

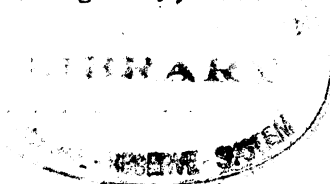
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

August 9, 1956

SALES FINANCE COMPANIES

JUNE 1956



Sales finance company holdings of instalment paper on passenger automobiles continued upward during June, increasing \$114 million to an estimated \$8,260 million at the month-end. This rise compares with increase of \$345 million and \$113 million in the same month of 1955 and 1954, respectively. Total consumer instalment credit held by sales finance companies at the end of June 1956 amounted to an estimated \$9,298 million.

The volume of credit extended on passenger cars during June was slightly above the preceding month, reflecting a rise in new car volume. The volume of used car financing decreased somewhat from May to June. Compared with a year ago, credit extended on new and used passenger cars was down \$183 million. During June, sales finance companies financed an estimated 214 thousand new cars and 252 thousand used cars.

Wholesale automotive paper outstanding continued to decline during June as dealer stocks were further reduced. Month-end balances amounted to an estimated \$1,413 million, \$175 million below the May level. Other wholesale paper outstanding also declined during the month, while other types of business credit increased.

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

Type of credit	June 30, 1956	Increase or decrease during:		
		June 1956	June 1955	Year ended June 30, 1956
Consumer instalment credit	9,298	+128	+357	+1,551
Retail automotive (passenger cars)	8,260	+114	+345	+1,403
Other consumer goods paper	418	+ 7	+ 8	+ 57
Repair and modernization loans	81	0	+ 1	+ 3
Personal loans	539	+ 7	+ 3	+ 88
Business credit <sup>1/</sup>	2,438	-165	- 75	+ 343
Retail automotive (commercial vehicles)	472	+ 7	+ 19	+ 96
Wholesale automotive	1,413	-175	- 96	+ 125
Wholesale other than automotive	82	- 7	- 3	+ 14
Other business credit	471	+ 10	+ 5	+ 108

<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	June 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	893	+ 10	-173
Retail automotive (passenger cars)	769	+ 6	-183
New	505	+ 14	-123
Used	264	- 8	- 60
Other consumer goods paper	43	0	0
Repair and modernization loans	5	0	- 1
Personal loans	76	+ 4	+ 11
Business credit <sup>1/</sup>	1,020	-126	-278
Retail automotive (commercial vehicles)	40	- 7	- 11
New	30	- 4	- 7
Used	10	- 3	- 4
Wholesale automotive paper	835	-111	-305
New (passenger and commercial)	782	-105	-304
Used (passenger and commercial)	53	- 6	- 1
Wholesale other than automotive	27	- 2	+ 2
Other business credit <sup>1/</sup>	118	- 6	+ 36

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

Type of vehicle	June 1956	Change from:	
		Month ago	Year ago
Total financed by retail	494	- 16	-171
New passenger	214	+ 4	- 68
Used passenger	252	- 14	- 88
New commercial	15	- 2	- 7
Used commercial	13	- 4	- 8
Total financed at wholesale	360	- 48	-144
New (passenger and commercial)	320	- 41	-141
Used (passenger and commercial)	40	- 7	- 3

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