

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

February 3, 1955

SALES FINANCE COMPANIES

DECEMBER 1954

Sales finance company holdings of instalment paper on passenger automobiles increased 72 million dollars during December to a new high of 5,563 million at the end of the month. This was 257 million above the year-ago figure. Other consumer goods paper and personal loans also increased, while repair and modernization loans showed practically no change. Total consumer instalment credit held by sales finance companies amounted to an estimated 6,421 million dollars at the end of the year, 96 million above November and 274 million above a year ago.

Extensions of credit on passenger automobiles in December, estimated at 633 million dollars, were 78 million above the preceding month and 140 million above a year ago. The increased volume reflected both the financing of a greater number of automobiles, and an increase in the average loan on each car. The December volume of financing has been exceeded only twice before -- in June of 1954 and 1952.

Wholesale automotive paper outstanding increased 163 million dollars during December to an estimated 717 million at the end of the month. Other types of business credit showed small decreases.

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

Type of credit	Dec. 31, 1954	Increase or decrease during:		
		Dec. 1954	Dec. 1953	Year ended Dec. 31, 1954
Consumer instalment credit	6,421	+ 96	0	+274
Retail automotive (passenger cars)	5,563	+ 72	-15	+257
Other consumer goods paper	351	+ 11	- 1	- 16
Repair and modernization loans	81	0	+ 4	- 2
Personal loans	426	+ 13	+12	+ 35
Business credit ^{1/}	1,451	+149	-45	-259
Retail automotive (commercial vehicles)	355	- 2	-13	- 88
Wholesale automotive	717	+163	-22	-116
Wholesale other than automotive	34	- 2	- 3	- 1
Other business credit	345	- 10	- 7	- 54

^{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	Dec. 1954	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>757</u>	<u>+ 97</u>	<u>+153</u>
Retail automotive (passenger cars)	<u>633</u>	<u>+ 78</u>	<u>+140</u>
New	392	+ 59	+111
Used	241	+ 19	+ 29
Other consumer goods paper	45	+ 8	+ 12
Repair and modernization loans	5	0	- 3
Personal loans	74	+ 11	+ 4
Business credit <u>1/</u>	<u>1,116</u>	<u>+362</u>	<u>+391</u>
Retail automotive paper (commercial vehicles)	<u>33</u>	<u>+ 3</u>	<u>0</u>
New	22	+ 1	0
Used	11	+ 2	0
Wholesale automotive paper	<u>983</u>	<u>+353</u>	<u>+386</u>
New (passenger and commercial)	936	+343	+387
Used (passenger and commercial)	47	+ 10	- 1
Wholesale other than automotive	15	+ 3	+ 4
Other business credit <u>1/</u>	85	+ 3	+ 1

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

Type of vehicle	Dec. 1954	Change from:	
		Month ago	Year ago
Total financed at retail	<u>469</u>	<u>+ 42</u>	<u>+ 59</u>
New passenger	190	+ 26	+ 38
Used passenger	249	+ 15	+ 22
New commercial	15	0	0
Used commercial	15	+ 1	- 1
Total financed at wholesale	<u>447</u>	<u>+152</u>	<u>+147</u>
New (passenger and commercial)	409	+146	+155
Used (passenger and commercial)	38	+ 6	- 8

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