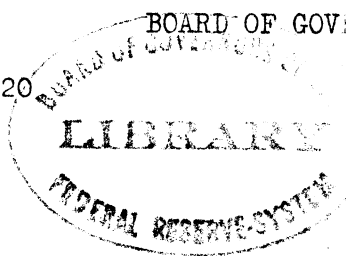


*Mrs. Astle*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

February 8, 1961



SALES FINANCE COMPANIES

DECEMBER 1960

Retail passenger car instalment paper held by sales finance companies declined \$62 million in December to \$7,695 million. In 1960 sales finance company holdings of passenger car paper increased \$367 million compared with \$924 million in 1959. Other consumer goods paper increased in December and was nearly \$500 million higher than a year earlier. Total consumer instalment paper at sales finance companies expanded \$989 million during 1960.

Retail passenger automobile paper acquired by sales finance companies in December amounted to \$488 million, \$50 million less than in November, as the number of contracts purchased declined by 24 thousand. Paper acquired in 1960 was \$300 million less than in 1959 as extensions of credit for new cars increased slightly and credit for used cars declined sharply.

Business credit outstanding increased \$127 million in December as automobile floor plan loans rose.

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

Type of credit	Dec. 31, 1960	Increase or decrease during:		
		Dec. 1960	Dec. 1959	Year ended December 31, 1960
Consumer instalment credit	<u>11,134</u>	<u>- 7</u>	<u>+ 28</u>	<u>+989</u>
Retail automotive (passenger cars)	7,695	- 62	- 60	+367
Other consumer goods paper	2,374	+ 27	+ 53	+491
Repair and modernization loans	64	+ 1	+ 1	+ 29
Personal loans	1,001	+ 27	+ 34	+102
Business credit <u>1/</u>	<u>3,832</u>	<u>+127</u>	<u>+133</u>	<u>+893</u>
Retail automotive (commercial vehicles)	589	- 12	- 3	+ 6
Wholesale automotive	1,832	+151	+ 96	+626
Wholesale other than automotive	130	- 6	0	- 14
Other business credit	1,281	- 6	+ 40	+275

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	Dec. 1960	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>865</u>	- 7	- 21
Retail automotive (passenger cars)	<u>488</u>	-50	- 32
New	<u>309</u>	-42	+ 39
Used	179	- 8	- 71
Other consumer goods paper	219	+ 7	+ 12
Repair and modernization loans	4	0	+ 1
Personal loans	154	+36	- 2
Business credit <u>1</u> /	<u>1,363</u>	-52	+265
Retail automotive (commercial vehicles)	<u>44</u>	+ 1	- 1
New	<u>33</u>	0	0
Used	11	+ 1	- 1
Wholesale automotive paper	<u>1,123</u>	-51	+285
New (passenger and commercial)	<u>1,049</u>	-51	+291
Used (passenger and commercial)	74	0	- 6
Wholesale other than automotive	41	- 1	- 7
Other business credit <u>1</u> /	155	- 1	- 12

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	Dec. 1960	Change from:	
		Month ago	Year ago
Total financed by retail	<u>309</u>	-24	- 28
New passenger	<u>119</u>	-17	+ 16
Used passenger	170	- 5	- 43
New commercial	12	0	+ 2
Used commercial	8	- 2	- 3
Total financed at wholesale	<u>491</u>	-23	+104
New (passenger and commercial)	<u>418</u>	-26	+105
Used (passenger and commercial)	73	+ 3	- 1

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

Credit Sales	Per Cent
1960 - December	<u>56</u>
November	58
1959 - December	59

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.