

Miss Burgess

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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SALES FINANCE COMPANIES

January 1957

Passenger car instalment paper held by sales finance companies declined \$61 million during January to an estimated \$7,222 million. This compares with no change during January 1956 and an increase of \$32 million during the same month of 1955. Total consumer instalment credit held by sales finance companies at the end of January 1957 amounted to an estimated \$9,077 million, reflecting a decline of \$23 million from the previous month.

Credit extended on passenger automobiles increased \$14 million over December's volume, reflecting a rise in used car volume and a decline in new car volume. This month's volume represented the financing at retail of approximately 135 thousand new passenger cars and 201 thousand used passenger cars.

Wholesale automotive paper outstanding increased during January by \$154 million to an estimated \$1,236 at the end of the month. An increase of \$16 million in other wholesale paper was offset by a decline in other types of business credit.

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

| Type of credit | January 31, 1957 | Increase or decrease during: | | |
|---|---------------------|------------------------------|--------------|--------------------------------|
| | | Jan. 1957 | Jan. 1956 | Year Ended January 31, 1957 |
| Consumer instalment credit | <u>9,077</u> | <u>- 23</u> | <u>- 7</u> | <u>+634</u> |
| Retail automotive (passenger cars) | 7,222 | - 61 | 0 | +303 |
| Other consumer goods paper | 1,261 | + 34 | - 10 | +227 |
| Repair and modernization loans | 23 | 0 | 0 | - 2 |
| Personal loans | 571 | + 4 | + 3 | +106 |
| Business credit <u>1/</u> | <u>2,460</u> | <u>+154</u> | <u>+132</u> | <u>- 94</u> |
| Retail automotive (commercial vehicles) | 540 | - 9 | 0 | + 17 |
| Wholesale automotive | 1,236 | +154 | +121 | -283 |
| Wholesale other than automotive | 121 | + 16 | + 8 | + 29 |
| Other business credit | 563 | - 7 | + 3 | +143 |

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

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

| Type of credit | January 1957 | Change from: | |
|---|-----------------|--------------|-------------|
| | | Month ago | Year ago |
| Consumer instalment credit | 785 | 0 | + 81 |
| Retail automotive (passenger cars) | 562 | +14 | + 8 |
| New | 343 | -10 | - 15 |
| Used | 219 | +24 | + 23 |
| Other consumer goods paper | 149 | +16 | + 61 |
| Repair and modernization loans | 2 | + 1 | 0 |
| Personal loans | 72 | -31 | + 12 |
| Business credit <u>1/</u> | 1,343 | +34 | +122 |
| Retail automotive (commercial vehicles) | 42 | + 1 | - 2 |
| New | 28 | + 1 | - 4 |
| Used | 14 | 0 | + 2 |
| Wholesale automotive paper | 1,138 | +31 | +103 |
| New (passenger and commercial) | 1,082 | +24 | + 95 |
| Used (passenger and commercial) | 56 | + 7 | + 8 |
| Wholesale other than automotive | 54 | + 7 | + 15 |
| Other business credit <u>1/</u> | 109 | - 5 | + 6 |

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

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

| Type of vehicle | January 1957 | Change from: | |
|---------------------------------|-----------------|--------------|------------------|
| | | Month ago | Year ago |
| Total financed by retail | <u>364</u> | +21 | -2 $\frac{1}{2}$ |
| New passenger | <u>135</u> | -4 | -16 |
| Used passenger | 201 | +23 | -5 |
| New commercial | 13 | +1 | -3 |
| Used commercial | 15 | +1 | 0 |
| Total financed at wholesale | <u>484</u> | +3 | +7 |
| New (passenger and commercial) | <u>439</u> | +1 | +4 |
| Used (passenger and commercial) | 45 | +2 | +3 |

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

| Credit Sales | <u>Per Cent</u> |
|-----------------|-----------------|
| 1957 - January | 59 |
| 1956 - December | 59 |
| January | 64 |

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.