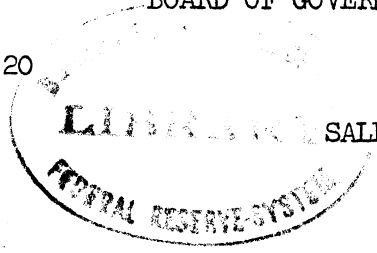


*Mrs. Postler*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

April 5, 1961



SALES FINANCE COMPANIES

FEBRUARY 1961

Retail passenger car instalment paper held by sales finance companies declined \$126 million in February to \$7,429 million. Holdings increased \$37 million and \$3 million in the corresponding month of 1960 and 1959, respectively. Other consumer goods paper increased \$8 million. Total consumer instalment paper at sales finance companies at the end of February was \$638 million higher than a year ago.

Credit extended in February by sales finance companies for the purchase of passenger automobiles declined \$37 million from the previous month. After allowance for seasonal influences, extensions, in the first two months of the year, were at the lowest levels since 1958. Numbers of new and used car contracts acquired in February were each about 50 thousand fewer than a year ago.

Business credit outstanding declined \$15 million in February, reflecting reductions in retail commercial vehicle credit and automobile floor plan loans.

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

Type of credit	Feb. 28, 1961	Increase or decrease during:		
		Feb. 1961	Feb. 1960	Year ended February 28, 1961
Consumer instalment credit	<u>10,914</u>	<u>-116</u>	<u>+108</u>	<u>+638</u>
Retail automotive (passenger cars)	7,429	-126	+ 37	+ 87
Other consumer goods paper	2,420	+ 8	+ 60	+438
Repair and modernization loans	64	0	+ 1	+ 27
Personal loans	1,001	+ 2	+ 10	+ 86
Business credit <u>1/</u>	<u>3,799</u>	<u>- 15</u>	<u>+387</u>	<u>+136</u>
Retail automotive (commercial vehicles)	558	- 16	+ 3	- 21
Wholesale automotive	1,825	- 13	+342	- 42
Wholesale other than automotive	130	+ 1	+ 10	- 24
Other business credit	1,286	+ 13	+ 32	+223

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	Feb. 1961	Change from:	
		Month ago	Year ago
Consumer instalment credit	656	- 81	-204
Retail automotive (passenger cars)	378	- 37	-211
New	209	- 31	-137
Used	169	- 6	- 74
Other consumer goods paper	171	- 43	+ 13
Repair and modernization loans	2	- 1	- 1
Personal loans	105	0	- 5
Business credit <u>1/</u>	955	-203	-708
Retail automotive (commercial vehicles)	38	- 1	- 13
New	28	0	- 10
Used	10	- 1	- 3
Wholesale automotive paper	745	-154	-663
New (passenger and commercial)	682	-154	-639
Used (passenger and commercial)	63	0	- 24
Wholesale other than automotive	37	- 1	- 12
Other business credit <u>1/</u>	135	- 47	- 20

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	Feb. 1961	Change from:	
		Month ago	Year ago
Total financed by retail	<u>259</u>	<u>-13</u>	<u>-111</u>
New passenger	81	-12	- 52
Used passenger	159	- 1	- 51
New commercial	10	0	- 4
Used commercial	9	0	- 4
Total financed at wholesale	<u>354</u>	<u>-43</u>	<u>-257</u>
New (passenger and commercial)	291	-43	-243
Used (passenger and commercial)	63	0	- 14

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

Credit Sales	Per Cent
1961 - February	56
January	61
1960 - February	58

<sup>1/</sup> 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.