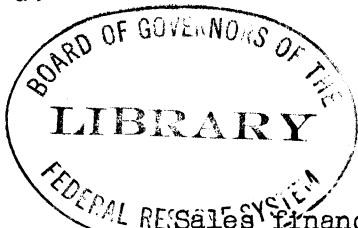


Mrs. Pastles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

4.20

July 6, 1961



SALES FINANCE COMPANIES

MAY 1961

Sales finance company holdings of retail passenger car paper declined \$41 million in May to \$7,204 million. These holdings had increased \$93 million in May 1960. Total consumer instalment credit at sales finance companies declined \$37 million in May, as nonautomotive credit showed little change, and was slightly lower than a year earlier.

Credit extended for retail automotive purchases increased \$76 million from the previous month. The number of new and used passenger car contracts acquired at retail increased 18 thousand and 24 thousand, respectively. A considerably smaller number of these contracts was acquired in May this year than in May 1960.

Business credit outstanding rose \$15 million in May compared with \$59 million a year ago.

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

Type of credit	May 31, 1961	Increase or decrease during:		
		May 1961	May 1960	Year ended May 31, 1961
Consumer instalment credit	<u>10,696</u>	<u>-37</u>	<u>+140</u>	<u>- 48</u>
Retail automotive (passenger cars)	7,204	-41	+ 93	-427
Other consumer goods paper	2,405	0	+ 36	+273
Repair and modernization loans	67	0	+ 3	+ 22
Personal loans	1,020	+ 4	+ 8	+ 84
Business credit 1/	<u>3,663</u>	<u>+15</u>	<u>+ 59</u>	<u>-337</u>
Retail automotive (commercial vehicles)	542	- 1	+ 10	- 76
Wholesale automotive	1,653	-15	+ 33	-425
Wholesale other than automotive	139	- 1	- 3	- 24
Other business credit	1,329	+32	+ 19	+188

1/ Excludes some credit extended to business, such as that extended by factoring subsidiaries.

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

Type of credit	May 1961	Change from:	
		Month ago	Year ago
Consumer instalment credit	868	+105	-115
Retail automotive (passenger cars)	526	+ 76	-145
New	310	+ 50	- 97
Used	216	+ 26	- 48
Other consumer goods paper	217	+ 23	+ 25
Repair and modernization loans	4	0	- 2
Personal loans	121	+ 6	+ 7
Business credit 1/	1,317	+213	-176
Retail automotive (commercial vehicles)	49	+ 7	- 11
New	37	+ 5	- 10
Used	12	+ 2	- 1
Wholesale automotive paper	1,036	+171	-187
New (passenger and commercial)	957	+176	-178
Used (passenger and commercial)	79	- 5	- 9
Wholesale other than automotive	40	+ 3	- 5
Other business credit 1/	192	+ 32	+ 27

1/ Excludes some credit extended to business, such as that extended by factoring subsidiaries.

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

Type of vehicle	May 1961	Change from:	
		Month ago	Year ago
Total financed at retail	348	+46	-79
New passenger	120	+18	-37
Used passenger	204	+24	-37
New commercial	13	+ 2	- 3
Used commercial	11	+ 2	+ 2
Total financed at wholesale	470	+71	-79
New (passenger and commercial)	394	+72	-74
Used (passenger and commercial)	76	- 1	- 5

Credit Sales of New Passenger Cars as a Per Cent
of Total Number Sold at Retail 1/

Credit Sales	Per Cent
1961 - May	55
April	55
1960-- May	60

1/ Based on new car instalment contracts acquired by banks, sales finance companies, other financial institutions, and automobile dealers. Data for prior months may be obtained by writing to the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington 25, D. C.