



# FEDERAL RESERVE

975

## statistical release

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FEDERAL RESERVE BANK  
OF BOSTON

### FINANCE COMPANIES - FEBRUARY 1973

Consumer instalment credit outstanding at finance companies increased \$254 million during February. All types of credit except mobile home financing contributed to this greater than seasonal expansion.

On the other hand, total paper acquired and direct loans made by these companies in February were \$61 million less than in the previous month. February extensions, however, were \$358 million larger than extensions a year ago. The monthly decline in total extensions reflected smaller extensions than in January in both other retail consumer goods and personal loans.

Total business credit outstanding at finance companies increased \$596 million during February mainly as the result of a large increase in wholesale automotive credit to finance auto dealer floor planning. While total business extensions were \$488 million less than in January, wholesale automotive and business, industrial and farm equipment extensions were higher than in the previous month.

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

Type of credit	Feb. 28, 1973	Increase or decrease (-) during:		
		February 1973	February 1972	Year ended Feb. 28, 1973
Consumer instalment credit	32,431	254	-28	3,736
Retail automotive (passenger cars)	10,267	90	-60	868
Mobile homes	2,909	-19	10	338
Other retail consumer goods	3,752	108	*	710
Home repair and modernization	562	34	1	304
Personal loans	14,941	41	21	1,516

\*Less than 0.5 million

### Consumer Credit Extended and Repaid at Finance Companies (In millions of dollars)

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Feb. 1973	Jan. 1973	Feb. 1972	Feb. 1973	Jan. 1973	Feb. 1972
Consumer instalment credit	2,972	3,033	2,614	2,718	2,944	2,642
Retail automotive (passenger cars)	717	699	605	627	696	665
Mobile homes	109	97	88	128	85	78
Other retail consumer goods	844	908	707	736	853	707
Home repair and modernization	49	46	17	15	15	16
Personal loans	1,253	1,283	1,197	1,212	1,295	1,176

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

Type of credit	Feb. 28, 1973	Increase or decrease (-) during:		
		February 1973	February 1972	Year ended Feb. 28, 1973
Business credit	<u>27,107</u>	<u>596</u>	<u>639</u>	<u>3,343</u>
Retail automotive (commercial vehicles)	4,395	-25	86	669
Wholesale automotive	6,039	505	417	423
Retail paper on business, industrial and farm equipment	7,562	-49	-85	1,088
Loans on commercial accounts receivable	1,751	24	29	169
Factored commercial accounts receivable	1,475	44	56	30
All other business credit	5,885	97	136	964

Business Credit Extended and Repaid at Finance Companies  
(In millions of dollars)

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Feb. 1973	Jan. 1973	Feb. 1972	Feb. 1973	Jan. 1973	Feb. 1972
Business credit	<u>8,471</u>	<u>8,959</u>	<u>6,529</u>	<u>7,875</u>	<u>8,588</u>	<u>5,890</u>
Retail automotive (commercial vehicles)	354	357	391	379	378	305
Wholesale automotive	3,380	3,294	2,749	2,875	3,165	2,332
Retail paper on business, industrial and farm equipment	853	810	525	902	729	610
Loans on commercial accounts receivable	1,256	1,346	1,006	1,232	1,343	977
Factored commercial accounts receivable	1,463	1,960	879	1,419	1,851	823
All other business credit	1,165	1,192	979	1,068	1,122	843

Bank and commercial paper debt registered sizable increases. While directly placed commercial paper showed a larger than seasonal increase, dealer placed paper declined \$334 million. Some finance companies, rather than pay the higher interest rates in the dealer placed market, made heavier than usual use of their bank lines of credit.

**Change in Extensions and Repayments**  
(In millions of dollars)

Type of credit	Change in extensions from:		Change in repayments from:	
	Month ago	Year ago	Month ago	Year ago
Consumer instalment credit	<u>-61</u>	<u>358</u>	<u>-226</u>	<u>76</u>
Retail automotive (passenger cars)	18	112	-69	-38
Mobile homes	12	21	43	50
Other retail consumer goods	-64	137	-117	29
Home repair and modernization	3	32	*	-1
Personal loans	-30	56	-83	36
Business credit	<u>-488</u>	<u>1,942</u>	<u>-713</u>	<u>1,985</u>
Retail automotive (commercial vehicles)	-3	-37	1	74
Wholesale automotive	86	631	-290	543
Retail paper on business, industrial and farm equipment	43	328	173	292
Loans on commercial accounts receivable	-90	250	-111	255
Factored commercial accounts receivable	497	584	-432	596
All other business credit	-27	186	-54	225

\* Less than 0.5 million

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

Type of vehicle	February 28, 1973	Change from:	
		Month ago	Year ago
Total financed at retail	<u>320</u>	<u>10</u>	<u>0</u>
New passenger	126	3	19
Used passenger	113	2	-4
New and used commercial	81	5	-15

**Selected Liabilities of Finance Companies**  
(In millions of dollars)

Type of liability	Feb. 28, 1973	Increase or decrease (+) during:		
		February 1973	January 1973	February 1972
Bank loans (excl. commercial paper)	5,269	446	-226	24
Commercial paper	<u>18,366</u>	<u>270</u>	<u>19</u>	<u>-11</u>
Directly placed	17,037	604	319	-7
Dealer placed	1,329	-334	-300	-4