

Mrs. Postle

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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SALES FINANCE COMPANIES \*

October 1959

Retail passenger car instalment paper held by sales finance companies increased \$78 million during October to an estimated \$7,406 million at the end of the month. The expansion compares with decreases of \$124 million and \$20 million during the same month of 1958 and 1957 respectively. Other consumer goods paper rose \$27 million and personal loans expanded by \$14 million. Total outstanding consumer instalment paper at sales finance companies reached \$10 billion at the end of October.

Sales finance companies during October acquired 162 thousand retail contracts on new passenger cars and 215 thousand on used passenger cars for a total dollar volume of \$668 million. Over 70 thousand more retail automotive contracts were purchased during the month as compared with a year ago.

Wholesale automotive paper outstanding increased \$149 million during October. This compares with a decline of \$91 million for the same month last year. All other types of business credit increased during the month.

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

Type of credit	Oct. 31, 1959	Increase or decrease during:		
		Oct. 1959	Oct. 1958	Year ended Oct. 31, 1959
Consumer instalment credit	<u>10,071</u>	<u>+122</u>	<u>-114</u>	<u>+1,294</u>
Retail automotive (passenger cars)	7,406	+ 78	-124	+ 929
Other consumer goods paper	1,788	+ 27	+ 9	+ 228
Repair and modernization loans	33	+ 3	- 1	+ 14
Personal loans	844	+ 14	+ 2	+ 123
Business credit <u>1/</u>	<u>2,954</u>	<u>+187</u>	<u>+ 66</u>	<u>+ 945</u>
Retail automotive (commercial vehicles)	586	+ 14	- 2	+ 109
Wholesale automotive	1,283	+149	- 91	+ 627
Wholesale other than automotive	139	+ 4	+ 3	+ 40
Other business credit	946	+ 20	+ 24	+ 169

\* Estimates for August and September have been revised to reflect the incorporation of data for Hawaii. Revised data appear on page 4 of this release.

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	Oct. 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	973	+ 23	+235
Retail automotive (passenger cars)	668	+ 18	+184
New	427	+ 22	+160
Used	241	- 4	+ 24
Other consumer goods paper	185	- 3	+ 26
Repair and modernization loans	4	0	- 1
Personal loans	116	+ 8	+ 26
Business credit <sup>1/</sup>	1,476	+794	+727
Retail automotive (commercial vehicles)	60	+ 5	+ 18
New	47	+ 5	+ 17
Used	13	0	+ 1
Wholesale automotive paper	1,207	+790	+693
New (passenger and commercial)	1,120	+784	+675
Used (passenger and commercial)	87	+ 6	+ 18
Wholesale other than automotive	51	- 3	+ 8
Other business credit <sup>1/</sup>	158	+ 2	+ 8

<sup>1/</sup> 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	Oct. 1959	Change from:	
		Month ago	Year ago
Total financed by retail	408	0	+ 78
New passenger	162	+ 6	+ 58
Used passenger	215	- 8	+ 14
New commercial	19	+ 3	+ 7
Used commercial	12	- 1	- 1
Total financed at wholesale	526	+301	+281
New (passenger and commercial)	446	+299	+265
Used (passenger and commercial)	80	+ 2	+ 16

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

Credit Sales	Per Cent
1959 - October	62
September	85r
1958 - October	74r

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/ Estimates from January 1958 through September 1959 have been revised slightly as a result of revision of some of the components used in preparing the estimates. Revised data appear on page 4 of this release.

## Revised Estimates for Sales Finance Companies

August 1959

Type of credit	Outstanding, end of month	Credit extended	Vehicles financed
	(in millions of dollars)		(in thousands)
Consumer instalment credit	9,806	988	xx
Retail automotive (passenger cars)	7,240	700	405
New	xx	437	167
Used	xx	263	238
Business credit	3,250	1,114	xx
Wholesale automotive paper	1,658	855	398
New (passenger and commercial)	xx	772	319
Used (passenger and commercial)	xx	83	79
Total vehicles financed at retail	xx	xx	432

September 1959

Type of credit	Outstanding, end of month	Credit extended	Vehicles financed
	(in millions of dollars)		(in thousands)
Consumer instalment credit	9,949	950	xx
Retail automotive (passenger cars)	7,328	650	379
New	xx	405	156
Used	xx	245	223
Business credit	2,767	682	xx
Wholesale automotive paper	1,134	417	225
New (passenger and commercial)	xx	336	147
Used (passenger and commercial)	xx	81	78
Total vehicles financed at retail	xx	xx	408

Revised Estimates of Credit Sales of New Passenger Cars  
as a Per Cent of Total Number Sold

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
1958	63	60	56	61	56	63	71	73	81	74	55	56	63
1959	55	58	57	60	56	60	75	68	85				