



FEDERAL RESERVE

statistical release

November 1974

FINANCE COMPANIES - September 1974

Consumer instalment credit outstanding at finance companies declined 0.1 per cent during September, the first decline registered by these companies in consumer outstandings since March. Increases in retail passenger cars and mobile homes were offset by decreases in the three other major categories of consumer credit. Total consumer instalment credit rose 2.0 per cent during the third quarter of 1974. However, for the first nine months of the year, the increase has been only 4.5 per cent due to large decreases, mainly in auto credit, experienced during the first quarter.

Extensions of all major types of consumer instalment credit were smaller than in August. Repayments in September were slightly greater than in the previous month.

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

Type of credit	September 30, 1974	Increase or decrease (-) during:		
		September 1974	September 1973	Year ended Sept. 30, 1974
Consumer instalment credit	<u>38,921</u>	<u>-22</u>	<u>359</u>	<u>2,928</u>
Retail automotive (passenger cars)	12,345	78	138	624
Mobile homes	3,573	34	48	338
Other retail consumer goods	4,662	-18	71	397
Home improvement loans	1,073	-24	38	264
Personal loans	17,268	-92	64	1,305

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Sept. 1974	Aug. 1974	Sept. 1973	Sept. 1974	Aug. 1974	Sept. 1973
Consumer instalment credit	<u>3,128</u>	<u>3,601</u>	<u>3,189</u>	<u>3,150</u>	<u>3,137</u>	<u>2,830</u>
Retail automotive (passenger cars)	731	860	696	653	633	558
Mobile homes	132	148	144	98	114	96
Other retail consumer goods	857	945	951	875	929	880
Home improvement loans	20	21	85	44	42	47
Personal loans	1,388	1,627	1,313	1,480	1,419	1,249

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

Type of credit	Sept. 30, 1974	Increase or decrease (-) during:		
		September 1974	September 1973	Year ended Sept. 30, 1974
Business credit	31,208	1,711	728	3,748
Retail automotive (commercial vehicles)	4,497	-87	-156	250
Wholesale automotive	6,936	1,641	907	1,401
Retail paper on business, in- dustrial and farm equipment	8,746	59	-22	916
Loans on commercial accounts receivable	2,126	-279	43	161
Factored commercial accounts receivable	1,735	-10	42	99
All other business credit	7,168	387	-86	921

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

Type of credit	Extended by finance cos.			Repaid to finance cos.		
	Sept. 1974	Aug. 1974	Sept. 1973	Sept. 1974	Aug. 1974	Sept. 1973
Business credit	9,200	8,114	8,625	7,489	9,057	7,897
Retail automotive (commercial vehicles)	313	349	251	400	398	407
Wholesale automotive	3,116	2,108	3,289	1,475	3,094	2,382
Retail paper on business, in- dustrial and farm equipment	961	884	916	902	858	-938
Loans on commercial accounts receivable	2,040	1,979	1,623	2,319	1,664	1,580
Factored commercial accounts receivable	1,419	1,525	1,241	1,429	1,491	1,199
All other business credit	1,351	1,269	1,305	964	1,552	1,391

Business credit outstanding rose 5.8 per cent during September, bringing the new total to over \$31.2 billion. Wholesale automotive paper showed the sharpest rise, with extensions much higher than in August, and repayments a great deal smaller than in the previous month. Growth in business outstandings during the third quarter accelerated to 2.1 per cent, after slowing to 1.6 per cent in the second quarter. For the year to date, outstandings have increased 7.6 per cent, with most of the growth exhibited during the first quarter.

Extensions of business credit were greater than in August, with wholesale automotive the largest contributor. Repayments were much smaller than the preceding month, with wholesale automotive registering the sharpest drop of all the major business categories.

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	-473	-61	13	320
Retail automotive (passenger car)	-129	35	20	95
Mobile homes	-16	-12	-16	2
Other retail consumer goods	-88	-94	-54	-5
Home improvement loans	-1	-65	2	-3
Personal loans	-239	75	61	231
Business credit	1,086	575	-1,568	-408
Retail automotive (commercial vehicles)	-36	62	2	-7
Wholesale automotive	1,008	-173	-1,619	-907
Retail paper on business, industrial and farm equipment	77	45	44	-36
Loans on commercial accounts receivable	61	417	655	739
Factored commercial accounts receivable	-106	178	-62	230
All other business credit	82	46	-588	-427

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

Type of vehicle	September 30, 1974	Change from:	
		Month ago	Year ago
Total financed at retail	279	-46	2
New passenger	121	-22	2
Used passenger	89	-11	-12
New and used commercial	69	-13	12

Selected Liabilities of Finance Companies
(In millions of dollars)

Type of liability	September 30, 1974	Increase or decrease (-) during:		
		September 1974	August 1974	September 1973
Bank loans (excl. commercial paper)	6,550	80	-341	-185
Commercial paper	22,009	169	8	-829
Directly placed	20,823	196	-34	-879
Dealer placed	1,186	-27	42	50