



FEDERAL RESERVE

statistical release

G.10

For immediate release
December 20, 1974

INTEREST RATES CHARGED ON SELECTED TYPES OF BANK LOANS

Type of Loan	Interest rate (per cent per annum)		
	January 1972	October 1974	November 1974
Small short-term noninstalment loans to businesses <u>1/</u>	7.31	11.99	11.75
Farm production loans (one year of less maturity)			
Feeder cattle operations	7.55	11.10r	10.94
Other farm production operating expenses	7.63	10.52r	10.58
Consumer instalment credit for:			
New automobiles (36 months)	10.26	11.53	11.57
Mobile homes (84 months)	10.94	11.94	11.87
Other consumer goods (24 months)	12.57	13.28	13.16
Other personal expenditures (12 months)	12.74	13.60	13.47
Credit card plans	17.11	17.17	17.16
Business loans--prime rate			
To small businesses	n.a.	10.22	10.10
To large businesses	5.25	11.75	11.00

1/ Loans of \$10,000 to \$25,000 maturing in one year or less.

NOTE: Except for the prime rate on loans to large businesses, the interest rates shown on this release are based on a survey conducted jointly by the Federal Reserve System and the Federal Deposit Insurance Corporation at 370 insured commercial banks. All rates except the prime rates represent simple unweighted averages of the "most common" effective annual rate on loans made during the first full calendar week of the month in each loan category. The "most common" rate is defined as the rate charged on the largest dollar volume of loans in the particular category during the week covered in the survey. Consumer instalment loan rates are reported on a Truth-in-Lending basis as specified in the Federal Reserve Board's Regulation Z.

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The prime rate on loans to small businesses, as provided for in the dual prime rate structure established by the Committee on Interest and Dividends in the interest rate criteria for commercial banks, issued April 16, 1973, is the best rate charged by a bank to its most credit-worthy local customers. For the Committee's purposes, a small business is defined as any domestic commercial, industrial, or agricultural borrower whose total borrowings outstanding at any one time over the preceding 12 months (exclusive of long-term real estate mortgage debt) did not exceed \$350,000 and whose assets do not exceed \$1 million. The figure shown is the simple unweighted average of the rates in effect on the last business day of the first full calendar week of the month; the range of variation of these rates is considerable. The large business prime rate is the rate most commonly quoted by large banks on that date. Since the prime rate information has not been converted to an effective rate basis, the rates shown are not directly comparable to the other rates shown on this release.