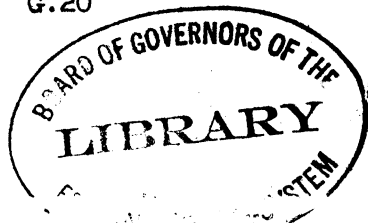


BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

October 6, 1958



SALES FINANCE COMPANIES

August 1958

Sales finance company holdings of retail passenger car instalment paper decreased \$65 million during August to an estimated \$6,730 million at the end of the month. This compares with increases of \$66 million in August 1957 and \$80 million in August 1956. Other types of instalment credit, however, increased during the month so that total consumer instalment credit at sales finance companies decreased \$38 million to \$9,083 million.

Retail credit extended for purchases of passenger automobiles decreased \$38 million during August, reflecting decreases in extensions of credit for both new and used passenger cars. About 114 thousand new and 205 thousand used passenger cars were financed at retail.

Wholesale automotive paper outstanding declined \$211 million to an estimated \$1,113 million at the end of August. This compares with an increase of \$45 million during the same month a year ago. All other types of business credit on balance increased slightly.

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

Type of credit	Aug. 31, 1958	Increase or decrease during:		
		Aug. 1958	Aug. 1957	Year Ended August 31, 1958
Consumer instalment credit	<u>9,083</u>	<u>- 38</u>	<u>+89</u>	<u>-482</u>
Retail automotive (passenger cars)	6,730	- 65	+66	-802
Other consumer goods paper	1,612	+ 20	+15	+228
Repair and modernization loans	23	+ 2	0	+ 1
Personal loans	718	+ 5	+ 8	+ 91
Business credit <u>1/</u>	<u>2,418</u>	<u>-200</u>	<u>+60</u>	<u>-422</u>
Retail automotive (commercial vehicles)	480	- 3	+ 6	- 70
Wholesale automotive	1,113	-211	+45	-417
Wholesale other than automotive	96	- 3	- 7	- 12
Other business credit	729	+ 17	+16	+ 77

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. 1958	Change from:	
		Month ago	Year ago
Consumer instalment credit	756	- 95	-147
Retail automotive (passenger cars)	500	- 38	-181
New	287	- 19	-155
Used	213	- 19	- 26
Other consumer goods paper	162	- 58	+ 26
Repair and modernization loans	5	+ 1	+ 4
Personal loans	89	0	+ 4
Business credit ^{1/}	795	-133	-415
Retail automotive (commercial vehicles)	41	- 5	- 12
New	30	- 3	- 6
Used	11	- 2	- 6
Wholesale automotive paper	575	-147	-410
New (passenger and commercial)	505	-144	-427
Used (passenger and commercial)	70	- 3	+ 17
Wholesale other than automotive	39	+ 2	- 7
Other business credit ^{1/}	140	+ 17	+ 14

^{1/} Excludes some credit extended to business, such as that extended by factoring subsidiaries.

1958	1957	1956	1955	1954
756	851	1000	1147	1300
500	538	719	899	1080
287	306	461	616	771
213	232	258	283	309
162	220	278	336	394
5	4	3	2	1
89	89	85	81	77
795	980	1278	1546	1800
41	46	51	56	61
30	33	36	39	42
11	13	15	17	19
575	722	927	1150	1390
505	649	854	1077	1316
70	73	73	73	74
39	37	35	33	31
140	123	110	96	82

Number of Motor Vehicles Financed by Sales Finance Companies
(In thousands)

Type of vehicle	Aug. 1958	Change from:	
		Month ago	Year ago
Total financed by retail	<u>343</u>	<u>-21</u>	<u>- 83</u>
New passenger	<u>114</u>	<u>- 5</u>	<u>- 55</u>
Used passenger	205	-14	- 18
New commercial	12	- 1	- 4
Used commercial	12	- 1	- 6
Total financed at wholesale	<u>322</u>	<u>-21</u>	<u>-118</u>
New (passenger and commercial)	253	-20	-142
Used (passenger and commercial)	69	- 1	+ 24

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

Credit Sales	<u>Per Cent</u>
1958 - August	73
July	71
1957 - August	68

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.