



Mrs. Postles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

July 5, 1960

SALES FINANCE COMPANIES

May 1960

Retail passenger car instalment paper held by sales finance companies increased \$93 million during May to \$7,631 million at the end of the month. The rise compares with an increase of \$136 million a year ago and a decline of \$80 million in May 1958. Total outstanding consumer credit at sales finance companies increased \$140 million to \$10,744 million which was \$1,655 million above a year ago.

Credit extended by sales finance companies for automobile purchases by consumers declined \$23 million from the previous month. Contracts acquired amounted to 157 thousand for new passenger cars and 241 thousand for used passenger cars.

Wholesale automotive paper outstanding at the end of May was \$33 million higher than at the beginning of the month. All other types of business credit outstanding increased \$26 million.

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

Type of credit	May 31, 1960	Increase or decrease during:		
		May 1960	May 1959	Year ended May 31, 1960
Consumer instalment credit	<u>10,744</u>	<u>+140</u>	<u>+168</u>	<u>+1,655</u>
Retail automotive (passenger cars)	7,631	+ 93	+136	+ 952
Other consumer goods paper	2,132	+ 36	+ 23	+ 527
Repair and modernization loans	45	+ 3	+ 2	+ 23
Personal loans	936	+ 8	+ 7	+ 153
Business credit <u>1/</u>	<u>4,000</u>	<u>+ 59</u>	<u>+ 92</u>	<u>+ 663</u>
Retail automotive (commercial vehicles)	618	+ 10	+ 14	+ 111
Wholesale automotive	2,078	+ 33	+ 63	+ 220
Wholesale other than automotive	163	- 3	+ 1	+ 32
Other business credit	1,141	+ 19	+ 14	+ 300

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	May 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	983	-25	+ 43
Retail automotive (passenger cars)	671	-23	+ 8
New	407	-11	+ 23
Used	264	-12	- 15
Other consumer goods paper	192	+ 4	+ 17
Repair and modernization loans	6	+ 1	+ 3
Personal loans	114	- 7	+ 15
Business credit <u>1/</u>	1,493	+ 3	+102
Retail automotive (commercial vehicles)	60	- 3	+ 4
New	47	- 2	+ 4
Used	13	- 1	0
Wholesale automotive paper	1,223	+ 9	+ 77
New (passenger and commercial)	1,135	+16	+ 80
Used (passenger and commercial)	88	- 7	- 3
Wholesale other than automotive	45	0	+ 3
Other business credit <u>1/</u>	165	- 3	+ 18

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	May 1960	Change from:	
		Month ago	Year ago
Total financed by retail	427	-10	+ 1
New passenger	157	- 5	+12
Used passenger	241	- 4	-12
New commercial	16	- 1	0
Used commercial	13	0	+ 1
Total financed at wholesale	549	+ 1	+35
New (passenger and commercial)	468	+ 7	+40
Used (passenger and commercial)	31	- 6	- 5

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

Credit Sales	Per Cent
1960 - May	60
April	60
1959 - May	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.