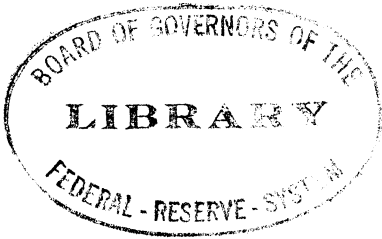


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BOARD OF GOVERNORS
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SALES FINANCE COMPANIES

SEPTEMBER 1952

Retail financing--Purchases of retail automotive paper by sales finance companies increased 15 per cent in September, following two months of substantial declines. The September gain reflected sharp increases in the financing of new vehicles -- 52 per cent for passenger cars and 31 per cent for commercial vehicles. These increases, however, were offset, in part, by decreases of 6 per cent in purchases of used passenger car paper and 2 per cent in acquisitions of used commercial car paper. The gain in volume was accompanied by an increase of 1 per cent in outstanding balances of retail automotive paper during September. These balances on September 30 were about 10 per cent above the year-ago level.

The volume of other retail instalment paper purchased during September declined 3 per cent from the preceding month. Acquisitions of household appliance paper, the most important segment, declined 20 per cent. This was more than sufficient to offset increases of 30 per cent in purchases of furniture and television paper and 2 per cent in purchases of repair and modernization paper. Despite the overall drop in the volume of paper acquired, outstanding balances of other retail instalment paper increased 4 per cent during September, and at the month-end were about 20 per cent above a year ago.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, August 1952 to September 1952		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	+10	+15	+ 1
Passenger cars: New	+60	+52	
Used	- 6	- 6	
Commercial cars: New	+46	+31	
Used	- 2	- 2	
Other consumer goods: Total		- 3	+ 4
Furniture, radios, television sets, musical instruments		+30	
Refrigerators and other household appliances		-20	
Residential building repair and modernization		+ 2	
Miscellaneous retail		- 1	

Wholesale financing--Purchases of wholesale automotive paper increased 124 per cent during September, more than doubling the volume of the preceding month. This was reflected in an increase of 26 per cent in outstanding balances from August 31 to the end of September.

Other wholesale paper acquired during September declined about 13 per cent during September, and was accompanied by a decrease of approximately 5 per cent in outstanding balances from the end of August to September 30.

NOTE:--September data, based on returns from 108 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: 1947-1949 average = 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-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	240	208	152	71	168
May.....	206	253	197	144	74	170
June.....	213	269	181	130	78	175
July.....	212	277	136	125	84	183
August.....	210	278	113	119	86	185
September.....	217	281	142	113	89	190

^{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 September 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/}	\$982,295,535	100	\$3,942,759,134	100
Total loans.....	95,981,031	10	282,771,005	7
Small (personal) loans.....	29,006,984	3	156,023,166	4
Business loans.....	66,974,047	7	126,747,839	3
Total sales financing ^{a/}	886,314,504	90	3,659,988,129	93

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

Table 3.--Automotive and Diversified Financing by Sales Finance Companies
Paper Acquired During September 1952 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during September 1952		Outstanding balances September 30, 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.....	\$365,334,035	\$362,840,954	\$2,870,952,088	13
Total wholesale automotive.....	472,394,788	471,115,770	401,736,369	117
Total wholesale - other than automotive...	11,844,049	11,441,459	34,368,057	33
Total retail - other consumers' goods.....	36,908,033	34,727,447	269,811,485	13
Industrial, commercial, and farm equipment	13,469,054	13,276,817	142,514,000	9
Total sales financing.....	\$899,949,959	\$893,472,447	\$3,719,381,999	24

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 September 1952

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	242,829	100	\$305,283,649 <u>a/</u>	100
New passenger cars.....	77,193	32	141,070,173	46
New commercial cars.....	12,028	5	17,901,379	6
Used passenger cars.....	139,111	57	134,773,048	44
Used commercial cars.....	14,497	6	11,539,049	4
Total wholesale automotive.....	258,479	100	\$466,092,161 <u>a/</u>	100
New cars (passenger and commercial)..	217,393	84	422,414,571	91
Used cars (passenger and commercial)..	41,086	16	43,677,590	9

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 September 1952

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 7,166,657	12
Refrigerators and other household appliances.....	12,056,909	20
Residential building repairs and modernization.....	5,537,223	9
Miscellaneous retail.....	9,946,632	17
Total retail - other consumers' goods.....	\$34,707,421 <u>a/</u>	58
Total wholesale - other than automotive.....	11,844,049	20
Industrial, commercial, and farm equipment.....	13,469,054	22
Total diversified financing.....	\$60,020,524	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.