

Mrs. Pastles

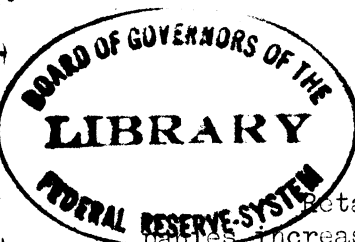
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

October 5, 1960

SALES FINANCE COMPANIES

AUGUST 1960



Retail passenger car instalment paper held by sales finance companies increased 33 million in August to \$7,855 million. This compares with an expansion of \$177 million for the same month in 1959 and a decline of \$65 million in 1958. Total consumer instalment paper at sales finance companies rose by \$80 million and was \$1,336 million higher than a year ago.

Retail passenger automobile paper acquired by sales finance companies amounted to \$645 million in August, an increase of \$37 million from the previous month. The number of new and used car contracts increased during August but continued below a year ago.

Business credit outstanding declined \$278 million in August due primarily to a contraction in outstanding balances on automobile floor plan loans.

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

Type of credit	Aug. 31, 1960	Increase or decrease during:		
		Aug. 1960	Aug. 1959	Year ended Aug. 31, 1960
Consumer instalment credit	<u>11,142</u>	<u>+ 80</u>	<u>+214</u>	<u>+1,336</u>
Retail automotive (passenger cars)	7,855	+ 33	+177	+ 615
Other consumer goods paper	2,260	+ 35	+ 28	+ 537
Repair and modernization loans	57	+ 5	+ 1	+ 31
Personal loans	970	+ 7	+ 8	+ 153
Business credit <u>1/</u>	<u>3,698</u>	<u>-278</u>	<u>-200</u>	<u>+ 447</u>
Retail automotive (commercial vehicles)	628	+ 1	+ 12	+ 66
Wholesale automotive	1,696	-302	-236	+ 38
Wholesale other than automotive	144	- 4	+ 2	+ 13
Other business Credit	1,230	+ 27	+ 22	+ 330

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	Aug. 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	989	+ 34	+ 1
Retail automotive (passenger cars)	645	+ 37	-55
New	407	+ 29	-30
Used	238	+ 8	-25
Other consumer goods paper	217	- 11	+43
Repair and modernization loans	7	+ 1	+ 4
Personal loans	120	+ 7	+ 9
Business credit <u>1/</u>	1,066	-163	-48
Retail automotive (commercial vehicles)	55	+ 4	0
New	41	+ 2r	- 1
Used	14	+ 2r	+ 1
Wholesale automotive paper	782	-191	-73
New (passenger and commercial)	710	-195	-62
Used (passenger and commercial)	72	+ 4	-11
Wholesale other than automotive	50	+ 5	0
Other business credit <u>1/</u>	179	+ 19	+25

r: July 1960 revised.

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	Aug. 1960	Change from:	
		Month ago	Year ago
Total financed by retail	406	+21	-26
New passenger	157	+11	-10
Used passenger	220	+ 6	-18
New commercial	15	+ 1r	0
Used commercial	14	+ 3r	+ 2
Total financed at wholesale	363	-77	-35
New (passenger and commercial)	294	-79	-25
Used (passenger and commercial)	69	+ 2	-10

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

Credit Sales	<u>Per Cent</u>
1960 - August	70
July	71r
1959 - August	68

r: July 1960 revised.

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.