



FEDERAL RESERVE

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FINANCE COMPANIES

JUNE 1971

The total holdings of consumer instalment paper by finance companies rose for the third consecutive month bringing the total holdings to \$30.6 billion. Outstandings of other consumer goods declined slightly in June but the reduction was offset by increases in the remaining categories. Passenger car paper outstanding increased \$108 million in June bringing the total to \$9.9 billion, the highest for the year. Outstandings of personal loans and home repair and modernization showed a monthly increase of \$71 million and \$1 million, respectively.

Total credit extended to consumers in June was \$177 million more than the amount extended in May and was the largest amount since June 1970. Extensions in home repair and modernization were slightly below last month while the remaining categories showed increased extensions. Extensions in nonautomotive consumer goods and personal loans reached their highest levels for the year--\$472 million and \$1,505 million, respectively.

Total business credit outstanding at finance companies continued to increase in June bringing the total to nearly \$21.2 billion. The total amount of business credit extended for June was \$5.4 billion, the largest extensions since March 1971. The increase in total business credit outstanding and total business credit extended was present in all of the major categories.

The number of motor vehicles financed by finance companies increased in June by 46,000 units. New passenger vehicles increased 26,000 units while used passenger and new and used commercial vehicles increased 13,000 and 7,000 units, respectively.

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

Type of credit	June 30, 1971	Increase or decrease during:		
		June 1971	June 1970	Year ending June 30, 1971
Consumer instalment credit	<u>30,609</u>	<u>168</u>	<u>267</u>	<u>-1,253</u>
Retail automotive (passenger cars)	9,918	108	83	-1,155
Other consumer goods	6,224	- 12	55	- 336
Home repair and modernization	101	1	- 1	3
Personal loans	14,366	71	130	235
Business credit 1/	<u>21,193</u>	<u>294</u>		Not available at present due to revisions in reporting
Retail automotive (commercial vehicles)	3,013	33		
Wholesale automotive	5,784	249		
Other business credit	12,396	12		

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

Credit Extended by Finance Companies
(In millions of dollars)

Type of credit	June 30, 1971	May 31, 1971 ^c	Change from:	
			Month ago	Year ago
Consumer instalment credit	<u>2,832</u>	<u>2,655</u>	<u>177</u>	<u>-80</u>
Retail automotive (passenger cars)	<u>850</u>	<u>726</u>	<u>124</u>	<u>-17</u>
New	616	518	98	2/
Used	234	208	26	2/
Other consumer goods:	472	444	28	-62
Home repair and modernization	5	7	- 2	2
Personal loans	1,505	1,478	27	- 3
Business credit ^{1/}	<u>5,423</u>	<u>4,803</u>	<u>620</u>	Not available at present due to revisions in reporting
Retail automotive (commercial vehicles)	194	167	27	
Wholesale automotive paper	3,077	2,704	373	
Other business credit	2,152	1,932	220	

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

^{2/} Not available due to revisions in reporting.

^{c/} Corrected.

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

Type of vehicle	June 1971	May 1971*
Total financed at retail	<u>336</u>	<u>290</u>
New passenger	168	142
Used passenger	122	109
New and used commercial	46	39

* Revised.