

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 5-9, 2001

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	3.99	45,266	653	469	34.2	12.4	24.2	83.7	Foreign
2 Minimal risk	2.76	1,770	2,407	255	8.2	23.7	6.5	58.9	Fed Funds
3 Low risk	3.04	10,239	1,926	340	17.6	12.9	52.1	89.4	Domestic
4 Moderate risk	4.19	19,472	777	580	38.2	13.3	23.1	82.8	Foreign
5 Other	4.83	10,008	373	400	48.9	8.3	9.4	91.3	Prime
6 Zero interval	4.18	6,722	452	322	33.8	9.1	36.1	88.8	Prime
7 Minimal risk	3.72	142	619	390	65.6	18.9	46.2	99.1	Prime
8 Low risk	2.91	2,418	5,631	90	7.6	1.7	84.1	95.8	Domestic
9 Moderate risk	4.52	2,493	371	444	41.0	11.9	6.5	76.8	Prime
10 Other	5.53	1,651	223	501	58.3	14.8	10.1	95.6	Prime
11 Daily	3.97	19,349	496	375	31.1	16.8	22.1	82.0	Prime
12 Minimal risk	2.75	811	2,515	194	2.3	20.6	6.1	19.6	Fed Funds
13 Low risk	3.00	4,233	3,309	381	13.3	22.7	42.8	83.6	Domestic
14 Moderate risk	3.96	7,378	567	455	31.5	18.4	29.8	84.9	Prime
15 Other	4.82	4,822	334	238	45.1	8.3	3.2	85.3	Prime
16 2 to 30 days	3.72	12,134	1,312	487	30.5	10.7	28.6	85.0	Foreign
17 Minimal risk	2.56	787	6,297	291	2.1	27.3	--	90.7	Foreign
18 Low risk	3.23	2,619	979	468	22.0	9.9	46.4	89.7	Foreign
19 Moderate risk	3.98	5,611	1,906	496	33.7	11.8	32.5	88.6	Foreign
20 Other	4.65	1,876	665	548	53.1	4.3	22.6	98.5	Foreign
21 31 to 365 days	3.71	4,712	1,748	609	42.2	4.3	15.7	93.6	Foreign
22 Minimal risk	2.74	15	541	94	48.4	1.9	0.1	98.1	Other
23 Low risk	2.94	828	1,306	372	52.9	1.6	30.9	97.7	Foreign
24 Moderate risk	3.82	2,214	2,183	767	44.8	6.4	13.1	97.5	Foreign
25 Other	4.16	1,322	1,799	545	39.9	2.7	14.3	98.7	Foreign
				Months					
26 Over 365	5.59	1,877	1,033	46	72.2	0.4	2.6	46.1	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	3.68	98	415	37	21.0	0.5	15.6	98.7	Other
29 Moderate risk	5.70	1,439	1,871	47	80.1	0.1	1.4	35.3	Prime
30 Other	5.34	265	501	31	62.0	1.7	2.4	86.0	Other
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	5.68	1,279	3.5	45	83.3	29.2	1.5	89.3	Prime
32 100 - 999	5.21	5,548	3.5	53	68.7	16.0	4.0	93.9	Prime
33 1,000 - 9,999	4.23	13,856	3.2	74	39.3	12.3	16.4	91.2	Foreign
34 10,000+	3.49	24,583	2.7	82	21.1	10.8	34.3	76.8	Other
Base rate ⁶									Average Size (\$thousands)
35 Prime ⁷	5.58	10,690	3.4	148	69.1	15.5	0.2	86.0	205
36 Fed funds	3.06	4,860	2.8	17	17.1	8.0	18.6	54.7	5,990
37 Other domestic	3.17	7,703	2.5	5	5.9	33.8	48.6	80.5	7,231
38 Foreign	3.62	11,134	2.9	44	33.1	4.1	39.4	97.8	1,750
39 Other	3.81	10,880	3.1	109	28.9	4.7	17.3	82.1	1,221

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 5-9, 2001

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	5.94	6,862	100	852	78.8	23.3	7.2	77.1	Prime	
2 Minimal risk	4.40	485	142	324	38.6	50.9	6.7	66.2	Other	
3 Low risk	5.90	903	100	1,109	70.3	17.6	7.0	71.1	Prime	
4 Moderate risk	6.45	2,047	86	1,333	90.8	15.9	10.3	76.3	Prime	
5 Other	6.19	1,801	83	771	88.0	26.9	10.2	82.4	Prime	
6 Zero interval	5.63	2,343	97	337	78.4	29.5	4.3	87.6	Prime	
7 Minimal risk	4.67	213	233	114	48.7	89.0	5.2	100.0	Prime	
8 Low risk	5.64	228	96	547	78.9	28.6	3.8	64.9	Prime	
9 Moderate risk	5.77	613	75	509	87.7	28.4	7.5	76.6	Prime	
10 Other	6.15	738	76	347	81.3	25.1	4.6	92.5	Prime	
11 Daily	5.89	1,397	112	642	86.8	20.4	9.2	86.2	Prime	
12 Minimal risk	6.34	46	53	2,270	85.4	76.4	41.5	100.0	Prime	
13 Low risk	5.68	164	146	684	56.1	7.5	2.8	91.6	Prime	
14 Moderate risk	5.97	607	134	586	92.0	12.8	2.2	85.8	Prime	
15 Other	5.90	441	93	650	94.1	28.8	20.5	80.8	Prime	
16 2 to 30 days	4.87	1,104	200	397	59.8	27.3	3.8	84.1	Other	
17 Minimal risk	2.81	166	503	28	3.7	1.2	0.0	5.5	Other	
18 Low risk	4.85	97	260	722	67.3	38.7	19.6	99.4	Prime	
19 Moderate risk	5.84	143	86	1,303	87.6	20.5	0.4	90.2	Prime	
20 Other	5.60	256	105	628	93.9	32.5	8.7	98.9	Prime	
21 31 to 365 days	6.71	1,053	68	1,299	75.7	16.2	13.6	65.5	Other	
22 Minimal risk	4.72	33	40	168	33.7	8.5	6.0	80.6	Other	
23 Low risk	6.23	209	64	528	64.0	3.5	5.3	76.1	Prime	
24 Moderate risk	8.15	344	59	3,299	90.7	4.6	33.9	82.0	Other	
25 Other	5.86	110	53	468	71.7	27.7	11.8	61.0	Other	
				Months						
26 Over 365	7.21	927	92	77	93.4	14.6	8.6	43.6	Other	
27 Minimal risk	8.52	27	56	30	100.0	63.8	0.4	97.6	Prime	
28 Low risk	6.55	205	111	92	79.8	17.9	9.8	43.4	Other	
29 Moderate risk	7.08	305	106	64	95.3	4.4	11.6	50.1	Other	
30 Other	7.52	254	92	75	98.7	23.0	9.5	49.0	Prime	
Size and base rate										
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³					
				Days						
	Size (\$thousands)									
31	1 - 99	6.92	1,257	3.2	277	84.4	26.7	5.0	78.3	Prime
32	100 - 999	6.19	2,811	3.2	359	86.7	21.1	6.7	74.1	Prime
33	1,000 - 9,999	5.47	2,257	2.8	264	76.4	19.1	10.7	74.5	Prime
34	10,000+	--	--	--	--	--	--	--	--	--
										Average Size (\$thousands)
	Base rate ⁶									
35	Prime ⁷	6.10	4,227	3.2	206	85.0	23.3	5.5	79.5	95
36	Fed funds	5.92	81	2.5	2,411	73.2	27.1	2.2	57.3	328
37	Other domestic	6.05	51	2.6	461	99.3	12.6	--	63.8	34
38	Foreign	3.97	929	2.5	110	45.5	12.9	3.2	91.3	585
39	Other	6.68	1,574	2.6	490	81.6	29.7	14.4	63.5	75

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 5-9, 2001

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	3.38	35,420	5,225	94	17.4	4.9	48.4	56.7	Foreign
2 Minimal risk	2.73	1,384	9,583	51	0.7	--	8.2	21.5	Fed Funds
3 Low risk	2.82	8,010	10,095	201	5.8	2.9	26.6	71.7	Foreign
4 Moderate risk	3.90	9,102	3,819	52	27.9	10.5	60.3	86.1	Foreign
5 Other	3.53	11,002	4,222	95	13.8	4.6	49.1	46.2	Fed Funds
6 Zero interval	4.11	1,525	1,187	277	72.0	1.7	0.8	87.5	Other
7 Minimal risk	--	--	--	--	--	--	--	--	--
8 Low risk	5.08	191	2,946	1,287	6.2	2.5	--	99.6	Prime
9 Moderate risk	5.30	156	287	678	51.5	1.0	3.6	99.0	Prime
10 Other	6.26	169	404	924	41.0	--	3.7	99.2	Prime
11 Daily	3.01	13,436	9,125	11	12.4	0.2	36.4	25.2	Fed Funds
12 Minimal risk	--	--	--	--	--	--	--	--	--
13 Low risk	2.72	2,705	12,635	14	0.1	--	25.9	22.3	Fed Funds
14 Moderate risk	2.90	2,179	6,468	4	0.7	0.3	8.7	56.8	Fed Funds
15 Other	3.20	3,778	6,774	15	29.7	--	33.0	32.1	Fed Funds
16 2 to 30 days	3.50	13,658	5,746	165	14.0	12.2	49.4	76.9	Foreign
17 Minimal risk	2.53	174	2,686	331	5.2	--	44.0	100.0	Foreign
18 Low risk	2.76	4,486	12,930	295	8.5	5.1	20.3	96.7	Foreign
19 Moderate risk	4.39	4,045	4,001	61	30.3	23.3	66.8	92.3	Foreign
20 Other	3.60	3,860	5,012	131	4.4	12.9	51.1	58.6	Foreign
21 31 to 365 days	3.66	6,748	4,217	97	21.2	--	80.7	71.0	Foreign
22 Minimal risk	--	--	--	--	--	--	--	--	--
23 Low risk	2.92	628	3,746	113	10.8	--	82.2	97.5	Foreign
24 Moderate risk	3.88	2,699	5,588	66	44.5	--	95.0	99.7	Foreign
25 Other	3.68	3,163	3,834	124	4.6	--	68.0	44.4	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	5.39	32	3.4	22	65.6	17.5	20.8	85.8	Prime
32 100 - 999	4.55	1,020	3.5	29	39.4	11.2	38.2	83.3	Prime
33 1,000 - 9,999	3.58	9,432	3.4	23	19.6	6.7	56.3	67.1	Foreign
34 10,000+	3.25	24,935	3.0	17	15.6	3.9	45.8	51.6	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.63	2,640	3.2	11	29.5	65.0	1.4	94.5	1,342
36 Fed funds	2.89	11,045	3.1	9	2.4	--	27.4	29.8	8,586
37 Other domestic	3.21	4,035	4.2	9	5.5	--	100.0	0.7	7,716
38 Foreign	3.39	14,464	2.9	34	17.3	--	68.5	90.9	6,026
39 Other	3.32	3,237	4.3	5	73.5	0.3	4.4	34.4	5,372

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 March 31, 2001, assets of the large banks were at least \$4 billion. Median total assets for all insured banks were roughly \$80 million. Assets at all U.S. branches and agencies averaged \$2.7 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 0.17 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 5.28 percent for all banks, 5.26 percent for large domestic banks, 5.42 percent for small domestic banks, and 5.13 percent for U.S. branches and agencies of foreign banks.