

SURVEY OF TERMS OF BUSINESS LENDING, AUGUST 5-9, 2002

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	3.92	44,238	305	596	48.0	15.6	15.0	82.2	Prime
2 Minimal risk	3.30	4,004	593	243	26.3	11.8	3.6	95.8	Other
3 Low risk	2.88	7,492	635	508	23.4	11.1	35.9	64.3	Foreign
4 Moderate risk	3.90	18,182	359	752	55.5	19.4	11.4	84.6	Foreign
5 Other	4.88	9,970	201	525	65.0	12.5	15.5	86.1	Prime
6 Zero interval	4.39	10,839	216	684	51.8	20.0	11.4	75.2	Prime
7 Minimal risk	2.85	500	444	319	51.6	70.6	20.7	75.7	Foreign
8 Low risk	2.73	2,595	607	338	12.4	13.8	15.2	30.2	Fed Funds
9 Moderate risk	4.76	4,520	212	1,011	65.9	21.5	7.9	90.5	Prime
10 Other	5.39	2,847	139	535	64.0	14.9	13.4	89.0	Prime
11 Daily	3.94	12,658	265	473	46.0	21.9	17.6	81.6	Prime
12 Minimal risk	4.32	675	360	280	21.2	15.1	--	99.0	Other
13 Low risk	2.67	2,030	1,474	436	13.0	3.1	58.1	84.2	Fed Funds
14 Moderate risk	3.78	5,032	392	572	49.3	35.9	18.5	71.5	Prime
15 Other	4.89	2,835	161	355	67.5	15.8	3.7	82.7	Prime
16 2 to 30 days	3.16	7,272	489	368	29.8	12.0	9.0	92.5	Other
17 Minimal risk	2.58	2,191	1,481	29	7.7	0.0	0.7	99.9	Other
18 Low risk	2.76	1,122	699	477	41.1	19.9	27.0	89.7	Foreign
19 Moderate risk	3.15	1,853	511	545	31.4	14.9	9.2	91.9	Foreign
20 Other	4.65	1,136	196	513	62.8	11.0	9.7	88.8	Foreign
21 31 to 365 days	3.68	11,096	551	585	54.2	6.2	19.3	85.2	Foreign
22 Minimal risk	3.94	401	234	134	63.5	3.6	6.3	92.3	Other
23 Low risk	3.19	1,437	438	625	31.0	9.6	49.8	82.5	Foreign
24 Moderate risk	3.47	5,787	741	676	58.4	4.9	6.6	88.7	Foreign
25 Other	4.35	2,666	819	495	64.0	4.3	34.4	87.7	Foreign
				Months					
26 Over 365	5.38	2,100	210	55	65.1	9.0	17.6	68.8	Other
27 Minimal risk	6.94	234	439	71	96.5	0.3	0.0	97.8	Other
28 Low risk	4.62	276	227	63	83.3	15.1	34.2	36.2	Foreign
29 Moderate risk	4.56	834	212	48	66.8	5.7	27.8	85.1	Other
30 Other	5.45	423	236	55	62.3	22.9	9.0	71.4	Other
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	5.81	2,609	3.4	111	82.7	26.5	2.6	83.4	Prime
32 100 - 999	5.09	8,486	3.4	127	74.8	22.0	2.9	87.8	Prime
33 1,000 - 9,999	3.86	14,854	2.8	121	40.0	13.8	16.8	90.1	Prime
34 10,000+	3.17	18,289	2.8	57	37.0	12.5	20.9	73.1	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.16	14,907	3.3	41	71.6	19.1	1.2	89.2	139
36 Fed funds	2.31	3,973	2.5	10	16.1	17.0	15.1	40.6	5,514
37 Other domestic	2.93	4,358	2.9	30	14.6	44.8	40.1	67.4	2,071
38 Foreign	3.32	13,856	3.1	81	49.0	7.2	25.5	88.3	1,943
39 Other	4.05	7,145	2.1	321	34.7	5.9	8.1	87.9	252

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, AUGUST 5-9, 2002

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	3.71	37,454	489	543	44.1	13.8	17.0	82.4	Foreign
2 Minimal risk	3.31	2,325	1,570	140	24.8	8.6	5.2	95.0	Other
3 Low risk	2.46	6,607	2,504	331	14.7	10.3	38.9	64.9	Foreign
4 Moderate risk	3.66	15,998	652	714	52.0	16.8	12.6	85.0	Foreign
5 Other	4.75	8,536	271	477	60.7	10.2	17.4	87.8	Prime
6 Zero interval	4.08	8,039	420	598	43.6	12.4	13.1	73.9	Prime
7 Minimal risk	1.47	227	749	311	51.1	48.9	42.6	51.5	Fed Funds
8 Low risk	2.39	2,287	4,686	81	2.1	12.9	13.7	26.9	Fed Funds
9 Moderate risk	4.60	3,301	366	1,004	63.1	12.7	9.5	93.8	Prime
10 Other	5.27	2,057	229	475	55.3	7.8	16.0	94.5	Prime
11 Daily	3.85	11,731	279	445	43.1	22.1	19.0	80.5	Prime
12 Minimal risk	4.48	527	729	332	18.4	14.6	--	98.9	Other
13 Low risk	2.46	1,881	2,157	275	6.4	3.3	62.7	83.1	Fed Funds
14 Moderate risk	3.65	4,646	413	577	45.7	36.4	20.0	69.3	Domestic
15 Other	4.86	2,647	168	353	65.6	16.1	3.9	82.2	Prime
16 2 to 30 days	3.16	5,691	647	399	29.8	14.2	10.9	91.9	Foreign
17 Minimal risk	2.97	1,223	5,655	40	12.8	0.0	1.3	100.0	Other
18 Low risk	2.43	1,025	1,304	422	37.1	18.7	26.7	91.7	Foreign
19 Moderate risk	3.09	1,766	813	525	29.5	14.6	9.6	92.4	Foreign
20 Other	4.51	872	219	523	52.2	13.1	12.5	85.6	Foreign
21 31 to 365 days	3.49	10,432	3,006	576	52.3	5.5	20.3	86.5	Foreign
22 Minimal risk	3.88	336	1,622	119	60.6	3.2	2.5	99.9	Other
23 Low risk	2.65	1,227	3,159	585	22.6	10.3	58.1	87.4	Foreign
24 Moderate risk	3.32	5,584	5,108	661	57.3	4.2	6.9	89.1	Foreign
25 Other	4.29	2,582	1,871	492	63.2	3.8	35.3	88.6	Foreign
				Months					
26 Over 365	4.32	1,366	749	43	47.3	3.2	26.0	76.3	Other
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	2.53	156	2,486	55	71.2	--	58.3	42.4	Foreign
29 Moderate risk	3.49	622	940	39	56.7	1.9	36.4	96.5	Other
30 Other	4.99	316	451	38	50.2	10.2	10.2	88.7	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
					Days				
Size (\$thousands)									
31 1 - 99	5.21	1,435	3.6	36	79.8	26.9	1.2	90.8	Prime
32 100 - 999	4.80	5,880	3.5	50	68.6	17.6	2.4	93.6	Prime
33 1,000 - 9,999	3.81	12,115	3.0	97	38.3	13.8	20.0	90.2	Foreign
34 10,000+	3.17	18,023	2.8	58	37.1	11.4	21.0	72.9	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.00	10,982	3.4	23	65.9	14.6	0.2	92.4	179
36 Fed funds	2.30	3,934	2.5	9	15.9	17.0	15.3	40.0	6,962
37 Other domestic	2.82	4,241	2.9	21	12.3	44.8	40.8	66.6	4,280
38 Foreign	3.32	13,290	3.1	84	50.1	5.8	26.1	88.4	2,054
39 Other	3.80	5,007	2.4	212	29.3	4.3	10.8	91.4	683

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, AUGUST 5-9, 2002

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	5.10	6,784	99	891	69.3	25.7	3.8	81.0	Prime
2 Minimal risk	3.29	1,679	319	382	28.4	16.2	1.4	97.0	Other
3 Low risk	5.94	885	97	1,792	88.8	16.9	13.3	59.7	Prime
4 Moderate risk	5.66	2,184	84	1,062	81.2	38.7	2.4	81.6	Prime
5 Other	5.65	1,434	79	801	90.6	26.3	4.5	76.3	Prime
6 Zero interval	5.25	2,801	90	937	75.2	41.8	6.7	79.0	Prime
7 Minimal risk	3.99	274	332	326	52.0	88.5	2.5	95.7	Prime
8 Low risk	5.30	308	81	2,246	88.7	20.7	26.7	54.8	Prime
9 Moderate risk	5.20	1,219	99	1,033	73.4	45.4	3.7	81.4	Prime
10 Other	5.70	791	69	679	86.7	33.5	6.6	74.7	Prime
11 Daily	5.09	927	161	786	83.1	19.2	0.2	95.1	Prime
12 Minimal risk	3.74	148	129	120	31.0	17.1	--	99.3	Other
13 Low risk	5.37	150	296	2,397	96.0	0.5	--	98.1	Prime
14 Moderate risk	5.32	386	245	509	92.2	30.1	--	97.9	Prime
15 Other	5.29	188	103	385	94.4	10.8	0.7	89.3	Prime
16 2 to 30 days	3.13	1,581	260	263	29.7	4.0	2.1	95.0	Other
17 Minimal risk	2.08	968	766	16	1.3	0.0	0.0	99.8	Other
18 Low risk	6.25	97	119	1,042	83.5	32.4	31.0	68.0	Prime
19 Moderate risk	4.53	86	60	952	68.9	21.5	0.5	81.8	Prime
20 Other	5.11	264	146	483	97.7	3.7	0.2	99.7	Prime
21 31 to 365 days	6.63	663	40	735	84.4	16.0	3.5	63.9	Other
22 Minimal risk	4.26	64	43	214	78.7	5.8	25.9	52.1	Other
23 Low risk	6.35	210	73	855	80.3	5.7	0.8	53.8	Other
24 Moderate risk	7.57	203	30	1,077	89.9	21.9	0.1	76.3	Other
25 Other	6.22	84	45	589	87.8	19.4	5.1	61.3	Prime
				Months					
26 Over 365	7.34	734	90	77	98.2	19.7	2.0	54.7	Other
27 Minimal risk	7.04	225	434	74	100.0	0.3	--	97.7	Other
28 Low risk	7.34	120	104	74	99.1	34.6	2.9	28.3	Prime
29 Moderate risk	7.70	212	65	74	96.3	16.9	2.6	51.6	Other
30 Other	6.82	107	98	106	97.9	60.4	5.4	20.5	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	6.55	1,174	3.1	203	86.2	26.0	4.4	74.3	Prime
32 100 - 999	5.73	2,605	3.2	304	88.8	32.0	3.9	74.7	Prime
33 1,000 - 9,999	4.05	2,739	1.9	228	47.3	13.6	2.5	89.5	Other
34 10,000+	--	--	--	--	--	--	--	--	--
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.60	3,924	3.1	91	87.6	31.8	3.8	80.3	86
36 Fed funds	3.32	39	2.9	89	29.3	25.5	0.1	99.3	248
37 Other domestic	6.95	117	2.5	346	98.9	44.1	12.6	97.4	105
38 Foreign	3.11	566	2.4	24	23.0	40.0	10.1	86.8	858
39 Other	4.63	2,138	1.7	574	47.3	9.7	1.8	79.7	102

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, AUGUST 5-9, 2002

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	3.06	21,691	4,314	64	17.8	1.7	60.3	60.5	Foreign
2 Minimal risk	2.30	435	7,532	24	11.9	--	72.9	100.0	Foreign
3 Low risk	2.64	2,601	3,940	143	4.2	0.0	74.2	77.1	Fed Funds
4 Moderate risk	3.04	4,496	3,736	67	29.3	6.1	73.7	85.9	Foreign
5 Other	3.19	10,501	4,119	62	18.3	0.9	41.8	64.5	Foreign
6 Zero interval	4.00	1,232	1,525	504	58.1	6.0	2.3	60.7	Prime
7 Minimal risk	--	--	--	--	--	--	--	--	--
8 Low risk	3.78	318	2,363	1,025	28.4	0.2	0.7	99.8	Prime
9 Moderate risk	3.95	117	694	1,277	31.4	9.3	4.8	90.7	Foreign
10 Other	5.03	355	858	386	41.3	17.7	5.6	83.2	Prime
11 Daily	2.78	10,177	8,468	1	11.9	--	57.1	41.0	Fed Funds
12 Minimal risk	--	--	--	--	--	--	--	--	--
13 Low risk	2.38	1,318	7,213	1	--	--	94.0	54.9	Fed Funds
14 Moderate risk	2.87	910	4,271	2	--	--	72.4	63.9	Fed Funds
15 Other	2.80	5,606	10,169	1	21.6	--	28.5	46.8	Fed Funds
16 2 to 30 days	3.07	3,741	3,256	16	15.7	7.9	58.1	65.4	Foreign
17 Minimal risk	--	--	--	--	--	--	--	--	--
18 Low risk	2.37	111	1,471	20	0.7	--	72.4	99.4	Foreign
19 Moderate risk	3.10	1,127	3,721	21	24.0	23.3	52.4	75.3	Foreign
20 Other	3.13	1,963	3,085	15	16.1	1.7	55.9	71.0	Foreign
21 31 to 365 days	3.31	6,532	3,529	113	20.5	0.0	77.4	88.0	Foreign
22 Minimal risk	--	--	--	--	--	--	--	--	--
23 Low risk	2.65	846	3,407	66	1.3	--	72.0	99.9	Foreign
24 Moderate risk	3.03	2,343	4,512	53	43.2	--	87.8	99.3	Foreign
25 Other	3.81	2,578	2,717	194	9.7	0.0	65.1	95.2	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	4.44	37	3.8	31	31.3	6.6	22.4	85.5	Prime
32 100 - 999	3.95	744	3.6	29	29.5	6.3	43.0	88.6	Foreign
33 1,000 - 9,999	3.13	6,859	3.3	21	11.8	3.4	60.1	60.9	Fed Funds
34 10,000+	2.97	14,050	3.8	17	20.1	0.6	61.3	58.8	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.24	908	3.3	7	52.2	40.9	4.4	82.3	873
36 Fed funds	2.66	7,484	3.8	8	5.2	--	42.3	66.4	4,694
37 Other domestic	3.10	2,843	--	11	0.6	--	100.0	0.0	7,682
38 Foreign	3.15	8,605	3.4	36	19.6	--	80.7	83.1	4,904
39 Other	3.11	1,851	4.5	4	69.7	--	4.5	13.9	6,876

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 0.09 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 4.79 percent for all banks, 4.75 percent for large domestic banks, 4.91 percent for small domestic banks, and 4.75 percent for U.S. branches and agencies of foreign banks.