

### 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
202,000.	
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.

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#### TABLE 1

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# 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)

	TOTAL		MUCH STRONGER		MODERATELY STRONGER		ESSENTIALLY UNCHANGED		MODER ATELY WEAKER		MUCH WEAKER	
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
		ERING STION	FIR	ICH IMER ICY	MODERA FIRI PGL:	MER	ESSENT UNCH/ PDL1	NGED	MODERA EAS: POL:	LER	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	o	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	<b>G</b>	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

<sup>1/</sup> SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS DF AUGUST 15. 1975.

	ANSMERING QUESTION		MUCH FIRMER POLICY		MODER/ FIRM POLI	1ER		TIALLY ANGED LCY	MODERA EAS: POL:	IER	EAS	ICH SIER .ICY
	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	0.0
INTENDEL 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 MATES CHARGEL	123	100.0	1	0.8	23	18.7	98	79.7	1	0.8	0	0.0
COMPENSATING OR SUPPORTING BALANCES	123	100.0	0	0.0	8	6.5	115	93.5	0	0.0	0	0.0
ENFORCEMENT OF BALANCE REQUIREMENTS	123	100.0	o	0 •C	14	11.4	109	88.6	0	0.0	0	0.0
ESTABLISHING NEW OR LARGER CHECHT 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	MODER/ LES WILL			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
MULTI-FAMILY MORTGAGE LOAMS	120	100.¢	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	٥	0.0
PARTICIPATION LOAMS 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	96.8	8	6.7	•	0.0

<sup>2/</sup> 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

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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	0	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

<sup>1/</sup> 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.

	NUMBER Answering Question		ANSWERING FIRMER QUESTION POLICY		MODERATELY FIRMER POLICY		POSITS IN BILLI ESSENTIALLY UNCHANGED POLICY		ONS MODERATELY EASIER POLICY		EA	UCH SIER LICY
FACTORS RELATING TO APPLICANT 2/	\$1 E OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1	\$1 & OVER	UNDER \$1
VALUE AS DEPOSITOR UK SOURCE OF COLLATERAL BUSINESS	100	100	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
LENDING TO "NONCAPTIVE" FINANCE COMPANIES	;											
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	160	100	2	C	21	17	77	82	0	1	0	0
COMPENSATING OR SUPPURTING BALANCES	100	100	Q	G	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
	ANS	IMBER SWERING JESTION	LE	ERABLY SS Ling	LE	ATELY SS LING		TIALLY ANGED	MO	RATELY RE LING	MO	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	0	1
CUNSUMER INSTALMENT LOANS	100	100	0	0	õ	0	77	70	21	26	2	4
SINGLE FAMILY MORTGAGE 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	0	0	0
ALL OTHER MORTGAGE LOAMS	100	100	0	3	4	13	96	74	0	10	0	0
PARTICIPATION LOANS WITH CURRESPUNDENT BANKS	100	100	0	1	c	0	92	83	8	16	0	0
LOANS TE BROKERS	100	100	0	1	O	3	90	92	10	4	0	0

<sup>2/</sup> 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	<b>k</b>													
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	<b>0</b> 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		9	7	5	7	2	6	5		<b>3</b>	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	Ď	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	•
· · · · · · · · · · · · · · · · · ·	_	-	_	_	-	-	_	-	-	_	-	_	•	_	_

<sup>1/</sup> SURVEY OF LENDING PRACTICES AT 123 LARGE BANKS REPORTING IN THE FEDERAL RESERVE QUARTERLY INTEREST RATE SURVEY AS OF AUGUST 15. 1675.

### NOT FOR GUOTATION OR PUBLICATION

#### TABLE 3 (CONTINUED)

PHIL- CLEVE- RICH- ATLAN- CHIC- ST. MINNE- KANS. ADEL. LAND MOND TA AGO LOUIS APOLIS CITY ALL BOS-NEW YORK SAN DSTS TON TOTAL CITY OUTSIDE ADEL. FRAN LENDING TO NONFINANCIAL

BUSTNESSES																
TERMS AND CONDITIONS																
STANDARDS OF CREDIT WORTHINESS	123															
MUCH FIRMER POLICY	4	0	2	G	2	0	1	C	1	o	٥	٥	٥	0	0	
MODERATELY FIRMER POLILY	14	Ú	ì	C	1	£	2	2	1	2	3	٥	2	1	0	
ESSENTIALLY UNCHANGED POLICY	165	6 8	15	9	2 1 6 0	É	8	10	8	13	6	3	2	8	13	
MODERATELY EASIER POLICY	G	•	1 15 0	0 9 0	٥	ć 6 0	2 8 0	2 10 0	1 8 0	2 13 0	3 6 0	0	G	1 8 0	0	
MUCH EASIER POLICY	¢.	Ð	0	O	٥	0	0	0	0	0	0	0	0	0	0	
MATURITY OF TERM LOAMS	123															
MUCH FIPMER POLICY	G	٥	0	0	0	0	ŧ.	0	0	o	D	0	0	0	0	
MODERATELY FIRMER POLICY	8	Ó	0	O	0	۵	1	1	2	1	1	٥	0	1	1	
ESSENTIALLY UNCHANGED POLICY	112	Ç 8	0 18 0	0 9 0	0 9	0 6 0	1 10 0	1 10 1	2 8 0	1 14 0	1 7	3	9	1 8 0	11	
MODERATELY EASIER PULICY	3	0	٥	0.	٥	õ	0	1	C	0	1	0	Ö	0	1	
MUCH EASIER POLICY	0	0	0	C	0	0	0	0	0	0	0	0	0	0	0	
REVIEWING CREDIT LINES OR LOAMS	;															
ESTABLISHED CUSTOMERS	123															
MUCH FIRMER POLICY	Ú	·	O	O	C	G	C	8	٥	G	0	٥	G	0	٥	
MODERATELY FIRMER POLICY	5	0	2	Ô	ž	ō	1	Ď	1	Ō	Ŏ	Ö	i	ŏ	Ŏ	
ESSENTIALLY UNCHANGED POLICY	107	υ 8	15	9	2 6 1	0 5 1	1 9 1	0 12 0	1 9 0	0 12 3	0 8 1	0 1 2	1 6 2	0 9 0	13	
MCDERATELY EASIER POLICY	41	ų.	ì	Ò	ĭ	ì	i	٥	Ó	3	ī	2	2	ó	-0	
MUCH EASIER POLICY	Ğ	ō	2 15 1 0	Ŏ	õ	ŏ	ō	Ō	ŏ	ŏ	ō	ō	ō	ŏ	ŏ	
NEW CUSTGMERS	123															
MUCH FIRMER POLICY	1	G	6	0	0	U	0	0	1	0	0	٥	٥	٥	٥	
MODERATELY FIRMER PULICY		Ö	4	Ó	4	G	2	C	1	Č	Ď	Ò	i	ì	2	
ESSENTIALLY UNCHANGED POLICY	11 92	5 0 6	4 13 1	0 9 0	4	0 4	2 8 1	0 10 2	1 8 0	C 12 3	0 8	0	1 6	1 8 0	2 8	
MODERATELY EASIER POLICY	14	2	1	Ö	i	2	1	2	Ō	3	1	ž	Ž	Ŏ	3	
MUCH EASIER POLICY	C	0	ŏ	0	ō	0	Ö	0	0	0	Ō	ō	Ö	Ŏ	Ō	
LOCAL SERVICE AREA CUSTOMERS	122															
MUCH FIRMER POLICY	ü	0	0	0	0	0	0	0	0	G	0	0	0	a	0	
MUDERATELY FIRMER POLICY	4	0	2	0	2	C	1	O	1	0	0	Ō	Ō	Ō	Ō	
ESSENTIALLY UNCHANGED POLICY	105	8	15	9	6	5	9	12	9	12	8	0	6	9	12	
MODERATELY EASTER PULICY	13	٥	2 15 1	9	2 6 1	1	1	12	1 9 0	12 3	1	3	2	Ŏ	1	
MUCH EASIER POLICY	0	0	0	0	0	0	C	C	o	0	0	0	0	o.	Ō	

NOT FOR QUOTATION OR PUBLICATION TABLE 3 (CONTINUED)

	ALL DSTS	BOS-	N TOTAL	EW YOR		PHIL-	CLEVE-	RICH-	ATLAN-	CHIC-	ST.	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
LENDING TO NONFINANCIAL BUSINESSES	2313	,	TOTAL	<b>C1</b> 5	0,3100	ADEL S	LAND	nono	••	A00	20013	AFOEIS	0111		* ******
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 9 0	0 2 7 0	0 0 5 1 0	1 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 0 6 2 0	0 1 8 0	0 1 10 2 0
FACTORS RELATING TO APPLICANT 2/															
VALUE AS DEPOSITOR OR SOURCE OF CULLATERAL 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	0 2 9 0 6	0 1 11 0 0	0 3 7 0	1 0 14 0	1 0 7 1 6	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 6 7 1 0	1 1 14 2 6	0 0 8 1 0	1 6 1 C	0 1 5 0	0 1 10 0 0	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 0
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 6	0 2 7 0	C 2 7 0	0 6 0	0 0 11 0	G 3 8 1 0	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

<sup>2/</sup> 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) PAGE 08

	ALL DSTS	FOS-		NEW YOR			CLEVE-	RICH-	ATLAN-	CHIC-	ST.	MINNE~ APOLIS	KANS.	DAL- LAS	SAN FRAN
LENDING TO "NONCAPTIVE" FINANCE COMPANIES	0313	101	TOTAL	<b>C111</b> G	013100	ADEL •	CAND	nono	•	700	20013	AFOLIS	<b></b>	FN3	FNAR
TERMS AND CONDITIONS:															
SIZE OF COMPENSATING BALANCES	123														
MUCH FIRMER POLICY	C	0	0	G	G	0	G	0	0	G	0	0	0	0	0
MODERATELY FIRMER POLICY ESSENTIALLY UNCHANGED POLICY	6	6 8	1 17	0	1 8	G E	2 <del>9</del>	0	2 8	1	1 8	<b>0</b> 3	0 9	9	.1
MODERATELY EASIER FOLICY	115 G	ů		9 0	õ	Č	Ö	12 0	ő	14 0	ů	0	0	ŏ	12
MUCH EASIER PULICY	č	ů	Ĉ	ŏ	Č	č	ŏ	ŏ	ŏ	Ċ	ŏ	ò	ŏ	ŏ	ŏ
ENFORCEMENT OF BALANCE REQUIREMENT	123														
MUCH FIRMER POLICY	0	٤	C	o	c	Ĺ	c	c	G	0	o	0	0	o	٥
MODERATELY FIRMER POLICY	14	0	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	Ĉ.	٥	0	0	0	0	Ö	0	0	0	0	0	0	0	0
MUCH EASIER POLICY	o	0	C	0	0	0	0	0	O	C	O	D	C	0	0
ESTAELISHING NEW OR LARGER CREDIT LINES	123														
MUCH FIRMER PULICY	6	o	1	c	1	1	6	2	ı	8	1	٥	0	•	0
MODELATELY FIRMER PULICY	17	ő	2	ŏ	2	ō	3	2	ī	4	ō	ō	2	ĭ	2
ESSENTIALLY UNCHANGED FOLICY		6	14	8	6	5	8	7	8	11	8	2	6	ě	11
MODERATELY EASIER POLICY	4	Ç	1	1	G	Ú	C	1	0	0	0	1	ì	Ō	Õ
MUCH EASIER POLICY	O	8	O	G	O	0	0	6	0	0	0	Ġ	C	0	•
HILLINGNESS TO MAKE GTHER TYPES OF LIANS															
TERM LOANS TO BUSINESSES	123														
CONSIDERABLY LESS WILLING	2	٥	0	0	C	0	0	G	2	C	0	0	٥	0	٥
MODERATELY LESS WILLING	8	0	3	1	2	٥	0	0	2 5	0	1	0	2	Ō	Ö
ESSENTIALLY UNCHANGED	42	7	12	7	5	5	9	1 C	5	14	5	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	O	0	0	0	0	1	0	0
CONSUMER INSTALMENT LOAMS	122														
CONSICERABLY LESS WILLING	u	G	G	Q	0	0	0	0	O	ů	0	0	٥	٥	0
MOGERATELY LESS WILLING	e	٥	0	0	0	G	a	0	0	0	0	0	0	0	0
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	2
CONSIDERABLY MORE WILLING	4	0	O	G	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 O 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 O LCANS TO BROKERS CONSILERABLY LESS WILLING C G MODERATELY LESS WILLING G O C Ð ESSENTIALLY UNCHANGED MODERATELY MORE WILLING Û C 

NUMBER OF BANKS

CONSIDERABLY MORE WILLING

C

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### TABLE 4

COMPARISON OF SELECTED RESPONSES IN THE AUGUST SURVEYS

MAY AND

PAGE 10

	MAY 15, 1975	AUGUS		
	NUMBER GF BANKS		BER OF BANKS Unchanged	WE AKER
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LGANS				
COMPARED TO THREE MONTHS AGO				
STRONGER	12	2	6	4
UNCHANGED	43	2	23	18
we aker	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 T	O THREE MONT	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	Ú
MATURITY OF TERM LOAMS				
FIRMER	11	6	5	0
UNCHANGED				
EASIER	105 7	2 0	101 6	2 1

	MAY 15, 1975	AUGUST 15, 1975					
	NUMBER OF BANKS	NU! FIRMER	MBER OF BANK UNCHANGED	S EASIER			
REVIEWING CREDIT LINES OR LOAN APPLIC		LINNER	ONCHARGED	ENGTEN			
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	٥	7	0			
UNCHANGED	95	4	85	5			
EASIER	21	ů	13	8			
NONLOCAL SERVICE AREA CUSTOMERS							
FIRMER	18	5	13	o			
UNCHANGED	94	4	80	9			
EASIER	îi	ò	ý	ž			
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	1	5	1			
LENDING TO "NONCAPTIVE" FINANCE COMPA	NIES						
TERMS AND CONDITIONS:							
INTEREST PATES CHARGED							
FIRMER	2	1	1	0			
UNCHANGED	104	12	92	0			
EASTER	17	11	5	1			
COMPENSATING OR SUPPORTING BALANCES							
FIRMER	7	2	5	٥			
UNCHANGED	116	6	110	0			
EASIER	0	0	0	O			

#### TABLE 4 (CONTINUED)

	MAY 15, 1975	AUGU		
A CHOTHE TO MARKE ARTIME STMANES COMMA	NUMBER OF BANKS	NU FIRMER	MBER OF BANKS UNCHANGED	EASIER
LENDING TO "NONCAPTIVE" FINANCE COMPA	N1E2			
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 L	INES			
FIRMER	26	13	13	0
UNCHANGED	88	9	78	ĭ
EASIER	9	1	5	3
WILLINGNESS TO MAKE OTHER TYPES OF LO	ANS	LESS	UNCHANGED	MORE
TERM LOANS TO BUSINESSES	_	_	_	
LESS	8	5	2	. 1
UNCHANGED	93	4	75	14
MORE	22	1	15	6
LONSUMER INSTALMENT LOANS				
LESS	3	0	Ž	1
UNCHANGED	85	0	73	12
HORE	34	0	14	20
SINGLE FAMILY MORTGAGE LOANS				
LESS	8	3	4	1
UNCHANGED	103	7	90	- 6
MORE	10	Ö	7	3
MULTI-FAMILY MORTGAGE LDANS				
LESS	17	7	10	0
UNCHANGED	102	5	97	ŏ
MORE	1	ő	i	ŏ
ALL OTHER MORTGAGE LOANS				
LESS	16	7	8	1
UNCH ANGED	97	6	87	4
MORE	6	ŏ	3	2
La MC	•	Ū	3	~
FARTICIPATION LOAMS WITH CORRESPONDE		_	_	_
LESS	6	1	5	0
UNCHANGED	161	0	90	9
MORE	16	0	10	6
LUANS 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	S EASIER	
INTEREST RATES CHARGED		COMPENS	ATING OR SUP	DOPTING RA	IANCES
FIRMER	48	17	31	0	ENITEES
ESSENTIALLY UNCHANGED	72	3	68	ĭ	
EASIER	3	ō	2	ī	
NEW CUSTOMERS		ESTABLI:	SHED CUS <b>TOM</b> EI	RS	
FIRMER	12	5	7	0	
ESSENTIALLY UNCHANGED	92	o	91	1	
EASIER	19	o	4	10	
VALUE AS DEPOSITOR OR					
SOURCE OF COLLATERAL BUSINESS		INT ENDE	D USE OF THE	LOAN	
FIRMER	17	5	12	0	
ESSENTIALLY UNCHANGED	103	2	95	6	
EAS1ER	3	0	3	0	
LENDING TO "NONCAPTIVE" FINANCE COMPAN	IIES				
INTEREST RATES CHARGED		COMPENS	ATING OR SUP	PORTING BA	LANCES
FIRMER	24	3	21	0	
ESSENTIALLY UNCHANGED	98	5	93	C	
EASIER	1	0	1	0	
COMPENSATING OR SUPPORTING BALANCES		ENFORCE	MENT OF BALAI	ICE REQUIR	EMENTS
FIRMER	ઠ	7	1	G	
ESSENTIALLY UNCHANGED	115	7	108	0	
EASIER	Q	0	ů	0	
COMPENSATING OR SUPPORTING BALANCES			SHING NEW OR	LARGER CR	EDIT 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	NUI	MBER OF BANKS ESSENTIALLY	
WILLINGNESS TO MAKE OTHER TYPES OF LI	OF BANKS DANS	LESS	UNCHANGED	MORE
TERM LOANS TO BUSINESSES			Y OF TERM LOA	
LESS	10	3	.7	0
ESSENTIALLY UNCHANGE		5	87	0
MORE	21	¢	18	3
SINGLE FAMILY MORTGAGE LOANS		MULTI-F	MILY MORTGAG	E LDANS
LESS	10	8	2	0
ESSENTIALLY UNCHANGE	101	4	96	0
MORE	10	O	10	٥
SINGLE FAMILY MORTGAGE LOANS		ALL OTH	ER MORTGAGE L	DANS
LESS	16	7	3	O
ESSENTIALLY UNCHANGE	161	6	91	4
MORE	10	Ō	7	3
TERM LGANS TO BUSINESSES		CONSUME	RINSTALMENT	LOANS
LESS	10	0	7	3
ESSENTIALLY UNCHANGE		ŏ	74	17
MORE	21	ŏ	8	13
		PARTICI	PATION LOAMS	LITL
TERM LGANS TO BUSINESSES			MOENT BANKS	
LESS	16	1	8	0
ESSENTIALLY UNCHANGE	<del>-</del> -	å	85	6
MORE	21	ŏ	12	9
TERM LOANS TO PUSINESSES		LOANS TO	) BROKERS	
LESS TERM LUANS IN FUSINESSES	10	BUANS II	J BKUKEKS 5	•
ESSENTIALLY UNCHANGE	<del>-</del> -	_	86	1
		0		4
MORE	21	G	18	3

#### A CRGSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

		AUG. 15, 1975	AUGU	ST 15, 1975		
		NUMBE R	NU	MBER OF BANKS ESSENTIALLY	<b>.</b>	
		OF BANKS	FIRMER	UNCHANGED	EASIER	
STRENGTH OF INDUSTRIAL L	DEMAND FOR COMMERCIAL AND DANS	•				
				T RATES CHARG		
COMPARED T	C THREE MONTHS AGD			INANÇIAL BUSI	INESSES	
	STRONGER	9	6	3	O	
	ESSENTIALLY UNCHANGED		27	32	0	
	WEAKER	55	15	37	3	
LCMPARED T	O THREE MONTHS AGO		COMPENS	ATING OR SUPP	ORTING BAL	ANCES
	STRONG ER	9	1	8	G	
	ESSENTIALLY UNCHANGED	-	15	44	0	
	WEAKER	55	4	49	2	
CUMPARED T	G THREE MONTHS AGO		STANDAR	DS OF CREDIT	WORTHINESS	3
	STRONGER	9	2	7	0	
	ESSENTIALLY UNCHANGED		16	49	O	
	WE AKER	55	6	49	0	
COMPARED T	O THREE MONTHS AGO		MATURIT	Y OF TERM LOA	MS	
	STRONGER	9	1	7	1	
	ESSENTIALLY UNCHANGED		5	53	1	
	WEAKER	55	2	52	1	
COMPARED T	O THREE MONTHS AGO		NEW CUS	TOMERS		
	STRONGER	9	1	É	2	
	ESSENTIALLY UNCHANGED	_ ·	10	46	3	
	WEAKER	55	1	46	14	
			("NONCA	PTIVE FINANCE	COMPANIES	;= <u>}</u>
CUMPARED T	O THREE MONTHS AGO		ENFORCE	MENT OF BALAN	ICE REQUIRE	MENTS
	STRONGER	9	2	7	Ģ	
	ESSENTIALLY UNCHANGED	59	9	50	0	
	WEAK ER	55	3	52	0	
			(*NONCA	PTIVE FINANCE	COMPANIES	; <b>"</b> )
COMPARED T	D THREE MONTHS AGO		ESTABLI	SHING NEW CR	LARGER CRE	DIT LINES
	STRONGER	9	5	4	0	
	ESSENTIALLY UNCHANGED	59	9	48	2	
	WEAKER	55	9	44	2	

#### TABLE 5 (CONTINUED)

A CRUSS-CLASSIFICATION OF SELECTED RESPONSES IN THE AUGUST SURVEY

PAGE 16

	AUG. 15, 1975	AUGL	IST 15, 1975	
	NUMBER OF BANKS	N LESS	JMBER OF EANKS ESSENTIALLY UNCHANGED	MORE
STRENGTH OF DEMAND FOR COMMERCIAL AND INCUSTRIAL LOANS				<b></b>
			SNESS TO MAKE	
COMPARED TO THREE MONTHS AGO			ANS TO BUSINE	
STRONGER	9	1	5	3
ESSENTIALLY UNCHANGED	59	7	42	10
WEAKER	55	2	45	8
			NESS TO MAKE	
COMPARED TO THREE MONTHS AGO	_	+	R INSTALMENT	
STRONGER	9	0	4	5
ESSENTIALLY UNCHANGED	-	o o	44	14
WEAKER	55	0	41	14
			NESS TO MAKE	
COMPARED TO THREE MONTHS AGO			FAMILY MORTGA	
STRONGER	_ 9	2	5	2
ESSENTIALLY UNCHANGED	59	5	49	3
WEAKER	55	3	47	5
			SNESS TO MAKE	
COMPARED TO THREE MONTHS AGO		MULTI-F	AMILY MORTGAG	E LOANS
STRUNGER	9	U	9	0
ESSENTIALLY UNCHANGED	59	6	50	0
WE AKER	55	6	49	0
		WILLING	NESS TO MAKE	
COMPARED TO THREE MONTHS AGO		ALL OTH	IER MORTGAGE LI	DANS
STRONGER	9	0	8	1
ESSENTIALLY UNCHANGED	59	7	45	5
WE AKER	55	6	48	1
			NESS TO MAKE	
			PATION LOANS	WITH
COMPARED TO THREE MONTHS AGO			CONDENT BANKS	
STRONGER	9	C	7	2
ESSENTIALLY UNCHANGED	59	1	51	5
WEAKER	55	0	47	8
			NESS TO MAKE	
COMPARED TO THREE MONTHS AGO			TO BROKERS	
STRUNGER	9	1	_•	2
ESSENTIALLY UNCHANGED	59	2	52	3
WEAKER	55	U	51	3

#### TABLE 5 (CONTINUED)

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE

PAGE 17

AUGUST SURVEY

	AUG. 15, 1975	AUGUS	T 15, 1975			
	NUMBER OF BANKS		BER OF BANKS ESSENTIALLY UNCHANGED	EASIER		
STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS						
ANTICIPATED DEMAND IN NEXT 3 MONTHS		COMPENSA	TING OR SUPP	ORTING BA	LANCES	
STRONGER	57	10	46	1		
ESSENTIALLY UNCHANGED	55	8	47	Ō		
WEAKER	11	2	8	1		
ANTICIPATED LEMAND IN NEXT 3 MONTHS		STANDARL	S OF CREDIT	WORTHINES	s	
STRONGER	57	8	49	C		
ESSENTIALLY UNCHANGED	55	7	48	0		
WEAKER	11	3	8	0		
ANTICIPATEL DEMAND IN NEXT 3 MONTHS M.			MATURITY OF TERM LOANS			
STRONGER	57	5	51	1		
ESSENTIALLY UNCHANGED	55	2	52	1		
WE AKER	11	1	9	1		
ANTICIPATED DEMAND IN NEXT 3 MONTHS		NEW CUST	OMERS			
STRONGER	57	7	44	6		
ESSENTIALLY UNCHANGED	55	3	43	9		
WEAKER	11	2	5	4		
ANTICIPATED DEMAND IN NEXT 3 MONTHS			TIVE FINANCE			
STRONGER	57	14	41	2		
ESSENTIALLY UNCHANGED	55	7	46	2		
HEAKER	11	2	9	C		
		ESSENTIALLY				
		LESS	UNCHANGED	MORE		
ANTICIPATED DEMAND IN NEXT 3 MONTHS			ESS TO MAKE NS TO BUSINE	SSES		
STRONGER	57	6	42	9		
ESSENTIALLY UNCHANGED	55	2	43	10		
WE AKER	11	2	7	2		