



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

March 9, 1959

# SALES FINANCE COMPANIES

January 1959

Sales finance company holdings of retail passenger car instalment paper declined \$13 million during January to an estimated \$6,391 million at the end of the month. During the same month of 1958 and 1957 passenger car paper decreased \$107 million and \$61 million respectively. Total consumer instalment credit at sales finance companies declined \$7 million.

The number of retail passenger automobile contracts acquired during January declined by 34 thousand from the previous month. Compared with a year ago, 3 thousand fewer contracts were acquired reflecting a decline of 9 million in dollar amount. All of the decline occurred in new car business; the number and dollar amount of used car contracts increased moderately.

Wholesale automotive paper outstanding increased \$202 million during January as dealers' inventories expanded. This compares with an increase of \$77 million during January of 1958. All other types of business credit on balance declined \$7 million during the month.

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

Type of credit	Jan. 31, 1959	Increase or decrease during:		
		Jan. 1959	Jan. 1958	Year Ended January 31, 1959
Consumer instalment credit	<u>8,733</u>	<u>- 7</u>	<u>-109</u>	<u>-731</u>
Retail automotive (passenger cars)	6,391	- 13	-107	-972
Other consumer goods paper	1,566	- 1	- 9	+162
Repair and modernization loans	19	0	0	- 1
Personal loans	757	+ 7	+ 7	+ 80
Business credit <u>1/</u>	<u>2,749</u>	<u>+195</u>	<u>+ 61</u>	<u>-208</u>
Retail automotive (commercial vehicles)	461	- 5	- 9	- 61
Wholesale automotive	1,395	+202	+ 77	-251
Wholesale other than automotive	109	+ 4	- 4	+ 18
Other business credit	784	- 6	- 3	+ 86

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

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Credit Extended by Sales Finance Companies  
(In millions of dollars)

Type of credit	Jan. 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	753	-102	+ 33
Retail automotive (passenger cars)	513	- 73	- 9
New	291	- 59	- 13
Used	222	- 14	+ 4
Other consumer goods paper	141	+ 12	+ 29
Repair and modernization loans	4	- 2	+ 3
Personal loans	95	- 39	+ 10
Business credit <u>1/</u>	1,371	-183	+175
Retail automotive (commercial vehicles)	39	- 2	- 1
New	28	- 1	+ 3
Used	11	- 1	- 4
Wholesale automotive paper	1,179	-160	+162
New (passenger and commercial)	1,099	-154	+153
Used (passenger and commercial)	80	- 6	+ 9
Wholesale other than automotive	39	- 6	+ 9
Other business credit <u>1/</u>	114	- 15	+ 15

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	Jan. 1959	Change from:	
		Month ago	Year ago
Total financed by retail	329	-36	- 6
New passenger	110	-21	- 6
Used passenger	197	-13	+ 3
New commercial	11	- 1	+ 2
Used commercial	11	- 1	- 5
Total financed at wholesale	507	-59	+66
New (passenger and commercial)	432	-55	+55
Used (passenger and commercial)	75	- 4	+11

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

Credit Sales	Per Cent
1959 - January	55
1958 - December	55
1958 - January	62

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.