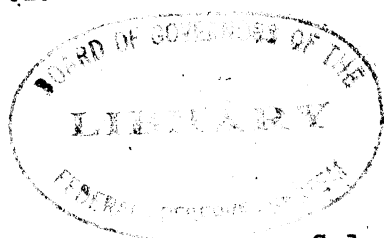


BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

August 3, 1955



SALES FINANCE COMPANIES

JUNE 1955

Sales finance company holdings of instalment paper on passenger automobiles continued the strong upward trend of recent months. Balances outstanding increased 345 million dollars during June to an estimated 6,857 million. Total consumer instalment credit held by sales finance companies amounted to an estimated 7,747 million dollars at the end of the month, 357 million above a month ago and 1,687 million above a year ago.

Credit extended on passenger cars during June, estimated at 952 million dollars, was 89 million above the previous record in April and reflected increased volume on both new and used cars. Compared with a year ago, extensions were up 301 million dollars, reflecting the much larger volume of sales. For new cars, a larger amount of credit extended on each car financed also contributed substantially to this year's higher volume.

Wholesale automotive paper outstanding decreased 96 million dollars during June, amounting to an estimated 1,288 million at the month end. Wholesale paper other than automotive also decreased, while other types of business credit increased.

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

Type of credit	June 30, 1955	Increase or decrease during:		
		June 1955	June 1954	Year ended June 30, 1955
Consumer instalment credit	<u>7,747</u>	<u>+357</u>	<u>+116</u>	<u>+1,687</u>
Retail automotive (passenger cars)	<u>6,857</u>	<u>+345</u>	<u>+113</u>	<u>+1,608</u>
Other consumer goods paper	361	+ 8	0	+ 30
Repair and modernization loans	78	+ 1	0	+ 5
Personal loans	451	+ 3	+ 3	+ 54
Business credit ^{1/}	<u>2,095</u>	<u>- 75</u>	<u>- 69</u>	<u>+ 357</u>
Retail automotive (commercial vehicles)	376	+ 19	+ 2	+ 5
Wholesale automotive	1,288	- 96	- 67	+ 333
Wholesale other than automotive	68	- 3	- 3	+ 22
Other business credit	363	+ 5	- 1	- 3

^{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	June 1955	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>1,066</u>	<u>+ 98</u>	<u>+319</u>
Retail automotive (passenger cars)	<u>952</u>	<u>+ 89</u>	<u>+301</u>
New	628	+ 65	+252
Used	324	+ 24	+ 49
Other consumer goods paper	43	+ 5	+ 7
Repair and modernization loans	6	0	+ 2
Personal loans	65	+ 4	+ 9
Business credit ^{1/}	<u>1,298</u>	<u>-173</u>	<u>+370</u>
Retail automotive (commercial vehicles)	<u>51</u>	<u>+ 9</u>	<u>+ 14</u>
New	37	+ 5	+ 12
Used	14	+ 4	+ 2
Wholesale automotive paper	<u>1,140</u>	<u>-168</u>	<u>+361</u>
New (passenger and commercial)	1,086	-163	+355
Used (passenger and commercial)	54	- 5	+ 6
Wholesale other than automotive	25	- 2	+ 9
Other business credit ^{1/}	82	- 12	- 14

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

Type of vehicle	June 1955	Change from:	
		Month ago	Year ago
Total financed at retail	<u>665</u>	<u>+ 60</u>	<u>+139</u>
New passenger	282	+ 26	+ 86
Used passenger	340	+ 25	+ 45
New commercial	22	+ 3	+ 5
Used commercial	21	+ 6	+ 3
Total financed at wholesale	<u>504</u>	<u>- 73</u>	<u>+121</u>
New (passenger and commercial)	461	- 69	+122
Used (passenger and commercial)	43	- 4	- 1

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