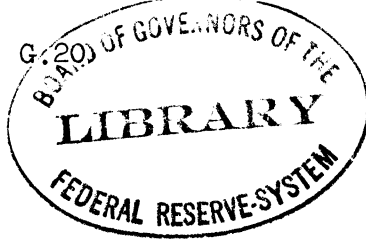


Mrs. Postles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



February 3, 1960

SALES FINANCE COMPANIES

December 1959

Retail passenger car instalment paper held by sales finance companies declined \$60 million during December to \$7,328 million at the end of the month. The reduction compares with an increase of \$9 million for December 1958 and a decline of \$40 million for the same month in 1957. Other consumer goods paper increased \$53 million and personal loans rose \$34 million. Total outstanding consumer instalment credit at sales finance companies was \$10,145 million at the end of the year, \$1.4 billion above a year earlier.

Credit extended on new passenger cars declined \$22 million, while credit extended for purchase of used cars increased \$12 million. The number of new car contracts acquired was 103 thousand and the number of used car contracts 213 thousand.

Wholesale automotive paper outstanding increased \$96 million during December. This compares with an increase of \$327 million a year ago. All other types of business credit outstanding at sales finance companies increased \$37 million.

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

Type of credit	Dec. 31, 1959	Increase or decrease during:		
		Dec. 1959	Dec. 1958	Year ended Dec. 31, 1959
Consumer instalment credit	<u>10,145</u>	<u>+ 28</u>	<u>+ 32</u>	<u>+1,405</u>
Retail automotive (passenger cars)	7,328	- 60	+ 9	+ 924
Other consumer goods paper	1,883	+ 53	- 4	+ 316
Repair and modernization loans	35	+ 1	0	+ 16
Personal loans	899	+ 34	+ 27	+ 149
Business credit <u>1/</u>	<u>2,939</u>	<u>+133</u>	<u>+331</u>	<u>+ 385</u>
Retail automotive (commercial vehicles)	583	- 3	- 3	+ 117
Wholesale automotive	1,206	+ 96	+327	+ 13
Wholesale other than automotive	144	0	+ 5	+ 39
Other business credit	1,006	+ 40	+ 2	+ 216

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	Dec. 1959	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>886</u>	+ 43	+ 31
Retail automotive (passenger cars)	<u>520</u>	- 10	- 66
New	270	- 22	- 80
Used	250	+ 12	+ 14
Other consumer goods paper	207	+ 22	+ 78
Repair and modernization loans	3	0	- 3
Personal loans	156	+ 31	+ 22
Business credit <u>1/</u>	<u>1,098</u>	+145	-456
Retail automotive (commercial vehicles)	<u>45</u>	- 1	+ 4
New	33	0	+ 4
Used	12	- 1	0
Wholesale automotive paper	<u>838</u>	+136	-501
New (passenger and commercial)	758	+139	-495
Used (passenger and commercial)	80	- 3	- 6
Wholesale other than automotive	48	0	+ 3
Other business credit <u>1/</u>	167	+ 10	+ 38

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	Dec. 1959	Change from:	
		Month ago	Year ago
Total financed by retail	337	- 1	- 28
New passenger	103	- 8	- 28
Used passenger	213	+ 8	+ 3
New commercial	10	- 2	- 2
Used commercial	11	+ 1	- 1
Total financed at wholesale	387	+ 56	- 179
New (passenger and commercial)	313	+ 59	- 174
Used (passenger and commercial)	74	- 3	- 5

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

Credit Sales	Per Cent
1959 - December	59
November	62r
1958 - December	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.

r: Revised.