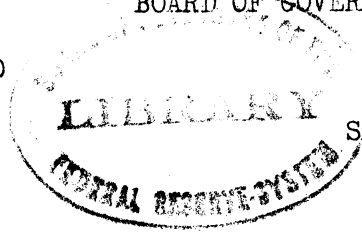


*Wm. Postler*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.20

May 4, 1961



SALES FINANCE COMPANIES

MARCH 1961

Retail passenger car instalment paper held by sales finance companies declined \$115 million in March to \$7,314 million. Holdings increased \$65 million and \$35 million in the corresponding month of 1960 and 1959, respectively. Total consumer instalment paper outstanding at sales finance companies was \$430 million higher than a year ago.

Credit extended in March by sales finance companies to consumer purchasers of automobiles increased \$104 million from the previous month. The number of new passenger car contracts acquired at retail increased 25 thousand during the month and the number of used passenger car contracts at retail increased 43 thousand. Retail passenger car contracts acquired, however, were 85 thousand less than a year ago.

Business credit outstanding declined \$123 million in March, reflecting reductions in automobile floor plan loan balances.

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

Type of credit	Mar. 31, 1961	Increase or decrease during:		
		March 1961	March 1960	Year ended March 31, 1961
Consumer instalment credit	<u>10,787</u>	<u>-127</u>	<u>+ 81</u>	<u>+430</u>
Retail automotive (passenger cars)	7,314	-115	+ 65	- 93
Other consumer goods paper	2,402	- 18	+ 6	+414
Repair and modernization loans	66	+ 2	+ 2	+ 27
Personal loans	1,005	+ 4	+ 8	+ 82
Business credit <sup>1/</sup>	<u>3,676</u>	<u>-123</u>	<u>+256</u>	<u>-243</u>
Retail automotive (commercial vehicles)	553	- 5	+ 15	- 41
Wholesale automotive	1,694	-131	+209	-382
Wholesale other than automotive	136	+ 6	+ 11	- 29
Other business credit	1,293	+ 7	+ 21	+209

<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	Mar. 1961	Change from:	
		Month ago	Year ago
Consumer instalment credit	806	+150	-161
Retail automotive (passenger cars)	482	+104	-190
New	272	+ 63	-132
Used	210	+ 41	- 58
Other consumer goods paper	200	+ 29	+ 28
Repair and modernization loans	3	+ 1	0
Personal loans	121	+ 16	+ 1
Business credit <u>1/</u>	1,112	+157	-575
Retail automotive (commercial vehicles)	47	+ 9	- 16
New	35	+ 7	- 12
Used	12	+ 2	- 4
Wholesale automotive paper	862	+117	-557
New (passenger and commercial)	787	+105	-535
Used (passenger and commercial)	75	+ 12	- 22
Wholesale other than automotive	44	+ 7	- 10
Other business credit <u>1/</u>	159	+ 24	+ 8

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	March 1961	Change from:	
		Month ago	Year ago
Total financed by retail	<u>331</u>	<u>+72</u>	<u>- 94</u>
New passenger	106	+25	- 51
Used passenger	202	+43	- 34
New commercial	12	+ 2	- 5
Used commercial	11	+ 2	- 4
Total financed at wholesale	<u>397</u>	<u>+43</u>	<u>-236</u>
New (passenger and commercial)	320	+29	-225
Used (passenger and commercial)	77	+14	- 11

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

Credit Sales	Per Cent
1961 - March	<u>54</u>
February	56
1960 - March	58

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.