

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

February 6, 1957

SALES FINANCE COMPANIES

December 1956

Sales finance company holdings of passenger automobile instalment paper declined during December to an estimated \$7,283 million at the month-end. The decline of \$22 million compares with December increases of \$69 million and \$59 million in 1955 and 1954 respectively. Total consumer instalment credit held by sales finance companies at the end of December 1956 amounted to an estimated \$9,100 million. This was an increase of \$657 million for the year as a whole as compared with an increase of \$2,299 million for 1955.

Credit extended on passenger automobiles decreased \$36 million from November's volume, reflecting decreases for both new and used cars. This month's volume represented the financing at retail of approximately 139 thousand new passenger cars and 178 used passenger cars.

Wholesale automotive paper outstanding increased during December by \$300 million to an estimated \$1,082 million at the end of the month. All other types of business credit changed slightly.

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

Type of credit	December 31, 1956	Increase or decrease during:		
		December 31, 1956	December 31, 1955	Year Ended December 31, 1956
Consumer instalment credit	<u>9,100</u>	<u>r/+ 25</u>	<u>+121</u>	<u>+657</u>
Retail automotive (passenger cars)	7,283	- 22	+ 69	+364
Other consumer goods paper	1,227	<u>r/+ 25</u>	+ 33	+193
Repair and modernization loans	23	- 1	+ 1	- 2
Personal loans	567	+ 23	+ 18	+102
Business credit <u>1/</u>	<u>2,306</u>	<u>+288</u>	<u>+265</u>	<u>-116</u>
Retail automotive (commercial vehicles)	549	- 10	+ 5	+ 26
Wholesale automotive	1,082	+300	+251	-316
Wholesale other than automotive	105	+ 3	+ 6	+ 21
Other business credit	570	- 5	+ 3	+153

1/ Excludes some credit extended to business, such as that extended by factoring subsidiaries.

1/ November 1956 data revised.

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

Type of credit	December 1956	Change from:	
		Month ago	Year ago
Consumer instalment credit	785	r/- 96	- 53
Retail automotive (passenger cars)	548	- 36	- 83
New	353	- 23	- 72
Used	195	- 13	- 11
Other consumer goods paper	133	r/- 81	+ 13
Repair and modernization loans	1	0	- 1
Personal loans	103	+ 21	+ 18
Business credit <u>1/</u>	1,309	+207	-111
Retail automotive (commercial vehicles)	41	- 7	- 9
New	27	- 6	- 9
Used	14	- 1	0
Wholesale automotive paper	1,107	+215	-129
New (passenger and commercial)	1,058	+211	-127
Used (passenger and commercial)	49	+ 4	- 2
Wholesale other than automotive	47	+ 9	+ 7
Other business credit <u>1/</u>	114	- 10	+ 20

1/Excludes some credit extended to business, such as that extended by factoring subsidiaries.

r/November 1956 data revised.

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

Type of vehicle	December 1956	Change from:	
		Month ago	Year ago
Total financed by retail	343	-34	-86
New passenger	139	-12	-43
Used passenger	178	-16	-33
New commercial	12	- 3	- 6
Used commercial	14	- 3	- 4
Total financed at wholesale	481	+76	-79
New (passenger and commercial)	438	+71	-82
Used (passenger and commercial)	43	+ 5	+ 3

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

Credit Sales	Per Cent
1956 - December	59
November	65
1955 - December	62

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.