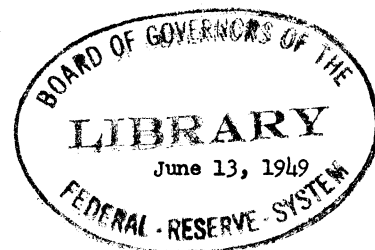


BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM



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SALES FINANCE COMPANIES

APRIL 1949

Retail financing.--Sales finance companies reporting for the month of April indicated a small increase in the volume of retail automotive paper acquired, and a marked rise in the financing of other consumer goods. Outstanding balances on the automobile segment continued to expand, while those based on the sales of other goods showed a further decline.

The slight increase in automobile paper acquired, as shown in the table below, resulted from small gains in passenger car financing, which were nearly offset by declines in commercial vehicle financing. The only category of paper to show an appreciable gain over the March volume was that based on sales of used passenger cars.

A rise of 12 percent was reported in the volume of credit for consumer goods other than automobiles. Furniture paper, and that based on sales of refrigerators and other household appliances showed marked increases, while the remaining classes of paper registered declines.

Retain Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, March 1949 to April 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+ 3	+ 1	+ 7
Passenger cars: New	0	+ 1	...
Used	+ 6	+ 3	...
Commercial cars: New	- 1	- 2	...
Used	- 1	- 4	...
Other consumer goods: Total		+12	- 2
Furniture, radios, musical instruments		+ 9	...
Refrigerators and other household appliances		+34	...
Residential building repair and modernization		- 6	...
Miscellaneous retail		- 2	...

Wholesale financing.--A decrease in wholesale paper acquired resulted from drops in both automotive and other wholesale financing, and outstanding balances on these two classes of paper declined during the month.

Ratio of paper acquired to balances outstanding.--The turnover rate of total retail and wholesale paper as indicated by the ratio of paper purchased during the month to balances outstanding at the end of the month decreased 2 percentage points to 31.

NOTE.--April data, based on returns from 131 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	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
1948.....	174	151	252	454	232	116
1948-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
March.....	r184	r164	281	571	207	111
April.....	188	175	260	551	203	112

^{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 April 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/}	\$711,436,721	100	\$2,299,548,575	100
Total loans.....	37,612,878	5	154,682,232	7
Small (personal) loans.....	10,562,966	1	73,070,712	3
Business loans.....	27,049,912	4	81,611,520	4
Total sales financing ^{a/}	673,823,843	95	2,144,866,343	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 April 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during April 1949		Outstanding balances April 30, 1949 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$238,839,730	\$236,790,287	\$1,362,221,062	17
Total wholesale automotive.....	401,620,376	400,283,886	400,049,717	100
Total wholesale - other than automotive...	16,523,574	16,509,515	41,828,284	39
Total retail - other consumers' goods.....	22,670,317	22,535,094	312,439,559	7
Industrial, commercial, and farm equipment	8,106,107	8,021,763	83,910,164	10
Total sales financing.....	\$687,760,104	\$684,140,545	\$2,200,448,736	31

^{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 April 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	205,483	100	\$208,749,041 ^{a/}	100
New passenger cars.....	65,539	32	94,182,210	45
New commercial cars.....	13,939	7	19,512,867	10
Used passenger cars.....	116,778	57	88,157,618	42
Used commercial cars.....	9,227	4	6,896,346	3
Total wholesale automotive.....	242,992	100	\$373,932,482	100
New cars (passenger and commercial)..	221,418	91	354,075,275	95
Used cars (passenger and commercial)..	21,574	9	19,857,207	5

^{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 April 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,547,430	3
Refrigerators and other household appliances.....	10,654,040	23
Residential building repairs and modernization.....	2,815,284	6
Miscellaneous retail.....	7,249,900	16
Total retail - other consumers' goods.....	\$22,266,654 ^{a/}	48
Total wholesale - other than automotive.....	16,509,515	35
Industrial, commercial, and farm equipment.....	8,106,107	17
Total diversified financing.....	\$46,882,276	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.