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The Customers of Personal Loan Departments

THE persons who obtain instalment loans from commercial banks may be described in terms of their incomes and their vocational, personal and financial characteristics.[1] The vocational characteristics include occupation, industry and stability of occupation; the personal characteristics are age, sex and marital status, number of dependents and stability of residence; and the financial characteristics cover assets and liabilities. The amount of the loan obtained by the borrower, and the circumstances that induced him to seek a loan are also pertinent factors.

The primary data for this study of borrower characteristics were furnished by three New York City banks[2] which operate personal loan departments. Since almost half of the banks reporting their personal loan volume in response to our questionnaire were located in the Atlantic seaboard states,[3] and since a substantial part of the volume of this regional group originated in a few large institutions in New York City, the data contained in this small sample may be considered representative of a significant part of the dollar volume of personal loans made by commercial banks throughout the country. They are not, of course, representative of all types of market,

[1] In this chapter we discuss only cash borrowers. Data on the characteristics of individuals financing time sales were not available.

[2] The National City Bank, the Bank of the Manhattan Company and the Manufacturers Trust Company; the samples they furnished consisted of 1,000, 7,112 and 26,567 cases respectively.

[3] The New England, Middle Atlantic and South Atlantic states. See Table 1, footnote c, above.

for many relatively small institutions outside of New York City now make personal loans.[4] To supplement our primary data, therefore, we have made a study of 1,468 loan application schedules supplied by 21 banks in 16 cities situated in 11 states. Besides indicating some of the characteristics of borrowers from non-metropolitan institutions, this sample provides some information not available in the data from the three New York banks.[5]

INCOME CHARACTERISTICS OF BORROWERS

Income is usually considered the most important of the borrower characteristics which a personal loan department must take into account in passing on a credit risk, since the repayment of personal loans depends primarily on this factor.[6] Table 11 shows the distributions, by income level, of personal loan borrowers and of various population groups in the United States. The former are classified in three ways: borrowers from commercial banks, as represented by the three New York banks and by the special sample supplied by 21 banks; borrowers from personal finance companies, as represented by the customers of the largest chain lender, a com-

[4] Of 961 reporting banks, almost 40 percent had earning assets (loans, discounts and investments) of less than $1,000,000, and almost 80 percent had less than $5,000,000. See Table 3, above.

[5] In several of the tabulations in this chapter we have indicated the "range of variation," which represents the extremes found in the samples of the different institutions. The fact that in some cases no range is mentioned should not suggest that there is no variation, for the range is given only when it is especially conspicuous.

As a whole, the secondary sample is dominated by banks in large cities. It contains, however, data from several banks in smaller communities as well. The sample is not large, and the distributions derived from it must be regarded only as approximate. Originally assembled for the analysis of risk factors in personal lending in Chapter 5 below, it is hereafter referred to as the "special sample."

[6] In relatively few cases is the loan a self-liquidating business loan, and seldom is the loan secured by assets sufficiently valuable to cover the unpaid balance in case of default, foreclosure or repossession.

pany whose operations are reasonably typical;[7] and non-farm, non-relief families throughout the country having a net change in cash loan debt in 1935-36.[8] These data give rise to a number of interesting observations, but since they are drawn from several different sources they are not ideal for purposes of comparison. We have therefore found it desirable to introduce a column showing "frequency of debt," by which is meant simply the percent of persons indebted in any selected population group. It is not possible, however, to show frequency of debt in exactly the same way for all three sets of borrowers. Thus the frequency of cash loan debt in the country at large is indicated, for each income level, by the percent of families in that income class having a net change in cash loan debt, whereas the frequency of such debt to banks and to personal finance companies is shown by an index. This index was computed as follows: for banks the percent of "special sample" bank borrowers in each income level was divided by the percent of all metropolitan families in that level;[9] and for personal finance companies the percent

[7] This company had offices in 26 states and 280 cities at the end of 1937 and held about 20 percent of all reported outstandings of personal finance companies.

[8] For a detailed explanation of the term "families having a net change in cash loan debt" see National Bureau of Economic Research (Financial Research Program), *The Pattern of Consumer Debt, 1935-36, A Statistical Analysis*, by Blanche Bernstein (1940) Chapter 1 and Appendix E. While the term is not equivalent to "families indebted for cash loans," the figures are the only ones available to indicate the frequency of such debt, and for the purposes of this discussion they are reasonably reliable. The estimates were built up by the National Bureau from data assembled by the Study of Consumer Purchases, a Works Progress Administration project conducted by the U. S. Bureau of Labor Statistics and the Bureau of Home Economics in cooperation with the National Resources Committee and the Central Statistical Board.

[9] These two distributions are not strictly comparable, for the bank distribution contains single individuals, and the family distribution does not. Nevertheless, the comparison is justifiable because the bank-debt index thus computed probably understates the amount of variation among income classes. If single individuals were added to the distribution of metropolitan families, the result would almost certainly be an increase in the percentages for the lower income levels and a decrease in the percentages for the higher brackets, so that the index of cash loan debt frequency in the lowest income level would be somewhat decreased, while that in the highest level would be increased. Further,

TABLE 11

Percentage Distributions of Cash Borrowers and of Three Population Groups, by Income Level[a]

INCOME LEVEL[b]	BANK BORROWERS: Three New York Banks[c]	BANK BORROWERS: Special Sample[d]	BANK BORROWERS: Index of Debt Frequency[e]	PERSONAL FINANCE COMPANY BORROWERS: One Large Chain[f]	PERSONAL FINANCE COMPANY BORROWERS: Index of Debt Frequency[g]	U. S. NON-RELIEF, NON-FARM FAMILIES HAVING NET CHANGE IN CASH LOAN DEBT, 1935–36[h]: Percentage Distribution	U. S. NON-RELIEF, NON-FARM FAMILIES HAVING NET CHANGE IN CASH LOAN DEBT, 1935–36[h]: Percent in Each Level	POPULATION GROUPS[i]: All Families	POPULATION GROUPS[i]: All Families and Single Individuals	POPULATION GROUPS[i]: Families in Metropolises
Under $500	4.0 [j]	6.0 [j]	.33	1.3	.38	4.6	4.3	10.6	17.01	18.2
500–1,000				16.5		18.0	6.6	24.7	29.53	
1,000–1,500	19.5	20.5	.94	37.2	1.68	24.4	7.9	24.0	22.14	21.9
1,500–2,000	25.3	26.2	1.28	25.3	1.93	21.1	9.4	16.4	13.14	20.5
2,000–2,500	18.2	19.7	1.44	12.2	1.63	12.6	9.2	9.5	7.50	13.7
2,500–3,000	14.0	9.7	1.14	4.6	1.23	8.0	10.5	5.2	3.74	8.5
3,000–4,000	10.1	10.3	1.35	2.9 [m]	.42	5.7	8.2	4.8	3.43	7.6
4,000–5,000	4.1 [k]	3.1 [k]	1.19			2.3	9.7	1.6	1.17	2.6
5,000 and over	4.8	4.5	.64			3.3	7.0	3.2	2.34	7.0
ALL LEVELS	100.0	100.0	1.00	100.0	1.00	100.0	7.9	100.0	100.00	100.0

Footnotes for Table 11 are to be found on opposite page.

of borrowers in each income group was divided by the percent of all families and single individuals in the country in that group.

The index of bank debt frequency may be compared not only with the frequency of cash loan debt for all families in the United States but also with the debt frequency index for personal finance companies. The frequency of cash loan debt ranges from 4.3 percent for families with incomes under $500 to 10.5 percent at the $2500-3000 level, an increase of 144 percent, whereas the index of bank debt frequency rises from 0.33 for the income levels under $1000 to 1.44 at the $2000-2500 level, an increase of 336 percent. On the other hand, the variation in the debt frequency index of personal

if we had computed the index by means of the New York bank distribution instead of the special sample distribution, the index for the lower levels would have been still further decreased, and that for the higher levels increased.

Footnotes for Table 11.

[a] See also Appendix B, Table B-9.

[b] For the borrowers from the three New York banks and from the personal finance chain each income level is exclusive of the lower figure and inclusive of the higher. In all other columns each level is inclusive of the lower figure and exclusive of the higher.

[c] Unweighted average of samples from three New York City banks: 1,000 undated loans made by the National City Bank; 7,112 loans made between October 1, 1936, and October 1, 1937, by the Bank of the Manhattan Company; and 26,567 loans made during 1938 by the Manufacturers Trust Company.

[d] Based on the special sample of 1,468 undated loans made by 21 banks.

[e] For each income level the percent of special sample bank borrowers was divided by the percent of families in metropolises to yield the index of debt frequency. See footnote i below.

[f] Based on data for 1937.

[g] For each income level the percent of borrowers from the personal finance company chain was divided by the percent of all families and single individuals in the country to yield index of debt frequency.

[h] Figures taken from Blanche Bernstein, *op. cit.*, Table B-3.

[i] Figures for "All Families" and "Families in Metropolises" taken from National Resources Committee, *Consumer Incomes in the United States* (1938) Table 8, p. 25. These figures, from which families on relief are excluded, cover the period 1935-36. Figures for "All Families and Single Individuals" from *ibid.*, Table 2, p. 6; these likewise cover the period 1935-36, but include families and single individuals on relief.

[j] The range of variation for these three income classes was 16-30. See above, p. 64, footnote 5.

[k] The range of variation for these three income classes was 7-26.

[m] The range of variation for these three income classes was 2.9-11.

finance company borrowers, from 0.38 for income groups under $1000 to 1.93 for the $1500-2000 group, is fairly close to that for borrowers from commercial banks. Personal finance companies appear, however, to serve borrowers of lower income than do banks. The income level showing the highest index of debt frequency for personal finance company borrowers is $1500-2000 as compared with $2000-2500 for bank borrowers. The income levels below $1500 accounted for 55 percent of the personal finance company borrowers, but for only about 25 percent of the bank borrowers. In the classes with incomes over $2500, however, there were one-third of the borrowers from the New York banks and one-quarter of the borrowers from banks in the special sample, but only 7.5 percent of those from the personal finance company chain.

Since the personal finance company distribution is probably weighted by loan operations in middle-sized and smaller communities, while the bank distributions are more representative of metropolitan centers, the two are not entirely comparable. A more detailed breakdown of these figures, showing the distribution of borrowers by region, size of community and other such factors, might modify these contrasts to some degree, but it seems unlikely that it would seriously alter the general picture.

Although only 1.3 percent of the personal finance company borrowers and virtually none of the bank borrowers had annual incomes of less than $500, it is shown in Table 11 that 4.6 percent of the non-relief, non-farm families in this income group had a net change in cash loan debt during 1935-36. The difference between these two groups suggests that many families in this income class must have had recourse to other cash lending agencies, possibly to pawn shops and remedial loan societies; some may have borrowed small amounts on insurance policies or from credit unions.

VOCATIONAL CHARACTERISTICS OF BORROWERS

Two occupational distributions of cash borrowers are presented in Table 12, which shows also, for purposes of comparison, distributions of gainfully employed persons in New York City and of non-relief families living in non-farm communities throughout the United States.[10] It appears from this table that the occupational distribution of borrowers from personal finance companies is virtually identical with that of the working population. The distribution of borrowers from bank personal loan departments, in contrast, shows about twice the proportion of clerical workers and only about half the proportion of wage-earners as are represented in the data covering the general working population.[11]

The only information on the industries (as distinguished from the occupations) to which bank borrowers are attached is derived from the special sample. These data are presented in Table 13, which contains also the census classification of workers by industry. The two distributions, while not strictly comparable,[12] point to some significant differences. For example, 38 percent of the nation's workers are engaged in manufacturing and mechanical industries (including build-

[10] These population groups were selected for comparison because personal finance companies and the personal loan departments of banks make most of their loans to the urban population. The distributions in Table 12 may include a few farmers in the business group, and a small number of farm hands who are classified as wage-earners, but such borrowers constitute a very small part of the total.

[11] Any occupational grouping is strongly colored by the judgment of those who decide what classifications shall be used. Since the distributions in Table 12 came from different sources they are not strictly comparable. Moreover, in this and in other tables showing comparisons of personal loan borrowers with the general population, it will be noted that the various distributions relate to different periods of time. Thus in Table 12 we compare bank borrowers during 1938 (for the most part) and personal finance company borrowers during 1935-36 with one population group distributed according to the Census of 1930. Since for some groups no more comparable data are available this discrepancy in dates cannot be avoided.

[12] The census has a special classification for clerical occupations, whereas in the sample of bank borrowers these workers are distributed among the various industries in which they are employed.

TABLE 12

Percentage Distribution of Borrowers from Two Personal Loan Departments and Two Personal Finance Companies, and of the Working Population, by Occupation[a]

OCCUPATIONAL GROUP	BANK BORROWERS[b]		PERSONAL FINANCE COMPANY BORROWERS[c]		WORKING POPULATION: Individuals in N. Y. C.[d]	WORKING POPULATION: Non-Relief, Non-Farm Families in U. S.[e]
Wage-earners	28.1	(24–32)	52.4	(45–60)	52	52.9
Unskilled	*13.7*	(9.5–18)				
Skilled and semi-skilled	*14.4*					
Clerical	44.4		25.0		25	20.3
Salespersons	*11.1*					
Office and other non-manual workers	*33.3*					
Business	20.4		14.6	(10–20)	13	19.4
Managers, superintendents and foremen	*9.3*					
Proprietors	*11.1*	(11–24)				
Professional	6.4		6.8	(4–10)	8	7.4
School teachers	*2.1*					
Others	*4.3*					
Others	0.7		1.2[f]		2	...
ALL GROUPS	100.0		100.0		100.0	100.0

Footnotes for Table 12 are to be found on opposite page.

ing trades), while only 19 percent of the bank borrowers are employed in manufacturing and building, a variation which seems too great to be attributable entirely to inconsistencies in classification. Again, the difference between the two groups in the public service classification is wide enough (only 2 percent of the nation's workers as compared with 13 percent of the bank borrowers) to deserve special mention, as is also the difference found for the trade group, which accounts for 33 percent of the bank borrowers but for only 17 percent of the non-farm workers in the United States.[13]

The industrial classification of workers appears to confirm the findings of the occupational classification. Particularly noteworthy is its support of the observation that borrowers from personal loan departments come predominantly from clerical occupations.

Credit managers have for many years attached great importance to an applicant's employment record, believing that a man who retains a position with a reputable concern for a

[13] Workers in the agricultural, forestry, fishing and mining industries, comprising some 24 percent of the gainfully employed workers in the United States, were eliminated entirely from the census distribution in order to make it more comparable with the distribution of bank borrowers; these industries are underrepresented in the bank sample.

Footnotes for Table 12.

[a] See also Appendix B, Table B-6. Hereafter all Appendix tables will be designated simply by the letter B in conjunction with the numeral.

[b] Unweighted average of samples from two New York City banks: 1,000 undated loans made by the National City Bank and 26,567 loans made during 1938 by the Manufacturers Trust Company. Figures in parentheses indicate range of variation.

[c] Unweighted average of data for 1935-36 from two large personal finance chains. Figures in parentheses indicate range of variation.

[d] Derived from 1930 Census and representing population 10 years old and over engaged in gainful occupations. Persons usually working at a gainful occupation but temporarily unemployed are included in this census classification.

[e] Based on National Resources Committee, *Consumer Incomes in the United States* (1938) Table 10B, p. 97. The occupational status of the family was determined by the major source of family earnings; thus if members of the family received earnings from two or more occupations the family was classified according to the occupation from which the greater proportion of total family earnings was derived. This tabulation excludes farm families, which constitute about 25.6 percent of all non-relief families in the United States.

[f] Farming group.

TABLE 13

Percentage Distribution of Borrowers from 21 Personal Loan Departments and of Non-Farm Workers in the United States, by Industry

INDUSTRY	BANK BORROWERS[a]	NON-FARM WORKERS IN THE U. S.[b]
Manufacturing	18	38[c]
Building trades	1	
Transportation and other public utilities	14	10
Trade	33	17
Wholesale and retail	*15*	
Other (financial institutions etc.)	*18*	
Public service	13	2
Professional service (not otherwise specified)	7	9
Domestic and personal service	5	13
Other	9[d]	11[e]
ALL INDUSTRIES	100	100

[a] Based on the special sample of 1,468 loans made by 21 banks. See also Table B-7.
[b] Derived from Census of 1930. These figures exclude workers in agriculture, mining, forestry and fishing.
[c] The census classification "Manufacturing" includes mechanical industries, hence building trades.
[d] Does not include clerical workers, who in this distribution are divided among the industries to which they are attached.
[e] Includes clerical workers.

substantial period of time must be reasonably honest and stable. Table 14, derived from the special loan sample, shows the distribution of borrowers by stability of employment. Over one-third had held the same position ten years or longer, and almost as many had remained at the same job from three to ten years; only about one-fifth reported a tenure of less than three years.

TABLE 14

Percentage Distribution of Borrowers from 21 Personal Loan Departments, by Number of Years in Present Employment[a]

NUMBER OF YEARS[b]	PERCENTAGE DISTRIBUTION
Under 1	5
1–2	7
2–3	9
3–6	18
6–10	18
10 and over	38
No information	5
TOTAL	100

[a] Based on the special sample of 1,468 loans made by 21 banks. See also Table B-8.

[b] Each level is inclusive of the lower figure and exclusive of the higher.

PERSONAL CHARACTERISTICS OF BORROWERS

The age distribution of borrowers from one New York bank is given in Table 15, together with the distribution of gainfully employed persons in New York City. The most striking difference is to be noted for the borrowers in the age class of under 30 years, which includes 32 percent of the gainfully employed population of New York City but only 20 percent of the bank borrowers. This disparity may indicate either that the data are not comparable, or that this bank prefers to make loans to fairly well established persons and deliberately eliminates a certain proportion of younger applicants. It may imply also that financial difficulties which cause a man to borrow tend to arise after he reaches the age of thirty, when his personal responsibilities normally increase.

The special loan sample provides data on the sex and marital status of borrowers. About 61 percent were married men, about 5 percent were married women, about 16 per-

TABLE 15

Percentage Distribution of Borrowers from One Personal Loan Department, and of the Gainfully Employed Population of New York City, by Age

AGE	BANK BORROWERS[a]		GAINFULLY EMPLOYED POPULATION OF NEW YORK CITY[b]
21–30[c]	20.1	(20–30)	32.1
30–40	34.3		29.0
40–50	26.6		21.0
50–60	14.2	(15–25)	12.0
60 and over	4.8		5.9
TOTAL	100.0		100.0

[a] Based on a sample of 7,112 loans made between October 1, 1936, and October 1, 1937, by the Bank of the Manhattan Company. Figures in parentheses indicate range of variation. See also Table B-2.
[b] Derived from Census of 1930. See Table 12, footnote d.
[c] Each level is inclusive of the lower figure and exclusive of the higher.

cent single men and 12 percent single women. The remaining 6 percent includes persons divorced, separated, widowed and not reporting.[14] One New York bank found that out of a sample of 7,112 loans, 75 percent were made to men, a result which conforms closely to the proportion of men in the gainfully employed population of New York City, 73 percent.

A classification of borrowers by number of dependents was derived from the special sample. The average number of dependents for these borrowers was approximately 1.5, but more than one-quarter of them had no dependents, and one-fifth had three or more.[15] This sample furnishes data also on the borrowers' permanence of residence, a factor which is

[14] See Table B-3. In this and other discussions based on Appendix tables we refer only to the good-loan samples. Since borrowers whose loans present collection difficulties constitute a very small proportion of all borrowers, and since their distribution is likely to be substantially the same as that of the good-loan samples, this limitation may be disregarded.
[15] See Table B-4.

considered by credit managers to be an index of social stability. As is shown in Table 16, about one-quarter of the borrowers had resided at their current address less than two years, and another quarter had lived in the same place ten years or longer.

TABLE 16

Percentage Distribution of Borrowers from 21 Personal Loan Departments, by Number of Years at Present Address[a]

NUMBER OF YEARS[b]	PERCENTAGE DISTRIBUTION
Under 1	13
1–2	14
2–3	13
3–6	20
6–10	10
10 and over	26
No information	4
TOTAL	100

[a] Based on the special sample of 1,468 loans made by 21 banks. See also Table B-5.
[b] Each level is inclusive of the lower figure and exclusive of the higher.

FINANCIAL CHARACTERISTICS OF BORROWERS

While there is a substantial body of information about borrowers' income, little is known about their income-and-expense balance, and not much more about their assets and liabilities. Some banks, though not all, request the borrower to state on his application the amount of rent he pays, but few ask for any other expense items. The special loan sample provides some indication of the assets and liabilities reported by borrowers of various types.

About 80 percent had life insurance, and not quite 45 percent reported bank accounts; about 18 percent mentioned checking accounts only, 20 percent savings accounts only, and about 6 percent had both. Approximately 27 percent owned real estate, the proportion ranging from 10 to 40 percent, depending on the community. Apparently borrowers from bank personal loan departments seldom possess securities: only about 5 percent of the borrowers covered in the sample reported holdings of stocks or bonds.[16] These proportions doubtless change from one income level to another, but our sample was too small to warrant analysis of such variations.

On the liability side, 45 percent of the borrowers in the special loan sample had charge accounts. The figures reported by individual banks varied widely, however, from 1 to 85 percent. The special sample shows also that nearly 30 percent of the bank borrowers covered had instalment accounts, including sales finance and cash loan debts, although in this case too the individual bank samples varied considerably.[17]

AMOUNTS BORROWED

Unlike small loan companies, which are limited to cash advances of $300 or less, most of the commercial banks make many loans for substantially larger amounts. Table 17 shows the size distribution of the personal loans of two New York banks. Loans of $300 or more constituted almost 30 percent of the total number, and those of $500 or more over 10 percent. Sixteen percent of the number of loans of these two banks were written for amounts under $100. The range of variation indicates, however, that some banks do not lend less than this amount.

Prudent borrowers restrict their loan demands to a reasonable percentage of their annual income, and many banks as a matter of practice enforce an arbitrary maximum percentage. One New York bank commonly refuses to lend a sum

[16] Only a few banks reported on this item; the variation ranged from 2 to 10 percent.
[17] See Table B-11.

TABLE 17

Percentage Distribution of Loans Made by Two Personal Loan Departments, by Size of Loan[a]

SIZE OF LOAN[b]	PERCENTAGE DISTRIBUTION[c]	
Under $ 100	16	(0–17)
100–150	21	
150–200	14	
200–250	15	
250–300	5	
300–400	13	
400–500	4	(10–21)
500–1,000	8	
1,000 and over	4	
TOTAL	100	

[a] Unweighted average of samples from two New York City banks: 1,000 undated loans made by the National City Bank and 7,112 loans made between October 1, 1936, and October 1, 1937, by the Bank of the Manhattan Company. See also Table B-12.
[b] Each level is inclusive of the lower figure and exclusive of the higher.
[c] Figures in parentheses show range of variation.

amounting to more than 15 or 20 percent of the borrower's annual earnings. Since most bank personal loans have 12-month maturities, monthly payments also are limited to 15 or 20 percent of monthly income. According to data presented in a later chapter,[18] about 10 percent of personal loan customers borrow 20 percent or more of their annual income, whereas almost half borrow less than 10 percent.

A distribution of borrowers from one New York bank, according to the stated reason for borrowing, is given in Table 18. These data should not, however, be considered representative of all banks, for even if the applicants had truthfully reported the real purpose of their loans, there would remain certain discrepancies in the classifications employed by different institutions. There are a number of reasons for borrowing which do not fit precisely into any one category; such

[18] See Chapter 5, Table 35; also Table B-10.

TABLE 18

Percentage Distribution of Borrowers from One Personal Loan Department, by Intended Use of Funds[a]

INTENDED USE OF FUNDS	PERCENTAGE DISTRIBUTION [b]	
Non-durable consumer goods		
Clothing	2	
Household[c]	10	[d]
Durable consumer goods		
Automobiles	5	(5–50)
Alterations and improvements	3	[d]
Medical and dental services	15	(3–30)
Business use	14	(3–25)
Refinancing of debt and other obligations		
Consolidation of debts and general refinancing	31	(10–50)
Taxes	1	(1–4)
Mortgage (principal and interest) and repairs[c]	7	[d]
Insurance	1	(1–3)
Culture and rest		
Vacation	2	
Education	2	
Miscellaneous		
Help to relatives	1	
Other	6	
TOTAL	100	

[a] Based on a sample of 7,112 loans made between October 1, 1936, and October 1, 1937, by the Bank of the Manhattan Company. See also Table B-15.
[b] Figures in parentheses indicate range of variation.
[c] These might have been classified under "durable consumer goods."
[d] The estimated combined range of variation for household expenditures, repairs and furniture is 14-50.

cases are likely to be allocated differently from one bank to another.

In the single bank to which our data apply, the consolidation of existing debts was the reason most frequently reported; medical services and business purposes combined ranked second in importance. In the case of this bank, loans for the purpose of purchasing automobiles were relatively rare although some institutions (as the range of variation indicates) derive a large part of their personal loan business from loans to finance automobile purchases.