

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

July 10, 1956

SALES FINANCE COMPANIES

MAY 1956

Passenger car instalment paper held by sales finance companies increased \$72 million during May to an estimated \$8,146 million at the month end. This compares with increases of \$305 million and \$47 million in May 1955 and 1954 respectively. Total consumer instalment credit held by sales finance companies amounted to an estimated \$9,170 million at the end of the month.

The volume of credit extended on passenger automobiles increased from April to May, reflecting increases for both new and used cars, but continued below a year ago. Credit extended during the month, estimated at \$763 million, was \$66 million above April's volume and \$100 million less than May of last year. This month's volume represented the financing of about 210 thousand new cars and 266 thousand used cars.

Wholesale automotive paper outstanding declined \$121 million during May to an estimated \$1,588 million at the end of the month. A decline also occurred in other wholesale paper outstanding, while other types of business credit increased.

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

Type of credit	May 31, 1956	Increase or decrease during:		
		May 1956	May 1955	Year ended May 31, 1956
Consumer instalment credit	9,170	+ 77	+ 313	+1,780
Retail automotive (passenger cars)	8,146	+ 72	+ 305	+1,634
Other consumer goods paper	411	- 1	+ 5	+ 58
Repair and modernization loans	81	- 1	+ 1	+ 4
Personal loans	532	+ 7	+ 2	+ 84
Business credit <sup>1/</sup>	2,603	- 90	+ 131	+ 433
Retail automotive (commercial vehicles)	465	+ 13	+ 10	+ 108
Wholesale automotive	1,588	-121	+109	+ 204
Wholesale other than automotive	89	- 3	+ 1	+ 18
Other business credit	461	+ 21	+ 11	+ 103

<sup>1/</sup> 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	May 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	883	+ 70	- 85
Retail automotive (passenger cars)	763	+ 66	-100
New	491	+ 42	- 72
Used	272	+ 24	- 28
Other consumer goods paper	43	+ 7	+ 5
Repair and modernization loans	5	0	- 1
Personal loans	72	- 3	+ 11
Business credit <sup>1/</sup>	1,146	- 53	-325
Retail automotive (commercial vehicles)	47	+ 7	+ 5
New	34	+ 5	+ 2
Used	13	+ 2	+ 3
Wholesale automotive paper	946	- 68	-362
New (passenger and commercial)	887	- 71	-362
Used (passenger and commercial)	59	+ 3	0
Wholesale other than automotive	29	- 2	+ 2
Other business credit <sup>1/</sup>	124	+ 10	+ 30

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

Type of vehicle	May 1956	Change from:	
		Month ago	Year ago
Total financed by retail	510	+ 40	- 95
New passenger	210	+ 14	- 46
Used passenger	266	+ 22	- 49
New commercial	17	+ 2	- 2
Used commercial	17	+ 2	+ 2
Total financed at wholesale	408	- 27	-169
New (passenger and commercial)	361	- 29	-169
Used (passenger and commercial)	47	+ 2	0

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