



FEDERAL RESERVE

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statistical release

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October 1974

FINANCE COMPANIES - August 1974

Finance company holdings of consumer instalment credit rose 1.2 per cent during the month of August. The two major components of this growth, retail passenger cars and personal loans, experienced sizable increases which were due to large decreases in the amount of repayments, rather than any growth in extensions.

Repayments in August were much less than in July and registered a greater than seasonal drop of 13.1 per cent. Extensions also were smaller than the preceding month, thus causing total consumer credit outstanding to rise.

Business credit showed a seasonal decline of 3.1 per cent in August. Wholesale automotive paper, continuing the decline which began in April, accounted for the largest portion of the total decrease in outstandings.

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

Type of credit	August 31, 1974	Increase or decrease (-) during:		
		August 1974	August 1973	Year ended Aug. 31, 1974
Consumer instalment credit	38,943	464	614	3,309
Retail automotive (passenger cars)	12,267	227	218	684
Mobile homes	3,539	34	55	352
Other retail consumer goods	4,680	16	91	486
Home improvement loans	1,097	-21	38	326
Personal loans	17,360	208	212	1,461

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Aug. 1974	July 1974	Aug. 1973	Aug. 1974	July 1974	Aug. 1973
Consumer instalment credit	3,601	3,929	3,877	3,137	3,609	3,263
Retail automotive (passenger cars)	860	893	887	633	810	669
Mobile homes	148	157	147	114	101	92
Other retail consumer goods	945	1,069	1,079	929	1,031	988
Home improvement loans	21	43	81	42	39	43
Personal loans	1,627	1,767	1,683	1,419	1,628	1,471

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

Type of credit	August 31, 1974	Increase or decrease (-) during:		
		August 1974	August 1973	Year ended Aug. 31, 1974
Business credit	29,497	-943	-1,165	2,765
Retail automotive (commercial vehicles)	4,584	-49	-63	181
Wholesale automotive	5,295	-986	-1,725	667
Retail paper on business, in- dustrial and farm equipment	8,687	26	26	835
Loans on commercial accounts receivable	2,405	315	31	483
Factored commercial accounts receivable	1,745	34	90	151
All other business credit	6,781	-283	476	448

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Aug. 1974	July 1974	Aug. 1973	Aug. 1974	July 1974	Aug. 1973
Business credit	8,114	9,323	7,208	9,057	9,458	8,373
Retail automotive (commercial vehicles)	349	449	339	-398	386	402
Wholesale automotive	2,108	2,891	1,351	3,094	3,383	3,076
Retail paper on business, in- dustrial and farm equipment	884	952	991	858	841	965
Loans on commercial accounts receivable	1,979	2,018	1,718	1,664	2,014	1,687
Factored commercial accounts receivable	1,525	1,700	1,556	1,491	1,567	1,466
All other business credit	1,269	1,313	1,253	1,552	1,267	777

Extensions and repayments were less than in July. Again, wholesale auto-
motive paper was a major factor in both cases.

Bank loans to finance companies dropped a seasonal 5.0 per cent during
August. After an extremely large increase in commercial paper outstanding during July,
the increase in the total for August was minimal.

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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	-328	-276	-472	-126
Retail automotive (passenger car)	-33	-27	-177	-36
Mobile homes	-9	1	13	22
Other retail consumer goods	-124	-134	-102	-59
Home improvement loans	-22	-60	3	-1
Personal loans	-140	-56	-209	-52
Business credit	-1,209	906	-401	684
Retail automotive (commercial vehicles)	-100	10	12	-4
Wholesale automotive	-783	757	-289	18
Retail paper on business, industrial and farm equipment	-68	-107	17	-107
Loans on commercial accounts receivable	-39	261	-350	-23
Factored commercial accounts receivable	-175	-31	-76	25
All other business credit	-44	16	285	775

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

Type of vehicle	August 31, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	325	-40	-34
New passenger	143	-2	-14
Used passenger	100	-17	-26
New and used commercial	82	-21	6

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	August 31, 1974	Increase or decrease (-) during:		
		August 1974	July 1974	August 1973
Bank loans (excl. commercial paper)	6,470	-341	375	-683
Commercial paper	21,840	8	1,096	635
Directly placed	20,627	-34	1,118	1,139
Dealer placed	1,213	42	-22	-504