Miss Burgess

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

October 2, 1953

SALES FINANCE COMPANIES

AUGUST 1953

Sales finance company holdings of instalment paper on passenger automobiles continued to increase during August, but at a lower rate than in recent months. The August gain of 101 million dollars brought balances outstanding to an estimated 5,108 million at the month-end, 1,500 million above a year earlier. Total consumer instalment credit held by sales finance companies at the end of August amounted to an estimated 5,924 million dollars, 108 million above the preceding month.

The reduced rate of expansion in automobile outstandings during August resulted from a decrease in the volume of new credit extended on passenger cars, together with a moderate increase in repayments. The August figure of 578 million dollars for credit extended was 45 million below the year's high figure reached in July. This decline reflected primarily a reduction in the number of cars financed, but, for used passenger cars, there was also a slight reduction in the average amount of credit extended per car.

Wholesale automotive credit held by sales finance companies showed little change during August, amounting to an estimated 893 million dollars at the end of the month. There was also little change in holdings of commercial vehicle paper and other types of business credit.

Outstanding Credit Held by Sales Finance Companies
(In millions of dollars)

Type of credit	Aug. 31, 1953	Change from: Month ago	Change from: Year ago
Consumer instalment credit	5,924	+108	+1,630
Retail automotive (passenger cars)	5,108	+101	+1,500
Other consumer goods paper	374	+ 7	+ 85
Repair and modernization loans	72	- 3	+ 1
Personal loans	370	+ 3	+ 44
Business credit 1/	1,846	+ 3	+ 521
Retail automotive (commercial vehicles)	505	- 2	- 29
Wholesale automotive	893	+ 5	+ 484
Wholesale other than automotive	46	- 4	- 3
Other business credit	402	+ 4	+ 69

1/ Excludes some credit extended to business, such as credit arising from factoring operations.

Credit Extended by Sales Finance Companies
(In millions of dollars)

Type of credit	Aug. 1953	Change from: Month ago	Change from: Year ago
Consumer instalment credit	671	-46	+162
Retail automotive (passenger cars)	578	-45	+165
New	300	-22	+136
Used	278	-23	+ 29
Other consumer goods paper	34	- 3	- 10
Repair and modernization loans	7	0	+ 1
Personal loans	52	+ 2	+ 6
Business credit 1/	903	-84	+485
Retail automotive paper (commercial vehicles)	34	- 4	- 11
New	21	- 3	- 3
Used	13	- 1	- 8
Wholesale automotive paper	762	-80	+494
New (passenger and commercial)	707	-71	+493
Used (passenger and commercial)	55	- 9	+ 1
Wholesale other than automotive	15	- 3	- 2
Other business credit 1/	92	+ 3	+ 4

Number of Motor Vehicles Financed by Sales Finance Companies
(In thousands)

Type of vehicle	Aug. 1953	Change from: Month ago	Change from: Year ago
Total financed at retail	487	-36 2/	+122
New passenger	166	-12	+ 80
Used passenger	288	-19 3/	+ 49
New commercial	15	- 2	0
Used commercial	18	- 3	- 7
Total financed at wholesale	376	-37	+236
New (passenger and commercial)	327	-28	+234
Used (passenger and commercial)	49	- 9	+ 2

1/ Excludes some credit extended to business, such as credit arising from factoring operations.
2/ Based on July figure revised from 529 to 523.
3/ Based on July figure revised from 313 to 307.