

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

March 9, 1976

TO: Federal Open Market Committee

FROM: Arthur L. Broida CM13

Attached, for your information, is a report on changes in bank lending practices, based on a study conducted on February 15, 1976.

Attachment

BOARD OF GOVERNORS

# **Office Correspondence**

Date March 5, 1976

To Mr. Ettin

From Virginia Lewis

Subject: Changes in Bank Lending

Practices February 15, 1976

Responses to the Survey of Bank Lending Practices conducted on February 15, 1976, suggest that for the most part banks did not anticipate the further erosion in business loan volume that occurred over the November-December period. A comparison with the survey taken in mid-November reveals that the commercial loan demand, as forecast in November by the respondents for the next three months, did not materialize. While 28 per cent of the panel in November had been hopeful of a moderate increase in loan demand in the November-February interval, in February only 7 per cent reported actually experiencing somewhat stronger borrowing demands. In addition, 64 per cent had anticipated in November, that demand would remain weak between the two surveys, but in February, loan demand was reported to have deteriorated further at 44 per cent of the banks and had continued to be slack at an equal proportion.

However, a significant proportion of the 121 large commercial banks reporting on the current survey are still expressing optimism for an upturn in the demand for commercial and industrial loans. Over onethird of the respondents are expecting, after allowance for normal seasonal variation, a moderate firming of business loan demand over the next quarter. The remaining 65 per cent see little or no change in new credit demands for the same period. (See Table 1, page 1.)

Although almost one-half of the banks did report a moderate easing in their interest rates charged to nonfinancial businesses and about 16 per cent a loosening of compensating balances requirements, this -2-

softening of price and nonprice terms of lending seems to be a reaction to the steep drop in the volume of business loans at these banks and is in line with the steady decline in the prime rate charged by most banks during the November to February interval. In general, however, non-price terms of lending, which had become quite restrictive over the past two years, still continued to be quite stringent for the February survey period. (See Table 1, pages 1 and 2.)

Probably in response to the continued overall weakness in loan demand over recent quarters, and the improved liquidity condition of most banks, the respondents did indicate a greater willingness to make all categories of loans included in the survey. About one-third of the banks are more willing to make terms loans to businesses and to make consumer loans. In addition, more banks are seeking participations with correspondent banks and loans to brokers, in an effort, ostensibly, to replace declining business loan portfolios. Very few banks are more willing to make multifamily mortgage family loans, although 12 per cent reported they were more willing to make single family mortgage loans.

Despite some increased indication that banks were more willing lenders in February, several banks commented that they are not willing to relax standards of credit worthiness in order to increase loan volume. One of the significant unknowns for coming months is whether or not bankers-more willing to make loans after several quarters of loan contraction and improved liquidity--will begin to relax such standards in order to expand their loan portfolios.

TABLE 1

#### QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE U.S. 1/ (STATUS OF POLICY ON FEBRUARY 15, 1976 COMPARED TO THREE MONTHS EARLIER) (NUMBER OF BANKS & PERCENT OF TOTAL BANKS REPORTING)

	TO.	FAL	MUC S TR ON		MODERA Stron		ESSEN1 UNCH/	TALLY	MODER. WEAT		MUC WE AK	
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)	BANKS	PCT	BANKS	РСТ	BANKS	РСТ	BANKS	PCT	BANKS	PCT	BANK S	РСТ
COMPARED TO THREE MONTHS AGD	121	100.0	0	0.0	9	7.4	56	46.3	53	43.8	3	2.5
ANTICIPATED DEMAND IN NEXT 3 MONTHS	121	100.0	0	0.0	42	34.7	66	54.6	12	9.9	1	0.8
		ERING STION	FIR	ICH MER JICY	MODERA FIRM POLI	IER	ESSENT UNCHA POLI	NGED	MODER EAS POL	IER	EAS	JCH SIER .ICY
LENDING TO NONFINANCIAL BUSINESSES	BANKS	PCT	BANKS	РСТ	BANKS	РСТ	BANKS	РСТ	BANKS	ΡርΤ	8ANK S	РСТ
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	121	100.0	o	0_0	3	2.5	58	47.9	60	49.6	0	0.0
COMPENSATING OR SUPPORTING BALANCES	121	100.0	0	0.0	3	2.5	99	81.8	19	15.7	0	0.0
STANDARDS OF CREDIT WORTHINESS	121	100.0	2	1.7	8	6.6	110	90.9	1	0.8	C	0.0
MATURITY OF TERM LOANS	121	100.0	1	0.8	1	8.0	108	89.3	10	8.3	1	0.8
REVIEWING CREDIT LINES OR LOAN APPLICATIO	NS											
ESTABLISHED CUSTOMERS	121	100.0	1	0.8	3	2.5	103	85.1	14	11.6	0	0.0
NEW CUSTOMERS	121	100.0	1	8.0	6	5.0	94	77.7	20	16.5	0	0.0
LOCAL SERVICE AREA CUSTOMERS	121	100.0	1	0.8	3	2.5	107	88.4	10	8.3	0	0.0
NONLOCAL SERVICE AREA CUSTOMERS	121	100.0	1	0.8	12	9.9	95	78.6	13	10.7	0	0.0

1/ SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF FEBRUARY 15, 1976.

NOT FOR QUOTATION OR PUBLICATION			TABLE 1	(CONTIN	IU ED I						PAG	GE 02
		ANSWERING QUESTION		ICH IMER LICY	MODERA FIRM POLI	ER		TIALLY ANGED ICY	MODER EAS POL	IER	EAS	ICH SIER .ICY
	BANKS	PC T	BANKS	PCT	BANKS	РСТ	BANK S	PCT	BANKS	PCT	<b>BANKS</b>	РСТ
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR Source of collateral business	121	100.0	1	0.8	9	7.4	104	86.0	7	5.8	0	0.0
INTENDED USE OF THE LOAN	121	100.0	0	0.0	6	5.0	105	86.7	10	8.3	O	0.0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	121	100.0	0	0.0	3	2.5	98	81.0	20	16.5	0	0.0
COMPENSATING OR SUPPORTING BALANCES	121	100.0	0	0.0	3	2.5	117	96.7	1	0.8	0	0.0
ENFORCEMENT OF BALANCE REQUIREMENTS	121	100.0	0	0.0	4	3.3	115	95.0	2	1.7	0	0.0
ESTABLISHING NEW OR LARGER CREDIT LINES	121	100.0	2	1.7	11	9.1	101	83.4	7	5.8	0	0.0
		ERING STION	CONSIDE LES WILL	5	MODERA LES WILL	S		TIALLY ANGED	MODER. Moi WIL		CONSIDE MOR WILL	E
WILLINGNESS TO MAKE OTHER TYPES OF LOANS	BANKS	PCT	BANKS	PCT	BANKS	РСТ	BANKS	PCT	BANKS	PCT	BANK S	РСТ
TERM LOANS TO BUSINESSES	121	100.0	0	0.0	4	3.3	79	65.3	37	30.6	1	8.0
CONSUMER INSTALMENT LOANS	1 2 <b>0</b>	100.0	0	0.0	3	2.5	81	67.5	34	28.3	2	1.7
SINGLE FAMILY MORTGAGE LOANS	120	100.0	1	8.0	1	0.8	103	85.9	13	10.0	Ξ	1.7
MULTI-FAMILY MORTGAGE LOANS	120	100.0	1	0.8	7	5.8	109	90.9	3	2.5	Û	0.0
ALL OTHER MORTGAGE LOANS	120	100+0	1	0.8	3	2.5	109	90.9	7	5.8	C	<b>∂</b> ∎0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	121	100.0	0	0.0	5	4.1	92	76.1	24	19.8	0	0.0
LDANS TO BROKERS	121	100.0	0	0.0	1	0.8	98	81.0	21	17.4	1	0.8

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 2

#### COMPARISON OF QUARTERLY CHANGES IN BANK LENDING PRACTICES AT BANKS GROUPED BY SIZE OF TOTAL DEPOSITS 1/ (STATUS OF POLICY ON FEBRUARY 15, 1976, COMPARED TO THREE MONTHS EARLIER) (NUMBER UF BANKS IN EACH COLUMN AS PER CENT OF TOTAL BANKS ANSWERING QUESTION)

	SIZE IDF BANK TOTAL DEPOSITS IN BILLIONS											
	т	TOTAL		icih Niger	MODER Stro			TIALLY ANGED	MODER WEA			CH Ker
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLUWANCE FOR BANK'S USUAL SEASONAL VARIATION)	<b>\$1 &amp;</b> Over	UNDER \$1	<b>\$1 &amp;</b> Over	IUNDER \$1	\$1 & O <b>v</b> er	UNDER \$1	\$1 ዲ Over	UNDER \$1	\$1 & Over	UNDER \$1	\$1 & OVER	UNDER \$1
COMPARED TO THREE MONTHS AGO	100	100	0	0	8	7	55	40	37	49	0	4
ANTICIPATED DEMAND IN NEXT 3 MONTHS	100	100	0	0	37	33	53	56	10	10	Ō	1
	т	OTAL		NCH RMER	MODER FIR			TIALLY ANGED	MODER EAS			UCH SIER
LENDING TO NONFINANCIAL BUSINESSES	<b>\$1 ε</b> Over	UNDER \$1	<b>\$1 &amp;</b> ወver	IUNDER \$1	\$1 & UVER	UNDER \$1	\$1 & Dver	UNDER \$1	\$1 ዲ Over	UNDER \$1	\$1 & OV ER	UNDER \$1
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	0	0	2	3	54	43	44	54	٥	0
COMPENSATING DR SUPPORTING BALANCES	100	100	0	0	0	4	85	80	15	16	0	0
STANDARDS OF CREDIT WORTHINESS	100	100	2	1	6	7	90	92	2	0	0	٥
MATURITY OF TERM LOANS	100	100	0	1	0	1	90	89	8	9	2	0
REVIEWING CREDIT LINES OR LOAN APPLICATI	ONS											
ESTABLISHED CUSTOMERS	100	100	0	1	0	4	85	86	15	9	0	0
NEW CUSTOMERS	100	100	0	1	0	9	79	77	21	13	G	0
LOCAL SERVICE AREA CUSTOMERS	100	100	0	1	0	4	87	91	13	4	0	0
NONLOCAL SERVICE AREA CUSTOMERS	100	100	0	1	6	13	81	77	13	9	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 FEBRUARY 15, 1976.

TABLE 2 (CONTINUED)

PAGE	: 04
------	------

	NUMBER ANSWERING QUESTION		MUCH FIRMER POLICY		TOTAL DEPO Moderately Firmer Policy		ES SEN UNCH	N BILLIC TIALLY ANGED ICY	MODER Eas	ATELY Ier Icy	EA	UCH SIER LICY
	\$1 ይ Over	UNDER \$1	<b>\$1 &amp;</b> Over	UNDER \$1	\$1 & OVER	UNDER \$1	<b>\$1 &amp;</b> Over	UNDER \$1	<b>\$1 &amp;</b> Over	UNDER \$1	\$1 & ΟVER	UNDER \$1
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR DR Source of collateral business	100	100	0	1	2	12	90	83	8	4	0	0
INTENDED USE OF THE LOAN	100	100	0	0	O	9	88	85	12	6	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES	5											
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	0	0	2	3	83	80	15	17	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	0	0	2	3	98	96	0	1	0	0
ENFORCEMENT OF BALANCE REQUIREMENTS	100	100	0	0	2	4	96	95	2	1	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES	<b>10</b> 0	100	Ũ	3	6	12	86	81	8	4	0	0
	ANS	IMBER WERING IESTION	CONSIDE Les Will		MODER LE WIL			TIALLY ANGED	MO	RATELY RE LING	MO	ERABLY RE LING
WILLINGNESS TO MAKE OTHER TYPES OF LOANS	\$1 ይ Dver	UNDER \$1	<b>\$1 &amp;</b> ΟVER	IUNDER \$1	\$1 & Over	UNDER \$1	\$1 & Over	UNDER \$1	\$1 & Over	UNDER \$1	\$1 & Over	UNDER \$1
TERM LOANS TO BUSINESSES	100	100	0	0	0	6	77	56	21	38	2	o
CONSUMER INSTALMENT LOANS	100	100	0	0	0	4	67	68	33	25	O	3
SINGLE FAMILY MORTGAGE LUANS	100	100	Ũ	L	0	1	88	85	12	10	Û	3
MULTI-FAMILY MORTGAGE LOANS	100	100	0	L	2	9	98	86	Q	4	O	û
ALL OTHER MORTGAGE LOANS	100	100	0	1	0	4	98	86	2	9	0	0
PARTICIPATION LOANS WITH Correspondent banks	100	100	0	0	8	1	79	74	13	25	o	O
LOANS TO BROKERS	100	100	0	0	0	1	75	86	23	13	2	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

PAGE 05

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE U.S. 1/ STATUS OF POLICY ON FEBRUARY 15, 1976 COMPARED TO THREE MONTHS EARLIER (NUMBER OF BANKS))

	ALL DSTS	BOS- Ton		EW YOR CITY O	K UT <b>S</b> I DE	-	CLEVE- LAND	RICH-	ATLAN- TA	- CHIC- Ago	ST. LOUIS	MINNE- APOLIS	- KANS. CITY	DAL- LAS	SAN FRAN
STRENGTH OF DEMAND FOR COMMERCIAL INDUSTRIAL LOANS (AFTER ALLOWAL BANK'S USUAL SEASONAL VARIATIO	NCE FOR														
COMPARED TO 3 MONTHS AGO	121														
MUCH STRDNGER MODERATELY STRONGER ESSENTIALLY UNCHANGED MODERATELY WEAKER MUCH WEAKER ANTICIPATED DEMAND NEXT THREE MONTHS MUCH STRONGER MODERATELY STRONGER	0 9 56 53 3 121 0 42	0 0 2 5 1 0 3	0 1 6 9 0	0 4 4 0 0	0 1 2 5 0 0 3	0 6 0 0 3	0 3 8 0 2	0 6 2 0 2	0 1 3 6 0 0	0 2 9 4 0 0	0 1 4 0 0 5	0 0 1 2 0 0	0 2 4 3 0	0 1 5 3 0 0	0 1 9 3 0 0 5
ESSENTIALLY UNCHANGED MODERATELY WEAKER MUCH WEAKER	66 12 1	3 3 2 0	12 0 0	7 0 0	5 0 0	3 0 0	8 1 0	6 3 1	8 1 0	5 0 0	4 0 0	3 0 0	3 3 0	3 2 0	6 0 0
LENDING TO NONFINANCIAL BUSINESSES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MUDERATELY EASIER POLICY MUCH EASIER POLICY	0 3 58 60 0	0 0 5 3 0	0 1 10 5 0	0 6 2 Ŭ	0 1 4 3 0	0 0 3 3 0	0 0 3 8 0	0 0 6 0	0 1 4 5 0	0 1 8 6 0	0 4 5 0	0 0 2 1 0	0 5 4 0	0 0 5 4 0	0 0 3 10 0
COMPENSATING BALANCES	121														
MUCH FIRMER POLICY Moderately firmer policy Essentially unchanged policy Moderately easier policy Much easier policy	0 3 99 19 0	0 1 7 0 0	0 1 13 2 0	0 8 0 0	0 1 5 2 0	0 4 2 0	0 0 8 3 0	0 0 12 0 0	0 1 9 0 0	C 0 13 2 0	0 0 7 2 0	0 0 2 1 0	0 0 8 1 0	0 0 7 2 0	0 0 9 4 0

1/ SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF FEBRUARY 15, 1976.

NOT FOR QUOTATION OR PUBLICATION				Ĩ	TABLE 3	(CONTI	(NUED)							PAGE	06
LENDING TO NONFINANCIAL BUSINESSES	ALL DSTS	BOS- Ton		NEW YO . CITY	RK OUTSIDE	PHIL- ADEL.	CLEVE- LAND	RICH- Mond	ATLAN- TA	- CHIC AGO	ST. LOUIS	MINNE- APOLIS	- KANS. CITY	DAL- Las	SAN FRAN
TERMS AND CONDITIONS															
STANDARDS OF CREDIT WORTHINESS	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	2 8 110 1 0	0 0 8 0 0	1 4 11 0 0	0 8 0 0	1 4 3 0 0	0 6 0 0	0 1 10 0 0	1 10 0 0	0 0 10 0 0	0 0 15 0 0	0 9 0 0	0 0 3 0 0	0 9 0 0	0 9 0 0	0 2 10 1 0
MATURITY OF TERM LOANS	121														
MUCH FIRMER POLICY Moderately firmer policy Essentially unchanged policy Moderately easier policy Much easier policy	1 108 10 1	0 0 8 0 0	0 1 14 1 0	0 0 8 0 0	0 1 6 1 0	0 4 2 0	0 0 10 1 0	1 0 11 0 0	0 0 10 0	0 0 15 0 0	0 0 7 2 0	0 0 3 0	0 0 7 2 0	0 0 8 1 0	0 0 11 1 1
REVIEWING CREDIT LINES OR LOAN	s														
ESTABLISHED CUSTOMERS	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	1 3 103 14 0	0 0 8 0 0	0 1 12 3 0	0 0 7 1 0	0 1 5 2 0	0 0 6 0 0	0 0 9 2 0	1 9 1 0	0 1 9 0	0 0 13 2 0	0 9 0 0	0 0 2 1 0	0 9 0 0	0 0 6 3 0	0 0 11 2 0
NEW CUSTOMERS	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	1 6 94 20 0	0 0 6 2 0	0 4 8 4 0	0 0 7 1 0	0 4 1 3 0	0 6 0 0	0 0 7 4 0	1 1 10 0 0	0 1 9 0 0	0 0 12 3 0	0 9 0 0	0 0 3 0 0	0 0 7 2 0	0 0 7 2 0	0 0 10 3 0
LOCAL SERVICE AREA CUSTOMERS	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	1 3 107 10 0	0 0 8 0 0	0 2 12 2 0	0 0 7 1 0	0 2 5 1 0	0 6 0 0	0 0 10 1 0	1 1 10 0 0	0 0 10 0 0	0 0 13 2 0	0 0 8 1 0	0 0 3 0 0	0 0 9 0 0	0 0 7 2 0	0 0 11 2 0

Autorized for public release by the rowie Secretariat on 2/5/2021															
NOT FOR QUOTATION OR PUBLICATION					TABLE 3	CONT1	INUED)							PAGE	07
LENDING TO NONFINANCIAL BUSINESSES	ALL DSTS	BOS- Ton	N TOTAL	EW YOR CITY O			CLEVE- LAND	RICH- Mond	ATLAN- TA		ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
REVIEWING CREDIT LINES OR LOANS	S														
NONLOCAL SERVICE AREA CUST	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	1 12 95 13 0	0 0 8 0 0	0 4 10 2 0	0 0 7 1 0	0 4 3 1 0	0 6 0 0	0 0 9 2 0	1 2 9 0	0 4 6 0	0 0 13 2 0	0 0 8 1 0	0 0 3 0 0	0 0 7 2 0	0 1 5 3 0	0 1 11 1 0
FACTORS RELATING TO APPLICANT 2/															
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	7 0	0 1 7 0 0	1 2 13 0 0	0 8 0 0	1 2 5 0 0	0 0 6 0 0	0 1 10 0 0	0 1 11 0 0	0 1 9 0 0	0 1 12 2 0	0 1 8 0 0	0 1 2 0 0	0 0 9 0 0	0 0 7 2 0	0 0 10 3 0
INTENDED USE OF LOAN	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	0 6 105 10 0	0 0 7 1 0	0 2 14 0 0	0 0 8 0 0	0 2 6 0 0	0 5 1 0	0 1 10 0 0	0 1 9 2 0	0 1 9 0 0	0 0 13 2 0	0 9 0 0	0 0 3 0 0	0 1 8 0 0	0 0 8 1 0	0 0 10 3 0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	0 3 98 20 Ū	0 6 2 0	0 0 15 1 0	0 0 7 1 0	0 8 0 0	0 1 5 0 0	0 0 8 3 0	0 0 10 2 0	0 1 8 1 0	0 0 12 3 0	0 8 1 0	0 0 3 0 0	0 1 5 3 0	0 0 8 1 0	0 0 10 3 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.

	1	unon	200 10	i puolie	release	by the I		ceretari	at 011 2/3	12021					
NOT FOR QUOTATION OR PUBLICATION TABLE 3 (CONTINUED) P												PAGE	08		
LENDING TO "NONCAPTIVE" FINANCE COMPANIES	ALL DSTS	BOS- Ton		NEW YOR CITY D		PHIL- AUEL.	CLEVE- Land	RICH Mond	ATLAN- TA		ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- Las	SAN FRAN
TERMS AND CONDITIONS:															
SIZE OF COMPENSATING BALANCES	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	0 3 117 1 0	0 0 8 0 0	0 1 15 0 0	0 1 7 0 0	0 0 8 0 0	0 0 6 0 0	0 0 11 0 0	0 0 12 0 0	0 2 8 0 0	0 0 15 0 0	0 0 8 1 0	0 3 0 0	0 9 0 0	0 0 9 0 0	0 0 13 0 0
ENFORCEMENT OF Balance requirement	121														
MUCH FIRMER POLICY Moderately firmer policy Essentially unchanged policy Moderately easier policy Much easier policy	0 4 115 2 0	0 1 7 0	0 0 16 0 0	0 0 8 0 0	0 6 8 0 0	0 0 0 0	0 0 10 1 0	0 1 11 0 0	0 1 9 0 0	0 0 15 0 0	0 8 1 0	0 0 3 0 0	0 9 0 0	0 0 9 0 0	0 1 12 0 0
ESTABLISHING NEW OR LARGER CREDIT LINES	121														
MUCH FIRMER POLICY MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY MODERATELY EASIER POLICY MUCH EASIER POLICY	2 11 101 7 0	0 1 7 0 0	0 0 13 3 0	0 0 6 2 0	0 0 7 1 0	0 6 0 0	1 9 0 0	1 3 8 0 0	0 2 8 0 0	0 0 14 1 0	0 0 9 0	0 0 3 0 0	0 1 6 2 0	0 1 8 0 0	0 2 10 1 0
WILLINGNESS TO MAKE OTHER TYPES OF LOANS															
TERM LOANS TO BUSINESSES	121														
CONSIDERABLY LESS WILLING MODERATELY LESS WILLING ESSENTIALLY UNCHANGED MODERATELY MORE WILLING CONSIDERABLY MORE WILLING	0 4 79 37 1	0 0 4 4 0	0 1 12 3 0	0 0 8 0 0	0 1 4 3 0	0 0 4 2 0	0 0 8 3 0	0 1 8 3 0	0 2 6 2 0	0 0 13 2 0	0 0 5 4 0	0 0 2 1 0	0 4 5 0	0 4 5 0	0 9 3 1
CONSUMER INSTALMENT LOANS	120														
CONSIDERABLY LESS WILLING MODERATELY LESS WILLING ESSENTIALLY UNCHANGED MODERATELY MORE WILLING CONSIDERABLY MORE WILLING	0 3 81 34 2	0 0 7 1 0	0 0 11 3 1	0 0 6 1 0	0 0 5 2 1	0 0 3 3 0	0 0 8 3 0	0 0 8 3 1	0 2 4 4 0	0 0 11 4 0	0 0 6 3 0	0 0 3 0 0	0 0 7 2 0	0 1 5 3 0	0 0 8 5 0

realistized for public foldade by the Forrie Sectouriat on 2/3/2021															
NOT FOR QUOTATION OR PUBLICATION	N				TABLE 3	B (CONT)	(NUED)							PAGE	09
	ALL DSTS	BOS- TON	N TOTAL	EW YOR			CLEVE-		ATLAN- TA	CHIC-	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
WILLINGNESS TO MAKE OTHER TYPES OF LUANS															
SINGLE FAMILY MORTGAGE LOANS	120														
CONSIDERABLY LESS WILLING	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
MODERATELY LESS WILLING	1	0	0	0	0	0	0	0	0	0	C	0	1	0	0
ESSENTIALLY UNCHANGED	103	8	15	7	8	5	7	9	9	14	8	3	6	9	10
MODERATELY MORE WILLING	13	0	0	0	0	0	4	2	0	1	1	0	2	0	3
CONSIDERABLY MORE WILLING	2	0	0	0	0	1	0	1	0	0	0	0	0	0	0
MULTIFAMILY MORTGAGE LOANS	120														
CONSIDERABLY LESS WILLING	1	0	0	0	0	0	0	0	1	0	0	0	0	0 0	0
MODERATELY LESS WILLING	7	ŏ	2	0	2	0	1	0	2	1	1	0	0	0	0
ESSENTIALLY UNCHANGED	109	8	2 12 1	7	5	6	10	11	7	14	7	3	9	9	13
MODERATELY MORE WILLING	3	0	1	0	1	Û	0	1	0	0	1	0	0	0	0
CONSIDERABLY MORE WILLING	0	0	0	O	0	G	0	0	0	0	0	0	0	0	0
ALL OTHER MORTGAGE LOANS	120														
CONSIDERABLY LESS WILLING	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0
MODERATELY LESS WILLING	3	0	2	0	2	0	0	0	0	0	1	0	ò	0	0
ESSENTIALLY UNCHANGED	109	8	12	7	5	6	11	10	9	13	7	3	9	9	12
MODERATELY MORE WILLING	7	0	1	0	1	0	0	2	0	2	1	0	0	0	1
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTICIPATION LOANS WITH															
CORRESPONDENT BANKS	121														
CONSIDERABLY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	5	0 5	2 12 2	0	2	1	0	Ð	0	0	0	0	0	0	2
ESSENTIALLY UNCHANGED	92	5	12	6 2	6	4	11	12	8	13	7	3	6	2	9
MODERATELY MORE WILLING	24	3	2	2	0	1	0	0	2	2	2	0	3	7	2
CONSIDERABLY MORE WILLING	0	0	Ũ	0	0	0	0	0	0	0	0	Û	0	0	0
LOANS TO BROKERS	121														
CONSIDERABLY LESS WILLING	o	0	0	0	0	0	0	0	0	0	0	0	0	O	0
MODERATELY LESS WILLING	1	0	1	0	1	0	0	0	0	ú	0	0	0	0	0
ESSENTIALLY UNCHANGED	98	7	11	4	7	5	8	10	9	14	6	2	8	7	11
MODERATELY MORE WILLING	21	1	4	4	0	1	3	2	1	1	3	1	1	2	1
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1

NUMBER OF BANKS

123

TABLE 4

#### COMPARISON OF SELECTED RESPONSES IN THE NOVEMBER AND FEBRUARY SURVEYS

	NOV. 15, 1975	FEBRUAR		
	NUMBER	NUI STRONGER	BER OF BANK	S WEAKER
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	7	0	2	5
UNCHANGED	60	5	26	27
WEAKER	56	4	28	24
ANTICIPATED DEMAND THREE MONTHS HENO	E			
STRONGER	34	19	12	3
UNCHANGED	78	21	49	6
WEAKER	11	2	5	4
ANTICIPATED DEMAND THREE MONTHS HEN	E	COMPARED	TO THREE MON	THS AGD
STRONGER	34	3	16	15
UNCHANGED	78	5	38	33
WEAKER	11	1	2	8
LENDING TO NONFINANCIAL BUSINESSES		FIRMER	UNCHANGED	EASIER
INTEREST RATES CHARGED				
FIRMER	8	2	3	3
UNCHANGED	68	0	40	26
EASIER	47	1	15	31
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	6	1	4	1
UNCHANGED	110	2	90	16
EASIER	7	0	5	2
STANDARDS OF CREDIT WORTHINESS				
FIRMER	15	3	11	1
UNCHANGED	108	7	<b>99</b>	0
EASIER	0	0	0	0
MATURITY OF TERM LOANS				
FIRMER	6	0	6	0
UNCHANGED	110	2	98	8
EASIER	7	0	4	3

#### TABLE 4 (CONTINUED)

PAGE 11

	NOV. 15, 1975	FEBRUA		
	NUMBER OF BANKS	NUI FIRMER	BER OF BANK	-
REVIEWING CREDIT LINES OR LOAN APPLI	-	LINUER	UNCHANGED	EASIER
ESTABLISHED CUSTOMERS				
FIRMER	1	1	0	0
UNCHANGED EASIER	108 14	3 0	92 11	11 3
NEW CUSTOMERS				
FIRMER	9	3	5	1
UNCHANGED	97	3	78	14
EASIER	17	ĩ	11	5
LDLAL SERVICE AREA CUSTOMERS				
FIRMER	2	1	1	0
UNCHANGED	107	3	94	8
EASIER	14	õ	12	2
NONLOCAL SERVICE AREA CUSTOMERS				
FIRMER	8	4	4	0
UNCHANGED	104	9	82	11
EASIER	11	0	9	2
FACTORS RELATING TO APPLICANT VALUE AS DEPOSITOR OR				
SOURCE OF COLLATERAL BUSINESS				
FIRMER	9	1	7	1
UNCHANGED	109	9	95	3
EASIER	5	0	2	3
INTENDED USE OF THE LOAN				
FIRMER	3	1	2	0
UNCHANGE D	114	4	100	8
EASIER	6	1	3	2
LENDING TO "NONCAPTIVE" FINANCE COMP	ANIES			
TERMS AND CONDITIONS:				
INTEREST RATES CHARGED				
FIRMER	3	0	3	0
UNCHANGED	103	3	90	8
EASIER	16	0	4	12
COMPENSATING OR SUPPORTING BALANCE				
FIRMER	5	1	4	0
UNCHANGED	116	2	111	1
EASIER	1	Û	1	0

#### TABLE 4 (CONTINUED)

		NOV. 15, 1975	FEBRUA		
		NUMBER DF BANKS	NUI FIRMER	MBER OF BANKS UNCHANGED	EASIER
LENDING TO "NON	CAPTIVE" FINANCE COMPA	NIES			
TERMS AND CONDI	TIONS:				
ENFORCEMENT D	F BALANCE REQUIREMENTS				
	FIRMER	9	1	8	0
	UNCHANGED	113	3	106	2
	EASIER	0	0	0	0
ESTABLISHING	NEW OR LARGER CREDIT L	INES			
	FIRMER	20	3	15	2
	UNCHANGED	99	10	82	5
	EASIER	4	0	4	0
WILLINGNESS TO	MAKE OTHER TYPES OF LO	ANS	LESS	UNCHANGED	MORE
TERM COME TO					
TERM LOANS TO	LESS	4	2	2	0
	UNCHANGED	98	2	70	24
	MORE	21	Ő	7	14
		~*	•	•	
CONSUMER INST	ALMENT LOANS				
	LESS	1	0	1	0
	UNCHANGED	89	2	67	18
	MORE	32	1	13	18
SINGLE FAMILY	MORTGAGE LOANS				
	LESS	6	1	5	0
	UNCHANGED	104	1	90	11
	MORE	11	D	7	4
MULTI-FAMILY	MORTGAGE LOANS				
	LESS	9	4	5	0
	UNCHANGED	109	4	100	3
	MORE	2	0	2	0
ALL OTHER MOR	TGAGE LOANS				
	LESS	11	2	9	0
	UNCHANGED	104	2	95	5
	MORE	6	O	4	2
PARTICIPATION	LOANS WITH CORRESPONDE	NT BANKS			
	LESS	5	0	2	3
	UNCHANGED	105	5	85	13
	MORE	12	0	4	8
LOANS TO BROK	ERS				
	LESS	2	0	2	0
	UNCHANGED	110	1	90	17
	MORE	10	0	5	5

TABLE 5

	FEB. 15, 1976	FEBRUA	RY 15, 1976		
	NUMBER		MBER DF BANK ESSENTIALLY	-	
LENDING TO NONFINANCIAL BUSINESSES	OF BANKS	FIRMER	UNCHANGED	EASIER	
INTEREST RATES CHARGED		COMPENS	ATING OR SUP	PORTING BA	LANCES
FIRMER	3	2	1	0	
ESSENTIALLY UNCHANGE	58	1	53	4	
EASIER	60	0	45	15	
NEW CUSTOMERS		ESTABLI	SHED CUSTOME	RS	
FIRMER	7	3	3	1	
ESSENTIALLY UNCHANGED	3 94	1	90	3	
EASIER	20	0	10	10	
VALUE AS DEPOSITOR OR					
SOURCE OF COLLATERAL BUSINESS		INTENDE	D USE OF THE	LOAN	
FIRMER	10	3	7	0	
ESSENTIALLY UNCHANGED	) 104	3	96	5	
EASIER	7	0	2	5	
LENDING TO "NONCAPTIVE" FINANCE COMPA	ANIES				
INTEREST RATES CHARGED		COMPENS	ATING DR SUP	PORTING BA	LANCES
FIRMER	3	1	2	0	
ESSENTIALLY UNCHANGE	<b>98</b>	2	95	1	
EASIER	20	0	20	0	
COMPENSATING OR SUPPORTING BALANCES	5	ENFORCE	MENT OF BALA	NCE REQUIR	EMENTS
FIRMER	3	1	2	0	
ESSENTIALLY UNCHANGE	) 117	3	113	1	
EASIER	1	0	0	1	
COMPENSATING OR SUPPORTING BALANCES	5	ESTABLI	SHING NEW DR	LARGER CR	EDIT LINES
FIRMER	3	1	2	0	
ESSENTIALLY UNCHANGED	) <b>117</b>	12	98	7	
EASIER	1	0	1	0	

#### TABLE 5 (CONTINUED)

		FEB. 15, 1976	FEBRUA	RY 15, 1976		
		NUMBER	NU	MBER OF BANKS ESSENTIALLY		
		OF BANKS	LESS	UNCHANGED	MORE	
WILLINGNESS TO I	AKE OTHER TYPES OF L	DANS				
TERM LOANS TO	BUSINESSES		MATURIT	Y OF TERM LOA	NS	
	LESS	4	1	3	0	
	ESSENTIALLY UNCHANGE	D 79	1	77	1	
	MORE	38	0	28	10	
SINGLE FAMILY	MORTGAGE LOANS		MULTI-F	AMILY MORTGAG	E LOANS	
	LESS	2	1	1	0	
	ESSENTIALLY UNCHANGE	D 103	7	95	1	
	MORE	15	0	13	2	
SINGLE FAMILY	MORTGAGE LOANS	ALL OTHER MORTGAGE LOANS				
	LESS	2	1	1	0	
	ESSENTIALLY UNCHANGE	D 103	3	96	4	
	MURE	15	0	12	3	
TERM LOANS TO	BUSINESSES		CONSUME	R INSTALMENT	LOANS	
	LESS	4	1	3	0	
	ESSENTIALLY UNCHANGE		2	55	21	
	MURE	38	D	23	15	
			PARTICI	PATION LOANS	WITH	
TERM LDANS TO			CORRESPONDENT BANKS			
	LESS	4	Û	3	1	
	ESSENTIALLY UNCHANGE		4	67	8	
	MURE	38	1	22	15	
TERM LOANS TO	BUSINESSES		LOANS T	O BROKERS		
	LESS	4	0	3	1	
	ESSENTIALLY UNCHANGE		1	66	12	
	MORE	38	0	29	9	

#### TABLE 5 (CONTINUED)

#### PAGE 15

			FEB. 15	, 1976	FEBRUA	RY 15, 1976		
STRENGTH O	- n	EMAND FOR COMMERCIAL AND	OF I	MBER BANK S	NU FIRMER	MBER OF BANK Essentially Unchanged		
INDUSTRIAL								
					INTERES	T RATES CHAR	GED	
COMP AR ED	TO	THREE MONTHS AGD			TO NONF	INANCIAL BUS	INESSES	
		STRONGER		9	1	5	3	
		ESSENTIALLY UNCHANGED		56	0	30	26	
		WEAKER	:	56	2	23	31	
COMPARED	то	THREE MONTHS AGO			COMPENS	ATING OR SUP	PORTING	BALANCES
		STRONGER		9	1	7	1	
		ESSENTIALLY UNCHANGED		56	0	48	8	
		WEAKER		56	2	44	10	
COMPARED	το	THREE MONTHS AGO			STANDAR	DS OF CREDIT		ESS
		STRONGER		9	1	8	0	
		ESSENTIALLY UNCHANGED	1	56	4	52	0	
		WEAKER		56	5	50	1	
COMPARED	TO	THREE MONTHS AGD			MATURIT	Y OF TERM LO.	ANS	
		STRONGER		9	0	6	3	
		ESSENTIALLY UNCHANGED		56	0	51	5	
		WEAKER		56	2	51	3	
COMPARED	to	THREE MONTHS AGO			NEW CUS	TOMERS		
•		STRONGER		9	0	4	5	
		ESSENTIALLY UNCHANGED	1	56	2	48	6	
		WEAKER	!	56	5	42	9	
					("NONCA	PTIVE FINANC	E COMPAN	IES")
COMPARED	TO	THREE MONTHS AGO			ENFORCE	MENT OF BALA	NCE REQU	IREMENTS
		STRONGER		9	0	9	0	
		ESSENTIALLY UNCHANGED		56	1	54	1	
		WEAKER	:	56	3	52	1	
					( INDING A	PTIVE FINANC		1ES=)
COMPARED	TO	THREE MONTHS AGO			ESTABLI	SHING NEW OR	LARGER	CREDIT LINES
		STRONGER		9	0	8	1	
		ESSENTIALLY UNCHANGED		56	5	47	4	
		WEAKER	:	56	8	46	2	

#### TABLE 5 (CONTINUED)

	FEB. 15, 1976	FEBRU	ARY 15, 1976	
	NUMBER	N	UMBER OF BANKS ESSENTIALLY	
	OF BANKS	LESS	UNCHANGED	MORE
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS				
COMPARED TO THREE MONTHS AGO			GNESS TO MAKE Dans to busine	SSES
STRONGER	9	1	5	3
ESSENTIALLY UNCHANGED	-	ō	44	12
WEAKER	56	3	30	23
COMPARED TO THREE MONTHS AGO			GNESS TO MAKE ER INSTALMENT	LOANS
STRONGER	9	0	7	2
ESSENTIALLY UNCHANGED	56	1	37	17
WEAKER	56	2	37	17
COMPARED TO THREE MONTHS AGD			GNESS TO MAKE FAMILY MORTGA	GELIDANS
STRONGER	9	0	8	1
ESSENTIALLY UNCHANGED	56	Ō	49	6
WEAKER	56	2	46	8
			GNESS TO MAKE	
COMPARED TO THREE MONTHS AGO	-		FAMILY MORTGAG	
STRONGER	9	0	•	0
ESSENTIALLY UNCHANGED Wéaker	56 56	4	50 50	1 2
		-		-
COMPARED TO THREE MONTHS AGO			GNESS TO MAKE HER MORTGAGE L	DANC
STRONGER	9	ALL UN	9	0
ESSENTIALLY UNCHANGED	•	1	51	3
WEAKER	56	3	49	4
		PARTIC	GNESS TO MAKE	WITH
COMPARED TO THREE MONTHS AGO			PONDENT BANKS	
STRONGER	9	1	4	4
ESSENTIALLY UNCHANGED		4	42	10
WEAKER	56	0	46	10
COMPARED TO THREE MONTHS AGO			GNESS TO MAKE To brokers	
STRONGER	9	0	7	2
ESSENTIALLY UNCHANGED	-	ĩ	46	9
WEAKER	56	ō	45	ú
		-		

#### TABLE 5 (CONTINUED)

PAGE 17

	FEB. 15, 1976	FEBRUA	RY 15, 1976		
	NUMBER OF BANKS	NU FIRMER	IMBER OF BANK ESSENTIALLY UNCHANGED		
	OF URANS	T INTER	UNCHANGED	LADIER	
TRENGTH OF DEMAND FOR COMMERCIAL AND NOUSTRIAL LOANS					
ANTICIPATED DEMAND IN NEXT 3 MONTHS		COMPENS	ATING OR SUP	PORTING BAL	ANCES
STRONGER	42	1	35	6	
ESSENTIALLY UNCHANGED	66	2	53	11	
WEAKER	13	0	11	2	
ANTICIPATED DEMAND IN NEXT 3 MONTHS		STANDAR	DS OF CREDIT	WORTHINESS	
STRONGER	42	4	37	1	
ESSENTIALLY UNCHANGED	66	4	62	ō	
WEAKER	13	2	11	0	
ANTICIPATED DEMAND IN NEXT 3 MONTHS		MATURITY OF TERM LOANS			
STRONGER	42	1	37	4	
ESSENTIALLY UNCHANGED	66	0	59	7	
WEAKER	13	1	12	0	
ANTICIPATED DEMAND IN NEXT 3 MONTHS		NEW CUS	TOMERS		
STRONGER	42	1	29	12	
ESSENTIALLY UNCHANGED	66	3	56	7	
WEAKER	13	3	9	1	
		("NONCA	PTIVE FINANC	E COMPANIES	<b>*</b> }
ANTICIPATED DEMAND IN NEXT 3 MONTHS		ESTABLI	SHING NEW OR	LARGER CRE	DIT LINE
STRONGER	42	3	35	4	
ESSENTIALLY UNCHANGED	66	5	58	3	
WEAKER	13	5	8	0	
			ESSENTIALLY	,	
		LESS	UNCHANGED	MORE	
		WILLING	NESS TO MAKE		
ANTICIPATED DEMAND IN NEXT 3 MONTHS		TERM LO	ANS TO BUSIN	ESSES	
STRONGER	42	1	32	9	
ESSENTIALLY UNCHANGED	66	2	41	23	
WEAKER	13	1	6	6	