



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

G.20

April 10, 1953

SALES FINANCE COMPANIES

FEBRUARY 1953

Retail financing--Retail automotive paper acquired by sales finance companies increased 3 per cent in February, following a decline of 14 per cent in the preceding month. The increased volume reflected gains of 1 per cent in new passenger car paper and 7 per cent in used passenger car paper; acquisitions of commercial car paper decreased during the month. The increase in total purchases of retail automotive paper was accompanied by an increase of 3 per cent in outstanding balances during February. Compared with a year earlier, outstanding balances of this type of paper were up approximately 35 per cent.

Purchases of other retail instalment paper during February were 5 per cent below those of the preceding month. Furniture and television paper acquired declined 8 per cent, and purchases of repair and modernization paper decreased 14 per cent. In contrast, purchases of household appliance paper increased 2 per cent. Although total acquisitions of other retail instalment paper declined during February, balances outstanding at the end of the month were unchanged from the preceding month end.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, January 1953 to February 1953		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	<u>+ 5</u>	<u>+ 3</u>	<u>+ 3</u>
Passenger cars: New	+ 2	+ 1	
Used	+ 9	+ 7	
Commercial cars: New	- 6	- 4	
Used	+ 1	- 1	
Other consumer goods: Total		<u>- 5</u>	<u>0</u>
Furniture, radios, television sets, musical instruments		- 8	
Refrigerators and other household appliances		+ 2	
Residential building repair and modernization		-14	
Miscellaneous retail		- 4	

Wholesale financing--Wholesale automotive paper acquired by reporting sales finance companies in February declined 2 per cent from January's volume, but outstanding balances continued to increase. Balances outstanding at the end of February were about 6 per cent above the preceding month end and 15 per cent above February of last year.

Purchases of other wholesale paper increased 15 per cent in February. Outstanding balances of this class of paper showed a gain of 8 per cent.

NOTE:--February data, based on returns from 100 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.

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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
1952.....	245	310	192	111	99	206
1952-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
October.....	228	292	164	111	93	199
November.....	236	301	178	110	95	206
December.....	245	310	192	111	99	206
1953-January.....	251	315	206	110	99	209
February.....	258	324	218	120	100	210

^{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 February 1953 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/}	\$1,034,968,164	100	\$4,305,193,514	100
Total loans.....	75,791,271	7	290,971,883	7
Small (personal) loans.....	21,700,056	2	184,023,959	4
Business loans.....	54,091,215	5	106,947,924	3
Total sales financing ^{a/}	959,176,893	93	4,014,221,631	93

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

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Table 3.--Automotive and Diversified Financing by Sales Finance Companies
Paper Acquired During February 1953 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during February 1953		Outstanding balances February 28, 1953 <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.....	\$353,694,406	\$353,142,104	\$2,980,021,425	12
Total wholesale automotive.....	558,105,986	557,946,135	575,167,072	97
Total wholesale - other than automotive...	13,302,456	13,280,071	37,793,677	35
Total retail - other consumers' goods.....	29,350,780	29,099,024	316,465,912	9
Industrial, commercial, and farm equipment	16,096,989	16,096,989	159,265,531	10
Total sales financing.....	\$970,550,617	\$969,564,323	\$4,068,713,617	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 February 1953

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	271,188	100	\$345,449,163 <u>a/</u>	100
New passenger cars.....	91,291	34	165,242,423	48
New commercial cars.....	12,201	4	18,629,454	5
Used passenger cars.....	153,989	57	150,890,805	44
Used commercial cars.....	13,707	5	10,686,481	3
Total wholesale automotive.....	299,450	100	\$554,035,215 <u>a/</u>	100
New cars (passenger and commercial)..	260,545	87	515,194,992	93
Used cars (passenger and commercial)..	38,905	13	38,840,223	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 1953

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 8,871,940	16
Refrigerators and other household appliances.....	7,551,493	13
Residential building repairs and modernization.....	3,293,126	6
Miscellaneous retail.....	7,334,447	13
Total retail - other consumers' goods.....	\$27,051,006 <u>a/</u>	48
Total wholesale - other than automotive.....	13,302,456	24
Industrial, commercial, and farm equipment.....	16,096,989	28
Total diversified financing.....	\$56,450,451	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.