

*Mrs. Postles*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

August 3, 1960

SALES FINANCE COMPANIES

June 1960

Retail passenger car instalment paper held by sales finance companies increased by \$136 million in June, to \$7,767 million. This compares with an expansion in June 1959 of \$205 million. Total outstanding consumer credit rose by \$201 million and was \$1,595 million above a year ago.

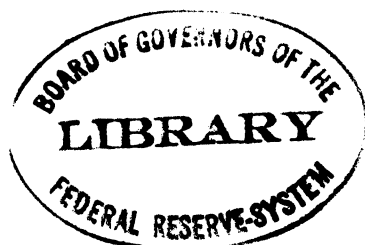
Credit extended by sales finance companies for consumer purchases of automobiles rose \$50 million in June. The number of contracts acquired totaled 170 thousand for new passenger cars, and 251 thousand for used passenger cars, an increase over May.

Business credit rose \$40 million in June as compared with an increase of \$82 million a year earlier.

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

Type of credit	June 30, 1960	Increase or decrease during:		
		June 1960	June 1959	Year ended June 30, 1960
Consumer instalment credit	<u>10,945</u>	<u>+201</u>	<u>+261</u>	<u>+1,595</u>
Retail automotive (passenger cars)	7,767	+136	+205	+ 883
Other consumer goods paper	2,175	+ 43	+ 42	+ 528
Repair and modernization loans	49	+ 4	+ 1	+ 26
Personal loans	954	+ 18	+ 13	+ 158
Business credit <u>1/</u>	<u>4,040</u>	<u>+ 40</u>	<u>+ 82</u>	<u>+ 621</u>
Retail automotive (commercial vehicles)	628	+ 10	+ 23	+ 98
Wholesale automotive	2,084	+ 6	+ 33	+ 193
Wholesale other than automotive	155	- 8	+ 3	+ 21
Other business credit	1,173	+ 32	+ 23	+ 309

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	June 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>1,050</u>	+67	-24
Retail automotive (passenger cars)	<u>721</u>	+50	-51
New	444	+37	-23
Used	277	+13	-28
Other consumer goods paper	203	+11	+15
Repair and modernization loans	6	0	+ 4
Personal loans	120	+ 6	+ 8
Business credit <sup>1/</sup>	<u>1,479</u>	-14	-13
Retail automotive (commercial vehicles)	<u>61</u>	+ 1	- 3
New	48	+ 1	- 2
Used	13	0	- 1
Wholesale automotive paper	<u>1,202</u>	-21	-24
New (passenger and commercial)	1,122	-13	-10
Used (passenger and commercial)	80	- 8	-14
Wholesale other than automotive	46	+ 1	- 4
Other business credit <sup>1/</sup>	170	+ 5	+18

<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	June 1960	Change from:	
		Month ago	Year 1960
Total financed by retail	<u>451</u>	<u>+24</u>	<u>-24</u>
New passenger	170	+13	- 5
Used passenger	251	+10	-18
New commercial	17	+ 1	- 1
Used commercial	13	0	0
Total financed at wholesale	<u>542</u>	<u>- 7</u>	<u>- 5</u>
New (passenger and commercial)	465	- 3	+ 6
Used (passenger and commercial)	77	- 4	-11

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

Credit Sales	Per Cent
1960 - June	61
May	60
1959 - June	60

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.