

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

May 12, 1970

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

*loans, Consumer -
Installment*

March 1970	February 1970	Three months ending March*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	26.8	27.2	27.1	26.4
25-30 months	6.3	6.1	6.2	5.6
31-36 months	66.5	66.3	66.2	67.6
Over 36 months	0.4	0.3	0.5	0.5

Contracts written for 36 months:

Median loan/value ratio	87.1	87.5	87.1	85.7
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USED CAR CONTRACTS

Per cent of contracts written for:

12 month or less	14.8	16.3	16.1	16.6
13-18 months	12.1	12.4	12.5	12.5
19-24 months	34.9	35.5	35.3	36.0
Over 24 months	38.2	35.8	36.1	34.9

All used car contracts:

Median loan/value ratio	88.6	88.9	88.5	89.2
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*Unweighted arithmetic mean of the three monthly ratios.

Details may not add to totals because of rounding.

DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

March 1970	February 1970	Three months ending March*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	13.1	13.1	13.0	13.9
25-30 months	3.5	3.2	3.4	3.2
31-36 months	82.1	82.0	81.8	81.1
Over 36 months	1.3	1.7	1.8	1.7

Contracts written for 36 months:

Median loan/value ratio	92.5	92.8	92.8	93.1
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	10.7	10.1	10.2	9.2
13-18 months	9.9	9.7	9.6	9.1
19-24 months	29.2	30.4	30.0	29.5
Over 24 months	50.2	49.8	50.1	52.2

All used car contracts:

Median loan/value ratio	99.0	98.0	98.2	99.8
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*Unweighted arithmetic mean of the three monthly ratios.
 Details may not add to totals because of rounding.

DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALMENT LOANS
MARCH 1970 AND FEBRUARY 1970

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	7.2	8.2	1.2	1.4	17.1	17.3	0.1	0.2	25.6	27.1
81% to 90%	2.2	1.6	0.7	0.7	17.9	16.5	0.1	0.3	21.1	19.1
91% to 100%	2.2	2.0	0.8	0.8	23.9	25.7	0.4	0.5	27.3	28.9
101% to 110%	1.1	1.0	0.6	0.6	14.6	13.6	0.3	0.1	16.5	15.4
Over 110%	0.5	0.5	0.3	0.2	8.5	8.7	0.3	0.2	9.5	9.5
Total	13.2	13.2	3.6	3.7	82.0	81.8	1.2	1.2	100.0	100.0
DIRECT LOANS										
80% or less	12.7	12.2	2.8	2.1	19.7	20.5	0.3	0.1	35.5	34.9
81% to 90%	7.7	6.6	1.4	1.1	19.0	17.8	0.2	0.1	28.4	25.5
91% to 100%	4.2	5.2	1.6	1.6	19.0	20.2	0.1	0.3	24.9	27.3
101% to 110%	0.5	1.0	0.2	0.4	5.2	6.0	0.2	*	6.1	7.5
Over 110%	1.4	1.2	0.3	0.5	3.1	3.0	0.1	*	4.9	4.7
Total	26.6	26.1	6.3	5.8	66.2	67.5	0.9	0.6	100.0	100.0
TOTAL										
80% or less	8.5	9.1	1.5	1.6	17.7	18.0	0.2	0.1	27.9	28.8
81% to 90%	3.5	2.7	0.9	0.8	18.2	16.7	0.2	0.3	22.7	20.5
91% to 100%	2.7	2.7	1.0	1.0	22.8	24.5	0.3	0.4	26.8	28.6
101% to 110%	0.9	1.0	0.5	0.6	12.4	11.9	0.2	0.1	14.1	13.6
Over 110%	0.7	0.6	0.3	0.2	7.2	7.5	0.2	0.1	8.4	8.5
Total	16.3	16.1	4.2	4.2	78.3	78.6	1.1	1.1	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 103 banks, 53 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 31,000 contracts, 21,000 purchased and 10,000 direct. The cross-classification on this page is based on 14,000 contracts, 11,000 purchased and 3,000 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.

581

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

MARCH 1970 AND FEBRUARY 1970

USED CARS

(Percentage distribution of contracts)

Contract balance as percentage of wholesale value $\frac{1}{2}$	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	3.8	4.4	2.2	2.5	4.6	5.5	5.1	5.5	15.7	18.0
81% to 90%	1.5	1.4	1.5	1.3	5.1	5.2	7.2	7.0	15.4	14.8
91% to 100%	2.2	1.7	1.9	1.8	6.0	6.3	11.0	11.7	21.1	21.5
101% to 110%	1.2	1.2	1.8	1.3	5.1	5.2	10.7	10.3	18.8	17.9
Over 110%	2.8	1.9	2.9	2.5	8.0	8.7	15.4	14.7	29.1	27.7
Total	11.5	10.6	10.3	9.4	28.8	30.8	49.4	49.1	100.0	100.0
DIRECT LOANS										
80% or less	8.1	9.0	4.6	5.5	11.7	11.5	9.3	8.2	33.7	34.2
81% to 90%	2.4	2.1	2.6	2.0	7.7	8.1	6.4	5.6	19.0	17.8
91% to 100%	3.8	3.5	3.4	2.8	11.0	11.5	8.8	7.5	27.0	25.3
101% to 110%	1.2	1.1	0.9	1.0	4.0	3.8	4.5	4.2	10.6	10.1
Over 110%	1.3	2.1	1.6	1.2	2.6	4.5	4.1	4.8	9.7	12.6
Total	16.8	17.9	13.1	12.6	37.0	39.2	33.1	30.4	100.0	100.0
TOTAL										
80% or less	5.1	5.7	2.9	3.4	6.7	7.2	6.4	6.3	21.1	22.6
81% to 90%	1.8	1.6	1.8	1.5	5.9	6.0	7.0	6.6	16.5	15.6
91% to 100%	2.6	2.2	2.3	2.1	7.5	7.8	10.4	10.5	22.9	22.6
101% to 110%	1.2	1.2	1.5	1.2	4.7	4.8	8.8	8.6	16.3	15.7
Over 110%	2.4	1.9	2.5	2.1	6.4	7.5	12.0	11.9	23.3	23.5
Total	13.1	12.6	11.1	10.3	31.3	33.2	44.5	43.9	100.0	100.0

$\frac{1}{2}$ Contract balance excludes finance and insurance charges.

$\frac{2}{2}$ 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 103 banks, 50 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 25,000 contracts, 16,000 purchased and 9,000 direct. The cross-classification on this page is based on 10,000 contracts, 7,000 purchased and 3,000 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.