

Mrs. Chetles

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

JULY 1960

Retail passenger car instalment paper held by sales finance companies increased \$55 million in July to \$7,822 million. This compares with an expansion of \$179 million for the same month in 1959 and a decline of \$49 million in 1958. Total consumer instalment paper at sales finance companies rose by \$117 million and was \$1,470 million above a year ago.

Credit extended by sales finance companies for retail purchases of passenger automobiles declined \$113 million from the previous month. The number of both new and used car contracts acquired declined in July and as in other recent months was less than a year ago.

Business credit outstanding declined \$60 million in July, primarily as a result of a reduction in loans for automobile floor planning.

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

Type of credit	July 31, 1960	Increase or decrease during:		
		July 1960	July 1959	Year ended July 31, 1960
Consumer instalment credit	<u>11,062</u>	<u>+117</u>	<u>+242</u>	<u>+1,470</u>
Retail automotive (passenger cars)	7,822	+ 55	+179	+ 759
Other consumer goods paper	2,225	+ 50	+ 48	+ 530
Repair and modernization loans	52	+ 3	+ 2	+ 27
Personal loans	963	+ 9	+ 13	+ 154
Business credit ^{1/}	<u>3,976</u>	<u>- 64</u>	<u>+ 32</u>	<u>+ 525</u>
Retail automotive (commercial vehicles)	627	- 1	+ 20	+ 77
Wholesale automotive	1,998	- 86	+ 3	+ 104
Wholesale other than automotive	148	- 7	- 5	+ 19
Other business credit	1,203	+ 30	+ 14	+ 325

^{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.	July 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	955	- 95	-106
Retail automotive (passenger cars)	608	-113	-139
New	378	- 66	- 85
Used	230	- 47	- 54
Other consumer goods paper	228	+ 25	+ 29
Repair and modernization loans	6	0	+ 3
Personal loans	113	- 7	+ 1
Business credit ^{1/}	1,229	-250	-214
Retail automotive (commercial vehicles)	51	- 10	- 11
New	35	- 13	- 14
Used	16	+ 3	+ 3
Wholesale automotive paper	973	-229	-213
New (passenger and commercial)	905	-217	-195
Used (passenger and commercial)	68	- 12	- 18
Wholesale other than automotive	45	- 1	- 4
Other business credit ^{1/}	160	- 10	+ 14

^{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	July 1960	Change from:	
		Month ago	Year ago
Total financed by retail	386	- 65	-71
New passenger	146	- 24	-29
Used passenger	214	- 37	-37
New commercial	14	- 3	- 4
Used commercial	12	- 1	- 1
Total financed at wholesale	440	-102	-85
New (passenger and commercial)	373	- 92	-73
Used (passenger and commercial)	67	- 10	-12

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

Credit Sales	Per Cent
1960 - July	72
June	61
1959 - July	75

^{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.