

Miss Burgess

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

April 3, 1957

SALES FINANCE COMPANIES

February 1957

Passenger car instalment paper held by sales finance companies declined \$32 million during February to an estimated \$7,190 at the end of the month. This compares with February increases of \$21 million in 1956 and \$89 million in 1955. Total consumer instalment credit held by sales finance companies at the end of February 1957 amounted to an estimated \$9,035 million, a decline of \$42 million from the previous month.

Credit extended on passenger automobiles decreased \$39 million from January's volume, reflecting decreases in both new and used car volume. This month's volume represented the financing at retail of approximately 122 thousand new passenger cars and 191 thousand used passenger cars.

Wholesale automotive paper outstanding increased during February by \$209 million to an estimated \$1,445 million at the end of the month. All other types of business credit showed a net increase of \$15 million.

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

Type of credit	February 28, 1957	Increase or decrease during:		
		Feb. 1957	Feb. 1956	Year Ended February 28, 1957
Consumer instalment credit	9,035	- 42	+ 24	+575
Retail automotive (passenger cars)	7,190	- 32	+ 21	+250
Other consumer goods paper	1,247	- 14	0	+223
Repair and modernization loans	23	0	- 1	- 1
Personal loans	575	+ 4	+ 4	+103
Business credit ^{1/}	2,688	+228	+110	+ 24
Retail automotive (commercial vehicles)	532	- 8	+ 2	+ 7
Wholesale automotive	1,445	+209	+ 76	-150
Wholesale other than automotive	143	+ 22	+ 20	+ 31
Other business credit	568	+ 5	+ 12	+136

^{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	February 1957	Change from:	
		Month ago	Year ago
Consumer instalment credit	691	-94	- 26
Retail automotive (passenger cars)	523	-39	- 45
New	314	-29	- 46
Used	209	-10	+ 1
Other consumer goods paper	96	-53	+ 9
Repair and modernization loans	3	+ 1	+ 2
Personal loans	69	- 3	+ 8
Business credit ^{1/}	1,299	-44	+128
Retail automotive (commercial vehicles)	42	0	+ 3
New	28	0	+ 1
Used	14	0	+ 2
Wholesale automotive paper	1,091	-47	+113
New (passenger and commercial)	1,042	-40	+112
Used (passenger and commercial)	49	- 7	+ 1
Wholesale other than automotive	57	+ 3	+ 9
Other business credit ^{1/}	109	0	+ 3

^{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	February 1957	Change from:	
		Month ago	Year ago
Total financed by retail	<u>341</u>	<u>-23</u>	<u>-56</u>
New passenger	<u>122</u>	<u>-13</u>	<u>-29</u>
Used passenger	191	-10	-25
New commercial	13	0	- 1
Used commercial	15	0	- 1
Total financed at wholesale	<u>462</u>	<u>-22</u>	<u>+ 5</u>
New (passenger and commercial)	<u>422</u>	<u>-17</u>	<u>+ 8</u>
Used (passenger and commercial)	40	- 5	- 3

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

Credit Sales	Per Cent
1957 - February	<u>58</u>
January	59
1956 - February	61

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.