

Loans, Consumer Installment

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

May 20, 1968

DECONTROLLED AFTER SIX MONTHS

LIBRARY DIRECT AUTO LOANS BY COMMERCIAL BANKS
MAY 21 1968
FEDERAL RESERVE BANK
OF ST. LOUIS

March 1968	February 1968	Three months ending March*	
		1968	1967

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	27.2	26.9	27.6	29.2
25-30 months	6.3	5.5	6.1	6.5
31-36 months	66.1	67.2	65.8	63.5
Over 36 months	0.4	0.4	0.5	0.8

Contracts written for 36 months:

Median loan/value ratio	85.1	86.9	87.5	87.2
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	16.7	15.8	16.5	19.7
13-18 months	12.7	12.9	12.5	12.9
19-24 months	36.8	37.3	37.1	35.8
Over 24 months	33.8	34.0	33.9	31.6

All used car contracts:

Median loan/value ratio	88.1	88.2	89.3	86.1
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*Unweighted arithmetic mean of the three monthly ratios.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

March 1968	February 1968	Three months ending March*	
		1968	1967

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	14.0	13.4	14.3	14.6
25-30 months	3.6	3.4	3.5	4.0
31-36 months	80.6	81.9	80.7	80.0
Over 36 months	1.8	1.3	1.5	1.4

Contracts written for 36 months:

Median loan/value ratio	92.9	93.7	93.2	93.1
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	8.8	8.0	8.5	9.5
13-18 months	8.7	8.3	8.3	9.5
19-24 months	29.8	28.7	29.0	29.6
Over 24 months	52.7	55.0	54.2	51.4

All used car contracts:

Median loan/value ratio	98.3	98.2	98.1	98.3
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*Unweighted arithmetic mean of the three monthly ratios.

DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALMENT LOANS

MARCH 1968 AND FEBRUARY 1968

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	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
PURCHASED PAPER										
80% or less	7.8	7.6	1.5	1.3	17.6	16.1	0.1	0.3	27.0	25.4
81% to 90%	1.5	1.6	0.6	0.6	15.5	14.7	0.1	0.1	17.7	16.9
91% to 100%	2.4	2.3	0.9	1.1	28.1	28.3	0.5	0.4	31.9	32.1
101% to 110%	0.7	1.0	0.4	0.3	12.8	14.5	0.4	0.1	14.3	15.8
Over 110%	<u>0.5</u>	<u>0.6</u>	<u>0.3</u>	<u>0.3</u>	<u>8.3</u>	<u>8.7</u>	<u>0.1</u>	<u>0.2</u>	<u>9.1</u>	<u>9.8</u>
Total	12.9	13.1	3.6	3.5	82.2	82.4	1.3	1.0	100.0	100.0
DIRECT LOANS										
80% or less	16.4	12.8	3.9	2.1	32.9	21.2	0.1	0.2	53.4	36.5
81% to 90%	4.2	6.6	1.2	1.2	9.8	18.5	*	0.1	15.2	26.4
91% to 100%	4.1	4.6	1.6	2.1	16.9	18.5	0.1	0.2	22.8	25.5
101% to 110%	0.5	0.8	0.3	0.4	3.3	6.1	0.1	0.1	4.2	7.5
Over 110%	<u>0.6</u>	<u>0.7</u>	<u>0.2</u>	<u>0.1</u>	<u>3.6</u>	<u>3.3</u>	<u>*</u>	<u>*</u>	<u>4.4</u>	<u>4.1</u>
Total	25.9	25.6	7.1	6.0	66.7	67.8	0.3	0.6	100.0	100.0
TOTAL										
80% or less	10.3	9.1	2.2	1.5	22.0	17.5	0.1	0.3	34.7	28.4
81% to 90%	2.3	3.0	0.8	0.8	13.8	15.7	0.1	0.1	17.0	19.6
91% to 100%	2.9	2.9	1.1	1.3	24.8	25.6	0.4	0.3	29.3	30.3
101% to 110%	0.7	0.9	0.3	0.3	10.0	12.2	0.3	0.1	11.3	13.5
Over 110%	<u>0.5</u>	<u>0.6</u>	<u>0.2</u>	<u>0.2</u>	<u>6.9</u>	<u>7.2</u>	<u>0.1</u>	<u>0.1</u>	<u>7.7</u>	<u>8.2</u>
Total	16.7	16.5	4.6	4.2	77.7	78.4	1.0	0.9	100.0	100.0

1/Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions for March and February are derived from reports of 111 banks, 72 of which reported dealer cost ratios as well as maturities. The March maturity distribution for new cars shown on pages 1 and 2 is based on 39,000 contracts, 26,000 purchased and 13,000 direct. The cross-classification on this page is based on 20,000 contracts, 14,000 purchased and 6,000 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.

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

MARCH 1968 AND FEBRUARY 1968

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	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
PURCHASED PAPER										
80% or less	3.7	2.9	2.0	1.9	4.8	5.0	5.6	5.5	16.1	15.3
81% to 90%	1.1	1.1	1.4	1.6	4.9	4.6	7.7	7.9	15.1	15.2
91% to 100%	1.3	1.3	1.8	1.6	6.5	7.5	12.9	13.2	22.6	23.7
101% to 110%	1.0	0.8	1.2	1.0	4.0	4.1	8.7	9.8	14.9	15.7
Over 110%	<u>2.3</u>	<u>1.5</u>	<u>2.5</u>	<u>2.3</u>	<u>10.0</u>	<u>8.6</u>	<u>16.6</u>	<u>17.7</u>	<u>31.3</u>	<u>30.1</u>
Total	9.4	7.7	8.9	8.3	30.2	29.8	51.5	54.2	100.0	100.0
DIRECT LOANS										
80% or less	10.0	9.8	5.8	5.5	14.4	13.4	11.3	11.6	41.6	40.3
81% to 90%	1.6	1.6	1.5	2.0	4.4	4.8	2.9	3.5	10.4	11.9
91% to 100%	3.8	3.6	4.1	4.1	11.4	10.9	8.5	8.5	27.7	27.1
101% to 110%	0.8	0.6	0.9	0.9	3.0	3.6	3.4	3.4	8.1	8.4
Over 110%	<u>1.4</u>	<u>1.4</u>	<u>1.6</u>	<u>1.4</u>	<u>4.1</u>	<u>4.0</u>	<u>5.2</u>	<u>5.5</u>	<u>12.2</u>	<u>12.3</u>
Total	17.5	17.0	13.9	13.8	37.3	36.7	31.3	32.5	100.0	100.0
TOTAL										
80% or less	5.7	5.2	3.2	3.0	7.9	7.7	7.4	7.5	24.3	23.4
81% to 90%	1.2	1.3	1.4	1.7	4.8	4.7	6.1	6.5	13.6	14.2
91% to 100%	2.1	2.1	2.5	2.4	8.1	8.6	11.5	11.7	24.2	24.8
101% to 110%	1.0	0.7	1.1	1.0	3.7	3.9	7.0	7.7	12.7	13.3
Over 110%	<u>2.0</u>	<u>1.5</u>	<u>2.2</u>	<u>2.0</u>	<u>8.1</u>	<u>7.1</u>	<u>12.9</u>	<u>13.8</u>	<u>25.2</u>	<u>24.3</u>
Total	12.0	10.8	10.5	10.1	32.5	32.0	45.0	47.1	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 March and February are derived from reports of 111 banks, 68 of which reported dealer cost ratios as well as maturities. The March maturity distribution for used cars shown on pages 1 and 2 is based on 31,000 contracts, 20,000 purchased and 11,000 direct. The cross-classification on this page is based on 17,000 contracts, 11,000 purchased and 6,000 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.