



FEDERAL RESERVE

statistical release

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FINANCE COMPANIES - October 1973

Finance company holdings of consumer instalment credit rose \$372 million during the month of October, bringing the total to over \$36 billion. All the major areas of consumer credit contributed to this seasonal growth.

Extensions and repayments of consumer credit were considerably greater than last month, reflecting usual seasonal developments. Personal loans and retail automotive paper accounted for much of the rise in both extensions and repayments.

Finance companies reported a seasonal increase of \$499 million for total business credit outstanding, with wholesale automotive paper accounting for the major portion of this growth. Business credit extensions were \$2.3 billion greater than in September. Greater than seasonal increases in wholesale automotive paper, retail paper on business, industrial and farm equipment, and loans on commercial accounts receivable formed the bulk of this rise.

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

Type of credit	Oct. 31, 1973	Increase or decrease (-) during:		
		October 1973	October 1972	Year ended Oct. 31, 1973
Consumer instalment credit	<u>36,365</u>	<u>372</u>	<u>320</u>	<u>5,395</u>
Retail automotive (passenger cars)	11,859	138	79	1,945
Mobil homes	3,269	34	42	407
Other retail consumer goods	4,316	51	63	886
Home improvement loans ^{1/}	847	38	29	435
Personal loans	16,074	111	107	1,722

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Oct. 1973	Sept. 1973	Oct. 1972	Oct. 1973	Sept. 1973	Oct. 1972
Consumer instalment credit	<u>3,765</u>	<u>3,189</u>	<u>3,348</u>	<u>3,393</u>	<u>2,830</u>	<u>3,028</u>
Retail automotive (passenger cars)	904	696	827	766	558	748
Mobile homes	146	144	135	112	96	93
Other retail consumer goods	1,052	951	941	1,001	880	878
Home improvement loans ^{1/}	89	85	40	51	47	11
Personal loans	1,574	1,313	1,405	1,463	1,249	1,298

^{1/} Formerly Home repair and modernization loans.

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

Type of credit	Oct. 31, 1973	Increase or decrease (-) during:		
		October 1973	October 1972	Year ended Oct. 31, 1973
Business credit	<u>27,959</u>	<u>499</u>	<u>684</u>	<u>3,142</u>
Retail automotive (commercial vehicles)	4,253	6	91	-174
Wholesale automotive	5,839	304	233	1,072
Retail paper on business, in- dustrial and farm equipment	7,977	147	306	694
Loans on commercial accounts receivable	1,995	30	42	292
Factored commercial accounts receivable	1,579	-57	-37	248
All other business credit	6,316	69	49	1,010

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Oct. 1973	Sept. 1973	Oct. 1972	Oct. 1973	Sept. 1973	Oct. 1972
Business credit	<u>10,948</u>	<u>8,625</u>	<u>9,131</u>	<u>10,449</u>	<u>7,897</u>	<u>8,447</u>
Retail automotive (commercial vehicles)	397	251	449	391	407	358
Wholesale automotive	3,892	3,289	3,490	3,588	2,382	3,257
Retail paper on business, in- dustrial and farm equipment	1,550	916	1,008	1,403	938	702
Loans on commercial accounts receivable	2,401	1,623	1,413	2,371	1,580	1,371
Factored commercial accounts receivable	1,352	1,241	1,370	1,409	1,199	1,407
All other business credit	1,356	1,305	1,401	1,287	1,391	1,352

Finance company net borrowing at banks and in the commercial paper market rose somewhat in October, following a sizable decline in the preceding month. Reliance on commercial paper increased relative to bank loans as a source of funds, however, apparently in response to changed interest cost relationships.

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>576</u>	<u>417</u>	<u>563</u>	<u>365</u>
Retail automotive (passenger cars)	208	77	208	18
Mobile homes	2	11	16	19
Other retail consumer goods	101	111	121	123
Home improvement loans ^{1/}	4	49	4	40
Personal loans	261	169	214	165
Business credit	<u>2,323</u>	<u>1,817</u>	<u>2,552</u>	<u>2,002</u>
Retail automotive (commercial vehicles)	146	-52	-16	33
Wholesale automotive	603	402	1,206	331
Retail paper on business, industrial and farm equipment	634	542	465	701
Loans on commercial accounts receivable	778	988	791	1,000
Factored commercial accounts receivable	111	-18	210	2
All other business credit	51	-45	-104	-65

^{1/} Formerly Home repair and modernization loans.

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

Type of vehicle	Oct. 31, 1973	Change from:	
		Month ago	Year ago
Total financed at retail	<u>360</u>	<u>83</u>	<u>-21</u>
New passenger	159	40	-2
Used passenger	116	15	-1
New and used commercial	85	28	-18

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	Oct. 31, 1973	Increase or decrease (-) during		
		October 1973	September 1973	October 1972
Bank loans (excl. commercial paper)	5,317	-849	-185	376
Commercial paper	<u>19,968</u>	<u>983</u>	<u>-829</u>	<u>517</u>
Directly placed	18,372	481	-879	473
Dealer placed	1,596	502	50	44