

Not for publication

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

December 10, 1965

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

October 1965	September 1965	Three months ending October	
		1965	1964

NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	36.5	33.5	34.1	37.2
36 months	63.3	66.1	65.6	62.5
Over 36 months	0.2	0.4	0.3	0.3

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	94	95	94	94
Per cent of contracts with ratios above 94 per cent	35.4	39.1	36.2	35.1

USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	33.0	34.5	32.5	35.6
19-24 months	36.9	38.5	38.5	39.7
25-36 months	30.1	27.0	29.0	24.7

Contracts written for 24 months or less:

Most frequent loan/value ratio <u>1/</u>	94	94	94	94
Per cent of contracts with ratios above 94 per cent	37.6	38.8	39.5	34.9

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Not for publication

-2-

L.4.2

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

October 1965	September 1965	Three months ending October	
		1965	1964

## NEW CAR CONTRACTS

Per cent of contracts written for:

Under 36 months	20.0	17.9	18.3	19.3
36 months	79.3	81.5	81.0	80.1
Over 36 months	0.7	0.6	0.7	0.6

Contracts written for 36 months:

Most frequent loan/value ratio <u>1/</u>	94	95	95	95
Per cent of contracts with ratios above 94 per cent	47.5	49.0	47.7	47.9

## USED CAR CONTRACTS

Per cent of contracts written for:

Under 19 months	19.5	21.0	20.0	22.2
19-24 months	30.7	32.9	32.1	34.4
25-36 months	49.8	46.1	47.9	43.4

Contracts written for 24 months or less:

Median loan/value ratio	96	96	96	97
Per cent of contracts with ratios above 96 per cent	50.0	50.0	50.0	51.8

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Not for publication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 -- OCTOBER 1965 and SEPTEMBER 1965

(Percentage distribution of contracts)

Maturities	Total		Purchased paper		Direct loans	
	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.
New Cars						
24 months or less	20.0	17.2	15.9	14.1	30.1	26.4
25-30 months	4.7	4.6	4.1	3.8	6.4	7.1
31-36 months	74.7	77.6	79.3	81.5	63.3	66.1
Over 36 months	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.6</u>	<u>0.2</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	12.9	13.8	9.8	10.7	19.1	20.2
13-18 months	11.1	11.6	9.7	10.3	13.9	14.3
19-24 months	32.8	34.7	30.7	32.9	36.9	38.5
Over 24 months	<u>43.2</u>	<u>39.9</u>	<u>49.8</u>	<u>46.1</u>	<u>30.1</u>	<u>27.0</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 115 banks for October and September and are not intended to be estimates for all commercial banks. In October, reports covered about 45,000 contracts on new cars; 32,000 purchased and 13,000 direct and 28,000 contracts on used cars, 19,000 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

OCTOBER 1965 AND SEPTEMBER 1965

## NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost <u>1/</u>	Maturities									
	24 months or less		25-30 months		31-36 months		Over 36 months		Total	
	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.
PURCHASED PAPER										
80% or less	8.3	8.0	1.5	1.2	14.3	14.8	0.1	0.1	24.1	24.0
81% to 90%	2.4	2.0	0.9	1.0	16.8	16.3	0.1	0.1	20.1	19.4
91% to 100%	3.0	2.5	1.1	1.1	27.0	28.1	0.1	0.1	31.1	31.8
101% to 110%	1.3	1.0	0.9	0.7	14.1	15.1	*	0.1	16.4	17.0
Over 110%	<u>0.5</u>	<u>0.4</u>	<u>0.1</u>	<u>0.2</u>	<u>7.6</u>	<u>7.2</u>	<u>*</u>	<u>*</u>	<u>8.2</u>	<u>7.8</u>
Total	15.3	14.0	4.5	4.1	79.8	81.5	0.3	0.4	100.0	100.0
DIRECT LOANS										
80% or less	17.4	17.2	2.3	2.8	21.9	21.8	*	*	41.6	41.9
81% to 90%	5.1	3.5	1.1	1.7	11.4	8.9	*	0.1	17.6	14.2
91% to 100%	6.0	5.0	2.6	2.5	16.5	20.6	*	0.1	25.1	28.3
101% to 110%	1.7	1.5	1.1	0.4	7.6	7.1	*	0.1	10.4	9.1
Over 110%	<u>0.5</u>	<u>0.6</u>	<u>0.3</u>	<u>0.5</u>	<u>4.4</u>	<u>5.5</u>	<u>*</u>	<u>*</u>	<u>5.3</u>	<u>6.6</u>
Total	30.8	27.8	7.2	7.9	61.8	63.9	0.1	0.3	100.0	100.0
TOTAL										
80% or less	10.0	9.6	1.6	1.5	15.7	16.0	0.1	0.1	27.5	27.1
81% to 90%	2.9	2.3	0.9	1.1	15.8	15.0	0.1	0.1	19.7	18.5
91% to 100%	3.5	2.9	1.4	1.3	25.0	26.8	0.1	0.1	30.0	31.2
101% to 110%	1.4	1.1	1.0	0.7	12.9	13.7	*	0.1	15.3	15.6
Over 110%	<u>0.5</u>	<u>0.4</u>	<u>0.1</u>	<u>0.2</u>	<u>7.0</u>	<u>6.9</u>	<u>*</u>	<u>*</u>	<u>7.6</u>	<u>7.6</u>
Total	18.3	16.3	5.0	4.8	76.3	78.5	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 60 banks for October and September and are not intended to be estimates for all commercial banks. In October reports covered about 22,000 contracts on new cars, 12,000 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)

OCTOBER 1965 AND SEPTEMBER 1965

USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value <u>1/2/</u>	Maturities									
	12 months or less		13-18 months		19-24 months		Over 24 months		Total	
	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.
PURCHASED PAPER										
80% or less	3.3	3.6	2.0	1.9	4.6	4.7	6.0	5.5	15.9	15.8
81% to 90%	1.2	1.7	1.5	1.7	5.1	5.2	8.9	7.0	16.7	15.7
91% to 100%	1.8	1.9	2.3	2.5	7.8	9.6	12.0	11.8	23.9	25.8
101% to 110%	1.1	1.1	1.3	1.1	5.4	5.5	9.6	8.7	17.5	16.4
Over 110%	<u>1.9</u>	<u>1.8</u>	<u>2.4</u>	<u>2.4</u>	<u>8.6</u>	<u>9.0</u>	<u>13.2</u>	<u>13.2</u>	<u>26.1</u>	<u>26.4</u>
Total	9.3	10.2	9.5	9.6	31.5	33.9	49.6	46.3	100.0	100.0
DIRECT LOANS										
80% or less	12.9	13.4	5.2	6.6	12.4	11.8	6.8	3.7	37.2	35.4
81% to 90%	1.5	2.0	2.4	2.2	6.0	6.4	4.0	3.1	13.9	13.8
91% to 100%	3.4	3.5	3.8	3.9	8.0	10.4	5.5	5.7	20.7	23.5
101% to 110%	1.8	2.4	2.0	1.6	4.0	4.7	4.5	3.5	12.4	12.2
Over 110%	<u>1.9</u>	<u>2.4</u>	<u>2.6</u>	<u>2.7</u>	<u>6.5</u>	<u>6.8</u>	<u>4.8</u>	<u>3.1</u>	<u>15.8</u>	<u>15.1</u>
Total	21.5	23.8	15.9	16.9	37.0	40.1	25.5	19.1	100.0	100.0
TOTAL										
80% or less	6.0	6.2	2.9	3.1	6.8	6.5	6.2	5.0	22.0	20.9
81% to 90%	1.3	1.8	1.8	1.8	5.3	5.5	7.4	6.0	15.9	15.1
91% to 100%	2.3	2.3	2.7	2.8	7.8	9.8	10.1	10.2	22.9	25.1
101% to 110%	1.3	1.4	1.5	1.3	5.0	5.3	8.1	7.3	16.0	15.3
Over 110%	<u>1.9</u>	<u>2.0</u>	<u>2.4</u>	<u>2.5</u>	<u>8.0</u>	<u>8.4</u>	<u>10.8</u>	<u>10.5</u>	<u>23.1</u>	<u>23.4</u>
Total	12.8	13.8	11.3	11.5	33.0	35.5	42.7	39.0	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 tabulations of data from 57 banks for October and September and are not intended to be estimates for all commercial banks. October reports covered about 13,000 contracts on used cars, 9,000 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.