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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

OCTOBER 1954

Sales finance company holdings of instalment paper on passenger automobiles increased 17 million dollars during October to an estimated 5,491 million at the month end. Increases since March have totalled 412 million dollars and have brought passenger automobile paper outstanding to successive new highs in the past four months. Total consumer instalment credit outstanding at sales finance companies amounted to an estimated 6,315 million dollars at the end of October, 21 million above the preceding month end and 222 million above a year ago.

New credit extended on passenger automobiles during the month, estimated at 555 million dollars, was 16 million below the preceding month as a result of a reduction in the volume of used car paper acquired. New car credit extended was unchanged from September to October. Total extensions during the month reflected the financing of approximately 174 thousand new cars and 235 thousand used cars.

Wholesale automotive paper outstanding continued to drop sharply during the month, reflecting a further reduction in dealer stocks. The October decrease, 236 million dollars, reduced month-end balances to an estimated 481 million. Other types of business credit outstanding showed small increases during the month.

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

Type of credit	Oct. 30, 1954	Increase or decrease during:		
		Oct. 1954	Oct. 1953	Year ended Oct. 30, 1954
Consumer instalment credit	6,315	+ 21	+ 88	+222
Retail automotive (passenger cars)	5,491	+ 17	+ 86	+219
Other consumer goods paper	337	+ 1	- 3	- 35
Repair and modernization loans	81	0	+ 2	+ 5
Personal loans	406	+ 3	+ 3	+ 33
Business credit <sup>1/</sup>	1,242	-232	- 26	-565
Retail automotive (commercial vehicles)	363	+ 1	- 17	-114
Wholesale automotive	481	-236	- 8	-402
Wholesale other than automotive	39	+ 1	- 2	- 1
Other business credit	359	+ 2	+ 1	- 48

<sup>1/</sup> 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	Oct. 1954	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>649</u>	- 13	- 27
Retail automotive (passenger cars)	<u>555</u>	- 16	- 32
New	344	0	+ 9
Used	211	- 16	- 41
Other consumer goods paper	34	- 1	+ 1
Repair and modernization loans	5	0	- 3
Personal loans	55	+ 4	+ 7
Business credit <u>1/</u>	<u>553</u>	-124	-323
Retail automotive paper (commercial vehicles)	<u>35</u>	- 2	- 2
New	24	- 1	+ 1
Used	11	- 1	- 3
Wholesale automotive paper	<u>409</u>	-131	-324
New (passenger and commercial)	378	-124	-304
Used (passenger and commercial)	31	- 7	- 20
Wholesale other than automotive	16	0	+ 4
Other business credit <u>1/</u>	93	+ 9	- 1

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

Type of vehicle	Oct. 1954	Change from:	
		Month ago	Year ago
Total financed at retail	<u>442</u>	- 18	- 54
New passenger	174	- 2	- 13
Used passenger	235	- 14	- 35
New commercial	16	- 1	- 2
Used commercial	17	- 1	- 4
Total financed at wholesale	<u>197</u>	- 67	-175
New (passenger and commercial)	168	- 62	-156
Used (passenger and commercial)	29	- 5	- 19

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