



# FEDERAL RESERVE 918

## statistical release

May 1973

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### FINANCE COMPANIES - MARCH 1973

Finance company holdings of consumer credit increased \$319 million during March. All the major credit categories contributed to this greater than seasonal growth. For the first quarter as a whole outstandings at finance companies spurted \$662 million with retail passenger car and other consumer goods credit recording the largest increases.

The amount of direct loans made and paper purchased during March by finance companies was \$626 million higher than in the previous month. All types of credit with the exception of repair and modernization loans expanded. First quarter 1973 extensions of consumer credit were \$1,382 million higher than for the same quarter of 1972 and registered only a \$1,092 million drop from the very high level recorded in the fourth quarter of 1972.

Business credit outstanding increased \$89 million in March. With both wholesale and retail commercial vehicle paper showing less growth and retail paper on business, industrial and farm equipment recording a greater decline than a year ago, the increase in March 1973 was much smaller than that recorded a year earlier.

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

Type of credit	March 31, 1973	Increase or decrease (-) during:		
		March 1973	March 1972	Year ended March 31, 1973
Consumer instalment credit	<u>32,750</u>	<u>319</u>	<u>21</u>	<u>4,034</u>
Retail automotive (passenger cars)	10,419	152	-75	1,095
Mobile Homes	2,943	34	16	356
Other retail consumer goods	3,796	44	21	733
Home repair and modernization	581	19	3	320
Personal loans	15,011	70	56	1,530

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	March 1973	Feb. 1973	March 1972	March 1973	Feb. 1973	March 1972
Consumer instalment credit	<u>3,552</u>	<u>2,972</u>	<u>3,173</u>	<u>3,279</u>	<u>2,718</u>	<u>3,152</u>
Retail automotive (passenger cars)	886	717	753	734	627	828
Mobile Homes	130	109	106	96	128	90
Other retail consumer goods	1,006	844	835	970	736	814
Home repair and modernization	43	49	20	24	15	17
Personal loans	1,487	1,253	1,459	1,455	1,212	1,403

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

Type of credit	March 31, 1973	Increase or decrease (-) during:		
		March 1973	March 1972	March 31, 1973
Business credit	<u>27,196</u>	<u>89</u>	<u>613</u>	<u>2,819</u>
Retail automotive (commercial vehicles)	4,458	63	245	487
Wholesale automotive	6,197	158	301	280
Retail paper on business, industrial and farm equipment	7,259	-303	-128	913
Loans on commercial accounts receivable	1,787	36	12	193
Factored commercial accounts receivable	1,517	42	47	25
All other business credit	5,978	93	136	921

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	March 1973	Feb. 1973	March 1972	March 1973	Feb. 1973	March 1972
Business credit	<u>9,607</u>	<u>8,471</u>	<u>7,832</u>	<u>9,518</u>	<u>7,875</u>	<u>7,219</u>
Retail automotive (commercial vehicles)	435	354	537	372	379	292
Wholesale automotive	3,542	3,380	3,109	3,384	2,875	2,808
Retail paper on business, industrial and farm equipment	839	853	616	1,142	902	744
Loans on commercial accounts receivable	1,542	1,256	1,119	1,506	1,232	1,107
Factored commercial accounts receivable	1,839	1,463	1,248	1,797	1,419	1,201
All other business credit	1,410	1,165	1,203	1,317	1,068	1,067

To finance their expanding receivables portfolios, finance companies continued to increase both their bank and directly placed commercial paper debt outstanding. Dealer placed commercial paper, on the other hand, continued to decline, reflecting the companies' preference for the lower interest rates of bank loans.

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>580</u>	<u>379</u>	<u>561</u>	<u>127</u>
Retail automotive (passenger cars)	169	133	107	-94
Mobile Homes	21	24	-32	6
Other retail consumer goods	162	171	234	156
Home repair and modernization	-6	23	9	7
Personal loans	234	28	243	52
Business credit	<u>1,136</u>	<u>1,775</u>	<u>1,643</u>	<u>2,299</u>
Retail automotive (commercial vehicles)	81	-102	-7	80
Wholesale automotive	162	433	509	576
Retail paper on business, industrial and farm equipment	-14	223	240	398
Loans on commercial accounts receivable	286	423	274	399
Factored commercial accounts receivable	376	591	378	596
All other business credit	245	207	249	250

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

Type of vehicle	March 1973	Change from:	
		Month ago	Year ago
Total financed at retail	<u>385</u>	<u>65</u>	<u>19</u>
New passenger	158	32	22
Used passenger	130	17	-10
New and used commercial	97	16	7

Selected Liabilities of Finance Companies  
(In millions of dollars)

Type of liability	March 31, 1973	Increase or decrease (-) during		
		March 1973	Feb. 1973	March 1972
Bank loans (excl. commercial paper)	6,024	755	446	281
Commercial paper	<u>18,702</u>	<u>336</u>	<u>270</u>	<u>-139</u>
Directly placed	<u>17,625</u>	<u>588</u>	<u>604</u>	<u>-31</u>
Dealer placed	<u>1,077</u>	<u>-252</u>	<u>-334</u>	<u>-108</u>