



FEDERAL RESERVE

statistical release

March 1974

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FINANCE COMPANIES - January 1974

Consumer instalment credit outstanding decreased \$103 million during January. Although retail passenger cars outstanding reported a more than seasonal decline, the decline in total credit was less than seasonal as a result of increases in the other major types of credit such as personal loans. January 1973 was unusual, since it showed a greater than seasonal increase of \$89 million, reflecting more than seasonal increases in most of the credit categories.

Extensions of consumer instalment credit were \$587 million less than last month. However, in January 1973 they were \$733 million less than in the previous month. All the major areas of credit reported smaller extensions this month than in December, but except for passenger cars, larger extensions than in January 1973.

Outstanding business credit rose \$143 million in January--a smaller than seasonal increase. Wholesale automotive paper was responsible in large part for this growth.

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

Type of credit	Jan. 31, 1974	Increase or decrease (-) during:		
		January 1974	January 1973	Year ended Jan. 31, 1974
Consumer instalment credit	<u>37,140</u>	<u>-103</u>	<u>89</u>	<u>4,963</u>
Retail automotive (passenger cars)	11,754	-173	3	1,577
Mobile homes	3,392	14	12	464
Other retail consumer goods	4,460	26	55	816
Home improvement loans	940	23	31	412
Personal loans	16,594	7	-12	1,694

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Jan. 1974	Dec. 1973	Jan. 1973	Jan. 1974	Dec. 1973	Jan. 1973
Consumer instalment credit	<u>3,127</u>	<u>3,714</u>	<u>3,033</u>	<u>3,230</u>	<u>3,358</u>	<u>2,944</u>
Retail automotive (passenger cars)	522	559	699	695	581	696
Mobile homes	109	164	97	95	96	85
Other retail consumer goods	981	1,046	908	955	983	853
Home improvement loans	77	83	46	54	52	15
Personal loans	1,438	1,862	1,283	1,431	1,646	1,295

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

Type of credit	Jan. 31, 1974	Increase or decrease (-) during:		
		January 1974	January 1973	Year ended Jan. 31, 1974
Business credit	<u>29,149</u>	<u>143</u>	<u>371</u>	<u>2,638</u>
Retail automotive (commercial vehicles)	4,147	-37	-21	-273
Wholesale automotive	6,809	192	129	1,275
Retail paper on business, in- dustrial and farm equipment	8,144	-45	81	533
Loans on commercial accounts receivable	2,046	32	3	319
Factored commercial accounts receivable	1,559	-33	109	128
All other business credit	6,444	34	70	656

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Jan. 1974	Dec. 1973	Jan. 1973	Jan. 1974	Dec. 1973	Jan. 1973
Business credit	<u>8,226</u>	<u>8,502</u>	<u>8,959</u>	<u>8,083</u>	<u>7,879</u>	<u>8,588</u>
Retail automotive (commercial vehicles)	345	344	357	382	386	378
Wholesale automotive	2,809	2,596	3,294	2,617	2,169	3,165
Retail paper on business, in- dustrial and farm equipment	764	889	810	809	670	729
Loans on commercial accounts receivable	1,944	2,122	1,346	1,912	2,153	1,343
Factored commercial accounts receivable	1,261	1,327	1,960	1,294	1,302	1,851
All other business credit	1,103	1,224	1,192	1,069	1,199	1,122

Extensions of business credit were \$276 million smaller than in December. This drop reflected declines in the major areas of business credit except retail commercial vehicles and wholesale automotive paper. Repayments, however, were \$204 million greater than last month, due primarily to growth in wholesale automotive paper and retail paper on business, industrial and farm equipment.

Bank borrowing by finance companies fell \$642 million during the month. Total commercial paper, on the other hand, rose over \$1.2 billion, with increases reflected in both directly placed and dealer placed paper.

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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	-587	94	-128	286
Retail automotive (passenger car)				
Mobile homes	-37	-177	114	-1
Other retail consumer goods	-55	12	-1	10
Home improvement loans	-65	73	-28	102
Personal loans	-6	31	2	39
Personal loans	-424	155	-215	136
Business credit	-276	-733	204	-505
Retail automotive (commercial vehicles)				
Wholesale automotive	1	-12	-4	4
Retail paper on business, industrial and farm equipment	213	-485	448	-548
Loans on commercial accounts receivable	-125	-46	139	80
Factored commercial accounts receivable	-178	598	-241	569
All other business credit	-66	-699	-8	-557
All other business credit	-121	-89	-130	-53

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

Type of vehicle	Jan. 31, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	242	-6	-78
New passenger	86	-17	-37
Used passenger	87	12	-24
New and used commercial	69	-1	-17

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	Jan. 31, 1974	Increase or decrease (-) during:		
		January 1974	December 1973	January 1973
Bank loans (excl. commercial paper)	5,651	-642	99	-226
Commercial paper	21,499	1,293	117	19
Directly placed	19,877	1,168	265	319
Dealer placed	1,622	125	-148	-300