

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

January 18, 1971

L.4.2

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

2. Loans, Consumer -
Installment

November 1970	October 1970	Three months ending November*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	26.9	27.1	26.4	27.6
25-30 months	6.7	6.6	6.5	5.7
31-36 months	66.1	66.0	66.8	66.1
Over 36 months	0.4	0.4	0.3	0.5

Contracts written for 36 months:

Median loan/value ratio	89.7	89.5	89.2	87.4
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	20.7	18.1	18.8	15.9
13-18 months	15.6	14.7	14.7	12.9
19-24 months	34.2	35.6	35.6	36.1
Over 24 months	29.5	31.6	30.8	35.0

All used car contracts:

Median loan/value ratio	89.9	89.8	89.6	89.3
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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)

November 1970	October 1970	Three months ending November*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	13.2	13.3	12.9	13.0
25-30 months	3.6	3.1	3.2	2.9
31-36 months	81.6	82.3	82.4	82.7
Over 36 months	1.6	1.2	1.4	1.4

Contracts written for 36 months:

Median loan/value ratio	92.9	92.2	92.7	92.0
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	16.2	14.4	15.0	10.0
13-18 months	11.4	11.5	11.4	9.7
19-24 months	29.2	30.0	29.8	32.4
Over 24 months	43.2	44.1	43.8	48.0

All used car contracts:

Median loan/value ratio	96.8	97.5	97.3	97.3
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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

NOVEMBER 1970 AND OCTOBER 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	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
PURCHASED PAPER										
80% or less	7.9	7.9	1.7	1.0	15.3	17.7	0.2	0.1	25.1	26.7
81% to 90%	2.2	1.9	1.0	0.9	17.8	17.9	0.2	0.2	21.2	20.9
91% to 100%	2.5	1.9	1.2	0.9	24.1	24.8	0.5	0.5	28.4	28.1
101% to 110%	0.8	1.0	0.5	0.5	14.6	13.8	0.3	0.2	16.1	15.5
Over 110%	0.6	0.8	0.2	0.2	8.2	7.8	0.1	0.1	9.2	8.8
Total	14.0	13.4	4.7	3.5	80.0	82.1	1.3	1.1	100.0	100.0
DIRECT LOANS										
80% or less	13.5	12.4	2.9	2.5	19.2	19.2	0.4	0.2	36.0	34.3
81% to 90%	5.2	5.3	1.3	1.9	13.3	14.4	0.1	0.1	19.8	21.6
91% to 100%	5.1	5.0	1.9	1.7	19.6	20.9	*	0.1	26.6	27.8
101% to 110%	0.8	1.0	1.2	1.1	4.6	4.8	*	0.1	6.7	6.9
Over 110%	1.1	1.2	0.2	0.4	4.0	3.7	0.1	0.1	5.4	5.3
Total	27.3	25.8	7.9	7.8	64.1	65.8	0.7	0.6	100.0	100.0
TOTAL										
80% or less	9.2	9.0	2.0	1.4	16.3	18.1	0.2	0.1	27.7	28.6
81% to 90%	2.9	2.7	1.1	1.1	16.7	17.0	0.2	0.2	20.8	21.0
91% to 100%	3.1	2.6	1.4	1.1	23.0	23.9	0.4	0.4	27.9	28.0
101% to 110%	0.8	1.0	0.7	0.6	12.2	11.6	0.2	0.2	13.9	13.4
Over 110%	0.7	0.9	0.2	0.2	7.2	6.8	0.1	0.1	8.3	8.0
Total	17.2	16.5	5.4	4.6	76.2	78.1	1.2	0.9	100.0	100.0

1/Contract balance excludes finance and insurance charges.

* Less than one-tenth of one per cent.

NOTE: Distributions for November and October are derived from reports of 102 banks, 52 of which reported dealer cost ratios as well as maturities. The November maturity distribution for new cars shown on pages 1 and 2 is based on 26,000 contracts, 18,000 purchased and 8,000 direct. The cross-classification on this page is based on 12,000 contracts 9,000 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.

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

NOVEMBER 1970 AND OCTOBER 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	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
PURCHASED PAPER										
80% or less	4.5	3.9	2.3	2.4	5.1	5.2	4.8	5.6	16.7	17.0
81% to 90%	1.7	1.6	1.9	1.8	5.0	4.8	7.0	5.7	15.6	13.9
91% to 100%	7.3	6.5	2.1	2.0	6.7	6.2	9.9	10.7	26.0	25.4
101% to 110%	1.4	1.2	1.8	2.1	4.2	4.5	9.3	9.3	16.7	17.2
Over 110%	2.0	2.1	2.6	2.6	7.7	9.0	12.7	12.7	25.0	26.5
Total	16.9	15.4	10.6	10.9	28.7	29.6	43.8	44.1	100.0	100.0
DIRECT LOANS										
80% or less	8.1	7.2	5.5	5.8	10.7	11.2	7.8	7.3	32.1	31.5
81% to 90%	4.1	4.0	2.3	2.6	7.2	7.9	4.4	4.4	18.0	18.9
91% to 100%	6.0	4.3	6.0	4.5	11.4	11.6	6.9	7.6	30.3	27.9
101% to 110%	1.3	1.3	1.0	1.1	3.2	3.9	2.9	3.3	8.4	9.6
Over 110%	2.4	3.2	2.5	2.4	3.8	4.0	2.4	2.4	11.2	12.0
Total	22.0	19.9	17.3	16.4	36.3	38.6	24.5	25.0	100.0	100.0
TOTAL										
80% or less	5.6	4.9	3.3	3.5	6.8	7.0	5.8	6.1	21.5	21.5
81% to 90%	2.5	2.4	2.0	2.0	5.7	5.8	6.2	5.3	16.3	15.4
91% to 100%	6.9	5.8	3.3	2.8	8.2	7.9	9.0	9.7	27.4	26.2
101% to 110%	1.4	1.2	1.6	1.8	3.9	4.3	7.3	7.5	14.1	14.8
Over 110%	2.2	2.5	2.6	2.5	6.4	7.5	9.5	9.5	20.7	22.0
Total	18.5	16.8	12.7	12.6	31.1	32.4	37.7	38.1	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 November and October are derived from reports of 102 banks, 48 of which reported dealer cost ratios as well as maturities. The November maturity distribution for used cars shown on pages 1 and 2 is based on 20,000 contracts, 13,000 purchased and 7,000 direct. The cross-classification on this page is based on 9,000 contracts, 6,000 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.