

FEDERAL RESERVE statistical release



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SURVEY OF TERMS OF BANK LENDING MADE DURING NOVEMBER 6-10, 1989

TABLE 1
COMMERCIAL AND INDUSTRIAL LOANS MADE BY ALL COMMERCIAL BANKS 1/

FEDERAL RESERVE BANK OF PHILADELPHIA

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/	13,762,089	5,861	*	9.56	0.41	9.21-9.73	54.7	8.7	OTHER
ONE MONTH AND UNDER (EXCL OVERNIGHT)	7,774,661	806	19	10.17	0.10	9.52-10.56	84.2	8.8	DOMESTIC
-FIXED RATE	4,832,909	983	21	10.18	0.08	9.61-10.34	79.6	11.8	DOMESTIC
-FLOATING RATE	2,941,751	623	16	10.15	0.20	9.33-11.02	91.8	4.0	DOMESTIC
OVER ONE MONTH AND UNDER A YEAR	9,856,562	138	153	11.11	0.17	10.03-12.13	80.8	14.0	PRIME
-FIXED RATE	4,307,635	130	131	10.72	0.18	9.86-11.66	75.9	13.0	OTHER
-FLOATING RATE	5,548,927	145	170	11.42	0.16	10.38-12.19	84.6	14.7	PRIME
DEMAND 8/	12,651,826	217	*	11.24	0.14	10.47-12.19	86.8	6.4	PRIME
-FIXED RATE	1,869,578	419	*	10.09	0.27	9.25-10.52	78.0	11.7	DOMESTIC
-FLOATING RATE	10,782,248	200	*	11.44	0.15	11.02-12.40	88.4	5.4	PRIME
TOTAL UNDER ONE YEAR	44,045,138	311	53	10.50	0.16	9.46-11.30	75.0	9.2	PRIME
-FIXED RATE	24,769,253	554	30	9.92	0.14	9.31-10.23	65.0	10.3	OTHER
BY SIZE (\$1,000)									
1-24	221,280	7	111	12.67	0.15	11.84-13.44	24.0	1.6	OTHER
25-49	125,337	33	120	12.46	0.18	12.00-12.89	28.0	0.1	PRIME
50-99	209,130	66	146	12.01	0.24	11.50-13.12	18.2	6.6	PRIME
100-499	527,537	207	76	11.56	0.18	10.73-12.68	44.2	3.3	PRIME
500-999	437,327	697	79	10.60	0.14	9.96-11.07	55.6	5.7	OTHER
1000+	23,248,642	7,752	26	9.81	0.13	9.28-10.07	66.7	10.7	OTHER
-FLOATING RATE	19,275,885	199	117	11.24	0.15	10.26-12.19	87.8	7.9	PRIME
BY SIZE (\$1,000)									
1-24	469,932	10	153	12.64	0.09	12.01-13.24	73.8	0.6	PRIME
25-49	501,634	34	146	12.45	0.05	11.85-13.24	79.5	1.6	PRIME
50-99	921,658	66	160	12.26	0.05	11.57-12.75	82.2	3.6	PRIME
100-499	3,432,317	203	153	11.95	0.06	11.07-12.64	85.3	6.2	PRIME
500-999	1,577,865	673	156	11.58	0.06	11.02-12.15	90.7	9.4	PRIME
1000+	12,372,478	4,727	100	10.82	0.15	9.73-11.67	89.4	9.0	PRIME
			MONTHS						
TOTAL ONE YEAR AND OVER	5,180,184	260	43	11.36	0.15	10.92-12.19	74.2	12.2	PRIME
-FIXED RATE	910,099	114	49	10.68	0.29	9.37-11.63	54.1	0.9	OTHER
BY SIZE (\$1,000)									
1-99	153,314	22	41	12.28	0.23	11.57-13.23	15.8	0.3	OTHER
100-499	126,685	181	66	12.08	0.18	11.30-12.75	23.9	3.2	PRIME
500-999	53,287	670	76	11.32	0.19	10.97-12.13	39.1	0.0	OTHER
1000+	591,813	4,339	50	9.93	0.24	9.33-10.98	71.4	0.7	OTHER
-FLOATING RATE	4,270,086	359	41	11.51	0.15	11.02-12.19	78.5	14.6	PRIME
BY SIZE (\$1,000)									
1-99	207,194	25	52	12.48	0.12	11.85-13.24	52.2	2.4	PRIME
100-499	520,021	206	38	12.23	0.16	11.30-12.68	65.2	11.2	PRIME
500-999	576,052	628	41	11.89	0.13	11.07-12.75	66.8	12.9	PRIME
1000+	3,166,819	4,987	41	11.28	0.12	10.92-12.13	83.8	16.1	PRIME

	DAYS	LOAN RATE (PERCENT)		PRIME RATE 10/
		EFFECTIVE 3/	NOMINAL 9/	
2. LOANS MADE BELOW PRIME 11/				
OVERNIGHT 7/	13,280,063	7,900	*	9.48
ONE MONTH AND UNDER (EXCL OVERNIGHT)	6,097,250	2,836	17	9.77
OVER ONE MONTH AND UNDER A YEAR	4,347,067	548	134	9.87
DEMAND 8/	3,726,833	1,264	*	9.68
TOTAL UNDER ONE YEAR	27,451,213	1,865	30	9.64
-FIXED RATE	21,452,877	2,339	22	9.61
-FLOATING RATE	5,998,335	1,081	70	9.73
		MONTHS		
TOTAL ONE YEAR AND OVER	1,402,820	561	45	9.79
-FIXED RATE	528,022	282	44	9.57
-FLOATING RATE	874,798	1,210	46	9.92

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TABLE 2
COMMERCIAL AND INDUSTRIAL LOANS MADE BY LARGE BANKS 1/

LOAN CHARACTERISTICS	AMOUNT OF LOANS (\$1,000)	AVERAGE SIZE (\$1,000)	WEIGHTED AVERAGE MATURITY 2/	LOAN RATE (PERCENTS)			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/	11,804,163	8,363	*	9.56	0.04	9.21-9.74	47.6	10.1	OTHER
ONE MONTH AND UNDER (EXCL OVERNIGHT)	6,223,515	4,567	19	10.07	0.16	9.49-10.24	85.3	7.1	DOMESTIC
-FIXED RATE	3,992,273	5,795	22	10.13	0.14	9.54-10.31	80.5	9.2	DOMESTIC
-FLOATING RATE	2,231,241	3,311	13	9.95	0.36	9.01-10.22	93.8	3.4	DOMESTIC
OVER ONE MONTH AND UNDER A YEAR	5,911,897	1,053	150	10.72	0.17	9.92-11.66	90.5	18.6	PRIME
-FIXED RATE	2,899,355	3,685	132	10.35	0.06	9.86-10.89	88.7	18.5	OTHER
-FLOATING RATE	3,012,542	624	167	11.08	0.23	10.12-12.13	92.3	18.8	PRIME
DEMAND 8/	7,851,684	438	*	11.01	0.19	9.96-12.13	82.8	7.5	PRIME
-FIXED RATE	1,235,547	685	*	9.97	0.24	9.12-10.50	69.8	16.0	DOMESTIC
-FLOATING RATE	6,616,137	411	*	11.20	0.24	10.54-12.19	85.3	5.9	PRIME
TOTAL UNDER ONE YEAR	31,791,258	1,209	43	10.23	0.15	9.38-11.02	71.7	10.5	OTHER
-FIXED RATE									
BY SIZE (\$1,000)									
1-24	19,928,382	4,254	26	9.82	0.09	9.28-10.10	61.5	11.5	OTHER
25-49	8,623	10	100	12.02	0.26	11.50-12.50	26.7	0.0	PRIME
50-99	10,820	32	76	11.70	0.24	11.50-12.13	34.5	0.0	PRIME
100-499	20,247	66	126	11.59	0.13	11.02-12.50	38.2	0.0	PRIME
500-999	141,106	227	57	10.93	0.17	10.33-11.50	66.6	7.3	PRIME
1000+	187,140	678	30	10.59	0.21	9.73-11.25	70.1	6.1	DOMESTIC
-FLOATING RATE									
BY SIZE (\$1,000)									
1-24	11,862,876	549	102	10.94	0.23	9.83-12.01	88.7	8.7	PRIME
25-49	82,720	11	148	12.33	0.17	11.57-13.24	76.7	0.5	PRIME
50-99	103,240	34	152	12.31	0.09	11.57-12.96	84.8	1.0	PRIME
100-499	222,580	66	146	12.10	0.08	11.35-12.68	87.4	2.0	PRIME
500-999	1,092,501	208	164	11.75	0.06	11.02-12.19	89.6	4.2	PRIME
1000+	631,503	671	153	11.57	0.08	11.02-12.19	91.2	7.1	PRIME
	9,730,332	5,800	96	10.75	0.25	9.68-11.63	88.6	9.6	PRIME
MONTHS									
TOTAL ONE YEAR AND OVER	3,397,972	1,116	42	11.04	0.19	10.12-12.01	86.3	13.5	PRIME
-FIXED RATE									
BY SIZE (\$1,000)									
1-99	513,629	1,346	46	9.89	0.35	9.20-10.22	68.8	0.8	FED FUNDS
100-499	5,231	25	44	12.28	0.27	11.57-13.31	25.6	2.7	NONE
500-999	12,841	217	45	11.66	0.28	10.75-12.68	45.3	0.0	NONE
1000+	10,995	599	45	11.39	0.38	10.73-12.13	52.0	0.0	OTHER
-FLOATING RATE									
BY SIZE (\$1,000)									
1-99	2,884,343	1,083	41	11.25	0.16	10.68-12.13	89.4	15.8	PRIME
100-499	38,540	37	36	12.44	0.19	11.57-12.96	79.9	4.4	PRIME
500-999	208,403	230	38	11.90	0.10	11.02-12.55	85.7	11.5	PRIME
1000+	168,373	668	41	11.73	0.10	11.02-12.19	84.4	15.8	PRIME
	2,469,027	5,486	41	11.14	0.19	10.41-12.13	90.2	16.3	PRIME
DAYS									
2. LOANS MADE BELOW PRIME 11/									
OVERNIGHT 7/	11,325,433	9,380	*	9.47	9.05	10.50	46.2	10.5	
ONE MONTH AND UNDER (EXCL OVERNIGHT)	5,185,025	7,563	17	9.76	9.33	10.50	86.7	5.3	
OVER ONE MONTH AND UNDER A YEAR	3,350,076	5,168	131	9.84	9.45	10.50	92.3	19.2	
DEMAND 8/	2,918,581	3,163	*	9.68	9.29	10.50	74.2	11.7	
TOTAL UNDER ONE YEAR	22,779,114	6,576	27	9.62	9.20	10.50	65.8	10.7	
-FIXED RATE	17,847,501	7,285	22	9.60	9.19	10.50	59.2	11.8	
-FLOATING RATE	4,931,613	4,863	57	9.68	9.27	10.50	89.6	6.7	
MONTHS									
TOTAL ONE YEAR AND OVER	1,147,113	6,041	45	9.65	9.29	10.50	87.7	9.1	
-FIXED RATE	403,745	3,362	40	9.41	9.11	10.50	79.2	17.6	
-FLOATING RATE	743,369	4,540	48	9.79	9.39	10.50	92.3	4.4	

SEE LAST PAGE FOR FOOTNOTES

E.2

SURVEY OF TERMS OF BANK LENDING MADE DURING NOVEMBER 6-10, 1989

TABLE 3
COMMERCIAL AND INDUSTRIAL LOANS MADE BY OTHER BANKS 1/

SEE LAST PAGE FOR FOOTNOTES

Table 4

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)	\$1,134,505	\$110,182	\$154,326	\$197,356	\$158,728	\$205,328	\$306,586
Number of loans	49,391	28,997	10,446	5,085	2,316	1,357	590
Weighted average maturity (months) ²	8.0	6.9	6.9	8.8	9.0	8.1	8.0
Weighted average interest rate (%) ³	12.16	12.70	12.53	12.51	12.04	12.25	11.95
Standard error ⁴	.50	.44	.20	.23	.23	.28	.58
Interquartile range ⁵	11.50-12.75	12.19-13.21	12.01-13.05	11.96-13.03	11.56-12.69	11.67-12.84	11.02-12.08
By purpose of loan:							
Feeder livestock	12.20	12.69	12.65	12.60	12.26	12.28	11.48
Other livestock	12.19	13.03	12.80	12.65	12.63	12.53	11.55
Other current operating expenses	12.08	12.63	12.45	12.40	11.53	12.18	11.39
Farm machinery and equipment	12.37	12.94	12.16	12.28	*	*	*
Farm real estate	12.26	12.23	12.61	12.22	11.17	*	*
Other	12.16	12.81	12.34	12.20	12.50	12.01	11.97
Percentage of amount of loans:							
With floating rates	62.5	45.1	44.0	54.6	57.5	73.4	78.6
Made under commitment	55.9	42.0	40.4	51.1	41.8	62.7	76.5
By purpose of loan:							
Feeder livestock	29.1	13.1	23.4	35.9	38.3	31.0	27.1
Other livestock	17.2	10.1	13.8	19.4	13.2	8.2	28.3
Other current operating expenses	37.1	61.8	50.8	29.3	33.2	33.9	30.7
Farm machinery and equipment	2.9	7.8	4.6	5.1	*	*	*
Farm real estate	5.1	2.1	2.1	7.6	3.6	*	*
Other	8.6	5.1	5.3	2.7	9.7	18.3	8.3
LARGE FARM LENDERS ¹²							
Amount of loans (thousands)	\$500,097	\$15,226	\$29,809	\$84,387	\$48,331	\$107,771	\$254,574
Number of loans	9,018	3,920	1,989	1,251	711	708	440
Weighted average maturity (months) ²	7.5	6.9	7.6	9.0	7.2	7.5	7.4
Weighted average interest rate (%) ³	11.77	12.74	12.49	12.31	12.18	11.97	11.38
Standard error ⁴	.48	.43	.16	.21	.14	.16	.53
Interquartile range ⁵	11.07-12.47	12.19-13.31	12.01-12.96	11.91-12.75	11.63-12.70	11.42-12.47	11.02-12.01
By purpose of loan:							
Feeder livestock	11.76	12.58	12.54	12.43	12.06	11.90	11.33
Other livestock	11.33	12.87	12.64	12.78	12.30	*	11.34
Other current operating expenses	11.82	12.70	12.47	12.25	12.03	12.01	11.39
Farm machinery and equipment	12.32	13.30	12.13	*	*	*	*
Farm real estate	11.79	12.23	12.33	11.99	11.48	*	*
Other	12.09	12.88	12.51	11.97	12.40	11.92	12.03
Percentage of amount of loans:							
With floating rates	85.7	85.5	86.2	88.7	87.4	92.1	82.1
Made under commitment	80.7	79.4	75.3	73.5	77.4	89.4	79.6
By purpose of loan:							
Feeder livestock	27.7	13.0	25.1	37.2	28.2	31.9	25.4
Other livestock	14.9	5.0	6.9	5.3	3.4	*	25.4
Other current operating expenses	38.7	60.9	47.0	42.5	40.7	35.2	36.9
Farm machinery and equipment	1.4	5.0	3.0	*	*	*	*
Farm real estate	4.1	2.1	3.7	3.0	6.6	*	*
Other	13.1	14.1	14.3	9.9	19.2	24.5	7.5
OTHER BANKS ¹²							
Amount of loans (thousands)	\$632,408	\$94,956	\$124,516	\$152,969	\$110,397	\$97,557	*
Number of loans	40,374	25,078	8,457	4,434	1,605	650	*
Weighted average maturity (months) ²	8.3	6.9	6.8	8.8	9.6	8.6	*
Weighted average interest rate (%) ³	12.46	12.70	12.54	12.57	11.99	12.55	*
Standard error ⁴	.12	.07	.10	.09	.17	.23	*
Interquartile range ⁵	11.97-13.03	12.19-13.16	12.01-13.10	12.00-13.10	10.88-12.68	11.91-12.89	*
By purpose of loan:							
Feeder livestock	12.53	12.71	12.68	12.66	12.31	*	*
Other livestock	12.72	13.04	12.82	12.64	*	*	*
Other current operating expenses	12.30	12.62	12.44	12.55	11.11	*	*
Farm machinery and equipment	12.39	12.90	12.17	*	*	*	*
Farm real estate	12.52	12.22	*	12.24	*	*	*
Other	12.29	12.76	*	*	*	*	*
Percentage of amount of loans:							
With floating rates	44.2	38.6	33.9	44.7	48.5	52.7	*
Made under commitment	36.3	36.0	32.0	44.6	26.3	33.3	*
By purpose of loan:							
Feeder livestock	30.1	13.1	23.0	35.3	43.0	*	*
Other livestock	19.1	10.9	15.5	23.5	*	*	*
Other current operating expenses	35.9	62.0	51.7	25.5	30.0	*	*
Farm machinery and equipment	4.0	8.3	5.0	*	*	*	*
Farm real estate	5.9	2.1	*	9.0	*	*	*
Other	5.0	3.0	*	*	*	*	*

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 sample of 250 banks reports 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. Mortgage loans, purchased loans, foreign loans, and loans of less than \$1,000 are excluded from the survey.

1. As of December 31, 1988, assets of most of the large banks were at least \$6.0 billion. For all insured banks, total assets averaged \$220 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 4), most "large banks" (survey strata 1 and 2) had over \$20 million in farm loans, most "other banks" (survey strata 3 to 5) had farm loans below \$20 million.