

2. Loans, Consumer - Installment 602

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

November 13, 1970

L.4.2

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

September 1970	August 1970	Three months ending September*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	25.2	24.7	25.0	24.9
25-30 months	6.2	6.2	6.0	6.3
31-36 months	68.3	68.6	68.6	68.3
Over 36 months	0.3	0.4	0.4	0.6

Contracts written for 36 months:

Median loan/value ratio	88.7	87.7	88.1	87.5
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	17.7	17.3	17.7	16.1
13-18 months	14.0	14.5	13.9	13.5
19-24 months	36.9	35.0	35.6	35.8
Over 24 months	31.4	33.2	32.8	34.6

All used car contracts:

Median loan/value ratio	89.4	89.3	89.1	90.1
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*Unweighted arithmetic mean of the three monthly ratios.
Details may not add to totals because of rounding.

L.4.2

-2-

DEALER AUTO LOANS BY COMMERCIAL BANKS (PURCHASED PAPER)

September 1970	August 1970	Three months ending September*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	12.3	12.1	12.3	11.7
25-30 months	3.0	3.1	2.9	2.6
31-36 months	83.3	83.5	83.4	84.6
Over 36 months	1.5	1.2	1.3	1.2

Contracts written for 36 months:

Median loan/value ratio	92.9	92.6	92.5	92.9
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	14.6	12.1	12.7	9.9
13-18 months	11.6	11.1	11.3	9.3
19-24 months	30.5	31.0	30.6	32.2
Over 24 months	43.4	45.8	45.4	48.6

All used car contracts:

Median loan/value ratio	97.3	98.7	97.9	99.9
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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

SEPTEMBER 1970 AND AUGUST 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	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
PURCHASED PAPER										
80% or less	7.2	7.4	1.0	1.2	16.6	16.5	0.2	0.2	25.0	25.3
81% to 90%	1.7	1.8	0.7	0.9	17.2	18.6	0.2	0.2	19.9	21.5
91% to 100%	1.9	1.7	1.2	0.7	26.2	24.1	0.6	0.6	29.9	27.1
101% to 110%	0.8	0.7	0.4	0.3	15.1	15.6	0.3	0.3	16.6	16.5
Over 110%	0.7	0.5	0.2	0.2	7.5	7.8	0.3	0.1	8.6	8.6
Total	12.2	12.4	3.4	3.6	82.6	82.6	1.7	1.4	100.0	100.0
DIRECT LOANS										
80% or less	12.5	11.5	2.5	2.3	22.0	23.3	0.3	0.3	37.2	37.4
81% to 90%	5.0	5.9	1.1	1.2	13.5	14.2	0.1	0.1	19.7	21.4
91% to 100%	4.4	4.0	2.3	1.4	20.8	21.6	0.1	0.1	27.6	27.1
101% to 110%	0.9	1.0	1.3	1.0	5.8	5.1	*	*	8.0	7.1
Over 110%	0.9	0.8	0.3	0.3	3.2	2.7	0.1	*	4.5	3.8
Total	24.4	24.3	7.5	6.8	67.5	68.4	0.6	0.5	100.0	100.0
TOTAL										
80% or less	8.4	8.2	1.3	1.4	17.9	18.1	0.2	0.2	27.9	27.9
81% to 90%	2.5	2.7	0.8	1.0	16.3	17.7	0.2	0.2	19.8	21.6
91% to 100%	2.5	2.2	1.4	0.9	24.9	23.6	0.5	0.5	29.3	27.2
101% to 110%	0.8	0.8	0.6	0.4	12.9	13.3	0.3	0.2	14.5	14.7
Over 110%	0.7	0.6	0.2	0.2	6.5	6.6	0.3	0.1	7.7	7.5
Total	15.2	15.2	4.4	4.3	79.0	79.3	1.4	1.2	100.0	100.0

1/Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions for September and August are derived from reports of 100 banks, 55 of which reported dealer cost ratios as well as maturities. The September maturity distribution for new cars shown on pages 1 and 2 is based on 30,000 contracts, 21,000 purchased and 9,000 direct. The cross-classification on this page is based on 15,000 contracts, 11,000 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.

Details may not add to totals because of rounding.

605

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

SEPTEMBER 1970 AND AUGUST 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	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
PURCHASED PAPER										
80% or less	4.1	3.6	2.2	2.2	5.6	4.4	5.2	4.7	17.1	14.9
81% to 90%	2.0	1.6	1.9	1.7	4.1	5.4	5.4	6.4	13.4	15.1
91% to 100%	7.2	4.2	2.5	1.7	6.9	6.6	10.3	10.6	26.9	23.1
101% to 110%	1.3	0.9	1.8	1.7	4.8	5.4	8.4	9.7	16.3	17.7
Over 110%	2.4	2.0	3.3	2.9	8.4	8.3	12.2	15.0	26.3	28.2
Total	17.0	12.8	11.7	10.8	29.8	30.1	41.5	46.4	100.0	100.0
DIRECT LOANS										
80% or less	8.5	8.8	5.7	5.7	11.4	9.4	7.2	7.7	32.8	31.6
81% to 90%	4.2	3.3	1.8	3.1	8.0	7.7	4.4	5.7	18.4	19.8
91% to 100%	3.7	4.0	4.3	4.0	11.5	13.0	7.4	7.6	26.9	28.7
101% to 110%	1.4	2.1	1.2	1.0	4.2	3.4	2.8	3.7	9.6	10.2
Over 110%	3.0	2.5	3.0	1.9	3.8	2.8	2.6	2.5	12.4	9.7
Total	20.8	20.7	16.0	15.7	38.8	36.3	24.4	27.4	100.0	100.0
TOTAL										
80% or less	5.5	5.2	3.3	3.3	7.4	5.9	5.8	5.7	22.1	20.1
81% to 90%	2.7	2.3	1.8	2.1	5.3	6.0	5.1	6.2	15.0	16.6
91% to 100%	6.1	4.2	3.1	2.4	8.4	8.6	9.4	9.6	26.9	24.8
101% to 110%	1.3	1.2	1.6	1.6	4.6	4.8	6.6	7.9	14.1	15.5
Over 110%	2.6	2.3	3.2	2.8	6.9	6.7	9.2	11.2	21.9	23.0
Total	18.2	15.2	13.0	12.2	32.7	32.0	36.1	40.6	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 September and August are derived from reports of 100 banks, 51 of which reported dealer cost ratios as well as maturities. The September maturity distribution for used cars shown on pages 1 and 2 is based on 22,000 contracts, 14,000 purchased and 8,000 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.