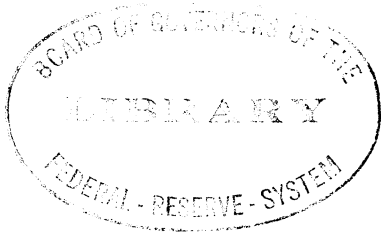


Mrs. Burghes



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

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SALES FINANCE COMPANIES

MAY 1952

Retail financing--Purchases of retail automotive paper by sales finance companies increased sharply in May, reflecting primarily increases in acquisitions of passenger car paper. The largest gain, 41 per cent, was reported for purchases of new passenger car paper; purchases of used passenger car paper increased 24 per cent. Outstanding balances of retail automotive paper at the end of May were 5 per cent above both the preceding month-end and a year ago. This increase brought outstandings to a level just under the peak of September 1951.

Sales finance company purchases of other retail instalment paper expanded 24 per cent from April to May. An increase of 51 per cent occurred in the volume of household appliance paper acquired, and acquisitions of repair paper were up 19 per cent. Purchases of furniture and television paper, however, were practically unchanged. Outstanding balances of other retail instalment paper at the end of May were 3 per cent above April 30. This increase was the first reported so far this year.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, April 1952 to May 1952		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	+18	+30	+ 5
Passenger cars: New	+29	+41	
Used	+14	+24	
Commercial cars: New	+ 7	+ 6	
Used	- 2	0	
Other consumer goods: Total		+24	+ 3
Furniture, radios, television sets, musical instruments		+ 1	
Refrigerators and other household appliances		+51	
Residential building repair and modernization		+19	
Miscellaneous retail		+13	

Wholesale financing--Wholesale automotive paper acquired during May was unchanged from the preceding month. Outstanding balances dropped about 5 per cent, and at the month-end were about 10 per cent below the year-ago level.

The volume of wholesale financing of other consumer goods increased moderately during the month. Outstanding balances, however, declined about 5 per cent, and at the month-end were about two-thirds of the amount outstanding a year ago.

NOTE.--May data, based on returns from 104 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.....	68	76	55	24	49	100
1940.....	92	101	92	34	64	131
1941.....	103	114	96	61	73	147
1942.....	36	28	61	10	38	61
1943.....	14	10	22	2	15	27
1944.....	12	11	13	3	13	23
1945.....	15	14	15	9	19	23
1946.....	40	32	49	55	52	59
1947.....	81	67	89	97	112	89
1948.....	118	115	138	111	114	116
1949.....	155	190	118	81	92	107
1950.....	198	248	162	126	87	130
1951.....	202	248	197	120	75	151
1951-May.....	202	241	219	220	76	138
June.....	205	245	221	202	74	140
July.....	202	248	203	181	72	143
August.....	203	253	185	156	73	146
September.....	203	256	178	147	74	149
October.....	203	254	186	139	74	149
November.....	203	251	196	130	74	150
December.....	202	248	197	120	75	151
1952-January.....	196	243	181	116	73	156
February.....	196	240	189	136	72	160
March.....	196	238	199	151	71	163
April.....	200	241	208	152	69	168
May.....	206	254	197	144	71	170

^{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 May 1952 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/}	\$1,098,564,395	100	\$3,675,131,600	100
Total loans.....	88,755,898	8	262,282,504	7
Small (personal) loans.....	31,467,916	3	139,489,132	4
Business loans.....	57,287,982	5	122,793,372	3
Total sales financing ^{a/}	1,009,808,497	92	3,412,849,096	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 May 1952 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during May 1952		Outstanding balances May 31, 1952 <u>a/</u>	Ratio paper acquired to outstanding balances <u>b/</u>
	By all companies reporting	By companies reporting outstanding balances <u>a/</u>		
Total retail automotive.....	\$ 446,633,857	\$ 441,014,542	\$2,536,073,958	17
Total wholesale automotive.....	517,987,103	516,070,987	548,252,305	94
Total wholesale - other than automotive....	13,000,956	12,635,416	43,818,440	29
Total retail - other consumers' goods.....	35,538,818	32,554,900	216,174,916	15
Industrial, commercial, and farm equipment	12,802,143	12,095,070	127,025,674	10
Total sales financing.....	\$1,025,962,877	\$1,014,370,915	\$3,471,345,293	29

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 May 1952

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	320,014	100	\$379,005,945 <u>a/</u>	100
New passenger cars.....	95,053	30	161,839,607	43
New commercial cars.....	13,086	4	20,741,634	5
Used passenger cars.....	196,289	61	183,960,233	49
Used commercial cars.....	15,586	5	12,464,471	3
Total wholesale automotive.....	292,900	100	\$513,636,780 <u>a/</u>	100
New cars (passenger and commercial)..	235,577	80	456,657,239	89
Used cars (passenger and commercial).	57,323	20	56,979,541	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 May 1952

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 5,743,056	10
Refrigerators and other household appliances.....	13,623,282	23
Residential building repairs and modernization.....	4,471,412	7
Miscellaneous retail.....	9,903,015	17
Total retail - other consumers' goods.....	\$33,740,765 <u>a/</u>	57
Total wholesale - other than automotive.....	13,000,956	22
Industrial, commercial, and farm equipment.....	12,802,143	21
Total diversified financing.....	\$59,543,864	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.