

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

April 4, 1956

SALES FINANCE COMPANIES

FEBRUARY 1956

Sales finance company holdings of instalment paper on passenger cars increased \$24 million during February after showing no change during the preceding month. Balances at the end of the month amounted to an estimated \$7,963 million, \$2,254 million above a year earlier. Total consumer credit held by sales finance companies was estimated at \$8,964 million at the end of February.

The volume of credit extended on passenger cars increased \$21 million over January's volume to an estimated \$654 million in February, reflecting increases for both new and used cars. Compared with a year ago, volume was up \$53 million. February's volume represented the financing of about 180 thousand new cars and about 231 thousand used cars.

Wholesale automotive credit outstanding amounted to an estimated \$1,747 million at the end of February, \$83 million above a month ago and \$707 million above a year ago. Other types of business credit outstanding also increased during the month.

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

Type of credit	Feb. 29, 1956	Increase or decrease during:		
		Feb. 1956	Feb. 1955	Year ended Feb. 29, 1956
Consumer instalment credit	<u>8,964</u>	+ 28	+108	+2,394
Retail automotive (passenger cars)	7,963	+ 24	+106	+2,254
Other consumer goods paper	412	0	- 1	+ 63
Repair and modernization loans	83	- 1	- 1	+ 5
Personal loans	506	+ 5	+ 4	+ 72
Business credit ^{1/}	<u>2,674</u>	+110	+179	+ 900
Retail automotive (commercial vehicles)	437	+ 2	0	+ 92
Wholesale automotive	1,747	+ 83	+169	+ 707
Wholesale other than automotive	80	+ 14	+ 17	+ 24
Other business credit	410	+ 11	- 7	+ 77

^{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	Feb. 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	759	+ 23	+ 66
Retail automotive (passenger cars)	654	+ 21	+ 53
New	417	+ 5	+ 49
Used	237	+ 16	+ 4
Other consumer goods paper	35	0	+ 3
Repair and modernization loans	4	0	+ 1
Personal loans	66	+ 2	+ 9
Business credit <u>1/</u>	1,236	- 57	+ 75
Retail automotive (commercial vehicles)	33	- 4	+ 3
New	23	- 4	+ 3
Used	10	0	0
Wholesale automotive paper	1,072	- 62	+ 44
New (passenger and commercial)	1,019	- 63	+ 38
Used (passenger and commercial)	53	+ 1	+ 6
Wholesale other than automotive	34	+ 6	+ 3
Other business credit <u>1/</u>	97	+ 3	+ 25

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

Type of vehicle	Feb. 1956	Change from:	
		Month ago	Year ago
Total financed by retail	437	+ 10	- 3
New passenger	180	+ 1	+ 5
Used passenger	231	+ 12	- 7
New commercial	13	- 2	0
Used commercial	13	- 1	- 1
Total financed at wholesale	454	- 19	+ 2
New (passenger and commercial)	410	- 22	- 4
Used (passenger and commercial)	44	+ 3	+ 6

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