

FEDERAL RESERVE statistical release



E.2
SURVEY OF TERMS OF BANK LENDING

LIBRARY

FOR IMMEDIATE RELEASE

APR 6 1987

March 30, 1987

FEDERAL RESERVE BANK
OF PHILADELPHIA

Notes on Survey Content

A cover note to the previous E.2 release, dated December 23, 1986, presented data indicating that commercial and industrial loans priced with reference to the prime rate most commonly are made in smaller denominations and are, on average, more expensive than loans priced with respect to other reference rates. This cover note provides additional information on the pricing of prime-based loans--by far the most frequently made type of C&I loan.

As shown in the table on this page, almost one-fourth of all prime-based loans made in February were priced at the prevailing prime rate itself, while close to two-thirds were made at rates between prime and prime plus 2 percentage points. Most loans priced at more than 2 percentage points over prime were made in denominations of under \$500,000, although 6-1/2 percent of the loans made in amounts of \$1 to \$5 million had this expensive pricing. The wide spectrum of rates at which prime-based loans of all sizes are made appears to reflect primarily the varying degrees of risk that banks assign to different loans. Lesser risk often attributed to larger compared to smaller borrowers likely explains in part the tendency for larger loans to be less expensive than smaller loans. Lower rates on larger loans presumably also

Selected Characteristics of Prime-Based
Commercial and Industrial Loans, February 2-6, 1987
(all insured commercial banks)

Loan Size (\$1,000)	Gross Loans Extended (\$ billion)	Average Loan Rate (percent)	Percent of Loans Extended at Rates				
			Below Prime	At Prime	Above to Prime+1%	Above Prime+1% to Prime+2%	Above Prime+2%
0-499	5.3	8.80	.6	17.0	37.6	28.1	16.7
500-999	1.4	8.20	1.8	33.3	41.4	20.2	3.2
1,000-4,999	3.9	8.23	2.4	31.4	42.1	17.6	6.4
5,000 +	4.1	8.14	9.3	21.8	36.7	31.8	.4
All loans	14.7	8.41	3.7	23.7	38.9	25.6	8.1

Note: The prevailing prime rate during the survey week was 7.5 percent.

reflect the declining importance of the fixed costs of lending as loan size increases. In addition, customers taking down large loans typically have more borrowing alternatives and thus may have greater leverage in rate negotiations.

The small share of prime-based loans made at rates below prime in February appears to reflect a mixture of restructured loans (loan repriced to recognize financial difficulties borrowers have encountered) and loans priced at discounts from prime on the basis of borrowers' negotiating power or other competitive factors. Restructuring appears to have been an important element in the below-prime pricing of loans made in denominations of under \$1 million, as these relatively small loans had rates that actually averaged below those on large below-prime loans. Below-prime loans made in amounts of \$1 million and above appear similar to (but much less common than) the large short maturity loans that banks price with respect to the federal funds rate and other money market rates.

Selected Characteristics of Prime-Based
Commercial and Industrial Loans by Relation of
Loan Rate to Prime Rate, February 2-6, 1987
(all insured commercial banks)

Loan Size (\$1,000)	Loans Extended at Rates Below Prime			Loans Extended at Rates of Prime and Above		
	Average Rate (percent)	Average Size (\$1,000)	Average Maturity (months) ¹	Average Rate (percent)	Average Size (\$1,000)	Average Maturity (months) ¹
0-499	6.34	125	16.1	8.81	45	16.0
500-999	6.49	694	7.4	8.23	634	23.1
1,000-4,999	6.84	2,199	.8	8.27	1,924	21.6
5,000 +	6.65	6,909	1.9	8.30	13,307	39.9
All loans	6.65	1,361	2.7	8.47	117	25.7

¹. Excludes demand loans.

FEDERAL RESERVE statistical release



E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING FEBRUARY 2-6, 1987

FOR IMMEDIATE RELEASE
MARCH 30, 1987

TABLE 1
COMMERCIAL AND INDUSTRIAL LOANS (OTHER THAN CONSTRUCTION AND LAND DEVELOPMENT) MADE BY ALL COMMERCIAL BANKS 1/

LOAN CHARACTERISTICS	AMOUNT OF LOANS (\$1,000)	AVERAGE SIZE (\$1,000)	WEIGHTED AVERAGE MATURITY 2/ DAYS	LOAN RATE (PERCENT)			PERCENTAGE OF AMOUNT OF LOANS MADE UNDER:		MOST COMMON BASE PRICING RATE 6/
				WEIGHTED AVERAGE EFFECTIVE 3/	STANDARD ERROR 4/	INTER-QUANTILE RANGE 5/	COMMITMENT	PARTICIPATION	
1. ALL C & I LOANS									
OVERNIGHT 7/	15,399,940	7,055	*	6.86	0.26	6.49-7.04	85.6	6.2	FED FUNDS
ONE MONTH AND UNDER (EXCL OVERNIGHT)	7,737,558	487	19	7.38	0.14	6.81-7.60	72.8	8.5	DOMESTIC
-FIXED RATE	5,981,071	725	18	7.14	0.06	6.76-7.31	71.0	9.9	DOMESTIC
-FLOATING RATE	1,756,488	230	22	8.21	0.21	7.04-8.86	78.8	4.0	PRIME
OVER ONE MONTH AND UNDER A YEAR	9,459,714	102	151	8.09	0.19	7.11-8.78	73.1	7.7	PRIME
-FIXED RATE	3,900,457	89	113	7.75	0.28	6.91-7.87	65.8	10.1	DOMESTIC
-FLOATING RATE	5,559,258	114	178	8.33	0.15	7.71-8.84	78.2	6.0	PRIME
DEMAND 8/	5,431,743	151	*	8.18	0.12	7.71-8.84	80.8	4.0	PRIME
-FIXED RATE	409,577	205	*	7.10	0.23	6.54-7.74	83.7	6.3	OTHER
-FLOATING RATE	5,022,166	148	*	8.26	0.11	7.71-8.84	80.6	3.8	PRIME
TOTAL UNDER ONE YEAR	38,028,957	260	49	7.46	0.14	6.70-7.79	79.2	6.7	FED FUNDS
-FIXED RATE									
BY SIZE (\$1,000)	25,481,985	453	23	7.07	0.15	6.58-7.25	79.0	7.7	FED FUNDS
1-24	328,649	8	112	11.20	0.24	9.93-12.39	24.2	0.1	OTHER
25-49	171,646	32	117	10.56	0.20	8.88-12.38	18.0	2.1	PRIME
50-99	150,041	63	133	9.76	0.23	8.84-11.02	25.6	0.2	PRIME
100-499	426,753	182	90	8.76	0.24	7.71-9.85	43.8	2.9	PRIME
500-999	290,051	661	66	7.69	0.12	7.05-8.06	66.3	9.0	PRIME
1000+	24,114,846	8,365	19	6.94	0.05	6.57-7.17	81.3	7.9	FED FUNDS
-FLOATING RATE									
BY SIZE (\$1,000)	12,546,972	139	136	8.26	0.13	7.71-8.84	79.6	4.8	PRIME
1-24	439,620	9	153	9.73	0.12	8.84-10.43	67.3	3.4	PRIME
25-49	489,566	34	144	9.45	0.11	8.66-9.92	69.0	1.5	PRIME
50-99	788,340	67	162	9.05	0.07	8.30-9.65	74.9	2.0	PRIME
100-499	2,431,898	190	151	8.71	0.07	7.78-9.38	78.0	2.8	PRIME
500-999	1,081,056	631	149	8.36	0.04	7.76-8.84	80.8	5.7	PRIME
1000+	7,316,492	3,289	127	7.85	0.15	7.04-8.33	81.9	5.9	PRIME
MONTHS									
TOTAL ONE YEAR AND OVER	7,154,803	310	54	8.50	0.18	7.71-9.04	78.7	7.3	PRIME
-FIXED RATE									
BY SIZE (\$1,000)	1,735,926	188	51	8.41	0.55	6.87-9.04	73.4	2.0	FED FUNDS
1-99	159,809	20	56	11.04	0.37	9.92-11.85	6.6	0.8	PRIME
100-499	193,759	226	41	10.04	0.30	9.38-10.47	12.8	0.8	OTHER
500-999	46,475	634	61	9.02	0.46	7.71-10.47	52.9	3.3	OTHER
1000+	1,335,882	8,286	51	7.84	0.68	6.76-8.44	91.0	2.3	FED FUNDS
-FLOATING RATE									
BY SIZE (\$1,000)	5,418,876	393	55	8.53	0.15	7.76-9.04	80.3	9.0	PRIME
1-99	269,359	27	46	9.81	0.16	8.84-11.02	46.3	2.4	PRIME
100-499	529,155	211	53	8.99	0.14	8.16-9.38	64.0	6.2	PRIME
500-999	356,616	663	56	8.55	0.11	7.76-9.11	78.4	8.6	PRIME
1000+	4,263,747	5,862	55	8.39	0.12	7.71-9.04	84.7	9.8	PRIME
DAYS									
				LOAN RATE (PERCENT)		PRIME RATE 10/			
				EFFECTIVE 3/	NOMINAL 9/				
2. LOANS MADE BELOW PRIME 11/									
OVERNIGHT 7/	14,362,487	9,614	*	6.75	6.53	7.51	87.2	7.1	
ONE MONTH AND UNDER (EXCL OVERNIGHT)	5,966,654	4,205	17	6.96	6.74	7.51	73.7	10.6	
OVER ONE MONTH AND UNDER A YEAR	3,901,031	613	126	6.99	6.81	7.60	79.2	12.3	
DEMAND 8/	1,405,330	948	*	6.83	6.63	7.55	72.9	5.4	
TOTAL UNDER ONE YEAR	25,635,502	2,383	25	6.84	6.63	7.52	82.1	8.6	
-FIXED RATE	22,475,849	3,662	18	6.82	6.61	7.51	81.7	8.9	
-FLOATING RATE	3,159,654	684	105	6.96	6.75	7.61	84.7	6.7	
MONTHS									
TOTAL ONE YEAR AND OVER	1,681,276	906	54	7.09	6.91	7.70	90.4	5.1	
-FIXED RATE	818,875	792	51	7.00	6.86	7.67	91.1	3.8	
-FLOATING RATE	862,401	1,050	56	7.18	6.96	7.73	89.7	6.3	

SEE LAST PAGE FOR FOOTNOTES

E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING FEBRUARY 2-6, 1987

TABLE 2
COMMERCIAL AND INDUSTRIAL LOANS (OTHER THAN CONSTRUCTION AND LAND DEVELOPMENT) MADE BY LARGE BANKS 1/

LOAN CHARACTERISTICS	AMOUNT OF LOANS (\$1,000)	AVERAGE SIZE (\$1,000)	WEIGHTED AVERAGE MATURITY 2/	LOAN RATE (PERCENT)			PERCENTAGE OF AMOUNT OF LOANS MADE UNDER:		MOST COMMON BASE PRICING RATE 6/
				WEIGHTED AVERAGE EFFECTIVE 3/	STANDARD ERROR 4/	INTER-QUARTILE RANGE 5/	COMMITMENT	PARTICIPATION	
1. ALL C & I LOANS									
OVERNIGHT 7/	11,140,547	11,322	*	6.94	0.05	6.54-7.14	87.9	7.3	FED FUNDS
ONE MONTH AND UNDER (EXCL OVERNIGHT)	5,361,941	2,606	20	7.25	0.04	6.82-7.56	76.8	8.2	DOMESTIC
-FIXED RATE	4,384,372	4,168	19	7.13	0.04	6.81-7.42	73.4	8.9	DOMESTIC
-FLOATING RATE	977,569	972	23	7.74	0.11	7.01-8.30	92.2	4.8	PRIME
OVER ONE MONTH AND UNDER A YEAR	5,390,766	557	138	7.57	0.13	6.91-8.14	79.6	9.4	PRIME
-FIXED RATE	2,692,047	1,869	106	7.20	0.11	6.84-7.34	75.4	13.0	DOMESTIC
-FLOATING RATE	2,698,720	328	170	7.94	0.16	7.19-8.57	83.8	5.8	PRIME
DEMAND 8/	2,542,134	296	*	7.95	0.20	6.96-8.84	76.6	2.2	PRIME
-FIXED RATE	148,906	709	*	6.67	0.34	6.63-8.30	82.6	0.9	OTHER
-FLOATING RATE	2,393,228	286	*	8.03	0.20	7.23-8.84	76.3	2.3	PRIME
TOTAL UNDER ONE YEAR	24,435,388	1,147	39	7.25	0.04	6.71-7.67	82.5	7.4	FED FUNDS
-FIXED RATE	18,251,668	4,973	21	7.03	0.04	6.63-7.25	82.4	8.5	FED FUNDS
BY SIZE (\$1,000)	7,753	10	92	10.00	0.23	8.84-10.70	23.7	0.0	PRIME
1-24	7,312	33	82	9.24	0.15	8.78-9.89	33.3	1.6	PRIME
25-49	13,651	63	75	9.11	0.38	8.30-9.86	35.8	0.0	PRIME
50-99	101,194	237	48	8.08	0.16	7.11-8.81	74.3	2.5	PRIME
100-499	142,968	696	56	7.74	0.14	7.10-8.24	81.3	3.7	PRIME
500-999	17,978,790	9,872	21	7.01	0.04	6.63-7.25	82.6	8.6	FED FUNDS
1000+	6,183,720	351	127	7.91	0.13	7.04-8.57	82.5	4.2	PRIME
-FLOATING RATE	71,400	11	177	9.29	0.17	8.30-9.96	80.6	0.1	PRIME
BY SIZE (\$1,000)	92,170	34	180	9.05	0.13	8.30-9.65	80.7	0.6	PRIME
1-24	189,133	67	191	8.91	0.10	8.30-9.38	81.0	1.0	PRIME
25-49	803,507	203	154	8.58	0.08	7.76-9.11	84.6	2.0	PRIME
50-99	432,844	645	132	8.35	0.06	7.76-8.84	83.7	4.5	PRIME
100-499	4,594,666	4,394	119	7.67	0.17	6.91-8.30	82.2	4.8	PRIME
500-999									
1000+									
MONTHS									
TOTAL ONE YEAR AND OVER	5,209,731	1,600	53	8.26	0.17	7.52-9.04	88.6	7.5	PRIME
-FIXED RATE	1,132,070	2,275	52	7.86	1.07	6.76-8.44	92.4	0.3	FED FUNDS
BY SIZE (\$1,000)	7,582	26	44	12.37	0.52	9.92-12.96	37.8	0.3	OTHER
1-99	18,445	219	50	9.66	0.51	7.76-10.47	70.9	8.1	PRIME
100-499	25,191	622	62	8.42	0.64	7.50-9.92	62.9	6.2	PRIME
500-999	1,080,852	12,747	52	7.78	1.35	6.76-8.44	93.9	0.0	FED FUNDS
1000+	4,077,661	1,478	53	8.37	0.20	7.71-9.04	87.5	9.5	PRIME
-FLOATING RATE	38,923	34	38	9.17	0.14	8.30-9.65	70.1	4.0	PRIME
BY SIZE (\$1,000)	185,705	230	47	8.69	0.14	7.76-9.31	85.3	7.9	PRIME
1-99	215,870	696	50	8.47	0.10	7.76-9.04	91.4	7.7	PRIME
100-499	3,637,162	7,179	54	8.34	0.23	7.71-9.04	87.6	9.7	PRIME
500-999									
1000+									
MONTHS									
TOTAL ONE YEAR AND OVER	1,317,237	5,243	55	6.89	6.73	7.52	100.0	3.8	
-FIXED RATE	609,772	11,239	50	6.79	6.69	7.50	100.0	0.0	
-FLOATING RATE	707,465	3,591	59	6.97	6.76	7.53	100.0	7.0	

SEE LAST PAGE FOR FOOTNOTES

E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING FEBRUARY 2-6, 1987

TABLE 3
COMMERCIAL AND INDUSTRIAL LOANS (OTHER THAN CONSTRUCTION AND LAND DEVELOPMENT) MADE BY OTHER BANKS 1/

LOAN CHARACTERISTICS	AMOUNT OF LOANS (\$1,000)	AVERAGE SIZE (\$1,000)	WEIGHTED AVERAGE MATURITY 2/	LOAN RATE (PERCENT)			PERCENTAGE OF AMOUNT OF LOANS MADE UNDER:		MOST COMMON BASE PRICING RATE 6/
				WEIGHTED AVERAGE EFFECTIVE 3/	STANDARD ERROR 4/	INTER-QUARTILE RANGE 5/	COMMITMENT	PARTICIPATION	
1. ALL C & I LOANS									
OVERNIGHT 7/	4,259,393	3,553	*	6.66	0.54	6.38-6.88	79.6	3.2	FED FUNDS
ONE MONTH AND UNDER (EXCL OVERNIGHT)	2,375,618	172	18	7.69	0.23	6.71-8.07	63.8	9.3	PRIME
-FIXED RATE	1,596,699	222	17	7.16	0.12	6.63-7.13	64.6	12.4	DOMESTIC
-FLOATING RATE	778,919	117	21	8.78	0.31	7.18-10.48	62.0	3.0	PRIME
OVER ONE MONTH AND UNDER A YEAR	4,068,948	49	168	8.79	0.08	7.75-9.38	64.5	5.5	PRIME
-FIXED RATE	1,208,410	28	129	8.99	0.19	7.19-10.79	44.4	3.8	OTHER
-FLOATING RATE	2,860,538	71	185	8.71	0.11	7.79-9.38	73.0	6.2	PRIME
DEMAND 8/	2,889,609	106	*	8.38	0.11	7.76-8.87	84.5	5.5	PRIME
-FIXED RATE	260,671	145	*	7.35	0.34	6.54-7.34	84.4	9.4	OTHER
-FLOATING RATE	2,628,938	103	*	8.48	0.07	7.76-8.87	84.5	5.2	PRIME
TOTAL UNDER ONE YEAR	13,593,568	109	68	7.84	0.19	6.66-8.81	73.3	5.5	PRIME
-FIXED RATE									
BY SIZE (\$1,000)									
1-24	7,230,317	138	27	7.18	0.27	6.45-7.18	70.3	5.6	FED FUNDS
25-49	320,895	8	112	11.23	0.26	10.00-12.40	24.2	0.1	OTHER
50-99	164,334	32	118	10.62	0.13	8.97-12.38	17.3	2.1	PRIME
100-499	136,390	63	140	9.82	0.22	8.87-11.02	24.6	0.2	PRIME
500-999	325,559	170	102	8.97	0.38	7.71-10.06	34.3	3.1	PRIME
1000+	147,083	630	77	7.65	0.21	6.93-7.76	51.8	14.3	PRIME
-FLOATING RATE	6,136,056	5,780	13	6.71	0.07	6.45-6.95	77.5	6.0	FED FUNDS
BY SIZE (\$1,000)									
1-24	6,363,252	88	146	8.60	0.12	7.76-9.38	76.8	5.3	PRIME
25-49	368,219	9	149	9.81	0.07	8.84-10.47	64.7	4.0	PRIME
50-99	397,396	34	137	9.54	0.14	8.77-9.95	66.3	1.7	PRIME
100-499	599,207	67	153	9.10	0.11	8.30-9.80	73.0	2.4	PRIME
500-999	1,628,391	183	150	8.77	0.10	7.79-9.38	74.8	3.1	PRIME
1000+	648,212	621	159	8.37	0.06	7.76-8.84	79.0	6.5	PRIME
	2,721,826	2,308	140	8.14	0.20	7.34-8.78	81.5	7.7	PRIME
				MONTHS					
TOTAL ONE YEAR AND OVER	1,945,072	98	55	9.14	0.20	8.20-9.92	52.1	6.8	PRIME
-FIXED RATE									
BY SIZE (\$1,000)									
1-99	603,856	69	48	9.44	0.45	7.65-10.47	37.9	5.4	OTHER
100-499	152,228	19	56	10.97	0.14	9.92-11.57	5.0	0.8	PRIME
500-999	175,314	226	40	10.07	0.35	9.38-10.47	6.7	0.0	OTHER
1000+	21,284	649	60	9.73	0.66	9.31-10.47	41.1	0.0	OTHER
-FLOATING RATE	255,030	3,337	47	8.07	0.61	6.65-9.04	78.6	12.2	OTHER
BY SIZE (\$1,000)									
1-99	1,341,216	121	58	9.01	0.12	8.24-9.38	58.5	7.5	PRIME
100-499	230,436	26	47	9.92	0.19	8.84-11.02	42.3	2.1	PRIME
500-999	343,450	202	56	9.16	0.22	8.30-9.65	52.4	5.2	PRIME
1000+	140,746	619	65	8.67	0.19	8.11-9.31	58.4	10.1	PRIME
	626,585	2,838	62	8.66	0.05	8.17-9.38	67.7	10.1	PRIME
				DAYS					
2. LOANS MADE BELOW PRIME 11/									
OVERNIGHT 7/	4,221,573	6,051	*	6.63	6.42	7.53	79.4	5.0	
ONE MONTH AND UNDER (EXCL OVERNIGHT)	1,641,747	2,441	16	6.84	6.62	7.53	70.4	12.4	
OVER ONE MONTH AND UNDER A YEAR	757,081	130	142	7.10	6.91	8.01	78.2	17.2	
DEMAND 8/	590,004	529	*	7.01	6.80	7.57	94.3	12.9	
TOTAL UNDER ONE YEAR	7,210,405	869	21	6.76	6.55	7.58	78.5	8.6	
-FIXED RATE	6,199,130	1,450	14	6.70	6.49	7.54	76.7	8.1	
-FLOATING RATE	1,011,275	251	85	7.11	6.90	7.83	89.4	11.9	
				MONTHS					
TOTAL ONE YEAR AND OVER	364,039	227	48	7.85	7.58	8.38	55.5	9.8	
-FIXED RATE	209,103	213	51	7.62	7.37	8.18	65.1	14.9	
-FLOATING RATE	154,936	248	43	8.16	7.86	8.64	42.5	2.8	

SEE LAST PAGE FOR FOOTNOTES

E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING FEBRUARY 2-6, 1987

TABLE 4
CONSTRUCTION AND LAND DEVELOPMENT LOANS (SECURED AND UNSECURED BY REAL ESTATE)

LOAN CHARACTERISTICS	AMOUNT OF LOANS (\$1,000)	AVERAGE SIZE (\$1,000)	WEIGHTED AVERAGE MATURITY (MONTHS) 2/	LOAN RATE (PERCENT)			PERCENTAGE OF AMOUNT OF LOANS MADE UNDER:	
				WEIGHTED AVERAGE EFFECTIVE 3/	STANDARD ERROR 4/	INTER-QUARTILE RANGE 5/	COMMITMENT	PARTICIPATION
1. ALL BANKS 1/	3,390,669	213	9	8.64	0.26	7.77-9.11	86.9	17.5
FIXED RATE								
BY SIZE (\$1,000)								
1-24	1,460,309	249	7	8.37	0.40	7.55-8.60	89.1	11.1
25-49	45,221	10	6	11.42	0.33	10.52-12.18	56.8	0.8
50-99	10,969	30	9	9.59	0.37	8.84-9.93	13.4	3.4
100-499	17,399	75	9	12.45	0.49	9.96-13.80	81.9	0.0
500+	105,388	265	23	11.50	0.40	11.02-13.24	13.5	1.3
FLOATING RATE	1,281,332	10,170	5	7.94	0.31	7.55-8.37	97.3	12.4
BY SIZE (\$1,000)								
1-24	1,930,359	192	11	8.84	0.16	8.30-9.38	85.2	22.4
25-49	48,236	9	9	9.56	0.08	9.11-9.96	71.3	0.4
50-99	71,617	37	7	10.81	0.31	9.38-11.56	59.4	0.8
100-499	72,869	69	10	9.17	0.11	8.84-9.92	62.0	3.0
500+	287,233	196	12	9.23	0.12	8.84-9.92	77.8	2.7
BY TYPE OF CONSTRUCTION	1,450,403	3,541	11	8.62	0.13	8.03-8.85	89.5	29.1
SINGLE FAMILY	389,673	42	13	10.02	0.26	9.11-11.02	68.5	2.5
MULTIFAMILY	253,734	277	7	8.87	0.15	8.70-8.84	94.4	5.0
NONRESIDENTIAL	2,747,261	491	9	8.42	0.29	7.76-8.84	88.8	20.8
2. LARGE BANKS 1/	2,203,753	1,879	8	8.09	0.23	7.55-8.70	93.5	16.4
FIXED RATE								
BY SIZE (\$1,000)								
1-24	1,222,669	6,218	3	7.87	0.45	7.55-8.20	97.1	12.7
25-49	775	10	12	10.31	0.60	9.92-10.47	88.3	0.0
50-99	*	*	*	*	*	*	*	*
100-499	*	*	*	*	*	*	*	*
500+	1,219,021	13,544	3	7.87	0.45	7.55-8.20	97.1	12.7
FLOATING RATE								
BY SIZE (\$1,000)								
1-24	981,085	1,005	13	8.36	0.11	7.77-8.84	89.1	20.9
25-49	3,441	10	12	9.21	0.09	8.84-9.38	94.8	4.9
50-99	3,487	33	11	9.27	0.16	8.84-9.92	94.3	3.0
100-499	7,729	73	10	8.92	0.21	8.84-9.38	93.2	4.2
500+	59,380	230	14	8.87	0.16	8.57-9.11	91.9	2.8
BY TYPE OF CONSTRUCTION	907,049	5,843	13	8.32	0.12	7.77-8.84	88.8	22.4
SINGLE FAMILY	34,231	102	7	8.70	0.23	7.76-9.38	86.1	22.0
MULTIFAMILY	217,143	1,013	7	8.79	0.18	11.02-8.70	98.3	4.6
NONRESIDENTIAL	1,952,380	3,135	8	8.00	0.23	7.55-8.57	93.1	17.6
3. OTHER BANKS 1/	1,186,915	81	11	9.65	0.23	8.84-9.92	74.6	19.7
FIXED RATE								
BY SIZE (\$1,000)								
1-24	237,641	42	21	10.94	0.38	9.92-12.13	48.4	2.6
25-49	44,446	10	6	11.44	0.41	10.75-12.18	56.3	0.8
50-99	10,617	29	9	9.60	0.54	8.84-9.93	10.5	2.3
100-499	16,871	75	8	12.51	0.67	9.96-13.80	82.3	0.0
500+	103,395	265	23	11.55	0.52	11.02-13.24	12.2	0.7
FLOATING RATE	62,311	1,731	31	9.37	0.37	9.18-10.34	100.0	7.7
BY SIZE (\$1,000)								
1-24	949,274	105	9	9.32	0.13	8.84-9.42	81.2	23.9
25-49	44,796	9	9	9.59	0.07	9.20-9.96	69.5	0.1
50-99	68,130	38	7	10.89	0.52	9.39-13.24	57.6	0.7
100-499	65,141	68	10	9.20	0.06	8.84-9.92	58.3	2.8
500+	227,854	189	12	9.32	0.19	8.84-9.92	74.1	2.7
BY TYPE OF CONSTRUCTION	543,355	2,136	8	9.12	0.16	8.84-9.39	90.8	40.2
SINGLE FAMILY	355,442	39	13	10.15	0.27	9.38-11.02	66.8	0.6
MULTIFAMILY	36,591	52	13	9.36	0.17	9.11-9.92	71.4	7.4
NONRESIDENTIAL	794,882	160	11	9.44	0.30	8.84-9.39	78.3	28.7

NOTE: 53.8 PERCENT OF CONSTRUCTION AND LAND DEVELOPMENT LOANS WERE PRICED RELATIVE TO THE PRIME RATE

SEE LAST PAGE FOR FOOTNOTES

* FEWER THAN 10 SAMPLE LOANS.

Table 5
LOANS TO FARMERS

	Size class of loans (thousands)						
	all sizes	\$1-9	\$10-24	\$25-49	\$50-99	\$100-249	\$250 and over
ALL BANKS							
Amount of loans (thousands)	\$1,046,760	\$106,737	\$135,565	\$97,908	\$126,118	\$227,717	\$352,714
Number of loans	43,767	28,010	9,075	2,871	1,912	1,539	360
Weighted average maturity (months) ²	10.9	7.9	9.4	7.1	14.4	15.5	8.5
Weighted average interest rate (%) ³	10.20	11.59	11.18	11.06	10.80	10.78	8.59
Standard error ⁴	-.56	-.58	-.67	-.79	-.69	-.82	-.80
Interquartile range ⁵	8.51-11.63	10.51-12.43	10.25-12.15	10.25-11.90	9.58-11.80	9.96-11.83	7.76- 9.00
By purpose of loan:							
Feeder livestock	10.62	11.63	11.37	11.39	9.72	10.97	8.86
Other livestock	9.86	11.21	11.17	10.46	*	*	*
Other current operating expenses	10.42	11.61	11.28	11.17	10.74	10.93	8.86
Farm machinery and equipment	11.20	11.45	10.72	11.27	*	*	*
Farm real estate	10.72	11.67	10.79	*	*	*	*
Other	8.99	11.77	10.79	10.02	10.27	8.86	8.25
Percentage of amount of loans:							
With floating rates	65.1	43.5	42.5	42.5	57.4	55.9	95.2
Made under commitment	47.4	30.5	32.1	31.5	40.0	34.3	73.8
By purpose of loan:							
Feeder livestock	13.1	12.4	17.0	26.2	14.3	13.9	7.3
Other livestock	7.2	7.3	10.2	4.4	*	*	*
Other current operating expenses	55.0	60.3	51.6	54.6	44.6	67.6	50.2
Farm machinery and equipment	3.4	9.1	3.1	3.7	*	*	*
Farm real estate	4.4	1.8	7.5	*	*	*	*
Other	16.9	9.1	10.6	9.9	12.9	7.7	30.9
LARGE BANKS¹²							
Amount of loans (thousands)	\$381,624	\$6,706	\$11,464	\$14,757	\$23,441	\$45,228	\$279,829
Number of loans	3,825	1,740	784	421	347	325	208
Weighted average maturity (months) ²	8.9	8.8	10.7	9.3	8.1	10.1	8.6
Weighted average interest rate (%) ³	8.47	10.07	9.39	9.22	9.30	9.00	8.19
Standard error ⁴	-.52	-.53	-.64	-.75	-.60	-.78	-.21
Interquartile range ⁵	7.76- 9.00	9.30-10.43	8.77- 9.92	8.51- 9.84	8.77- 9.84	8.52- 9.50	7.76- 8.30
By purpose of loan:							
Feeder livestock	8.96	9.77	9.05	8.79	9.32	9.03	8.86
Other livestock	8.02	9.60	*	*	*	*	*
Other current operating expenses	8.37	9.78	9.51	9.47	9.19	9.21	8.04
Farm machinery and equipment	9.73	12.08	10.06	9.58	*	*	*
Farm real estate	9.00	10.73	*	*	*	*	*
Other	8.44	9.91	9.44	9.17	9.49	8.86	8.25
Percentage of amount of loans:							
With floating rates	93.7	78.2	91.4	93.4	91.1	96.4	93.9
Made under commitment	78.5	65.2	78.1	76.4	86.3	83.5	77.5
By purpose of loan:							
Feeder livestock	12.4	11.1	26.8	21.7	18.7	22.8	9.2
Other livestock	9.7	3.9	*	*	*	*	*
Other current operating expenses	38.1	56.1	39.4	42.7	41.6	28.1	38.7
Farm machinery and equipment	1.5	10.9	3.1	6.6	*	*	*
Farm real estate	1.7	2.9	*	*	*	*	*
Other	36.5	15.1	23.8	16.9	28.3	38.6	39.0
OTHER BANKS¹²							
Amount of loans (thousands)	\$665,136	\$100,032	\$124,102	\$83,151	\$102,477	\$182,489	*
Number of loans	39,942	26,269	8,291	2,450	1,565	1,214	*
Weighted average maturity (months) ²	11.5	7.8	9.3	6.8	15.2	16.5	*
Weighted average interest rate (%) ³	11.20	11.69	11.34	11.39	11.15	11.22	*
Standard error ⁴	-.21	-.23	-.18	-.21	-.33	-.21	*
Interquartile range ⁵	10.51-11.95	10.78-12.47	10.38-12.31	10.59-12.05	10.26-11.88	11.02-11.83	*
By purpose of loan:							
Feeder livestock	11.50	11.74	11.73	11.76	*	*	*
Other livestock	11.64	11.26	11.22	*	*	*	*
Other current operating expenses	11.11	11.73	11.40	11.40	11.07	11.08	*
Farm machinery and equipment	11.47	11.40	*	*	*	*	*
Farm real estate	11.00	11.78	10.83	*	*	*	*
Other	11.09	11.99	11.10	*	*	*	*
Percentage of amount of loans:							
With floating rates	48.6	41.1	37.9	33.5	49.6	45.9	*
Made under commitment	29.5	28.1	27.8	23.5	29.4	22.1	*
By purpose of loan:							
Feeder livestock	13.5	12.5	16.1	27.0	*	*	*
Other livestock	9.8	7.5	10.9	*	*	*	*
Other current operating expenses	64.6	60.6	52.8	56.8	45.3	77.4	*
Farm machinery and equipment	4.5	9.0	*	*	*	*	*
Farm real estate	6.0	1.7	7.8	*	*	*	*
Other	5.6	8.7	9.3	*	*	*	*

See last page for notes to tables
*Fewer than 10 sample loans

NOTES

The survey of terms of bank lending to business collects data on gross loan extensions made during the first full business week in the mid-month of each quarter by a sample of 340 commercial banks of all sizes. A subsample of 250 banks also report loans to farmers. The sample data are blown up to estimate the lending terms at all insured commercial banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or residing in the portfolios of those banks. Construction and land development loans include both unsecured loans and loans secured by real estate. Thus, some of the construction and land development loans would be reported on the statement of condition as real estate loans and the remainder as business loans. Mortgage loans, purchased loans, foreign loans, and loans of less than \$1,000 are excluded from the survey.

1. As of December 31, 1985, assets of most of the large banks were at least \$ 5.5 billion. For all insured banks, total assets averaged \$ 165 million.
2. Average maturities are weighted by loan size and exclude demand loans.
3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loan and weighted by loan size.
4. The chances are about 2 out of 3 that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.
5. The interquartile range shows the interest rate range that encompasses the middle fifty percent of the total dollar amount of loans made.
6. The most common base rate is that rate used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications;
7. Overnight loans mature on the business day after they are made.
8. Demand loans have no stated date of maturity.
9. Nominal (not compounded) annual interest rates are calculated from survey data on the stated rate and other terms of the loan and weighted by loan size.
10. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.
11. The proportion of loans made at rates below prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.
12. Among banks reporting loans to farmers (Table 5), most "large banks" (survey strata 1 to 3) had over \$ 600 million in total assets, and most "other banks" (survey strata 4 to 6) had total assets below \$ 600 million.