

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 6-10, 2000

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	8.50	72,874	496	475	43.5	12.9	24.3	75.5	Foreign
2 Minimal risk	7.58	5,986	1,002	416	56.0	17.0	66.2	88.9	Fed Funds
3 Low risk	7.59	14,560	872	377	30.9	24.6	46.8	76.6	Foreign
4 Moderate risk	8.55	26,200	490	569	43.7	9.8	22.6	89.2	Prime
5 Other	9.69	10,920	275	522	63.1	7.8	8.4	87.4	Prime
6 Zero interval	9.37	18,216	422	457	57.5	13.0	2.8	54.6	Prime
7 Minimal risk	9.81	432	340	909	76.8	45.1	23.4	82.4	Prime
8 Low risk	7.97	2,189	707	536	68.9	49.9	8.3	48.4	Fed Funds
9 Moderate risk	9.36	5,440	300	486	67.1	13.1	2.8	97.5	Prime
10 Other	10.32	2,872	210	615	70.1	7.7	2.3	96.3	Prime
11 Daily	8.03	27,728	594	317	38.7	15.8	33.0	77.1	Domestic
12 Minimal risk	7.23	3,627	5,962	313	75.1	10.1	88.5	99.5	Fed Funds
13 Low risk	7.37	6,129	1,704	381	27.4	29.0	54.0	72.9	Domestic
14 Moderate risk	8.20	8,776	562	312	31.8	12.5	29.2	85.7	Domestic
15 Other	9.38	3,728	264	279	53.6	9.5	1.4	73.7	Prime
16 2 to 30 days	8.15	17,110	1,048	431	28.7	7.4	41.5	93.8	Foreign
17 Minimal risk	7.10	1,088	2,192	510	10.9	9.4	55.6	81.0	Foreign
18 Low risk	7.52	4,750	1,923	299	12.4	10.2	66.7	91.9	Foreign
19 Moderate risk	8.19	7,268	1,064	495	26.9	4.8	38.3	96.4	Foreign
20 Other	9.66	2,812	518	491	68.9	4.1	19.3	97.2	Foreign
21 31 to 365 days	8.65	6,559	263	782	49.8	7.3	13.2	82.9	Foreign
22 Minimal risk	8.10	514	164	313	32.6	7.4	9.1	30.0	Other
23 Low risk	8.11	1,235	210	219	44.1	15.4	12.2	87.6	Foreign
24 Moderate risk	8.75	3,055	405	1,128	54.3	4.8	11.7	88.1	Foreign
25 Other	9.28	1,055	333	833	55.7	4.4	23.1	84.6	Foreign
				Months					
26 Over 365	9.05	2,699	210	52	71.7	18.8	3.3	62.5	Other
27 Minimal risk	9.25	323	736	25	2.5	98.1	0.3	98.9	Domestic
28 Low risk	8.42	220	144	67	71.3	2.1	4.5	67.3	Other
29 Moderate risk	9.05	1,446	345	52	87.2	7.0	3.7	44.7	Prime
30 Other	9.13	285	121	61	68.3	3.3	5.6	86.9	Other
Size and base rate				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	10.34	2,585	3.2	142	83.9	27.6	1.9	77.8	Prime
32 100 - 999	9.77	9,165	3.2	112	73.4	17.3	4.1	84.7	Prime
33 1,000 - 9,999	8.80	22,750	3.0	69	46.0	8.4	16.1	77.5	Prime
34 10,000+	7.89	38,375	2.5	56	32.1	13.6	35.5	72.0	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	10.13	18,777	3.2	88	71.9	14.5	1.4	74.2	194
36 Fed funds	7.31	9,886	2.3	15	56.3	24.6	32.1	55.6	5,326
37 Other domestic	7.52	10,560	2.3	40	14.9	27.8	58.2	88.6	2,457
38 Foreign	8.14	20,273	2.8	37	30.7	3.8	33.8	73.8	2,446
39 Other	8.40	13,379	3.0	160	36.0	4.1	9.6	84.5	376

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 6-10, 2000

December 18, 2000

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	8.40	66,315	880	454	40.9	12.6	26.3	75.5	Foreign
2 Minimal risk	7.49	5,173	4,421	421	58.2	18.3	75.6	99.2	Fed Funds
3 Low risk	7.46	13,383	2,086	357	28.3	26.3	50.9	76.4	Domestic
4 Moderate risk	8.46	24,309	864	553	41.3	8.8	23.7	89.7	Foreign
5 Other	9.64	9,508	403	487	59.9	6.8	9.3	87.6	Prime
6 Zero interval	9.30	15,854	714	448	54.2	11.5	2.7	49.7	Prime
7 Minimal risk	9.91	283	1,070	815	67.7	65.8	17.0	99.1	Prime
8 Low risk	7.67	1,742	1,947	540	75.4	61.2	10.2	39.5	Fed Funds
9 Moderate risk	9.28	4,730	441	479	64.2	9.9	3.0	98.5	Prime
10 Other	10.35	2,247	307	651	63.7	4.9	2.7	97.9	Prime
11 Daily	7.95	26,556	757	309	37.1	15.7	34.3	76.5	Domestic
12 Minimal risk	7.23	3,619	9,760	313	75.2	10.0	88.7	99.5	Fed Funds
13 Low risk	7.33	5,907	2,503	378	26.5	29.6	56.0	72.3	Domestic
14 Moderate risk	8.08	8,329	767	300	29.2	11.9	30.3	85.5	Domestic
15 Other	9.28	3,416	333	258	50.9	9.1	1.4	72.4	Prime
16 2 to 30 days	8.15	16,147	1,506	446	27.8	7.5	43.5	95.1	Foreign
17 Minimal risk	7.18	861	3,752	622	7.7	9.4	70.2	97.9	Foreign
18 Low risk	7.52	4,616	2,262	297	11.1	10.5	68.6	91.8	Foreign
19 Moderate risk	8.17	7,004	1,827	505	26.2	4.8	38.6	96.8	Foreign
20 Other	9.66	2,674	673	502	67.8	4.0	20.3	97.7	Foreign
21 31 to 365 days	8.51	5,310	1,672	879	47.1	6.6	15.8	90.9	Foreign
22 Minimal risk	7.29	92	454	437	33.5	0.6	50.2	100.0	Other
23 Low risk	7.57	938	1,260	241	31.1	18.6	16.1	90.6	Foreign
24 Moderate risk	8.65	2,875	2,628	1,159	52.5	4.8	11.9	90.4	Foreign
25 Other	9.26	913	1,179	827	54.2	2.3	25.2	87.3	Foreign
				Months					
26 Over 365	8.82	1,911	1,227	40	70.6	18.6	3.6	62.1	Other
27 Minimal risk	9.23	316	4,732	25	0.4	99.3	0.3	100.0	Domestic
28 Low risk	7.84	144	573	48	60.4	3.1	6.7	97.5	Other
29 Moderate risk	8.96	1,166	2,058	46	93.3	2.8	4.2	39.9	Prime
30 Other	8.47	91	283	48	67.7	0.5	4.6	93.1	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
					Days				
Size (\$thousands)									
31 1 - 99	10.16	1,347	3.4	39	83.4	30.3	1.9	87.8	Prime
32 100 - 999	9.70	6,823	3.3	43	69.6	16.2	3.6	87.2	Prime
33 1,000 - 9,999	8.82	20,192	3.1	40	45.3	8.0	18.0	77.8	Prime
34 10,000+	7.88	37,952	2.5	56	31.9	13.7	35.7	71.8	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	10.08	15,485	3.3	72	69.7	12.7	1.2	71.6	278
36 Fed funds	7.29	9,705	2.3	3	55.8	25.0	32.6	55.5	9,731
37 Other domestic	7.49	10,312	2.3	32	13.1	27.7	59.5	89.3	6,603
38 Foreign	8.13	19,343	2.8	28	30.1	3.9	34.8	72.9	2,661
39 Other	8.34	11,470	3.1	112	32.7	2.9	10.8	89.7	1,169

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, NOVEMBER 6-10, 2000

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	9.48	6,560	92	684	69.4	16.6	3.9	75.6	Prime
2 Minimal risk	8.14	812	169	383	41.7	9.1	6.5	23.0	Other
3 Low risk	9.05	1,177	114	570	60.0	5.8	0.3	79.5	Prime
4 Moderate risk	9.80	1,891	75	782	75.6	23.9	8.2	82.4	Prime
5 Other	10.05	1,412	88	752	84.5	14.0	2.5	86.5	Prime
6 Zero interval	9.84	2,362	112	511	79.9	23.0	3.1	87.8	Prime
7 Minimal risk	9.61	149	148	1,090	93.9	5.8	35.6	50.8	Domestic
8 Low risk	9.14	447	203	529	43.5	5.8	0.6	83.0	Prime
9 Moderate risk	9.87	709	96	530	86.3	34.7	1.7	91.1	Prime
10 Other	10.23	625	99	498	93.3	18.0	0.9	90.6	Prime
11 Daily	9.98	1,171	101	516	75.3	16.6	4.0	90.0	Prime
12 Minimal risk	8.81	8	35	334	42.6	30.2	--	100.0	Other
13 Low risk	8.63	222	179	463	51.2	11.7	0.5	87.7	Prime
14 Moderate risk	10.36	447	94	547	81.5	24.4	9.2	89.2	Prime
15 Other	10.49	312	81	521	83.3	13.4	1.4	88.4	Prime
16 2 to 30 days	8.21	963	172	178	42.9	5.1	8.5	72.8	Foreign
17 Minimal risk	6.81	227	850	38	22.9	9.5	--	17.0	Other
18 Low risk	7.49	134	313	354	55.3	0.2	--	96.5	Foreign
19 Moderate risk	8.77	264	88	233	45.6	4.7	31.2	87.0	Foreign
20 Other	9.72	138	94	278	89.6	6.2	0.0	87.2	Prime
21 31 to 365 days	9.25	1,249	57	372	61.5	9.9	2.4	49.2	Other
22 Minimal risk	8.28	421	144	286	32.4	8.9	0.0	14.6	Other
23 Low risk	9.80	298	58	149	85.0	5.2	--	77.8	Prime
24 Moderate risk	10.30	179	28	639	83.5	3.6	8.3	52.0	Other
25 Other	9.43	142	59	874	64.9	17.8	9.8	67.5	Other
				Months					
26 Over 365	9.60	788	70	81	74.3	19.4	2.7	63.6	Other
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	9.54	75	59	103	92.1	--	0.1	9.6	Prime
29 Moderate risk	9.40	281	77	74	61.5	24.4	1.7	64.7	Other
30 Other	9.44	194	96	68	68.6	4.7	6.1	84.0	Other
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	10.53	1,238	3.0	248	84.4	24.7	1.9	66.9	Prime
32 100 - 999	9.96	2,341	2.9	309	84.3	20.5	5.4	77.2	Prime
33 1,000 - 9,999	8.64	2,558	2.6	299	51.4	12.0	1.6	75.3	Other
34 10,000+	8.87	423	2.9	3	51.3	--	15.0	94.6	Prime
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	10.36	3,292	3.1	167	82.2	23.0	2.5	86.0	80
36 Fed funds	8.42	181	2.6	612	80.7	6.2	2.0	59.2	211
37 Other domestic	9.10	248	2.1	363	89.2	32.9	3.2	58.7	91
38 Foreign	8.17	930	2.9	213	43.8	1.9	11.9	92.7	912
39 Other	8.76	1,909	2.3	448	56.1	11.7	2.7	53.2	74

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 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 0.21 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 9.51 percent for all banks, 9.50 percent for large domestic banks, 9.56 percent for small domestic banks, and 9.50 percent for U.S. branches and agencies of foreign banks.