



*Trans Consumer -*  
*Installation* - 332

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

June 11, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

April 1965	March 1965	Three months ending April	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	36.7	38.7	38.4	41.0
36 months	63.1	61.0	61.1	58.8
Over 36 months	0.2	0.3	0.5	0.2

Contracts written for 36 months:

Most frequent loan/value ratio $\frac{1}{1}$	95	95	94	94
Per cent of contracts with ratios above 95 per cent	31.7	31.2	33.9	31.2

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.8	33.1	30.2	36.1
19-24 months	37.6	36.9	40.6	39.1
25-36 months	29.6	30.0	29.3	24.8

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{1}$	94	94	94	94
Per cent of contracts with ratios above 94 per cent	37.9	36.4	35.2	37.7

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$\frac{1}{1}$  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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## L.4.2 DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

April 1965	March 1965	Three months ending April	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	20.4	20.3	20.3	21.0
36 months	78.9	79.1	79.1	78.0
Over 36 months	0.7	0.6	0.6	1.0

Contracts written for 36 months:

Most frequent loan/value ratio	95	95	95	95
Per cent of contracts with ratios above 95 per cent	39.9	39.2	41.6	42.9

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	18.6	18.6	18.7	20.9
19-24 months	30.5	30.8	30.9	34.0
25-36 months	50.9	50.6	50.4	45.1

Contracts written for 24 months or less:

Median loan/value ratio	96	95	95	96
Per cent of contracts with ratios above 96 per cent	50.0	48.3	45.8	50.0

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## AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- APRIL 1965 AND MARCH 1965

(Percentage distribution of contracts)

	Total		Purchased paper		Direct loans	
	April	March	April	March	April	March
New cars						
24 months or less	20.8	21.0	16.4	16.3	29.9	30.9
25-30 months	4.9	5.2	4.0	4.0	6.8	7.8
31-36 months	73.8	73.3	78.9	79.1	63.1	61.0
Over 36 months	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>	<u>0.6</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	12.5	12.5	9.3	9.5	19.3	19.1
13-18 months	10.7	10.7	9.3	9.1	13.5	14.0
19-24 months	32.8	32.8	30.5	30.8	37.6	36.9
Over 24 months	<u>44.0</u>	<u>44.0</u>	<u>50.9</u>	<u>50.6</u>	<u>29.6</u>	<u>30.0</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 111 banks for April, and March and are not intended to be estimates for all commercial banks. In April, reports covered about 51,000 contracts on new cars, 35,000 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

APRIL 1965 AND MARCH 1965

## NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost <sup>1/</sup>	Maturities									
	24 months or less		25-30 months		31-36 months		Over 36 months		Total	
	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.
PURCHASED PAPER										
80% or less	9.1	8.7	1.5	1.5	16.6	16.8	0.1	0.1	27.3	27.1
81% to 90%	2.0	1.9	0.8	0.8	14.8	14.8	0.1	*	17.6	17.5
91% to 100%	3.2	2.9	1.0	1.1	27.7	28.4	0.1	0.1	32.1	32.5
101% to 110%	1.0	1.1	0.4	0.3	14.0	14.4	*	*	15.4	15.8
Over 110%	0.4	0.4	0.2	0.1	7.0	6.6	*	*	7.6	7.1
Total	15.8	15.0	3.9	3.8	80.0	80.9	0.3	0.2	100.0	100.0
DIRECT LOANS										
80% or less	17.0	17.7	3.8	3.8	19.8	18.8	0.1	*	40.7	40.3
81% to 90%	2.9	2.7	1.1	1.1	9.4	9.6	0.1	0.1	13.5	13.4
91% to 100%	5.2	4.8	2.4	4.2	20.9	20.8	*	0.1	28.5	29.9
101% to 110%	1.6	1.5	0.5	0.7	9.9	8.6	*	0.1	12.0	10.8
Over 110%	0.6	0.7	0.3	0.3	4.4	4.4	*	0.1	5.3	5.6
Total	27.3	27.2	8.1	10.1	64.3	62.2	0.2	0.4	100.0	100.0
TOTAL										
80% or less	10.7	10.5	2.0	1.9	17.3	17.2	0.1	*	30.1	29.7
81% to 90%	2.2	2.1	0.8	0.8	13.7	13.7	0.1	0.1	16.8	16.7
91% to 100%	3.6	3.3	1.2	1.7	26.4	26.8	0.1	0.1	31.3	31.9
101% to 110%	1.1	1.2	0.4	0.4	13.1	13.2	*	*	14.7	14.8
Over 110%	0.5	0.4	0.2	0.2	6.4	6.2	*	*	7.2	6.8
Total	18.1	17.4	4.7	5.1	76.8	77.2	0.3	0.3	100.0	100.0

<sup>1/</sup> Contract balance excludes finance and insurance charges.  
Less than one-tenth of one per cent.

NOTE: Distributions are based on tabulations of data from 56 banks for April and March and are not intended to be estimates for all commercial banks. In April reports covered about 24,000 contracts on new cars, 19,000 purchased and 5,000 direct. Data are not comparable with previous releases since composition of the group of banks changes from month to month.

Details may not add to totals because of rounding.

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

APRIL 1965 AND MARCH 1965

## USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value <u>1/2</u> /	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.
	PURCHASED PAPER									
80% or less	3.3	3.4	2.1	2.1	5.2	5.1	6.7	6.4	17.3	17.1
81% to 90%	1.2	1.3	1.2	1.5	5.2	5.4	8.7	8.2	16.3	16.3
91% to 100%	1.6	1.7	1.8	1.8	6.8	7.4	12.4	12.5	22.5	23.4
101% to 110%	0.8	1.0	1.0	1.0	4.5	4.7	8.9	9.1	15.2	15.7
Over 110%	<u>1.7</u>	<u>1.9</u>	<u>2.4</u>	<u>2.3</u>	<u>8.8</u>	<u>8.5</u>	<u>15.6</u>	<u>14.7</u>	<u>28.7</u>	<u>27.4</u>
Total	8.7	9.3	8.6	8.7	30.5	31.2	52.3	50.8	100.0	100.0
	DIRECT LOANS									
80% or less	11.0	12.8	5.9	6.5	11.5	11.0	7.1	7.1	35.6	37.5
81% to 90%	2.0	2.4	2.3	2.3	5.7	6.2	5.3	3.7	15.2	14.5
91% to 100%	3.4	3.2	3.7	3.6	10.2	9.6	6.5	6.0	23.7	22.4
101% to 110%	1.9	1.5	1.3	1.6	4.2	4.4	3.3	3.7	10.6	11.1
Over 110%	<u>1.5</u>	<u>2.0</u>	<u>2.3</u>	<u>2.5</u>	<u>6.2</u>	<u>5.7</u>	<u>4.8</u>	<u>4.4</u>	<u>14.9</u>	<u>14.5</u>
Total	19.8	21.8	15.5	16.4	37.7	36.9	26.9	24.8	100.0	100.0
	TOTAL									
80% or less	5.4	5.9	3.1	3.3	6.8	6.7	6.8	6.6	22.2	22.5
81% to 90%	1.4	1.6	1.5	1.7	5.3	5.6	7.8	7.0	16.0	15.8
91% to 100%	2.0	2.1	2.3	2.2	7.7	8.0	10.9	10.8	22.9	23.2
101% to 110%	1.1	1.1	1.1	1.2	4.4	4.6	7.4	7.7	14.0	14.5
Over 110%	<u>1.7</u>	<u>1.9</u>	<u>2.4</u>	<u>2.3</u>	<u>8.1</u>	<u>7.8</u>	<u>12.8</u>	<u>12.0</u>	<u>25.0</u>	<u>24.0</u>
Total	11.6	12.6	10.4	10.7	32.4	32.7	45.6	44.0	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 54 banks for April and March and are not intended to be estimates for all commercial banks. April 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.