

FEDERAL RESERVE statistical release

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E.2

SURVEY OF TERMS OF BANK LENDING

FEDERAL RESERVE BANK
OF PHILADELPHIA

FOR IMMEDIATE RELEASE

October 14, 1987

Note to Users

The E.2 release containing data for the May 1987 Survey, dated July 20, 1987, reported that an edit examination of commercial and industrial loan data had resulted in an increase in reported demand loans, loans having no stated maturity, and a decrease in loans reported as having a maturity of one year and over. The edit examination of the May Survey was limited to certain large respondent banks. A follow-up edit review of commercial and industrial loans of all respondents reporting to the August Survey has resulted in further reclassifications from maturities of "one year and over" to "no stated maturity."

Under the terms of a commonly used lending arrangement, revolving loan commitments, banks provide many larger business customers with two borrowing options. Loans taken down for specific maturities, for example 60 days, typically are priced with reference to domestic or foreign money market rates such as rates on certificates of deposit or the London Interbank Offered Rate (LIBOR). Alternatively, credit may be taken down under terms that allow the borrower to repay or reprice the loan at any time without penalty; loans having these more flexible features are more expensive and typically are priced with reference to the prime rate. Loans taken down under the so-called "prime option" are properly reported as having "no stated maturity" since they may be repaid or repriced at any time. However, some respondents have mistakenly reported the expiration date of the underlying commitment as the maturity date of such loans. The reclassifications reflect corrections of these reporting errors.

Revised data for Table 5, "Loans to Farmers" from the survey made during May 4-8, 1987, are attached to this release. The revised data exclude the portion of a large long-term loan that was not retained by the originating bank, but which inadvertently had been included in data originally reported. Users may note that the revised data still show an unusually long weighted average maturity. Such an unusual maturity occurs when one or more large sample loans with relatively long maturities (e.g., 10 years) are reported by the less intensively sampled smaller banks. Sampling variability of data on average maturity has probably increased since August 1986, when the Survey began to include loans secured by farm real estate.

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FOR IMMEDIATE RELEASE
OCTOBER 14, 1987

E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING AUGUST 3-7, 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- QUARTILE RANGE 5/	COMMITMENT	PARTICIPATION	
1. ALL C & I LOANS									
OVERNIGHT 7/	15,529,996	8,127	*	7.53	0.04	7.25-7.79	78.5	5.6	FED FUNDS
ONE MONTH AND UNDER (EXCL OVERNIGHT)	6,707,864	622	16	7.87	0.16	7.25-8.12	81.9	7.0	DOMESTIC
-FIXED RATE	5,502,495	811	14	7.68	0.16	7.19-7.93	81.7	6.7	DOMESTIC
-FLOATING RATE	1,205,369	302	21	8.71	0.15	7.76-9.66	82.7	8.4	PRIME
OVER ONE MONTH AND UNDER A YEAR	10,387,888	138	119	8.81	0.18	7.84-9.65	76.2	13.8	PRIME
-FIXED RATE	5,400,259	151	74	8.54	0.23	7.59-9.38	74.7	19.6	FOREIGN
-FLOATING RATE	4,987,630	127	167	9.09	0.19	8.48-9.65	77.9	7.6	PRIME
DEMAND 8/	11,085,901	234	*	8.79	0.12	7.76-9.65	80.1	5.9	PRIME
-FIXED RATE	1,099,847	442	*	7.55	0.17	6.94-7.65	91.6	2.1	FED FUNDS
-FLOATING RATE	9,986,053	222	*	8.93	0.12	8.51-9.65	78.9	6.3	PRIME
TOTAL UNDER ONE YEAR	43,711,649	323	42	8.20	0.15	7.36-8.75	78.9	7.8	FED FUNDS
-FIXED RATE									
BY SIZE (\$1,000)									
1-24	27,515,318	586	19	7.76	0.12	7.26-7.97	78.9	8.4	FED FUNDS
25-49	226,738	7	107	11.22	0.17	10.25-12.19	19.0	0.2	PRIME
50-99	124,988	31	114	10.55	0.22	9.84-11.57	30.4	0.1	PRIME
100-499	134,771	62	90	10.20	0.19	9.57-10.94	24.6	0.8	PRIME
500-999	488,361	177	70	9.49	0.18	8.42-10.47	46.9	3.4	PRIME
1000+	305,991	646	56	8.20	0.08	7.58-8.64	77.9	4.2	DOMESTIC
-FLOATING RATE	26,234,470	8,765	16	7.66	0.06	7.25-7.89	80.5	8.7	FED FUNDS
BY SIZE (\$1,000)									
1-24	16,196,331	184	138	8.96	0.12	8.31-9.65	78.9	6.8	PRIME
25-49	413,423	10	144	10.32	0.10	9.58-10.86	68.5	0.9	PRIME
50-99	496,363	34	134	10.19	0.11	9.38-10.75	70.7	4.8	PRIME
100-499	770,480	65	143	9.94	0.07	9.14-10.65	81.0	4.1	PRIME
500-999	2,936,644	198	175	9.53	0.02	8.75-10.20	82.2	5.6	PRIME
1000+	1,385,636	666	164	9.22	0.05	8.57-9.69	83.3	7.4	PRIME
	10,193,785	4,253	120	8.57	0.11	7.65-9.31	78.0	7.7	PRIME
			MONTHS						
TOTAL ONE YEAR AND OVER	4,107,851	226	52	8.78	0.24	7.56-9.65	72.3	5.7	PRIME
-FIXED RATE									
BY SIZE (\$1,000)									
1-99	1,631,886	209	57	8.68	0.31	7.56-9.31	74.8	5.6	FED FUNDS
100-499	124,599	18	50	12.11	0.34	10.25-12.75	14.7	1.5	OTHER
500-999	68,226	206	54	10.41	0.18	9.17-11.30	44.7	4.7	PRIME
1000+	133,674	598	45	9.49	0.62	8.99-10.20	37.9	53.7	OTHER
-FLOATING RATE	1,305,388	7,515	59	8.18	0.38	7.43-8.69	85.9	1.1	FED FUNDS
BY SIZE (\$1,000)									
1-99	2,475,965	239	48	8.84	0.19	7.72-9.65	70.6	5.8	PRIME
100-499	191,560	24	41	10.54	0.18	9.65-11.63	38.2	1.5	PRIME
500-999	358,589	193	51	10.14	0.17	9.38-10.75	49.7	3.1	PRIME
1000+	120,155	661	47	9.24	0.13	8.57-9.65	64.4	3.3	PRIME
	1,805,660	5,039	48	8.58	0.15	7.51-9.01	78.6	6.9	DOMESTIC
			DAYS	LOAN RATE (PERCENT)		PRIME RATE 10/			
				EFFECTIVE 3/	NOMINAL 9/				
2. LOANS MADE BELOW PRIME 11/									
OVERNIGHT 7/	14,789,118	9,862	*	7.47	7.20	8.25	80.1	6.5	
ONE MONTH AND UNDER (EXCL OVERNIGHT)	5,581,887	3,995	14	7.53	7.26	8.26	84.2	6.3	
OVER ONE MONTH AND UNDER A YEAR	4,314,622	974	102	7.70	7.45	8.36	79.2	10.8	
DEMAND 8/	3,416,337	1,796	*	7.47	7.25	8.30	58.9	3.8	
TOTAL UNDER ONE YEAR	28,101,964	3,045	22	7.51	7.26	8.27	78.2	6.8	
-FIXED RATE	23,810,304	3,880	14	7.49	7.24	8.26	80.9	6.8	
-FLOATING RATE	4,291,661	1,389	120	7.62	7.37	8.33	63.0	6.9	
			MONTHS						
TOTAL ONE YEAR AND OVER	1,942,217	1,752	46	7.65	7.46	8.31	90.1	5.4	
-FIXED RATE	960,376	1,578	51	7.68	7.52	8.35	84.1	7.3	
-FLOATING RATE	981,842	1,963	42	7.62	7.40	8.28	96.0	3.4	

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SURVEY OF TERMS OF BANK LENDING MADE DURING AUGUST 3-7, 1987

						LOAN RATE (PERCENT)	PERC

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SURVEY OF TERMS OF BANK LENDING MADE DURING AUGUST 3-7, 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		
			DAYS							
1. ALL C & I LOANS										
OVERNIGHT 7/	1,970,067	3,498	*	7.69	0.06	7.45-7.90	95.5	19.1	FED FUNDS	
ONE MONTH AND UNDER (EXCL OVERNIGHT)	1,485,918	171	18	8.45	0.18	7.57-8.81	77.7	10.7	PRIME	
-FIXED RATE	985,508	170	14	8.18	0.23	7.50-8.24	76.6	8.3	FED FUNDS	
-FLOATING RATE	500,410	172	24	8.97	0.21	8.04-9.66	79.7	15.5	PRIME	
OVER ONE MONTH AND UNDER A YEAR	3,867,161	58	153	9.46	0.11	8.53-10.20	65.3	8.1	PRIME	
-FIXED RATE	1,189,981	35	104	9.31	0.14	7.97-10.47	48.6	10.9	PRIME	
-FLOATING RATE	2,677,180	83	175	9.53	0.15	8.57-10.20	72.8	6.9	PRIME	
DEMAND 8/	4,303,702	124	*	8.92	0.12	8.30-9.65	86.7	8.9	PRIME	
-FIXED RATE	637,128	286	*	7.50	0.14	6.90-7.80	92.5	0.4	FED FUNDS	
-FLOATING RATE	3,666,574	113	*	9.16	0.09	8.57-9.65	85.7	10.4	PRIME	
TOTAL UNDER ONE YEAR	11,626,848	105	85	8.83	0.10	7.72-9.65	79.9	10.6	PRIME	
-FIXED RATE	4,775,304	112	34	8.17	0.14	7.39-8.19	79.5	12.4	FED FUNDS	
BY SIZE (\$1,000)	219,611	6	107	11.26	0.09	10.25-12.19	18.6	0.1	PRIME	
1-24	116,937	31	116	10.60	0.17	9.84-11.57	31.0	0.1	PRIME	
25-49	119,092	62	90	10.30	0.18	9.58-11.20	22.7	0.6	PRIME	
50-99	363,775	165	73	9.73	0.11	8.51-10.97	41.4	3.6	PRIME	
100-499	145,793	618	63	8.04	0.11	7.56-8.60	71.6	5.6	PRIME	
500-999	3,810,096	4,597	20	7.70	0.07	7.33-7.96	90.2	14.9	OTHER FED FUNDS	
1000+	6,851,544	101	151	9.29	0.09	8.57-9.92	80.2	9.4	PRIME	
-FLOATING RATE	331,391	9	144	10.38	0.14	9.65-10.97	65.0	1.1	PRIME	
BY SIZE (\$1,000)	397,482	34	133	10.25	0.18	9.58-10.75	67.9	5.9	PRIME	
1-24	574,970	65	145	10.01	0.11	9.38-10.75	80.3	5.2	PRIME	
25-49	1,916,399	192	187	9.57	0.03	8.84-10.20	79.8	7.0	PRIME	
50-99	730,198	655	180	9.27	0.04	8.57-9.92	81.9	8.0	PRIME	
100-499	2,901,104	2,758	122	8.72	0.13	8.10-9.58	83.5	13.6	PRIME	
500-999										
1000+										
MONTHS										
TOTAL ONE YEAR AND OVER	1,355,652	83	52	9.80	0.14	8.87-10.53	53.5	12.9	PRIME	
-FIXED RATE	518,858	71	55	10.00	0.29	8.99-10.53	46.7	17.7	OTHER	
BY SIZE (\$1,000)	116,932	17	50	12.14	0.62	10.25-12.75	12.9	1.5	OTHER	
1-99	54,326	197	55	10.34	0.27	9.07-11.07	44.2	5.9	PRIME	
100-499	108,555	577	44	9.39	0.20	8.99-9.87	28.7	66.1	OTHER	
500-999	239,045	4,462	63	9.16	0.52	7.56-9.92	72.0	6.2	FED FUNDS	
1000+	836,795	93	50	9.68	0.10	8.77-10.52	57.8	10.0	PRIME	
-FIXED RATE	167,043	23	42	10.59	0.16	9.65-11.85	35.2	1.6	PRIME	
BY SIZE (\$1,000)	280,679	185	52	10.30	0.28	9.65-10.75	45.3	2.6	PRIME	
1-99	62,054	679	43	9.29	0.09	8.57-9.65	51.9	6.5	PRIME	
100-499	327,018	2,727	53	8.75	0.19	7.81-9.38	81.2	21.2	PRIME	
500-999										
1000+										
DAYS										
				LOAN RATE (PERCENT)		PRIME RATE 10/				
				EFFECTIVE 3/	NOMINAL 9/					
2. LOANS MADE BELOW PRIME 11/										
OVERNIGHT 7/	1,934,775	5,203	*	7.67	7.39	8.25	95.4	24.5		
ONE MONTH AND UNDER (EXCL OVERNIGHT)	946,784	1,546	15	7.67	7.40	8.29	85.7	8.2		
OVER ONE MONTH AND UNDER A YEAR	938,409	244	136	8.13	7.85	8.75	68.7	15.3		
DEMAND 8/	1,135,420	819	*	7.40	7.23	8.40	96.8	8.3		
TOTAL UNDER ONE YEAR	4,955,388	797	38	7.70	7.44	8.39	88.8	15.9		
-FIXED RATE	3,900,108	1,023	23	7.67	7.42	8.34	88.6	16.5		
-FLOATING RATE	1,055,280	438	133	7.80	7.54	8.57	89.8	14.0		
MONTHS										
TOTAL ONE YEAR AND OVER	277,541	316	46	8.03	7.78	8.70	68.9	36.0		
-FIXED RATE	175,660	337	39	8.21	7.95	8.81	57.1	37.6		
-FLOATING RATE	101,881	285	58	7.72	7.49	8.51	89.0	33.2		

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SURVEY OF TERMS OF BANK LENDING MADE DURING AUGUST 3-7, 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/	3,679,913	236	5	9.30	0.11	8.75-9.65	88.4	16.0
FIXED RATE								
BY SIZE (\$1,000)	1,944,077	327	3	9.23	0.31	8.75-9.28	92.0	6.8
1-24	40,789	12	6	11.04	0.25	10.47-12.13	41.6	36.8
25-49	40,700	34	18	11.12	0.36	10.47-12.03	31.6	14.2
50-99	63,707	71	9	10.56	0.50	10.47-10.97	12.7	11.3
100-499	36,819	175	9	10.13	0.71	10.47-10.78	81.7	5.2
500+	1,762,062	11,236	2	9.08	0.26	8.75-9.28	97.6	5.8
FLOATING RATE								
BY SIZE (\$1,000)	1,735,836	180	8	9.38	0.13	8.57-9.92	84.4	26.3
1-24	50,856	10	8	10.35	0.12	9.66-10.75	84.3	1.6
25-49	52,673	36	7	9.85	0.09	9.42-10.24	89.5	1.9
50-99	68,682	72	10	10.01	0.10	9.65-10.75	78.9	3.6
100-499	306,440	200	13	9.55	0.15	9.11-10.20	62.6	19.7
500+	1,257,185	3,256	7	9.25	0.15	8.57-9.92	89.8	31.2
BY TYPE OF CONSTRUCTION								
SINGLE FAMILY	621,561	63	9	9.75	0.15	9.17-10.47	67.1	19.1
MULTIFAMILY	218,765	177	5	9.65	0.12	9.21-10.34	89.8	6.0
NONRESIDENTIAL	2,839,587	626	4	9.18	0.11	8.73-9.32	93.0	16.1
2. LARGE BANKS 1/	2,814,435	1,512	3	9.14	0.14	8.73-9.32	95.0	16.6
FIXED RATE								
BY SIZE (\$1,000)	1,753,481	5,094	2	9.07	0.36	8.75-9.28	97.5	5.9
1-24	1,510	11	9	10.20	0.18	9.92-10.75	67.1	4.7
25-49	1,054	37	11	9.99	0.51	9.92-10.75	54.8	0.0
50-99	*	*	*	*	*	*	*	*
100-499	3,829	215	18	7.23	1.06	1.13-10.75	71.8	50.4
500+	1,746,234	11,832	2	9.08	0.34	8.75-9.28	97.6	5.8
FLOATING RATE								
BY SIZE (\$1,000)	1,060,953	699	5	9.25	0.18	8.57-9.79	91.0	34.4
1-24	5,701	11	10	9.80	0.15	9.52-10.20	93.1	5.2
25-49	7,393	34	9	9.60	0.09	9.11-9.92	88.1	5.9
50-99	14,718	73	8	9.71	0.12	9.38-9.92	90.7	8.6
100-499	85,785	232	9	9.63	0.13	9.31-9.92	76.8	7.5
500+	947,357	4,438	4	9.20	0.23	8.51-9.69	92.3	37.6
BY TYPE OF CONSTRUCTION								
SINGLE FAMILY	189,325	355	6	9.24	0.20	8.12-9.65	97.1	14.7
MULTIFAMILY	148,590	642	4	9.67	0.15	9.21-10.34	96.4	4.2
NONRESIDENTIAL	2,476,519	2,257	3	9.10	0.16	8.73-9.28	94.8	17.5
3. OTHER BANKS 1/	865,478	63	12	9.83	0.09	9.11-10.47	66.9	13.8
FIXED RATE								
BY SIZE (\$1,000)	190,596	34	10	10.66	0.21	10.47-10.97	41.4	14.6
1-24	39,280	12	6	11.07	0.40	10.47-12.13	40.6	38.0
25-49	39,646	34	18	11.15	0.18	10.47-12.03	30.9	14.6
50-99	62,853	71	9	10.58	0.30	10.47-10.97	12.0	11.2
100-499	32,990	171	8	10.47	0.22	10.47-10.78	82.9	0.0
500+	*	*	*	*	*	*	*	*
FLOATING RATE								
BY SIZE (\$1,000)	674,883	83	13	9.60	0.20	9.11-10.20	74.1	13.6
1-24	45,155	9	8	10.42	0.11	9.92-10.75	83.1	1.1
25-49	45,279	36	7	9.89	0.13	9.42-10.61	89.8	1.3
50-99	53,965	71	10	10.09	0.14	9.65-10.75	75.6	2.2
100-499	220,656	190	14	9.51	0.29	8.84-10.20	57.1	24.5
500+	309,828	1,795	13	9.41	0.20	8.87-10.20	82.2	11.5
BY TYPE OF CONSTRUCTION								
SINGLE FAMILY	432,236	47	11	9.97	0.16	9.58-10.65	53.9	21.1
MULTIFAMILY	70,175	70	8	9.60	0.21	8.59-10.20	75.8	10.0
NONRESIDENTIAL	363,068	106	14	9.71	0.08	9.11-10.20	80.6	6.0

NOTE: 41.2 PERCENT OF CONSTRUCTION AND LAND DEVELOPMENT LOANS WERE PRICED RELATIVE TO THE PRIME RATE

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* 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)	\$972,091	\$113,363	\$107,665	\$96,060	\$140,093	\$162,069	\$352,841
Number of loans	46,944	33,550	7,292	2,797	1,981	989	336
Weighted average maturity (months) ²	8.0	7.0	6.9	7.3	15.3	8.6	5.4
Weighted average interest rate (%) ³	10.41	11.54	11.19	11.09	10.98	10.59	9.32
Standard error ⁴	.57	.39	.26	.48	.41	.53	.79
Interquartile range ⁵	9.50-11.33	10.77-12.31	10.34-12.13	10.36-12.13	10.52-11.83	10.11-11.07	8.60-10.38
By purpose of loan:							
Feeder livestock	9.92	11.88	11.42	11.19	11.19	10.56	8.93
Other livestock	11.05	12.25	12.04	10.27	11.95	*	*
Other current operating expenses	10.82	11.40	11.19	11.21	10.63	10.83	10.08
Farm machinery and equipment	10.77	11.39	10.22	*	*	*	*
Farm real estate	10.88	11.59	11.76	*	*	*	*
Other	9.77	12.04	10.24	11.57	10.79	9.93	9.00
Percentage of amount of loans:							
With floating rates	55.9	52.2	55.9	65.7	55.2	45.4	59.6
Made under commitment	59.9	46.9	50.6	51.8	47.2	52.3	77.7
By purpose of loan:							
Feeder livestock	29.6	14.7	10.9	20.8	36.8	17.7	45.2
Other livestock	3.8	4.3	6.4	2.4	7.0	*	*
Other current operating expenses	46.8	68.4	69.2	57.5	30.7	54.4	32.9
Farm machinery and equipment	2.8	6.4	2.1	*	*	*	*
Farm real estate	2.6	1.2	3.2	*	*	*	*
Other	14.4	5.1	8.1	8.6	11.8	19.3	19.8
LARGE BANKS¹²							
Amount of loans (thousands)	\$374,132	\$8,197	\$12,060	\$16,781	\$24,929	\$43,127	\$269,038
Number of loans	4,194	2,050	818	483	387	296	161
Weighted average maturity (months) ²	5.1	5.3	6.2	6.4	6.5	7.8	4.7
Weighted average interest rate (%) ³	9.30	10.53	10.15	10.02	9.94	9.92	9.02
Standard error ⁴	.55	.38	.16	.42	.35	.37	.74
Interquartile range ⁵	8.60-10.20	10.00-10.83	9.58-10.74	9.50-10.52	9.24-10.47	9.14-10.52	8.60-9.84
By purpose of loan:							
Feeder livestock	8.98	10.35	9.94	9.99	10.13	10.03	8.79
Other livestock	9.40	10.54	*	10.46	*	*	*
Other current operating expenses	9.84	10.46	10.16	9.98	9.81	9.81	9.75
Farm machinery and equipment	10.28	11.09	*	*	*	*	*
Farm real estate	10.19	11.86	*	*	*	*	*
Other	9.05	10.47	10.18	10.08	9.97	9.87	8.73
Percentage of amount of loans:							
With floating rates	59.6	90.5	91.8	92.2	95.3	90.0	47.0
Made under commitment	93.2	82.4	85.3	84.7	91.8	91.7	94.7
By purpose of loan:							
Feeder livestock	42.5	9.7	15.2	19.3	22.2	27.2	50.5
Other livestock	3.0	1.4	*	7.5	*	*	*
Other current operating expenses	32.5	68.0	60.6	53.7	46.7	44.2	25.6
Farm machinery and equipment	.6	5.2	*	*	*	*	*
Farm real estate	.9	3.2	*	*	*	*	*
Other	20.5	12.6	16.3	14.8	22.6	19.7	21.2
OTHER BANKS¹²							
Amount of loans (thousands)	\$597,959	\$105,166	\$95,604	\$79,279	\$115,165	\$118,942	*
Number of loans	42,750	31,500	6,474	2,313	1,594	693	*
Weighted average maturity (months) ²	9.4	7.1	7.0	7.4	16.6	8.8	*
Weighted average interest rate (%) ³	11.11	11.62	11.32	11.32	11.20	10.84	*
Standard error ⁴	.12	.10	.20	.22	.19	.37	*
Interquartile range ⁵	10.47-11.91	10.79-12.31	10.50-12.19	10.52-12.17	10.79-11.83	10.21-11.80	*
By purpose of loan:							
Feeder livestock	11.09	11.96	11.69	11.42	11.32	*	*
Other livestock	11.77	12.29	*	*	*	*	*
Other current operating expenses	11.18	11.47	11.31	11.44	10.93	*	*
Farm machinery and equipment	10.82	11.41	*	*	*	*	*
Farm real estate	10.99	*	*	*	*	*	*
Other	10.64	12.38	*	*	*	*	*
Percentage of amount of loans:							
With floating rates	53.6	49.2	51.3	60.0	46.5	29.2	*
Made under commitment	39.1	44.2	46.3	44.8	37.6	38.0	*
By purpose of loan:							
Feeder livestock	21.6	15.1	10.3	21.1	39.9	*	*
Other livestock	4.3	4.5	*	*	*	*	*
Other current operating expenses	55.7	68.4	70.3	58.3	27.2	*	*
Farm machinery and equipment	4.1	6.5	*	*	*	*	*
Farm real estate	3.6	*	*	*	*	*	*
Other	10.6	4.5	*	*	*	*	*

See last page for notes to tables

*Fewer than 10 sample loans

REVISED DATA FROM SURVEY MADE DURING MAY 4-8, 1987

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)	\$957,646	\$124,782	\$154,320	\$147,788	\$132,058	\$124,444	\$274,254
Number of loans	52,023	33,606	10,685	4,187	2,053	954	538
Weighted average maturity (months) ²	18.3	8.2	8.7	13.1	19.1	10.6	39.0
Weighted average interest rate (%) ³	10.64	11.39	11.18	11.07	10.51	10.62	9.82
Standard error ⁴	.61	.34	.34	.45	.42	.56	.57
Interquartile range ⁵	9.84-11.83	10.73-12.21	10.50-12.10	10.38-11.95	9.89-11.35	9.46-12.00	9.04-10.02
By purpose of loan:							
Feeder livestock	10.72	11.23	11.37	11.16	11.00	10.43	10.13
Other livestock	9.59	10.79	10.92	10.27	*	*	9.19
Other current operating expenses	10.94	11.46	11.25	11.21	10.35	11.03	9.72
Farm machinery and equipment	10.93	11.84	10.78	11.23	*	*	*
Farm real estate	11.02	9.95	10.89	*	*	*	*
Other	10.00	11.67	10.21	10.49	9.93	9.20	9.93
Percentage of amount of loans:							
With floating rates	58.1	49.6	44.7	64.5	56.0	84.3	55.1
Made under commitment	50.9	44.1	42.9	42.1	33.6	61.1	67.1
By purpose of loan:							
Feeder livestock	21.5	13.2	13.4	25.1	27.0	23.9	24.1
Other livestock	6.7	3.9	4.2	4.5	*	*	15.0
Other current operating expenses	47.6	72.6	71.6	45.2	42.7	56.8	22.1
Farm machinery and equipment	4.1	4.2	3.6	8.4	*	*	*
Farm real estate	2.6	2.2	2.8	*	*	*	*
Other	17.6	4.0	4.3	14.6	9.9	12.4	38.8
LARGE BANKS¹²							
Amount of loans (thousands)	\$254,080	\$7,227	\$11,850	\$15,256	\$23,244	\$41,874	\$154,625
Number of loans	3,925	1,843	792	461	348	279	203
Weighted average maturity (months) ²	8.2	7.4	7.5	6.7	6.0	9.6	8.5
Weighted average interest rate (%) ³	9.38	10.27	9.93	9.91	9.78	9.58	9.13
Standard error ⁴	.58	.30	.28	.39	.32	.39	.44
Interquartile range ⁵	8.78-9.92	9.73-10.75	9.31-10.51	9.38-10.47	9.29-10.38	9.00-10.15	8.51-9.50
By purpose of loan:							
Feeder livestock	9.49	10.09	9.71	9.70	9.69	9.76	9.31
Other livestock	8.64	10.56	*	*	*	*	*
Other current operating expenses	9.69	10.26	9.97	9.98	9.82	9.53	9.55
Farm machinery and equipment	10.12	10.96	*	*	*	*	*
Farm real estate	9.77	10.50	*	*	*	*	*
Other	9.25	10.10	9.73	9.91	9.83	9.43	9.03
Percentage of amount of loans:							
With floating rates	95.0	87.5	90.2	93.6	90.2	100.0	95.1
Made under commitment	79.5	71.8	73.8	82.2	85.3	81.7	78.6
By purpose of loan:							
Feeder livestock	27.3	14.7	15.5	26.9	26.8	39.9	25.5
Other livestock	12.9	4.0	*	*	*	*	*
Other current operating expenses	29.7	57.4	57.5	38.5	35.4	28.2	24.9
Farm machinery and equipment	1.0	5.7	*	*	*	*	*
Farm real estate	.7	3.5	*	*	*	*	*
Other	28.4	14.6	18.0	26.1	28.2	24.9	31.0
OTHER BANKS¹²							
Amount of loans (thousands)	\$703,566	\$117,555	\$142,470	\$132,531	\$108,810	\$82,570	*
Number of loans	48,098	31,763	9,893	3,726	1,705	674	*
Weighted average maturity (months) ²	20.4	8.2	8.8	13.7	20.8	10.9	*
Weighted average interest rate (%) ³	11.09	11.46	11.29	11.20	10.67	11.14	*
Standard error ⁴	.17	.16	.19	.21	.27	.40	*
Interquartile range ⁵	10.04-12.00	10.77-12.25	10.52-12.13	10.50-11.95	10.01-11.78	10.38-12.08	*
By purpose of loan:							
Feeder livestock	11.35	11.31	11.53	11.35	*	*	*
Other livestock	10.57	10.81	10.95	*	*	*	*
Other current operating expenses	11.18	11.52	11.34	11.33	10.44	11.33	*
Farm machinery and equipment	10.98	11.92	10.76	*	*	*	*
Farm real estate	11.13	9.89	*	*	*	*	*
Other	10.55	12.10	10.44	10.62	*	*	*
Percentage of amount of loans:							
With floating rates	44.8	47.2	40.9	61.1	48.6	76.4	*
Made under commitment	40.6	42.4	40.3	37.5	22.6	50.6	*
By purpose of loan:							
Feeder livestock	19.4	13.1	13.2	24.9	*	*	*
Other livestock	4.5	3.9	4.3	*	*	*	*
Other current operating expenses	54.0	73.5	72.8	45.9	44.3	71.4	*
Farm machinery and equipment	5.2	4.1	3.7	*	*	*	*
Farm real estate	3.2	2.1	*	*	*	*	*
Other	13.7	3.3	3.2	13.3	*	*	*

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.