

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

September 2, 1955

SALES FINANCE COMPANIES

JULY 1955

Passenger car instalment paper held by sales finance companies increased further during July. Balances outstanding at the end of the month, estimated at 7,180 million dollars, were 323 million above the preceding month and 1,809 million above a year ago. Total consumer instalment credit held by sales finance companies amounted to an estimated 8,087 million dollars at the end of July, 340 million above a month ago and 1,898 million above a year earlier.

Credit extended on passenger cars during July was estimated at 876 million dollars, and represented the financing of 268 thousand new cars and 296 thousand used cars by sales finance companies. The dollar volume of financing was 76 million below June's record figure, but was 250 million above July a year ago.

Wholesale automotive paper outstanding amounted to an estimated 1,291 million dollars at the end of the month, about the same as a month ago. Wholesale paper other than automotive decreased, while other types of business credit increased.

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

Type of credit	July 30, 1955	Increase or decrease during:		
		July 1955	July 1954	Year ended July 30, 1955
Consumer instalment credit	8,087	+340	+129	+1,898
Retail automotive (passenger cars)	7,180	+323	+122	+1,809
Other consumer goods paper	372	+ 11	+ 4	+ 37
Repair and modernization loans	78	0	- 1	- 4
Personal loans	457	+ 6	+ 4	+ 56
Business credit 1/	2,102	+ 7	-106	+ 470
Retail automotive (commercial vehicles)	386	+ 10	- 10	+ 25
Wholesale automotive	1,291	+ 3	- 80	+ 416
Wholesale other than automotive	60	- 8	- 4	+ 18
Other business credit	365	+ 2	- 12	+ 11

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	July 1955	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>987</u>	- 79	+260
Retail automotive (passenger cars)	<u>876</u>	- 76	+250
New	593	- 35	+230
Used	283	- 41	+ 20
Other consumer goods paper	43	0	+ 4
Repair and modernization loans	6	0	+ 1
Personal loans	62	- 3	+ 5
Business credit ^{1/}	<u>1,230</u>	- 68	+410
Retail automotive (commercial vehicles)	<u>42</u>	- 9	+ 10
New	31	- 6	+ 10
Used	11	- 3	0
Wholesale automotive paper	<u>1,083</u>	- 57	+397
New (passenger and commercial)	<u>1,034</u>	- 52	+388
Used (passenger and commercial)	49	- 5	+ 9
Wholesale other than automotive	22	- 3	+ 4
Other business credit ^{1/}	83	+ 1	- 1

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

Type of vehicle	July 1955	Change from:	
		Month ago	Year ago
Total financed at retail	<u>601</u>	- 64	+112
New passenger	268	- 14	+ 85
Used passenger	296	- 44	+ 20
New commercial	20	- 2	+ 5
Used commercial	17	- 4	+ 2
Total financed at wholesale	<u>483</u>	- 21	+149
New (passenger and commercial)	<u>443</u>	- 18	+146
Used (passenger and commercial)	40	- 3	+ 3

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