



FEDERAL RESERVE

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statistical release

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August 1974

FINANCE COMPANIES - JUNE 1974

Finance company holdings of consumer instalment credit rose 1.1 per cent in June, bringing the new total to over \$38 billion. All the major categories of consumer credit contributed to this rise, with the greatest increases reflected in retail passenger cars and personal loans. Total consumer instalment credit outstanding increased 3.1 per cent in the second quarter of 1974. However, for the first half of the year, the total outstandings rose only 2.5 per cent due to declines registered in the first quarter.

Both extensions and repayments of consumer instalment credit were less than in May. This was the first time that either area had shown a decline since February.

Business credit outstanding rose a seasonal 1.1 per cent, after a decline in May. As in the preceding two months, wholesale automotive paper showed a decrease

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

Type of credit	June 30, 1974	Increase or decrease (-) during:		
		June 1974	June 1973	Year ended June 30, 1974
Consumer instalment credit	<u>38,159</u>	<u>408</u>	<u>508</u>	<u>3,792</u>
Retail automotive (passenger cars)	11,957	147	249	836
Mobile homes	3,449	36	56	368
Other retail consumer goods	4,626	43	17	624
Home improvement loans	1,114	17	38	420
Personal loans	17,013	165	148	1,544

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	June 1974	May 1974	June 1973	June 1974	May 1974	June 1973
Consumer instalment credit	<u>3,778</u>	<u>4,127</u>	<u>3,817</u>	<u>3,370</u>	<u>3,667</u>	<u>3,309</u>
Retail automotive (passenger cars)	826	921	917	679	795	668
Mobile homes	186	180	150	150	131	94
Other retail consumer goods	1,008	1,080	1,047	965	1,044	1,030
Home improvement loans	60	70	70	43	30	32
Personal loans	1,698	1,876	1,633	1,533	1,667	1,485

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

Type of credit	June 30, 1974	Increase or decrease (-) during:		
		June 1974	June 1973	Year ended June 30, 1974
Business credit	<u>30,575</u>	<u>330</u>	<u>124</u>	<u>2,497</u>
Retail automotive (commercial vehicles)	4,570	1	-10	59
Wholesale automotive	6,773	-72	213	260
Retail paper on business, industrial and farm equipment	8,550	186	159	884
Loans on commercial accounts receivable	2,086	27	106	146
Factored commercial accounts receivable	1,578	92	81	-15
All other business credit	7,018	96	-425	1,163

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	June 1974	May 1974	June 1973	June 1974	May 1974	June 1973
Business credit	<u>9,213</u>	<u>8,996</u>	<u>9,765</u>	<u>8,883</u>	<u>9,099</u>	<u>9,641</u>
Retail automotive (commercial vehicles)	395	373	387	394	393	397
Wholesale automotive	2,937	3,038	3,394	3,009	3,152	3,181
Retail paper on business, industrial and farm equipment	1,078	968	1,005	892	880	846
Loans on commercial accounts receivable	1,879	1,907	1,873	1,852	1,948	1,767
Factored commercial accounts receivable	1,492	1,424	1,648	1,400	1,447	1,567
All other business credit	1,432	1,286	1,458	1,336	1,279	1,883

from the previous month. After a first quarter increase of 3.8 per cent, growth in the second quarter slowed to 1.6 per cent. For the first half of 1974, total business credit held by finance companies grew 5.4 per cent.

While extensions of business credit were greater than in May, they were less than in June 1973. In both cases, wholesale automotive paper showed large declines. Repayments, however, were less than both the month and the year previous.

Bank loans to finance companies in June showed a seasonal increase of 11.5 per cent. However, due to a shift in preferences for means of financing, total commercial paper outstanding fell a greater than seasonal 6.0 per cent. Both directly placed and dealer placed paper showed greater than seasonal decreases.

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	-349	-39	-297	61
Retail automotive (passenger car)	-95	-91	-116	11
Mobile homes	6	36	19	56
Other retail consumer goods	-72	-39	-79	-65
Home improvement loans	-10	-10	13	11
Personal loans	-178	65	-134	48
Business credit	217	-552	-216	-758
Retail automotive (commercial vehicles)	22	8	1	-3
Wholesale automotive	-101	-457	-143	-172
Retail paper on business, industrial and farm equipment	110	73	12	46
Loans on commercial accounts receivable	-28	6	-96	85
Factored commercial accounts receivable	68	-156	-47	-167
All other business credit	146	-26	57	-547

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

Type of vehicle	June 30, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	335	-34	-46
New passenger	132	-16	-36
Used passenger	112	-26	-15
New and used commercial	91	8	5

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	June 30, 1974	Increase or decrease (-) during:		
		June 1974	May 1974	June 1973
Bank loans (excl. commercial paper)	6,436	666	-98	671
Commercial paper	20,736	-1,334	898	-124
Directly placed	19,543	-1,170	871	-80
Dealer placed	1,193	-164	27	-44