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PART II

COMPENDIUM OF TIME SERIES

SECTION A INTRODUCTION

The purpose of this statistical compendium is to help remedy the lack of knowledge about data on credit risk and experience. Information on what time series are available and where they may be found will, it is hoped, encourage business analysts and economic researchers to examine credit risk more carefully than heretofore.

Our goal is to be able to measure the risk position of the nation's credit as a whole and in its many parts. The information available here, in Part II, although it falls by a considerable margin to meet this goal, is nevertheless a large and useful body of data.

Part II is organized in six sections. Section B, following this introduction, is a comprehensive list of time series related to credit risk. No list could possibly be complete, but an effort was made to include all series that are significantly and directly related to credit risk.

The series not included, however, are (1) those on the volume of debt, (2) interest rate differentials, (3) data on governmental or private insurance of credit obligations and (4) information on the general stability of the economy or its credit structure. Interest rate differentials are excluded for reasons discussed in Chapter 3. The other types of data are beyond the scope of this book, and in most cases are readily available in detail elsewhere. In addition, only national totals are listed; where regional breakdowns are available, they are mentioned in the source notes.

The 599 series on the comprehensive list are divided first into ten credit sectors, each sector having its own letter-symbol, and then into many types of series.

Credit Sectors	<i>Symbols</i>
I. Household Sector, Consumer Instalment Credit	HI
II. Household Sector, Home Mortgages	HM

III. Household Sector, All Household Credit Combined	HC
IV. Business Sector, General	BG
V. Business Sector, Bank Loans	BL
VI. Business Sector, Corporate Bonds	BB
VII. Business Sector, Mortgages on Income-Producing Properties	BM
VIII. Agricultural Sector	A
IX. State and Local Government Sector	S
X. Other Series	M

Types of Series

Risk-Related Characteristics

Ratios of Debt or Debt Payments to Income

Debt-to-income ratios

Debt-payments-to-income ratios

Ratios of Debt or Debt Payments to Assets

Loan-to-value and downpayment ratios

Debt-to-assets ratios

Net-worth-to-debt ratios

Liquidity ratios

Maturities

Debt Composition

By industry of borrower

By type of debt

Credit Ratings

Credit Collection Difficulties

Default and Delinquency Rates

Foreclosure and Repossession Rates

Failure Rates and Bankruptcies

Loss Rates

After the sector and type-of-series classifications, the order is somewhat arbitrary, although generally we followed the principle of listing the most broadly based series first, and going on to "narrower" series. For example, within the consumer instalment loan sector the series on maturities are arrayed according to several criteria. The

first is coverage. Series that measure the maturity of all loans outstanding are listed ahead of those that relate to newly granted loans. The second criterion is the type of loan: first come series on all instalment loans, then auto loans, loans on other durable goods, personal loans, and finally repair and modernization loans. The third criterion is the holder or source of the loan: first all holders, then commercial banks, sales finance companies, consumer finance (small loan) companies, and automobile dealers.

In the home mortgage sector, the first criterion is the type of series and the second is the type of loan; conventional mortgages are listed ahead of FHA-insured and VA-guaranteed mortgages. Third, series on existing homes come ahead of series on new homes. The final criterion is the holder or source of the mortgage: first all holders, then savings and loan associations, mutual savings banks, mortgage bankers, life insurance companies and commercial banks.

The comprehensive list provides several additional pieces of information. It shows the frequency and period for which each series is available, and its prime source. It denotes the 190 series for which the data are published here. Those series are indicated on the list by the bold-face type of the series numbers. Also, the thirty-four key series on the "short list" in Chapter 3 are identified by asterisks. Finally, the list serves as a detailed table of contents for the data and source notes by including the page numbers where they may be found in this book. Two page numbers are shown for monthly or quarterly series; the first is the page where the annual data are printed and the second, the location of the monthly or quarterly figures.

The data for the 190 series considered the most meaningful and useful indicators of credit risk are published in Section C.¹ The purpose of including all the figures for these series is to make available in a single convenient source those credit risk indicators that are likely to be used most frequently.

Annual data are included for all series. The annual data are followed by the monthly and quarterly series which include, where applicable, seasonally adjusted data and seasonal adjustment factors for the most recent year. Because of changes in coverage or definition, there are breaks in the

continuity of a few series. Where available, overlapping data are provided. For the purpose of seasonal adjustment in these cases, the separate segments of the series have been spliced together to form a continuous series. Thus the original data will be shown in two or more segments as reported, but the seasonally adjusted data will appear as a continuous series.

The order in which each of these groups of data is arranged is generally the same as in the comprehensive list; on a number of occasions, however, exceptions have been made to save space in printing. Thus, probably the quickest way to find the data for a particular series is to consult the comprehensive list for the page number of that series.

The charts, in Section D, are intended as an easily accessible place to examine the historical record of most of the series included in Section B, and to observe their past trend and their cyclical and irregular movements. It will also provide a perspective against which future movements of the series can be judged. The order in which the series are charted generally follows the sequence of Section B, though some changes have been made to save space.

Section E contains source notes for all 599 series included in the comprehensive list. The purpose of these source notes is twofold: to show where the series can be found, and to provide very brief descriptions of the series. The descriptions are not intended to be complete; they aim at giving the user a general idea of the nature and quality of the data, though not in detail. The series are grouped by source, and are arranged in order by sector and by broad series type (risk-related characteristics, credit ratings and credit collection difficulties), but otherwise are not in the same order as the comprehensive list. Thus, the quickest way to find the source note for a particular series is to check the page number shown on the comprehensive list.

The final section of Part II, Section F, contains a bibliography of books and important articles on credit risk and experience and their relation to other economic processes.

¹The criteria of selection for these series are discussed in Chapter 3.