

Miss Lyson

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

October 3, 1957

SALES FINANCE COMPANIES

August 1957

Sales finance company holdings of retail passenger car instalment paper increased \$66 million in August to an estimated \$7,532 million at the end of the month. This compares with August increases of \$276 million in 1955 and \$80 million in 1956.

Retail credit extended on passenger automobiles decreased \$47 million from the July volume, reflecting declines in both new and used car paper extended. In August about 169 thousand new passenger and 223 thousand used passenger cars were financed.

Wholesale automotive paper outstanding increased \$45 million to an estimated \$1,530 million, \$450 million above the level of a year earlier. 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	Aug. 31 1957	Increase or decrease during:		
		Aug. 1957	Aug. 1956	Year Ended August 31, 1957
Consumer instalment credit	<u>9,565</u>	<u>+89</u>	<u>+104</u>	<u>+612</u>
Retail automotive (passenger cars)	7,532	+66	+ 80	+188
Other consumer goods paper	1,384	+15	+ 12	+ 323
Repair and modernization loans	22	0	0	- 2
Personal loans	627	+ 8	+ 12	+103
Business credit ^{1/}	<u>2,840</u>	<u>+60</u>	<u>- 59</u>	<u>+540</u>
Retail automotive (commercial vehicles)	550	+ 6	+ 7	- 17
Wholesale automotive	1,530	+45	- 98	+450
Wholesale other than automotive	108	- 7	0	- 1
Other business credit	652	+16	+ 32	+108

^{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	Aug. 1957	Month ago	Year ago
Consumer instalment credit	903	-119	+ 32
Retail automotive (passenger cars)	681	- 47	- 2
New	442	- 16	- 15
Used	239	- 31	+ 13
Other consumer goods paper	136	- 58	+ 30
Repair and modernization loans	1	- 1	- 1
Personal loans	85	- 13	+ 5
Business credit <u>1/</u>	1,210	+ 21	+128
Retail automotive (commercial vehicles)	53	+ 1	+ 2
New	36	0	- 1
Used	17	+ 1	+ 3
Wholesale automotive paper	985	+ 21	+146
New (passenger and commercial)	932	+ 20	+141
Used (passenger and commercial)	53	+ 1	+ 5
Wholesale other than automotive	46	+ 4	- 3
Other business credit <u>1/</u>	126	- 5	- 17

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	Aug. 1957	Change from:	
		Month ago	Year ago
Total financed by retail	426	-27	-21
New passenger	169	- 7	-18
Used passenger	223	-23	- 4
New commercial	16	+ 1	0
Used commercial	18	+ 2	+ 1
Total financed at wholesale	440	+13	+43
New (passenger and commercial)	395	+12	+38
Used (passenger and commercial)	45	+ 1	+ 5

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

Credit Sales	Per Cent
1957 - August	71
July	79
1956 - August	76

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.