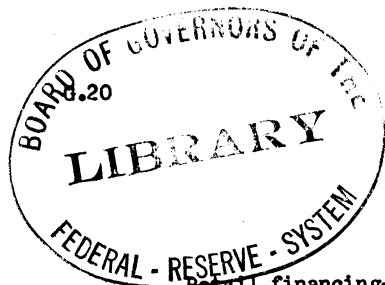


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BOARD OF GOVERNORS  
OF THE  
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SALES FINANCE COMPANIES

APRIL 1951

Retail financing--Sales finance company purchases of retail automotive paper continued to expand in April, although the month-to-month increase of 3 per cent was much below that reported in March. The month's increased volume was accounted for entirely by moderate increases in the financing of used vehicles, since new vehicle financing showed a decrease in April. Generally in the past, new and used automotive financing have moved in the same direction. The divergent movements in April probably reflect a reported month-to-month decline in new-car sales and a month-to-month increase in used-car sales.

Retail automotive balances outstanding on April 30 were unchanged from the level of the preceding month-end. This indicates that the overall gain in automotive financing activities during April, following the large expansion in volume during March, was sufficient to bring new acquisitions to a level equal to repayments on automotive paper. As a consequence, the decline in outstandings which has continued since last October was interrupted.

Retail financing of other consumer goods was down 5 per cent in April, after having increased sharply in the previous month. This reflected, principally, a decline of 16 per cent in the financing of furniture, radios, and musical instruments and a 4 per cent decline in the financing of refrigerators and other household appliances. Increased volume was reported for the other two classes of paper.

As in the past six months, April repayments on outstanding balances of other consumer goods paper exceeded new acquisitions of paper, with the result that outstanding balances continued to decline in April. At the month-end, such balances were 3 per cent below the level of March 31, 1951.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, March 1951 to April 1951		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	+ 3	+ 3	0
Passenger cars: New	- 3	- 1	
Used	+ 6	+ 8	
Commercial cars: New	+ 4	- 4	
Used	+ 8	+ 9	
Other consumer goods: Total		- 5	- 3
Furniture, radios, musical instruments		-16	
Refrigerators and other household appliances		- 4	
Residential building repair and modernization		+13	
Miscellaneous retail		+ 1	

Wholesale financing--Wholesale automotive paper purchased showed a moderate decrease in April, a month during which a contraction in volume is usual. This decline, however, was from the unusually high level of March, and did not bring new acquisitions below the level of repayments. Consequently, wholesale automotive outstanding balances increased moderately in April.

Wholesale financing of goods other than automobiles declined sharply in April from the very high level reached in March. Despite the sharp decline in April volume, outstanding balances of this class of paper continued to increase, although at a rate considerably slower than in recent months.

NOTE.--April data, based on returns from 117 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
1948.....	174	151	252	454	232	116
1949.....	228	249	216	332	187	107
1950.....	291	325	296	516	177	130
1950-April.....	240	274	186	537	172	112
May.....	250	284	202	537	174	117
June.....	263	298	228	499	179	120
July.....	266	314	163	436	185	123
August.....	274	322	179	424	189	124
September.....	282	330	192	422	192	127
October.....	288	331	240	435	188	128
November.....	291	328	280	478	182	132
December.....	291	325	296	516	177	130
1951-January.....	287	320	291	648	171	132
February.....	286	315	306	759	166	134
March.....	290	312	356	906	161	125
April.....	294	311	382	943	156	136

<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 April 1951 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> .....	\$938,264,498	100	\$3,654,718,388	100
Total loans.....	81,852,178	9	215,192,080	6
Small (personal) loans.....	22,214,649	3	105,587,004	3
Business loans.....	59,644,529	6	109,612,076	3
Total sales financing <sup>a/</sup> .....	856,405,320	91	3,439,519,308	94

<sup>a/</sup> 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 1951 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during April 1951 <sup>a/</sup>		Outstanding balances April 30, 1951 <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.....	\$274,974,868	\$271,948,348	\$2,483,996,403	11
Total wholesale automotive.....	538,649,495	535,420,775	600,725,849	89
Total wholesale - other than automotive...	19,059,878	18,251,851	70,494,247	26
Total retail - other consumers' goods.....	21,323,250	18,963,533	235,457,941	8
Industrial, commercial, and farm equipment	17,543,555	17,163,691	101,828,980	17
Total sales financing.....	\$871,551,046	\$861,748,198	\$3,492,503,420	25

<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 April 1951

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	284,960	100	\$267,579,621 <sup>a/</sup>	100
New passenger cars.....	79,199	28	107,728,345	40
New commercial cars.....	11,872	4	17,214,357	6
Used passenger cars.....	180,542	63	132,986,707	50
Used commercial cars.....	13,347	5	9,650,212	4
Total wholesale automotive.....	330,521	100	\$531,420,012 <sup>a/</sup>	100
New cars (passenger and commercial)..	291,085	88	493,769,443	93
Used cars (passenger and commercial)..	39,436	12	37,650,569	7

<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 April 1951

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 5,162,687	9
Refrigerators and other household appliances.....	6,220,985	11
Residential building repairs and modernization.....	2,733,581	5
Miscellaneous retail.....	6,153,150	11
Total retail - other consumers' goods.....	\$20,270,403 <sup>a/</sup>	36
Total wholesale - other than automotive.....	19,059,878	33
Industrial, commercial, and farm equipment.....	17,543,555	31
Total diversified financing.....	\$56,873,836	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.