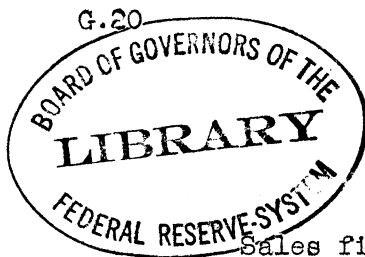


Mrs. Pastles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

February 3, 1959



SALES FINANCE COMPANIES

December 1958

Sales finance company holdings of retail passenger car instalment paper increased \$9 million during December 1958 after declining for fourteen consecutive months. The December rise compares with declines of \$40 million and \$22 million during the same month of 1957 and 1956 respectively. Total consumer instalment credit at sales finance companies increased \$32 million during the month to \$8,740 million.

Retail credit extended for purchases of passenger automobiles increased during the month \$149 million reflecting increases in extensions of credit for both new and used passenger cars. About 131 thousand new and 210 thousand used passenger cars were financed at retail.

Wholesale automotive paper outstanding increased \$327 million during December. This compares with an increase of \$273 million during the same month a year ago. All other types of business credit on balance were relatively unchanged.

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

Type of credit	Dec. 31, 1958	Increase or decrease during:		
		Dec. 1958	Dec. 1957	Year Ended December 31, 1958
Consumer instalment credit	<u>8,740</u>	<u>+ 32</u>	<u>+ 9</u>	<u>- 833</u>
Retail automotive (passenger cars)	6,404	+ 9	- 40	-1,066
Other consumer goods paper	1,567	- 4	+ 25	+ 154
Repair and modernization loans	19	0	+ 1	- 1
Personal loans	750	+ 27	+ 25	+ 80
Business credit <u>1/</u>	<u>2,554</u>	<u>+331</u>	<u>+252</u>	<u>- 342</u>
Retail automotive (commercial vehicles)	466	- 3	- 12	- 65
Wholesale automotive	1,193	+327	+273	- 376
Wholesale other than automotive	105	+ 5	- 4	+ 10
Other business credit	790	+ 2	- 5	+ 89

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	Dec. 1958	Change from:	
		Month ago	Year ago
Consumer instalment credit	855	+168	- 10
Retail automotive (passenger cars)	586	+149	- 9
New	350	+108	- 35
Used	236	+ 41	+ 26
Other consumer goods paper	129	- 20	- 20
Repair and modernization loans	6	+ 1	+ 6
Personal loans	134	+ 38	+ 13
Business credit <u>1/</u>	1,554	+481	+114
Retail automotive (commercial vehicles)	41	+ 5	+ 5
New	29	+ 4	+ 6
Used	12	+ 1	- 1
Wholesale automotive paper	1,339	+475	+ 88
New (passenger and commercial)	1,253	+455	+ 61
Used (passenger and commercial)	86	+ 20	+ 27
Wholesale other than automotive	45	+ 8	+ 8
Other business credit <u>1/</u>	129	- 7	+ 13

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	Dec. 1958	Change from:	
		Month ago	Year ago
Total financed by retail	365	+ 74	+11
New passenger	131	+ 38	-14
Used passenger	210	+ 32	+23
New commercial	12	+ 2	+ 3
Used commercial	12	+ 2	- 1
Total financed at wholesale	566	+189	+49
New (passenger and commercial)	487	+170	+20
Used (passenger and commercial)	79	+ 19	+29

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

Credit Sales	Per Cent
1958 - December	55
November	54
1957 - December	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.