

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

March 7, 1955

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SALES FINANCE COMPANIES

JANUARY 1955

Passenger car instalment paper held by sales finance companies increased further during January. Balances outstanding at the end of the month, estimated at 5,603 million dollars, were 40 million above the preceding month and 375 million above a year ago. Personal loans outstanding also increased, while other types of consumer credit outstanding decreased. Total consumer instalment credit held by sales finance companies amounted to an estimated 6,462 million dollars at the end of the month.

Extensions of credit on passenger automobiles during the month were 97 million dollars below December's unusually large volume, reflecting decreased financing of both new and used cars. The January total of 536 million dollars was, however, 157 million above the same month of last year. Sales finance companies financed approximately 159 thousand new cars and 209 thousand used cars during January.

Wholesale automotive paper outstanding increased 154 million dollars during the month as dealers continued to rebuild their stocks. Month-end balances amounted to an estimated 871 million dollars. Other wholesale paper also increased, while the other types of business credit declined.

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

Type of credit	Jan. 31, 1955	Increase or decrease during:		
		Jan. 1955	Jan. 1954	Year ended Jan. 31, 1955
Consumer instalment credit	6,462	+ 41	- 85	+400
Retail automotive (passenger cars)	5,603	+ 40	- 78	+375
Other consumer goods paper	350	- 1	- 8	- 9
Repair and modernization loans	79	- 2	+ 3	- 7
Personal loans	430	+ 4	- 2	+ 41
Business credit 1/	1,595	+114	+ 59	-174
Retail automotive (commercial vehicles)	345	- 10	- 37	- 61
Wholesale automotive	871	+154	+107	- 69
Wholesale other than automotive	39	+ 5	+ 1	+ 3
Other business credit	340	- 5	- 12	- 47

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

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

Type of credit	Jan. 1955	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>623</u>	<u>-134</u>	<u>+171</u>
Retail automotive (passenger cars)	<u>536</u>	<u>- 97</u>	<u>+157</u>
New	329	- 63	+120
Used	207	- 34	+ 37
Other consumer goods paper	29	- 16	+ 8
Repair and modernization loans	3	- 2	- 3
Personal loans	55	- 19	+ 9
Business credit <u>1/</u>	<u>1,084</u>	<u>- 32</u>	<u>+302</u>
Retail automotive paper (commercial vehicles)	<u>26</u>	<u>- 7</u>	<u>+ 2</u>
New	18	- 4	+ 3
Used	8	- 3	- 1
Wholesale automotive paper	<u>964</u>	<u>- 19</u>	<u>+308</u>
New (passenger and commercial)	918	- 18	+301
Used (passenger and commercial)	46	- 1	+ 7
Wholesale other than automotive	18	+ 3	+ 6
Other business credit <u>1/</u>	76	- 9	- 14

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

Type of vehicle	Jan. 1955	Change from:	
		Month ago	Year ago
Total financed at retail	<u>392</u>	<u>- 77</u>	<u>+ 74</u>
New passenger	159	- 31	+ 47
Used passenger	209	- 40	+ 26
New commercial	12	- 3	+ 1
Used commercial	12	- 3	0
Total financed at wholesale	<u>438</u>	<u>- 9</u>	<u>+138</u>
New (passenger and commercial)	399	- 10	+145
Used (passenger and commercial)	39	+ 1	- 7

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