

Mrs Postles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

July 6, 1959

SALES FINANCE COMPANIES

May 1959

Expansion of sales finance company holdings of retail passenger car instalment paper accelerated in May as outstandings increased \$136 million. Holdings of other consumer instalment paper increased \$32 million during the month.

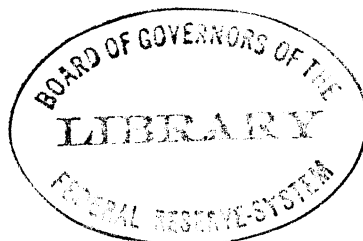
Retail passenger automobile contracts acquired during May numbered 145 thousand new and 253 thousand used for a total dollar volume of 663 million. Compared with a year ago about 66 thousand more passenger car contracts were acquired.

Wholesale automotive paper outstanding increased \$63 million and at the month-end was \$277 million above a year ago. All other types of business credit increased \$29 million.

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

Type of credit	May 31, 1959	Increase or decrease during:		
		May 1959	May 1958	Year Ended May 31, 1959
Consumer instalment credit	<u>9,089</u>	<u>+168</u>	<u>- 71</u>	<u>- 40</u>
Retail automotive (passenger cars)	6,679	+136	- 80	-209
Other consumer goods paper	1,605	+ 23	+ 5	+ 85
Repair and modernization loans	22	+ 2	0	+ 2
Personal loans	783	+ 7	+ 4	+ 82
Business credit <u>1/</u>	<u>3,337</u>	<u>+ 92</u>	<u>-104</u>	<u>+457</u>
Retail automotive (commercial vehicles)	507	+ 14	- 6	+ 22
Wholesale automotive	1,858	+ 63	-103	+277
Wholesale other than automotive	131	+ 1	- 1	+ 25
Other business credit	841	+ 14	+ 6	+133

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	May 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	940	+ 7	+197
Retail automotive (passenger cars)	663	+ 5	+155
New	384	+ 4	+109
Used	279	+ 1	+ 46
Other consumer goods paper	175	+ 4	+ 28
Repair and modernization loans	3	+ 1	+ 1
Personal loans	99	- 3	+ 13
Business credit <u>1/</u>	1,391	-110	+474
Retail automotive (commercial vehicles)	56	- 3	+ 18
New	43	- 3	+ 16
Used	13	0	+ 2
Wholesale automotive paper	1,146	- 97	+417
New (passenger and commercial)	1,055	- 91	+395
Used (passenger and commercial)	91	- 6	+ 22
Wholesale other than automotive	42	- 4	+ 10
Other business credit <u>1/</u>	147	- 6	+ 29

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	May 1959	Change from:	
		Month ago	Year ago
Total financed by retail	426	- 2	+ 72
New passenger	145	+ 1	+ 39
Used passenger	253	- 1	+ 27
New commercial	16	- 1	+ 5
Used commercial	12	- 1	+ 1
Total financed at wholesale	514	-43	+172
New (passenger and commercial)	428	-36	+155
Used (passenger and commercial)	86	- 7	+ 17

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

Credit Sales	Per Cent
1959 - May	56
April	59
1958 - May	56

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.