



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

March 9, 1976

TO: Federal Open Market Committee

FROM: Arthur L. Broida *ALB*

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  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date March 5, 1976

To Mr. Ettin

Subject: Changes in Bank Lending

From Virginia Lewis

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 one-third 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

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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 multi-family 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.

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)

	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	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
	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	121	100.0	0	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	0	0.0
MATURITY OF TERM LOANS	121	100.0	1	0.8	1	0.8	108	89.3	10	8.3	1	0.8
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
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	0.8	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.

	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	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	0	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
	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	121	100.0	0	0.0	4	3.3	79	65.3	37	30.6	1	0.8
CONSUMER INSTALMENT LOANS	120	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	0.8	1	0.8	103	85.9	13	10.8	2	1.7
MULTI-FAMILY MORTGAGE LOANS	120	100.0	1	0.8	7	5.8	109	90.9	3	2.5	0	0.0
ALL OTHER MORTGAGE LOANS	120	100.0	1	0.8	3	2.5	109	90.9	7	5.8	0	0.0
PARTICIPATION LOANS WITH CORRESPONDENT BANKS	121	100.0	0	0.0	5	4.1	92	76.1	24	19.8	0	0.0
LOANS 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.

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 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	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	0	1
LENDING TO NONFINANCIAL BUSINESSES												
TERMS AND CONDITIONS:												
INTEREST RATES CHARGED	100	100	0	0	2	3	54	43	44	54	0	0
COMPENSATING OR 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	0
MATURITY OF TERM LOANS	100	100	0	1	0	1	90	89	8	9	2	0
REVIEWING CREDIT LINES OR LOAN APPLICATIONS												
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	0	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.

	NUMBER ANSWERING QUESTION		SIZE OF BANK MUCH FIRMER POLICY		-- TOTAL DEPOSITS IN BILLIONS MODERATELY FIRMER POLICY		ESSENTIALLY UNCHANGED POLICY		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	0	1	2	12	90	83	8	4	0	0
INTENDED USE OF THE LOAN	100	100	0	0	0	9	88	85	12	6	0	0
LENDING TO "NONCAPTIVE" FINANCE COMPANIES												
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	100	100	0	3	6	12	86	81	8	4	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	0	0	0	6	77	56	21	38	2	0
CONSUMER INSTALMENT LOANS	100	100	0	0	0	4	67	68	33	25	0	3
SINGLE FAMILY MORTGAGE LOANS	100	100	0	1	0	1	88	85	12	10	0	3
MULTI-FAMILY MORTGAGE LOANS	100	100	0	1	2	9	98	86	0	4	0	0
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	0	0
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.

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	NEW YORK		PHIL- ADEL.	CLEVE- LAND	RICH- MOND	ATLAN- TA	CHIC- AGO	ST. LOUIS	MINNE- APOLIS	KANS. CITY	DAL- LAS	SAN FRAN
<b>STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS (AFTER ALLOWANCE FOR BANK'S USUAL SEASONAL VARIATION)</b>														
COMPARED TO 3 MONTHS AGO	121													
MUCH STRONGER	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY STRONGER	9	0	1	0	1	0	0	1	2	1	0	2	1	1
ESSENTIALLY UNCHANGED	56	2	6	4	2	6	3	4	3	9	4	1	4	9
MODERATELY WEAKER	53	5	9	4	5	0	8	6	6	4	4	2	3	3
MUCH WEAKER	3	1	0	0	0	0	0	2	0	0	0	0	0	0
<b>ANTICIPATED DEMAND NEXT THREE MONTHS</b>														
MUCH STRONGER	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY STRONGER	42	3	4	1	3	3	2	2	1	10	5	0	3	5
ESSENTIALLY UNCHANGED	66	3	12	7	5	3	8	6	8	5	4	3	3	6
MODERATELY WEAKER	12	2	0	0	0	0	1	3	1	0	0	0	3	0
MUCH WEAKER	1	0	0	0	0	0	0	1	0	0	0	0	0	0
<b>LENDING TO NONFINANCIAL BUSINESSES</b>														
<b>TERMS AND CONDITIONS</b>														
INTEREST RATES CHARGED	121													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	3	0	1	0	1	0	0	0	1	1	0	0	0	0
ESSENTIALLY UNCHANGED POLICY	58	5	10	6	4	3	3	6	4	8	4	2	5	3
MODERATELY EASIER POLICY	60	3	5	2	3	3	8	6	5	6	5	1	4	10
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>COMPENSATING BALANCES</b>														
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	3	1	1	0	1	0	0	0	1	0	0	0	0	0
ESSENTIALLY UNCHANGED POLICY	99	7	13	8	5	4	8	12	9	13	7	2	8	9
MODERATELY EASIER POLICY	19	0	2	0	2	2	3	0	0	2	2	1	1	4
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	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.





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TABLE 3 (CONTINUED)

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	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 NONFINANCIAL BUSINESSES														
REVIEWING CREDIT LINES OR LOANS														
NONLOCAL SERVICE AREA CUST	121													
MUCH FIRMER POLICY	1	0	0	0	0	0	1	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	12	0	4	0	4	0	2	4	0	0	0	0	1	1
ESSENTIALLY UNCHANGED POLICY	95	8	10	7	3	6	9	6	13	8	3	7	5	11
MODERATELY EASIER POLICY	13	0	2	1	1	0	0	0	2	1	0	2	3	1
MUCH EASIER POLICY	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	121													
MUCH FIRMER POLICY	1	0	1	0	1	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	9	1	2	0	2	0	1	1	1	1	1	0	0	0
ESSENTIALLY UNCHANGED POLICY	104	7	13	8	5	6	10	9	12	8	2	9	7	10
MODERATELY EASIER POLICY	7	0	0	0	0	0	0	0	2	0	0	0	2	3
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTENDED USE OF LOAN	121													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	6	0	2	0	2	0	1	1	0	0	0	1	0	0
ESSENTIALLY UNCHANGED POLICY	105	7	14	8	6	5	10	9	13	9	3	8	8	10
MODERATELY EASIER POLICY	10	1	0	0	0	1	0	2	2	0	0	0	1	3
MUCH EASIER POLICY	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	121													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	3	0	0	0	0	1	0	1	0	0	0	1	0	0
ESSENTIALLY UNCHANGED POLICY	98	6	15	7	8	5	8	8	12	8	3	5	8	10
MODERATELY EASIER POLICY	20	2	1	1	0	0	3	1	3	1	0	3	1	3
MUCH EASIER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

NOT FOR QUOTATION OR PUBLICATION

TABLE 3 (CONTINUED)

PAGE 08

	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 "NONCAPTIVE" FINANCE COMPANIES														
TERMS AND CONDITIONS:														
SIZE OF COMPENSATING BALANCES	121													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	3	0	1	1	0	0	0	2	0	0	0	0	0	0
ESSENTIALLY UNCHANGED POLICY	117	8	15	7	8	6	11	8	15	8	3	9	9	13
MODERATELY EASIER POLICY	1	0	0	0	0	0	0	0	0	1	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	121													
MUCH FIRMER POLICY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY FIRMER POLICY	4	1	0	0	0	0	0	1	0	0	0	0	0	1
ESSENTIALLY UNCHANGED POLICY	115	7	16	8	8	6	10	9	15	8	3	9	9	12
MODERATELY EASIER POLICY	2	0	0	0	0	0	1	0	0	1	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	121													
MUCH FIRMER POLICY	2	0	0	0	0	0	1	1	0	0	0	0	0	0
MODERATELY FIRMER POLICY	11	1	0	0	0	0	1	3	2	0	0	1	1	2
ESSENTIALLY UNCHANGED POLICY	101	7	13	6	7	6	9	8	14	9	3	6	8	10
MODERATELY EASIER POLICY	7	0	3	2	1	0	0	0	1	0	0	2	0	1
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	121													
CONSIDERABLY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	4	0	1	0	1	0	0	1	2	0	0	0	0	0
ESSENTIALLY UNCHANGED	79	4	12	8	4	4	8	8	6	13	5	2	4	9
MODERATELY MORE WILLING	37	4	3	0	3	2	3	3	2	2	4	1	5	3
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	0	0	0	0	0	0	1
CONSUMER INSTALMENT LOANS	120													
CONSIDERABLY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	3	0	0	0	0	0	0	0	2	0	0	0	1	0
ESSENTIALLY UNCHANGED	81	7	11	6	5	3	8	8	4	11	6	3	7	8
MODERATELY MORE WILLING	34	1	3	1	2	3	3	3	4	4	3	0	2	5
CONSIDERABLY MORE WILLING	2	0	1	0	1	0	0	1	0	0	0	0	0	0

	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									
WILLINGNESS TO MAKE OTHER TYPES OF LOANS														
SINGLE FAMILY MORTGAGE LOANS 120														
CONSIDERABLY LESS WILLING	1	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	0	1	0	0
ESSENTIALLY UNCHANGED	103	8	15	7	8	5	7	9	14	8	3	6	9	10
MODERATELY MORE WILLING	13	0	0	0	0	0	4	2	1	1	0	2	0	3
CONSIDERABLY MORE WILLING	2	0	0	0	0	1	0	1	0	0	0	0	0	0
MULTIFAMILY MORTGAGE LOANS 120														
CONSIDERABLY LESS WILLING	1	0	0	0	0	0	0	1	0	0	0	0	0	0
MODERATELY LESS WILLING	7	0	2	0	2	0	1	2	1	1	0	0	0	0
ESSENTIALLY UNCHANGED	109	8	12	7	5	6	10	7	14	7	3	9	9	13
MODERATELY MORE WILLING	3	0	1	0	1	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
ALL OTHER MORTGAGE LOANS 120														
CONSIDERABLY LESS WILLING	1	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	1	0	0	0	0
ESSENTIALLY UNCHANGED	109	8	12	7	5	6	11	9	13	7	3	9	9	12
MODERATELY MORE WILLING	7	0	1	0	1	0	0	0	2	1	0	0	0	1
CONSIDERABLY MORE WILLING	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
MODERATELY LESS WILLING	5	0	2	0	2	1	0	0	0	0	0	0	0	2
ESSENTIALLY UNCHANGED	92	5	12	6	6	4	11	8	13	7	3	6	2	9
MODERATELY MORE WILLING	24	3	2	2	0	1	0	2	2	2	0	3	7	2
CONSIDERABLY MORE WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LOANS TO BROKERS 121														
CONSIDERABLY LESS WILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MODERATELY LESS WILLING	1	0	1	0	1	0	0	0	0	0	0	0	0	0
ESSENTIALLY UNCHANGED	98	7	11	4	7	5	8	9	14	6	2	8	7	11
MODERATELY MORE WILLING	21	1	4	4	0	1	3	2	1	3	1	1	2	1
CONSIDERABLY MORE WILLING	1	0	0	0	0	0	0	0	0	0	0	0	0	1
NUMBER OF BANKS 123														

COMPARISON OF SELECTED RESPONSES IN THE NOVEMBER AND FEBRUARY SURVEYS

	NOV. 15, 1975	FEBRUARY 15, 1976		
	NUMBER OF BANKS	STRONGER	UNCHANGED	WEAKER
<b>STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS</b>				
COMPARED TO THREE MONTHS AGO				
STRONGER	7	0	2	5
UNCHANGED	60	5	26	27
WEAKER	56	4	28	24
ANTICIPATED DEMAND THREE MONTHS HENCE				
STRONGER	34	19	12	3
UNCHANGED	78	21	49	6
WEAKER	11	2	5	4
ANTICIPATED DEMAND THREE MONTHS HENCE				
STRONGER	34	COMPARED TO THREE MONTHS AGO		
UNCHANGED	78	3	16	15
WEAKER	11	5	38	33
		1	2	8
<b>LENDING TO NONFINANCIAL BUSINESSES</b>				
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	99	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

REVIEWING CREDIT LINES OR LOAN APPLICATION	NOV. 15, 1975	FEBRUARY 15, 1976		
	NUMBER OF BANKS	FIRMER	UNCHANGED	EASIER
ESTABLISHED CUSTOMERS				
FIRMER	1	1	0	0
UNCHANGED	108	3	92	11
EASIER	14	0	11	3
NEW CUSTOMERS				
FIRMER	9	3	5	1
UNCHANGED	97	3	78	14
EASIER	17	1	11	5
LOCAL SERVICE AREA CUSTOMERS				
FIRMER	2	1	1	0
UNCHANGED	107	3	94	8
EASIER	14	0	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
UNCHANGED	114	4	100	8
EASIER	6	1	3	2
LENDING TO "NONCAPTIVE" FINANCE COMPANIES				
TERMS AND CONDITIONS:				
INTEREST RATES CHARGED				
FIRMER	3	0	3	0
UNCHANGED	103	3	90	8
EASIER	16	0	4	12
COMPENSATING OR SUPPORTING BALANCES				
FIRMER	5	1	4	0
UNCHANGED	116	2	111	1
EASIER	1	0	1	0

	NOV. 15, 1975	FEBRUARY 15, 1976		
	NUMBER OF BANKS	FIRMER	UNCHANGED	EASIER
LENDING TO "NONCAPTIVE" FINANCE COMPANIES				
TERMS AND CONDITIONS:				
ENFORCEMENT OF BALANCE REQUIREMENTS				
FIRMER	9	1	8	0
UNCHANGED	113	3	106	2
EASIER	0	0	0	0
ESTABLISHING NEW OR LARGER CREDIT LINES				
FIRMER	20	3	15	2
UNCHANGED	99	10	82	5
EASIER	4	0	4	0
WILLINGNESS TO MAKE OTHER TYPES OF LOANS		LESS	UNCHANGED	MORE
TERM LOANS TO BUSINESSES				
LESS	4	2	2	0
UNCHANGED	98	2	70	24
MORE	21	0	7	14
CONSUMER INSTALMENT 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	0	7	4
MULTI-FAMILY MORTGAGE LOANS				
LESS	9	4	5	0
UNCHANGED	109	4	100	3
MORE	2	0	2	0
ALL OTHER MORTGAGE LOANS				
LESS	11	2	9	0
UNCHANGED	104	2	95	5
MORE	6	0	4	2
PARTICIPATION LOANS WITH CORRESPONDENT BANKS				
LESS	5	0	2	3
UNCHANGED	105	5	85	13
MORE	12	0	4	8
LOANS TO BROKERS				
LESS	2	0	2	0
UNCHANGED	110	1	90	17
MORE	10	0	5	5

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE FEBRUARY SURVEY

	FEB. 15, 1976	FEBRUARY 15, 1976		
	NUMBER OF BANKS	NUMBER OF BANKS ESSENTIALLY		
		FIRMER	UNCHANGED	EASIER
<b>LENDING TO NONFINANCIAL BUSINESSES</b>				
<b>INTEREST RATES CHARGED</b>				
FIRMER	3	2	1	0
ESSENTIALLY UNCHANGED	58	1	53	4
EASIER	60	0	45	15
<b>NEW CUSTOMERS</b>				
FIRMER	7	3	3	1
ESSENTIALLY UNCHANGED	94	1	90	3
EASIER	20	0	10	10
<b>VALUE AS DEPOSITOR OR SOURCE OF COLLATERAL BUSINESS</b>				
FIRMER	10	3	7	0
ESSENTIALLY UNCHANGED	104	3	96	5
EASIER	7	0	2	5
<b>LENDING TO "NONCAPTIVE" FINANCE COMPANIES</b>				
<b>INTEREST RATES CHARGED</b>				
FIRMER	3	1	2	0
ESSENTIALLY UNCHANGED	98	2	95	1
EASIER	20	0	20	0
<b>COMPENSATING OR SUPPORTING BALANCES</b>				
FIRMER	3	1	2	0
ESSENTIALLY UNCHANGED	117	3	113	1
EASIER	1	0	0	1
<b>COMPENSATING OR SUPPORTING BALANCES</b>				
FIRMER	3	1	2	0
ESSENTIALLY UNCHANGED	117	12	98	7
EASIER	1	0	1	0
<b>INTENDED USE OF THE LOAN</b>				
<b>ENFORCEMENT OF BALANCE REQUIREMENTS</b>				
<b>ESTABLISHING NEW OR LARGER CREDIT LINES</b>				



A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE FEBRUARY SURVEY

WILLINGNESS TO MAKE OTHER TYPES OF LOANS	FEB. 15, 1976	FEBRUARY 15, 1976		
	NUMBER OF BANKS	LESS	NUMBER OF BANKS ESSENTIALLY UNCHANGED	MORE
TERM LOANS TO BUSINESSES		MATURITY OF TERM LOANS		
LESS	4	1	3	0
ESSENTIALLY UNCHANGED	79	1	77	1
MORE	38	0	28	10
SINGLE FAMILY MORTGAGE LOANS		MULTI-FAMILY MORTGAGE LOANS		
LESS	2	1	1	0
ESSENTIALLY UNCHANGED	103	7	95	1
MORE	15	0	13	2
SINGLE FAMILY MORTGAGE LOANS		ALL OTHER MORTGAGE LOANS		
LESS	2	1	1	0
ESSENTIALLY UNCHANGED	103	3	96	4
MORE	15	0	12	3
TERM LOANS TO BUSINESSES		CONSUMER INSTALMENT LOANS		
LESS	4	1	3	0
ESSENTIALLY UNCHANGED	79	2	55	21
MORE	38	0	23	15
TERM LOANS TO BUSINESSES		PARTICIPATION LOANS WITH CORRESPONDENT BANKS		
LESS	4	0	3	1
ESSENTIALLY UNCHANGED	79	4	67	8
MORE	38	1	22	15
TERM LOANS TO BUSINESSES		LOANS TO BROKERS		
LESS	4	0	3	1
ESSENTIALLY UNCHANGED	79	1	66	12
MORE	38	0	29	9

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE FEBRUARY SURVEY

STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS	FEB. 15, 1976	FEBRUARY 15, 1976		
	NUMBER OF BANKS	FIRMER	ESSENTIALLY UNCHANGED	EASIER
COMPARED TO THREE MONTHS AGO		INTEREST RATES CHARGED TO NONFINANCIAL BUSINESSES		
STRONGER	9	1	5	3
ESSENTIALLY UNCHANGED	56	0	30	26
WEAKER	56	2	23	31
COMPARED TO THREE MONTHS AGO		COMPENSATING OR SUPPORTING BALANCES		
STRONGER	9	1	7	1
ESSENTIALLY UNCHANGED	56	0	48	8
WEAKER	56	2	44	10
COMPARED TO THREE MONTHS AGO		STANDARDS OF CREDIT WORTHINESS		
STRONGER	9	1	8	0
ESSENTIALLY UNCHANGED	56	4	52	0
WEAKER	56	5	50	1
COMPARED TO THREE MONTHS AGO		MATURITY OF TERM LOANS		
STRONGER	9	0	6	3
ESSENTIALLY UNCHANGED	56	0	51	5
WEAKER	56	2	51	3
COMPARED TO THREE MONTHS AGO		NEW CUSTOMERS		
STRONGER	9	0	4	5
ESSENTIALLY UNCHANGED	56	2	48	6
WEAKER	56	5	42	9
COMPARED TO THREE MONTHS AGO		(*NONCAPTIVE FINANCE COMPANIES*) ENFORCEMENT OF BALANCE REQUIREMENTS		
STRONGER	9	0	9	0
ESSENTIALLY UNCHANGED	56	1	54	1
WEAKER	56	3	52	1
COMPARED TO THREE MONTHS AGO		(*NONCAPTIVE FINANCE COMPANIES*) ESTABLISHING NEW OR LARGER CREDIT LINES		
STRONGER	9	0	8	1
ESSENTIALLY UNCHANGED	56	5	47	4
WEAKER	56	8	46	2

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE FEBRUARY SURVEY

STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS	FEB. 15, 1976	FEBRUARY 15, 1976		
	NUMBER OF BANKS	LESS	NUMBER OF BANKS ESSENTIALLY UNCHANGED	MORE
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE TERM LOANS TO BUSINESSES		
STRONGER	9	1	5	3
ESSENTIALLY UNCHANGED	56	0	44	12
WEAKER	56	3	30	23
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE CONSUMER INSTALMENT LOANS		
STRONGER	9	0	7	2
ESSENTIALLY UNCHANGED	56	1	37	17
WEAKER	56	2	37	17
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE SINGLE FAMILY MORTGAGE LOANS		
STRONGER	9	0	8	1
ESSENTIALLY UNCHANGED	56	0	49	6
WEAKER	56	2	46	8
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE MULTI-FAMILY MORTGAGE LOANS		
STRONGER	9	0	9	0
ESSENTIALLY UNCHANGED	56	4	50	1
WEAKER	56	4	50	2
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE ALL OTHER MORTGAGE LOANS		
STRONGER	9	0	9	0
ESSENTIALLY UNCHANGED	56	1	51	3
WEAKER	56	3	49	4
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE PARTICIPATION LOANS WITH CORRESPONDENT BANKS		
STRONGER	9	1	4	4
ESSENTIALLY UNCHANGED	56	4	42	10
WEAKER	56	0	46	10
COMPARED TO THREE MONTHS AGO		WILLINGNESS TO MAKE LOANS TO BROKERS		
STRONGER	9	0	7	2
ESSENTIALLY UNCHANGED	56	1	46	9
WEAKER	56	0	45	11

A CROSS-CLASSIFICATION OF SELECTED RESPONSES IN THE FEBRUARY SURVEY

	FEB. 15, 1976	FEBRUARY 15, 1976		
	NUMBER OF BANKS	NUMBER OF BANKS ESSENTIALLY		
		FIRMER	UNCHANGED	EASIER
<b>STRENGTH OF DEMAND FOR COMMERCIAL AND INDUSTRIAL LOANS</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	1	35	6
ESSENTIALLY UNCHANGED	66	2	53	11
WEAKER	13	0	11	2
<b>COMPENSATING OR SUPPORTING BALANCES</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	4	37	1
ESSENTIALLY UNCHANGED	66	4	62	0
WEAKER	13	2	11	0
<b>STANDARDS OF CREDIT WORTHINESS</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	1	37	4
ESSENTIALLY UNCHANGED	66	0	59	7
WEAKER	13	1	12	0
<b>MATURITY OF TERM LOANS</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	1	29	12
ESSENTIALLY UNCHANGED	66	3	56	7
WEAKER	13	3	9	1
<b>NEW CUSTOMERS</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	3	35	4
ESSENTIALLY UNCHANGED	66	5	58	3
WEAKER	13	5	8	0
<b>(NONCAPTIVE FINANCE COMPANIES*) ESTABLISHING NEW OR LARGER CREDIT LINES</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	1	32	9
ESSENTIALLY UNCHANGED	66	2	41	23
WEAKER	13	1	6	6
<b>WILLINGNESS TO MAKE TERM LOANS TO BUSINESSES</b>				
<b>ANTICIPATED DEMAND IN NEXT 3 MONTHS</b>				
STRONGER	42	1	32	9
ESSENTIALLY UNCHANGED	66	2	41	23
WEAKER	13	1	6	6