



# FEDERAL RESERVE

statistical release

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SEP 19 1965  
FEDERAL RESERVE BANK  
SALES FINANCE COMPANIES

September 2, 1965

719

JULY 1965

Consumer instalment credit outstanding at Sales Finance Companies rose \$193 million in July for one of the sharpest increases ever recorded for that month. The bulk of this expansion was in retail automobile paper; it accounted for over 60 per cent of the increase. Other consumer goods and personal loans rose \$44 million and \$30 million respectively.

New acquisitions of consumer instalment paper were \$75 million below the June total, but above the level for July 1964. Other consumer goods accounted for the major portion of the rise from 1964 to 1965. Repayments continued to remain at a high level.

Business credit dipped slightly, down \$10 million from the previous month. This was due to declines in wholesale automotive credit and other wholesale credit.

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

| Type of credit                          | July 31, 1965 | Increase or decrease during: |             |                          |
|---|---------------|------------------------------|-------------|--------------------------|
|   |               | July 1965                    | July 1964   | Year ended July 31, 1965 |
| Consumer instalment credit              | <u>15,565</u> | <u>193</u>                   | <u>131</u>  | <u>1,206</u>             |
| Retail automotive (passenger cars)      | 9,174         | 119                          | 108         | 433                      |
| Other consumer goods                    | 4,067         | 44                           | - 1         | 453                      |
| Home repair and modernization           | 133           | 0                            | - 1         | - 16                     |
| Personal loans                          | 2,191         | 30                           | 25          | 336                      |
| Business credit <sup>1/</sup>           | <u>6,719</u>  | <u>- 10</u>                  | <u>-196</u> | <u>433</u>               |
| Retail automotive (commercial vehicles) | 903           | 9                            | 13          | 48                       |
| Wholesale automotive                    | 2,468         | - 41                         | -186        | 292                      |
| Wholesale other than automotive         | 490           | - 17                         | - 19        | 43                       |
| Other business credit                   | 2,858         | 39                           | - 4         | 50                       |

<sup>1/</sup> Excludes some credit extended to business, such as that extended by factoring subsidiaries.

720

Credit Extended by Sales Finance Companies  
(In millions of dollars)

| Type of credit                          | July<br>1965 | Change from  |             |
|---|--------------|--------------|-------------|
|   |              | Month<br>ago | Year<br>ago |
| Consumer instalment credit              | <u>1,318</u> | - 75         | 76          |
| Retail automotive (passenger cars)      | <u>738</u>   | - 38         | 15          |
| New                                     | 497          | - 4          | 29          |
| Used                                    | 241          | - 34         | -14         |
| Other consumer goods                    | 336          | - 21         | 43          |
| Home repair and modernization           | 7            | - 2          | - 1         |
| Personal loans                          | 237          | - 14         | 19          |
| Business credit <sup>1/</sup>           | <u>2,189</u> | -309         | 330         |
| Retail automotive (commercial vehicles) | <u>85</u>    | - 5          | 3           |
| New                                     | 65           | - 4          | 0           |
| Used                                    | 20           | - 1          | 3           |
| Wholesale automotive paper              | <u>1,572</u> | -255         | 305         |
| New (passenger and commercial)          | 1,517        | -245         | 308         |
| Used (passenger and commercial)         | 55           | - 10         | - 3         |
| Wholesale other than automotive         | 130          | - 17         | 6           |
| Other business credit <sup>1/</sup>     | 402          | - 32         | 16          |

<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                 | July<br>1965 | Change from  |             |
|---------------------------------|--------------|--------------|-------------|
|                                 |              | Month<br>ago | Year<br>ago |
| Total financed at retail        | <u>386</u>   | <u>-28</u>   | <u>- 5</u>  |
| New passenger                   | 177          | 0            | 11          |
| Used passenger                  | 180          | -27          | -20         |
| New commercial                  | 19           | - 1          | 1           |
| Used commercial                 | 10           | 0            | 3           |
| Total financed at wholesale     | <u>623</u>   | <u>-96</u>   | <u>106</u>  |
| New (passenger and commercial)  | 578          | -89          | 109         |
| Used (passenger and commercial) | 45           | - 7          | - 3         |

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

| Credit Sales | <u>Per Cent</u> |
|--------------|-----------------|
| 1965 - July  | 75              |
| 1965 - June  | r67             |
| 1964 - July  | 75              |

r - revised

<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, D. C. 20551.