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SALES FINANCE COMPANIES

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Retail financing.--February volume of financing of automobile sales increased after a marked drop during the preceding month according to reporting sales finance companies. Outstanding balances on automobile contracts continued to expand. Financing of other consumer goods was in smaller volume again in February and outstanding balances declined further.

The 9 per cent rise in total automobile paper acquired shown in the table below reflects marked increases in transactions on all classes of motor vehicles. The only class of paper which failed to show a significant rise from January levels was that arising from the financing of used trucks.

Retail financing of consumer goods other than automobiles was down 15 per cent from the January volume with the sharpest drop evidenced in repair and modernization credits. All types of paper were in smaller volume except paper based on refrigerators and other household appliances.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, January 1949 to February 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+10	+ 9	+ 2
Passenger cars: New	+13	+10	...
Used	+13	+13	...
Commercial cars: New	+14	+13	...
Used	+ 6	+ 1	...
Other consumer goods: Total		-15	- 3
Furniture, radios, musical instruments		- 6	...
Refrigerators and other household appliances		+11	...
Residential building repair and modernization		-43	...
Miscellaneous retail		- 4	...

Wholesale financing.--The volume of wholesale automotive paper acquired in February was less than in January but outstanding balances owed by dealers continued to expand. Wholesale financing of other goods was up in February and outstanding balances also rose during the month.

Ratio of paper acquired to balances outstanding.--Paper purchased during February was 26 per cent of the balances outstanding at the end of the month or about the same ratio as in January.

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 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	46	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
1948.....	174	151	252	454	232	116
1948-February.....	127	96	171	445	230	94
March.....	134	105	175	458	232	98
April.....	139	113	159	517	240	111
May.....	141	119	143	495	250	118
June.....	147	123	165	462	251	121
July.....	151	130	164	448	250	120
August.....	155	136	165	396	249	119
September.....	157	142	154	362	247	119
October.....	163	145	191	389	243	118
November.....	167	148	211	418	238	116
December.....	174	151	252	454	232	116
1949-January.....	177	152	273	484	221	118
February.....	180	155	289	561	214	117

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.

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Table 2.--Relative Importance of Loans Made by Sales Finance Companies  
During February 1949 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/.....	\$568,791,055	100	\$2,225,344,355	100
Total loans.....	34,752,361	6	158,651,859	7
Small (personal) loans.....	10,369,337	2	74,531,420	3
Business loans.....	24,383,024	4	84,120,439	4
Total sales financing a/.....	534,038,694	94	2,066,692,496	93

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

## SALES FINANCE COMPANIES

Table 3.--Automotive and Diversified Financing by Sales Finance Companies  
Paper Acquired During February 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during February 1949		Outstanding balances February 28, 1949 a/	Ratio paper acquired to outstanding balances b/
	By all companies reporting	By companies reporting outstanding balances a/		
Total retail automotive.....	\$157,109,517	\$154,957,490	\$1,225,816,698	13
Total wholesale automotive.....	357,123,380	355,025,683	450,365,974	79
Total wholesale - other than automotive...	14,484,326	14,470,772	42,768,726	34
Total retail - other consumers' goods.....	13,512,115	13,383,500	328,614,173	4
Industrial, commercial, and farm equipment	5,689,279	5,640,533	83,440,007	7
Total sales financing.....	\$547,918,617	\$543,477,978	\$2,131,005,578	26

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 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	133,123	100	\$137,473,334 a/	100
New passenger cars.....	44,013	33	62,705,897	46
New commercial cars.....	9,926	7	14,853,616	11
Used passenger cars.....	72,766	55	54,969,482	40
Used commercial cars.....	6,418	5	4,944,339	3
Total wholesale automotive.....	208,443	100	\$331,698,190 a/	100
New cars (passenger and commercial)..	186,503	89	309,957,724	93
Used cars (passenger and commercial)..	21,940	11	21,740,466	7

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 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 857,098	3
Refrigerators and other household appliances.....	3,894,906	12
Residential building repairs and modernization.....	2,716,782	8
Miscellaneous retail.....	5,739,861	17
Total retail - other consumers' goods.....	\$13,208,617 a/	40
Total wholesale - other than automotive.....	14,484,326	43
Industrial, commercial, and farm equipment.....	5,689,279	17
Total diversified financing.....	\$33,382,252	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.