

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

L.4.2

February 10, 1971

DECONTROLLED AFTER SIX MONTHS

DIRECT AUTO LOANS BY COMMERCIAL BANKS

2 / Loans, Consumer -
Insured

December 1970	November 1970	Three months ending December*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	27.6	27.0	27.2	28.2
25-30 months	6.8	6.7	6.7	5.6
31-36 months	65.1	65.9	65.7	65.8
Over 36 months	0.5	0.4	0.4	0.4

Contracts written for 36 months:

Median loan/value ratio	88.3	90.1	89.0	87.0
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	20.1	20.8	19.6	16.2
13-18 months	15.4	15.5	15.2	12.7
19-24 months	32.8	34.1	34.2	35.8
Over 24 months	31.8	29.6	31.0	35.1

All used car contracts:

Median loan/value ratio	88.0	90.5	89.2	89.3
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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)

December 1970	November 1970	Three months ending December*	
		1970	1969

NEW CAR CONTRACTS

Per cent of contracts written for:

24 months or less	12.9	13.2	13.1	13.8
25-30 months	3.2	3.6	3.3	3.3
31-36 months	82.4	81.8	82.1	81.6
Over 36 months	1.4	1.5	1.4	1.6

Contracts written for 36 months:

Median loan/value ratio	93.2	92.9	92.8	92.0
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USED CAR CONTRACTS

Per cent of contracts written for:

12 months or less	16.2	16.4	15.6	10.0
13-18 months	11.2	11.3	11.3	9.7
19-24 months	28.9	29.3	29.3	31.9
Over 24 months	43.8	43.1	43.9	48.4

All used car contracts:

Median loan/value ratio	97.0	96.8	97.2	97.0
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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

DECEMBER 1970 AND NOVEMBER 1970

NEW CARS

(Percentage distribution of contracts)

Contract balance as percentage of dealer cost 1/	Maturities									
	24 months or less		25-30 months		31-36 months		Over 36 months		Total	
	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.
PURCHASED PAPER										
80% or less	7.0	7.9	0.7	1.7	15.5	15.3	0.1	0.2	23.4	25.0
81% to 90%	1.8	2.2	0.9	1.0	17.4	17.8	0.2	0.2	20.3	21.1
91% to 100%	2.4	2.5	0.8	1.2	25.2	24.1	0.8	0.5	29.2	28.2
101% to 110%	1.1	0.8	0.7	0.5	15.1	14.6	0.3	0.3	17.2	16.1
Over 110%	0.9	0.6	0.2	0.2	8.8	8.2	0.1	0.1	10.0	9.2
Total	13.2	13.9	3.3	4.6	82.0	80.2	1.4	1.3	100.0	100.0
DIRECT LOANS										
80% or less	13.5	13.3	2.9	2.8	19.7	18.9	0.3	0.4	36.3	35.4
81% to 90%	5.1	5.2	1.3	1.2	14.6	13.0	0.1	0.1	21.0	19.5
91% to 100%	4.9	5.0	1.5	1.9	18.5	19.2	0.2	*	25.2	26.0
101% to 110%	1.3	0.8	1.7	1.2	3.9	4.5	*	*	6.9	6.5
Over 110%	1.2	1.1	0.3	0.2	3.1	4.0	*	0.1	4.6	5.3
Total	27.7	27.3	8.0	8.0	63.6	64.0	0.7	0.7	100.0	100.0
TOTAL										
80% or less	8.5	9.2	1.3	2.0	16.5	16.2	0.2	0.2	26.5	27.6
81% to 90%	2.6	2.9	1.0	1.1	16.7	16.6	0.2	0.2	20.4	20.7
91% to 100%	3.0	3.1	1.0	1.3	23.6	22.9	0.6	0.4	28.2	27.7
101% to 110%	1.1	0.8	0.9	0.7	12.4	12.1	0.2	0.2	14.7	13.8
Over 110%	1.0	0.7	0.2	0.2	7.5	7.2	0.1	0.1	8.7	8.3
Total	16.7	17.1	4.4	5.4	77.7	76.3	1.2	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 December and November are derived from reports of 100 banks, 50 of which reported dealer cost ratios as well as maturities. The December maturity distribution for new cars shown on pages 1 and 2 is based on 24,000 contracts, 16,000 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)

DECEMBER 1970 AND NOVEMBER 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	
	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.
PURCHASED PAPER										
80% or less	4.4	4.4	2.1	2.3	4.8	5.1	4.9	4.9	16.2	16.7
81% to 90%	1.6	1.7	1.7	1.9	5.1	5.0	7.1	7.0	15.5	15.6
91% to 100%	6.6	7.3	2.0	2.0	7.1	6.7	10.3	10.0	26.0	26.1
101% to 110%	1.2	1.4	1.8	1.8	5.1	4.2	9.2	9.3	17.3	16.7
Over 110%	2.2	2.0	2.3	2.6	7.5	7.6	13.0	12.7	25.0	24.9
Total	16.1	16.8	9.8	10.7	29.5	28.7	44.6	43.8	100.0	100.0
DIRECT LOANS										
80% or less	10.1	8.0	5.8	5.4	11.0	10.4	7.5	7.7	34.4	31.5
81% to 90%	5.1	4.1	2.5	2.2	6.4	6.9	5.6	4.3	19.6	17.6
91% to 100%	4.2	6.0	4.3	5.9	11.3	11.2	6.6	6.7	26.5	29.7
101% to 110%	1.6	1.3	1.0	1.0	2.8	3.2	3.3	2.8	8.6	8.2
Over 110%	2.4	2.4	2.2	2.4	3.0	3.7	3.4	2.4	11.0	11.0
Total	23.3	22.2	15.8	17.3	34.4	36.2	26.4	24.3	100.0	100.0
TOTAL										
80% or less	6.2	5.6	3.3	3.3	6.7	6.8	5.7	5.8	21.9	21.4
81% to 90%	2.7	2.4	1.9	2.0	5.5	5.6	6.6	6.2	16.8	16.2
91% to 100%	5.9	6.9	2.7	3.3	8.4	8.2	9.2	8.9	26.2	27.2
101% to 110%	1.3	1.3	1.5	1.5	4.3	3.9	7.4	7.3	14.6	14.0
Over 110%	2.3	2.1	2.2	2.6	6.1	6.4	10.0	9.4	20.6	20.5
Total	18.4	18.5	11.7	12.8	31.0	31.1	38.9	37.6	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 December and November are derived from reports of 100 banks, 46 of which reported dealer cost ratios as well as maturities. The December maturity distribution for used cars shown on pages 1 and 2 is based on 21,000 contracts, 13,000 purchased and 8,000 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.