

Finance Company Survey of 2000

Instructions

Public reporting burden for this collection of information is estimated to average 1.4 hours per response including the time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing this burden, to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0277), Washington, DC 20503. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Purpose and Scope of Survey

The purpose of this survey is to benchmark the consumer and business credit series collected in the monthly *Domestic Finance Company Report of Consolidated Assets and Liabilities* (FR 2248; OMB No. 7100-0005).

Include the consolidated operations of the U.S. *parent finance company and all finance company affiliates and subsidiaries* (whether partially or wholly owned), for which you maintain records, that are located in the fifty states of the United States, the District of Columbia, Puerto Rico, or U.S. dependencies and territories and that are engaged in domestic consumer and business financing activities. *Exclude* from the consolidation the operations of all domestic nonfinance company affiliates and subsidiaries and all companies not located in the fifty states of the United States, the District of Columbia, Puerto Rico, or U.S. dependencies and territories.

Definitions

For purposes of this survey, a finance company is defined as a company (excluding banks, credit unions, savings and loan associations, cooperative banks, and savings banks) in which the largest portion of the company's assets is in one or more of the following kinds of receivables:

Sales finance receivables: Installment paper arising from retail sales of passenger cars and mobile homes, other consumer goods, such as general merchandise, apparel, furniture, and household appliances, or from outlays for home improvement loans not secured by real estate.

Personal cash loans to individuals and families:

Unsecured cash loans (including loans to pay for insurance policies) or cash loans secured by insurance policies, autos already paid for, and other collateral.

Short- and intermediate-term business receivables (including leases): Loans on commercial accounts receivables, inventory loans, factoring, lease financing, retail installment sales (or purchases) of commercial, industrial, and farm equipment and commercial vehicles, and wholesale financing of consumer and business goods.

Junior liens on real estate: Loans, whatever the purpose, secured by junior liens (for example, equity loans or second mortgages) on real estate as evidenced by junior mortgages, deeds of trust, land contracts, or other instruments.

Item Instructions

Please answer all questions. Indicate that your company does not engage in a particular line of business by entering a zero for that line item on the reporting form.

ASSETS

Receivables include direct loans and paper purchased from manufacturers and retailers before deduction of capitalized unearned income and reserves for losses.

Include bulk purchases of paper from vendors. In the case of participation loans, *include* only that portion of the original loan owned by you and appearing on your balance sheet.

In the case of companies requiring full repayment to be accumulated against indebtedness before crediting, *exclude* from liabilities the amount of deposits already accumulated. Net these accumulated deposits against appropriate receivables in the Assets section.

1. Consumer receivables

A. **Motor vehicle financing:** Credit arising from retail sales of passenger cars and other vehicles such as vans and pickup trucks to consumers. *Exclude* fleet sales, personal cash loans secured by automobiles *already paid for*, loans to finance the purchase of commercial vehicles and farm equipment, and lease financing.

B. **Revolving credit:** Retail credit that is extended on a credit-line basis and that arises from the sale of consumer goods other than passenger cars and mobile homes. A single contract governs multiple use of the account and purchases may be made with a credit card. Generally, credit extensions can be made at the consumer's discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged credit limit.

C. **Other consumer receivables:** All credit arising from retail sales of consumer goods other than passenger cars that is not extended under a revolving credit line. Paper arising from retail sales of complete dwelling units built on a chassis and capable at time of initial purchase of being towed over the highway by truck but not by car.

Include goods like general merchandise, apparel, furniture, household appliances; campers, trailers, mobile homes, motorcycles, airplanes, helicopters, and boats purchased for personal use; automobile repair paper; credit to finance alterations or improvements in existing

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residential properties occupied by the borrower; secured and unsecured loans made directly to the borrower for household, family, or other personal expenses; and unsecured loans to purchase auto insurance policies as well as loans secured by insurance policies, automobiles *already paid for*, and other collateral.

Exclude loans for business purposes, rediscounted loans, loans secured by real estate, and wholesale and lease financing.

2. Loans secured by real estate

A. **1–4 family:** Credit arising from revolving or permanent loans secured by real estate as evidenced by mortgages (FHA, FmHA, VA, or conventional) or other liens (first or junior) on nonfarm property containing 1–4 dwelling units (including vacation homes) or more than 4 dwelling units if each is separated from other units by dividing walls that extend from ground to roof (row houses, townhouses, or the like); mobile homes where state laws define the purchase or holding of a mobile home as the purchase or holding of real property *and* where the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property; individual condominium dwelling units and loans secured by an interest in individual cooperative units, even if in a building with 5 or more dwelling units; vacant lots in established single-family residential sections or in areas set aside primarily for 1–4 family homes; and housekeeping dwellings with commercial units combined where use is primarily residential and where only 1–4 family dwelling units are involved.

B. **Multifamily:** Credit arising from permanent nonfarm residential loans secured by real estate as evidenced by mortgages (FHA or conventional) or other liens on nonfarm properties with 5 or more dwelling units in structures (including apartment buildings and apartment hotels) used primarily to accommodate households on a more or less permanent basis; 5 or more unit housekeeping dwellings with commercial units combined where use is primarily residential; cooperative-type apartment buildings containing 5 or more dwelling units; and vacant lots in established multifamily residential sections or in areas set aside primarily for multifamily residential properties.

C. **Commercial and farm:** Credit arising from loans secured by real estate as evidenced by mortgages or other liens on business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions, dormitories, clubs, lodges, association buildings, care facilities for aged persons and orphans, golf courses, recreational facilities, and similar properties.

Credit arising from loans secured by farmland and improvements thereon, as evidenced by mortgages or other liens. Farmland includes all land known to be used

or usable for agricultural purposes, such as crop and livestock production, grazing or pasture land, whether tillable or not, and whether wooded or not.

Include all other nonresidential loans secured by real estate as evidenced by mortgages or other liens.

3. Business Receivables

A. Motor vehicle financing

(1) **Retail (commercial vehicles):** Credit arising from retail sales of commercial land vehicles to business. *Include* trucks, buses, taxicabs, truck trailers, and other on-the-road vehicles for which motor vehicle licensing is required. *Include* fleet sales of passenger cars. *Exclude* lease financing and paper on business, industrial, or farm equipment.

(2) **Wholesale:** Credit arising from transactions between manufacturers and dealers or other floor plan loans secured by passenger cars and commercial land vehicles. *Exclude* paper secured by mobile homes, passenger car trailers, boats, airplanes, helicopters, and business, industrial, and farm equipment.

B. Business, industrial, and farm equipment

(1) **Retail and wholesale financing:** Credit arising from the retail sale to business of (or for the purchase of) business, industrial, and farm equipment. *Include* all off-the-road equipment for which motor vehicle licensing is not required. *Include* airplanes, helicopters, and boats purchased for business use. Loans may be secured by chattel mortgages or conditional sales contracts (purchased money security agreements) on the machinery or equipment. *Exclude* loans to purchase commercial land vehicles for which motor vehicle licensing is required and loans secured by real estate. *Exclude* lease financing.

Wholesale financing is credit arising from transactions between manufacturers and dealers or other floor plan loans secured by business, industrial, and farm equipment. *Include* all off-the-road equipment for which motor vehicle licensing is not required, such as airplanes, helicopters, and boats.

(2) **Capital and leveraged leases:** Lease receivables arising from the leasing of business, industrial, and farm equipment. *Include* lease financing of all off-the-road equipment for which motor vehicle licensing is not required and lease financing of airplanes, helicopters, and boats leased for business use. *Exclude* lease financing of airplanes, helicopters, and boats leased for personal or family use (included in Assets Item 3.C). *Exclude* operating leases as defined by Financial Accounting Statement 13 (FAS 13) but *include* in Item 5 and in Supplemental Item 4 below.

C. Other business receivables (exclude operating

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leases): All other wholesale financing not reported in Assets Items 3.A.2 and 3.B.1 above, including floor plan transactions between manufacturers and dealers. *Include* items such as mobile homes, campers, and travel trailers as security.

All other business capital and leveraged lease receivables not reported in Assets Items 3.B.2 above and not reported in Assets Item 4.A.2 below, including credit arising from the leasing of mobile homes, campers, and travel trailers. *Exclude* operating leases as defined by FAS 13. These should be included in Items 4.B and 5 below.

Business credit with original maturities of up to five years. *Include* loans secured by commercial accounts receivable less the balances withheld for customers pending collection of receivables. Also *include* commercial accounts receivable purchased from factored clients *less* any amount due and payable to factored clients. *Include* secured and unsecured advances of funds to factored clients.

Include dealer loans, capital loans, small loans used primarily for business or farm purposes, multi-collateral loans, rediscounted receivables of other finance companies less balances withheld, and all other business loans not elsewhere classified. *Exclude* loans secured by real estate unless included as part of a multi-collateral loan. Real estate loans are included in Assets Item 2.

4. Motor vehicle leases: Lease receivables arising from leasing of passenger cars and commercial land vehicles. *Exclude* leasing of mobile homes, campers, motor trailers, boats, airplanes, helicopters, and business, industrial, and farm equipment.

PLEASE NOTE: If detail for Items 4.A.1 and 4.A.2 is not available, provide the total on line 4.A. If detail for Items 4.B.1 and 4.B.2 is not available, provide total on line 4.B.

A. Capital and leveraged

(1) **Consumer:** Refer to credit on types of receivables covered by Assets Item 1.A above.

(2) **Business:** Refer to credit on types of receivables covered by Assets Item 3.A.1 above.

B. Operating (as defined by FAS 13)

(1) **Consumer:** Refer to credit on types of receivables covered by Assets Item 1.A above.

(2) **Business:** Refer to credit on types of receivables covered by Assets Item 3.A.1 above.

5. Non-motor vehicle operating leases: For business, industrial, and farm equipment, refer to credit on types of receivables covered by Assets Item 3.B.1 above. For all other, refer to credit on types of receivables covered by Assets Items 1.C and 3.C above. *Include* all operating

leases as defined by FAS 13 and *exclude* from the Assets items above.

PLEASE NOTE: If detail for Items 5.A and 5.B is not available, provide the total on line 5.

A. **Consumer:** Refer to credit on types of receivables covered by Assets Item 1.C above.

B. **Business:** Refer to credit on types of receivables covered by Assets Items 3.B.1 and 3.C above.

6. All other assets and accounts and notes receivable: *Include* all assets not already included above. *Include* consolidated companies' investments in nonconsolidated foreign and domestic subsidiaries and affiliates. Nonconsolidated subsidiary and affiliate company claims on consolidated companies (except debt due to parent) should be netted against the consolidated companies' investment. *Exclude* operating leases reported as Items 4.B and 5 above. *Exclude* overdrafts.

7.A. **Less: Capitalized unearned income:** Unearned discounts and service charges on above receivables.

7.B. **Less: Reserves for losses:** Allowance for bad debt, unallocated charge-offs, and any other valuation allowances except the amount of unearned income applicable to the receivables included above.

8. Total assets, net: Sum of Assets Items 1.A through 6 minus Items 7.A and 7.B. *Total assets, net must equal Total liabilities and capital (Liabilities Item 7).*

LIABILITIES AND CAPITAL

1. **Bank loans:** Short- and long-term loans and notes payable to banks. *Include* overdrafts. *Exclude* commercial paper and bank portions of participation loans.

2. **Commercial paper:** Promissory notes of large denominations sold directly or through dealers to the investor, and issued for not longer than 270 days. *Include* short-term or demand master notes and paper backed by letters of credit or other guarantees. *Exclude* nonnegotiable promissory notes held by officers of the firm, their families, and other individuals (included in Liabilities Item 4).

3. **Debt due to parent:** In the case of a company that is the subsidiary of another company (not a finance company), *include* all short- and long-term indebtedness owed to the parent company. *Exclude* the parent company's equity (included in Liabilities Item 6).

4. **Debt not elsewhere classified:** All other short- and long-term loans, notes, certificates, negotiable paper, or other indebtedness not elsewhere classified. *Exclude* amount of bank debt already included in Liabilities Item 1 and debt owed to parent included in Liabilities Item 3.

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5. **All other liabilities:** All liabilities not already reported above or netted against assets. *Include* dealer reserves, all tax accruals, short-term certificates of thrift or investment, deposit liabilities (other than those not withdrawable during term of loan), and all other liabilities. *Exclude* liabilities of consolidated companies to nonconsolidated subsidiaries of affiliated companies. Such liabilities should be netted against assets in Assets Item 6 or shown in Liabilities Item 3. *Exclude* borrower repayment deposits accumulated but not credited against indebtedness until repayment is made in full. Such deposits should be netted against appropriate receivables in the Assets section.

6. **Capital, surplus, and undivided profits:** All common and preferred stock and other capital or surplus accounts. *Include* undivided profits.

7. **Total liabilities and capital:** Sum of Liabilities Items 1 through 6. *Total liabilities and capital must equal Total assets, net (Assets Item 8).*

SUPPLEMENTAL ITEMS

Supplemental Item 1, Sales of receivables during June 2000: (Check all boxes that apply.) Whole loan sales that took place during June 2000 and were sold to U.S. offices of the following:

Other finance companies: all finance companies that are not consolidated in this report.

Commercial banks in the United States: national banks, state-chartered commercial banks, trust companies that perform a commercial banking business, industrial banks, private or unincorporated banks, Edge and agreement corporations, and U.S. branches and agencies of foreign banks.

All other financial institutions: all other depository institutions (other than commercial banks defined above) and all other nondepository financial institutions (other than finance companies defined above).

Nonfinancial institutions: all nonfinancial institutions in the United States.

Supplemental Items 2 through 6

Securitized assets: Receivables that have been packaged and sold by the reporting finance company to a trustee or other third party who uses the receivables package as collateral for an asset-backed security that is sold to investors. The sale of the package results in the removal of the underlying receivables from the selling company's balance sheet.

Report in these items the total amount outstanding of securitized assets as defined above. *Include* receivables securitized in *prior* months as well as in the current month. These assets are no longer on the balance sheet of the reporting finance company and thus are not included in Assets Items 1 through 5. *Include* assets such as leases that were never on the company books, but whose securitizations may be counted as a managed asset.

Exclude from these items the amounts of outright asset sales that have not been packaged to collateralize an asset-backed security.

PLEASE NOTE: The characteristic that determines reportability in Supplemental Items 2 through 6 is securitization. For determination of the specific category below in which securitized assets should be reported, please refer to the item instructions for their counterparts in Assets Items 1 through 5 above.

Supplemental Item 2, Securitized consumer receivables:

A. **Credit to consumers to purchase individual motor vehicles:** Refer to Assets Item 1.A above.

B. **Revolving credit to consumers:** Refer to Assets Item 1.B above.

C. **Credit to consumers to purchase consumer goods other than motor vehicles:** Refer to Assets Item 1.C above.

Supplemental Item 3, Securitized real estate loans:

PLEASE NOTE: If a security is backed by a pool of real estate loans that contains a combination of multifamily loans and commercial or farm loans: include it in Supplementary Item 3.B if the majority of the pooled loans are secured by multifamily dwellings; include it in Supplementary Item 3.C if the majority of the pooled loans are secured by commercial or farm real estate or if the composition of the pool of loans is unknown.

A. **1-4 family:** Refer to Assets Item 2.A above.

B. **Multifamily:** Refer to Assets Item 2.B above.

C. **Commercial and farm:** Refer to Assets Item 2.C above.

Supplemental Item 4, Securitized business receivables:

A. **Motor vehicle financing:**

(1) **Retail (commercial vehicles):** Refer to Assets Item 3.A.1 above.

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(2) **Wholesale:** Refer to Assets Item 3.A.2 above.

B. Business, industrial, and farm equipment:

(1) **Retail and wholesale financing:** Refer to Assets Item 3.B.1 above.

(2) **Capital and leveraged leases:** Refer to Assets Item 3.B.2 above.

C. Other business receivables: Refer to Assets Item 3.C above.

Supplemental Item 5, Securitized motor vehicle leases:

PLEASE NOTE: If detail for Items 5.A.1 and 5.A.2 is not available, provide the total on line 5.A. If detail for Items 5.B.1 and 5.B.2 is not available, provide the total on line 5.B.

A. Capital and leveraged:

(1) **Consumer:** Refer to Assets Item 4.A.1 above.

(2) **Business:** Refer to Assets Items 4.A.2 above.

B. Operating:

(1) **Consumer:** Refer to Assets Item 4.B.1 above.

(2) **Business:** Refer to Assets Items 4.B.2 above.

Supplemental Item 6, Securitized non-motor vehicle operating leases:

PLEASE NOTE: If detail for Items 6.A and 6.B is not available, provide the total on line 6.

A. Consumer: Refer to Assets Item 5.A above.

B. Business: Refer to Assets Items 5.B above.