

*Loans, consumer -  
instalment*

Not for publication

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

October 12, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

August 1965	July 1965	Three months ending August	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	33.0	32.3	32.8	36.2
36 months	66.5	67.3	66.7	63.5
Over 36 months	0.5	0.4	0.5	0.3

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	37.1	34.8	35.0	37.1

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.3	31.7	32.3	35.2
19-24 months	39.4	39.0	38.8	40.3
25-36 months	28.3	29.3	28.9	24.5

Contracts written for 24 months or less:

Most frequent loan/value ratio $\frac{1}{2}$	93	94	94	94
Per cent of contracts with ratios above 93 per cent	40.0	42.6	38.3	40.7

<sup>1</sup>/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.

Not for publication

-2-

L.4.2

## DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

August 1965	July 1965	Three months ending August	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	17.1	17.4	17.7	18.6
36 months	82.1	81.8	81.5	80.9
Over 36 months	0.8	0.8	0.8	0.5

Contracts written for 36 months:

Most frequent loan/value ratio <u>1</u> /	95	94	94	95
Per cent of contracts with ratios above 95 per cent	43.1	41.9	42.8	43.8

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	19.6	19.3	19.4	21.2
19-24 months	33.1	33.1	32.7	35.1
25-36 months	47.3	47.6	47.9	43.7

Contracts written for 24 months or less:

Median loan/value ratio	96	95	96	97
Per cent of contracts with ratios above 96 per cent	50.0	48.7	50.0	52.3

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.

Not for publication

-3-

## L.4.2

## AUTOMOBILE INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES -- AUGUST 1965 AND JULY 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Aug.	July	Aug.	July	Aug.	July
New Cars						
24 months or less	17.3	18.0	13.5	14.2	27.0	26.5
25-30 months	4.3	4.0	3.6	3.2	6.0	5.8
31-36 months	77.7	77.3	82.1	81.8	66.5	67.3
Over 35 months	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>0.8</u>	<u>0.5</u>	<u>0.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used Cars <sup>1/</sup>						
12 months or less	12.4	12.2	9.5	9.6	18.7	17.9
13-18 months	11.2	11.0	10.1	9.7	13.6	13.8
19-24 months	35.1	35.0	33.1	33.1	39.4	39.0
Over 24 months	<u>41.3</u>	<u>41.8</u>	<u>47.3</u>	<u>47.6</u>	<u>28.3</u>	<u>29.3</u>
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 112 banks for August and July and are not intended to be estimates for all commercial banks. In August, reports covered about 46,000 contracts on new cars, 33,000 purchased and 13,000 direct and 29,000 contracts on used cars, 20,000 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.

Not for publication

-4-

L.4.2

DEALER COST RATIOS AND MATURITIES  
ON AUTOMOBILE INSTALLMENT LOANS

AUGUST 1965 AND JULY 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	
	Aug.	July	Aug.	July	Aug.	July	Aug.	July	Aug.	July
PURCHASED PAPER										
80% or less	7.4	7.8	1.3	1.2	15.9	16.0	0.1	0.1	24.7	25.2
81% to 90%	2.6	2.1	0.9	0.6	16.5	18.3	0.1	*	20.1	21.0
91% to 100%	2.4	2.4	1.0	0.7	28.9	27.9	0.1	0.1	32.5	31.0
101% to 110%	0.9	1.0	0.4	0.4	14.2	14.2	*	0.1	15.6	15.7
Over 110%	<u>0.3</u>	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>6.7</u>	<u>6.6</u>	<u>*</u>	<u>*</u>	<u>7.1</u>	<u>7.1</u>
Total	13.6	13.6	3.7	3.0	82.2	82.9	0.4	0.4	100.0	100.0
DIRECT LOANS										
80% or less	15.6	16.6	3.1	3.1	22.1	22.1	0.1	0.1	40.9	41.9
81% to 90%	4.7	4.3	1.5	1.1	11.8	12.7	*	0.1	18.0	18.2
91% to 100%	5.5	5.1	1.5	1.8	18.0	18.6	0.1	0.2	25.0	25.7
101% to 110%	1.1	0.8	0.5	0.8	8.0	7.3	*	0.1	9.6	9.0
Over 110%	<u>0.8</u>	<u>0.8</u>	<u>0.2</u>	<u>0.3</u>	<u>5.4</u>	<u>4.0</u>	<u>*</u>	<u>0.1</u>	<u>6.4</u>	<u>5.2</u>
Total	27.7	27.6	6.7	7.1	65.3	64.7	0.3	0.6	100.0	100.0
TOTAL										
80% or less	8.8	9.5	1.6	1.6	16.9	17.2	0.1	0.1	27.5	28.5
81% to 90%	3.0	2.5	1.0	0.7	15.7	17.2	*	*	19.8	20.5
91% to 100%	2.9	2.9	1.1	0.9	27.0	26.0	0.1	0.1	31.2	30.0
101% to 110%	1.0	1.0	0.4	0.5	13.2	12.8	*	0.1	14.6	14.4
Over 110%	<u>0.4</u>	<u>0.4</u>	<u>0.1</u>	<u>0.2</u>	<u>6.5</u>	<u>6.1</u>	<u>*</u>	<u>0.1</u>	<u>7.0</u>	<u>6.7</u>
Total	16.1	16.4	4.2	3.8	79.3	79.3	0.3	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 58 banks for August and July and are not intended to be estimates for all commercial banks. In August reports covered about 22,000 contracts on new cars, 18,000 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.

Not for publication

-5-

L. 4.2

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

AUGUST 1965 AND JULY 1965

USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value $\frac{1}{2}$	Maturities									
	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Aug.	July	Aug.	July	Aug.	July	Aug.	July	Aug.	July
PURCHASED PAPER										
80% or less	3.0	3.3	2.2	2.2	4.7	5.1	5.4	5.2	15.3	15.8
81% to 90%	1.2	1.2	1.8	1.7	5.9	6.3	8.0	8.3	17.0	17.5
91% to 100%	1.8	1.6	2.1	1.7	9.2	8.0	12.0	11.5	25.1	22.7
101% to 110%	1.1	1.1	1.2	1.2	5.6	5.1	8.2	8.7	16.2	16.1
Over 110%	<u>1.8</u>	<u>1.8</u>	<u>2.3</u>	<u>2.3</u>	<u>8.6</u>	<u>9.3</u>	<u>13.8</u>	<u>14.5</u>	<u>26.5</u>	<u>27.9</u>
Total	8.9	9.0	9.6	9.0	34.0	33.8	47.4	48.1	100.0	100.0
DIRECT LOANS										
80% or less	10.4	9.2	6.1	5.4	11.9	11.9	4.6	5.0	33.0	31.5
81% to 90%	2.5	2.2	2.6	2.3	7.9	6.2	5.0	4.7	18.0	15.4
91% to 100%	4.5	4.2	3.8	3.8	10.6	13.1	5.5	8.5	24.5	29.5
101% to 110%	1.1	1.4	1.4	1.4	4.4	3.9	2.1	2.2	9.0	8.9
Over 110%	<u>2.5</u>	<u>2.1</u>	<u>2.3</u>	<u>2.3</u>	<u>6.3</u>	<u>6.5</u>	<u>4.4</u>	<u>3.8</u>	<u>15.5</u>	<u>14.7</u>
Total	21.0	19.2	16.1	15.1	41.2	41.6	21.7	24.1	100.0	100.0
TOTAL										
80 % or less	4.8	4.8	3.2	3.0	6.5	6.8	5.2	5.1	19.6	19.8
81% to 90%	1.5	1.5	2.0	1.9	6.4	6.2	7.3	7.3	17.3	16.9
91% to 100%	2.4	2.3	2.6	2.2	9.5	9.3	10.4	10.7	24.9	24.4
101% to 110%	1.2	1.2	1.2	1.2	5.3	4.8	6.7	7.0	14.4	14.2
Over 110%	<u>2.0</u>	<u>1.9</u>	<u>2.3</u>	<u>2.3</u>	<u>8.0</u>	<u>8.6</u>	<u>11.4</u>	<u>11.7</u>	<u>23.7</u>	<u>24.5</u>
Total	11.9	11.6	11.2	10.6	35.7	35.7	41.0	41.9	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 56 banks for August and July and are not intended to be estimates for all commercial banks. August reports covered about 13,000 contracts on used cars, 10,000 purchased and 3,000 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.