

Miss Burgess

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

July 3, 1957

SALES FINANCE COMPANIES

May 1957

Holdings of retail passenger car instalment paper at sales finance companies increased by \$60 million to an estimated \$7,272 million at the end of May. This compares with May increases of \$62 million in 1956 and \$262 million in 1955. Total consumer instalment credit held by sales finance companies at the end of May 1957 amounted to an estimated \$9,176 million, an increase of \$72 million during the month.

Credit extended on passenger automobiles at retail in May was \$46 million above April, reflecting increases in both new and used car volume. In May approximately 158 thousand new cars and 246 thousand used cars were financed at retail.

Wholesale automotive paper outstanding increased \$7 million during May to an estimated \$1,624 million, \$174 million above the year-ago level. All other types of business credit showed a net increase during the month of \$26 million.

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

Type of credit	May 31, 1957	Increase or decrease during:		
		May 1957	May 1956	Year Ended May 31, 1957
Consumer instalment credit	<u>9,176</u>	<u>+72</u>	<u>+66</u>	<u>+535</u>
Retail automotive (passenger cars)	7,272	+60	+62	+173
Other consumer goods paper	1,285	+ 6	- 3	+264
Repair and modernization loans	22	0	0	- 2
Personal loans	597	+ 6	+ 7	+100
Business credit <u>1/</u>	<u>2,930</u>	<u>+33</u>	<u>-76</u>	<u>+308</u>
Retail automotive (commercial vehicles)	537	+ 6	+16	- 22
Wholesale automotive	1,624	+ 7	-110	+174
Wholesale other than automotive	153	- 6	- 5	+ 29
Other business credit	616	+26	+23	+127

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	May 1957	Change from:	
		Month ago	Year ago
Consumer instalment credit	886	+31	+ 44
Retail automotive (passenger cars)	<u>678</u>	<u>+46</u>	<u>+ 11</u>
New	408	+19	- 21
Used	270	+27	+ 32
Other consumer goods paper	125	-10	+ 19
Repair and modernization loans	2	+ 1	0
Personal loans	81	- 6	+ 14
Business credit <u>1/</u>	<u>1,294</u>	<u>- 3</u>	<u>+199</u>
Retail automotive (commercial vehicles)	<u>53</u>	<u>+ 4</u>	<u>- 4</u>
New	36	+ 3	- 5
Used	17	+ 1	+ 1
Wholesale automotive paper	<u>1,053</u>	<u>-34</u>	<u>+190</u>
New (passenger and commercial)	992	-38	+183
Used (passenger and commercial)	61	+ 4	+ 7
Wholesale other than automotive	41	- 6	+ 1
Other business credit <u>1/</u>	147	+33	+ 12

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)

	May 1957	Change from:	
		Month ago	Year ago
Total financed by retail	437	+32	-25
New passenger	158	+ 6	-20
Used passenger	246	+24	- 1
New commercial	15	+ 1	- 3
Used commercial	18	+ 1	- 1
Total financed at wholesale	457	-11	+114
New (passenger and commercial)	408	-14	+43
Used (passenger and commercial)	49	+ 3	+ 1

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

Credit Sales	Per Cent
1957 - May	63
April	65
1956 - May	67

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.