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SALES FINANCE COMPANIES

FEBRUARY 1948

Retail financing.--The February volume of total automobile financing showed little change from that of January while other retail financing registered a sharp decline. Although the volume of new paper acquired did not increase in February, outstanding balances on both automotive and other retail instalment financing continued to expand slightly.

The increased unit volume of financing of used passenger cars and of new and used commercial vehicles offset the 10 per cent drop in the number of new passenger cars financed in February. Production for domestic use of new passenger cars was also down 10 per cent in February.

The decline of 15 per cent in the financing of consumers' goods other than automotive reflected decreases in all classes of paper except that arising from sales of refrigerators and other household appliances. The largest percentage drop was in the financing of residential repair and modernization activity.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, January 1948 to February 1948		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+ 2	- 1	+ 4
Passenger cars: New	-10	-12	...
Used	+ 9	+ 9	...
Commercial cars: New	+ 7	+ 4	...
Used	+ 2	+ 7	...
Other consumers' goods: Total		-15	+ 1
Furniture, radios, musical instruments		-12	...
Refrigerators and other household appliances		+ 2	...
Residential building repair and modernization		-20	...
Miscellaneous retail		-13	...

Wholesale financing.--Wholesale transactions in motor vehicles were down but transactions in nonautomotive goods were up in February compared with the January volume. Outstanding balances on these two types of financing continued to expand.

Ratio of paper acquired to balance outstanding.--The ratio of paper purchased during the month to balances outstanding at the end of the month decreased 4 percentage points to 30 for February.

Note.--February data, based on returns from 134 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.

## SALES FINANCE COMPANIES

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

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
1947.....	119	88	163	394	226	89
1947-February.....	68	48	105	287	116	61
March.....	73	53	111	325	124	68
April.....	78	58	110	341	136	67
May.....	82	62	106	351	145	70
June.....	87	66	111	346	157	71
July.....	91	69	109	336	168	74
August.....	94	72	103	333	180	87
September.....	100	75	122	321	192	86
October.....	105	79	124	310	206	92
November.....	111	83	138	359	218	89
December.....	119	88	163	394	226	89
1948-January.....	123	92	167	426	229	92
February.....	127	96	171	445	230	94

<sup>a/</sup> 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 1948 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 <sup>a/</sup> .....	\$484,642,270	100	\$1,643,936,049	100
Total loans.....	43,411,086	9	172,215,567	10
Small (personal) loans.....	11,900,314	2	65,731,186	4
Business loans.....	31,510,772	7	106,484,381	6
Total sales financing <sup>a/</sup> .....	441,231,184	91	1,471,720,482	90

<sup>a/</sup> 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 1948 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during February 1948		Outstanding balances February 29, 1948 <sup>a/</sup>	Ratio paper acquired to outstanding balances <sup>b/</sup>
	By all companies reporting	By companies reporting outstanding balances <sup>a/</sup>		
Total retail automotive.....	\$130,753,380	\$128,851,108	\$ 775,696,487	17
Total wholesale automotive.....	276,020,609	274,467,954	270,929,936	101
Total wholesale - other than automotive...	11,846,533	11,831,822	33,506,086	35
Total retail - other consumers' goods.....	26,978,149	26,869,471	365,812,141	7
Industrial, commercial, and farm equipment	8,393,726	8,240,813	70,346,950	12
Total sales financing.....	\$453,992,397	\$450,261,168	\$1,516,291,600	30

<sup>a/</sup> Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

<sup>b/</sup> 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 1948

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	108,479	100	\$109,689,928 <sup>a/</sup>	100
New passenger cars.....	37,404	34	48,086,601	44
New commercial cars.....	8,211	8	12,110,381	11
Used passenger cars.....	58,528	54	45,460,048	41
Used commercial cars.....	4,336	4	4,032,898	4
Total wholesale automotive.....	178,819	100	\$249,812,040 <sup>a/</sup>	100
New cars (passenger and commercial)..	154,180	86	222,991,308	89
Used cars (passenger and commercial)..	24,639	14	26,820,732	11

<sup>a/</sup> 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 1948

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,234,315	3
Refrigerators and other household appliances.....	4,413,094	10
Residential building repairs and modernization.....	12,263,588	26
Miscellaneous retail.....	8,599,758	18
Total retail - other consumers' goods.....	\$26,510,755 <sup>a/</sup>	57
Total wholesale - other than automotive.....	11,846,533	25
Industrial, commercial, and farm equipment.....	8,393,726	18
Total diversified financing.....	\$46,751,014	100

<sup>a/</sup> 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.