

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

September 23, 1975

CONFIDENTIAL (FR)

TO: Federal Open Market Committee

FROM: Arthur L. Broida

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

Eleanor M. Pruitt

Mr. Ettin

To_

From

Subject:	August 15 Survey of Changes
in Ban	k Lending Practices

Date September 18, 1975

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 applicants 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 - 2 -

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.

NOT FOR QUOTATION OR PUBLICATION

TABLE 1

PAGE 01

CUARTERLY 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)

	70	TAL	MUC STRON		MODER/ STROP		ESSEN1 UNCH	TIALLY INGED	MODER A		MEAK	-
STRENGTH UF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
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	C	0.0	57	46.3	55	44.8	11	8.9	•	0.0
	ANSMERING QUESTION BANKS PCT				FIRE	MODERATELY FIRMER POLICY		TIALLY INGED	MODERATELY EASIER POLICY		EAS	ICH SIER .ICY
LENDING TO NONFINANCIAL EUSINESSES	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
TERMS AND LUNDITIONS:												
INTEREST RATES CHARGEL	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	26	16.3	101	82.1	2	1.6	0	0.0
STANDARCS OF CREDIT WORTHINESS	123	100.0	4	3.3	14	11.4	165	85.3	0	0.0	0	0.0
MATURITY OF TERM LOAMS	123	100.0	O	0.0	8	6.5	112	91.1	3	2.4	0	0-0
REVIEWING CREDIT LINES CR LGAN APPLICATIO	NS											
ESTABLISHED CUSTOMERS	123	100.0	0	0.0	5	4.1	107	87.0	11	8.9	٥	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 GUSTCHERS	122	160.0	G	0.0	4	3.3	105	86 •0	13	10.7	0	0.0
NONLOCAL SERVICE AREA CUSTUMERS	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 DF AUGUST 15. 1975.

		ERING STION	FIR	ICH MER ICY	MODERA FIRM POLI	1ER		TIALLY ANGED LCY	MODERA EAS: POL:	IER	EAS	ICH SIER SICY
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL EUSINESS	123	100.0	3	2•4	14	11-4	103	83 • 8	3	2•4	•	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 KATES CHARGEL	123	100.0	1	0.8	23	18.7	98	79.7	1	0.8	0	0.0
COMPENSATING OR SUPPORTING BALANCES	123	160.0	0	0.0	8	6.5	115	93.5	0	0.0	0	0.0
ENFORCEMENT OF BALANCE REQUIREMENTS	123	100.0	o	0.0	14	11.4	109	88.6	0	0.0	0	0.0
ESTABLISHING NEW OR LARGER CHECIT LINES	123	100.0	6	4.9	17	13.8	96	78.0	4	3-3	0	0.0
		ERING STION	CONSIDE LES WILL	S	MODERA LES WILL	S		TIALLY ANGED	MODER. MOI WIL		CONSIDE MOR WILL	E
WILLINGNESS TO MAKE OTHER TYPES OF LOANS	PANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
TERM LOANS TO BUSINESSES	123	100.0	2	1.6	8	6.5	92	74.8	20	16.3	1	8.0
CONSUMER INSTALMENT LOANS	122	100.0	0	0.0	C	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 MCRTGAGE LOAMS	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 PROKERS	120	100.0	1	3.0	2	1.7	109	90.8	8	6.7	•	0.0

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

NOT FOR QUOTATION OR PUBLICATION

TABLE 2

PAGE 03

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

	1	DTAL		ICH INGER		ATELY NGER		TIALLY ANGED	MODER WEA		MEA MEA	CH KER
STRENGTH LF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOAMS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)	\$1 & OVER	UNDER \$1	\$1 E OVER	UNDER \$1	\$1 E OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
COMPARED TO THREE MONTHS AGO	100	100	0	o	8	7	30	62	58	30	4	1
ANTICIPATED DEMAND IN NEXT 3 MONTHS	100	100	0	C	51	43	40	48	9	9	0	0
	τ	OTAL		UCH RMER		ATELY Mer		TIALLY ANGED	MODER EAS			UCH SIER
LENDING TO NONFINANCIAL BUSINESSES	\$1 & OVER	UNCER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	S1 & OVER	UNDER \$1
TERMS AND CONCITIONS:												
INTEREST KATES 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	O	3	D	0
STANDARLS OF CREDIT WORTHINESS	100	100	2	4	ઠ	14	90	82	o	ō	0	0
MATURITY OF TERM LOANS	100	100	0	C-	4	9	94	88	2	3	0	0
REVIEWING CREDIT LINES OR LOAN APPLICATION	ONS											
ESTABLISHED CUSTOMERS	100	100	0	C	2	6	42	83	6	11	0	0
NEW CUSTOMERS	100	100	o	1	8	10	77	73	15	16	0	0
LOCAL SERVICE AREA CUSTOMERS	100	100	o	o	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 76 SMALL BANKS (DEPOSITS OF LESS THAN \$1 BILLION) REPORTING IN The FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15, 1975.

			SIZE	OF BANK	т	OTAL DEP	osits i	N BILLIC	DNS			
	ANS	MBER SWERING JESTION	F1	UCH RMER LICY	FIR	ATELY MER .ICY	UNCH	TIALLY ANGED ICY	EAS	ATELY IER ICY	EA	UCH SIER LICY
	\$1 &	UNDER	\$1 8	UNDER	\$1 &	UNDER	\$1 &	UNDER		UNDER	\$1 6	UNDER
FACTORS RELATING TO APPLICANT 2/	OVER	\$1	OVER	\$1	OVER	\$1	OVER	\$1	OVER	\$1	OVER	\$1
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	100	160	o	4	4	17	94	76	2	3	0	0
INTENDED USE OF THE LOAN	100	100	c	3	6	3	90	88	4	6	0	0
LENGING TO "NONCAPTIVE" FINANCE COMPANIES	;											
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	160	100	2	C	21	17	77	82	0	1	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	Q	ŭ	4	9	96	91	0	0	0	0
ENFORCEMENT OF BALANCE REQUIREMENTS	100	100	0	0	8	14	92	86	0	o	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES	100	100	2	7	11	16	83	74	4	3	0	0
	NUMBER ANSWERING QUESTION		CONSID Le Wil		LE	ATELY SS LING		TIALLY ANGED	MO	RATELY RE LING		ERABLY RE LING
WILLINGNESS TO MAKE OTHER TYPES OF LOANS	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
TERM LOANS TO BUSINESSES	100	100	o	3	2	10	83	69	15	17	٥	1
CUNSUMER INSTALMENT LOANS	100	100	0	0	3	0	77	70	21	26	2	4
SINGLE FAMILY MONTGAGE LOANS	100	100	0	3	2	10	90	78	8	9	0	0
MULTI-FAMILY MORTGAGE LUANS	160	100	0	3	4	12	96	85	c	o	0	0
ALL OTHER MORTGAGE LOAMS	100	100	0	3	4	13	96	74	0	10	0	0
PARTICIPATION LOANS WITH CURRESPONDENT BANKS	100	100	0	1	C	o	92	83	8	16	0	0
LOANS TO BROKERS	100	100	0	1	O	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.

NOT FOR QUOTATION OR PUBLICATION TABLE 3

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	E OS- TON		CITY (RK DUTSIDE		CLEVE- LAND	RICH- MOND	ATLAN- TA	- CHIC- AGO	ST.	MINNE- APOLIS	KANS.	DAL- LAS	SAN FRAN
STRENGTH OF DEMAND FOR COMMERCIAN INDUSTRIAL LOANS LAFTER ALLOWAN BANK'S USUAL SEASONAL VARIATION	ICE FOR	k													
COMPARED TO 3 MONTHS AGO	123														
MUCH STRONGER	O	0	6 1 11 4 2	G	0	0	0	0	0	0	0	0	o	0	o
MODERATELY STRONGER	9	0 2 6	1	0 5 4	1 6 0	0 2	0 5 5	2 6 4	0 9 1	3 1 11	1 4 4	0 1 2	0 6 3	0	2
ESSENTIALLY UNCHANGED	59 52	2	11	5	6	2	5	6	9	1	4	1	6	5	7
MODERATELY WEAKER	52	6	4	4	0	4	5	4	1	11	4	2	3	4	4
MUCH WEAKER	3	0	2	0	2	0	1	0	٥	O	0	0	Q	0	0
41177477 - 755 ACM -115 ACM															
ANTICIPATED DEMAND NEXT															
THREE MUNTHS	123														
MUCH STRONGER	٥	^	e.	^	•		^	•	^	^			^	Λ	^
MODERATELY STRONGER	57	2	, o	Ų	ğ		· ·	V	5	Ž	ÿ	Ÿ	9	3	ž
ESSENTIALLY UNCHANGED	57 55	2	11		2	7	5	7	2	6	5		3	2	2
	25 11	2 5 1	11 6 -1	6 3 0	5 3 1	4 2 0	t 3 2	9 3 0	5 3 2	6 8 1	3 4 2	1 2 0	3 4 2	<u> </u>	•
MODERATELY WEAKER	11		-1	9	1	u .	2	Ö	2	Ť	2	Ŏ	2	Ŏ	ŭ
MUCH WEAKER	U	Q	O.	v	U	U	O	U	U	v	U	U	U	U	U
LENGING TO NONFINANCIAL															
BUSINESSES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	123														
MUCH FIRMER POLICY	2	۵	b	O	G	٥	c	O	0	1	1	۵	Δ	.o	٥
MCDERATELY FIRMER POLICY	46	3	ž	2	Š	Ĭ.	2	č	Ā	Ä	5	ĭ	Ž	5	ž
ESSENTIALLY UNCHANGED POLICY	72	3 5	7 11 0	2 7 0	5 4 0	6 6	6 2 9 0	6 5 1	4 6 0	6 8 0	2 5 1	1 1 1	4 5 0	Ž	7
MODERATELY EASIER POLICY	3	ó	•	ċ	ñ	Ö	Á	í	ŏ	ŏ	í	î	õ	ă	ŏ
MUCH EASIER POLICY	õ	ŏ		Ğ	ŏ	5	Ă		ŏ	Ŏ	â	•	~	Š	Ž
HOCH ERSIER FOCICE	•	u	v	U	•	v	U	U	•	•	v	U	v	•	U
COMPENSATING PALANCES	123														
MUCH FIRMER POLICY	0	0	0	o	0	O	c	٥	C	O	٥	٥	0	٥	0
MODERATELY FIRMER POLICY	žČ	ŏ	4	Õ	4	Ŏ			2	ž	2	ŏ	ĭ	2	ž
ESSENTIALLY UNCHANGED POLICY	101	8	13	9	4	6	9	ě	8	13	-	š	ā	7	11
MODERATELY EASIER POLICY	7 2	ō	13 1	0 9 0	i	Ğ	2 9 0	3 9 0	ŏ	13 0	ĭ	3	ŏ	ò	Ö
MUCH EASIER POLICY	5	ŏ	ā	ŏ	ō	ō	ő	õ	ΰ	ō	ō	ŏ	ŏ	ō	•
· · · · · · · · · · · · · · · · · ·	_	-	_	_	-	-	_	-	-	_	-	_	•	_	_

^{1/} SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15. 1675.

NOT FOR QUOTATION OR PUBLICATION

TABLE 3 (CONTINUED)

ALL BOS-NEW YORK PHIL- CLEVE- RICH- ATLAN- CHIC- ST. MINNE- KANS. DAL-SAN AGO LOUIS APOLIS CITY TON TOTAL CITY OUTSIDE ADEL. LAND HOND TA LAS FRAN DSTS LENDING TO NONFINANCIAL BUSTNESSES TERMS AND CONDITIONS STANDARDS OF CREDIT WORTHINESS 123

MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY	4 14 165 6	0 6 8 0	2 1 15 0	0 0 9	2 1 6 0	0 6 0	1 2 8 0	0 2 10 0	1 1 8 0	0 2 13 0	0 3 6 0	0 3 0	0 2 7 0	0 1 8 0	0 0 13 0
MUCH EASIER POLICY	C	0	0	O	0	0	0	0	0	0	0	0	0	0	0
MATURITY OF TERM LOAMS	123														
MUCH FIPMER POLICY	G	0	O	6	Ø	0	e	0 1 10 1 0	ē	O	O	0	0	0	0
MODERATELY FIRMER POLICY	8	Q	0	O	0	Ð	1	1	2	1	1	٥	0	1	1
ESSENTIALLY UNCHANGED POLICY	112	8	18	9	9	6	10	10	8	14	7	3	9	8	11
MODERATELY EASIER PULICY	3	0	٥	0.	٥	õ	0	1	C	0	1	0	٥	0	1
MUCH EASIER POLICY	0	0	0	C	0	0	0	O	0	0	0	0	0	0	0
REVIEWING CREDIT LINES OR LOAMS															
ESTABLISHED CUSTOMERS	123														
MUCH FIRMER POLICY	Ü	v	٥	0	C	G	C	8	٥	0	0	0	٥	0	0
MODERATELY FIRMER POLICY	5	0	2	0	2	0	1	0 12 0	1	0	0	0	1	0	0
ESSENTIALLY UNCHANGED POLICY	163	8	15	9	6	5	9	12	9	12	8	1	6	9	13
MCDERATELY EASIER POLICY	11	u	1	0	1	1	1	٥	0	3	7	2	2	0	0
MUCH EASIER POLICY	ō	0	0	0	0	0	Ü	0	0	0	0	0	0	0	0
NEW CUSTOMERS	123														
MUCH FIRMER POLICY	1	Ç.	6	0	٥	U	0	0	1	0	0	0	O	٥	٥

NEW CUSTOMERS	123														
MUCH FIRMER POLICY	1	Ģ.	G	0	0	U	0	0	1	0	0	0	٥	0	٥
MODERATELY FIRMER PULICY	11	Ó	4	0	4	0	2	C	1	E	٥	Ò	1	ì	2
ESSENTIALLY UNCHANGED POLICY	92	b	13	9	4	4	8	10	8	12	8	ì	6	8	8
MODERATELY EASIER POLICY	14	2	1	Ö	ì	2	1	2	ō	3	1	ž	2	Ö	ž
MUCH EASIER POLICY	C	0	ŏ	0	Õ	0	Ö	0	0	0	Ō	Ö	Ö	Ŏ	o.
LOCAL SERVICE AREA CUSTOMERS	122														
MUCH FIRMER POLICY	ú	0	٥	0	0	0	C	0	G	G	0	o.	0	۵	٥
MUDERATELY FIRMER POLICY	4	ò	2	Ò	2	C	1	Č	1	Ō	Ō	ō	Ŏ	Ŏ	Ď
ESSENTIALLY UNCHANGED POLICY	105	8	15	9	6	5	9	12	9	12	8	Ŏ	6	Ğ	12
MODERATELY EASTER PULICY	13	٥	1	O	1	1	1	C	0	3	1	3	2	á	
MUCH EASIER POLICY	Õ	ŏ	ō	ŏ	ō	ō	ē	č	ŏ	Ö	ō	ŏ	õ	ō	ō

NOT FOR QUOTATION OR PUBLICATION

TABLE 3 (CONTINUED)

PAGE 07

	ALL DSTS	BOS-		EW YOR	K UTSIDE		CLEVE	- RICH-	ATLAN-	CHIC-	ST. LOUIS	MINNE- APOLIS	KANS.	DAL- LAS	SAN FRAN
LENDING TO NONFINANCIAL BUSINESSES															
REVIEWING CREDIT LINES OR LOAN	s														
NONLOCAL SERVICE AREA CUST	122														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MCDERATELY EASIER POLICY MUCH EASIER POLICY	2 7 102 11 0	0 6 2 0	0 2 16 0 0	0 9 0	0 2 7 0 0	0 0 5 1 0	1 8 1 0	0 0 12 0	1 0 9 0	0 1 13 1 0	0 1 7 1 6	0 0 2 1 0	0 6 2 0	0 1 8 0 0	0 1 10 2 0
FACTORS RELATING TO APPLICANT 2/															
VALUE AS DEPOSITOR OR SOURCE OF CELLATERAL BUSINESS	123														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNLHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	3 i4 163 3 0	0 1 7 0	1 1 15 1 0	0 0 9 0	1 6 1 0	0 0 6 0	0 2 9 0 6	C 1 11 0	0 3 7 0	1 0 14 0	1 0 7 1 0	0 0 2 1 0	0 3 6 0	0 2 7 0	0 1 12 0
INTENDED USE OF LOAN	123														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	2 5 110 6 6	0 0 7 1 0	1 1 14 2 6	0 8 1 0	1 6 1 C	0 1 5 0	0 1 10 0 6	0 0 12 0 6	0 1 9 0 0	0 14 1 0	0 1 7 1 0	0 3 0	0 9 0 0	1 0 8 0	0 0 12 1
LENDING TO "NUNCAFTIVE" FINANCE COMPANIES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	123														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	1 23 98 1 6	0 2 6 0	0 4 14 0 0	0 2 7 0	C 2 7 0	0 6 0	0 0 11 0	C 3 8 1	0 1 9 0 0	1 1 13 0	0 3 6 0	0 1 2 0	0 2 7 0	0 2 7 0	0 4 9 0

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

TABLE 3 (CONTINUED) NOT FOR QUUTATION OR PUBLICATION PAGE 08

	ALL DSTS	EOS-	NI TOTAL	EW YOR			CLEVE-	- RICH-	ATLAN- TA	- CHIC-	ST.	MINNE- APOLIS	KANS.	DAL- LAS	SAN FRAN
LENDING TO "NONCAPTIVE" FINANCE COMPANIES	0313	1011	TOTAL	C111 G	J1310E	ADEL 6	LAND	none	••	AGO	20013	AFOLIS	C111	LNJ	FRAR
TERMS AND CONDITIONS:															
SIZE OF COMPENSATING BALANCES	123														
MUCH FIRMER POLICY	c	٥	0	G	C	0	G	٥	٥	G	0	0	0	0	0
MODERATELY FIRMER POLICY	6	Ō	. 3	0	j	Q	2 9	0	2 8 0	1	1	0	0	O	1
ESSENTIALLY UNCHANGED POLICY		8	17	9	8	É	Ç.	12 G	8	14 0	8	3	9	9	12
MODERATELY EASIER FOLICY MUCH EASIER POLICY	ů C	ů ů	0	0	C	E	0	Ö	0	Ö	0 0	0	0	0	0
ENFORCEMENT OF															
BALANCE REQUIREMENT	123														
MUCH FIRMER POLICY	0	٤	o	O	C	Ċ	e	C	G	0	O	0	0	o	٥
MODERATELY FIRMER POLICY	14	٥	3	C	3	1	1	G	3 7	1	1	1	0	1	2
ESSENTIALLY UNCHANGED FOLICY		8	15	Ģ	6	5	10	12		14	8	2	9	8	11
MODERATELY EASIER POLICY	0	ن 0	0	0	0	0	ů	0	0	O S	0	0	0	0	0
MUCH EASIER POLICY	U	U	U	U	U	U	O	U	U	U	U	U	U	0	U
ESTABLISHING NEW OR LARGER															
CREDIT LINES	123														
MUCH FIRMER POLICY	6	O	1	C	1	1	0	2	1	8	1	٥	0	0	٥
MODELATELY FIRMER POLICY	17	Ğ	2	Ö	2	ō	3	2	ī	4	Ğ	ō	2	ĭ	ž
ESSENTIALLY UNCHANGED FOLICY	96	6	14	8	6	5	8	7	8	11	8	2	6	8	11
MGDERATELY EASIER POLICY	4	Ç	1	1	0	Ų	C	1	O	0	0	1	1	0	0
MUCH EASIER POLICY	C	8	G	G	0	0	0	C	0	0	٥	٥	G	0	•
WILLINGNESS TO MAKE GTHER TYPES OF LIGHTS															
TERM LOANS TO BUSINESSES	123														
CONSIDERABLY LESS WILLING	2	٥	0	G	C	0	0	G	2	C	٥	0	٥	0	٥
MODERATELY LESS WILLING	8	Ö	3	1	2	٥	0	ō		Ō	1	ō	2	ŏ	ŏ
ESSENTIALLY UNCHANGED	42	7	12	7	2 5	5	9	1 G	2 5	14	1 5 3	2	5	9	9
MODERATELY MORE WILLING	20	1	3	1	2	1	2	2	1	1	3	1	1	0	4
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	C	O	0	0	0	1	0	0
CONSUMER INSTALMENT LOAMS	122														
CONSICERABLY LESS WILLING	U	G	G	Q	0	0	0	0	G	ŭ	0	0	٥	٥	0
MODERATELY LESS WILLING	ę	٥	0	8	0	G	0	0	0	0	0	Ō	Ö	ō	ŏ
ESSENTIALLY UNCHANGED	89	6	11	8	3	4	8	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	Z
CONSIDERABLY MORE WILLING	4	0	O	C	0	1	0	O	0	0	1	0	2	0	0

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TABLE 3 (CONTINUED)

ATLAN- CHIC-MINNE- KANS. DAL-SAN ALL BOS-NEW YORK PHIL-CLEVE- RICH-T2 CSTS TON TOTAL CITY OUTSIDE ADEL. LAND MOND TA AGO LOUIS APOLIS CITY LAS FRAN WILLINGNESS TO MAKE OTHER TYPES OF LOANS SINGLE FAMILY MORTGAGE LOANS CONSIDERABLY LESS WILLING Z MODERATELY LESS WILLING Û ESSENTIALLY UNCHANGED MODERATELY MORE WILLING O Ω O CONSIDERABLY MORE WILLING G MULTIFAMILY MORTGAGE LOANS CONSIDERABLY LESS WILLING O Ð Ð C MODERATELY LESS WILLING ESSENTIALLY UNCHANGED Ð MODERATELY MORE WILLING Ð D D Ð CONSIDERABLY MORE WILLING Ò C G ALL OTHER MORTGAGE LCANS CONSIDERABLY LESS WILLING O Ð Ð O MODERATELY LESS WILLING ESSENTIALLY UNCHANGED MODERATELY MORE WILLING CONSIDERABLY MORE WILLING t Ü PARTICIPATION LOAMS WITH CORRESPONDENT BANKS CONSIDERABLY LESS WILLING G C e MODERATELY LESS WILLING G Ú ESSENTIALLY UNCHANGED MODERATELY MORE WILLING Ü CONSIDERABLY MORE WILLING LCANS TO BROKERS CONSILERABLY LESS WILLING C G MODERATELY LESS WILLING G O C Ð ESSENTIALLY UNCHANGED

Û

C

NUMBER OF BANKS

MODERATELY MORE WILLING

CONSIDERABLY MORE WILLING

C

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TABLE 4

COMPARISON OF SELECTED RESPONSES IN THE MAY AND AUGUST SURVEYS

	MAY 15, 1975	AUGUS	ST 15, 1975	
	NUMBER GF BANKS	NUM STRONGER	BER OF BANK	S WEAKER
STRENGTH OF DEMAND FOR COMMERCIAL AND INCUSTRIAL LGANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	12	2	6	4
UNCHANGED	43	2	23	18
WEAKER	68	5	30	33
ANTICIPATED DEMAND THREE MONTHS HENC	E			
STRONGER	17	10	7	0
UNCHANGED	77	36	37	4
WEAKER	25	11	11	7
ANTICIPATED DEMAND THREE MONTHS HENC	E	COMPARED 1	O THREE MON	THS AGO
STRONGER	17	3	7	7
UNCHANGED	77	4	41	32
WE AKER	29	2	11	16
LENDING TO NONFINANCIAL BUSINESSES		FIRMER	UNCHANGED	EASIER
INTEREST RATES CHARGED				
FIRMER	7	4	3	0
UNCHANGED	73	18	54	1
EASIER	43	26	15	2
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	14	6	8	G
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	ŭ
MATURITY OF TERM LOAMS				
FIRMER	11	6	5	0
UNCHANGED	105	2	101	2
EASIER	7	0	6	1

	MAY 15, 1975	AUGUST 15, 1975			
	NUMBER OF BANKS	NUI FIRMER	BER OF BANK	S EASIER	
REVIEWING CREDIT LINES OR LOAN APPLIC	ATION				
ESTABLISHED CUSTOMERS					
FIRMER	6	1	5	0	
UNCHANGED	97	4	87	6	
EASIER	20	0	15	5	
NEW CUSTOMERS					
FIRMER	19	4	15	0	
UNCH ANGE U	80	8	63	9	
EASIER	24	0	14	10	
LUCAL SERVICE AREA CUSTOMERS					
FIRMER	7	0	7	6	
UNCHANGED	95	4	85	5	
EASIER	21	ò	13	8	
NONLOCAL SERVICE AREA CUSTOMERS					
FIRMER	18	5	13	0	
UNCHANGED	94	4	80	9	
EASIER	ii	ŏ	ý	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	ĭ	5	i	
LENDING TO "NONCAPTIVE" FINANCE COMPA	NIES				
TERMS AND CONDITIONS:					
INTEREST PATES CHARGED					
FIRMER	2	1	1	0	
UNCHANGED	104	12	92	ŏ	
EASTER	17	11	5	1	
COMPENSATING OR SUPPORTING BALANCES					
FIRMER	7	2	5	0	
UNCHANGED	116	6	110	0	
EASI ER	0	0	0	0	

TABLE 4 (CONTINUED)

	MAY 15, 1975	AUGU		
	NUMBER OF BANKS	NU F1RMER	MBER OF BANKS	EASIER
LENDING TO "NONCAPTIVE" FINANCE COMPAN		, , , , , , , , , , , , , , , , , , , ,		
TERMS AND CONDITIONS:				
ENFORCEMENT OF BALANCE REQUIREMENTS				
FIRMER	15	8	7	0
UNCHANGED	108	6	102	Q
EASIER	0	0	0	0
ESTABLISHING NEW DR LARGER CREDIT LI	NES			
FIRMER	26	13	13	0
UNCHANGED	88	9	78	ĭ
EASIER	9	í	5	3
EASIER	7	•	,	3
WILLINGNESS TO MAKE OTHER TYPES OF LOAD	NS	LESS	UNCHANGED	MORE
TERM LOANS TO BUSINESSES				
LESS	8	5	2	1
UNCH ANGED	93	4	75	14
MORE	22	i	15	6
LONSUMER INSTALMENT LOANS				
LESS	3	٥	Ž	1
UNCHANGED	85	ŏ	73	12
* · · · · · · · · · · · · · · · · · · ·		ŏ		
HORE	34	U	14	20
SINGLE FAMILY MORTGAGE LOANS				
LESS	8	3	4	1
UNCHANGED	103	7	90	6
MORE	10	O	7	3
MULTI-FAMILY MORTGAGE LDANS				
LESS	17	7	10	0
UNCHANGED	102	Š	97	ŏ
MORE	1	ő	1	ŏ
ALL OTHER MORTGAGE LOANS				
LESS	16	7	8	1
UNCH ANGED	97	6	87	4
MORE	6	õ	3	2
Line C	•	U	3	~
FARTICIPATION LOANS WITH CORRESPONDE		_	_	_
LESS	6	1	5	0
UNCHANGED	1C1	0	90	9
MORE	16	0	10	6
LOANS TO BROKERS				
LESS	10	3	7	0
UNCHANGED	101	C	93	5
MORE	11	0	8	3

A CRGSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

	AUG. 15, 1975	AUGU	ST 15, 1975		
LENDING TO NONFINANCIAL BUSINESSES	NUMBER OF BANKS	NUI FIRMER	MBER OF BANK ESSENTIALLY UNCHANGED	-	
ELIMINO TO MUNICIPAL DOGINESOLS					
INTEREST RATES CHARGED		COMPENSA	ATING OR SUP	PORTING I	BALANCES
FIRMER	48	17	31	O	
ESSENTIALLY UNCHANGED	7 2	3	68	1	
EASIER	3	0	2	1	
NEW CUSTOMERS		ESTABLI:	SHED CUSTOME	RS	
FIRMER	12	5	7	0	
ESSENTIALLY UNCHANGED	92	O	91	1	
EASIER	19	0	4	10	
VALUE AS DEPOSITOR OR					
SOURCE OF COLLATERAL BUSINESS		INT ENDE	USE OF THE	LOAN	
FIRMER	17	5	12	0	
ESSENTIALLY UNCHANGED	103	2	95	6	
EAS1ER	3	0	3	0	
LENDING TO "NONCAPTIVE" FINANCE COMPA	NIES				
INTEREST RATES CHARGED		COMPENSA	ATING OR SUP	PORTING E	BALANCES
FIRMER	24	3	21	0	
ESSENTIALLY UNCHANGED	98	5	93	C	
EASIER	1	0	1	0	
COMPENSATING OR SUPPORTING BALANCES		ENFORCE	MENT OF BALA	NCE REQUI	REMENTS
FIRMER	ક	7	1	G	
ESSENTIALLY UNCHANGED	115	7	108	0	
EASIER	0	0	Ü	0	
COMPENSATING OR SUPPORTING BALANCES		ESTABLIS	SHING NEW OR	LARGER (REDIT LINES
FIRMER	8	5	3	0	
ESSENTIALLY UNCHANGED	115	18	93	4	
EAST ER	c	0	0	0	

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TABLE 5 (CONTINUED)

A LROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

		AUG. 15, 1975	AUGU	ST 15, 1975		
			NUMBER OF BANKS			
		NUMBER		ESSENTIALLY		
		OF BANKS	LESS	UNCHANGED	MORE	
WILLINGNESS TO	MAKE OTHER TYPES OF LO	ANS				
TERM LOANS TO	BUSINESSES		MATURIT	Y OF TERM LOAD	NS	
	LESS	10	3	7	0	
	ESSENTIALLY UNCHANGED	92	5	87	0	
	MORE	21	0	18	3	
SINGLE FAMILY	MORTGAGE LOANS		MULTI-F	AMILY MORTGAG	E LOANS	
	LESS	10	8	2	Q	
	ESSENTIALLY UNCHANGED	101	4	96	0	
	MORE	10	O	10	0	
SINGLE FAMILY MORTGAGE LOANS		ALL OTHER MORTGAGE LOAMS				
	LESS	16	7	3	0	
	ESSENTIALLY UNCHANGED	101	6	91	4	
	MORE	10	0	7	3	
TERM LUANS TO	BUSINESSES		CONSUME	R INSTALMENT	LOANS	
	LESS	10	G	7	3	
	ESSENTIALLY UNCHANGED	92	0	74	17	
	MORE	21	0	8	13	
			PARTICI	PATION LOAMS	WITH	
TERM LGANS TO	BUSINESSES		CORRESP	ONDENT BANKS		
	LESS	16	1	8	0	
	ESSENTIALLY UNCHANGED	92	Q.	85	6	
	MORE	21	0	12	9	
TERM LOANS TO	PUSINESSES		LOANS TO BROKERS			
	LESS	10	3	5	1	
	ESSENTIALLY UNCHANGED	92	0	86	4	
	MORE	21	G	18	3	

A CRGSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

		AUG. 15, 1975	AUGU:	ST 15, 1975		
		NUMBER	NUI	MBER OF BANKS	5	
		DF BANKS	FIRMER	UNCHANGED	EASIER	
STRENGTH OF DI	EMAND FOR COMMERCIAL AND ANS				LAGEN	
			INTEREST	T RATES CHARG	SED	
COMPARED TO	THREE MONTHS AGO			INANCIAL BUS		
CONTANTO 10	STRONGER	9	6	3	0	
	ESSENTIALLY UNCHANGED	5 9	27	32	ŏ	
	WEAKER	55	15	37	3	
LCMPARED TO	THREE MONTHS AGO		COMPENSA	ATING OR SUPI	PORTING BA	LANCES
	STRONG ER	9	1	8	G	
	ESSENTIALLY UNCHANGED	59	15	44	0	
	WEAKER	55	4	49	2	
CUMPARED TO	THREE MONTHS AGO		STANDAR	S OF CREDIT	WORTHINES	s
	STRONGER	9	2	7	0	
	ESSENTIALLY UNCHANGED	59	10	49	Ū	
	WEAKER	55	6	49	0	
COMPARED TO	THREE MONTHS AGO		MATURITY	Y OF TERM LOA	NS	
	STRONGER	9	1	7	1	
	ESSENTIALLY UNCHANGED	59	5	53	1	
	WEAKER	55	2	52	1	
COMPARED TO	THREE MONTHS AGO		NEW CUST	TOMERS		
	STRONGER	9	1	É	2	
	ESSENTIALLY UNCHANGED	59	10	46	3	
	WEAKER	55	1	46	14	
				TIVE FINANCE		
CUMPARED TO	THREE MONTHS AGO			MENT OF BALAN	<i>I</i> CE REQUIR	ements
	STRONGER	9	2	7	G	
	ESSENTIALLY UNCHANGED	59	9	50	0	
	WEAKER	55	3	52	0	
				TIVE FINANCE		
COMPARED TO	THREE MONTHS AGC			SHING NEW CR	LARGER CR	EDIT LINES
	STRONGER	9	5	4	0	
	ESSENTIALLY UNCHANGED	59	9	48	2	
	WEAKER	55	9	44	2	

A CRUSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

	AUG. 15, 1975	AUGU	ST 15, 1975			
	NUMBER		MBER OF EANKS ESSENTIALLY			
STRENGTH OF DEMAND FOR COMMERCIAL AND	OF BANKS	LESS	UNCHANGED	MORE		
INCUSTRIAL LOANS						
		WILLIAMS	NESS TO MAKE			
COMPARED TO THREE MONTHS AGD			ANS TO BUSINE	2322		
STRONGER	9	1	5	3		
ESSENTIALLY UNCHANGED	59	ż	42	10		
WEAKER	55	ż	45	8		
		WILLING	WILLINGNESS TO MAKE			
COMPARED TO THREE MONTHS AGO		CONSUME	R INSTALMENT			
STRONGER	9	0	4	5		
ESSENTIALLY UNCHANGED	-	ŷ	44	14		
WEAKER	55	0	41	14		
		WILLING	NESS TO MAKE			
COMPARED TO THREE MONTHS AGO		SINGLE	FAMILY MORTGA	GE LOANS		
STRONGER	9	2	5	2		
ESSENTIALLY UNCHANGED	59	5	49	3		
WEAKER	55	3	47	5		
			NESS TO MAKE			
COMPARED TO THREE MONTHS AGO	_		AMILY MORTGAG			
STRUNGER	ç	Ų	9	0		
ESSENTIALLY UNCHANGED		6	50	0		
WÈ AKER	55	6	49	G		
		WILLING	NESS TO MAKE			
COMPARED TO THREE MONTHS AGD		ALL DTH	ER MORTGAGE L	DANS		
STRONGER	9	0	8	1		
ESSENTIALLY UNCHANGED	- -	7	45	5		
WEAKER	55	6	48	1		
			NESS TO MAKE			
			PATION LOANS	WITH		
COMPARED TO THREE MONTHS AGO	_		ONDENT BANKS	_		
STRONGER	9	Ç	.7	2		
ESSENTIALLY UNCHANGED	_	1	51	5		
WEAKER	55	0	47	8		
		WILLING	NESS TO MAKE			
COMPARED TO THREE MONTHS AGO		LUANS T	O BROKERS			
STRUNGER	9	1	•	2		
ESSENTIALLY UNCHANGED	54	2	52	3		
WEAKER	55	u	51	3		

TABLE 5 (CONTINUED)

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

PAGE 17

	AUG. 15, 1975	AUGU:	ST 15, 1975		
	NUMBER OF BANKS	NUI FIRMER	MBER OF BANKS ESSENTIALLY UNCHANGED	EASIER	
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS					
ANTICIPATED DEMAND IN NEXT 3 MONTHS		COMPENS	ATING OR SUPP	ORTING BA	LANCES
STRONGER	57	10	46	1	
ESSENTIALLY UNCHANGED	55	ě	47	ō	
WEAKER	11	2	8	1	
ANTICIPATED LEMAND IN NEXT 3 MONTHS		STANDARI	S OF CREDIT	WORTHINES	5
STRONGER	57	8	49	C	
ESSENTIALLY UNCHANGED	55	7	48	ø	
WEAKER	11	3	8	0	
ANTICIPATEL DEMAND IN NEXT 3 MONTHS		MATURITY	Y OF TERM LOA	NS	
STRONGER	57	5	51	1	
ESSENTIALLY UNCHANGED	55	2	52	1	
WE AKER	11	1	9	1	
ANTICIFATED DEMAND IN NEXT 3 HONTHS		NEW CUST	TOMERS		
STRONGER	57	7	44	6	
ESSENTIALLY UNCHANGED	55	3	43	9	
WEAKER	11	2	5	4	
ANTICIPATED DEMAND IN NEXT 3 MONTHS			PTIVE FINANCE SHING NEW OR		
STRONGER	57	14	41	2	
ESSENTIALLY UNCHANGED	55	7	46	2	
WEAKER	11	2	9	C	
			ESSENTIALLY		
		LESS	UNCHANGED	MORE	
ANTICIPATED DEMAND IN NEXT 3 MONTHS			NESS TO MAKE Ans to Busine	SSES	
STRONGER	57	6	42	9	
ESSENTIALLY UNCHANGED	55	ž	43	10	
WEAKER	11	2	7	2	