

Miss Burgess

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

November 1956

Sales finance company holdings of passenger automobile instalment paper declined seasonally during November to an estimated \$7,305 million at the month-end. The decline of \$28 million compares with an increase of \$33 million and a decrease of \$4 million in the same month of 1955 and 1954 respectively. Total consumer instalment credit held by sales finance companies at the end of November 1956 amounted to an estimated \$8,963 million, a decrease of \$10 million during the month.

Credit extended on passenger automobiles decreased \$48 million from October's volume, reflecting decreases for both new and used cars. This month's volume represented the financing at retail of approximately 151 thousand new passenger cars and 194 thousand used cars, a decrease in each instance from the number financed in October.

Wholesale automotive paper outstanding increased during November, for the first time since February of this year, to an estimated \$782 million. All other types of business credit declined slightly.

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

Type of credit	November 30, 1956	Increase or decrease during:		
		Nov. 1956	Nov. 1955	Year Ended November 30, 1956
Consumer instalment credit	8,963	- 10	+ 54	+641
Retail automotive (passenger cars)	7,305	- 28	+ 33	+455
Other consumer goods paper	1,090	+ 7	+ 12	+ 89
Repair and modernization loans	24	0	0	0
Personal loans	544	+ 11	+ 9	+ 97
Business credit ^{1/}	2,018	+134	+352	-139
Retail automotive (commercial vehicles)	559	- 3	+ 13	+ 41
Wholesale automotive	782	+142	+330	-365
Wholesale other than automotive	102	- 3	+ 1	+ 24
Other business credit	575	- 2	+ 8	+161

^{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	November 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	769	- 52	- 22
Retail automotive (passenger cars)	<u>584</u>	<u>- 48</u>	<u>- 35</u>
New	376	- 36	- 34
Used	208	- 12	- 1
Other consumer goods paper	102	- 9	0
Repair and modernization loans	1	- 2	0
Personal loans	82	+ 7	+ 13
Business credit ^{1/}	1,102	+ 332	- 294
Retail automotive (commercial vehicles)	<u>48</u>	<u>- 2</u>	<u>0</u>
New	33	- 1	- 3
Used	15	- 1	+ 3
Wholesale automotive paper	892	+ 358	- 318
New (passenger and commercial)	<u>847</u>	<u>+ 355</u>	<u>- 313</u>
Used (passenger and commercial)	45	+ 3	- 5
Wholesale other than automotive	38	- 4	+ 7
Other business credit ^{1/}	124	- 20	+ 17

^{1/}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	November 1956	Change from:	
		Month ago	Year ago
Total financed by retail	377	- 43	- 64
New passenger	151	- 21	- 25
Used passenger	194	- 21	- 35
New commercial	15	0	- 4
Used commercial	17	- 1	0
Total financed at wholesale	405	+145	-150
New (passenger and commercial)	367	+143	-148
Used (passenger and commercial)	38	+ 2	- 2

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

Credit Sales	Per Cent
1956 - November	65
October	80
1955 - November	65

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.