

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1995-02-22** | Period of Report: **1995-02-21**
SEC Accession No. **0000048681-95-000009**

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FILER

HOUSEHOLD FINANCE CORP

CIK: **48681** | IRS No.: **361239445** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-00075** | Film No.: **95514219**
SIC: **6141** Personal credit institutions

Mailing Address	Business Address
2700 SANDERS ROAD, 3 NORTH PROSPECT HEIGHTS IL 600707085645000	2700 SANDERS RD PROSPECT HEIGHTS IL 60070

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report: February 21, 1995

HOUSEHOLD FINANCE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	1-75	36-1239445
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

2700 Sanders Road, Prospect Heights, Illinois	60070
-----	-----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (708) 564-5000

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Item 5. Other Events

Set forth in the Exhibit hereto is selected unaudited financial information which presents the results of operations for Household Finance Corporation (the "Company") as of and for the years ended December 31, 1994 and 1993.

Item 7. Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

Not Applicable

(b) Pro forma financial information.

Not Applicable

(c) Exhibits.

No.	Exhibit
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27	Financial data schedule.
99	Selected unaudited financial statements with respect to operations of Household Finance Corporation as of and for the years ended December 31, 1994 and 1993.

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOUSEHOLD FINANCE CORPORATION

(Registrant)

By: /s/ David A. Schoenholz

David A. Schoenholz

Vice President-

Chief Accounting Officer and
Chief Financial Officer
(a Principal Financial Officer),
Director and on behalf of Household
Finance Corporation

Dated: February 21, 1995

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Exhibit Index

Exhibit

No.

Exhibit

27

Financial data schedule.

99

Selected unaudited financial statements with
respect to operations of Household Finance
Corporation as of and for the years ended
December 31, 1994 and 1993.

<TABLE> <S> <C>

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THE FOLLOWING SUMMARY FINANCIAL INFORMATION OF THE COMPANY AND ITS
SUBSIDIARIES IS QUALIFIED IN ITS ENTIRETY BY THE DETAILED INFORMATION
AND FINANCIAL STATEMENTS PREVIOUSLY FILED WITH THE SECURITIES &
EXCHANGE COMMISSION.

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<F1>FINANCIAL STATEMENTS OF THE COMPANY WERE PREPARED IN ACCORDANCE WITH

FINANCIAL INSTITUTION INDUSTRY STANDARDS. ACCORDINGLY, THE COMPANY'S
BALANCE SHEETS WERE NON-CLASSIFIED.

</FN>

</TABLE>

HOUSEHOLD FINANCE CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME

<TABLE>

<CAPTION>

In millions.

Year ended December 31	1994	1993
<S>	<C>	<C>
Finance income	\$1,496.8	\$1,318.1
Interest income from noninsurance investment securities	38.7	40.9
Interest expense	618.2	510.2
Net interest margin	917.3	848.8
Provision for credit losses on owned receivables	435.9	494.5
Net interest margin after provision for credit losses	481.4	354.3
Securitization and servicing fee income	373.9	383.4
Insurance premiums and contract revenues	228.3	242.6
Investment income	505.8	552.1
Fee income	83.1	60.7
Other income	2.3	77.5
Total other revenues	1,193.4	1,316.3
Salaries and fringe benefits	236.7	221.9
Other operating expenses	633.4	603.7
Policyholders' benefits	444.7	517.2
Total costs and expenses	1,314.8	1,342.8
Income before income taxes	360.0	327.8
Income taxes	103.6	107.4
Net income	\$ 256.4	\$ 220.4

/TABLE

HOUSEHOLD FINANCE CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

<TABLE>

<CAPTION>

In millions.

December 31	1994	1993
<S>	<C>	<C>
ASSETS		
Cash	\$ 97.3	\$ 27.8
Investment securities (fair value of \$7,205.7 and \$7,317.8)	7,249.6	7,082.0
Receivables, net	10,476.3	10,364.6

Assets pending sale	398.3	-
Advances to parent company and affiliates	482.3	361.7
Deferred insurance policy acquisition costs	621.4	381.6
Acquired intangibles	357.2	246.7
Properties and equipment	211.5	202.2
Assets acquired through foreclosure	176.3	428.5
Other assets	941.2	755.1

Total assets	\$21,011.4	\$19,850.2
=====		

LIABILITIES AND SHAREHOLDER'S EQUITY

Debt:		
Commercial paper, bank and other borrowings	\$ 3,800.6	\$ 4,321.8
Senior and senior subordinated debt (with original maturities over one year)	7,728.3	6,813.7

Total debt	11,528.9	11,135.5
Insurance policy and claim reserves	6,643.4	5,981.5
Other liabilities	880.0	942.7

Total liabilities	19,052.3	18,059.7
Preferred stock	100.0	100.0
Common shareholder's equity	1,859.1	1,690.5

Total liabilities and shareholder's equity	\$21,011.4	\$19,850.2
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/TABLE

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INVESTMENT SECURITIES

<TABLE>

<CAPTION>

	1994		1993	
In millions. At December 31	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>

TRADING INVESTMENTS				
Government securities and other	\$ 2.9	\$ 2.9	\$ 11.9	\$ 11.9

AVAILABLE-FOR-SALE INVESTMENTS				
Marketable equity securities	53.9	53.9	76.2	76.2
Corporate debt securities	2,545.9	2,545.9	2,099.7	2,099.7
Government debt securities	211.3	211.3	326.1	326.1
Mortgage-backed securities	817.9	817.9	1,075.5	1,075.5
Other	62.5	62.5	244.1	244.1

Subtotal	3,691.5	3,691.5	3,821.6	3,821.6

HELD-TO-MATURITY INVESTMENTS				
Corporate debt securities	1,827.4	1,818.3	1,739.0	1,930.7
Government debt securities	23.1	20.6	23.2	25.4
Mortgage-backed securities	1,063.1	1,041.9	772.2	809.0
Mortgage loans on real estate	161.9	158.5	222.4	226.0
Policy loans	72.7	72.7	81.6	81.6
Other	298.1	290.4	310.5	312.0

Subtotal	3,446.3	3,402.4	3,148.9	3,384.7

Accrued investment income	108.9	108.9	99.6	99.6

Total investment securities	\$7,249.6	\$7,205.7	\$7,082.0	\$7,317.8
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RECEIVABLES

<TABLE>

<CAPTION>

In millions.

At December 31	1994	1993
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<S>	<C>	<C>
First mortgage	\$ 132.9	-
Home equity	1,437.5	\$ 1,557.1
Other secured	141.9	347.1
Bankcard	2,663.0	2,103.8
Merchant participation	1,843.4	2,054.4
Other unsecured	2,865.9	2,236.1
Equipment financing and other commercial	1,066.6	1,851.3
Total receivables owned	10,151.2	10,149.8
Accrued finance charges	176.5	151.6
Credit loss reserve for owned receivables	(413.7)	(452.7)
Unearned credit insurance premiums and claims reserves	(45.9)	(49.8)
Amounts due and deferred from receivables sales	789.9	700.2
Reserve for receivables serviced with limited recourse	(181.7)	(134.5)
Total receivables owned, net	10,476.3	10,364.6
Receivables serviced with limited recourse	7,808.8	7,131.1
Receivables serviced with no recourse	1,312.9	1,649.5
Total receivables owned or serviced, net	\$19,598.0	\$19,145.2

</TABLE>

ASSETS PENDING SALE

In the fourth quarter of 1994 the Company formed a joint venture, maintaining a 50 percent ownership interest, and entered into an agreement to sell performing commercial receivables to the venture on a non-recourse basis with a net book value of \$398 million. These assets have been separately disclosed as Assets Pending Sale in the accompanying Balance Sheets at December 31, 1994. The joint venture received commitments for third-party, non-recourse financing to complete the transaction, which is scheduled to close in the first quarter of 1995.

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