

Not for publication

## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

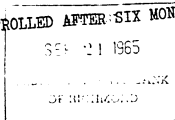
*Loan, consumer -  
installment*

L.4.2

September 20, 1965

DECONTROLLED AFTER SIX MONTHS

## DIRECT AUTO LOANS BY COMMERCIAL BANKS



July 1965	June 1965	Three months ending July	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	32.6	32.9	33.5	37.5
36 months	67.0	66.6	66.1	62.2
Over 36 months	0.4	0.5	0.4	0.3

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	93	93	94	94
Per cent of contracts with ratios above 93 per cent	36.7	38.4	39.1	39.7

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.6	32.9	32.2	34.9
19-24 months	38.7	38.7	38.3	40.1
25-36 months	28.7	28.4	29.5	25.0

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	94	93	94	94
Per cent of contracts with ratios above 94 per cent	36.3	33.8	36.4	38.4

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)

July 1965	June 1965	Three months ending July	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	17.6	18.1	18.5	19.1
36 months	81.6	81.1	80.8	80.3
Over 36 months	0.8	0.8	0.7	0.6

Contracts written for 36 months:

Most frequent loan/value ratio	94	94	94	95
Per cent of contracts with ratios above 94 per cent	45.3	46.6	46.2	46.8

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	19.4	19.1	19.1	21.0
19-24 months	33.1	32.4	32.0	34.8
25-36 months	47.5	48.5	48.9	44.2

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	52.0	54.8

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## AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- JULY 1965 AND JUNE 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	July	June	July	June	July	June
New Cars						
24 months or less	18.2	18.7	14.2	14.5	26.7	27.4
25-30 months	4.1	4.2	3.4	3.6	5.9	5.5
31-36 months	77.0	76.4	81.6	81.1	67.0	66.6
Over 36 months	0.7	0.7	0.8	0.8	0.4	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used Cars <sup>1/</sup>						
12 months or less	12.6	12.6	9.7	9.4	18.6	19.2
13-18 months	11.1	11.0	9.7	9.7	14.0	13.7
19-24 months	34.9	34.4	33.1	32.4	38.7	38.7
Over 24 months	41.4	42.0	47.5	48.5	28.7	28.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> 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 115 banks for July and June and are not intended to be estimates for all commercial banks. In July, reports covered about 51,000 contracts on new cars, 35,000 purchased and 16,000 direct and 32,000 contracts on used cars, 22,000 purchased and 10,000 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

JULY 1965 AND JUNE 1965

NEW CARS

(Percentage distribution of contracts)

Contract balances as percentage of dealer cost <sup>1/</sup>	Maturities									
	24 montns or less		25-30 montns		31-36 months		Over 36 months		Total	
	July	June	July	June	July	June	July	June	July	June
PURCHASED PAPER										
80% or less	8.1	7.5	1.3	1.3	15.9	15.6	0.1	0.1	25.4	24.6
81% to 90%	2.1	2.0	0.6	0.7	18.2	17.0	*	*	21.0	19.7
91% to 100%	2.4	3.0	0.8	1.0	27.8	28.3	0.1	0.1	31.0	32.4
101% to 110%	1.0	1.0	0.4	0.4	14.1	14.2	0.1	*	15.5	15.6
Over 110%	<u>0.3</u>	<u>0.4</u>	<u>0.1</u>	<u>0.2</u>	<u>6.5</u>	<u>7.1</u>	<u>*</u>	<u>*</u>	<u>7.0</u>	<u>7.7</u>
Total	13.9	13.9	3.2	3.5	82.4	82.2	0.3	0.3	100.0	100.0
DIRECT LOANS										
80% or less	17.7	16.6	3.4	2.9	22.5	21.3	0.2	0.2	43.9	41.0
81% to 90%	4.3	5.1	1.1	1.2	12.4	13.0	0.1	*	17.8	19.4
91% to 100%	4.9	4.6	1.8	1.6	17.9	19.8	0.2	0.1	24.8	26.0
101% to 110%	0.8	0.8	0.8	0.4	7.0	7.1	0.1	0.2	8.6	8.5
Over 110%	<u>0.8</u>	<u>0.6</u>	<u>0.3</u>	<u>0.3</u>	<u>3.8</u>	<u>4.1</u>	<u>0.1</u>	<u>*</u>	<u>4.9</u>	<u>5.0</u>
Total	28.4	27.7	7.3	6.4	63.5	65.4	0.6	0.5	100.0	100.0
TOTAL										
80% or less	10.0	9.5	1.7	1.7	17.3	16.8	0.1	0.1	29.1	28.1
81% to 90%	2.5	2.7	0.7	0.8	17.0	16.1	*	*	20.3	19.7
91% to 100%	2.9	3.4	1.0	1.1	25.8	26.5	0.1	0.1	29.8	31.1
101% to 110%	1.0	0.9	0.5	0.4	12.6	12.7	0.1	0.1	14.2	14.1
Over 110%	<u>0.4</u>	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>	<u>5.9</u>	<u>6.4</u>	<u>*</u>	<u>*</u>	<u>6.6</u>	<u>7.1</u>
Total	16.8	16.8	4.1	4.2	78.6	78.7	0.4	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 61 banks for July and June and are not intended to be estimates for all commercial banks. In July 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 from month to month.

Details may not add to total because of rounding.

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

JULY 1965 AND JUNE 1965

## USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value 1/2/	Maturities										Total	
	12 months or less		13-18 months		19-24 months		Over 24 months					
	July	June	July	June	July	June	July	June	July	June		
PURCHASED PAPER												
80% or less	3.7	2.9	2.3	2.0	5.1	4.7	5.1	5.8	16.2	15.4		
81% to 90%	1.2	1.4	1.7	1.6	6.3	5.7	8.3	8.7	17.5	17.3		
91% to 100%	1.6	1.7	1.6	2.2	8.0	8.8	11.7	12.2	22.9	24.9		
101% to 110%	1.1	1.0	1.1	1.1	5.0	4.8	8.6	8.4	15.9	15.3		
Over 110%	<u>1.8</u>	<u>1.5</u>	<u>2.2</u>	<u>2.4</u>	<u>9.2</u>	<u>8.5</u>	<u>14.3</u>	<u>14.6</u>	<u>27.6</u>	<u>27.0</u>		
Total	9.3	8.5	9.0	9.2	33.7	32.5	47.9	49.7	100.0	100.0		
DIRECT LOANS												
80% or less	11.7	12.4	6.4	6.2	12.9	13.1	5.1	5.4	36.0	37.1		
81% to 90%	2.2	3.1	2.2	2.8	6.2	7.6	4.5	4.2	15.1	17.7		
91% to 100%	3.9	3.9	3.4	4.1	12.2	9.1	7.7	5.5	27.3	22.6		
101% to 110%	1.3	1.2	1.3	1.1	3.6	4.1	2.0	2.5	8.2	8.8		
Over 110%	<u>1.9</u>	<u>2.3</u>	<u>2.1</u>	<u>1.9</u>	<u>6.0</u>	<u>5.9</u>	<u>3.4</u>	<u>3.8</u>	<u>13.4</u>	<u>13.8</u>		
Total	21.1	22.8	15.3	16.0	40.7	39.8	22.8	21.4	100.0	100.0		
TOTAL												
80% or less	5.8	5.4	3.4	3.1	7.2	6.9	5.1	5.7	21.5	21.1		
81% to 90%	1.5	1.8	1.8	1.9	6.2	6.2	7.3	7.5	16.8	17.4		
91% to 100%	2.2	2.3	2.1	2.7	9.1	8.9	10.6	10.5	24.0	24.3		
101% to 110%	1.2	1.1	1.2	1.1	4.6	4.6	6.8	6.8	13.8	13.6		
Over 110%	<u>1.9</u>	<u>1.7</u>	<u>2.2</u>	<u>2.2</u>	<u>8.3</u>	<u>7.8</u>	<u>11.3</u>	<u>11.7</u>	<u>23.7</u>	<u>23.4</u>		
Total	12.5	12.3	10.7	11.0	35.5	34.3	41.1	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 tabulations of data from 58 banks for July and June and are not intended to be estimates for all commercial banks. July reports covered about 15,000 contracts on used cars, 11,000 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.