

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

DECONTOLLED AFTER SIX MONTHS

August 10, 1970

DIRECT AUTO LOANS BY COMMERCIAL BANKS

June 1970	May 1970	Three months ending June*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	25.9	26.3	25.9	24.6
25-30 months	6.6	6.5	6.3	5.5
31-36 months	67.2	67.0	67.5	69.4
Over 36 months	0.3	0.2	0.3	0.4

Contracts written for 36 months:

Median loan/value ratio	87.0	87.8	86.8	87.2
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	17.4	15.3	16.3	16.0
13-18 months	13.9	13.5	13.2	13.1
19-24 months	34.7	35.3	35.3	35.3
Over 24 months	33.9	36.0	35.1	35.6

All used car contracts:

Median loan/value ratio	87.4	87.8	87.7	91.8
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*Unweighted arithmetic mean of the three monthly ratios.

Details may not add to totals because of rounding.

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DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

June 1970	May 1970	Three months ending June*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	13.1	12.3	12.7	12.7
25-30 months	3.0	2.9	3.0	2.9
31-36 months	82.9	83.7	83.3	82.9
Over 36 months	1.0	1.1	1.0	1.6

Contracts written for 36 months:

Median loan/value ratio	92.1	92.2	91.9	92.3
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	10.8	9.9	10.3	9.5
13-18 months	9.8	9.9	9.8	8.6
19-24 months	30.2	29.8	30.0	30.2
Over 24 months	49.1	50.4	49.8	51.7

All used car contracts:

Median loan/value ratio	98.6	99.5	99.0	99.5
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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
JUNE 1970 AND MAY 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	
	June	May	June	May	June	May	June	May	June	May
PURCHASED PAPER										
80% or less	8.1	7.9	1.2	1.0	17.7	17.9	0.1	0.2	27.0	27.0
81% to 90%	2.0	1.9	0.8	0.8	18.6	18.6	0.2	0.1	21.5	21.4
91% to 100%	1.7	1.5	0.8	0.6	23.2	23.1	0.5	0.3	26.2	25.4
101% to 110%	0.9	1.1	0.4	0.4	14.5	14.8	0.1	0.1	15.9	16.4
Over 110%	0.7	0.6	0.1	0.1	8.5	8.7	0.2	0.2	9.5	9.7
Total	13.4	13.0	3.2	2.9	82.4	83.2	1.1	0.9	100.0	100.0
DIRECT LOANS										
80% or less	11.9	14.0	2.8	2.4	21.3	22.2	0.2	0.1	36.2	38.6
81% to 90%	6.9	6.1	1.9	1.6	17.4	17.3	*	0.1	26.2	25.1
91% to 100%	3.8	3.7	1.6	1.9	20.3	19.2	0.1	0.1	25.8	24.9
101% to 110%	1.3	1.1	1.0	0.6	5.2	5.4	0.1	*	7.5	7.1
Over 110%	1.1	1.1	0.3	0.3	2.4	2.2	*	0.1	3.8	3.8
Total	25.0	26.2	7.7	6.7	66.9	66.7	0.4	0.3	100.0	100.0
TOTAL										
80% or less	9.0	9.3	1.6	1.3	18.6	18.9	0.1	0.2	29.3	29.8
81% to 90%	3.2	2.9	1.1	1.0	18.3	18.3	0.1	0.1	22.7	22.3
91% to 100%	2.3	2.0	1.0	0.9	22.5	22.2	0.4	0.2	26.1	25.3
101% to 110%	1.0	1.1	0.5	0.5	12.1	12.6	0.1	0.1	13.8	14.2
Over 110%	0.8	0.7	0.2	0.2	6.9	7.2	0.2	0.2	8.0	8.3
Total	16.3	16.1	4.3	3.8	78.5	79.3	0.9	0.8	100.0	100.0

1/Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions for June and May are derived from reports of 104 banks, 53 of which reported dealer cost ratios as well as maturities. The June maturity distribution for new cars shown on pages 1 and 2 is based on 38,000 contracts, 25,000 purchased and 13,000 direct. The cross-classification on this page is based on 17,000 contracts, 13,000 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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DEALER COST RATIOS AND MATURITIES
ON AUTOMOBILE INSTALMENT LOANS (continued)
JUNE 1970 AND MAY 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	
	June	May	June	May	June	May	June	May	June	May
PURCHASED PAPER										
80% or less	3.5	3.3	2.3	2.4	4.9	4.9	5.9	5.2	16.6	15.8
81% to 90%	1.8	2.1	1.5	1.7	5.7	5.3	7.3	7.2	16.3	16.2
91% to 100%	2.7	2.0	1.9	1.7	5.5	5.5	9.8	9.7	20.0	19.0
101% to 110%	1.2	1.1	1.7	1.1	5.5	5.2	9.9	10.2	18.3	17.6
Over 110%	2.3	2.1	3.1	3.5	8.2	8.9	15.3	17.0	28.9	31.4
Total	11.4	10.6	10.6	10.3	29.8	29.7	48.2	49.4	100.0	100.0
DIRECT LOANS										
80% or less	9.3	7.8	5.2	5.0	11.5	11.5	7.7	10.0	33.7	34.3
81% to 90%	3.5	2.6	3.3	2.6	9.2	7.6	5.8	7.3	21.9	20.1
91% to 100%	3.4	3.4	3.8	3.5	10.5	10.3	7.9	8.6	25.6	25.9
101% to 110%	1.3	1.1	1.4	1.7	3.5	3.9	4.0	3.7	10.3	10.4
Over 110%	2.7	3.0	1.3	1.1	1.9	2.2	2.5	3.0	8.5	9.3
Total	20.2	17.9	15.0	13.8	36.8	35.6	28.0	32.6	100.0	100.0
TOTAL										
80% or less	5.2	4.7	3.2	3.2	6.9	6.8	6.4	6.6	21.7	21.3
81% to 90%	2.3	2.2	2.0	1.9	6.7	6.0	6.9	7.2	17.9	17.4
91% to 100%	2.9	2.4	2.5	2.2	7.0	7.0	9.3	9.4	21.7	21.0
101% to 110%	1.2	1.1	1.6	1.2	4.9	4.8	8.1	8.3	15.9	15.4
Over 110%	2.4	2.4	2.6	2.8	6.3	6.9	11.5	12.9	22.8	24.9
Total	14.0	12.8	11.9	11.3	31.9	31.5	42.2	44.4	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 June and May are derived from reports of 104 banks, 50 of which reported dealer cost ratios as well as maturities. The June maturity distribution for used cars shown on pages 1 and 2 is based on 26,000 contracts, 17,000 purchased and 9,000 direct. The cross-classification on this page is based on 11,000 contracts, 8,000 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.