

SURVEY OF TERMS OF BUSINESS LENDING, MAY 6-10, 2002

June 26, 2002

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	4.07	41,956	284	628	47.9	14.2	17.9	80.0	Prime
2 Minimal risk	3.07	851	202	452	46.9	32.3	18.4	66.7	Domestic
3 Low risk	2.89	11,287	964	343	36.3	12.7	34.0	75.1	Fed Funds
4 Moderate risk	4.31	15,794	313	973	47.0	13.5	17.2	82.7	Prime
5 Other	5.10	10,029	179	518	65.3	14.1	7.6	87.3	Prime
6 Zero interval	4.66	10,723	203	519	52.5	17.5	13.0	74.7	Prime
7 Minimal risk	3.73	241	162	478	61.9	29.0	12.6	73.7	Prime
8 Low risk	2.97	2,841	548	126	15.8	4.8	24.7	47.7	Fed Funds
9 Moderate risk	5.11	3,687	187	866	67.6	21.3	11.2	87.2	Prime
10 Other	5.51	3,679	153	512	65.4	22.7	6.9	82.2	Prime
11 Daily	3.60	15,128	326	368	48.7	14.7	25.9	84.2	Prime
12 Minimal risk	3.37	54	120	204	42.3	26.1	1.2	80.2	Domestic
13 Low risk	2.38	4,680	3,046	272	45.5	15.7	57.3	89.0	Fed Funds
14 Moderate risk	3.80	5,189	404	483	42.6	17.0	20.8	84.3	Prime
15 Other	4.99	3,176	178	376	67.6	11.0	4.3	89.1	Prime
16 2 to 30 days	3.56	5,434	376	581	33.8	18.4	8.6	74.0	Other
17 Minimal risk	2.24	324	624	47	8.9	52.6	--	48.4	Domestic
18 Low risk	3.08	838	661	474	21.5	40.1	24.3	82.0	Other
19 Moderate risk	3.62	2,246	592	885	35.1	7.8	6.7	65.6	Prime
20 Other	4.52	1,242	174	415	58.5	8.1	9.0	96.9	Foreign
21 31 to 365 days	3.90	8,056	377	799	40.8	7.3	17.5	85.8	Foreign
22 Minimal risk	3.19	187	152	977	89.7	10.1	66.3	89.3	Foreign
23 Low risk	3.05	2,385	950	447	37.8	6.7	9.9	74.5	Foreign
24 Moderate risk	4.07	3,500	395	1,279	28.7	4.5	21.8	90.8	Foreign
25 Other	4.49	1,313	367	426	61.1	4.2	19.1	96.7	Other
				Months					
26 Over 365	6.01	2,422	218	70	76.1	6.2	13.9	70.4	Prime
27 Minimal risk	4.58	45	90	41	66.5	3.1	3.9	49.9	Other
28 Low risk	5.92	535	462	48	80.4	10.1	3.1	91.2	Prime
29 Moderate risk	6.24	1,047	241	92	79.6	3.3	28.9	66.2	Prime
30 Other	5.81	567	189	56	74.0	6.6	1.6	67.2	Other
Size and base rate									
			Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	5.89	2,798	3.4	146	81.2	26.5	3.0	83.5	Prime
32 100 - 999	5.20	8,814	3.4	143	72.4	19.1	3.4	88.5	Prime
33 1,000 - 9,999	4.22	12,579	3.1	143	47.8	14.1	17.2	87.8	Prime
34 10,000+	3.11	17,765	2.6	53	30.7	10.0	28.0	69.7	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.33	16,114	3.4	106	67.8	18.2	4.8	82.8	150
36 Fed funds	2.34	5,611	2.4	16	46.0	6.2	30.3	65.8	6,110
37 Other domestic	2.69	4,548	2.4	12	6.4	37.4	44.1	73.1	2,199
38 Foreign	3.49	6,640	2.9	50	38.3	5.3	28.3	90.5	981
39 Other	4.01	9,043	3.0	245	41.8	7.1	12.9	79.7	295

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, MAY 6-10, 2002

June 26, 2002

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	3.69	34,284	459	544	41.2	12.4	20.6	79.3	Prime
2 Minimal risk	2.47	532	843	386	49.4	39.9	25.1	61.2	Domestic
3 Low risk	2.52	10,067	3,512	272	30.9	12.0	37.9	74.7	Fed Funds
4 Moderate risk	3.88	12,643	554	849	36.8	11.8	18.9	81.8	Prime
5 Other	4.95	8,105	242	473	63.5	11.4	8.7	87.7	Prime
6 Zero interval	4.29	7,541	385	417	42.6	12.7	16.4	70.0	Prime
7 Minimal risk	3.07	130	553	198	73.1	22.7	7.2	78.9	Fed Funds
8 Low risk	2.61	2,494	4,174	79	7.1	2.4	27.8	43.6	Fed Funds
9 Moderate risk	4.86	2,302	280	672	54.6	17.9	14.7	86.5	Prime
10 Other	5.46	2,608	250	570	64.5	17.4	7.5	80.2	Prime
11 Daily	3.44	14,002	347	361	45.2	14.9	27.9	83.5	Prime
12 Minimal risk	3.09	48	199	210	36.0	25.1	1.1	79.2	Domestic
13 Low risk	2.32	4,584	5,272	256	44.6	15.3	58.5	89.2	Fed Funds
14 Moderate risk	3.52	4,567	420	497	36.0	17.8	23.7	82.6	Prime
15 Other	4.98	2,852	183	379	64.5	11.2	4.8	89.0	Prime
16 2 to 30 days	3.46	4,719	553	597	30.7	18.4	9.9	71.6	Other
17 Minimal risk	2.00	199	3,412	26	6.3	85.1	--	17.1	Domestic
18 Low risk	2.94	767	1,088	430	17.9	39.8	26.5	83.7	Other
19 Moderate risk	3.54	2,063	1,089	920	32.0	6.8	7.3	63.7	Prime
20 Other	4.38	1,038	225	327	55.0	7.2	10.7	96.4	Foreign
21 31 to 365 days	3.45	6,625	2,147	868	34.0	3.1	20.5	88.0	Foreign
22 Minimal risk	2.27	134	2,234	1,097	98.6	0.5	92.1	98.2	Foreign
23 Low risk	2.69	2,107	4,654	455	33.5	6.0	11.1	75.5	Foreign
24 Moderate risk	3.66	3,033	3,672	1,340	21.2	1.3	24.8	92.0	Foreign
25 Other	4.35	1,190	805	440	62.2	3.3	20.9	97.5	Foreign
				Months					
26 Over 365	4.84	1,229	639	42	62.8	1.2	6.2	68.0	Other
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	2.81	107	547	33	34.5	4.7	2.9	99.7	Other
29 Moderate risk	5.25	574	1,206	43	66.1	1.2	10.6	64.6	Other
30 Other	4.71	367	401	35	75.0	0.8	2.1	72.6	Other
Size and base rate									
				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	5.25	1,425	3.7	46	79.7	24.8	1.7	90.1	Prime
32 100 - 999	4.80	5,709	3.6	49	69.5	15.7	3.2	93.4	Prime
33 1,000 - 9,999	3.88	9,729	3.2	88	39.2	13.0	19.2	87.6	Prime
34 10,000+	3.09	17,421	2.6	53	30.0	9.9	28.6	69.1	Fed Funds
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.10	11,265	3.5	49	61.5	14.1	3.5	80.9	188
36 Fed funds	2.30	5,472	2.3	4	45.2	5.4	31.1	66.0	9,348
37 Other domestic	2.64	4,464	2.4	7	5.7	37.8	45.0	72.9	4,455
38 Foreign	3.49	6,063	3.0	47	39.4	4.6	30.8	90.6	1,049
39 Other	3.33	7,020	3.1	177	29.8	5.6	15.4	81.5	938

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, MAY 6-10, 2002

June 26, 2002

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	5.77	7,672	105	1,003	77.9	22.6	6.2	83.3	Prime
2 Minimal risk	4.07	319	89	572	42.8	19.7	7.2	75.7	Other
3 Low risk	5.93	1,220	138	948	81.3	18.6	2.1	78.4	Prime
4 Moderate risk	6.01	3,150	114	1,486	87.9	20.5	10.4	86.2	Prime
5 Other	5.73	1,924	85	700	72.7	25.4	3.2	85.9	Prime
6 Zero interval	5.52	3,182	96	762	76.1	29.1	5.0	85.7	Prime
7 Minimal risk	4.51	110	88	950	48.6	36.5	18.8	67.7	Prime
8 Low risk	5.50	347	76	527	78.9	22.3	2.7	77.3	Prime
9 Moderate risk	5.52	1,386	121	1,200	89.1	27.0	5.2	88.3	Prime
10 Other	5.61	1,071	79	388	67.7	35.7	5.3	87.1	Prime
11 Daily	5.61	1,126	187	454	92.2	12.4	0.0	92.4	Prime
12 Minimal risk	5.89	5	26	160	100.0	34.7	1.6	89.0	Prime
13 Low risk	5.39	96	144	1,098	87.4	35.2	--	76.8	Prime
14 Moderate risk	5.91	621	319	385	91.7	11.6	--	97.6	Other
15 Other	5.07	324	140	352	95.2	9.7	--	89.6	Prime
16 2 to 30 days	4.23	715	121	482	54.3	18.0	0.1	89.8	Prime
17 Minimal risk	2.61	125	271	81	13.1	0.9	--	98.2	Other
18 Low risk	4.61	71	126	828	60.5	44.0	0.4	63.1	Prime
19 Moderate risk	4.54	183	96	430	70.3	18.4	0.0	87.2	Prime
20 Other	5.22	203	80	835	76.0	12.9	0.3	99.4	Prime
21 31 to 365 days	5.98	1,430	78	464	72.2	26.8	3.7	76.0	Other
22 Minimal risk	5.56	53	45	674	67.1	34.5	0.4	66.5	Other
23 Low risk	5.81	278	135	389	71.0	12.7	0.9	67.5	Other
24 Moderate risk	6.75	467	58	835	77.7	25.2	2.8	82.8	Other
25 Other	5.89	123	58	282	51.3	12.6	1.6	89.1	Other
				Months					
26 Over 365	7.21	1,193	130	99	89.7	11.2	21.8	72.9	Prime
27 Minimal risk	5.83	26	53	54	100.0	5.3	6.8	17.6	Prime
28 Low risk	6.70	428	444	52	91.9	11.5	3.2	89.1	Prime
29 Moderate risk	7.46	473	122	151	96.0	5.9	51.1	68.0	Prime
30 Other	7.83	200	96	94	72.2	17.3	0.7	57.5	Other
Size and base rate				Weighted-Average Risk Rating ²					
				Weighted-Average Maturity/Repricing Interval ³					
				Days					
Size (\$thousands)									
31 1 - 99	6.56	1,373	3.2	249	82.8	28.3	4.4	76.6	Prime
32 100 - 999	5.94	3,105	3.1	313	77.6	25.4	3.9	79.5	Prime
33 1,000 - 9,999	5.41	2,850	2.9	327	77.1	17.9	10.2	88.6	Prime
34 10,000+	--	--	--	--	--	--	--	--	--
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.85	4,849	3.2	238	82.3	27.8	8.0	87.3	102
36 Fed funds	4.28	139	3.0	475	75.8	39.1	--	61.5	416
37 Other domestic	5.19	85	3.4	254	45.3	16.9	0.3	83.7	79
38 Foreign	3.41	577	2.5	75	27.0	12.3	1.2	89.1	582
39 Other	6.35	2,023	2.8	478	83.4	12.1	3.9	73.4	87

Footnotes appear on the last page.

SURVEY OF TERMS OF BUSINESS LENDING, MAY 6-10, 2002

TABLE 5

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	2.96	31,003	4,948	62	13.4	3.0	62.0	73.2	Foreign
2 Minimal risk	2.23	1,013	12,596	7	8.8	--	86.2	100.0	Foreign
3 Low risk	2.80	5,007	6,344	192	9.1	2.6	41.4	95.6	Fed Funds
4 Moderate risk	2.89	7,740	4,245	54	10.5	7.1	74.8	94.3	Foreign
5 Other	3.15	13,168	4,412	35	16.2	1.9	53.7	67.6	Fed Funds
6 Zero interval	4.02	2,088	1,760	557	55.6	7.2	3.6	98.8	Foreign
7 Minimal risk	--	--	--	--	--	--	--	--	--
8 Low risk	4.27	1,136	6,457	741	38.6	11.6	0.2	99.9	Foreign
9 Moderate risk	4.39	168	424	840	31.0	3.7	24.4	96.3	Prime
10 Other	5.49	195	370	960	42.1	6.4	15.8	90.4	Prime
11 Daily	2.65	15,361	10,174	2	8.6	--	60.7	57.6	Fed Funds
12 Minimal risk	--	--	--	--	--	--	--	--	--
13 Low risk	2.25	1,878	8,620	3	--	--	53.2	89.1	Fed Funds
14 Moderate risk	2.48	1,714	4,989	5	--	--	67.5	89.3	Fed Funds
15 Other	2.79	8,149	12,311	2	14.9	--	43.6	59.3	Fed Funds
16 2 to 30 days	3.34	5,010	3,696	21	13.8	14.3	59.3	82.1	Foreign
17 Minimal risk	--	--	--	--	--	--	--	--	--
18 Low risk	2.23	568	5,648	14	--	--	26.7	98.2	Fed Funds
19 Moderate risk	3.46	1,941	4,993	20	11.4	28.0	55.6	94.3	Foreign
20 Other	3.70	1,863	2,800	27	23.3	8.8	69.1	79.1	Foreign
21 31 to 365 days	3.00	8,467	3,869	77	10.6	0.0	80.8	89.7	Foreign
22 Minimal risk	--	--	--	--	--	--	--	--	--
23 Low risk	2.59	1,425	5,003	78	1.3	--	64.4	99.8	Foreign
24 Moderate risk	2.72	3,917	5,646	67	13.7	--	89.7	96.4	Foreign
25 Other	3.60	2,890	2,581	91	11.6	0.0	76.3	81.1	Foreign
				Months					
26 Over 365	--	--	--	--	--	--	--	--	--
27 Minimal risk	--	--	--	--	--	--	--	--	--
28 Low risk	--	--	--	--	--	--	--	--	--
29 Moderate risk	--	--	--	--	--	--	--	--	--
30 Other	--	--	--	--	--	--	--	--	--
Size and base rate									
				Weighted-Average Risk Rating ²	Weighted-Average Maturity/Repricing Interval ³				
				Days					
Size (\$thousands)									
31 1 - 99	4.62	37	3.8	41	32.0	10.6	17.9	83.9	Prime
32 100 - 999	4.00	939	3.6	26	24.8	6.0	46.1	89.3	Foreign
33 1,000 - 9,999	3.12	8,976	3.4	18	12.8	3.3	61.5	69.2	Fed Funds
34 10,000+	2.84	21,050	3.4	15	13.1	2.8	63.0	74.2	Foreign
									Average Size (\$thousands)
Base rate ⁶									
35 Prime ⁷	5.32	1,474	3.2	7	40.9	54.8	4.6	98.1	1,056
36 Fed funds	2.59	10,210	3.6	6	4.0	--	39.0	75.3	5,631
37 Other domestic	2.80	3,411	2.1	7	1.8	0.0	99.9	3.2	7,068
38 Foreign	2.98	13,730	3.2	29	10.8	1.0	85.1	94.4	6,083
39 Other	3.14	2,178	4.6	5	72.9	--	3.6	22.5	6,876

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 March 31, 2001, assets of the large banks were at least \$4 billion. Median total assets for all insured banks were roughly \$80 million. Assets at all U.S. branches and agencies averaged \$2.7 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 0.16 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 4.84 percent for all banks, 4.75 percent for large domestic banks, 5.09 percent for small domestic banks, and 4.75 percent for U.S. branches and agencies of foreign banks.