

FEDERAL RESERVE statistical release



For Immediate Release
December 15, 1997

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SURVEY OF TERMS OF BUSINESS LENDING MADE DURING MAY 5-9, 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	6.82	113,807	692	241	32.4	22.5	31.0	72.1	Fed Funds
2 Minimal risk	6.10	11,449	1,307	38	21.4	31.3	59.5	67.3	Fed Funds
3 Low risk	6.24	28,060	1,460	168	29.0	21.8	30.7	53.6	Fed Funds
4 Moderate risk	7.06	36,557	601	296	32.9	23.6	23.1	79.6	Fed Funds
5 Acceptable risk	7.48	19,575	534	319	41.7	19.9	35.9	87.7	Foreign
6 Zero interval	8.48	15,714	213	490	57.9	21.5	7.5	88.8	Prime
7 Minimal risk	8.79	280	184	230	41.6	35.8	11.8	95.5	Prime
8 Low risk	7.46	2,214	317	374	41.4	19.6	5.9	95.4	Prime
9 Moderate risk	8.64	5,949	185	516	64.9	22.7	6.4	92.3	Prime
10 Acceptable risk	8.71	5,398	266	465	55.7	23.0	10.8	87.5	Prime
11 Daily	6.20	53,142	5,820	37	22.4	26.0	29.8	57.5	Fed Funds
12 Minimal risk	5.95	9,411	26,589	14	21.9	26.8	59.5	62.6	Fed Funds
13 Low risk	5.96	16,540	8,181	33	26.5	26.9	23.6	32.6	Fed Funds
14 Moderate risk	6.43	15,855	4,936	36	20.1	35.2	21.4	74.2	Fed Funds
15 Acceptable risk	6.33	5,433	2,923	108	14.7	13.8	38.1	87.2	Fed Funds
16 2 to 30 days	6.80	15,608	890	225	28.8	24.4	46.5	81.8	Fed Funds
17 Minimal risk	6.20	1,087	2,280	38	6.6	83.1	82.8	94.9	Fed Funds
18 Low risk	6.36	2,955	1,796	267	18.3	15.7	38.3	67.0	Fed Funds
19 Moderate risk	6.91	4,822	761	319	29.8	16.0	30.9	82.6	Foreign
20 Acceptable risk	7.54	3,101	591	257	52.0	17.6	59.3	94.9	Foreign
21 31 to 365 days	6.86	21,841	599	364	35.0	12.1	44.3	87.5	Foreign
22 Minimal risk	6.89	616	129	189	25.5	4.7	44.9	80.8	Foreign
23 Low risk	6.42	5,520	879	305	37.7	6.8	56.5	87.4	Foreign
24 Moderate risk	6.85	7,879	650	331	25.9	6.9	37.3	87.6	Foreign
25 Acceptable risk	7.26	5,149	751	358	46.0	25.0	49.2	86.3	Foreign
				Months					
26 Over 365	8.26	3,035	208	50	69.6	12.7	8.0	51.5	Prime
27 Minimal risk	9.26	41	26	62	89.4	21.9	16.5	27.0	Prime
28 Low risk	8.38	230	110	42	60.3	5.6	0.5	57.3	Other
29 Moderate risk	8.69	1,548	269	53	84.2	10.0	10.8	29.2	Prime
30 Acceptable risk	8.78	424	222	45	72.7	3.8	9.3	66.2	Prime
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³ Days				
Size (\$thousands)									
31 1 - 99	9.82	2,799	3.1	202	84.4	31.8	4.5	75.2	Prime
32 100 - 999	8.75	9,843	3.2	92	70.0	24.2	15.1	88.1	Prime
33 1,000 - 9,999	7.15	27,820	3.0	63	36.4	16.7	32.8	83.7	Foreign
34 10,000+	6.32	73,346	2.5	47	23.8	24.1	33.5	65.5	Fed Funds
Base rate ⁶									
35 Prime ⁷	9.13	16,746	3.2	165	73.3	23.7	6.1	82.9	150
36 Fed funds	6.14	43,971	2.4	6	21.1	28.2	26.2	50.8	10,890
37 Other domestic	6.29	10,154	2.7	70	11.0	41.8	27.8	67.2	2,231
38 Foreign	6.60	29,674	2.7	53	36.5	10.1	60.9	94.2	3,531
39 Other	7.01	13,263	3.0	116	25.0	14.8	13.3	83.8	369

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING MAY 5-9, 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	44,201	912	378					
2 Minimal risk	6.60	754	1,935	313	15.9	9.4	67.7	93.9	Domestic
3 Low risk	6.28	8,492	3,557	397	40.7	56.2	10.5	51.1	Fed Funds
4 Moderate risk	7.18	16,638	1,064	406	39.1	31.2	8.4	67.0	Prime
5 Acceptable risk	8.13	6,650	459	411	44.1	10.5	8.3	80.3	Prime
6 Zero interval	8.19	9,607	378	421	50.3	13.4	5.5	88.2	Prime
7 Minimal risk	8.25	127	777	189	21.8	11.7	22.9	99.0	Other
8 Low risk	6.87	1,364	1,472	271	34.3	10.0	6.3	96.9	Other
9 Moderate risk	8.43	3,700	351	459	57.1	18.4	7.0	94.5	Prime
10 Acceptable risk	8.51	3,251	335	350	47.6	13.5	3.8	86.9	Prime
11 Daily	6.32	16,396	4,480	109	32.3	49.6	6.0	38.7	Fed Funds
12 Minimal risk	5.97	358	4,855	339	0.0	11.5	83.3	88.4	Domestic
13 Low risk	6.00	4,544	7,090	263	53.8	82.4	4.4	18.9	Fed Funds
14 Moderate risk	6.38	6,338	5,847	79	32.9	55.1	5.2	49.9	Fed Funds
15 Acceptable risk	7.31	589	656	552	39.8	11.3	8.0	75.9	Domestic
16 2 to 30 days	6.99	6,389	918	372	29.7	16.1	12.9	72.7	Domestic
17 Minimal risk	6.15	108	2,111	266	36.5	--	51.9	97.5	Foreign
18 Low risk	6.38	1,113	3,400	500	16.3	30.0	12.3	76.9	Domestic
19 Moderate risk	6.94	2,367	1,479	416	29.5	16.6	12.3	73.6	Domestic
20 Acceptable risk	7.97	1,122	433	473	50.6	13.5	20.2	92.4	Prime
21 31 to 365 days	6.99	6,220	2,367	515	20.5	7.8	14.8	75.7	Foreign
22 Minimal risk	6.95	158	2,424	351	31.1	9.5	78.8	100.0	Domestic
23 Low risk	6.55	767	2,562	493	28.4	11.7	25.7	83.1	Foreign
24 Moderate risk	6.91	2,605	2,308	457	17.2	10.1	11.4	75.4	Foreign
25 Acceptable risk	7.57	1,359	1,980	244	27.2	1.5	9.4	57.9	Foreign
				Months					
26 Over 365	7.94	2,142	1,973	46	64.8	12.1	10.0	53.9	Prime
27 Minimal risk	8.59	3	95	76	98.9	--	99.0	84.9	Prime
28 Low risk	7.89	125	2,148	37	39.8	--	0.4	69.9	Other
29 Moderate risk	8.53	1,180	2,931	50	82.8	10.7	13.0	27.9	Prime
30 Acceptable risk	8.63	296	796	43	61.3	1.6	13.7	73.0	Prime
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	9.53	884	3.5	43	82.9	40.0	5.1	90.4	Prime
32 100 - 999	8.83	4,641	3.4	48	67.2	21.1	8.3	90.7	Prime
33 1,000 - 9,999	7.32	12,621	3.1	56	33.8	14.1	13.9	79.0	Other
34 10,000+	6.51	26,054	2.7	115	29.4	35.4	6.9	52.8	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	8.91	9,863	3.3	229	69.3	18.3	6.3	81.2	249
36 Fed funds	6.19	10,659	2.5	6	43.3	56.1	1.9	27.5	10,988
37 Other domestic	6.27	8,173	2.7	73	11.1	39.9	17.5	60.7	5,645
38 Foreign	6.91	6,465	3.1	103	25.0	6.7	17.9	80.1	2,665
39 Other	6.83	9,041	3.0	51	20.0	6.3	8.8	84.8	2,227

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING MAY 5-9, 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	7.96	13,374	126	487	57.2	20.9	23.9	66.8	Prime
2 Minimal risk	8.43	524	65	360	47.8	36.8	14.6	64.5	Prime
3 Low risk	7.16	3,237	217	321	39.6	12.5	34.7	54.6	Fed Funds
4 Moderate risk	8.26	3,913	95	594	62.5	16.4	24.3	61.1	Prime
5 Acceptable risk	8.30	2,711	141	501	73.9	22.9	21.8	76.3	Prime
6 Zero interval	9.15	4,278	94	524	80.8	30.3	5.5	85.5	Prime
7 Minimal risk	9.78	128	97	275	69.0	50.6	0.1	91.1	Prime
8 Low risk	8.93	605	107	650	70.0	25.6	4.9	91.3	Prime
9 Moderate risk	9.09	1,692	82	557	86.8	27.5	5.6	85.2	Prime
10 Acceptable risk	9.31	1,203	125	417	82.4	32.6	8.7	79.5	Prime
11 Daily	6.48	2,640	654	62	24.1	4.2	71.1	28.1	Fed Funds
12 Minimal risk	6.50	72	544	9	4.7	20.4	78.4	78.1	Other
13 Low risk	6.01	920	1,077	17	14.1	0.2	75.9	15.1	Fed Funds
14 Moderate risk	6.45	861	506	79	14.7	5.4	80.9	16.4	Fed Funds
15 Acceptable risk	6.50	403	565	66	26.7	2.6	64.0	35.5	Fed Funds
16 2 to 30 days	7.81	1,415	160	373	46.0	29.1	23.0	70.9	Prime
17 Minimal risk	8.13	126	314	138	25.5	63.1	0.2	74.6	Prime
18 Low risk	6.94	473	497	237	32.1	15.3	39.6	42.3	Fed Funds
19 Moderate risk	8.33	315	79	585	53.2	21.7	11.1	85.7	Prime
20 Acceptable risk	8.24	250	111	510	74.7	22.9	14.6	89.6	Prime
21 31 to 365 days	7.48	3,259	108	490	56.3	18.2	17.5	76.8	Foreign
22 Minimal risk	8.32	148	32	259	62.0	9.3	9.6	34.2	Prime
23 Low risk	7.08	1,115	207	356	43.4	13.9	18.7	72.9	Foreign
24 Moderate risk	7.89	635	68	545	52.2	2.6	17.5	58.5	Foreign
25 Acceptable risk	7.40	691	141	672	80.5	17.6	27.8	96.9	Foreign
				Months					
26 Over 365	9.04	892	66	58	80.9	14.4	2.8	45.7	Other
27 Minimal risk	9.31	38	24	61	88.6	22.3	15.1	22.6	Prime
28 Low risk	8.97	104	52	49	85.0	12.2	--	41.9	Other
29 Moderate risk	9.17	369	69	65	88.9	7.8	3.9	33.6	Other
30 Acceptable risk	9.13	129	84	48	98.8	8.7	0.3	50.6	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
					Days				
Size (\$thousands)									
31 1 - 99	10.01	1,849	2.9	272	86.1	28.0	3.6	67.2	Prime
32 100 - 999	9.16	3,523	3.0	177	83.6	28.1	6.9	81.3	Prime
33 1,000 - 9,999	7.64	3,901	2.9	176	57.4	23.3	13.7	83.4	Foreign
34 10,000+	6.30	4,100	2.7	35	21.4	8.3	59.6	38.3	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	9.51	5,427	3.1	97	83.3	30.8	5.0	81.7	79
36 Fed funds	6.02	2,729	2.7	30	12.6	7.5	84.5	12.9	2,681
37 Other domestic	7.12	420	2.0	257	36.2	59.1	--	76.3	153
38 Foreign	6.81	2,441	3.0	104	47.6	13.3	17.2	90.9	1,823
39 Other	7.96	2,356	2.8	487	62.6	13.4	4.5	68.2	74

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING MADE DURING MAY 5-9, 1997

December 15, 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	6.37	56,233	5,548	96						
2 Minimal risk	5.95	10,172	36,351	4	23.8	19.0	47.8	79.0	Fed Funds	
3 Low risk	6.03	16,330	8,425	68	20.4	32.6	61.2	65.5	Fed Funds	
4 Moderate risk	6.63	16,006	4,094	118	20.9	6.3	39.9	54.7	Fed Funds	
5 Acceptable risk	6.85	10,215	3,448	220	19.3	17.7	37.2	97.3	Foreign	
6 Zero interval	8.42	1,829	644	876	31.5	25.1	56.2	95.6	Fed Funds	
7 Minimal risk	6.51	25	558	176	44.2	42.9	22.3	99.5	Prime	
8 Low risk	7.11	245	557	332	2.0	81.3	16.3	100.0	Fed Funds	
9 Moderate risk	8.63	557	509	995	10.3	58.4	6.2	96.6	Prime	
10 Acceptable risk	8.63	944	952	949	50.8	36.2	5.3	100.0	Prime	
11 Daily	6.12	34,107	23,749	10	49.7	43.3	37.8	100.0	Prime	
12 Minimal risk	5.94	8,982	60,629	2	17.6	17.2	36.7	68.8	Fed Funds	
13 Low risk	5.94	11,076	21,028	2	22.9	27.5	58.4	61.4	Fed Funds	
14 Moderate risk	6.47	8,656	20,227	3	16.3	6.3	27.0	39.6	Fed Funds	
15 Acceptable risk	6.18	4,441	17,987	57	11.2	23.5	26.5	97.7	Fed Funds	
16 2 to 30 days	6.47	7,804	4,505	87	10.2	15.2	39.3	93.5	Fed Funds	
17 Minimal risk	--	--	--	--	25.0	30.1	76.2	91.2	Fed Funds	
18 Low risk	6.14	1,369	3,738	88	--	--	--	--	--	
19 Moderate risk	6.68	2,140	2,954	179	15.1	4.2	59.1	67.5	Fed Funds	
20 Acceptable risk	7.17	1,729	4,203	94	26.8	14.5	53.2	92.1	Foreign	
21 31 to 365 days	6.64	12,362	3,262	259	49.6	19.4	89.2	97.2	Foreign	
22 Minimal risk	6.18	309	5,367	72	36.7	12.8	64.5	96.2	Foreign	
23 Low risk	6.20	3,638	6,096	251	5.2	--	44.5	93.3	Foreign	
24 Moderate risk	6.68	4,639	2,847	232	37.9	3.5	74.3	92.7	Foreign	
25 Acceptable risk	7.09	3,099	2,421	338	27.1	5.8	53.9	98.4	Foreign	
					46.5	37.0	67.8	96.4	Foreign	
					Months					
26 Over 365	--	--	--	--	--	--	--	--	--	
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	8.46	66	3.3	13	56.3	33.9	19.2	94.5	Prime	
32 100 - 999	7.66	1,679	3.2	28	49.1	24.2	48.3	95.4	Foreign	
33 1,000 - 9,999	6.78	11,297	3.0	32	32.1	17.3	57.0	89.0	Foreign	
34 10,000+	6.20	43,191	2.4	10	20.6	19.2	45.4	75.7	Fed Funds	
Base rate ⁶				Average Size (\$thousands)						
35 Prime ⁷	9.22	1,457	3.5	1	62.7	32.9	9.5	98.8	503	
36 Fed funds	6.14	30,582	2.3	4	14.2	20.7	29.4	62.3	14,923	
37 Other domestic	6.19	1,561	3.2	8	3.6	46.4	77.6	98.8	4,462	
38 Foreign	6.48	20,768	2.6	33	38.8	10.8	75.9	98.9	4,478	
39 Other	6.67	1,865	3.3	6	1.6	49.9	39.9	98.6	9,250	

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 0.11 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 8.54 percent for all banks; 8.50 percent for large domestic banks 8.62 percent for small domestic banks; and 8.50 percent for U.S. branches and agencies of foreign banks.