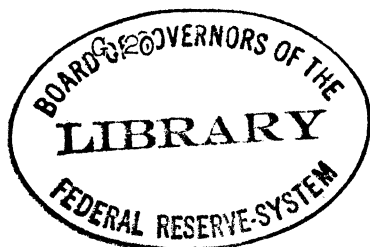


Mrs. Postles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

January 6, 1960



SALES FINANCE COMPANIES

November 1959

Retail passenger car instalment paper held by sales finance companies declined \$18 million during November to an estimated \$7,388 million at the end of the month. The reduction compares with declines of \$82 million and \$27 million during the same months of 1958 and 1957, respectively. Other consumer goods paper rose \$42 million and personal loans expanded by \$21 million. Total outstanding consumer instalment credit at sales finance companies was \$10,117 million on November 30.

The volume of credit extended on new passenger automobiles decreased \$135 million during November, while credit extended on used passenger automobiles was about unchanged. The number of new car contracts acquired was 111 thousand, 51 thousand less than in October, and the number of used car contracts purchased was 215 thousand, about 10 thousand less than in the previous month.

Wholesale automotive paper outstanding declined \$173 million during November. This compares with an increase of \$210 million last year. All other types of business credit increased slightly during the month.

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

Type of credit	Nov. 30, 1959	Increase or decrease during:		
		Nov. 1959	Nov. 1958	Year ended Nov. 30, 1959
Consumer instalment credit	<u>10,117</u>	<u>+ 46</u>	<u>- 69</u>	<u>+1,409</u>
Retail automotive (passenger cars)	7,388	- 18	- 82	+ 993
Other consumer goods paper	1,830	+ 42	+ 11	+ 259
Repair and modernization loans	34	+ 1	0	+ 15
Personal loans	865	+ 21	+ 2	+ 142
Business credit <u>1/</u>	<u>2,806</u>	<u>-148</u>	<u>+214</u>	<u>+ 583</u>
Retail automotive (commercial vehicles)	586	0	- 8	+ 117
Wholesale automotive	1,110	-173	+210	+ 244
Wholesale other than automotive	144	+ 5	+ 1	+ 44
Other business credit	966	+ 20	+ 11	+ 178

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	Nov. 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>843</u>	<u>-130</u>	<u>+156</u>
Retail automotive (passenger cars)	<u>530</u>	<u>-138</u>	<u>+ 93</u>
New	292	-135	+ 50
Used	238	- 3	+ 43
Other consumer goods paper	185	0	+ 36
Repair and modernization loans	3	- 1	- 2
Personal loans	125	+ 9	+ 29
Business credit 1/	<u>953</u>	<u>-523</u>	<u>-120</u>
Retail automotive (commercial vehicles)	<u>46</u>	<u>- 14</u>	<u>+ 10</u>
New	33	- 14	+ 8
Used	13	0	+ 2
Wholesale automotive paper	<u>702</u>	<u>-505</u>	<u>-162</u>
New (passenger and commercial)	619	-501	-179
Used (passenger and commercial)	83	- 4	+ 17
Wholesale other than automotive	48	- 3	+ 11
Other business credit 1/	157	- 1	+ 21

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	Nov. 1959	Change from:	
		Month ago	Year ago
Total financed by retail	338	- 70	+47
New passenger	111	- 51	+18
Used passenger	205	- 10	+27
New commercial	12	- 7	+ 2
Used commercial	10	- 2	0
Total financed at wholesale	331	-195	-46
New (passenger and commercial)	254	-192	-63
Used (passenger and commercial)	77	- 3	+17

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

Credit Sales	Per Cent
1959 - November	60
October	62
1958 - November	55

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.