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SALES FINANCE COMPANIES

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Retail financing.--The volume of retail financing by sales finance companies increased in February after declining somewhat during the preceding month. Automotive paper acquired rose 9 per cent and diversified financing increased by 6 per cent above respective January levels. Outstanding balances on both classes of paper increased further during the month.

The gain in total retail automobile financing shown in the table below resulted from increases in all types of cars financed. New passenger car financing increased by 7 per cent in February and accounted for about 38 per cent of the total dollar volume of retail automotive paper acquired. Used passenger car paper was about 10 per cent above the January volume and accounted for approximately 46 per cent of the total.

The rise in diversified financing reflected gains in all classes of paper. The largest percentage increase was reported in paper based upon sales of refrigerators and other household appliances.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, January 1947 to February 1947		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+10	+ 9	+ 9
Passenger cars: New	+ 6	+ 7	...
Used	+11	+10	...
Commercial cars: New	+13	+10	...
Used	+ 9	+ 6	...
Other consumers' goods: Total retail		+ 6	+ 6
Furniture, radios, musical instruments		+11	...
Refrigerators and other household appliances		+22	...
Residential building repair and modernization		+ 3	...
Miscellaneous retail		+ 9	...

Wholesale financing.--Wholesale automotive paper acquired in February advanced sharply over the January volume. New car paper rose by about two-fifths following a decline in January. Wholesale financing other than automotive was about 7 per cent above the level of a month ago. End-of-month balances on both classes of paper continued upward.

Ratio of paper acquired to balances outstanding.--The volume of paper acquired in February was equal to about 37 per cent of outstanding balances at the end of the month or an increase of approximately four percentage points compared with January. The rise in this ratio resulted from an increase in the turnover rate for wholesale automotive paper.

Note.--February data, based on returns from 155 sales finance companies, are compiled in the same manner as those shown in earlier reports. Aggregates represent only the totals for the reporting companies and, since the reporting sample is not identical from month to month, they are not comparable with totals of preceding months.

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Table 1.--Automotive and Diversified Financing by Sales Finance Companies
Indexes of Outstanding Balances: December 31, 1939 = 100 ^{a/}

End of month and year	Total all sales financing	Retail automotive	Wholesale automotive	Wholesale other than automotive	Retail other consumers' goods	Industrial, commercial, and farm equipment
1939.....	100	100	100	100	100	100
1940.....	136	132	169	140	129	131
1941.....	152	149	175	250	148	147
1942.....	53	37	112	40	76	61
1943.....	20	13	40	8	30	27
1944.....	18	15	24	11	26	26
1945.....	22	18	27	38	39	23
1946.....	59	42	90	224	105	59
1946 - February.....	25	19	36	49	44	27
March.....	26	20	36	56	46	32
April.....	29	22	35	68	51	35
May.....	31	24	37	71	57	36
June.....	33	26	40	81	62	38
July.....	37	28	48	91	69	38
August.....	41	30	55	106	75	44
September.....	44	33	57	125	82	46
October.....	49	36	66	146	90	49
November.....	53	38	78	177	97	57
December.....	59	42	90	224	105	59
1947 - January.....	62	45	95	252	110	60
February.....	68	48	105	287	116	61

^{a/} Indexes as of December 31 for the years of 1939, 1940, and 1941 are based on figures reported by sales finance companies on a supplementary report form which accompanied the regular monthly report form for January 1942. Succeeding indexes are derived by calculating the percentage changes of the outstanding balances reported by sales finance companies for each month from those reported by the same companies for the preceding month, and by linking these percentages to the indexes for the preceding month.

Table 2.--Relative Importance of Loans Made by Sales Finance Companies
During February 1947 and Outstanding Balances at End of Month

Class of paper	Paper acquired during month		Outstanding balances, end of month	
	Amount	Percentage of total	Amount	Percentage of total
Total, all classes of paper ^{a/}	\$344,398,054	100	\$959,754,890	100
Total loans.....	44,304,155	13	162,345,171	17
Small (personal) loans.....	13,140,543	4	79,095,870	8
Business loans.....	31,163,612	9	83,249,301	9
Total sales financing ^{a/}	300,093,899	87	797,409,719	83

^{a/} Included in this classification are only those firms which, in addition to their sales financing operations, reported loan activities.

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Table 3.--Automotive and Diversified Financing by Sales Finance Companies
Paper Acquired During February 1947 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during February 1947		Outstanding balances February 28, 1947 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$ 79,906,715	\$ 78,999,500	\$407,648,644	19
Total wholesale automotive.....	194,651,207	194,268,641	173,593,801	112
Total wholesale - other than automotive...	7,148,201	7,144,025	21,148,408	34
Total retail - other consumers' goods.....	25,556,296	24,701,997	210,734,340	12
Industrial, commercial, and farm equipment	1,193,769	1,082,936	9,868,057	11
Total sales financing.....	\$308,456,188	\$306,197,099	\$822,993,250	37

^{a/} Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

^{b/} Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

Table 4.--Number of Cars Financed and Volume of Paper Acquired
by Sales Finance Companies During February 1947

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	88,646	100	\$ 69,274,911 ^{a/}	100
New passenger cars.....	25,439	29	26,622,644	38
New commercial cars.....	5,906	6	7,856,229	11
Used passenger cars.....	53,037	60	31,696,831	46
Used commercial cars.....	4,264	5	3,099,207	5
Total wholesale automotive.....	162,201	100	\$179,256,554 ^{a/}	100
New cars (passenger and commercial)..	140,223	86	159,975,700	89
Used cars (passenger and commercial)..	21,978	14	19,280,854	11

^{a/} Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. These amounts are less than those reported in table 3 due to the exclusion of some data for which breakdowns were not available.

Table 5.--Volume of Diversified Sales Financing During February 1947

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,503,669	4
Refrigerators and other household appliances.....	2,351,451	7
Residential building repairs and modernization.....	12,866,376	39
Miscellaneous retail.....	8,156,708	25
Total retail - other consumers' goods.....	\$24,878,204 ^{a/}	75
Total wholesale - other than automotive.....	7,148,201	21
Industrial, commercial, and farm equipment.....	1,193,769	4
Total diversified financing.....	\$33,220,174	100

^{a/} Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. This amount is less than that reported in table 3 due to the exclusion of some data for which breakdowns were not available.