

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

July 6, 1953

SALES FINANCE COMPANIES

MAY 1953

Sales finance companies held instalment paper on passenger automobiles amounting to an estimated 4,694 million dollars at the end of May. This was 158 million above the preceding month-end and 1,457 above a year earlier. The expansion during May continued an uninterrupted upward movement which began in April of last year. Other consumer credit components showed a net increase of 10 million dollars during the month, bringing the total amount of consumer credit outstanding at sales finance companies to an estimated 5,480 million dollars, 1,627 million above a year ago.

New extensions of credit on passenger cars in May continued at a high level but were 32 million dollars below extensions during April. This decline reflected decreases in the financing of both new and used vehicles. The May figure of 577 million was also below that of a year ago as a result of reduced volume of used car financing; new car financing was above that of last year.

Although the amount of retail automotive paper on commercial vehicles and wholesale automotive paper held by sales finance companies decreased slightly during May, holdings of both types of paper were above year-ago levels. The volume of wholesale automotive financing during May was sharply above a year ago, although it declined somewhat from the record volume of the preceding month.

Outstanding Credit Held by Sales Finance Companies
(In millions of dollars)

Type of credit	May 29, 1953	Change from:	
		Month ago	Year ago
Consumer instalment credit	5,480	+168	+1,627
Retail automotive (passenger cars)	4,694	+158	+1,457
Other consumer goods paper	351	+ 6	+ 111
Repair and modernization loans	78	- 2	+ 11
Personal loans	357	+ 6	+ 48
Business credit ^{1/}	1,839	- 13	+ 222
Retail automotive (commercial vehicles)	539	- 10	+ 8
Wholesale automotive	852	- 11	+ 138
Wholesale other than automotive	59	- 2	- 1
Other business credit	389	+ 10	+ 77

^{1/} Excludes some credit extended to business, such as credit arising from factoring operations.

Credit Extended by Sales Finance Companies
(In millions of dollars)

Type of credit	May 1953	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>669</u>	<u>-27</u>	<u>- 30</u>
Retail automotive (passenger cars)	<u>577</u>	<u>-32</u>	<u>- 24</u>
New	304	-20	+ 23
Used	273	-12	- 47
Other consumer goods paper	38	- 1	- 3
Repair and modernization loans	5	+ 1	0
Personal loans	49	+ 5	- 3
Business credit <u>1/</u>	<u>1,026</u>	<u>-51</u>	<u>+202</u>
Retail automotive paper (commercial vehicle)	<u>44</u>	<u>- 5</u>	<u>- 14</u>
New	25	- 6	- 11
Used	19	+ 1	- 3
Wholesale automotive paper	<u>863</u>	<u>-50</u>	<u>+192</u>
New (passenger and commercial)	803	-51	+206
Used (passenger and commercial)	60	+ 1	- 14
Wholesale other than automotive	18	- 3	+ 1
Other business credit <u>1/</u>	101	+ 7	+ 23

Number of Motor Vehicles Financed by Sales Finance Companies
(In thousands)

Type of vehicle	May 1953	Change from:	
		Month ago	Year ago
Total financed at retail	<u>481</u>	<u>-24</u>	<u>- 50</u>
New passenger	170	-12	+ 3
Used passenger	269	- 8	- 47
New commercial	17	- 5	- 6
Used commercial	25	+ 1	0
Total financed at wholesale	<u>422</u>	<u>-25</u>	<u>- 79</u>
New (passenger and commercial)	366	-28	+ 90
Used (passenger and commercial)	56	+ 3	- 11

1/ Excludes some credit extended to business, such as credit arising from factoring operations.