

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G-20

November 5, 1953

SALES FINANCE COMPANIES

SEPTEMBER 1953

Sales finance company holdings of instalment paper on passenger automobiles amounted to an estimated 5,186 million dollars at the end of September, 78 million above the preceding month-end and 1,526 million above a year ago. Practically no changes occurred in holdings of other types of consumer credit during the month. Total consumer instalment credit outstanding at sales finance companies on September 30 amounted to an estimated 6,004 million dollars, 80 million above the preceding month.

The further slackening in the rate of expansion in automobile outstandings during September again reflected both a decline in extensions of credit on passenger cars and an increase in repayments. The decrease in credit extended was accounted for by a drop in used car volume which was only in part offset by an increase in the volume of credit extended on new cars. The average amount of credit extended per car showed practically no change for new passenger cars and decreased slightly for used cars.

Wholesale automotive credit held by sales finance companies, estimated at 891 million dollars on September 30, showed little change from the preceding month-end. Holdings of other wholesale paper and commercial vehicle paper decreased during the month, while other business credit increased slightly.

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

Type of credit	Sept. 30, 1953	Increase or decrease during:		
		Sept. 1953	Sept. 1952	Year ended Sept. 30, 1953
Consumer instalment credit	6,004	+80	+ 68	+1,642
Retail automotive (passenger cars)	5,186	+78	+ 52	+1,526
Other consumer goods paper	374	0	+ 12	+ 73
Repair and modernization loans	74	+ 2	+ 3	0
Personal loans	370	0	+ 1	+ 43
Business credit ^{1/}	1,833	-13	+105	+ 403
Retail automotive (commercial vehicles)	494	-11	- 2	- 38
Wholesale automotive	891	- 2	+107	+ 375
Wholesale other than automotive	42	- 4	- 2	- 5
Other business credit	406	+ 4	+ 2	+ 71

^{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	Sept. 1953	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>656</u>	<u>-15</u>	<u>+ 81</u>
Retail automotive (passenger cars)	<u>570</u>	<u>- 8</u>	<u>+ 91</u>
New	306	+ 6	+ 61
Used	264	-14	+ 30
Other consumer goods paper	31	- 3	- 12
Repair and modernization loans	7	0	+ 1
Personal loans	48	- 4	+ 1
Business credit <u>1/</u>	<u>848</u>	<u>-55</u>	<u>+ 87</u>
Retail automotive paper (commercial vehicles)	<u>36</u>	<u>+ 2</u>	<u>- 15</u>
New	23	+ 2	- 8
Used	13	0	- 7
Wholesale automotive paper	<u>711</u>	<u>-51</u>	<u>+105</u>
New (passenger and commercial)	659	-48	+108
Used (passenger and commercial)	52	- 3	- 3
Wholesale other than automotive	12	- 3	- 4
Other business credit <u>1/</u>	89	- 3	+ 1

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

Type of vehicle	Sept. 1953	Change from:	
		Month ago	Year ago
Total financed at retail	<u>483</u>	<u>- 4</u>	<u>+ 80</u>
New passenger	170	+ 4	+ 34
Used passenger	278	-10	+ 55
New commercial	17	+ 2	- 4
Used commercial	18	0	- 5
Total financed at wholesale	<u>362</u>	<u>-14</u>	<u>+ 62</u>
New (passenger and commercial)	315	-12	+ 61
Used (passenger and commercial)	47	- 2	+ 1

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