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L. 4.2

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FEDERAL BANK  
OF ST. LOUIS*Loans, consumer - instalment*  
DIRECT AUTO LOANS BY COMMERCIAL BANKS

November 15, 1965.

September 1965	August 1965	Three months ending September	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	32.8	32.8	32.8	35.9
36 months	66.9	66.8	66.8	63.8
Over 36 months	0.3	0.4	0.4	0.3

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	95	94	94	94
Per cent of contracts with ratios above 95 per cent	36.2	33.6	33.7	33.6

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	32.2	31.3	32.4	35.9
19-24 months	39.1	39.6	39.0	39.9
25-36 months	28.7	29.1	28.6	24.2

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	95	94	94	94
Per cent of contracts with ratios above 95 per cent	40.9	36.0	36.2	35.3

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.

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

September 1965	August 1965	Three months ending September	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	17.7	17.1	17.5	18.3
36 months	81.7	82.2	81.8	81.1
Over 36 months	0.6	0.7	0.7	0.6

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	95	95.	95	95
Per cent of contracts with ratios above 95 per cent	45.2	43.6	43.3	44.2

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	20.9	19.6	19.9	21.8
19-24 months	32.6	32.7	33.0	35.1
25-36 months	46.5	47.7	47.1	43.1

Contracts written for 24 months or less:

Median loan/value ratio	97	97	96	97
Per cent of contracts with ratios above 97 per cent	50.0	50.0	47.2	50.0

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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 INSTALMENT LOANS AT COMMERCIAL BANKS

MATURITIES --SEPTEMBER 1965 AND AUGUST 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
New Cars						
24 months or less	17.0	17.2	14.0	13.6	25.9	27.0
25-30 months	4.5	4.2	3.7	3.5	6.9	5.8
31-36 months	78.0	78.0	81.7	82.2	66.9	66.8
Over 36 months	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.3</u>	<u>0.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Used Cars <u>1/</u>						
12 months or less	13.0	12.1	10.7	9.6	18.4	18.0
13-18 months	11.2	11.0	10.2	10.0	13.8	13.3
19-24 months	34.6	34.8	32.6	32.7	39.1	39.6
Over 24 months	<u>41.2</u>	<u>42.1</u>	<u>46.5</u>	<u>47.7</u>	<u>28.7</u>	<u>29.1</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 113 banks for September and August and are not intended to be estimates for all commercial banks. In September, reports covered about 40,000 contracts on new cars, 30,000 purchased and 10,000 direct and 27,000 contracts on used cars, 19,000 purchased and 8,000 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

SEPTEMBER 1965 AND AUGUST 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	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
PURCHASED PAPER										
80% or less	8.1	7.6	1.2	1.3	15.3	16.1	0.1	0.1	24.7	25.1
81% to 90%	2.0	2.5	0.9	0.8	15.9	16.1	0.1	0.1	18.8	19.4
91% to 100%	2.4	2.4	1.0	1.0	27.3	28.6	0.1	0.1	30.8	32.1
101% to 110%	1.1	0.9	0.7	0.4	15.2	14.2	0.1	*	17.0	15.5
Over 110%	0.4	0.3	0.2	0.1	8.1	7.4	*	*	8.7	7.9
Total	13.9	13.6	4.0	3.6	81.7	82.4	0.3	0.3	100.0	100.0
DIRECT LOANS										
80% or less	16.0	15.9	2.8	3.0	22.1	23.6	*	0.1	40.9	42.6
81% to 90%	3.6	4.5	1.5	1.4	9.2	11.4	0.1	*	14.4	17.3
91% to 100%	4.9	5.2	2.4	1.4	21.0	17.3	0.1	0.1	28.4	23.9
101% to 110%	1.5	1.3	0.4	0.5	7.4	8.2	*	*	9.3	10.0
Over 110%	0.6	0.8	0.5	0.2	5.8	5.2	*	*	7.0	6.2
Total	26.6	27.6	7.6	6.4	65.5	65.7	0.2	0.3	100.0	100.0
TOTAL										
80% or less	9.4	9.0	1.5	1.6	16.4	17.4	0.1	0.1	27.4	28.1
81% to 90%	2.2	2.8	1.0	0.9	14.8	15.3	0.1	*	18.1	19.1
91% to 100%	2.8	2.9	1.2	1.1	26.3	26.7	0.1	0.1	30.4	30.7
101% to 110%	1.1	1.0	0.7	0.4	13.9	13.2	*	*	15.7	14.5
Over 110%	0.4	0.4	0.2	0.1	7.7	7.0	*	*	8.4	7.6
Total	15.9	16.0	4.6	4.1	79.0	79.5	0.3	0.3	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 59 banks for September and August and are not intended to be estimates for all commercial banks. In September reports covered about 21,000 contracts on new cars, 17,000 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.

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

**SEPTEMBER 1965 AND AUGUST 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	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
<b>PURCHASED PAPER</b>										
80% or less	3.6	3.0	1.9	2.2	4.7	4.7	5.5	5.5	15.8	15.5
81% to 90%	1.6	1.1	1.5	1.6	4.8	5.3	6.4	7.2	14.3	15.2
91% to 100%	1.8	1.7	2.3	2.1	8.8	8.4	10.9	11.6	23.8	23.8
101% to 110%	1.1	1.1	1.1	1.1	5.2	5.1	8.5	7.9	16.0	15.1
Over 110%	2.2	2.2	2.6	2.6	9.8	9.6	15.4	15.9	30.0	30.4
<b>Total</b>	10.3	9.1	9.5	9.6	33.3	33.1	46.8	48.1	100.0	100.0
<b>DIRECT LOANS</b>										
80% or less	9.6	10.1	5.5	5.9	10.7	12.3	5.0	5.9	30.8	34.2
81% to 90%	2.1	2.3	2.2	2.4	6.5	7.4	3.5	4.7	14.3	16.9
91% to 100%	3.7	4.2	4.2	3.6	11.0	10.0	6.2	5.3	25.1	23.0
101% to 110%	2.5	1.8	1.7	1.6	5.1	4.9	3.8	2.6	13.1	10.9
Over 110%	2.7	2.3	2.9	2.2	7.5	6.0	3.6	4.5	16.7	15.1
<b>Total</b>	20.5	20.7	16.5	15.7	40.8	40.5	22.1	23.0	100.0	100.0
<b>TOTAL</b>										
80% or less	5.0	4.7	2.8	3.1	6.1	6.5	5.4	5.6	19.3	19.8
81% to 90%	1.7	1.4	1.7	1.8	5.2	5.8	5.7	6.6	14.3	15.6
91% to 100%	2.2	2.3	2.8	2.4	9.3	8.7	9.8	10.1	24.1	23.5
101% to 110%	1.4	1.3	1.2	1.2	5.2	5.0	7.4	6.6	15.3	14.1
Over 110%	2.3	2.3	2.7	2.5	9.3	8.8	12.6	13.2	26.9	26.8
<b>Total</b>	12.7	11.9	11.1	11.0	35.0	34.8	41.0	42.1	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 tabulations of data from 57 banks for September and August and are not intended to be estimates for all commercial banks. September 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.