

## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

December 4, 1956.

## SALES FINANCE COMPANIES

October 1956

Passenger car instalment paper held by sales finance companies, estimated at \$7,333 million on October 31, showed a monthly decline for the first time since November 1954. The decline in October of \$33 million compares with increases of \$81 million and \$12 million in the same month of 1955 and 1954 respectively. Total consumer instalment credit held by sales finance companies at the end of October 1956 amounted to an estimated \$8,973 million, a decrease of \$16 million during the month.

Credit extended on passenger automobiles increased from September to October, reflecting increases for both new and used cars. The volume during October, estimated at \$632 million, was \$77 million above September but \$28 million below October of last year. This month's volume represented the financing at retail of approximately 172 thousand new passenger cars and 215 thousand used passenger cars, an increase in each instance from the number financed in September.

Wholesale automotive paper outstanding declined \$185 million during October to an estimated \$640 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	October 31, 1956	Increase or decrease during:		
		Oct. 1956	Oct. 1955	Year Ended October 31, 1956
Consumer instalment credit	8,973	- 16	+100	+705
Retail automotive (passenger cars)	7,333	- 33	+ 81	+516
Other consumer goods paper	1,083	+ 12	+ 15	+ 94
Repair and modernization loans	24	+ 1	0	0
Personal loans	533	+ 4	+ 4	+ 95
Business credit <sup>1/</sup>	1,884	-182	- 39	+ 79
Retail automotive (commercial vehicles)	562	+ 1	+ 6	+ 57
Wholesale automotive	640	-185	- 58	-177
Wholesale other than automotive	105	- 2	+ 2	+ 28
Other business credit	577	+ 4	+ 11	+171

<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	October 1956	Change from:	
		Month ago	Year ago
Total financed by retail	420	+43	- 60
New passenger	172	+17	- 28
Used passenger	215	+28	- 26
New commercial	15	+ 1	- 5
Used commercial	18	+ 2	- 1
Total financed at wholesale	260	+32	-104
New (passenger and commercial)	224	+37	-101
Used (passenger and commercial)	36	- 5	- 3

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

Credit Sales	Per Cent
1956 - October	80
September	82
1955 - October	76

1/ Based on new car instalment contracts acquired by banks, sales finance companies, other financial institutions, and automobile dealers. 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.