

## Loans, Consumer - installment

Not for publication

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

November 17, 1966.

DECONTROLLED AFTER SIX MONTHS

## DIRECT AUTO LOANS BY COMMERCIAL BANKS

| Sept.<br>1966 | Aug.<br>1966 | Three months<br>ending September* |      |
|---------------|--------------|-----------------------------------|------|
|               |              | 1966                              | 1965 |

## NEW CAR CONTRACTS

Per cent of contracts written for:

|                   |      |      |      |      |
|-------------------|------|------|------|------|
| 24 months or less | 27.3 | 26.4 | 27.1 | 26.5 |
| 25-30 months      | 6.7  | 6.2  | 6.3  | 6.3  |
| 31-36 months      | 65.6 | 67.1 | 66.3 | 66.8 |
| Over 36 months    | 0.4  | 0.3  | 0.3  | 0.4  |

|                                  |      |      |      |      |
|----------------------------------|------|------|------|------|
| Contracts written for 36 months: | 86.1 | 86.9 | 87.6 | 89.1 |
|----------------------------------|------|------|------|------|

Median loan/value ratio

## USED CAR CONTRACTS

Per cent of contracts written for:

|                   |      |      |      |      |
|-------------------|------|------|------|------|
| 12 months or less | 18.4 | 18.1 | 18.5 | 18.6 |
| 13-18 months      | 13.8 | 14.1 | 13.8 | 13.8 |
| 19-24 months      | 36.6 | 37.2 | 37.2 | 39.0 |
| Over 24 months    | 31.2 | 30.6 | 30.5 | 28.6 |

All used car contracts:

|                         |      |      |      |      |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 88.8 | 88.8 | 89.2 | 90.2 |
|-------------------------|------|------|------|------|

\*Unweighted arithmetic mean of the three monthly ratios.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

| Sept.<br>1966 | Aug.<br>1966 | Three months<br>ending September* |      |
|---------------|--------------|-----------------------------------|------|
|               |              | 1966                              | 1965 |

## NEW CAR CONTRACTS

Per cent of contracts written for:

|                   |      |      |      |      |
|-------------------|------|------|------|------|
| 24 months or less | 12.9 | 12.8 | 12.9 | 13.9 |
| 25-30 months      | 3.7  | 3.6  | 3.6  | 3.6  |
| 31-36 months      | 82.6 | 82.8 | 82.5 | 81.8 |
| Over 36 months    | 0.8  | 0.8  | 1.0  | 0.7  |

Contracts written for 36 months:

|                         |      |      |      |      |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 93.7 | 93.7 | 93.6 | 93.1 |
|-------------------------|------|------|------|------|

## USED CAR CONTRACTS

Per cent of contracts written for:

|                   |      |      |      |      |
|-------------------|------|------|------|------|
| 12 months or less | 10.3 | 9.5  | 9.5  | 10.0 |
| 13-18 months      | 10.1 | 9.9  | 9.7  | 10.0 |
| 19-24 months      | 30.7 | 31.5 | 30.9 | 32.9 |
| Over 24 months    | 48.9 | 49.1 | 49.9 | 47.1 |

All used car contracts:

|                         |      |      |      |      |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 99.4 | 99.7 | 99.8 | 97.5 |
|-------------------------|------|------|------|------|

\*Unweighted arithmetic mean of the three monthly ratios.

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DEALER COST RATIOS AND MATURITIES  
ON AUTOMOBILE INSTALMENT LOANS

SEPTEMBER 1966 AND AUGUST 1966

NEW CARS

(Percentage distribution of contracts)

| Contract balance<br>as percentage of<br>dealer cost 1/ | Maturities           |      |                 |      |                 |      |                   |      |       |       |
|--|----------------------|------|-----------------|------|-----------------|------|-------------------|------|-------|-------|
|  | 24 months<br>or less |      | 25-30<br>months |      | 31-36<br>months |      | Over 36<br>months |      | Total |       |
|  | Sept.                | Aug. | Sept.           | Aug. | Sept.           | Aug. | Sept.             | Aug. | Sept. | Aug.  |
| PURCHASED PAPER  |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less  | 6.7                  | 7.2  | 1.1             | 1.3  | 15.8            | 15.8 | *                 | 0.1  | 23.7  | 24.4  |
| 81% to 90%   | 1.6                  | 1.5  | 0.9             | 0.7  | 14.9            | 15.5 | 0.1               | *    | 17.5  | 17.8  |
| 91% to 100%  | 2.4                  | 2.3  | 1.2             | 1.2  | 29.4            | 28.1 | 0.5               | 0.2  | 33.5  | 31.8  |
| 101% to 110%   | 0.9                  | 0.8  | 0.4             | 0.4  | 15.8            | 15.7 | 0.1               | *    | 17.2  | 16.9  |
| Over 110%  | 0.4                  | 0.5  | 0.2             | 0.1  | 7.5             | 8.5  | *                 | *    | 8.1   | 9.1   |
| Total  | 12.0                 | 12.4 | 3.8             | 3.7  | 83.4            | 83.6 | 0.7               | 0.3  | 100.0 | 100.0 |
| DIRECT LOANS   |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less  | 16.2                 | 16.7 | 3.0             | 2.7  | 27.6            | 27.0 | 0.4               | 0.2  | 47.3  | 46.6  |
| 81% to 90%   | 3.1                  | 2.8  | 1.5             | 1.0  | 9.4             | 9.4  | 0.1               | 0.1  | 14.2  | 13.3  |
| 91% to 100%  | 4.8                  | 5.2  | 2.1             | 2.2  | 18.6            | 19.1 | 0.2               | 0.1  | 25.7  | 26.7  |
| 101% to 110%   | 1.2                  | 0.9  | 0.3             | 0.4  | 7.6             | 6.9  | *                 | *    | 9.0   | 8.2   |
| Over 110%  | 0.4                  | 0.5  | 0.2             | 0.1  | 3.3             | 4.6  | *                 | 0.1  | 3.8   | 5.2   |
| Total  | 25.7                 | 26.1 | 7.1             | 6.4  | 66.5            | 66.9 | 0.7               | 0.5  | 100.0 | 100.0 |
| TOTAL  |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less  | 8.6                  | 9.1  | 1.5             | 1.6  | 18.2            | 18.0 | 0.1               | 0.1  | 28.4  | 28.8  |
| 81% to 90%   | 1.9                  | 1.8  | 0.9             | 0.8  | 13.8            | 14.3 | 0.1               | *    | 16.8  | 16.9  |
| 91% to 100%  | 2.9                  | 2.9  | 1.4             | 1.4  | 27.2            | 26.4 | 0.4               | 0.2  | 31.9  | 30.8  |
| 101% to 110%   | 1.0                  | 0.8  | 0.4             | 0.4  | 14.1            | 13.9 | 0.1               | *    | 15.6  | 15.2  |
| Over 110%  | 0.4                  | 0.5  | 0.2             | 0.1  | 6.7             | 7.7  | *                 | *    | 7.3   | 8.3   |
| Total  | 14.7                 | 15.1 | 4.4             | 4.2  | 80.1            | 80.3 | 0.7               | 0.3  | 100.0 | 100.0 |

1/ Contract balance excludes finance and insurance charges.

\* Less than one-tenth of one per cent.

NOTE: Distributions for September and August are derived from reports of 114 banks, 71 of which reported dealer cost ratios as well as maturities. The September maturity distribution for new cars shown on pages 1 and 2 is based on 35,000 contracts, 26,000 purchased and 9,000 direct. The cross-classification on this page is based on 19,000 contracts, 15,000 purchased and 4,000 direct. The data are not intended to be estimates for all commercial banks and 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)

SEPTEMBER 1966 AND AUGUST 1966

USED CARS

(Percentage distribution of contracts)

| Contract balance<br>as percentage of<br>wholesale value $\frac{1}{2}$ | Maturities           |      |                 |      |                 |      |                   |      |       |       |
|---|----------------------|------|-----------------|------|-----------------|------|-------------------|------|-------|-------|
|   | 12 months<br>or less |      | 13-18<br>months |      | 19-24<br>months |      | Over 24<br>months |      | Total |       |
|   | Sept.                | Aug. | Sept.           | Aug. | Sept.           | Aug. | Sept.             | Aug. | Sept. | Aug.  |
| PURCHASED PAPER   |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less   | 3.0                  | 3.2  | 1.9             | 2.1  | 4.2             | 4.3  | 5.4               | 5.3  | 14.5  | 14.9  |
| 81% to 90%  | 1.3                  | 1.3  | 1.9             | 1.5  | 4.4             | 4.6  | 7.4               | 7.6  | 15.0  | 15.0  |
| 91% to 100%   | 2.0                  | 1.6  | 2.1             | 1.9  | 7.2             | 7.0  | 10.5              | 10.2 | 21.9  | 20.7  |
| 100% to 110%  | 1.3                  | 1.3  | 1.5             | 1.4  | 4.9             | 5.1  | 10.4              | 10.1 | 18.1  | 17.9  |
| Over 110%   | 2.3                  | 2.1  | 2.6             | 2.6  | 9.0             | 9.1  | 16.6              | 17.6 | 30.5  | 31.5  |
| Total   | 9.9                  | 9.5  | 10.0            | 9.5  | 29.8            | 30.1 | 50.3              | 50.8 | 100.0 | 100.0 |
| DIRECT LOANS  |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less   | 10.3                 | 9.7  | 5.6             | 6.3  | 13.0            | 14.8 | 9.8               | 9.1  | 38.8  | 40.0  |
| 81% to 90%  | 2.2                  | 1.9  | 1.4             | 2.1  | 4.9             | 4.6  | 4.2               | 2.9  | 12.7  | 11.4  |
| 91% to 100%   | 3.8                  | 4.7  | 5.0             | 3.2  | 10.0            | 9.8  | 7.5               | 8.2  | 26.3  | 25.8  |
| 101% to 110%  | 1.4                  | 0.9  | 1.0             | 1.0  | 2.9             | 2.7  | 5.1               | 4.0  | 10.4  | 8.6   |
| Over 110%   | 2.1                  | 1.9  | 1.6             | 2.2  | 4.5             | 5.4  | 3.7               | 4.8  | 11.8  | 14.2  |
| Total   | 19.7                 | 19.1 | 14.6            | 14.7 | 35.4            | 37.2 | 30.3              | 28.9 | 100.0 | 100.0 |
| TOTAL   |                      |      |                 |      |                 |      |                   |      |       |       |
| 80% or less   | 4.9                  | 4.9  | 2.9             | 3.2  | 6.6             | 7.0  | 6.6               | 6.3  | 20.9  | 21.4  |
| 81% to 90%  | 1.6                  | 1.4  | 1.7             | 1.7  | 4.5             | 4.6  | 6.5               | 6.4  | 14.4  | 14.1  |
| 91% to 100%   | 2.5                  | 2.4  | 2.9             | 2.2  | 8.0             | 7.7  | 9.7               | 9.7  | 23.1  | 22.0  |
| 101% to 110%  | 1.3                  | 1.2  | 1.4             | 1.3  | 4.4             | 4.5  | 9.0               | 8.5  | 16.1  | 15.5  |
| Over 110%   | 2.2                  | 2.1  | 2.3             | 2.5  | 7.8             | 8.2  | 13.2              | 14.3 | 25.5  | 27.0  |
| Total   | 12.5                 | 12.0 | 11.2            | 10.9 | 31.3            | 32.0 | 45.0              | 45.1 | 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 for September and August are derived from reports of 114 banks, 67 of which reported dealer cost ratios as well as maturities. The September maturity distribution for used cars shown on pages 1 and 2 is based on 26,000 contracts, 18,000 purchased and 8,000 direct. The cross-classification on this page is based on 14,000 contracts, 10,000 purchased and 4,000 direct. The data are not intended to be estimates for all commercial banks and are not comparable with previous releases since composition of the group of banks changes from month to month.

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