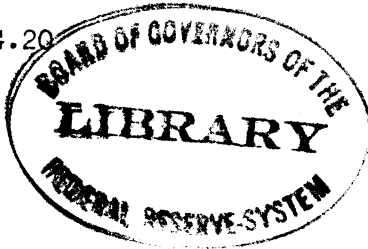


BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

December 9, 1960



SALES FINANCE COMPANIES

OCTOBER 1960

Retail passenger car instalment paper held by sales finance companies declined \$36 million in October to \$7,796 million. The decline compares with an increase of \$78 million last year and a decline of \$124 million in 1958. Total consumer instalment paper at sales finance companies declined slightly and was \$1,076 million above the year ago level.

Retail passenger automobile paper acquired by sales finance companies in October amounted to \$559 million, a slight increase from September's volume. The number of new car contracts increased 6 thousand during the month and the number of used car contracts declined. The number of contracts purchased continued below a year ago.

Business credit outstanding increased \$199 million as outstanding balances on automobile floor plan loans rose by a similar amount.

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

| Type of credit                          | Oct. 31,<br>1960 | Increase or decrease during: |              |                             |
|---|------------------|------------------------------|--------------|-----------------------------|
|   |                  | Oct.<br>1960                 | Oct.<br>1959 | Year ended<br>Oct. 31, 1960 |
| Consumer instalment credit              | <u>11,147</u>    | <u>- 7</u>                   | <u>+122</u>  | <u>+1,076</u>               |
| Retail automotive (passenger cars)      | 7,796            | - 36                         | + 78         | + 390                       |
| Other consumer goods paper              | 2,319            | + 27                         | + 27         | + 531                       |
| Repair and modernization loans          | 63               | + 3                          | + 3          | + 30                        |
| Personal loans                          | 969              | - 1                          | + 14         | + 125                       |
| Business credit <sup>1/</sup>           | <u>3,576</u>     | <u>+199</u>                  | <u>+186</u>  | <u>+ 622</u>                |
| Retail automotive (commercial vehicles) | 613              | - 10                         | + 13         | + 27                        |
| Wholesale automotive                    | 1,552            | +203                         | +149         | + 269                       |
| Wholesale other than automotive         | 136              | - 4                          | + 4          | - 3                         |
| Other business credit                   | 1,275            | + 10                         | + 20         | + 329                       |

<sup>1/</sup> 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                          | Oct.<br>1960 | Change from: |             |
|---|--------------|--------------|-------------|
|   |              | Month<br>ago | Year<br>ago |
| Consumer instalment credit              | 880          | + 1          | - 93        |
| Retail automotive (passenger cars)      | 559          | + 7          | -109        |
| New                                     | 375          | + 21         | - 52        |
| Used                                    | 184          | - 14         | - 57        |
| Other consumer goods paper              | 208          | - 6          | + 23        |
| Repair and modernization loans          | 5            | 0            | + 1         |
| Personal loans                          | 108          | 0            | - 8         |
| Business credit <sup>1/</sup>           | 1,493        | +684         | + 17        |
| Retail automotive (commercial vehicles) | 46           | - 3          | - 14        |
| New                                     | 34           | - 3          | - 13        |
| Used                                    | 12           | 0            | - 1         |
| Wholesale automotive paper              | 1,225        | +700         | + 18        |
| New (passenger and commercial)          | 1,147        | +692         | + 27        |
| Used (passenger and commercial)         | 78           | + 8          | - 9         |
| Wholesale other than automotive         | 43           | - 4          | - 8         |
| Other business credit <sup>1/</sup>     | 179          | - 9          | + 21        |

<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                 | Oct.<br>1960 | Change from: |             |
|---------------------------------|--------------|--------------|-------------|
|                                 |              | Month<br>ago | Year<br>ago |
| Total financed by retail        | <u>343</u>   | <u>- 10</u>  | <u>-65</u>  |
| New passenger                   | 145          | + 6          | -17         |
| Used passenger                  | 175          | - 14         | -40         |
| New commercial                  | 13           | - 1          | - 6         |
| Used commercial                 | 10           | - 1          | - 2         |
| Total financed at wholesale     | <u>529</u>   | <u>+262</u>  | <u>+ 3</u>  |
| New (passenger and commercial)  | 457          | +260         | +11         |
| Used (passenger and commercial) | 72           | + 2          | - 8         |

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

| Credit Sales   | Per Cent |
|----------------|----------|
| 1960 - October | 60       |
| September      | 71       |
| 1959 - October | 62       |

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.