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L.4.2

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

August 12, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

June 1965	May 1965	Three months ending June	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	32.9	35.3	34.9	38.6
36 months	66.6	64.4	64.8	61.2
Over 36 months	0.5	0.3	0.3	0.2

Contracts written for 36 months:

Most frequent loan/value ratio $\frac{1}{2}$	94	93	94	94
Per cent of contracts with ratios above 94 per cent	34.6	34.9	38.6	35.3

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.7	32.0	32.3	34.8
19-24 months	38.5	38.4	37.9	39.9
25-36 months	28.8	29.6	29.8	25.3

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{2}$	93	93	94	94
Per cent of contracts with ratios above 93 per cent	36.8	37.8	39.2	41.8

$\frac{1}{2}$ 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)

June 1965	May 1965	Three months ending June	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	18.4	19.3	19.4	20.1
36 months	80.8	80.1	79.9	79.1
Over 36 months	0.8	0.6	0.7	0.8

Contracts written for 36 months:

Most frequent loan/value ratio	95	94	95	95
Per cent of contracts with ratios above 95 per cent	43.6	41.6	43.4	42.8

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	19.2	18.6	18.8	20.8
19-24 months	32.2	31.0	31.2	34.7
25-36 months	48.6	50.4	50.0	44.5

Contracts written for 24 months or less:

Median loan/value ratio	95	95	96	97
Per cent of contracts with ratios above 95 per cent	50.0	50.0	52.3	54.7

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AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- JUNE 1965 AND MAY 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	June	May	June	May	June	May
New cars						
24 months or less	18.7	19.8	14.8	15.3	27.3	29.1
25-30 months	4.2	4.7	3.6	4.0	5.6	6.2
31-36 months	76.4	75.0	80.8	80.1	66.6	64.4
Over 36 months	0.7	0.5	0.8	0.6	0.5	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used cars ^{1/}						
12 months or less	12.5	12.0	9.4	9.5	19.0	17.5
13-18 months	11.0	10.8	9.8	9.1	13.7	14.5
19-24 months	34.2	33.4	32.2	31.0	38.5	38.4
Over 24 months	42.3	43.8	48.6	50.4	28.8	29.6
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 117 banks for June and May and are not intended to be estimates for all commercial banks. In June, reports covered about 55,000 contracts on new cars, 38,000 purchased and 17,000 direct and 38,000 contracts on used cars, 26,000 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

JUNE 1965 AND MAY 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	
	May	May	June	May	June	May	June	May	June	May
PURCHASED PAPER										
80% or less	8.0	9.0	1.4	1.6	15.9	16.7	0.1	0.1	25.3	27.3
81% to 90%	1.9	2.0	0.7	0.9	16.4	17.0	*	*	19.1	19.9
91% to 100%	3.0	2.7	1.0	1.0	27.7	27.0	0.1	0.1	31.8	30.7
101% to 110%	1.0	1.0	0.4	0.3	14.1	13.2	*	*	15.5	14.5
Over 110%	0.5	0.5	0.2	0.2	7.6	6.9	*	*	8.3	7.6
Total	14.3	15.1	3.6	3.9	81.7	80.8	0.3	0.2	100.0	100.0
DIRECT LOANS										
80% or less	16.8	17.2	3.1	3.2	22.9	21.2	0.2	0.1	43.0	41.6
81% to 90%	4.7	5.4	1.1	1.4	12.6	12.6	*	0.1	18.5	19.5
91% to 100%	4.3	4.9	1.5	1.6	18.6	18.4	*	0.1	24.4	24.9
101% to 110%	1.0	1.6	0.5	0.7	7.5	7.3	0.1	*	9.2	9.6
Over 110%	0.6	0.4	0.3	0.1	4.0	3.8	*	*	4.9	4.4
Total	27.4	29.4	6.6	6.9	65.6	63.4	0.4	0.3	100.0	100.0
TOTAL										
80% or less	9.9	10.8	1.8	1.9	17.4	17.7	0.1	0.1	29.1	30.5
81% to 90%	2.5	2.7	0.8	1.0	15.6	16.1	*	*	18.9	19.8
91% to 100%	3.3	3.1	1.1	1.1	25.8	25.1	0.1	0.1	30.2	29.5
101% to 110%	1.0	1.1	0.4	0.4	12.7	11.9	0.1	*	14.2	13.4
Over 110%	0.5	0.5	0.2	0.2	6.8	6.2	*	*	7.6	6.9
Total	17.1	18.2	4.2	4.6	78.3	76.9	0.3	0.2	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 63 banks for June and May and are not intended to be estimates for all commercial banks. In June reports covered about 28,000 contracts on new cars, 22,000 purchased and 6,000 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)

JUNE 1965 AND MAY 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	
	June	May	June	May	June	May	June	May	June	May
PURCHASED PAPER										
80% or less	3.2	3.8	2.1	2.3	4.9	5.3	5.9	5.9	16.0	17.3
81% to 90%	1.2	1.0	1.4	1.4	5.1	5.7	7.8	9.0	15.5	17.1
91% to 100%	1.7	1.5	2.1	1.4	8.2	6.5	11.6	11.0	23.5	20.4
101% to 110%	1.0	1.0	1.0	1.1	4.4	4.4	7.9	8.7	14.3	15.2
Over 110%	1.8	1.8	2.7	2.3	9.6	9.3	16.6	16.6	30.6	30.0
Total	8.8	9.1	9.3	8.6	32.2	31.2	49.7	51.1	100.0	100.0
DIRECT LOANS										
80% or less	12.0	9.9	6.2	7.0	13.4	13.2	6.7	7.9	38.2	38.0
81% to 90%	2.8	2.0	2.6	2.8	7.0	6.9	3.9	4.0	16.3	15.6
91% to 100%	3.6	3.0	3.8	3.7	8.5	10.3	5.2	5.6	21.1	22.5
101% to 110%	1.6	1.3	1.5	1.3	4.4	4.1	3.0	3.1	10.5	9.9
Over 110%	2.2	1.8	1.9	2.3	5.7	5.7	4.1	4.1	13.9	14.0
Total	22.1	18.0	15.9	17.0	39.0	40.3	22.9	24.6	100.0	100.0
TOTAL										
80% or less	5.4	5.3	3.1	3.5	7.0	7.3	6.1	6.5	21.6	22.6
81% to 90%	1.6	1.3	1.7	1.8	5.5	6.0	6.8	7.7	15.7	16.7
91% to 100%	2.2	1.9	2.5	2.0	8.3	7.5	9.9	9.5	22.9	20.9
101% to 110%	1.1	1.1	1.1	1.2	4.4	4.3	6.6	7.2	13.3	13.8
Over 110%	1.9	1.8	2.5	2.3	8.6	8.4	13.4	13.3	26.3	25.8
Total	12.2	11.4	11.0	10.8	33.8	33.5	42.8	44.1	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 60 banks for June and May and are not intended to be estimates for all commercial banks. June reports covered about 19,000 contracts on used cars, 14,000 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.