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March 4, 1968

SALES FINANCE COMPANIES

Handwritten: Finance Companies Sales

January 1968

Although consumer instalment credit declined \$76 million at sales finance companies during January, this decline was not as sharp as during the same month a year ago. This January only passenger car paper outstanding dipped significantly, while other consumer goods paper showed more than a seasonal increase and personal loans held steady. In January 1967, all four major credit categories dipped, with passenger cars declining \$106 million compared to the smaller \$86 million drop this year.

Total acquisitions of consumer instalment paper at sales finance companies in January were up \$108 million over a year ago, although they declined \$235 million from December 1967. Sales finance companies purchased more paper in all the major credit categories this January than last, and in comparison with December showed smaller declines in both passenger car paper and personal loans.

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

Type of credit	January 31, 1968	Increase or decrease during:		
		Jan. 1968	Jan. 1967	Year ended Jan. 31, 1968
Consumer instalment credit	<u>16,775</u>	<u>-76</u>	<u>-122</u>	<u>- 39</u>
Retail automotive (passenger cars)	8,873	-86	-106	-412
Other consumer goods	5,032	15	- 12	215
Home repair and modernization	98	- 5	- 1	- 11
Personal loans	2,772	<u>2/</u>	- 3	169
Business credit <u>1/</u>	<u>7,627</u>	<u>402</u>	<u>124</u>	<u>155</u>
Retail automotive (commercial vehicles)	1,002	-24	- 4	- 30
Wholesale automotive	2,673	343	171	-146
Wholesale other than automotive	617	70	- 19	80
Other business credit	3,335	13	- 24	251

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

2/ Less than 0.5 million dollars.

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

Type of credit	Jan. 1968	Change from:	
		Month ago	Year ago
Consumer instalment credit	<u>1,141</u>	<u>-235</u>	<u>108</u>
Retail automotive (passenger cars)	<u>521</u>	- 4	<u>28</u>
New	337	- 13	29
Used	184	9	- 1
Other consumer goods	374	-121	52
Home repair and modernization	5	- 2	2/
Personal loans	241	-108	28
Business credit <u>1/</u>	<u>2,718</u>	<u>188</u>	<u>483</u>
Retail automotive (commercial vehicles)	<u>95</u>	<u>11</u>	<u>10</u>
New	69	10	4
Used	26	1	6
Wholesale automotive paper	<u>1,940</u>	<u>222</u>	<u>328</u>
New (passenger and commercial)	1,893	226	336
Used (passenger and commercial)	47	- 4	- 8
Wholesale other than automotive	144	- 8	30
Other business credit	539	- 37	115

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

2/Less than 0.5 million dollars.

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

Type of vehicle	January 1968	Change from:	
		Month ago	Year ago
Total financed at retail	<u>253</u>	<u>29</u>	<u>3</u>
New passenger	106	- 4	5
Used passenger	116	7	- 9
New commercial	17	<u>1/</u>	<u>1/</u>
Used commercial	14	<u>26</u>	<u>7</u>
Total financed at wholesale	<u>659</u>	<u>107</u>	<u>99</u>
New (passenger and commercial)	619	95	102
Used (passenger and commercial)	40	12	- 3

The table presenting credit sales of new passenger cars as a per cent of total number sold at retail will no longer appear in this release. Information on number of cars sold on credit and average notes of major lenders appears in release G.26. Copies of this release can be obtained by writing to the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

1/ Less than 0.5 million dollars.