

FEDERAL RESERVE statistical release



For Immediate Release
March 11, 1998

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SURVEY OF TERMS OF BUSINESS LENDING, FEBRUARY 2-6, 1998
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	6.87	124,225	693	351	37.8	10.8	30.9	74.5	Foreign
2 Minimal risk	6.10	12,286	1,743	157	36.0	1.9	67.4	81.3	Foreign
3 Low risk	6.32	32,793	1,436	328	38.6	8.4	47.5	67.7	Foreign
4 Moderate risk	7.04	41,859	579	444	35.9	15.5	19.8	78.6	Foreign
5 Acceptable risk	7.33	23,328	608	281	35.1	9.8	16.2	78.8	Fed Funds
6 Zero interval	8.62	19,903	249	609	53.4	14.9	8.4	74.7	Prime
7 Minimal risk	7.19	711	372	369	22.7	4.9	44.7	69.8	Prime
8 Low risk	7.50	2,809	377	421	38.1	16.8	8.0	91.8	Prime
9 Moderate risk	8.60	7,687	204	863	60.6	19.7	10.7	93.8	Prime
10 Acceptable risk	9.57	4,149	174	637	70.5	17.0	8.1	95.2	Prime
11 Daily	6.27	49,265	1,796	113	33.9	9.5	32.9	62.2	Fed Funds
12 Minimal risk	6.00	7,112	5,933	18	39.2	0.5	73.1	72.8	Foreign
13 Low risk	5.98	15,773	6,769	37	47.6	9.9	54.0	52.5	Fed Funds
14 Moderate risk	6.50	14,008	1,299	258	29.5	15.8	11.1	65.6	Fed Funds
15 Acceptable risk	6.42	8,915	2,340	85	11.9	4.3	5.2	56.6	Fed Funds
16 2 to 30 days	6.58	37,169	1,521	283	31.4	10.8	41.2	88.7	Foreign
17 Minimal risk	5.97	3,283	3,128	86	36.3	3.3	71.5	99.4	Foreign
18 Low risk	6.24	9,527	2,770	325	26.2	4.5	53.9	81.7	Foreign
19 Moderate risk	6.55	13,879	2,069	267	23.6	14.4	30.2	86.3	Foreign
20 Acceptable risk	7.19	6,625	1,545	230	38.2	12.2	30.5	92.8	Foreign
21 31 to 365 days	6.86	13,777	431	468	35.9	8.4	34.2	81.2	Foreign
22 Minimal risk	6.38	1,044	485	1,168	23.7	4.6	30.5	91.9	Foreign
23 Low risk	6.58	3,605	468	300	21.3	5.4	43.7	71.8	Foreign
24 Moderate risk	7.00	4,350	398	394	35.9	12.5	35.1	80.5	Foreign
25 Acceptable risk	7.04	3,153	833	390	41.5	9.6	26.4	89.2	Foreign
				Months					
26 Over 365	8.33	3,354	252	86	74.8	3.7	13.2	62.3	Prime
27 Minimal risk	8.96	43	66	39	69.6	12.8	18.9	10.7	Other
28 Low risk	7.93	1,010	576	148	78.5	3.8	12.2	89.7	Prime
29 Moderate risk	8.46	1,643	317	62	73.9	2.0	11.1	45.2	Prime
30 Acceptable risk	8.89	367	197	56	69.7	2.0	33.8	81.7	Prime
				Days					
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
Size (\$thousands)									
31 1 - 99	9.70	3,074	3.1	155	83.9	29.6	4.3	76.7	Prime
32 100 - 999	8.64	11,111	3.2	93	69.2	22.6	14.4	87.6	Prime
33 1,000 - 9,999	7.24	34,334	2.9	81	38.7	13.2	29.3	82.6	Foreign
34 10,000+	6.33	75,707	2.6	47	30.8	7.2	35.2	68.7	Fed Funds
Base rate ⁶									
35 Prime ⁷	9.08	22,039	3.1	153	67.3	20.3	9.4	79.4	187
36 Fed funds	6.14	33,767	2.8	9	22.8	5.4	29.5	46.5	7,273
37 Other domestic	6.16	13,294	2.5	14	9.2	28.1	27.8	74.8	2,972
38 Foreign	6.47	38,958	2.5	38	46.7	6.3	53.6	95.4	3,730
39 Other	6.95	16,167	2.7	161	30.7	5.8	10.1	75.2	387
				Average Size (\$thousands)					

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, FEBRUARY 2-6, 1998

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	59,650	934	434	31.9	12.5	12.1	72.6	Prime
2 Minimal risk	6.11	4,056	5,248	398	7.5	0.7	36.3	88.9	Other
3 Low risk	6.22	11,774	2,978	300	21.6	17.4	19.6	74.1	Domestic
4 Moderate risk	7.12	24,649	896	590	37.3	14.1	10.0	76.8	Prime
5 Acceptable risk	7.63	10,316	562	352	38.5	7.6	7.7	74.0	Prime
6 Zero interval	8.33	14,516	477	584	47.4	9.8	7.0	69.3	Prime
7 Minimal risk	6.57	485	1,831	341	8.2	0.8	32.0	59.0	Prime
8 Low risk	7.02	1,953	1,202	430	30.7	10.9	8.1	91.0	Other
9 Moderate risk	8.34	5,469	390	877	56.7	14.0	11.7	97.2	Prime
10 Acceptable risk	9.19	2,556	208	558	67.5	14.4	3.4	96.2	Prime
11 Daily	6.48	19,459	1,253	229	24.7	19.3	5.0	60.1	Fed Funds
12 Minimal risk	5.98	1,427	6,134	51	0.4	1.4	30.6	84.0	Other
13 Low risk	5.97	4,564	4,492	121	23.1	33.2	4.8	57.5	Domestic
14 Moderate risk	6.80	7,339	908	450	38.1	21.7	2.7	59.6	Domestic
15 Acceptable risk	6.65	3,690	1,483	110	16.7	4.8	1.8	41.6	Fed Funds
16 2 to 30 days	6.61	17,433	1,522	316	23.1	10.4	19.8	85.9	Foreign
17 Minimal risk	5.99	1,382	9,873	162	17.6	0.0	54.1	100.0	Domestic
18 Low risk	6.06	3,514	5,049	338	11.6	7.5	35.3	83.3	Domestic
19 Moderate risk	6.51	8,339	3,514	320	18.7	9.7	12.6	81.2	Foreign
20 Acceptable risk	7.38	2,722	1,566	328	34.8	5.6	12.8	91.1	Foreign
21 31 to 365 days	6.75	5,835	1,777	612	31.5	4.4	23.1	87.2	Foreign
22 Minimal risk	6.33	668	10,139	1,660	1.8	--	13.7	96.7	Foreign
23 Low risk	6.16	1,377	3,514	306	22.5	0.8	44.1	81.7	Foreign
24 Moderate risk	6.80	1,931	1,230	575	34.5	9.1	21.3	88.7	Foreign
25 Acceptable risk	7.61	1,059	1,432	593	45.3	3.6	20.0	84.3	Foreign
				Months					
26 Over 365	8.02	1,974	1,218	56	63.9	1.0	18.2	53.9	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	6.76	330	2,999	38	48.5	0.0	29.0	73.8	Other
29 Moderate risk	8.24	1,346	1,996	62	68.4	0.1	13.0	40.6	Prime
30 Acceptable risk	8.89	213	358	48	64.4	0.2	41.0	92.5	Prime
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	9.45	1,126	3.4	41	80.7	39.2	5.5	91.1	Prime
32 100 - 999	8.71	5,851	3.3	52	68.1	20.9	9.2	90.0	Prime
33 1,000 - 9,999	7.51	17,161	3.0	50	39.5	12.4	12.7	76.6	Prime
34 10,000+	6.48	35,512	2.7	86	20.7	10.2	12.5	67.2	Domestic
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	8.89	14,446	3.2	132	63.7	13.9	9.2	73.2	313
36 Fed funds	6.14	9,712	3.0	8	19.4	16.4	1.8	42.6	7,774
37 Other domestic	6.13	10,863	2.5	13	8.7	23.7	18.5	73.4	5,405
38 Foreign	6.72	11,225	2.8	47	34.9	7.2	20.2	91.1	3,043
39 Other	6.76	13,405	2.7	120	22.9	3.8	9.5	77.5	1,242

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, FEBRUARY 2-6, 1998

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	8.12	11,902	114	837	64.6	15.9	18.9	74.7	Prime
2 Minimal risk	7.95	479	88	568	49.4	39.3	8.2	71.8	Prime
3 Low risk	7.38	3,797	230	1,266	42.9	11.7	31.3	63.5	Prime
4 Moderate risk	8.69	3,337	81	665	71.7	22.9	16.5	75.6	Prime
5 Acceptable risk	8.40	2,339	140	659	91.4	6.2	19.7	91.4	Prime
6 Zero interval	9.17	3,739	80	650	80.3	21.3	8.9	84.9	Prime
7 Minimal risk	8.23	74	51	525	55.8	23.8	4.8	77.8	Prime
8 Low risk	8.57	751	135	373	58.7	27.5	6.8	94.5	Prime
9 Moderate risk	9.21	1,614	71	739	82.9	24.1	7.2	80.0	Prime
10 Acceptable risk	9.69	874	84	814	96.8	9.2	18.5	88.3	Prime
11 Daily	7.22	2,466	254	209	31.1	9.6	45.8	52.6	Fed Funds
12 Minimal risk	8.16	89	122	681	59.9	20.7	20.0	79.6	Prime
13 Low risk	6.20	1,378	2,103	48	3.4	0.5	71.7	27.9	Fed Funds
14 Moderate risk	8.15	341	168	399	51.6	21.0	34.5	63.2	Prime
15 Acceptable risk	8.56	138	174	475	83.0	5.6	4.8	90.8	Prime
16 2 to 30 days	7.35	2,057	233	254	47.2	15.0	19.7	85.4	Foreign
17 Minimal risk	6.87	151	269	138	22.0	66.0	5.2	89.3	Foreign
18 Low risk	6.71	473	271	147	40.2	4.4	19.2	61.0	Foreign
19 Moderate risk	7.44	505	165	362	44.1	24.5	29.1	86.7	Foreign
20 Acceptable risk	7.98	501	319	350	80.2	1.8	31.5	95.4	Foreign
21 31 to 365 days	7.64	2,231	83	385	73.8	16.4	15.4	72.3	Foreign
22 Minimal risk	8.41	129	64	686	60.1	37.4	7.9	58.8	Prime
23 Low risk	7.99	537	77	298	59.4	31.8	9.9	72.0	Foreign
24 Moderate risk	8.22	541	62	267	61.3	21.1	29.8	63.1	Other
25 Acceptable risk	6.82	669	260	476	94.4	1.7	16.5	98.2	Foreign
				Months					
26 Over 365	8.81	1,292	113	134	94.8	8.0	2.7	73.2	Prime
27 Minimal risk	9.82	33	51	47	85.9	11.7	--	12.8	Other
28 Low risk	8.50	651	421	207	96.9	5.9	0.3	97.4	Prime
29 Moderate risk	9.51	285	63	60	98.3	11.2	2.5	64.3	Other
30 Acceptable risk	9.04	116	99	72	97.5	5.6	20.1	55.6	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	9.89	1,871	2.9	223	87.0	23.9	2.5	67.5	Prime
32 100 - 999	9.02	3,364	3.0	178	82.4	24.2	7.7	80.1	Prime
33 1,000 - 9,999	7.53	4,102	2.7	361	65.3	12.5	17.0	88.7	Foreign
34 10,000+	6.59	2,565	2.6	27	23.9	4.4	48.6	50.4	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	9.35	5,273	2.9	252	83.1	24.8	6.9	87.7	77
36 Fed funds	6.27	1,407	2.2	17	8.4	4.5	83.6	7.6	1,190
37 Other domestic	7.65	104	1.8	214	47.1	47.5	1.8	77.5	51
38 Foreign	6.73	2,605	3.0	80	55.7	9.9	22.8	97.7	1,579
39 Other	8.04	2,513	2.8	394	67.4	8.4	4.6	60.9	81

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, FEBRUARY 2-6, 1998

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	6.39	52,674	4,586	158	38.3	7.9	54.2	76.5	Foreign
2 Minimal risk	5.99	7,751	9,176	10	50.1	0.2	86.4	78.0	Foreign
3 Low risk	6.15	17,222	7,164	144	49.2	1.6	70.1	64.3	Foreign
4 Moderate risk	6.49	13,873	3,801	149	24.8	16.2	37.9	82.6	Fed Funds
5 Acceptable risk	6.81	10,673	3,299	132	19.4	12.7	23.6	80.6	Fed Funds
6 Zero interval	9.89	1,648	595	903	45.4	44.8	19.0	99.3	Prime
7 Minimal risk	8.63	152	810	1,021	52.6	4.7	92.3	100.0	Prime
8 Low risk	8.81	105	411	789	28.7	49.9	14.7	88.6	Prime
9 Moderate risk	9.35	604	610	1,235	36.2	58.9	10.9	100.0	Prime
10 Acceptable risk	10.76	720	638	700	49.2	35.8	12.5	100.0	Prime
11 Daily	6.04	27,340	12,528	31	40.6	2.9	50.4	64.6	Fed Funds
12 Minimal risk	5.97	5,595	24,058	2	48.8	0.0	84.8	69.8	Foreign
13 Low risk	5.96	9,831	14,915	4	65.2	0.4	74.4	53.6	Fed Funds
14 Moderate risk	6.07	6,328	9,411	56	18.2	8.7	19.6	72.7	Fed Funds
15 Acceptable risk	6.19	5,086	9,636	57	6.6	3.8	7.6	66.6	Fed Funds
16 2 to 30 days	6.47	17,679	4,271	255	37.9	10.6	64.6	91.8	Foreign
17 Minimal risk	5.89	1,749	5,041	22	52.4	0.5	91.0	99.9	Foreign
18 Low risk	6.31	5,540	5,552	333	34.3	2.6	68.6	82.5	Foreign
19 Moderate risk	6.53	5,035	3,942	171	29.7	21.3	59.6	94.8	Foreign
20 Acceptable risk	6.93	3,402	3,477	128	34.8	19.0	44.4	93.9	Foreign
21 31 to 365 days	6.67	5,712	2,985	354	25.5	9.0	52.4	78.5	Foreign
22 Minimal risk	5.45	246	3,467	87	63.7	--	87.7	96.3	Foreign
23 Low risk	6.48	1,691	4,499	296	8.3	0.7	54.0	63.7	Foreign
24 Moderate risk	6.86	1,878	2,788	245	29.9	13.5	50.3	77.1	Foreign
25 Acceptable risk	6.71	1,424	3,046	202	13.8	17.7	35.7	88.7	Foreign
				Months					
26 Over 365	8.26	88	414	51	22.3	--	57.0	90.7	Prime
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	8.33	29	309	60	4.5	--	95.5	100.0	Foreign
29 Moderate risk	--	--	--	--	--	--	--	--	--
30 Acceptable risk	8.50	38	373	59	14.6	--	37.4	100.0	Prime
Size and base rate									
			Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	8.61	77	3.1	86	52.3	29.8	29.4	91.5	Prime
32 100 - 999	7.76	1,896	3.1	69	49.4	24.9	42.4	93.3	Foreign
33 1,000 - 9,999	6.80	13,071	2.9	36	29.3	14.4	54.5	88.7	Foreign
34 10,000+	6.17	37,630	2.5	13	40.9	4.7	54.8	71.4	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	9.68	2,321	3.2	48	53.4	48.1	16.4	99.1	625
36 Fed funds	6.12	22,648	2.8	9	25.1	1.4	36.3	50.6	10,242
37 Other domestic	6.25	2,327	2.5	9	10.1	47.5	72.6	81.5	5,501
38 Foreign	6.33	25,129	2.3	29	51.0	5.5	71.8	97.1	4,919
39 Other	--	--	--	--	--	--	--	--	--

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 0.13 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 8.55 percent for all banks; 8.50 percent for large domestic banks 8.72 percent for small domestic banks; and 8.50 percent for U.S. branches and agencies of foreign banks.