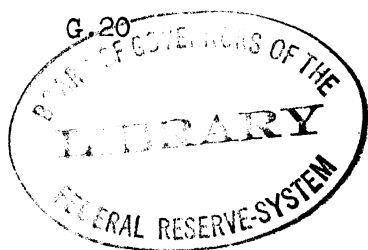


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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

November 4, 1958



SALES FINANCE COMPANIES

September 1958

Sales finance company holdings of retail passenger car instalment paper decreased \$129 million during September to an estimated \$6,601 million at the end of the month. This compares with increases of \$25 million in September 1957 and \$22 million in September 1956. Total consumer instalment credit at sales finance companies declined \$192 million during the month to \$8,891 million.

Retail credit extended for purchases of passenger automobiles decreased \$44 million, reflecting decreases in extensions of credit for both new and used passenger cars. About 102 thousand new and 187 thousand used passenger cars were financed at retail.

Wholesale automotive paper outstanding declined \$366 million to an estimated \$747 million at the end of September. This compares with a decrease of \$158 million during the same month a year ago. All other types of business credit on balance increased \$23 million.

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

Type of credit	Sept. 30, 1958	Increase or decrease during:		
		Sept. 1958	Sept. 1957	Year Ended Sept. 30, 1958
Consumer instalment credit	<u>8,891</u>	<u>-192</u>	<u>+ 33</u>	<u>-707</u>
Retail automotive (passenger cars)	6,601	-129	+ 25	-956
Other consumer goods paper	1,551	- 61	+ 5	+162
Repair and modernization loans	20	- 3	0	- 2
Personal loans	719	+ 1	+ 3	+ 89
Business credit <u>1/</u>	<u>2,075</u>	<u>-343</u>	<u>-138</u>	<u>-627</u>
Retail automotive (commercial vehicles)	479	- 1	+ 4	- 75
Wholesale automotive	747	-366	-158	-625
Wholesale other than automotive	96	0	- 8	- 4
Other business credit	753	+ 24	+ 24	+ 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	Sept. 1958	Change from:	
		Month ago	Year ago
Consumer instalment credit	656	-100	-173
Retail automotive (passenger cars)	456	- 44	-167
New	257	- 30	-159
Used	199	- 14	- 8
Other consumer goods paper	106	- 56	- 19
Repair and modernization loans	5	0	+ 3
Personal loans	89	0	+ 10
Business credit <u>1/</u>	535	-260	-483
Retail automotive (commercial vehicles)	43	+ 2	- 9
New	31	+ 1	- 5
Used	12	+ 1	- 4
Wholesale automotive paper	305	-270	-486
New (passenger and commercial)	238	-267	-506
Used (passenger and commercial)	67	- 3	+ 20
Wholesale other than automotive	40	+ 1	+ 4
Other business credit <u>1/</u>	147	+ 7	+ 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	Sept. 1958	Change from:	
		Month ago	Year ago
Total financed by retail	<u>314</u>	- 29	- 73
New passenger	<u>102</u>	- 12	- 60
Used passenger	187	- 18	- 6
New commercial	12	0	- 4
Used commercial	13	+ 1	- 3
Total financed at wholesale	<u>163</u>	-128r	-191
New (passenger and commercial)	<u>100</u>	-122r	-213
Used (passenger and commercial)	63	- 6	+ 22

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

Credit Sales	Per Cent
1958 - September	<u>81</u>
August	73
1957 - September	71

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.

r/ August figure for number of new vehicles financed at wholesale revised to 222 thousand.