



Richard Hubbard stands with his 2005 Mustang GT.



Randall Weeks poses in front of his '67 Mustang Convertible.

Fans from across New England came out for Ashley Ford's eighth annual SVT Cobra, Mustang and Ford Show last month, and the selection of stunning autos didn't disappoint. One of the highlights was New Bedford's Delores Faber and her 1958 Skyliner, which won first place in the convertible class. It was the largest turnout Ashley Ford has ever had at the annual event.

PHOTOS COURTESY OF ASHLEY FORD



Leonard Pontes with his 1972 Ford F250 4x4.



Donnie Kennison with his 1934 Ford Coupe.



Robert Langelier with his 1956 Thunderbird.

COMMENTARY

The romance of the manual transmission

By MARK PHELAN
DETROIT FREE PRESS

The manual transmission is a lovely anachronism. Its time has passed, but it will never disappear.

Like candles and hurricane lanterns, it's a romantic affectation that has outlived its usefulness, but not its appeal.

I love manual transmissions. Every car I've owned since college had one. The odds are my future cars will, too. The process of shifting and modulating the clutch as conditions require is more involving and enjoyable than letting a computer run the show.

But I won't try to convince you that manuals are faster or more fuel-efficient than the latest automatics, any more than I'll tell you a candle-lit booth is the best place to read the fine print on a menu.

It's about atmosphere and emotion. The old rule that the most fuel-efficient and fastest model of a car would have a manual transmission no longer holds true.

Computer-controlled

shifts, automatics with six or more gears and dual-clutch technology have made automatics the gearbox for the fastest and most fuel-efficient versions of cars ranging from the economical Ford Fiesta subcompact to the exotic Porsche 911 sports car.

Automatics may cost a few hundred dollars more, but they often repay the difference with better fuel economy.

There are exceptions, of course. The top-mpg models of some cars, including the Chevrolet Cruze, still use a manual.

Despite the new automatics' benefits, some people will always choose a manual because operating a clutch provides a feeling of greater control, particularly when you use engine braking to help decelerate in enthusiastic driving.

Manual transmissions were once the practical choice. For many buyers, they've become a romantic gesture, a statement that they'll trade some convenience for more enjoyment behind the wheel.

And for me, well, it's just how I roll.

Americans discover easy lending when it comes to auto loans

BY BRAD PLUMER
THE WASHINGTON POST

Around the country, banks and other lenders are still being stingy in providing credit to ordinary consumers. Only the most financially stable of Americans can secure mortgages. Small businesses are having trouble getting loans. Credit card access is restricted.

But there's one notable exception, an area where lending has been surging: Autos. Millions of Americans have found that it's becoming surprisingly easy to borrow money to buy a car.

New bank loans for autos totaled \$47.5 billion in the first quarter of 2012, higher than at any point in the past seven years, according to Equifax. Interest rates are getting cheaper by the month. And even Americans with relatively poor finances can get auto loans: The average person financing a new car purchase had a credit score of 760, down six points from the previous quarter, according to data from Experian. For a used car, the average credit score was down to 659.

"The spigots are being opened," said Peter McNally, an analyst at Moody's. "The finance companies are really stepping in to fill a need."

There are a few reasons why auto loans are booming in an economy where credit is remarkably clogged. Vehicle sales have surged this year, as Americans are finally starting to trade in their aging cars and trucks. The auto industry sold 7.3 million units in the first six months of 2012, up 14.8 percent from the previous year. The market for, say, houses hasn't been nearly as robust.

Analysts say the auto market is different than housing in several key respects.

But there's another, less-noticed factor: Investors and private-equity firms are rushing to buy securities made up of bundles of car loans, seeing these assets as both safe and lucrative. In the first six months of this year, the nation's largest auto lenders, such as GM Financial and Santander Consumer USA, have pawned off \$10 billion of their subprime auto loans on investors, a 20 percent increase over the same period last year. That gives these lenders more capacity to loan to consumers with questionable credit histories and, in turn, helps drive auto sales even higher.

It may seem surprising that private-equity firms and other investors are willing to pour billions into auto-backed securities after getting burned by similar mortgage-backed securities when the housing bubble burst. But, analysts say, the auto market is different than housing in several key respects.

For one, Americans appear to be less willing to default on their car payments than to walk away from their houses — even in the depths of the recession, auto loans performed better than most. And, in the event of a default, it's easier for a lender to repossess a car and sell it off, especially right now, when prices for used cars are so high.

Yet the fact that the subprime auto market is expanding so rapidly — with some buyers paying interest rates in excess of 10 percent — has led to some concern.

"Subprime lending creates both benefits and risks for consumers. ... Consumers need to recognize that subprime auto loans are expensive because of their high interest rates and fees," said Jen Howard, a spokeswoman for the Consumer Financial Protection Bureau. "And the repayment periods for some subprime auto loans may actually exceed the useful life of the car."

The auto loan market, which involves many smaller independent operators, remains lightly regulated. The CFPB has not yet stated any plans to oversee nonbank lenders in auto finance. And car dealerships, which frequently offer credit, were explicitly exempt from oversight in the 2010 Dodd-Frank financial regulation bill. It's possible that the influx of outside money into the sector could eventually have adverse consequences — with lenders relaxing their standards too far and ultimately suffering big losses. A recent report from Moody's noted that a similar frenzy and bust happened in the mid-1990s.

For now, however, that doesn't appear to be the case. Losses on subprime loans have dropped of late, according to Barclays, and delinquencies are "in keeping with pre-crisis trends."

For the time being, the market for cars and trucks is one of the few spinning gears in an economy that's otherwise grinding slowly.