

1. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

October 13, 1970

DECONTROLLED AFTER SIX MONTHS

2. *Loans, Consumer*
DIRECT AUTO LOANS BY COMMERCIAL BANKS *Installment*

August 1970	July 1970	Three months ending August*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	24.6	24.6	25.2	23.8
25-30 months	6.1	5.9	6.2	6.1
31-36 months	68.9	69.0	68.2	69.6
Over 36 months	0.4	0.5	0.4	0.5

Contracts written for 36 months:

Median loan/value ratio	88.3	87.5	87.5	87.1
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	18.3	16.8	17.6	15.7
13-18 months	14.3	13.4	13.8	13.5
19-24 months	34.7	35.3	34.9	35.5
Over 24 months	32.7	34.5	33.6	35.2

All used car contracts:

Median loan/value ratio	90.5	87.6	88.4	90.9
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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)

August 1970	July 1970	Three months ending August*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	12.1	12.5	12.6	11.8
25-30 months	3.1	2.9	2.9	2.7
31-36 months	83.6	83.3	83.3	84.1
Over 36 months	1.2	1.3	1.2	1.4

Contracts written for 36 months:

Median loan/value ratio	92.7	92.5	92.2	92.9
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	12.0	11.4	11.5	9.6
13-18 months	11.1	11.3	10.7	8.9
19-24 months	30.9	30.3	30.5	31.0
Over 24 months	46.1	47.0	47.3	50.4

All used car contracts:

Median loan/value ratio	98.6	98.2	98.3	100.1
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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*

AUGUST 1970 AND JULY 1970

NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost <u>1</u> / ₁₀₀	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	7.6	7.3	1.2	0.9	16.5	17.5	0.2	0.2	25.5	25.9
81% to 90%	1.8	1.9	0.9	0.7	18.4	18.1	0.2	0.1	21.3	20.8
91% to 100%	1.7	2.1	0.7	0.7	24.1	23.8	0.6	0.5	27.1	27.1
101% to 110%	0.7	1.1	0.3	0.3	15.7	14.9	0.3	0.2	17.0	16.5
Over 110%	0.5	0.7	0.2	0.1	8.2	8.7	0.1	0.2	9.1	9.7
Total	12.4	13.1	3.3	2.8	83.0	82.9	1.3	1.2	100.0	100.0
	DIRECT LOANS									
80% or less	11.2	12.0	2.3	3.0	22.7	21.1	0.3	0.3	36.5	36.4
81% to 90%	5.9	6.2	1.2	1.5	14.3	17.1	0.1	0.1	21.5	25.0
91% to 100%	4.1	4.2	1.5	1.3	22.4	20.3	0.1	0.2	28.0	26.0
101% to 110%	1.1	1.1	1.0	0.8	5.3	5.4	*	*	7.4	7.2
Over 110%	0.9	0.8	0.3	0.1	2.8	2.5	*	*	4.0	3.4
Total	23.9	24.8	6.4	6.8	69.2	67.8	0.5	0.6	100.0	100.0
	TOTAL									
80% or less	8.4	8.4	1.5	1.4	17.9	18.3	0.2	0.2	28.0	28.4
81% to 90%	2.8	2.9	1.0	0.9	17.5	17.8	0.2	0.1	21.4	21.8
91% to 100%	2.2	2.6	0.9	0.9	23.7	22.9	0.5	0.4	27.3	26.8
101% to 110%	0.8	1.1	0.4	0.4	13.3	12.7	0.2	0.1	14.7	14.3
Over 110%	0.6	0.8	0.2	0.1	7.0	7.2	0.1	0.1	7.9	8.3
Total	15.1	15.8	4.0	3.7	79.8	79.4	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 August and July are derived from reports of 104 banks, 53 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 32,000 contracts, 22,000 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.

601

L.4.2

-4-

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

AUGUST 1970 AND JULY 1970

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	3.6	4.1	2.2	2.3	4.4	5.5	4.8	5.3	15.1	17.2
81% to 90%	1.7	2.1	1.7	1.7	5.3	5.3	6.4	6.0	15.1	15.1
91% to 100%	4.3	2.8	1.8	2.1	6.5	6.1	10.5	10.6	23.0	21.6
101% to 110%	0.9	1.1	1.8	1.5	5.3	5.0	9.7	10.5	17.8	18.1
Over 110%	2.0	2.0	3.0	3.3	8.5	8.2	15.5	14.5	29.1	28.0
Total	12.5	12.2	10.5	10.9	30.0	30.1	46.9	46.8	100.0	100.0
DIRECT LOANS										
80% or less	8.3	7.9	5.4	4.8	9.2	13.0	7.2	8.9	30.1	34.5
81% to 90%	3.1	3.8	2.8	2.5	7.7	7.9	5.3	6.1	18.9	20.4
91% to 100%	3.7	3.0	4.0	3.8	12.8	10.2	7.2	8.0	27.7	25.0
101% to 110%	2.0	1.8	0.9	1.1	3.4	3.8	3.7	3.3	9.9	10.0
Over 110%	6.0	2.9	1.8	1.2	2.8	3.4	2.7	2.6	13.3	10.1
Total	23.0	19.4	14.9	13.5	35.9	38.3	26.1	28.8	100.0	100.0
TOTAL										
80% or less	5.1	5.2	3.2	3.0	5.8	7.7	5.6	6.3	19.7	22.2
81% to 90%	2.1	2.6	2.1	1.9	6.0	6.0	6.0	6.1	16.2	16.6
91% to 100%	4.1	2.9	2.4	2.6	8.4	7.3	9.5	9.8	24.4	22.6
101% to 110%	1.2	1.3	1.5	1.4	4.8	4.6	7.9	8.4	15.4	15.8
Over 110%	3.2	2.3	2.6	2.7	6.8	6.8	11.6	11.1	24.3	22.8
Total	15.7	14.3	11.9	11.6	31.8	32.4	40.6	41.7	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 104 banks, 49 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 24,000 contracts, 15,000 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.