

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

LIBRARY

October 22, 1968

OCT 28 1968
 DECONTROLLED AFTER SIX MONTHS
 FEDERAL RESERVE BANK

DIRECT AUTO LOANS BY COMMERCIAL BANKS

Loans, Consumer -
 Instalment

| August 1968 | July 1968 | Three months ending August* | |
|----------------|--------------|--------------------------------|------|
| | | 1968 | 1967 |

NEW CAR CONTRACTS

Per cent of contracts written for:

| | | | | |
|-------------------|------|------|------|------|
| 24 months or less | 24.7 | 25.0 | 25.1 | 25.3 |
| 25-30 months | 5.7 | 5.1 | 5.3 | 6.0 |
| 31-36 months | 69.3 | 69.5 | 69.3 | 67.4 |
| Over 36 months | 0.3 | 0.4 | 0.3 | 1.3 |

Contracts written for 36 months:

| | | | | |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 83.0 | 79.1 | 81.2 | 86.1 |
|-------------------------|------|------|------|------|

USED CAR CONTRACTS

Per cent of contracts written for:

| | | | | |
|-------------------|------|------|------|------|
| 12 months or less | 16.9 | 17.5 | 16.9 | 19.2 |
| 13-18 months | 13.6 | 12.6 | 12.9 | 12.9 |
| 19-24 months | 37.4 | 37.7 | 38.1 | 37.3 |
| Over 24 months | 32.1 | 32.2 | 32.1 | 30.6 |

All used car contracts:

| | | | | |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 85.5 | 85.6 | 85.7 | 88.8 |
|-------------------------|------|------|------|------|

*Unweighted arithmetic mean of the three monthly ratios.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

| August 1968 | July 1968 | Three months ending August* | |
|----------------|--------------|--------------------------------|------|
| | | 1968 | 1967 |

NEW CAR CONTRACTS

Per cent of contracts written for:

| | | | | |
|-------------------|------|------|------|------|
| 24 months or less | 11.6 | 12.8 | 12.5 | 13.1 |
| 25-30 months | 3.0 | 3.1 | 3.2 | 3.3 |
| 31-36 months | 84.2 | 82.9 | 83.1 | 82.3 |
| Over 36 months | 1.2 | 1.2 | 1.2 | 1.3 |

Contracts written for 36 months:

| | | | | |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 91.9 | 91.5 | 91.8 | 93.1 |
|-------------------------|------|------|------|------|

USED CAR CONTRACTS

Per cent of contracts written for:

| | | | | |
|-------------------|------|------|------|------|
| 12 months or less | 9.2 | 9.2 | 9.2 | 9.5 |
| 13-18 months | 9.1 | 8.5 | 8.9 | 9.4 |
| 19-24 months | 31.2 | 31.2 | 30.9 | 31.9 |
| Over 24 months | 50.5 | 51.1 | 51.0 | 49.2 |

All used car contracts:

| | | | | |
|-------------------------|------|------|------|------|
| Median loan/value ratio | 97.5 | 97.4 | 97.7 | 98.7 |
|-------------------------|------|------|------|------|

*Unweighted arithmetic mean of the three monthly ratios.

DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALMENT LOANS

AUGUST 1968 AND JULY 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 | |
| | Aug. | July | Aug. | July | Aug. | July | Aug. | July | Aug. | July |
| | PURCHASED PAPER | | | | | | | | | |
| 80% or less | 7.1 | 7.7 | 1.2 | 1.1 | 18.9 | 20.9 | 0.1 | 0.1 | 27.4 | 29.8 |
| 81% to 90% | 1.8 | 1.6 | 0.7 | 0.6 | 18.4 | 16.7 | 0.6 | 0.1 | 21.5 | 19.0 |
| 91% to 100% | 1.7 | 2.2 | 0.9 | 1.0 | 25.0 | 25.7 | 0.2 | 0.3 | 27.7 | 29.2 |
| 101% to 110% | 0.8 | 1.2 | 0.3 | 0.6 | 14.0 | 12.7 | 0.1 | 0.1 | 15.3 | 14.5 |
| Over 110% | 0.4 | 0.5 | 0.1 | 0.1 | 7.5 | 6.8 | 0.1 | 0.1 | 8.1 | 7.5 |
| Total | 11.8 | 13.2 | 3.1 | 3.3 | 84.0 | 82.7 | 1.1 | 0.8 | 100.0 | 100.0 |
| | DIRECT LOANS | | | | | | | | | |
| 80% or less | 13.4 | 15.9 | 2.5 | 2.7 | 30.1 | 35.5 | 0.1 | 0.4 | 46.2 | 54.7 |
| 81% to 90% | 5.8 | 4.8 | 1.5 | 1.1 | 14.7 | 9.9 | 0.1 | * | 22.0 | 15.8 |
| 91% to 100% | 3.8 | 3.7 | 1.7 | 1.2 | 16.3 | 16.6 | 0.1 | 0.1 | 21.9 | 21.5 |
| 101% to 110% | 0.8 | 0.6 | 0.3 | 0.3 | 4.1 | 3.8 | 0.1 | 0.1 | 5.3 | 4.7 |
| Over 110% | 0.6 | 0.2 | 0.3 | 0.2 | 3.6 | 2.9 | 0.1 | * | 4.6 | 3.3 |
| Total | 24.4 | 25.2 | 6.3 | 5.4 | 69.0 | 68.9 | 0.3 | 0.5 | 100.0 | 100.0 |
| | TOTAL | | | | | | | | | |
| 80% or less | 8.7 | 10.0 | 1.5 | 1.6 | 21.8 | 24.9 | 0.1 | 0.2 | 32.1 | 36.7 |
| 81% to 90% | 2.8 | 2.5 | 0.9 | 0.7 | 17.5 | 14.8 | 0.4 | 0.1 | 21.6 | 18.1 |
| 91% to 100% | 2.2 | 2.6 | 1.1 | 1.0 | 22.8 | 23.2 | 0.1 | 0.2 | 26.3 | 27.1 |
| 101% to 110% | 0.8 | 1.0 | 0.3 | 0.5 | 11.5 | 10.2 | 0.1 | 0.1 | 12.7 | 11.8 |
| Over 110% | 0.5 | 0.4 | 0.2 | 0.1 | 6.5 | 5.7 | 0.1 | * | 7.3 | 6.3 |
| Total | 15.0 | 16.5 | 3.9 | 3.9 | 80.2 | 78.9 | 0.9 | 0.7 | 100.0 | 100.0 |

1/Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions for August and July are derived from reports of 106 banks, 68 of which reported dealer cost ratios as well as maturities. The August maturity distribution for new cars shown on pages 1 and 2 is based on 40,000 contracts 28,000 purchased and 12,000 direct. The cross-classification on this page is based on 22,000 contracts, 16,000 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)

AUGUST 1968 AND JULY 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 | |
| | Aug. | July | Aug. | July | Aug. | July | Aug. | July | Aug. | July |
| | PURCHASED PAPER | | | | | | | | | |
| 80% or less | 3.3 | 3.3 | 1.8 | 2.0 | 5.8 | 5.8 | 6.1 | 6.7 | 16.9 | 17.8 |
| 81% to 90% | 1.1 | 1.1 | 1.5 | 1.2 | 5.7 | 5.8 | 7.3 | 7.5 | 15.6 | 15.6 |
| 91% to 100% | 1.4 | 1.4 | 1.9 | 1.6 | 7.3 | 7.2 | 12.6 | 12.3 | 23.3 | 22.6 |
| 101% to 110% | 1.3 | 1.2 | 1.2 | 1.3 | 4.8 | 4.6 | 9.3 | 9.2 | 16.6 | 16.2 |
| Over 110% | 2.4 | 2.3 | 2.7 | 2.6 | 7.9 | 8.2 | 14.6 | 14.6 | 27.6 | 27.8 |
| Total | 9.5 | 9.4 | 9.0 | 8.7 | 31.5 | 31.5 | 50.0 | 50.4 | 100.0 | 100.0 |
| | DIRECT LOANS | | | | | | | | | |
| 80% or less | 10.5 | 11.4 | 5.5 | 5.4 | 14.8 | 15.9 | 10.5 | 10.9 | 41.4 | 43.7 |
| 81% to 90% | 2.4 | 1.7 | 2.7 | 1.6 | 6.6 | 4.9 | 3.9 | 3.0 | 15.6 | 11.2 |
| 91% to 100% | 3.3 | 4.5 | 4.6 | 4.0 | 9.5 | 12.5 | 6.6 | 6.9 | 24.0 | 27.8 |
| 101% to 110% | 1.2 | 1.0 | 0.9 | 0.7 | 3.2 | 2.5 | 2.5 | 2.4 | 7.7 | 6.6 |
| Over 110% | 1.4 | 1.7 | 1.5 | 1.7 | 4.2 | 3.4 | 4.1 | 3.9 | 11.3 | 10.7 |
| Total | 18.9 | 20.3 | 15.2 | 13.3 | 38.3 | 39.3 | 27.6 | 27.1 | 100.0 | 100.0 |
| | TOTAL | | | | | | | | | |
| 80% or less | 5.4 | 5.7 | 2.9 | 3.0 | 8.4 | 8.8 | 7.4 | 8.0 | 24.1 | 25.4 |
| 81% to 90% | 1.5 | 1.3 | 1.8 | 1.3 | 5.9 | 5.5 | 6.3 | 6.1 | 15.6 | 14.3 |
| 91% to 100% | 2.0 | 2.3 | 2.7 | 2.3 | 7.9 | 8.8 | 10.9 | 10.7 | 23.5 | 24.1 |
| 101% to 110% | 1.2 | 1.1 | 1.1 | 1.1 | 4.4 | 3.9 | 7.3 | 7.2 | 14.0 | 13.4 |
| Over 110% | 2.1 | 2.2 | 2.4 | 2.3 | 6.8 | 6.8 | 11.5 | 11.5 | 22.8 | 22.8 |
| Total | 12.3 | 12.6 | 10.9 | 10.1 | 33.4 | 33.8 | 43.4 | 43.5 | 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 August and July are derived from reports of 106 banks, 65 of which reported dealer cost ratios as well as maturities. The August maturity distribution for used cars shown on pages 1 and 2 is based on 30,000 contracts, 20,000 purchased and 10,000 direct. The cross-classification on this page is based on 16,000 contracts, 11,000 purchased and 5,000 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.