

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

MARCH 1956

Passenger car instalment paper held by sales finance companies increased \$63 million during March to an estimated \$8,026 million at the month end. This compares with an increase of \$236 million in March of last year and a decline of \$71 million in the same month of 1954. Balances at the end of this March were \$2,081 million above a year earlier. Total consumer credit held by sales finance companies was estimated at \$9,037 million at the end of the month.

Increased financing of both new and used cars in March brought total automobile credit extended to an estimated \$742 million during the month, \$88 million above February's volume. Compared with March of last year, however, volume was down \$84 million. This month's volume represented the financing of about 208 thousand new cars and about 260 thousand used cars.

Wholesale automotive paper outstanding declined \$19 million during March, the first decrease since the sharp rise in this type of paper began in November. Month-end balances amounted to \$1,728 million. Increases occurred in the other types of business credit.

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

Type of credit	Mar. 31, 1956	Increase or decrease during:		
		Mar. 1956	Mar. 1955	Year ended Mar. 31, 1956
Consumer instalment credit	<u>9,037</u>	+ 73	+238	+2,229
Retail automotive (passenger cars)	8,026	+ 63	+236	+2,081
Other consumer goods paper	412	0	- 1	+ 64
Repair and modernization loans	82	- 1	- 2	+ 6
Personal loans	517	+ 11	+ 5	+ 78
Business credit <u>1/</u>	<u>2,679</u>	+ 5	+151	+ 754
Retail automotive (commercial vehicles)	440	+ 3	- 6	+ 101
Wholesale automotive	1,728	- 19	+139	+ 549
Wholesale other than automotive	88	+ 8	+ 11	+ 21
Other business credit	423	+ 13	+ 7	+ 83

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	Mar. 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>869</u>	+110	- 65
Retail automotive (passenger cars)	<u>742</u>	+ 88	- 84
New	481	+ 64	- 42
Used	261	+ 24	- 42
Other consumer goods paper	39	+ 4	+ 4
Repair and modernization loans	4	0	- 1
Personal loans	84	+ 18	+ 16
Business credit <u>1/</u>	<u>1,255</u>	+ 19	-166
Retail automotive (commercial vehicles)	<u>39</u>	+ 6	+ 5
New	28	+ 5	+ 5
Used	11	+ 1	0
Wholesale automotive paper	<u>1,077</u>	+ 5	-195
New (passenger and commercial)	1,019	0	-189
Used (passenger and commercial)	58	+ 5	- 6
Wholesale other than automotive	32	- 2	+ 2
Other business credit <u>1/</u>	107	+ 10	+ 22

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

Type of vehicle	Mar. 1956	Change from:	
		Month ago	Year ago
Total financed by retail	<u>498</u>	+ 61	- 88
New passenger	208	+ 28	- 36
Used passenger	260	+ 29	- 52
New commercial	15	+ 2	+ 1
Used commercial	15	+ 2	- 1
Total financed at wholesale	<u>457</u>	+ 3	-109
New (passenger and commercial)	409	- 1	-102
Used (passenger and commercial)	48	+ 4	- 7

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