



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

September 23, 1975

CONFIDENTIAL (FR)
CLASS II FOMC

TO: Federal Open Market Committee

FROM: Arthur L. Broida *ALB*

Attached for your information is a copy of a report
on the August 15 survey of changes in bank lending practices.

Attachment

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date September 18, 1975

To Mr. Ettin

Subject: August 15 Survey of Changes

From Eleanor M. Pruitt

in Bank Lending Practices

Responses to the Survey of Bank Lending Practices conducted on August 15, 1975 suggest that a modest firming of business loan demand may be under way. About 46 per cent of the 123 large commercial banks which responded to the mid-August survey reported that they anticipated moderately stronger demand for commercial and industrial loans over the next three months. An almost equal number of banks expected little or no change in business loan demand, and about 9 per cent believed that demand would weaken further.

The majority of the respondents reported that business loan demand, after due allowance for seasonal variation, was unchanged or moderately weaker during the period between the mid-May and mid-August surveys. When a comparison is made with the expectations of banks in the mid-May survey, the results of the August questionnaire suggest that loan demand over the survey period was weaker than many banks had anticipated. Only 23 per cent of the banks had expected last May that demand would moderate; but, in mid-August, 45 per cent reported that their borrowing demands were somewhat weaker.

Over one-third of the respondents to the August survey indicated a moderate tightening in their interest rate practices with respect to loans to nonfinancial businesses, and about 60 per cent reported no change in price terms. The prime rate charged by most banks rose 50 basis points over the interval between surveys; but, in view of the general increase in short-term interest rates over that period, most banks undoubtedly viewed a rise in the prime rate as consistent with maintenance of bank price practices relative to other financing sources.

In August, as in both of the surveys made earlier in 1975, most banks reported no change in their nonprice terms of lending, which had been tightened considerably during 1974 at nearly all of the reporting banks and, therefore, remain quite restrictive. Indeed, a minority of banks indicated that they had moved toward firmer nonprice policies. As of mid-August, 16 per cent of the banks reported moderately firmer policies with respect to compensating balances; 11 per cent indicated further tightening on standards of credit worthiness; and about 11 per cent also reported that they were giving more weight to the applicant's value as a source of deposits or collateral business. There was little or no change reported with respect to practices relating to the reviewing of credit lines. Nor did there appear to be any significant difference between the May and August surveys

Mr. Ettin

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in the willingness of banks to make term loans, consumer loans, mortgage loans, or loans to brokers. Some banks stated that they were more willing to make consumer or real estate loans; however, in their market areas, at least, either demand was still weak or they could not find borrowers that met their credit standards.

The maintenance of a relatively restrictive posture on nonprice lending terms this year, given the decline in business borrowing on balance thus far, suggests a considerable degree of caution at many banks. Indeed, a number of those banks which made comments on their questionnaires indicated that recent weakness in loan demand had made them eager to make new loans but they were interested only in sound credits.

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES
 AT SELECTED LARGE BANKS IN THE U.S. 1/
 (STATUS OF POLICY ON AUGUST 15, 1975 COMPARED TO THREE MONTHS EARLIER)
 (NUMBER OF BANKS & PERCENT OF TOTAL BANKS REPORTING)

	TOTAL		MUCH STRONGER		MODERATELY STRONGER		ESSENTIALLY UNCHANGED		MODERATELY WEAKER		MUCH WEAKER	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)												
COMPARED TO THREE MONTHS AGO	123	100.0	0	0.0	9	7.3	59	48.0	52	42.3	3	2.4
ANTICIPATED DEMAND IN NEXT 3 MONTHS	123	100.0	0	0.0	57	46.3	55	44.8	11	8.9	0	0.0
LENDING TO NONFINANCIAL BUSINESSES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	123	100.0	2	1.6	46	37.4	72	58.6	3	2.4	0	0.0
COMPENSATING OR SUPPORTING BALANCES	123	100.0	0	0.0	20	16.3	101	82.1	2	1.6	0	0.0
STANDARDS OF CREDIT WORTHINESS	123	100.0	4	3.3	14	11.4	105	85.3	0	0.0	0	0.0
MATURITY OF TERM LOANS	123	100.0	0	0.0	8	6.5	112	91.1	3	2.4	0	0.0
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
ESTABLISHED CUSTOMERS	123	100.0	0	0.0	5	4.1	107	87.0	11	8.9	0	0.0
NEW CUSTOMERS	123	100.0	1	0.8	11	8.9	92	74.9	19	15.4	0	0.0
LOCAL SERVICE AREA CUSTOMERS	122	100.0	0	0.0	4	3.3	105	86.0	13	10.7	0	0.0
NONLOCAL SERVICE AREA CUSTOMERS	122	100.0	2	1.6	7	5.7	102	83.7	11	9.0	0	0.0

1/ SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15, 1975.

NOT FOR QUOTATION OR PUBLICATION

TABLE 1 (CONTINUED)

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	ANSWERING QUESTION		MUCH FIRMER POLICY		MODERATELY FIRMER POLICY		ESSENTIALLY UNCHANGED POLICY		MODERATELY EASIER POLICY		MUCH EASIER POLICY	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	123	100.0	3	2.4	14	11.4	105	83.8	3	2.4	0	0.0
INTENDED USE OF THE LOAN	123	100.0	2	1.6	5	4.1	110	89.4	6	4.9	0	0.0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	123	100.0	1	0.6	23	18.7	98	79.7	1	0.8	0	0.0
COMPENSATING OR SUPPORTING BALANCES	123	100.0	0	0.0	8	6.5	115	93.5	0	0.0	0	0.0
ENFORCEMENT OF BALANCE REQUIREMENTS	123	100.0	0	0.0	14	11.4	109	88.6	0	0.0	0	0.0
ESTABLISHING NEW OR LARGER CREDIT LINES	123	100.0	6	4.9	17	13.8	96	78.0	4	3.3	0	0.0
	ANSWERING QUESTION		CONSIDERABLY LESS WILLING		MODERATELY LESS WILLING		ESSENTIALLY UNCHANGED		MODERATELY MORE WILLING		CONSIDERABLY MORE WILLING	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
WILLINGNESS TO MAKE OTHER TYPES OF LOANS												
TERM LOANS TO BUSINESSES	123	100.0	2	1.6	8	6.5	92	74.8	20	16.3	1	0.8
CONSUMER INSTALMENT LOANS	122	100.0	0	0.0	0	0.0	89	72.9	29	23.8	4	3.3
SINGLE FAMILY MORTGAGE LOANS	121	100.0	2	1.7	8	6.6	101	83.4	10	8.3	0	0.0
MULTI-FAMILY MORTGAGE LOANS	120	100.0	2	1.7	10	8.3	108	90.0	0	0.0	0	0.0
ALL OTHER MORTGAGE LOANS	121	100.0	2	1.7	11	9.1	101	83.4	7	5.8	0	0.0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	121	100.0	1	0.8	0	0.0	105	86.8	15	12.4	0	0.0
LOANS TO BROKERS	120	100.0	1	0.8	2	1.7	109	90.8	8	6.7	0	0.0

2/ FOR THESE FACTORS, FIRMER MEANS THE FACTORS WERE CONSIDERED MORE IMPORTANT IN MAKING DECISIONS FOR APPROVING CREDIT REQUESTS, AND EASIER MEANS THEY WERE LESS IMPORTANT.

COMPARISON OF QUARTERLY CHANGES IN BANK LENDING PRACTICES AT BANKS GROUPED BY SIZE OF TOTAL DEPOSITS 1/
(STATUS OF POLICY ON AUGUST 15, 1975, COMPARED TO THREE MONTHS EARLIER)
(NUMBER OF BANKS IN EACH COLUMN AS PER CENT OF TOTAL BANKS ANSWERING QUESTION)

	SIZE OF BANK — TOTAL DEPOSITS IN BILLIONS											
	TOTAL		MUCH STRONGER		MODERATELY STRONGER		ESSENTIALLY UNCHANGED		MODERATELY WEAKER		MUCH WEAKER	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)												
COMPARED TO THREE MONTHS AGO	100	100	0	0	8	7	30	62	58	30	4	1
ANTICIPATED DEMAND IN NEXT 3 MONTHS	100	100	0	0	51	43	40	48	9	9	0	0
LENDING TO NONFINANCIAL BUSINESSES	TERMS AND CONDITIONS:											
	TOTAL		MUCH FIRMER		MODERATELY FIRMER		ESSENTIALLY UNCHANGED		MODERATELY EASIER		MUCH EASIER	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
INTEREST RATES CHARGED	100	100	2	1	34	40	64	55	0	4	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	0	0	8	23	92	74	0	3	0	0
STANDARDS OF CREDIT WORTHINESS	100	100	2	4	8	14	90	82	0	0	0	0
MATURITY OF TERM LOANS	100	100	0	0	4	9	94	88	2	3	0	0
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
ESTABLISHED CUSTOMERS	100	100	0	0	2	6	92	83	6	11	0	0
NEW CUSTOMERS	100	100	0	1	8	10	77	73	15	16	0	0
LOCAL SERVICE AREA CUSTOMERS	100	100	0	0	2	4	90	83	8	13	0	0
NONLOCAL SERVICE AREA CUSTOMERS	100	100	2	1	2	5	85	83	11	7	0	0

1/ SURVEY OF LENDING PRACTICES AT 53 LARGE BANKS (DEPOSITS OF \$1 BILLION OR MORE) AND 70 SMALL BANKS (DEPOSITS OF LESS THAN \$1 BILLION) REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15, 1975.

	NUMBER ANSWERING QUESTION		SIZE OF BANK MUCH FIRMER POLICY		-- TOTAL DEPOSITS IN BILLIONS						MUCH EASIER POLICY	
					MODERATELY FIRMER POLICY		ESSENTIALLY UNCHANGED POLICY		MODERATELY EASIER POLICY			
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	100	100	0	4	4	17	94	76	2	3	0	0
INTENDED USE OF THE LOAN	100	100	0	3	6	3	90	88	4	6	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	2	0	21	17	77	82	0	1	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	0	0	4	9	96	91	0	0	0	0
ENFORCEMENT OF BALANCE REQUIREMENTS	100	100	0	0	8	14	92	86	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES	100	100	2	7	11	16	83	74	4	3	0	0
	NUMBER ANSWERING QUESTION		CONSIDERABLY LESS WILLING		MODERATELY LESS WILLING		ESSENTIALLY UNCHANGED		MODERATELY MORE WILLING		CONSIDERABLY MORE WILLING	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
WILLINGNESS TO MAKE OTHER TYPES OF LOANS												
TERM LOANS TO BUSINESSES	100	100	0	3	2	10	83	69	15	17	0	1
CONSUMER INSTALMENT LOANS	100	100	0	0	0	0	77	70	21	26	2	4
SINGLE FAMILY MORTGAGE LOANS	100	100	0	3	2	10	90	78	8	9	0	0
MULTI-FAMILY MORTGAGE LOANS	100	100	0	3	4	12	96	85	0	0	0	0
ALL OTHER MORTGAGE LOANS	100	100	0	3	4	13	96	74	0	10	0	0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	100	100	0	1	0	0	92	83	8	16	0	0
LOANS TO BROKERS	100	100	0	1	0	3	90	92	10	4	0	0

2/ FOR THESE FACTORS, FIRMER MEANS THE FACTORS WERE CONSIDERED MORE IMPORTANT IN MAKING DECISIONS FOR APPROVING CREDIT REQUESTS, AND EASIER MEANS THEY WERE LESS IMPORTANT.

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE U.S. 1/
STATUS OF POLICY ON AUGUST 15, 1975 COMPARED TO THREE MONTHS EARLIER
(NUMBER OF BANKS)

	ALL DSTS	BOS- TON	NEW YORK TOTAL CITY OUTSIDE	PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)													
COMPARED TO 3 MONTHS AGO	123												
MUCH STRONGER	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY STRONGER	9	0	1	0	1	0	0	3	1	0	0	0	2
ESSENTIALLY UNCHANGED	59	2	11	5	6	2	9	1	4	1	6	5	7
MODERATELY WEAKER	52	6	4	4	0	4	5	4	11	4	2	3	4
MUCH WEAKER	3	0	2	0	2	0	0	0	0	0	0	0	0
ANTICIPATED DEMAND NEXT THREE MONTHS													
	123												
MUCH STRONGER	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY STRONGER	57	2	11	6	5	4	6	9	5	6	3	1	3
ESSENTIALLY UNCHANGED	55	5	6	3	3	2	3	3	8	4	2	4	7
MODERATELY WEAKER	11	1	-1	0	1	0	2	1	2	2	0	2	0
MUCH WEAKER	0	0	0	0	0	0	0	0	0	0	0	0	0
LENDING TO NONFINANCIAL BUSINESSES													
TERMS AND CONDITIONS													
INTEREST RATES CHARGED													
	123												
MUCH FIRMER POLICY	2	0	0	0	0	0	0	1	1	0	0	0	0
MODERATELY FIRMER POLICY	46	3	7	2	5	6	4	6	2	1	4	5	6
ESSENTIALLY UNCHANGED POLICY	72	5	11	7	4	6	9	8	5	1	5	4	7
MODERATELY EASIER POLICY	3	0	0	0	0	0	1	0	1	1	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSATING BALANCES													
	123												
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	20	0	4	0	4	0	2	3	2	2	0	1	2
ESSENTIALLY UNCHANGED POLICY	101	8	13	9	4	6	9	8	13	6	3	8	7
MODERATELY EASIER POLICY	2	0	1	0	1	0	0	0	1	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15, 1975.

NOT FOR QUOTATION OR PUBLICATION

TABLE 3 (CONTINUED)

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	ALL DSTS	BOS- TON	NEW YORK		PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
		TOTAL	CITY	OUTSIDE										
LENDING TO NONFINANCIAL BUSINESSES														
REVIEWING CREDIT LINES OR LOANS														
NONLOCAL SERVICE AREA CUST	122													
MUCH FIRMER POLICY	2	0	0	0	0	0	1	0	1	0	0	0	0	0
MODERATELY FIRMER POLICY	7	0	2	0	2	0	1	0	0	1	0	0	1	1
ESSENTIALLY UNCHANGED POLICY	102	6	16	9	7	5	8	12	9	13	7	2	6	10
MODERATELY EASIER POLICY	11	2	0	0	0	1	1	0	0	1	1	2	0	2
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FACTORS RELATING TO APPLICANT 2/														
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS														
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	123													
MUCH FIRMER POLICY	3	0	1	0	1	0	0	0	0	1	1	0	0	0
MODERATELY FIRMER POLICY	14	1	1	0	1	0	2	1	3	0	0	3	2	1
ESSENTIALLY UNCHANGED POLICY	103	7	15	9	6	6	9	11	7	14	7	2	6	12
MODERATELY EASIER POLICY	3	0	1	0	1	0	0	0	0	1	1	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTENDED USE OF LOAN														
INTENDED USE OF LOAN	123													
MUCH FIRMER POLICY	2	0	1	0	1	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	5	0	1	0	1	1	1	0	1	0	1	0	0	0
ESSENTIALLY UNCHANGED POLICY	110	7	14	8	6	5	10	12	9	14	7	3	9	12
MODERATELY EASIER POLICY	6	1	2	1	1	0	0	0	0	1	1	0	0	1
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES														
TERMS AND CONDITIONS														
INTEREST RATES CHARGED														
INTEREST RATES CHARGED	123													
MUCH FIRMER POLICY	1	0	0	0	0	0	0	0	0	1	0	0	0	0
MODERATELY FIRMER POLICY	23	2	4	2	2	0	0	3	1	1	3	1	2	4
ESSENTIALLY UNCHANGED POLICY	98	6	14	7	7	6	11	8	9	13	6	2	7	9
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	1	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2/ FOR THESE FACTORS, FIRMER MEANS THE FACTORS WERE CONSIDERED MORE IMPORTANT IN MAKING DECISIONS FOR APPROVING CREDIT REQUESTS, AND EASIER MEANS THEY WERE LESS IMPORTANT.

NOT FOR QUOTATION OR PUBLICATION

TABLE 3 (CONTINUED)

PAGE 08

	ALL DSTS	FOS- TON	NEW YORK		PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
		TOTAL	CITY	OUTSIDE										
LENDING TO "NONCAPTIVE" FINANCE COMPANIES														
TERMS AND CONDITIONS:														
SIZE OF COMPENSATING BALANCES	123													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	6	0	1	0	1	0	2	2	1	1	0	0	0	1
ESSENTIALLY UNCHANGED POLICY	115	8	17	9	8	6	9	12	8	14	8	3	9	12
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENFORCEMENT OF BALANCE REQUIREMENT	123													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	14	0	3	0	3	1	1	0	3	1	1	0	1	2
ESSENTIALLY UNCHANGED POLICY	109	8	15	9	6	5	10	12	7	14	8	2	9	11
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES	123													
MUCH FIRMER POLICY	6	0	1	0	1	1	0	2	1	0	1	0	0	0
MODERATELY FIRMER POLICY	17	0	2	0	2	0	3	2	1	4	0	0	2	2
ESSENTIALLY UNCHANGED POLICY	96	6	14	8	6	5	8	7	8	11	8	2	6	11
MODERATELY EASIER POLICY	4	0	1	1	0	0	0	1	0	0	0	1	1	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WILLINGNESS TO MAKE OTHER TYPES OF LOANS														
TERM LOANS TO BUSINESSES	123													
CONSIDERABLY LESS WILLING	2	0	0	0	0	0	0	0	2	0	0	0	0	0
MODERATELY LESS WILLING	8	0	3	1	2	0	0	0	2	0	1	0	2	0
ESSENTIALLY UNCHANGED	92	7	12	7	5	5	9	10	5	14	5	2	5	9
MODERATELY MORE WILLING	20	1	3	1	2	1	2	2	1	1	3	1	1	4
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	0	0	0	0	1	0	0
CONSUMER INSTALMENT LOANS	122													
CONSIDERABLY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ESSENTIALLY UNCHANGED	89	6	11	8	3	4	8	7	11	6	3	7	7	11
MODERATELY MORE WILLING	29	2	6	0	6	1	3	4	3	4	2	0	0	2
CONSIDERABLY MORE WILLING	4	0	0	0	0	1	0	0	0	1	0	2	0	0

COMPARISON OF SELECTED RESPONSES IN THE		MAY	AND	AUGUST SURVEYS	
		MAY 15, 1975		AUGUST 15, 1975	
		NUMBER OF BANKS		NUMBER OF BANKS STRONGER UNCHANGED WEAKER	
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS					
COMPARED TO THREE MONTHS AGO					
STRONGER	12	2		6	4
UNCHANGED	43	2		23	18
WEAKER	68	5		30	33
ANTICIPATED DEMAND THREE MONTHS HENCE					
STRONGER	17	10		7	0
UNCHANGED	77	36		37	4
WEAKER	25	11		11	7
ANTICIPATED DEMAND THREE MONTHS HENCE					
COMPARED TO THREE MONTHS AGO					
STRONGER	17	3		7	7
UNCHANGED	77	4		41	32
WEAKER	29	2		11	16
LENDING TO NONFINANCIAL BUSINESSES					
INTEREST RATES CHARGED					
FIRMER	7	4		3	0
UNCHANGED	73	18		54	1
EASIER	42	26		15	2
COMPENSATING OR SUPPORTING BALANCES					
FIRMER	14	6		8	0
UNCHANGED	106	13		91	2
EASIER	3	1		2	0
STANDARDS OF CREDIT WORTHINESS					
FIRMER	18	6		12	0
UNCHANGED	103	12		91	0
EASIER	2	0		2	0
MATURITY OF TERM LOANS					
FIRMER	11	6		5	0
UNCHANGED	105	2		101	2
EASIER	7	0		6	1

REVIEWING CREDIT LINES OR LOAN APPLICATION	MAY 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	FIRMER	UNCHANGED	EASIER
ESTABLISHED CUSTOMERS				
FIRMER	6	1	5	0
UNCHANGED	97	4	87	6
EASIER	20	0	15	5
NEW CUSTOMERS				
FIRMER	19	4	15	0
UNCHANGED	80	8	63	9
EASIER	24	0	14	10
LOCAL SERVICE AREA CUSTOMERS				
FIRMER	7	0	7	0
UNCHANGED	95	4	85	5
EASIER	21	0	13	8
NONLOCAL SERVICE AREA CUSTOMERS				
FIRMER	18	5	13	0
UNCHANGED	94	4	80	9
EASIER	11	0	9	2
FACTORS RELATING TO APPLICANT				
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS				
FIRMER	26	12	14	0
UNCHANGED	93	5	86	2
EASIER	4	0	3	1
INTENDED USE OF THE LOAN				
FIRMER	12	3	9	0
UNCHANGED	104	3	96	5
EASIER	7	1	5	1
LENDING TO "NONCAPTIVE" FINANCE COMPANIES				
TERMS AND CONDITIONS:				
INTEREST RATES CHARGED				
FIRMER	2	1	1	0
UNCHANGED	104	12	92	0
EASIER	17	11	5	1
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	7	2	5	0
UNCHANGED	116	6	110	0
EASIER	0	0	0	0

	MAY 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	FIRMER	UNCHANGED	EASIER
LENDING TO "NONCAPTIVE" FINANCE COMPANIES				
TERMS AND CONDITIONS:				
ENFORCEMENT OF BALANCE REQUIREMENTS				
FIRMER	15	8	7	0
UNCHANGED	108	6	102	0
EASIER	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES				
FIRMER	26	13	13	0
UNCHANGED	88	9	78	1
EASIER	9	1	5	3
WILLINGNESS TO MAKE OTHER TYPES OF LOANS		LESS	UNCHANGED	MORE
TERM LOANS TO BUSINESSES				
LESS	8	5	2	1
UNCHANGED	93	4	75	14
MORE	22	1	15	6
CONSUMER INSTALMENT LOANS				
LESS	3	0	2	1
UNCHANGED	85	0	73	12
MORE	34	0	14	20
SINGLE FAMILY MORTGAGE LOANS				
LESS	8	3	4	1
UNCHANGED	103	7	90	6
MORE	10	0	7	3
MULTI-FAMILY MORTGAGE LOANS				
LESS	17	7	10	0
UNCHANGED	102	5	97	0
MORE	1	0	1	0
ALL OTHER MORTGAGE LOANS				
LESS	16	7	8	1
UNCHANGED	97	6	87	4
MORE	6	0	3	2
PARTICIPATION LOANS WITH CORRESPONDENT BANKS				
LESS	6	1	5	0
UNCHANGED	101	0	90	9
MORE	16	0	10	6
LOANS TO BROKERS				
LESS	10	3	7	0
UNCHANGED	101	0	93	5
MORE	11	0	8	3

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

	AUG. 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	FIRMER	ESSENTIALLY UNCHANGED	EASIER
LENDING TO NONFINANCIAL BUSINESSES				
INTEREST RATES CHARGED				
FIRMER	48	17	31	0
ESSENTIALLY UNCHANGED	72	3	68	1
EASIER	3	0	2	1
NEW CUSTOMERS				
FIRMER	12	5	7	0
ESSENTIALLY UNCHANGED	92	0	91	1
EASIER	19	0	9	10
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS				
FIRMER	17	5	12	0
ESSENTIALLY UNCHANGED	103	2	95	6
EASIER	3	0	3	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES				
INTEREST RATES CHARGED				
FIRMER	24	3	21	0
ESSENTIALLY UNCHANGED	98	5	93	0
EASIER	1	0	1	0
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	8	7	1	0
ESSENTIALLY UNCHANGED	115	7	108	0
EASIER	0	0	0	0
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	8	5	3	0
ESSENTIALLY UNCHANGED	115	18	93	4
EASIER	0	0	0	0
INTENDED USE OF THE LOAN				
ENFORCEMENT OF BALANCE REQUIREMENTS				
ESTABLISHING NEW OR LARGER CREDIT LINES				

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

WILLINGNESS TO MAKE OTHER TYPES OF LOANS	AUG. 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	LESS	NUMBER OF BANKS ESSENTIALLY UNCHANGED	MORE
TERM LOANS TO BUSINESSES		MATURITY OF TERM LOANS		
LESS	10	3	7	0
ESSENTIALLY UNCHANGED	92	5	87	0
MORE	21	0	18	3
SINGLE FAMILY MORTGAGE LOANS		MULTI-FAMILY MORTGAGE LOANS		
LESS	10	8	2	0
ESSENTIALLY UNCHANGED	101	4	96	0
MORE	10	0	10	0
SINGLE FAMILY MORTGAGE LOANS		ALL OTHER MORTGAGE LOANS		
LESS	10	7	3	0
ESSENTIALLY UNCHANGED	101	6	91	4
MORE	10	0	7	3
TERM LOANS TO BUSINESSES		CONSUMER INSTALMENT LOANS		
LESS	10	0	7	3
ESSENTIALLY UNCHANGED	92	0	74	17
MORE	21	0	8	13
TERM LOANS TO BUSINESSES		PARTICIPATION LOANS WITH CORRESPONDENT BANKS		
LESS	10	1	8	0
ESSENTIALLY UNCHANGED	92	0	85	6
MORE	21	0	12	9
TERM LOANS TO BUSINESSES		LOANS TO BROKERS		
LESS	10	3	5	1
ESSENTIALLY UNCHANGED	92	0	86	4
MORE	21	0	18	3

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS	AUG. 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	FIRMER	ESSENTIALLY UNCHANGED	EASIER
COMPARED TO THREE MONTHS AGO		INTEREST RATES CHARGED TO NONFINANCIAL BUSINESSES		
STRONGER	9	6	3	0
ESSENTIALLY UNCHANGED	59	27	32	0
WEAKER	55	15	37	3
COMPARED TO THREE MONTHS AGO		COMPENSATING OR SUPPORTING BALANCES		
STRONGER	9	1	8	0
ESSENTIALLY UNCHANGED	59	15	44	0
WEAKER	55	4	49	2
COMPARED TO THREE MONTHS AGO		STANDARDS OF CREDIT WORTHINESS		
STRONGER	9	2	7	0
ESSENTIALLY UNCHANGED	59	10	49	0
WEAKER	55	6	49	0
COMPARED TO THREE MONTHS AGO		MATURITY OF TERM LOANS		
STRONGER	9	1	7	1
ESSENTIALLY UNCHANGED	59	5	53	1
WEAKER	55	2	52	1
COMPARED TO THREE MONTHS AGO		NEW CUSTOMERS		
STRONGER	9	1	6	2
ESSENTIALLY UNCHANGED	59	10	46	3
WEAKER	55	1	46	14
COMPARED TO THREE MONTHS AGO		(*NONCAPTIVE FINANCE COMPANIES*) ENFORCEMENT OF BALANCE REQUIREMENTS		
STRONGER	9	2	7	0
ESSENTIALLY UNCHANGED	59	9	50	0
WEAKER	55	3	52	0
COMPARED TO THREE MONTHS AGO		(*NONCAPTIVE FINANCE COMPANIES*) ESTABLISHING NEW OR LARGER CREDIT LINES		
STRONGER	9	5	4	0
ESSENTIALLY UNCHANGED	59	9	48	2
WEAKER	55	9	44	2

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS	AUG. 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	LESS	NUMBER OF BANKS ESSENTIALLY UNCHANGED	MORE
WILLINGNESS TO MAKE TERM LOANS TO BUSINESSES				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	1	5	3
ESSENTIALLY UNCHANGED	59	7	42	10
WEAKER	55	2	45	8
WILLINGNESS TO MAKE CONSUMER INSTALMENT LOANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	0	4	5
ESSENTIALLY UNCHANGED	59	0	44	14
WEAKER	55	0	41	14
WILLINGNESS TO MAKE SINGLE FAMILY MORTGAGE LOANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	2	5	2
ESSENTIALLY UNCHANGED	59	5	49	3
WEAKER	55	3	47	5
WILLINGNESS TO MAKE MULTI-FAMILY MORTGAGE LOANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	0	9	0
ESSENTIALLY UNCHANGED	59	6	50	0
WEAKER	55	6	49	0
WILLINGNESS TO MAKE ALL OTHER MORTGAGE LOANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	0	8	1
ESSENTIALLY UNCHANGED	59	7	45	5
WEAKER	55	6	48	1
WILLINGNESS TO MAKE PARTICIPATION LOANS WITH CORRESPONDENT BANKS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	0	7	2
ESSENTIALLY UNCHANGED	59	1	51	5
WEAKER	55	0	47	8
WILLINGNESS TO MAKE LOANS TO BROKERS				
COMPARED TO THREE MONTHS AGO				
STRONGER	9	1	0	2
ESSENTIALLY UNCHANGED	59	2	52	3
WEAKER	55	0	51	3

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

	AUG. 15, 1975	AUGUST 15, 1975		
	NUMBER OF BANKS	FIRMER	ESSENTIALLY UNCHANGED	EASIER
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS				
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	COMPENSATING OR SUPPORTING BALANCES		
ESSENTIALLY UNCHANGED	55	10	46	1
WEAKER	11	8	47	0
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	2	8	1
ESSENTIALLY UNCHANGED	55	STANDARDS OF CREDIT WORTHINESS		
WEAKER	11	8	49	0
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	7	48	0
ESSENTIALLY UNCHANGED	55	3	8	0
WEAKER	11	MATURITY OF TERM LOANS		
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	5	51	1
ESSENTIALLY UNCHANGED	55	2	52	1
WEAKER	11	1	9	1
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	NEW CUSTOMERS		
ESSENTIALLY UNCHANGED	55	7	44	6
WEAKER	11	3	43	9
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	2	5	4
ESSENTIALLY UNCHANGED	55	(*NONCAPTIVE FINANCE COMPANIES*)		
WEAKER	11	ESTABLISHING NEW OR LARGER CREDIT LINES		
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	14	41	2
ESSENTIALLY UNCHANGED	55	7	46	2
WEAKER	11	2	9	0
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	WILLINGNESS TO MAKE TERM LOANS TO BUSINESSES		
ESSENTIALLY UNCHANGED	55	6	42	9
WEAKER	11	2	43	10
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	2	7	2
ESSENTIALLY UNCHANGED	55	LESS ESSENTIALLY UNCHANGED MORE		
WEAKER	11	WILLINGNESS TO MAKE TERM LOANS TO BUSINESSES		
ANTICIPATED DEMAND IN NEXT 3 MONTHS				
STRONGER	57	6	42	9
ESSENTIALLY UNCHANGED	55	2	43	10
WEAKER	11	2	7	2