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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

April 15, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

February 1965	January 1965	Three months ending February	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	39.3	40.6	40.0	42.9
36 months	59.4	59.1	59.2	56.9
Over 36 months	1.3	0.3	0.8	0.2

Contracts written for 36 months:

Most frequent loan/value ratio $\frac{1}{2}$	93	94	94	94
Per cent of contracts with ratios above 93 per cent	31.4	33.0	38.6	39.4

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	33.3	35.0	34.6	38.5
19-24 months	38.5	36.3	37.7	38.0
25-36 months	28.2	28.7	27.7	23.5

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{2}$	94	94	94	94
Per cent of contracts with ratios above 94 per cent	34.2	33.8	34.8	35.6

$\frac{1}{2}$ /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)

February 1965	January 1965	Three months ending February	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	20.4	23.4	22.1	22.3
36 months	79.1	75.8	77.0	76.8
Over 36 months	0.5	0.8	0.9	0.9

Contract written for 36 months:

Most frequent loan/value ratio $\frac{1}{2}$	95	94	95	95
Per cent of contracts with ratios above 95 per cent	39.8	38.5	44.7	43.9

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	19.1	19.5	20.0	21.8
19-24 months	31.3	31.1	31.8	33.7
25-36 months	49.6	49.4	48.2	44.5

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{2}$	N/A	95	N/A	95
Per cent of contracts with ratios above 95 per cent	50.1	51.5	51.3	51.9

$\frac{1}{2}$ 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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L.4.2 AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- FEBRUARY 1965 AND JANUARY 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.
New cars						
24 months or less	21.4	23.7	16.1	16.9	32.1	33.4
25-30 months	5.2	5.4	4.3	4.5	7.2	7.2
31-36 months	72.6	70.3	79.1	75.8	59.4	59.1
Over 36 months	<u>0.8</u>	<u>0.6</u>	<u>0.5</u>	<u>0.8</u>	<u>1.3</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	12.7	13.6	9.5	10.1	19.3	20.5
13-18 months	11.1	11.2	9.6	9.4	14.0	14.5
19-24 months	33.7	32.9	31.3	31.1	38.5	36.3
Over 24 months	<u>42.5</u>	<u>42.3</u>	<u>49.6</u>	<u>49.4</u>	<u>28.2</u>	<u>28.7</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ In this report 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 114 banks for February and January and are not intended to be estimates for all commercial banks. In February reports covered about 38,000 contracts on new cars, 25,000 purchased and 13,000 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

FEBRUARY 1965 AND JANUARY 1965

NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost ^{1/}	Maturities									
	24 months or less		25-30 months		31-36 months		Over 36 months		Total	
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.
PURCHASED PAPER										
80% or less	9.0	10.0	1.6	1.6	15.8	15.6	0.1	0.1	26.5	27.3
81% to 90%	2.3	2.7	1.0	1.0	14.7	15.2	*	0.1	18.0	19.0
91% to 100%	3.2	4.0	0.9	0.9	27.1	25.4	0.2	0.2	31.5	30.5
101% to 110%	1.0	1.0	0.3	0.2	14.2	12.9	*	0.1	15.5	14.3
Over 110%	0.4	0.6	0.3	0.2	7.8	8.1	*	*	8.5	8.9
Total	15.9	18.3	4.0	3.9	79.6	77.2	0.4	0.5	100.0	100.0
DIRECT LOANS										
80% or less	19.6	18.5	3.8	3.1	19.2	19.6	0.2	0.2	42.8	41.3
81% to 90%	5.2	5.3	1.3	1.2	10.9	10.7	0.1	0.1	17.5	17.2
91% to 100%	7.1	6.8	2.6	3.0	17.8	18.5	0.1	0.1	27.6	28.5
101% to 110%	1.2	1.6	0.7	0.6	6.0	6.0	0.1	0.1	7.9	8.3
Over 110%	0.6	0.6	0.3	0.4	3.2	3.7	0.1	*	4.2	4.7
Total	33.6	32.8	8.6	8.3	57.1	58.4	0.6	0.5	100.0	100.0
TOTAL										
80% or less	11.5	12.1	2.1	2.0	16.6	16.6	0.1	0.1	30.4	30.8
81% to 90%	3.0	3.4	1.1	1.1	13.8	14.1	*	0.1	17.9	18.6
91% to 100%	4.1	4.7	1.3	1.4	24.9	23.7	0.2	0.2	30.5	30.0
101% to 110%	1.0	1.2	0.4	0.3	12.3	11.2	0.1	0.1	13.7	12.8
Over 110%	0.5	0.6	0.3	0.3	6.7	7.0	0.1	*	7.5	7.9
Total	20.1	21.9	5.1	5.0	74.4	72.5	0.5	0.5	100.0	100.0

^{1/} Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions are based on tabulations of data from 59 banks for February and January and are not intended to be estimates for all commercial banks. In February reports covered about 18,000 contracts on new cars, 14,000 purchased and 4,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

Details may not add to totals because of rounding.

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

FEBRUARY 1965 AND JANUARY 1965

USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value ^{1/2/}	Maturities									
	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.
PURCHASED PAPER										
80% or less	3.7	3.7	1.9	2.4	5.2	5.5	5.8	6.5	16.6	18.0
81% to 90%	1.4	1.2	1.7	1.1	6.4	5.1	8.2	7.1	17.6	14.6
91% to 100%	1.3	1.5	1.9	1.8	6.6	7.9	12.1	12.0	21.9	23.2
101% to 110%	1.0	1.2	1.1	1.0	4.1	4.8	8.6	8.9	14.8	15.8
Over 110%	1.9	1.8	2.5	2.4	9.8	9.3	14.9	14.9	29.1	28.4
Total	9.3	9.3	9.0	8.7	32.2	32.7	49.5	49.3	100.0	100.0
DIRECT LOANS										
80% or less	11.1	11.6	6.7	7.7	14.5	13.3	7.7	6.8	40.0	39.4
81% to 90%	2.4	1.8	1.9	2.4	6.7	6.4	3.9	3.8	14.8	14.4
91% to 100%	4.1	4.3	3.5	3.3	10.0	11.1	5.9	6.2	23.5	24.9
101% to 110%	1.5	1.3	1.1	1.2	3.3	3.7	2.8	3.2	8.8	9.5
Over 110%	2.0	1.8	1.7	2.2	5.8	4.3	3.4	3.5	12.9	11.9
Total	21.1	20.8	14.9	16.9	40.3	38.8	23.7	23.5	100.0	100.0
TOTAL										
80% or less	5.8	6.1	3.3	4.0	7.9	7.9	6.3	6.9	23.3	24.5
81% to 90%	1.7	1.4	1.7	1.5	6.5	5.5	6.9	6.1	16.8	14.5
91% to 100%	2.1	2.4	2.4	2.2	7.6	8.9	10.3	10.2	22.4	23.7
101% to 110%	1.2	1.2	1.1	1.1	3.9	4.5	7.0	7.2	13.1	13.9
Over 110%	1.9	1.8	2.2	2.3	8.7	7.8	11.6	11.4	24.4	23.4
Total	12.7	12.8	10.7	11.2	34.5	34.6	42.1	41.8	100.0	100.0

^{1/} Contract balance excludes 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 56 banks for February and January and are not intended to be estimates for all commercial banks. February reports covered about 13,000 contracts on used cars, 9,000 purchased and 4,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

Details may not add to totals because of rounding.