

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

December 6, 1955

SALES FINANCE COMPANIES

OCTOBER 1955

Sales finance company holdings of instalment paper on passenger automobiles increased 93 million dollars during October to an estimated 7,822 million at the month end. The rise, less than the large mid-year increases, brought the total increase for the 12 months ending October 31 to 2,331 million dollars. Total consumer instalment credit held by sales finance companies amounted to an estimated 8,771 million dollars at the end of October.

The volume of credit extended on passenger automobiles in October, estimated at 755 million dollars, was 113 million below September, but 200 million above the year-ago volume. October's volume represented the financing of about 238 thousand new cars and 253 thousand used cars.

Wholesale automotive paper outstanding decreased slightly further during October. Balances outstanding at the end of the month were estimated at 895 million dollars, 63 million below a month ago and 414 above a year earlier. Other types of business credit showed slight increases during the month.

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

Type of credit	Oct. 31, 1955	Increase or decrease during:		
		Oct. 1955	Oct. 1954	Year ended Oct. 31, 1955
Consumer instalment credit	<u>8,771</u>	<u>+104</u>	<u>+ 21</u>	<u>+2,456</u>
Retail automotive (passenger cars)	7,822	+ 93	+ 17	+2,331
Other consumer goods paper	398	+ 6	+ 1	+ 61
Repair and modernization loans	82	+ 1	0	+ 1
Personal loans	469	+ 4	+ 3	+ 63
Business credit ^{1/}	<u>1,756</u>	<u>- 46</u>	<u>-232</u>	<u>+ 514</u>
Retail automotive (commercial vehicles)	420	+ 5	+ 1	+ 57
Wholesale automotive	895	- 63	-236	+ 414
Wholesale other than automotive	55	+ 1	+ 1	+ 16
Other business credit	386	+ 11	+ 2	+ 27

^{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	Oct. 1955	Change from:	
		Month ago	Year ago
Consumer instalment credit	869	-111	+220
Retail, automotive (passenger cars)	755	-113	+200
New	520	- 90	+176
Used	235	- 23	+ 24
Other consumer goods paper	42	0	+ 8
Repair and modernization loans	6	0	+ 1
Personal loans	66	+ 2	+ 11
Business credit <u>1/</u>	1,006	- 18	+453
Retail automotive (commercial vehicles)	43	- 6	+ 8
New	31	- 6	+ 7
Used	12	0	+ 1
Wholesale automotive paper	841	- 19	+432
New (passenger and commercial)	792	- 17	+414
Used (passenger and commercial)	49	- 2	+ 18
Wholesale other than automotive	21	- 3	+ 5
Other business credit <u>1/</u>	101	+ 10	+ 8

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

Type of vehicle	Oct. 1955	Change from:	
		Month ago	Year ago
Total financed at retail	526	- 71	+ 84
New passenger	238	- 43	+ 64
Used passenger	253	- 24	+ 18
New commercial	19	- 3	+ 3
Used commercial	16	- 1	- 1
Total financed at wholesale	364	- 27	+167
New (passenger and commercial)	324	- 24	+156
Used (passenger and commercial)	40	- 3	+ 11

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