

*Miss Burgess*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES\*

September 1956

Sales finance company holdings of instalment paper on passenger cars increased \$22 million to an estimated \$7,366 million. This compares with increases of \$203 million and \$29 million in the same month of 1955 and 1954 respectively. Total consumer instalment credit held by sales finance companies at the end of September 1956 amounted to an estimated \$8,989 million.

Credit extended on passenger automobiles decreased from August to September, reflecting decreases for both new and used cars. The volume during September, estimated at \$555 million, was \$128 million below August and \$203 million less than September of last year. This month's volume represented the financing at retail of approximately 155 new passenger cars and 187 used passenger cars, a decline in each instance from the number financed in August.

Wholesale automotive paper outstanding declined \$255 million during September to an estimated \$825 million at the end of the month. Other wholesale paper declined slightly while other types of business credit increased.

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

Type of credit	September 31, 1956	Increase or decrease during:		
		Sept. 1956	Sept. 1955	Year Ended September 31, 1956
Consumer instalment credit	8,989	+ 36	+226	+ 821
Retail automotive (passenger cars)	7,366	+ 22	+203	+630
Other consumer goods paper	1,071	+ 10	+ 20	+ 97
Repair and modernization loans	23	- 1	0	- 1
Personal loans	529	+ 5	+ 3	+ 95
Business credit <sup>1/</sup>	2,066	-234	-218	+222
Retail automotive (commercial vehicles)	561	- 6	+ 15	+ 62
Wholesale automotive	825	-255	-242	- 50
Wholesale other than automotive	107	- 2	+ 1	+ 32
Other business credit	573	+29	+ 8	+178

\*Revised data, not comparable with that previously published. Back figures may be obtained by writing to the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington 25, D. C.

<sup>1/</sup>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	September 1956	Change from:	
		Month Ago	Year Ago
Consumer instalment credit	722	-149	-202
Retail automotive (passenger cars)	555	-128	-203
New	366	-91	-158
Used	189	-37	-45
Other consumer goods paper	97	-9	-8
Repair and modernization loans	1	-1	-1
Personal loans	69	-11	+10
Business credit <sup>1/</sup>	680	-402	-300
Retail automotive (commercial vehicles)	46	-5	-14
New	32	-5	-13
Used	14	0	-1
Wholesale automotive paper	466	-373	-320
New (passenger and commercial)	418	-373	-322
Used (passenger and commercial)	48	0	+2
Wholesale other than automotive	38	-11	+4
Other business credit <sup>1/</sup>	130	-13	+30

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

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

Type of vehicle	September 1956	Change from:	
		Month ago	Year ago
Total financed by retail	372	- 75	-173
New passenger	155	- 32	- 80
Used passenger	187	- 40	- 79
New commercial	14	- 2	- 10
Used commercial	16	- 1	- 4
Total financed at wholesale	228	-169	-164
New (passenger and commercial)	187	-170	-163
Used (passenger and commercial)	41	+ 1	- 1

Credit Sales of New Passenger Cars as a Per Cent  
of Total Number Sold at Retail 1/

Credit Sales	Per Cent
1956 - September	82
August	76
1955 - September	67

1/ This table is presented here for the first time and will continue to be included in subsequent releases. Data for prior months may be obtained by writing to the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington 25, D. C.