

## SALES FINANCE COMPANIES

September 1965

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Sales finance companies increased their holdings of consumer credit in September by \$81 million. Much of the rise was in the other consumer goods category, but some of it was in personal loans as well. Auto credit, on the other hand, declined in September more or less in line with the usual seasonal expectations. Total outstandings amounted to \$15,802 million at the end of September, an increase of 1 percent from the previous month and 9 percent from a year earlier.

The amount of new paper acquired by sales finance companies decreased in September, largely because of a drop in retail automotive extensions. The only category to show an increase was other consumer goods, where volume was up \$38 million. Acquisitions for the entire third quarter totaled \$3,839 million, an increase of 8 percent from the corresponding period in 1964.

Business credit outstanding and volume of purchases decreased further in September as a result of a seasonal decline in the wholesale automotive category.

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

| Type of credit                             | Sept 30,<br>1965 | Increase or decrease during: |                   |                               |
|--|------------------|------------------------------|-------------------|-------------------------------|
|  |                  | September<br>1965            | September<br>1964 | Year ending<br>Sept. 30, 1965 |
| Consumer instalment credit                 | <u>15,802</u>    | <u>81</u>                    | <u>78</u>         | <u>1,249</u>                  |
| Retail automotive (passenger cars)         | 9,196            | - 39                         | - 35              | 432                           |
| Other consumer goods                       | 4,204            | 79                           | 63                | 498                           |
| Home repair and modernization              | 129              | - 2                          | - 1               | - 19                          |
| Personal loans                             | 2,273            | 43                           | 51                | 338                           |
| Business credit <sup>1/</sup>              | <u>5,912</u>     | <u>-496</u>                  | <u>28</u>         | <u>118</u>                    |
| Retail automotive<br>(commercial vehicles) | 914              | 4                            | 8                 | 48                            |
| Wholesale automotive                       | 1,600            | -533                         | 6                 | - 47                          |
| Wholesale other than automotive            | 498              | - 4                          | - 7               | 60                            |
| Other business credit                      | 2,900            | 37                           | 21                | 57                            |

<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                          | September<br>1965 | Change from: |              |
|---|-------------------|--------------|--------------|
|   |                   | Month<br>ago | Year<br>ago  |
| Consumer instalment credit              | <u>1,228</u>      | <u>- .65</u> | <u>86</u>    |
| Retail automotive (passenger cars)      | <u>584</u>        | <u>- 99</u>  | <u>6</u>     |
| New                                     | 382               | - 77         | 8            |
| Used                                    | 202               | - 22         | - 2          |
| Other consumer goods                    | 393               | 38           | 58           |
| Home repair and modernization           | 5                 | - 2          | - 1          |
| Personal loans                          | 246               | - 2          | 23           |
| Business credit <u>1/</u>               | <u>1,262</u>      | <u>- 540</u> | <u>- 447</u> |
| Retail automotive (commercial vehicles) | <u>82</u>         | <u>- 3</u>   | <u>2</u>     |
| New                                     | 64                | - 2          | 1            |
| Used                                    | 18                | - 1          | 1            |
| Wholesale automotive paper              | <u>566</u>        | <u>- 563</u> | <u>- 491</u> |
| New (passenger and commercial)          | 517               | - 555        | - 488        |
| Used (passenger and commercial)         | 49                | - 8          | - 3          |
| Wholesale other than automotive         | 164               | 5            | 25           |
| Other business credit <u>1/</u>         | 450               | 21           | 17           |

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

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Number of Motor Vehicles Financed by Sales Finance Companies  
(In thousands)

| Type of vehicle                 | September<br>1965 | Change from: |             |
|---------------------------------|-------------------|--------------|-------------|
|                                 |                   | Month<br>ago | Year<br>ago |
| Total financed at retail        | <u>323</u>        | <u>- 39</u>  | <u>- 4</u>  |
| New passenger                   | 139               | - 21         | 4           |
| Used passenger                  | 155               | - 20         | - 10        |
| New commercial                  | 20                | 2            | 1           |
| Used commercial                 | 9                 | 0            | 1           |
| Total financed at wholesale     | <u>247</u>        | <u>-211</u>  | <u>-178</u> |
| New (passenger and commercial)  | 205               | -205         | -177        |
| Used (passenger and commercial) | 42                | - 6          | - 1         |

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

| Credit Sales     | Per Cent |
|------------------|----------|
| 1965 - September | 85       |
| 1965 - August    | r80      |
| 1964 - September | 67       |

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.