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This article describes the way the credit reporting companies compile and report their data and gives background on the regulatory structure governing these activities. This description is followed by a detailed look at the information collected in credit reports. Key aspects of the data that may be incomplete, duplicative, or ambiguous as they apply to credit evaluation are highlighted in the analysis. The article concludes with a discussion of steps that might be taken to address some of the issues identified.

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An Overview of Consumer Data and Credit Reporting

Robert B. Avery, Paul S. Calem, and Glenn B. Canner, of the Board's Division of Research and Statistics, and Raphael W. Bostic, of the University of Southern California, prepared this article.

For some time, the Board of Governors of the Federal Reserve System has sought to obtain more detailed and timely information on the debt status, loan payment behavior, and overall credit quality of U.S. consumers. Such information could facilitate the Board's analysis of macroeconomic conditions, improve its understanding of the way credit is provided to consumers, and enhance the System's supervision of banking activities. For decades, information of this type has been gathered by credit reporting companies, primarily to assist creditors in evaluating the credit quality of current and prospective customers. The information gathered by credit reporting companies is vast and seeks to cover virtually all U.S. consumer borrowing.¹ To the extent that this information is complete, comprehensive, and accurate, it represents a potential new source of statistical data for the Federal Reserve on consumer credit markets and behavior.

To evaluate the potential usefulness of these data, the Federal Reserve Board engaged one of the three national credit reporting companies to supply the records of a nationally representative sample of individuals.² The data provide a unique opportunity

to profile the nature and content of information contained in credit reporting company records.

Assessing the usefulness of these data as a potential source of information for the Board involves several tasks. This article is an initial step in the process; it examines the scope and content of the data, using a framework based on key aspects of credit evaluation. This approach is a natural way to begin the assessment process because the credit reporting companies' primary purpose for collecting these data is to facilitate credit evaluation. Future steps will focus on other aspects of this evaluation, including comparing measures of aggregate borrowing activity and credit quality derived from the credit reporting data with measures from other sources.

The article begins with a brief description of the way the credit reporting companies compile and report their data and gives background on the regulatory structure governing these activities. This description is followed by a detailed look at the information collected in credit reports. The discussion of these data is divided along the lines of the major components of consumer credit report data—credit accounts; public records relating to the person's debt or payment obligations (bankruptcy filings, liens, judgments in civil actions, and so on); collection agency accounts; and inquiries regarding credit status. The distribution patterns of items such as account balances, credit utilization, and measures of payment performance by type of account and creditor are broadly described. Key aspects of the data that may be incomplete, duplicative, or ambiguous as they apply to credit evaluation are highlighted in the analysis. The article concludes with a discussion of steps that might be taken to address some of the issues identified.

1. The Fair Credit Reporting Act generally refers to a company that regularly assembles or evaluates consumer credit information for the purpose of furnishing consumer reports as a "consumer reporting agency." Such companies are also called "credit bureaus" or, as in this article, "credit reporting companies." Three national credit reporting companies—Equifax, Experian, and Trans Union Corporation—jointly have a dominant presence in the market for credit-related information on consumers. Each national credit reporting company seeks to maintain records for each individual, although, for a variety of reasons, all companies may not have the same information for a given individual. For more information on industry structure, see Robert M. Hunt, "What's in the File? The Economics and Law of Consumer Credit Bureaus," *Business Review*, Federal Reserve Bank of Philadelphia (second quarter, 2002), pp. 17–24.

2. Identifying information, such as name, address, and social security number, was omitted from the data obtained by the Federal Reserve. The identities of the creditors, collection agencies, and other

entities that reported information to the credit reporting company were also omitted. An index variable, unique to this dataset, allowed records of the same individual to be linked. A similar index variable allowed records of the same creditor (or other reporter) to be linked. Neither of these variables could be used to link to any publicly available information.

COMPOSITION AND SOURCES OF CREDIT REPORTING COMPANY RECORDS

Credit reporting companies gather information on an individual's experiences with credit, leases, non-credit-related bills, money-related public records, and inquiries and compile it in a *credit record*. A credit record generally includes five types of information:

- identifying information such as the name of the individual, current and previous residential addresses, and social security number
- detailed information reported by creditors (and some other entities, such as a medical establishment) on each current and past loan, lease, or non-credit-related bill, each of which is referred to here as a *credit account*³
- information derived from money-related public records, such as records of bankruptcy, foreclosure, tax liens (local, state, or federal), garnishments, and other civil judgments, referred to here as *public records*

3. Non-credit-related bills include items such as utility and medical bills.

- information reported by collection agencies on actions associated with credit accounts and non-credit-related bills, referred to here as *collection agency accounts*

- identities of individuals or companies that request information from an individual's credit record, the date of the inquiry, and an indication of whether the inquiry was by the consumer, for the review of an existing account, or to help the inquirer make a decision on a potential future account or relationship.

The consumer credit report, the basic product that the credit reporting companies provide to those seeking information about the credit history of an individual, is the organized presentation of the individual's credit record at the credit reporting company.⁴ Industry sources report that credit reporting companies issue approximately 2 million consumer credit

4. Credit reporting companies maintain credit records of individuals, not couples or other family units. Therefore, an individual's credit report is separate and distinct from his or her spouse's report. If individuals are jointly responsible for payment on a loan, such as a mortgage, a record of that credit account will appear in each individual's file, along with an indicator that it is a joint account.

A Summary of Consumer Rights under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) seeks to promote accuracy, fairness, and privacy of an individual's "consumer report" maintained by a "consumer reporting agency" (or credit reporting company).¹ The FCRA provides the following consumer rights and protections:

- **The right to be told if information in a consumer report has been used to take adverse action against a consumer.** Any person who uses information from a consumer report obtained from a consumer reporting agency to take adverse action against a consumer—such as denying an application for credit, insurance, or employment—must tell the consumer the name, address, and phone number of the reporting agency that provided the consumer report, inform the consumer of the right to obtain a free copy of his or her consumer report within sixty days of receiving the notice, and notify the consumer of the right to dispute with the reporting agency the completeness or accuracy of the consumer report.
- **The right to see the contents of a consumer report.** Upon a consumer's request, a consumer reporting agency must provide the consumer with all information in his or her file at the time of the request, except for credit scores,

and identify each person who has requested it recently. There is no charge for the report if an adverse action has been taken against the consumer because of information in a consumer report supplied by the reporting agency and the consumer requests the report within sixty days of receiving notice of the adverse action from the person taking the adverse action.

- **The right to dispute inaccurate or incomplete information with the consumer reporting agency.** If a consumer notifies a reporting agency that his or her file contains inaccurate or incomplete information, the agency must investigate the items (generally within thirty days) by presenting to the furnisher or source of the information all relevant evidence submitted by the consumer, unless the agency determines that the dispute is frivolous. The furnisher or source must review the evidence, investigate the disputed information, and report its findings to the reporting agency. The agency must provide the consumer with a written notice of the results of the investigation, a copy of the consumer report as revised based on the results of the investigation, notice of the procedures used in the investigation (including the furnishers contacted), notice of the consumer's right to add a statement to the file disputing the accuracy or completeness of the information, and notice of the consumer's right to request that the reporting agency notify certain recent recipients of consumer reports of the deletion of the disputed information.

1. For the complete text of the FCRA, see 15 U.S.C. §§ 1681-1681u, on the Federal Trade Commission's web site (<http://www.ftc.gov>).

reports each day.⁵ Access to the information and maintenance of each credit record is governed by conditions spelled out in the Fair Credit Reporting Act (FCRA) (see box “A Summary of Consumer Rights under the Fair Credit Reporting Act”).

Credit reporting companies gather the information that is in a credit record primarily from creditors, government entities, collection agencies, and third-party intermediaries (see box “Sources of Credit Reporting Company Data”). Reporting entities submit information to credit reporting companies on a purely voluntary basis; no state or federal law requires creditors or others to report data to the companies. The FCRA prohibits a reporting institution from furnishing any information to a credit reporting company if the institution knows or consciously avoids knowing that the information is inaccurate, and it requires institutions to participate in the process of correcting errors that are identified by consumers.

The national credit reporting companies attempt to collect comprehensive information on all lending to individuals in the United States, and the information each maintains is vast.⁶ Each of the three national credit reporting companies has records on perhaps as many as 1.5 billion credit accounts held by approximately 190 million individuals. Credit reporting companies receive information from creditors and others generally every month, and they update their credit records normally within one to seven days of receiving new information. According to industry sources, each of the three national credit reporting companies receives more than 2 billion items of information each month.

Credit reporting companies use various techniques to process the high volume of information they receive. When a credit reporting company receives data from a creditor, government agency, or third-party provider, it first assesses its accuracy. If the data are found to contain errors, they are returned to the

5. See Consumer Data Industry Association (formerly, the Associated Credit Bureaus), Press Release, March 12, 1998.

6. See “About CDIA” on the web site of the Consumer Data Industry Association, www.cdialine.org.

A Summary of Consumer Rights under the Fair Credit Reporting Act—Continued

- **The right to have inaccurate information corrected or deleted.** A consumer reporting agency must remove or correct inaccurate, incomplete, or unverified information from its files, generally within thirty days after a dispute is filed. However, the reporting agency is not required to remove accurate data from a consumer’s file unless it is outdated information that is required to be excluded from consumer reports.
- **The right to dispute inaccurate items with the furnisher or source of the information.** If a consumer tells a furnisher of information, such as a creditor who reports to a consumer reporting agency, that specific information is inaccurate or incomplete, the furnisher may not then report the information to a reporting agency without including a notice of the dispute.
- **The right to have outdated information excluded from a consumer report.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old. However, there are certain exceptions:
 - Information about criminal convictions may be reported without any time limitation.
 - Bankruptcy information may be reported for ten years.
 - Information reported in response to an application for a job with an annual salary of more than \$75,000 has no time limit.
 - Information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limit.
- Information about a lawsuit, an unpaid judgment against a consumer, or record of arrest can be reported for seven years or until the statute of limitations runs out, whichever is longer.
- **Limits for access to a consumer report.** A consumer reporting agency may furnish a consumer report only to a person with a permissible purpose recognized by the FCRA—usually to consider an application for credit, insurance, employment, housing rental, depository account, or other legitimate business need, or in accordance with the written instructions of the consumer.
- **The requirement for consumer consent to furnish reports to employers or to furnish reports containing medical information.** A consumer reporting agency may not furnish a consumer report generally to a consumer’s employer or prospective employer, or a consumer report containing medical information about the consumer in connection with a credit or insurance transaction, without the consumer’s written consent.
- **The right to choose to exclude a consumer’s name from consumer reporting agency lists for unsolicited firm offers of credit and insurance.** Creditors and insurers may use reporting agency file information as the basis for sending unsolicited firm offers of credit or insurance. Such offers must include a toll-free phone number or address established by the agency from whom the creditor or insurer obtained the information and whom the consumer may call or write to have his or her name and address removed from future lists.

Sources of Credit Reporting Company Data

Credit reporting companies receive the information that is included in credit records from a wide variety of sources. They receive information on individual credit accounts, which makes up the bulk of the data that they maintain, from virtually all commercial banks, savings associations, and credit unions; from most finance companies; and from major retailers and many other businesses, such as oil and gas companies. Some utility and medical companies also report on their accounts.

Credit reporting companies also gather information from many agencies specializing in collections. These collection agencies may be acting on behalf of a claimant, or they may have purchased the rights to an account themselves. Collection agencies report information on accounts in collection, including many non-credit-related bills, such as those associated with medical treatment or services from communication or power companies, as well as some credit accounts.

Collection agency reporting does not represent a full accounting of credit accounts that have gone to collection. Many creditors do their own collections rather than using collection agencies. If these creditors report to the credit reporting companies, such collections will appear as updates to credit account files. However, if the creditor does not report to the credit reporting companies, then these collection actions will not appear in the credit files.

Credit reporting companies also gather information on public records, obtaining the information from the court system, government entities, or third parties. Some of these sources have computerized, comprehensive records; others keep only paper records that require labor-intensive transcribing and recording. The former are easily obtained by credit reporting companies whereas the latter are not. Finally, information on inquiries is recorded by the credit reporting companies as the inquiries are made.

reporting entity for resubmission with the necessary corrections. Otherwise, the credit reporting companies compile and reconfigure the newly received data to create or update the record of an individual's credit experiences. This reconfiguration can require a high level of technical sophistication. For example, credit reporting companies have had to develop rules for deciding when to ignore slight variations in personal identifying information and techniques for recognizing that data items with the same identifying information, such as name, may actually be associated with different individuals.

Although credit reporting company data are extensive, they are not complete. First, information on some credit accounts held by individuals is not reported. Some small retail, mortgage, and finance

companies and some government agencies do not report to the credit reporting companies. Loans extended by individuals, employers, insurance companies, and foreign entities typically are not reported. Second, complete information is not always provided for each account reported. Sometimes creditors do not report or update information on the credit accounts of borrowers who consistently make their required payments as scheduled. Credit limits established on revolving accounts are sometimes not reported. Also, creditors may not notify the credit reporting company when an account is closed or undergoes other material changes.

The information reported on credit accounts reflects each account's payment status and outstanding balance shortly before it is forwarded to the credit reporting company. Thus, the report is sensitive to the date on which the information is forwarded. For example, a credit account reported to the credit reporting companies on the day after a payment is made and posted to the account will show a smaller balance than one reported to the companies on the day before the payment.

Although credit reporting companies endeavor to maintain high-quality data, the degree to which consumer credit reports are accurate, complete, or consistent across companies is in dispute. A recent study, for example, found evidence of inconsistencies in the information included in individual credit reports across the national credit reporting companies.⁷ An earlier investigation by a consumer organization suggests that as many as one-third of all consumer credit reports may contain errors that could result in the denial of access to credit.⁸ A study by Arthur Andersen & Company argues, however, that such errors may not have material significance regarding access to credit. The Andersen study concluded that only a small proportion of individuals were denied credit on the basis of inaccurate information in their credit reports.⁹

Overall, research and creditor experience has consistently indicated that credit reporting company information, despite any limitations that it may have, generally provides an effective measure of the rela-

7. See "Credit Score Accuracy and Implications for Consumers," report by Consumer Federation of America and the National Credit Reporting Association, December 17, 2002.

8. See "Mistakes Do Happen: Credit Report Errors Mean Consumers Lose," March 1998, on the web site of the U.S. Public Information Research Group, www.uspirg.org/reports.

9. See Consumer Data Industry Association, Press Release, March 12, 1998; also see Robert M. Hunt, "The Development and Regulation of Consumer Credit Reporting in America," Federal Reserve Bank of Philadelphia, Working Paper no. 02-21, November 2002.

tive credit risk posed by prospective borrowers.¹⁰ Nonetheless, the industry and its critics alike recommend that consumers review their credit reports periodically, especially if they are in the market for new credit, if they have been denied credit, or if their creditor has changed the terms of an account on the basis of credit reporting company information.

DESCRIPTION OF CREDIT REPORTING COMPANY RECORDS

One of the three national credit reporting companies provided the Federal Reserve with the full credit records (with the exception of personal and creditor identifying information) of a nationally representative sample of individuals as of June 1999.¹¹ Approximately 248,000 individuals included in the database of the national credit reporting company were randomly selected (table 1).¹² The credit reporting company then provided the Board with the entire credit record of each of these individuals, excluding any identifying information. Each consumer credit record contained possibly more than 350 variables that described consumer credit usage and performance.

The sample contains information on about 2.58 million credit accounts, a number that, by the authors' estimate, translates into approximately 1.43 billion credit accounts in the credit reporting company's full database (table 2, memo item). The authors estimate the aggregate balances owed on the credit accounts in the full database to have been \$6.7 trillion as of June 30, 1999. Credit accounts were reported by thousands of organizations, including more than 23,000 creditors reporting currently (those providing data at the time the sample was drawn).

10. See Robert B. Avery, Raphael W. Bostic, Paul S. Calem, and Glenn B. Canner, "Credit Risk, Credit Scoring, and the Performance of Home Mortgages," *Federal Reserve Bulletin* (July 1996), pp. 621-48.

11. Most credit and other records contained in the credit reporting company files of individuals are common to the three national companies, which have adopted common standards for the reporting and coding of information provided by creditors and others. Nonetheless, some differences remain across companies. Some small institutions do not report to all three companies, and coverage of public records may not be identical. Moreover, differences can arise because of the timing of the receipt and processing of information at each company within a typical reporting cycle. Finally, rules regarding the linkage of reports to a common individual and the treatment of items such as noncurrent data can vary across credit reporting companies.

12. This sample consists of approximately 1 file out of every 657 files from the reporting company; the sampling frame excludes non-individual accounts, such as small business accounts, and records of deceased persons.

1 Individuals with credit reporting company records, by type of information

Type of information	Number	Share of sample (percent)
Sample size	248,027	100.0
Credit account	216,202	87.2
Open and active account ¹	198,399	80.0
No active account	12,637	5.1
Authorized user only ²	5,166	2.1
Public record	30,478	12.3
Collection agency account	74,888	30.2
Inquiry ³	142,905	57.6
None of the above	318	.1
MEMO		
Credit account only	63,674	25.7
Public record only	42	*
Collection agency account only	25,905	10.6
Inquiry only ³	55	*
Credit account and:		
Public record	28,534	11.5
Collection agency account	46,496	17.5
Inquiry ³	138,584	55.9

1. Active accounts are those used within one year of the date the sample was drawn.

2. Individuals who are authorized to use an account but not legally responsible for its payment. Generally, these accounts will not be used in a credit evaluation of the authorized user.

3. Includes only inquiries made within two years of the date the sample was drawn.

* Less than 0.5 percent.

Individuals have credit reporting company records for a number of reasons: having a record of a credit account (whether open and active or not), being an authorized user on a credit account, having a money-related public record, having a record of a collection action, or having had an inquiry about their credit circumstances. Approximately 87 percent of individuals in the sample had a record of a credit account, and 92 percent of these had an open and active account as of the date the sample was drawn (table 1). A very small share of the individuals in the sample had only a public record item or an inquiry. However, about 11 percent of the sample had a credit reporting company record only because of a collection action.

The following discussion highlights the contents and scope of the data in the sample. A close examination of the data reveals that the information is not complete in all regards and at times contains duplications and ambiguities. These omissions and limitations may require users of the information to make assumptions about how to treat certain reported items in developing a credit profile for a consumer. The following discussion reviews the more important of these issues and quantifies their scope. Because the information is now somewhat dated, some of the patterns presented here may not reflect current circumstances.

2. All credit accounts and balances, grouped by status and distributed by account characteristic

Percent except as noted

Account characteristic	All accounts: share having characteristic	Account status							
		Currently reported				Not currently reported			
		Open		Closed		Dormant (zero balance)		Unknown (positive or unknown balance)	
		Share having characteristic	Share of characteristic	Share having characteristic	Share of characteristic	Share having characteristic	Share of characteristic	Share having characteristic	Share of characteristic
<i>Type of credit</i>									
Revolving	62.7	71.2	36.1	44.3	29.9	95.4	27.6	51.5	6.4
Check credit	1.8	1.9	35.2	1.3	30.9	2.6	27.3	1.5	6.7
Banking institution	30.5	38.0	39.6	29.1	40.2	25.1	14.9	20.8	5.3
Finance company									
or credit union	4.7	4.4	29.3	3.1	27.5	9.6	36.7	3.9	6.4
Retailer	23.8	24.8	33.2	10.1	17.9	53.8	41.1	23.7	7.7
Other ¹	1.9	2.1	28.5	1.9	34.4	1.8	13.8	7.0	23.3
Nonrevolving	4.7	4.1	27.9	4.0	36.4	4.6	18.0	10.7	17.8
Installment	26.6	19.0	22.7	43.7	69.6	.0	.0	26.3	7.7
Mortgage	6.1	5.7	29.9	7.9	55.4	.0	.0	11.5	14.7
All accounts	100.0	100.0	31.8	100.0	42.3	100.0	18.2	100.0	7.8
MEMO									
Percent of revolving accounts missing credit limit	34.9	32.3	49.3	.0	.0	39.2	45.8	28.6	4.8
<i>Holder</i>									
Single	78.9	80.0	32.3	74.8	40.2	85.3	19.6	81.0	8.0
Joint	21.1	20.0	30.1	25.2	50.4	14.7	12.6	19.0	7.0
<i>Creditor</i>									
Banking institution	44.7	48.2	34.3	51.4	48.6	27.2	11.0	35.3	6.1
Finance company or credit union	19.8	14.9	24.0	26.9	57.7	10.2	9.4	22.9	9.0
Retailer	24.8	25.0	32.1	12.1	20.7	54.1	39.7	24.2	7.6
Other ¹	10.7	11.9	35.1	9.6	37.8	8.6	14.4	17.6	12.7
<i>Date opened</i>									
Less than 1 year	8.1	19.6	77.0	1.9	10.0	3.2	7.2	6.1	5.8
1 to 2 years	9.3	16.0	54.7	5.5	24.8	3.8	11.3	11.0	9.2
2 to 4 years	19.3	21.9	36.2	18.3	40.2	14.7	13.9	24.2	9.7
More than 4 years	63.4	42.5	21.3	74.3	49.7	76.3	21.9	58.7	7.2
<i>Date last had balance</i>									
Current	31.0	67.1	68.7	4.6	6.3	.0	.0	100.0	25.0
Less than 1 year	13.8	17.3	39.8	13.6	41.6	14.2	18.6	.0	.0
1 to 2 years	10.4	6.1	18.7	14.9	60.8	11.7	20.5	.0	.0
2 to 4 years	16.7	5.9	11.2	24.8	63.1	23.6	25.7	.0	.0
More than 4 years	28.1	3.6	4.1	42.0	63.3	50.5	32.6	.0	.0
<i>Date last reported</i>									
Less than 2 months	39.8	100.0	80.0	18.8	20.0	.0	.0	.0	.0
2 months to 1 year	15.5	.0	.0	14.8	40.3	25.9	30.3	59.1	29.5
1 to 2 years	8.9	.0	.0	12.9	61.5	12.1	24.7	15.9	13.8
2 to 4 years	13.8	.0	.0	20.6	62.9	22.4	29.4	13.7	7.7
More than 4 years	22.0	.0	.0	32.9	63.3	39.7	32.7	11.3	4.0
<i>Payment status²</i>									
Worst recorded									
Major derogatory	7.8	3.1	12.8	9.2	50.0	1.4	3.2	34.1	34.0
Minor derogatory	7.0	8.0	36.7	6.5	39.2	4.9	12.7	10.2	11.4
No derogatory	85.3	88.8	33.1	84.4	41.9	93.8	20.0	55.6	5.1
<i>At most-recent report</i>									
Balance remaining/ balance unknown									
Major derogatory	4.3	2.1	15.1	2.7	26.3	.0	.0	32.5	58.5
Minor derogatory	1.0	1.6	50.7	.3	12.9	.0	.0	4.8	36.4
No derogatory	25.7	63.5	78.4	1.6	2.7	*	*	62.7	18.9
No balance	68.9	32.8	15.1	95.4	58.5	100.0	26.3	.0	.0
MEMO³									
Number of accounts (millions)	1,428	454	...	604	...	259	...	111	...
Percent of dollars	100.0	...	71.8	...	1.2	...	.0	...	27.0

NOTE. Here and in subsequent tables, data are a statistically representative sample of a national credit reporting company's credit record data as of June 30, 1999; items may not sum to 100 because of rounding.

1. Includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

2. A minor derogatory status is a payment delinquency of 30 days to 119 days. A major derogatory status is a delinquency of 120 days or more, a

payment plan, repossession, charge-off, collection action, bankruptcy, foreclosure, or adverse judgment by a court.

3. National estimates based on the sample.

. Not applicable.

* Less than 0.05 percent.

SOURCE. Here and in subsequent tables, author calculations using statistically representative sample provided to the Federal Reserve Board by one of the three national credit reporting companies.

Personal Identifying Information

All credit reporting company files include personal identifying information that allows the companies to distinguish among individuals and construct a full record of each consumer's credit-related activities. Files always include the consumer's name (and known aliases), current and previous addresses, and social security number. Other identifying information sometimes found in credit files includes date of birth, telephone number(s), spouse's name, number of dependents, income, and employment information.¹³ These data are most often supplied by creditors; they are taken from credit application files. Information about an individual's lifestyle (for example, sexual orientation) or personal characteristics (for example, race or national origin) are excluded from credit reporting company files.

One of the challenges that credit reporting companies face is constructing a unified credit record for a consumer. This challenge arises for a number of reasons. An individual's social security number, for example, may be recorded incorrectly on a loan application, or it may be transmitted incorrectly to the credit reporting companies. Problems also arise because the identifying information may not be current or because a consumer may have accounts under different names or addresses. For instance, a consumer may be inconsistent in using a full name in all applications for credit or may change names, perhaps after a marriage or divorce. Furthermore, accounts may be difficult to link to a given consumer if the consumer's address has changed. Credit reporting companies have established a series of protocols to address each of these challenges.

Credit Account Information

Credit accounts constitute the bulk of the information in the typical individual's credit record, and thus the information on credit accounts represents the majority of the information maintained by credit reporting companies. Credit account records contain many details about each account (see box "Credit Account Records").

Account Status

A basic element of credit reporting company data is information on the status of each account with

respect to whether the credit relationship is ongoing (an "open account") or whether the account is closed and cannot be added to by the consumer. Determining whether an account is open or closed is not always straightforward, in part because some creditors do not report all account closures to the credit reporting companies. Instead, in many situations, creditors simply stop reporting any information about an account, creating uncertainty about the current status of the account. These "not currently reported" accounts constitute a significant portion of all accounts in the credit reporting company data.

For the discussion that follows, credit accounts are grouped according to their status and whether or not they are currently reported. An account is currently reported if either (1) its status had been reported to the credit reporting company within two months of the date that the sample of credit records was drawn or (2) it was last reported (at any time) to be closed *and* had a zero balance at the date of last report. All installment and mortgage accounts paid down to a zero balance are treated as currently reported and closed. With these definitions, accounts fall into one of four mutually exclusive groups, two of which are currently reported and two not currently reported.

- *Open credit accounts* are currently reported and are not reported as closed. These include accounts that a consumer can use to incur additional debt, such as an open-end revolving account, and closed-end accounts that the consumer is paying down on a scheduled basis, such as a mortgage or an installment loan.

- *Closed credit accounts* are currently reported (as defined here) *and* are reported as closed. Closed accounts cannot be used to incur additional debt. Virtually all these accounts have been fully repaid and have a zero balance, although a positive balance remains on a small number of closed revolving accounts.

- *Dormant accounts* are non-installment, nonmortgage accounts that were last reported as open with no outstanding balance but for which the last reporting was more than two months before the sample was drawn. These accounts are inactive, but from the data, one cannot determine whether they are open or closed.

- An *unknown accounts* category contains all other accounts that are not currently reported. All these accounts were reported as having a balance at their last reporting date. The category includes installment, mortgage, and to a smaller extent, revolving accounts

13. For further details, see "Consumer Information" on the web site of the Consumer Data Industry Association, www.cdiaonline.org.

Credit Account Records

Credit account records include information on each “trade line” or credit account in a consumer’s credit files. They include the following:

Account Dates

- The date the account was opened
- The date the account was closed (if applicable)
- The date the account was paid down to zero if the last reported balance is zero
- The account verification date (the date on which information on the account was taken)
- The date the account information was recorded by the credit reporting company.

Account Balances

- Account balance on the verification date (if any)
- The historic high balance (For mortgage or installment loans, this is generally the original balance.)
- Credit limit (the maximum amount that can be borrowed for revolving or open accounts)
- Amount past due (If the account is delinquent, this is the amount that was overdue as of the verification date.)

Payment Performance

- Payment status at the last report. This can have seven values:
 1. unknown or too new to rate
 2. satisfactory or paying as agreed
 3. 30 to 59 days past the due date (minor derogatory)
 4. 60 to 89 days past the due date (minor derogatory)
 5. 90 to 119 days past the due date (minor derogatory)
 6. 120 or more days past the due date (major derogatory)
 7. other major derogatory instances (repossession, charge off, collection, judgment, bankruptcy, foreclosure, paying under a wage earner plan).
- Payment status pattern for the previous 48 months (not given for a major derogatory)
- Dispute code (indicates if items in the account are under dispute)
- Remark codes (for example, notations for types of payment problems and reasons for closing accounts).

Account Description

- Account ownership (individual, joint, authorized user, co-signer)
- Type of creditor (commercial bank, savings institution, finance company, credit union, government entity, retailer, and so forth).
- Type of account
 - *Closed end*—a lump-sum loan that the borrower repays over time according to an agreed-upon schedule
 - Mortgage—a special type of installment account that is secured by a primary residence or other residential real estate such as a rental or vacation property¹
 - Installment—nonmortgage accounts, such as auto loans, that typically involve fixed monthly payments that fully amortize the total amount borrowed over the term of the loan, often secured.
 - *Open end*—consumers can borrow from time to time at their discretion, typically up to some pre-authorized limit
 - Revolving—typically unsecured accounts that permit considerable flexibility in the amount that must be paid back in any given billing cycle, typically a month, such as a credit card account
 - Nonrevolving charge—the account holder may borrow funds for a short period (typically a month) and must repay in full at the end of this period
 - Check credit—a special form of revolving account, typically not accessible by a credit card, that includes personal lines of credit and overdraft protection on deposit-related accounts, such as a checking account.
- Loan purpose or type (for example, credit card, charge account, automobile loan, student loan, or FHA-insured mortgage)
- Lender subscriber code.

1. An exception is the home equity line of credit, which, though secured by real property, is typically structured more like a line of credit or revolving account. Some home equity lines of credit are reported as mortgages; others are often reported as open-end revolving accounts.

that may have been paid off but lack a final record of disposition. It also includes accounts that were sold or transferred to another creditor or collection department or agency but not reported as closed by the selling or transferring institutions. Finally, it includes accounts that have encountered such severe payment problems that the creditor no longer reports the account.

The status was currently reported for about 74 percent of the accounts in the sample.¹⁴ Of these accounts, 57 percent were closed; the remainder were open. Because these accounts were currently

14. The data used for this study represent the complete credit records of a nationally representative sample of *individuals*. However, raw account distributions in such data are not proper estimates of

reported, users of the data did not have to make assumptions about their current status.

The status of the remaining credit accounts was not currently reported, and thus assumptions had to be made in order to use the data. Among the accounts that were not currently reported, 70 percent were dormant. For these accounts, the only issue a user of the data had to address was whether the account could be used by a consumer. The accounts in the unknown category, which comprised about 8 percent of all the credit accounts in the sample, present a particularly vexing problem for users of the data because this category includes accounts that had a positive or unknown balance at the date of last report. This category includes accounts that may have been sold, transferred, or paid off but are not reported as such. Also included are accounts, particularly derogatory accounts, that are still outstanding but on which the lender has ceased reporting.

Types of Accounts

Credit reporting companies ask creditors to place each credit account into one of four broad groupings: two types of open-end account (revolving and nonrevolving) and two types of closed-end account (installment and mortgage). Within these four categories, further distinctions can be made by users of the data based on other characteristics—for example, the reported purpose of the loan or the type of creditor.

Revolving accounts were by far the most common type of credit account found in the sample, comprising about 63 percent of all credit accounts and about 71 percent of all open accounts (table 2). Although revolving accounts made up the largest share of accounts, approximately 28 percent of these accounts were dormant. Installment accounts composed the second largest share of credit accounts, representing approximately 27 percent of all accounts in the credit reporting company files. Much less frequently found in these files are records of nonrevolving charge accounts and mortgages. Given the relatively short terms to maturity of most installment loans, it is not surprising to find that installment accounts composed a disproportionate share of all closed accounts in the sample of credit records.

the distribution of characteristics of a representative sample of *credit accounts*. This disparity occurs because many accounts, including joint accounts or accounts with co-signers, are contained in the credit records of multiple individuals. An adjustment for such multiple reporting was made in computing the statistics reported in this article to make them representative of all credit accounts.

Types of Creditors

Credit reporting company data include the identities and a type classification of the credit provider for each account. For purposes of this analysis, the creditor type classification was used to group accounts into four categories: banking institutions (commercial banks and savings associations), finance companies and credit unions, retailers, and “other.” The retail category includes department stores and jewelry, computer, camera, and sporting goods stores. “Other” includes national oil and gas companies, travel and entertainment companies, other retailers, and various creditors such as utility companies, real estate firms, and government entities.

Banking institutions were the largest source of credit accounts recorded in the credit reporting company files, accounting for nearly 45 percent of all the credit accounts and 48 percent of open accounts. The second largest source of credit accounts was retailers. The distribution of accounts by creditor type varies some by account status and is largely a function of the types of accounts that creditors offer. For example, finance companies and credit unions offer primarily installment accounts, which are more likely than revolving accounts to have been paid down and closed. Banking institutions and retailers offer relatively large numbers of revolving accounts, which tend to be used from time to time and to retain their open status.

Date Account Opened and Last Had Balance

Most credit accounts were several years old when the sample was drawn; only 8 percent of the credit accounts recorded in the files were less than one year old, and nearly two-thirds had been opened at least four years previously. Among accounts that were known to be open, about 20 percent had been open less than one year, and nearly 58 percent had been open four years or less. Not surprisingly, a large proportion of dormant and closed accounts were at least four years old.

Only about one-third of accounts currently had a balance when the sample was drawn. However, two-thirds of the open accounts showed a balance. Overall, 28 percent of accounts had not had a balance within four years of the time the sample was drawn. More than 50 percent of the dormant accounts had not had a balance within four years.

Payment Status and Balances Owed

The credit account records include information on the extent of consumer payment problems and the amount owed on an account. Nearly 70 percent of all accounts and 33 percent of accounts currently reported as open showed no outstanding balance at the time of most recent reporting. Among accounts with balances, more than one-fourth of the balance dollars at last date of reporting were associated with accounts in the “unknown” category (table 2, last row). The large share of outstanding balances that fell in the unknown category highlights the importance of decisions about how to treat accounts in this category when using the data for credit evaluations or other purposes.

With respect to payment performance, accounts were sorted into one of three categories: accounts with no “derogatory” (no record of late payment), those with evidence of a “minor derogatory” (a late payment of 30–59, 60–89, or 90–119 days), and those with evidence of a “major derogatory.” Credit accounts categorized as major derogatory include any account that is delinquent 120 days or more and all credit accounts reported as associated with bankruptcy, foreclosure, repossession, civil judgment, collection, charge-off, and so forth.¹⁵

The analysis presents two ways of describing payment history. First, accounts are sorted by their worst recorded payment problem. Second, accounts are sorted by their payment status at the time the credit reporting company last received information on the account (their “status at most-recent report”). As discussed below, both worst payment problem and status at most-recent report are weighed heavily by creditors when conducting credit evaluations.

Worst payment problem. More than 85 percent of all accounts had no record of a payment problem. The remaining accounts were split about evenly between those with, at worst, a minor derogatory and those with a major derogatory. Patterns differ sharply between open and closed accounts. Only about 3 percent of open accounts had a major derogatory status, whereas 9 percent of closed accounts had this status. This difference results from the general industry practice of closing accounts that experience severe payment problems. More than one-third of the accounts that had a major derogatory were not cur-

rently reported and were last reported with a positive or unknown balance.

Status at most-recent report. About 5 percent of all accounts were reported as having payment problems at the time of the most-recent reporting; most of the accounts with payment problems were reported as having a major derogatory. The incidence of accounts exhibiting a major derogatory at last report differs from that of accounts that ever exhibited a major derogatory because more than half the accounts with a historic major derogatory had been closed and showed a zero balance.

Interpreting the Credit Account Data

As the preceding discussion highlights, credit reporting company data provide a wide-ranging and comprehensive picture of accounts that reflects individuals’ experiences with credit. However, the discussion also reveals that, in some instances, the data are not sufficiently up-to-date or complete to permit a clear understanding of an account’s current status. The following sections present a more detailed look at the information in the credit reporting company files, focusing on items most pertinent to credit evaluation.¹⁶

Credit evaluators rely on a number of factors in assessing the credit quality of individuals. The exact weight attached to specific factors varies across evaluators and their different models, but the factors generally fall in three broad areas: the level of a consumer’s indebtedness, the payment history, and credit account characteristics.¹⁷

Level of Consumer Indebtedness

When evaluating credit, creditors consider the type and amount of debt a consumer has and the proportion of available credit he or she has in use (credit utilization). For revolving accounts, credit utilization is measured as the proportion of available credit in use (outstanding balance divided by credit limit). For mortgage and installment accounts, credit utilization is generally measured as the proportion of the origi-

16. Credit evaluation is the most prominent use of the data, and the original motivation for its collection, but other uses of the data exist and may emphasize different items.

17. For a more detailed discussion of factors considered in credit evaluation, including the relative weights given to different factors, see the description on the web site of Fair Isaac and Company, www.myfico.com. Also see Avery et al., “Credit Risk, Credit Scoring, and the Performance of Home Mortgages.”

15. Regulatory guidance for banking institutions requires that closed-end loans, such as installment loans, must be charged off after 120 days of delinquency. Open-end loans are required to be charged off after being delinquent 180 days or more. See Federal Reserve Board Supervisory Letter SR 99-5, February 18, 1999.

nal loan amount that is unpaid, referred to here as the paydown rate.

Fundamental to measuring consumer indebtedness is deciding which accounts to treat as active—that is, installment and mortgage accounts with positive balances and revolving accounts upon which consumers can draw. Clearly, credit evaluators would include currently reported open accounts as active in any calculations. The difficulty, however, is in determining how to treat accounts that are in the dormant and unknown categories. The dormant category likely includes many accounts that are not currently reported but can be further drawn upon by the consumer. For example, some creditors do not provide updates for accounts that have a zero balance and no recent activity. The unknown category also likely includes some accounts that are still active.

For the present analysis of consumer indebtedness, the definition of “active” includes currently reported open accounts as well as dormant revolving accounts that were last reported within the year before the date the sample was drawn. Discussions with industry professionals, however, indicate that there is no strict rule regarding a single appropriate choice of time

period cutoff. The choice of the cutoff affects the number of accounts deemed to be active and the potential borrowing capacity of an individual but has no bearing on the amounts owed because all the dormant accounts had zero balances at the time of last report. For reasons discussed below, this study includes no accounts from the unknown category, which are believed most likely to be closed.

Outstanding balances. Most consumer indebtedness on active accounts involves mortgages. Mortgages represented about 67 percent of the dollars outstanding but only 5 percent of the active credit accounts (table 3). Nearly 30 percent of all active mortgages in the data had outstanding balances of \$100,000 or more. Installment accounts, accounting for about 22 percent of the balances, involved the second largest proportion of all consumer debt. Installment accounts also tended to be relatively large; 46 percent had balances of \$5,000 or more. In contrast, revolving accounts represented a relatively small share of outstanding balances (11 percent), even though they were by far the largest proportion of active accounts measured by number. This difference arises because

3. Open accounts and balances, by type of account

Percent except as noted

Type of account	Accounts		Distribution of balances, by dollar size of balance									Dollar size of balance, accounts with a balance ¹		Dollar-weighted balances	
	Share of account type	Share of all open accounts	0	1-249	250-499	500-999	1,000-4,999	5,000-9,999	10,000-99,999	100,000 or more	Mean	Median	Share of account type	Share of all open accounts	
Revolving	100.0	74.3	53.0	14.6	7.1	6.8	13.5	3.7	1.2	*	2,015	595	100.0	11.3	
Check credit	2.5	1.9	51.2	5.4	4.9	5.3	14.3	6.2	12.3	.3	9,736	2,934	12.8	1.4	
Banking institution	49.9	37.0	40.6	13.4	7.6	8.4	21.6	6.7	1.7	*	2,370	1,022	74.2	8.4	
Finance company or credit union	6.3	4.7	39.8	17.6	8.9	10.3	18.7	3.0	1.6	*	1,887	645	7.6	.9	
Retailer	37.9	28.1	70.5	16.8	6.3	4.0	2.3	.1	.0	.0	378	201	4.5	.5	
Other ²	3.4	2.5	66.0	9.8	6.9	7.6	9.5	.2	*	.0	847	513	1.0	.1	
Nonrevolving	100.0	4.2	48.4	34.3	5.2	4.1	5.2	1.3	1.4	*	1,227	107	100.0	.4	
Installment	100.0	16.5	.4	3.7	4.0	7.5	38.1	20.1	25.8	.3	8,256	4,354	100.0	21.8	
Banking institution	30.5	5.1	.1	1.5	2.2	4.6	32.2	24.7	34.1	.7	11,077	6,697	41.1	8.9	
Auto credit	11.3	1.9	*	.8	1.3	2.4	22.4	30.7	42.4	.1	10,005	8,743	13.8	3.0	
Finance company or credit union	22.6	3.7	.1	1.9	2.4	4.2	25.3	24.7	41.3	.2	10,366	8,225	28.5	6.2	
Auto credit	16.4	2.7	*	1.1	1.2	2.1	19.8	27.3	48.6	*	10,973	9,745	21.9	4.8	
Retailer and other ³	46.9	7.8	.8	6.0	6.0	11.0	48.2	14.8	13.0	.2	5,384	2,620	30.5	6.6	
Mortgages	100.0	5.0	*	.2	.1	.2	2.2	3.2	64.2	29.9	83,699	68,000	100.0	66.5	
All open accounts	100.0	100.0	41.5	12.9	6.1	6.5	16.7	6.3	8.4	1.6	10,678	1,483	100.0	100.0	
MEMO															
<i>Closed accounts with positive balances</i>															
Currently reported	100.0	...	.0	20.2	16.5	18.3	34.3	8.4	2.3	*	2,010	822	100.0	...
Not currently reported	100.0	...	.0	20.0	10.3	12.4	31.1	9.4	14.1	2.8	11,357	1,455	100.0	...

NOTE. Excludes accounts in a major derogatory status (for definition, see table 2, note 2).

1. Excludes accounts in dispute.

2. “Other” includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

Not applicable

* Less than 0.05 percent.

4. Borrowing capacity on open accounts

Percent except as noted

A. Credit limits reported

Type of account	Share of account type having credit limit reported	Mean credit limit (dollars)	Median credit limit (dollars)	Distribution of accounts by dollar size of credit limit					
				1-499	500-999	1,000-4,999	5,000-9,999	10,000-24,999	25,000 or more
Revolving	67.5	4,534	2,500	8.5	16.3	40.5	22.4	11.0	1.3
Check credit	84.3	12,002	3,500	6.1	12.2	35.6	15.5	15.5	15.1
Banking institution	60.1	7,036	6,000	3.1	5.4	27.8	39.5	22.4	1.8
Finance company or credit union	88.4	3,467	2,500	4.5	10.5	60.9	19.2	4.4	.5
Retailer	71.9	1,575	1,000	15.9	30.3	47.8	5.6	.4	*
Other ¹	74.5	2,808	2,500	3.2	11.3	71.6	13.0	1.0	*
Installment	99.5	11,152	7,060	2.6	4.3	33.9	18.5	32.6	8.3
Mortgages	99.6	92,797	75,400	*	*	.3	.9	7.7	91.1

more than half of all revolving accounts had zero balances and many accounts had relatively small credit limits, effectively restricting the amounts a consumer could borrow. Among the types of revolving accounts, those issued by retailers are the most likely to show a zero balance.

The large share of revolving accounts that showed a zero balance at last report is not surprising. The use of credit cards varies greatly because some cards are unused for a period of time whereas others are used regularly either as a convenient means of payment or a source of credit. Whether a card is reported as having a balance is not an indicator of whether the card is being used to borrow for an extended period or is being used simply as a convenient payment device. Even when a consumer pays the full balance billed each month on a card used regularly, the credit report is likely to show a balance due. Such a balance appears because payments are not received and credited immediately and additional charges are likely to be made between the date the last bill was generated and the date that balance information is sent to the credit reporting company.

Credit limits. To calculate a utilization rate for a revolving account, one must have information on both an account's outstanding balance and its credit limit. The credit limit, however, is not regularly reported for all accounts. Approximately one-third of all active revolving accounts in the sample lacked such information (table 4A).¹⁸ For these accounts, other techniques are required to estimate a utilization

18. The incidence of missing credit limits is significantly lower in credit reporting company data at present. According to industry estimates, credit limits are currently missing on about 13 percent of revolving accounts. The higher incidence of missing limits in the sample may stem from a period when a few large creditors decided to suspend reporting of this item for competitive reasons. Pressure from financial institution regulators and the credit reporting companies appears to have convinced these creditors to resume reporting credit limits. See Robert M. Hunt, "The Development and Regulation of

rate. The most common approach in these circumstances is to use the highest balance ever reported on the account (either the current balance or the historic high balance) as a surrogate for the credit limit. As described below, this alternative approach creates very different profiles regarding the extent to which revolving accounts have been drawn on. For mortgages and installment loans, the credit limit and the high balance (the original amount borrowed) are the same, and so the profiles will be identical.

Credit limits on revolving accounts are not typically very large. About 25 percent of the sample accounts meeting the authors' definition of active had limits under \$1,000, and about 41 percent had credit limits in the \$1,000 to \$4,999 range (table 4A). Only a very small proportion of revolving accounts had limits of \$25,000 or more.¹⁹ By contrast, mortgages and, to a lesser degree, installment loans had much higher credit limits (original balances). More than 90 percent of the mortgage accounts had original balances over \$25,000, and 41 percent of installment loans had original balances of \$10,000 or more.

Using data from the sample, one can also profile the distribution of credit limits across different types of creditors. For example, the average credit limit for revolving accounts from all sources was approximately \$4,500. Credit limits for revolving accounts tended to be highest at banking institutions, at about \$7,000, and lowest among retailers, at about \$1,600.

Consumer Credit Reporting in America." Federal Reserve Bank of Philadelphia, Working Paper no. 02-21, November 2002.

19. The data also indicate that within the broad revolving account category used here, check credit accounts have, on average, much higher credit limits than other types of revolving accounts. The average credit limit for active check credit accounts reporting a limit was about \$12,000 compared with an average of \$4,500 for all types of revolving accounts. The relatively high credit limits for check credit accounts may reflect the inclusion of some home-secured loans in that category. So-called home equity lines of credit typically involve relatively high credit limits because their credit risk is mitigated by the security offered by the account holder.

4. —Continued

Percent except as noted

B. Credit limits not reported (highest balance used as a proxy)

Type of account	Share of account type not having credit limit reported	Mean highest balance (dollars)	Median highest balance (dollars)	Distribution of accounts by dollar size of highest balance						Memo	
				1–499	500–999	1,000–4,999	5,000–9,999	10,000–24,999	25,000 or more	Historic high balance not reported	Historic high balance reported
Revolving	32.5	1,351	353	43.8	19.2	27.9	6.9	1.8	.4	24.7	75.3
Check credit	15.7	9,887	2,471	6.2	11.7	37.1	16.6	14.0	14.4	17.8	82.2
Banking institution	39.9	1,605	374	30.7	16.3	38.5	11.7	2.5	.3	33.7	66.3
Finance company or credit union	11.6	3,396	1,520	14.6	13.8	51.1	11.4	7.5	1.6	9.6	90.4
Retailer	28.1	484	310	64.7	22.8	12.3	.2	*	.0	10.0	90.0
Other ¹	25.5	522	400	52.0	32.7	15.2	.2	.0	.0	16.9	83.1

NOTE. Excludes accounts in a major derogatory status (for definition, see table 2, note 2) or in dispute.

* Less than 0.05 percent.

1. Includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

Differences in credit limits across types of institutions likely reflect a combination of factors, including differences in the creditworthiness of customers, customer demand for credit, and the types of transactions for which the account can be used. For example, a furniture store may offer higher credit limits on its revolving accounts than a retailer carrying only apparel and accessories.

The profile of credit limits differs notably between accounts that had credit limits reported and those that used the highest-balance proxy. For revolving accounts, the latter had a much larger percentage of accounts with limits under \$1,000 than did the former (compare the revolving account category in tables 4A and 4B). Thus, the use of the highest-balance measure for credit limits on accounts in which limits are not reported likely understates the actual credit limits available on those accounts.

Utilization rates. Combining information on outstanding balances and credit limits (or highest balances for revolving accounts if the credit limit was not reported) allows users of the data to calculate account utilization rates. As before, notable differences exist between accounts with credit limits reported and those using the highest-balance proxy (table 5). These differences stem both from the use of

a different measure of credit limit and from correlations between the propensity of a creditor to report a credit limit and the account characteristics. For example, observed differences in the share of accounts that had utilization rates of zero can be caused only by differences in the propensity to report credit limits.²⁰ However, differences in the proportion of active revolving accounts calculated to have either relatively low utilization rates (from 1 percent to 24 percent) or very high rates (95 percent or more) can be strongly influenced by which measure of credit limit is used. Here, some observed differences are substantial. For revolving accounts with reported credit limits, 20 percent had a utilization rate in the low range, whereas 5 percent of accounts using the highest-balance proxy fell in this range. At the other extreme, only 6 percent of active revolving accounts with reported credit limits had a utilization rate of 95 percent or more, whereas 31 percent of revolving accounts that used the highest-balance proxy had utilization rates this high.

Differences in calculated utilization rates also are clearly revealed in estimates of the mean and median utilization rates using the two different measures of credit limit. Not surprisingly, mean and median utilization rates were substantially lower for revolving accounts with a reported credit limit than they were for accounts using the highest-balance proxy.

Evidence from the Federal Reserve's 2001 Survey of Consumer Finances shows that households with a line of credit have an average income of approximately \$111,000. In comparison, those with a revolving account have an average income of about \$82,000. For further information about the survey, see Ana M. Aizcorbe, Arthur B. Kennickell, and Kevin B. Moore, "Recent Changes in U.S. Family Finances: Evidence from the 1998 and 2001 Survey of Consumer Finances," *Federal Reserve Bulletin*, vol. 89 (January 2003), pp. 1–32. For information on home equity lines of credit see Glenn B. Canner, Thomas A. Durkin, and Charles A. Luekett, "Recent Developments in Home Equity Lending," *Federal Reserve Bulletin*, vol. 84 (April 1998), pp. 241–51.

20. For the construction of tables 3, 4, and 5, the authors assumed that dormant accounts last reported within one year of when the sample was drawn were still open to the consumer and could be used for borrowing. The authors also reviewed the ways in which the patterns shown in these tables changed when a two-year rule was used. As might be expected, the main effect was to increase the proportion of revolving accounts showing a zero utilization; however, the effect is small—increasing the share by only a couple of percentage points.

5. Use of borrowing capacity on open accounts
Percent

Type of account	Distribution of accounts, by percent of credit limit or highest-balance proxy used						Memo: Share of credit limit or highest-balance proxy used, accounts with a balance	
	0	1-24	25-49	50-74	75-94	95 or more	Mean	Median
Credit limits reported								
Revolving	55.1	20.0	6.8	5.8	6.6	5.8	19.6	.0
Check credit	51.2	9.4	7.4	8.9	12.8	10.2	30.6	.0
Banking institution	41.1	26.5	7.9	7.0	9.1	8.4	26.0	2.3
Finance company or credit union	38.2	26.7	9.8	8.6	9.3	7.5	27.3	5.3
Retailer	73.4	12.7	4.9	3.7	2.9	2.4	10.5	.0
Other ¹	64.9	15.4	7.4	5.1	4.0	3.2	14.4	.0
Installment .....	.4	8.5	13.0	20.8	25.2	32.1	72.7	81.7
Mortgage	*	2.9	4.7	11.7	31.6	49.1	86.2	94.7
Credit limits not reported (highest-balance proxy used)								
Revolving	48.7	5.3	4.2	4.8	5.7	31.2	41.3	5.5
Check credit	51.3	6.4	6.2	8.6	12.2	15.4	34.3	.0
Banking institution	40.0	2.2	1.9	3.5	5.8	46.7	54.8	85.4
Finance company or credit union	52.8	6.3	6.5	8.2	12.1	14.1	32.9	.0
Retailer	63.1	11.2	8.3	6.9	4.9	5.7	18.5	.0
Other ¹	69.2	4.7	5.3	5.8	4.9	10.1	20.3	.0

NOTE. Excludes accounts in a major derogatory status (for definition, see table 2, note 2) or in dispute.

* Less than 0.05 percent.

1. Includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

Patterns of missing credit limits. The discussion above highlights the different implied utilization profiles of accounts with and without credit limits reported. To detect systematic patterns in the reporting of credit limits, a linking index variable (discussed in footnote 2) was used to examine the relationship between the creditor and the likelihood that a credit limit was missing. Results suggested that most of the variation in the reporting of credit limits for active revolving accounts can be explained by the identity of the creditor. Restricted to creditors that reported a large number of accounts, the analysis divided these creditors into three groups: those that reported credit limits for fewer than 5 percent of their accounts; those that reported credit limits for more than 95 percent of accounts; and all others.²¹ In the first group were only 12 percent of the creditors in the analysis, but they accounted for 74 percent of the total accounts with missing credit limits and less than 0.03 percent of those with limits reported. At the other extreme, the second group, representing 68 percent of the creditors and 86 percent of the accounts for which limits were reported, accounted for less than 1 percent of the accounts with missing limits.

21. For this analysis the authors used a threshold of seventy-five active revolving accounts reported in the sample to define a "large" creditor. This criterion was met by 674 creditors. These creditors accounted for 96 percent of all missing credit limits in the credit reporting company files.

The group in the middle, representing 20 percent of the creditors, is also interesting. These creditors reported limits for some active revolving accounts but not for others. Concerns have been raised that some creditors report limits selectively—in particular, that they do not report limits for some subprime customers because they do not want these customers to be targeted for solicitation by other creditors. The analysis finds only mild support for this view. Overall, 51 percent of the active revolving accounts of subprime customers held at creditors in this middle group had their credit limit reported versus 53 percent of accounts of their prime customers.²² However, for a subset of creditors in this middle group—about 5 percent of the creditors in the analysis—all specializing (more than 50 percent of their accounts) in subprime lending, some degree of selective reporting did appear to take place. For prime customers of these creditors, credit limits were reported about 77 percent of the time versus 40 percent for subprime customers at these institutions.

Payment History

Perhaps the most important factors considered in credit evaluation are a consumer's history of repay-

22. The authors used an internally developed credit score supplied by the credit reporting company with the credit files to make a rough determination of prime and subprime borrowers.

6. All credit accounts and recently opened accounts, by worst payment status recorded
Percent

Type of account	All accounts							Recently opened accounts						
	No derogatory	Minor derogatory (days delinquent)			Major derogatory		Total	No derogatory	Minor derogatory (days delinquent)			Major derogatory		Total
		30-59	60-89	90-119	120-149 days delinquent	Other			30-59	60-89	90-119	120-149 days delinquent	Other	
Revolving	85.6	4.6	1.8	.8	1.2	6.0	100.0	92.5	3.1	1.2	.6	.7	1.9	100.0
Check credit	90.0	3.5	1.1	.6	.7	4.2	100.0	94.9	2.5	.6	.4	.3	1.4	100.0
Banking institution	86.1	4.3	1.7	.7	1.0	6.3	100.0	91.9	3.3	1.4	.6	.8	2.1	100.0
Finance company or credit union	86.5	5.5	1.8	.9	1.4	3.9	100.0	94.0	3.0	.9	.4	.6	1.0	100.0
Retailer	84.7	5.0	2.0	1.0	1.4	5.9	100.0	92.8	3.0	1.0	.6	.7	1.8	100.0
Other ¹	83.4	4.6	1.7	.9	1.4	8.0	100.0	94.0	2.7	.8	.4	.5	1.7	100.0
Nonrevolving	72.6	2.2	1.5	1.1	2.9	19.7	100.0	64.1	2.5	1.7	1.3	2.5	27.9	100.0
Installment	85.3	4.3	1.6	1.0	1.7	6.1	100.0	90.1	3.4	1.1	.7	.9	3.8	100.0
Banking institution	90.3	4.0	1.4	.6	.7	3.0	100.0	94.0	3.0	.9	.3	.3	1.5	100.0
Finance company or credit union	87.4	6.1	1.4	.4	.6	4.2	100.0	93.9	3.5	.8	.2	.3	4.2	100.0
Retailer and other ¹	79.7	3.5	1.8	1.7	3.3	9.9	100.0	85.3	3.6	1.5	1.1	1.7	6.9	100.0
Mortgages	91.0	4.3	1.4	.7	.8	1.9	100.0	96.2	2.3	.5	.2	.2	.6	100.0
All accounts	85.3	4.4	1.7	.9	1.4	6.4	100.0	90.9	3.1	1.1	.6	.8	3.4	100.0

1. "Other" includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

ing loans and any evidence of money-related public actions or non-credit-related collections. Credit evaluators consider whether a consumer has a history of repaying balances on credit accounts in a timely fashion. Such an analysis considers not only the frequency of any repayment problems but also their severity (how late), recency, and dollar magnitude. Repayment performance is evaluated on the full range of accounts that a consumer holds, spanning accounts that vary by type of account and type of creditor. This section profiles the credit reporting company data on payment history on credit accounts; later sections present data on public records and collection actions on non-credit-related bills.

In assessing the credit circumstances of an individual, creditors often look at both the consumer's recent payment experience on credit accounts and his or her record of payments over a much longer period.²³ In general, an individual with a major derogatory will find qualifying for new credit difficult, may face high interest rates for the credit received, or may be limited in further borrowing on existing open accounts. In addition, creditors typically close an account that is associated with a major

derogatory, effectively preventing the consumer from adding new debt to that account. The payment performance profiles obtained from the data are influenced both by consumers' behavior regarding their accounts and by the reporting practices of creditors.

Worst payment status recorded. Credit payment history can be evaluated by focusing on the worst derogatory status recorded for an account, that is, on the most severe problem in an account. About 85 percent of revolving accounts and of installment accounts showed no record of a delinquent payment or of a major derogatory (table 6). Mortgages showed fewer problems, with 91 percent of these accounts showing no evidence of payment problems. This large proportion may reflect the high priority that consumers place on meeting payment obligations secured by their homes. Nonrevolving accounts were most likely to have experienced a major derogatory; however, the high incidence of major derogatories among nonrevolving accounts may be due not to poorer consumer performance but rather to the non-reporting of accounts with no major problems.

Among all installment accounts, a little more than half of those evidencing a payment problem involved a major derogatory. In contrast, only about 30 percent of mortgages with a payment problem involved a major derogatory, while nearly all payment problems among nonrevolving accounts involved a major derogatory.

23. As noted, the Fair Credit Reporting Act specifies that consumer credit reports cannot include any adverse item of information that is more than seven years old unless it involves a bankruptcy (which has a ten-year limit), criminal conviction (no time limit), or one of a few other narrow exceptions (see box "A Summary of Consumer Rights under the Fair Credit Reporting Act").

7. All credit accounts, distributed by payment status at most-recent report

Percent

Type of account	No derogatory (account status)			Minor derogatory (days delinquent)			Major derogatory		Total
	Closed, no balance	Open, no balance	Open, positive balance	30-59	60-89	90-119	120-149 days delinquent	Other	
Revolving	47.7	22.9	24.8	.5	.3	.2	.4	3.2	100.0
Check credit	52.8	20.1	23.6	.3	.2	.2	.3	2.4	100.0
Banking institution	46.9	18.0	30.4	.5	.3	.2	.4	3.3	100.0
Finance company or credit union	56.4	14.5	25.3	.5	.3	.2	.5	2.4	100.0
Retailer	47.2	30.5	17.9	.4	.2	.2	.4	3.3	100.0
Other ¹	41.9	31.7	20.2	.6	.2	.2	.6	4.6	100.0
Nonrevolving	43.8	16.0	22.5	.5	.4	.4	1.8	4.6	100.0
Installment	69.6	.1	24.7	.6	.3	.2	.6	3.9	100.0
Banking institution	74.9	*	22.4	.5	.2	.1	.2	1.7	100.0
Finance company or credit union	70.6	*	25.6	.7	.2	.1	.2	2.7	100.0
Retailer and other ¹	64.5	.2	26.3	.6	.4	.4	1.1	6.6	100.0
Mortgages	55.4	*	42.6	.8	.3	.1	.4	.5	100.0
All accounts	53.8	15.1	25.7	.5	.3	.2	.5	3.8	100.0

1. "Other" includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

* Less than 0.05 percent.

About 91 percent of recently opened accounts showed no record of delinquent payments or of a major derogatory. Such performance might be expected, in part because payment problems take time to emerge as consumers encounter adverse changes in their employment or personal circumstances (for example, health problems or marital difficulties). Although the incidence of any problem is lower for recently opened accounts than for others, the likelihood that a minor delinquency deteriorates into a major derogatory is about the same as for all accounts. Among the recently opened accounts, mortgages again evidenced the fewest problems, with 96 percent of these accounts showing no payment problems.

Payment status at most-recent report. This section details the distribution of all accounts according to their most-recent reported payment performance when the sample was drawn. This measure is the last status for the account reported by the creditor. Thus, for accounts not currently reported, this status may have changed but not have been reported by the time the sample was drawn.

The proportion of accounts experiencing current payment problems is much lower than the proportion of accounts ever having a payment problem (compare table 7 with table 6). This difference arises because many accounts experiencing payment problems "cure"—that is, regain nonderogatory payment status (most of these end up as closed accounts with zero balances). Account curing is particularly preva-

lent among accounts with minor delinquencies, reflecting the fact that minor delinquency is a transitory state; the accounts either cure or deteriorate into a major derogatory. For example, only 0.5 percent of all accounts at the most-recent report were 30-59 days past due whereas more than 4 percent had a worst payment status of 30-59 days past due.

When evaluating credit payment history, creditors consider the length of time since a currently nonderogatory account was last delinquent. Recent payment problems on an account generally weigh more heavily than problems further in the past. This concept is most relevant for active accounts. Among accounts that were active when the sample was drawn, 91 percent had never been delinquent (table 8). Among active accounts that had been delinquent at some time but were not delinquent at last report, a little more than half were delinquent during the twelve-month period preceding the drawing of the sample.

Current Status

The data presented in tables 3 through 8 reflect the status of accounts at the *date of most-recent reporting*. A credit evaluator, however, is likely to be interested in the *current* status of accounts—that is, the status at the time the credit evaluation is made. For currently reported accounts or for accounts that are closed or dormant, the account status at the date of last reporting will be the correct current status in

8. Nonderogatory credit accounts, distributed by the length of time since last delinquency recorded
Percent

Type of account	All nonderogatory accounts						Active nonderogatory accounts					
	Never	Unknown	1-12 months	13-24 months	More than 24 months	Total	Never	Unknown	1-12 months	13-24 months	More than 24 months	Total
Revolving	89.8	3.3	2.7	1.5	2.8	100.0	91.1	.5	4.6	2.0	1.8	100.0
Check credit	93.2	2.4	1.6	.9	1.9	100.0	94.4	.3	2.9	1.3	1.1	100.0
Banking institution	90.4	3.6	2.7	1.3	2.0	100.0	91.9	.4	4.5	1.7	1.5	100.0
Finance company or credit union	89.9	2.8	2.3	1.5	3.5	100.0	90.3	1.0	4.8	2.0	2.0	100.0
Retailer	88.7	2.9	2.8	1.7	3.8	100.0	89.8	.6	4.9	2.4	2.3	100.0
Other ¹	88.9	3.9	2.9	1.7	2.6	100.0	91.4	.5	4.1	2.2	1.7	100.0
Nonrevolving	88.3	7.7	1.7	1.0	1.4	100.0	93.5	1.0	3.2	1.2	1.1	100.0
Installment	90.3	5.2	1.5	.8	2.1	100.0	91.8	1.1	4.6	1.6	1.0	100.0
Banking institution	92.9	3.9	1.2	.6	1.5	100.0	93.4	.7	3.9	1.3	.7	100.0
Finance company or credit union	90.9	3.4	1.7	1.0	3.0	100.0	92.3	.3	5.1	1.5	.8	100.0
Retailer and other ¹	87.6	7.5	1.7	1.0	2.2	100.0	90.3	1.8	4.8	1.8	1.2	100.0
Mortgages	92.8	2.7	1.6	.9	2.0	100.0	93.2	.4	3.2	1.4	1.8	100.0
All nonderogatory accounts	90.1	3.9	2.3	1.3	2.5	100.0	91.4	.6	4.5	1.8	1.7	100.0

1. "Other" includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

virtually all cases. One exception occurs because of inconsistencies in the way creditors report account delinquencies. About 11 percent of active accounts were reported by creditors that did not report minor delinquencies for any accounts. An additional 12 percent were reported by creditors that did not report delinquencies of 30–59 days. Nonrevolving accounts were particularly likely to fall in these categories. No evidence indicates that these creditors do not update their accounts at the same rate as other creditors; instead, they appear to be reporting accounts as nondelinquent until the accounts reach a seriously delinquent status. Consequently, customers of these creditors tend to show a lower incidence of minor delinquencies than do the customers of other creditors.

For accounts in the "unknown" category, a much more serious question is whether or not the account status at the date of last reporting is the same as the account's correct current status. For this category, the creditor has not updated the account information for at least three months (and often much longer), and the account shows a positive balance, raising the likelihood that the status has changed since it was last reported. There is reason to believe that major derogatory accounts in the unknown category differ from others in their likelihood of a changed status; thus, they are discussed separately.

Unknown category accounts not in major derogatory status. The current status of nonderogatory and minor derogatory accounts in the unknown category is

likely to differ in most circumstances from that last reported. Since these accounts showed positive balances at the date of last reporting (signifying that they were open), one can infer that their status had changed by the time the sample was drawn: Either the account was closed or transferred or the account holder made payments, and thus changed his or her balance, or did not make payments, in which case the performance status worsened. The most notable exception is for records of some types of student loans where repayment may be deferred for a period of time. About 67 percent of all accounts in the unknown category were not in major derogatory status at the date of last reporting. About two-thirds of these accounts were revolving or open nonrevolving accounts. Most of these accounts require monthly payments, and thus it seems highly unlikely that their status at last report reflects their current circumstances.

Recognizing the high likelihood that many noncurrently reported accounts have had a change in status, the credit reporting companies have adopted "stale account" rules. The credit reporting company's rule in place at the time the sample was drawn was to define all revolving and nonrevolving accounts with positive balances and no major derogatories as stale if they had not been reported within six months. Stale accounts were treated as closed and were assigned a zero balance. The data reflect this rule. Sixty-one percent of the revolving and nonrevolving accounts in the unknown category had been reported within six months before the date the sample was drawn (and

more than 80 percent within the year before). These accounts are likely candidates for the stale account rule, and the probability that they have been closed or transferred is significant. The remaining accounts, constituting about 3 percent of all nonclosed revolving and nonrevolving accounts, were exceptions to the stale account rule. The actual status of these accounts is less clear.

Stale account rules were not used for mortgage and installment accounts by the credit reporting company that supplied the data for this study.²⁴ As a consequence, a significantly higher percentage of these accounts than of revolving and nonrevolving accounts are in the unknown category. Almost one-third (32.5 percent) of all nonderogatory and minor derogatory mortgages last reported with a positive balance were in the unknown category. Only 33 percent of these had been reported within six months of the date the sample was drawn. One can infer that many, if not most, of these accounts had been closed or transferred. Specifically, for more than one-half the mortgages in the unknown category, the credit records showed that a new mortgage for approximately the same amount reported was opened within two months of the last reporting of the mortgage in the unknown category—a strong indicator that the mortgage in the unknown category was refinanced or that the servicing was sold.

Installment loans show a similar but less striking pattern. About one-fifth of the nonclosed, nonderogatory and minor derogatory installment accounts are in the unknown category; 33 percent of these were last reported within six months of the date the sample was drawn. One can infer that many of the loans may not have been outstanding when the sample was drawn. About 48 percent of nonderogatory and minor derogatory installment accounts in the unknown category have one of two conditions—either they are beyond the original due date at the time the sample was drawn or the gap between the date the sample was drawn and the last date they were reported is larger than any previous gap in their payment history.

There is another indication that many of the nonderogatory or minor derogatory mortgage and installment accounts in the unknown category may not have been outstanding when the sample was drawn. More than one-half of the loans in the unknown category for each account type were reported by creditors that had not reported on any accounts in the sample within three months of the time the sample was

drawn.²⁵ If these creditors no longer reported to the credit reporting companies, these accounts could have been updated only by the consumer or by a credit reporting company action, such as applying a stale account rule.

The consequence of accounts that have not been accurately reported as closed or transferred will, in most cases, be that consumers will show higher aggregate account balances. The issue goes beyond the actual balances owed and includes uncertainty about the extent of any payment problems as well. As shown in table 2, about 36 percent of all accounts that were last reported as minor delinquencies were in the unknown category. For four-fifths of the installment accounts and about two-thirds of the other accounts in the unknown category with minor delinquencies shown at the date of last report, the account had not been reported within six months of the date the sample was drawn. Thus, their status had likely changed, but because the information remained unchanged in the files, these accounts could disproportionately affect the assessment of current minor delinquency.

Unknown category accounts last reported in major derogatory status. Unlike nonderogatory and minor derogatory accounts, the status of a major derogatory account can remain unchanged for a long time. The consumer may have stopped paying, and the creditor may have stopped trying to collect on the account. Thus, an account's status could in fact remain the same and not require updating. The failure to update is reflected in the sample data. Fifty-nine percent of the accounts last reported as unpaid (positive balance) major derogatories were in the unknown category. Of these, more than one-quarter had not been updated for more than four years.

Limited evidence shows that some of these accounts were likely paid off but that the update was not reported to the credit reporting company. Specifically, for about 10 percent of the unknown category mortgages with major derogatories, another mortgage was reported as originated after the date the account had last been reported. Generally, creditors require that all major derogatories be paid off before a new mortgage is originated. Similarly, a mortgage was reported as originated after the date of last report for about 3 percent of other unknown category accounts with major derogatories.

Further evidence shows that even if some major derogatories in the unknown category had been paid

24. The credit reporting company that supplied the data has indicated that it is in the process of implementing stale account procedures for these types of accounts.

25. Creditors had to have reported at least ten sample accounts to be included in this calculation.

off, the payoff may not have been reported. About 32 percent of the major derogatory accounts in the unknown category were reported by creditors that had not reported on any accounts within three months of the date the sample was drawn. If these creditors are no longer active reporters, then even paid-off accounts are unlikely to be recorded as such. The account may still have existed, but it may have been transferred or sold and thus reported twice. In these circumstances, if the consumer paid off the account, then only one of these duplicate records might be updated as paid.²⁶

Further, almost 12 percent of the major derogatory accounts in the unknown category were reported by creditors that, in the sample, reported only derogatory accounts. Such reporting patterns are particularly prevalent with nonrevolving accounts, for which the figure is about 35 percent. These creditors may simply not report when accounts are paid off or the consumer starts making payments. Reporting only major derogatory accounts has another implication for the completeness of credit files. Satisfactorily performing accounts of the creditors that so report are not included in the files, and thus the extent of

these nonreported accounts is unknown. The failure to report accounts in good standing may affect the credit evaluation of consumers with such accounts. For example, if consumers have low utilization of these nonreported accounts, the failure to report may worsen their credit evaluation. For those consumers having nonreported accounts with high utilization, however, the failure to report may actually improve credit evaluation.

Account Characteristics

When conducting credit evaluations, creditors consider a range of account-related characteristics, including the types of credit accounts an individual has established, how long the individual has had a particular credit account, and the last time the credit account carried a balance. Evaluators also assess the extent to which consumers have made recent requests for new credit as measured by certain types of inquiries made to a credit reporting company.

One such characteristic, the age of the account, may be relevant to an evaluation of credit quality because, for example, the longer the account has been open, the more information it may convey through its payment history. New accounts may convey little information other than that the consumer had a very recent need for additional credit and was approved for credit. In this context, length of time since an account was opened is most pertinent with respect to active accounts and least pertinent for accounts that have long been closed. Among active revolving accounts, which represent three out of four active

26. To test this conjecture, the percentage of all accounts that had ever been reported as major derogatories and that were last reported satisfactory (paid off or making payments) were compared for two groups of creditors: (1) those that had not reported any accounts within three months of the date the survey was drawn and (2) those that had reported. For each group, the examination was restricted to accounts that were opened in the same three-year period (1995 through 1997). Creditors that were currently reporting accounts had an incidence rate showing satisfactory performance that was about 50 percent higher than the rate that creditors not currently reporting had.

9. All credit accounts, distributed by the number of years since the accounts were opened

Percent

Type of account	All accounts					Active accounts				
	One or less	1-2	2-4	More than 4	Total	One or less	1-2	2-4	More than 4	Total
Revolving	8.0	8.9	19.2	63.9	100.0	16.5	14.1	21.3	48.1	100.0
Check credit	5.7	7.1	16.5	70.6	100.0	13.1	12.6	21.6	52.7	100.0
Banking institution	9.0	9.5	20.9	60.6	100.0	17.9	14.3	22.6	45.2	100.0
Finance company or credit union	9.0	10.7	20.0	60.3	100.0	21.9	18.3	21.8	38.0	100.0
Retailer	6.5	7.9	16.4	69.2	100.0	13.5	13.1	18.5	54.9	100.0
Other ¹	11.4	10.1	26.4	52.1	100.0	21.7	15.5	30.7	32.2	100.0
Nonrevolving	6.0	8.4	17.5	68.1	100.0	10.9	10.8	15.7	62.6	100.0
Installment	8.6	10.5	21.0	60.0	100.0	29.4	24.3	27.7	18.7	100.0
Banking institution	7.3	9.3	19.2	64.2	100.0	30.5	25.8	29.0	14.7	100.0
Finance company or credit union	9.1	10.8	21.8	58.3	100.0	32.9	30.0	28.6	8.5	100.0
Retailer and other ¹	9.5	11.3	22.1	57.1	100.0	26.9	20.6	26.4	26.2	100.0
Mortgages	7.8	9.1	13.7	69.4	100.0	21.5	18.8	17.7	42.0	100.0
All accounts	8.1	9.3	19.3	63.4	100.0	18.6	15.9	21.9	43.6	100.0

1. "Other" includes national oil and gas companies, travel and entertainment companies, utility companies, real estate firms, government entities, and smaller retailers.

accounts, about 30 percent were two years old or less as of the date the sample was drawn, and 48 percent were more than four years old (table 9). Mortgage accounts tended to be somewhat younger than revolving accounts, with about 40 percent two years old or less and 42 percent more than four years old. Installment accounts were the youngest overall—about 54 percent of these accounts were two years old or less—and nonrevolving the oldest, with 63 percent more than four years old.

For closed and other accounts that were reported to have a zero balance as of their last date of report, the length of time since the account had a balance may be more pertinent, since to some degree this measure indicates the timeliness of information available from the account's payment history. Among accounts last reported to have a zero balance, revolving and nonrevolving accounts tended to be paid down to zero more recently than installment accounts and mortgages. For instance, 25 percent of revolving and nonrevolving accounts with a zero balance last had a positive balance within a year of the date the sample was drawn, compared with 11 percent of installment accounts and 16 percent of mortgages. About half of installment and mortgage accounts with a zero balance last had a positive balance no less than four years before the date the sample was drawn, compared with about one-third of revolving accounts.

Public Records, Collections, and Inquiries

Besides credit account information, information derived from various public records, reports from collection agencies, and creditor inquiries about a consumer's credit history is included in credit reporting company records (see box "Non-Credit-Account Data Included in Credit Records"). Credit evaluators consider these types of information in assessing the credit quality of individuals. However, issues of missing or ambiguous information complicate the use of these data.

Public records

The types of public information available from government entities include records of bankruptcy filings, liens, judgments, and some foreclosures and lawsuits. The data regarding bankruptcy distinguish between the types of personal bankruptcies. The two main types of consumer bankruptcies are Chapter 7 and Chapter 13, each named after the chapter in the U.S. bankruptcy code that defines the nature of the

Non-Credit-Account Data Included in Credit Records

Public Records

Public records include information from public legal filings collected either directly by public institutions and provided to the credit reporting companies or recorded by third parties from public records. Public records include information on foreclosures, civil judgments, or tax liens reported for the consumer over the past seven years, and bankruptcies filed during the previous ten years. Information on each judgment, lien, or bankruptcy includes the following:

- Date of the public record
- Type of filing (tax lien, foreclosure, bankruptcy chapter)
- Current status (filed, dismissed, paid, granted)
- Amount of the claim (or assets and liabilities for bankruptcies)
- Court docket number
- Name of the plaintiff.

Collection Account Records

Collection account records consist of credit accounts and records of unpaid bills, such as bills for utility services, that have been transferred to a collection agency or are otherwise in the process of collection. Collection account records include the following information:

- Date that the item was turned over to the collection agency
- Date that the account information was recorded by the credit reporting company
- Account status (paid or unpaid)
- Amount currently owed as of the verification date (not applicable for paid accounts)
- Collection agency's subscriber code
- Name of the original creditor.

Inquiry Records

Inquiry records consist of information about the consumer requested by a creditor. Inquiry records are maintained for two years and include the following:

- Date of the inquiry
- Type of credit being considered (missing for most inquiries)
- Inquiry requestor's subscriber code.

proceedings. Chapter 7 provides for liquidation bankruptcies, which involve the liquidation of all non-exempt assets and the discharge of almost all debts. Chapter 13 provides for so-called wage-earner plans that involve the full or partial repayment of debts

10. Public records, distributed by dollar amount of claim
Percent

Type of public record	Memo: Distribution by record type	Distribution of public records, by amount of claim (dollars) ¹						
		0	1-250	251-500	501-1,000	1,001-5,000	5,001-10,000	10,001 or more
Bankruptcy	22.7	...	...	...	...	...	...	...
Chapter 7	75.9	...	...	...	...	...	...	...
Chapter 13	23.7	...	...	...	...	...	...	...
Other .....	.3	...	...	...	...	...	...	...
Foreclosure .....	.9	19.1	1.5	0	.3	4.2	1.8	73.2
Lien	34.1	32.2	9.1	7.2	9.7	21.6	8.0	12.2
Federal government	28.3	20.0	.8	1.4	2.8	22.6	18.0	34.4
State government	65.9	36.3	12.5	9.5	12.5	21.3	4.2	3.7
Local government	5.3	48.6	10.1	8.3	10.3	19.9	1.8	1.0
Other ² .....	.5	7.4	20.4	11.4	16.5	28.4	11.9	4.0
Judgment	39.7	15.8	12.2	13.6	17.1	32.3	5.9	3.1
Medical	18.4	18.5	16.8	19.4	19.4	21.7	2.9	1.3
Utility	3.1	17.6	17.9	16.4	22.3	22.4	2.2	1.2
Government	5.1	15.1	19.2	13.7	14.2	26.6	7.0	4.2
Collection agency	9.2	29.7	14.0	15.6	14.8	22.4	2.9	.6
Creditor ²	18.9	11.3	4.7	5.3	10.8	46.9	14.8	6.1
Other ³	45.4	13.8	12.0	14.0	19.3	33.8	2.9	.6
Lawsuit	2.6	24.3	9.8	9.5	13.5	28.4	9.0	5.4
Medical	17.7	30.1	15.2	11.8	16.5	19.6	4.7	2.0
Utility	4.5	26.6	8.8	23.0	21.2	19.5	.9	.0
Government	3.9	40.6	10.4	5.2	15.6	17.7	4.2	6.3
Collection agency	5.7	16.8	24.5	10.5	16.1	18.9	10.5	2.8
Creditor ²	25.4	13.3	2.2	4.8	9.3	44.2	17.2	9.1
Other ¹	42.9	27.4	9.9	10.0	13.3	26.4	7.3	5.7
All public records⁴	76.4	23.4	10.7	10.6	13.7	27.4	7.0	7.2

1. Public records with reported amounts equal to zero have been paid or dismissed. The original amounts involved in the public action are not included in the records.

2. Includes large retailers, banking institutions, and finance companies.

3. Includes small retailers, law firms, individuals, educational institutions.

4. Excludes bankruptcy and foreclosure.

. Not applicable.

while assets are shielded from creditor action.²⁷ The data also distinguish (albeit imperfectly) between federal, state, and local tax liens and other liens. Otherwise, unlike credit account data, the public record data do not provide a classification code for the type of creditor or plaintiff (for example, a provider of medical services or a utility company). However, by examining the names of plaintiffs, one can distinguish among broad types of judgments and lawsuits, such as those related to unpaid bills for medical and utility services (again, imperfectly). Although public records include some details about the action, the information available is narrower in scope than that available on credit accounts.

Overall, about 12 percent of the individuals in the credit reporting company data had at least one public record item (percentage derived from table 1), and almost 37 percent of the individuals with a public record item had more than one item noted. Judgments and liens, representing 40 percent and 34 percent of the public records respectively, were the two most common types of public record noted in the data

sample (table 10). Bankruptcies accounted for nearly all the remaining public records. Most of the bankruptcy records were associated with Chapter 7 filings, which is the most common type of personal bankruptcy.²⁸

Lawsuits and foreclosures accounted for small proportions of the public record actions included in the data because credit reporting companies choose to gather such information only in limited circumstances. Underlying this decision for lawsuits is a belief that the simple filing of a lawsuit, which precedes any decision on its merits, is of only limited value, particularly for credit evaluation. Moreover, as shown below, the degree to which lawsuits are reported is inconsistent. Credit reporting companies generally do not gather such information for foreclosures because most of them are believed to have already been reported in conjunction with credit accounts; thus, collecting them from public records would be redundant.

The public records information was examined to determine the types of plaintiffs involved in these actions. Almost all the liens recorded in the data

27. Other bankruptcy chapters available to individuals, but rarely used by them, include Chapter 11 and Chapter 12. For more information on bankruptcy, see "Bankruptcy Basics," Administrative Office of the United States Courts, June 2000.

28. Andrea Stowers and Mark Cole, "A Bankruptcy Wake-Up Call," *Mortgage Banking*, vol. 57, no. 5 (February 1997), pp. 10-17.

involved federal or state governmental entities; local governments and others accounted for only about 6 percent of the liens. For both judgments and lawsuits, the most common types of plaintiffs were those in the “other” category (mostly smaller retailers and law firms), followed by creditors (large retailers, banking institutions, and finance companies) and providers of medical services.

A large proportion of the public record items associated with liens, judgments, and lawsuits showed relatively small balances owed (table 10). About one-quarter of these three types of public record items in the credit reporting company data showed no balances owed, indicating that the legal action was either paid in full or resolved in some other manner. About 35 percent of the public records of these types showed an amount owed of \$1,000 or less; about 7 percent involved actions seeking more than \$10,000. Unlike the other types of public records (excluding bankruptcies), foreclosures typically showed large dollar amounts owed. While about one-fifth of the foreclosures showed no balances currently owed (the foreclosure action was either “satisfied” or “dismissed”), nearly three-quarters involved balances of \$10,000 or more.

In some cases, more than one public record item for an individual appears to be associated with a single episode. The reasons for several public record items resulting from a single episode are various. Failure to pay a bill may cause both a lawsuit and a judgment to appear in an individual’s records. Several public records related to unpaid medical bills may stem from the same injury or illness. An appealed judgment or a refile of a judgment in a different court may result in more than one record of a judgment. In addition, the records for an individual may show a state or local tax lien that has not been paid and a separate record of a paid tax lien of the same type, but these may or may not refer to the same original lien.

To the extent that case identifiers (docket numbers) are available, credit reporting companies use them to update public record information. For example, if a tax lien is reported paid with the same docket number used for the original public record of the lien, the original record will be updated by showing the status as paid rather than by adding a new lien item to the consumer’s record. Consistent case identifiers are not always available, however; for example, new docket numbers may be assigned when a judgment is appealed. In such circumstances, two or more distinct records for the same episode may appear in the data. Determining whether distinct public record items pertain to the same episode is difficult.

To shed light on this issue, the authors developed some rules of thumb to estimate the extent to which multiple public record items are related. In the case of public records associated with medical bills, for example, the authors considered all records that did not show a substantial gap between the dates of each record to be a single episode. In the case of bankruptcies, if a record of an initial filing under Chapter 13 was followed shortly thereafter by a filing under Chapter 7, both records were considered a single episode. The actual incidence of unique episodes may be higher or lower than these estimates.

Excluding liens, the number of unique episodes is estimated to be about 90 percent of the total number of public records, with little variation across the types of public records. For liens, the number of unique episodes is estimated to be about two-thirds of the total number of public records of this type; but determining what is a unique incident is more difficult. For example, multiple liens filed at the same time by the same type of governmental entity may be liens for the same tax year or pertain to different years.

Patterns in the public records in the sample suggest some inconsistency in reporting across plaintiffs and geographic areas. For example, the inconsistent capturing of lawsuits is reflected in the sample by the fact that three states (Maryland, New York, and Pennsylvania) accounted for two-thirds of all individuals with records of lawsuits. Inconsistencies can arise not only because of reporting practices but also because of the practices of specific plaintiffs. Some plaintiffs, for example, obtain separate judgments for individual unpaid billed items, whereas other plaintiffs in similar circumstances may have combined the bills.

Collection agency accounts

Information on non-credit-related bills in collection, such as those for unpaid medical services, is reported to credit reporting companies by collection agencies. In addition, collections on some credit-related accounts also are reported directly by collection agencies. In the latter case, the information is grouped with the collection actions on non-credit-related bills rather than with the credit account information. Overall, about 31 percent of the individuals with credit reporting company records had at least one such collection action reported by a collection agency (derived from table 1). For about 10 percent of the individuals, the only record item in their credit reporting company file was a collection agency action. Because collections are considered to be a type of major derogatory, they can have an important effect

11. Collection actions reported by collection agencies, grouped by type of collection and distributed by amount originally owed
Percent

Type of collection	Share of collections	Amount originally owed (dollars)							Memo: Amount originally owed on collection action (dollars)	
		1-100	101-250	251-500	501-1,000	1,001-5,000	5,000 or more	Total	Mean	Median
All collections										
Medical	52.2	36.5	33.3	16.2	8.3	4.8	.9	100	386	142
Utility	22.7	24.7	34.2	23.6	12.3	5.1	.2	100	342	199
Government	2.3	29.3	33.9	15.9	13.8	6.2	1.0	100	466	199
Creditor ¹	5.8	19.6	18.4	10.9	11.2	30.4	9.4	100	1,699	587
Other ²	16.9	45.7	24.9	11.9	8.6	8.1	.9	100	425	116
All collections	100.0	34.2	31.2	16.8	9.5	7.0	1.2	100	463	156
Paid-off collections										
Medical	54.5	13.3	11.5	10.2	9.5	7.3	5.2	11.5	n.a.	n.a.
Utility	22.7	14.6	13.0	9.1	5.5	3.7	4.2	11.1	n.a.	n.a.
Government	2.9	20.8	13.6	9.2	9.4	4.1	6.0	13.8	n.a.	n.a.
Creditor ¹	3.1	11.8	6.5	7.2	4.1	3.4	1.3	5.9	n.a.	n.a.
Other ²	16.8	12.4	11.3	10.3	8.0	6.2	6.0	11.0	n.a.	n.a.
All paid-off collections	100.0	13.4	11.7	9.8	7.7	5.4	3.5	11.1	n.a.	n.a.

1. Includes large retailers, banking institutions, and finance companies.

2. Includes small retailers, law firms, individuals, educational institutions.

n.a. Not available.

on the consumer's ability to obtain credit or on the price of such credit.

Unlike credit accounts, but like public records, collection actions are reported without a code indicating the type of original creditor. The data, however, do include information that can be used to infer the type of entity that originally sought the collection. By the authors' estimates, most collection actions reported by collection agencies do not involve credit accounts; only about 6 percent are related to credit accounts (table 11). The majority of collection actions (about 52 percent) are associated with medical bills. The high incidence of collections related to medical bills is not surprising given both the large number of individual consumers and families that have partial or no health insurance coverage and the high cost of many medical services.²⁹ The second largest category involved collection actions for unpaid bills for utility services, which by the authors' analysis, account for about 23 percent of all collections.

Most collection actions reported by collection agencies showed small balances owed when originally reported to the credit reporting company. About 34 percent of all the collections involved an original amount owed of \$100 or less, and 82 percent

involved an amount \$500 or less. Overall, the mean and median amounts originally owed were \$463 and \$156, respectively. Credit-related actions in the collection records involved substantially larger amounts: The mean and median amounts reported by collection agencies for credit accounts equaled nearly \$1,699 and \$587, respectively. The data also show that only about 11 percent of the reported collection items have been paid off (table 11, bottom panel), with collections filed by a governmental entity the most likely and credit-related collections the least likely to have been reported as fully paid.

As with the public records, individuals sometimes have more than one collection agency action reported. About 44 percent of the individuals with a collection agency record had more than one item noted. Like tracking public records, tracking collection agency accounts to update their status is not always possible because of changes in account numbers that sometimes result from transfers of the account across collection agencies. Also, as noted for public records items, more than one collection agency action for an individual may stem from the same episode (for example, one medical incident involving several component billings), and determining whether distinct record items pertain to the same episode is difficult. Some rules of thumb were used to identify the extent to which multiple collection agency items were related. The estimated number of unique episodes is about 70 percent of the total number of collection agency records.

29. According to the Federal Reserve's 2001 Survey of Consumer Finances, about 9 percent of households had no public or private health insurance coverage, and nearly 17 percent had only partial coverage, meaning that one or more members of the household had no coverage. These proportions are little changed from those found in the 1998 Survey of Consumer Finances.

As with public records, multiple collection actions associated with the same incident appear in a number of cases to result from the practice of a particular plaintiff's submitting separate collections for different billed items. Since another plaintiff in similar circumstances might have combined the bills into a single collection, inconsistencies can arise in the way collection actions are counted across individual credit records. Moreover, a small proportion of the collection records appear to be due to a repeat filing of the same action with the credit reporting company.

Inquiries

Credit reporting company records include information about inquiries made about a consumer's credit history. These inquiries are conducted to ensure that an applicant for credit, apartment rental, insurance, or employment has a background that meets the minimum standard the inquirer has established for providing the service. The data do not include inquiries made by creditors about existing accounts or inquiries made by consumers themselves. This finding is consistent with the view that credit underwriters focus primarily on a consumer's recent efforts to obtain credit.

Overall, about 58 percent of the individuals in the credit reporting company sample had at least one inquiry noted in their files. The inquiries are often bunched in time. About 26 percent of the inquiries were made within one week of another inquiry that appears in a given individual's credit file, and about 60 percent were made within one month of another inquiry in the file. These figures are consistent with the view that consumers often engage multiple parties when seeking a service, such as a loan or an apartment; for example, a consumer purchasing a car or home may approach more than one creditor while shopping for the best available terms to finance the purchase. However, because fewer than 2 percent of the records of inquiries included information about the purpose of the inquiry, it is impossible to determine with certainty if bunched inquiries represent shopping for a single loan purpose or requests for different loan products (for example, a mortgage and a credit account to purchase household items). Nevertheless, credit evaluators use various techniques to differentiate between these two circumstances. One technique, for example, is to use the type of creditor as a proxy for the loan type and the timing of the inquiry to identify multiple inquiries arising from shopping for a single loan.

DATA ISSUES AND POSSIBLE RESOLUTIONS

Credit reporting companies gather information to develop a comprehensive and contemporaneous picture of the ongoing and past credit relationships of individuals, primarily to facilitate credit evaluation. Examination of a sample of this information reveals the breadth of the data contained in credit report files. Each individual's credit record provides a detailed snapshot of that person's current use and past experiences with credit, as well as information on public records and collection accounts. Credit records contain dozens of items, ranging from the type, source, and amount of credit borrowed to the payment patterns associated with the repayment of such debt. Thus, the records enable one to construct diverse indicators of credit use and repayment performance, including measures of credit utilization, numbers of recently opened accounts, and timing and severity of payment problems. The breadth and timeliness of the data included in credit reporting company records hold the promise that such information may provide a new source of information for the Federal Reserve.

Available evidence indicates that these data and the credit-scoring models derived from them have substantially improved the overall quality of credit decisions and have reduced the costs of such decision-making.³⁰ Almost certainly, consumers would receive less credit and the price of the credit they received would be higher, if not for the information provided by credit reporting companies. Moreover, the credit reporting system has become more comprehensive over the past decade with notable improvements, such as enhanced reporting of mortgage credit.

Issues with the Data

Despite the benefits that the credit reporting system offers, analysis reveals several areas of the current system that could be improved. A close examination of credit reporting company data reveals that the information is not complete, may contain duplications, and at times contains ambiguities about the credit

30. For a recent analysis comparing the efficacy of underwriting decisions conducted judgmentally with the efficacy of decisions reviewed by automated underwriting systems that incorporate credit reporting company data, see Susan Wharton Gates, Vanessa Gail Perry, and Peter M. Zorn, "Automated Underwriting in Mortgage Lending: Good News for the Underserved?" *Housing Policy Debate*, vol. 13, issue 2, 2002, pp. 369-91; and John M. Barron and Michael Staten, "The Value of Comprehensive Credit Reports: Lessons from the U.S. Experience," Credit Research Center, Georgetown University, 2002.

histories of at least some consumers. The following are four particular areas of concern: (1) credit limits are sometimes not reported; (2) the current status of accounts that show positive balances but are not currently reported is ambiguous; (3) some creditors fail to report nonderogatory accounts or minor delinquencies; and (4) the reporting of data on collection agency and public record accounts is possibly inconsistent and inquiry data is incomplete.

Missing credit limits. A key measure used in credit evaluation—utilization—could not be correctly calculated for about one-third of the open revolving accounts in the sample because the creditor did not report the credit limit. About 70 percent of the consumers in the sample had a missing credit limit on one or more of their revolving accounts. If a credit limit for a credit account is not reported, credit evaluators must either ignore utilization (at least for accounts without limits) or use a substitute measure such as the highest-balance level. The authors' evaluation suggests that substituting the highest-balance level for the credit limit generally results in a higher estimate of credit utilization and probably a higher perceived level of credit risk for affected consumers.

Accounts not currently reported. About 8 percent of all accounts in the sample showed positive balances but were not currently reported. Moreover, of those accounts reported as a major derogatory at the most-recent report, almost three-fifths were not currently reported. The authors' evaluation suggests that many of these accounts, particularly mortgages and installment loans, are likely to have been either closed or transferred but were not reported as such. Many of these accounts were reported by creditors that were not reporting data to the credit reporting company when the sample was drawn, and thus information on these accounts is unlikely to have been updated. The significant fraction of not currently reported accounts that are likely closed or transferred implies that some consumers will show higher current balances and a larger number of open accounts than they actually hold. Some of this overrepresentation is mitigated by credit evaluators' assumption that accounts unreported over a long period are closed. However, they may not make the assumption for derogatory accounts, thus penalizing consumers who have paid off a delinquent account since it was last reported.

Failure to report nonderogatory accounts or minor delinquencies. Between 1 percent and 2 percent of

the credit reporting company records were supplied by creditors that reported information only on credit accounts that had experienced payment problems. The evidence does not indicate that the accounts they did report were in error; however, the failure to report accounts in good standing likely affected the credit evaluation of consumers with such accounts. If consumers have low utilization of nonreported accounts, the failure to report may worsen their credit evaluation. For consumers having nonreported accounts with high utilization, however, the failure to report may actually improve their credit evaluation. The analysis further indicates that some creditors do not report that an account is experiencing a minor delinquency. The credit histories for consumers with such accounts appear somewhat better than they actually are.

Inconsistent reporting of public records, collection agency accounts, and inquiries. About 40 percent of the individuals with public records have more than one such record, and a similar percentage of those with accounts reported by collection agencies have more than one collection item. For many of these individuals, the multiple record items appear to pertain to the same episode, such as one record filed when a collection action was initiated and a second record filed when it was paid. Evidence indicates that some inconsistencies arise in the reporting of actions across geographic areas or types of plaintiff. Moreover, unlike the credit account data, no code identifies the type of creditor or plaintiff. These limitations of the data could significantly affect credit evaluation because more than 50 percent of the records of major derogatories in the credit files are collection agency reports or public records.

Multiple inquiries in a consumer's credit file can arise either when the consumer shops among different creditors for the same loan or when he or she applies for multiple loans. Credit evaluators would like to distinguish between these different circumstances because the latter may indicate financial distress, whereas the former would not. Although the presence of a code for loan type in the credit file's inquiry records holds the promise of distinguishing between the circumstances, more frequent reporting by creditors is required for these codes to serve their purpose. Creditors failed to provide the code for 98 percent of the inquiry records in the data sample. In the absence of a loan-type code, proxies, such as the type of creditor, would have to be used to distinguish between shopping for a single loan and applying for multiple loans.

Consequences of Data Limitations

The effect of these data limitations is twofold. First, because credit-scoring models are built using these data, ambiguities, duplications, and omissions will affect the model's assessments of risk factors. For example, if one cannot distinguish in the data between individuals who have a certain characteristic (say, an unpaid major derogatory) from those who appear to have that characteristic but actually do not (such as those with an unreported payoff), then the model will incorrectly assign a risk factor to the joint group that reflects their combined performance. Second, ambiguities, duplications, and omissions in credit files can result in an incorrect evaluation of the credit risk of individual applicants. These two effects are intertwined: Correcting one part without the other will not fully solve the problem. For example, resolving the problems in applicant files will not correct the models if the models were developed using problematic data.

Such limitations in credit reporting company records have the potential to both help and hurt individual consumers. On the one hand, consumers with positive account information, such as the payoff of a major derogatory, that creditors have not reported are hurt. On the other hand, consumers with negative information that is unreported, such as an unpaid medical bill that does not go to collection or an unreported minor delinquency on a credit account, are helped. Even consumers with no such problems in their files can be affected. For example, a consumer with an unpaid major derogatory that is correctly reported will look the same as a consumer with a paid, but not updated, major derogatory. As a consequence, the former consumer will likely have a somewhat better credit evaluation, and the latter consumer a somewhat worse one, than he or she would if credit grantors (and the builders of the models they use) were better able to distinguish between paid and unpaid major derogatories.

Consumers who are hurt by ambiguities, duplications, and omissions in their files have an incentive to correct them, but consumers who are helped by such problems do not. The result of this difference may be an asymmetric correcting of files. Such asymmetry can lead to overall performance on loans that is somewhat worse than would be predicted by credit-scoring models.

Possible Remedies

A remedy for many of these issues is consumer vigilance. Consumers can periodically review their

How to Contact the National Credit Reporting Companies

The following is the contact information for the three national credit reporting companies.

Equifax

P.O. Box 740241
Atlanta, GA 30374
(800) 685-1111 (order credit report)
(888) 766-0008 (fraud alert)
<http://www.equifax.com>

Experian

P.O. Box 2002
Allen, TX 75013
(888) 397-3742 (order credit report, disputing credit items, fraud alert, other questions)
<http://www.experian.com>

Trans Union

Trans Union Consumer Relations
P.O. Box 2000
Chester, PA 19022
(800) 916-8800

To order a credit report:
Trans Union LLC
Consumer Disclosure Center
P.O. Box 1000
Chester, PA 19022
<http://www.transunion.com>

credit reports and use the dispute process established in the FCRA to correct errors or omissions (see box "How to Contact the National Credit Reporting Companies"). The FCRA generally provides that a consumer who is denied credit must be given the reasons for denial and an opportunity to receive a copy of his or her credit report without charge. Similarly, consumers seeking new credit are routinely advised to check their credit reports before applying. In addition, when credit is underwritten, a loan officer sometimes reviews the credit report information and thus may have an opportunity to see and correct data problems.

The extent to which the concerns noted above are likely to be addressed by individual consumers or loan officers checking credit reports is unclear. On the one hand, an unreported credit account, credit limit, or inquiry loan-type code may not be identified as an issue of concern. Moreover, the credit granting system has moved toward risk-based pricing in which applicants are less likely to be denied credit (and thus given the reasons for denial) than to receive credit

at prices that reflect the perceived risk. Consumers may not always be aware that they are paying higher prices for the credit. Similarly, an increasing share of consumer revolving credit is obtained through pre-approved solicitations as opposed to consumer-initiated requests for credit. On the other hand, both growing consumer awareness of the importance of credit reports and easier consumer access to credit reports and credit scores serve to increase consumer vigilance.

The credit reporting companies also could address some of the issues identified above. For example, developing a plaintiff code system for collection and public records would allow credit evaluators to differentiate among different types of these records in assessing credit risk. Similarly, expanding stale account rules and identifying accounts of creditors that are no longer reporting information to the credit reporting companies would assist credit evaluators in determining how much weight to give not currently reported accounts.

Most of the problems cited above result from the failure of creditors, collection agencies, or public entities to report or update items—areas that are beyond the direct control of the credit reporting companies. Thus, fully resolving these problems requires a more comprehensive and consistent reporting system, particularly with regard to major derogatories, collection agency accounts, and public records. Some changes in this vein are happening already. For example, only about 13 percent of revolving accounts now being reported to the credit reporting company that supplied the data are missing credit limits. This reduction from the 33 percent incidence at the time the sample used for this evaluation was drawn (1999) occurred in part because of pressure on creditors by the credit reporting companies and others.

In the interim, some steps might be considered to mitigate or reduce the effect of the problems noted above. Credit evaluators might develop models that identify individuals whose credit files are likely to contain data problems. Factors such as missing credit limits, not currently reported accounts, and duplicative collection accounts or public records may be good indicators of individuals whose credit scores are potentially less predictive. Creditors might judgmentally review actions on applicants estimated to have a high likelihood of significant error, particularly those whose credit scores place them in a range in which the price or availability of credit is likely to be affected. Such reviews, with the potential to gather more information from the consumer, may be able to resolve problems in the credit evaluations for identified borrowers.

In reflecting on these data limitations and remedies, several issues should be kept in mind. First, although some problems in the credit reporting data that are likely to affect the credit evaluation of individuals have been identified, it is very difficult to determine the extent to which credit availability would change if these problems were addressed. It is likely that data issues will materially affect the availability and pricing of credit only for those individuals of marginal creditworthiness. Second, the costs of correcting the identified data problems have not been evaluated. Some of the problems may be very difficult and expensive to overcome, and in some cases the costs may exceed the benefits. Finally, this analysis rests on the experiences of only one of the three national credit reporting companies and uses data that are now somewhat dated. Many changes are taking place in the credit reporting industry, and they may mitigate some or all of the highlighted limitations. □

Announcements

RATES SET UNDER PRIMARY AND SECONDARY CREDIT PROGRAMS

The Federal Reserve Board announced on January 6, 2003, that it had approved requests by the twelve Federal Reserve Banks to establish primary and secondary credit rates of 2¼ percent and 2¾ percent, respectively, effective January 9, 2003.

These discount rates are the interest rates that depository institutions will be charged for credit extended under the Federal Reserve's new primary and secondary credit programs that the Board approved on October 31, 2002. These programs replace the adjustment and extended credit programs, which were discontinued as of January 9.

The Federal Open Market Committee's current target of 1¼ percent for the federal funds rate was not affected by this action. Thus, the establishment of the new discount rates did not represent a change in the stance of monetary policy, and the general level of market interest rates should not be affected.

Primary credit will be available for very short terms as a backup source of liquidity to depository institutions that are in generally sound financial condition in the judgment of the lending Federal Reserve Bank. Based on their current financial condition, most depository institutions will qualify for primary credit at the outset of the program. Secondary credit will be available in appropriate circumstances to depository institutions that do not qualify for primary credit. The seasonal credit program is unchanged.

Reserve Banks will establish rates on primary, secondary, and seasonal credit at least every two weeks, subject to review and determination by the Board of Governors, through the same procedures that have been used in the past to set the rates on adjustment, extended, and seasonal credit.

ANNUAL NOTICE OF THE ASSET-SIZE EXEMPTION THRESHOLD

The Federal Reserve Board on December 24, 2002, published its annual notice of the asset-size exemption threshold for depository institutions under Regulation C (Home Mortgage Disclosure).

The asset-size exemption for depository institutions will remain at \$32 million based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the twelve-month period ending in November 2002. As a result, depository institutions with assets of \$32 million or less as of December 31, 2002, are exempt from data collection in 2003. An institution's exemption from collecting data in 2003 does not affect its responsibility to report the data it was required to collect in 2002. The adjustment is effective January 1, 2003.

The Home Mortgage Disclosure Act (HMDA) requires most depository institutions and certain for-profit, nondepository institutions to collect, report, and disclose data about applications for, and originations and purchases of, home mortgage loans, home improvement loans, and refinancings. Data reported include the type, purpose, and amount of the loan; the race or national origin, sex, and income of the loan applicant; and the location of the property. The purposes of HMDA include helping to determine whether financial institutions are serving the housing needs of their communities and assisting in fair lending enforcement.

PRELIMINARY FIGURES ON INCOME OF THE FEDERAL RESERVE BANKS

Preliminary figures released January 8, 2003, indicate that the Federal Reserve Banks distributed approximately \$24.497 billion of their \$26.758 billion total income to the U.S. Treasury during 2002.

Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. This income amounted to \$25.532 billion. Additionally, revenues from fees for the provision of priced services to depository institutions totaled \$914 million. The remaining income of \$312 million includes earnings on foreign currencies, earnings from loans, and other income.

The operating expenses of the twelve Reserve Banks totaled \$2.070 billion in 2002, including the System's pension cost credit. In addition, the cost

of earnings credits granted to depository institutions amounted to \$156 million. Assessments against Reserve Banks for Board expenditures totaled \$202 million, and the cost of currency amounted to \$430 million.

Net additions to income amounted to \$2.149 billion, resulting primarily from unrealized gains on assets denominated in foreign currencies revalued to reflect current market exchange rates.

Total net income for the Federal Reserve Banks amounted to \$26.049 billion. Under the Board's policy, each Reserve Bank's net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury. The statutory dividends to member banks were \$484 million.

APPOINTMENTS OF NEW MEMBERS AND DESIGNATION OF THE CHAIR AND VICE CHAIR OF THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board named ten new members to its Consumer Advisory Council for three-year terms and designated a new chair and vice chair of the council for 2003.

The council advises the Board on the exercise of its responsibilities under the Consumer Credit Protection Act and on other matters in the area of consumer financial services. The council meets three times a year in Washington, D.C.

Ronald Reiter was designated chair; his term runs through December 2003. Mr. Reiter is supervising deputy attorney general for the California Department of Justice.

Agnes Bundy Scanlan was designated vice chair; her term on the council ends in December 2004. Ms. Scanlan is managing director and chief compliance officer for FleetBoston Financial.

The ten new members are the following:

Susan Bredehoft

Cherry Hill, New Jersey

Ms. Bredehoft is senior vice president for compliance risk management for Commerce Bancorp. She has responsibility for developing and implementing the compliance-risk-management program for consumer protection and disclosure regulations, privacy, fair lending, community reinvestment, and anti-money-laundering regulations. Previously, Ms. Bredehoft was senior vice president and director of compliance for Summit Bancorp, where she managed the community reinvestment and compliance programs. She has spoken on community development, fair lending, compliance, and audit topics. Ms. Bredehoft is the chair of the Finance and Audit Committee for the New

Jersey Community Loan Fund, serves on the Compliance Committee of the New Jersey Banker's Association, and is a Trustee of St. Peter's College in Jersey City, New Jersey.

Dan Dixon

Washington, District of Columbia

Mr. Dixon is group senior vice president and director of government relations for World Savings Bank, FSB. During his career at World, his responsibilities have included mortgage loan origination and servicing, customer relations, regulatory compliance, and community outreach. In addition, Mr. Dixon serves on the Board of Neighborhood Housing Services of America, Inc. (NHTSA), a national nonprofit secondary mortgage market intermediary. For six years, he was chairman of NHTSA. At NHTSA, he supported introduction of a new loan product for low-income borrowers with funding from the Federal Home Loan Bank Affordable Housing Program. Mr. Dixon previously served on the board of East Bay Habitat for Humanity in Oakland, California.

James Garner

Baltimore, Maryland

Mr. Garner is senior vice president and associate general counsel for Washington Mutual, Inc., an organization providing consumer banking, mortgage lending, commercial banking, and consumer financial services. Mr. Garner leads a group of attorneys and manages the consumer finance company subsidiary's compliance department. He recently participated in the development of Responsible Mortgage Lending Principles for the organization and participates in the company's Fair Lending Steering and the Public Policy Issues Management committees. Mr. Garner also works on a pilot program to move subprime customers into the organization's prime lending segment and regularly meets with consumer advocate groups to discuss predatory lending and responsible lending practices. Mr. Garner chairs a subcommittee for the Law Committee of the American Financial Services Committee and is an officer and member of the Governing Committee of the Conference on Consumer Finance Law.

Charles Gatson

Kansas City, Missouri

Mr. Gatson is vice president of Midtown Community Development Corporation doing business as Community Builders of Kansas City, an affiliate of Model Cities Health Corporation, an organization that provides innovative social, health-care, and community economic development services to the urban community. Mr. Gatson directs the corporation's community economic development efforts that include a \$100 million urban revitalization program in Kansas City's urban core. The program includes a health-care facility, single- and multifamily housing and an 85,000-square-foot H&R Block customer service center in a predominantly African American community. Mr. Gatson is a member of many civic organizations, including the Urban League of Greater Kansas City, the Urban Land Institute's Inner City Advisor Coordinating Committee, and Fannie Mae's Housing Impact Advisory Committee. In 2002, he received the James A. Johnson Community Fellows Award from the Fannie Mae Foundation.

James King
Cincinnati, Ohio

Mr. King is president and chief executive officer of the Community Redevelopment Group in Cincinnati. His responsibilities include administering the day-to-day operations of residential and commercial development and construction, marketing, and management for two community development corporations, the Avondale Redevelopment Corporation and the Walnut Hills Redevelopment Foundation. Mr. King is a member of several community organizations including the City of Cincinnati Economic Development Task Force, the National Congress for Community Economic Development, and the Neighborhood Development Corporations Association of Cincinnati. He is also co-chair of Cincinnati CAN (Community Action Now) and a member of The Federal Home Loan Bank of Cincinnati Advisory Council and the Cincinnati Park Board Master Plan Advisory Committee. In 2001, Mr. King received the James A. Johnson Community Fellows Award from the Fannie Mae Foundation.

Elsie Meeks
Kyle, South Dakota

Ms. Meeks is the executive director of First Nations Oweesta Corporation, a subsidiary corporation of First Nations Development Institute. The corporation focuses on enhancing the capacity of Native American tribes and communities by providing technical assistance and training for the development and expansion of Native American community development financial institutions. Previously, Ms. Meeks helped develop and was Executive Director of The Lakota Fund, which is a Native American community development financial institution on the Pine Ridge Indian Reservation in southwestern South Dakota, specializing in small business development and microenterprise development. Ms. Meeks is a board member of the National Community Capital Association and, in 1994, received the "South Dakota Minority Small Business Advocate of the Year" award. She was appointed by Senate Majority Leader Tom Daschle to serve as the first Native American on the U.S. Commission on Civil Rights.

Mark Pinsky
Philadelphia, Pennsylvania

Mr. Pinsky is president and chief executive officer of the National Community Capital Association, a leading network of community development financial institutions (CDFIs). He is responsible for the association's strategic direction and performance and has created new products including the Equity Equivalent Investment and the Virtual Learning Center. Mr. Pinsky is widely recognized as the voice of the CDFI industry and the leading advocate for a strong, performance-based CDFI Fund in the U.S. Department of the Treasury. He has published and lectured extensively on CDFIs and the Community Reinvestment Act. In 2002, he provided the keynote address at the Third Annual U.K. Community Development Finance Conference in Scotland and spoke on "Lessons from the U.S. CDFI Industry."

Benjamin Robinson
Charlotte, North Carolina

Mr. Robinson has been senior vice president, strategy management executive, responsible for issues manage-

ment, national alliances, and national programs for Bank of America since October 2002. Previously, he was vice president and chief privacy officer of MasterCard International, and president and chief executive officer, MasterCard Cardholder Solutions, Inc. His responsibilities included overall management of MasterCard Cardholder Solutions, Inc. and managing and implementing privacy policies, regulations, and compliance for MasterCard International domestically and abroad. Mr. Robinson has also served as a congressional adviser on banking issues, including the Community Reinvestment Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, and Fair Housing Act, for a subcommittee of the U.S. House of Representatives Committee on Banking, Finance, and Urban Affairs.

Diane Thompson
East St. Louis, Illinois

Ms. Thompson is a supervising attorney for the Housing and Consumer Rights Unit at the Land of Lincoln Legal Assistance Foundation. She supervises consumer rights litigation and works with community organizations on affordable housing and community economic development. She also supervises comprehensive homeless advocacy and homeless prevention projects in one of the poorest and most economically depressed cities in the country. She has expertise in the Truth-in-Lending and Home Ownership and Equity Protection Acts and is an experienced anti-predatory lending advocate and litigator in the St. Louis area. Ms. Thompson is involved in several community activities, including the Metropolitan St. Louis Equal Housing Opportunity Council and Project Kids, Inc.

Clint Walker
Wilmington, Delaware

Mr. Walker is the general counsel and chief administrative officer of Juniper Financial Corporation, established in 2000. Mr. Walker is part of the founding team of the credit card bank, which is based on the concept of applying the best practices of a traditional credit card business with the best aspects of electronic banking to create an innovative and improved customer experience. His responsibilities include legal, compliance, regulatory, and legislative activities, the Community Reinvestment Act, and community affairs. Prior to his position at Juniper, Mr. Walker was general counsel at both First USA Bank, N.A. and Citibank Maryland. He has extensive experience in both the credit card industry and emerging e-commerce financial applications.

Council members whose terms continue through 2003 are the following:

Anthony Abbate, president and chief executive officer, Interchange Bank, Saddle Brook, New Jersey

Manuel Casanova, Jr., executive vice president, International Bank of Commerce, Brownsville, Texas

Constance K. Chamberlin, president and chief executive officer, Housing Opportunities Made Equal, Richmond, Virginia

Earl Jarolimek, vice president/corporate compliance officer, Community First Bankshares, Fargo, North Dakota

J. Patrick Liddy, director of compliance, Fifth Third Bancorp, Cincinnati, Ohio

Oscar Marquis, attorney, Hunton and Williams, Park Ridge, Illinois

Elizabeth Renuart, staff attorney, National Consumer Law Center, Boston, Massachusetts

Council members whose terms continue through 2004 are the following:

Janie Barrera, president and chief executive officer, ACCION Texas, San Antonio, Texas

Ken P. Bordelon, chief executive officer, E Federal Credit Union, Baton Rouge, Louisiana

Robin Coffey, vice president, Harris Trust and Savings Bank, Chicago, Illinois

Thomas FitzGibbon, senior vice president, MB Financial Bank, N.A., Chicago, Illinois

Larry Hawkins, president and chief executive officer, Unity National Bank, Houston, Texas

Ruhi Maker, senior attorney, Public Interest Law Office of Rochester, Rochester, New York

Patricia McCoy, professor of law, Department of Economics, Massachusetts Institute of Technology, Cambridge, Massachusetts

Debra S. Reyes, president, Neighborhood Lending Partners, Inc., Tampa, Florida

Benson Roberts, vice president for policy, Local Initiatives Support Corporation, Washington, District of Columbia

Hubert Van Tol, co-director, Fairness in Rural Lending, Sparta, Wisconsin

DISCIPLINARY ACTION RULES PROPOSED FOR ACCOUNTANTS AND ACCOUNTING FIRMS

The federal bank and thrift regulatory agencies on December 17, 2002, invited public comment on proposed rules governing their authority to take disciplinary actions against independent public accountants and accounting firms that perform audit and attestation services required by section 36 of the Federal Deposit Insurance Act.

The proposed rules would establish procedures under which the agencies could, for good cause, remove, suspend, or bar an accountant or firm from performing audit and attestation services for insured depository institutions with assets of \$500 million or more. They would permit immediate suspensions in limited circumstances.

Under the proposed rules, violations of law, certain negligent conduct, reckless violations of professional

standards or lack of qualifications to perform auditing services would be considered good cause to remove, suspend, or bar an accountant or firm from providing services for such an insured institution. Also, under the proposed rules, an accountant or accounting firm may not perform audit services as prescribed under section 36 if the accountant or firm has been removed, suspended, or debarred by one of the agencies, or if the Public Company Accounting Oversight Board, the Securities and Exchange Commission, or a state licensing authority takes certain disciplinary actions against the accountant or firm.

The proposed rules are being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. Although they would amend each agency's rules of practice separately, they would have uniform application for each agency.

Comments are due sixty days after publication in the *Federal Register*.

INTERAGENCY GUIDANCE ON ISSUES RELATED TO LAPSE IN FEDERAL FLOOD INSURANCE AUTHORITY

The Federal Reserve Board on December 23, 2002, announced the issuance of interagency guidance to assist borrowers and lenders in dealing with issues that might arise during a lapse in federal flood insurance authority that would begin January 1, 2003.

The Congress adjourned in November 2002 without extending the statutory authority to issue flood insurance policies under the National Flood Insurance Program (NFIP). As a result, the authority of the Federal Emergency Management Agency (FEMA) to issue new flood insurance policies, issue increased coverage on existing policies, and issue renewal policies expired on December 31, 2002.

The guidance provides that state member banks may make loans that are or will be secured by property located in a flood hazard area without flood insurance during the time the NFIP is not available. These banks will not be cited for violating federal flood insurance regulations. However, the lapse in the availability of NFIP coverage does not relieve lenders of any other obligations under federal flood insurance law or of their responsibility to prudently manage safety and soundness risks.

FEMA has indicated that it expects the new Congress to reauthorize the NFIP shortly after it convenes on January 7, 2003, and that the reauthori-

zation will likely be made retroactive to January 1, 2003. The federal financial institution regulatory agencies will notify financial institutions of any congressional action to reauthorize the NFIP.

RELEASE OF MINUTES OF DISCOUNT RATE MEETINGS

The Federal Reserve Board on December 23, 2002, released the minutes of its discount rate meetings from October 7 to November 6, 2002.

PUBLICATION OF THE NOVEMBER 2002 UPDATE TO THE COMMERCIAL BANK EXAMINATION MANUAL

The November 2002 update to the *Commercial Bank Examination Manual*, Supplement No. 17, has been published and is now available. The *Manual* comprises the Federal Reserve System's regulatory, supervisory, and examination guidance for state member banks. The new supplement includes the following:

1. *Host State Loan-to-Deposit Ratios*. The examination strategy and risk-focused examinations section is revised to discuss (a) Section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, which prohibits any bank from establishing or acquiring a branch or branches outside of its home state for the purpose of deposit production; and (b) an amendment (approved by the Board and the Federal Financial Institutions Examination Council (FFIEC), effective October 1, 2002) that conforms the uniform rule (see Regulation H, section 208.7(b)(2)) to section 109. Section 109 sets forth a process that is based on published loan-to-deposit ratios that can be used to test compliance with the statutory requirements. (See the Board's June 24, 2002, announcement of the published host-state loan-to-deposit ratios.) A noncompliant bank is subject to sanctions.
2. *Allowance for Loan and Lease Losses (ALLL)*. A new section contains supervisory guidance on ALLL methodologies and documentation practices. (See the July 2, 2001, FFIEC policy statement). An institution's board of directors is responsible for ensuring that controls are in place to determine the appropriate level of the ALLL. The institution should maintain and support the ALLL with documentation that is consistent with its stated policies and procedures, generally accepted accounting principles (GAAP), and applicable supervisory guidance. The institution's ALLL methodology must be a thorough, disciplined, and consistently applied process that incorporates management's current judgment about the credit quality of the loan portfolio. Examination objectives and procedures are provided. See SR letter 01-17.
3. *Subprime Lending*. A new section identifies subprime lending as the extension of credit to borrowers who exhibit characteristics indicating a significantly higher risk of default than traditional bank lending customers. The section discusses March 1, 1999, interagency subprime lending guidance that emphasizes that institutions engaged in subprime lending need to have strong risk-management practices and internal controls, as well as Board-approved policies and procedures, that appropriately identify, measure, monitor, and control all associated risks. The various risks inherent in this type of activity are identified. See SR letter 99-6.
Supplemental interagency subprime lending guidance issued in January 2001 is also discussed, including supervisory expectations for the ALLL, regulatory capital, examination review of subprime activities, classification of risk, and documentation for re-aging, renewing, or extending delinquent accounts. This guidance is directed primarily to those institutions that have subprime-lending programs that equal or exceed 25 percent of tier 1 regulatory capital. Institutions are expected to recognize that the elevated levels of credit and other risks arising from these activities require more intensive risk management and, often, additional capital. Questions and answers pertaining to the January 2001 guidance are provided. The examination objectives and procedures are also revised. See SR letter 01-4.
4. *Capital Adequacy*. This revised section on the assessment of capital adequacy includes various rule changes and clarifying interpretations.
 - a. The Board approved on March 27, 2002, a limited risk-based capital rule change, effective July 1, 2002. (See the Federal Reserve's joint press release of April 9, 2002, and its attachment.) The modification lowered, from 100 percent to 20 percent, the risk weight that is applied to certain securities claims on, or guaranteed by, a qualifying securities firm in the United States and in other countries that are members of the Organization for Economic Cooperation and Development.
 - b. Joint interagency interpretive guidance was issued on September 5, 2002, discussing the appropriate applications of the November 29, 2001, joint final ruling on the capital treatment of recourse obligations, direct-credit substitutes, and residual interests in asset securitizations. The guidance addresses risk-based capital treatment pertaining to (1) split or partially rated instruments, (2) nonqualification of corporate bonds or other securities for the ratings-based approach, (3) spread accounts that function as credit-enhancing interest-only strips, (4) audits of internal credit-risk rating systems, and (5) cleanup calls. See SR letter 02-16.
 - c. The risk-based capital treatment of accrued interest receivables (AIR) related to credit card securitizations, as discussed in a May 17, 2002, interagency advisory. An AIR represents a subordinated retained interest in the cash initially allocated to the investors' portion of a credit card securitization, meeting the definition of a "residual interest" and the capital requirements under the November 2001 rule amendment, effective January 1, 2002. When accounting for the sale of credit card receivables, the gain or loss on sale, the seller should include the AIR as a

subordinated retained interest. Based on GAAP, the value of the AIR at the date of transfer must be adjusted based on its relative fair (market) value. See SR letters 02-12 and 02-22.

- d. The tier 1 leverage measure of the capital adequacy guidelines was revised for state member banks. A revised rule, Regulation H (12 CFR 208, appendix B), was approved by the Board on November 8, 2001 (effective January 1, 2002), and issued in a joint agency press release dated November 29, 2001. The rule was revised for agreements involving recourse, direct-credit substitutes, and residual interests. Also included is another final rule revision for nonfinancial equity investments, approved by the Board on January 7, 2002 (effective April 1, 2002). See the January 8, 2002, joint interagency press release and SR letter 02-4.
5. *Asset Securitization*. This revised section addresses the following issues:
 - a. An interagency advisory issued May 23, 2002, on covenants in asset-securitization contracts that are linked to supervisory thresholds or adverse supervisory actions as triggers for early amortization events or the transfer of servicing. Such covenants are considered unsafe and unsound banking practices that undermine the objective of supervisory actions. A bank's boards of directors and senior management are encouraged to amend, modify, or remove these types of covenants in existing transactions. Such covenants could create or exacerbate any liquidity and earnings problems for a bank, possibly leading to a further deterioration in its financial condition. See SR letter 02-14.
 - b. Interagency guidance issued May 23, 2002, on implicit recourse provided to asset securitizations. Implicit recourse occurs when a banking institution provides post-sale credit support beyond its contractual obligation to one or more of its securitizations. Implicit recourse is of supervisory concern because it demonstrates that the securitizing institution is re-assuming risk associated with the securitized asset that the institution initially transferred to the marketplace. Illustrative examples are provided and several supervisory actions are discussed that the Federal Reserve may take upon a determination that an institution has provided implicit recourse. See SR letter 02-15.
 6. *Parallel-Owned Banking Organizations*. The Bank-Related Organizations section includes a discussion of the April 23, 2002, joint-agency statement for parallel-owned banking organizations. A parallel-owned banking organization is created when at least one U.S. depository institution and one foreign bank are controlled, either directly or indirectly, by the same person or group of persons who are closely associated in their business dealings or otherwise acting in concert. The statement discusses the risks of, and supervisory approach for, those organizations.
 7. *Fiduciary Activities*. A new section discusses the Federal Reserve's integration of its supervisory assessment of a bank's fiduciary activities into the overall safety-and-soundness supervision process, focusing supervisory resources on areas of greatest potential risk. The Federal Reserve's examination-frequency mandates for trust and transfer-agency examinations have been integrated with the safety-and-soundness examinations. (See SR letter 01-5.) Supervisory risk profiles, risk assessments, and supervisory plans are to reflect fiduciary activities. (See SR letter 96-10.) The composite Uniform Interagency Trust Rating System (UITRS) (see SR letter 98-37) and transfer-agent ratings are discussed that reflect the overall condition of each bank's fiduciary function. The Federal Reserve's concerns about direct or indirect financial incentives for banks and trust institutions that place trust assets with particular mutual funds are also discussed. See SR letter 99-7.
 8. *Formal and Informal Corrective Actions*. This revised section discusses various statutory provisions regarding such actions, including actions that must be taken by the Federal Reserve. The discussion on prompt-corrective-action directives, including the potential assessment of civil money penalties against a bank or company, or any of its institution-affiliated parties, for noncompliance is also revised. Included are the Federal Reserve's supervisory concerns and guidance on the FDIC's regulations on indemnification agreements and payments. See SR letter 02-17.
 9. *International—Country Risk and Transfer Risk*. The former international-transfer-risk section is revised to include the February 22, 2002, interagency supervisory and examination guidance on an effective country-risk management process. Country risk is the risk that economic, social, or political conditions in a foreign country might adversely affect an organization's financial condition, primarily through impaired credit quality or transfer risk. (Transfer risk is a subset of country risk.) The new guidance supplements and strengthens the existing guidance. Examiners' responsibilities are discussed for ensuring that a bank's management of its country risks are appropriately addressed during the bank examination process. Revised examination objectives, procedures, and an internal-control questionnaire are included. See SR letter 02-5.
- A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Fulfillment, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (or charge by facsimile: 202-728-5886). The *Manual* is also available on the Board's public web site at www.federalreserve.gov/boarddocs/supmanual/.

ENFORCEMENT ACTION

The Federal Reserve Board on December 19, 2002, announced the execution of a Written Agreement by and among Metamora Bancorp, Inc., Metamora, Ohio; The Metamora State Bank, Metamora, Ohio; the Federal Reserve Bank of Cleveland; and the Ohio Division of Financial Institutions.

CHANGES IN BOARD STAFF

The Board of Governors has approved the following officer promotions and appointments in the Division of Consumer and Community Affairs:

- The promotion of Sandra F. Braunstein to Senior Associate Director
- The promotion of Maureen P. English, Adrienne D. Hurt, and Irene Shawn McNulty to Associate Directors
- The appointment of James A. Michaels and Tonda E. Price as Assistant Directors.

Mr. Michaels manages the financial services section of the division's regulations program, which administers consumer protection laws that include the Truth in Lending, Consumer Leasing, and Home

Ownership and Equity Protection Acts. He joined the Board's Legal Division in 1984 as an attorney in the litigation and enforcement section and transferred to the Division of Consumer and Community Affairs in 1995. Mr. Michaels holds a bachelor of arts degree from the University of Pennsylvania and a law degree from George Washington University.

Ms. Price is responsible for oversight of the division's automation and administrative programs. She joined the Board's Division of Information Resources Management in 1983 and transferred to the Division of Consumer and Community Affairs in 1993 to manage the information systems section. Ms. Price holds a bachelor of science degree in mathematics from Norfolk State University and a master of business administration from the New York Institute of Technology. □

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

*Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Rabobank Nederland
Utrecht, The Netherlands*

Order Approving the Acquisition of a Bank Holding Company and Bank

Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Rabobank Nederland (“Rabobank”), a foreign banking organization, has requested the Board’s approval under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) (“BHC Act”) to become a bank holding company by acquiring all the voting shares of VIB Corp (“VIB”), and thereby indirectly acquiring its subsidiary bank, Valley Independent Bank (“Valley Bank”), both in El Centro, California.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (67 *Federal Register* 58,054 (2002)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

Rabobank, with total consolidated assets of \$367 billion, is one of the largest banking organizations in The Netherlands.¹ Rabobank operates a branch in New York, an agency in Texas, and representative offices in California, Georgia, Illinois, and the District of Columbia. Rabobank also engages through its subsidiaries in a broad range of permissible nonbanking activities in the United States.

VIB, with total consolidated assets of \$1.3 billion, is the 29th largest commercial banking organization in California.² Valley Bank, with total assets of \$1.3 billion, controls deposits of \$969 million in California, representing less than 1 percent of total deposits of insured depository institutions in the state. The proposed transaction would be Rabobank’s first acquisition of a bank in the United States.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving any proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant market. The BHC Act also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market unless the Board finds that the anticompetitive effects of the proposal clearly are outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.³

This proposal represents Rabobank’s initial entry into retail banking in California. There is no evidence in this case that the transaction would lessen competition or create a monopoly in any relevant market. Based on this and all the facts of record, the Board has determined that competitive factors are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act (“CRA”).⁴ The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with safe and sound operation, and requires the appropriate federal supervisory agency to take into account an institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (“LMI”) neighborhoods, in evaluating bank expansion proposals.

Rabobank does not currently operate an insured depository institution in the United States that is subject to the CRA. Rabobank has represented that it will maintain and support Valley Bank’s CRA program and that Rabobank’s capacity to provide long-term funding will further enhance these programs. The Board has carefully considered the convenience and needs factor and the CRA performance records of the insured depository institutions involved in light of all the facts of record, including public comments

1. Asset and ranking data for Rabobank are as of June 30, 2002, and are based on the exchange rate then applicable.

2. Asset and deposit data for VIB and Valley Bank are as of September 30, 2002. Ranking data for VIB and Valley Bank are as of June 30, 2002. In this context, depository institutions include commercial banks, savings banks, and savings associations.

3. 12 U.S.C. § 1842(c)(1).

4. 12 U.S.C. § 2901 *et seq.*

received regarding the proposal and Valley Bank's record under the CRA.⁵

A. CRA Performance Evaluations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations by the appropriate federal supervisors of the relevant insured depository institutions. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.⁶

VIB's sole subsidiary bank, Valley Bank, received a rating of "satisfactory" from the Federal Reserve Bank of San Francisco at its most recent CRA evaluation, as of February 26, 2001 (the "2001 Evaluation").⁷ The Board has carefully reviewed the 2001 Evaluation and has considered confidential supervisory information and other information regarding the CRA performance and fair lending record of Valley Bank since its last CRA performance evaluation.

In that evaluation, examiners noted no evidence of prohibited discrimination or other illegal credit practices at Valley Bank, KRS Bank, or Stockdale Bank and found no substantive violations of fair lending laws. Examiners also reviewed the assessment areas delineated by Valley Bank and did not report that these assessment areas were unreasonable or reflected an arbitrary exclusion of LMI areas.

B. CRA Performance Record of VIB

Valley Bank received a "high satisfactory" rating under the lending test in the 2001 Evaluation. Valley Bank focuses its lending on agricultural and commercial loans. The 2001 Evaluation noted that as of December 31, 2000, approximately two-thirds of Valley Bank's loan portfolio (over \$362 million) was composed of commercial and agricultural loans. The 2001 Evaluation stated that Valley

Bank had strong lending levels and responded to community credit needs, especially in lending to small businesses.⁸ Examiners reported that Valley Bank's lending record during the period covered by the 2001 Evaluation (the "review period") demonstrated good penetration throughout its assessment area, including LMI geographies.⁹ Valley Bank extended approximately \$47.7 million in small loans to businesses and small farm loans during the review period, of which 90 percent by number and 76 percent by dollar volume were in its assessment area.¹⁰ In Imperial and Riverside Counties, approximately 45.5 percent by number and 42.9 percent by dollar volume of Valley Bank's small loans to businesses and small farm loans were made in LMI census tracts. Examiners noted that in both Imperial and Riverside Counties, the majority of Valley Bank's business and farm loans was extended to businesses and farms with gross annual receipts of \$1 million or less.

Rabobank has represented that since the 2001 Evaluation, Valley Bank has originated an additional \$34.5 million of small farm loans and \$138.5 million of small loans to businesses, all in its assessment areas. In addition, the Board analyzed 2000 and 2001 data for Valley Bank's small loans to businesses and loans to small businesses in its assessment area and found that by number and dollar volume, in both minority and LMI census tracts, Valley Bank's lending exceeded that of lenders in the aggregate.

The 2001 Evaluation noted Valley Bank's participation in flexible lending programs aimed at small businesses and LMI individuals who might not qualify for more traditional loan products. Valley Bank, as a Small Business Administration ("SBA") Preferred Lender, originated more than \$10 million of SBA loan products during the review period. In addition, Valley Bank originated more than \$2 million in loans during the review period under the Department of Agriculture's Business & Industry Guarantee Loan Program designed to aid businesses that improve rural economies. Examiners also noted Valley Bank's participation in a lending program for small businesses sponsored by the California Southern Small Business Development Corporation that focuses on minority-owned, women-owned, and start-up small businesses in Valley Bank's assessment area.¹¹ Examiners noted that Valley Bank had extended

5. A community group submitted comments opposing the proposal and expressing concerns about the record of VIB in meeting the convenience and needs of the communities it serves. In particular, the commenter criticized VIB's record of home mortgage and small business lending to LMI and minority borrowers.

6. See *Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 (2001).

7. VIB acquired Bank of Stockdale, F.S.B., Bakersfield ("Stockdale Bank"), in January 1999 and Kings River State Bank, Reedley ("KRS Bank"), both in California, in January 2000. KRS Bank and Stockdale Bank were merged into Valley Bank in May 2001, and continue to operate under their original names as divisions of Valley Bank. The CRA programs of KRS Bank and Stockdale Bank have not been evaluated for CRA purposes since their acquisition by VIB. The Board has carefully reviewed the most recent CRA performance evaluations of KRS Bank and Stockdale Bank. KRS Bank received a rating of "satisfactory" from its primary federal supervisor, the Federal Deposit Insurance Corporation ("FDIC"), at its most recent CRA evaluation as of February 10, 1998. Stockdale Bank received a rating of "satisfactory" from its primary federal supervisory, the Office of Thrift Supervision, at its most recent CRA evaluation as of November 12, 1997.

8. In this context, "loans to small businesses" includes loans to businesses with gross annual revenues of \$1 million or less, and "small loans to businesses" includes loans of \$1 million or less to businesses.

9. Valley Bank's assessment areas for the 2001 Evaluation included Imperial, Riverside, and parts of San Diego Counties, all in California. Examiners noted that Valley Bank has a very limited presence in San Diego County. Approximately 98 percent of the small business and small farm loans Valley Bank made in its assessment areas during the review period were originated in Imperial and Riverside Counties.

10. The review period for the 2001 Evaluation was January 1 through December 31, 2000, for the lending test, while activity under the investment and service tests was reviewed from February 23 to December 31, 2000.

11. The commenter contended that VIB does not participate in any home lending or lending for small businesses programs aimed at minority borrowers. The Board notes that neither the BHC Act nor the CRA require a bank to establish specific types of lending programs or

approximately \$2.5 million in community development loans in its assessment areas. These loans benefited various community organizations, including local school districts and affordable housing projects. Rabobank has represented that since the 2001 Evaluation, Valley Bank has originated more than \$60 million in community development loans, including loans to programs that provide affordable housing for agricultural workers and LMI individuals, health care projects, and schools serving low-income families in rural communities. Although Valley Bank is primarily an agricultural and commercial lender, the bank also originated \$1.8 million in home-equity loans during the review period under a loan program it designed to assist LMI homeowners in LMI geographies.

Valley Bank received a "high satisfactory" rating for investment activities in the 2001 Evaluation. Examiners reported that Valley Bank's level of qualified investments had increased more than 200 percent since its previous CRA evaluation and noted that the bank's record of qualified investments and grant activity demonstrated an improved responsiveness to the credit needs and community development initiatives of its assessment areas.¹² The 2001 Evaluation attributed the increase in Valley Bank's qualified investments to the bank's proactive investment strategy. Examiners noted that Valley Bank's qualified investments primarily benefited affordable housing programs, local redevelopment organizations, school districts, and youth programs.

Rabobank has represented that during 2001 and 2002, Valley Bank continued to support the affordable housing needs of its communities and made more than \$11.3 million in qualified investments in LMI housing programs in its assessment area. Rabobank has stated that it would continue to seek out and support long-term qualified investments, including programs supporting affordable housing.

Valley Bank's retail banking and community development services were also reviewed in the 2001 Evaluation. Examiners reported that the bank's retail delivery systems were generally accessible to most portions of its assessment area; more than half of Valley Bank's branches and automated teller machines ("ATMs") were in moderate-income communities. In addition, examiners reported that Valley Bank maintained alternative delivery systems through its 24-hour telephone banking line, informational website, and ATMs that offer services in English or Spanish.¹³

The 2001 Evaluation also noted Valley Bank's involvement in providing numerous community development ser-

vices to organizations that serve LMI individuals and small businesses. Since then, according to Rabobank, Valley Bank has developed a Small Business Outreach Program in coordination with the Coachella Valley Mexican American Chamber of Commerce. Through this program, Valley Bank provides certain business and development information in English and Spanish for small businesses in economically disadvantaged areas.

C. HMDA Data and Fair Lending Record

The Board also has carefully considered VIB's lending record in light of comments on data reported under the Home Mortgage Disclosure Act, 12 U.S.C. §2801 *et seq.* ("HMDA"), by its subsidiaries.¹⁴ As noted above, Valley Bank is primarily a commercial and agricultural lender and these types of loans are not reported under HMDA.

In addition to its small business and small farm lending, Valley Bank engages to some extent in HMDA-reportable home mortgage lending. HMDA data for 2000 and 2001 indicate that the percentage of VIB's housing-related loans to Hispanic borrowers and in predominantly minority census tracts lagged that of lenders in the aggregate in the markets reviewed. The HMDA data for these loans also indicate that a disparity exists between VIB's denial rates for Hispanic applicants and its denial rates for nonminority applicants. These disparities generally were higher than the denial disparity ratios¹⁵ for lenders in the aggregate with respect to the total HMDA-reportable loans in Valley Bank's assessment areas.¹⁶

Although the HMDA data reflect certain disparities, the data do not indicate that VIB is excluding any segment of the population or geographic areas on a prohibited basis. The Board nevertheless is concerned when the record of an institution indicates disparities in lending and believes that all banks are obligated to ensure that their lending practices are based on criteria to ensure not only safe and sound lending, but also equal access to credit by creditworthy applicants regardless of their race or income level. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about covered loans.¹⁷ HMDA data, therefore, have limitations that make them an

14. The commenter alleged that VIB's 2001 HMDA data indicated that VIB disproportionately excluded and denied Hispanic applicants for home mortgage loans.

15. The denial disparity ratio compares the denial rate for minority loan applicants with that for nonminority applicants.

16. These disparities are reflected in the rates of loan applications, originations, and denials.

17. The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

to provide specific types of credit. Rather, the CRA focuses the attention of the banking agencies on encouraging insured depository institutions to help serve the needs of LMI neighborhoods as well as the credit needs of other areas in the community. As noted above, Valley Bank engages primarily in commercial and agricultural lending and does so throughout its community, including LMI areas.

12. The commenter expressed concern about the level of Valley Bank's qualified investment and grant activities and alleged that programs supported by the bank do not address the needs of agricultural workers and LMI or minority individuals.

13. In the commenter's view, Valley Bank provides inadequate Spanish-language lending and business services.

inadequate basis, absent other information, for concluding than an institution has not assisted adequately in meeting its community's credit needs or has engaged in illegal lending discrimination.

Because of the limitations of HMDA data, the Board has considered these data carefully in light of other information, including examination reports that provide an on-site evaluation of compliance with fair lending laws by VIB's current and former bank subsidiaries. As previously noted, examiners found no evidence of prohibited discrimination or other substantive violations of the fair lending laws at Valley Bank or its predecessors. Moreover, the Board has reviewed confidential supervisory information and other information about Valley Bank's fair lending compliance record since its most recent compliance examination. The Board has also considered the HMDA data in light of the fact that Valley Bank has only limited involvement in housing-related lending and in light of Valley Bank's overall lending and community development lending activities, which show that Valley Bank significantly assists in helping to meet the agricultural and small business credit needs of its entire community. The Board believes that, viewed in light of the entire record, the HMDA data indicate that VIB's record of performance in helping to serve the needs of its communities is consistent with approval of the proposal.

D. Conclusion on Convenience and Needs Considerations

In reviewing the effects of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered the entire record, all the information provided by the commenter and Rabobank, evaluations of the CRA performance of the subsidiary banks of VIB, and confidential supervisory information.¹⁸ Based on all the facts of record and for reasons discussed above, the Board concludes that considerations relating to the convenience and needs factors including the CRA performance records of the relevant depository institutions, are consistent with approval.

Financial, Managerial, and Supervisory Considerations

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal and certain other

18. The commenter urged the Board to condition approval of this proposal on Rabobank entering into a CRA commitment acceptable to the commenter. The Board notes that the CRA requires the Board, in considering an acquisition proposal, to review carefully the actual performance records of the relevant depository institutions in helping to meet the credit needs of the communities. Neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges concerning future performance under the CRA. Future activities of Rabobank's subsidiary bank will be reviewed by the appropriate federal supervisors in future CRA performance evaluations, and these CRA performance evaluations will be considered by the Board in any subsequent applications by Rabobank to acquire a depository institution.

supervisory factors. Rabobank's capital levels exceed the minimum levels that would be required under the Basel Capital Accord, and its capital levels are considered equivalent to the capital levels that would be required of a U.S. banking organization. Rabobank will finance the acquisition of VIB with internally available funds and will not incur any additional debt in connection with this transaction. In assessing the financial and managerial strength of Rabobank, the Board has reviewed information provided by Rabobank, confidential supervisory and examination information, and publicly reported and other financial information. In addition, the Board has consulted with relevant supervisory authorities, including those in The Netherlands. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval.¹⁹

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign banking organization unless it is "subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country."²⁰ The home country supervisor of Rabobank is De Nederlandsche Bank N.V. ("DNB"), which is responsible for the supervision and regulation of Dutch financial institutions.

In approving previous applications, the Board has determined that Rabobank and other Dutch banks are subject to comprehensive consolidated supervision by the DNB.²¹ In this case, the Board finds that DNB supervises Rabobank in substantially the same manner as it supervised other Dutch banks at the time of those previous determinations. Based on this finding and all the facts of record, the Board concludes that Rabobank continues to be subject to comprehensive supervision on a consolidated basis by its home country supervisor.

In addition, section 3 of the BHC Act requires the Board to determine that a foreign bank has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its

19. The commenter alleged that VIB's senior management does not appear to include any minority individuals. The racial or ethnic composition of a bank holding company's management is outside the limited statutory factors that the Board is authorized to consider when reviewing an application under the BHC Act. See *Union Bank of Switzerland*, 84 *Federal Reserve Bulletin* 684 (1998); see also *Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973).

20. 12 U.S.C. § 1842(c)(3)(B). Under Regulation Y, the Board uses the standard enumerated in Regulation K to determine whether a foreign bank that has applied under section 3 of the BHC Act is subject to consolidated home country supervision. See 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank will be considered to be subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised and regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the bank, including its relationship to affiliates, to assess the bank's overall financial condition and its compliance with laws and regulations. See 12 C.F.R. 211.24(c)(1).

21. See *Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Rabobank Nederland*, 80 *Federal Reserve Bulletin* 947 (1994). See, also, *ING Bank*, 85 *Federal Reserve Bulletin* 448 (1999).

affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.²² The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Rabobank operates and has communicated with appropriate government authorities concerning access to information. In addition, Rabobank has committed to make available to the Board such information on the operations of Rabobank and its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act and other applicable federal law. Rabobank also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable Rabobank and its affiliates to make such information available to the Board. In light of these commitments, the Board concludes that Rabobank has provided adequate assurances of access to any appropriate information that the Board may request. Based on these and all the other facts of record, the Board concludes that the supervisory factors it is required to consider are consistent with approval.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the proposed transaction should be, and hereby is, approved.²³ In reaching its conclusion, the Board has considered all the facts of record that it is required to consider under the BHC Act and other applicable statutes.

The Board's approval is specifically conditioned on compliance by Rabobank with all its commitments made in connection with the application, and specifically Rabobank's commitments on access to information and on the Board's receiving access to information on the operations or activities of Rabobank and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by Rabobank and its affiliates with applicable federal statutes. If any restrictions on access to information on the operations or activities of Rabobank

22. See 12 U.S.C. § 1842(c)(3)(A).

23. The commenter requested that the Board hold a public hearing or meeting on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authority.

Under its rules, the Board also may, in its discretion, hold a public hearing or meeting on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). The Board has considered carefully the commenter's request in light of all the facts of record. In the Board's view, commenters have had ample opportunity to submit their views, and the commenter has submitted written comments that have been considered carefully by the Board in acting on the proposal. The commenter's request fails to demonstrate why its written comments do not present its evidence adequately and fails to identify disputed issues of fact that are material to the Board's decision that would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the request for a public meeting or hearing on the proposal is denied.

and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Rabobank or its affiliates with applicable federal statutes, the Board may require termination of Rabobank's direct or indirect activities in the United States. All the commitments and conditions on which the Board has relied in granting its approval, including the commitments and conditions specifically described above, are conditions imposed in writing by the Board in connection with its findings and decisions and, as such, may be enforced in proceedings under applicable law.

The acquisition of VIB may not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 12, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Illini Corporation Springfield, Illinois

Order Denying the Acquisition of a Bank Holding Company

Illini Corporation ("Illini"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all the voting shares of Illinois Community Bancorp, Inc., ("Illinois Community"), and thereby acquire Illinois Community Bank ("ICB"), both in Effingham, Illinois.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (67 *Federal Register* 1,357 (2002)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

Illini is the 123rd largest banking organization in Illinois, controlling deposits of \$253 million, representing less than 1 percent of total deposits in depository institutions in the state ("state deposits").¹ Illinois Community is the 474th largest banking organization in Illinois, controlling deposits of \$49.2 million, representing less than 1 percent of state deposits. On consummation of the proposal, Illini would become the 100th largest banking organization in

1. State deposit and ranking data are as of June 30, 2002, and reflect acquisitions as of December 6, 2002. In this context, depository institutions include commercial banks, savings associations, and savings banks.

Illinois, controlling deposits of \$302.1 million, representing less than 1 percent of state deposits.

In evaluating an application under section 3 of the BHC Act, the Board is required to take into consideration the financial and managerial resources and future prospects of Illini, Illinois Community, and their subsidiary banks.² A review of the financial factors includes evaluation of the current and pro forma capital positions and levels of indebtedness of the companies and banks involved.³ The Board previously has stated that a bank holding company must serve as a source of financial and managerial strength to its subsidiary banks.⁴ In assessing the financial and managerial resources and future prospects of the two organizations and their subsidiary banks and the effect the transaction may be reasonably expected to have on these resources, the Board has evaluated examination and inspection reports and other supervisory information and has consulted with the relevant banking supervisors, including the Federal Deposit Insurance Corporation ("FDIC") and the Illinois Office of Banks and Real Estate ("OBRE"). The Board also has considered information submitted by Illini, including its plans to raise additional capital in the future, and public information about the financial resources of the companies involved in this case.

In the past, the Board has indicated its concern over the ability of an applicant to serve as a source of strength to a bank it proposes to acquire when the applicant is experiencing weakness in its existing loan portfolio.⁵ Illini's consolidated nonperforming assets have increased since 2000. Illini already has a substantial level of debt, which is serviced primarily by earnings from its existing subsidiary banks. Although Illini would incur no additional debt in connection with the proposed acquisition of Illinois Community, Illini's existing levels of debt place substantial demands on the financial resources of its subsidiary banks and have adversely affected Illini's consolidated earnings.⁶ Moreover, the current level of Illini's capital on a consolidated basis is significantly below the level of similarly situated banking organizations.

Importantly, since March 31, 2001, ICB has been subject to a cease and desist order issued by the FDIC and the OBRE that, among other things, requires the bank to increase its tier one leverage capital ratio to at least 7 percent. Although Illini has informed the Board of its plans to raise additional capital, the timing of the completion of this plan is unclear, and it is uncertain whether the proposed amount of capital would be enough to meet the needs of both Illini and ICB.

The Board has considered these and all the other facts of record, including information about the capital and debt

levels of the companies involved, the quality of assets and the level of earnings of these companies, and other financial information. Based on this review, the Board concludes that the proposal as currently structured does not provide adequate assurances that Illini has or would have sufficient financial or managerial resources to effect this transaction in a safe and sound manner or would have the financial resources and flexibility to meet any unforeseen problems that might arise at the subsidiary banks of Illinois Community or Illini. Accordingly, the Board concludes that financial resources and future prospects of Illini and Illinois Community and their subsidiary banks are not consistent with approval of the proposal as currently structured.

The Board also has considered the other factors it is required to consider under the BHC Act. Illini and Illinois Community do not compete directly in any banking market, and based on all the facts of record, the Board concludes that consummation of the proposal is not likely to result in a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market. The Board also has considered the effects of the proposal on the convenience and needs of the community to be served and has taken into account the records of the relevant depository institutions under the Community Reinvestment Act ("CRA").⁷ All depository institutions involved in this proposal received satisfactory ratings at their most recent CRA performance evaluations by the FDIC.⁸ Illini proposes to offer new deposit products to ICB's customers. The Board concludes that the competitive and convenience and needs factors are consistent with approval of this proposal but that these factors, including the additional products Illini would provide, do not outweigh the adverse considerations discussed above.

For these reasons and based on all the facts of record, the Board has determined that the proposal does not meet the statutory requirements for approval under section 3 of the BHC Act. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective December 23, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

JENNIFER J. JOHNSON
Secretary of the Board

7. 12 U.S.C. § 2901 *et seq.*

8. The Interagency Questions and Answers Regarding Community Reinvestment provides that an institution's most recent CRA performance evaluation is an important consideration in the application process because it represents a detailed on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor. 66 *Federal Register* 36,620 and 36,639 (2001). Illini's two subsidiary banks are Illini Bank, Springfield and Farmers State Bank of Camp Point, Camp Point, both in Illinois. Illini Bank received a "satisfactory" rating as of January 1999, and Farmers State Bank of Camp Point received a "satisfactory" rating, as of February 1999. ICB received a "satisfactory" rating, as of October 1998.

2. 12 U.S.C. § 1842(c)(2).

3. 12 C.F.R. 225.13(b)(1).

4. 12 C.F.R. 225.4(a)(1); *Cherokee Bancorp*, 77 *Federal Reserve Bulletin* 324 (1991).

5. *Id.*; *Center Financial Corporation*, 76 *Federal Reserve Bulletin* 23 (1990).

6. In 2001, Illini issued trust preferred shares and repurchased shares from its largest shareholder group, which it financed by bank debt and unsecured notes payable to the shareholders.

ORDERS ISSUED UNDER BANK MERGER ACT

Bank of Hawaii Honolulu, Hawaii

Order Approving Merger of Banks and Establishment of Branches

Bank of Hawaii ("Bank"), a state member bank,¹ has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. §1828(c)) ("Bank Merger Act") to merge with First Savings and Loan Association of America, Dededo, Guam ("FSLA"), a federal savings and loan association, with Bank as the surviving institution. Bank has also applied under section 9 of the Federal Reserve Act (12 U.S.C. §321) ("FRA") to establish branches at the former locations of FSLA.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General and the other federal banking agencies. The time for filing comments has expired, and the Board has considered the applications and all the facts of record in light of the factors set forth in the Bank Merger Act and section 9 of the FRA.

Competitive Considerations

The Bank Merger Act prohibits the Board from approving an application if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking.³ The Bank Merger Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any relevant market, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effects of the transaction in meeting the convenience and needs of the communities to be served.⁴

The proposed merger of Bank and FSLA is a consolidation of two insured depository institutions under common ownership and, therefore, would not lessen competition in any relevant banking market. The Board has received no objections to the proposal from the Department of Justice or the other federal banking agencies. Accordingly, the Board concludes that consummation of the proposed transaction would not be likely to result in a significantly adverse effect on competition or on the concentration of

banking resources in any banking market, and that competitive factors are consistent with approval.

Financial and Managerial Resources and Future Prospects

The Bank Merger Act requires the Board to consider the financial and managerial resources and future prospects of the institutions involved in this proposal. The Board has reviewed these factors in light of all the facts of record, including supervisory reports of examination assessing the financial and managerial resources of Bank and FSLA, and information provided by Bank. Based on these and all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the institutions involved are consistent with approval of the proposal.

Convenience and Needs Considerations

The Bank Merger Act requires the Board to consider the convenience and needs of the communities to be served. The Board has carefully reviewed the effect of the proposal on the convenience and needs of the communities to be served in light of all the facts of record, including the records of performance of the relevant depository institutions under the Community Reinvestment Act ("CRA").⁵ The Board notes that Bank and FSLA received "outstanding" and "satisfactory" ratings respectively at their most recent CRA performance examinations.⁶ Based on all the facts of record, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the institutions involved, are consistent with approval of the proposal.

Establishment of Branches

Bank has also applied under section 9 of the FRA to establish branches at the former locations of FSLA. Guam law on intrastate branching provides that an out-of-state bank with an existing branch in Guam may not establish additional branches in Guam until the bank engages in an interstate merger transaction with a Guam-chartered bank. The Board has reviewed the proposal by Bank to operate branches at the current FSLA offices in light of this Guam law and applicable federal law. Because Bank already lawfully operates a branch in Guam, the establishment of additional branches in Guam is governed by section 24 of the Federal Deposit Insurance Act ("FDI Act").⁷ That section provides that a host State's intrastate branching laws apply to a branch in the host State of the out-of-State, State-chartered bank to the same extent that those laws apply to a branch of an out-of-State national bank. Section 36(c)(2) of the National Bank Act permits an out-of-state national bank with a branch in Guam to establish

1. Bank and FSLA are wholly owned subsidiaries of Bank of Hawaii Corporation, also in Honolulu, which is a bank holding company within the meaning of the Bank Holding Company Act, 12 U.S.C. §1842.

2. FSLA has offices at the locations in the attached appendix.

3. 12 U.S.C. §1828(c)(5)(A).

4. 12 U.S.C. §1828(c)(5)(B).

5. 12 U.S.C. §2901 *et seq.*

6. Bank received an "outstanding" CRA rating from the Federal Deposit Insurance Corporation, as of January 19, 2000, and FSLA received a "satisfactory" CRA rating from the Office of Thrift Supervision, as of July 2, 2001.

7. 12 U.S.C. §1831a(j)(1).

additional branches in Guam to the same extent as a bank chartered in Guam. Accordingly, under section 24 of the FDI Act, an out-of-State State bank with an existing branch in Guam may also establish additional branches in Guam. The Guam Superior Court has found that this provision of federal law overrides the Guam intrastate branching statute in a situation almost identical to the facts of this case.⁸

The Guam Banking Board has found that Bank meets the requirements for establishing additional branches in Guam and has approved this proposal.⁹ In light of the specific federal statute governing branching under the facts of this case and the determination by the Guam Banking Board to approve this proposal, the Board finds that Bank may establish and operate additional branches at the locations of FSLA's offices notwithstanding section 106601(c) of Guam's banking statutes.¹⁰

The Board also has considered the factors it is required to consider under section 9 of the FRA. For the reasons discussed in this order, the Board finds those factors to be consistent with approval.¹¹

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that these applications should be, and hereby are, approved. Approval of the applications is specifically conditioned on Bank's compliance with all the representations and commitments made in connection with this proposal and on its receipt of all required regulatory approvals. For purposes of this action, the representations and commitments relied on in reaching this decision are conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

8. See *Bank of Guam v. Guam Banking Board*, Civil No. SP0234-01 (Guam Sup. Ct. April 24, 2002); accord *Nat'l R.R. Passenger Corp. v. Miller*, 358 F. Supp. 1321 (D. Kan. 1973), *aff'd*, 414 U.S. 948 (1973).

9. On September 19, 2002, the Guam Banking Board approved Bank's application to establish additional branches in Guam as a result of this proposal.

10. See 11 G.C.A. § 106601(c).

11. See 12 U.S.C. § 322.

The merger may not be consummated before the fifteenth calendar day after the effective date of this order, or later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 12, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Appendix

FSLA Offices to be Acquired by Bank of Hawaii

1. 136 Kayen Chando Street
Dededo, Guam 96921
2. 140 Aspinal Street
Hagatna, Guam 96910
3. 118 Agana Shopping Center
Hagatna, Guam 96910
4. 1088 West Marine Drive
Hagatna, Guam 96910
5. 291 Farenholt Avenue
Tamuning, Guam 96911
6. 525 Chalen Ramon Haya
Yigo, Guam 96929

*APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By Secretary of the Board*

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 4

Applicant(s)	Bank(s)	Effective Date
Wells Fargo & Company, San Francisco, California	Montgomery Asset Management, LLC, San Francisco, California	December 23, 2002
Wells Fargo Funds Management, LLC, San Francisco, California		
Wells Capital Management Incorporated, Los Angeles, California		

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Ambanc Financial Services, Inc., Beaver Dam, Wisconsin	Central Lakes Bancorporation, Inc., Necedah, Wisconsin Necedah Bank, Necedah, Wisconsin	Chicago	December 13, 2002
Bridge Street Financial, Inc., Oswego, New York	Oswego County National Bank, Oswego, New York	New York	December 31, 2002
CenterState Banks of Florida, Inc., Winter Haven, Florida	CenterState Bank of Florida, Winter Haven, Florida	Atlanta	December 9, 2002
Central Missouri Shares, Inc., Lebanon, Missouri	Central Shares, Inc., Lebanon, Missouri Central Bank, Lebanon, Missouri	St. Louis	December 16, 2002
Commerce Bancorp, Cherry Hill, New Jersey	The Bancorp Inc., Wilmington, Delaware	Philadelphia	December 31, 2002
Community Financial Corporation, Owatonna, Minnesota	Community Bank Owatonna, Owatonna, Minnesota	Minneapolis	December 6, 2002
FBOP Corporation, Oak Park, Illinois	PNB Financial Corp., Chicago, Illinois Park National Bank and Trust of Chicago, Chicago, Illinois	Chicago	December 27, 2002
First Bancorp, Troy, North Carolina	Carolina Community Bancshares, Inc., Latta, South Carolina	Richmond	December 17, 2002
First Federal Financial Corporation of Kentucky, Elizabethtown, Kentucky	First Federal Savings Bank of Elizabethtown, Inc., Elizabethtown, Kentucky	St. Louis	December 24, 2002

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Interstate Bancsystem, Inc., Billings, Montana	Silver Run Bancorporation, Inc., Red Lodge, Montana United States National Bank of Red Lodge, Red Lodge, Montana	Minneapolis	December 11, 2002
First State Associates, Inc., Hawarden, Iowa	Hawarden Banking Company, Hawarden, Iowa	Chicago	December 4, 2002
Old O'Brien Banc Shares, Inc., Sutherland, Iowa			
First State Bancorp, Granada Hills, California	First State Bank of California, Granada Hills, California	San Francisco	December 20, 2002
Harrodsburg First Financial Bancorp, Inc., Harrodsburg, Kentucky	Independence Bancorp, New Albany, Indiana Independence Bank, New Albany, Indiana	St. Louis	December 6, 2002
Herky Hawk Financial Corp., Monticello, Iowa	Munter Agency, Inc., Strawberry Point, Iowa Union Bank & Trust Company, Strawberry Point, Iowa	Chicago	December 20, 2002
Independent Holdings, Inc., Memphis, Tennessee	Independent Bank, Memphis, Tennessee	St. Louis	December 17, 2002
Liberty Financial Group, Inc., Eugene, Oregon	LibertyBank, Eugene, Oregon	San Francisco	December 9, 2002
Maedgen & White, Ltd., Dallas, Texas	Independent Financial, Inc., Lubbock, Texas	Dallas	December 11, 2002
Plains Capital Corporation, Dallas, Texas	Whisperwood National Bank, Lubbock, Texas		
Marshfield Investment Company Employee Stock Ownership Plan and Trust, Springfield, Missouri	Marshfield Investment Company, Springfield, Missouri Metropolitan National Bank, Springfield, Missouri First National Bank, Lamar, Missouri Bank of Kimberling City, Kimberling City, Missouri	St. Louis	December 13, 2002
Mercantile Bancorp, Inc., Quincy, Illinois	New Frontier Bancshares, Inc., St. Charles, Missouri	St. Louis	December 13, 2002
Neighbors Bancshares, Inc., Roswell, Georgia	Neighbors Bank, Roswell, Georgia	Atlanta	December 18, 2002
New CCB, Inc., Sandy, Oregon	CCB Financial Corporation, Sandy, Oregon Clackamas County Bank, Sandy, Oregon	San Francisco	December 26, 2002
New West Banks of Colorado, Inc., Greeley, Colorado	New West Bank, Greeley, Colorado	Kansas City	December 30, 2002
Pinnacle S-Corp, Inc., Elberton, Georgia	Pinnacle Bank, Elberton, Georgia	Atlanta	December 6, 2002
Prairieland Bancorp Employee Stock Ownership Plan and Trust, Bushnell, Illinois	Prairieland Bancorp, Inc., Bushnell, Illinois Farmers and Merchants State Bank, Bushnell, Illinois	Chicago	December 20, 2002
Reynolds, Teague, Thurman Financial Corp., Moody, Texas	First National Bank of Moody, Moody, Texas	Dallas	December 4, 2002
RTT Delaware Holdings Inc., Wilmington, Delaware			

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Synovus Financial Corp., Columbus, Georgia	FNB Bankshares, Inc., Covington, Georgia First Nation Bank, Covington, Georgia	Atlanta	December 20, 2002
Tate Interim, Inc., Senatobia, Mississippi	Tate Financial Corporation, Senatobia, Mississippi Senatobia Bank, Senatobia, Mississippi	St. Louis	December 16, 2002
TCB S-Corp, Inc., Greenwood, South Carolina	Countybank, Greenwood, South Carolina	Richmond	December 9, 2002

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BB&T Corporation, Winston-Salem, North Carolina	Equitable Bank, Wheaton, Maryland	Richmond	December 26, 2002
Boston Private Financial Holdings, Inc., Boston, Massachusetts	Coldstream Holdings, Inc., Bellevue, Washington Coldstream Capital Management, Inc., Bellevue, Washington Coldstream Securities, Inc., Bellevue, Washington	Boston	December 16, 2002
Castle Creek Capital Partners Fund IIA, LP, Rancho Santa Fe, California Castle Creek Capital Partners Fund IIB, LP Rancho Santa Fe, California	Union Acceptance Corporation, Indianapolis, Indiana	San Francisco	December 24, 2002
Eagle Investment Company, Inc., Glenwood, Minnesota	To engage <i>de novo</i> in extending loans	Minneapolis	December 12, 2002
Eggemeyer Advisory Corp., Rancho Santa Fe, California WJR Corp., Rancho Santa Fe, California	Union Acceptance Corporation, Indianapolis, Indiana Castle Creek Capital Partners Fund IIB, LP, Rancho Santa Fe, California	San Francisco	December 24, 2002
Castle Creek Capital LLC, Rancho Santa Fe, California	Castle Creek Capital Partners Fund I, LP, Rancho Santa Fe, California		
Minnwest Corporation, Minnetonka, Minnesota	Minnwest Investment and Insurance Center, Inc., Montevideo, Minnesota	Minneapolis	December 17, 2002
MountainBank Financial Corporation, Hendersonville, North Carolina	Trustco Holding, Inc., Greenville, South Carolina	Richmond	December 24, 2002
State Bankshares, Inc., Fargo, North Dakota	State Bank of Moorehead, Moorehead, Minnesota Northern Capital Holding Company, Fargo, North Dakota	Minneapolis	November 27, 2002
Vision Bancshares, Inc., Gulf Shores, Alabama	Vision Bank, FSB, Panama City, Florida	Atlanta	December 30, 2002

*APPLICATIONS APPROVED UNDER BANK MERGER ACT
By Federal Reserve Banks*

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Interstate Bank, Billings, Montana	United States National Bank of Red Lodge, Red Lodge, Montana	Minneapolis	December 26, 2002
PNG Financial Bank, Lubbock, Texas	Whisperwood National Bank, Lubbock, Texas	Dallas	December 11, 2002
M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin	Southwest Bank of Arizona, Phoenix, Arizona	Chicago	December 12, 2002

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Albrecht v. Board of Governors, No. 02-5325 (D.C. Cir., filed October 18, 2002). Appeal of district court order dismissing challenge to the method of funding of the retirement plan for certain Board employees.

Caesar v. United States, No. 02-0612 (EGS) (D.D.C.), removed on April 1, 2002 from No. 02-1502 (D.C. Superior Court, originally filed March 1, 2002). Action seeking damages for personal injury.

Community Bank & Trust v. United States, No. 01-571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging

on constitutional grounds the failure to pay interest on reserve accounts held at Federal Reserve Banks.

Artis v. Greenspan, No. 01-CV-0400 (EGS) (D.D.C., complaint filed February 22, 2001). Employment discrimination action. On August 15, 2001, the district court consolidated the action with *Artis v. Greenspan*, No. 99-CV-2073 (EGS) (D.D.C., filed August 3, 1999), also an employment discrimination action.

Fraternal Order of Police v. Board of Governors, No. 1:98CV03116 (WBB)(D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board labor practices.

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SYMBOLS AND ABBREVIATIONS

c	Corrected	G-10	Group of Ten
e	Estimated	GDP	Gross domestic product
n.a.	Not available	GNMA	Government National Mortgage Association
n.e.c.	Not elsewhere classified	GSE	Government-sponsored enterprise
p	Preliminary	HUD	Department of Housing and Urban Development
r	Revised (Notation appears in column heading when about half the figures in the column have been revised from the most recently published table.)	IMF	International Monetary Fund
*	Amount insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is in millions)	IOs	Interest only, stripped, mortgage-backed securities
0	Calculated to be zero	IPCs	Individuals, partnerships, and corporations
. . .	Cell not applicable	IRA	Individual retirement account
ABS	Asset-backed security	MMDA	Money market deposit account
ATS	Automatic transfer service	MSA	Metropolitan statistical area
BIF	Bank insurance fund	NAICS	North American Industry Classification System
CD	Certificate of deposit	NOW	Negotiable order of withdrawal
CMO	Collateralized mortgage obligation	OCDs	Other checkable deposits
CRA	Community Reinvestment Act of 1977	OPEC	Organization of Petroleum Exporting Countries
FAMC	Federal Agriculture Mortgage Corporation	OTS	Office of Thrift Supervision
FFB	Federal Financing Bank	PMI	Private mortgage insurance
FHA	Federal Housing Administration	POs	Principal only, stripped, mortgage-backed securities
FHLBB	Federal Home Loan Bank Board	REIT	Real estate investment trust
FHLMC	Federal Home Loan Mortgage Corporation	REMICs	Real estate mortgage investment conduits
FmHA	Farmers Home Administration	RHS	Rural Housing Service
FNMA	Federal National Mortgage Association	RP	Repurchase agreement
FSA	Farm Service Agency	RTC	Resolution Trust Corporation
FSLIC	Federal Savings and Loan Insurance Corporation	SCO	Securitized credit obligation
G-7	Group of Seven	SDR	Special drawing right
		SIC	Standard Industrial Classification
		TIIS	Treasury inflation-indexed securities
		VA	Department of Veterans Affairs

GENERAL INFORMATION

In many of the tables, components do not sum to totals because of rounding.

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

“U.S. government securities” may include guaranteed issues of U.S. government agencies (the flow of funds figures also

include not fully guaranteed issues) as well as direct obligations of the U.S. Treasury.

“State and local government” also includes municipalities, special districts, and other political subdivisions.

A4 Domestic Financial Statistics □ February 2003

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2001	2002			2002				
	Q4	Q1 ^r	Q2 ^r	Q3 ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov.
<i>Reserves of depository institutions²</i>									
1 Total	-31.2	-9.7	-15.9	-9	11.2	11.3	-23.3	-10.9	19.9
2 Required	22.1	-9.2	-14.9	-3.6	7.2	3.5	-19.3	-13.7	18.6
3 Nonborrowed	-21.4	-9.3	-16.5	-2.4	9.7	7.1	-20.4	-8.3	15.9
4 Monetary base ³	6.4	9.1	8.1	7.2	8.4	4.3	.8	3.7	4.6
<i>Concepts of money⁴</i>									
5 M1	2.1	5.9	-6	2.4	7.3	-14.2	8.1	8.5	1.1
6 M2	9.5	5.4	3.3	10.3	12.7	9.5	5.3	10.2	9.8
7 M3	12.2	4.6	3.1	8.5	8.5	10.8	5.1	3.1	19.7
<i>Nontransaction components</i>									
8 In M2 ⁵	11.5	5.3	4.4	12.4	14.2	16.0	4.5	10.7	12.1
9 In M3 only ⁶	18.3	3.1	2.8	4.8	-5	13.6	4.7	-12.2	41.6
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	22.6 ^r	18.9	13.3	21.3	17.3	32.9	17.5	20.2	22.5
11 Small time ^r	-13.1 ^r	-17.0	-4.9	-6.3	-8.6	-9.3	-13.9	-12.3	-9.0
12 Large time ^{8,9}	-9.3	4.7	12.3	4.8	7.0	.2	.7	11.7	-20.8
<i>Thrift institutions</i>									
13 Savings, including MMDAs	29.4 ^r	29.5	22.1	21.6	23.3	25.8	22.2	29.1	16.6
14 Small time ^r	-9.3 ^r	-13.2	-15.3	-11.6	-8.5	-8.5	-10.9	-9.5	-6.4
15 Large time ⁸	3.0 ^r	1.0	-8.2	-2.1	2.2	14.0	6.4	10.6	10.5
<i>Money market mutual funds</i>									
16 Retail	7.9	-11.0	-10.5	9.0	24.0	-2	-17.2	-1.6	5.4
17 Institution-only	49.5	-3	2.9	.1	-4.6	-1.5	-14.3	-36.2	80.9
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	.7	9.6	-5.9	25.8	-1.6	81.4	59.1	-5.2	60.6
19 Eurodollars ¹⁰	-7.9 ^r	6.4	-6.4	-2.2	-1.2	23.5	23.1	15.7	19.5

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding during preceding month or quarter.

2. Figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements (See also table 1.20.)

3. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

4. Composition of the money stock measures is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds.

Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination

time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more), (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

5. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances, each seasonally adjusted separately.

6. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees, each seasonally adjusted separately.

7. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.

8. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

9. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2002			2002						
	Sept.	Oct.	Nov.	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	659,221	659,702	666,517	661,669	657,682	662,436	660,565	666,349	666,072	669,023
U.S. government securities ²										
2 Bought outright—System account ³	604,667	609,157	608,689	609,633	610,273	608,693	608,652	608,480	608,053	609,235
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	16,617	11,242	19,308	12,536	8,143	14,071	12,036	16,821	20,929	23,036
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	14	13	213	5	4	3	355	242	310	3
9 Seasonal credit	168	120	61	124	116	98	67	66	60	54
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	-262	363	104	658	366	211	36	649	-310	15
13 Other Federal Reserve assets	38,008	38,797	38,133	38,703	38,771	39,350	39,408	40,081	37,020	36,671
14 Gold stock	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042
15 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
16 Treasury currency outstanding	34,282	34,349	34,410	34,343	34,357	34,371	34,385	34,399	34,413	34,427
ABSORBING RESERVE FUNDS										
17 Currency in circulation	661,583	662,719	668,223	664,412	662,855	662,102	663,948	668,072	667,798	669,912
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	367	389	387	384	399	400	395	386	387	384
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,838	4,873	5,024	4,327	5,064	4,799	5,338	5,013	4,868	5,016
21 Foreign	101	164	118	77	341	157	116	77	147	125
22 Service-related balances and adjustments	10,178	10,266	10,483	10,299	10,297	10,183	10,423	10,328	10,460	10,625
23 Other	221	223	228	216	212	205	245	236	250	180
24 Other Federal Reserve liabilities and capital	19,399	19,530	19,765	19,535	19,391	19,651	19,855	20,012	19,791	19,483
25 Reserve balances with Federal Reserve Banks ⁵	9,056	9,128	9,943	10,005	6,723	12,552	7,870	9,867	10,026	10,968
End-of-month figures				Wednesday figures						
	Sept.	Oct.	Nov.	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	664,726	662,905	674,241	667,216	657,136	669,906	659,359	673,934	662,991	676,116
U.S. government securities ²										
2 Bought outright—System account ³	604,191	607,865	608,985	610,360	610,231	608,665	608,770	608,984	606,396	609,614
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	21,750	16,500	28,500	13,750	7,500	20,500	10,000	21,000	19,250	29,000
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	1	0	2	30	4	4	7	2	1	6
9 Seasonal credit	176	80	57	129	103	85	62	65	56	54
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	396	-695	-334	4,273	221	1,004	881	3,624	752	599
13 Other Federal Reserve assets	38,202	39,144	37,022	38,664	39,067	39,639	39,629	40,249	36,527	36,833
14 Gold stock	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042
15 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
16 Treasury currency outstanding	34,315	34,385	34,441	34,343	34,357	34,371	34,385	34,399	34,413	34,427
ABSORBING RESERVE FUNDS										
17 Currency in circulation	660,082	663,370	673,822	665,022	663,303	664,065	666,239	669,436	668,854	674,291
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	380	397	377	399	400	397	386	387	386	377
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	7,879	5,878	4,928	4,592	5,713	5,388	4,807	4,592	4,519	5,082
21 Foreign	150	89	78	75	128	238	72	76	72	224
22 Service-related balances and adjustments	10,170	10,423	10,685	10,299	10,297	10,183	10,423	10,328	10,460	10,625
23 Other	221	233	253	215	205	206	243	238	231	184
24 Other Federal Reserve liabilities and capital	19,719	19,720	19,616	19,283	19,372	19,581	19,571	19,693	19,307	19,435
25 Reserve balances with Federal Reserve Banks ⁵	13,682	10,422	12,166	14,916	5,316	17,461	5,245	16,825	6,819	13,566

1. Amounts of cash held as reserves are shown in table 1.12, line 2.

2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.

5. Excludes required clearing balances and adjustments to compensate for float.

A6 Domestic Financial Statistics □ February 2003

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages										
	1999	2000	2001	2002							
	Dec.	Dec.	Dec.	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	
1 Reserve balances with Reserve Banks ²	5,262	7,022	9,053 ^r	9,188	7,923	8,099	8,520	8,731	8,836	9,696	
2 Total vault cash ³	60,620	45,245	43,919 ^r	41,819	41,655	42,718	42,892	42,231	42,933	42,143	
3 Applied vault cash ⁴	36,392	31,451	32,024	31,104	30,694	31,313	31,335	30,176	29,849	29,446	
4 Surplus vault cash ⁵	24,228	13,794	11,895 ^r	10,716	10,961	11,406	11,557	12,055	13,084	12,697	
5 Total reserves ⁶	41,654	38,473	41,077 ^r	40,292	38,617	39,412	39,854	38,907	38,685	39,142	
6 Required reserves	40,357	37,046	39,428 ^r	39,030	37,378	38,038	38,217	37,431	37,134	37,525	
7 Excess reserve balances at Reserve Banks ⁷	1,297	1,427	1,649 ^r	1,261	1,238	1,374	1,637	1,476	1,550	1,616	
8 Total borrowing at Reserve Banks	320	210	67	112	142	191	333	229	143	272	
9 Adjustment	179	99	34	7	6	16	148	60	23	211	
10 Seasonal	67	111	33	105	136	176	185	169	120	60	
11 Special Liquidity Facility ⁸	74	0	0	0	0	0	0	0	0	0	
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0	
Biweekly averages of daily figures for two-week periods ending on dates indicated											
2002											
	Aug. 7 ^r	Aug. 21	Sept. 4 ^r	Sept. 18 ^r	Oct. 2 ^r	Oct. 16	Oct. 30 ^r	Nov. 13 ^r	Nov. 27	Dec. 11	
1 Reserve balances with Reserve Banks ²	8,022	7,694 ^r	10,024	7,666	9,543	7,935	9,634	8,864	10,497	9,562	
2 Total vault cash ³	43,479	43,499 ^r	41,632	41,581	43,190	43,452 ^r	42,464	41,719	42,604	41,826	
3 Applied vault cash ⁴	32,212	31,351	30,698	28,528	31,925	28,939 ^r	30,573	28,302	30,514	29,423	
4 Surplus vault cash ⁵	11,267	12,148 ^r	10,935	13,053	11,265	14,513 ^r	11,891	13,417	12,091	12,403	
5 Total reserves ⁶	40,233	39,045 ^r	40,722	36,194	41,468	36,874 ^r	40,207	37,166	41,010	38,985	
6 Required reserves	38,917	37,712	38,436	35,225	39,670	35,337	38,688	35,492	39,441	37,398	
7 Excess reserve balances at Reserve Banks ⁷	1,316	1,333 ^r	2,286	969	1,797	1,537	1,519	1,674	1,569	1,586	
8 Total borrowing at Reserve Banks	194	195	626	167	170	155	111	366	214	133	
9 Adjustment	14	9	438	4	1	25	4	299	157	83	
10 Seasonal	180	186	188	163	170	130	107	67	57	50	
11 Special Liquidity Facility ⁸	0	0	0	0	0	0	0	0	0	0	
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0	

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.
 2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
 3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.
 4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).
 6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
 7. Total reserves (line 5) less required reserves (line 6).
 8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.
 9. Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit ¹			Secondary credit ²			Seasonal credit ³		
	On 1/10/03	Effective date	Previous rate	On 1/10/03	Effective date	Previous rate	On 1/10/03	Effective date	Previous rate
Boston	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	1/9/03	1.30
New York	↑	↑	↑	↑	↑	↑	↑	↑	↑
Philadelphia									
Cleveland									
Richmond									
Atlanta									
Chicago									
St. Louis									
Minneapolis									
Kansas City									
Dallas									
San Francisco	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	1/9/03	1.30
	↓	↓	↓	↓	↓	↓	↓	↓	↓

Range of rates for primary credit

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Jan. 9, 2003 (beginning of program)	2.25	2.25						

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1995	5.25	5.25	2000—Feb. 2	5.00–5.25	5.25	2001—June 27	3.25–3.50	3.25
1996—Jan. 31	5.00–5.25	5.00	4	5.25	5.25	29	3.25	3.25
Feb. 3	5.00	5.00	Mar. 21	5.25–5.50	5.50	Aug. 21	3.00–3.25	3.00
1998—Oct. 15	4.75–5.00	4.75	23	5.50	5.50	23	3.00	3.00
16	4.75	4.75	May 16	5.50–6.00	5.50	Sept. 17	2.50–3.00	2.50
Nov. 17	4.50–4.75	4.50	19	6.00	6.00	18	2.50	2.50
19	4.50	4.50	2001—Jan. 3	5.75–6.00	5.75	Oct. 2	2.00–2.50	2.00
1999—Aug. 24	4.50–4.75	4.75	4	5.50–5.75	5.50	4	2.00	2.00
26	4.75	4.75	5	5.50	5.50	Nov. 6	1.50–2.00	1.50
Nov. 16	4.75–5.00	4.75	31	5.00–5.50	5.00	8	1.50	1.50
18	5.00	5.00	Feb. 1	5.00	5.00	13	1.25–1.50	1.25
			Mar. 20	4.50–5.00	4.50			
			21	4.50	4.50	2002—Nov. 6	0.75–1.25	0.75
			Apr. 18	4.00–4.50	4.00	7	0.75	0.75
			20	4.00	4.00			
			2001—May 15	3.50–4.00	3.50	In effect Jan. 8, 2003 (end of program)	0.75	0.75
			17	3.50	3.50			

1. Available for very short terms as a backup source of liquidity to depository institutions that are in generally sound financial condition in the judgment of the lending Federal Reserve Bank.

2. Available in appropriate circumstances to depository institutions that do not qualify for primary credit.

3. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayearly movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes

into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period.

4. Was available until January 8, 2003, to help depository institutions meet temporary needs for funds that could not be met through reasonable alternative sources. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Statistical Digest, 1970–1979, 1980–1989, and 1990–1995*. See also the Board's Statistics: Releases and Historical Data web pages (<http://www.federalreserve.gov/releases/H15/data.htm>).

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts²</i>		
1 \$0 million–\$42.1 million ³	3	12/26/02
2 More than \$42.1 million ⁴	10	12/26/02
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly, on a pass-through basis, with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. Under the Monetary Control Act of 1980, depository institutions include commercial banks, savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorized transfers for the purpose of making payments to third persons or others. However, accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month (of which no more than three may be by check, draft, debit card, or similar order payable directly to third parties) are savings deposits, not transaction accounts.

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 26, 2002, for depository institutions that report weekly, and with the period beginning January 16, 2003, for institutions that report quarterly, the amount was increased from \$41.3 million to \$42.1 million.

Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the

succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 26, 2002, for depository institutions that report weekly, and with the period beginning January 16, 2003, for institutions that report quarterly, the exemption was raised from \$5.7 million to \$6.0 million.

4. The reserve requirement was reduced from 12 percent to 10 percent on April 2, 1992, for institutions that report weekly, and on April 16, 1992, for institutions that report quarterly.

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to 1.5 percent for the maintenance period that began December 13, 1990, and to zero for the maintenance period that began December 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to zero on January 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1.5 years or more has been zero since October 6, 1983.

6. The reserve requirement on eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	1999	2000	2001	2002						
				Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. TREASURY SECURITIES²										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	0	8,676	15,503	1,047	3,524	3,656	4,838	529	750	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	464,218	477,904	542,736	45,376	70,978	53,015	45,828	63,083	53,314	62,947
4 For new bills	464,218	477,904	542,736	45,376	70,978	53,015	45,828	63,083	53,314	62,947
5 Redemptions	0	24,522	10,095	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	11,895	8,809	15,663	2,709	2,826	0	1,104	445	1,286	0
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	50,590	62,025	70,336	14,515	6,714	0	11,052	8,987	11,174	6,143
9 Exchanges	-53,315	-54,656	-72,004	-15,522	-9,031	0	-14,183	-5,040	-15,189	-5,435
10 Redemptions	1,429	3,779	16,802	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	19,731	14,482	22,814	1,142	1,439	0	1,755	1,921	0	0
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-44,032	-52,068	-45,211	-14,515	-1,620	0	-11,052	-629	-11,174	-6,143
14 Exchanges	42,604	46,177	64,519	15,522	8,639	0	13,283	3,396	15,189	5,435
Five to ten years										
15 Gross purchases	4,303	5,871	6,003	1,670	259	542	577	690	51	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-5,841	-6,801	-21,063	0	-5,094	0	0	-6,714	0	0
18 Exchanges	7,578	6,585	6,063	0	391	0	900	1,645	0	0
More than ten years										
19 Gross purchases	9,428	5,833	8,531	210	0	0	63	80	0	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-717	-3,155	-4,062	0	0	0	0	-1,645	0	0
22 Exchanges	3,133	1,894	1,423	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	45,357	43,670	68,513	6,777	8,048	4,198	8,336	3,665	2,087	0
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,429	28,301	26,897	0	0	0	0	0	0	0
<i>Matched transactions</i>										
26 Gross purchases	4,413,430	4,415,905	4,722,667	436,936	466,807	447,555	513,400	495,729	449,250	429,029
27 Gross sales	4,431,685	4,397,835	4,724,743	437,881	469,046	448,330	511,902	497,031	449,986	425,399
<i>Repurchase agreements</i>										
28 Gross purchases	281,599	0	0	0	0	0	0	0	0	0
29 Gross sales	301,273	0	0	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	5,999	33,439	39,540	5,833	5,810	3,423	9,834	2,363	1,351	3,630
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	0	0	0	0	0	0	0	0	0
33 Redemptions	157	51	120	0	0	0	0	0	0	0
<i>Repurchase agreements</i>										
34 Gross purchases	360,069	0	0	0	0	0	0	0	0	0
35 Gross sales	370,772	0	0	0	0	0	0	0	0	0
36 Net change in federal agency obligations	-10,859	-51	-120	0	0	0	0	0	0	0
<i>Reverse repurchase agreements</i>										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
<i>Repurchase agreements</i>										
39 Gross purchases	304,989	890,236	1,497,713	102,200	106,426	98,850	68,750	84,000	93,500	72,000
40 Gross sales	164,349	987,501	1,490,838	100,200	109,926	94,850	81,250	80,500	94,750	77,250
41 Net change in triparty obligations	140,640	-97,265	6,875	2,000	-3,500	4,000	-12,500	3,500	-1,250	-5,250
42 Total net change in System Open Market Account	135,780	-63,877	46,295	7,833	2,310	7,423	-2,666	5,863	101	-1,620

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings

2. Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities. Transactions include the rollover of inflation compensation into new securities.

A10 Domestic Financial Statistics □ February 2003

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2002					2002		
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Sept.	Oct.	Nov.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,038	11,038	11,038	11,038	11,038	11,038	11,038	11,038
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,079	1,079	1,080	1,076	1,049	1,085	1,091	1,051
<i>Loans</i>								
4 To depository institutions	88	69	67	57	60	177	80	59
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Triparty obligations</i>								
7 Repurchase agreements—triparty ²	20,500	10,000	21,000	19,250	29,000	21,750	16,500	28,500
<i>Federal agency obligations³</i>								
8 Bought outright	10	10	10	10	10	10	10	10
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities³	608,665	608,770	608,984	606,396	609,614	604,191	607,865	608,985
11 Bought outright ⁴	608,665	608,770	608,984	606,396	609,614	604,191	607,865	608,985
12 Bills	206,641	206,739	206,949	204,355	207,568	202,210	205,840	206,937
13 Notes	295,907	295,911	295,914	297,336	297,339	295,882	295,908	297,340
14 Bonds	106,117	106,120	106,122	104,705	104,707	106,099	106,117	104,708
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	629,263	618,848	630,061	625,712	638,684	626,129	624,456	637,554
17 Items in process of collection	9,359	9,285	15,581	8,236	8,118	2,116	6,256	5,147
18 Bank premises	1,528	1,529	1,530	1,533	1,530	1,519	1,527	1,529
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	16,043	16,210	16,413	16,244	16,160	16,130	16,091	16,161
20 All other ⁶	22,038	21,908	22,323	18,750	19,162	20,597	21,553	19,340
21 Total assets	692,547	682,097	700,227	684,788	697,941	680,813	684,212	694,021
LIABILITIES								
22 Federal Reserve notes	631,165	633,315	636,501	635,898	641,286	627,228	630,469	640,806
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	34,453	20,791	32,151	21,764	29,463	31,418	27,077	28,236
25 Depository institutions	28,620	15,669	27,245	16,943	23,972	23,168	20,878	22,978
26 U.S. Treasury—General account	5,388	4,807	4,592	4,519	5,082	7,879	5,878	4,928
27 Foreign—Official accounts	238	72	76	72	224	150	89	78
28 Other	206	243	238	231	184	221	233	253
29 Deferred credit items	7,347	8,420	11,882	7,820	7,757	2,448	6,946	5,364
30 Other liabilities and accrued dividends ⁷	2,452	2,439	2,469	2,421	2,427	2,422	2,479	2,443
31 Total liabilities	675,418	664,965	683,003	667,903	680,933	663,516	666,971	676,848
CAPITAL ACCOUNTS								
32 Capital paid in	8,271	8,280	8,285	8,304	8,349	8,264	8,278	8,349
33 Surplus	7,312	7,312	7,312	7,312	7,312	7,312	7,312	7,312
34 Other capital accounts	1,546	1,540	1,627	1,270	1,348	1,722	1,652	1,513
35 Total liabilities and capital accounts	692,547	682,097	700,227	684,788	697,941	680,813	684,212	694,021
MEMO								
36 Marketable U.S. government and federal agency securities held in custody for foreign official and international accounts	806,831	807,595	809,887	822,919	831,289	813,094	812,239	832,089
Federal Reserve note statement								
37 Federal Reserve notes outstanding (issued to Banks)	751,565	753,486	755,063	757,439	757,885	751,190	752,063	757,793
38 Less: Held by Federal Reserve Banks	120,400	120,171	118,562	121,541	116,599	123,962	121,595	116,988
39 Federal Reserve notes, net	631,165	633,315	636,501	635,898	641,286	627,228	630,469	640,806
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,038	11,038	11,038	11,038	11,038	11,038	11,038	11,038
41 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
42 Other eligible assets	0	1,297	0	0	0	0	0	0
43 U.S. Treasury and agency securities	617,927	618,780	623,262	622,660	628,048	613,990	617,231	627,567
44 Total collateral	631,165	633,315	636,501	635,898	641,286	627,228	630,469	640,806

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.

2. Cash value of agreements arranged through third-party custodial banks.

3. Face value of the securities.

4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

5. Valued monthly at market exchange rates.

6. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.

7. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2002					2002		
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Sept.	Oct.	Nov.
1 Total loans	88	69	67	57	60	177	80	59
2 Within fifteen days ¹	82	30	26	45	56	131	62	44
3 Sixteen days to ninety days	6	38	41	12	4	47	18	15
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	608,665	608,770	608,984	606,396	609,614	604,191	607,865	608,985
6 Within fifteen days ¹	24,792	19,889	14,823	22,429	25,646	13,316	6,607	12,306
7 Sixteen days to ninety days	129,673	136,133	141,857	135,186	135,245	128,403	129,715	147,874
8 Ninety-one days to one year	144,114	143,363	143,437	142,178	142,115	152,429	162,163	142,194
9 One year to five years	176,890	176,183	176,183	173,804	173,805	176,885	176,182	173,805
10 Five years to ten years	51,458	51,461	50,940	52,972	52,974	51,438	51,458	52,975
11 More than ten years	81,739	81,741	81,743	79,827	79,829	81,721	81,739	79,830
12 Total federal agency obligations	10	10	10	10	10	10	10	10
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	0	0	0	0	0	0
15 Ninety-one days to one year	0	0	0	0	0	0	0	0
16 One year to five years	10	10	10	10	10	10	10	10
17 Five years to ten years	0	0	0	0	0	0	0	0
18 More than ten years	0	0	0	0	0	0	0	0

1. Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with maximum maturity of the agreements.

2. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.	2002							
					Apr. ¹	May ¹	June ¹	July ¹	Aug. ¹	Sept. ¹	Oct. ¹	Nov.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	45.14	41.82	38.54	41.22	40.81	39.16	39.31	39.68	40.05	39.28	38.92	39.56
2 Nonborrowed reserves ⁴	45.02	41.50	38.33	41.15	40.74	39.05	39.17	39.49	39.72	39.05	38.78	39.29
3 Nonborrowed reserves plus extended credit ⁵	45.02	41.50	38.33	41.15	40.74	39.05	39.17	39.49	39.72	39.05	38.78	39.29
4 Required reserves	43.62	40.53	37.11	39.57 ⁶	39.59	37.90	38.08	38.31	38.42	37.80	37.37	37.95
5 Monetary base ⁶	513.55	593.12	584.04	634.41	653.92	657.89	664.11	668.76	671.14	671.57	673.63	676.24
Not seasonally adjusted												
6 Total reserves ⁷	45.31	41.89	38.53	41.20	40.89	40.23	38.54	39.32	39.74	38.78	38.54	38.98
7 Nonborrowed reserves	45.19	41.57	38.32	41.13	40.82	40.11	38.40	39.13	39.41	38.55	38.40	38.71
8 Nonborrowed reserves plus extended credit ⁵	45.19	41.57	38.32	41.13	40.82	40.11	38.40	39.13	39.41	38.55	38.40	38.71
9 Required reserves ⁸	43.80	40.59	37.10	39.55	39.68	38.96	37.30	37.94	38.10	37.31	36.99	37.37
10 Monetary base ⁹	518.27	600.72	590.06	639.91	653.27	657.98	662.87	668.76	669.32	669.72	671.49	676.65
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	45.21	41.65	38.47	41.08	40.94	40.29	38.62	39.41	39.85	38.91	38.69	39.14
12 Nonborrowed reserves	45.09	41.33	38.26	41.01	40.87	40.18	38.47	39.22	39.52	38.68	38.54	38.87
13 Nonborrowed reserves plus extended credit ⁵	45.09	41.33	38.26	41.01	40.87	40.18	38.47	39.22	39.52	38.68	38.54	38.87
14 Required reserves	43.70	40.36	37.05	39.43	39.73	39.03	37.38	38.04	38.22	37.43	37.13	37.53
15 Monetary base ¹²	525.06	608.02	596.98	648.74	663.35	668.12	673.01	678.98	679.55	679.96	681.83	687.21
16 Excess reserves ¹³	1.51	1.30	1.43	1.65	1.21	1.26	1.24	1.37	1.64	1.48	1.55	1.62
17 Borrowings from the Federal Reserve .....	.12	.32	.21	.07	.07	.11	.14	.19	.33	.23	.14	.27

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data starting in 1959 and estimates of the effect on required reserves of changes in reserve requirements are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10.)

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).

4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).

8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with regulatory changes in reserve requirements.

11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since February 1984, currency and vault cash figures have been measured over the computation periods ending on Mondays.

13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK MEASURES¹

Billions of dollars, averages of daily figures

Item	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec. ¹	2002			
					Aug. ¹	Sept. ¹	Oct. ¹	Nov.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,096.5	1,124.4	1,088.9	1,179.3	1,183.2	1,191.2	1,199.6	1,200.7
2 M2	4,383.9	4,654.2	4,938.6	5,458.6	5,680.3	5,705.4	5,753.8	5,800.7
3 M3	6,037.7	6,539.6	7,109.9	8,027.0	8,291.3	8,326.7	8,348.4	8,485.2
<i>M1 components</i>								
4 Currency ³	459.3	516.9	530.1	579.9	617.3	618.0	619.9	622.0
5 Travelers checks ⁴	8.2	8.3	8.0	7.8	8.4	8.0	7.7	7.5
6 Demand deposits ⁵	378.4	354.5	309.9	329.9	288.2	292.4	295.8	292.9
7 Other checkable deposits ⁶	250.5	244.7	240.9	261.8	269.3	272.9	276.2	278.3
<i>Nontransaction components</i>								
8 In M2 ⁷	3,287.4	3,529.8	3,849.7	4,279.2	4,497.1	4,514.1	4,554.2	4,600.0
9 In M3 only ⁸	1,653.8	1,885.4	2,171.3	2,568.4	2,611.0	2,621.3	2,594.6	2,684.5
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,187.5	1,289.1	1,423.7	1,737.9	1,955.1	1,983.6	2,017.0	2,054.9
11 Small time deposits ⁹	626.1	635.0	699.1	634.5	603.0	596.0	589.9	585.5
12 Large time deposits ^{10,11}	582.8	651.3	717.2	669.6	706.7	707.1	714.0	701.6
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	414.7	449.7	452.1	570.1	664.8	677.1	693.5	703.1
14 Small time deposits ⁹	325.6	320.4	344.5	338.8	307.2	304.4	302.0	300.4
15 Large time deposits ¹⁰	88.6	91.1	102.9	114.7	112.5	113.1	114.1	115.1
<i>Money market mutual funds</i>								
16 Retail	733.6	835.7	930.2	997.9	967.0	953.1	951.8	956.1
17 Institution-only	540.1	638.6	796.6	1,206.5	1,190.8	1,176.6	1,141.1	1,218.0
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	293.4	335.9	364.0	375.7	398.1	417.7	415.9	436.9
19 Eurodollars ¹²	148.8	168.5	190.7	201.9	202.9	206.8	209.5	212.9
Not seasonally adjusted								
<i>Measures²</i>								
20 M1	1,120.4	1,148.3	1,112.3	1,203.5	1,178.4	1,182.5	1,193.5	1,201.7
21 M2	4,404.0	4,675.0	4,962.3	5,483.5	5,654.8	5,681.2	5,720.1	5,791.4
22 M3	6,066.5	6,571.1	7,145.0	8,065.2	8,239.5	8,258.6	8,281.3	8,469.4
<i>M1 components</i>								
23 Currency ³	463.3	521.5	535.2	584.9	616.3	616.1	617.9	622.8
24 Travelers checks ⁴	8.4	8.4	8.1	7.9	8.1	7.8	7.7	7.6
25 Demand deposits ⁵	395.9	371.8	326.5	347.6	287.0	289.3	294.9	296.2
26 Other checkable deposits ⁶	252.8	246.6	242.5	263.2	267.0	269.3	272.9	275.2
<i>Nontransaction components</i>								
27 In M2 ⁷	3,283.6	3,526.7	3,849.9	4,280.0	4,476.5	4,498.7	4,526.6	4,589.7
28 In M3 only ⁸	1,662.5	1,896.2	2,182.8	2,581.7	2,584.6	2,577.3	2,561.2	2,678.0
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,186.0	1,288.8	1,426.9	1,742.3	1,948.5	1,979.3	2,001.6	2,053.7
30 Small time deposits ⁹	626.5	635.7	700.0	635.2	602.2	596.5	591.5	587.1
31 Large time deposits ^{10,11}	583.1	651.7	717.6	669.7	704.1	704.7	712.8	703.0
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	414.2	449.6	453.1	571.5	662.6	675.7	688.2	702.6
33 Small time deposits ⁹	325.8	320.8	345.0	339.2	306.8	304.6	302.8	301.1
34 Large time deposits ¹⁰	88.6	91.2	103.0	114.7	112.1	112.7	113.9	115.3
<i>Money market mutual funds</i>								
35 Retail	731.1	832.0	925.0	991.8	956.3	942.6	942.5	945.2
36 Institution-only	549.5	648.2	805.6	1,217.7	1,170.7	1,144.1	1,119.2	1,211.4
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	290.4	334.7	364.2	376.5	397.4	411.2	408.8	435.9
38 Eurodollars ¹²	150.8	170.4	192.4	203.0	200.4	204.7	206.4	212.3

Footnotes appear on following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data starting in 1959 are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Composition of the money stock measures is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings deposits (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by deposit-

ory institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

5. Demand deposits at commercial banks and foreign-related institutions other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float.

6. Consists of NOW and ATS account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

7. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances.

8. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees.

9. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRAs and Keogh accounts at commercial banks and thrift institutions are subtracted from small time deposits.

10. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

11. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	5,460.4	5,498.7	5,540.6	5,591.1	5,672.8	5,729.0	5,753.4	5,836.4	5,818.9	5,853.5	5,830.2	5,839.2
2 Securities in bank credit	1,494.9	1,535.5	1,562.5	1,594.4	1,632.7	1,642.3	1,637.2	1,687.2	1,687.6	1,706.7	1,681.7	1,676.2
3 U.S. government securities	839.9	893.3	908.9	918.3	945.7	961.9	968.7	1,000.2	1,000.5	993.8	997.1	1,007.3
4 Other securities	655.0	642.2	653.6	676.1	687.0	680.4	668.9	686.9	687.1	712.9	684.7	669.0
5 Loans and leases in bank credit ²	3,965.5	3,963.2	3,978.1	3,996.7	4,040.1	4,086.7	4,115.8	4,149.2	4,131.4	4,146.7	4,148.5	4,162.9
6 Commercial and industrial	1,040.5	1,001.2	993.6	982.2	982.3	975.7	970.3	967.7	966.7	963.6	967.7	971.8
7 Real estate	1,772.4	1,816.6	1,838.4	1,869.2	1,900.7	1,935.0	1,967.3	1,999.9	1,994.1	2,009.9	1,990.7	1,999.0
8 Revolving home equity	152.6	179.6	186.1	192.9	197.7	201.0	205.0	207.8	206.5	207.0	207.9	208.9
9 Other	1,619.8	1,637.0	1,652.4	1,676.3	1,703.0	1,734.0	1,762.3	1,792.1	1,787.7	1,802.9	1,782.7	1,790.1
10 Consumer	558.8	569.9	568.6	564.7	574.8	582.8	584.8	585.7	583.7	584.8	586.7	587.5
11 Security ³	154.6	169.1	169.7	177.4	176.0	180.7	182.1	186.1	176.4	180.7	191.9	194.7
12 Other loans and leases	439.2	406.4	407.7	403.2	406.3	412.5	411.2	409.8	410.4	407.7	411.5	410.0
13 Interbank loans	286.3	288.4	282.4	288.6	305.6	318.4	327.3	328.2	325.2	321.5	330.0	339.4
14 Cash assets ⁴	297.0	301.5	306.7	309.4	318.1	317.2	318.6	315.1	309.8	323.4	301.1	331.7
15 Other assets ⁵	495.0	482.1	475.6	484.0	499.5	498.4	510.7	518.7	520.3	530.9	518.7	509.1
16 Total assets⁶	6,467.0	6,494.8	6,529.7	6,597.8	6,720.9	6,788.0	6,834.6	6,922.6	6,898.6	6,953.4	6,904.3	6,943.8
<i>Liabilities</i>												
17 Deposits	4,198.1	4,358.7	4,377.4	4,414.0	4,460.5	4,473.4	4,482.5	4,500.0	4,484.6	4,509.6	4,478.5	4,528.2
18 Transaction	635.8	608.8	597.4	612.2	599.1	584.0	611.4	606.2	578.1	591.6	599.5	662.8
19 Nontransaction	3,562.3	3,749.8	3,780.0	3,801.8	3,861.4	3,889.4	3,871.0	3,893.8	3,906.5	3,918.0	3,879.0	3,865.4
20 Large time	982.2	1,042.5	1,036.1	1,048.1	1,049.2	1,044.3	1,026.4	1,004.5	1,006.8	1,007.7	1,007.8	1,000.0
21 Other	2,580.1	2,707.3	2,743.9	2,753.7	2,812.2	2,845.1	2,844.6	2,889.4	2,899.7	2,910.3	2,871.1	2,865.4
22 Borrowings	1,251.0	1,235.3	1,225.9	1,231.7	1,292.7	1,321.5	1,328.2	1,364.0	1,357.7	1,368.5	1,352.9	1,384.8
23 From banks in the U.S.	401.5	380.8	373.9	386.2	405.1	416.5	415.5	421.3	424.0	420.9	413.1	430.3
24 From others	849.6	854.5	852.0	845.5	887.6	905.0	912.7	942.7	933.8	947.6	939.9	954.5
25 Net due to related foreign offices	169.3	89.0	89.6	99.2	94.1	100.3	119.3	121.9	124.8	128.6	124.0	104.8
26 Other liabilities	404.8	349.0	386.0	408.0	430.4	434.9	437.2	444.5	454.5	461.7	441.3	427.6
27 Total liabilities	6,023.3	6,032.0	6,078.8	6,152.9	6,277.7	6,330.0	6,367.1	6,430.4	6,421.7	6,468.4	6,396.8	6,445.5
28 Residual (assets less liabilities) ⁷	443.7	462.8	450.8	444.9	443.2	457.9	467.5	492.2	476.9	485.0	507.5	498.3
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	5,475.9	5,492.6	5,535.1	5,564.4	5,650.3	5,722.1	5,757.4	5,853.0	5,843.0	5,870.2	5,837.2	5,855.3
30 Securities in bank credit	1,498.6	1,532.8	1,558.3	1,580.2	1,624.0	1,638.6	1,636.9	1,691.4	1,693.3	1,709.2	1,684.1	1,679.7
31 U.S. government securities	840.6	891.0	906.1	910.0	939.4	958.5	964.9	1,001.1	1,001.6	992.8	996.6	1,008.2
32 Other securities	658.0	641.7	652.2	670.2	684.6	680.1	672.0	691.7	691.7	716.4	687.5	671.5
33 Loans and leases in bank credit ²	3,977.4	3,959.8	3,976.7	3,984.2	4,026.3	4,083.5	4,120.5	4,161.5	4,149.7	4,160.8	4,153.1	4,175.6
34 Commercial and industrial	1,042.1	1,004.8	995.8	981.1	976.8	973.5	971.6	969.0	970.8	965.0	968.9	971.6
35 Real estate	1,776.9	1,819.2	1,839.4	1,868.5	1,901.8	1,937.1	1,969.4	2,005.0	2,000.1	2,016.8	1,993.8	2,003.6
36 Revolving home equity	153.2	179.9	186.3	192.7	197.8	202.1	205.6	208.6	207.2	207.9	208.8	209.6
37 Other	1,623.7	1,639.3	1,653.1	1,675.8	1,704.0	1,735.1	1,763.8	1,796.4	1,792.9	1,808.9	1,785.1	1,794.0
38 Consumer	561.3	568.1	564.5	558.8	571.3	582.3	585.4	588.2	584.5	586.1	589.4	592.0
39 Credit cards and related plans	225.4	222.9	221.0	215.3	224.4	231.2	232.0	231.6	228.4	229.7	232.7	234.7
40 Other	335.9	345.3	343.4	343.5	346.9	351.1	353.4	356.6	356.1	356.4	356.7	357.3
41 Security ³	157.9	162.6	168.7	172.8	171.5	178.8	184.5	189.8	183.7	185.7	190.2	199.2
42 Other loans and leases	439.3	405.1	408.3	402.9	404.8	411.7	409.6	409.5	410.6	407.3	410.7	409.2
43 Interbank loans	289.9	285.0	284.5	282.8	299.2	310.6	321.9	332.1	335.5	328.0	329.4	335.8
44 Cash assets ⁴	306.2	298.8	299.0	300.2	303.8	314.1	321.0	325.0	310.6	341.9	307.8	343.2
45 Other assets ⁵	496.2	481.8	473.9	482.8	496.8	500.9	509.4	519.9	525.2	533.6	516.0	508.3
46 Total assets⁶	6,496.4	6,482.2	6,516.8	6,555.0	6,675.0	6,772.4	6,834.6	6,954.0	6,938.5	6,997.5	6,914.5	6,966.8
<i>Liabilities</i>												
47 Deposits	4,217.3	4,351.6	4,365.2	4,384.9	4,413.7	4,441.4	4,467.4	4,519.8	4,502.5	4,538.3	4,489.9	4,539.5
48 Transaction	641.8	600.8	594.4	604.7	583.8	577.9	606.2	611.8	575.8	602.2	602.4	670.1
49 Nontransaction	3,575.4	3,750.8	3,770.8	3,780.1	3,829.9	3,863.5	3,861.1	3,908.1	3,926.7	3,936.1	3,887.4	3,869.5
50 Large time	989.0	1,046.1	1,033.8	1,037.1	1,033.5	1,029.7	1,020.3	1,011.5	1,009.8	1,013.7	1,014.1	1,010.4
51 Other	2,586.5	2,704.7	2,737.0	2,743.0	2,796.4	2,833.8	2,840.8	2,896.6	2,916.9	2,922.4	2,873.3	2,859.1
52 Borrowings	1,254.1	1,241.7	1,225.0	1,221.7	1,272.6	1,318.9	1,330.2	1,367.2	1,366.9	1,374.1	1,353.2	1,383.3
53 From banks in the U.S.	398.8	382.1	371.4	382.2	399.9	409.6	413.7	418.5	424.2	418.8	408.3	425.0
54 From others	855.4	859.7	853.6	839.6	872.7	909.3	916.4	948.7	942.7	955.3	944.9	958.3
55 Net due to related foreign offices	172.6	88.6	85.7	90.0	91.1	100.8	118.6	125.5	124.7	131.0	128.1	113.4
56 Other liabilities	410.5	348.5	383.0	399.1	427.6	435.0	437.3	450.1	457.2	465.8	447.5	437.9
57 Total liabilities	6,054.5	6,030.4	6,058.9	6,095.7	6,205.0	6,296.1	6,353.4	6,462.6	6,451.3	6,509.1	6,418.5	6,474.1
58 Residual (assets less liabilities) ⁷	441.9	451.7	457.9	459.3	470.0	476.3	481.2	491.4	487.3	488.4	495.9	492.7

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. [†]	May [†]	June [†]	July [†]	Aug. [†]	Sept. [†]	Oct. [†]	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	4,860.6	4,903.0	4,935.0	4,976.9	5,052.0	5,111.4	5,144.9	5,215.6	5,204.3	5,230.2	5,207.7	5,216.3
2 Securities in bank credit	1,254.4	1,304.4	1,324.2	1,353.2	1,382.7	1,395.7	1,397.4	1,438.3	1,438.1	1,450.6	1,433.5	1,433.1
3 U.S. government securities	755.9	819.9	832.8	841.9	863.8	875.7	882.5	907.4	908.6	899.7	903.1	915.3
4 Other securities	498.5	484.5	491.5	511.3	518.8	520.0	514.8	530.9	529.5	550.9	530.4	517.8
5 Loans and leases in bank credit ²	3,606.2	3,598.6	3,610.8	3,623.7	3,669.3	3,715.6	3,747.5	3,777.4	3,766.2	3,779.6	3,774.2	3,783.2
6 Commercial and industrial	844.5	804.5	800.6	790.9	792.4	790.2	789.1	788.6	787.0	785.8	789.3	792.0
7 Real estate	1,754.7	1,798.5	1,820.0	1,850.4	1,881.8	1,916.0	1,947.8	1,980.1	1,974.1	1,989.8	1,970.8	1,979.4
8 Revolving home equity	152.6	179.6	186.1	192.9	197.7	201.0	205.0	207.8	206.5	207.0	207.9	208.9
9 Other	1,602.1	1,618.9	1,633.9	1,657.5	1,684.1	1,715.0	1,742.8	1,772.3	1,767.6	1,782.9	1,762.8	1,770.5
10 Consumer	558.8	569.9	568.6	564.7	574.8	582.8	584.8	585.7	583.7	584.8	586.7	587.5
11 Security ³	77.1	88.8	84.1	86.6	85.6	86.1	85.5	81.0	79.1	80.0	83.4	82.4
12 Other loans and leases	371.2	336.9	337.5	331.1	334.7	340.5	340.3	342.0	342.3	339.2	344.1	341.9
13 Interbank loans	261.1	265.0	262.2	271.1	287.1	296.7	301.8	301.6	300.2	293.6	301.9	314.4
14 Cash assets ⁴	258.6	256.3	261.2	263.4	271.6	271.2	273.3	274.1	267.6	282.2	261.4	290.4
15 Other assets ⁵	459.0	455.7	447.8	454.5	470.5	470.3	477.6	480.6	480.9	492.6	480.4	472.1
16 Total assets⁶	5,768.1	5,804.4	5,830.9	5,891.0	6,006.6	6,074.9	6,122.6	6,196.6	6,177.7	6,223.2	6,176.1	6,218.0
<i>Liabilities</i>												
17 Deposits	3,768.4	3,853.5	3,872.2	3,915.2	3,965.5	3,987.4	4,016.5	4,051.6	4,037.1	4,059.6	4,024.0	4,084.4
18 Transaction	624.9	598.3	587.1	602.3	589.1	573.9	601.6	596.7	568.5	581.9	590.4	653.3
19 Nontransaction	3,143.4	3,255.3	3,285.1	3,312.8	3,376.4	3,413.5	3,414.9	3,454.8	3,468.6	3,477.7	3,433.6	3,431.1
20 Large time	565.8	550.2	543.8	562.3	569.9	574.3	577.8	573.7	576.9	576.7	573.3	571.1
21 Other	2,577.6	2,705.1	2,741.3	2,750.5	2,806.5	2,839.2	2,837.1	2,881.1	2,891.7	2,901.0	2,862.0	2,860.0
22 Borrowings	1,042.4	1,045.9	1,033.0	1,030.4	1,078.9	1,098.2	1,098.7	1,109.4	1,106.8	1,111.0	1,106.1	1,122.1
23 From banks in the U.S.	377.8	359.8	352.5	365.4	383.5	393.8	392.4	395.7	398.6	400.0	389.1	400.1
24 From others	664.5	686.1	680.4	665.0	695.4	704.4	706.4	713.6	708.3	711.1	716.9	722.0
25 Net due to related foreign offices	189.2	180.0	175.7	181.0	179.7	184.1	191.9	196.8	192.8	208.2	195.9	184.6
26 Other liabilities	323.0	272.5	300.5	317.1	333.6	342.7	340.2	345.4	351.5	355.5	346.5	334.5
27 Total liabilities	5,323.0	5,351.9	5,381.4	5,443.7	5,557.7	5,612.3	5,647.3	5,703.2	5,688.3	5,734.4	5,672.4	5,725.6
28 Residual (assets less liabilities) ⁷	445.1	452.5	449.5	447.4	448.9	462.6	475.3	493.4	489.4	488.8	503.7	492.4
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	4,873.5	4,900.8	4,932.5	4,956.3	5,035.7	5,107.8	5,148.9	5,229.4	5,222.4	5,242.6	5,217.1	5,228.7
30 Securities in bank credit	1,258.1	1,301.7	1,320.1	1,339.0	1,374.0	1,392.0	1,396.7	1,442.5	1,443.8	1,453.1	1,435.9	1,436.6
31 U.S. government securities	756.6	817.6	830.0	833.6	857.6	872.2	878.7	908.3	909.6	898.7	902.7	916.2
32 Other securities	501.4	484.1	490.1	505.5	516.5	519.7	518.0	534.2	534.2	554.4	533.2	520.4
33 Loans and leases in bank credit ²	3,615.4	3,599.1	3,612.4	3,617.3	3,661.7	3,715.9	3,752.2	3,786.9	3,778.5	3,789.5	3,781.2	3,792.2
34 Commercial and industrial	844.4	810.3	803.9	791.2	788.5	788.2	789.7	788.4	789.3	785.9	788.8	790.5
35 Real estate	1,759.2	1,801.1	1,821.0	1,849.8	1,883.0	1,918.1	1,949.9	1,985.2	1,980.1	1,996.7	1,973.9	1,984.0
36 Revolving home equity	153.2	179.9	186.3	192.7	197.8	202.1	205.6	208.6	207.2	207.9	208.8	209.6
37 Other	1,606.0	1,621.2	1,634.7	1,657.0	1,685.2	1,716.1	1,744.3	1,776.6	1,772.9	1,788.9	1,765.2	1,774.4
38 Consumer	561.3	568.1	564.5	558.8	571.3	582.3	585.4	588.2	584.5	586.1	589.4	592.0
39 Credit cards and related plans	225.4	222.9	221.0	215.3	224.4	231.2	232.0	231.6	228.4	229.7	232.7	234.7
40 Other	335.9	345.3	343.4	343.5	346.9	351.1	353.4	356.6	356.1	356.4	356.7	357.3
41 Security ³	79.3	83.6	84.7	85.4	84.5	87.1	87.7	83.4	82.2	81.9	85.7	84.7
42 Other loans and leases	371.2	336.0	338.4	332.1	334.5	340.2	339.4	341.7	342.5	338.9	343.3	340.9
43 Interbank loans	264.7	261.5	264.3	265.3	280.7	288.8	296.5	305.5	310.5	300.1	301.2	310.7
44 Cash assets ⁴	265.6	255.0	255.5	256.1	258.7	268.0	274.7	281.6	266.5	297.9	265.7	299.4
45 Other assets ⁵	460.4	455.4	447.2	454.4	468.3	472.3	477.0	482.0	486.4	495.9	478.3	471.1
46 Total assets⁶	5,792.7	5,797.2	5,824.2	5,857.4	5,968.6	6,062.1	6,122.4	6,223.0	6,210.3	6,260.9	6,186.7	6,234.5
<i>Liabilities</i>												
47 Deposits	3,784.1	3,841.4	3,861.8	3,895.0	3,933.0	3,967.4	4,008.8	4,067.8	4,056.1	4,085.6	4,032.0	4,088.2
48 Transaction	630.9	590.7	584.3	594.9	574.0	567.6	596.3	602.2	566.2	592.3	593.1	660.4
49 Nontransaction	3,153.2	3,250.8	3,277.5	3,300.1	3,359.1	3,399.8	3,412.4	3,465.6	3,489.9	3,493.3	3,438.8	3,427.8
50 Large time	569.2	548.3	543.0	560.2	568.3	571.7	579.0	577.3	581.0	580.2	576.5	574.2
51 Other	2,584.0	2,702.4	2,734.4	2,739.9	2,790.8	2,828.1	2,833.5	2,888.3	2,908.9	2,913.1	2,862.4	2,853.6
52 Borrowings	1,045.5	1,052.3	1,032.1	1,020.4	1,058.8	1,095.6	1,100.7	1,112.6	1,116.0	1,116.7	1,106.3	1,120.6
53 From banks in the U.S.	375.1	361.0	350.1	361.4	378.3	386.9	390.6	392.9	397.8	398.8	384.3	394.8
54 From others	670.3	691.3	682.0	659.0	680.5	708.7	710.1	719.6	717.2	718.8	722.0	725.8
55 Net due to related foreign offices	193.9	179.6	174.5	175.8	178.7	183.6	192.5	201.5	196.3	211.8	201.1	191.4
56 Other liabilities	329.2	272.1	298.9	310.4	332.0	342.2	341.1	351.8	356.7	360.4	353.4	343.7
57 Total liabilities	5,352.7	5,345.4	5,367.3	5,401.7	5,502.6	5,588.8	5,643.1	5,733.6	5,725.0	5,774.5	5,692.8	5,743.8
58 Residual (assets less liabilities) ⁷	440.1	451.8	457.0	455.7	466.0	473.3	479.2	489.4	485.3	486.4	494.0	490.7

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	2,650.5	2,582.5	2,601.6	2,635.3	2,683.2	2,720.0	2,733.6	2,787.4	2,783.7	2,802.4	2,779.4	2,783.8
2 Securities in bank credit	652.2	664.1	683.6	713.2	736.6	745.4	743.3	779.7	780.7	792.9	776.7	773.3
3 U.S. government securities	371.0	390.5	400.1	410.9	427.5	432.0	435.2	455.4	457.4	449.1	452.8	461.6
4 Trading account	40.5	43.0	42.4	43.1	48.0	42.6	37.8	48.1	51.1	44.4	46.6	50.8
5 Investment account	330.5	347.5	357.8	367.9	379.5	389.3	397.5	407.4	406.3	404.7	406.2	410.8
6 Other securities	281.2	273.6	283.5	302.3	309.1	313.5	308.0	324.3	323.3	343.8	323.9	311.7
7 Trading account	165.4	140.5	148.3	168.8	174.5	172.7	161.5	171.8	175.0	190.6	169.2	158.9
8 Investment account	115.8	133.1	135.2	133.5	134.6	140.8	146.5	152.5	148.2	153.2	154.7	152.8
9 State and local government	27.1	26.9	27.3	28.3	28.0	28.4	28.7	29.1	29.1	29.1	29.3	29.3
10 Other	88.7	106.2	107.8	105.3	106.5	112.4	117.8	123.3	119.5	124.1	125.4	123.5
11 Loans and leases in bank credit ²	1,998.3	1,918.4	1,918.0	1,922.0	1,946.7	1,974.5	1,990.3	2,007.6	2,003.0	2,009.5	2,002.8	2,010.6
12 Commercial and industrial	547.1	504.7	500.5	489.2	488.2	484.6	482.9	481.2	481.0	479.0	481.7	483.3
13 Bankers acceptances .....	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	547.1	504.7	500.5	489.2	488.2	484.6	482.9	481.2	481.0	479.0	481.7	483.3
15 Real estate	862.7	848.8	861.9	882.0	901.0	921.9	964.9	960.3	971.7	955.4	966.9	966.9
16 Revolving home equity	96.8	112.4	116.9	121.6	124.6	126.8	129.5	131.7	130.4	131.0	131.9	132.8
17 Other	765.9	736.4	745.0	760.4	776.5	795.1	811.9	833.2	829.9	840.7	823.6	834.1
18 Consumer	247.2	246.6	242.4	243.1	248.6	254.1	255.1	254.7	255.6	255.0	254.2	254.5
19 Federal funds sold to and repurchase agreements with broker-dealers	69.4	81.6	76.7	78.9	77.6	77.9	77.1	72.7	70.9	71.9	75.3	73.5
21 Other	54.7	69.4	64.7	66.4	66.3	67.9	66.8	62.0	61.0	60.6	64.1	62.8
22 State and local government	14.7	12.3	12.0	12.5	11.3	10.0	10.3	10.7	9.9	11.3	11.2	10.8
23 Agricultural	15.7	13.0	13.0	12.8	12.9	13.0	12.9	12.1	12.0	12.2	12.1	12.1
24 Federal funds sold to and repurchase agreements with others	10.0	9.2	9.1	9.0	8.2	8.2	8.1	8.1	8.1	8.1	8.1	8.1
25 All other loans	31.1	19.1	17.6	13.7	16.6	19.8	19.2	18.5	21.3	18.4	19.2	15.1
26 Lease-financing receivables	79.0	67.6	70.0	67.1	67.5	69.2	69.4	72.4	70.4	70.0	74.0	74.4
27 Interbank loans	136.1	127.8	126.8	126.3	126.1	125.9	124.2	123.0	123.4	123.2	122.8	122.7
28 Federal funds sold to and repurchase agreements with commercial banks	157.0	171.5	163.4	164.9	176.5	182.0	181.6	180.2	183.8	176.8	182.1	181.1
29 Other	94.7	87.2	77.2	77.2	86.8	89.2	84.0	87.3	90.5	87.3	88.8	84.8
30 Cash assets ⁴	62.2	84.2	86.2	87.7	89.7	92.8	97.6	92.9	93.3	89.5	93.3	96.2
31 Other assets ⁵	151.2	141.3	143.2	142.5	146.9	144.3	144.1	145.0	140.4	150.5	135.8	157.2
32 Total assets ⁶	330.2	308.4	303.0	310.5	321.6	319.4	328.0	327.9	325.9	334.0	328.5	327.6
<i>Liabilities</i>												
33 Deposits	1,807.1	1,814.7	1,817.5	1,846.8	1,872.5	1,883.2	1,899.5	1,924.0	1,915.3	1,930.3	1,905.4	1,942.7
34 Transaction	323.4	291.1	286.7	292.2	282.4	268.3	286.9	282.5	266.6	274.6	277.4	315.3
35 Nontransaction	1,483.8	1,523.6	1,530.8	1,554.6	1,590.2	1,614.9	1,612.6	1,641.5	1,648.7	1,655.7	1,628.0	1,627.4
36 Large time	255.3	249.2	244.3	261.5	268.3	271.8	272.7	267.2	271.7	270.4	266.1	264.2
37 Other	1,228.5	1,274.4	1,286.5	1,293.1	1,321.9	1,343.1	1,339.9	1,374.3	1,377.0	1,385.3	1,361.9	1,363.2
38 Borrowings	666.8	658.0	643.2	636.6	670.3	672.6	669.3	680.0	681.8	685.1	672.9	690.8
39 From banks in the U.S.	209.2	190.0	181.7	191.3	201.0	206.6	205.4	210.7	213.8	216.9	202.3	215.5
40 From others	457.5	468.0	461.5	445.3	469.3	466.0	463.8	469.3	468.1	468.1	470.7	475.3
41 Net due to related foreign offices	178.8	168.3	164.0	171.2	171.2	175.4	179.5	185.5	180.6	194.1	186.6	175.4
42 Other liabilities	258.5	198.3	225.3	241.7	255.0	262.0	258.5	261.5	268.0	270.6	262.0	251.5
43 Total liabilities	2,911.2	2,839.3	2,850.0	2,896.3	2,969.0	2,993.2	3,006.8	3,051.0	3,045.7	3,080.0	3,027.0	3,060.4
44 Residual (assets less liabilities) ⁷	336.9	319.9	317.1	312.9	315.9	329.5	337.5	346.2	344.7	340.3	355.5	346.3

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ February 2003

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
	Not seasonally adjusted											
Assets												
45 Bank credit	2,658.1	2,582.5	2,601.8	2,620.0	2,669.9	2,714.4	2,732.2	2,795.5	2,795.5	2,808.9	2,784.8	2,789.4
46 Securities in bank credit	656.0	662.1	680.0	701.2	730.3	742.8	743.8	784.1	787.2	795.7	779.6	776.0
47 U.S. government securities	371.8	389.0	397.9	404.7	423.6	429.5	432.6	456.5	459.2	448.4	452.9	461.8
48 Trading account	40.6	42.8	42.2	42.4	47.6	42.4	37.6	48.2	51.3	44.3	46.6	50.8
49 Investment account	331.2	346.2	355.7	362.3	376.0	387.1	395.1	408.3	407.9	404.0	406.3	411.0
50 Mortgage-backed securities	266.6	272.0	277.5	287.3	304.5	308.0	312.9	324.4	328.0	323.2	319.2	324.4
51 Other	64.6	74.1	78.2	75.0	71.4	79.1	82.2	83.8	79.8	80.8	87.1	86.6
52 One year or less	18.5	16.1	14.9	18.7	17.4	19.9	21.8	23.2	22.4	22.8	24.1	23.9
53 One to five years	31.2	45.1	50.0	43.7	42.2	46.3	49.9	47.1	46.7	47.0	47.9	46.8
54 More than five years	14.9	12.9	13.3	12.7	11.8	12.9	10.4	13.5	10.8	11.0	15.0	15.8
55 Other securities	284.2	273.1	282.1	296.5	306.7	313.2	311.2	327.7	328.0	347.4	326.7	314.2
56 Trading account	167.1	140.2	147.5	165.5	173.1	172.6	163.2	173.6	177.6	192.6	170.7	160.2
57 Investment account	117.1	132.9	134.5	131.0	133.6	140.7	148.0	154.0	150.4	154.8	156.0	154.0
58 State and local government	27.4	26.9	27.2	27.7	27.8	28.4	29.0	29.4	29.1	29.4	29.5	29.6
59 Other	89.6	106.0	107.3	103.3	105.7	112.3	119.0	124.6	121.3	125.4	126.5	124.5
60 Loans and leases in bank credit ²	2,002.1	1,920.4	1,921.8	1,918.7	1,939.7	1,971.6	1,988.4	2,011.3	2,008.3	2,013.2	2,005.2	2,013.4
61 Commercial and industrial	548.0	508.1	501.8	488.9	485.7	484.3	483.6	482.1	483.6	480.1	482.7	483.0
62 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	548.0	508.1	501.8	488.9	485.7	484.3	483.6	482.1	483.6	480.1	482.7	483.0
64 Real estate	864.5	852.2	863.8	882.2	901.5	922.3	940.2	966.9	962.6	974.7	956.4	968.0
65 Revolving home equity	96.9	112.9	117.3	121.9	124.9	127.3	129.5	131.9	130.5	131.1	132.2	132.9
66 Other	451.2	426.1	435.1	448.7	464.4	482.2	495.3	518.6	515.7	527.3	507.6	518.7
67 Commercial	316.3	313.2	311.4	311.6	312.1	312.8	315.4	316.4	316.3	316.3	316.7	316.3
68 Consumer	246.0	247.3	242.3	241.2	246.4	251.6	252.2	253.4	253.5	253.1	252.7	254.1
69 Credit cards and related plans	78.3	74.4	72.1	70.9	73.6	75.9	74.8	73.0	73.9	73.2	72.3	72.9
70 Other	167.6	172.8	170.2	170.3	172.8	175.6	177.4	180.4	179.6	179.9	180.5	181.2
71 Security ³	71.3	76.6	77.4	77.8	76.5	79.1	79.4	74.7	73.5	73.5	77.3	75.7
72 Federal funds sold to and repurchase agreements with broker-dealers	56.2	65.0	65.3	65.5	65.3	69.0	68.8	63.7	63.2	61.9	65.8	64.6
73 Other	15.1	11.5	12.1	12.3	11.2	10.1	10.6	11.0	10.3	11.5	11.5	11.1
74 State and local government	15.7	13.0	13.0	12.8	12.9	13.0	12.9	12.1	12.0	12.2	12.1	12.1
75 Agricultural	9.9	9.3	9.3	9.2	8.2	8.2	8.0	8.0	8.1	8.1	8.0	8.0
76 Federal funds sold to and repurchase agreements with others	31.5	19.1	17.6	13.7	16.6	19.8	19.2	18.5	21.3	18.4	19.2	15.1
77 All other loans	79.5	67.0	70.4	67.3	67.0	69.4	69.3	72.9	70.7	70.3	74.2	74.9
78 Lease-financing receivables	135.7	127.8	126.4	125.6	124.8	124.0	123.6	122.7	123.1	122.9	122.5	122.4
79 Interbank loans	158.6	172.7	168.5	164.0	171.9	177.0	177.2	182.0	185.6	180.1	181.1	182.9
80 Federal funds sold to and repurchase agreements with commercial banks	95.7	87.8	79.5	76.8	84.6	86.8	82.0	88.2	91.4	88.9	88.3	85.7
81 Other	62.9	84.8	88.9	87.2	87.3	90.2	95.2	93.5	94.2	91.2	92.8	97.2
82 Cash assets ⁴	154.3	140.8	139.1	137.1	137.9	141.6	145.0	147.9	139.0	159.1	136.3	160.1
83 Other assets ⁵	331.6	308.0	302.5	310.4	319.3	321.4	327.4	329.3	331.4	337.3	326.4	326.6
84 Total assets⁶	3,261.8	3,159.5	3,167.7	3,187.6	3,255.6	3,311.2	3,339.2	3,411.4	3,408.1	3,442.1	3,385.1	3,415.8
Liabilities												
85 Deposits	1,816.1	1,809.2	1,816.0	1,838.7	1,856.1	1,874.5	1,896.5	1,933.1	1,925.4	1,947.0	1,910.4	1,943.9
86 Transaction	326.9	288.3	285.2	287.2	270.9	263.9	282.9	285.5	262.3	281.3	279.4	320.3
87 Nontransaction	1,489.2	1,521.0	1,530.8	1,551.5	1,585.2	1,610.6	1,613.6	1,647.6	1,663.1	1,665.6	1,630.9	1,623.6
88 Large time	258.7	247.3	243.5	259.3	266.6	269.3	274.0	270.8	275.9	273.9	269.2	267.3
89 Other	1,230.5	1,273.7	1,287.3	1,292.2	1,318.6	1,341.3	1,339.6	1,376.8	1,387.2	1,391.7	1,361.8	1,356.3
90 Borrowings	669.8	664.4	642.3	626.6	650.2	670.0	671.2	683.2	691.0	690.7	673.2	689.3
91 From banks in the U.S.	206.5	191.3	179.3	187.3	195.8	199.8	203.7	207.9	214.0	214.8	197.5	210.2
92 From nonbanks in the U.S.	463.3	473.2	463.1	439.4	454.4	470.2	467.5	475.2	477.0	475.9	475.7	479.1
93 Net due to related foreign offices	183.5	168.0	162.8	166.0	170.2	175.0	180.2	190.2	184.1	197.7	191.9	182.2
94 Other liabilities	264.8	197.8	223.7	235.1	253.4	261.5	259.4	267.9	273.1	275.4	268.9	260.7
95 Total liabilities	2,934.2	2,839.5	2,844.8	2,866.5	2,929.9	2,981.0	3,007.3	3,074.3	3,073.6	3,110.8	3,044.3	3,076.0
96 Residual (assets less liabilities) ⁷	327.6	320.0	322.9	321.2	325.7	330.2	331.9	337.1	334.5	331.3	340.8	339.8

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
	Seasonally adjusted											
Assets												
1 Bank credit	2,210.1	2,320.5	2,333.4	2,341.6	2,368.7	2,391.4	2,411.3	2,428.3	2,420.6	2,427.8	2,428.3	2,432.5
2 Securities in bank credit	602.2	640.3	640.6	639.9	646.1	650.3	654.1	658.6	657.4	657.7	656.9	659.8
3 U.S. government securities	384.9	429.4	432.6	430.9	436.3	443.7	447.3	452.0	451.2	450.7	450.4	453.7
4 Other securities	217.3	210.9	208.0	209.0	209.8	206.5	206.8	206.6	206.2	207.0	206.5	206.2
5 Loans and leases in bank credit ²	1,608.0	1,680.1	1,692.8	1,701.7	1,722.6	1,741.1	1,757.2	1,769.7	1,763.2	1,770.1	1,771.5	1,772.6
6 Commercial and industrial	297.4	299.8	300.1	301.8	304.3	305.6	306.2	307.4	306.0	306.7	307.6	308.7
7 Real estate	892.0	949.7	958.1	968.4	980.8	994.1	1,006.4	1,015.2	1,013.8	1,018.2	1,015.3	1,012.6
8 Revolving home equity	55.8	67.2	69.2	71.3	73.1	74.3	75.5	76.1	76.0	76.0	76.1	76.1
9 Other	836.2	882.5	888.9	897.1	907.7	919.8	930.9	939.1	937.8	942.2	939.3	936.4
10 Consumer	311.6	323.3	326.2	321.6	326.2	328.7	329.7	331.0	328.1	329.9	332.5	333.1
11 Security ³	7.7	7.2	7.5	7.7	8.0	8.2	8.4	8.3	8.2	8.0	8.1	8.8
12 Other loans and leases	99.2	100.1	101.0	102.2	103.3	104.5	106.5	107.9	107.1	107.3	107.9	109.5
13 Interbank loans	104.1	93.5	98.8	106.2	110.7	114.7	120.2	121.4	116.4	116.9	119.8	133.3
14 Cash assets ⁴	107.4	114.9	118.0	120.9	124.7	126.9	129.2	129.1	127.2	131.7	125.6	133.2
15 Other assets ⁵	128.8	147.3	144.8	144.0	148.9	150.9	149.6	152.7	155.0	158.6	152.0	144.5
16 Total assets⁶	2,519.9	2,645.2	2,663.8	2,681.8	2,721.7	2,752.1	2,778.3	2,799.3	2,787.3	2,802.9	2,793.5	2,811.3
Liabilities												
17 Deposits	1,961.2	2,038.8	2,054.7	2,068.4	2,093.0	2,104.2	2,117.0	2,127.6	2,121.8	2,129.3	2,118.5	2,141.7
18 Transaction	301.6	307.2	300.3	310.1	306.7	305.6	314.7	314.2	302.0	307.3	313.0	338.0
19 Nontransaction	1,659.7	1,731.7	1,754.4	1,758.3	1,786.2	1,798.6	1,802.3	1,813.4	1,819.8	1,822.0	1,805.6	1,803.7
20 Large time	310.5	301.0	299.5	300.9	301.7	302.5	305.0	306.6	305.2	306.3	307.3	306.9
21 Other	1,349.2	1,430.7	1,454.8	1,457.4	1,484.6	1,496.1	1,497.2	1,506.8	1,514.7	1,515.7	1,498.3	1,496.8
22 Borrowings	375.6	387.9	389.8	393.8	408.6	425.6	429.5	429.4	425.0	426.0	433.1	431.3
23 From banks in the U.S.	168.6	169.8	170.8	174.1	182.5	187.1	186.9	185.0	184.8	183.1	186.8	184.6
24 From others	207.0	218.1	218.9	219.7	226.2	238.4	242.5	244.4	240.2	242.9	246.3	246.7
25 Net due to related foreign offices	10.4	11.6	11.7	9.8	8.5	8.6	12.3	11.3	12.2	14.1	9.3	9.2
26 Other liabilities	64.4	74.2	75.2	75.4	78.7	80.7	81.7	83.9	83.5	85.0	84.5	83.0
27 Total liabilities	2,411.7	2,512.6	2,531.4	2,547.3	2,588.7	2,619.1	2,640.5	2,652.1	2,642.6	2,654.4	2,645.4	2,665.2
28 Residual (assets less liabilities) ⁷	108.2	132.6	132.4	134.5	133.0	133.1	137.8	147.2	144.7	148.5	148.1	146.0
	Not seasonally adjusted											
Assets												
29 Bank credit	2,215.3	2,318.3	2,330.7	2,336.3	2,365.8	2,393.4	2,416.7	2,434.0	2,426.9	2,433.6	2,432.3	2,439.4
30 Securities in bank credit	602.0	639.5	640.1	637.8	643.8	649.2	652.9	658.4	656.6	657.4	656.3	660.6
31 U.S. government securities	384.8	428.6	432.1	428.8	434.0	442.7	446.1	451.8	450.4	450.3	449.8	454.4
32 Other securities	217.3	210.9	208.0	209.0	209.8	206.5	206.8	206.6	206.2	207.0	206.5	206.2
33 Loans and leases in bank credit ²	1,613.3	1,678.8	1,690.6	1,698.5	1,722.0	1,744.2	1,763.8	1,775.6	1,770.3	1,776.3	1,776.0	1,778.8
34 Commercial and industrial	296.4	302.2	302.2	302.4	302.8	303.9	306.1	306.3	305.7	305.8	306.1	307.5
35 Real estate	894.7	948.9	957.2	967.5	981.5	995.8	1,009.7	1,018.3	1,017.5	1,022.0	1,017.5	1,016.1
36 Revolving home equity	56.3	67.0	69.0	70.9	72.9	74.7	76.1	76.7	76.7	76.7	76.6	76.7
37 Other	838.4	881.9	888.2	896.6	908.6	921.1	933.6	941.6	940.8	945.3	940.9	939.4
38 Consumer	315.3	320.9	322.2	317.6	324.9	330.7	333.2	334.8	331.0	333.0	336.7	337.9
39 Credit cards and related plans	147.1	148.4	148.9	144.4	150.8	155.2	157.2	158.6	154.6	156.5	160.4	161.8
40 Other	168.2	172.4	173.2	173.2	174.2	175.5	176.0	176.3	176.5	176.5	176.2	176.1
41 Security ³	8.0	7.0	7.3	7.6	7.9	8.0	8.3	8.6	8.7	8.5	8.4	8.9
42 Other loans and leases	98.9	99.8	101.8	103.5	104.9	105.8	106.5	107.5	107.4	107.1	107.3	108.3
43 Interbank loans	106.1	88.9	95.8	101.3	108.8	111.8	119.2	123.4	124.9	120.0	120.1	127.8
44 Cash assets ⁴	111.2	114.3	116.4	119.0	120.9	126.5	129.7	133.6	127.5	138.7	129.4	139.3
45 Other assets ⁵	128.8	147.3	144.8	144.0	148.9	150.9	149.6	152.7	155.0	158.6	152.0	144.5
46 Total assets⁶	2,530.9	2,637.7	2,656.5	2,669.7	2,713.1	2,750.9	2,783.1	2,811.6	2,802.3	2,818.8	2,801.6	2,818.7
Liabilities												
47 Deposits	1,968.0	2,032.2	2,045.8	2,056.3	2,077.0	2,092.9	2,112.3	2,134.7	2,130.7	2,138.6	2,121.6	2,144.3
48 Transaction	304.0	302.4	299.2	307.7	303.1	303.7	313.4	316.7	303.8	310.9	313.7	340.1
49 Nontransaction	1,664.0	1,729.8	1,746.6	1,748.6	1,773.9	1,789.3	1,798.9	1,818.1	1,826.9	1,827.7	1,807.9	1,804.2
50 Large time	310.5	301.0	299.5	300.9	301.7	302.5	305.0	306.6	305.2	306.3	307.3	306.9
51 Other	1,353.5	1,428.8	1,447.1	1,447.8	1,472.2	1,486.8	1,493.9	1,511.5	1,521.7	1,521.4	1,500.6	1,497.3
52 Borrowings	375.6	387.9	389.8	393.8	408.6	425.6	429.5	429.4	425.0	426.0	433.1	431.3
53 From banks in the U.S.	168.6	169.8	170.8	174.1	182.5	187.1	186.9	185.0	184.8	183.1	186.8	184.6
54 From others	207.0	218.1	218.9	219.7	226.2	238.4	242.5	244.4	240.2	242.9	246.3	246.7
55 Net due to related foreign offices	10.4	11.6	11.7	9.8	8.5	8.6	12.3	11.3	12.2	14.1	9.3	9.2
56 Other liabilities	64.4	74.2	75.2	75.4	78.7	80.7	81.7	83.9	83.5	85.0	84.5	83.0
57 Total liabilities	2,418.5	2,505.9	2,522.5	2,535.2	2,572.7	2,607.8	2,635.8	2,659.3	2,651.5	2,663.7	2,648.5	2,667.8
58 Residual (assets less liabilities) ⁷	112.4	131.8	134.0	134.5	140.4	143.1	147.3	152.3	150.8	155.1	153.2	150.9

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	599.8	595.7	605.6	614.2	620.8	617.6	608.5	620.7	614.6	623.3	622.5	622.9
2 Securities in bank credit	240.5	231.1	238.3	241.2	250.0	246.6	240.2	248.9	249.5	256.2	248.2	243.2
3 U.S. government securities	84.0	73.4	76.1	76.4	81.8	86.2	86.2	92.8	91.9	94.1	93.9	92.0
4 Other securities	156.5	157.7	162.2	164.8	168.1	160.4	154.0	156.1	157.5	162.0	154.3	151.2
5 Loans and leases in bank credit ²	359.3	364.6	367.3	373.0	370.8	371.0	368.3	371.8	365.1	367.1	374.2	379.8
6 Commercial and industrial	196.0	196.7	193.1	191.2	189.9	185.5	181.2	179.1	179.6	177.8	178.4	179.8
7 Real estate	17.7	18.1	18.4	18.8	18.8	19.0	19.5	19.8	20.0	20.1	19.9	19.6
8 Security ³	77.6	80.3	85.9	90.8	90.4	94.5	96.6	105.1	97.3	100.8	108.5	112.3
9 Other loans and leases	68.0	69.5	70.3	72.1	71.7	72.0	70.9	67.8	68.2	68.5	67.4	68.1
10 Interbank loans	25.2	23.4	20.2	17.5	18.5	21.8	25.4	26.6	25.0	27.8	28.2	25.1
11 Cash assets ⁴	38.4	45.3	45.5	46.0	46.5	46.0	45.3	41.0	42.3	41.2	39.7	41.3
12 Other assets ⁵	36.0	26.3	27.8	29.4	29.0	28.1	33.1	38.1	39.3	38.3	38.2	36.9
13 Total assets⁶	698.9	690.4	698.8	706.8	714.4	713.1	711.9	726.0	720.9	730.2	728.2	725.8
<i>Liabilities</i>												
14 Deposits	429.7	505.1	505.2	498.9	495.1	486.0	466.0	448.4	447.5	450.0	454.5	443.8
15 Transaction	10.8	10.6	10.3	9.9	10.1	10.1	9.8	9.5	9.6	9.7	9.1	9.5
16 Nontransaction	418.9	494.6	494.9	489.0	485.0	475.9	456.2	439.0	438.0	440.3	445.4	434.3
17 Borrowings	208.7	189.4	192.9	201.3	213.8	223.3	229.5	254.6	250.9	257.4	246.9	262.7
18 From banks in the U.S.	23.6	21.0	21.3	20.8	21.6	22.7	23.1	25.5	25.4	20.9	23.9	30.2
19 From others	185.0	168.4	171.6	180.5	192.1	200.6	206.4	229.1	225.5	236.5	222.9	232.5
20 Net due to related foreign offices	-19.9	-90.9	-86.1	-81.8	-85.6	-83.8	-72.6	-74.9	-68.0	-79.7	-71.9	-79.8
21 Other liabilities	81.9	76.5	85.5	90.9	96.8	92.2	96.9	99.1	102.9	106.2	94.8	93.1
22 Total liabilities	700.3	680.1	697.5	709.3	720.0	717.7	719.8	727.2	733.4	734.0	724.4	719.9
23 Residual (assets less liabilities) ⁷	-1.4	10.3	1.3	-2.5	-5.6	-4.6	-7.9	-1.2	-12.5	-3.8	3.8	5.9
	Not seasonally adjusted											
<i>Assets</i>												
24 Bank credit	602.5	591.8	602.6	608.1	614.6	614.3	608.5	623.5	620.6	627.5	620.2	626.6
25 Securities in bank credit	240.5	231.1	238.3	241.2	250.0	246.6	240.2	248.9	249.5	256.2	248.2	243.2
26 U.S. government securities	84.0	73.4	76.1	76.4	81.8	86.2	86.2	92.8	91.9	94.1	93.9	92.0
27 Trading account	14.9	10.1	10.4	10.7	13.0	14.6	14.9	20.2	19.8	20.6	21.0	19.6
28 Investment account	69.0	63.3	65.7	65.8	68.8	71.7	71.3	72.7	72.2	73.5	72.9	72.4
29 Other securities	156.5	157.7	162.2	164.8	168.1	160.4	154.0	156.1	157.5	162.0	154.3	151.2
30 Trading account	105.0	99.0	103.5	108.4	109.8	103.5	98.5	99.3	101.3	105.2	97.1	95.5
31 Investment account	51.6	58.7	58.7	56.4	58.4	56.8	55.5	56.8	56.2	56.8	57.2	55.7
32 Loans and leases in bank credit ²	362.0	360.7	364.3	366.9	364.6	367.7	368.3	374.6	371.2	371.3	371.9	383.4
33 Commercial and industrial	197.6	194.4	191.9	189.9	188.3	185.4	181.9	180.6	181.6	179.2	180.1	181.1
34 Real estate	17.7	18.1	18.4	18.8	18.8	19.0	19.5	19.8	20.0	20.1	19.9	19.6
35 Security ³	78.5	79.1	84.0	87.4	87.1	91.7	96.7	106.4	101.5	103.7	104.5	114.5
36 Other loans and leases	68.1	69.0	70.0	70.8	70.4	71.6	70.1	67.8	68.1	68.3	67.4	68.2
37 Interbank loans	25.2	23.4	20.2	17.5	18.5	21.8	25.4	26.6	25.0	27.8	28.2	25.1
38 Cash assets ⁴	40.7	43.8	43.5	44.1	45.1	46.0	46.3	43.4	44.1	44.0	42.2	43.8
39 Other assets ⁵	35.7	26.4	26.6	28.3	28.6	28.6	32.5	37.9	38.8	37.7	37.7	37.2
40 Total assets⁶	703.7	685.0	692.6	697.7	706.4	710.3	712.2	731.0	728.2	736.6	727.7	732.3
<i>Liabilities</i>												
41 Deposits	433.2	510.2	503.4	489.8	480.6	474.0	458.6	452.0	446.4	452.7	457.9	451.4
42 Transaction	11.0	10.2	10.1	9.8	9.8	10.3	9.9	9.6	9.7	9.9	9.3	9.7
43 Nontransaction	422.2	500.0	493.3	480.0	470.8	463.7	448.7	442.4	436.7	442.8	448.6	441.7
44 Borrowings	208.7	189.4	192.9	201.3	213.8	223.3	229.5	254.6	250.9	257.4	246.9	262.7
45 From banks in the U.S.	23.6	21.0	21.3	20.8	21.6	22.7	23.1	25.5	25.4	20.9	23.9	30.2
46 From others	185.0	168.4	171.6	180.5	192.1	200.6	206.4	229.1	225.5	236.5	222.9	232.5
47 Net due to related foreign offices	-21.3	-91.0	-88.8	-85.8	-87.6	-82.8	-73.9	-76.0	-71.6	-80.8	-73.1	-78.0
48 Other liabilities	81.3	76.4	84.1	88.7	95.6	92.8	96.1	98.4	100.6	105.4	94.1	94.2
49 Total liabilities	701.8	685.0	691.6	694.0	702.4	707.3	710.3	729.0	726.2	734.7	725.8	730.3
50 Residual (assets less liabilities) ⁷	1.8	-1	1.0	3.7	3.9	3.0	1.9	2.0	2.0	2.0	2.0	2.0

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2002							2002			
	Nov.	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov.	Nov. 6	Nov. 13	Nov. 20	Nov. 27
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
1 Revaluation gains on off-balance-sheet items ⁸	106.0	80.8	92.9	105.8	112.3	119.1	110.9	117.1	119.2	130.2	115.4	108.5
2 Revaluation losses on off-balance-sheet items ⁹	86.5	61.7	75.2	89.2	93.7	100.0	93.7	100.6	104.0	115.0	100.3	88.2
3 Mortgage-backed securities ⁹	289.7 ^r	306.2	312.6	320.0	338.1	343.5	354.8	370.0	373.1	369.5	365.7	368.7
4 Pass-through	204.8	210.4	224.6	236.3	253.4	254.7	261.3	274.2	277.0	273.4	271.8	273.7
5 CMO, REMIC, and other	85.0	95.8	88.0	83.7	84.8	88.9	93.5	95.8	96.1	96.1	93.9	95.0
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	9.7	4.3	6.7	8.3	9.1	11.5	12.5	11.8	11.8	12.6	10.9	12.6
7 Off-shore credit to U.S. residents ¹¹	19.2	19.6	19.6	19.1	19.0	19.0	18.4	18.5	18.3	18.7	17.8	19.2
8 Securitized consumer loans ¹²	103.3 ^r	98.5	102.5	106.3	104.4	103.6	105.0	108.0	106.6	107.3	108.2	109.2
9 Credit cards and related plans	91.8 ^r	87.0	90.3	91.2	89.3	88.9	90.7	93.5	92.0	92.8	93.8	94.8
10 Other	11.5	11.5	12.2	15.1	15.1	14.7	14.3	14.5	14.6	14.5	14.5	14.4
11 Securitized business loans ¹²	20.6	17.1	16.9	17.1	17.8	17.7	17.5	17.1	17.3	17.3	17.2	16.7
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
12 Mortgage-backed securities ⁹	264.2	298.6	299.1	297.3	298.9	304.3	306.6	308.5	309.5	308.6	307.8	307.6
13 Securitized consumer loans ¹²	238.3 ^r	242.8	243.9	239.9	238.3	235.9	235.0	236.6	237.1	237.5	235.7	236.1
14 Credit cards and related plans	229.6 ^r	235.2	236.9	236.3	235.2	232.9	231.8	233.4	233.9	234.3	232.4	232.9
15 Other	8.7	7.6	7.0	3.6	3.1	3.0	3.3	3.2	3.2	3.2	3.3	3.2
<i>Foreign-related institutions</i>												
16 Revaluation gains on off-balance-sheet items ⁸	61.5 ^r	50.0	55.2	61.5	65.1	62.0	58.9	63.0	63.3	68.2	62.0	59.6
17 Revaluation losses on off-balance-sheet items ⁹	54.1	42.8	49.3	57.4	64.8	61.2	58.5	60.4	61.4	66.2	58.9	56.1
18 Securitized business loans ¹²	13.3	10.5	9.9	9.4	9.1	8.1	7.6	7.3	7.4	7.4	7.4	7.1

NOTE. Tables 1.26, 1.27, and 1.28 have been revised to reflect changes in the Board's H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States." Table 1.27, "Assets and Liabilities of Large Weekly Reporting Commercial Banks," and table 1.28, "Large Weekly Reporting U.S. Branches and Agencies of Foreign Banks," are no longer being published in the *Bulletin*. Instead, abbreviated balance sheets for both large and small domestically chartered banks have been included in table 1.26, parts C and D. Data are both merger-adjusted and break-adjusted. In addition, data from large weekly reporting U.S. branches and agencies of foreign banks have been replaced by balance sheet estimates of all foreign-related institutions and are included in table 1.26, part E. These data are break-adjusted.

The not-seasonally-adjusted data for all tables now contain additional balance sheet items, which were available as of October 2, 1996.

1. Covers the following types of institutions in the fifty states and the District of Columbia: domestically chartered commercial banks that submit a weekly report of condition (large domestic); other domestically chartered commercial banks (small domestic); branches and agencies of foreign banks, and Edge Act and agreement corporations (foreign-related institutions). Excludes International Banking Facilities. Data are Wednesday values or pro rata averages of Wednesday values. Large domestic banks constitute a universe; data for small domestic banks and foreign-related institutions are estimates based on weekly samples and on quarter-end condition reports. Data are adjusted for breaks caused by reclassifications of assets and liabilities.

The data for large and small domestic banks presented on pp. A17-19 are adjusted to remove the estimated effects of mergers between these two groups. The adjustment for mergers changes past levels to make them comparable with current levels. Estimated quantities of balance sheet items acquired in mergers are removed from past data for the bank group that contained the acquired bank and put into past data for the group containing the

acquiring bank. Balance sheet data for acquired banks are obtained from Call Reports, and a ratio procedure is used to adjust past levels.

2. Excludes federal funds sold to, reverse RPs with, and loans made to commercial banks in the United States, all of which are included in "Interbank loans."

3. Consists of reverse RPs with brokers and dealers and loans to purchase and carry securities.

4. Includes vault cash, cash items in process of collection, balances due from depository institutions, and balances due from Federal Reserve Banks.

5. Excludes the due-from position with related foreign offices, which is included in "Net due to related foreign offices."

6. Excludes unearned income, reserves for losses on loans and leases, and reserves for transfer risk. Loans are reported gross of these items.

7. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis. On a seasonally adjusted basis, this item reflects any differences in the seasonal patterns estimated for total assets and total liabilities.

8. Fair value of derivative contracts (interest rate, foreign exchange rate, other commodity and equity contracts) in a gain/loss position, as determined under FASB Interpretation No. 39.

9. Includes mortgage-backed securities issued by U.S. government agencies, U.S. government-sponsored enterprises, and private entities.

10. Difference between fair value and historical cost for securities classified as available-for-sale under FASB Statement No. 115. Data are reported net of tax effects. Data shown are restated to include an estimate of these tax effects.

11. Mainly commercial and industrial loans but also includes an unknown amount of credit extended to other than nonfinancial businesses.

12. Total amount outstanding.

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2002					
	1997	1998	1999	2000	2001	May	June	July	Aug.	Sept.	Oct.
1 All issuers	966,699	1,163,303	1,403,023	1,615,341	1,438,764	1,366,259	1,327,569	1,345,922	1,375,414	1,338,119	1,350,182
Financial companies ¹											
2 Dealer-placed paper, total ²	513,307	614,142	786,643	973,060	989,364	989,957	986,489	959,798	863,215	856,037	973,150
3 Directly placed paper, total ³	252,536	322,030	337,240	298,848	224,553	199,572	169,193	206,942	343,733	322,729	219,581
4 Nonfinancial companies ⁴	200,857	227,132	279,140	343,433	224,847	176,730	171,887	179,182	168,466	159,353	157,451

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2. Includes all financial-company paper sold by dealers in the open market.

3. As reported by financial companies that place their paper directly with investors.

4. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
2000—Jan. 1	8.50	2000	9.23	2001—Jan.	9.05	2002—Jan.	4.75
Feb. 3	8.75	2001	6.91	Feb.	8.50	Feb.	4.75
Mar. 22	9.00	2002	4.67	Mar.	8.32	Mar.	4.75
May 17	9.50			Apr.	7.80	Apr.	4.75
		2000—Jan.	8.50	May	7.24	May	4.75
2001—Jan. 4	9.00	Feb.	8.73	June	6.98	June	4.75
Feb. 1	8.50	Mar.	8.83	July	6.75	July	4.75
Mar. 21	8.00	Apr.	9.00	Aug.	6.67	Aug.	4.75
Apr. 19	7.50	May	9.24	Sept.	6.28	Sept.	4.75
May 16	7.00	June	9.50	Oct.	5.53	Oct.	4.75
June 28	6.75	July	9.50	Nov.	5.10	Nov.	4.35
Aug. 22	6.50	Aug.	9.50	Dec.	4.84	Dec.	4.25
Sept. 18	6.00	Sept.	9.50				
Oct. 3	5.50	Oct.	9.50				
Nov. 7	5.00	Nov.	9.50				
Dec. 12	4.75	Dec.	9.50				
2002—Nov. 7	4.25						

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call

Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

Percent per year; figures are averages of business day data unless otherwise noted

Item	1999	2000	2001	2002				2002, week ending				
				Aug.	Sept.	Oct.	Nov.	Nov. 1	Nov. 8	Nov. 15	Nov. 22	Nov. 29
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	4.97	6.24	3.88	1.74	1.75	1.75	1.34	1.79	1.70	1.21	1.28	1.27
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Commercial paper^{3,5,6}</i>												
<i>Nonfinancial</i>												
3 1-month	5.09	6.27	3.78	1.72	1.73	1.72	1.34	1.68	1.43	1.28	1.28	1.30
4 2-month	5.14	6.29	3.68	1.70	1.72	1.70	1.35	1.64	1.40	1.29	1.30	1.33
5 3-month	5.18	6.31	3.65	1.70	1.72	1.70	1.36	1.63	1.42	1.30	1.33	1.33
<i>Financial</i>												
6 1-month	5.11	6.28	3.80	1.72	1.74	1.73	1.34	1.69	1.44	1.30	1.28	1.25
7 2-month	5.16	6.30	3.71	1.72	1.74	1.72	1.37	1.66	1.44	1.31	1.32	1.33
8 3-month	5.22	6.33	3.65	1.71	1.74	1.71	1.37	1.65	1.44	1.32	1.33	1.34
<i>Certificates of deposit, secondary market^{3,7}</i>												
9 1-month	5.19	6.35	3.84	1.76	1.78	1.77	1.39	1.70	1.47	1.33	1.34	1.35
10 3-month	5.33	6.46	3.71	1.73	1.76	1.73	1.39	1.65	1.46	1.34	1.36	1.36
11 6-month	5.46	6.59	3.66	1.72	1.74	1.69	1.40	1.59	1.45	1.36	1.37	1.39
12 Eurodollar deposits, 3-month ^{3,8}	5.31	6.45	3.70	1.72	1.75	1.73	1.39	1.66	1.46	1.34	1.35	1.37
<i>U.S. Treasury bills</i>												
<i>Secondary market^{1,5}</i>												
13 4-week	n.a.	n.a.	2.43	1.66	1.65	1.60	1.24	1.51	1.28	1.20	1.21	1.24
14 3-month	4.64	5.82	3.40	1.62	1.63	1.58	1.23	1.47	1.28	1.20	1.20	1.21
15 6-month	4.75	5.90	3.34	1.60	1.60	1.56	1.27	1.43	1.30	1.24	1.25	1.27
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities⁹</i>												
16 1-year	5.08	6.11	3.49	1.76	1.72	1.65	1.49	1.51	1.46	1.46	1.51	1.55
17 2-year	5.43	6.26	3.83	2.13	2.00	1.91	1.92	1.77	1.84	1.84	1.99	2.07
18 3-year	5.49	6.22	4.09	2.52	2.32	2.25	2.32	2.14	2.21	2.21	2.39	2.50
19 5-year	5.55	6.16	4.56	3.29	2.94	2.95	3.05	2.90	2.95	2.93	3.13	3.26
20 7-year	5.79	6.20	4.88	3.88	3.50	3.54	3.64	3.54	3.55	3.51	3.71	3.84
21 10-year	5.65	6.03	5.02	4.26	3.87	3.94	4.05	4.00	4.00	3.94	4.08	4.19
22 20-year	6.20	6.23	5.63	5.19	4.87	5.00	5.04	5.07	5.03	4.94	5.04	5.14
23 Treasury long-term average ^{10,11} 25 years and above	n.a.	n.a.	n.a.	5.23	4.90	5.07	5.10	5.16	5.12	5.00	5.08	5.18
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹²</i>												
24 Aaa	5.28	5.58	4.99	4.78	4.58	4.66	4.77	4.71	4.69	4.72	4.77	4.88
25 Baa	5.70	6.19	5.75	5.53	5.31	5.47	5.62	5.50	5.49	5.55	5.67	5.75
26 Bond Buyer series ¹³	5.43	5.71	5.15	4.95	4.74	4.88	4.95	4.95	4.91	4.90	5.00	5.00
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.45	7.98	7.49	6.93	6.73	6.93	6.88	7.00	6.93	6.81	6.85	6.91
<i>Rating group</i>												
28 Aaa ¹⁵	7.05	7.62	7.08	6.37	6.15	6.32	6.31	6.39	6.32	6.22	6.30	6.37
29 Aa	7.36	7.83	7.26	6.84	6.63	6.73	6.71	6.78	6.72	6.64	6.70	6.76
30 A	7.53	8.11	7.67	6.95	6.76	6.95	6.89	7.02	6.95	6.82	6.85	6.90
31 Baa	7.88	8.37	7.95	7.58	7.40	7.73	7.62	7.81	7.71	7.56	7.56	7.60
MEMO												
32 Dividend-price ratio ¹⁶ Common stocks	1.25	1.15	1.32	1.72	1.80	1.86	1.73	1.77	1.71	1.79	1.73	1.69

NOTE: Some of the data in this table also appear in the Board's H.15 (519) weekly statistical release. For ordering address, see inside front cover.

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.

2. Weekly figures are averages of seven calendar days, ending on Wednesday of the current week; monthly figures include each calendar day in the month.

3. Annualized using a 360-day year or bank interest.

4. The rate charged for primary credit under an amendment to the Board's Regulation A, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see: <http://www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm>. The rate is that reported for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit is available at: <http://www.federalreserve.gov/releases/h15/data.htm>.

5. Quoted on a discount basis.

6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See the Board's Commercial Paper web pages (<http://www.federalreserve.gov/releases/cp>) for more information.

7. An average of dealer offering rates on nationally traded certificates of deposit.

8. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.

9. Yields on actively traded issues adjusted to constant maturities.

10. Based on the unweighted average of the bid yields for all Treasury fixed-coupon securities with remaining terms to maturity of 25 years and over.

11. A factor for adjusting the daily long-term average in order to estimate a 30-year rate can be found at <http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html>.

12. General obligation bonds based on Thursday figures; Moody's Investors Service.

13. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's A1 rating. Based on Thursday figures.

14. Daily figures are averages of Aaa, Aa, A, and Baa yields from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

15. Effective December 7, 2001, the Moody's Aaa yield includes yields only for industrial firms. Prior to December 7, 2001, the Aaa yield represented both utilities and industrial.

16. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

SOURCE: U.S. Department of the Treasury.

1.36 STOCK MARKET Selected Statistics

Indicator	1999	2000	2001	2002								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	619.52	643.71	606.03	600.74	587.58	575.75	544.36	486.11	491.84	471.04	459.88	482.79
2 Industrial	775.29	809.40	749.46	751.79	732.71	718.12	677.58	603.04	611.34	589.14	574.45	597.75
3 Transportation	491.62	414.73	444.45	490.51	470.00	459.55	449.42	416.07	409.96	388.19	383.41	405.03
4 Utility	284.82	478.99	377.72	316.25	300.57	287.10	265.21	230.21	225.52	210.76	207.83	229.41
5 Finance	530.97	552.48	596.61	609.72	610.24	603.15	577.05	524.01	533.60	506.05	494.06	523.50
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,327.33	1,427.22	1,194.18	1,153.79	1,112.03	1,079.27	1,014.05	903.59	912.55	867.81	854.63	909.93
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	770.90	922.22	879.08	891.08	915.09	935.10	911.59	840.76	843.89	852.03	807.38	820.62
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	799,554	1,026,867	1,216,529	1,321,351	1,280,714	1,215,786	1,539,282	1,848,962	1,317,105	1,370,143	1,619,896	1,427,254
9 American Stock Exchange	32,629	51,437	68,074	56,375	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	228,530	198,790	150,450	149,370	150,940	150,860	146,270	136,160	132,800	130,210	130,570	133,060
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	55,130	100,680	101,640	93,700	92,140	92,950	95,830	98,080	95,400	98,630	96,620	91,240
12 Cash accounts	79,070	84,400	78,040	69,790	68,540	66,120	68,280	68,860	63,700	67,550	66,780	67,380
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

1. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through the exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.

5. Series initiated in June 1984.

6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2000		2001				2002		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	5,701.9	5,803.5	5,800.6	5,753.9	5,834.5	5,970.3	6,032.4	6,153.3	6,255.4
2 Public debt securities	5,674.2	5,662.2	5,773.7	5,726.8	5,807.5	5,943.4	6,006.0	6,126.5	6,228.2
3 Held by public	3,438.5	3,527.4	3,434.4	3,274.2	3,338.7	3,393.8	3,443.7	3,463.5	3,552.6
4 Held by agencies	2,235.7	2,248.7	2,339.4	2,452.6	2,468.8	2,549.7	2,562.4	2,662.9	2,675.6
5 Agency securities	27.7	27.4	26.8	27.1	27.0	26.8	26.4	26.8	27.2
6 Held by public	27.6	27.3	26.8	27.1	27.0	26.8	26.4	26.8	27.2
7 Held by agencies	.1	.1	.1	.0	.0	.0	.0	.0	.0
8 Debt subject to statutory limit	5,591.6	5,580.5	5,692.5	5,645.0	5,732.6	5,871.4	5,935.1	6,058.3	6,161.4
9 Public debt securities	5,591.4	5,580.2	5,692.3	5,644.8	5,732.4	5,871.2	5,935.0	6,058.1	6,161.1
10 Other debt ¹	.2	.2	.2	.2	.2	.3	.2	.2	.3
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	6,400.0	6,400.0

1. Consists of guaranteed debt of U.S. Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

SOURCE: U.S. Department of the Treasury, *Monthly Statement of the Public Debt of the United States and Monthly Treasury Statement*.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1998	1999	2000	2001	2001		2002	
					Q4	Q1	Q2	Q3
1 Total gross public debt	5,614.2	5,776.1	5,662.2	5,943.4	5,943.4	6,006.0	6,126.5	6,228.2
<i>By type</i>								
2 Interest-bearing	5,605.4	5,766.1	5,618.1	5,930.8	5,930.8	5,962.2	6,087.0	6,216.3
3 Marketable	3,355.5	3,281.0	2,966.9	2,982.9	2,982.9	3,003.3	3,024.8	3,136.6
4 Bills	691.0	737.1	646.9	811.3	811.3	834.4	822.5	868.3
5 Notes	1,960.7	1,784.5	1,557.3	1,413.9	1,413.9	1,411.7	1,446.9	1,521.5
6 Bonds	621.2	643.7	626.5	602.7	602.7	596.7	592.9	592.9
7 Inflation-indexed notes and bonds ¹	67.6	100.7	121.2	140.1	140.1	145.6	147.5	138.9
8 Nonmarketable ²	2,249.9	2,485.1	2,651.2	2,947.9	2,947.9	2,958.9	3,062.2	3,079.6
9 State and local government series	165.3	165.7	151.0	146.3	146.3	141.1	142.8	144.3
10 Foreign issues ³	34.3	31.3	27.2	15.4	15.4	14.6	13.3	12.5
11 Government	34.3	31.3	27.2	15.4	15.4	14.6	13.3	12.5
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	180.3	179.4	176.9	181.5	181.5	183.6	184.8	185.6
14 Government account series ⁴	1,840.0	2,078.7	2,266.1	2,574.8	2,574.8	2,589.7	2,691.4	2,707.3
15 Non-interest-bearing	8.8	10.0	44.2	12.7	12.7	43.8	39.5	12.0
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	1,828.1	2,064.2	2,270.1	2,572.2	2,572.2	2,581.4	2,686.0	2,701.3
17 Federal Reserve Banks ⁶	452.1	478.0	511.7	551.7	551.7	575.4	590.7	604.2
18 Private investors	3,334.0	3,233.9	2,880.4	2,819.5	2,819.5	2,849.8	2,849.8	2,924.8
19 Depository institutions	237.4	248.7	201.5	181.5	181.5	187.6	204.4	210.5
20 Mutual funds	253.9	228.6	220.8	257.5	257.5	264.9	250.0	252.4
21 Insurance companies	141.7	123.4	110.2	105.7	105.7	108.4	110.3	115.4
22 State and local treasuries ⁷	269.3	266.8	236.2	256.5	256.5	261.2	271.7	269.4
Individuals								
23 Savings bonds	186.6	186.4	184.8	190.3	190.3	191.9	192.7	193.3
24 Pension funds	330.2	321.0	304.1	281.6	281.6	293.3	286.0	283.4
25 Private	112.5	109.8	108.4	104.2	104.2	106.3	108.8	110.9
26 State and Local	217.7	211.2	195.7	177.4	177.4	187.0	177.2	172.5
27 Foreign and international ⁸	1,278.7	1,268.7	1,034.2	1,053.1	1,053.1	1,055.7	1,071.3	1,133.7
28 Other miscellaneous investors ^{7,9}	636.3	589.9	587.7	494.1	494.1	487.7	451.9	n.a.

1. The U.S. Treasury first issued inflation-indexed securities during the first quarter of 1997.

2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.

4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.

5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

6. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table 1.18.

7. In March 1996, in a redefinition of series, fully defeased debt backed by nonmarketable federal securities was removed from "Other miscellaneous investors" and added to "State and local treasuries." The data shown here have been revised accordingly.

8. Includes nonmarketable foreign series Treasury securities and Treasury deposit funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

9. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

SOURCES: Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, Federal Reserve Board of Governors, *Flow of Funds Accounts of the United States* and U.S. Treasury Department, *Treasury Bulletin*, unless otherwise noted.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2002			2002, week ending								
	Aug.	Sept.	Oct.	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
<i>By type of security</i>												
1 U.S. Treasury bills	42,257	46,861	44,804	48,782	46,133	46,096	37,637	47,376	48,003	54,630	43,156	48,074
Treasury coupon securities by maturity												
2 Three years or less	130,594	133,211	133,181	129,102	110,546	114,032	161,122	144,196	136,338	156,502	117,133	159,943
3 More than three but less than or equal to six years	109,759	106,075	114,643	117,689	97,410	133,110	115,010	109,668	143,887	121,503	122,395	95,173
4 More than six but less than or equal to eleven years	89,647	83,783	99,139	97,184	82,041	110,480	111,082	92,675	115,775	118,456	90,931	78,117
5 More than eleven years	19,554	22,090	21,405	23,326	20,213	24,985	20,061	20,452	20,685	26,370	21,121	16,598
6 Inflation-indexed ²	2,042	2,439	4,122	2,472	5,454	5,235	3,086	3,737	3,410	2,408	2,531	2,325
Federal agency and government-sponsored enterprises												
7 Discount notes	50,486	49,573	50,271	55,793	49,593	50,278	49,441	48,678	54,698	55,383	52,351	45,143
Coupon securities by maturity												
8 Three years or less	12,894	11,389	11,841	9,523	8,984	13,766	11,005	14,536	13,776	15,684	12,861	10,072
9 More than three years but less than or equal to six years	8,920	10,317	9,301	11,540	8,020	12,815	9,633	6,829	7,877	8,577	11,565	8,094
10 More than six years but less than or equal to eleven years	7,018	7,337	6,776	8,538	7,478	9,933	5,441	4,228	6,523	5,178	9,563	7,661
11 More than eleven years	1,081	1,147	1,325	1,456	762	2,094	1,737	831	1,202	1,378	1,031	1,377
12 Mortgage-backed	158,250	186,023	191,937	194,705	236,630	231,723	180,011	131,645	164,887	287,422	211,256	131,296
Corporate securities												
13 One year or less	105,549	106,097	101,115	100,334	92,462	109,605	107,194	95,235	110,984	119,849	120,220	101,266
14 More than one year	15,327	18,433	16,294	18,063	15,026	15,582	15,010	17,405	22,812	19,890	22,993	24,053
<i>By type of counterparty</i>												
With interdealer broker												
15 U.S. Treasury	181,302	184,949	197,089	195,307	168,517	205,589	215,950	194,377	228,772	228,274	186,794	192,175
Federal agency and government-sponsored enterprises												
17 Mortgage-backed	10,840	10,217	10,473	10,594	9,166	11,081	10,548	11,031	11,172	10,763	10,705	8,175
18 Corporate	48,029	58,896	55,734	63,318	69,669	63,387	48,751	42,141	43,165	71,907	52,025	34,248
	308	373	387	441	406	293	375	431	394	307	562	428
With other												
19 U.S. Treasury	212,551	209,510	220,204	223,249	193,281	228,349	232,047	223,726	239,325	251,594	210,472	208,055
Federal agency and government-sponsored enterprises												
21 Mortgage-backed	69,560	69,548	69,041	76,258	65,670	77,805	66,710	64,073	72,904	75,437	76,666	64,172
22 Corporate	110,221	127,127	136,203	131,387	166,961	168,336	131,260	89,504	121,722	215,515	159,231	97,048
	120,568	124,156	117,022	117,956	107,082	124,894	121,828	112,208	133,403	139,431	142,651	124,892

NOTE: Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/pihome/statistics>) under the Primary Dealer heading.

1. The figures represent purchases and sales in the market by the primary U.S. government securities dealers reporting to the Federal Reserve Bank of New York. Outright transactions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-

backed, and corporate securities scheduled for immediate and forward delivery, as well as all U.S. government securities traded on a when-issued basis between the announcement and issue date. Data do not include transactions under repurchase and reverse repurchase (resale) agreements. Averages are based on the number of trading days in the week.

2. Outright Treasury inflation-indexed securities (TIS) transactions are reported at principal value, excluding accrued interest, where principal value reflects the original issuance par amount (unadjusted for inflation) times the price times the index ratio.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2002			2002, week ending							
	Aug.	Sept.	Oct.	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20
Net outright positions ²											
1 U.S. Treasury bills	11,225	8,379	12,301	6,425	4,735	9,987	15,831	19,761	16,287	25,352	25,046
Treasury coupon securities by maturity											
2 Three years or less	-22,358	-17,680	-25,208	-23,319	-26,712	-33,528	-22,182	-19,784	-19,378	-27,268	-27,545
3 More than three years but less than or equal to six years	-31,298	-35,388	-35,886	-34,548	-36,408	-32,265	-34,742	-41,066	-31,991	-28,074	-31,684
4 More than six but less than or equal to eleven years	-10,829	-15,420	-13,591	-15,273	-18,442	-12,612	-11,724	-11,316	-12,125	-11,665	-17,696
5 More than eleven	9,542	9,083	6,885	8,257	7,216	8,455	7,949	4,297	1,489	1,131	1,607
6 Inflation-indexed	1,615	1,239	2,260	1,109	2,554	3,071	3,466	566	228	720	927
Federal agency and government- sponsored enterprises											
7 Discount notes	49,090	49,345	51,159	53,403	51,373	49,694	50,665	52,944	46,402	57,549	46,692
Coupon securities, by maturity											
8 Three years or less	14,220	14,031	16,704	15,165	17,626	17,312	14,869	17,635	15,400	16,319	17,292
9 More than three years but less than or equal to six years	3,172	1,826	785	1,324	1,276	1,325	1,068	-320	-1,764	-1,279	-307
10 More than six but less than or equal to eleven years	2,805	2,242	2,717	2,850	3,637	2,860	2,405	2,217	690	1,793	2,954
11 More than eleven	2,197	2,303	2,252	2,259	1,814	2,235	2,381	2,482	2,898	3,074	3,309
12 Mortgage-backed	19,408	16,667	15,565	12,181	6,391	37,239	10,876	8,997	13,629	2,417	11,891
Corporate securities											
13 One year or less	25,138	23,363	24,010	23,169	20,855	27,145	23,943	24,644	21,861	27,588	22,072
14 More than one year	47,631	48,908	51,861	53,129	55,857	54,307	48,299	48,561	52,254	46,335	52,631
Financing ³											
<i>Securities in, U.S. Treasury</i>											
15 Overnight and continuing	621,725	627,852	619,723	634,437	649,969	629,323	602,931	589,729	638,874	623,270	649,316
16 Term	851,220	904,116	905,616	831,371	884,922	892,184	907,593	954,104	939,740	975,976	880,011
<i>Federal agency and government- sponsored enterprises</i>											
17 Overnight and continuing	152,003	156,069	157,351	158,294	158,970	159,739	154,666	156,398	152,871	160,910	144,090
18 Term	297,317	306,858	314,993	311,400	328,501	301,079	309,992	321,660	313,358	327,393	307,624
<i>Mortgage-backed securities</i>											
19 Overnight and continuing	43,387	44,642	41,613	39,116	41,306	35,322	45,391	42,430	60,626	55,376	48,869
20 Term	272,722	278,235	280,317	270,040	278,470	276,023	288,415	283,536	264,648	275,969	281,206
<i>Corporate securities</i>											
21 Overnight and continuing	51,730	50,351	49,081	48,930	48,760	49,215	49,683	48,740	48,855	49,599	51,008
22 Term	23,156	25,606	26,306	25,747	26,196	26,153	26,326	26,681	26,499	26,621	26,175
MEMO											
<i>Reverse repurchase agreements</i>											
23 Overnight and continuing	461,682	477,054	465,644	480,515	481,214	475,331	447,086	450,481	495,162	478,104	479,639
24 Term	1,296,922	1,363,411	1,366,558	1,284,812	1,359,926	1,334,015	1,372,666	1,419,579	1,390,367	1,451,324	1,348,935
<i>Securities out, U.S. Treasury</i>											
25 Overnight and continuing	584,373	596,372	565,825	592,224	596,345	566,545	551,031	540,078	578,135	580,756	616,134
26 Term	791,145	829,047	837,262	759,544	809,044	817,589	849,039	889,161	882,193	913,939	814,690
<i>Federal agency and government- sponsored enterprises</i>											
27 Overnight and continuing	279,430	279,838	292,282	278,646	284,135	288,322	298,331	303,501	283,435	300,538	272,542
28 Term	225,030	237,666	235,801	241,750	251,219	224,496	229,034	236,777	235,654	249,153	239,956
<i>Mortgage-backed securities</i>											
29 Overnight and continuing	314,045	303,749	319,058	305,561	307,956	334,464	332,450	306,332	311,270	310,033	335,515
30 Term	171,418	176,871	172,948	161,289	171,096	170,989	184,765	170,392	158,121	158,107	189,453
<i>Corporate securities</i>											
31 Overnight and continuing	131,536	127,796	132,186	128,853	127,251	135,297	131,662	135,430	132,565	137,006	135,343
32 Term	18,074	19,734	23,097	20,011	21,437	22,818	24,299	24,791	22,574	20,808	20,297
MEMO											
<i>Repurchase agreements</i>											
33 Overnight and continuing	1,148,724	1,150,894	1,147,149	1,140,786	1,146,590	1,165,697	1,155,106	1,122,791	1,148,750	1,170,074	1,193,299
34 Term	1,176,213	1,231,403	1,232,858	1,146,680	1,218,693	1,199,461	1,249,778	1,283,897	1,262,433	1,305,156	1,234,632

NOTE. Major changes in the report form filed by primary dealers included a break in many series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/phinfo/statistics>) under the Primary Dealer heading.

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data. Positions for calendar days of the report week are assumed to be constant. Monthly averages are based on the number of calendar days in the month.

2. Net outright positions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities scheduled for immediate and forward delivery, as well as U.S. government securities traded on a when-issued basis between the announcement and issue date.

3. Figures cover financing U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities. Financing transactions for Treasury inflation-indexed securities (TIIS) are reported in actual funds paid or received, except for pledged securities. TIIS that are issued as pledged securities are reported at par value, which is the value of the security at original issuance (unadjusted for inflation).

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1998	1999	2000	2001	2002				
					May	June	July	Aug.	Sept.
1 Federal and federally sponsored agencies	1,296,477	1,616,492	1,851,632	2,121,057	2,150,724	2,161,580	2,213,366	2,226,713	n.a.
2 Federal agencies	26,502	26,376	25,666	276	208	223	223	164	304
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ²⁻³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	205	126	255	26,828	26,450	26,826	26,541	26,274	27,170
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,496	26,370	25,660	270	202	217	217	158	298
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	1,269,975	1,590,116	1,825,966	2,120,781	2,195,630 ⁸	2,207,212 ⁸	2,213,143	2,226,549	n.a.
11 Federal Home Loan Banks	382,131	529,005	594,404	623,740	640,222	643,102	651,253	659,258	668,703
12 Federal Home Loan Mortgage Corporation	287,396	360,711	426,899	565,071	601,037	601,363	604,853	603,135	623,267
13 Federal National Mortgage Association	460,291	547,619	642,700	763,500	782,000	789,000	784,020	789,900	800,300
14 Farm Credit Banks ⁸	63,488	68,883	74,181	76,673	80,258	80,951	81,265	81,658	82,741
15 Student Loan Marketing Association ⁹	35,399	41,988	45,375	48,350	48,900	49,600	48,500	49,500	50,800
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	44,129	42,152	40,575	39,096	37,175	37,091	37,830	42,825	39,604
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	9,500	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,091	14,085	13,126	13,876	14,184	14,301	14,338	13,599	14,029
27 Other	20,538	21,402	22,174	25,220	22,991	22,790	23,492	29,226	25,575

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. On-budget since Sept. 30, 1976.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; the Department of Health, Education, and Welfare; the Department of Housing and Urban Development; the Small Business Administration; and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agriculture Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.

9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.

14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1999	2000	2001	2002							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 All issues, new and refunding¹	215,427	180,403	270,566	23,261	32,858	36,315	25,771	28,918	27,313	40,150	33,101
<i>By type of issue</i>											
2 General obligation	73,308	64,475	100,519	8,559	10,446	16,166	10,130	10,226	9,562	16,075	8,159
3 Revenue	142,120	115,928	170,047	14,702	22,413	20,149	15,642	18,692	17,751	24,074	24,942
<i>By type of issuer</i>											
4 State	16,376	19,944	30,099	3,057	1,531	3,718	3,404	3,472	2,442	4,199	2,109
5 Special district or statutory authority ²	152,418	111,695	179,427	15,520	23,866	27,283	16,007	20,144	19,105	29,273	25,422
6 Municipality, county, or township	46,634	39,273	61,040	4,683	7,461	5,315	6,361	5,302	5,767	6,678	5,570
7 Issues for new capital	161,065	154,257	192,161	17,115	20,663	23,727	19,189	19,392	15,022	27,718	24,384
<i>By use of proceeds</i>											
8 Education	36,563	38,665	50,054	5,279	6,027	7,060	4,205	3,968	3,529	5,209	3,743
9 Transportation	17,394	19,730	21,411	773	1,795	3,351	3,251	4,413	1,398	1,476	1,250
10 Utilities and conservation	15,098	11,917	21,917	2,091	1,785	1,087	1,660	2,806	2,038	6,922	8,379
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	9,099	7,122	6,607	344	614	631	760	283	574	1,225	821
13 Other purposes	47,896	47,309	55,733	6,784	6,962	7,653	5,893	6,537	5,597	6,996	7,189

1. Par amounts of long-term issues based on date of sale.

2. Includes school districts.

 SOURCE: Securities Data Company beginning January 1990; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1999	2000	2001	2002							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 All issues¹	1,105,535²	1,079,727²	1,541,809²	176,202²	116,952²	123,894²	149,753²	68,426²	97,665²	135,176²	93,439
2 Bonds²	973,967²	944,810²	1,413,255²	163,282²	106,416²	114,932²	133,217²	63,912²	93,659²	127,881²	85,606
<i>By type of offering</i>											
3 Sold in the United States	851,352 ²	822,012 ²	1,356,866 ²	145,325 ²	101,427 ²	105,070 ²	121,491 ²	60,549 ²	90,215 ²	123,449 ²	81,409
4 Sold abroad	122,615	122,798	56,389	17,958	4,989	9,862	11,725	3,362	3,444	4,432	4,197
MEMO											
5 Private placements, domestic	24,703	18,370	8,734	0	0	4,506	3,068	0	0	65	0
<i>By industry group</i>											
6 Nonfinancial	302,256 ²	258,804 ²	459,560 ²	44,129 ²	35,741 ²	19,804 ²	27,693 ²	7,624 ²	14,960 ²	19,988 ²	14,906
7 Financial	671,711 ²	686,006 ²	953,695 ²	119,154 ²	70,675 ²	95,128 ²	105,524 ²	56,288 ²	78,699 ²	107,893 ²	70,700
8 Stocks³	242,941	312,689	231,288	12,920	10,536	8,962	16,536	4,514	4,006	7,295	7,833
<i>By type of offering</i>											
9 Public	131,568	134,917	128,554	12,920	10,536	8,962	16,536	4,514	4,006	7,295	7,833
10 Private placement ⁴	111,373	177,772	102,734	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	110,284	118,369	77,577	4,893	7,834	6,633	11,608	1,833	539	2,754	3,731
12 Financial	21,284	16,548	50,977	8,027	2,702	2,329	4,928	2,681	3,467	4,541	4,102

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data for private placements are not available at a monthly frequency.

SOURCE: Securities Data Company and the Board of Governors of the Federal Reserve System.

A30 Domestic Financial Statistics □ February 2003

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2000	2001	2002							
			Apr.	May	June	July	Aug.	Sept.	Oct. ²	Nov.
1 Sales of own shares ²	2,279,315	1,806,474	164,504	154,987	138,520	170,946	151,136	125,408	164,959	138,380
2 Redemptions of own shares	2,057,277	1,677,266	140,524	138,052	144,153	200,148	136,210	126,760	167,039	122,975
3 Net sales ³	222,038	129,208	23,980	16,935	-5,633	-29,202	14,926	-1,352	-2,080	15,405
4 Assets ⁴	5,123,747	4,689,624	4,704,886	4,693,928	4,434,603	4,124,186	4,170,641	3,899,858	4,059,765	4,248,453
5 Cash ⁵	277,386	219,620	249,078	243,755	208,390	199,586	220,425	199,778	204,019	218,664
6 Other	4,846,361	4,470,004	4,455,808	4,450,173	4,226,213	3,924,600	3,950,216	3,700,080	3,855,746	4,029,789

1. Data include stock, hybrid, and bond mutual funds and exclude money market mutual funds.

2. Excludes reinvestment of net income dividends and capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

4. Market value at end of period, less current liabilities.

5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of newly formed companies after their initial offering of securities.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1999	2000	2001	2001				2002		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3 ²
ASSETS										
1 Accounts receivable, gross ²	845.4	958.7	948.3	954.5	988.8	967.8	948.3	930.0	941.9 ^r	945.4
2 Consumer	304.4	328.0	340.1	319.3	324.6	329.3	340.1	329.8	332.0 ^r	334.5
3 Business	395.1	458.4	447.0	459.1	481.9	451.1	447.0	443.0	449.4	445.5
4 Real estate	145.8	172.3	161.3	176.1	182.3	187.4	161.3	157.2	160.5	165.3
5 LESS: Reserves for unearned income	61.4	69.7	60.6	69.9	61.5	60.8	60.6	59.5	58.5	58.0
6 Reserves for losses	14.7	16.7	21.0	17.2	17.4	18.0	21.0	21.5	21.6	22.1
7 Accounts receivable, net	769.3	872.3	866.7	867.3	909.8	889.0	866.7	849.0	861.9 ^r	865.4
8 All other	406.6	461.5	523.4	474.8	458.9	478.7	523.4	515.2	530.6	556.7
9 Total assets	1,175.9	1,333.7	1,390.1	1,342.1	1,368.7	1,367.7	1,390.1	1,364.2	1,392.5	1,422.1
LIABILITIES AND CAPITAL										
10 Bank loans	35.4	35.9	50.8	41.6	45.3	44.5	50.8	49.4	56.9	74.9
11 Commercial paper	230.4	238.8	158.6	180.9	181.6	171.0	158.6	137.0	130.8	143.1
<i>Debt</i>										
12 Owed to parent	87.8	102.5	99.2	97.2	93.4	91.7	99.2	82.6	83.3	82.9
13 Not elsewhere classified	429.9	502.2	567.4	533.8	542.1	555.8	567.4	574.4	597.2	584.9
14 All other liabilities	237.8	301.8	325.5	325.2	336.3	327.6	325.5	329.1	331.5	341.9
15 Capital, surplus, and undivided profits	154.5	152.5	188.6	163.5	170.0	177.2	188.6	191.7	192.9	194.6
16 Total liabilities and capital	1,175.9	1,333.7	1,390.1	1,342.1	1,368.7	1,367.7	1,390.1	1,364.2	1,392.5	1,422.3

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.

2. Before deduction for unearned income and losses. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit	1999	2000	2001	2002					
				May	June	July	Aug.	Sept.	Oct.
Seasonally adjusted									
1 Total	1,031.2	1,187.0	1,248.5	1,243.1	1,258.3	1,269.0	1,269.1	1,269.5²	1,267.4
2 Consumer	410.2	465.2	514.6	519.5	525.0	528.1	522.8	522.2	517.2
3 Real estate	174.0 ³	198.9 ³	207.7 ³	200.8 ³	203.1 ³	206.7 ³	209.6 ³	207.9 ³	211.8
4 Business	446.9	522.8	526.2	522.8	530.2	534.2	536.7	539.4	538.4
Not seasonally adjusted									
5 Total	1,036.4	1,192.2	1,253.7	1,246.3	1,264.4	1,264.2	1,261.1	1,262.2²	1,262.2
6 Consumer	412.7	468.3	518.1	515.7	524.9	528.6	525.0	524.3	518.9
7 Motor vehicle loans	129.2	141.6	173.9	168.8	170.3	172.5	170.3	176.5	169.9
8 Motor vehicle leases	102.9	108.2	103.5	96.1	96.4	94.9	90.5	88.5	86.7
9 Revolving ²	32.5	37.6	31.5	30.1	32.1	36.6	36.5	37.3	37.5
10 Other ³	39.8	40.7	31.1	33.3	33.2	33.0	33.0	32.3	31.3
Securitized assets ⁴									
11 Motor vehicle loans	73.1	97.1	131.9	141.1	142.4	141.9	144.4	138.9	144.1
12 Motor vehicle leases	9.7	6.6	6.8	6.3	6.2	6.1	6.0	6.0	5.9
13 Revolving	6.7	19.6	25.0	25.8	29.2	28.9	29.9	30.5	29.2
14 Other	18.8	17.1	14.3	14.3	15.0	14.7	14.4	14.4	14.4
Real estate	174.0	198.9	207.7	200.8	203.1	206.7	209.6	207.9 ³	211.8
16 One- to four-family	108.2	130.6	120.1	120.4	121.8	125.7	128.7	126.5	130.5
17 Other	37.6	41.7	41.2	38.1	38.7	38.7	38.8	39.0	39.0
Securitized real estate assets ⁴									
18 One- to four-family	28.0	24.7	40.7	40.9	40.9	40.6	40.4	40.1	40.1
19 Other	2	1.9	5.7	1.4	1.7	1.7	1.7	2.2	2.2
20 Business	449.6	525.0	527.9	529.8	536.5	529.0	526.4	530.0	531.5
21 Motor vehicles	69.4	75.5	54.0	61.1	59.9	56.7	56.0	56.9	57.4
22 Retail loans	21.1	18.3	16.1	16.4	17.0	17.5	17.2	17.6	18.1
23 Wholesale loans ⁵	34.8	39.7	20.3	26.9	25.8	22.3	22.2	23.3	23.5
24 Leases	13.6	17.6	17.6	17.8	17.1	16.9	16.6	15.9	15.9
25 Equipment	238.7	283.5	289.4	281.8	288.0	286.0	287.5	289.2	287.2
26 Loans	64.5	70.2	77.8	79.2	78.9	80.0	81.4	82.8	80.9
27 Leases	174.2	213.3	211.6	202.6	209.2	206.1	206.1	206.4	206.4
28 Other business receivables ⁶	87.0	99.4	103.5	103.0	101.5	102.8	99.8	99.4	96.7
Securitized assets ⁴									
29 Motor vehicles	31.5	37.8	50.1	42.4	45.5	41.5	41.0	43.8	47.0
30 Retail loans	2.9	3.2	5.1	2.6	2.4	2.3	2.2	2.2	1.9
31 Wholesale loans	26.4	32.5	42.5	37.1	40.8	36.9	36.5	39.3	42.8
32 Leases	2.1	2.2	2.5	2.7	2.3	2.3	2.3	2.3	2.3
33 Equipment	14.6	23.1	23.2	21.9	21.7	21.6	22.0	21.6	23.9
34 Loans	7.9	15.5	16.4	15.2	15.0	15.0	15.4	14.8	17.2
35 Leases	6.7	7.6	6.8	6.6	6.7	6.7	6.6	6.7	6.7
36 Other business receivables ⁶	8.4	5.6	7.7	19.6	19.9	20.3	20.1	19.1	19.2

NOTE. This table has been revised to incorporate several changes resulting from the benchmarking of finance company receivables to the June 1996 Survey of Finance Companies. In that benchmark survey, and in the monthly surveys that have followed, more detailed breakdowns have been obtained for some components. In addition, previously unavailable data on securitized real estate loans are now included in this table. The new information has resulted in some reclassification of receivables among the three major categories (consumer, real estate, and business) and in discontinuities in some component series between May and June 1996.

Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

1. Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown

before deductions for unearned income and losses. Components may not sum to totals because of rounding.

2. Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods, such as appliances, apparel, boats, and recreation vehicles.

4. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

5. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

6. Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1999	2000	2001	2002						
				May	June	July	Aug.	Sept.	Oct.	Nov.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	210.7	234.5	245.0	265.0	268.2	268.2	267.5	266.7	258.7	256.7
2 Amount of loan (thousands of dollars)	161.7	177.0	184.2	199.1	201.1	201.6	199.1	201.1	195.0	193.3
3 Loan-to-price ratio (percent)	78.7	77.4	77.3	77.2	77.1	77.5	77.3	77.6	77.7	77.4
4 Maturity (years)	28.8	29.2	28.8	29.0	29.0	29.1	29.0	29.1	28.8	28.4
5 Fees and charges (percent of loan amount) ² . . . . .	.77	.70	.67	.59	.56	.62	.59	.60	.63	.61
<i>Yield (percent per year)</i>										
6 Contract rate ³	6.94	7.41	6.90	6.51	6.38	6.28	6.17	6.09	6.00	5.99
7 Effective rate ⁴	7.06	7.52	7.00	6.59	6.47	6.37	6.26	6.17	6.09	6.08
8 Contract rate (HUD series) ⁴	7.45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (section 203) ⁵	7.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.03	7.57	6.36	6.21	6.03	5.82	5.53	5.15	5.31	5.29
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	523,941	610,122	707,015	741,084	740,744	743,025	746,101	751,423	751,347	760,759
12 FHA/VA insured	55,318	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	468,623	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	195,210	154,231	270,384	17,432	16,310	17,586	23,123	33,518	32,853	47,807
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	187,948	163,689	304,084	18,305	24,700	29,786	42,555	58,055	n.a.	n.a.
16 To sell ⁸	5,900	11,786	7,586	124	2,535	62	1,292	1,016	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	324,443	385,693	491,719	515,732	518,816	521,137	525,795	530,694	536,389	549,380
18 FHA/VA insured	1,836	3,332	3,506	2,571	3,649	3,413	4,195	4,634	n.a.	n.a.
19 Conventional	322,607	382,361	488,213	513,161	515,167	517,724	521,600	526,060	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases	239,793	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	233,031	166,901	389,611	29,831	30,767	29,335	34,937	46,369	60,516	62,354
22 Mortgage commitments contracted (during period) ⁹	228,432	169,231	417,434	32,702	32,468	34,827	44,401	57,793	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

7. Does not include standby commitments issued, but includes standby commitments converted.

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1998	1999	2000	2001		2002		
				Q3	Q4	Q1	Q2	Q3 ²
1 All holders	5,715,556	6,320,690³	6,885,547⁴	7,407,530⁵	7,589,968⁵	7,754,015⁵	7,971,417⁵	8,209,266
<i>By type of property</i>								
2 One- to four-family residences	4,365,968	4,790,601	5,203,899 ⁴	5,600,651 ¹	5,732,907 ¹	5,871,331 ¹	6,043,139 ¹	6,242,661
3 Multifamily residences	331,602	369,251	406,530	440,753	454,715	462,579	474,170 ¹	482,851
4 Nonfarm, nonresidential	921,482	1,057,874 ⁴	1,166,261	1,251,517	1,286,011	1,301,988 ¹	1,333,680 ¹	1,360,371
5 Farm	96,504	102,964	108,858	114,610	116,336 ¹	118,116 ¹	120,428 ¹	123,383
<i>By type of holder</i>								
6 Major financial institutions	2,194,591	2,394,271	2,618,969	2,734,217	2,791,076	2,789,654	2,861,044 ¹	2,981,095
7 Commercial banks ²	1,336,996	1,495,420	1,660,054	1,736,631	1,789,819	1,800,362	1,873,203 ¹	1,961,908
8 One- to four-family	797,004	879,576	965,635	987,682	1,023,851	1,018,478	1,070,522 ¹	1,143,938
9 Multifamily	54,632	67,665	77,803	83,949	84,851	86,719	90,743 ¹	90,929
10 Nonfarm, nonresidential	456,323	516,333	582,577	629,624	645,619	659,187	674,972 ¹	689,288
11 Farm	29,337	31,846	34,039	35,375	35,498	35,978	36,966 ¹	37,753
12 Savings institutions ³	643,955	668,064	722,974	758,344	758,236	745,998	742,732 ¹	773,689
13 One- to four-family	533,501	548,222	594,221	620,392	620,579	605,171	599,402 ¹	625,424
14 Multifamily	57,037	59,309	61,258	64,405	64,592	65,199	66,009 ¹	68,668
15 Nonfarm, nonresidential	53,002	60,063	66,965	72,977	72,534	72,977	76,768 ¹	79,036
16 Farm	414	470	529	569	531	551	552 ¹	560
17 Life insurance companies	213,640	230,787	235,941	239,243	243,021	243,293	245,109 ¹	245,498
18 One- to four-family	6,590	5,934	4,903	5,091	4,931	4,938	5,188 ¹	5,197
19 Multifamily	31,522	32,818	33,681	33,885	35,631	35,671	35,844 ¹	35,900
20 Nonfarm, nonresidential	164,004	179,048	183,757	186,469	188,376	188,599	189,988 ¹	190,287
21 Farm	11,524	12,987	13,600	14,083	14,083	14,085	14,089 ¹	14,114
22 Federal and related agencies	291,961	320,054	344,225	363,001	376,999	385,027	396,091	412,014
23 Government National Mortgage Association	7	7	6	9	8	8	8	8
24 One- to four-family	7	7	6	9	8	8	8	8
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	40,851	73,871	73,323	72,118	72,452	72,362	71,970	72,030
27 One- to four-family	16,895	16,506	16,372	15,916	15,824	15,665	15,273	15,139
28 Multifamily	11,739	11,741	11,733	11,710	11,712	11,707	11,692	11,686
29 Nonfarm, nonresidential	7,705	41,355	41,070	40,470	40,965	41,134	41,188	41,439
30 Farm	4,513	4,268	4,148	4,023	3,952	3,855	3,817	3,766
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,674	3,712	3,507	3,155	3,290	3,361	3,473	2,973
32 One- to four-family	1,849	1,851	1,308	1,251	1,260	1,255	1,254	1,252
33 Multifamily	1,825	1,861	2,199	1,904	2,031	2,105	2,218	1,721
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	361	152	45	26	13	7	22	13
40 One- to four-family	58	25	7	4	2	1	4	2
41 Multifamily	70	29	9	5	3	1	4	2
42 Nonfarm, nonresidential	233	98	29	17	8	4	14	8
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	156,023	149,422	155,626	165,687	169,908	176,051	180,491	184,191
45 One- to four-family	147,594	141,195	144,150	151,786	155,060	160,300	164,038	167,006
46 Multifamily	8,429	8,227	11,476	13,901	14,848	15,751	16,453	17,185
47 Federal Land Banks	32,983	34,187	36,326	39,722	40,885	41,981	42,951	44,782
48 One- to four-family	1,941	2,012	2,137	2,337	2,406	2,470	2,527	2,635
49 Farm	31,042	32,175	34,189	37,385	38,479	39,511	40,424	42,147
50 Federal Home Loan Mortgage Corporation	57,085	56,676	59,240	59,638	62,792	59,624	58,872	60,934
51 One- to four-family	49,106	44,321	42,871	39,217	40,309	35,955	34,062	34,616
52 Multifamily	7,979	12,355	16,369	20,421	22,483	23,669	24,810	26,318
53 Mortgage pools or trusts ⁵	2,581,297	2,948,245	3,231,415	3,583,240	3,715,692	3,868,993 ¹	3,988,381 ¹	4,075,446
54 Government National Mortgage Association	537,446	582,263	611,553	603,186	591,368	587,204 ¹	583,791 ¹	567,631
55 One- to four-family	522,498	565,189	592,624	581,796	569,460	564,108 ¹	559,595 ¹	542,453
56 Multifamily	14,948	17,074	18,929	21,391	21,908	23,096	24,196	25,178
57 Federal Home Loan Mortgage Corporation	646,459	749,081	822,310	927,490	948,409	1,012,478	1,053,261	1,058,176
58 One- to four-family	643,465	744,619	816,602	921,709	940,933	1,005,136	1,045,981	1,050,899
59 Multifamily	2,994	4,462	5,708	5,781	7,476	7,342	7,280	7,277
60 Federal National Mortgage Association	834,517	960,883	1,057,750	1,228,131	1,290,351	1,355,404	1,404,594	1,458,945
61 One- to four-family	804,204	924,941	1,016,398	1,177,995	1,238,125	1,301,374	1,349,442	1,402,929
62 Multifamily	30,313	35,942	41,352	50,136	52,226	54,030	55,152	56,016
63 Farmers Home Administration ⁴	1	0	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	1	0	0	0	0	0	0	0
68 Private mortgage conduits	562,874	656,018	739,802	824,433	885,564	913,907	946,735 ¹	990,694
69 One- to four-family ⁶	405,153	455,021	499,834	550,200	591,200	618,300	638,300 ¹	671,200
70 Multifamily	33,784	42,293	48,786	53,627	57,009	57,535	59,491 ¹	61,239
71 Nonfarm, nonresidential	123,937	158,704	191,182	220,606	237,355	240,072	248,944 ¹	258,256
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	647,708	658,120 ¹	690,939 ¹	727,071 ¹	706,201 ¹	710,341 ¹	725,902 ¹	740,711
74 One- to four-family	435,137	459,385	490,900 ¹	522,793 ¹	501,465 ¹	508,679 ¹	519,364 ¹	532,988
75 Multifamily	76,320	75,244	77,006	79,464	79,791	79,612	80,153	80,623
76 Nonfarm, nonresidential	116,277	102,274 ¹	100,681	101,354	101,154	97,915 ¹	101,807 ¹	102,057
77 Farm	19,974	21,217	22,352	23,460	23,792 ¹	24,135 ¹	24,579 ¹	25,043

1. Multifamily debt refers to loans on structures of five or more units.
 2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
 3. Includes savings banks and savings and loan associations.
 4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.
 5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.
 7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.
 SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

A34 Domestic Financial Statistics □ February 2003

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1999	2000	2001	2002					
				May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct.
Seasonally adjusted									
1 Total	1,416,316	1,560,634	1,667,928	1,704,561	1,707,452	1,714,829	1,717,799	1,722,549	1,723,983
2 Revolving	597,669	666,607	699,875	709,676	712,126	715,796	719,483	721,274	723,733
3 Nonrevolving ²	818,647	894,027	968,053	994,885	995,326	999,033	998,317	1,001,274	1,000,251
Not seasonally adjusted									
4 Total	1,446,127	1,593,116	1,701,856	1,691,993	1,700,283	1,705,621	1,719,577	1,720,643	1,723,707
<i>By major holder</i>									
5 Commercial banks	499,758	541,470	558,421	557,463	554,864	557,285	572,446	575,732	578,554
6 Finance companies	201,549	219,848	236,559	232,116	235,640	242,088	239,857	246,072	238,670
7 Credit unions	167,921	184,434	189,570	190,672	191,618	194,060	195,559	196,059	197,104
8 Savings institutions	61,527	64,557	69,070	68,499	68,451	67,370	66,289	65,243	65,243
9 Nonfinancial business	80,311	82,662	67,955	55,802	53,010	51,296	52,101	49,170	49,120
10 Pools of securitized assets ³	435,061	500,145	580,281	587,442	596,700	593,522	593,326	588,366	595,016
<i>By major type of credit⁴</i>									
11 Revolving	621,914	693,020	727,297	704,809	709,469	709,018	716,233	715,990	717,156
12 Commercial banks	189,352	218,063	224,878	218,310	215,765	214,092	224,698	226,197	226,023
13 Finance companies	32,483	37,627	31,538	30,073	32,131	36,570	36,529	37,280	37,453
14 Credit unions	20,641	22,226	22,265	20,882	20,988	21,206	21,505	21,388	21,238
15 Savings institutions	15,838	16,560	17,767	17,529	17,795	16,751	15,707	14,696	14,696
16 Nonfinancial business	42,783	42,430	29,790	20,359	17,859	16,467	16,747	14,129	14,100
17 Pools of securitized assets ³	320,817	356,114	401,059	397,655	404,930	403,933	401,048	402,299	403,646
18 Nonrevolving	824,213	900,095 ^r	974,559	987,184	990,814	996,603	1,003,344	1,004,653	1,006,551
19 Commercial banks	310,406	323,407	333,543	339,153	339,099	343,193	347,748	349,535	352,531
20 Finance companies	169,066	182,221	205,021	202,043	203,509	205,518	203,329	208,792	201,218
21 Credit unions	147,280	162,208	167,305	169,790	170,630	172,854	174,054	174,671	175,866
22 Savings institutions	45,689	47,997	51,303	50,970	50,656	50,619	50,582	50,547	50,547
23 Nonfinancial business	37,528	40,232	38,165	35,442	35,150	34,829	35,354	35,041	35,020
24 Pools of securitized assets ³	114,244	144,031	179,222	189,787	191,770	189,590	192,277	186,067	191,370

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals, excluding loans secured by real estate. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Comprises motor vehicle loans, mobile home loans, and all other loans that are not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

3. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

4. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	1999	2000	2001	2002						
				Apr.	May	June	July ^r	Aug. ^r	Sept.	Oct.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	8.44	9.34	8.50	n.a.	7.74	n.a.	n.a.	5.95	n.a.	n.a.
2 24-month personal	13.39	13.90	13.22	n.a.	12.57	n.a.	n.a.	11.28	n.a.	n.a.
<i>Credit card plan</i>										
3 All accounts	15.21	15.71	14.89	n.a.	13.55	n.a.	n.a.	13.37	n.a.	n.a.
4 Accounts assessed interest	14.81	14.91	14.44	n.a.	13.34	n.a.	n.a.	13.26	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	6.66	6.61	5.65	5.51	6.15	6.25 ^r	3.58	2.17	2.29 ^r	2.79
6 Used car	12.60	13.55	12.18	10.94	10.90	10.71 ^r	10.59	10.46	10.44	10.67
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	52.7	54.9	55.1	55.9	57.3	58.6	58.9	59.2	58.4	57.2
8 Used car	55.9	57.0	57.5	57.7	57.8	57.7	57.8	57.6	57.5	57.3
<i>Loan-to-value ratio</i>										
9 New car	92	92	91	93	92	91 ^r	95	97	97 ^r	96
10 Used car	99	99	100	101	101	100	100	100	100	100
<i>Amount financed (dollars)</i>										
11 New car	19,880	20,923	22,822	23,535	23,324	23,436 ^r	25,089	26,455	26,331 ^r	26,232
12 Used car	13,642	14,058	14,416	14,363	14,700	14,631 ^r	14,701	14,679	14,801 ^r	14,645

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1996	1997	1998	1999	2000	2001				2002		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors ..	733.3	804.4	1,042.4	1,057.5	853.9	949.1	1,032.4	1,276.8	1,213.7	927.3	1,613.7	1,329.4
<i>By sector and instrument</i>												
2 Federal government	144.9	23.1	-52.6	-71.2	-295.9	-59.3	-215.8	209.3	43.4	39.8	526.0	265.7
3 Treasury securities	146.6	23.2	-54.6	-71.0	-294.9	-57.0	-216.9	209.7	44.2	41.6	524.2	264.2
4 Budget agency securities and mortgages	-1.6	-1	2.0	-2	-1.0	-2.2	1.1	-4	-7	-1.8	1.8	1.6
5 Nonfederal	588.3	781.3	1,095.0	1,128.7	1,149.8	1,008.4	1,248.2	1,067.4	1,170.2	887.5	1,087.7	1,063.7
<i>By instrument</i>												
6 Commercial paper	-9	13.7	24.4	37.4	48.1	-199.2	-133.4	-66.1	45.5	-155.7	-93.0	-28.7
7 Municipal securities and loans	2.6	71.4	96.8	68.2	35.3	102.9	107.3	70.0	190.1	70.3	181.2	152.8
8 Corporate bonds	116.3	150.5	218.7	229.9	171.1	399.5	419.5	187.9	323.5	233.8	207.0	-23.4
9 Bank loans n.e.c.	70.4	106.4	108.2	82.8	101.7	-19.5	-121.0	-24.4	-164.5	-18.8	-192.8	-125.1
10 Other loans and advances	28.7	59.5	82.1	46.0	95.0	32.5	132.3	59.4	-107.3	-20.6	77.2	84.0
11 Mortgages	280.1	322.3	489.8	564.9	559.6	547.7	767.5	770.0	732.9	696.8	831.8	944.0
12 Home	241.7	258.3	387.7	424.6	413.7	423.4	607.8	559.3	530.6	601.1	657.4	786.2
13 Multifamily residential	9.8	7.3	23.4	35.7	35.2	37.6	40.8	56.5	56.5	29.2	44.3	35.8
14 Commercial	25.8	53.5	72.2	98.8	104.2	82.3	107.0	147.1	139.0	59.6	121.0	109.5
15 Farm	2.7	3.1	6.5	5.8	6.5	4.3	11.9	7.0	6.8	6.9	9.1	12.4
16 Consumer credit	91.3	57.5	75.0	99.5	139.0	144.5	76.0	70.6	149.9	81.7	76.4	60.1
<i>By borrowing sector</i>												
17 Household	339.8	332.7	454.8	498.0	541.3	506.5	650.6	661.3	623.3	702.6	679.8	770.7
18 Nonfinancial business	255.3	392.5	559.9	578.4	581.4	405.7	495.1	349.6	389.2	122.6	239.5	153.2
19 Corporate	183.1	291.6	392.1	390.5	399.8	237.7	313.5	191.3	239.8	7.1	98.3	10.7
20 Nonfarm noncorporate	67.3	94.7	159.7	182.4	170.7	162.2	170.1	153.8	141.1	110.3	132.7	128.9
21 Farm	4.9	6.2	8.0	5.5	10.9	5.7	11.5	4.4	8.3	5.3	8.5	13.5
22 State and local government	-6.8	56.1	80.3	52.3	27.2	96.3	102.5	56.6	157.7	62.3	168.4	139.9
23 Foreign net borrowing in United States	88.4	71.8	43.2	25.2	65.7	-8.5	-50.5	-106.7	16.0	75.3	15.0	-36.8
24 Commercial paper	11.3	3.7	7.8	16.3	31.7	-33.8	-3.8	-25.2	5.9	64.8	36.3	3.8
25 Bonds	67.0	61.4	34.9	14.1	23.9	21.4	-15.8	-83.9	29.7	-2.3	-41.0	-27.6
26 Bank loans n.e.c.	9.1	8.5	6.6	.5	11.4	14.3	-31.4	4.2	-16.3	13.9	22.0	-11.7
27 Other loans and advances	1.0	-1.8	-6.0	-5.7	-1.3	-10.4	.5	-1.8	-3.3	-1.2	-2.3	-1.3
28 Total domestic plus foreign	821.7	876.2	1,085.6	1,082.6	919.6	940.6	981.9	1,170.1	1,229.6	1,002.6	1,628.8	1,292.6
Financial sectors												
29 Total net borrowing by financial sectors	550.1	662.2	1,087.2	1,073.3	809.0	915.8	828.2	1,118.6	979.1	860.8	866.3	855.9
<i>By instrument</i>												
30 Federal government-related	231.4	212.9	470.9	592.0	433.5	432.6	674.6	818.4	591.8	691.1	487.9	425.6
31 Government-sponsored enterprise securities	90.4	98.4	278.3	318.2	234.1	262.3	268.3	326.2	306.5	191.3	141.7	253.2
32 Mortgage pool securities	141.0	114.6	192.6	273.8	199.4	170.3	406.2	492.2	285.3	499.8	346.2	172.4
33 Loans from U.S. government .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	318.7	449.3	616.3	481.3	375.5	483.3	153.7	300.2	387.3	169.7	378.4	430.3
35 Open market paper	92.2	166.7	161.0	176.2	127.7	-83.8	-77.9	-72.2	-13.6	-178.3	-109.1	84.3
36 Corporate bonds	178.1	218.9	310.2	207.1	199.3	459.7	223.2	313.9	375.3	345.1	431.9	194.7
37 Bank loans n.e.c.	12.6	13.3	30.1	-14.2	-2	24.3	10.8	1.6	18.3	2	31.9	82.2
38 Other loans and advances	27.9	35.6	90.2	107.1	42.5	90.6	-18.7	58.8	8.9	-3.9	16.7	71.9
39 Mortgages	7.9	14.9	24.8	5.1	6.2	-7.5	16.2	-1.9	-1.6	6.6	7.0	-2.7
<i>By borrowing sector</i>												
40 Commercial banking	13.0	46.1	72.9	67.2	60.0	138.1	-10.5	39.7	44.1	24.3	13.3	111.3
41 Savings institutions	25.5	19.7	52.2	48.0	27.3	55.5	3.4	39.4	-68.6	-33.1	-12.1	-10.2
42 Credit unions .....	.1	.1	.6	2.2	.0	-6	.8	1.5	4.4	2.4	2.0	1.0
43 Life insurance companies	1.1	2	7	7	-7	-2.4	1	3.5	1.4	2.4	1.2	.7
44 Government-sponsored enterprises	90.4	98.4	278.3	318.2	234.1	262.3	268.3	326.2	306.5	191.3	141.7	253.2
45 Federally related mortgage pools	141.0	114.6	192.6	273.8	199.4	170.3	406.2	492.2	285.3	499.8	346.2	172.4
46 Issuers of asset-backed securities (ABSs)	150.8	202.2	321.4	212.3	189.7	320.5	205.9	318.9	432.6	254.5	237.7	203.0
47 Finance companies	50.6	57.8	57.1	70.3	81.2	-54.0	36.8	41.8	-25.3	-31.2	80.2	106.4
48 Mortgage companies	4.1	-4.6	1.6	2	1	7	6	8	.8	.8	.7	.7
49 Real estate investment trusts (REITs)	11.9	39.6	62.7	6.3	2.7	-6.1	10.5	-2.4	7.8	7.4	25.3	18.4
50 Brokers and dealers	-2.0	8.1	7.2	-17.2	15.6	-23.7	35.6	12.6	-18.9	-15.7	17.5	15.0
51 Funding corporations	63.8	79.9	40.0	91.5	-4	55.3	-129.6	-155.7	9.1	-42.2	12.4	-16.2

A36 Domestic Financial Statistics □ February 2003

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1996	1997	1998	1999	2000	2001				2002		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
All sectors												
52 Total net borrowing, all sectors	1,371.7	1,538.5	2,172.8	2,155.9	1,728.6	1,856.5	1,810.1	2,288.7	2,208.7	1,863.4	2,495.1	2,148.5
53 Open market paper	102.6	184.1	193.1	229.9	207.6	-316.8	-215.1	-163.5	37.8	-269.2	-165.8	59.4
54 U.S. government securities	376.3	236.0	418.3	520.7	137.6	373.3	458.8	1,027.8	635.2	730.9	1,013.9	691.4
55 Municipal securities	2.6	71.4	96.8	68.2	35.3	102.9	107.3	70.0	190.1	70.3	181.2	152.8
56 Corporate and foreign bonds	361.3	430.8	563.7	451.2	394.3	880.6	626.9	417.9	728.4	576.6	597.9	143.7
57 Bank loans n.e.c.	92.1	128.2	145.0	69.0	112.8	19.2	-141.6	-18.6	-162.4	-4.6	-139.0	-54.7
58 Other loans and advances	57.7	93.2	166.3	147.4	136.2	112.7	114.2	116.5	-101.8	-25.7	91.5	154.6
59 Mortgages	287.9	337.2	514.6	570.0	565.9	540.2	783.7	768.0	731.3	703.4	838.8	941.2
60 Consumer credit	91.3	57.5	75.0	99.5	139.0	144.5	76.0	70.6	149.9	81.7	76.4	60.1
Funds raised through mutual funds and corporate equities												
61 Total net issues	233.4	181.8	114.4	158.1	194.6	230.8	407.2	133.4	375.5	438.3	284.0	-90.2
62 Corporate equities	-4.2	-83.3	-165.1	-33.1	-40.4	114.8	133.6	-27.0	119.6	51.4	183.9	-133.1
63 Nonfinancial corporations	-69.5	-114.4	-267.0	-143.5	-159.7	-25.0	-70.7	-126.6	-25.0	-8.7	18.5	-139.0
64 Foreign shares purchased by U.S. residents	82.8	57.6	101.3	114.3	103.6	86.1	222.9	43.5	74.7	-5.9	80.9	-68.2
65 Financial corporations	-17.6	-26.5	.6	-4.0	15.7	53.7	-18.5	56.1	69.9	65.9	84.5	74.1
66 Mutual fund shares	237.6	265.1	279.5	191.2	235.0	116.0	273.5	160.4	255.9	386.9	100.0	42.9

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

Billions of dollars except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1996	1997	1998	1999	2000	2001				2002		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
NET LENDING IN CREDIT MARKETS²												
1 Total net lending in credit markets	1,371.7	1,538.5	2,172.8	2,155.9	1,728.6	1,856.5	1,810.1	2,288.7	2,208.7	1,863.4	2,495.1	2,148.5
2 Domestic nonfederal nonfinancial sectors	108.2	29.8	255.2	253.1	-100.1	-115.9	-165.2	1.1	16.4	167.8	257.4	-233.8
3 Household	148.1	39.8	123.4	243.4	-103.1	-135.5	-174.4	-5.6	-33.8	115.9	207.0	-250.3
4 Nonfinancial corporate business	-10.2	-12.7	-16.0	-15.6	5.0	-22.5	-24.6	-34.1	5.8	49.7	4.5	-8
5 Nonfarm noncorporate business	4.0	2.6	13.3	-3.0	-1.2	3.2	3	3.3	2.0	3.3	3.3	-2.2
6 State and local governments	-33.7	5.1	134.5	28.4	-8	38.9	33.5	37.4	42.4	-1.1	42.5	17.8
7 Federal government	-7.2	5.1	13.5	5.8	7.3	4.4	9.4	3.3	7.0	4.7	8.9	7.3
8 Rest of the world	379.6	259.6	172.5	139.7	225.9	325.7	254.9	269.2	432.5	171.8	566.1	561.7
9 Financial sectors	891.2	1,244.0	1,731.6	1,757.3	1,593.4	1,642.3	1,711.1	2,015.1	1,752.8	1,519.1	1,662.7	1,813.3
10 Monetary authority	12.3	38.3	21.1	25.7	33.7	39.0	26.9	8.4	85.1	81.6	43.4	67.3
11 Commercial banking	187.5	324.3	305.6	312.2	357.9	130.4	107.8	267.9	314.6	188.9	384.3	623.5
12 U.S.-chartered banks	119.6	274.9	312.1	318.6	339.5	92.3	156.5	242.5	275.0	168.2	343.8	599.6
13 Foreign banking offices in United States	63.3	40.2	-11.6	-17.0	23.9	34.5	-50.1	21.1	-7.8	2.1	33.7	21.5
14 Bank holding companies	3.9	5.4	-9	-6.2	-12.2	7.3	-2.8	-1.4	13.6	12.0	1.9	-1.6
15 Banks in U.S.-affiliated areas	7	3.7	6.0	4.4	6.7	-3.6	4.2	5.7	33.9	6.6	4.9	4.0
16 Savings institutions	19.9	-4.7	36.2	67.7	56.2	46.8	55.8	-4.7	73.1	12.3	-23.5	80.7
17 Credit unions	25.5	16.8	18.9	27.5	28.0	34.9	9.6	61.1	60.5	58.3	41.1	39.9
18 Bank personal trusts and estates	-7.7	-25.0	-12.8	27.8	8	4.0	5.5	4.9	8.9	11.3	11.4	4.9
19 Life insurance companies	69.6	104.8	76.9	53.5	57.9	111.8	143.6	186.9	81.3	260.6	175.1	229.1
20 Other insurance companies	22.5	25.2	5.8	-3.0	-8.7	2.1	1	5.1	28.5	36.7	35.4	35.3
21 Private pension funds	-4.1	47.6	-23.4	17.0	33.4	20.7	44.7	10.4	5.3	27.4	45.9	35.5
22 State and local government retirement funds	35.8	67.1	72.1	46.9	54.6	-70.7	77.0	-74.2	-2.7	70.5	-54.5	-33.0
23 Money market mutual funds	88.8	87.5	244.0	182.0	143.0	326.4	210.0	339.3	108.4	-296.8	-122.3	-42.1
24 Mutual funds	48.9	80.9	127.3	48.4	21.0	93.0	169.1	102.7	139.3	243.3	42.0	164.8
25 Closed-end funds	5.2	-2.8	5.2	8.2	-6.3	-6.9	-4.9	24.4	14.8	20.9	2.2	11.6
26 Government-sponsored enterprises	97.1	106.3	314.0	291.3	256.4	329.2	297.2	274.3	335.3	236.7	129.0	174.8
27 Federally related mortgage pools	141.0	114.6	192.6	273.8	199.4	170.3	406.2	492.2	285.3	499.8	346.2	172.4
28 Asset-backed securities issuers (ABSs)	120.5	163.8	281.7	194.1	159.9	292.5	177.6	293.4	409.9	230.3	215.5	180.4
29 Finance companies	18.9	23.1	77.3	97.0	108.0	8.9	112.1	-43.1	-100.5	-28.2	39.6	79.1
30 Mortgage companies	8.2	-9.1	3.2	3	2	1.4	1.1	1.7	1.2	1.6	1.4	1.5
31 Real estate investment trusts (REITs)	4.4	20.2	-5.1	-2.6	-6.3	4.0	1.1	7.8	14.0	26.3	31.8	25.0
32 Brokers and dealers	-15.7	14.9	6.8	-34.7	68.9	242.3	53.4	184.5	-110.5	-219.5	403.0	-191.4
33 Funding corporations	12.6	50.4	-15.8	124.0	37.4	-137.9	-182.9	-128.0	1.0	56.8	-84.3	139.1
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,371.7	1,538.5	2,172.8	2,155.9	1,728.6	1,856.5	1,810.1	2,288.7	2,208.7	1,863.4	2,495.1	2,148.5
<i>Other financial sources</i>												
35 Official foreign exchange	-6.3	7	6.6	-8.7	-4	-1.5	4.7	13.7	2	-3.0	12.9	5.6
36 Special drawing rights certificates	-5	-5	0	-3.0	-4.0	0	0	0	0	0	0	0
37 Treasury currency	5	5	6	1.0	2.4	-1.1	1.1	0	0	0	0	0
38 Foreign deposits	85.9	107.7	6.5	61.0	135.1	228.3	-175.9	41.5	17.9	-59.1	89.3	40.0
39 Net interbank transactions	-51.6	-19.7	-31.8	15.0	15.1	-141.8	-25.4	-1.1	41.5	-1.2	-149.3	48.7
40 Checkable deposits and currency	15.7	41.2	47.3	151.2	-71.4	164.1	155.2	212.1	278.9	3.2	285.9	284.6
41 Small time and savings deposits	97.2	97.1	152.4	45.1	188.8	266.9	242.1	230.3	329.7	259.7	249.0	325.6
42 Large time deposits	114.0	122.5	91.8	131.1	116.2	133.9	43.0	19.5	77.8	270.0	34.9	28.1
43 Money market fund shares	145.4	155.9	287.2	249.1	233.3	578.4	370.0	386.1	379.8	-315.7	103.4	-192.6
44 Security repurchase agreements	41.4	120.9	91.3	169.8	113.2	-94.3	114.0	215.6	-139.1	-55.8	252.8	-135.9
45 Corporate equities	-4.2	-83.3	-165.1	-33.1	-40.4	114.8	133.6	-27.0	119.6	51.4	183.9	-133.1
46 Mutual fund shares	237.6	265.1	279.5	191.2	235.0	116.0	273.5	160.4	255.9	386.9	100.0	42.9
47 Trade payables	123.3	139.8	106.4	268.6	170.2	186.4	-119.6	-47.3	-96.5	217.9	67.0	148.1
48 Security credit	52.4	111.0	103.2	104.4	146.1	-91.1	-73.9	561.3	-383.7	-190.7	-129.4	-118.2
49 Life insurance reserves	44.5	59.3	48.0	50.8	50.2	62.3	52.2	74.7	119.6	93.9	92.2	117.4
50 Pension fund reserves	148.3	201.4	217.4	181.8	209.0	295.9	209.1	180.3	150.8	134.1	145.5	263.4
51 Taxes payable	19.5	22.3	19.6	23.2	21.7	4.3	14.8	104.9	-67.0	20.4	62.4	-60.4
52 Investment in bank personal trusts	-5.1	-53.0	-46.1	-8.1	56.6	27.1	31.9	31.7	35.2	26.5	26.8	20.7
53 Noncorporate proprietors' equity	5.5	-40.7	-57.8	-38.7	-10.2	-19.7	-26.4	-44.6	-1.8	-13.2	-51.8	-75.9
54 Miscellaneous	522.4	493.8	956.9	1,053.8	1,164.9	748.6	867.3	857.0	190.9	132.6	523.3	752.1
55 Total financial sources	2,957.8	3,280.5	4,286.6	4,761.4	4,460.0	4,434.1	3,901.5	5,258.0	3,518.4	2,821.3	4,394.0	3,509.7
<i>Liabilities not identified as assets (-)</i>												
56 Treasury currency	-4	-2	-1	-7	-1.2	-3.6	-5	-1.4	0	-2.4	-7	-1.3
57 Foreign deposits	59.4	106.2	-8.5	42.6	55.9	182.1	-166.8	54.5	-28.7	-36.6	130.9	9.7
58 Net interbank liabilities	-3.3	-19.9	3.8	1	20.4	21.8	17.0	7.4	22.6	39.4	-9.3	12.2
59 Security repurchase agreements	2.4	63.2	57.7	35.7	118.6	-277.2	124.6	110.4	-166.8	-17.3	115.9	-349.8
60 Taxes payable	23.1	28.0	19.7	11.7	26.2	24.9	3.1	25.4	22.8	31.1	-30.3	74.6
61 Miscellaneous	-177.4	-248.3	-158.9	-290.4	-398.0	-253.8	-538.9	84.5	-197.6	-396.0	-86.9	152.8
<i>Floats not included in assets (-)</i>												
62 Federal government checkable deposits	5	-2.7	2.6	-7.4	9.0	64.9	64.7	-23.0	-91.1	190.3	185.7	28.0
63 Other checkable deposits	-4.0	-3.9	-3.1	-8	1.7	3.6	3.9	5.0	5.7	6.1	7.1	7.6
64 Trade credit	-25.7	-25.5	-43.3	2.8	26.1	48.1	28.6	-49.3	37.8	3.1	-72.7	-1.6
65 Total identified to sectors as assets	3,083.5	3,383.6	4,416.7	4,967.7	4,601.5	4,623.2	4,365.7	5,044.4	3,913.8	3,003.6	4,154.3	3,577.6

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.1 and F.5. For ordering address, see inside front cover

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1997	1998	1999	2000	2001				2002		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	15,243.1	16,285.5	17,377.6	18,250.6	18,498.8	18,673.4	18,988.9	19,369.2	19,601.0	19,915.4	20,257.3
<i>By sector and instrument</i>											
2 Federal government	3,804.8	3,752.2	3,681.0	3,385.1	3,408.8	3,251.4	3,320.0	3,379.5	3,430.3	3,451.4	3,540.8
3 Treasury securities	3,778.3	3,723.7	3,652.7	3,357.8	3,382.0	3,224.3	3,293.0	3,352.7	3,404.0	3,424.6	3,513.6
4 Budget agency securities and mortgages	26.5	28.5	28.3	27.3	26.8	27.0	27.0	26.8	26.3	26.8	27.2
5 Nonfederal	11,438.3	12,533.3	13,696.7	14,865.5	15,090.1	15,422.0	15,669.0	15,989.7	16,170.7	16,464.1	16,716.4
<i>By instrument</i>											
6 Commercial paper	168.6	193.0	230.3	278.4	253.2	223.3	201.3	190.1	167.5	148.4	142.2
7 Municipal securities and loans	1,367.5	1,464.3	1,532.5	1,567.8	1,597.5	1,629.8	1,635.3	1,685.4	1,707.5	1,758.2	1,783.8
8 Corporate bonds	1,610.9	1,829.6	2,059.5	2,230.6	2,330.4	2,435.3	2,482.3	2,563.2	2,621.6	2,673.4	2,667.5
9 Bank loans n.e.c.	1,040.4	1,148.6	1,231.4	1,333.1	1,320.7	1,293.6	1,285.1	1,251.4	1,237.3	1,192.1	1,159.1
10 Other loans and advances	825.1	907.2	953.5	1,059.6	1,073.6	1,103.6	1,110.1	1,088.8	1,089.2	1,105.6	1,118.2
11 Mortgages	5,154.3	5,644.1	6,243.4	6,803.0	6,929.3	7,128.2	7,324.4	7,507.6	7,670.4	7,886.0	8,125.1
12 Home	3,978.3	4,366.0	4,790.6	5,204.3	5,299.4	5,458.4	5,602.1	5,734.6	5,873.4	6,045.4	6,245.2
13 Multifamily residential	284.6	308.0	343.9	379.2	388.6	398.8	412.9	427.0	434.3	445.4	454.4
14 Commercial	801.4	873.6	1,006.5	1,110.7	1,131.3	1,158.0	1,194.8	1,229.6	1,244.5	1,274.7	1,302.1
15 Farm	90.0	96.6	102.3	108.9	110.0	113.0	114.6	116.3	118.1	120.4	123.4
16 Consumer credit	1,271.6	1,346.6	1,446.1	1,593.1	1,585.3	1,608.1	1,630.5	1,703.3	1,677.2	1,700.3	1,720.6
<i>By borrowing sector</i>											
17 Households	5,556.9	6,011.8	6,510.0	7,070.4	7,139.3	7,315.1	7,486.9	7,680.8	7,794.2	7,979.0	8,178.3
18 Nonfinancial business	4,761.9	5,321.7	5,934.5	6,515.9	6,643.3	6,769.0	6,841.4	6,926.4	6,973.7	7,035.5	7,065.5
19 Corporate	3,382.0	3,774.1	4,199.0	4,598.9	4,686.1	4,763.7	4,798.1	4,845.1	4,865.2	4,889.0	4,885.2
20 Nonfarm noncorporate	1,224.0	1,383.7	1,561.6	1,736.8	1,777.5	1,820.1	1,857.4	1,893.6	1,921.3	1,954.6	1,985.6
21 Farm	155.9	163.9	169.4	180.2	179.7	185.2	185.9	187.7	187.1	191.8	194.7
22 State and local government	1,119.5	1,199.8	1,252.1	1,279.3	1,307.5	1,337.8	1,340.6	1,382.5	1,402.8	1,449.6	1,472.6
23 Foreign credit market debt held in United States	607.9	651.3	676.7	742.3	740.4	726.1	701.7	704.9	724.2	725.6	719.1
24 Commercial paper	65.1	72.9	89.2	120.9	112.8	110.1	106.3	106.7	123.6	130.2	134.0
25 Bonds	427.7	462.6	476.7	500.6	505.9	502.0	481.0	488.4	487.9	477.6	470.7
26 Bank loans n.e.c.	52.1	58.7	59.2	70.5	74.1	66.2	67.3	63.2	66.7	72.2	69.3
27 Other loans and advances	63.0	57.1	51.6	50.3	47.5	47.7	47.0	46.6	46.0	45.5	45.0
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	15,851.0	16,936.8	18,054.3	18,993.0	19,239.2	19,399.4	19,690.6	20,074.1	20,325.2	20,641.0	20,976.3
Financial sectors											
29 Total credit market debt owed by financial sectors	5,458.0	6,545.2	7,618.5	8,439.5	8,647.8	8,851.0	9,121.3	9,397.2	9,591.4	9,803.4	10,007.3
<i>By instrument</i>											
30 Federal government-related	2,821.1	3,292.0	3,884.0	4,317.4	4,422.9	4,591.6	4,796.2	4,944.1	5,116.9	5,238.9	5,345.3
31 Government-sponsored enterprise securities	995.3	1,273.6	1,591.7	1,825.8	1,888.7	1,955.8	2,037.4	2,114.0	2,161.8	2,197.2	2,260.5
32 Mortgage pool securities	1,825.8	2,018.4	2,292.2	2,491.6	2,534.2	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.8
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	2,636.9	3,253.2	3,734.6	4,122.0	4,224.8	4,259.4	4,325.2	4,453.1	4,474.5	4,564.5	4,662.0
35 Open market paper	745.7	906.7	1,072.9	1,210.7	1,180.8	1,144.5	1,110.2	1,148.8	1,090.9	1,046.9	1,049.5
36 Corporate bonds	1,568.6	1,878.7	2,085.9	2,297.2	2,414.8	2,478.7	2,562.9	2,640.2	2,730.3	2,845.8	2,901.2
37 Bank loans n.e.c.	77.3	107.5	93.2	93.0	97.3	100.4	100.2	106.8	105.1	113.5	133.2
38 Other loans and advances	198.5	288.7	395.8	438.3	450.9	450.7	467.2	473.2	462.4	470.8	491.2
39 Mortgages	46.8	71.6	76.7	82.9	81.1	85.1	84.6	84.2	85.9	87.6	86.9
<i>By borrowing sector</i>											
40 Commercial banks	140.6	188.6	230.0	266.7	273.8	274.7	281.4	296.0	295.8	310.4	331.6
41 Bank holding companies	168.6	193.5	219.3	242.5	266.5	269.0	272.7	266.1	269.0	264.2	271.4
42 Savings institutions	160.3	212.4	260.4	287.7	295.1	294.4	305.6	295.1	280.5	275.3	274.5
43 Credit unions	.6	1.1	3.4	3.4	3.2	3.5	3.8	4.9	5.5	6.0	6.3
44 Life insurance companies	1.8	2.5	3.2	2.5	1.9	1.9	2.8	3.1	3.7	4.0	4.2
45 Government-sponsored enterprises	995.3	1,273.6	1,591.7	1,825.8	1,888.7	1,955.8	2,037.4	2,114.0	2,161.8	2,197.2	2,260.5
46 Federally related mortgage pools	1,825.8	2,018.4	2,292.2	2,491.6	2,534.2	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.8
47 Issuers of asset-backed securities (ABSs)	1,076.6	1,398.0	1,610.3	1,812.0	1,884.5	1,937.3	2,020.3	2,131.4	2,187.3	2,248.2	2,302.3
48 Brokers and dealers	35.3	42.5	25.3	40.9	35.0	43.9	47.1	42.3	38.4	42.8	46.6
49 Finance companies	568.3	625.5	695.7	776.9	756.2	769.0	771.2	776.7	760.8	784.9	802.9
50 Mortgage companies	16.0	17.7	17.8	17.9	18.1	18.2	18.5	18.6	18.8	19.0	19.2
51 Real estate investment trusts (REITs)	96.1	158.8	165.1	167.8	166.2	168.9	168.3	170.2	172.1	178.4	183.0
52 Funding corporations	372.6	412.6	504.0	503.7	524.3	478.6	433.6	448.4	442.6	431.3	420.1
All sectors											
53 Total credit market debt, domestic and foreign	21,309.1	23,482.0	25,672.8	27,432.4	27,886.9	28,250.4	28,811.9	29,471.4	29,916.6	30,444.4	30,983.6
54 Open market paper	979.4	1,172.6	1,402.4	1,610.0	1,546.8	1,477.9	1,417.8	1,445.6	1,382.0	1,325.5	1,325.7
55 U.S. government securities	6,625.9	7,044.2	7,564.9	7,702.5	7,831.7	7,842.9	8,116.2	8,323.6	8,547.2	8,690.2	8,886.1
56 Municipal securities	1,367.5	1,464.3	1,532.5	1,567.8	1,597.5	1,629.8	1,635.3	1,685.4	1,707.5	1,758.2	1,783.8
57 Corporate and foreign bonds	3,607.2	4,170.9	4,622.0	5,028.3	5,251.1	5,416.0	5,526.2	5,691.8	5,839.7	5,996.7	6,039.4
58 Bank loans n.e.c.	1,169.8	1,314.8	1,383.8	1,496.6	1,492.1	1,460.2	1,452.6	1,421.4	1,409.1	1,377.8	1,361.6
59 Other loans and advances	1,086.5	1,253.0	1,400.9	1,548.2	1,572.0	1,602.0	1,624.4	1,608.6	1,597.6	1,622.0	1,654.4
60 Mortgages	5,201.1	5,715.7	6,320.1	6,886.0	7,010.3	7,213.3	7,409.0	7,591.8	7,756.2	7,973.6	8,212.0
61 Consumer credit	1,271.6	1,346.6	1,446.1	1,593.1	1,585.3	1,608.1	1,630.5	1,703.3	1,677.2	1,700.3	1,720.6

1. Data in this table appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1997	1998	1999	2000	2001				2002		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3
CREDIT MARKET DEBT OUTSTANDING²											
1 Total credit market assets	21,309.1	23,482.0	25,672.8	27,432.4	27,886.9	28,250.4	28,811.9	29,471.4	29,916.6	30,444.4	30,983.6
2 Domestic nonfederal nonfinancial sectors	3,110.2	3,357.4	3,671.5	3,542.8	3,488.1	3,426.6	3,409.2	3,463.3	3,476.0	3,519.6	3,447.7
3 Household	2,193.5	2,308.9	2,613.2	2,481.5	2,440.5	2,370.4	2,354.6	2,380.6	2,401.4	2,425.1	2,351.3
4 Nonfinancial corporate business	257.5	241.5	226.0	231.0	206.2	203.0	195.0	212.2	202.7	207.8	209.8
5 Nonfarm noncorporate business	54.2	67.5	64.4	63.2	64.0	64.1	64.9	65.4	66.2	67.1	66.5
6 State and local governments	605.0	739.4	767.8	767.0	777.4	789.1	794.6	805.1	805.6	819.7	820.1
7 Federal government	205.4	219.0	258.0	265.3	266.4	268.7	269.6	271.3	272.5	274.7	276.5
8 Rest of the world	2,097.7	2,278.2	2,354.6	2,621.1	2,706.0	2,766.8	2,837.5	2,954.4	3,000.6	3,139.1	3,283.3
9 Financial sectors	15,895.8	17,627.4	19,388.8	21,003.3	21,426.4	21,788.2	22,295.7	22,782.4	23,167.5	23,511.0	23,976.0
10 Monetary authority	431.4	452.5	478.1	511.8	523.9	535.1	534.1	551.7	575.4	590.7	604.2
11 Commercial banking	4,031.9	4,336.1	4,648.3	5,006.3	5,013.8	5,041.5	5,100.6	5,210.5	5,231.3	5,328.3	5,476.1
12 U.S.-chartered banks	3,450.7	3,761.4	4,080.0	4,419.5	4,420.8	4,463.5	4,513.5	4,610.1	4,629.3	4,719.7	4,858.3
13 Foreign banking offices in United States	516.1	504.5	487.4	511.3	516.6	501.3	509.3	510.7	507.7	512.6	521.2
14 Bank holding companies	27.4	26.5	32.7	20.5	22.3	21.6	21.3	24.7	27.7	28.1	27.7
15 Banks in U.S.-affiliated areas	37.8	43.8	48.3	55.0	54.1	55.1	56.5	65.0	66.6	67.9	68.8
16 Savings institutions	928.5	964.7	1,032.4	1,088.6	1,100.5	1,116.1	1,118.1	1,131.4	1,134.7	1,130.9	1,153.9
17 Credit unions	305.3	324.2	351.7	379.7	387.0	392.4	408.4	421.2	434.3	447.7	458.5
18 Bank personal trusts and estates	207.0	194.1	222.0	222.8	223.8	225.2	226.4	228.6	231.4	234.3	235.5
19 Life insurance companies	1,751.1	1,828.0	1,886.0	1,943.9	1,969.6	2,004.8	2,054.8	2,074.8	2,136.9	2,180.1	2,241.0
20 Other insurance companies	515.3	521.1	518.2	509.4	510.0	510.0	511.3	518.4	527.6	536.4	545.3
21 Private pension funds	674.6	651.2	668.2	701.6	706.8	718.0	720.6	721.9	728.7	740.2	749.1
22 State and local government retirement funds	632.5	704.6	751.4	806.0	806.0	788.3	807.6	789.0	788.4	806.0	792.4
23 Money market mutual funds	721.9	965.9	1,147.8	1,290.9	1,404.2	1,414.3	1,494.9	1,536.9	1,496.4	1,419.3	1,405.7
24 Mutual funds	901.1	1,028.4	1,078.8	1,097.8	1,113.9	1,160.3	1,188.2	1,223.8	1,276.8	1,291.6	1,335.0
25 Closed-end funds	93.3	98.5	106.8	100.5	98.7	97.5	103.6	107.3	112.5	113.1	116.0
26 Government-sponsored enterprises	938.3	1,252.3	1,543.5	1,877.1	1,877.7	1,956.1	2,026.1	2,114.3	2,163.8	2,199.9	2,245.5
27 Federally related mortgage pools	1,825.8	2,018.4	2,292.2	2,491.6	2,534.2	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.8
28 Asset-backed securities (ABS) issuers	937.7	1,219.4	1,413.6	1,585.4	1,650.9	1,696.6	1,773.3	1,878.7	1,928.5	1,983.9	2,032.4
29 Finance companies	568.2	645.5	742.5	850.5	848.0	878.5	859.5	844.8	832.4	845.6	856.9
30 Mortgage companies	32.1	35.3	35.6	35.9	36.2	36.5	36.9	37.2	37.6	38.0	38.3
31 Real estate investment trusts (REITs)	50.6	45.5	42.9	36.6	37.6	37.9	39.8	43.3	49.9	57.9	64.1
32 Brokers and dealers	182.6	189.4	154.7	223.6	317.7	288.4	366.4	316.0	299.6	352.7	339.6
33 Funding corporations	166.7	152.3	276.0	313.4	283.7	235.7	184.9	203.0	208.6	186.6	206.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	21,309.1	23,482.0	25,672.8	27,432.4	27,886.9	28,250.4	28,811.9	29,471.4	29,916.6	30,444.4	30,983.6
<i>Other liabilities</i>											
35 Official foreign exchange	48.9	60.1	50.1	46.1	42.8	43.4	49.0	46.8	45.7	52.0	53.1
36 Special drawing rights certificates	9.2	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.3	19.9	20.9	23.2	22.9	23.2	23.2	23.2	23.2	23.2	23.2
38 Foreign deposits	618.5	642.3	703.6	824.5	881.6	837.6	848.0	908.9	894.1	916.5	926.5
39 Net interbank liabilities	219.4	189.4	202.4	221.2	156.7	158.7	166.5	187.7	157.6	130.9	146.8
40 Checkable deposits and currency	1,286.1	1,333.3	1,484.5	1,413.1	1,404.9	1,448.4	1,485.1	1,601.4	1,567.2	1,640.0	1,698.0
41 Small time and savings deposits	2,474.2	2,626.5	2,671.6	2,860.4	2,962.7	2,992.4	3,047.6	3,127.6	3,229.6	3,257.6	3,338.5
42 Large time deposits	713.4	805.3	936.4	1,052.6	1,077.0	1,087.3	1,094.2	1,121.1	1,178.9	1,188.7	1,197.7
43 Money market fund shares	1,042.5	1,329.7	1,578.8	1,812.1	1,994.7	2,014.7	2,115.4	2,240.7	2,202.6	2,150.3	2,105.9
44 Security repurchase agreements	822.4	913.8	1,083.6	1,196.8	1,187.4	1,206.6	1,233.9	1,220.4	1,220.4	1,273.7	1,233.1
45 Mutual fund shares	2,989.4	3,613.1	4,538.5	4,434.6	3,990.4	4,259.5	3,753.1	4,135.5	4,247.0	3,926.6	3,418.9
46 Security credit	469.1	572.2	676.6	822.7	799.3	781.5	919.9	778.0	746.2	716.7	724.7
47 Life insurance reserves	665.0	718.3	783.9	819.1	823.0	840.3	844.0	880.0	904.2	915.2	928.3
48 Pension fund reserves	7,323.4	8,208.4	9,065.3	9,069.0	8,584.0	8,862.6	8,281.0	8,694.0	8,822.2	8,328.1	7,737.4
49 Trade payables	1,967.4	2,073.8	2,342.4	2,512.6	2,536.4	2,498.4	2,502.4	2,493.4	2,526.0	2,533.2	2,587.8
50 Taxes payable	151.1	170.7	193.9	215.6	223.3	222.5	251.4	229.9	241.3	252.9	240.3
51 Investment in bank personal trusts	942.5	1,001.0	1,130.4	1,095.8	1,007.9	1,063.3	955.4	1,025.3	1,035.2	970.1	888.2
52 Miscellaneous	6,733.1	7,633.7	8,500.3	9,427.9	9,862.5	10,140.3	10,545.9	10,091.1	10,104.6	10,369.1	10,882.0
53 Total liabilities	49,803.8	55,402.6	61,642.2	65,281.9	65,446.6	66,733.3	66,950.1	68,339.8	69,096.5	69,120.9	69,106.2
<i>Financial assets not included in liabilities (+)</i>											
54 Gold and special drawing rights	21.1	21.6	21.4	21.6	21.4	21.5	22.0	21.8	21.9	22.7	22.8
55 Corporate equities	13,301.7	15,577.3	19,581.2	17,611.9	15,347.5	16,281.6	13,673.4	15,245.5	15,264.1	13,363.0	10,960.1
56 Household equity in noncorporate business	4,052.7	4,285.7	4,544.3	4,765.8	4,807.7	4,823.5	4,865.8	4,824.9	4,845.0	4,906.5	4,947.4
<i>Liabilities not identified as assets (-)</i>											
57 Treasury currency	-6.3	-6.4	-7.1	-8.5	-9.4	-9.5	-9.8	-9.8	-10.4	-10.6	-10.9
58 Foreign deposits	535.0	542.8	585.7	627.4	673.0	631.3	644.9	694.1	685.0	717.7	720.1
59 Net interbank transactions	-32.2	-26.5	-28.5	-4.3	1.1	3.8	4.5	11.1	21.8	18.3	16.2
60 Security repurchase agreements	172.9	230.6	266.4	385.0	341.4	376.2	396.6	346.3	355.6	390.2	292.4
61 Taxes payable	104.2	121.2	121.9	127.7	111.9	131.7	148.6	100.0	92.3	150.7	113.5
62 Miscellaneous	-1,376.7	-1,956.2	-2,436.0	-2,968.9	-2,919.9	-2,862.5	-2,692.6	-3,203.2	-3,178.9	-3,223.2	-3,030.3
<i>Floats not included in assets (-)</i>											
63 Federal government checkable deposits	-8.1	-3.9	-9.8	-2.3	-2.8	-4.8	-5.9	-14.1	32.4	61.3	72.2
64 Other checkable deposits	26.2	23.1	22.3	24.0	21.1	25.5	19.2	28.6	26.3	31.4	25.8
65 Trade credit	128.1	84.8	91.7	117.7	84.6	63.8	48.7	134.0	87.8	40.3	39.2
66 Totals identified to sectors as assets	67,636.1	76,277.7	87,182.4	89,383.3	87,322.3	89,504.4	86,957.2	90,345.2	91,115.7	89,237.0	86,798.1

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.1 and L.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2001	2002			2001	2002			2001	2002		
	Q4 ^r	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^r	Q2 ^r	Q3 ^r
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ²			
1 Total industry	108.9	109.3	110.5	111.4	145.0	145.4	145.9	146.2	75.1	75.1	75.7	76.2
2 Manufacturing	110.1	110.5	111.4	112.3	150.1	150.5	150.9	151.1	73.4	73.4	73.9	74.3
3 Manufacturing (NAICS)	110.2	110.8	111.8	112.6	151.2	151.8	152.2	152.5	72.9	73.0	73.5	73.8
4 Durable manufacturing	119.1	119.7	121.2	122.3	170.3	171.5	172.5	173.4	69.9	69.8	70.2	70.5
5 Primary metal	83.0	84.9	85.6	85.9	113.7	112.7	112.0	111.4	73.0	75.3	76.4	77.1
6 Fabricated metal products	97.9	98.0	99.1	99.5	138.8	139.0	139.3	139.4	70.5	70.5	71.2	71.3
7 Machinery	87.4	87.5	88.6	88.7	129.9	129.9	129.9	129.9	67.3	67.3	68.2	68.3
8 Computer and electronic products	215.7	216.2	219.6	222.6	336.5	344.0	350.1	355.4	64.1	62.9	62.7	62.6
9 Electrical equipment, appliances, and components	98.7	97.6	98.3	97.7	130.1	129.6	129.1	128.6	75.9	75.3	76.1	75.9
10 Motor vehicles and parts	108.2	112.8	116.8	121.7	143.8	144.9	145.9	147.1	75.3	77.9	80.0	82.7
11 Aerospace and miscellaneous transportation equipment	95.3	90.8	87.6	85.9	145.9	145.7	145.5	145.3	65.3	62.3	60.2	59.1
12 Nondurable manufacturing	98.6	99.1	99.7	100.1	128.1	127.9	127.7	127.5	77.0	77.5	78.1	78.5
13 Food, beverage, and tobacco products	99.6	100.8	100.8	100.1	126.0	125.9	125.8	125.7	79.0	80.1	80.2	79.7
14 Textile and product mills	81.5	82.1	83.3	82.9	113.4	112.8	112.3	111.7	71.9	72.8	74.2	74.2
15 Paper	93.1	91.7	94.2	95.7	115.0	114.5	114.2	114.0	81.0	80.1	82.5	84.0
16 Petroleum and coal products	101.5	103.3	103.3	102.3	114.4	114.7	114.9	115.2	88.7	90.1	89.9	88.7
17 Chemical	105.1	104.9	105.3	106.4	140.8	141.0	141.2	141.2	74.7	74.4	74.6	75.3
18 Plastics and rubber products	102.7	103.6	106.6	107.3	135.3	134.8	134.2	133.6	75.9	76.9	79.4	80.4
19 Other manufacturing (non-NAICS)	107.9	105.2	104.6	106.0	131.8	131.1	130.3	129.5	81.9	80.3	80.3	81.8
20 Mining	95.6	94.0	93.4	93.5	110.4	110.3	110.2	110.1	86.6	85.2	84.8	84.9
21 Electric and gas utilities	103.5	105.6	110.2	112.5	121.8	123.5	125.5	127.6	85.0	85.5	87.8	88.2
MEMOS												
22 Computers, communications equipment, and semiconductors	280.5	282.2	290.3	295.5	444.5	456.8	466.7	475.3	63.1	61.8	62.2	62.2
23 Total excluding computers, communications equipment, and semiconductors	99.3	99.6	100.6	101.3	130.2	130.3	130.4	130.5	76.3	76.5	77.1	77.6
24 Manufacturing excluding computers, communications equipment, and semiconductors	98.9	99.2	99.9	100.5	132.7	132.7	132.6	132.6	74.6	74.8	75.3	75.8

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle ³		Latest cycle ⁴		2001	2002					
	High	Low	High	Low	High	Low	Nov.	June	July	Aug. [†]	Sept. [†]	Oct. [†]	Nov. [†]
	Capacity utilization rate (percent) ²												
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	75.1	75.9 [†]	76.4 [†]	76.1	76.0	75.6	75.6
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	73.4	74.1 [†]	74.3 [†]	74.3	74.1	73.8	73.8
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	72.9	73.7 [†]	74.0 [†]	73.9	73.6	73.3	73.3
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	70.0	70.5 [†]	70.6 [†]	70.8	70.2	69.9	70.2
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	74.6	77.1 [†]	76.2 [†]	78.7	76.5	79.1	78.9
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	70.0	71.3 [†]	71.5 [†]	71.2	71.2	71.7	71.1
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	67.6	68.5 [†]	68.0 [†]	68.8	67.9	66.9	66.9
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	63.9	62.7 [†]	62.6 [†]	62.7	62.5	62.2	62.0
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	75.7	76.6 [†]	76.4 [†]	76.2	75.1	75.8	77.0
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	75.8	81.1 [†]	83.2 [†]	82.9	82.1	80.0	83.1
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	65.3	59.7 [†]	59.0 [†]	59.4	59.0	59.2	58.8
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	77.0	78.3 [†]	78.7 [†]	78.4	78.4	78.0	77.8
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	78.9	80.3 [†]	80.0 [†]	79.6	79.5	79.6	78.8
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	71.6	74.4 [†]	75.0 [†]	73.9	73.8	73.5	74.1
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	81.0	83.0 [†]	83.5 [†]	84.0	84.4	83.9	83.7
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	89.3	89.1 [†]	89.5 [†]	89.2	87.6	86.3	88.4
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	74.8	74.9 [†]	75.7 [†]	75.2	75.1	74.4	74.2
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	75.5	80.2 [†]	80.3 [†]	80.3	80.4	79.9	79.2
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	81.7	81.2 [†]	80.9 [†]	81.7	82.8	82.7	82.3
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	86.8	84.9 [†]	85.7 [†]	85.3	83.8	83.9	84.4
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	84.3	87.2 [†]	89.6 [†]	86.5	88.4	86.3	85.9
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	63.0	62.4 [†]	62.1 [†]	62.4	62.0	61.9	61.7
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	76.2	77.3 [†]	77.9 [†]	77.6	77.5	77.0	77.1
24 Manufacturing excluding computers communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	74.6	75.6 [†]	75.9 [†]	75.9	75.7	75.4	75.4

Note. The statistics in the G.17 release cover output, capacity, and capacity utilization in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Manufacturing consists of those industries included in the North American Industry Classification System, or NAICS, manufacturing plus those industries—logging and newspaper, periodical, book and directory publishing—that have traditionally been considered manufacturing and included in the industrial sector.

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. The

data are also available on the Board's web site <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2002. The recent annual revision will be described in an upcoming issue of the *Bulletin*.

2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.

3. Monthly highs, 1978–80; monthly lows, 1982.

4. Monthly highs, 1988–89; monthly lows, 1990–91.

A42 Domestic Nonfinancial Statistics □ February 2003

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1992 pro-portion	2001 avg.	2001		2002										
			Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	111.2	108.8	108.3	109.0	109.2	109.6	110.1	110.4	110.8	111.6	111.3	111.2	110.7	110.8
Market groups															
2 Final products and nonindustrial supplies	60.8	110.8	108.2	108.0	108.3	108.5	108.9	109.1	109.3	109.6	110.1	109.8	109.8	109.2	109.3
3 Consumer goods	29.0	106.5	105.5	105.7	106.2	106.7	107.4	107.5	107.3	107.8	108.5	107.8	107.9	107.1	107.7
4 Durable	5.8	112.2	112.3	114.0	114.2	115.3	115.7	116.5	117.2	118.6	120.0	119.3	118.7	116.9	120.7
5 Automotive products	2.5	115.6	118.0	120.5	120.2	121.3	121.7	123.8	124.2	127.4	130.6	130.6	129.3	125.9	132.2
6 Home electronics	0.4	142.9	147.0	149.9	154.3	153.1	150.2	139.9	143.8	135.3	137.0	135.4	142.6	138.5	140.9
7 Appliances, furniture, carpeting	1.3	106.1	104.9	104.9	105.7	107.9	108.1	108.2	109.1	107.5	106.9	104.5	104.6	104.8	106.7
8 Miscellaneous goods	1.6	99.8	95.4	96.4	96.4	97.1	98.2	98.1	98.9	100.2	99.2	98.3	97.8	98.3	98.3
9 Nondurable	23.2	104.3	102.9	102.7	103.3	103.6	104.4	104.4	103.9	104.1	104.6	103.8	104.2	103.7	103.4
10 Non-energy	20.2	103.8	102.8	102.7	103.0	103.0	103.5	102.8	102.2	102.8	102.8	102.4	102.6	102.3	101.7
11 Foods and tobacco	10.4	99.5	98.7	98.9	99.6	100.2	100.8	100.4	100.0	100.2	99.8	99.2	99.1	99.3	98.3
12 Clothing	2.4	78.0	73.4	73.4	73.0	72.7	74.4	72.7	72.9	72.9	73.2	71.3	72.1	70.2	71.0
13 Chemical products	4.6	121.1	121.4	120.5	120.7	119.9	120.1	118.5	116.8	118.3	119.5	119.0	119.5	118.4	118.5
14 Paper products	2.9	110.6	109.3	109.0	107.8	106.6	107.2	106.0	106.2	107.2	107.1	108.4	109.8	109.8	109.0
15 Energy	3.0	106.9	103.8	102.8	105.0	107.1	109.4	112.8	112.5	110.9	114.0	111.6	112.8	110.7	112.2
16 Business equipment	13.2	117.3	109.7	108.6	108.8	108.1	107.8	107.7	108.0	108.0	107.3	108.1	106.9	106.2	106.0
17 Transit	2.5	97.2	90.9	89.5	87.5	86.9	84.8	83.2	82.0	81.1	80.2	81.1	79.7	78.1	77.4
18 Information processing	5.4	165.4	154.7	155.0	155.3	154.3	155.5	154.7	154.9	154.9	153.5	153.7	152.1	152.9	152.1
19 Industrial and other	5.3	97.7	91.6	90.0	91.1	90.5	90.3	91.1	91.9	92.2	92.0	92.9	92.0	91.3	91.5
20 Defense and space equipment	3.4	100.1	99.5	100.3	99.6	99.7	99.8	99.9	100.6	101.2	101.2	101.9	102.0	102.6	102.1
21 Construction supplies	5.4	105.5	102.9	102.5	102.6	103.1	104.0	104.0	104.6	104.5	104.4	104.8	104.5	104.2	103.5
22 Business supplies	9.1	121.9	119.7	119.0	119.2	119.4	119.7	120.7	121.5	121.8	123.2	122.6	123.6	123.2	122.8
23 Materials	39.2	111.8	109.7	108.8	110.0	110.2	110.7	111.6	112.2	112.6	113.8	113.6	113.4	112.9	113.0
24 Non-energy	29.6	115.7	113.2	112.1	113.4	113.7	114.0	115.0	115.8	116.4	117.2	117.4	117.2	116.9	117.0
25 Durable	20.7	127.9	124.3	123.5	124.9	125.6	125.8	127.1	127.8	128.6	129.4	130.0	129.5	129.6	130.1
26 Consumer parts	4.0	104.6	104.0	106.2	107.6	109.2	109.2	110.8	110.1	110.4	113.4	112.3	112.4	111.9	114.6
27 Equipment parts	7.5	186.0	178.8	176.7	178.1	177.6	177.6	179.8	182.3	183.6	184.2	186.3	185.7	185.3	185.6
28 Other	9.2	98.1	95.4	93.9	95.1	95.9	96.0	96.7	97.2	97.9	97.7	98.3	97.7	98.2	97.7
29 Nondurable	8.9	97.1	95.8	94.3	95.5	95.4	95.9	96.5	97.3	97.6	98.4	98.2	98.3	97.5	97.1
30 Textile	1.1	81.2	75.8	75.6	76.2	76.3	77.7	77.8	78.2	78.5	79.6	77.8	78.4	78.1	77.7
31 Paper	1.8	95.8	94.1	92.1	93.4	92.6	91.9	93.3	94.8	93.6	95.8	96.1	96.7	96.9	96.2
32 Chemical	4.0	97.8	97.0	94.6	97.0	97.2	98.8	99.6	100.4	100.6	101.3	100.7	100.2	99.0	98.5
33 Energy	9.6	97.5	96.6	96.2	97.1	97.1	97.9	98.6	98.5	98.6	101.0	99.3	99.1	98.2	98.6
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	101.3	99.3	98.7	99.3	99.6	99.9	100.3	100.5	100.8	101.5	101.2	101.2	100.6	100.7
35 Total excluding motor vehicles and parts	94.3	111.5	108.8	108.1	108.8	108.9	109.4	109.7	110.1	110.3	110.8	110.5	110.5	110.1	109.9
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	100.0	2,808.7	2,756.8	2,756.7	2,764.9	2,774.9	2,787.1	2,796.7	2,802.2	2,809.9	2,828.0	2,821.5	2,817.8	2,794.7	2,812.1
37 Final products	77.2	2,026.0	1,990.3	1,993.4	2,001.1	2,006.4	2,013.9	2,020.7	2,021.4	2,028.7	2,042.2	2,038.1	2,031.4	2,011.5	2,031.1
38 Consumer goods	51.9	1,357.4	1,352.5	1,358.7	1,365.3	1,371.5	1,380.1	1,386.3	1,384.8	1,390.2	1,404.1	1,395.9	1,394.3	1,379.1	1,398.4
39 Equipment total	25.3	669.0	632.9	628.6	629.2	627.5	625.4	625.3	628.1	629.9	627.9	633.6	627.7	623.6	621.8
40 Nonindustrial supplies	22.8	782.8	766.6	763.2	763.7	768.5	773.2	776.1	780.9	781.3	785.9	783.5	786.6	783.7	781.0

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	1992 proportion	2001 avg.	2001		2002											
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. [†]	Sept. [†]	Oct. [†]	Nov. [†]	
Index (1997=100)																	
INDUSTRY GROUPS																	
41	Manufacturing		85.4	112.6	110.1	109.6	110.3	110.4	110.7	111.0	111.4	111.9	112.3	112.4	112.1	111.6	111.7
42	Manufacturing (NAICS)		79.1	112.8	110.3	109.8	110.6	110.8	111.0	111.4	111.9	112.2	112.7	112.8	112.4	111.9	112.1
43	Durable manufacturing		43.0	122.9	119.2	118.9	119.6	119.8	119.8	120.5	121.2	121.8	122.2	122.7	122.0	121.6	122.3
44	Wood products		321	1.5	99.7	99.0	99.9	100.6	99.9	101.7	100.8	101.0	102.2	101.9	102.5	100.7	99.4
45	Nonmetallic mineral products		327	2.0	106.9	107.4	105.7	106.0	106.4	106.6	107.4	107.7	106.6	107.7	108.5	109.8	109.1
46	Primary metal		331	2.7	88.2	84.9	78.2	84.3	85.3	85.1	84.6	85.9	86.2	85.0	87.6	85.0	87.9
47	Fabricated metal products		332	5.3	100.5	97.1	97.6	97.7	98.2	98.2	98.4	99.7	99.3	99.7	99.3	99.4	100.0
48	Machinery		333	5.7	95.1	87.8	85.9	87.2	87.3	88.0	88.3	88.5	88.9	88.4	89.4	88.2	86.8
49	Computer and electronic products		334	8.8	223.7	215.2	215.8	216.3	215.5	216.9	217.9	220.0	220.8	221.5	223.0	223.2	223.3
50	Electrical equipment, appliances, and components		335	2.5	102.3	98.5	98.3	98.4	97.7	96.8	97.2	98.9	98.7	98.4	98.0	96.5	97.3
51	Motor vehicles and parts		3361-3	5.7	107.6	109.0	112.0	111.8	113.4	113.3	115.9	115.8	118.6	122.1	122.0	121.1	118.3
52	Aerospace and miscellaneous transportation equipment		3364-9	4.5	98.4	95.3	93.4	92.1	90.9	89.5	88.3	87.6	86.9	85.7	86.3	85.7	86.0
53	Furniture and related products		337	1.5	104.9	102.4	101.3	101.9	102.6	101.7	101.8	101.5	101.6	101.4	100.5	101.4	100.9
54	Miscellaneous		339	2.8	109.3	105.7	107.7	108.2	107.8	107.4	109.6	110.2	110.7	110.6	110.2	109.1	109.5
55	Nondurable manufacturing		36.1	99.8	98.6	98.0	98.8	99.0	99.5	99.5	99.7	99.9	100.4	100.0	100.0	99.4	99.1
56	Food, beverage, and tobacco products		311,2	10.9	100.0	99.4	99.7	100.2	100.8	101.4	101.0	100.6	100.9	100.5	100.0	99.9	100.0
57	Textile and product mills		313,4	1.8	86.2	81.2	80.9	81.7	81.8	83.0	82.9	83.6	83.4	83.9	82.5	82.3	81.9
58	Apparel and leather		315,6	2.2	77.9	73.2	73.2	72.9	72.5	74.1	72.5	72.7	72.6	73.0	71.2	71.8	70.1
59	Paper		322	3.3	95.3	93.1 [†]	91.5 [†]	91.9 [†]	91.8 [†]	91.6 [†]	93.0 [†]	95.0 [†]	94.7 [†]	95.2 [†]	95.8	96.1	95.5
60	Printing and support		323	2.8	98.0	96.9 [†]	95.6 [†]	97.8 [†]	96.9 [†]	95.2 [†]	95.5 [†]	96.2 [†]	95.5 [†]	98.4 [†]	98.6	99.9	100.1
61	Petroleum and coal products		324	1.4	101.6	102.1 [†]	100.3 [†]	102.4 [†]	104.0 [†]	103.5 [†]	104.2 [†]	103.4 [†]	102.4 [†]	103.0 [†]	102.7	101.0	99.7
62	Chemical		325	10.3	105.3	105.3 [†]	103.7 [†]	104.9 [†]	104.6 [†]	105.2 [†]	105.1 [†]	105.0 [†]	105.7 [†]	106.9 [†]	106.2	106.1	105.1
63	Plastics and rubber products		326	3.4	105.2	102.2 [†]	102.5 [†]	102.5 [†]	103.3 [†]	105.1 [†]	105.7 [†]	106.7 [†]	107.4 [†]	107.5 [†]	107.3	107.2	106.4
64	Other manufacturing (non-NAICS)		1133,5111	4.3	109.1	107.7 [†]	107.1 [†]	105.8 [†]	104.9 [†]	105.0 [†]	104.1 [†]	104.2 [†]	105.5 [†]	105.0 [†]	105.8	107.1	106.7
65	Mining		21	6.6	96.6	95.8 [†]	95.1 [†]	94.4 [†]	94.2 [†]	93.6 [†]	93.4 [†]	93.4 [†]	93.5 [†]	94.4 [†]	93.9	92.2	92.4
66	Utilities		2211,2	10.1	105.6	102.7 [†]	102.2 [†]	103.7 [†]	105.2 [†]	108.0 [†]	110.6 [†]	110.1 [†]	110.1 [†]	113.7 [†]	110.4	113.3	111.3
67	Electric		2211	8.6	107.1	105.7 [†]	104.5 [†]	106.1 [†]	107.1 [†]	110.1 [†]	112.5 [†]	111.2 [†]	111.4 [†]	115.7 [†]	112.2	115.8	113.1
68	Natural gas		2212	1.6	97.1	86.9 [†]	89.9 [†]	90.9 [†]	95.0 [†]	96.9 [†]	100.2 [†]	104.4 [†]	103.2 [†]	102.7 [†]	100.8	99.9	101.6
69	Manufacturing excluding computers, communications equipment, and semiconductors		78.0	101.0	99.0 [†]	98.5 [†]	99.1 [†]	99.2 [†]	99.4 [†]	99.5 [†]	99.9 [†]	100.2 [†]	100.6 [†]	100.6	100.4	99.9	100.0
70	Manufacturing excluding motor vehicles and parts		77.6	113.0	110.2 [†]	109.4 [†]	110.2 [†]	110.2 [†]	110.5 [†]	110.5 [†]	111.0 [†]	111.3 [†]	111.4 [†]	111.5	111.3	111.1	110.7

Note. The statistics in the G.17 release cover output, capacity, and capacity utilization in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Manufacturing consists of those industries included in the North American Industry Classification System, or NAICS, manufacturing plus those industries—logging and newspaper, periodical, book and directory publishing—that have traditionally been considered manufacturing and included in the industrial sector.

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2002. The recent annual revision will be described in an upcoming issue of the *Bulletin*.

2. North American Industry Classification System.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1999	2000	2001	2001		2002		
				Q3	Q4	Q1	Q2 ²	Q3 ³
1 Balance on current account	-292,856	-410,341	-393,371	-91,331	-95,086	-112,454	-127,611	-127,041
2 Balance on goods and services	-262,237	-378,681	-358,290	-79,778	-88,028	-95,492	-109,313	-110,861
3 Exports	957,146	1,064,239	998,022	242,325	232,930	233,252	244,540	249,409
4 Imports	-1,219,383	-1,442,920	-1,356,312	-322,103	-320,958	-328,744	-353,853	-360,270
5 Income, net	18,138	21,782	14,382	807	6,521	-946	-5,287	-2,959
6 Investment, net	23,877	27,651	20,539	2,345	8,102	682	-3,629	-1,375
7 Direct	75,009	88,862	102,595	23,908	28,602	22,069	18,795	18,821
8 Portfolio	-51,132	-61,211	-82,056	-21,563	-20,500	-21,387	-22,424	-20,196
9 Compensation of employees	-5,739	-5,869	-6,157	-1,538	-1,581	-1,628	-1,658	-1,584
10 Unilateral current transfers, net	-48,757	-53,442	-49,463	-12,360	-13,579	-16,016	-13,011	-13,221
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	2,750	-941	-486	77	143	133	42	172
12 Change in U.S. official reserve assets (increase, -)	8,747	-290	-4,911	-3,559	-199	390	-1,843	-1,416
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	10	-722	-630	-145	-140	-109	-107	-132
15 Reserve position in International Monetary Fund	5,484	2,308	-3,600	-3,242	83	652	-1,607	-1,136
16 Foreign currencies	3,253	-1,876	-681	-172	-142	-153	-129	-148
17 Change in U.S. private assets abroad (increase, -)	-489,066	-605,258	-365,565	28,460	-100,032	-26,441	-129,278	25,164
18 Bank-reported claims ²	-76,263	-148,657	-128,705	69,576	-83,682	727	-68,655	46,419
19 Nonbank-reported claims	-95,466	-150,805	-14,358	-9,479	37,210	65	-16,693	-12,087
20 U.S. purchase of foreign securities, net	-128,436	-127,502	-94,662	10,087	-26,090	2,047	-9,675	18,295
21 U.S. direct investments abroad, net	-188,901	-178,294	-127,840	-41,724	-27,470	-29,280	-34,255	-27,463
22 Change in foreign official assets in United States (increase, +)	43,666	37,640	5,224	16,882	5,086	7,641	47,252	9,319
23 U.S. Treasury securities	12,177	-10,233	10,745	15,810	16,760	-582	15,193	1,424
24 Other U.S. government obligations	20,350	40,909	20,920	-216	7,630	7,296	6,548	10,885
25 Other U.S. government liabilities ²	-2,740	-1,909	-1,882	89	-504	-790	54	999
26 Other U.S. liabilities reported by U.S. banks ²	12,964	5,746	-30,278	-782	-20,507	991	24,531	-4,824
27 Other foreign official assets ³	915	3,127	5,719	1,981	1,707	726	926	835
28 Change in foreign private assets in United States (increase, +)	698,813	978,346	747,582	1,007	245,711	105,855	157,055	139,191
29 U.S. bank-reported liabilities ⁴	54,232	116,971	110,667	-45,567	85,598	-11,051	32,240	8,299
30 U.S. nonbank-reported liabilities	78,383	174,251	82,353	-25,154	1,170	32,345	21,056	15,961
31 Foreign private purchases of U.S. Treasury securities, net	-44,497	-76,965	-7,670	-15,470	27,229	-7,282	-5,124	54,691
32 U.S. currency flows	22,407	1,129	23,783	8,203	10,497	4,525	7,183	2,556
33 Foreign purchases of other U.S. securities, net	298,834	455,213	407,653	64,787	99,320	71,095	104,404	46,647
34 Foreign direct investments in United States, net	289,454	307,747	130,796	14,208	21,897	16,223	-2,704	11,037
35 Capital account transactions, net ⁵	-3,340	837	826	206	205	208	200	223
36 Discrepancy	31,286	7	10,701	48,258	-55,828	24,668	54,183	-45,612
37 Due to seasonal adjustment				-10,286	1,721	10,019	1,256	-14,063
38 Before seasonal adjustment	31,286	7	10,701	58,544	-57,549	14,649	52,927	-31,549
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	8,747	-290	-4,911	-3,559	-199	390	-1,843	-1,416
40 Foreign official assets in United States, excluding line 25 (increase, +)	46,406	39,549	7,106	16,793	5,590	8,431	47,198	8,320
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	1,621	12,000	-1,725	-4,081	3,382	-8,532	838	-1,299

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.

2. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.

3. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

4. Reporting banks included all types of depository institutions as well as some brokers and dealers.

5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1999	2000	2001	2002							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^P
1 Total	71,516	67,647	68,654	69,579	74,696	74,751	75,307	75,860	75,499	75,690^F	79,006
2 Gold stock ¹	11,048	11,046	11,045	11,044	11,044	11,042	11,042	11,042	11,042	11,043 ^F	11,043
3 Special drawing rights ^{2,3}	10,336	10,539	10,774	11,297	11,645	11,575	11,752	11,710	11,700	11,855	12,166
4 Reserve position in International Monetary Fund ²	17,950	14,824	17,854	16,498	19,841	19,863	20,043	20,857	20,586	20,480	21,979
5 Foreign currencies ⁴	32,182	31,238	28,981	30,740	32,166	32,271	32,470	32,251	32,171	32,312	33,818

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13, line 3. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S.

SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

3. Includes allocations of SDRs by the International Monetary Fund on Jan. 1 of the year indicated, as follows: 1970—\$867 million; 1971—\$717 million; 1972—\$710 million; 1979—\$1,139 million; 1980—\$1,152 million; 1981—\$1,093 million; plus net transactions in SDRs

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1999	2000	2001	2002							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^P
1 Deposits	71	215	61	127	90	164	86	150	89	78^F	136
<i>Held in custody</i>											
2 U.S. Treasury securities ²	632,482	594,094	592,630	605,501	619,226	635,036	638,003	644,381	647,165	669,092	678,106
3 Earmarked gold ³	9,933	9,451	9,099	9,084	9,077	9,071	9,064	9,057	9,050	9,045	9,045

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities, in each case measured at face (not market) value.

3. Held in foreign and international accounts and valued at \$42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1999	2000		2001		2002			
		Mar. ⁶	Mar. ⁶	Dec.	Dec.	July	Aug.	Sept.	Oct. ⁶
1 Total¹	806,318	829,290	958,725	975,304	987,572	1,048,087	1,050,781	1,051,814	1,049,808
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	138,847	136,577	136,577	144,593	123,429	143,142	139,577	144,286	137,939
3 U.S. Treasury bills and certificates ³	156,177	164,781	164,781	153,010	161,719	188,486	189,301	185,688	188,976
4 U.S. Treasury bonds and notes									
4 Marketable	422,266	430,243	465,111	450,832	454,306	449,735	450,370	446,859	446,306
5 Nonmarketable ⁴	6,111	5,734	5,734	5,348	3,411	3,020	3,040	3,058	3,078
6 U.S. securities other than U.S. Treasury securities ⁵	82,917	91,955	186,522	221,521	244,707	263,704	268,493	271,923	273,509
<i>By area</i>									
7 Europe ¹	244,805	251,815	238,548	240,325	243,452	256,539	255,244	260,393	254,352
8 Canada	12,503	13,683	15,016	13,727	13,440	10,682	10,886	10,097	10,300
9 Latin America and Caribbean	73,518	77,195	70,884	70,442	71,103	62,709	61,887	62,094	64,162
10 Asia	463,703	474,269	612,116	626,017	635,180	692,309	695,673	692,823	694,272
11 Africa	7,523	7,979	13,504	14,690	15,167	15,233	15,257	14,514	15,524
12 Other countries	4,266	4,349	8,655	10,101	9,228	10,613	11,832	11,891	11,196

1. Includes the Bank for International Settlements.
 2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Data in the two columns shown for this date reflect different benchmark bases for foreigners' holdings of selected U.S. long-term securities. Figures in the first column are comparable to those for earlier dates; figures in the second column are based in part on a benchmark survey as of end-March 2000 and are comparable to those shown for following dates.

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the Treasury by banks (including Federal Reserve Banks) and securities dealers in the United States, and in periodic benchmark surveys of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States¹

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1998	1999	2000	2001	2002		
				Dec. ¹	Mar. ¹	June ¹	Sept.
1 Banks' liabilities	101,125	88,537	77,779	79,363	74,955	89,892	81,761
2 Banks' claims	78,162	67,365	56,912	74,840	77,746	90,695	85,292
3 Deposits	45,985	34,426	23,315	44,094	46,778	51,933	44,638
4 Other claims	32,177	32,939	33,597	30,746	30,968	38,762	40,654
5 Claims of banks' domestic customers ²	20,718	20,826	24,411	17,631	16,642	15,848	20,475

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	1999	2000	2001	2002						
				Apr.	May	June	July	Aug.	Sept.	Oct. ^P
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,408,740	1,511,410	1,655,381	1,690,356	1,714,564	1,731,188	1,708,496	1,764,902²	1,751,860²	1,845,883
2 Banks' own liabilities	971,536	1,077,636	1,180,417	1,208,236	1,218,557	1,198,097	1,178,301	1,224,916 ²	1,217,732 ²	1,305,690
3 Demand deposits	42,884	33,365	33,603	31,392	32,060	34,600	32,558	31,428	32,026	31,607
4 Time deposits ²	163,620	187,883	155,466	139,284	136,391	130,408	123,892	125,270 ²	120,098 ²	127,915
5 Other ³	155,853	171,401	199,727	224,885	235,758	237,427	257,097	261,964	277,600	268,268
6 Own foreign offices ⁴	609,179	684,987	791,621	812,675	814,348	795,662	764,754	806,254	788,008 ²	877,900
7 Banks' custodial liabilities ⁵	437,204	433,774	474,964	482,120	496,007	533,091	530,195	539,986 ²	534,128	540,193
8 U.S. Treasury bills and certificates ⁶	185,676	177,846	188,028	183,012	191,266	208,279	222,361	225,605	222,656 ²	221,817
9 Short-term agency securities ⁷	n.a.	n.a.	65,534	69,525	75,157	83,613	67,985	68,968	70,739 ²	74,505
10 Other negotiable and readily transferable instruments ⁸	132,617	145,840	91,147	95,378	94,061	96,154	102,518	105,331	104,735	105,447
11 Other	118,911	110,088	130,255	134,205	135,523	145,045	137,331	140,082 ²	135,998	138,424
12 Nonmonetary international and regional organizations ⁹	15,276	12,542	10,807	14,441	12,129	11,568	11,495	10,540	11,596	13,153
13 Banks' own liabilities	14,357	12,140	10,169	13,427	11,756	11,138	10,993	9,986	10,808	12,538
14 Demand deposits	98	41	35	19	14	32	15	34	52	61
15 Time deposits ²	10,349	6,246	3,756	6,194	6,730	6,401	7,394	6,294	5,502	6,156
16 Other ³	3,910	5,853	6,378	7,214	5,012	4,705	3,584	3,658	5,254	6,321
17 Banks' custodial liabilities ⁵	919	402	638	1,014	373	430	502	554	788	615
18 U.S. Treasury bills and certificates ⁶	680	252	577	970	328	407	481	532	764	597
19 Short-term agency securities ⁷	n.a.	n.a.	40	21	18	0	0	0	0	0
20 Other negotiable and readily transferable instruments ⁸	233	149	21	21	27	23	21	22	18	18
21 Other	6	1	0	2	0	0	0	0	6	0
22 Official institutions ¹⁰	295,024	297,603	285,148	288,927	301,552	325,086	331,628	328,878 ²	329,974 ²	326,915
23 Banks' own liabilities	97,615	96,989	83,828	83,948	86,402	92,972	93,555	89,340 ²	96,473 ²	91,468
24 Demand deposits	3,341	3,952	2,988	1,827	2,002	1,707	2,146	1,946	1,900	2,915
25 Time deposits ²	28,942	35,573	19,467	15,331	15,514	14,551	13,458	14,405 ²	13,275 ²	13,902
26 Other ³	65,332	57,464	61,373	66,790	68,886	76,714	77,951	72,989 ²	81,298 ²	74,651
27 Banks' custodial liabilities ⁵	197,409	200,614	201,320	204,979	215,150	232,114	238,073	239,538	233,501	235,447
28 U.S. Treasury bills and certificates ⁶	156,177	153,010	161,719	155,770	162,516	176,178	188,486	189,301	185,688	188,976
29 Short-term agency securities ⁷	n.a.	n.a.	36,351	45,910	49,374	51,634	45,257	45,208	44,161	42,841
30 Other negotiable and readily transferable instruments ⁸	41,182	47,366	2,180	2,702	2,455	3,280	3,496	3,834	2,708	2,850
31 Other	50	238	1,070	597	805	1,022	834	1,195	944	780
32 Banks ¹¹	900,379	972,932	1,071,951	1,103,022	1,113,832	1,102,180	1,054,340	1,095,315 ²	1,082,818 ²	1,191,468
33 Banks' own liabilities	728,492	821,306	913,813	936,200	940,930	913,776	875,065	911,686 ²	901,414 ²	1,000,220
34 Unaffiliated foreign banks	119,313	136,319	122,192	123,525	126,582	118,114	110,311	105,432 ²	113,406 ²	122,320
35 Demand deposits	17,583	15,522	13,091	12,185	12,875	14,620	12,790	11,804	11,391	10,989
36 Time deposits ²	48,140	66,904	53,105	43,727	41,364	37,094	31,780	33,899	30,886	35,676
37 Other ³	53,590	53,893	55,996	67,613	72,343	66,400	65,741	59,729 ²	71,129 ²	75,655
38 Own foreign offices ⁴	609,179	684,987	791,621	812,675	814,348	795,662	764,754	806,254	788,008 ²	877,900
39 Banks' custodial liabilities ⁵	171,887	151,626	158,138	166,822	172,902	188,404	179,275	183,629 ²	181,404	191,248
40 U.S. Treasury bills and certificates ⁶	16,796	16,023	13,477	13,016	14,442	16,110	17,497	17,737	17,095	16,647
41 Short-term agency securities ⁷	n.a.	n.a.	7,831	3,456	6,924	12,439	2,876	2,975	6,819	14,573
42 Other negotiable and readily transferable instruments ⁸	45,695	36,036	33,102	37,267	37,377	36,557	43,466	45,169	43,688	43,742
43 Other	109,396	99,567	103,728	113,083	114,159	123,298	115,436	117,748 ²	113,802	116,286
44 Other foreigners	198,061	228,333	287,475	283,966	287,051	292,354	311,033	330,169 ²	327,472 ²	314,347
45 Banks' own liabilities	131,072	147,201	172,607	174,661	179,469	180,211	198,688	213,904 ²	209,037 ²	201,464
46 Demand deposits	21,862	13,850	17,489	17,361	17,169	18,241	17,607	17,644	18,683	17,642
47 Time deposits ²	76,189	79,160	79,138	74,032	72,783	72,362	71,260	70,672 ²	70,435 ²	72,181
48 Other ³	33,021	54,191	75,980	83,268	89,517	89,608	109,821	125,588	119,919 ²	111,641
49 Banks' custodial liabilities ⁵	66,989	81,132	114,868	109,305	107,582	112,143	112,345	116,265	118,435	112,883
50 U.S. Treasury bills and certificates ⁶	12,023	8,561	12,255	13,256	13,980	15,584	15,897	18,035	19,109 ²	15,597
51 Short-term agency securities ⁷	n.a.	n.a.	21,312	20,138	18,841	19,540	19,852	20,785	19,759 ²	17,091
52 Other negotiable and readily transferable instruments ⁸	45,507	62,289	55,844	55,388	54,202	56,294	55,535	56,306	58,321	58,837
53 Other	9,459	10,282	25,457	20,523	20,559	20,725	21,061	21,139	21,246	21,358
MEMO										
54 Negotiable time certificates of deposits in custody for foreigners	30,345	34,217	20,440	24,061	22,587	27,490	28,027	28,215	28,267	27,817
55 Repurchase agreements ⁷	n.a.	n.a.	150,806	141,443	154,803	159,627	180,775	192,299	205,171	191,970

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers.

6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

7. Data available beginning January 2001.

8. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

9. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.

10. Foreign central banks, foreign central governments, and the Bank for International Settlements.

11. Excludes central banks, which are included in "Official institutions."

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹—Continued

Payable in U.S. dollars

Millions of dollars, end of period

Item	1999	2000	2001	2002						
				Apr.	May	June	July	Aug.	Sept.	Oct. ⁹
AREA OR COUNTRY										
56 Total, all foreigners	1,408,740	1,511,410	1,655,381	1,690,356	1,714,564	1,731,188	1,708,496	1,764,902⁷	1,751,860⁷	1,845,883
57 Foreign countries	1,393,464	1,498,867	1,644,574	1,675,916	1,702,435	1,719,620	1,697,462	1,754,360⁷	1,740,263⁷	1,832,730
58 Europe	441,810	446,788	521,331	541,083	539,824	529,742	525,065	547,372 ⁷	569,567 ⁷	649,032
59 Austria	2,789	2,692	2,922	3,363	3,096	3,563	2,862	3,537	3,081	3,053
60 Belgium ¹²	44,692	33,399	6,557	6,607	6,723	6,066	6,462	6,270	8,389	7,420
61 Denmark	2,196	3,000	3,626	2,801	3,455	3,416	3,507	4,090	3,141	3,033
62 Finland	1,658	1,411	1,446	1,239	1,198	1,197	3,503	1,498	1,259	5,170
63 France	49,790	37,833	49,056	36,396	36,174	35,390	39,809	35,447	37,915	38,524
64 Germany	24,753	35,519	22,375	25,584	26,643	25,188	27,754	27,046	31,197	31,381
65 Greece	3,748	2,011	2,307	2,285	2,700	3,570	2,815	2,677	2,612	3,357
66 Italy	6,775	5,072	6,354	4,948	4,620	4,694	3,914	3,440	3,493	5,043
67 Luxembourg ¹²	n.a.	n.a.	16,894	13,967	14,893	15,469	15,237	15,682	16,156	15,486
68 Netherlands	8,143	7,047	12,411	11,030	12,045	10,439	9,568	11,522	11,004	10,690
69 Norway	1,327	2,305	3,727	6,470	7,681	11,164	14,540	10,047	17,747	18,895
70 Portugal	2,228	2,403	4,033	5,051	4,905	4,616	3,496	3,055	3,695	3,220
71 Russia	5,475	19,018	20,800	22,113	24,211	25,060	24,189	24,196	25,252	24,407
72 Spain	10,426	7,787	8,811	10,737	9,764	11,032	10,394	12,423	12,596	12,825
73 Sweden	4,652	6,497	3,375	2,495	5,677	4,176	4,815	5,709	4,137	4,857
74 Switzerland	63,485	74,635	66,403	129,007	114,220	99,588	85,247	101,660	105,283	181,836
75 Turkey	7,842	7,548	7,474	11,671	11,216	9,908	10,701	12,393	12,786	11,226
76 United Kingdom	172,687	167,757	204,396	164,217	172,034	175,785	175,246	183,139 ⁷	182,605 ⁷	183,514
77 Channel Islands and Isle of Man ¹³	n.a.	n.a.	36,059	38,070	38,602	38,735	39,286	38,069	38,846	39,961
78 Yugoslavia ¹⁴	286	276	309	265	273	267	279	276	280	316
79 Other Europe and other former U.S.S.R. ¹⁵	28,858	30,578	41,996	42,767	39,694	40,419	41,441	45,196	48,093	44,818
80 Canada	34,214	30,982	27,247	26,228	24,434	24,075	26,361	24,607	24,832	26,407
81 Latin America	117,495	120,041	118,016	111,661	110,009	105,982	105,697	106,416	104,104	106,812
82 Argentina	18,633	19,451	10,704	11,795	11,653	11,356	11,297	11,432	11,179	12,053
83 Brazil	12,865	10,852	14,169	14,076	12,892	12,968	12,537	12,051	11,583	11,550
84 Chile	7,008	5,892	4,939	6,326	6,643	6,121	5,798	5,494	5,827	5,827
85 Colombia	5,669	4,542	4,695	4,226	4,273	4,010	3,872	3,718	4,509	3,847
86 Ecuador	1,956	2,112	2,390	2,342	2,294	2,259	2,324	2,266	2,374	2,155
87 Guatemala	1,626	1,601	1,882	1,782	1,335	1,319	1,323	1,384	1,535	1,500
88 Mexico	30,717	32,166	39,870	34,879	35,250	32,440	33,301	34,916	32,486	34,661
89 Panama	4,415	4,240	3,610	3,336	3,273	3,894	3,143	3,154	3,225	3,573
90 Peru	1,142	1,427	1,359	1,225	1,270	1,417	1,502	1,353	1,369	1,300
91 Uruguay	2,386	3,003	3,164	2,648	2,410	2,373	1,885	2,614	2,613	2,583
92 Venezuela	20,192	24,730	24,974	22,380	22,333	21,738	21,771	21,547	21,355	21,661
93 Other Latin America ¹⁶	10,886	10,025	6,260	6,646	6,383	6,087	6,348	6,183	6,382	6,102
94 Caribbean	461,200	573,337	665,866	673,108	698,131	704,615	695,375	733,451 ⁷	701,327 ⁷	720,728
95 Bahamas	135,811	179,208	164,499	172,604	179,725	160,784	172,092 ⁷	165,955	169,251	169,251
96 Bermuda	7,874	9,636	10,539	11,096	13,419	15,646	18,372	21,962	21,895	20,466
97 British West Indies ¹⁷	312,278	367,197	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
98 Cayman Islands ¹⁷	n.a.	n.a.	458,268	478,218	493,272	488,069	493,720	511,177 ⁷	495,362 ⁷	512,653
99 Cuba	75	90	88	90	93	96	92	92	92	92
100 Jamaica	520	794	1,182	1,047	996	924	931	948	932	856
101 Netherlands Antilles	4,047	5,428	3,264	5,745	3,312	3,757	3,950	10,548	4,391	5,303
102 Trinidad and Tobago	595	894	1,269	1,791	1,634	1,593	1,691	1,803	1,562	1,471
103 Other Caribbean ¹⁶	n.a.	n.a.	12,048	10,622	12,801	14,805	15,835	14,822	11,138	10,636
104 Asia	319,489	305,554	294,496	306,459	312,668	336,488	326,469	322,804 ⁷	321,964 ⁷	311,296
105 China										
106 Mainland	12,325	16,531	10,498	22,336	22,410	20,779	18,106	18,808	14,621	15,852
107 Taiwan	13,603	17,352	17,633	24,371	21,733	23,480	19,068	20,103	21,726	23,269
108 Hong Kong	27,701	26,462	26,494	24,613	27,275	29,018	30,713	26,971	27,604	26,559
109 India	7,367	4,530	3,708	4,045	4,980	7,061	7,370	7,240	7,488	7,182
108 Indonesia	6,567	8,514	12,383	11,875	12,623	13,871	13,589	13,098	13,098	12,316
110 Israel	7,488	8,053	7,870	9,541	8,965	8,954	9,757	7,952	11,619	9,105
111 Japan	159,075	150,415	155,314	157,689	161,589	179,654	176,445	174,319	170,143	160,323
112 Korea (South)	12,988	7,955	9,019	5,972	6,592	6,826	7,038	6,845	6,562	6,287
113 Philippines	3,268	2,316	1,772	1,671	1,544	1,754	2,080	1,872	2,064	1,589
114 Thailand	6,050	3,117	4,743	4,940	5,060	5,966	4,591	5,113	5,044	7,021
115 Middle Eastern oil-exporting countries ¹⁸	21,314	23,763	20,035	15,453	18,128	16,582	15,467	16,668	17,226 ⁷	15,585
116 Other	41,743	36,546	25,027	23,953	21,769	22,543	22,245	23,408 ⁷	24,769 ⁷	26,208
117 Africa	9,468	10,824	11,365	11,645	11,664	11,830	12,103	12,128	11,145	11,935
118 Egypt	2,022	2,621	2,778	3,606	3,605	3,672	3,411	3,179	2,538	2,545
119 Morocco	179	139	274	234	230	307	265	307	329	335
120 South Africa	1,495	1,010	839	636	683	685	724	777	777	692
121 Congo (formerly Zaire)	14	4	4	6	7	n.a.	1	n.a.	86	n.a.
122 Oil-exporting countries ¹⁹	2,914	4,052	4,377	3,828	3,561	3,522	3,757	3,940	3,670	4,635
123 Other	2,844	2,998	3,093	3,335	3,578	3,644	3,945	3,925	3,745	3,728
124 Other countries	9,788	11,341	6,253	5,732	5,705	6,888	6,392	7,582	7,324	6,520
125 Australia	8,377	10,070	5,599	4,801	4,706	6,031	5,422	6,523	5,931	5,437
126 New Zealand ²⁰	n.a.	n.a.	242	533	510	494	613	644	869	599
127 All other	1,411	1,271	412	398	489	363	357	415	524	484
128 Nonmonetary international and regional organizations	15,276	12,543	10,807	14,441	12,129	11,568	11,495	10,542	11,597	13,153
129 International ²¹	12,876	11,270	9,308	12,262	10,851	10,490	10,097	9,422	9,367	11,725
130 Latin American regional ²²	1,150	740	480	954	644	342	386	402	394	561
131 Other regional ²³	1,250	533	935	1,158	550	645	894	643	1,766	789

12. Before January 2001, data for Belgium-Luxembourg were combined.

13. Before January 2001, these data were included in data reported for the United Kingdom.

14. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

15. Includes the Bank for International Settlements and the European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

16. Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."

17. Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.

18. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

19. Comprises Algeria, Gabon, Libya, and Nigeria.

20. Before January 2001, these data were included in "All other."

21. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.

22. Principally the Inter-American Development Bank.

23. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	1999	2000	2001	2002						
				Apr.	May	June	July	Aug.	Sept.	Oct. ^P
1 Total, all foreigners	793,139	904,642	1,055,169	1,103,935	1,089,474	1,110,469	1,048,408	1,086,297	1,064,640^a	1,135,884
2 Foreign countries	788,576	899,956	1,050,223	1,099,790	1,084,700	1,106,223	1,043,772	1,082,050	1,061,995^a	1,133,184
3 Europe	311,686	378,115	461,276	527,756	511,409	504,174	464,552	483,076	470,315 ^a	543,054
4 Austria	2,643	2,926	5,006	3,431	3,558	3,963	4,046	4,297	4,336	3,861
5 Belgium ²	10,193	5,399	6,366	4,387	4,019	5,197	7,126	5,140	4,689	5,590
6 Denmark	1,669	3,272	1,105	1,122	1,062	1,248	856	1,546	1,483	1,534
7 Finland	2,020	7,382	10,350	13,092	14,279	16,517	13,718	16,230	15,812	14,821
8 France	29,142	40,035	60,670	58,004	58,207	58,766	59,104	51,798	51,083 ^a	47,065
9 Germany	29,205	36,834	29,902	34,281	29,033	28,891	26,156	26,072	23,344 ^a	21,101
10 Greece	806	646	330	364	354	330	393	438	408	388
11 Italy	8,496	7,629	4,205	5,036	4,050	4,378	5,568	4,442	4,942	3,984
12 Luxembourg ²	n.a.	n.a.	1,267	3,453	3,552	3,547	3,526	3,067	2,847	2,818
13 Netherlands	11,810	17,043	15,927	16,892	16,294	16,440	13,679	18,232	17,691 ^a	13,284
14 Norway	1,000	5,012	6,249	6,572	8,301	8,526	9,433	10,578	11,036	11,848
15 Portugal	1,571	1,382	1,603	2,083	1,594	1,780	1,995	1,823	2,006	1,922
16 Russia	713	594	951	951	826	1,145	867	842	801	858
17 Spain	3,796	2,603	3,260	3,484	3,130	3,081	3,336	3,589	4,675	3,183
18 Sweden	3,264	9,226	12,544	11,589	13,348	13,814	14,932	14,618	13,970 ^a	15,366
19 Switzerland	79,158	82,085	87,333	150,258	137,532	119,244	87,969	106,281	103,920 ^a	184,037
20 Turkey	2,617	3,059	2,124	3,012	2,953	2,662	2,410	2,515	2,474	2,622
21 United Kingdom	115,971	144,938	201,201	198,660	198,194	203,627	198,151	202,178	194,757 ^a	195,816
22 Channel Islands and Isle of Man ³	n.a.	n.a.	4,478	3,755	3,835	4,246	4,962	5,076	5,926	7,281
23 Yugoslavia ⁴	50	50	n.a.	2	1	n.a.	n.a.	n.a.	n.a.	n.a.
24 Other Europe and other former U.S.S.R. ⁵	7,562	8,077	6,762	7,328	7,287	6,772	6,325	4,314	4,115 ^a	5,675
25 Canada	37,206	39,837	54,421	57,078	57,451	60,593	63,237	60,310	62,836	57,519
26 Latin America	74,040	76,561	69,762	69,524	65,502	66,851	63,194	62,214	60,377 ^a	59,295
27 Argentina	10,894	11,519	10,763	9,722	9,235	11,019	8,202	8,090	7,663	7,608
28 Brazil	16,987	20,567	19,434	20,138	18,797	19,019	18,512	17,945	17,266	16,863
29 Chile	6,607	5,815	5,317	5,226	4,950	4,874	4,949	4,960	5,118	5,142
30 Colombia	4,524	4,370	3,602	3,643	3,516	3,266	3,216	3,158	3,078	2,834
31 Ecuador	760	635	495	495	519	500	462	479	467	451
32 Guatemala	1,135	1,244	1,495	1,329	905	882	871	861	925	907
33 Mexico	17,899	17,415	16,522	17,356	16,448	16,266	16,349	16,015	15,805	15,367
34 Panama	3,387	2,933	3,061	2,764	2,751	2,599	2,466	2,433	1,959	2,021
35 Peru	2,529	2,807	2,185	2,019	1,923	1,833	1,748	1,649	1,599	1,504
36 Uruguay	801	673	447	477	357	324	314	527	345	319
37 Venezuela	3,494	3,518	3,077	3,472	3,353	3,337	3,306	3,291	3,301	3,389
38 Other Latin America ⁶	5,023	5,065	3,364	2,883	2,748	2,932	2,799	2,806	2,851 ^a	2,890
39 Caribbean	281,128	319,403	370,945	345,459	360,258	374,459	345,580	367,915	347,755	356,581
40 Bahamas	99,066	114,090	101,034	94,279	107,269	108,369	96,886	95,704	91,146 ^a	96,509
41 Bermuda	8,007	9,260	7,900	9,722	8,380	11,088	11,723	11,847	11,304	12,196
42 British West Indies ⁷	167,189	189,289	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43 Cayman Islands ⁷	n.a.	n.a.	250,376	231,683	234,758	243,369	225,681	248,107	234,435 ^a	235,693
44 Cuba	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
45 Jamaica	295	355	413	408	361	350	353	463	429	
46 Netherlands Antilles	5,982	5,801	6,729	5,390	5,578	6,859	6,387	7,334	6,194	7,427
47 Trinidad and Tobago	589	608	931	935	834	862	881	877	916	920
48 Other Caribbean ⁸	n.a.	n.a.	3,557	3,037	3,551	3,672	3,693	3,297	3,297	3,407
49 Asia	75,143	77,829	85,882	91,687	83,143	92,344	99,551	100,484	112,430 ^a	109,359
50 China	2,110	1,606	2,073	6,044	4,857	6,047	7,832	5,904	7,256	8,515
51 Mainland	1,390	2,247	4,407	3,349	3,261	6,520	6,954	7,443	8,656	8,599
52 Taiwan	5,903	6,669	9,995	6,457	5,350	5,596	6,614	6,531	8,481	5,778
53 Hong Kong	1,738	2,178	1,348	1,276	1,414	1,462	1,083	1,293	1,258	999
54 India	1,776	1,914	1,752	1,677	1,564	1,571	1,553	1,457	1,426	1,390
55 Indonesia	1,875	2,729	4,396	4,413	3,747	3,411	4,647	4,952	5,067	4,710
56 Israel	28,641	34,974	34,125	37,787	32,937	36,394	35,947	37,559	45,058 ^a	42,252
57 Japan	9,426	7,776	10,622	15,020	13,326	14,856	18,065	18,961	17,394	19,439
58 Korea (South)	1,410	1,784	2,587	1,718	1,332	1,995	1,857	1,593	2,134	1,843
59 Philippines	1,515	1,381	2,499	752	716	730	1,160	1,175	1,841	1,205
60 Thailand	14,267	9,346	7,882	9,143	9,555	9,061	8,960	8,975	8,619	9,253
61 Middle Eastern oil-exporting countries ⁹	5,092	5,225	4,196	4,051	5,084	4,701	4,879	4,641	5,240 ^a	5,376
62 Africa	2,268	2,094	2,095	1,967	1,877	2,069	1,914	1,887	1,891	1,790
63 Egypt	258	201	416	333	337	418	405	324	332	326
64 Morocco	352	204	106	85	85	79	77	72	58	50
65 South Africa	622	309	710	672	559	649	545	601	576	554
66 Congo (formerly Zaire)	24	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
67 Oil-exporting countries ⁹	276	471	167	234	247	232	227	247	303	261
68 Other	736	909	696	643	649	691	660	643	622	599
69 Other countries	7,105	6,117	5,842	6,319	5,060	5,733	5,744	6,164	6,391 ^a	5,586
70 Australia	6,824	5,868	5,455	5,692	4,633	5,272	5,345	5,616	5,589 ^a	5,088
71 New Zealand ¹⁰	n.a.	n.a.	349	586	406	455	392	541	789 ^a	485
72 All other	281	249	38	41	21	6	7	7	13	13
73 Nonmonetary international and regional organizations ¹¹	4,563	4,686	4,946	4,147	4,774	4,246	4,636	4,247	2,645 ^a	2,700

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Before January 2001, combined data reported for Belgium-Luxembourg.

3. Before January 2001, data included in United Kingdom.

4. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

5. Includes the Bank for International Settlements and European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia) and Bosnia, Croatia, and Slovenia.

6. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."

7. Beginning 2001, Cayman Islands replaced British West Indies in the data series.

8. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

9. Comprises Algeria, Gabon, Libya, and Nigeria.

10. Before January 2001, included in "All other."

11. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	1999	2000	2001	2002						
				Apr.	May	June	July	Aug.	Sept. ^a	Oct. ^b
1 Total	944,937	1,095,869	1,254,963 ^c	...	...	1,321,535 ^c	...	...	1,252,076	...
2 Banks' claims	793,139	904,642	1,055,169	1,103,935	1,089,474	1,110,469	1,048,408	1,086,297	1,064,640	1,135,884
3 Foreign public borrowers	35,090	37,907	49,486	52,772	49,524	51,042	61,151	61,541	61,297	63,404
4 Own foreign offices ²	529,682	630,137	749,124	787,312	782,182	793,226	720,252	758,173	734,051	807,004
5 Unaffiliated foreign banks	97,186	95,243	100,367	95,081	89,279	92,444	91,946	86,225	94,264	94,474
6 Deposits	34,538	23,886	26,189	22,778	21,598	24,012	24,449	19,051	24,213	26,606
7 Other	62,648	71,357	74,178	72,303	67,681	68,432	67,497	67,174	70,051	67,868
8 All other foreigners	131,181	141,355	156,192	168,770	168,489	173,757	175,059	180,358	175,028	171,002
9 Claims of banks' domestic customers ³	151,798	191,227	199,794 ^c	...	...	211,066 ^c	...	...	187,436	...
10 Deposits	88,006	100,352	93,565 ^c	...	...	94,129 ^c	...	...	86,455	...
11 Negotiable and readily transferable instruments ⁴	51,161	78,147	90,412 ^c	...	...	104,532 ^c	...	...	88,648	...
12 Outstanding collections and other claims	12,631	12,728	15,817	...	...	12,405 ^c	...	...	12,333	...
MEMO										
13 Customer liability on acceptances	4,553	4,257	2,588	...	...	2,356 ^c	...	...	2,353	...
14 Banks' loans under resale agreements ⁵	n.a.	n.a.	137,655	137,154	134,901	152,383	162,975	164,355	159,880	159,662
15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁶	31,125	53,153	60,711	57,884	48,488	62,161	57,552	52,982	52,470	55,284

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for quarter ending with month indicated.

Reporting banks include all types of depository institution as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists

principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances, and commercial paper.

5. Data available beginning January 2001.

6. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1998	1999	2000	2001	2002		
				Dec.	Mar. ^a	June ^a	Sept. ^b
1 Total	250,418	267,082	274,009	305,326 ^c	307,305	316,596	330,137
<i>By borrower</i>							
2 Maturity of one year or less	186,526	187,894	186,103	200,240 ^c	187,488	202,952	214,599
3 Foreign public borrowers	13,671	22,811	21,399	27,501 ^c	26,736	26,781	32,106
4 All other foreigners	172,855	165,083	164,704	172,739 ^c	160,752	176,171	182,493
5 Maturity of more than one year	63,892	79,188	87,906	105,086 ^c	119,817	113,644	115,538
6 Foreign public borrowers	9,839	12,013	15,838	21,324	28,167	23,939	28,751
7 All other foreigners	54,053	67,175	72,068	83,762 ^c	91,650	89,705	86,787
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	68,679	80,842	142,464	83,233 ^c	79,182	82,220	86,522
10 Canada	10,968	7,859	8,323	10,072	7,733	8,069	6,357
11 Latin America and Caribbean	81,766	69,498	151,840	70,648	68,824	78,762	80,156
12 Asia	18,007	21,802	43,371	29,693	24,553	28,375	36,608
13 Africa	1,835	1,122	2,263	1,104	1,124	918	896
14 All other ³	5,271	6,771	11,717	5,490	6,072	4,611	4,060
15 Maturity of more than one year							
16 Europe	14,923	22,951	57,770	34,230 ^c	43,284	39,208	38,571
17 Canada	3,140	3,192	3,174	3,633	3,623	3,480	4,146
18 Latin America and Caribbean	33,442	39,051	82,684	47,382	48,744	51,292	47,961
19 Asia	10,018	11,257	19,536	15,190	19,553	15,025	20,720
20 Africa	1,232	1,065	1,567	769	720	907	812
21 All other ³	1,137	1,672	5,954	3,882	3,893	3,732	3,328

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

Area or country	1998	1999	2000		2001				2002		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept. ²
1 Total	1,051.6	945.5	954.4	1,027.3	1,141.1	1,137.0	1,282.1	913.0	799.5³	867.0⁴	851.2
2 G-10 countries and Switzerland	217.7	243.4	280.3	300.7	334.6	336.3	290.7 ⁵	404.4 ⁶	324.2 ⁷	346.7 ⁸	316.3
3 Belgium and Luxembourg	10.7	14.3	13.0	14.2	15.2	13.0	14.3	19.1	16.4	17.0	18.1
4 France	18.4	29.0	29.0	29.6	30.0	35.8	34.4	39.1	34.2 ⁹	43.6 ⁸	34.5
5 Germany	30.9	38.7	37.6	45.1	45.0	51.4	40.9	42.9	49.2	52.0	48.9
6 Italy	11.5	18.1	18.6	21.3	20.3	23.6	22.6	20.9	19.0	20.3	15.9
7 Netherlands	7.8	12.3	17.5	18.4	22.1	18.6	20.7	19.3	23.8 ⁸	20.9	22.7
8 Sweden	2.3	3.0	4.3	3.6	4.7	4.7	5.1	5.3	5.5	6.2	5.9
9 Switzerland	8.5	10.3	10.9	13.2	13.7	13.3	12.8	12.4	13.5	14.0	12.7
10 United Kingdom	85.4	79.3	112.8	115.6	140.2	126.2	92.7 ⁷	193.1 ¹	110.5 ²	117.8 ⁸	101.9
11 Canada	16.8	16.3	18.5	16.7	15.4	21.3	20.3	19.1	16.9	18.3	18.7
12 Japan	25.4	22.1	18.1	23.0	28.0	28.3	26.8	33.1	35.3	36.7	36.9
13 Other industrialized countries	69.0	68.4	73.7	74.5	75.2	70.0	70.6	70.5	69.9	78.4	80.7
14 Austria	1.4	3.5	3.5	4.1	3.8	3.6	4.4	4.8	5.1	5.7	6.5
15 Denmark	2.2	2.6	1.8	1.9	3.1	2.7	2.7	2.6	3.5	2.9	2.8
16 Finland	1.4	2.9	2.8	1.5	1.4	1.2	1.3	1.1	2.1	1.5	1.6
17 Greece	5.9	6.0	6.4	8.3	4.1	3.6	3.6	3.2	3.3	3.7	4.1
18 Norway	3.2	3.3	8.5	8.3	10.2	7.9	6.2	8.1	9.0	10.6	12.7
19 Portugal	1.4	1.0	1.5	2.0	1.9	1.4	1.4	1.6	1.8	1.8	1.4
20 Spain	13.7	12.1	10.5	10.3	12.4	12.4	13.7	12.1	12.1	13.3	15.2
21 Turkey	4.8	4.8	5.6	5.9	5.0	4.5	4.1	3.9	5.3	4.3	4.0
22 Other Western Europe	10.4	6.8	8.3	6.5	7.1	6.9	7.2	8.3	8.4	9.0	7.6
23 South Africa	4.4	3.8	4.2	3.6	4.1	3.8	4.4	4.1	3.3	3.5	2.5
24 Australia	20.3	23.5	20.5	22.1	21.9	22.1	21.6	20.6	15.9	22.2	22.3
25 OPEC ²	27.1	31.4	31.4	28.9	27.9	27.1	27.4	27.3	27.5	26.7	26.4
26 Ecuador	1.3	.8	.6	.6	.6	.6	.6	.6	.6	.6	.5
27 Venezuela	3.2	2.8	2.9	2.5	2.7	2.6	2.6	2.4	2.4	2.2	2.4
28 Indonesia	4.7	4.2	4.4	4.6	4.4	4.2	4.0	3.7	3.6	3.3	3.0
29 Middle East countries	17.0	23.1	22.4	20.3	19.7	19.3	19.9	20.3	20.6	20.2	20.1
30 African countries	1.0	.5	1.2	.8	.5	.4	.4	.3	.3	.4	.4
31 Non-OPEC developing countries	143.4	149.4	149.5	145.5	150.1	157.6	201.6	203.3	195.9	195.0 ⁶	188.3
<i>Latin America</i>											
32 Argentina	23.1	23.2	21.4	21.4	20.9	19.8	19.2	19.2	12.8	12.3	9.0
33 Brazil	24.7	27.7	28.5	28.8	29.4	30.9	30.9	28.0	26.6	24.8	21.9
34 Chile	8.3	7.4	7.3	7.6	7.3	7.0	6.4	7.0	7.1	7.1	6.8
35 Colombia	3.2	2.5	2.4	2.4	2.4	2.4	2.5	2.5	2.4	2.4	2.2
36 Mexico	18.9	18.7	17.5	15.7	16.7	16.3	60.0	68.2	67.1	63.5	57.9
37 Peru	2.2	1.7	2.1	2.0	2.0	2.0	1.9	1.8	1.5	1.5	1.4
38 Other	5.4	5.9	6.2	6.3	8.6	8.3	8.1	8.9	7.9	7.4	7.2
<i>Asia</i>											
39 Mainland	3.0	3.6	3.4	2.9	3.2	6.7	5.9	5.0	7.0	8.6	9.3
40 Taiwan	13.3	12.0	12.8	10.8	11.2	10.7	10.8	12.2	12.6	15.0 ⁶	17.3
41 India	5.5	7.7	5.8	9.1	6.5	11.8	14.1	6.9	6.3	5.9	5.6
42 Israel	1.1	1.8	1.1	2.7	2.2	2.0	3.2	3.7	2.4	2.4	3.9
43 Korea (South)	13.7	15.2	21.4	15.5	19.9	19.3	19.3	18.5	22.4	24.4	25.4
44 Malaysia	5.6	6.1	6.9	7.1	6.5	6.7	6.1	6.7	6.4	6.3	6.6
45 Philippines	5.1	6.2	4.7	5.1	5.2	5.4	5.2	5.6	5.4	5.3	5.3
46 Thailand	4.7	4.1	3.9	4.0	4.2	4.2	3.9	5.1	4.0	3.5	4.5
47 Other Asia	2.9	2.9	1.7	1.9	1.7	1.8	1.6	1.9	1.9	2.0	2.0
<i>Africa</i>											
48 Egypt	1.3	1.4	1.1	1.1	1.2	1.2	1.4	1.2	1.3	1.5	1.3
49 Morocco	.5	.4	.4	.3	.3	.3	.3	.1	.1	.1	.1
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa ³	1.0	1.0	.8	.7	.7	.7	.8	.7	.7	.8	.7
52 Eastern Europe	5.5	5.2	9.0	10.1	9.5	9.5	10.2	10.1	10.6	11.9 ⁴	12.8
53 Russia ⁴	2.2	1.6	1.4	1.0	1.5	1.5	1.6	1.6	2.8	2.8	2.6
54 Other	3.3	3.6	7.6	9.1	8.0	8.0	8.5	8.5	7.9	9.0 ⁵	10.2
55 Offshore banking centers	93.9	59.9	59.4	76.3	71.4	58.1	73.1	72.0	56.6	90.6	93.3
56 Bahamas	35.4	13.7	9.3	13.5	7.0	.0	1.1	7.5	7.5	10.9	5.5
57 Bermuda	4.6	8.0	6.3	9.0	7.9	5.7	7.6	7.6	8.1	12.7	11.8
58 Cayman Islands and other British West Indies	12.8	1.3	5.9	14.6	13.6	11.9	21.8	16.4	5.0	27.8	40.8
59 Netherlands Antilles	2.6	1.7	1.9	1.9	2.9	1.7	5.8	2.8	3.3	2.8	2.2
60 Panama ⁶	3.9	3.9	2.5	3.2	3.8	3.4	3.5	3.2	3.3	3.2	3.0
61 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.2	.1
62 Hong Kong, China	23.3	21.0	20.6	18.7	21.5	22.3	17.9	18.9	15.7	16.5	18.7
63 Singapore	11.1	10.1	12.6	15.2	14.6	12.9	15.2	15.5	13.5	16.6	11.2
64 Other ⁶	.2	.1	.1	.2	.1	.1	.0	.1	.0	.0	.0
65 Miscellaneous and unallocated ⁷	495.1	387.9	351.1	391.2	472.4	478.6	608.7 ⁷	125.4 ⁸	114.8 ⁸	117.8 ⁸	133.4

NOTE. Publication of table 3.21, "Claims on Foreign Countries Held by U.S. and Foreign Offices of U.S. Banks," will be discontinued in the *Federal Reserve Bulletin* after the March 2003 issue. Table 3.21 was originally published as a more timely report of a geographic breakdown of assets of foreign branches than the report released by the Federal Financial Institutions Examination Council (FFIEC), FFIEC009 Country Exposure Report, which once lagged by five months. Currently, the Country Exposure Report from FFIEC is being published with a quarter lag and has more complete data on country risk exposure of U.S. banks. The data are available on FFIEC's web site: <http://www.ffiec.gov/e16.htm>, or can be obtained from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551, or call 202-452-3244 or 45.

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate duplication, the data

are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of liability, and area or country	1998	1999	2000	2001				2002	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	46,570	53,044	73,904	73,655	68,028	53,526	66,718	74,280¹	70,179
2 Payable in dollars	36,668	37,605	48,931	46,526	41,734	35,347	42,957	47,050 ¹	48,103
3 Payable in foreign currencies	9,902	15,415	24,973	27,129	26,294	18,179	23,761	27,230	22,076
<i>By type</i>									
4 Financial liabilities	19,255	27,980	47,419	47,808	41,908	27,502	41,034	45,833 ¹	42,365
5 Payable in dollars	10,371	13,883	25,246	23,201	17,655	11,415	18,763	20,367 ¹	21,892
6 Payable in foreign currencies	8,884	14,097	22,173	24,607	24,253	16,087	22,271	25,466	20,473
7 Commercial liabilities	27,315	25,064	26,485	25,847	26,120	26,024	25,684	28,447	27,814
8 Trade payables	10,978	12,857	14,293	12,481	13,127	11,740	11,820	14,872	13,959
9 Advance receipts and other liabilities	16,337	12,207	12,192	13,366	12,993	14,284	13,864	13,575	13,855
10 Payable in dollars	26,297	23,722	23,685	23,325	24,079	23,932	24,194	26,683	26,211
11 Payable in foreign currencies	1,018	1,318	2,800	2,522	2,041	2,092	1,490	1,764	1,603
<i>By area or country</i>									
Financial liabilities									
12 Europe	12,589	23,241	34,172	37,422	32,785	22,083	31,806	38,942 ²	34,682
13 Belgium and Luxembourg	79	31	147	112	98	76	154	119	120
14 France	1,097	1,659	1,480	1,553	1,222	1,538	2,841	3,531	4,071
15 Germany	2,063	1,974	2,168	2,624	2,463	1,994	2,344	2,982 ²	2,622
16 Netherlands	1,406	1,996	2,016	2,169	1,763	1,998	1,954	1,951	1,939
17 Switzerland	155	147	104	103	93	92	94	84	61
18 United Kingdom	5,980	16,521	26,362	28,812	25,363	14,819	22,852	28,180	23,859
19 Canada	693	284	411	718	628	436	955	942	946
20 Latin America and Caribbean	1,495	892	4,125	3,632	2,100	414	2,858	1,547	1,832
21 Bahamas	7	1	6	18	40	5	157	5	5
22 Bermuda	101	5	1,739	1,837	461	47	960	836	626
23 Brazil	152	126	148	26	21	22	35	35	38
24 British West Indies	957	492	406	1,657	1,508	243	1,627	612	1,000
25 Mexico	59	25	26	31	20	24	36	27	25
26 Venezuela	2	0	2	1	1	3	2	1	5
27 Asia	3,785	3,437	7,965	5,324	5,639	3,869	5,042	4,010	4,491
28 Japan	3,612	3,142	6,216	4,757	3,297	3,442	3,269	3,299	2,387
29 Middle Eastern oil-exporting countries ¹	0	4	11	15	8	9	10	15	14
30 Africa	28	28	52	38	61	59	53	122	120
31 Oil-exporting countries ²	0	0	0	0	0	5	5	91	91
32 All other ³	665	98	694	674	695	672	320	270	294
Commercial liabilities									
33 Europe	10,030	9,262	9,629	8,792	8,723	8,855	9,230	8,372	8,468
34 Belgium and Luxembourg	278	140	293	251	297	160	99	105	94
35 France	920	672	979	689	665	892	735	701	827
36 Germany	1,392	1,131	1,047	982	1,017	966	908	584	570
37 Netherlands	429	507	300	349	343	343	1,163	463	765
38 Switzerland	499	626	502	623	697	683	790	637	749
39 United Kingdom	3,697	3,071	2,847	2,542	2,706	2,296	2,280	2,747	2,551
40 Canada	1,390	1,775	1,933	1,625	1,957	1,569	1,633	1,798	2,027
41 Latin America and Caribbean	1,618	2,310	2,381	2,166	2,293	2,879	2,729	3,454	2,746
42 Bahamas	14	22	31	5	31	44	52	23	12
43 Bermuda	198	152	281	280	367	570	591	433	422
44 Brazil	152	145	114	239	279	312	290	277	320
45 British West Indies	10	48	76	64	21	28	45	67	46
46 Mexico	347	887	841	792	762	884	901	1,457	958
47 Venezuela	202	305	284	243	218	242	166	281	204
48 Asia	12,342	9,886	10,983	11,542	11,384	11,114	10,532	12,969	12,693
49 Japan	3,827	2,609	2,757	2,431	2,377	2,421	2,592	4,281	4,143
50 Middle Eastern oil-exporting countries ¹	2,852	2,551	2,832	3,359	3,087	3,053	2,642	3,142	3,259
51 Africa	794	950	948	1,072	1,115	938	836	976	916
52 Oil-exporting countries ²	393	499	483	566	539	471	436	454	349
53 Other ³	1,141	881	614	650	648	669	724	878	964

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of claim, and area or country	1998	1999	2000	2001				2002	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	77,462	76,669	90,157	107,705	97,470	94,076	113,155	115,743^f	116,137^f
2 Payable in dollars	72,171	69,170	79,558	94,932	87,690	83,292	103,937	106,171 ^f	107,095 ^f
3 Payable in foreign currencies	5,291	7,472	10,599	12,773	9,780	10,784	9,218	9,572	9,042
<i>By type</i>									
4 Financial claims	46,260	40,231	53,031	74,255	61,891	60,015	81,287	85,381 ^f	87,324 ^f
5 Deposits	30,199	18,566	23,374	25,419	25,381	22,391	29,801	41,813 ^f	42,136 ^f
6 Payable in dollars	28,549	16,373	21,015	23,244	23,174	19,888	27,850	40,002 ^f	40,323 ^f
7 Payable in foreign currencies	1,650	2,193	2,359	2,175	2,207	2,503	1,951	1,811	1,813
8 Other financial claims	16,061	21,665	29,657	48,836	36,510	37,624	51,486	43,568	45,188 ^f
9 Payable in dollars	14,049	18,593	25,142	41,417	32,038	32,076	46,621	39,553	41,875 ^f
10 Payable in foreign currencies	2,012	3,072	4,515	7,419	4,472	5,548	4,865	4,015	3,313
11 Commercial claims	31,202	36,438	37,126	33,450	35,579	34,061	31,868	30,362	28,813 ^f
12 Trade receivables	27,202	32,629	33,104	28,958	30,631	29,328	27,586	25,597	24,252 ^f
13 Advance payments and other claims	4,000	3,809	4,022	4,492	4,948	4,733	4,282	4,765	4,561 ^f
14 Payable in dollars	29,573	34,204	33,401	30,271	32,478	31,328	29,466	26,616	24,897 ^f
15 Payable in foreign currencies	1,629	2,207	3,725	3,179	3,101	2,733	2,402	3,746	3,916
<i>By area or country</i>									
Financial claims									
16 Europe	12,294	13,023	23,136	31,855	23,975	23,069	26,118	35,933 ^f	36,863 ^f
17 Belgium and Luxembourg	661	529	296	430	262	372	625	751	797
18 France	864	967	1,206	1,206	1,376	1,682	1,450	3,489 ^f	3,921 ^f
19 Germany	304	504	848	1,401	1,163	1,112	1,068	4,114 ^f	3,972 ^f
20 Netherlands	875	1,229	1,396	2,313	1,072	954	2,138	3,253 ^f	3,995 ^f
21 Switzerland	414	643	699	613	653	665	589	308	1,010 ^f
22 United Kingdom	7,766	7,561	15,900	20,938	15,913	15,670	16,510	17,910 ^f	16,037 ^f
23 Canada	2,503	2,553	4,576	4,847	4,787	4,254	6,193	5,471 ^f	5,537 ^f
24 Latin America and Caribbean	27,714	18,206	19,317	28,791	24,403	26,099	41,201	35,001	37,511
25 Bahamas	403	1,593	1,353	561	818	649	976	1,197	1,332
26 Bermuda	39	11	19	1,729	426	80	918	611	704
27 Brazil	835	1,476	1,827	1,648	1,877	2,065	2,127	1,892	2,036
28 British West Indies	24,388	12,099	12,596	21,227	17,505	19,234	32,965	27,350	29,591
29 Mexico	1,245	1,798	2,448	2,461	2,633	2,910	3,075	2,777	2,823
30 Venezuela	55	48	87	38	66	80	83	79	60
31 Asia	3,027	5,457	4,697	7,215	6,829	5,274	6,430	6,489	5,826
32 Japan	1,194	3,262	1,631	3,867	1,698	1,761	1,604	2,009	1,093
33 Middle Eastern oil-exporting countries ¹	9	23	80	86	76	100	135	79	78
34 Africa	159	286	411	430	476	456	414	390	431
35 Oil-exporting countries ²	16	15	57	42	35	83	49	51	64
36 All other ³	563	706	894	1,117	1,421	891	931	2,097 ^f	1,156 ^f
Commercial claims									
37 Europe	13,246	16,389	15,938	13,775	14,469	14,381	14,036	12,708	11,861 ^f
38 Belgium and Luxembourg	238	316	452	395	403	354	268	272	207 ^f
39 France	2,171	2,236	3,095	3,479	3,190	3,062	2,922	2,883	2,828 ^f
40 Germany	1,822	1,960	1,982	1,586	1,993	1,977	1,662	1,198	1,163
41 Netherlands	467	1,429	1,729	757	863	844	529	415	379 ^f
42 Switzerland	483	610	763	634	473	514	611	436	472
43 United Kingdom	4,769	5,827	4,502	3,562	3,724	3,571	3,839	3,579	3,387 ^f
44 Canada	2,617	2,757	3,502	3,392	3,470	3,116	2,855	2,760	2,752 ^f
45 Latin America and Caribbean	6,296	5,959	5,851	5,144	6,033	5,590	4,874	4,891	4,520 ^f
46 Bahamas	24	20	37	20	39	35	42	42	28
47 Bermuda	536	390	376	407	650	526	369	422	214 ^f
48 Brazil	1,024	905	957	975	1,363	1,183	958	837	829 ^f
49 British West Indies	104	181	137	130	135	124	95	73	26
50 Mexico	1,545	1,678	1,507	1,350	1,375	1,442	1,401	1,225	1,283 ^f
51 Venezuela	401	439	328	292	321	301	288	312	316 ^f
52 Asia	7,192	9,165	9,630	8,985	9,499	8,704	7,855	7,513	7,309 ^f
53 Japan	1,681	2,074	2,796	2,560	3,148	2,438	2,007	1,975	2,064 ^f
54 Middle Eastern oil-exporting countries ¹	1,135	1,625	1,024	966	1,040	919	851	657	889 ^f
55 Africa	711	631	672	773	601	838	645	630	604 ^f
56 Oil-exporting countries ²	165	171	180	165	102	170	88	109	93 ^f
57 Other ³	1,140	1,537	1,572	1,381	1,507	1,432	1,603	1,860	1,767 ^f

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2000	2001	2002		2002					
			Jan.-Oct.	Apr.	May	June	July	Aug.	Sept.	Oct. ^P
U.S. corporate securities										
Stocks										
1 Foreign purchases	3,605,196	3,051,332	2,676,788	272,125	274,543	248,562	318,210	257,264	206,699	297,173
2 Foreign sales	3,430,306	2,934,942	2,637,768	264,298	274,889	244,549	308,555	252,651	213,168	295,080
3 Net purchases, or sales (-)	174,890	116,390	39,020	7,827	-346	4,013	9,655	4,613	-6,469	2,093
4 Foreign countries	174,903	116,187	39,097	7,834	-324	3,997	9,582	4,602	-6,454	2,087
5 Europe	164,656	88,099	23,436	2,591	-2,548	-653	3,205	3,830	-5,156	2,185
6 France	5,727	5,914	1,720	1,202	-1,270	-1,249	38	942	-936	982
7 Germany	31,752	8,415	-705	56	-48	-131	-595	-328	-1,175	276
8 Netherlands	4,915	10,919	3,208	-663	41	36	1,440	900	-4	760
9 Switzerland	11,960	3,456	26	814	89	-710	-341	-306	-949	-176
10 United Kingdom	58,736	38,493	12,175	-324	-1,829	1,117	1,829	2,801	-1,227	1,403
11 Channel Islands and Isle of Man ¹	n.a.	-698	-265	-63	-3	-2	73	-47	-20	94
12 Canada	5,956	10,984	5,149	1,262	546	373	1,939	1,336	-774	-1,179
13 Latin America and Caribbean	-17,812	-5,154	-15,971	1,989	-703	-673	-1,318	-3,850	-2,902	-2,874
14 Middle East ²	9,189	1,789	-1,134	-273	-30	198	43	-58	46	-90
15 Other Asia	12,494	20,726	24,815	2,143	2,253	3,986	4,755	3,231	2,012	3,985
16 Japan	2,070	6,788	14,680	1,244	3,116	3,193	3,660	2,249	238	-7
17 Africa	415	-366	-39	-41	9	-1	3	-34	36	-22
18 Other countries	5	109	2,841	163	149	767	955	147	284	82
19 Nonmonetary international and regional organizations	-11	203	-76	-7	-22	16	73	11	-15	6
BONDS ³										
20 Foreign purchases	1,208,386	1,942,690	2,080,275	217,286	219,553	204,684	221,223	221,413	208,641 ^F	217,382
21 Foreign sales	871,416	1,556,745	1,775,990	175,072	174,562	171,729	205,574	189,475	183,816 ^F	184,827
22 Net purchases, or sales (-)	336,970	385,945	304,285	42,214	44,991	32,955	15,649	31,938	24,825 ^F	32,555
23 Foreign countries	337,074	385,380	304,259	42,229	45,121	32,806	15,970	31,907	24,916 ^F	32,153
24 Europe	180,917	195,412	136,744	20,875	19,149	20,019	3,152	10,927	11,679 ^F	17,052
25 France	2,216	5,028	3,869	380	350	462	192	487	255	1,083
26 Germany	4,067	12,362	3,174	385	132	681	680	370	-388	-71
27 Netherlands	1,130	1,538	-392	732	-49	-518	393	55	-36 ^F	149
28 Switzerland	3,973	5,721	7,577	247	1,412	1,109	1,406	1,825	356	355
29 United Kingdom	141,223	152,772	90,910	15,540	15,309	13,022	-330	3,718	7,297 ^F	10,357
30 Channel Islands and Isle of Man ¹	n.a.	2,000	5,315	20	92	-14	-20	1,203	1,342	2,239
31 Canada	13,287	4,595	1,789	385	-193	923	-611	165	-385 ^F	541
32 Latin America and Caribbean	59,444	77,019	70,020	8,487	15,618	2,936	1,840	9,707	3,440 ^F	4,339
33 Middle East ¹	2,076	2,338	1,939	9	-172	24	125	578	40	196
34 Other Asia	78,794	106,400	89,869	12,438	10,608	8,521	10,336	9,026	9,601	10,126
35 Japan	39,356	33,687	33,069	8,509	5,046	3,290	4,754	1,975	6,134	5,505
36 Africa	938	760	806	95	13	330	112	77	171	-18
37 Other countries	1,618	-1,144	3,092	-60	98	53	1,016	1,427	370 ^F	-83
38 Nonmonetary international and regional organizations	-70	566	26	-15	-130	149	-321	31	-91	402
Foreign securities										
39 Stocks, net purchases, or sales (-)	-13,088	-50,113	2,504	-3,561	-7,927	-4,983	13,285	3,049	712	-4,673
40 Foreign purchases	1,802,185	1,397,664	1,095,501	114,999	113,418	111,699	139,500	92,879	87,224	120,594
41 Foreign sales	1,815,273	1,447,777	1,092,997	118,560	121,345	116,682	126,215	89,830	86,512	125,267
42 Bonds, net purchases, or sales (-)	-4,054	30,423	31,222	461	6,871	5,730	7,707	-1,583	1,096 ^F	6,920
43 Foreign purchases	958,932	1,159,185	1,114,821	99,383	124,357	118,365	120,212	111,361	125,817 ^F	123,139
44 Foreign sales	962,986	1,128,762	1,083,599	98,922	117,486	112,635	112,505	112,944	124,721 ^F	116,219
45 Net purchases, or sales (-), of stocks and bonds	-17,142	-19,690	33,726	-3,100	-1,056	747	20,992	1,466	1,808 ^F	2,247
46 Foreign countries	-17,278	-19,102	33,763	-3,204	-1,105	781	21,082	1,441	1,830 ^F	2,194
47 Europe	-25,386	-12,117	16,988	-4,805	647	-4,639	11,407	563	1,345 ^F	679
48 Canada	-3,888	2,943	5,731	1,565	56	2,240	1,918	8	-581 ^F	197
49 Latin America and Caribbean	-15,688	4,245	3,318	-1,106	-1,699	2,785	1,939	-600	-497 ^F	-32
50 Asia	24,488	-11,869	7,861	2,220	381	342	4,990	1,028	1,019	1,694
51 Japan	20,970	-20,116	-456	998	-518	-871	3,453	379	-861	13
52 Africa	943	-557	-526	-1,141	-118	8	205	393	-39	104
53 Other countries	2,253	-1,747	393	63	-372	45	623	49	583 ^F	-448
54 Nonmonetary international and regional organizations	150	-587	-39	104	49	-34	-90	25	-22	53

1. Before January 2001, data included in United Kingdom.

2. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (-) during period

Area or country	2000	2001	2002							
			Jan.- Oct.	Apr.	May	June	July	Aug.	Sept.	Oct. ^P
1 Total estimated	-54,032	18,514	51,680	-12,528	-539	10,896	21,023	1,120	26,257	3,032
2 Foreign countries	-53,571	19,200	50,018	-12,838	-39	10,773	21,117	705	26,245	2,374
3 Europe	-50,704	-20,604	-7,997	-8,844	-6,274	-371	4,533	-1,811	8,007	-5,416
4 Belgium ²	73	-598	1,500	-71	8	292	274	1,333	-114	-261
5 Germany	-7,304	-1,668	-8,408	-115	649	-587	-2,930	-2,041	-666	-734
6 Luxembourg ²	n.a.	462	-1,227	-325	-166	85	-84	-14	-252	90
7 Netherlands	2,140	-6,728	-22,889	-3,295	-9,328	-2,487	147	-1,439	1,217	-2,527
8 Sweden	1,082	-1,190	395	103	55	192	-169	471	234	-193
9 Switzerland	-10,326	1,412	-427	-1,262	341	359	246	-705	1,150	-1,727
10 United Kingdom	-33,669	-7,279	27,631	-5,996	2,312	1,820	10,278	378	9,078	-1,079
11 Channel Islands and Isle of Man ³	n.a.	-179	1,097	-35	84	793	177	444	-43	-116
12 Other Europe and former U.S.S.R.	-2,700	-4,836	-5,669	2,152	-229	-838	-3,406	-238	-2,597	1,131
13 Canada	-550	-1,634	-6,970	-1,223	454	-1,634	-2,011	-1,671	875	-1,324
14 Latin America and Caribbean	-4,914	4,272	20,378	-1,500	7,939	6,382	4,602	-11,831	7,757	6,978
15 Venezuela	1,288	290	15	-18	6	160	-58	-15	-79	5
16 Other Latin America and Caribbean	-11,581	14,726	20,846	-1,918	1,933	3,298	3,736	-7,434	5,520	4,244
17 Netherlands Antilles	5,379	-10,744	-483	436	6,000	2,924	924	-4,382	2,316	2,729
18 Asia	1,639	36,332	40,998	-1,543	-2,826	5,838	12,931	15,668	9,664	1,620
19 Japan	10,580	16,114	25,661	3,019	195	2,454	7,651	6,573	12,750	169
20 Africa	-414	-880	750	-176	-38	299	112	495	-93	12
21 Other	1,372	1,714	2,859	448	706	259	950	-145	35	504
22 Nonmonetary international and regional organizations	-461	-686	1,662	310	-500	123	-94	415	12	658
23 International	-483	-290	1,164	398	-240	-21	-64	418	-45	329
24 Latin American Caribbean regional	76	41	16	-47	-14	28	11	-4	29	4
MEMO										
25 Foreign countries	-53,571	19,200	50,018	-12,838	-39	10,773	21,117	705	26,245	2,374
26 Official institutions	-6,302	3,474	-8,000	-1,451	-69	2,161	-5,268	635	-3,511	-553
27 Other foreign	-47,269	15,726	58,018	-11,387	30	8,612	26,385	70	29,756	2,927
Oil-exporting countries										
28 Middle East ⁴	3,483	865	-356	1,382	-753	-249	-1,338	-1,010	-362	1,003
29 Africa ⁵	0	-2	-27	-25	0	0	0	-2	-1	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Before January 2001, combined data reported for Belgium and Luxembourg.

3. Before January 2001, these data were included in the data reported for the United Kingdom.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2002					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	55.38	54.13	54.65	55.02	56.13	56.24
2 Brazil/real	1.8301	2.3527	2.9213	2.9414	3.1082	3.3548	3.7966	3.5924	3.6268
3 Canada/dollar	1.4855	1.5487	1.5704	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2768	8.2767	8.2760	8.2772	8.2772	8.2777
5 Denmark/krone	8.0953	8.3323	7.8862	7.4807	7.5948	7.5752	7.5732	7.4201	7.2874
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.8000	7.8008	7.7999	7.7995	7.7994	7.7988
9 India/rupee	45.00	47.22	48.63	48.79	48.62	48.46	48.39	48.29	48.15
10 Japan/yen	107.80	121.57	125.22	117.90	118.99	121.08	123.91	121.61	121.89
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	9.779	9.839	10.071	10.094	10.195	10.225
13 New Zealand/dollar ²	45.68	42.02	46.45	48.09	46.35	47.02	48.18	49.73	51.08
14 Norway/krone	8.8131	8.9964	7.9839	7.4694	7.6042	7.5018	7.4873	7.3157	7.1557
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7524	1.7553	1.7682	1.7843	1.7653	1.7532
16 South Africa/rand	6.9468	8.6093	10.5176	10.1032	10.5878	10.5967	10.3058	9.6509	8.9479
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,179.99	1,197.51	1,211.61	1,240.19	1,210.20	1,206.61
18 Sri Lanka/rupee	76.964	89.602	95.773	96.266	96.281	96.207	96.402	96.426	96.705
19 Sweden/krona	9.1735	10.3425	9.7233	9.3474	9.4610	9.3400	9.2846	9.0652	8.9303
20 Switzerland/franc	1.6904	1.6891	1.5567	1.4718	1.4972	1.4931	1.4932	1.4658	1.4388
21 Taiwan/dollar	31.260	33.824	34.536	33.272	33.884	34.573	34.947	34.673	34.799
22 Thailand/baht	40.210	44.532	43.019	41.257	42.193	42.893	43.641	43.353	43.318
23 United Kingdom/pound ²	151.56	143.96	150.25	155.65	153.68	155.63	155.75	157.11	158.63
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,317.38	1,379.73	1,458.39	1,440.50	1,358.61	1,328.29
Indexes ⁴									
NOMINAL									
25 Broad (January 1997=100) ⁵	119.67	126.09	127.26	124.20	125.64	126.67	127.69	126.38	125.78
26 Major currencies (March 1973=100) ⁶	98.32	104.32	103.09	98.97	100.35	100.68	101.24	99.83	98.96
27 Other important trading partners (January 1997=100) ⁷	130.33	136.34	141.20	140.47	141.69	143.71	145.28	144.43	144.45
REAL									
28 Broad (March 1973=100) ⁵	104.32	110.42	110.92	108.39	109.74	110.52 ^r	111.27 ^r	109.80 ^r	109.22
29 Major currencies (March 1973=100) ⁶	103.17	110.73	109.68	105.27	106.80	107.20	107.80 ^r	106.26 ^r	105.50
30 Other important trading partners (March 1973=100) ⁷	114.53	119.21	121.87	121.60	122.79	124.18 ^r	125.20 ^r	123.71 ^r	123.34

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals			
13.7603	Austrian schillings	1,936.27	Italian lire
40.3399	Belgian francs	40,339.9	Luxembourg francs
5.94573	Finnish markkas	2,203.71	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds	340.750	Greek drachmas

4. Starting with the February 2002 *Bulletin*, revised index values resulting from the periodic revision of data that underlie the calculated trade weights are reported. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities

Consolidated Report of Condition, September 30, 2002

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
1 Total assets	6,810,530	6,072,158	4,550,988	3,812,616	2,259,542
2 Cash and balances due from depository institutions	374,661	280,855	271,346	177,540	103,315
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	n.a.	129,703	126,665	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	105,681	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	20,985	n.a.
6 Balances due from depository institutions in the United States	n.a.	n.a.	28,288	23,552	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	n.a.	99,567	13,600	n.a.
8 Balances due from Federal Reserve Banks	n.a.	n.a.	13,788	13,723	n.a.
9 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,266,744	n.a.	732,172	n.a.	534,571
10 U.S. Treasury securities	54,047	n.a.	31,897	n.a.	22,150
11 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	207,304	n.a.	78,192	n.a.	129,113
12 Issued by U.S. government agencies	6,748	n.a.	3,818	n.a.	2,930
13 Issued by U.S. government-sponsored agencies	200,556	n.a.	74,374	n.a.	126,182
14 Securities issued by states and political subdivisions in the United States	100,916	n.a.	34,978	n.a.	65,938
15 Mortgage-backed securities (MBS)	684,548	n.a.	454,757	n.a.	229,791
16 Pass-through securities	451,630	n.a.	324,131	n.a.	127,499
17 Guaranteed by GNMA	91,000	n.a.	60,805	n.a.	30,195
18 Issued by FNMA and FHLMC	350,736	n.a.	254,573	n.a.	96,163
19 Other pass-through securities	9,894	n.a.	8,753	n.a.	1,140
20 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	232,918	n.a.	130,626	n.a.	102,292
21 Issued or guaranteed by FNMA, FHLMC or GNMA	155,335	n.a.	84,237	n.a.	71,097
22 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	11,593	n.a.	10,268	n.a.	1,324
23 All other mortgage-backed securities	65,991	n.a.	36,120	n.a.	29,871
24 Asset-backed securities	102,262	n.a.	50,167	n.a.	52,095
25 Credit card receivables	37,252	n.a.	15,650	n.a.	21,602
26 Home equity lines	34,446	n.a.	21,534	n.a.	12,912
27 Automobile loans	12,617	n.a.	4,229	n.a.	8,388
28 Other consumer loans	1,391	n.a.	929	n.a.	462
29 Commercial and industrial loans	7,241	n.a.	3,785	n.a.	3,456
30 Other	9,315	n.a.	4,040	n.a.	5,275
31 Other debt securities	99,406	n.a.	71,704	n.a.	27,702
32 Other domestic debt securities	37,539	n.a.	14,104	n.a.	23,436
33 Foreign debt securities	61,867	n.a.	57,600	n.a.	4,267
34 Investments in mutual funds and other equity securities with readily determinable fair value	18,260	n.a.	10,477	n.a.	7,783
35 Federal funds sold and securities purchased under agreements to resell	325,922	275,502	227,941	177,522	97,980
36 Federal funds sold in domestic offices	162,661	162,661	81,314	81,314	81,347
37 Securities purchased under agreements to resell	163,261	112,841	146,627	96,208	16,633
38 Total loans and leases (gross) and lease-financing receivables (net)	3,987,533	3,705,740	2,568,770	2,286,977	1,418,763
39 Less: Unearned income on loans	3,600	2,550	2,500	1,450	1,100
40 Less: Loans and leases held for sale	193,392	n.a.	152,948	n.a.	40,444
41 Total loans and leases (net of unearned income)	3,790,541	n.a.	2,413,322	n.a.	1,377,219
42 Less: Allowance for loan and lease losses	73,071	n.a.	49,965	n.a.	23,106
43 Loans and leases, net of unearned income and allowance	3,717,470	n.a.	2,363,357	n.a.	1,354,113
<i>Total loans and leases, gross, by category</i>					
44 Loans secured by real estate	1,952,455	1,922,214	1,094,145	1,063,904	858,310
45 Construction and land development	n.a.	203,592	n.a.	101,769	101,823
46 Farmland	n.a.	37,753	n.a.	7,020	30,733
47 One- to four-family residential properties	n.a.	1,074,697	n.a.	679,020	395,677
48 Revolving, open-end loans, extended under lines of credit	n.a.	201,204	n.a.	140,524	60,680
<i>Closed-end loans secured by one- to four-family residential properties</i>					
49 Secured by first liens	n.a.	773,318	n.a.	478,814	294,504
50 Secured by junior liens	n.a.	100,175	n.a.	59,682	40,493
51 Multifamily (five or more) residential properties	n.a.	68,647	n.a.	35,236	33,411
52 Nonfarm nonresidential properties	n.a.	537,525	n.a.	240,859	296,666
53 Loans to depository institutions and acceptances of other banks	133,422	110,572	125,067	102,217	8,355
54 Commercial banks in the United States	n.a.	n.a.	93,469	83,779	n.a.
55 Other depository institutions in the United States	n.a.	n.a.	10,861	10,852	n.a.
56 Banks in foreign countries	n.a.	n.a.	20,737	7,586	n.a.
57 Loans to finance agricultural production and other loans to farmers	47,370	46,728	10,191	9,549	37,179
58 Commercial and industrial loans	913,266	780,913	674,751	542,398	238,515
59 U.S. addressees (domicile)	n.a.	n.a.	547,499	533,193	n.a.
60 Non-U.S. addressees (domicile)	n.a.	n.a.	127,252	9,205	n.a.
61 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	635,589	575,732	390,359	330,501	245,231
62 Credit cards	219,809	200,624	140,588	121,404	79,221
63 Other revolving credit plans	38,169	25,573	32,003	19,406	6,166
64 Other consumer loans (including single-payment, installment, and all student loans)	377,611	349,535	217,768	189,691	159,844
65 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	22,483	22,481	13,966	13,964	8,517
66 All other loans	121,331	93,073	110,774	82,517	10,556
67 Loans to foreign governments and official institutions	6,157	2,421	6,145	2,408	13
68 Other loans	115,174	90,652	104,630	80,109	10,544
69 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	14,233	n.a.
70 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	65,876	n.a.
71 Lease-financing receivables	161,617	154,027	149,517	141,927	12,100
72 Trading assets	384,755	n.a.	380,790	n.a.	3,965
73 Premises and fixed assets (including capitalized leases)	77,382	n.a.	45,451	n.a.	31,930
74 Other real estate owned	4,144	n.a.	1,774	n.a.	2,370
75 Investments in unconsolidated subsidiaries and associated companies	8,043	n.a.	7,573	n.a.	469
76 Customers' liability on acceptances outstanding	5,789	n.a.	5,538	n.a.	251
77 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	32,412	n.a.
78 Intangible assets	118,793	n.a.	98,297	n.a.	20,496
79 Goodwill	80,655	n.a.	66,089	n.a.	14,566
80 Other intangible assets	38,138	n.a.	32,208	n.a.	5,930
81 All other assets	333,436	n.a.	263,799	n.a.	69,636

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities—Continued

Consolidated Report of Condition, September 30, 2002

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
82 Total liabilities, minority interest, and equity capital	6,810,530	n.a.	4,550,988	n.a.	2,259,542
83 Total liabilities	6,176,346	5,437,974	4,137,768	3,399,396	2,038,578
84 Total deposits	4,502,548	3,889,824	2,847,409	2,234,685	1,655,139
85 Individuals, partnerships, and corporations (include all certified and official checks)	4,076,507	3,624,298	2,544,166	2,091,957	1,532,341
86 U.S. government	n.a.	19,989	n.a.	19,038	951
87 States and political subdivisions in the United States	n.a.	187,814	n.a.	85,607	102,207
88 Commercial banks and other depository institutions in the United States	102,782	49,653	83,557	30,428	19,225
89 Banks in foreign countries	88,184	7,128	87,833	6,776	351
90 Foreign governments and official institutions (including foreign central banks)	26,688	942	26,624	878	64
91 Total transaction accounts	n.a.	666,490	n.a.	358,917	307,573
92 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	571,237	n.a.	301,345	269,893
93 U.S. government	n.a.	1,575	n.a.	1,074	501
94 States and political subdivisions in the United States	n.a.	54,472	n.a.	25,515	28,957
95 Commercial banks and other depository institutions in the United States	n.a.	32,925	n.a.	24,859	8,066
96 Banks in foreign countries	n.a.	5,664	n.a.	5,522	142
97 Foreign governments and official institutions (including foreign central banks)	n.a.	616	n.a.	602	14
98 Total demand deposits	n.a.	505,278	n.a.	312,616	192,662
99 Total nontransaction accounts	n.a.	3,223,333	n.a.	1,875,767	1,347,566
100 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	3,053,061	n.a.	1,790,613	1,262,448
101 U.S. government	n.a.	18,414	n.a.	17,964	450
102 States and political subdivisions in the United States	n.a.	133,342	n.a.	60,092	73,250
103 Commercial banks and other depository institutions in the United States	n.a.	16,728	n.a.	5,569	11,159
104 Banks in foreign countries	n.a.	1,464	n.a.	1,254	209
105 Foreign governments and official institutions (including foreign central banks)	n.a.	326	n.a.	276	50
106 Federal funds purchased and securities sold under agreements to repurchase	527,747	482,381	407,178	361,812	120,569
107 Federal funds purchased in domestic offices	206,502	206,502	145,959	145,959	60,543
108 Securities sold under agreements to repurchase	321,245	275,879	261,219	215,853	60,026
109 Trading liabilities	251,321	n.a.	250,593	n.a.	728
110 Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	567,658	532,820	355,671	320,833	211,987
111 Banks' liability on acceptances executed and outstanding	5,828	3,810	5,577	3,558	251
112 Subordinated notes and debentures to depositors	92,116	n.a.	83,104	n.a.	9,013
113 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	105,174	n.a.
114 All other liabilities	229,126	n.a.	188,236	n.a.	40,891
115 Minority interest in consolidated subsidiaries	11,040	n.a.	9,728	n.a.	1,312
116 Total equity capital	623,144	n.a.	403,492	n.a.	219,653
MEMO					
117 Trading assets at large banks ²	384,729	202,587	380,779	198,637	3,950
118 U.S. Treasury securities (domestic offices)	n.a.	23,711	n.a.	23,667	44
119 U.S. government agency obligations (excluding MBS)	n.a.	9,540	n.a.	8,789	752
120 Securities issued by states and political subdivisions in the United States	n.a.	2,174	n.a.	1,937	237
121 Mortgage-backed securities	n.a.	10,454	n.a.	8,460	1,994
122 Other debt securities	n.a.	28,417	n.a.	28,113	304
123 Other trading assets	n.a.	20,416	n.a.	20,266	150
124 Trading assets in foreign offices	101,739	0	101,739	0	0
125 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	188,277	107,874	187,808	107,404	469
126 Total individual retirement (IRA) and Keogh plan accounts	n.a.	167,082	n.a.	77,279	89,802
127 Total brokered deposits	n.a.	238,195	n.a.	107,609	130,586
128 Fully insured brokered deposits	n.a.	164,955	n.a.	66,407	98,547
129 Issued in denominations of less than \$100,000	n.a.	89,225	n.a.	30,694	58,531
130 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	75,730	n.a.	35,713	40,017
131 Money market deposit accounts (MMDAs)	n.a.	1,379,292	n.a.	910,110	469,182
132 Other savings deposits (excluding MMDAs)	n.a.	564,292	n.a.	340,706	223,586
133 Total time deposits of less than \$100,000	n.a.	711,194	n.a.	307,812	403,382
134 Total time deposits of \$100,000 or more	n.a.	568,556	n.a.	317,140	251,417
135 Number of banks	7,908	7,908	130	n.a.	7,778

NOTE. The notation "n.a." indicates the lesser detail available from banks that do not have foreign offices, the inapplicability of certain items to banks that have only domestic offices, or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities, respectively, of the domestic and foreign offices.

Foreign offices include branches in foreign countries, Puerto Rico, and US-affiliated insular areas; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and international banking facility (IBF).

2. Components of "Trading Assets at Large Banks" are reported only by banks that reported trading assets of \$2 million or more any quarter of the preceding calendar year.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4-8, 2002

A. Commercial and industrial loans made by all commercial banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁵
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK⁵									
1 All commercial and industrial loans	3.61	70,200	518	446	41.2	8.0	33.3	77.5	Foreign
2 Minimal risk	3.01	3,434	686	227	31.0	11.3	28.4	89.7	Other
3 Low risk	2.73	8,697	821	390	23.8	3.4	49.4	83.8	Foreign
4 Moderate risk	3.69	25,918	551	638	48.6	11.5	30.6	84.0	Foreign
5 Other	3.92	24,142	568	325	42.5	3.9	30.6	73.5	Foreign
<i>By maturity/repricing interval⁶</i>									
6 Zero interval	4.80	6,587	186	580	58.7	14.6	10.3	82.2	Prime
7 Minimal risk	4.24	228	244	1305	60.0	21.1	25.2	71.3	Prime
8 Low risk	3.05	1,129	452	246	29.8	5.6	26.5	59.8	Fed funds
9 Moderate risk	4.62	2,435	144	785	61.9	23.1	9.0	90.5	Prime
10 Other	5.75	2,608	198	484	67.0	10.4	3.7	84.2	Prime
11 Daily	3.12	26,505	563	263	28.9	11.7	37.4	67.4	Fed funds
12 Minimal risk	2.52	1,783	1,608	168	17.7	16.2	40.8	85.4	Foreign
13 Low risk	2.40	3,377	1,437	224	8.8	1.2	77.8	83.4	Fed funds
14 Moderate risk	3.14	6,139	527	531	33.1	26.6	34.5	77.9	Domestic
15 Other	3.21	10,258	672	159	32.2	4.0	22.8	57.8	Fed funds
16 2 to 30 days	3.41	18,100	841	350	30.1	5.1	41.2	82.9	Foreign
17 Minimal risk	3.19	878	455	122	32.5	.4	14.2	98.0	Other
18 Low risk	2.74	2,117	1,351	438	21.6	4.3	47.1	92.1	Foreign
19 Moderate risk	3.52	7,859	1,494	426	30.0	6.3	39.5	84.0	Foreign
20 Other	3.67	5,728	704	250	34.9	2.4	49.3	80.8	Foreign
21 31 to 365 days	3.91	14,882	702	583	57.6	1.9	28.7	84.8	Foreign
22 Minimal risk	3.85	523	532	127	58.2	9.0	12.9	98.1	Other
23 Low risk	2.85	1,683	535	511	37.3	6.0	21.2	88.9	Foreign
24 Moderate risk	3.80	6,981	848	696	68.4	1.3	29.8	86.2	Foreign
25 Other	4.49	4,638	1,348	517	51.7	.9	33.4	90.2	Foreign
				Months					
26 More than 365 days	4.72	3,881	449	45	81.4	4.0	26.3	84.9	Foreign
27 Minimal risk	2.84	22	590	33	96.8	*	*	96.5	Other
28 Low risk	4.06	390	379	48	88.6	.7	4.9	89.3	Foreign
28 Moderate risk	4.44	2,335	591	43	77.4	2.9	17.8	87.6	Foreign
30 Other	5.40	848	416	44	89.8	3.3	67.3	89.7	Foreign
				Weighted-average risk rating ⁵					
				Weighted-average maturity/repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	5.65	2,436	3.3	115	84.8	27.3	3.2	82.7	Prime
32 100-999	4.80	8,233	3.4	138	69.9	18.3	8.0	86.8	Prime
33 1,000-9,999	3.52	19,494	3.2	83	34.3	7.2	33.3	80.1	Foreign
34 10,000 or more	3.28	40,038	3.3	100	35.9	5.2	40.3	74.0	Foreign
									Average size (thousands of dollars)
BASE RATE OF LOAN⁴									
35 Prime ⁷	5.17	15,713	3.4	87	69.5	17.7	2.1	89.5	186
36 Fed funds	2.24	11,292	3.5	17	4.3	3.2	41.7	61.9	5,260
37 Other domestic	2.60	6,269	2.7	20	12.8	22.8	62.3	41.9	2,560
38 Foreign	3.37	26,431	3.2	138	38.8	1.8	49.3	86.2	2,956
39 Other	3.96	10,494	3.2	163	61.3	5.7	13.1	75.6	280

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4-8, 2002—Continued

B. Commercial and industrial loans made by all domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
					Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
				Days					
LOAN RISK⁵									
1 All commercial and industrial loans	4.03	45,244	347	623	54.5	12.2	18.8	84.9	Foreign
2 Minimal risk	3.62	2,234	459	328	45.1	17.4	2.7	84.8	Other
3 Low risk	2.78	6,145	628	424	25.8	4.7	45.2	84.4	Foreign
4 Moderate risk	3.90	21,397	467	743	56.9	13.6	20.4	83.7	Foreign
5 Other	5.11	10,275	258	603	68.8	9.2	12.0	88.1	Prime
<i>By maturity/repricing interval⁶</i>									
6 Zero interval	4.66	5,880	169	591	58.9	16.2	10.9	80.8	Prime
7 Minimal risk	4.24	226	246	1,317	59.6	21.3	25.5	71.0	Prime
8 Low risk	2.99	1,069	440	248	27.4	5.7	27.9	57.6	Fed funds
9 Moderate risk	4.59	2,249	134	755	65.5	24.8	9.5	90.0	Prime
10 Other	5.58	2,148	168	538	66.2	12.6	3.1	82.4	Prime
11 Daily	3.74	14,200	311	500	45.0	21.9	22.7	83.2	Prime
12 Minimal risk	3.19	932	896	333	33.8	31.0	.2	72.1	Prime
13 Low risk	2.57	2,348	1,073	319	11.7	1.6	69.1	90.6	Domestic
14 Moderate risk	3.36	4,982	437	650	40.8	32.7	27.0	73.9	Domestic
15 Other	4.93	3,118	214	546	66.1	13.0	7.3	82.1	Prime
16 2 to 30 days	3.67	11,093	561	467	39.1	7.5	20.7	88.2	Foreign
17 Minimal risk	3.47	707	371	97	40.3	.5	*	99.5	Other
18 Low risk	2.72	1,272	1,056	459	32.7	6.6	56.8	94.6	Foreign
19 Moderate risk	3.75	5,995	1,247	548	35.0	7.3	22.6	83.4	Foreign
20 Other	4.46	2,029	276	356	60.3	6.7	10.3	97.6	Other
21 31 to 365 days	4.22	10,043	505	685	71.4	2.9	14.0	85.9	Foreign
22 Minimal risk	4.70	347	365	151	72.6	13.6	.2	97.1	Other
23 Low risk	2.67	1,069	363	397	24.0	9.5	11.1	83.7	Other
24 Moderate risk	4.05	5,710	722	793	82.0	1.5	18.9	88.6	Other
25 Other	5.46	2,121	771	675	74.9	2.0	9.7	93.1	Foreign
				Months					
26 More than 365 days	4.72	3,784	440	45	81.1	4.1	24.5	85.6	Foreign
27 Minimal risk	2.84	22	590	33	96.8	*	*	96.5	Other
28 Low risk	4.06	386	377	48	89.5	.8	4.0	89.2	Foreign
29 Moderate risk	4.45	2,293	583	43	77.0	3.0	16.3	89.1	Foreign
30 Other	5.43	797	394	45	89.3	3.6	65.5	89.0	Foreign
			Weighted-average risk rating ⁵	Weighted-average maturity/repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	5.66	2,412	3.3	115	85.2	27.4	3.1	82.7	Prime
32 100-999	4.91	7,496	3.3	146	75.1	19.9	3.3	87.3	Prime
33 1,000-9,999	3.84	12,067	3.0	106	49.1	10.9	16.0	87.5	Prime
34 10,000 or more	3.68	23,269	3.0	157	47.4	8.9	26.8	82.9	Foreign
									Average size (thousands of dollars)
BASE RATE OF LOAN⁴									
35 Prime ⁷	5.16	14,331	3.4	88	72.3	18.6	1.1	88.9	172
36 Fed funds	2.17	3,000	2.6	19	13.2	12.1	31.3	51.8	3,782
37 Other domestic	2.53	3,916	2.7	27	18.7	36.5	39.7	66.6	1,877
38 Foreign	3.64	15,584	3.1	205	52.1	3.1	30.0	88.5	2,236
39 Other	4.19	8,413	2.8	202	59.9	7.0	13.8	91.4	226

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4–8, 2002—Continued

C. Commercial and industrial loans made by large domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK⁵									
1 All commercial and industrial loans	3.85	40,725	575	580	50.7	9.9	20.2	86.4	Foreign
2 Minimal risk	3.39	2,008	861	227	40.0	14.8	.7	86.3	Other
3 Low risk	2.56	5,707	2,413	379	21.8	3.9	48.1	85.9	Foreign
4 Moderate risk	3.75	19,698	1,001	707	54.3	11.7	21.7	83.9	Foreign
5 Other	5.04	9,256	352	531	66.0	7.3	12.4	91.4	Prime
<i>By maturity/repricing interval⁶</i>									
6 Zero interval	4.44	4,172	339	462	47.0	11.1	12.6	85.1	Prime
7 Minimal risk	3.88	118	528	305	32.9	5.6	11.3	90.4	Other
8 Low risk	2.58	915	2,880	196	17.8	2.2	31.6	56.6	Fed funds
9 Moderate risk	4.33	1,567	239	593	55.9	20.5	11.6	94.4	Prime
10 Other	5.69	1,550	301	517	56.0	7.1	2.2	92.0	Prime
11 Daily	3.61	13,125	354	485	41.0	18.5	24.4	82.7	Prime
12 Minimal risk	3.17	917	1,527	334	33.1	31.3	*	71.7	Prime
13 Low risk	2.46	2,271	2,086	313	9.1	1.4	71.4	90.7	Domestic
14 Moderate risk	3.19	4,608	596	647	36.7	31.0	29.0	72.3	Domestic
15 Other	4.89	2,955	239	463	64.6	11.8	7.4	83.8	Prime
16 2 to 30 days	3.64	10,774	667	455	38.6	6.9	21.1	88.0	Foreign
17 Minimal risk	3.44	698	535	97	40.4	.5	*	99.7	Other
18 Low risk	2.66	1,216	2,180	453	32.7	6.7	59.4	94.5	Foreign
19 Moderate risk	3.71	5,833	1,633	524	34.0	6.3	23.0	83.1	Foreign
20 Other	4.45	2,002	291	353	59.9	6.3	10.1	97.8	Other
21 31 to 365 days	4.04	9,215	3,247	693	69.8	1.9	15.0	89.0	Foreign
22 Minimal risk	3.85	253	1,552	123	62.4	.0	*	99.5	Other
23 Low risk	2.33	987	3,264	370	19.6	9.4	11.6	86.7	Other
24 Moderate risk	3.94	5,483	5,324	796	81.9	.9	19.5	89.1	Foreign
25 Other	5.38	2,000	2,296	636	73.5	1.5	10.2	95.3	Foreign
				Months					
26 More than 365 days	4.31	3,222	1,815	38	78.9	1.2	26.2	91.3	Foreign
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	3.55	317	3,237	37	90.2	.0	.2	99.9	Foreign
29 Moderate risk	4.17	2,067	3,203	39	75.4	1.6	16.6	91.7	Foreign
30 Other	5.13	686	1,123	33	87.9	.6	71.2	92.1	Foreign
				Weighted-average risk rating ⁵					
				Weighted-average maturity/ repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.01	1,317	3.6	40	81.6	28.2	1.2	91.6	Prime
32 100–999	4.62	5,468	3.4	61	70.8	16.8	2.3	93.9	Prime
33 1,000–9,999	3.75	11,135	3.0	98	46.2	10.2	16.6	90.1	Foreign
34 10,000 or more	3.65	22,806	3.0	161	46.3	7.0	27.3	82.6	Foreign
									Average size (thousands of dollars)
BASE RATE OF LOAN⁷									
35 Prime	5.08	11,264	3.4	78	67.3	12.9	4	93.2	239
36 Fed funds	2.15	2,967	2.6	12	13.0	11.9	31.6	51.3	4,593
37 Other domestic	2.45	3,837	2.7	14	17.0	37.1	39.7	66.3	4,902
38 Foreign	3.64	15,313	3.2	206	52.1	3.0	30.1	88.7	2,358
39 Other	3.83	7,343	2.8	139	55.1	4.6	15.1	96.1	465

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4-8, 2002—Continued

D. Commercial and industrial loans made by small domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
					Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
				Days					
LOAN RISK⁵									
1 All commercial and industrial loans	5.62	4,519	76	1,009	88.2	33.4	5.8	70.6	Prime
2 Minimal risk	5.62	227	89	1,269	90.3	40.3	20.5	71.6	Other
3 Low risk	5.69	439	59	1,032	77.6	14.3	7.0	65.7	Prime
4 Moderate risk	5.67	1,699	65	1,168	87.0	35.1	6.0	81.7	Prime
5 Other	5.71	1,020	75	1,224	93.7	26.1	7.9	58.5	Prime
<i>By maturity/repricing interval⁶</i>									
6 Zero interval	5.19	1,707	76	896	88.1	28.7	7.0	70.1	Prime
7 Minimal risk	4.63	107	155	2,599	89.0	38.5	41.1	49.7	Prime
8 Low risk	5.38	155	73	616	84.6	26.5	6.1	63.6	Prime
9 Moderate risk	5.21	682	67	1,138	87.5	34.4	4.9	79.9	Prime
10 Other	5.29	598	78	582	92.6	27.0	5.3	57.6	Prime
11 Daily	5.27	1,075	126	672	94.1	63.1	1.8	89.0	Prime
12 Minimal risk	4.51	15	25	257	71.3	15.0	11.0	99.2	Prime
13 Low risk	5.80	77	70	494	89.7	9.4	2.9	88.5	Prime
14 Moderate risk	5.39	374	102	692	90.9	53.0	2.2	93.4	Prime
15 Other	5.59	163	74	1,938	92.3	35.9	4.4	51.9	Prime
16 2 to 30 days	4.65	319	89	881	55.0	26.4	7.0	94.4	Prime
17 Minimal risk	5.61	9	14	70	35.7	2.8	*	83.7	Prime
18 Low risk	4.00	56	87	608	32.5	5.6	.1	98.5	Foreign
19 Moderate risk	5.03	162	131	1,394	69.9	42.9	9.7	94.6	Prime
20 Other	4.50	27	56	595	92.2	31.0	24.2	81.6	Prime
21 31 to 365 days	6.32	828	49	594	89.6	14.0	2.5	51.0	Other
22 Minimal risk	6.93	95	120	224	99.8	49.9	.8	90.8	Other
23 Low risk	6.78	82	31	712	76.3	10.4	5.1	47.2	Other
24 Moderate risk	6.57	227	33	707	85.4	16.8	5.6	76.9	Other
25 Other	6.77	121	64	1,311	97.6	11.2	1.4	56.1	Other
				Months					
26 More than 365 days	7.09	562	82	86	93.8	21.2	14.7	52.5	Other
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	6.34	70	75	101	86.5	4.2	21.3	40.6	Other
28 Moderate risk	7.01	226	69	76	91.7	15.3	13.8	65.0	Other
30 Other	7.33	111	78	114	97.7	22.0	30.5	69.9	Prime
			Weighted-average risk rating ⁵	Weighted-average maturity/ repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	6.45	1,095	3.1	206	89.5	26.6	5.3	72.0	Prime
32 100-999	5.72	2,028	3.2	373	86.8	28.2	6.1	69.7	Prime
33 1,000-9,999	4.85	932	2.9	198	83.9	19.7	8.8	56.2	Prime
34 10,000 or more	*	*	*	*	*	*	*	*	*
									Average size (thousands of dollars)
BASE RATE OF LOAN⁴									
35 Prime ⁷	5.43	3,067	3.2	124	90.4	39.6	3.8	73.3	85
36 Fed funds	4.03	33	2.8	657	29.4	31.3	*	97.1	222
37 Other domestic	6.55	79	2.5	650	99.6	10.0	38.1	81.8	61
38 Foreign	3.58	270	2.2	151	50.2	8.2	23.7	78.7	568
39 Other	6.68	1,070	3.0	634	92.6	23.9	5.1	59.2	50

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 4-8, 2002—Continued

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
					Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
				Days					
LOAN RISK⁵									
1 All commercial and industrial loans	2.85	24,955	4,834	137	17.1	.4	59.6	64.1	Foreign
2 Minimal risk	1.88	1,199	8,862	45	4.5	*	76.4	98.8	Foreign
3 Low risk	2.60	2,551	3,193	308	18.8	.4	59.6	82.2	Fed funds
4 Moderate risk	2.71	4,521	3,823	149	9.5	1.6	78.9	85.0	Foreign
5 Other	3.03	13,867	5,362	133	23.1	.0	44.4	62.7	Fed funds
<i>By maturity/repricing interval⁶</i>									
6 Zero interval	5.94	707	1,126	486	56.9	1.4	4.8	94.2	Prime
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	4.10	60	882	216	72.0	4.3	1.3	99.6	Prime
9 Moderate risk	5.01	186	1,165	1,130	17.9	3.6	1.9	96.4	Prime
10 Other	6.56	460	1,189	241	70.5	.2	6.5	92.6	Prime
11 Daily	2.42	12,305	8,708	7	10.3	.0	54.4	49.3	Fed funds
12 Minimal risk	1.78	850	12,563	2	*	*	85.3	100.0	Foreign
13 Low risk	2.03	1,029	6,385	8	2.3	.0	97.5	66.8	Fed funds
14 Moderate risk	2.19	1,158	4,990	26	.2	.2	66.6	95.3	Fed funds
15 Other	2.45	7,140	10,049	6	17.4	*	29.6	47.1	Fed funds
16 2 to 30 days	3.00	7,007	3,954	166	15.8	1.4	73.7	74.5	Foreign
17 Minimal risk	*	*	*	*	*	*	*	*	*
18 Low risk	2.77	845	2,331	404	4.9	.8	32.5	88.2	Foreign
19 Moderate risk	2.79	1,865	4,119	32	14.2	3.3	93.7	85.8	Foreign
20 Other	3.24	3,699	4,724	195	20.9	.1	70.7	71.6	Foreign
21 31 to 365 days	3.26	4,839	3,708	365	28.8	*	59.3	82.5	Foreign
22 Minimal risk	*	*	*	*	*	*	*	*	*
23 Low risk	3.15	614	3,025	716	60.4	*	38.9	98.0	Foreign
24 Moderate risk	2.69	1,270	4,044	250	7.1	*	78.7	75.1	Foreign
25 Other	3.67	2,517	3,642	379	32.2	*	53.4	87.8	Foreign
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
29 Moderate risk	*	*	*	*	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
			Weighted-average risk rating ⁷	Weighted-average maturity/ repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	4.76	23	3.4	30	40.0	10.6	16.4	80.0	Prime
32 100-999	3.68	737	3.5	56	17.1	2.5	55.6	82.1	Foreign
33 1,000-9,999	3.02	7,426	3.5	45	10.2	1.2	61.3	68.2	Foreign
34 10,000 or more	2.74	16,768	3.7	20	20.1	*	59.0	61.5	Foreign
									Average size (thousands of dollars)
BASE RATE OF LOAN⁴									
35 Prime ⁷	5.32	1,382	3.5	80	41.2	8.0	12.9	95.2	1,162
36 Fed funds	2.26	8,292	3.8	16	1.0	*	45.4	65.6	6,127
37 Other domestic	2.71	2,353	2.3	9	3.1	*	100.0	.8	6,490
38 Foreign	2.98	10,848	3.4	41	19.7	*	77.0	82.8	5,500
39 Other	3.04	2,081	4.8	7	67.1	*	10.1	11.7	7,297

Footnotes appear at end of table.

NOTES TO TABLE 4.23

NOTE. The Survey of Terms of Business Lending collects data on gross loan extensions made during the first full business week in the mid-month of each quarter. The authorized panel size for the survey is 348 domestically chartered commercial banks and 50 U.S. branches and agencies of foreign banks. The sample data are used to estimate the terms of loans extended during that week at all domestic commercial banks and all U.S. branches and agencies of foreign banks. Note that the terms on loans extended during the survey week may differ from those extended during other weeks of the quarter. The estimates reported here are not intended to measure the average terms on all business loans in bank portfolios.

1. As of March 31, 2001, assets of the large banks were at least \$4 billion. Median total assets for all insured banks were roughly \$80 million. Assets at all U.S. branches and agencies averaged \$2.7 billion.

2. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all commercial and industrial loans in the current survey (line 1, column 1) is 0.10 percentage point. The chances are about two out of three 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 the universe of all banks.

3. Average maturities are weighted by loan amount and exclude loans with no stated maturities.

4. The most common base pricing rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "base" or "reference" rate); the federal funds rate; domestic money market rates other than the prime rate and the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

5. A complete description of these risk categories is available from the Banking Analysis Section, Mail Stop 81, Board of Governors of the Federal Reserve System, Washington, DC 20551. The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The category "Other" includes loans rated "acceptable" as well as special mention or classified loans. The weighted-average risk rating published for loans in rows 31–39 are calculated by assigning a value of "1" to minimal risk loans; "2" to low risk loans; "3" to moderate risk loans; "4" to acceptable risk loans; and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in lines 1, 6, 11, 16, 21, 26, and 31–39 are not rated for risk.

6. The maturity/repricing interval measures the period from the date the loan is made until it first may reprice or it matures. For floating-rate loans that are subject to repricing at any time—such as many prime-based loans—the maturity/repricing interval is zero. For floating-rate loans that have a scheduled repricing interval, the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily mature or reprice on the business day after they are made. Owing to weekends and holidays, such loans may have maturity/repricing intervals in excess of one day; such loans are not included in the "2 to 30 day" category.

7. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 4.64 percent for all banks, 4.61 percent for large domestic banks, 4.72 percent for small domestic banks, and 4.65 percent for U.S. branches and agencies of foreign banks.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2002¹

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 Total assets⁴	1,029,094	113,098	876,770	90,250	17,096	4,867	42,524	3,260
2 Claims on nonrelated parties	765,036	49,597	659,816	45,232	16,623	1,127	39,148	1,951
3 Cash and balances due from depository institutions	61,087	15,557	50,898	13,021	992	495	2,525	1,907
4 Cash items in process of collection and unposted debits	2,752	0	2,669	0	2	0	49	0
5 Currency and coin (U.S. and foreign)	11	n.a.	8	n.a.	1	n.a.	0	n.a.
6 Balances with depository institutions in United States	42,284	6,249	36,178	5,296	703	228	1,121	632
7 U.S. branches and agencies of other foreign banks (including their IBFs)	37,474	5,986	31,981	5,096	493	178	1,075	632
8 Other depository institutions in United States (including their IBFs)	4,810	263	4,198	200	210	50	46	0
9 Balances with banks in foreign countries and with foreign central banks	15,223	9,308	11,334	7,724	268	267	1,331	1,275
10 Foreign branches of U.S. banks	204	153	176	125	28	28	0	0
11 Banks in home country and home-country central banks	4,796	1,828	2,555	1,828	0	0	6	0
12 All other banks in foreign countries and foreign central banks	10,223	7,327	8,603	5,771	240	239	1,325	1,275
13 Balances with Federal Reserve Banks	816	n.a.	708	n.a.	18	n.a.	25	n.a.
14 Total securities and loans	437,785	25,675	366,458	23,960	15,086	593	25,695	37
15 Total securities, book value	132,047	4,318	116,898	4,009	1,415	247	3,464	14
16 U.S. Treasury	18,670	n.a.	18,217	n.a.	57	n.a.	306	n.a.
17 Obligations of U.S. government agencies and corporations	29,796	n.a.	27,907	n.a.	28	n.a.	1,376	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	83,581	4,318	70,774	4,009	1,330	247	1,782	14
19 Securities of foreign governmental units	8,521	2,804	8,168	2,715	126	47	176	14
20 Mortgage-backed securities	25,346	0	22,582	0	205	0	0	0
21 Other asset-backed securities	15,097	20	8,787	20	0	0	0	0
22 All other	34,617	1,495	31,238	1,275	999	200	1,606	0
23 Federal funds sold and securities purchased under agreements to resell	106,073	7,313	103,811	7,220	297	34	1,475	0
24 Depository institutions in the United States	22,763	2,780	21,994	2,687	297	34	0	0
25 Other	83,310	4,533	81,817	4,533	0	0	1,475	0
26 Total loans, gross	306,072	21,370	249,824	19,963	13,703	347	22,239	23
27 Less: Unearned income on loans	334	14	264	12	33	1	8	0
28 EQUALS: Loans, net	305,738	21,357	249,560	19,950	13,671	346	22,231	23
<i>Total loans, gross, by category</i>								
29 Real estate loans	19,168	160	15,226	160	2,955	0	59	0
30 Loans to depository institutions and acceptances of other banks	75,660	8,029	62,984	7,292	1,953	233	5,686	22
31 Commercial banks in United States (including their IBFs)	5,477	1,255	4,700	1,020	458	140	6	0
32 U.S. branches and agencies of other foreign banks	3,254	1,254	2,493	1,020	453	140	0	0
33 Other commercial banks in United States	2,223	0	2,207	1	5	0	6	0
34 Other depository institutions in United States (including their IBFs)	29	0	29	0	0	0	0	0
35 Banks in foreign countries	13,217	6,430	11,274	5,928	146	93	778	22
36 Foreign branches of U.S. banks	229	197	229	197	0	0	0	0
37 Other banks in foreign countries	12,988	6,233	11,045	5,731	146	93	778	22
38 Loans to other financial institutions	56,937	344	46,981	344	1,351	0	4,902	0
39 Commercial and industrial loans	190,488	11,360	152,697	10,746	8,305	92	15,693	0
40 U.S. addressees (domicile)	153,773	55	121,591	55	7,757	0	13,891	0
41 Non-U.S. addressees (domicile)	36,714	11,304	31,106	10,691	548	92	1,802	0
42 Loans to foreign governments and official institutions (including foreign central banks)	4,296	1,697	3,709	1,654	224	22	240	0
43 Loans for purchasing or carrying securities (secured and unsecured)	11,612	0	11,373	0	0	0	116	0
44 All other loans	4,240	125	3,588	111	264	0	84	0
45 Lease financing receivables (net of unearned income)	608	0	248	0	0	0	360	0
46 U.S. addressees (domicile)	555	0	248	0	0	0	307	0
47 Non-U.S. addressees (domicile)	53	0	0	0	0	0	53	0
48 Trading assets	126,977	203	109,173	203	52	0	7,809	0
49 All other assets	33,115	848	29,476	828	197	5	1,643	7
50 Customers' liabilities on acceptances outstanding	862	n.a.	518	n.a.	79	n.a.	235	n.a.
51 U.S. addressees (domicile)	421	n.a.	316	n.a.	79	n.a.	25	n.a.
52 Non-U.S. addressees (domicile)	441	n.a.	303	n.a.	0	n.a.	210	n.a.
53 Other assets including other claims on nonrelated parties	32,253	848	28,958	828	117	5	1,409	7
54 Net due from related depository institutions ⁵	264,058	63,501	216,954	45,017	474	3,741	3,376	1,309
55 Net due from head office and other related depository institutions ⁵	264,058	n.a.	216,954	n.a.	474	n.a.	3,376	n.a.
56 Net due from establishing entity, head office, and other related depository institutions ⁵	n.a.	63,501	n.a.	45,017	n.a.	3,741	n.a.	1,309
57 Total liabilities⁴	1,029,094	113,098	876,770	90,250	17,096	4,867	42,524	3,260
58 Liabilities to nonrelated parties	900,079	99,903	772,291	78,455	8,851	4,723	38,774	2,282

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2002¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
59 Total deposits and credit balances	460,818	67,762	388,949	54,412	2,963	1,590	14,888	1,175
60 Individuals, partnerships, and corporations (including certified and official checks)	368,411	7,562	302,565	3,532	2,476	110	14,486	9
61 U.S. addressees (domicile)	353,416	17	293,202	17	1,047	0	14,332	0
62 Non-U.S. addressees (domicile)	14,995	7,545	9,363	3,515	1,429	110	154	9
63 Commercial banks in United States (including their IBFs)	60,115	6,346	55,468	5,868	445	154	401	40
64 U.S. branches and agencies of other foreign banks	18,810	5,854	18,384	5,388	35	154	0	40
65 Other commercial banks in United States	41,305	491	37,084	480	410	0	401	0
66 Banks in foreign countries	6,073	29,419	5,723	25,449	29	487	0	411
67 Foreign branches of U.S. banks	1,019	2,389	1,019	2,059	0	19	0	0
68 Other banks in foreign countries	5,054	27,030	4,704	23,389	29	468	0	411
69 Foreign governments and official institutions (including foreign central banks)	6,540	24,434	6,204	19,563	7	839	1	716
70 All other deposits and credit balances	19,679	0	18,989	0	5	0	0	0
71 Transaction accounts and credit balances (excluding IBFs)	9,110	n.a.	7,412	n.a.	277	n.a.	218	n.a.
72 Individuals, partnerships, and corporations (including certified and official checks)	8,067	n.a.	6,551	n.a.	243	n.a.	217	n.a.
73 U.S. addressees (domicile)	5,486	n.a.	5,104	n.a.	84	n.a.	212	n.a.
74 Non-U.S. addressees (domicile)	2,581	n.a.	1,447	n.a.	159	n.a.	6	n.a.
75 Commercial banks in United States (including their IBFs)	40	n.a.	40	n.a.	0	n.a.	0	n.a.
76 U.S. branches and agencies of other foreign banks	5	n.a.	5	n.a.	0	n.a.	0	n.a.
77 Other commercial banks in United States	36	n.a.	35	n.a.	0	n.a.	0	n.a.
78 Banks in foreign countries	682	n.a.	551	n.a.	29	n.a.	0	n.a.
79 Foreign branches of U.S. banks	0	n.a.	0	n.a.	0	n.a.	0	n.a.
80 Other banks in foreign countries	681	n.a.	551	n.a.	29	n.a.	0	n.a.
81 Foreign governments and official institutions (including foreign central banks)	218	n.a.	178	n.a.	1	n.a.	1	n.a.
82 All other deposits and credit balances	103	n.a.	91	n.a.	4	n.a.	0	n.a.
83 Nontransaction accounts (including MMDAs, excluding IBFs)	451,708	n.a.	381,537	n.a.	2,686	n.a.	14,670	n.a.
84 Individuals, partnerships, and corporations (including certified and official checks)	360,344	n.a.	296,013	n.a.	2,234	n.a.	14,269	n.a.
85 U.S. addressees (domicile)	347,930	n.a.	288,098	n.a.	963	n.a.	14,120	n.a.
86 Non-U.S. addressees (domicile)	12,414	n.a.	7,916	n.a.	1,270	n.a.	149	n.a.
87 Commercial banks in United States (including their IBFs)	60,075	n.a.	55,428	n.a.	445	n.a.	401	n.a.
88 U.S. branches and agencies of other foreign banks	18,805	n.a.	18,380	n.a.	35	n.a.	0	n.a.
89 Other commercial banks in United States	41,270	n.a.	37,049	n.a.	410	n.a.	401	n.a.
90 Banks in foreign countries	5,391	n.a.	5,172	n.a.	0	n.a.	0	n.a.
91 Foreign branches of U.S. banks	1,019	n.a.	1,019	n.a.	0	n.a.	0	n.a.
92 Other banks in foreign countries	4,372	n.a.	4,153	n.a.	0	n.a.	0	n.a.
93 Foreign governments and official institutions (including foreign central banks)	6,322	n.a.	6,027	n.a.	6	n.a.	0	n.a.
94 All other deposits and credit balances	19,575	n.a.	18,897	n.a.	1	n.a.	0	n.a.
95 IBF deposit liabilities	n.a.	67,762	n.a.	54,412	n.a.	1,590	n.a.	1,175
96 Individuals, partnerships, and corporations (including certified and official checks)	n.a.	7,562	n.a.	3,532	n.a.	110	n.a.	9
97 U.S. addressees (domicile)	n.a.	17	n.a.	17	n.a.	0	n.a.	0
98 Non-U.S. addressees (domicile)	n.a.	7,545	n.a.	3,515	n.a.	110	n.a.	9
99 Commercial banks in United States (including their IBFs)	n.a.	6,346	n.a.	5,868	n.a.	154	n.a.	40
100 U.S. branches and agencies of other foreign banks	n.a.	5,854	n.a.	5,388	n.a.	154	n.a.	40
101 Other commercial banks in United States	n.a.	491	n.a.	480	n.a.	0	n.a.	0
102 Banks in foreign countries	n.a.	29,419	n.a.	25,449	n.a.	487	n.a.	411
103 Foreign branches of U.S. banks	n.a.	2,389	n.a.	2,059	n.a.	19	n.a.	0
104 Other banks in foreign countries	n.a.	27,030	n.a.	23,389	n.a.	468	n.a.	411
105 Foreign governments and official institutions (including foreign central banks)	n.a.	24,434	n.a.	19,563	n.a.	839	n.a.	716
106 All other deposits and credit balances	n.a.	0	n.a.	0	n.a.	0	n.a.	0

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2002¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
107 Federal funds purchased and securities sold under agreements to repurchase	183,714	16,177	167,367	11,428	1,168	390	5,678	599
108 Depository institutions in the United States	30,807	2,606	24,030	1,255	863	331	1,947	109
109 Other	152,907	13,571	143,338	10,173	305	59	3,731	490
110 Other borrowed money	75,803	14,931	65,474	11,615	2,876	2,734	4,800	503
111 Owed to nonrelated commercial banks in United States (including their IBFs)	11,305	3,038	10,295	2,375	463	348	438	289
112 Owed to U.S. offices of nonrelated U.S. banks	5,901	621	5,577	469	152	52	147	100
113 Owed to U.S. branches and agencies of nonrelated foreign banks	5,405	2,418	4,718	1,906	311	296	291	189
114 Owed to nonrelated banks in foreign countries	11,648	9,835	9,397	7,749	1,841	1,820	215	215
115 Owed to foreign branches of nonrelated U.S. banks	1,366	1,233	1,161	1,085	169	148	0	0
116 Owed to foreign offices of nonrelated foreign banks	10,281	8,602	8,236	6,663	1,672	1,672	215	215
117 Owed to others	52,850	2,057	45,782	1,492	571	565	4,148	0
118 All other liabilities	111,983	1,033	96,089	1,000	256	10	12,232	4
119 Branch or agency liability on acceptances executed and outstanding	961	n.a.	569	n.a.	79	n.a.	281	n.a.
120 Trading liabilities	81,729	32	69,661	31	58	0	10,202	1
121 Other liabilities to nonrelated parties	29,293	1,002	25,859	970	118	10	1,749	2
122 Net due to related depository institutions ⁵	129,014	13,195	104,479	11,795	8,245	144	3,750	978
123 Net due to head office and other related depository institutions ⁵	129,014	n.a.	104,479	n.a.	8,245	n.a.	3,750	n.a.
124 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	13,195	n.a.	11,795	n.a.	144	n.a.	978
MEMO								
125 Holdings of own acceptances included in commercial and industrial loans	596	n.a.	383	n.a.	1	n.a.	149	n.a.
126 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	87,895	n.a.	64,157	n.a.	4,732	n.a.	10,541	n.a.
127 Predetermined interest rates	34,712	n.a.	21,893	n.a.	1,903	n.a.	7,086	n.a.
128 Floating interest rates	53,183	n.a.	42,265	n.a.	2,829	n.a.	3,455	n.a.
129 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	95,072	n.a.	82,508	n.a.	3,357	n.a.	4,553	n.a.
130 Predetermined interest rates	16,374	n.a.	14,650	n.a.	412	n.a.	637	n.a.
131 Floating interest rates	78,698	n.a.	67,859	n.a.	2,945	n.a.	3,917	n.a.

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2002¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
132 Components of total nontransaction accounts, included in total deposits and credit balances	465,024	n.a.	394,417	n.a.	2,555	n.a.	14,630	n.a.
133 Time deposits of \$100,000 or more	445,511	n.a.	376,622	n.a.	2,538	n.a.	14,529	n.a.
134 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	19,513	n.a.	17,795	n.a.	17	n.a.	101	n.a.
	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
135 Immediately available funds with a maturity greater than one day included in other borrowed money	33,294	n.a.	31,088	n.a.	1,525	n.a.	404	n.a.
136 Number of reports filed ⁶	294	0	154	0	56	0	18	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve monthly statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate international banking facilities (IBFs). Since December 31, 1985, data for IBFs have been reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates that no IBF data have been reported for that item,

either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 monthly statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. Related depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases, two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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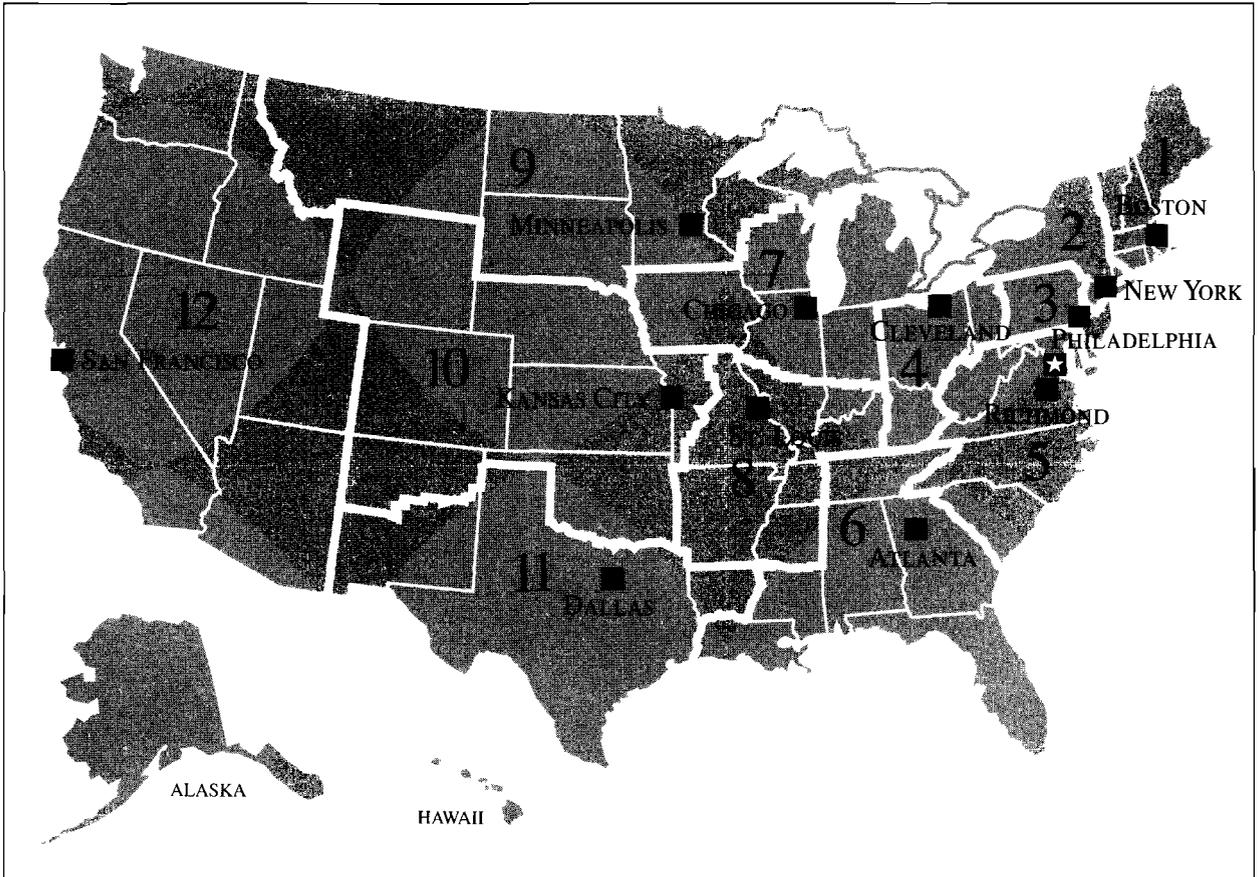
When Is Your Check Not a Check?

STAFF STUDIES: Only Summaries Printed in the BULLETIN

Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies. Requests to obtain single copies of any paper or to be added to the mailing list for the series may be sent to Publications.

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175. THE FUTURE OF RETAIL ELECTRONIC PAYMENTS SYSTEMS: INDUSTRY INTERVIEWS AND ANALYSIS, Federal Reserve Staff, for the Payments System Development Committee, Federal Reserve System. December 2002. 27 pp.

Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ★ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

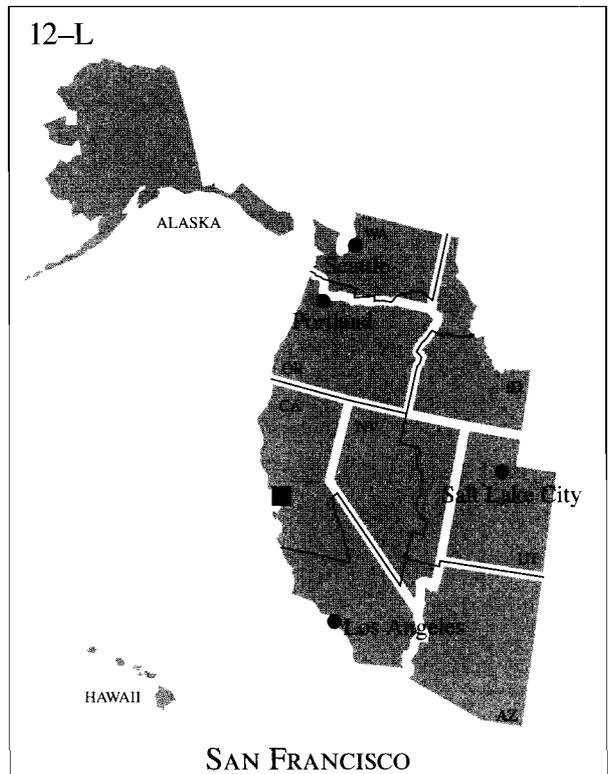
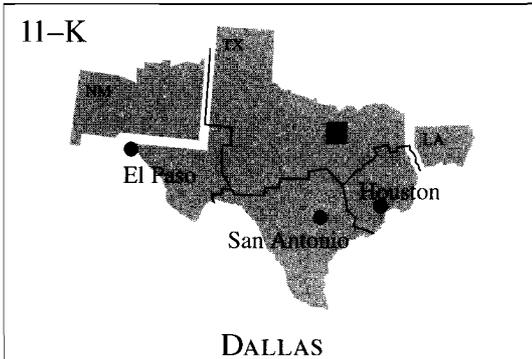
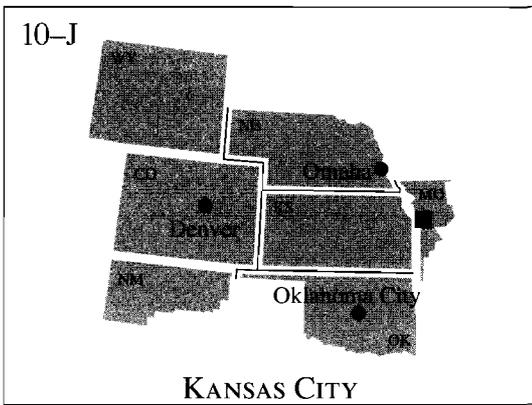
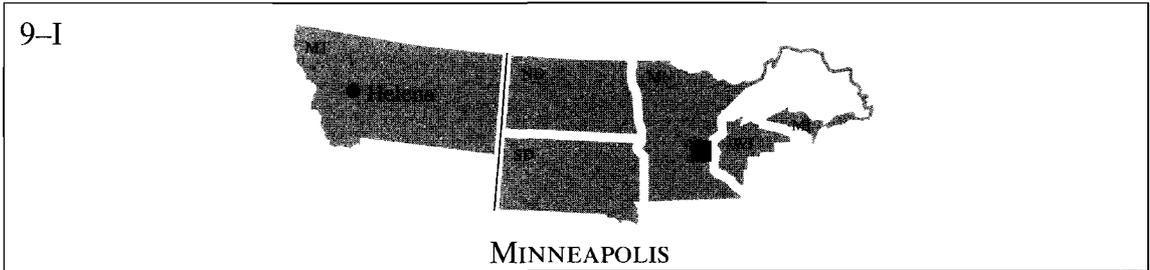
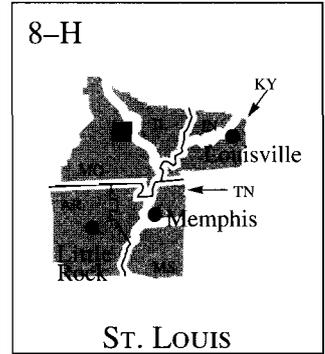
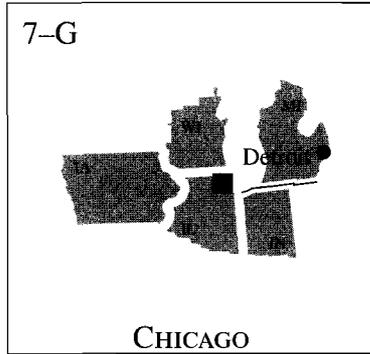
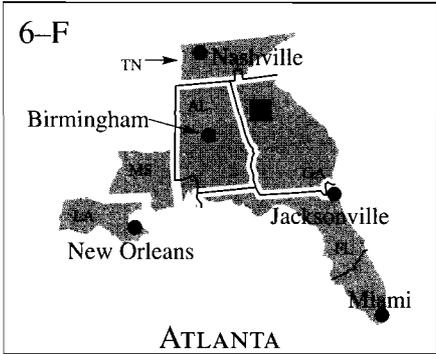
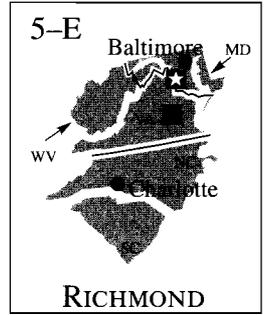
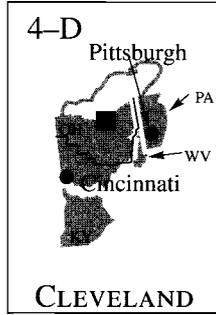
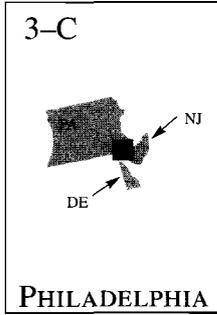
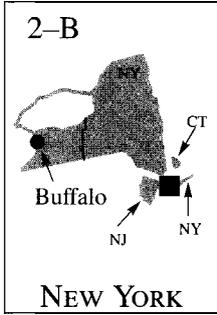
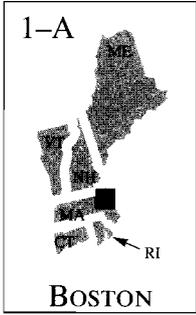
NOTE

The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in February 1996.



Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or <i>facility</i>	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	James J. Norton Samuel O. Thier	Cathy E. Minehan Paul M. Connolly	
NEW YORK*	10045	Peter G. Peterson John E. Sexton	William J. McDonough Jamie B. Stewart, Jr.	
Buffalo	14240	Marguerite D. Hambleton		Barbara L. Walter ¹
PHILADELPHIA	19105	Glenn A. Schaeffer Ronald J. Naples	Anthony M. Santomero William H. Stone, Jr.	
CLEVELAND*	44101	Robert W. Mahoney Charles E. Bunch	Jerry L. Jordan Sandra Pianalto	
Cincinnati	45201	Dennis C. Cuneo		Barbara B. Henshaw
Pittsburgh	15230	Roy W. Haley		Robert B. Schaub
RICHMOND*	23219	Wesley S. Williams, Jr. Irwin Zazulia	J. Alfred Broaddus, Jr. Walter A. Varvel	
Baltimore	21203	Owen E. Herrnstadt		William J. Tignanelli ¹
Charlotte	28230	Michael A. Almond		Dan M. Bechter ¹
ATLANTA	30303	Paula Lovell David M. Ratcliffe	Jack Guynn Patrick K. Barron	
Birmingham	35242	W. Miller Welborn		James M. McKee ¹
Jacksonville	32231	William E. Flaherty		Lee C. Jones
Miami	33152	Brian E. Keeley		Christopher L. Oakley
Nashville	37203	Whitney Johns Martin		James T. Curry III
New Orleans	70161	Dave Dennis		Melvyn K. Purcell ¹
				Robert J. Musso ¹
CHICAGO*	60690	Robert J. Darnall W. James Farrell	Michael H. Moskow Gordon R. G. Werkema	
Detroit	48231	Timothy D. Leuliette		Glenn Hansen ¹
ST. LOUIS	63166	Charles W. Mueller Walter L. Metcalfe, Jr.	William Poole W. LeGrande Rives	
Little Rock	72203	To be announced		Robert A. Hopkins
Louisville	40232	Norman Pfau, Jr.		Thomas A. Boone
Memphis	38101	Gregory M. Duckett		Martha Perine Beard
MINNEAPOLIS	55480	Ronald N. Zwiag Linda Hall Whitman	Gary H. Stern James M. Lyon	
Helena	59601	Thomas O. Markle		Samuel H. Gane
KANSAS CITY	64198	Terrence P. Dunn Richard H. Bard	Thomas M. Hoenig Richard K. Rasdall	
Denver	80217	Robert M. Murphy		Maryann Hunter ¹
Oklahoma City	73125	Patricia B. Fennell		Dwayne E. Boggs
Omaha	68102	A.F. Raimondo		Steven D. Evans
DALLAS	75201	Ray L. Hunt Patricia M. Patterson	Robert D. McTeer, Jr. Helen E. Holcomb	
El Paso	79999	To be announced		
Houston	77252	To be announced		Robert Smith III ¹
San Antonio	78295	To be announced		James L. Stull ¹
SAN FRANCISCO	94120	Nelson C. Rising George M. Scalise	Robert T. Parry John F. Moore	
Los Angeles	90051	William D. Jones		Mark L. Mullinix ²
Portland	97208	Karla S. Chambers		Richard B. Hornsby
Salt Lake City	84125	H. Roger Boyer		Andrea P. Wolcott
Seattle	98124	Mic R. Dinsmore		D. Kerry Webb ¹

*Additional offices of these Banks are located at Windsor Locks, Connecticut 06096; East Rutherford, New Jersey 07016; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; Milwaukee, Wisconsin 53202; and Peoria, Illinois 61607.

1. Senior Vice President.
2. Executive Vice President.