

Miss Lysar

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

September 5, 1957

SALES FINANCE COMPANIES

July 1957

Sales finance company holdings of retail passenger car installment paper increased \$90 million in July to an estimated \$7,466 million at the end of the month. This compares with increases of \$65 million in July 1956 and \$281 million in July 1955.

Retail credit extended on passenger automobiles also expanded during the month. An increase of \$39 million from the June volume reflected a larger volume of both new and used car paper. In July about 176 thousand new passenger cars and 246 thousand used passenger cars were financed by sales finance companies.

Wholesale automotive paper outstanding decreased \$65 million to an estimated \$1,485 million, \$307 million above the level of a year earlier. Other types of business credit showed a net decline of \$8 million during the month.

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

Type of credit	July 31, 1957	Increase or decrease during:		
		July 1957	July 1956	Year ended July 31, 1957
Consumer instalment credit	<u>9,476</u>	<u>+176</u>	<u>+ 84</u>	<u>+627</u>
Retail automotive (passenger cars)	7,466	+ 90	+ 65	+202
Other consumer goods paper	1,369	+ 73	+ 10	+320
Repair and modernization loans	22	0	0	- 2
Personal loans	619	+ 13	+ 9	+107
Business credit ^{1/}	<u>2,780</u>	<u>- 73</u>	<u>-113</u>	<u>+421</u>
Retail automotive (commercial vehicles)	544	+ 5	- 7	- 16
Wholesale automotive	1,485	- 65	-112	+307
Wholesale other than automotive	115	- 25	- 6	+ 6
Other business credit	636	+ 12	+ 12	+124

^{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	July 1957	Change from:	
		Month ago	Year ago
Consumer instalment credit	1,022	+118	+203
Retail automotive (passenger cars)	728	+ 39	+ 94
New	458	+ 29	+ 36
Used	270	+ 10	+ 58
Other consumer goods paper	194	+ 66	+ 87
Repair and modernization loans	2	0	0
Personal loans	98	+ 13	+ 22
Business credit <u>1/</u>	1,189	+ 73	+208
Retail automotive (commercial vehicles)	52	+ 3	+ 6
New	36	+ 2	+ 2
Used	16	+ 1	+ 4
Wholesale automotive paper	964	+ 56	+191
New (passenger and commercial)	912	+ 56	+186
Used (passenger and commercial)	52	0	+ 5
Wholesale other than automotive	42	+ 6	- 1
Other business credit <u>1/</u>	131	+ 8	+ 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)

Type of vehicle	July 1957	Change from:	
		Month ago	Year ago
Total financed by retail	453	+20	+35
New passenger	176	+10	+ 2
Used passenger	246	+ 9	+32
New commercial	15	+ 1	0
Used commercial	16	0	+ 1
Total financed at wholesale	427	+30	+58
New (passenger and commercial)	383	+29	+55
Used (passenger and commercial)	44	+ 1	+ 3

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

Credit Sales	Per Cent
1957 - July	79
June	63
1956 - July	74

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.