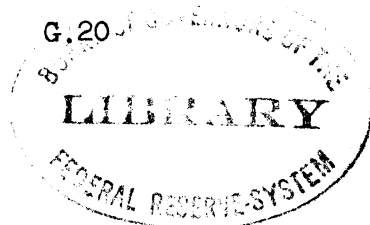


## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

March 7, 1960



## SALES FINANCE COMPANIES

January 1960

Retail passenger car instalment paper held by sales finance companies declined \$23 million during January to \$7,305 million at the end of the month. The reduction compares with declines of \$13 million and \$107 million for the same month in 1959 and 1958 respectively. Other consumer goods paper increased \$39 million, while personal loans and repair and modernization loans were about unchanged. Total outstanding consumer instalment credit at sales finance companies was \$10,168 million at the end of the year, \$1,435 million higher than a year earlier.

Credit extended on new passenger cars increased \$22 million, while credit extended for purchase of used cars declined \$30 million. The number of new car contracts acquired was 112 thousand and the number of used car contracts 191 thousand.

Wholesale automotive paper outstanding increased \$319 million during January. This compares with an increase of \$202 million a year ago. All other types of business credit outstanding at sales finance companies increased \$18 million.

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

Type of credit	Jan. 31, 1960	Increase or decrease during:		
		Jan. 1960	Jan. 1959	Year ended Jan. 31, 1960
Consumer instalment credit	<u>10,168</u>	<u>+ 23</u>	<u>- 7</u>	<u>+1,435</u>
Retail automotive (passenger cars)	7,305	- 23	- 13	+ 914
Other consumer goods paper	1,922	+ 39	- 1	+ 356
Repair and modernization loans	36	+ 1	0	+ 17
Personal loans	905	+ 6	+ 7	+ 148
Business credit <u>1/</u>	<u>3,276</u>	<u>+337</u>	<u>+195</u>	<u>+ 527</u>
Retail automotive (commercial vehicles)	576	- 7	- 5	+ 115
Wholesale automotive	1,525	+319	+202	+ 130
Wholesale other than automotive	144	0	+ 4	+ 35
Other business credit	1,031	+ 25	- 6	+ 247

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	Jan. 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	802	- 84	+49
Retail automotive (passenger cars)	512	- 8	- 1
New	292	+ 22	+ 1
Used	220	- 30	- 2
Other consumer goods paper	183	- 24	+42
Repair and modernization loans	3	0	- 1
Personal loans	104	- 52	+ 9
Business credit <u>1/</u>	1,449	+351	+78
Retail automotive (commercial vehicles)	42	- 3	+ 3
New	30	- 3	+ 2
Used	12	0	+ 1
Wholesale automotive paper	1,240	+402	+61
New (passenger and commercial)	1,166	+408	+67
Used (passenger and commercial)	74	- 6	- 6
Wholesale other than automotive	38	- 10	- 1
Other business credit <u>1/</u>	129	- 38	+15

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	Jan. 1960	Change from:	
		Month ago	Year ago
Total financed by retail	324	- 13	- 5
New passenger	112	+ 9	+ 2
Used passenger	191	- 22	- 6
New commercial	11	+ 1	0
Used commercial	10	- 1	- 1
Total financed at wholesale	543	+156	+36
New (passenger and commercial)	474	+161	+42
Used (passenger and commercial)	69	- 5	- 6

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

Credit Sales	Per Cent
1960 - January	53
1959 - December	59
January	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.