

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

September 5, 1958

SALES FINANCE COMPANIES

July 1958

Sales finance company holdings of retail passenger car instalment paper decreased \$49 million during July to an estimated \$6,795 million at the end of the month. This compares with increases of \$90 million in July 1957 and \$65 million in July 1956. Credit on consumer goods other than automobiles, however, increased \$60 million in July resulting in an increase in total consumer instalment credit at sales finance companies of \$16 million.

Retail credit extended for purchases of passenger automobiles increased somewhat more than seasonally in July. The increase of \$5 million reflected an increase in new passenger car credit extended. About 119 thousand new and 219 thousand used passenger cars were financed at retail.

Wholesale automotive paper outstanding decreased \$142 million during July to an estimated \$1,324 million. This compares with a decline of \$65 million during the same month a year ago. All other types of business credit showed little change.

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

Type of credit	July 31, 1958	Increase or decrease during:		
		July 1958	July 1957	Year Ended July 31, 1958
Consumer instalment credit	<u>9,121</u>	<u>+ 16</u>	<u>+176</u>	<u>-355</u>
Retail automotive (passenger cars)	6,795	- 49	+ 90	-671
Other consumer goods paper	1,592	+ 60	+ 73	+223
Repair and modernization loans	21	+ 1	0	- 1
Personal loans	713	+ 4	+ 13	+ 94
Business credit <u>1/</u>	<u>2,618</u>	<u>-142</u>	<u>- 73</u>	<u>-162</u>
Retail automotive (commercial vehicles)	483	+ 2	+ 5	- 61
Wholesale automotive	1,324	-142	- 65	-161
Wholesale other than automotive	99	- 5	- 25	- 16
Other business credit	712	+ 3	+ 12	+ 76

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 1958	Change from:	
		Month ago	Year ago
Consumer instalment credit	851	+75	-171
Retail automotive (passenger cars)	538	+ 5	-190
New	306	+ 9	-152
Used	232	- 4	- 38
Other consumer goods paper	220	+69	+ 26
Repair and modernization loans	4	+ 2	+ 2
Personal loans	89	- 1	- 9
Business credit <u>1/</u>	928	-30	-261
Retail automotive (commercial vehicles)	46	+ 4	- 6
New	33	+ 3	- 3
Used	13	+ 1	- 3
Wholesale automotive paper	722	-26	-242
New (passenger and commercial)	649	-30	-263
Used (passenger and commercial)	73	+ 4	+ 21
Wholesale other than automotive	37	+ 1	- 5
Other business credit <u>1/</u>	123	- 9	- 8

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 1958	Change from:	
		Month ago	Year ago
Total financed by retail	<u>364</u>	- 5	- 89
New passenger	<u>119</u>	+ 4	- 57
Used passenger	219	-10	- 27
New commercial	13	+ 1	- 2
Used commercial	13	0	- 3
Total financed at wholesale	<u>343</u>	- 6	- 84
New (passenger and commercial)	<u>273</u>	- 9	-110
Used (passenger and commercial)	70	+ 3	+ 26

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

Credit Sales	Per Cent
1958 - July	<u>71</u>
June	62
1957 - July	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.