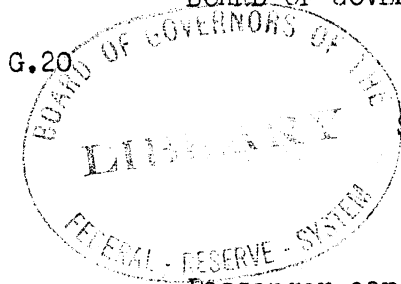


BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

September 6, 1956



SALES FINANCE COMPANIES

JULY 1956

Passenger car instalment paper held by sales finance companies continued upward during July, increasing \$75 million to an estimated \$8,335 million at the month-end. This rise compares with increases of \$323 million and \$122 million in the same month of 1955 and 1954, respectively. Total consumer instalment credit held by sales finance companies at the end of July 1956 amounted to an estimated \$9,385 million.

The volume of credit extended on passenger cars decreased from June to July, reflecting decreases for both new and used cars. The volume during July, estimated at \$731 million, was \$38 million below June and \$145 million less than July of last year. This month's volume represented the financing at retail of approximately 206 thousand new passenger cars and 232 thousand used passenger cars, a decline in each instance from the number financed in June.

Wholesale automotive paper outstanding continued the decline begun in March of this year and dropped \$457 million from the February level to an estimated \$1290 million at the end of this month. Other wholesale paper 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	July 31, 1956	Increase or decrease during:		
		July 1956	July 1955	Year ended July 31, 1956
Consumer instalment credit	9,385	+ 87	+340	+1,298
Retail automotive (passenger cars)	8,335	+ 75	+323	+1,155
Other consumer goods paper	422	+ 4	+ 11	+ 50
Repair and modernization loans	80	- 11	0	+ 2
Personal loans	548	+ 9	+ 6	+ 91
Business credit ^{1/}	2,316	-122	+ 7	+ 214
Retail automotive (commercial vehicles)	466	- 6	+ 10	+ 80
Wholesale automotive	1,290	-123	+ 3	- 1
Wholesale other than automotive	78	- 4	- 8	+ 18
Other business credit	482	+ 11	+ 2	+ 117

^{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	July 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	860	-33	-127
Retail automotive (passenger cars)	<u>731</u>	<u>-38</u>	<u>-145</u>
New	487	-18	-106
Used	244	-20	-39
Other consumer goods paper	43	0	0
Repair and modernization loans	5	0	-1
Personal loans	81	+5	+19
Business credit ^{1/}	<u>1,025</u>	<u>+5</u>	<u>-205</u>
Retail automotive (commercial vehicles)	<u>38</u>	<u>-2</u>	<u>-4</u>
New	28	-2	-3
Used	10	0	-1
Wholesale automotive paper	<u>846</u>	<u>+11</u>	<u>-237</u>
New (passenger and commercial)	794	+12	-240
Used (passenger and commercial)	52	-1	+3
Wholesale other than automotive	<u>131</u>	<u>+4</u>	<u>+9</u>
Other business credit ^{1/}	110	-8	+27

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

Type of vehicle	July 1956	Change from:	
		Month ago	Year ago
Total financed by retail	<u>465</u>	<u>-29</u>	<u>-136</u>
New passenger	206	-8	-62
Used passenger	232	-20	-64
New commercial	14	-1	-6
Used commercial	13	0	-4
Total financed at wholesale	<u>364</u>	<u>+4</u>	<u>-119</u>
New (passenger and commercial)	323	+3	-120
Used (passenger and commercial)	41	+1	+1

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