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CONFIDENTIAL (FR)

SUPPLEMENT

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

June 15, 1973

By the Staff
Board of Governors
of the Federal Reserve System

SUPPLEMENTAL NOTES

The Domestic Economy

Autos. Seasonally adjusted sales of new domestic-type autos in the first 10 days of June were at an 8.6 million unit annual rate, a little below the same period last year, and appreciably below the 10.1 million average of the first five months of this year.

New homes sold by merchant builders dropped further in April to a seasonally adjusted annual rate of 667,000, the lowest in more than a year. While homes available for sale edged down from their recent peak, they equaled a record 7.6 months' supply at the reduced April rate of sales. Partly reflecting upgrading in the mix of demands, however, the median price of homes sold in April advanced further--to \$32,800, up more than \$6,000 from a year earlier and well above the median price of homes still for sale.

The median price of existing homes sold in April was \$28,670, little changed from March and about 8 percent higher than in April of last year. Unlike merchant-builder sales of new homes, unit sales of existing homes were quite strong, at a level 13 percent above a year earlier.

NEW SINGLE FAMILY HOMES SOLD AND FOR SALE

	Homes	Homes	Median price of homes	
	Sold <u>1/</u>	for sale <u>2/</u>	Sold	For sale
	(Thousands of units)		(Thousands of dollars)	
<u>1972</u>				
QI	688	318	26.2	26.1
QIII	733	386	27.9	27.1
QIV (r)	761	402	29.0	28.3
<u>1973</u>				
QI (p)	725	426	30.5	29.4
February (r)	728	426	29.8	29.1
March (r)	717	426	31.4	29.4
April (p)	667	424	32.8	30.1

1/ SAAR.

2/ SA, end of period.

p - Preliminary r - Revised.

The Domestic Financial Situation

Nonbank thrift institutions. Estimates of deposits flows into mutual savings banks have been revised upward for the month of May. It now appears that the 5 percent annual growth rate recorded in April was maintained during May. Moreover, data from the New York State mutual savings banks indicate that net deposit flows during the first 5 business days of June were \$34 million, about equal to the \$37 million inflow in the comparable period in May, although below the \$52 million received in early June a year ago.

Mortgage rates. Average rates on home mortgages increased slightly further during May. According to the HUD(FHA) field office opinion survey which reflects market conditions toward the end of the month, the average contract interest rate on conventional first new-home mortgages in the primary market rose 5 basis points to 7.95 percent, the highest level since January 1971 and 40 basis points above the recent low in March 1972. The corresponding rate for conventional existing-home mortgages increased by 10 basis points to 8.00 percent. The average yield on FHA/VA mortgages in the private secondary market (including loans eligible for GNMA discount subsidy but excluding loans in the FNMA auction) increased 6 basis points to 7.79 percent--34 basis points above the low in March 1972.

Based on data for early May, the average effective interest rate on the limited volume of new commitments being made to prospective homebuyers for FHA/VA home mortgages was up by 7 basis points, according to the HUD series initiated last year. Rates on new-home loan commitments increased by more (14 basis points) than rates on existing-home loan commitments (5 basis points). DATA CONFIDENTIAL UNTIL RELEASED BY HUD.

AVERAGE RATES AND YIELDS ON NEW-HOME MORTGAGES

	Primary market: Conventional loans		Secondary market: FHA-insured loans		
	Level (percent)	Spread (basis points)	Level (percent)	Spread (basis points)	Discounts (points)
1971 - Low	7.55	-36	7.32	-27	2.5e
High	7.95	52	7.97	31	7.8
1972 - Low	7.55	15	7.45	5	3.7
High	7.70	61	7.57	48	4.7
Nov.	7.70	61	7.57	48	4.7
Dec.	7.70	55	7.56	41	4.6
1973 - Jan.	7.70	32	7.55	17	4.5
Feb.	7.75	35	7.56	16	4.6
Mar.	7.80	31	7.63	14	5.2
Apr.	7.90	44	7.73	27	5.9
May	7.95	44	7.79	28	6.4

NOTE: FHA series: interest rates on conventional first mortgages (excluding additional initial fees and charges) are rounded by FHA to the nearest 5 basis points. On FHA loans carrying the 7 percent ceiling rate in effect since mid-February 1971, a change of 1.0 points in discount is associated with a change of 12 to 14 basis points in yield. Gross yield spread is average mortgage return, before deducting servicing costs, minus average yield on new Aaa utility bonds.

e/ Estimated.

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CORRECTION:

The May 11, 1973 Supplement had an error in Appendix B, "The Treasury's Proposals for Tax Change". The revenue effect noted on page B-3 that would result from simplification of tax forms should have read "\$0.4 billion", instead of "\$4 billion".

Consumer instalment credit delinquencies. The delinquency rate on consumer instalment loans at commercial banks has increased further, according to the ABA series to be released later this month. For loans delinquent 30 to 89 days, the seasonally adjusted delinquency rate was 1.81 percent at the end of April, up from 1.72 percent in February and 1.55 percent a year earlier. Within categories, the rate rose on personal, home appliance, and indirect auto loans, and declined somewhat on direct auto loans.

At major finance companies the delinquency rate on auto contracts declined in April for the third consecutive month after seasonal adjustment. Contracts delinquent over 30 days averaged 2.19 percent of the total, approaching the more moderate levels of mid-1972. Other measures of collection experience, such as contracts refinanced, units repossessed, and losses on repossessions sold, were virtually unchanged from a year ago.

INTEREST RATES

	1973			
	Highs	Lows	May 14	June 14
<u>Short-Term Rates</u>				
Federal funds (wkly. avg.)	8.17 (6/13)	5.61 (1/3)	7.60 (5/9)	8.17 (6/13)
3-month				
Treasury bills (bid)	7.17 (6/14)	5.12 (1/4)	6.17	7.17
Comm. paper (90-119 day)	7.88 (6/14)	5.63 (1/12)	7.13	7.88
Bankers' acceptances	8.13 (6/14)	5.75 (1/11)	7.38	8.13
Euro-dollars	9.25 (3/2)	5.81 (1/5)	8.44	8.69
CD's (prime NYC) 60-89 day				
Most often quoted new	7.88 (6/13)	5.38 (1/3)	7.25 (5/9)	7.88 (6/13)
6-month				
Treasury bills (bid)	7.17 (6/14)	5.38 (1/4)	6.40	7.17
Comm. paper (4-6 mo.)	7.88 (6/14)	5.63 (1/12)	7.13	7.88
Federal agencies	7.47 (6/14)	5.64(1/3)	6.89	7.47
CD's (prime NYC) 180-269 day				
Most often quoted new	7.63 (6/13)	5.63 (1/3)	7.00 (5/9)	7.63 (6/13)
1-year				
Treasury bills (bid)	7.04 (6/4)	5.40 (1/4)	6.46	6.94
Federal agencies	7.53 (6/14)	5.86 (1/2)	7.08	7.53
CD's (prime NYC)				
Most often quoted new	7.25 (6/13)	5.75 (1/3)	7.00 (5/9)	7.25 (6/13)
Prime municipals	4.25 (6/6)	3.20 (1/3)	4.00 (5/9)	4.00 (6/13)
<u>Intermediate and Long-term</u>				
Treasury coupon issues				
5-years	6.92 (3/16)	6.23 (1/4)	6.80	6.63
20-years	7.02 (6/14)	6.04 (1/3)	6.98	7.02
Corporate				
Seasoned Aaa	7.37 (6/14)	7.10 (1/2)	7.27	7.37
Baa	8.15 (6/14)	7.88 (1/12)	8.03	8.15
New Issue Aaa Utility	7.58 (6/13)	7.29 (1/10)	7.40 (5/2)	7.58 (6/13)
Municipal				
Bond Buyer Index	5.35 (3/21)	5.00 (1/17)	5.10 (5/9)	5.13 (6/13)
Mortgage--implicit yield				
in FNMA auction <u>1/</u>	8.04 (6/11)	7.69 (1/8)	7.92 (4/30)	8.04 (6/11)

1/ Yield on short-term forward commitment after allowance for commitment fee and required purchase and holding of FNMA stock. Assumes discount on 30-year loan amortized over 15 years.

SUPPLEMENTAL APPENDIX A:
BANK CREDIT REVISION *

Reflecting data now available from the December 31, 1972, Call Report, seasonally adjusted bank credit data (last-Wednesday of month series) have been revised for the period July 1972 through April 1973. These revised data have been used in the current Greenbook tables.

December Call Report data indicate that growth in commercial bank credit was at a somewhat faster pace in the second half of 1972 than had been estimated previously on the basis of incomplete information. The additional credit expansion was reflected in all three credit areas--loans, U.S. Treasury securities, and other securities (Table I). A substantial part of the upward revision was associated with a too low estimate of credit growth between the last-Wednesday of December (December 27) and December 31. In addition to the usual "window dressing" during this period, a Treasury note financing occurred and net bank acquisitions of these securities were apparently underestimated. But holdings of other securities and loans also increased more rapidly in the last few days of December than had been indicated previously.

Over the second half of 1972, (Table II) total bank credit increased at an annual rate of 15.5 per cent, compared with an estimated 14.2 per cent. Corresponding figures for the fourth quarter were 16.4 per cent and 14.4 per cent, with the month of December showing the most substantial differences. Again, reflecting in part the "window dressing" error, credit growth in the first quarter of 1973 was lower than estimated--18.4 per cent versus 20.3 per cent.

Business, real estate, agricultural, security, and nonbank financial loans were all higher on the December call date than had been previously estimated. However, business loans were only nominally higher with practically no change in annual rates. Real estate loans were considerably higher increasing at an annual rate of 19.7 per cent over the second half of 1972 compared with an estimated 17.9 per cent. Consumer loans--which are taken from Consumer Credit statistics--were not affected by the benchmark revision.

Differences between total loans on the old and revised series also reflect the incorporation of revised data for commercial interbank loans which are deducted from total loans. The method of estimating these interbank loans was changed somewhat recently and the use of the new series contributed to differences in levels and month-to-month changes in total loans.

* Prepared by Mary Jane Harrington, Economist, Banking Section, Division of Research and Statistics.

Table I
Seasonally Adjusted Bank Credit ^{1/}
Comparison of Old and Revised Series
(In billions of dollars)

Period		Total loans and investments ^{1/}		U.S. Treasury securities		Other securities		Total loans ^{2/}		Business loans ^{2/}		Real estate loans		
		Old	Revised	Old	Revised	Old	Revised	Old	Revised	Old	Revised	Old	Revised	
1972--	July	26	524.2	523.7	62.3	62.3	111.2	111.3	350.7	350.1	122.9	122.9	90.6	90.7
	Aug.	30	532.2	531.5	61.4	61.4	112.3	112.5	358.6	357.7	125.4	125.4	92.1	92.3
	Sept.	27	537.5	537.9	62.0	62.0	113.3	113.5	362.3	362.4	126.0	126.1	93.2	93.6
	Oct.	25	542.6	542.7	59.9	59.9	113.3	113.6	369.4	369.2	128.2	128.1	94.5	95.0
	Nov.	29	551.9	552.3	60.6	60.6	115.1	115.6	376.1	376.1	129.9	129.8	96.1	96.7
	Dec.	31	556.8	560.0	62.0	62.4	115.6	116.9	379.2	380.8	130.8	131.0	97.3	98.1
1973--	Jan.	31	565.4	567.2	62.0	61.9	116.5	117.1	386.9	388.2	134.7	134.9	98.6	99.4
	Feb.	28	575.7	576.8	60.2	60.2	116.6	117.2	398.8	399.3	140.0	140.2	99.9	100.7
	Mar.	28	585.0	585.8	60.6	60.6	116.6	117.2	407.8	408.1	143.6	143.8	101.2	102.0
	Apr.	25	588.1	588.9	60.6	60.6	116.0	116.6	411.5	411.6	146.2	146.4	102.3	103.1

^{1/} Last Wednesday of month series.

^{2/} Includes outstanding amounts of loans reported as sold outright by banks to their own holding companies, affiliates, subsidiaries, and foreign branches.

NOTE: Data revised to reflect adjustments to December 31, 1972 Call Report benchmarks.

Table II
Seasonally Adjusted Bank Credit ^{1/}
Comparison of Old and Revised Series
(Seasonally adjusted changes at annual percentage rates)

Period	Total loans and investments ^{2/}		U.S. Treasury securities		Other securities		Total loans ^{2/}		Business loans ^{2/}		Real estate loans	
	Old	Revised	Old	Revised	Old	Revised	Old	Revised	Old	Revised	Old	Revised
1972--Year	14.0	14.6	2.1	2.8	10.6	11.9	17.3	17.7	12.1	12.3	19.5	20.5
2nd Half	14.2	15.5	-3.8	-2.5	9.0	11.4	19.2	20.1	14.1	14.4	17.9	19.7
3rd Qtr.	13.6	13.9	-7.6	-7.6	9.8	10.5	18.8	19.0	12.4	12.8	17.5	19.3
4th Qtr.	14.4	16.4	--	2.6	8.1	12.0	18.7	20.3	15.2	15.5	17.6	19.2
Oct.	11.4	10.7	-40.6	-40.6	--	1.1	23.5	22.5	21.0	19.0	16.7	17.9
Nov.	20.6	21.2	14.0	14.0	19.1	21.1	21.8	22.4	15.9	15.9	20.3	21.5
Dec.	10.7	16.7	27.7	35.6	5.2	13.5	9.9	15.0	8.3	10.9	15.0	17.4
1973--1st Qtr.	20.3	18.4	-9.0	-11.5	3.5	1.0	30.2	28.6	39.1	39.1	16.0	15.9
Jan.	18.6	15.4	--	-9.6	9.3	2.1	24.4	23.3	35.8	35.7	16.0	15.9
Feb.	21.9	20.3	-34.8	-33.0	1.0	1.0	36.9	34.3	47.2	47.1	15.8	15.7
Mar.	19.4	18.7	8.0	8.0	--	--	27.1	26.1	30.9	30.8	15.6	15.5
Apr.	6.4	6.4	--	--	-6.2	-6.1	10.9	10.6	21.7	21.7	13.0	12.9

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^{1/} Last Wednesday of month series.

^{2/} Includes outstanding amount of loans reported as sold outright by banks to their own holding companies, affiliates, subsidiaries, and foreign branches.

NOTE: Data revised to reflect adjustments to December 31, 1972, Call Report benchmarks.

SUPPLEMENTAL APPENDIX B

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES *
May 15, 1973

Approximately three-fourths of the respondents in the Bank Lending Practices Survey as of May 15 reported stronger C&I loan demands, while approximately two-thirds anticipated further strengthening of C&I demands over the next three months. (Table 1) Terms and conditions surrounding C&I lending virtually without exception were more restrictive, yielding the classic picture of tightening in a period of monetary restraint. In addition, banks were notably less willing to make nonresidential mortgage loans, participation loans, loans to brokers and dealers, and term loans to business, though there was no evidence of less willingness to lend to consumers.

Significant tightening occurred in all terms and conditions surrounding C&I lending, with the greatest move toward restriction in interest rates. The prime rate rose one percentage point over the interval covered by the survey, and 80 per cent of the respondents indicated more restrictive interest rate policies. The next greatest swing was in tighter policies regarding compensating balances, where over half of the banks reported greater firmness. Appreciably more stringent standards of credit worthiness and lessened willingness to make term loans to nonfinancial business were reported as well.

In reviewing credit lines and loan applications bankers also adopted firmer attitudes. Over half focused restraint on new or non-local service area customers. Comments made on the Survey indicated that with pressure to keep loan commitments under control there was a closer evaluation of the long-term benefits of new relationships and greater selectivity in the establishment of new or increased credit lines.

Terms and conditions associated with lending to finance companies, as might be expected, were also more restrictive--particularly regarding interest rates and lines of credit. Bankers, moreover, indicated less willingness to make term loans to business--with comments suggesting that uncertainty over the future course of interest rates may be a factor. Broker-dealer loans and mortgages--especially mortgages for nonresidential construction--also have fallen from favor. In fact, with only one exception, consumer instalment loans, bankers, on balance, were less willing to make loans of all types. The relative attractiveness of consumer instalment loans may be attributable to the current rate structure where there are pressures to hold down the prime rate and only sluggish upward movements in mortgage rates.

* Prepared by Richard H. Puckett, Senior Economist, Banking Section, Division of Research and Statistics.

In examining differences in responses by bank size in Table 2, it appears that a somewhat greater proportion of larger banks (\$1 billion and above in total deposits) expected stronger C&I loan demands in the future. Perhaps because they service a greater number of large national customers, a smaller per cent of the bigger banks reported more restrictive policies regarding credit worthiness and nonlocal service area customers. There were relatively few other substantial differences by bank size. But the larger banks were more restrictive towards term loan maturity, and placed less emphasis on the value of loan applicants as depositors.

Although by District, there were differences in responses on specific questions, these seemed to be largely random and not systematically associated with one area or the other. (Table 3)

TABLE 1

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES
 AT SELECTED LARGE BANKS IN THE U.S. 1/
 (STATUS OF POLICY ON MAY 15, 1973 COMPARED TO THREE MONTHS EARLIER)
 (NUMBER OF BANKS & PERCENT OF TOTAL BANKS REPORTING)

	TOTAL		MUCH STRONGER		MODERATELY STRONGER		ESSENTIALLY UNCHANGED		MODERATELY WEAKER		MUCH WEAKER	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)												
COMPARED TO THREE MONTHS AGO	125	100.0	23	18.4	69	55.2	30	24.0	3	2.4	0	0.0
ANTICIPATED DEMAND IN NEXT 3 MONTHS	125	100.0	13	10.4	69	55.2	41	32.8	2	1.6	0	0.0
	ANSWERING QUESTION		MUCH FIRMER POLICY		MODERATELY FIRMER POLICY		ESSENTIALLY UNCHANGED POLICY		MODERATELY EASIER POLICY		MUCH EASIER POLICY	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
LENDING TO NONFINANCIAL BUSINESSES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	125	100.0	24	19.2	76	60.8	25	20.0	0	0.0	0	0.0
COMPENSATING OR SUPPORTING BALANCES	125	100.0	17	13.6	51	40.8	57	45.6	0	0.0	0	0.0
STANDARDS OF CREDIT WORTHINESS	125	100.0	13	10.4	42	33.6	69	55.2	1	0.8	0	0.0
MATURITY OF TERM LOANS	125	100.0	7	5.6	39	31.2	78	62.4	1	0.8	0	0.0
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
ESTABLISHED CUSTOMERS	125	100.0	4	3.2	37	29.6	83	66.4	1	0.8	0	0.0
NEW CUSTOMERS	125	100.0	28	22.4	48	38.4	48	38.4	1	0.8	0	0.0
LOCAL SERVICE AREA CUSTOMERS	125	100.0	4	3.2	32	25.6	89	71.2	0	0.0	0	0.0
NONLOCAL SERVICE AREA CUSTOMERS	125	100.0	25	20.0	42	33.6	57	45.6	1	0.8	0	0.0

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1/ SURVEY OF LENDING PRACTICES AT 125 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF MAY 15, 1973.

TABLE 1 (CONTINUED)

	ANSWERING QUESTION		MUCH FIRMER POLICY		MODERATELY FIRMER POLICY		ESSENTIALLY UNCHANGED POLICY		MODERATELY EASIER POLICY		MUCH EASIER POLICY	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	125	100.0	18	14.4	58	46.4	49	39.2	0	0.0	0	0.0
INTENDED USE OF THE LOAN	125	100.0	13	10.4	36	28.8	76	60.8	0	0.0	0	0.0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	125	100.0	15	12.0	51	40.8	59	47.2	0	0.0	0	0.0
COMPENSATING OR SUPPORTING BALANCES	125	100.0	8	6.4	21	16.8	95	76.0	1	0.8	0	0.0
ENFORCEMENT OF BALANCE REQUIREMENTS	125	100.0	9	7.2	30	24.0	86	68.8	0	0.0	0	0.0
ESTABLISHING NEW OR LARGER CREDIT LINES	125	100.0	21	16.8	49	39.2	55	44.0	0	0.0	0	0.0
	ANSWERING QUESTION		CONSIDERABLY LESS WILLING		MODERATELY LESS WILLING		ESSENTIALLY UNCHANGED		MODERATELY MORE WILLING		CONSIDERABLY MORE WILLING	
	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT	BANKS	PCT
WILLINGNESS TO MAKE OTHER TYPES OF LOANS												
TERM LOANS TO BUSINESSES	125	100.0	13	10.4	41	32.8	68	54.4	3	2.4	0	0.0
CONSUMER INSTALMENT LOANS	124	100.0	1	0.8	0	0.0	111	89.5	11	8.9	1	0.8
SINGLE FAMILY MORTGAGE LOANS	123	100.0	3	2.4	16	13.0	100	81.3	4	3.3	0	0.0
MULTI-FAMILY MORTGAGE LOANS	122	100.0	6	4.9	24	19.7	92	75.4	0	0.0	0	0.0
ALL OTHER MORTGAGE LOANS	124	100.0	7	5.6	26	21.0	88	71.0	3	2.4	0	0.0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	123	100.0	5	4.1	17	13.8	100	81.3	1	0.8	0	0.0
LOANS TO BROKERS	124	100.0	11	8.9	34	27.4	77	62.1	2	1.6	0	0.0

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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.

COMPARISON OF QUARTERLY CHANGES IN BANK LENDING PRACTICES AT BANKS GROUPED BY SIZE OF TOTAL DEPOSITS 1/
 (STATUS OF POLICY ON MAY 15, 1973, 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											
	TOTAL		MUCH STRONGER		MODERATELY STRONGER		ESSENTIALLY UNCHANGED		MODERATELY WEAKER		MUCH WEAKER	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)												
COMPARED TO THREE MONTHS AGO	100	100	20	17	52	58	22	25	6	0	0	0
ANTICIPATED DEMAND IN NEXT 3 MONTHS	100	100	11	10	59	52	26	38	4	0	0	0
	TOTAL		MUCH FIRMER		MODERATELY FIRMER		ESSENTIALLY UNCHANGED		MODERATELY EASIER		MUCH EASIER	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
LENDING TO NONFINANCIAL BUSINESSES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	17	21	65	58	18	21	0	0	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	19	10	37	44	44	46	0	0	0	0
STANDARDS OF CREDIT WORTHINESS	100	100	9	11	31	35	60	53	0	1	0	0
MATURITY OF TERM LOANS	100	100	2	8	39	25	59	66	0	1	0	0
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
ESTABLISHED CUSTOMERS	100	100	4	3	28	31	68	65	0	1	0	0
NEW CUSTOMERS	100	100	20	24	39	38	41	37	0	1	0	0
LOCAL SERVICE AREA CUSTOMERS	100	100	4	3	22	28	74	69	0	0	0	0
NONLOCAL SERVICE AREA CUSTOMERS	100	100	13	25	33	34	54	40	0	1	0	0

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1/ SURVEY OF LENDING PRACTICES AT 54 LARGE BANKS (DEPOSITS OF \$1 BILLION OR MORE) AND 71 SMALL BANKS (DEPOSITS OF LESS THAN \$1 BILLION) REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF MAY 15, 1973.

TABLE 2 (CONTINUED)

	NUMBER ANSWERING QUESTION		SIZE OF BANK MUCH FIRMER POLICY		-- TOTAL DEPOSITS IN BILLIONS				MODERATELY EASIER POLICY		MUCH EASIER POLICY	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
FACTORS RELATING TO APPLICANT 2/												
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	100	100	11	17	44	48	45	35	0	0	0	0
INTENDED USE OF THE LOAN	100	100	9	11	33	25	58	64	0	0	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	9	14	39	42	52	44	0	0	0	0
COMPENSATING OR SUPPORTING BALANCES	100	100	6	7	19	15	73	78	2	0	0	0
ENFORCEMENT OF BALANCE REQUIREMENTS	100	100	6	8	31	18	63	74	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES	100	100	11	21	44	35	45	44	0	0	0	0
	NUMBER ANSWERING QUESTION		CONSIDERABLY LESS WILLING		MODERATELY LESS WILLING		ESSENTIALLY UNCHANGED		MODERATELY MORE WILLING		CONSIDERABLY MORE WILLING	
	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
WILLINGNESS TO MAKE OTHER TYPES OF LOANS												
TERM LOANS TO BUSINESSES	100	100	9	11	33	32	56	54	2	3	0	0
CONSUMER INSTALMENT LOANS	100	100	0	1	0	0	92	88	8	10	0	1
SINGLE FAMILY MORTGAGE LOANS	100	100	4	1	15	11	81	82	0	6	0	0
MULTI-FAMILY MORTGAGE LOANS	100	100	6	4	17	21	77	75	0	0	0	0
ALL OTHER MORTGAGE LOANS	100	100	6	6	17	24	77	66	0	4	0	0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	100	100	2	6	19	10	79	83	0	1	0	0
LOANS TO BROKERS	100	100	7	10	31	24	60	65	2	1	0	0

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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.

QUARTERLY SURVEY OF CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE U.S. 1/
STATUS OF POLICY ON MAY 15, 1973 COMPARED TO THREE MONTHS EARLIER
(NUMBER OF BANKS)

	ALL DSTS	BOS- TON	NEW YORK		PHIL- ADEL.	CLEVE- LAND	HICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN	
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)															
COMPARED TO 3 MONTHS AGO	125														
MUCH STRONGER	23	1	5	2	3	2	1	2	2	4	4	1	0	1	0
MODERATELY STRONGER	69	5	8	6	2	1	5	8	8	6	3	1	9	7	8
ESSENTIALLY UNCHANGED	30	2	6	0	6	2	4	2	0	5	2	1	0	1	5
MODERATELY WEAKER	3	0	1	1	0	1	1	0	0	0	0	0	0	0	0
MUCH WEAKER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ANTICIPATED DEMAND NEXT THREE MONTHS	125														
MUCH STRONGER	13	1	2	1	1	0	1	2	1	2	3	0	0	1	0
MODERATELY STRONGER	69	4	13	6	7	5	3	4	7	9	4	2	6	7	5
ESSENTIALLY UNCHANGED	41	3	5	2	3	0	7	6	2	3	2	1	3	1	8
MODERATELY WEAKER	2	0	0	0	0	1	0	0	0	1	0	0	0	0	0
MUCH WEAKER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LENDING TO NONFINANCIAL BUSINESSES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	125														
MUCH FIRMER POLICY	24	1	3	1	2	3	1	3	2	3	3	1	2	2	0
MODERATELY FIRMER POLICY	76	5	12	5	7	3	8	9	5	7	4	2	6	6	9
ESSENTIALLY UNCHANGED POLICY	25	2	5	3	2	0	2	0	3	5	2	0	1	1	4
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSATING BALANCES	125														
MUCH FIRMER POLICY	17	2	4	1	3	2	1	2	2	0	2	0	1	1	0
MODERATELY FIRMER POLICY	51	4	6	3	3	2	5	4	2	7	4	3	3	6	5
ESSENTIALLY UNCHANGED POLICY	57	2	10	5	5	2	5	6	6	8	3	0	5	2	8
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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1/ SURVEY OF LENDING PRACTICES AT 125 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF MAY 15, 1973.

TABLE 3 (CONTINUED)

	ALL DSTS	BOS- TON	NEW YORK		PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
LENDING TO NONFINANCIAL BUSINESSES		TOTAL	CITY	OUTSIDE										
TERMS AND CONDITIONS														
STANDARDS OF CREDIT WORTHINESS	125													
MUCH FIRMER POLICY	13	1	3	0	3	0	3	2	2	0	1	0	1	0
MODERATELY FIRMER POLICY	42	3	5	2	3	3	3	3	3	7	3	1	3	5
ESSENTIALLY UNCHANGED POLICY	69	4	12	7	5	3	5	7	5	8	5	2	5	3
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	0	0	0	0	1
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MATURITY OF TERM LOANS	125													
MUCH FIRMER POLICY	7	0	1	0	1	0	0	1	2	0	1	0	1	0
MODERATELY FIRMER POLICY	39	3	8	4	4	4	5	3	1	4	2	2	3	2
ESSENTIALLY UNCHANGED POLICY	78	5	11	5	6	2	6	8	7	11	6	1	5	5
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	0	0	0	0	1
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVIEWING CREDIT LINES OR LOANS														
ESTABLISHED CUSTOMERS	125													
MUCH FIRMER POLICY	4	0	1	0	1	0	0	1	1	0	1	0	0	0
MODERATELY FIRMER POLICY	37	1	8	3	5	3	3	3	2	4	2	2	4	2
ESSENTIALLY UNCHANGED POLICY	83	7	11	6	5	3	8	8	7	11	6	1	5	6
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	0	0	0	0	1
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CUSTOMERS	125													
MUCH FIRMER POLICY	28	1	5	0	5	2	2	2	3	3	2	2	3	2
MODERATELY FIRMER POLICY	48	4	7	5	2	2	4	6	4	5	3	0	4	3
ESSENTIALLY UNCHANGED POLICY	68	3	8	4	4	2	5	4	3	7	4	1	2	3
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	0	0	0	0	1
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LOCAL SERVICE AREA CUSTOMERS	125													
MUCH FIRMER POLICY	4	0	1	0	1	0	0	1	1	0	1	0	0	0
MODERATELY FIRMER POLICY	32	0	7	2	5	3	2	2	2	5	2	2	2	2
ESSENTIALLY UNCHANGED POLICY	89	8	12	7	5	3	9	9	7	10	6	1	7	7
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 3 (CONTINUED)

	ALL DSTS	BOS- TON	NEW YORK		PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN	
		TOTAL	CITY	OUTSIDE											
LENDING TO NONFINANCIAL BUSINESSES															
REVIEWING CREDIT LINES OR LOANS															
NONLOCAL SERVICE AREA CUST	125														
MUCH FIRMER POLICY	25	0	6	0	6	0	1	2	4	4	2	2	3	1	0
MODERATELY FIRMER POLICY	42	4	5	3	2	3	4	4	4	5	2	0	3	4	5
ESSENTIALLY UNCHANGED POLICY	57	4	9	6	3	3	6	6	2	6	5	1	3	4	8
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FACTORS RELATING TO APPLICANT 2/															
VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS	125														
MUCH FIRMER POLICY	18	0	1	0	1	2	1	2	3	2	2	1	1	3	0
MODERATELY FIRMER POLICY	58	5	10	2	8	2	5	7	6	5	4	1	3	4	6
ESSENTIALLY UNCHANGED POLICY	49	3	9	7	2	2	5	3	1	8	3	1	5	2	7
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTENDED USE OF LOAN	125														
MUCH FIRMER POLICY	13	0	1	0	1	1	2	1	3	1	0	0	2	2	0
MODERATELY FIRMER POLICY	36	3	6	3	3	2	3	4	4	5	1	1	0	3	4
ESSENTIALLY UNCHANGED POLICY	76	5	13	6	7	3	6	7	3	9	8	2	7	4	9
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES															
TERMS AND CONDITIONS															
INTEREST RATES CHARGED	125														
MUCH FIRMER POLICY	15	0	2	1	1	1	0	4	1	1	1	1	2	1	1
MODERATELY FIRMER POLICY	51	3	7	1	6	2	6	5	4	6	3	1	3	5	6
ESSENTIALLY UNCHANGED POLICY	59	5	11	7	4	3	5	3	5	8	5	1	4	3	6
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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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.

TABLE 3 (CONTINUED)

	ALL DSTS	BOS- TON	NEW YORK TOTAL CITY	NEW YORK OUTSIDE	PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
LENDING TO "NONCAPTIVE" FINANCE COMPANIES														
TERMS AND CONDITIONS:														
SIZE OF COMPENSATING BALANCES 125														
MUCH FIRMER POLICY	8	0	1	0	1	1	3	1	0	0	0	1	0	0
MODERATELY FIRMER POLICY	21	1	3	1	2	0	1	3	2	1	1	1	3	4
ESSENTIALLY UNCHANGED POLICY	95	7	16	8	8	5	8	6	12	8	2	7	6	9
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	1	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENFORCEMENT OF BALANCE REQUIREMENT 125														
MUCH FIRMER POLICY	9	0	1	0	1	1	3	1	0	1	0	1	0	0
MODERATELY FIRMER POLICY	30	2	8	3	5	0	1	3	1	1	1	1	4	6
ESSENTIALLY UNCHANGED POLICY	86	6	11	6	5	5	7	6	14	7	2	7	5	7
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES 125														
MUCH FIRMER POLICY	21	1	2	0	2	1	4	2	2	4	0	2	2	0
MODERATELY FIRMER POLICY	49	2	7	3	4	3	4	3	5	2	1	4	4	6
ESSENTIALLY UNCHANGED POLICY	55	5	11	6	5	2	4	5	8	3	2	3	3	7
MODERATELY EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WILLINGNESS TO MAKE OTHER TYPES OF LOANS														
TERM LOANS TO BUSINESSES 125														
CONSIDERABLY LESS WILLING	13	0	3	1	2	1	2	1	0	1	1	2	2	0
MODERATELY LESS WILLING	41	4	4	1	3	3	5	5	6	4	1	2	2	4
ESSENTIALLY UNCHANGED	68	3	13	7	6	2	6	4	9	4	1	5	4	9
MODERATELY MORE WILLING	3	1	0	0	0	0	1	0	0	0	0	0	1	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSUMER INSTALMENT LOANS 124														
CONSIDERABLY LESS WILLING	1	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ESSENTIALLY UNCHANGED	111	6	17	8	9	6	10	10	15	8	3	8	8	10
MODERATELY MORE WILLING	11	2	2	0	2	0	2	0	0	1	0	1	0	3
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	0	0	0	0	0	1	0

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TABLE 3 (CONTINUED)

WILLINGNESS TO MAKE OTHER TYPES OF LOANS	ALL DSTS	BOS- TON	NEW YORK TOTAL CITY	NEW YORK OUTSIDE	PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
SINGLE FAMILY MORTGAGE LOANS	123													
CONSIDERABLY LESS WILLING	3	0	0	0	0	0	2	0	0	0	0	0	1	0
MODERATELY LESS WILLING	16	2	1	0	1	0	2	1	1	0	0	2	2	4
ESSENTIALLY UNCHANGED	100	6	17	7	10	6	7	8	13	8	3	7	6	9
MODERATELY MORE WILLING	4	0	0	0	0	0	1	1	1	1	0	0	0	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MULTIFAMILY MORTGAGE LOANS	122													
CONSIDERABLY LESS WILLING	6	0	1	0	1	0	2	1	0	0	0	0	1	1
MODERATELY LESS WILLING	24	0	2	0	2	2	3	0	2	4	0	3	2	3
ESSENTIALLY UNCHANGED	92	8	14	7	7	4	8	9	13	5	3	6	6	9
MODERATELY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ALL OTHER MORTGAGE LOANS	124													
CONSIDERABLY LESS WILLING	7	0	1	0	1	0	1	1	0	0	0	1	1	1
MODERATELY LESS WILLING	26	1	4	1	3	2	4	1	2	2	0	3	2	4
ESSENTIALLY UNCHANGED	88	7	14	7	7	4	8	8	12	7	3	5	5	8
MODERATELY MORE WILLING	3	0	0	0	0	0	0	0	1	0	0	0	1	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	123													
CONSIDERABLY LESS WILLING	5	0	2	0	2	0	2	0	0	0	0	0	1	0
MODERATELY LESS WILLING	17	2	3	2	1	3	0	1	2	0	0	0	3	0
ESSENTIALLY UNCHANGED	100	6	15	7	8	3	8	9	13	8	3	7	5	13
MODERATELY MORE WILLING	1	0	0	0	0	0	0	0	0	1	0	0	0	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LOANS TO BROKERS	124													
CONSIDERABLY LESS WILLING	11	0	1	0	1	1	2	0	1	1	0	1	3	1
MODERATELY LESS WILLING	34	2	4	1	3	3	3	3	2	2	1	1	2	5
ESSENTIALLY UNCHANGED	77	5	14	8	6	2	7	7	12	6	2	6	4	7
MODERATELY MORE WILLING	2	1	1	0	1	0	0	0	0	0	0	0	0	0
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NUMBER OF BANKS	125													

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SUPPLEMENTAL APPENDIX C

QUARTERLY SURVEY OF BANK LOAN COMMITMENTS *
April 30, 1973

The April 30 Quarterly Survey of Bank Loan Commitments indicated no growth in unused commitments over the three month interval from the previous survey; in all previous surveys for the last three years there had been some growth in unused commitments. Unused C & I commitments actually decreased over the interval, while commitments for loans to nonbank financial institutions and for real estate mortgages grew at rates substantially lower than in the previous survey. (See Table 1A.) Although new commitments (Table 1B) grew at a high rate, these partly represented seasonal renewals and reviews of credit lines and were otherwise offset by large takedowns, expirations, and cancellations (Table 1C). Over sixty per cent of the respondents to the survey expected an increase in the rate of takedowns over the next three months. In addition, nearly seventy per cent reported more restrictive commitment policies (Table 2).

Unused commitments to C & I firms, constituting the largest part of the total, actually declined .9 per cent over the three month period from the previous survey date. This decline was attributable to fairly substantial reductions in confirmed lines of credit, though, in addition, the rate of increase in commitments for term and revolving credits was lower than for any survey period in a year.

Unused commitments to nonbank financial institutions, the next largest component in the total, grew by 1.7 per cent--also the smallest rate of increase in a year. Weakness in commitments to finance

* Prepared by Richard H. Puckett, Senior Economist, Banking Section, Division of Research and Statistics.

companies was only partly offset by strength in commitments to other nonbank financial institutions, which perhaps reflects institutions such as savings and loan associations attempting to secure alternative sources of funds in the face of slackening deposit inflows.

The growth rate in unused commitments for mortgages was appreciably stronger than that for loans to nonbank financial institutions or for C & I loans. This relative strength was almost entirely attributable to the rapid growth in commitments for residential mortgages which was offset only partially by a decline in commitments in the nonresidential sector.

Despite the zero growth shown in unused commitments, new commitments were strong and apparently heavily influenced by seasonal reviews and renewals of expiring lines of credit. Such reviews often are focused on confirmed lines of credit. And, new commitments for confirmed lines grew at a rate of nearly 25 per cent over the three month interval. This large increase was partly offset by substantial decreases in other new commitments for C & I purposes such as for term loans and revolving credits. New commitments to nonbank financial institutions were strong, except for mortgage warehousing, while new commitments for real estate mortgages actually declined.

Takedowns, expirations, and cancellations, as might be expected, were also large--particularly for confirmed C & I lines where, as noted previously, seasonal reviews were of particular importance. Takedowns, expirations, and cancellations were large for C & I term and revolving credits as well.

In reports on commitment policies, of 48 respondents, the 15 that reported unused commitments had risen were outweighed by the 21 that indicated unused had declined. Moreover, 30 stated that takedowns in the next three months probably would rise, as against only 1 that expected a decline. And, 33 said commitment policies compared to three months earlier were more restrictive, while none moved in the direction of easier policies. Of the 33 adopting a more restrictive stance, 16 pointed to both reduced funds availability and increased commitment demands as the sources of the policy change; 9 cited increased demand alone; 8 isolated reduced funds availability as the sole factor. (Table 3).

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QUARTERLY SURVEY OF BANK LOAN COMMITMENTS
AT SELECTED LARGE U.S. BANKS *1
(AS OF APR. 30, 1973)

TABLE 1A UNUSED COMMITMENTS

(DOLLAR AMOUNTS IN BILLIONS)

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	AS OF		AS OF		AS OF		AS OF		AS OF		AS OF		AS OF		AS OF	
	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG
NUMBER OF BANKS	42		42		42		42		42		42		42		42	
UNUSED COMMITMENTS	82.0	0.0	82.0	3.4	79.4	4.7	75.8	5.2	72.1	2.5	70.3	5.0	66.9	2.9	65.1	4.7
C & I FIRMS	60.3	-0.9	60.8	1.7	59.8	4.6	57.2	4.7	54.6	2.7	53.2	3.9	51.1	2.4	50.0	5.3
NONBK FINAN INSTS	15.6	1.7	15.3	7.0	14.3	3.3	13.9	5.7	13.1	1.0	13.0	6.7	12.2	4.1	11.7	3.3
REAL ESTATE MORTG	6.1	3.8	5.9	12.5	5.3	10.7	4.7	8.9	4.4	5.9	4.1	13.6	3.6	6.2	3.4	1.1
MEMG: CONSTRUCTION LOANS INCL ABOVE	5.1	6.6	4.7	16.7	4.1	8.2	3.8	8.7	3.5	8.2	3.2	9.2	2.9	1.0	2.9	5.4
COMMERCIAL & INDUST FIRMS																
TERM LOANS	3.6	4.0	3.4	10.0	3.1	22.4	2.6	13.9	2.2	5.0	2.1	-6.6	2.3	19.9	1.9	6.9
REVOLVING CREDITS	15.2	2.1	14.9	2.0	14.6	4.1	14.0	3.9	13.5	-3.1	14.0	2.7	13.6	1.9	13.3	3.0
TOT: TERM & REV *2	19.2	1.2	19.0	3.4	18.4	6.9	17.2	4.9	16.4	-1.7	16.7	1.2	16.5	3.9	15.9	3.2
CONFIRMED LINES	36.6	-1.6	37.2	1.1	36.8	2.7	35.9	4.8	34.2	4.6	32.7	5.6	31.0	1.7	30.4	5.2
OTHER COMMITMENTS	4.4	-3.8	4.6	-0.1	4.6	11.3	4.1	3.2	4.0	5.4	3.8	2.3	3.7	1.4	3.6	17.7
NONBANK FINANCIAL INSTITUTIONS																
FINANCE COMPANIES	8.5	-1.8	8.6	2.9	8.4	0.9	8.3	2.2	8.1	0.7	8.1	5.8	7.7	5.2	7.3	1.9
MTGE WAREHOUSING	2.4	0.9	2.4	8.4	2.2	0.4	2.2	8.2	2.0	5.1	1.9	2.7	1.9	5.0	1.8	10.6
ALL OTHER	4.7	9.3	4.3	15.5	3.7	11.1	3.4	13.9	2.9	-0.8	3.0	12.2	2.6	0.2	2.6	2.6
REAL ESTATE MORTGAGES																
RESIDENTIAL	2.4	12.6	2.2	19.0	1.8	-8.1	2.0	12.0	1.8	13.5	1.6	16.6	1.3	13.7	1.2	12.3
OTHER	3.7	-1.4	3.7	9.0	3.4	24.2	2.8	6.8	2.6	1.3	2.6	11.8	2.3	2.3	2.2	-4.0

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*1 BANKS PARTICIPATING IN THE QUARTERLY INTEREST RATE SURVEY -- MAINLY BANKS WITH TOTAL DEPOSITS OF \$1 BILLION OR MORE.
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** NOTE: MINOR INCONSISTENCIES MAY OCCUR IN FIGURES DUE TO ROUNDING. **

QUARTERLY SURVEY OF BANK LOAN COMMITMENTS
AT SELECTED LARGE U.S. BANKS *1
(AS OF APR. 30, 1973)

TABLE 1B NEW COMMITMENTS

(DOLLAR AMOUNTS IN BILLIONS)

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	AS OF APR. 30 1973		AS OF JAN. 31 1973		AS OF OCT. 31 1972		AS OF JUL. 31 1972		AS OF APR. 30 1972		AS OF JAN. 31 1972		AS OF OCT. 29 1971		AS OF JUL. 31 1971	
	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG
NUMBER OF BANKS	42		42		42		42		42		42		42		42	
GRAND TOTAL																
NEW COMMITMENTS	31.9	8.3	29.4	5.3	28.0	-23.6	36.6	35.3	27.0	15.6	23.4	10.3	21.2	-39.4	35.0	43.0
C & I FIRMS	23.6	8.3	21.8	3.1	21.1	-24.9	28.1	38.0	20.4	12.1	18.2	8.5	16.8	-38.7	27.4	45.2
NONBK FINAN INSTS	5.6	16.3	4.8	13.3	4.3	-31.6	6.3	33.3	4.7	29.9	3.6	25.5	2.9	-48.1	5.5	37.8
REAL ESTATE MORTG	2.6	-5.8	2.8	9.8	2.5	16.0	2.2	12.3	1.9	23.9	1.6	1.9	1.5	-24.9	2.1	29.7
MEMO: CONSTRUCTION LOANS INCL ABOVE	1.9	0.6	1.8	9.3	1.7	26.6	1.3	10.0	1.2	11.7	1.1	4.8	1.0	-24.2	1.4	16.4
COMMERCIAL & INDUST FIRMS																
TERM LOANS	3.5	-12.0	4.0	34.8	2.9	-17.4	3.6	61.2	2.2	10.9	2.0	-8.8	2.2	17.3	1.9	-0.1
REVOLVING CREDITS	5.2	-3.7	5.4	-0.6	5.4	-1.8	5.5	11.6	4.9	11.7	4.4	17.6	3.8	-44.6	6.8	40.6
TOT: TERM & REV *2	9.0	-5.5	9.5	10.2	8.6	-7.5	9.3	26.7	7.3	12.1	6.5	5.4	6.2	-30.4	8.9	29.2
CONFIRMED LINES	13.4	24.9	10.8	-2.3	11.0	-36.9	17.5	48.3	11.8	18.7	9.9	4.8	9.5	-36.6	14.9	35.1
OTHER COMMITMENTS	1.2	-21.7	1.6	2.8	1.5	10.0	1.4	8.2	1.3	-25.8	1.7	57.0	1.1	-68.9	3.5	291.1
NONBANK FINANCIAL INSTITUTIONS																
FINANCE COMPANIES	2.5	18.0	2.1	11.1	1.9	-46.2	3.6	42.7	2.5	51.5	1.7	-0.4	1.7	-52.6	3.5	63.6
MTGE WAREHOUSING	0.8	-14.2	1.0	22.4	0.8	-17.0	1.0	3.9	0.9	1.9	0.9	65.9	0.5	-40.1	0.9	46.2
ALL OTHER	2.3	31.4	1.7	11.3	1.5	-9.2	1.7	36.2	1.3	19.7	1.0	57.1	0.7	-40.3	1.1	-10.7
REAL ESTATE MORTGES																
RESIDENTIAL	1.2	6.0	1.1	9.5	1.0	-5.7	1.1	22.5	0.9	19.1	0.8	-2.2	0.8	-13.0	0.9	51.9
OTHER	1.4	-13.9	1.6	10.0	1.5	38.0	1.1	3.6	1.0	28.3	0.8	6.0	0.8	-33.9	1.2	16.7

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*1 BANKS PARTICIPATING IN THE QUARTERLY INTEREST RATE SURVEY -- MAINLY BANKS WITH TOTAL DEPOSITS OF \$1 BILLION OR MORE.
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QUARTERLY SURVEY OF BANK LOAN COMMITMENTS
AT SELECTED LARGE U.S. BANKS *1
(AS OF APR. 30, 1973)

TABLE 1C TAKEDOWNS, EXPIRATIONS, AND CANCELLATIONS *2

(DOLLAR AMOUNTS IN BILLIONS)

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	AS OF APR. 30 1973		AS OF JAN. 31 1973		AS OF OCT. 31 1972		AS OF JUL. 31 1972		AS OF APR. 30 1972		AS OF JAN. 31 1972		AS OF OCT. 29 1971		AS OF JUL. 31 1971	
	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG	AMT	% CHG*3
NUMBER OF BANKS	42		42		42		42		42		42		42		42	
TOTAL TAKEDOWNS	31.9	28.0	26.8	24.6	24.4	23.5	32.9	30.2	25.2	25.9	20.1	22.2	19.3	22.4	32.0	0.0
C & I FIRMS	24.1	28.6	20.8	25.5	18.5	23.7	25.6	30.9	19.0	25.8	16.2	23.3	15.6	23.4	24.8	0.0
NONBK FINAN INSTS	5.4	25.6	3.8	20.1	3.8	21.1	5.5	28.4	4.6	25.8	2.8	17.7	2.4	16.5	5.2	0.0
REAL ESTATE MORTG	2.4	28.1	2.1	26.5	2.0	27.8	1.8	27.5	1.7	28.1	1.1	20.7	1.3	26.8	2.0	0.0
MEMO: CONSTRUCTION LOANS INCL ABOVE	1.5	23.4	1.2	19.7	1.4	25.3	1.0	21.5	0.9	21.5	0.8	20.4	1.0	25.6	1.2	0.0
COMMERCIAL & INDUST FIRMS																
TERM LOANS	3.3	48.3	3.6	51.4	2.4	43.0	3.2	55.9	2.1	48.3	2.1	50.0	1.8	44.0	1.7	0.0
REVOLVING CREDITS	4.9	24.2	5.1	25.4	4.8	24.8	5.0	26.2	5.4	28.4	4.1	22.5	3.5	20.5	6.4	0.0
TOT: TERM & REV *4	8.7	31.2	8.9	31.8	7.4	28.7	8.5	33.0	7.6	31.7	6.3	27.5	5.6	25.3	8.4	0.0
CONFIRMED LINES	14.0	27.7	10.4	21.8	10.1	21.5	15.8	30.6	10.3	23.1	8.2	20.1	9.0	22.4	13.4	0.0
OTHER COMMITMENTS	1.4	24.2	1.6	25.6	1.1	18.8	1.3	23.4	1.1	21.3	1.6	30.2	1.0	22.1	3.0	0.0
NONBANK FINANCIAL INSTITUTIONS																
FINANCE COMPANIES	2.7	24.1	1.9	18.1	1.9	18.1	3.4	29.1	2.5	23.2	1.2	13.1	1.3	14.4	3.4	0.0
MTGE WAREHOUSING	0.8	25.3	0.8	24.9	0.8	26.4	0.8	26.6	0.8	28.9	0.9	30.7	0.5	19.6	0.7	0.0
ALL OTHER	1.9	28.4	1.1	21.0	1.2	24.0	1.3	27.9	1.3	30.2	0.7	19.5	0.7	19.9	1.0	0.0
REAL ESTATE MORTGAGES																
RESIDENTIAL	0.9	27.6	0.8	26.7	1.2	39.7	0.9	30.9	0.7	28.0	0.5	25.4	0.6	31.3	0.8	0.0
OTHER	1.5	28.5	1.3	26.4	0.8	19.5	0.9	24.8	1.0	28.2	0.5	17.6	0.7	23.9	1.3	0.0

*1 BANKS PARTICIPATING IN THE QUARTERLY INTEREST RATE SURVEY -- MAINLY BANKS WITH TOTAL DEPOSITS OF \$1 BILLION OR MORE.

*2 FOR THIS TABLE THE PERCENTAGE CHANGE COLUMN CONTAINS THE RATIO OF TAKEDOWNS TO AVAILABLE COMMITMENTS; EXPRESSED AS A PERCENTAGE. (AVAILABLE COMMITMENTS = UNUSED COMMITMENTS FROM THE PREVIOUS QUARTER + NEW COMMITMENTS IN THE CURRENT QUARTER).

*3 PERCENTAGE CHANGE NOT COMPUTED FOR THIS QUARTER DUE TO THE SIZE CONSTRAINTS OF THE MATRIX.

*4 THE TOTAL MAY EXCEED THE SUM OF THE PREVIOUS TWO ITEMS SINCE SOME BANKS REPORT ONLY TOTALS.

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QUARTERLY SURVEY OF BANK LOAN COMMITMENTS
AT SELECTED LARGE U.S. BANKS
(AS OF APR. 30, 1973)

TABLE 2: VIEWS ON COMMITMENT POLICY

	(1) APR. 30 1973	(2) JAN. 31 1973	(3) OCT. 31 1972	(4) JULY 31 1972	(5) APR. 30 1972	(6) JAN. 31 1972	(7) OCT. 29 1971	(8) JULY 31 1971
TOTAL NUMBER OF BANKS RESPONDING:	48	48	48	48	48	48	48	48
UNUSED COMMITMENTS IN THE PAST THREE MONTHS HAVE:								
RISEN RAPIDLY	1	2	1	2	0	1	0	1
RISEN MODERATELY	14	23	24	17	20	22	25	19
REMAINED UNCHANGED	12	17	19	21	21	19	15	19
DECLINED MODERATELY	18	6	4	8	7	6	8	9
DECLINED RAPIDLY	3	0	0	0	0	0	0	0
TAKEDOWNS IN THE NEXT THREE MONTHS SHOULD:								
RISE RAPIDLY	2	4	0	0	0	0	0	0
RISE MODERATELY	28	33	28	26	26	14	13	16
REMAIN UNCHANGED	17	11	20	21	20	28	31	31
DECLINE MODERATELY	1	0	0	1	2	6	4	1
DECLINE RAPIDLY	0	0	0	0	0	0	0	0
COMMITMENT POLICY COMPARED TO THREE MONTHS AGO IS:								
MUCH MORE RESTRICTIVE	5	0	0	0	0	0	0	0
SOMEWHAT MORE RESTRICTIVE	28	21	5	1	1	0	0	2
UNCHANGED	15	25	40	42	44	34	37	37
LESS RESTRICTIVE	0	1	3	5	3	13	11	9
MUCH LESS RESTRICTIVE	0	1	0	0	0	1	0	0

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QUARTERLY SURVEY OF BANK LOAN COMMITMENTS
 AT SELECTED LARGE U.S. BANKS
 (AS OF APR. 30, 1973)

TABLE 3 EXPLANATION OF CHANGES IN NEW COMMITMENT POLICY

	(1) APR. 30 1973	(2) JAN. 31 1973	(3) OCT. 31 1972	(4) JULY 31 1972	(5) APR. 30 1972	(6) JAN. 31 1972	(7) OCT. 29 1971	(8) JULY 31 1971
INDICATED CHANGE:								
MORE RESTRICTIVE:	33	21	5	1	1	0	0	2
INCREASED DEMAND	9	6	4	0	0	0	0	1
REDUCED FUNDS	8	7	0	0	0	0	0	1
BOTH	16	8	1	1	1	0	0	0
LESS RESTRICTIVE:	0	2	3	5	3	14	11	9
INCREASED FUNDS	0	2	0	1	2	2	0	5
DECREASED DEMAND	0	0	3	2	1	3	5	2
BOTH	0	0	0	2	0	9	6	2