BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

BOARD OF GOVERNORS LIBRARY FEDERAL RESERVE SYSTEM

G.20

October 5, 1956

SALES FINANCE COMPANIES

August 1956

Passenger car instalment paper held by sales finance companies increased $92 million during August to an estimated $8,427 million at the month end. This compares with increases of $316 million and $65 million in the same month of 1955 and 1954, respectively. Total consumer instalment credit held by these companies amounted to an estimated $9,495 million at the end of the month.

The volume of credit extended on passenger automobiles increased from July to August, reflecting increases for both new and used cars. The volume during August, estimated at $784 million, was $53 million above July and $177 million less than August of last year. This month's volume represented the financing at retail of approximately 221 thousand new passenger cars and 246 thousand used passenger cars, an increase in each instance over the number financed in July.

Wholesale automotive paper outstanding declined $107 million during August to an estimated $1183 million at the end of the month. Other wholesale paper remained unchanged during the month while other types of business credit increased.

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

Type of credit	August 31, 1956	Increase or decrease during: Aug. 1956	Aug. 1955	Year ended August 31, 1956
Consumer instalment credit	9,495	+110	+ 335	+ 1,073
Retail automotive (passenger cars)	8,427	+ 92	+ 316	+ 931
Other consumer goods paper	427	+ 5	+ 12	+ 43
Repair and modernization loans	80	0	+ 2	0
Personal loans	561	+ 13	+ 5	+ 99
Business credit1/	2,244	-72	-55	+ 197
Retail automotive (commercial vehicles)	472	+ 6	+ 17	+ 69
Wholesale automotive	1,183	-107	-68	-40
Wholesale other than automotive	78	0	-7	+ 25
Other business credit	511	+ 29	+ 3	+ 143

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

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Credit Extended by Sales Finance Companies
(In millions of dollars)

Type of credit	August 1956	Change from: Month ago	Year ago
Consumer instalment credit	917	+ 57	-169
Retail automotive (passenger cars)	784	+ 53	-177
New	524	+ 37	-150
Used	260	+ 16	- 27
Other consumer goods paper	43	0	- 6
Repair and modernization loans	5	0	- 2
Personal loans	85	+ 4	+ 16
Business credit 1/	1,129	+104	-236
Retail automotive (commercial vehicles)	43	+ 5	- 10
New	31	+ 3	- 9
Used	12	+ 2	- 1
Wholesale automotive paper	919	+ 73	-292
New (passenger and commercial)	867	+ 73	-293
Used (passenger and commercial)	52	0	+ 1
Wholesale other than automotive	35	+ 4	+ 10
Other business credit 1/	132	+ 22	+ 56

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

Type of vehicle	August 1956	Change from: Month ago	Year ago
Total financed by retail	498	+33	-155
New passenger	221	+15	- 84
Used passenger	246	+14	- 60
New commercial	16	+ 2	- 7
Used commercial	15	+ 2	- 4
Total financed at wholesale	393	+29	-144
New (passenger and commercial)	353	+30	-142
Used (passenger and commercial)	40	- 1	- 2

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

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