

FEDERAL RESERVE statistical release



For Immediate Release
December 15, 1997

E.2
SURVEY OF TERMS OF BUSINESS LENDING MADE DURING AUGUST 4-8, 1997
TABLE 1
Commercial and Industrial loans made by all commercial 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 Days	Percent of Amount of Loans				Most Common Base Pricing Rate ⁶	
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment		
1 All C&I loans	6.81	141,231	882	266	29.5	19.9	31.8	73.4	Fed Funds	
2 Minimal risk	6.08	11,855	1,365	75	23.0	35.0	63.1	75.0	Fed Funds	
3 Low risk	6.29	36,714	1,866	193	18.1	12.4	30.1	60.4	Fed Funds	
4 Moderate risk	6.94	54,458	798	299	31.9	29.0	31.8	82.1	Fed Funds	
5 Acceptable risk	7.50	20,698	554	338	41.8	9.2	22.5	78.5	Foreign	
6 Zero interval	8.16	27,561	332	614	41.2	15.3	18.2	80.3	Prime	
7 Minimal risk	7.63	336	127	458	46.8	17.2	6.6	95.9	Prime	
8 Low risk	7.81	3,895	534	561	22.1	30.5	5.1	96.0	Prime	
9 Moderate risk	8.41	10,078	265	879	47.4	18.4	6.6	92.4	Prime	
10 Acceptable risk	8.91	4,759	207	539	55.5	16.0	27.2	96.5	Prime	
11 Daily	6.22	64,941	4,053	39	19.7	25.6	33.8	62.6	Fed Funds	
12 Minimal risk	5.94	9,850	22,644	17	22.2	40.7	69.2	72.7	Fed Funds	
13 Low risk	6.01	21,578	8,396	23	14.1	12.0	28.3	42.0	Fed Funds	
14 Moderate risk	6.36	23,189	4,284	44	22.9	40.4	34.3	75.8	Fed Funds	
15 Acceptable risk	6.60	5,416	1,992	75	17.1	4.4	5.0	54.2	Fed Funds	
16 2 to 30 days	6.72	21,527	1,254	239	30.7	15.9	33.9	81.0	Foreign	
17 Minimal risk	6.44	744	2,752	303	30.8	7.0	50.2	80.9	Foreign	
18 Low risk	6.12	5,050	2,887	283	24.4	6.7	36.4	78.0	Foreign	
19 Moderate risk	6.71	9,058	1,274	127	25.0	30.1	39.0	85.6	Foreign	
20 Acceptable risk	7.40	5,058	858	281	47.3	3.6	24.4	78.3	Other	
21 31 to 365 days	6.70	23,616	795	387	35.6	12.7	44.3	91.4	Foreign	
22 Minimal risk	6.60	859	201	374	14.2	2.1	30.3	89.4	Foreign	
23 Low risk	6.32	5,466	895	369	24.7	6.6	52.5	90.8	Foreign	
24 Moderate risk	6.69	10,281	835	329	34.3	15.4	49.6	92.7	Foreign	
25 Acceptable risk	7.13	5,040	1,683	469	47.4	12.0	36.2	87.7	Foreign	
Months										
26 Over 365	8.44	2,686	240	52	65.5	3.3	3.6	35.0	Prime	
27 Minimal risk	7.72	55	57	43	44.2	6.8	0.5	62.3	Other	
28 Low risk	7.54	650	378	50	17.7	3.1	3.4	58.0	Other	
29 Moderate risk	8.72	1,593	348	54	84.4	2.5	3.8	18.3	Prime	
30 Acceptable risk	8.91	268	174	43	68.6	1.7	5.1	68.9	Prime	
Size and base rate										
Size (\$thousands)										
31 1 - 99	9.73	2,594	3.1	141	83.0	30.8	5.2	74.9	Prime	
32 100 - 999	8.74	10,518	3.2	79	68.1	24.0	15.1	86.4	Prime	
33 1,000 - 9,999	7.23	33,639	3.0	46	40.2	13.8	31.4	78.8	Foreign	
34 10,000+	6.37	94,481	2.5	33	19.9	21.3	34.5	70.0	Fed Funds	
Base rate ⁶										
35 Prime ⁷	9.06	24,187	3.1	104	60.0	21.6	9.5	73.7	213	
36 Fed funds	6.02	50,391	2.4	7	19.7	29.6	41.0	56.4	10,333	
37 Other domestic	6.13	13,315	2.6	23	6.3	37.0	34.8	75.0	2,767	
38 Foreign	6.67	39,020	2.8	33	33.0	6.3	42.4	92.9	4,280	
39 Other	6.82	14,078	3.0	103	24.6	4.6	4.2	77.7	503	

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING AUGUST 4-8, 1997

TABLE 2

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	7.05	57,683	1,057	392	31.4	19.0	8.9	65.3	Prime
2 Minimal risk	6.24	1,014	1,844	401	9.8	0.9	59.8	97.0	Domestic
3 Low risk	6.47	11,758	3,304	449	23.6	34.6	16.4	70.3	Domestic
4 Moderate risk	7.07	22,148	1,018	439	37.0	24.7	7.8	66.1	Prime
5 Acceptable risk	7.45	12,339	670	321	39.0	7.3	6.1	68.4	Prime
6 Zero interval	8.18	15,246	492	591	39.0	15.1	3.7	68.4	Prime
7 Minimal risk	7.33	91	353	748	29.3	4.1	24.0	99.9	Prime
8 Low risk	7.47	2,740	1,833	496	14.5	34.3	3.7	98.0	Prime
9 Moderate risk	8.13	4,990	387	700	50.4	15.6	4.3	91.9	Prime
10 Acceptable risk	8.88	2,449	220	676	59.7	17.7	7.1	96.2	Prime
11 Daily	6.36	20,442	2,196	107	26.3	33.6	4.1	52.6	Fed Funds
12 Minimal risk	6.52	311	2,747	327	1.6	1.5	50.3	90.4	Domestic
13 Low risk	6.01	4,286	5,141	147	39.0	58.6	7.4	39.7	Fed Funds
14 Moderate risk	6.45	8,494	2,649	110	33.0	44.1	3.8	48.1	Fed Funds
15 Acceptable risk	6.73	3,551	2,081	98	17.5	5.0	0.4	37.2	Fed Funds
16 2 to 30 days	6.80	11,709	1,460	270	25.5	9.1	16.5	75.4	Other
17 Minimal risk	5.88	406	4,678	208	10.4	0.0	71.2	99.9	Foreign
18 Low risk	6.18	2,516	4,282	399	21.2	11.3	34.1	80.9	Domestic
19 Moderate risk	6.78	4,231	1,358	164	21.5	15.3	9.2	75.6	Other
20 Acceptable risk	7.35	3,626	1,091	314	37.7	3.7	10.7	72.5	Other
21 31 to 365 days	6.70	7,887	2,168	538	29.8	7.5	21.7	84.9	Foreign
22 Minimal risk	6.07	180	2,263	630	14.1	--	76.7	100.0	Foreign
23 Low risk	6.22	1,667	3,033	723	9.8	17.7	38.1	88.1	Foreign
24 Moderate risk	6.72	2,984	1,769	640	26.0	6.8	25.1	84.6	Foreign
25 Acceptable risk	7.09	2,427	2,740	273	49.3	2.2	6.6	78.5	Foreign
				Months					
26 Over 365	8.21	2,147	1,908	47	59.5	0.8	3.7	33.5	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	7.20	513	8,597	40	0.7	--	2.4	65.3	Other
29 Moderate risk	8.61	1,376	2,754	50	83.2	1.2	4.1	13.6	Prime
30 Acceptable risk	8.56	183	446	39	57.1	0.1	4.6	73.7	Prime
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	9.40	950	3.5	41	82.2	36.5	6.0	89.1	Prime
32 100 - 999	8.77	5,354	3.3	52	66.1	21.3	9.6	87.5	Prime
33 1,000 - 9,999	7.46	16,844	3.1	55	39.3	13.2	10.8	70.7	Prime
34 10,000+	6.51	34,535	2.9	75	20.7	21.1	8.0	58.5	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	8.91	14,831	3.2	149	57.0	18.1	5.2	67.0	337
36 Fed funds	6.19	11,359	3.0	14	32.4	40.0	2.6	40.4	8,615
37 Other domestic	6.10	9,890	2.6	14	6.4	31.8	21.6	67.8	6,242
38 Foreign	6.69	9,882	3.1	52	35.0	5.1	14.7	73.9	3,101
39 Other	6.62	11,721	3.0	69	15.9	2.7	3.8	77.8	2,639

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING AUGUST 4-8, 1997

TABLE 3

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	8.10	12,910	136	531	56.4	18.7	29.2	64.0	Prime
2 Minimal risk	7.75	666	85	239	66.5	18.3	6.0	63.8	Prime
3 Low risk	7.22	2,979	219	474	33.6	9.4	37.0	49.7	Fed Funds
4 Moderate risk	8.20	5,304	127	612	57.5	20.5	26.0	68.4	Prime
5 Acceptable risk	8.85	1,986	118	633	78.5	12.1	30.2	77.7	Prime
6 Zero interval	9.12	4,810	98	766	74.0	24.8	6.6	87.4	Prime
7 Minimal risk	8.60	140	59	288	82.2	27.4	0.4	90.1	Prime
8 Low risk	8.93	741	137	816	55.8	24.1	3.6	87.3	Prime
9 Moderate risk	8.97	2,560	107	901	72.1	23.3	3.9	85.9	Prime
10 Acceptable risk	9.64	981	88	602	93.3	15.5	18.8	92.6	Prime
11 Daily	6.87	3,226	694	134	26.1	1.4	82.2	16.1	Fed Funds
12 Minimal risk	5.97	170	1,040	306	58.6	1.2	12.1	87.9	Foreign
13 Low risk	5.99	1,076	1,180	28	1.5	0.2	90.7	7.4	Fed Funds
14 Moderate risk	6.24	1,066	763	68	9.3	1.0	85.5	12.8	Fed Funds
15 Acceptable risk	6.86	310	383	160	23.0	1.7	70.3	27.6	Fed Funds
16 2 to 30 days	7.64	1,904	260	250	58.0	23.4	17.1	75.8	Prime
17 Minimal risk	7.90	198	1,506	16	54.0	26.4	--	52.6	Prime
18 Low risk	6.86	486	785	288	50.9	1.3	11.8	65.6	Other
19 Moderate risk	8.10	632	199	254	70.4	35.7	29.1	88.5	Prime
20 Acceptable risk	8.47	287	129	510	75.6	13.6	10.7	76.1	Prime
21 31 to 365 days	7.75	2,198	98	500	50.2	21.4	19.5	75.2	Foreign
22 Minimal risk	8.70	120	29	168	75.1	14.7	16.1	24.2	Prime
23 Low risk	7.33	511	107	598	36.7	7.2	8.2	71.6	Foreign
24 Moderate risk	8.07	677	76	292	51.4	16.2	26.1	70.2	Other
25 Acceptable risk	8.41	286	215	1,113	83.8	6.9	56.4	85.3	Foreign
				Months					
26 Over 365	9.41	507	51	77	91.1	14.0	1.8	37.0	Other
27 Minimal risk	9.29	29	31	36	83.5	12.9	--	28.9	Other
28 Low risk	8.88	127	76	94	80.6	15.9	--	25.0	Other
29 Moderate risk	9.43	207	51	82	96.4	11.4	1.8	45.7	Other
30 Acceptable risk	9.82	72	65	56	96.2	6.0	7.3	51.5	Other
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	9.98	1,583	3.0	205	84.4	27.3	3.8	65.5	Prime
32 100 - 999	9.14	3,571	3.0	139	78.9	27.3	8.8	80.4	Prime
33 1,000 - 9,999	8.09	3,740	2.8	55	65.3	17.8	31.7	70.5	Prime
34 10,000+	6.44	4,016	2.6	22	16.9	8.4	55.0	42.9	Fed Funds
Base rate ⁶									Average Size (\$thousands)
35 Prime ⁷	9.48	6,091	3.0	35	79.5	24.6	14.2	76.2	92
36 Fed funds	5.98	2,894	2.7	17	6.6	7.6	84.6	16.1	2,792
37 Other domestic	7.14	411	2.2	310	36.8	52.5	--	78.3	141
38 Foreign	6.98	1,621	2.8	61	48.5	9.1	28.6	92.1	1,255
39 Other	8.05	1,894	2.6	343	69.1	17.5	2.6	71.3	81

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING AUGUST 4-8, 1997

TABLE 4

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	6.38	70,639	6,558	126	23.0	20.8	50.6	81.7	Fed Funds
2 Minimal risk	5.95	10,174	32,761	33	21.5	39.5	67.1	73.6	Fed Funds
3 Low risk	6.07	21,977	8,710	37	13.0	1.0	36.5	56.5	Fed Funds
4 Moderate risk	6.59	27,006	5,732	136	22.6	34.2	52.6	97.9	Foreign
5 Acceptable risk	7.17	6,373	2,970	286	35.6	12.1	51.8	98.3	Foreign
6 Zero interval	7.51	7,505	2,593	562	24.8	9.8	55.1	99.9	Fed Funds
7 Minimal risk	--	--	--	--	--	--	--	--	--
8 Low risk	8.05	414	1,125	783	11.6	16.9	16.9	98.6	Prime
9 Moderate risk	8.40	2,527	2,039	1,537	16.4	18.9	13.7	100.0	Foreign
10 Acceptable risk	8.43	1,329	1,759	227	20.0	13.0	70.4	100.0	Foreign
11 Daily	6.11	41,273	19,978	4	15.9	23.6	44.1	71.2	Fed Funds
12 Minimal risk	5.92	9,369	59,072	2	22.3	42.8	70.9	71.8	Fed Funds
13 Low risk	6.01	16,216	19,655	1	8.3	0.4	29.7	44.9	Fed Funds
14 Moderate risk	6.32	13,630	16,819	10	17.6	41.3	49.2	98.0	Fed Funds
15 Acceptable risk	6.25	1,556	7,628	4	15.0	3.7	2.6	98.5	Fed Funds
16 2 to 30 days	6.39	7,914	4,340	189	31.8	24.2	63.5	90.6	Foreign
17 Minimal risk	6.00	140	2,695	875	57.4	--	60.2	65.7	Foreign
18 Low risk	5.85	2,049	3,776	123	22.1	2.4	45.0	77.4	Foreign
19 Moderate risk	6.43	4,195	5,110	74	21.6	44.3	70.5	95.1	Foreign
20 Acceptable risk	7.28	1,145	3,330	132	70.6	0.7	71.2	97.2	Foreign
21 31 to 365 days	6.53	13,531	3,752	283	36.7	14.2	61.3	97.8	Foreign
22 Minimal risk	6.32	559	6,994	336	1.3	--	18.4	100.0	Foreign
23 Low risk	6.22	3,288	4,217	155	30.4	0.9	66.7	95.2	Foreign
24 Moderate risk	6.53	6,620	3,786	194	36.2	19.2	63.0	98.7	Foreign
25 Acceptable risk	7.01	2,327	2,975	593	41.0	22.8	64.7	97.6	Foreign
				Months					
26 Over 365	8.53	32	673	34	60.4	--	30.1	100.0	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	--	--	--	--	--	--	--	--	--
29 Moderate risk	--	--	--	--	--	--	--	--	--
30 Acceptable risk	--	--	--	--	--	--	--	--	--
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
Size (\$thousands)				Days					
31 1 - 99	8.61	61	3.1	14	56.5	32.9	30.7	96.4	Prime
32 100 - 999	7.75	1,593	3.1	36	50.4	25.5	47.5	96.6	Foreign
33 1,000 - 9,999	6.69	13,055	2.9	33	34.1	13.4	57.6	91.7	Foreign
34 10,000+	6.27	55,930	2.4	7	19.6	22.4	49.0	78.9	Fed Funds
Base rate ⁶				Average Size (\$thousands)					
35 Prime ⁷	8.98	3,265	2.9	12	37.1	31.7	20.5	99.8	1,028
36 Fed funds	5.97	36,139	2.2	4	16.8	28.4	48.7	64.6	14,331
37 Other domestic	6.09	3,015	2.5	13	2.1	52.2	82.9	98.2	9,424
38 Foreign	6.65	27,517	2.7	25	31.4	6.6	53.1	99.7	5,933
39 Other	6.88	463	2.9	30	64.2	--	19.6	100.0	4,137

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 and Money Market Statistics 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 category "Acceptable risk" may include a small volume of 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 0.15 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 0.01 percent for all banks; 0.01 percent for large domestic banks 0.01 percent for small domestic banks; and 0.01 percent for U.S. branches and agencies of foreign banks.