



FEDERAL RESERVE

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statistical release

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May 1974

FINANCE COMPANIES - March 1974

After a greater than seasonal increase of \$319 million in March 1973, consumer instalment credit outstanding in March 1974 decreased \$143 million, bringing the total down to \$37 billion. As in the preceding three months, retail passenger cars again showed a greater than seasonal decline. For the first quarter of 1974, total consumer credit outstanding fell \$238 million. Loans on other retail consumer goods and home improvement loans reflected small increases.

Consumer credit extensions were \$311 million greater than last month. All the major credit categories contributed to this growth.

Business credit outstanding increased a seasonal \$550 million in March, 1974, after a smaller than seasonal increase last year. Decreases in three of the major credit categories more than offset increases in the three remaining loan categories. Total business credit outstanding for the first quarter rose over \$1.

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

Type of credit	Mar. 31, 1974	Increase or decrease (-) during:		
		March 1974	March 1973	Year ended Mar. 31, 1974
Consumer instalment credit	<u>37,005</u>	<u>-143</u>	<u>319</u>	<u>4,255</u>
Retail automotive (passenger cars)	11,624	-86	152	1,205
Mobile homes ^{1/}	3,324	-82	34	381
Other retail consumer goods	4,497	11	44	701
Home improvement loans	1,018	50	19	437
Personal loans	16,542	-36	70	1,531

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Mar. 1974	Feb. 1974	Mar. 1973	Mar. 1974	Feb. 1974	Mar. 1973
Consumer instalment credit	<u>3,367</u>	<u>3,056</u>	<u>3,598</u>	<u>3,510</u>	<u>3,048</u>	<u>3,279</u>
Retail automotive (passenger cars)	685	555	886	771	599	734
Mobile homes ^{1/}	128	120	130	210	106	96
Other retail consumer goods	982	932	1,014	971	906	970
Home improvement loans	80	78	43	30	50	24
Personal loans	1,492	1,371	1,525	1,528	1,387	1,455

^{1/} Reflects \$109 million sale of mobile home paper to the banking sector.

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

Type of credit	Mar. 31, 1974	Increase or decrease (-) during:		
		March 1974	March 1973	Year ended Mar. 31, 1974
Business credit	<u>30,102</u>	<u>550</u>	<u>89</u>	<u>2,906</u>
Retail automotive (commercial vehicles) ^{1/}	4,561	499	63	103
Wholesale automotive	7,067	28	158	870
Retail paper on business, industrial and farm equipment	8,137	-49	-303	878
Loans on commercial accounts receivable	2,063	-39	36	276
Factored commercial accounts receivable	1,561	-8	42	44
All other business credit	6,713	119	93	735

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Mar. 1974	Feb. 1974	Mar. 1973	Mar. 1974	Feb. 1974	Mar. 1973
Business credit	<u>8,833</u>	<u>7,672</u>	<u>9,607</u>	<u>8,283</u>	<u>7,269</u>	<u>9,518</u>
Retail automotive (commercial vehicles) ^{1/}	827	295	435	328	380	372
Wholesale automotive	2,620	2,322	3,542	2,592	2,092	3,384
Retail paper on business, industrial and farm equipment	962	850	839	1,011	808	1,142
Loans on commercial accounts receivable	1,539	1,880	1,542	1,578	1,824	1,506
Factored commercial accounts receivable	1,347	1,253	1,839	1,355	1,243	1,797
All other business credit	1,538	1,072	1,410	1,419	922	1,317

^{1/} The increase in extensions and outstandings reflects a large purchase of paper by the finance company sector from outside the finance company sector.

billion. Only retail paper on business, industrial and farm equipment and factored commercial accounts receivable showed declines.

Extensions of business credit were slightly more than \$1 billion larger in March than in February. All the credit categories except loans on commercial accounts receivable showed increases.

In line with a reported increase in reliance on bank loans due to changing interest rates, bank loans to finance companies rose \$651 million this month. Total commercial paper outstanding, on the other hand, dropped \$372 million, reflecting declines in both dealer and directly placed paper.

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>311</u>	<u>-231</u>	<u>462</u>	<u>231</u>
Retail automotive (passenger car)	130	-201	172	37
Mobile homes ^{1/}	8	-2	104	114
Other retail consumer goods	50	-32	65	1
Home improvement loans	2	37	-20	6
Personal loans	121	-33	141	73
Business credit	<u>1,161</u>	<u>-774</u>	<u>1,014</u>	<u>-1,235</u>
Retail automotive (commercial vehicles) ^{2/}	532	392	-52	-44
Wholesale automotive	298	-922	500	-792
Retail paper on business, industrial and farm equipment	112	123	203	-131
Loans on commercial accounts receivable	-341	-3	-246	72
Factored commercial accounts receivable	94	-492	112	-442
All other business credit	466	128	497	102

^{1/} Reflects \$109 million sale of mobile home paper to the banking sector. ^{2/} Reflects a large purchase of paper by the finance sector from outside the finance sector.

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

Type of vehicle	Mar. 31, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	<u>452</u>	<u>208</u>	<u>67</u>
New passenger	111	23	-47
Used passenger	107	16	-23
New and used commercial	234	169	137

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	Mar. 31, 1974	Increase or decrease (-) during:		
		March 1974	February 1974	March 1973
Bank loans (excl. commercial paper)	5,573	651	-729	755
Commercial paper	<u>21,447</u>	<u>-372</u>	<u>320</u>	<u>336</u>
Directly placed	20,198	-171	492	588
Dealer placed	1,249	-201	-172	-252