

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

June 1958

Sales finance company holdings of retail passenger car instalment paper decreased \$44 million during June to an estimated \$6,844 million at the end of the month. This compares with increases of \$104 million in June 1957 and \$100 million in June 1956. Total consumer instalment credit at sales finance companies decreased \$24 million to \$9,105 million at the month end.

Retail credit extended for purchases of passenger automobiles rose somewhat less than seasonally in June. The increase of \$25 million reflected principally an increase in new passenger car extensions. About 115 thousand new and 229 thousand used passenger cars were financed at retail.

Wholesale automotive paper outstanding decreased \$115 million during June to an estimated \$1,466 million. This compares with a decrease of \$74 million during the same period a year ago. Other types of business credit showed little change.

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

| Type of credit | June 30, 1958 | Increase or decrease during: | | |
|---|------------------|------------------------------|--------------|-----------------------------|
| | | June 1958 | June 1957 | Year Ended June 30, 1958 |
| Consumer instalment credit | <u>9,105</u> | <u>- 24</u> | <u>+124</u> | <u>-195</u> |
| Retail automotive (passenger cars) | 6,844 | - 44 | +104 | -532 |
| Other consumer goods paper | 1,532 | + 12 | + 11 | +236 |
| Repair and modernization loans | 20 | 0 | 0 | - 2 |
| Personal loans | 709 | + 8 | + 9 | +103 |
| Business credit <u>1/</u> | <u>2,760</u> | <u>-120</u> | <u>- 77</u> | <u>- 93</u> |
| Retail automotive (commercial vehicles) | 481 | - 4 | + 2 | - 58 |
| Wholesale automotive | 1,466 | -115 | - 74 | - 84 |
| Wholesale other than automotive | 104 | - 2 | - 13 | - 36 |
| Other business credit | 709 | + 1 | + 8 | + 85 |

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 | June 1958 | Change from: | |
|---|--------------|--------------|-------------|
| | | Month ago | Year ago |
| Consumer instalment credit | <u>776</u> | +33 | -128 |
| Retail automotive (passenger cars) | <u>533</u> | +25 | -156 |
| New | 297 | +22 | -132 |
| Used | 236 | + 3 | - 24 |
| Other consumer goods paper | 151 | + 4 | + 23 |
| Repair and modernization loans | 2 | 0 | 0 |
| Personal loans | 90 | + 4 | + 5 |
| Business credit <u>1/</u> | <u>958</u> | +41 | -158 |
| Retail automotive (commercial vehicles) | <u>42</u> | + 4 | - 7 |
| New | 30 | + 3 | - 4 |
| Used | 12 | + 1 | - 3 |
| Wholesale automotive paper | <u>748</u> | +19 | -160 |
| New (passenger and commercial) | 679 | +19 | -177 |
| Used (passenger and commercial) | 69 | 0 | + 17 |
| Wholesale other than automotive | 36 | + 4 | 0 |
| Other business credit <u>1/</u> | 132 | +14 | + 9 |

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 | June 1958 | Change from: | |
|---------------------------------|--------------|--------------|-------------|
| | | Month ago | Year ago |
| Total financed by retail | <u>369</u> | <u>+15</u> | <u>-64</u> |
| New passenger | <u>115</u> | <u>+ 9</u> | <u>-51</u> |
| Used passenger | 229 | + 3 | - 8 |
| New commercial | 12 | + 1 | - 2 |
| Used commercial | 13 | + 2 | - 3 |
| Total financed at wholesale | <u>349</u> | <u>+ 7</u> | <u>-48</u> |
| New (passenger and commercial) | <u>282</u> | <u>+ 9</u> | <u>-72</u> |
| Used (passenger and commercial) | 67 | - 2 | +24 |

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

| Credit Sales | Per Cent |
|--------------|----------|
| 1958 - June | 62 |
| May | 57 |
| 1957 - June | 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.