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SALES FINANCE COMPANIES

December 1965

February 9, 1966.

Consumer credit outstanding at sales finance companies increased \$175 million in December. Other consumer goods accounted for much of the rise, although there were also substantial increases in personal loans and retail automotive paper.

New credit extensions amounted to \$1,425 million, up \$132 million from November and \$108 million from December 1964. Extensions for the entire fourth quarter totaled \$3,941 million, a rise of 2.6 per cent from the third quarter. The total for the year was \$15,075 million, an increase of 7.5 per cent over 1964.

Business credit continued to increase in December. The amount outstanding at the end of the month was 17 per cent greater than at the end of December 1964, the largest year-to-year increase for any December since 1960.

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

Type of credit	December 31, 1965	Increase or decrease during:		
		December 1965	December 1964	Year ended Dec. 31, 1965
Consumer instalment credit	<u>16,138</u>	<u>175</u>	<u>140</u>	<u>1,376</u>
Retail automotive (passenger cars)	9,241	31	3	540
Other consumer goods	4,429	97	85	540
Home repair and modernization	123	- 3	- 2	- 19
Personal loans	2,345	50	54	315
Business credit ^{1/}	<u>6,729</u>	<u>258</u>	<u>378</u>	<u>964</u>
Retail automotive (commercial vehicles)	931	3	- 4	78
Wholesale automotive	2,324	218	366	676
Wholesale other than automotive	544	21	6	94
Other business credit	2,930	16	10	116

^{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	December 1965	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>1,425</u>	<u>132</u>	<u>108</u>
Retail automotive (passenger cars)	<u>655</u>	<u>- 8</u>	<u>34</u>
New	429	- 8	29
Used	226	0	5
Other consumer goods	454	86	59
Home repair and modernization	6	0	- 1
Personal loans	310	54	16
Business credit <u>1/</u>	<u>2,594</u>	<u>-25</u>	<u>136</u>
Retail automotive (commercial vehicles)	<u>83</u>	<u>- 4</u>	<u>13</u>
New	65	- 3	11
Used	18	- 1	2
Wholesale automotive paper	<u>1,837</u>	<u>-71</u>	<u>46</u>
New (passenger and commercial)	1,766	-77	45
Used (passenger and commercial)	71	6	1
Wholesale other than automotive	188	26	27
Other business credit <u>1/</u>	486	24	50

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	December 1965	Change from:	
		Month ago	Year ago
Total financed at retail	<u>328</u>	<u>- 5</u>	<u>0</u>
New passenger	148	- 4	8
Used passenger	157	0	- 8
New commercial	75	- 2	1
Used commercial	8	1	- 1
Total financed at wholesale	<u>686</u>	<u>-21</u>	<u>14</u>
New (passenger and commercial)	632	-26	13
Used (passenger and commercial)	54	5	1

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

Credit Sales	<u>Per Cent</u>
1965 - December	63
1965 - November	60
1964 - December	55

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, D. C. 20551.