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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

May 13, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

March 1965	February 1965	Three months ending March	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	39.3	39.7	39.6	42.4
36 months	60.4	59.8	59.8	57.4
Over 36 months	0.3	0.5	0.6	0.2

Contracts written for 36 months:

Most frequent loan/value ratio <u>1</u> /	93	93	94	93
Per cent of contracts with ratios above 93 per cent	30.7	30.9	38.2	38.5

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.7	33.5	33.6	37.2
19-24 months	37.4	33.2	37.4	38.6
25-36 months	29.9	28.3	29.0	24.2

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1</u> /	93	94	94	94
Per cent of contracts with ratios above 93 per cent	35.6	33.7	36.2	38.8

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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L.4.2 DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

March 1965	February 1965	Three months ending March	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	20.2	20.5	21.1	21.5
36 months	79.2	78.6	78.3	77.5
Over 36 months	0.6	0.9	0.6	1.0

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	94	95	95	95
Per cent of contracts with ratios above 94 per cent	40.2	42.9	46.6	46.9

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	18.4	19.1	19.0	21.5
19-24 months	30.9	31.4	31.2	33.4
25-36 months	50.7	49.5	49.8	45.1

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	N/A	N/A	N/A	95
Per cent of contracts with ratios above 95 per cent	50.9	52.2	52.1	54.2

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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AUTOMOBILE INSTALLMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- MARCH 1965 AND FEBRUARY 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
New cars						
24 months or less	21.2	21.4	16.3	16.3	31.5	32.3
25-30 months	5.2	5.2	3.9	4.2	7.8	7.4
31-36 months	73.1	72.6	79.2	78.6	60.4	59.8
Over 36 months	<u>0.5</u>	<u>0.8</u>	<u>0.6</u>	<u>0.9</u>	<u>0.3</u>	<u>0.5</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used cars <u>1/</u>						
12 months or less	12.4	12.8	9.3	9.5	18.8	19.5
13-18 months	10.6	11.0	9.1	9.6	13.9	14.0
19-24 months	33.0	33.6	30.9	31.4	37.4	38.2
Over 24 months	<u>44.0</u>	<u>42.6</u>	<u>50.7</u>	<u>49.5</u>	<u>29.9</u>	<u>28.3</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 116 banks for March, and February and are not intended to be estimates for all commercial banks. In March, reports covered about 49,000 contracts on new cars, 33,000 purchased and 16,000 direct and 36,000 contracts on used cars, 24,000 purchased and 12,000 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

MARCH 1965 AND FEBRUARY 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	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
80% or less	9.3	9.1	1.5	1.6	17.4	15.8	0.1	0.1	28.2	26.6
81% to 90%	2.1	2.3	0.8	1.0	16.3	14.7	*	*	19.3	18.0
91% to 100%	2.4	3.2	1.0	0.9	26.9	27.1	0.1	0.2	30.5	31.4
101% to 110%	0.8	1.0	0.3	0.3	13.6	14.2	*	*	14.7	15.6
Over 110	0.4	0.4	0.1	0.3	6.7	7.8	*	*	7.2	8.5
Total	15.0	15.9	3.7	4.0	81.0	79.6	0.2	0.4	100.0	100.0
DIRECT LOANS										
80% or less	18.2	19.6	3.7	3.9	21.0	19.7	*	0.2	42.8	43.4
81% to 90%	5.3	5.2	1.5	1.3	12.0	11.0	0.1	*	18.8	17.5
91% to 100%	4.5	7.0	3.6	2.6	17.2	17.6	0.1	0.1	25.5	27.2
101% to 110%	1.3	1.1	0.6	0.6	6.1	5.9	0.1	0.1	8.1	7.8
Over 110%	0.7	0.6	0.3	0.3	3.7	3.1	0.1	0.1	4.8	4.1
Total	29.9	33.4	9.8	8.6	60.1	57.3	0.3	0.6	100.0	100.0
TOTAL										
80% or less	11.2	11.6	2.0	2.1	18.2	16.8	*	0.1	31.5	30.6
81% to 90%	2.8	3.0	1.0	1.0	15.4	13.8	*	*	19.2	17.9
91% to 100%	2.9	4.1	1.6	1.3	24.8	24.8	0.1	0.2	29.4	30.4
101% to 110%	0.9	1.0	0.4	0.4	12.0	12.2	*	0.1	13.3	13.7
Over 110%	0.4	0.5	0.2	0.3	6.1	6.6	*	0.1	6.7	7.4
Total	18.3	20.1	5.1	5.2	76.4	74.3	0.2	0.4	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 61 banks for March and February and are not intended to be estimates for all commercial banks. In March reports covered about 23,000 contracts on new cars, 18,000 purchased and 5,000 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)

MARCH 1965 AND FEBRUARY 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	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
PURCHASED PAPER										
80% or less	3.4	3.7	2.2	1.9	5.3	5.2	6.5	5.8	17.4	16.6
81% to 90%	1.5	1.4	1.5	1.6	6.1	6.4	8.5	8.1	17.6	17.5
91% to 100%	1.5	1.3	1.7	1.9	6.9	6.6	12.4	12.2	22.4	21.9
101% to 110%	0.8	1.0	0.9	1.1	4.3	4.2	9.1	8.7	15.2	15.0
Over 110%	1.8	1.9	2.3	2.5	8.7	9.8	14.6	14.8	27.4	29.0
Total	9.1	9.3	8.5	8.9	31.3	32.1	51.0	49.6	100.0	100.0
DIRECT LOANS										
80% or less	12.6	11.3	6.8	6.8	13.0	14.6	7.9	7.7	40.2	40.3
81% to 90%	2.3	2.4	2.3	1.9	6.8	6.7	3.9	4.0	15.2	14.9
91% to 100%	2.9	4.1	3.5	3.5	9.4	10.0	5.8	5.9	21.6	23.4
101% to 110%	1.3	1.5	1.4	1.1	3.8	3.2	3.3	2.8	9.8	8.7
Over 110%	1.8	2.0	2.2	1.7	5.1	5.7	4.0	3.4	13.1	12.7
Total	21.0	21.3	16.1	14.9	38.0	40.1	24.9	23.7	100.0	100.0
TOTAL										
80% or less	5.9	5.9	3.4	3.3	7.4	7.9	6.8	6.4	23.5	23.4
81% to 90%	1.7	1.7	1.7	1.7	6.3	6.4	7.3	6.9	17.0	16.8
91% to 100%	1.9	2.1	2.2	2.3	7.6	7.6	10.6	10.4	22.2	22.4
101% to 110%	1.0	1.2	1.1	1.1	4.2	3.9	7.5	7.0	13.7	13.2
Over 110%	1.8	1.9	2.2	2.2	7.7	8.6	11.8	11.6	23.6	24.3
Total	12.3	12.8	10.5	10.6	33.1	34.4	44.0	42.2	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 58 banks for March and February and are not intended to be estimates for all commercial banks. March reports covered about 17,000 contracts on used 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.

Details may not add to totals because of rounding.