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February 6, 1967. *Haynes* 770

SALES FINANCE COMPANIES

DECEMBER 1966

Consumer instalment credit outstanding at sales finance companies increased \$146 million during December to \$16,936 at the year-end, with other consumer goods paper and personal loans accounting for the expansion. The increase for 1966 as a whole came to nearly \$800 million, with slightly over half in the other consumer goods category.

Acquisitions of consumer goods paper and personal loans showed a greater-than-seasonal increase in December and this more than offset the contraction in retail automotive paper.

The volume of wholesale automotive paper for new cars declined more than is usual in December and accounted for a substantial decline in total business credit extended. The volume of home improvement loans in December was unchanged from both a month and a year earlier.

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

Type of credit	Dec. 31, 1966	Increase or decrease during:		
		December 1966	December 1965	Year ended December 31, 1966
Consumer instalment credit	<u>16,936</u>	<u>146</u>	<u>175</u>	<u>798</u>
Retail automotive (passenger cars)	9,391	- 4	31	150
Other consumer goods	4,829	93	97	400
Home repair and modernization	110	0	- 3	- 13
Personal loans	2,606	57	50	261
Business credit ^{1/}	<u>7,348</u>	<u>291</u>	<u>258</u>	<u>619</u>
Retail automotive (Commercial vehicles)	1,036	- 13	3	105
Wholesale automotive	2,648	276	218	324
Wholesale other than automotive	556	- 18	21	12
Other business credit	3,108	46	16	178

^{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	Dec. 1966	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>1,374</u>	<u>133</u>	<u>-51</u>
Retail automotive (passenger cars)	<u>598</u>	<u>- 32</u>	<u>-57</u>
New	394	- 27	-35
Used	204	- 5	-22
Other consumer goods	435	94	-19
Home repair and modernization	6	0	0
Personal loans	335	71	25
Business credit <u>1/</u>	<u>2,441</u>	<u>-127</u>	<u>-153</u>
Retail automotive (commercial vehicles)	<u>78</u>	<u>- 7</u>	<u>- 5</u>
New	60	- 5	- 5
Used	18	- 2	0
Wholesale automotive paper	<u>1,689</u>	<u>-167</u>	<u>-148</u>
New (passenger and commercial)	1,629	-168	-137
Used (passenger and commercial)	60	1	- 11
Wholesale other than automotive	144	16	- 44
Other business credit <u>1/</u>	530	31	44

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	December 1966	Change from:	
		Month ago	Year ago
Total financed at retail	<u>292</u>	<u>-14</u>	<u>-36</u>
New passenger	130	-11	-18
Used passenger	137	- 2	-20
New commercial	16	- 1	1
Used commercial	9	0	1
Total financed at wholesale	<u>621</u>	<u>-35</u>	<u>-65</u>
New (passenger and commercial)	569	-44	-63
Used (passenger and commercial)	52	9	- 2

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

Credit Sales	<u>Per Cent</u>
1966 - December	62
1966 - November	62
1965 - December	r65

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.

r - Revised.