



# FEDERAL RESERVE

1020

## statistical release

G.20

July 1974

### FINANCE COMPANIES - MAY 1974

Consumer instalment credit outstanding at finance companies in May increased 1.2 per cent over April. Personal loans made the greatest contribution to the total increase, both for the month and for the year ended May 31, 1974. Although growth in May 1974 was slightly smaller than that of May 1973, it was still in line with increases recorded in previous years.

While total extensions of consumer credit were 7.4 per cent greater than in April, they were only slightly greater than the total extensions of May 1973. Passenger cars were largely responsible for this, since in seven months out of the year ended May 31, 1974 this category showed large declines.

Business credit outstanding registered its first decline since August 1973. The major component of this drop was wholesale automotive paper, which had a large unseasonal decline from the previous month.

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

Type of credit	May 31, 1974	Increase or decrease (-) during:		
		May 1974	May 1973	Year ended May 31, 1974
Consumer instalment credit	<u>37,751</u>	<u>460</u>	<u>781</u>	<u>3,892</u>
Retail automotive (passenger cars)	11,810	126	255	938
Mobile homes	3,413	49	34	388
Other retail consumer goods	4,583	36	154	598
Home improvement loans	1,097	40	45	441
Personal loans	16,848	209	293	1,527

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	May 1974	Apr. 1974	May 1973	May 1974	Apr. 1974	May 1973
Consumer instalment credit	<u>4,127</u>	<u>3,844</u>	<u>4,027</u>	<u>3,667</u>	<u>3,558</u>	<u>3,246</u>
Retail automotive (passenger cars)	921	769	923	795	709	668
Mobile homes	180	150	164	131	110	130
Other retail consumer goods	1,080	1,132	1,070	1,044	1,082	916
Home improvement loans	70	71	68	30	32	23
Personal loans	1,876	1,722	1,802	1,667	1,625	1,509

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

Type of credit	May 31, 1974	Increase or decrease (-) during:		
		May 1974	May 1973	Year ended May 31, 1974
Business credit	<u>30,245</u>	<u>-103</u>	<u>728</u>	<u>2,291</u>
Retail automotive (commercial vehicles)	4,569	-20	22	48
Wholesale automotive	6,845	-114	98	545
Retail paper on business, in- dustrial and farm equipment	8,364	88	117	857
Loans on commercial accounts receivable	2,059	-41	338	225
Factored commercial accounts receivable	1,486	-23	91	-26
All other business credit	6,922	7	62	642

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	May 1974	Apr. 1974	May 1973	May 1974	Apr. 1974	May 1973
Business credit	<u>8,996</u>	<u>8,878</u>	<u>9,989</u>	<u>9,099</u>	<u>8,632</u>	<u>9,261</u>
Retail automotive (commercial vehicles)	373	414	409	393	386	387
Wholesale automotive	3,038	2,806	3,525	3,152	2,914	3,427
Retail paper on business, in- dustrial and farm equipment	968	969	960	880	830	843
Loans on commercial accounts receivable	1,907	1,978	1,598	1,948	1,941	1,260
Factored commercial accounts receivable	1,424	1,323	2,145	1,447	1,375	2,054
All other business credit	1,286	1,388	1,352	1,279	1,186	1,290

Although extensions of business credit were slightly greater than in April, they showed a sizable decline from May 1973. While both wholesale automotive paper and factored commercial accounts receivable were in large part responsible for the growth from April to May, they were also largely responsible for the drop from May 1973.

Following declines in the previous two months, total commercial paper outstanding rose \$898 million. Both dealer and directly placed paper contributed to this growth.

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>283</u>	<u>100</u>	<u>109</u>	<u>421</u>
Retail automotive (passenger car)	152	-2	86	127
Mobile homes	30	16	21	1
Other retail consumer goods	-52	10	-38	128
Home improvement loans	-1	2	-2	7
Personal loans	154	74	42	158
Business credit	<u>118</u>	<u>-993</u>	<u>467</u>	<u>-162</u>
Retail automotive (commercial vehicles)	-41	-36	7	6
Wholesale automotive	232	-487	238	-275
Retail paper on business, industrial and farm equipment	-1	8	50	37
Loans on commercial accounts receivable	-71	309	7	688
Factored commercial accounts receivable	101	-721	72	-607
All other business credit	-102	-66	93	-11

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

Type of vehicle	May 31, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	<u>369</u>	<u>32</u>	<u>-30</u>
New passenger	148	25	-20
Used passenger	138	22	6
New and used commercial	83	-15	-16

Selected Liabilities of Finance Companies  
(In millions of dollars)

Type of liability	May 31, 1974	Increase or decrease (-) during:		
		May 1974	April 1974	May 1973
Bank loans (excl. commercial paper)	5,770	-98	295	-178
Commercial paper	<u>22,070</u>	<u>898</u>	<u>-275</u>	<u>896</u>
Directly placed	20,713	871	-356	783
Dealer placed	1,357	27	81	113