



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

October 6, 1959

SALES FINANCE COMPANIES

August 1959

Retail passenger car instalment paper held by sales finance companies increased \$156 million during August to an estimated \$7,219 million at the end of the month. Holdings of other consumer goods paper and personal loans continued to rise to record levels.

Sales finance companies during August purchased 167 thousand retail contracts on new passenger cars and 236 thousand on used passenger cars for a total dollar volume of \$697 million. Compared with a year ago, over 80 thousand more retail contracts were acquired.

Wholesale automotive paper outstanding declined \$239 million during August, reflecting the curtailment in automobile output as manufacturers entered the model change-over period. All other types of business credit increased during the month.

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

Type of credit	August 31, 1959	Increase or decrease during:		
		Aug. 1959	Aug. 1958	Year ended August 31, 1959
Consumer instalment credit	<u>9,785</u>	<u>+193</u>	<u>- 38</u>	<u>+702</u>
Retail automotive (passenger cars)	7,219	+156	- 65	+489
Other consumer goods paper	1,723	+ 28	+ 20	+111
Repair and modernization loans	26	+ 1	+ 2	+ 3
Personal loans	817	+ 8	+ 5	+ 99
Business credit <u>1/</u>	<u>3,248</u>	<u>-203</u>	<u>-200</u>	<u>+830</u>
Retail automotive (commercial vehicles)	562	+ 12	- 3	+ 82
Wholesale automotive	1,655	-239	-211	+542
Wholesale other than automotive	131	+ 2	- 3	+ 35
Other business credit	900	+ 22	+ 17	+171

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	August 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	985	- 76	+229
Retail automotive (passenger cars)	697	- 50	+197
New	436	- 27	+149
Used	261	- 23	+ 48
Other consumer goods paper	174	- 25	+ 12
Repair and modernization loans	3	0	- 2
Personal loans	111	- 1	+ 22
Business credit <u>1/</u>	1,111	-332	+316
Retail automotive (commercial vehicles)	55	- 7	+ 14
New	42	- 7	+ 12
Used	13	0	+ 2
Wholesale automotive paper	852	-334	+277
New (passenger and commercial)	769	-331	+264
Used (passenger and commercial)	83	- 3	+ 13
Wholesale other than automotive	50	+ 1	+ 11
Other business credit <u>1/</u>	154	+ 8	+ 14

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	August 1959	Change from:	
		Month ago	Year ago
Total financed by retail	430	- 27	+ 87
New passenger	167	- 8	+ 53
Used passenger	236	- 15	+ 31
New commercial	15	- 3	+ 3
Used commercial	12	- 1	0
Total financed at wholesale	397	-128	+106
New (passenger and commercial)	318	-128	+ 96
Used (passenger and commercial)	79	0	+ 10

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

Credit Sales	Per Cent
1959 - August	67
July	74
1958 - August	72

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.