

# FEDERAL RESERVE statistical release



For Immediate Release  
December 15, 1997

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**SURVEY OF TERMS OF BUSINESS LENDING MADE DURING NOVEMBER 3-7, 1997**  
TABLE 1  
Commercial and Industrial loans made by all commercial banks<sup>1</sup>

Risk <sup>2</sup> and maturity/repricing interval <sup>3</sup> of loans	Weighted-Average Effective Loan Rate <sup>4</sup> (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity <sup>5</sup> Days	Percent of Amount of Loans				Most Common Base Pricing Rate <sup>6</sup>
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
1 All C&I loans	6.85	134,783	787	321	33.4	22.7	33.2	75.7	Fed Funds
2 Minimal risk	6.29	11,232	1,669	97	17.8	39.0	57.0	74.1	Fed Funds
3 Low risk	6.27	37,479	1,806	204	25.7	11.5	36.8	64.3	Fed Funds
4 Moderate risk	6.88	51,898	759	352	34.3	33.4	36.5	83.8	Foreign
5 Acceptable risk	7.79	18,455	539	588	49.6	12.6	17.8	95.9	Foreign
6 Zero interval	8.26	20,806	280	530	49.8	19.0	11.4	80.2	Prime
7 Minimal risk	8.33	176	91	355	37.0	33.0	28.1	77.5	Prime
8 Low risk	7.02	3,534	615	426	26.1	10.1	13.2	92.6	Foreign
9 Moderate risk	8.26	8,029	237	569	54.1	25.5	8.2	93.7	Prime
10 Acceptable risk	8.98	4,536	209	711	65.7	19.7	9.0	97.2	Prime
11 Daily	6.22	59,874	3,141	53	19.5	33.5	41.7	67.5	Fed Funds
12 Minimal risk	6.08	8,258	22,077	21	9.8	47.6	61.7	70.2	Fed Funds
13 Low risk	6.06	20,367	7,648	35	22.5	14.8	37.7	51.1	Fed Funds
14 Moderate risk	6.24	21,714	4,005	66	20.5	55.8	53.3	82.4	Fed Funds
15 Acceptable risk	6.73	3,926	1,761	115	21.2	8.1	4.6	98.0	Fed Funds
16 2 to 30 days	6.82	31,888	1,167	371	38.7	11.6	34.3	85.1	Foreign
17 Minimal risk	6.69	2,277	2,981	305	35.5	14.7	48.3	89.7	Foreign
18 Low risk	6.31	8,854	3,106	222	28.8	4.8	42.1	76.0	Foreign
19 Moderate risk	6.74	12,555	1,300	344	35.8	15.6	32.3	87.9	Foreign
20 Acceptable risk	7.59	5,035	1,082	615	54.4	11.0	27.2	95.6	Foreign
21 31 to 365 days	6.95	17,399	499	546	44.0	13.0	32.1	86.4	Foreign
22 Minimal risk	7.16	490	159	250	60.5	8.4	32.1	68.8	Foreign
23 Low risk	6.44	3,945	567	485	28.6	7.8	41.2	83.0	Foreign
24 Moderate risk	6.90	6,982	522	550	42.6	14.3	30.7	83.1	Foreign
25 Acceptable risk	7.54	4,110	1,064	651	51.0	10.6	28.4	95.2	Foreign
				Months					
26 Over 365	8.44	4,213	327	57	60.7	4.3	22.2	52.8	Prime
27 Minimal risk	8.64	22	42	35	90.5	13.4	--	25.1	Other
28 Low risk	7.44	622	284	66	70.1	5.6	43.0	40.2	Other
29 Moderate risk	8.56	2,495	486	53	57.2	4.4	20.3	45.0	Prime
30 Acceptable risk	8.84	717	640	63	56.0	3.3	21.4	83.0	Prime
				Days					
Size and base rate				Weighted-Average Risk Rating <sup>2</sup>	Weighted-Average Maturity/Repricing Interval <sup>3</sup>				
Size (\$thousands)									
31 1 - 99	9.66	2,865	3.1	145	83.0	36.3	5.0	78.2	Prime
32 100 - 999	8.76	11,169	3.2	99	71.8	25.5	14.9	87.9	Prime
33 1,000 - 9,999	7.25	34,516	3.0	62	40.8	15.1	31.1	83.6	Foreign
34 10,000+	6.35	86,232	2.5	65	23.8	25.0	37.4	70.9	Fed Funds
Base rate <sup>6</sup>									
35 Prime <sup>7</sup>	9.07	21,499	3.2	173	68.5	22.8	10.1	77.8	193
36 Fed funds	6.09	43,980	2.4	6	12.9	37.1	42.0	55.5	10,876
37 Other domestic	6.17	12,759	2.5	23	10.1	33.0	31.2	79.0	2,703
38 Foreign	6.66	40,286	2.7	62	44.1	9.6	47.1	93.4	3,784
39 Other	6.97	16,260	2.8	156	33.9	9.1	7.6	81.1	401
				Average Size (\$thousands)					

Footnotes appear on the last page.

## SURVEY OF TERMS OF BUSINESS LENDING MADE DURING NOVEMBER 3-7, 1997

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TABLE 2

Commercial and Industrial loans made by large domestic banks<sup>1</sup>

Risk <sup>2</sup> and maturity/repricing interval <sup>3</sup> of loans	Weighted-Average Effective Loan Rate <sup>4</sup> (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity <sup>5</sup>	Percent of Amount of Loans				Most Common Base Pricing Rate <sup>6</sup>
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	7.09	60,462	952	458	33.9	19.6	9.1	72.7	Prime
2 Minimal risk	6.30	1,964	2,580	392	27.6	14.7	45.2	92.5	Domestic
3 Low risk	6.12	14,018	3,927	247	22.9	26.2	12.1	74.5	Domestic
4 Moderate risk	7.14	24,527	994	568	35.2	23.9	6.9	77.7	Foreign
5 Acceptable risk	8.29	8,670	524	817	55.9	9.4	7.8	95.4	Prime
6 Zero interval	8.18	13,803	430	513	45.1	15.4	9.2	73.9	Prime
7 Minimal risk	7.96	102	356	523	28.6	12.2	43.5	91.3	Prime
8 Low risk	6.79	2,028	1,444	449	21.8	11.6	10.9	91.1	Other
9 Moderate risk	8.03	5,360	384	529	51.4	22.8	8.5	95.2	Prime
10 Acceptable risk	8.92	2,845	251	734	58.4	13.4	7.4	98.4	Prime
11 Daily	6.43	19,871	1,959	147	22.6	34.4	6.2	56.8	Fed Funds
12 Minimal risk	6.00	637	3,550	242	2.4	0.1	59.6	83.9	Domestic
13 Low risk	6.06	6,492	7,812	117	26.1	45.0	8.3	56.8	Domestic
14 Moderate risk	6.58	6,826	2,190	213	25.5	47.0	2.0	63.1	Domestic
15 Acceptable risk	7.73	933	659	347	55.6	17.4	8.8	95.6	Prime
16 2 to 30 days	6.86	17,125	1,151	437	35.8	12.1	10.0	86.8	Other
17 Minimal risk	6.27	1,036	6,080	456	41.7	25.9	36.5	99.8	Foreign
18 Low risk	6.01	3,961	6,138	250	22.5	9.2	15.5	87.4	Other
19 Moderate risk	6.79	7,130	1,668	455	30.0	13.2	6.0	86.2	Foreign
20 Acceptable risk	7.70	2,959	1,240	787	55.6	5.2	6.8	96.0	Other
21 31 to 365 days	6.77	6,307	1,766	666	30.6	10.0	11.0	89.9	Foreign
22 Minimal risk	6.55	181	1,961	486	34.1	--	46.9	82.6	Foreign
23 Low risk	5.53	1,282	2,565	264	11.3	7.8	23.9	94.3	Domestic
24 Moderate risk	6.68	2,960	1,533	858	28.3	12.5	6.3	85.6	Foreign
25 Acceptable risk	8.41	1,291	2,161	815	48.3	5.4	7.5	92.4	Foreign
				Months					
26 Over 365	8.38	3,107	2,032	52	51.0	1.4	19.1	54.1	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	6.98	200	2,683	38	14.2	--	4.4	90.7	Other
29 Moderate risk	8.42	2,182	3,100	50	51.3	2.0	22.9	41.1	Prime
30 Acceptable risk	8.88	586	1,367	65	61.5	0.0	14.1	84.0	Prime
Size and base rate									
				Weighted-Average Risk Rating <sup>2</sup>					
				Weighted-Average Maturity/Repricing Interval <sup>3</sup>					
				Days					
Size (\$thousands)									
31 1 - 99	9.40	1,127	3.4	42	83.6	40.4	5.7	93.0	Prime
32 100 - 999	8.79	6,010	3.3	38	68.6	21.6	8.1	90.3	Prime
33 1,000 - 9,999	7.50	17,498	3.0	76	39.5	13.6	11.4	78.4	Prime
34 10,000+	6.53	35,826	2.7	115	23.8	21.5	8.3	66.3	Foreign
									Average Size (\$thousands)
Base rate <sup>6</sup>									
35 Prime <sup>7</sup>	8.87	14,419	3.3	229	63.9	15.2	7.9	73.3	316
36 Fed funds	6.19	9,309	2.3	12	27.2	33.2	1.5	31.9	8,492
37 Other domestic	6.13	9,268	2.4	17	11.2	35.3	17.9	72.3	4,987
38 Foreign	6.80	13,673	2.9	103	30.2	18.8	11.7	89.5	3,566
39 Other	6.76	13,794	2.8	54	26.0	6.4	6.5	83.2	1,246

Footnotes appear on the last page.

## SURVEY OF TERMS OF BUSINESS LENDING MADE DURING NOVEMBER 3-7, 1997

December 15, 1997

TABLE 3

Commercial and Industrial loans made by small domestic banks<sup>1</sup>

Risk <sup>2</sup> and maturity/repricing interval <sup>3</sup> of loans	Weighted-Average Effective Loan Rate <sup>4</sup> (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity <sup>5</sup>	Percent of Amount of Loans				Most Common Base Pricing Rate <sup>6</sup>
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment	
				Days					
1 All C&I loans	8.02	12,594	130	483	57.5	26.7	26.6	69.0	Prime
2 Minimal risk	8.53	546	96	244	70.8	27.9	11.2	55.7	Prime
3 Low risk	7.13	3,536	240	263	33.0	10.9	35.8	52.9	Fed Funds
4 Moderate risk	8.25	4,292	108	572	57.4	28.2	34.3	64.7	Prime
5 Acceptable risk	8.60	2,318	156	591	91.3	30.9	18.8	93.9	Prime
6 Zero interval	9.18	3,949	100	628	81.6	39.6	8.4	87.2	Prime
7 Minimal risk	8.86	72	44	130	48.6	63.9	7.2	57.1	Prime
8 Low risk	8.72	557	141	613	76.1	19.4	3.4	86.7	Prime
9 Moderate risk	9.26	1,642	87	773	74.4	39.0	6.9	85.0	Prime
10 Acceptable risk	9.19	1,175	123	604	93.7	39.1	16.0	93.0	Prime
11 Daily	6.49	2,996	432	73	13.4	7.0	67.9	26.8	Fed Funds
12 Minimal risk	6.77	35	477	42	24.8	59.4	37.2	62.7	Fed Funds
13 Low risk	6.20	1,610	1,541	17	5.1	1.3	69.8	25.0	Fed Funds
14 Moderate risk	6.36	999	582	67	9.1	5.7	89.3	6.7	Fed Funds
15 Acceptable risk	7.41	98	257	274	70.7	5.5	4.4	80.2	Foreign
16 2 to 30 days	7.89	2,010	212	301	58.0	27.3	26.9	83.2	Foreign
17 Minimal risk	8.79	242	473	299	76.2	24.4	6.9	63.4	Prime
18 Low risk	7.27	373	269	405	48.5	4.9	25.3	67.3	Foreign
19 Moderate risk	7.99	711	169	319	57.9	35.2	47.0	87.1	Foreign
20 Acceptable risk	8.36	355	221	339	85.0	39.5	18.7	96.4	Foreign
21 31 to 365 days	7.74	2,629	92	462	61.7	27.5	15.3	78.7	Foreign
22 Minimal risk	8.37	175	59	158	79.2	13.2	14.9	46.7	Domestic
23 Low risk	7.49	733	122	221	43.8	15.2	2.0	80.0	Foreign
24 Moderate risk	8.30	581	57	416	68.9	27.6	22.1	73.4	Other
25 Acceptable risk	7.58	553	228	680	97.4	6.3	31.4	97.1	Foreign
				Months					
26 Over 365	9.31	780	69	61	92.0	17.5	2.0	61.9	Other
27 Minimal risk	8.63	22	42	35	90.4	13.5	--	25.3	Other
28 Low risk	9.26	167	79	46	91.2	20.9	2.0	35.6	Other
29 Moderate risk	9.53	311	70	71	99.0	21.7	1.6	71.7	Other
30 Acceptable risk	9.28	63	101	48	64.8	36.5	4.4	85.0	Other
Size and base rate				Weighted-Average Risk Rating <sup>2</sup>	Weighted-Average Maturity/Repricing Interval <sup>3</sup>				
				Days					
Size (\$thousands)									
31 1 - 99	9.90	1,668	2.9	218	84.0	33.9	3.4	67.5	Prime
32 100 - 999	9.19	3,530	2.9	231	84.8	33.7	10.8	80.3	Prime
33 1,000 - 9,999	7.62	3,811	2.8	80	53.7	29.3	19.2	86.8	Foreign
34 10,000+	6.41	3,585	2.7	64	22.1	13.7	60.4	39.7	Fed Funds
									Average Size (\$thousands)
Base rate <sup>6</sup>									
35 Prime <sup>7</sup>	9.54	4,869	3.0	71	82.3	40.7	6.9	81.5	78
36 Fed funds	6.13	2,505	2.5	15	6.1	6.3	90.2	8.0	2,201
37 Other domestic	6.77	570	1.7	186	33.9	69.4	0.8	85.8	240
38 Foreign	6.92	2,525	2.9	92	49.9	10.2	27.5	95.1	1,613
39 Other	8.39	2,124	2.8	487	76.4	27.0	3.4	76.7	72

Footnotes appear on the last page.

**SURVEY OF TERMS OF BUSINESS LENDING MADE DURING NOVEMBER 3-7, 1997**

TABLE 4

Commercial and Industrial loans made by U.S. branches and agencies of foreign banks<sup>1</sup>

Risk <sup>2</sup> and maturity/repricing interval <sup>3</sup> of loans	Weighted-Average Effective Loan Rate <sup>4</sup> (percent)	Amount of Loans (\$ millions)	Average Loan Size (\$ thousands)	Weighted-Average Maturity <sup>5</sup>	Percent of Amount of Loans				Most Common Base Pricing Rate <sup>6</sup>	
					Secured by Collateral	Callable	Subject to Prepayment Penalty	Made Under Commitment		
				Days						
1 All C&I loans	6.38	61,728	5,815	167	27.9	24.9	57.6	80.1	Fed Funds	
2 Minimal risk	6.15	8,722	33,479	20	12.3	45.1	62.6	71.1	Fed Funds	
3 Low risk	6.23	19,925	8,064	169	26.4	1.2	54.3	59.1	Foreign	
4 Moderate risk	6.34	23,079	5,823	101	28.9	44.5	68.4	93.8	Fed Funds	
5 Acceptable risk	6.96	7,467	2,600	328	29.3	10.6	29.1	97.1	Foreign	
6 Zero interval	7.44	3,054	1,148	480	29.9	8.4	25.1	99.6	Foreign	
7 Minimal risk	--	--	--	--	--	--	--	--	--	
8 Low risk	6.51	949	2,479	273	5.9	1.5	23.8	99.1	Foreign	
9 Moderate risk	7.88	1,027	1,019	466	36.3	18.3	8.9	99.8	Foreign	
10 Acceptable risk	8.83	517	590	916	42.2	10.4	1.7	100.0	Prime	
11 Daily	6.09	37,007	18,667	9	18.3	35.2	57.8	76.5	Fed Funds	
12 Minimal risk	6.09	7,586	62,623	1	10.3	51.5	62.0	69.1	Fed Funds	
13 Low risk	6.04	12,265	15,589	7	22.8	0.6	49.1	51.5	Fed Funds	
14 Moderate risk	6.06	13,890	23,540	7	18.9	63.8	76.0	97.3	Fed Funds	
15 Acceptable risk	6.38	2,895	6,674	45	8.5	5.2	3.3	99.3	Fed Funds	
16 2 to 30 days	6.61	12,753	4,308	296	39.6	8.4	67.8	83.0	Foreign	
17 Minimal risk	6.63	998	12,165	149	19.3	0.8	70.6	85.5	Foreign	
18 Low risk	6.51	4,520	5,517	183	32.7	0.9	66.8	66.8	Foreign	
19 Moderate risk	6.46	4,714	4,021	184	41.2	16.2	69.9	90.7	Foreign	
20 Acceptable risk	7.24	1,721	2,591	395	46.0	15.2	64.1	94.8	Foreign	
21 31 to 365 days	6.84	8,464	3,115	478	48.4	10.8	52.6	86.2	Foreign	
22 Minimal risk	--	--	--	--	--	--	--	--	--	
23 Low risk	6.65	1,930	4,174	734	34.4	5.0	67.5	76.6	Foreign	
24 Moderate risk	6.85	3,441	2,942	292	50.4	13.6	53.2	82.4	Foreign	
25 Acceptable risk	7.03	2,266	2,710	544	41.2	14.5	39.6	96.3	Foreign	
				Months						
26 Over 365	6.95	325	4,383	91	78.6	--	100.0	18.8	Other	
27 Minimal risk	--	--	--	--	--	--	--	--	--	
28 Low risk	--	--	--	--	--	--	--	--	--	
29 Moderate risk	--	--	--	--	--	--	--	--	--	
30 Acceptable risk	8.12	68	1,081	60	--	--	100.0	73.1	Foreign	
Size and base rate				Weighted-Average Risk Rating <sup>2</sup>	Weighted-Average Maturity/Repricing Interval <sup>3</sup>					
				Days						
Size (\$thousands)										
31	1 - 99	8.23	71	3.1	46	51.6	26.2	31.0	95.6	Prime
32	100 - 999	7.71	1,629	3.1	38	55.2	21.9	48.9	95.3	Foreign
33	1,000 - 9,999	6.83	13,207	3.0	38	38.7	13.0	60.4	89.7	Foreign
34	10,000+	6.20	46,821	2.4	27	23.9	28.4	57.2	76.8	Fed Funds
										Average Size (\$thousands)
Base rate <sup>6</sup>										
35	Prime <sup>7</sup>	9.29	2,211	3.4	20	67.7	33.1	31.4	99.3	726
36	Fed funds	6.06	32,166	2.4	4	9.2	40.5	48.5	66.0	17,778
37	Other domestic	6.19	2,921	2.9	10	2.1	18.7	79.3	99.1	6,076
38	Foreign	6.55	24,088	2.6	36	51.4	4.4	69.3	95.5	4,591
39	Other	--	--	--	--	--	--	--	--	--

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## NOTES

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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.

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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 8.53 percent for all banks; 8.50 percent for large domestic banks 8.61 percent for small domestic banks; and 8.50 percent for U.S. branches and agencies of foreign banks.