

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 1-5, 1999

December 16, 1999

TABLE 2

Commercial and Industrial loans made by domestic banks¹

Risk ² and maturity/repricing interval ³ of loans	Weighted-Average Effective Loan Rate ⁴ (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity ⁵	Percent of Amount of Loans				Most Common Base Pricing Rate ⁶
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	7.30	75,031	504	608	44.0	15.1	20.9	78.1	Prime
2 Minimal risk	6.22	7,395	1,662	648	22.6	10.8	66.9	93.4	Foreign
3 Low risk	6.49	14,603	917	528	26.3	18.8	35.2	81.9	Domestic
4 Moderate risk	7.35	28,114	508	653	48.8	14.6	16.7	80.1	Prime
5 Other	8.23	12,401	340	658	61.6	15.9	6.9	83.7	Prime
6 Zero interval	8.14	20,953	361	536	54.1	15.3	1.5	69.5	Prime
7 Minimal risk	8.02	474	489	812	56.3	46.0	4.3	85.6	Prime
8 Low risk	7.23	2,142	322	442	35.0	24.3	4.2	85.8	Prime
9 Moderate risk	8.18	8,079	329	604	62.0	12.8	1.8	92.1	Prime
10 Other	8.71	4,444	242	572	71.6	28.6	0.6	94.1	Prime
11 Daily	6.82	24,487	661	397	37.6	19.5	31.5	75.1	Fed Funds
12 Minimal risk	5.88	2,064	7,774	353	33.9	10.5	79.9	93.2	Fed Funds
13 Low risk	6.22	6,218	3,304	335	25.9	23.7	55.2	74.1	Domestic
14 Moderate risk	6.68	8,912	834	396	34.8	19.8	27.7	67.0	Fed Funds
15 Other	7.47	2,881	402	337	34.4	8.9	4.8	55.0	Fed Funds
16 2 to 30 days	6.78	18,105	1,173	653	30.9	10.4	32.5	90.5	Foreign
17 Minimal risk	6.13	3,825	5,897	787	7.5	5.0	69.4	95.4	Foreign
18 Low risk	6.25	4,106	2,643	566	19.2	14.4	26.9	94.6	Foreign
19 Moderate risk	6.92	6,599	1,175	672	39.6	12.1	23.3	87.2	Foreign
20 Other	8.14	2,529	450	619	57.4	7.1	20.5	85.7	Prime
21 31 to 365 days	7.49	7,385	362	839	54.2	8.0	19.4	89.0	Foreign
22 Minimal risk	6.30	646	436	233	55.1	14.9	70.1	89.6	Foreign
23 Low risk	6.51	1,506	470	717	26.9	3.6	19.8	84.5	Foreign
24 Moderate risk	7.53	2,779	337	914	56.5	7.1	17.6	90.2	Foreign
25 Other	8.70	1,706	815	1,194	74.8	7.6	11.1	98.6	Foreign
				Months					
26 Over 365	8.04	3,222	215	54	73.8	8.3	10.8	57.9	Other
27 Minimal risk	6.51	375	353	47	13.0	17.1	4.0	89.9	Other
28 Low risk	8.40	556	225	62	48.0	6.5	35.9	49.9	Other
29 Moderate risk	8.49	1,327	278	57	89.8	3.7	4.9	35.1	Prime
30 Other	7.52	585	299	41	89.9	2.5	4.3	86.5	Foreign
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	9.26	2,673	3.2	171	88.3	32.7	1.9	75.6	Prime
32 100 - 999	8.55	9,745	3.2	137	78.6	23.1	3.8	84.7	Prime
33 1,000 - 9,999	7.61	24,119	3.0	68	52.8	13.4	16.8	80.3	Prime
34 10,000+	6.66	38,494	2.5	62	26.7	12.9	29.1	75.3	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	8.83	22,338	3.2	67	76.7	19.7	1.4	80.0	218
36 Fed funds	6.00	10,139	2.6	5	30.7	24.9	16.3	41.9	6,353
37 Other domestic	6.18	10,123	2.3	29	12.9	26.9	58.1	89.4	3,186
38 Foreign	6.93	19,876	2.6	58	34.2	4.1	32.9	90.0	2,748
39 Other	7.13	12,556	2.9	228	37.5	6.8	9.4	76.2	366

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 1-5, 1999

TABLE 3

Commercial and Industrial loans made by large domestic banks¹

Risk ² and maturity/repricing interval ³ of loans	Weighted-Average Effective Loan Rate ⁴ (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity ⁵	Percent of Amount of Loans				Most Common Base Pricing Rate ⁶
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	7.18	62,682	894	600	36.6	9.9	24.1	80.9	Foreign
2 Minimal risk	6.21	6,883	7,228	651	18.9	8.5	70.2	96.7	Foreign
3 Low risk	6.30	11,865	3,111	487	14.2	11.6	43.1	91.1	Domestic
4 Moderate risk	7.26	23,059	955	642	41.8	8.9	19.0	84.4	Prime
5 Other	8.15	10,105	454	697	54.7	11.0	7.8	81.9	Prime
6 Zero interval	7.99	16,995	699	536	47.8	8.2	1.5	66.5	Prime
7 Minimal risk	8.09	361	1,285	913	54.1	48.4	5.6	95.8	Prime
8 Low risk	6.82	1,261	1,217	307	21.2	8.6	5.6	91.7	Other
9 Moderate risk	8.02	6,552	611	600	56.5	7.3	1.8	95.2	Prime
10 Other	8.54	3,517	339	607	65.2	18.0	0.7	93.5	Prime
11 Daily	6.77	20,916	719	387	28.8	12.0	36.4	82.1	Domestic
12 Minimal risk	5.88	2,062	8,619	353	33.8	10.5	79.9	93.2	Fed Funds
13 Low risk	6.06	5,006	3,992	318	9.3	13.0	68.4	90.0	Domestic
14 Moderate risk	6.72	7,232	928	396	23.2	8.5	33.0	75.8	Domestic
15 Other	7.35	2,708	603	333	31.0	7.9	4.8	52.7	Fed Funds
16 2 to 30 days	6.74	16,547	1,779	679	28.3	8.8	33.7	91.4	Foreign
17 Minimal risk	6.21	3,571	19,785	797	3.4	1.9	71.3	98.0	Foreign
18 Low risk	6.20	3,935	5,454	574	17.7	13.4	27.9	94.7	Foreign
19 Moderate risk	6.86	5,846	1,885	708	36.4	10.4	23.4	86.2	Foreign
20 Other	8.17	2,325	507	650	56.5	5.8	20.9	88.4	Prime
21 31 to 365 days	7.37	5,942	1,831	977	47.6	5.1	23.2	93.1	Foreign
22 Minimal risk	6.22	561	4,312	201	49.5	9.9	76.9	100.0	Foreign
23 Low risk	6.73	1,312	2,748	790	17.2	2.0	22.5	87.0	Foreign
24 Moderate risk	7.37	2,379	2,515	983	54.8	5.3	20.2	93.2	Foreign
25 Other	8.71	1,236	1,059	1,595	66.1	4.6	13.9	99.0	Foreign
				Months					
26 Over 365	7.78	1,811	926	50	58.1	4.3	17.0	63.5	Other
27 Minimal risk	6.31	322	3,135	47	0.6	19.3	2.1	99.5	Other
28 Low risk	7.50	286	1,425	52	0.8	--	69.8	75.9	Foreign
29 Moderate risk	8.46	830	1,313	51	90.2	0.9	5.1	34.2	Prime
30 Other	8.12	246	365	49	78.0	3.4	7.5	86.0	Other
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
Size (\$thousands)				Days					
31 1 - 99	9.02	1,225	3.5	46	87.1	36.6	2.0	85.9	Prime
32 100 - 999	8.43	6,621	3.4	49	75.7	20.0	4.3	89.0	Prime
33 1,000 - 9,999	7.51	19,864	3.0	58	48.2	9.5	18.9	81.3	Prime
34 10,000+	6.70	34,972	2.5	59	20.9	7.3	31.6	79.0	Foreign
Base rate ⁶									Average Size (\$thousands)
35 Prime ⁷	8.74	17,109	3.3	63	74.0	13.7	1.6	80.2	311
36 Fed funds	6.00	7,696	2.7	3	12.6	3.6	21.4	50.0	7,424
37 Other domestic	6.15	9,801	2.4	20	11.8	25.7	59.6	90.0	7,619
38 Foreign	6.91	17,641	2.5	43	30.1	3.8	34.5	90.8	3,194
39 Other	6.93	10,435	2.9	148	27.4	3.7	10.7	79.5	1,451

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 1-5, 1999

TABLE 4

Commercial and Industrial loans made by small domestic banks¹

Risk ² and maturity/repricing interval ³ of loans	Weighted-Average Effective Loan Rate ⁴ (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity ⁵	Percent of Amount of Loans				Most Common Base Pricing Rate ⁶
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	7.91	12,349	157	667					
2 Minimal risk	6.29	513	147	606	81.7	41.4	4.7	64.1	Prime
3 Low risk	7.33	2,738	226	802	72.5	41.9	25.5	49.0	Other
4 Moderate risk	7.75	5,055	162	736	79.2	49.8	1.2	41.9	Prime
5 Other	8.59	2,296	162	448	80.5	40.9	6.3	60.9	Prime
					92.3	37.5	3.1	91.6	Prime
6 Zero interval	8.75	3,958	117	540					
7 Minimal risk	7.77	113	164	231	81.0	45.7	1.4	82.7	Prime
8 Low risk	7.82	881	157	658	63.5	38.2	0.0	53.3	Prime
9 Moderate risk	8.87	1,527	110	624	54.7	46.7	2.2	77.3	Prime
10 Other	9.34	927	116	374	85.9	36.4	2.2	78.7	Prime
					96.0	68.9	0.4	96.6	Prime
11 Daily	7.13	3,571	450	506					
12 Minimal risk	8.82	2	89	228	88.7	63.3	2.7	34.1	Fed Funds
13 Low risk	6.87	1,211	1,929	547	100.0	0.2	--	89.6	Prime
14 Moderate risk	6.50	1,679	579	396	94.4	67.7	0.2	8.6	Fed Funds
15 Other	9.30	173	65	389	84.8	68.4	5.1	29.4	Fed Funds
					88.5	24.7	4.6	91.8	Prime
16 2 to 30 days	7.14	1,557	254	327					
17 Minimal risk	5.15	254	543	589	59.2	27.7	20.5	81.3	Foreign
18 Low risk	7.44	170	205	334	65.8	49.0	41.7	58.6	Foreign
19 Moderate risk	7.36	753	299	330	53.1	37.3	4.3	93.7	Foreign
20 Other	7.83	204	199	260	64.6	25.1	22.5	94.7	Foreign
					67.7	22.2	16.9	55.4	Foreign
21 31 to 365 days	7.96	1,443	84	278					
22 Minimal risk	6.80	85	63	455	81.2	19.9	3.7	72.0	Foreign
23 Low risk	4.98	194	71	220	92.4	47.5	25.2	21.1	Other
24 Moderate risk	8.47	400	55	504	92.6	14.1	1.2	68.1	Other
25 Other	8.67	470	507	170	67.1	17.8	1.8	72.8	Other
					97.9	15.3	3.8	97.5	Foreign
				Months					
26 Over 365	8.37	1,411	108	60					
27 Minimal risk	7.72	53	56	43	94.0	13.3	4.0	50.6	Other
28 Low risk	9.36	270	119	72	87.8	3.5	6.2	32.0	Other
29 Moderate risk	8.53	496	120	67	98.0	13.5	--	22.4	Other
30 Other	7.09	340	265	35	89.1	8.3	4.6	36.6	Other
					98.5	1.9	2.1	86.9	Foreign
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	9.47	1,448	2.9	272	89.4	29.3	1.7	66.9	Prime
32 100 - 999	8.78	3,124	2.9	328	84.5	29.8	2.9	75.5	Prime
33 1,000 - 9,999	8.10	4,255	3.0	119	74.4	31.7	7.0	75.8	Prime
34 10,000+	6.26	3,522	2.8	86	84.9	68.3	4.8	38.7	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	9.11	5,228	3.1	80	85.6	39.2	0.6	79.4	110
36 Fed funds	6.00	2,443	2.6	11	87.8	91.9	0.2	16.5	4,367
37 Other domestic	6.92	322	2.0	284	44.6	63.3	10.0	71.6	170
38 Foreign	7.10	2,235	3.3	177	66.3	6.5	20.1	83.4	1,307
39 Other	8.13	2,121	2.7	670	86.9	22.0	3.2	59.7	78

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 1-5, 1999

TABLE 5

Commercial and Industrial loans made by U.S. branches and agencies of foreign banks¹

Risk ² and maturity/repricing interval ³ of loans	Weighted-Average Effective Loan Rate ⁴ (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity ⁵	Percent of Amount of Loans				Most Common Base Pricing Rate ⁶
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	6.63	51,247	5,990	184	43.0	4.2	47.3	74.4	Foreign
2 Minimal risk	5.91	14,741	10,061	144	85.8	0.9	91.1	97.5	Foreign
3 Low risk	6.59	6,836	6,608	228	18.2	3.8	48.9	91.7	Foreign
4 Moderate risk	6.78	8,099	3,743	163	12.1	5.5	30.0	53.3	Fed Funds
5 Other	7.32	16,423	5,423	261	21.1	2.9	16.8	62.0	Fed Funds
6 Zero interval	7.34	3,552	2,206	756	66.0	3.3	28.8	99.2	Fed Funds
7 Minimal risk	8.82	112	401	--	88.4	100.0	--	100.0	Prime
8 Low risk	--	--	--	--	--	--	--	--	--
9 Moderate risk	9.04	275	603	1,044	38.4	0.9	19.7	99.9	Prime
10 Other	9.15	1,175	2,030	1,968	14.2	0.0	80.7	99.6	Prime
11 Daily	6.05	24,556	14,067	8	51.2	2.3	57.3	68.2	Foreign
12 Minimal risk	5.68	11,921	41,699	1	92.6	0.2	98.6	97.1	Foreign
13 Low risk	5.91	2,405	8,629	1	0.0	2.8	21.1	95.6	Foreign
14 Moderate risk	6.35	3,489	8,344	1	0.7	3.6	6.2	22.4	Fed Funds
15 Other	6.62	5,068	8,569	34	20.1	7.1	0.1	39.7	Fed Funds
16 2 to 30 days	6.82	13,392	5,092	173	26.3	0.2	33.8	68.7	Foreign
17 Minimal risk	6.31	1,542	3,424	456	34.4	0.1	40.7	99.3	Foreign
18 Low risk	6.66	2,737	7,437	320	34.3	0.0	58.7	89.9	Foreign
19 Moderate risk	6.59	2,254	3,003	153	20.7	0.4	53.6	69.7	Foreign
20 Other	7.11	6,312	7,180	61	19.4	0.2	8.5	55.3	Fed Funds
21 31 to 365 days	7.66	8,849	3,783	465	31.4	6.9	52.3	88.8	Foreign
22 Minimal risk	7.41	1,167	2,591	1,193	83.5	0.1	90.2	99.5	Foreign
23 Low risk	7.44	1,678	4,969	421	17.9	11.5	72.7	89.8	Foreign
24 Moderate risk	7.41	2,052	3,840	323	18.6	15.1	46.2	82.2	Foreign
25 Other	8.00	3,821	3,923	329	27.5	2.8	33.3	91.7	Foreign
				Months					
26 Over 365	--	--	--	--	--	--	--	--	--
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	--	--	--	--	--	--	--	--	--
29 Moderate risk	--	--	--	--	--	--	--	--	--
30 Other	--	--	--	--	--	--	--	--	--
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	8.77	47	3.0	16	54.9	28.8	18.4	88.3	Prime
32 100 - 999	7.62	1,275	2.9	28	44.6	16.3	38.7	85.0	Foreign
33 1,000 - 9,999	7.05	11,160	2.8	46	28.5	8.4	38.8	75.7	Foreign
34 10,000+	6.47	38,766	2.5	15	47.1	2.6	50.1	73.7	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	9.25	3,144	3.5	19	30.5	45.1	31.9	99.5	1,403
36 Fed funds	6.26	16,355	3.3	17	17.6	3.8	9.5	46.1	8,180
37 Other domestic	6.61	2,119	2.9	11	37.5	--	98.4	0.2	5,646
38 Foreign	6.52	27,664	2.0	24	57.5	0.3	70.8	98.4	7,680
39 Other	6.98	1,966	4.0	45	76.9	1.4	2.3	13.6	5,823

Footnotes appear on the last page.

NOTES

The Survey of Terms of Business Lending collects data on gross loan extensions made during the first full business week in the mid-month of each quarter. The authorized panel size for the survey is 348 domestically chartered commercial banks and 50 U.S. branches and agencies of foreign banks. The sample data are used to estimate the terms of loans extended during that week at all domestic commercial banks and all U.S. branches and agencies of foreign banks. Note that the terms on loans extended during the survey week may differ from those extended during other weeks of the quarter. The estimates reported here are not intended to measure the average terms on all business loans in bank portfolios.

1. As of December 31, 1996, assets of most of the large banks were at least \$7.0 billion. Median total assets for all insured banks were roughly \$62 million. Assets at all U.S. branches and agencies averaged \$1.3 billion.
2. A complete description of these risk categories is available from the Banking Analysis Section, mail stop 81, the Federal Reserve Board, Washington, DC 20551. The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The "Other" category includes loans rated "Acceptable" as well as special mention or classified loans. The weighted-average risk ratings published for loans in rows 31-39 are calculated by assigning a value of "1" to minimal risk loans, "2" to low risk loans, "3" to moderate risk loans, "4" to acceptable risk loans, and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in table rows 1, 6, 11, 16, 21, 26, and 31 to 39 are not rated for risk.
3. The "maturity/repricing" interval measures the period from the date the loan is made until it first may be repriced or matures. For floating-rate loans that are subject to repricing at any time--such as many prime-based loans--the "maturity/ repricing" interval is zero. For floating-rate loans that have a scheduled repricing interval, the "maturity/repricing" interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the "maturity/repricing" interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily mature or reprice on the business day after they are made. Owing to weekends and holidays, such loans may have "maturity/repricing" intervals in excess of one day; such loans are not included in the 2 to 30 day category.
4. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all C&I loans in the current survey (line 1, column 1) is 0.16 percentage points. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of the universe of all banks.
5. Average maturities are weighted by loan amount and exclude loans with no stated maturities.
6. The most common base pricing rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "base" or "reference" rate), the federal funds rate; domestic money market rates other than the prime rate and the federal funds rate, foreign money market rates, and other base rates not included in the foregoing classifications.
7. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 8.26 percent for all banks, 8.25 percent for large domestic banks, 8.35 percent for small domestic banks, and 8.19 percent for U.S. branches and agencies of foreign banks.