

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 3628]
[December 15, 1950]

SIMPLIFIED COMMERCIAL CREDIT FILE

*To All Banks and Trust Companies in the
Second Federal Reserve District:*

During the past year a special committee of the New York State Bankers Association has been developing a simplified commercial credit file, intended particularly for banks of small or moderate size. In the course of its development the file was carefully tested in actual practice by a number of volunteer banks, and it was submitted to supervisory authorities for suggestions. The aim was to produce a file which would contain all the information needed to make a sound loan, yet be simple and easy to maintain.

We are pleased to respond to the request of the New York State Bankers Association to undertake the distribution of this file to banks in the Second Federal Reserve District, confident that it gives us an opportunity to help many banks in the district in serving the credit needs of their communities.

The file consists of a special folder and the following forms:

Financial statement form (this is the same form we have been supplying to member banks)

Analysis form (for comparing financial statements)

Original history sheet

Continuing history sheets (for recording current and pertinent data)

A sample file is enclosed, together with a sample credit memorandum form in which loaning officers can record information obtained during interviews with customers, an explanation of the various forms, and instructions for setting up and maintaining the file.

During recent years bank loan portfolios have increased substantially; the average amount of individual loans has also increased and the need for sound loan supervision is therefore greater today than ever before. In addition, borrowers have a right to expect that their good credit standing and the bank's favorable experience with them be a matter of permanent record at the bank with which they do business. The use of the credit file will not, of course, guarantee the quality of loans made — that will still depend upon the judgment of the individual banker and his directors. However, the ready availability of properly maintained credit data, together with the knowledge and judgment of management, should enable a bank to satisfy the credit needs of its community and to grant to borrowers the credit to which they are entitled without exposing the bank to undue risks.

We are prepared to furnish the credit folders and forms mentioned above, separately or in sets, upon the following basis:

Folders will be furnished in any quantity at a cost of 10¢ each.

Forms will be furnished without charge to all banks.

Credit memoranda will be furnished in pads of 100, at a cost of 25¢ per pad.

An order form is enclosed on which you may indicate the number of copies of the credit folder and of each form you may wish for current use. We will be glad to assist member banks to install credit files or to review their present credit analysis procedures. Requests for such assistance may be directed to the Bank Relations Department of this Bank.

ALLAN SPROUL,
President.

FINANCIAL STATEMENT

CORPORATION
(Short Form)

NAME _____
 BUSINESS _____ ADDRESS _____
 TO _____ BANK OF _____

We make the following statement of all the assets and liabilities of this corporation at the close of business on the _____ day of _____, 19____, and give other material information for the purpose of obtaining advance on notes and bills bearing our signature or endorsement, and for obtaining credit generally upon present and future applications.
 (PLEASE COMPLETE ALL SCHEDULES AND FILL IN ALL BLANKS; INSERT "NONE" IF APPROPRIATE.)

ASSETS	LIABILITIES
Cash On hand, and unrestricted in banks	Notes Payable to Banks
Notes Receivable from Customers Good, and readily collectable	Notes Payable to Trade Creditors Given for merchandise, equipment, etc.
Accounts Receivable from Customers Current and collectable	Notes Payable to Others Except officers, stockholders and employees
Merchandise	Loans on Life Insurance
Life Insurance, Cash Surrender Value Without deducting loans	Accounts Payable
Securities, Readily Marketable Stocks, bonds, etc., at present selling value	Due to Officers, Stockholders, Employees
	Due to Subsidiaries and Affiliates
(Itemize above other current assets)	Taxes and Assessments
Total Current Assets	Mortgage and Bonded Debt Due and payable within one year
Land and Buildings Without deducting mortgages or depreciation reserves	Accrued Liabilities For wages, interest, insurance, etc.
Machinery, Equip't, Furniture, Fixtures, etc. Without deducting depreciation reserves	
	(Itemize above other current liabilities)
Accounts and Notes Receivable From customers, slow or doubtful of collection	Total Current Liabilities
Investments in Subsidiaries and Affiliates Not including loans, advances, accounts, etc.	Real Estate Mortgages Payable Due and payable after one year
Due from Subsidiaries and Affiliates	Other deferred liabilities (describe)
Due from Officers, Stockholders, Employees	Total Liabilities
	Reserve for Depreciation
	Capital Stock
	Surplus
Total Assets	Total Liabilities and Net Worth

STATEMENT OF PROFIT & LOSS for period beginning _____, 19____ and ending _____, 19____	
Inventory, Beginning of Period	Inventory, End of Period
Net Purchases	Net Income from Sales
Operating Expense	Income from Investments
Officers' Compensation	Income from Commissions
Bad Debts Charged Off	Other Income (Itemize)
Depreciation Charged Off	
Other Administrative, Selling & Gen'l Exp'se	
Reserves Created	
Net Profit	Net Loss
Total	Total

RECONCILIATION OF EARNED SURPLUS for period beginning _____, 19____ and ending _____, 19____	
Earned Surplus, Beginning of Period _____ \$	
<u>Deductions from Earned Surplus (Itemize below)</u>	<u>Additions to Earned Surplus (Itemize below)</u>
_____ \$	_____ \$
_____	_____
_____	_____
_____	Total Additions _____
Total Deductions _____ (Use next column)	
Net Surplus Change _____	
Earned Surplus, End of Period _____	\$

Contingent Liabilities and Commitments. This corporation has no contingent liabilities or commitments outstanding against it, except as follows: Notes and Accounts Receivable, Trade Acceptances, Conditional Sales Contracts, etc., discounted, or sold with recourse \$.....; Accommodation Endorser or Guarantor \$.....; on Mortgage Bonds \$.....; in connection with Law Suits, including Courts, Injuries, etc. \$.....; in connection with Leases \$.....; claims for Taxes \$..... Commitments to buy \$..... Commitments to Sell \$..... Other (describe):

Table with 6 columns: Description and Location of Each Parcel, Estimated Present Value, Assessed Value, Amount of Fire Insurance, Amount of Mortgages, Taxes, Assessm'ts Mortgage Interest Due and Unpaid.

Title to Real Estate. The legal and equitable title to all the real estate listed in this statement is solely in the name of the undersigned corporation, except as follows:

Notes Receivable (From Customers). Considered collectable within 90 days \$.....; of slow or doubtful collectability; pledged or discounted \$..... Accounts Receivable (From Customers). Past due, but less than 90 days \$.....; past due more than 90 days; considered of doubtful collectability \$.....; accounts assigned, pledged or hypothecated \$..... Merchandise. Date of last physical inventory..... Basis of valuation..... Raw materials \$.....; in process \$.....; finished goods \$.....; supplies, etc., \$..... Low moving or obsolete goods \$..... Goods held by us on consignment \$.....; out on consignment to others Merchandise on hand or in transit, or otherwise held, not included in balance sheet \$..... We are under contract to buy merchandise in the amount of \$.....; such goods are worth \$..... at present market prices. Life Insurance on Officers for Benefit of Company. \$..... Names of Insured Securities (Stocks, Bonds, etc.). Description of each investment, and whether readily marketable at stated values..... Registered in name of Notes Payable. Description of security given..... Accounts Payable. Past due..... \$..... Preferred Liabilities (Bonds, etc.). Description of security given Interest rate.....% Interest paid up to....., 19.....

Terms. Selling terms Purchasing terms Maximum and Minimum Liabilities (during last fiscal year). Maximum of \$..... on....., 19..... Minimum of \$..... on....., 19..... Fire Insurance. On merchandise \$.....; on machinery, equipment, furniture, fixtures, etc. \$..... Liability Insurance. Automobile property damage \$..... personal liability \$..... General public liability \$..... Autos and trucks owned or operated without insurance..... Mortgages, Liens, etc. Description of all property, including current assets, pledged as security to mortgages or covered by liens, not disclosed elsewhere in statement..... Accounting Information. Frequency of audits..... Name of outside auditor..... Date of last audit..... Date of fiscal year end..... Suits, Judgments and Other Legal Actions. Description of all such pending, outstanding or remaining unsettled against this corporation:..... Incorporation. This corporation was organized under the laws of the State of on....., 19..... Capital Stock Outstanding (on statement date). Common Stock: shares..... \$..... % Preferred:..... shares..... \$..... Dividends accumulated and unpaid \$..... Surplus (on statement date). Earned Surplus \$..... Unearned or Capital Surplus \$.....

Subsidiary and Affiliated Companies and Interests. There are none, except the following (names and relationship):

Table with 6 columns: Name, Title, Annual Compensation, Number of Shares Owned (Common, Preferred).

Edge, Assignment and Transfer of Title of Assets. As of the date of the statement of assets and liabilities included in this financial statement, none of the assets of this corporation as listed herein were pledged, assigned, hypothecated, nor had the title thereto been transferred, except as stated in this financial statement; and none of the assets of this corporation have been since that date pledged, assigned or hypothecated, nor has title thereto been transferred, except as follows:

We, the undersigned, hereby certify that the foregoing statement of assets and liabilities and the statement of profit and loss and reconciliation of surplus, are taken from the books of this corporation and that they are in accordance with said books and that they read all other statements printed or written on the two sides of this sheet have been carefully read and are true and give a correct showing of the financial condition of the corporation as of the date of the balance sheet hereinabove contained, except where a different date is specifically noted. IN THE EVENT OF ANY MATERIAL CHANGE IN THE FINANCIAL CONDITION OF THIS CORPORATION, WE AGREE TO NOTIFY SAID BANK IMMEDIATELY IN WRITING.

Signed this..... day of....., 19..... Signature By (Name and Official Title)

Attach separate schedules whenever space on this form is insufficient. Identify each schedule as being part of this financial statement; date and sign each schedule same as this form.

FINANCIAL STATEMENT

FIRM
(Short Form)

NAME _____
 BUSINESS _____ ADDRESS _____
 TO _____ BANK OF _____

We make the following statement of all the assets and liabilities of our partnership at the close of business on the _____ day of _____, 19_____, and give other material information for the purpose of obtaining advances on notes and bills bearing our signature or endorsement, and for obtaining credit generally upon present and future applications.
 (PLEASE COMPLETE ALL SCHEDULES AND FILL IN ALL BLANKS; INSERT "NONE" IF APPROPRIATE)

ASSETS	LIABILITIES
Cash On hand, and unrestricted in banks	Notes Payable to Banks
Notes Receivable from Customers Good, and readily collectable	Notes Payable to Trade Creditors Given for merchandise, equipment, etc.
Accounts Receivable from Customers Current and collectable	Loans from Relatives, Friends, etc.
Merchandise	Loans on Life Insurance
Life Insurance, Cash Surrender Value Without deducting loans	Accounts Payable
Securities, Readily Marketable Stocks, bonds, etc., at present selling value	Interest Due and Unpaid On notes, mortgage loans and other obligations
(Itemize above other current assets)	Taxes and Assessments Payable Levied and not paid
Total Current Assets	Chattel Mortgages Payable
Land and Buildings Without deducting mortgages or depreciation reserves	Real Estate Mortgage Debt (Current) Payable within one year
Machinery, Equipment, Furniture, Fixtures, etc. Without deducting depreciation reserves	(Itemize above other current liabilities)
	Total Current Liabilities
Notes and Accounts, Due from Customers Considered of slow or doubtful collection	Real Estate Mortgages Payable Due and payable after one year
Loans and Advances Made to partners, employees, relatives, etc.	Other deferred liabilities (describe)
Mortgages Owned	Total Liabilities
Securities, Not Readily Marketable Considered of sound worth at value indicated	Reserve for Depreciation
	Net Worth
Total Assets	Total Liabilities and Net Worth

STATEMENT OF PROFIT & LOSS for period beginning _____, 19_____, and ending _____, 19_____			
Inventory, Beginning of Period		Inventory, End of Period	
Net Purchases		Net Income from Sales	
Operating Expense		Income from Investments	
Partners' Compensation		Income from Commissions	
Bad Debts Charged Off		Other Income (Itemize)	
Depreciation Charged Off			
Other Administrative, Selling & Gen'l Exp'se			
Reserves Created			
Net Profit		Net Loss	
Total		Total	

RECONCILIATION OF NET WORTH for period beginning _____, 19_____, and ending _____, 19_____			
Net Worth, Beginning of Period.....\$.....			
<u>Deductions from Net Worth (Itemize below)</u>		<u>Additions to Net Worth (Itemize below)</u>	
Loss for Period.....\$.....		Profit for Period.....\$.....	
Withdrawals.....		Additional Capital Furnished.....	
.....		
.....		Total Additions.....	
Total Deductions.....	(Use next column)		
Net Change in Net Worth.....			
Net Worth, End of Period.....\$.....			

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Contingent Liabilities and Commitments. We have no contingent liabilities or commitments outstanding against us, except as follows:
 Notes and Accounts Receivable, Trade Acceptances, Conditional Sales Contracts, etc., discounted, or sold with recourse \$.....; as
 Accommodation Endorsers or Guarantors \$.....; on Mortgage Bonds \$.....; on Bail Bonds \$.....; in
 connection with Law Suits, including Torts, Injuries, etc. \$.....; in connection with Leases \$.....; claims for Taxes \$.....
 Commitments to Buy \$..... Commitments to Sell \$..... Other (describe):.....

Land and Buildings	Acres	Estimated Present Value	Assessed Value	Amount of Fire Insurance	Amount of Mortgages	Taxes, Assessments, Mortgage Interest Due and Unpaid
Description and Location of Each Parcel		\$	\$	\$	\$	\$

Title to Real Estate. The legal and equitable title to all the real estate listed in this statement is solely in the name or names of one or more of the partners of this firm, except as follows:

Notes Receivable (From Customers). Considered collectable within 90 days \$.....; of slow or doubtful collectability \$.....; pledged or discounted \$.....
Accounts Receivable (From Customers). Past due, but less than 90 days \$.....; past due more than 90 days \$.....; considered of doubtful collectability \$.....
 accounts assigned, pledged or hypothecated \$.....
Merchandise. Date of last physical inventory.....
 Basis of valuation.....
 Raw materials \$.....; in process \$.....
 finished goods \$.....; supplies, etc. \$.....
 Slow moving or obsolete goods \$..... Goods held by us on consignment \$.....; out on consignment to others \$.....
 Merchandise on hand or in transit, or otherwise held, not included in balance sheet \$..... We are under contract to buy merchandise in the amount of \$.....; which goods are worth \$..... at present market prices.
Life Insurance on Partners for Benefit of Firm. \$.....
 Names of Insured.....
Securities (Stocks, Bonds, etc.). Description of each investment, and whether readily marketable at stated values.....
 Registered in name of.....
Loans and Advances. To whom made.....
 Security held..... When due.....

Notes Payable. Description of security given.....
Loans From Relatives, Friends, etc. When due.....
 Description of security given.....
Accounts Payable. Past due \$.....
Chattel Mortgages Payable. Description of property mortgaged, and terms of payment.....
Terms. Selling terms.....
 Purchasing terms.....
Maximum and Minimum Liabilities (during last fiscal year).
 Maximum of \$..... on....., 19.....
 Minimum of \$..... on....., 19.....
Fire Insurance. On merchandise \$.....; on machinery, equipment, furniture, fixtures, etc. \$.....
Liability Insurance. Automobile property damage \$.....; personal liability \$..... General public liability \$.....
 Autos and trucks owned or operated without insurance.....
Mortgages, Liens, etc. Description of all property, including current assets, pledged as security to mortgages or covered by liens, not disclosed elsewhere in statement.....
Accounting Information. Frequency of audits.....
 Name of outside auditor.....
 Date of last audit..... Date of fiscal year end.....
Suits, Judgments and Other Legal Actions. Description of all such pending, outstanding or remaining unsettled against firm or any individual partner.....

Pledge, Assignment and Transfer of Title of Assets. As of the date of the statement of assets and liabilities included in this financial statement, none of our assets as listed herein were pledged, assigned, hypothecated, nor had the title thereto been transferred, except as noted in this financial statement; and none of our assets have been since that date pledged, assigned or hypothecated, nor has the title thereto been transferred, except as follows:

Other Business Interests of Partners; and Affiliated Interests of Firm. There are none, except as follows:

Partnership. (State whether partnership operates under written Articles of Copartnership, or verbal agreement):.....
 Date of Partnership Agreement....., 19.....; date of expiration....., 19.....
 Listed below are all the General and Special Partners of this firm:

Name	Age	Annual Compensation from Firm	Amount of Capital Contributed	Net Worth Outside of Firm		Liabilities Outside of Firm	
				Date	Amount	Direct Debts Including Mortgages	Liability as Guarantor Endorser, etc.
General Partners		\$	\$		\$	\$	\$
Special Partners							

Extent to which Special Partners are responsible for debts of this partnership, and to what date:

We, the undersigned, hereby certify that the foregoing statement of assets and liabilities, statement of profit and loss, and reconciliation of net worth, are taken from the books of this partnership, and that they are in accordance with said books, and that they and all other statements printed or written on the two sides of this sheet have been carefully read and are true and give a correct showing of the financial condition of this partnership as of the date of the balance sheet herein contained except where a different date is specifically noted. **IN THE EVENT OF ANY MATERIAL CHANGE IN OUR FINANCIAL CONDITION, WE AGREE TO NOTIFY SAID BANK IMMEDIATELY IN WRITING.**

Signed this..... day of..... 19..... Signatures (Firm and partners).....

ALL PARTNERS SHOULD SIGN
When There Is No Written Partnership Agreement

Attach separate schedules whenever space on this form is insufficient. Identify each schedule as being part of this financial statement; date and sign each schedule same as this form.

FINANCIAL STATEMENT

of

NAME _____
 BUSINESS _____ ADDRESS _____
 TO _____ BANK OF _____

I make the following statement of all my assets and liabilities at the close of business the _____ day of _____, 19____, and give other material information for the purpose of obtaining advance on notes and bills bearing my signature or endorsement, and for obtaining credit generally upon present and future applications.
 (PLEASE COMPLETE ALL SCHEDULES AND FILL IN ALL BLANKS; INSERT "NONE" IF APPROPRIATE.)

ASSETS	LIABILITIES
Cash On hand, and unrestricted in banks	Notes Payable to Banks
Notes Receivable from Customers Good, and readily collectible	Notes Payable to Trade Creditors Given for merchandise, equipment, etc.
Accounts Receivable from Customers Current and collectible	Loans from Relatives, Friends, etc.
Merchandise	Loans on Life Insurance
Life Insurance, Cash Surrender Value Without deducting loans	Accounts Payable
Securities, Readily Marketable Stocks, bonds, etc., at present selling value	Interest Due and Unpaid On notes, mortgage loans and other obligations
(Itemize above other current assets)	Taxes and Assessments Payable Levied and not paid
Total Current Assets	Chattel Mortgages Payable
Land and Buildings Without deducting mortgages or depreciation reserves	Real Estate Mortgage Debt (Current) Payable within one year
Mach., Equipment, Furniture, Fixtures, etc. Without deducting depreciation reserves	(Itemize above other current liabilities)
Notes and Accounts, Due from Customers Considered of slow or doubtful collection	Total Current Liabilities
Loans and Advances Made to employees, relatives, friends, etc.	Real Estate Mortgages Payable Due and payable after one year
Mortgages Owned	Other deferred liabilities (describe)
Securities, Not Readily Marketable Considered of sound worth at value indicated	Total Liabilities
	Reserve for Depreciation
	Net Worth
Total Assets	Total Liabilities and Net Worth

STATEMENT OF PROFIT & LOSS for period beginning _____, 19____ and ending _____, 19____	
Inventory, Beginning of Period	Inventory, End of Period
Net Purchases	Net Income from Sales
Operating Expense	Income from Investments
Proprietor's Compensation	Income from Commissions
Bad Debts Charged Off	Other Income (Itemize)
Depreciation Charged Off	
Other Administrative, Selling & Gen'l Exp'se	
Reserves Created	
Net Profit	Net Loss
Total	Total

RECONCILIATION OF NET WORTH for period beginning _____, 19____ and ending _____, 19____	
Net Worth, Beginning of Period.....\$_____	
<u>Deductions from Net Worth (Itemize below)</u>	<u>Additions to Net Worth (Itemize below)</u>
Loss for Period.....\$_____	Profit for Period.....\$_____
Withdrawals	Additional Capital Furnished.....
.....
.....	Total Additions
Total Deductions(Use next column)	
Net Change in Net Worth.....	
Net Worth, End of Period\$_____	

Contingent Liabilities and Commitments. I have no contingent liabilities or commitments outstanding against me, except as follows:
Notes and Accounts Receivable, Trade Acceptances, Conditional Sales Contracts, etc., discounted or sold with recourse \$
Accommodation Endorser or Guarantor \$; on Mortgage Bonds \$; on Bail Bonds \$; in
connection with Law Suits, including Torts, Injuries, etc. \$; in connection with Leases \$; claims for Taxes
Commitments to Buy \$ Commitments to Sell \$ Other (describe):

Real Estate. (List each parcel separately as No. 1, 2, 3, etc.)

Table with 7 columns: Description and Location, Acres, Age and Condition, Cost with Improvements, Assessed Value, Fire Insurance, Estimated Present Value.

Table with 6 columns: First Mortgage (Amount, Due Date), Second Mortgage (Amount, Due Date), Third Mortgage (Amount, Due Date), Taxes, Assessments, Interest Due, Yearly Gross Rental Income, Yearly Net Rental Income (Before Depreciation).

Title to Real Estate. The legal and equitable title to all the real estate listed in this statement is solely in my name, except as follows:

Accounts Receivable (From Customers). Considered collectible within
days \$; of slow or doubtful collectability
; pledged or discounted \$

Accounts Receivable (From Customers). Past due, but less than
days \$; past due more than 90 days
; considered of doubtful collectability \$

Accounts assigned, pledged or hypothecated \$
Merchandise: Date of last physical inventory

Analysis of valuation
Raw materials \$; in process \$
Finished goods \$; supplies, etc. \$

Slow moving or obsolete goods \$ Goods held by me
on consignment \$; out on consignment to others

Merchandise on hand or in transit, or otherwise
held, not included in balance sheet \$ I am under
contract to buy merchandise in the amount of \$; which
goods are worth \$ at present market prices.

Life Insurance (On My Life). Face amount \$
Name of beneficiary

Securities (Stocks, Bonds, etc.) Description of each investment, and
whether readily marketable at stated values

Securities registered in name of

Loans and Advances. To whom made
Security held When due

Mortgages Owned. First mortgages \$
Second mortgages \$ General description of
properties:

Edge, Assignment and Transfer of Title of Assets. As of the date of the statement of assets and liabilities included in this financial
statement, none of my assets as listed herein were pledged, assigned, hypothecated, nor had the title thereto been transferred, except as
stated in this financial statement; and none of my assets have been since that date pledged, assigned or hypothecated, nor has the title
thereto been transferred, except as follows:

Notes Payable. Description of security given

Loans From Relatives, Friends, etc. Purpose for which loan was
made When due

Accounts Payable. Past due \$

Chattel Mortgages Payable. Description of property mortgaged,
and terms of payment

Terms. Selling terms

Purchasing terms

Maximum and Minimum Liabilities (during last fiscal year).

Maximum of \$ on 19

Minimum of \$ on 19

Fire Insurance. On merchandise \$; on machinery,
equipment, furniture, fixtures, etc. \$

Liability Insurance. Automobile property damage \$;
personal liability \$ General public liability \$
Autos and trucks owned or operated without insurance

Mortgages, Liens, etc. Description of all property, including cur-
rent assets, pledged as security to mortgages or covered by liens,
not disclosed elsewhere in statement

Accounting Information. Frequency of audits

Name of outside auditor

Date of last audit Date of fiscal year end

Suits, Judgments and Other Legal Actions. Description of all such
pending, outstanding or remaining unsettled:

Other Business Interests. (Describe)

Assets and Liabilities Outside of This Business. My assets and lia-
bilities outside of the business, not disclosed elsewhere in this state-
ment, are as follows:

Assets \$ Liabilities \$

Personal Status. I am aged years. Year this business started

Marital status (single, married, etc.)

Name of wife (or husband)

I, the undersigned, hereby certify that the foregoing statement of assets and liabilities, statement of profit and loss, and reconcilla-
tion of net worth, are taken from my books, and that they are in accordance with said books, and that they and all other statements
entered or written on the two sides of this sheet have been carefully read and are true and give a correct showing of my financial condi-
tion as of the date of the balance sheet herein contained except where a different date is specifically noted. IN THE EVENT OF ANY
MATERIAL CHANGE IN MY FINANCIAL CONDITION, I AGREE TO NOTIFY SAID BANK IMMEDIATELY IN WRITING.

Signed this day of 19 Signature

FINANCIAL STATEMENT

NAME _____

OCCUPATION _____ **ADDRESS** _____

To: _____ **BANK OF** _____

I make the following statement of all my assets and liabilities at the close of business as of the _____ day _____, 19____, and give other material information for the purpose of obtaining advances on notes and bills bearing my signature, endorsement, or guarantee, and for obtaining credit generally upon present and future application.

PLEASE ANSWER ALL QUESTIONS USING "NO" OR "NONE" WHERE NECESSARY.

ASSETS				LIABILITIES and NET WORTH			
Cash (See Sched. No. 1) On hand, and unrestricted in banks.				Notes Payable to Banks, Unsecured Direct borrowings only. (See Sched. No. 1)			
Accounts and Loans Receivable (See Sched. No. 2)				Notes Payable to Banks, Secured Direct borrowings only. (See Sched. No. 1)			
Notes Receivable, Not Discounted (See Sched. No. 2)				Notes Receivable, Discounted With banks, finance companies, etc. (See Sched. No. 1)			
Notes Receivable, Discounted With banks, finance companies, etc. (See Sched. No. 2)				Notes Payable to Others, Unsecured			
Life Insurance, Cash Surrender Value (Do not deduct loans.) (See Sched. No. 3)				Notes Payable to Others, Secured			
Securities—(Stocks, Bonds, etc.) (See Sched. No. 4)				Loans Against Life Insurance (See Sched. No. 3)			
Mortgages Owned (See Sched. No. 6)				Accounts Payable			
Real Estate (See Sched. No. 7)				Interest Payable			
Automobiles Registered in Own Name.				Taxes and Assessments Payable (See Sched. No. 7)			
Other Assets (Itemize)				Brokers Margin Accounts Debit Balances. (See Sched. No. 5)			
				Mortgages Payable on Real Estate (See Sched. No. 7)			
				Other Liabilities (Itemize)			
				Net Worth			
Total Assets				Total Liabilities and Net Worth			

SUPPLEMENTARY SCHEDULES

No. 1. Banking Relations. (A list of all my bank accounts, including savings.)				No. 5. Brokers Margin Accts.	
Name and Location of Bank	Cash Balance	Amt. of Loan	How Endorsed, Guaranteed or Secured	Name and Address of Broker	Amount of Debit Balance

No. 2. Accounts, Loans and Notes Receivable. (A list of the largest amounts owing to me.)					
Name and Address of Debtor	Amount Owing	Age of Debt	Description of Nature of Debt	Description of Security Held	Date Payment Expected

No. 3. Life Insurance.								
Name of Person Insured	Name of Beneficiary	Name of Insurance Co.	Type of Policy	Face Amount of Policy	Total Cash Surrender Value	Total Loans Against Policy	Amount of Yearly Premium	Is Policy Assigned

No. 4. Securities Owned. (Stocks, Bonds, etc., but not Mortgages.)						
Face Value (Bonds) No. of Shares (Stocks)	Description of security	Registered in Name of	Cost	Present Market Value	Income Received Last Year	To Whom Pledged

(SEE OTHER SIDE)

c. 6. Mortgages Owned.

(Write down column for each mortgage)

Table with 5 columns (1-5) and rows for: Description of Mortgaged Property, Principal Amount of Mortgage, Interest Due and Unpaid, Is this a First, Second or Third Mortgage?, Amount of Prior Mortgages, Unpaid Taxes, Assessments Due, etc., Present Market Value of Property, Assessed Value of Property.

received, during the past year, interest payments on the above mortgages of \$....., and payments on principal of \$.....

d. 7. Real Estate Owned.

Table with 7 columns: Location and Description of Land and Building Owned, Cost with Improvements, Assessed Value, Fire Insurance, Estimated Present Value, Taxes and Assessments Due and Unpaid, Mortgage Interest Due and Unpaid.

Table with 8 columns: First Mortgage (Amount, Maturity), Second Mortgage (Amount, Maturity), Third Mortgage (Amount, Maturity), Yearly Gross Rental Income, Yearly Operating Expenses, Yearly Net Rental Income (Before Depreciation).

title of Real Estate. The legal and equitable title to all pieces of above described real estate is in my name solely, except as follows:

e. 8. Liability Insurance.

Table with 3 main columns: Name and Address of Insurance Company, Amount of Coverage (Personal Injury, etc., Property Damage), Expiration Date.

Personal Status. I am aged.....years, am single/married/a widow(or) have.....dependents, and reside at..... (Address)

Income and Expense. My gross income from all sources during the past year, beginning....., 19..... and ending....., 19....., amounted to \$..... The personal living expenses of myself and dependents during this period amounted to \$....., and I had other fixed expenses for insurance premiums, interest on debts, etc., of \$....., I expect no important changes in my income or expenses during the current year or next year, except as follows:

Contingent Liability. I have no contingent liabilities, as endorser, guarantor, or otherwise, except the following: (Give details.)

Suits, Judgments and Other Legal Actions. I have outstanding or pending against me no suits, judgments, or other legal actions and to the best of my knowledge no legal actions are to be started against me, except as follows: (Give details.)

Mortgage, Assignment, and Transfer of Title of Assets. As of the date of the statement of assets and liabilities, included in this financial statement, I had not pledged, assigned, hypothecated, or transferred the title of any of my assets as listed above, except as noted in the various schedules of this financial statement; and I have not since that date pledged, assigned, hypothecated, or transferred the title of any of my assets, except as follows: (Give details.)

I have carefully read the foregoing statements, and all printed and written matter therein, and hereby certify that all the statements contained on both sides of this sheet are known by me to be true and to give a correct showing of my financial condition, and that I had no liabilities, direct, or contingent, business or accommodation, except as set forth in said complete statement, and that the legal and equitable title to all assets therein set forth is in my name solely, except as may be otherwise noted therein.

Signed this.....day of....., 19....

(Signature)

ORDER FORM
CREDIT FILE
(Commercial)

Date _____

Federal Reserve Bank of New York
Federal Reserve P. O. Station
New York 45, New York

Gentlemen :

Please ship us the following :

Quantity

- _____ **Folders—with fastener and section guides** @ 10¢ each
(fastener in upper left corner of folder)
- _____ **Comparison Statement Form CR. 173** (No Charge)
- _____ **Original History Sheet Form CR. 172** (No Charge)
- _____ **Continuing History Sheet Form CR. 174** (No Charge)
- _____ **Credit Memo Pads Form CR. 177** @ 25¢ a pad
(100 sheets to a pad)

FINANCIAL STATEMENT FORMS

- _____ **Individual—Short Form CR. 1** (No Charge)
- _____ **Individual—Long Form CR. 110** (No Charge)
- _____ **Firm—Short Form CR. 9** (No Charge)
- _____ **Firm—Long Form CR. 109** (No Charge)
- _____ **Corporation—Short Form CR. 7** (No Charge)
- _____ **Corporation—Long Form CR. 108** (No Charge)

Check One in Payment of Folders : _____ Check enclosed ; _____ Charge Reserve Account

BANK _____

ADDRESS _____

(Official Signature)

Federal Reserve Bank
of New York**CREDIT MEMO**
(To be recorded in credit file)

Credit Department

Date _____

NAME _____

LOCATION _____

BUSINESS _____

Check one:

- Start credit file and
Original History Sheet
- Copy on Continuing
History Sheet

Officer's Initial _____

Loan Amount: \$Rate%Plan for Repayment:Purpose of Loan (state if renewal):Endorsers or Security:CREDIT INFORMATION: (Borrower's honesty, experience and prospects; interviews, visits to place of business, etc.; rearrangement of original loan terms.)

Outline of Procedure Suggested
For Establishment and Maintenance of
A Simplified Credit File System

For New Borrower

1. Original History Sheet should be prepared on all new borrowers.
 - A. Loan officer should obtain information of the following general nature from the borrower during the initial interview.
 1. Purpose of loan proceeds
 2. Proposed plan for repayment
 3. Proposed endorsements or security
 4. Previous business connections and experience of borrower's management
 5. Nature and general method of borrower's operations and date of establishment of the business
 6. Brief description of physical properties.
 - B. The above information should be recorded on the Original History Sheet with a statement by loan officer as to:
 1. Character and ability of management
 2. Bank's previous experience with borrower, including whether it has been entirely satisfactory or not
 3. Ability of borrower to meet proposed payment schedule and its prospects for future successful operation.
 - C. Method of Recording
 1. Direct dictation to stenographer
 2. Penciled memorandum or notes for subsequent transcription to History Sheet. In this connection the suggested form of Credit Memo may be of assistance
 3. Recording devices.
 - D. Completed Original History Sheet should be inserted in folder under guide "Information" and folder labeled with name and address of borrower.
 1. Folders need not be prepared on loans under a specified minimum amount. It is suggested, however, the above information be obtained, and recorded, on Original History Sheet which can be filed in a general or miscellaneous folder.

- E. A responsible clerk should be required to review the Discount Register daily for names of new borrowers and should check such names against files to ascertain whether Original History has been prepared on each new borrower. The names of new borrowers on whom Original History has not been prepared should be called to attention of loan officer.

2. Comparative statement forms.

- A. At least one and preferably two financial statements as of comparable dates should be obtained prior to disbursing loan proceeds.
 - 1. Check statements for accuracy.
 - 2. Review statement with borrower and obtain his explanation for any unexplained items of consequence.
- B. Transcribe figures to comparative form and analyze trends and financial condition.
- C. Place statements and comparative forms in folder under guide "Financial Statements" with comparison form on top and statements filed chronologically with latest statement on top.

3. Correspondence

- A. All correspondence relative to credit matters concerning the borrower should be filed chronologically under guide "Correspondence".

4. Maintenance of Continuing History Sheet as described below which should be filed in front of the Original History Sheet in the folder.

For Borrowers with outstanding loans

1. Continuing History Sheets

- A. The substance of every conversation bearing on the borrower's credit standing should be recorded on this sheet.
- B. Questions to be asked of the borrower respecting conditions, prospects, or financial statements should be recorded on this sheet for easy reference.
- C. Comments with respect to the loans by examiners in reports of examination may be transcribed to this sheet.

2. Comparative forms

A. At least two financial statements, if available, should be transcribed to comparative form as soon as possible.

1. Review and analyze condition and trends

3. Correspondence

A. All correspondence should be filed chronologically under the guide "Correspondence".

4. General

A. Files should be easily accessible to loan officers.

1. Files should be reviewed at each interview with borrower.
2. Analysis of current condition of borrower should be made periodically by the loan officer and conclusions reported on Continuing History Sheet.
3. Action by Board or discount committee should be recorded on Continuing History Sheet.

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COMPARISON STATEMENT

NAME
 LOCATION
 BUSINESS

ASSETS	Date	19	19	19	19	19
Cash						
Notes Receivable from Customers						
Accounts Receivable — Customers						
Merchandise or Inventories						
Life Ins. — Cash Surrender Value						
Securities — Readily Saleable						
TOTAL CURRENT ASSETS						
Land and Buildings						
Mach., Equip., Furniture & Fixtures						
Investments — Not Readily Saleable						
Miscellaneous						
TOTAL						
LIABILITIES						
Notes Payable — Banks						
Notes Payable — Trade						
Notes Payable — Others						
Accounts Payable						
Interest & Other Accruals						
Taxes & Assessments Payable						
Chattel Mortgages						
TOTAL CURRENT LIABILITIES						
Real Estate Mortgages						
TOTAL LIABILITIES						
Reserve for Depreciation						
Net Worth (capital stock & surplus if corporation)						
TOTAL						
Cash and Receivables						
Total Current Assets						
Total Current Debt						
Excess or Deficit of Current Assets						
Contingent Liabilities						
Net Sales						
Net Profit or Loss						

CONTINUING HISTORY SHEET

CREDIT DEPARTMENT

BE BRIEF. STATE ESSENTIALS ONLY

NAME

LOCATION

BUSINESS

DATE

ORIGINAL HISTORY SHEET

CREDIT DEPARTMENT

BE BRIEF. STATE ESSENTIALS ONLY

NAME

LOCATION

BUSINESS

DATE OF LOAN _____ LOAN AMOUNT _____ RATE _____

PURPOSE OF LOAN

PLAN FOR REPAYMENT

ENDORSERS OR SECURITY

CREDIT INFORMATION

EXPERIENCE AND HONESTY OF BORROWER; OUTLOOK FOR THE BUSINESS, ETC.

CORRESPONDENCE