.5

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1</u> /	92	94	94	94
Per cent of contracts with ratios above 92 per cent	37.3	42.2	40.5	41.2

1/ Computed mode of ratios, based on dealer-cost values for new cars and wholesale prices for used cars as 100 per cent. A loan of 90-95 per cent of dealer cost generally amounts to around 70-80 per cent of list price.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

1964		Three months ending November	
Nov.	Oct.	1964	1963

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	21.4	20.3	20.3	22.0
36 months	77.8	76.5	79.0	77.3
Over 36 months	0.6	0.7	0.7	0.7

Contracts written for 36 months:

Most frequent loan/value ratio $\frac{1}{1}$	95	95	95	94
Per cent of contracts with ratios above 95 per cent	44.9	44.1	44.3	42.1

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	21.4	22.4	22.1	23.5
19-24 months	34.4	33.6	34.0	35.4
25-36 months	44.2	44.0	43.9	41.1

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{1}$	95	95	96	96
Per cent of contracts with ratios above 95 per cent	54.5	51.0	53.8	54.5

$\frac{1}{1}$ Computed mode of ratios, based on dealer-cost values for new cars and wholesale prices for used cars as 100 per cent. A loan of 90-95 per cent of dealer cost generally amounts to around 70-80 per cent of list price.

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January 14, 1965

AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- NOVEMBER 1964 AND OCTOBER 1964

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
New cars						
24 months or less	21.9	20.6	17.1	16.7	33.3	31.2
25-30 months	5.1	5.2	4.3	4.1	7.1	8.3
31-36 months	72.4	73.6	77.8	78.5	59.4	60.2
Over 36 months	<u>0.6</u>	<u>0.6</u>	<u>0.8</u>	<u>0.7</u>	<u>0.2</u>	<u>0.3</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used cars <u>1/</u>						
12 months or less	14.0	14.1	10.3	11.4	21.4	19.7
13-18 months	12.2	12.4	11.1	11.0	14.4	15.1
19-24 months	35.6	35.5	34.4	33.6	38.1	39.1
Over 24 months	<u>38.2</u>	<u>38.0</u>	<u>44.2</u>	<u>44.0</u>	<u>26.1</u>	<u>26.1</u>
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 115 banks for November and October and are not intended to be estimates for all commercial banks. In November, reports covered about 35,000 contracts on new cars, 25,000 purchased and 10,000 direct and 26,000 contracts on used cars, 17,000 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 INSTALLMENT LOANS

NOVEMBER 1964 AND OCTOBER 1964

NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost 1/	Maturities								Total	
	24 months or less		25-30 months		31-36 months		Over 36 months			
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
PURCHASED PAPER										
80% or less	9.1	9.4	1.5	1.6	14.5	14.0	0.1	0.1	25.2	25.3
81% to 90%	2.3	2.5	0.9	0.6	15.5	16.2	0.1	0.1	18.8	19.4
91% to 100%	3.4	3.1	0.9	0.9	26.9	27.5	0.2	0.2	31.4	31.8
101% to 110%	1.5	1.5	0.5	0.5	15.4	14.6	*	*	17.5	16.6
Over 110%	0.3	0.4	0.2	0.1	6.6	6.3	*	*	7.1	6.9
Total	16.5	16.0	4.1	4.1	79.0	78.7	0.4	0.4	100.0	100.0
DIRECT LOANS										
80% or less	19.1	16.4	2.5	3.0	17.2	17.6	0.2	0.1	39.0	39.2
81% to 90%	6.1	5.2	1.0	1.5	11.5	9.9	*	*	19.4	16.6
91% to 100%	6.8	5.9	2.4	3.3	20.4	20.9	0.2	0.2	29.6	30.4
101% to 110%	1.2	1.5	0.3	0.4	5.7	6.8	*	*	7.2	8.7
Over 110%	0.5	0.6	0.3	0.4	3.9	4.2	*	*	4.7	5.1
Total	33.7	31.6	7.3	8.6	58.7	59.4	0.4	0.3	100.0	100.0
TOTAL										
80% or less	11.1	11.0	1.7	2.0	15.1	14.7	0.1	0.1	28.0	27.6
81% to 90%	3.1	3.0	1.1	0.8	14.7	15.0	0.1	0.1	19.0	18.9
91% to 100%	4.1	3.6	1.2	1.4	25.6	26.3	0.2	0.2	31.1	31.5
101% to 110%	1.4	1.5	0.5	0.5	13.4	13.2	*	*	15.4	15.2
Over 110%	0.3	0.4	0.3	0.2	6.0	5.9	*	*	6.5	6.6
Total	20.0	19.5	4.8	5.0	74.8	75.2	0.4	0.4	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 60 banks for November and October and are not intended to be estimates for all commercial banks. In November reports covered about 17,000 contracts on new cars, 13,000 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 INSTALMENT LOANS (continued)

NOVEMBER 1964 AND OCTOBER 1964

USED CARS

(Percentage distribution of contracts)

Contract balance as per centage of wholesale value 1/2/	Maturities									
	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
PURCHASED PAPER										
80% or less	3.0	4.6	2.3	2.5	5.0	5.9	4.6	5.7	14.9	18.8
81% or 90%	1.3	1.0	1.5	1.9	5.9	5.9	6.8	7.4	15.5	16.2
91% to 100%	2.0	2.0	2.8	2.0	10.6	8.4	12.9	11.1	27.4	23.6
101% to 110%	1.5	1.7	1.8	1.6	6.3	6.1	7.6	8.1	17.2	17.5
Over 110%	1.9	1.8	2.9	2.4	9.8	9.4	10.5	10.4	25.1	24.0
Total	9.6	11.1	11.3	10.4	37.7	35.7	41.3	42.7	100.0	100.0
DIRECT LOANS										
80% or less	14.5	11.7	7.1	6.9	12.1	11.7	4.6	3.9	38.2	34.1
81% to 90%	2.7	2.1	2.9	2.2	7.5	7.7	4.3	3.2	17.4	15.1
91% to 100%	2.9	4.2	2.7	4.8	9.4	11.6	4.7	6.5	19.6	27.1
101% to 110%	2.1	1.8	2.1	1.8	4.4	4.0	2.7	3.0	11.2	10.6
Over 110%	1.9	1.8	2.1	2.2	5.8	5.8	3.9	3.2	13.7	13.0
Total	24.0	21.6	16.7	17.9	39.2	40.8	20.1	19.8	100.0	100.0
TOTAL										
80% or less	6.2	6.8	3.6	3.8	7.0	7.6	4.6	5.2	21.3	23.4
81% to 90%	1.7	1.3	1.9	2.0	6.4	6.4	6.1	6.1	16.1	15.2
91% to 100%	2.2	2.7	2.8	2.8	10.2	9.4	9.9	9.8	25.1	24.6
101% to 110%	1.6	1.7	1.9	1.7	5.8	5.5	6.2	6.5	15.5	15.4
Over 110%	1.9	1.8	2.7	2.3	8.7	8.3	8.6	8.2	21.9	20.7
Total	13.6	14.2	12.9	12.7	38.0	37.3	35.4	35.9	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 58 banks for November and October and are not intended to be estimates for all commercial banks. In November reports covered about 12,000 contracts on used cars, 9,000 purchased and 3,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

Details may not add to totals because of rounding.