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Table of Contents

The Evolution of the Federal Reserve's Intraday Credit Policies

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One of the Federal Reserve's roles is to provide payment services to depository institutions and to the U.S. Treasury. Many of the nation's transfers of funds—whether they are large-dollar payments for financial market transactions or smaller-value business and consumer payments—settle through depository institutions' accounts held at the Federal Reserve for reserve-maintenance purposes and transaction processing.

In settling these payments, the Federal Reserve Banks post debits and credits to depository institutions' Federal Reserve accounts throughout the business day. If a depository institution has insufficient balances during the day to cover its debits, the institution will run a negative balance or "daylight overdraft" in its Federal Reserve account until sufficient funds are received later in the day. Depository institutions often incur daylight overdrafts in their Federal Reserve accounts because of the mismatch in timing between the settlement of payments owed and the settlement of payments due. Because depository institutions generally hold a relatively small amount of funds overnight in their Federal Reserve accounts in relation to the trillions of dollars of payments processed by the Federal Reserve each day, the Federal Reserve extends intraday credit to ensure the smooth functioning of the U.S. payment system.

Each depository institution is expected to end each business day with a zero or positive balance in its Federal Reserve account. Otherwise, the Federal Reserve could incur significant losses if institutions failed with large overdrafts in their accounts. In addition, the significant payment activity that occurs on private large-dollar payment systems gives rise to credit, liquidity, operational, and legal risks; these risks must be managed by the system. Settlement failures on such private large-dollar systems that lack certain risk controls could create serious disruptions in the financial markets.

To reduce the risks that depository institutions present to the Federal Reserve through their use of daylight credit and to address the risks that payment systems, in general, present to the banking system and other sectors of the economy, the Federal Reserve Board in 1985 developed a payments system risk (PSR) policy. One of the primary goals of the PSR policy is to control depository institutions' use of Federal Reserve intraday credit, and as the PSR policy has evolved, the Board has adopted specific methods for controlling daylight overdrafts.

One of the first methods for controlling daylight overdrafts was setting a maximum for the daylight overdraft position (net debit cap) that a depository institution could incur in its Federal Reserve account. However, despite the introduction in 1985 of net debit caps, the amount of daylight credit the Federal Reserve was extending to depository institutions continued to grow.

From 1986 to 1993, the value of daylight overdrafts grew at an average annual rate of about 13 percent. In fact, beginning in 1989, daylight overdrafts increased dramatically despite a reduction in net debit caps the year before. Consequently, the Board decided to create an economic incentive for depository institutions to reduce their reliance on Federal Reserve daylight credit by charging them a fee for its use.

In 1994, shortly after the Federal Reserve began charging daylight overdraft fees, peak daylight overdrafts fell almost 40 percent, from approximately $125 billion to less than $80 billion. The fee was initially set at an annual rate of 24 basis points in 1994, with planned increases in 1995 and 1996.[1] In 1995, however, the Board decided to raise the rate charged on daylight overdrafts to 36 basis points instead of the 48 basis points that had been planned and to defer additional rate increases because daylight overdrafts had fallen substantially. The Board stated that it would evaluate additional rate increases based on experience at the new fee level.

As part of its obligation to further evaluate fee increases and in recognition that significant changes had occurred in the banking, payments, and regulatory environment since 1995, the Board decided to

1. 57 Fed. Reg. 47084 (October 14, 1992).

conduct a broad review of its daylight credit policies beginning in early 2000. The review included an analysis of trends in payment activity and proposals for changes in the Board's PSR policy. The history of the Board's PSR policy, trends in daylight overdraft and payment activity, and a possible future policy direction are discussed in this article.

HISTORY OF THE BOARD'S INTRADAY CREDIT POLICIES

Initial Studies of Payment System Risk

In the late 1970s, the Federal Reserve began to assess the risks associated with daylight credit extensions in large-dollar payment systems, including Fedwire. During the 1980s, Federal Reserve staff and private-sector groups issued several reports identifying the causes, amounts, and risks of daylight overdrafts, as well as options for controlling them. According to one of the reports, aggregate daily daylight overdrafts in depository institutions' Federal Reserve accounts averaged approximately $30 billion, and the majority of these overdrafts were attributable to fewer than twenty institutions.[2] In addition, institutions incurring large overdrafts on Fedwire frequently had large credit exposures on the Clearing House Interbank Payments System (CHIPS), a private, large-dollar payment system operated by the New York Clearing House. (For a brief description of Fedwire and CHIPS, see the box "Large-Value Payment Systems.")

These early studies of payment system risk acknowledged that the risk of large losses resulting from an unexpected bank failure was small but noted that such a failure had the potential for a significant negative effect on financial markets and the payments mechanism. Thus, even a low probability of an extremely costly failure suggested the need for prudent policies to address payment system risk. Consequently, the Federal Reserve began to develop its PSR policies to address both systemic risk and the Federal Reserve Banks' credit risk.

Although federal regulations guarantee the finality of payments over Fedwire, thus eliminating settlement-failure risk for such payments, settlement failures on private large-dollar systems that lack both immediate finality and strong risk controls could create serious disruptions and could even lead to systemic risk in the financial markets.[3] If an institution participating on a private large-dollar payments network were unable or unwilling to settle its net debit position, the institution's creditors on that network might face lower credit positions than expected and then be unable to settle their commitments in that network or other networks. Serious repercussions could spread to other participants in the network, to other depository institutions, and to the nonfinancial economy generally.

During the initial studies of payment system risk, Federal Reserve staff members and others noted that settlement failures in CHIPS could result in systemic risk because, by the early 1980s, CHIPS had not fully implemented certain risk controls to help guarantee settlement.[4] In addition, CHIPS participants extended very large amounts of intraday credit to each other and often permitted customers in a net credit position to use their expected funds before settlement. Under these circumstances, the default of a large CHIPS participant could have caused the unwinding of that day's net settlement, potentially leaving other participants with very large, sudden shortfalls in funding late in the day. The Federal Reserve was concerned that the failure of a participant on a private large-dollar system could affect the liquidity and solvency of multiple banks and lead to instability in the banking system and possibly the economy in general.

In February 1984, the Board issued a report highlighting a number of conditions that supported the need for payment system risk controls.[5] The conditions included the potential costs to the private and public sector from the failure of a depository institution in an overdraft position, the lack of existing private-sector incentives to reduce credit exposures, and the potential moral hazard arising from a depository institution's expectation that the Federal Reserve would intervene to prevent settlement failures.

2. See Board of Governors of the Federal Reserve System, *Risks on Large-Dollar Transfer Systems* (Washington, D.C.: Board of Governors, February 1984).

3. Fedwire funds transfers are final and irrevocable when a Federal Reserve Bank credits the receiving institution's account or sends the receiving institution an advice of payment, whichever occurs first (12 C.F.R. 210, Appendix A to Subpart B).

4. Association of Reserve City Bankers, *Report on the Payments System* (Washington, D.C.: ARCB, April 1982) and *Risks in the Electronic Payments Systems* (Washington, D.C.: ARCB, October 1983); Board of Governors of the Federal Reserve System, *Reducing Risk on Large-Dollar Transfer Systems* (Washington, D.C.: Board of Governors, April 1985); Task Force on Controlling Payments System Risk (Report to the Payments System Policy Committee of the Federal Reserve System), *Controlling Risks in the Payments System* (Washington, D.C.: Board of Governors, August 1988).

5. See *Risks on Large-Dollar Transfer Systems*. In 1984, the Board also issued the *Policy Statement on Use of the Federal Reserve's Wire Transfer Network*, which explained that institutions should not use Fedwire to avoid risk-reduction measures on private-sector systems (49 Fed. Reg. 13194 [April 3, 1984]).

Large-Value Payment Systems

Fedwire Funds Transfer System

The Fedwire funds transfer system is a real-time gross settlement system. Transactions are continuously settled on an individual, order-by-order basis without netting. When a depository institution initiates a Fedwire funds transfer, it irrevocably authorizes the Federal Reserve to debit its Federal Reserve account for the amount of the transfer. The Federal Reserve then credits the account of the receiving depository institution. This immediate finality of payment is the major distinguishing characteristic of the Fedwire funds transfer service.

Fedwire Book-Entry Securities System

The Fedwire book-entry securities system is a real-time, delivery-versus-payment (DVP), gross settlement system that allows for the immediate, simultaneous transfer of government securities against payment. A DVP system ensures that the final transfer of one asset occurs if and only if the final transfer of another asset (or other assets) occurs. The Fedwire securities system consists of a safekeeping function and a transfer and settlement function. The safekeeping function involves the electronic storage of securities records in custody accounts; the transfer and settlement function involves the electronic transfer of securities between parties, either free of payment or against payment.

CHIPS

The Clearing House Interbank Payments System is a bank-owned payment system operated by the New York Clearing House that has existed for more than thirty years to clear and settle business-to-business transactions. Since CHIPS was launched in 1970, it has undergone several modifications to reduce the risks it presented to the payment system. For example, in 1981, CHIPS moved from next-day to same-day settlement. In 1984, CHIPS added rules on bilateral limits, and two years later, CHIPS imposed sender net debit caps, thereby limiting the risk that a single participant could present to the system. In 1990, settlement-day finality was guaranteed in case of an insolvency of the system's largest debtor through the imposition of a loss-sharing formula and collateral requirements. Most recently, on January 22, 2001, the Clearing House Interbank Payments Company L.L.C. converted CHIPS from an end-of-day, multilateral net settlement system to one that provides final settlement for all payment orders as they are released. Payment instructions submitted to the queue that remain unsettled at the end of the day, known as the residual, are tallied on a multilateral net basis.[1]

1. Payments Risk Committee (Intraday Liquidity Management Task Force), "Intraday Liquidity Management in the Evolving Payment System: A Study of the Impact of the Euro, CLS Bank, and CHIPS Finality" (New York, N.Y.: PRC, April 2000); available on line at http://www.ny.frb.org/prc/intraday.htm.

1985 Policy Statement

In May 1985 the Board issued the *Policy Statement Regarding Risks on Large-Dollar Wire Transfer Systems*, which incorporated the findings of the earlier reports.[6] The policy statement introduced four categories of cross-system sender limits, or net debit caps, on daylight overdrafts and credit exposures over all large-dollar networks, including Fedwire and CHIPS. A depository institution could choose one of the four cross-system net debit cap categories or classes by evaluating its creditworthiness, credit policies, and operational controls and procedures, an evaluation referred to as a self-assessment. If the depository institution believed that its policies, controls, and procedures were strong, it could adopt a "high" cap class; weaknesses required the adoption of a lower cap class. Although the choice of a net debit cap class was voluntary, an institution's bank examiners could review the institution's self-assessment and require a modification to its cap class if the institution's level of daylight overdrafts and credit exposures constituted an unsafe or unsound banking practice.

Along with each cap class, the Board implemented two cap multiples: one for the maximum allowable overdraft or exposure on any day (single-day cap) and one for the maximum allowable average of the peak daily overdrafts or exposures in a two-week period (two-week average cap) (table 1). An institution's cap category, the associated cap multiple, and its reported capital determined, and continue to deter-

1. Multiples for net debit caps, 1985

Cap class	Single-day cap multiple[1]	Two-week average cap multiple[2]
High	3.0	2.0
Above average	2.5	1.5
Average	1.5	1.0
Zero	0	0

NOTE. Net debit cap = cap multiple × capital measure (see text note 7).

1. Maximum allowable overdraft on any day.

2. Maximum allowable average of the peak daily overdrafts in a two-week reserve-maintenance period.

6. 50 Fed. Reg. 21120 (May 22, 1985).

mine, the size of the net debit cap. An institution's net debit cap is calculated as follows:

Net debit cap = cap multiple × capital measure.[7]

For example, an institution with a high net debit cap could incur a single-day daylight overdraft of up to three times its capital without breaching its single-day net debit cap.

The Federal Reserve implemented the higher single-day net debit cap to limit excessive daylight overdrafts on any day and to ensure that institutions developed internal controls that focused on daily exposures. The purpose of the two-week average net debit cap was to reduce the overall levels of overdrafts while allowing for fluctuations in the value of daily payments. Overall, the Board expected that, because of the policy, there would be a reduction in aggregate daylight overdrafts and in the number of depository institutions consistently relying on daylight credit.

In establishing net debit caps, however, the Board acknowledged that some intraday credit would be necessary for the smooth operation of the payment system, especially the U.S. government securities market. U.S. government securities settle through depository institutions' Federal Reserve accounts and, until the Federal Reserve began charging a fee on daylight overdrafts, contributed to significant overdrafts at some banks. Specifically, when a depository institution receives a government security over Fedwire, the institution's Federal Reserve account is automatically charged for the purchase price of the security.[8] The Board recognized that receivers of government securities generally cannot control the timing of daylight overdrafts associated with these transfers (referred to as securities-related overdrafts). As a result, the Board had concerns that daylight overdraft restrictions might impair the smooth functioning of the U.S. government securities market and, consequently, the Federal Reserve's ability to conduct monetary policy through open market operations. Therefore, the Board exempted such securities-related overdrafts from net debit caps and other quantitative controls to avoid any potential market disruptions.

Policy Changes: 1987–90

In 1987, the Board issued an interim policy statement, pending re-evaluation of the Board's payment system risk-reduction program, that expanded on the 1985 statement.[9] The 1987 policy statement contained several provisions. Net debit caps were to be reduced by 25 percent in two phases: 15 percent in January 1988 and 10 percent in May 1988. Depository institutions were exempted from performing a self-assessment if their board of directors approved a *de minimis* net debit cap, which was set at the lesser of $500,000 or 20 percent of adjusted primary capital.[10] A $50 million limit was imposed on individual government securities transfers. Finally, interaffiliate Fedwire funds transfers were permitted provided certain safeguards were observed.

Within a year after the Board reduced net debit caps, daylight overdrafts as a percentage of dollars transferred over Fedwire fell approximately 5.5 percent. Despite this decline, the Board noted that virtually all depository institutions remained generally unconstrained relative to their reduced net debit caps; therefore, it sought to reduce the aggregate level of payment system risk further and to shift a higher proportion of risk to the private sector. Consequently, the Board requested comment on proposed changes to its payment system risk-reduction program in mid-1989.[11] Some of these changes included (1) charging a fee for depository institutions' use of Federal Reserve daylight credit, (2) modifying the criteria for measuring daylight overdrafts, (3) including overdrafts caused by government securities transfers when measuring an institution's daylight overdrafts against its cap, and (4) adding an exempt-from-filing cap category.[12] The Board's proposal presumed that CHIPS would revise its rules in the near future to provide greater assurance of settlement-day finality and that other private-sector delivery-versus-payment systems for securities, netting arrangements, and offshore dollar clearing systems would also adopt systemic risk-reducing policies.[13]

7. The capital measure used in calculating a depository institution's net debit cap depends upon its chartering authority and home-country supervisor.

8. Transfers of government securities occur electronically among depository institutions over the Fedwire book-entry securities system.

9. 52 Fed. Reg. 29255 (August 6, 1987).

10. The *de minimis* cap is intended for depository institutions that incur relatively small overdrafts and thus pose minimal risk to the Federal Reserve.

11. 54 Fed. Reg. 26094 (June 21, 1989).

12. The proposed filing exemption would apply to institutions that create only low-dollar risks for the Reserve Banks and that incur small overdrafts relative to their capital.

13. A delivery-versus-payment system is a mechanism that ensures that the final transfer of one asset occurs if and only if the final transfer of another asset occurs. Assets could include monetary assets, securities, or other financial instruments.

After considering the comments received on its mid-1989 proposal, the Board issued a revised policy statement in May 1990. The revised policy statement did not include daylight overdraft fees or a modified method for measuring daylight overdrafts. Because nearly 75 percent of commenters opposed certain aspects of the pricing and measurement proposals, the Board decided to reevaluate these proposals before incorporating them into the policy.

The 1990 statement incorporated the Board's other proposed changes. First, depository institutions' credit exposures on CHIPS were excluded from the cross-system net debit cap because CHIPS had implemented loss-sharing and collateral agreements to improve settlement-day finality. Second, adjusted primary capital was replaced with "qualifying" (risk-based) capital for purposes of calculating net debit caps. Third, an exempt-from-filing cap equal to the lesser of $10 million or 20 percent of an institution's capital was incorporated. Fourth, the existing *de minimis* cap multiple was changed to 20 percent of an institution's capital (table 2). Finally, uncollateralized daylight overdrafts caused by government securities transfers were to be included when measuring depository institutions' daylight overdrafts against their net debit caps.[14]

The Board ultimately decided to include uncollateralized securities-related daylight overdrafts when determining an institution's compliance with its cap, even though depository institutions could not control the timing of the receipt of government securities transfers. The Board was concerned that intraday securities-related overdrafts, like intraday overdrafts resulting from all other payment activity affecting an institution's Federal Reserve account balance (funds-related overdrafts), have the potential to become overnight overdrafts.

To protect the Federal Reserve Banks from the very large exposures that resulted from settling government securities transactions, the Board's 1990 policy required collateral from depository institutions with positive net debit caps that frequently exceeded their caps by material amounts solely because of government securities transactions.[15] Furthermore, the Board exempted collateralized securities-related overdrafts from net debit cap limits because it did not want to unduly disrupt the government securities market. The Board recognized that (1) collateralized daylight overdrafts presented less risk to the Federal Reserve Banks, (2) depository institutions could not control the timing of the receipt of government securities, and (3) the government securities market was important for the Federal Reserve's implementation of monetary policy.

Introduction of Daylight Overdraft Fees: 1991–95

In January 1991, the Board again requested comment on assessing fees for daylight overdrafts incurred by depository institutions in their Federal Reserve accounts and on a proposed method for posting debits and credits to these accounts to measure daylight overdrafts for pricing.[16] To facilitate the pricing of daylight overdrafts, the Board's proposed method of measuring them more closely reflected the timing of actual transactions affecting an institution's intraday Federal Reserve account balance.[17] This mea-

14. 55 Fed. Reg. 22087 and 22092 (May 31, 1990). When the Board introduced daylight overdraft fees in 1994, it raised the *de minimis* cap to 40 percent of capital. See 59 Fed. Reg. 54915 (November 2, 1994).

2. Multiples for net debit caps, 1985 and 1990

Cap class	Single day		Two-week average	
	1985	1990	1985	1990
High	3.0	2.25	2.0	1.50
Above average	2.5	1.875	1.5	1.125
Average	1.5	1.125	1.0	.75
De minimis	. . .	.20	. . .	.20
Exempt[1]	. . .	$10 million or .20	. . .	$10 million or .20
Zero	0	0	0	0

NOTE. See notes to table 1.

1. The exempt-from-filing cap is equal to the lesser of $10 million or 20 percent of the institution's capital measure.

. . . Not applicable.

15. To determine whether an institution exceeded its net debit cap solely because of government securities activity, the Reserve Bank determined what activity in an institution's Federal Reserve account was attributable to funds transfers and other payment transactions and what activity was attributable to government securities transfers. For the purposes of the policy, "frequently" exceeding the cap meant more than three occasions in two consecutive two-week reserve-maintenance periods, and "material amounts" meant amounts in excess of 10 percent of the institution's cap.

16. 56 Fed. Reg. 3098 (January 28, 1991).

17. At the time, Fedwire funds and government securities transfers were posted to institutions' Federal Reserve accounts as they were processed during the business day (as they still are today). The net of all automated clearinghouse (ACH) transactions was posted as if the transactions occurred at the opening of business, regardless of whether the net was a debit or credit balance. All other or "non-wire" activity was netted at the end of the business day, and if the net balance was a credit, the credit amount was added to the opening balance. If the net balance was a debit, the debit amount was deducted from the closing balance. Under this method, an institution could use all of its non-wire net credits to offset any Fedwire funds or government securities debits during the day but postpone the need to cover non-wire net debits until the close of the day.

surement method incorporated specific account posting times for different types of transactions and was intended, in large part, to support the assessment of daylight overdraft fees. The Board expected that pricing daylight credit would create an incentive for institutions to reduce overdrafts at Federal Reserve Banks, thereby reducing direct Federal Reserve risk and contributing to economic efficiency.

In October 1992, the Board announced that the Federal Reserve Banks would begin using new criteria for measuring institutions' daylight overdraft levels and charging a fee for the use of daylight credit. The fee was to be phased in and was scheduled as an annual rate of 24 basis points in 1994, 48 basis points in 1995, and 60 basis points in 1996.[18] The Board's goal was to induce behavior that would reduce risk and increase efficiency in the payment system.

During the comment period in 1991, some depository institutions and securities dealers stated that they opposed a fee on securities-related overdrafts that were collateralized. They argued that collateral protected the Federal Reserve against losses and that there are costs associated with pledging collateral. Thus, the combination of pricing and requiring collateral for securities-related overdrafts would be unduly burdensome. In the 1992 policy, the Board stated, however, that allowing collateral to substitute for daylight overdraft fees would not provide a meaningful incentive for depository institutions or their securities-dealer customers to change their settlement practices and reduce daylight overdrafts. The Board also stated that collateral is required for institutions with large government securities overdrafts as an exception that permits them to exceed their net debit caps because of the difficulty of controlling securities-related overdrafts.

In March 1995, the Board decided to raise the daylight overdraft fee to 36 basis points instead of 48 basis points.[19] Because aggregate daylight overdrafts had fallen about 40 percent after the introduction of fees, the Board was concerned that raising the fee to 48 basis points might produce undesirable market effects contrary to the objectives of its risk-control program. The Board, nonetheless, believed that some increase in the rate charged on daylight overdrafts was needed to provide additional incentives for institutions to reduce daylight overdrafts related to funds transfers and stated that it would consider future fee increases.

Recent Review of the Board's Intraday Credit Policies

In early 2000, the Board recognized that significant changes had occurred in the banking, payments, and regulatory environment in the past few years and, as a result, decided to conduct a broad review of its daylight credit policies. (For a brief description of the issues covered in the policy review, see the box "Components of the Federal Reserve's Policy Statement on Payments System Risk.") During its review, the Board evaluated the effectiveness of the current daylight credit policies and determined that these policies are generally effective in controlling risk to the Federal Reserve and in creating incentives for depository institutions to manage their intraday credit exposures. In addition, the Board determined that the industry understands the current policy and that private-sector participants generally have benefited from the policy's risk controls. The Board also recognized, however, that the policy has imposed costs on the industry and is considered burdensome by some depository institutions.

In conducting its review, the Board evaluated the impact of past policy actions on depository institutions' behavior and on the markets generally. The Board also considered the effects of payment system initiatives on payment activity and the demand for daylight credit. Although the Board believed that the current policy was generally effective, it identified growing liquidity pressures among certain payment system participants. Specifically, the Board learned that a small number of financially healthy institutions regularly found their net debit caps to be constraining, a condition that caused them to delay sending payments and, in some cases, to turn away business.[20] Furthermore, recent payment system initiatives, such as CHIPS with intraday finality (new CHIPS), the Continuous Linked Settlement (CLS) bank, and settlement-day finality for Federal Reserve-processed ACH credit transactions, may exacerbate

18. In this article, the rate used to describe the calculation of daylight overdraft fees is expressed on a twenty-four-hour, annualized basis. When daylight overdraft fees are calculated, however, the annual rate is converted to an effective annual rate by multiplying it by the fraction of the day that Fedwire is scheduled to operate. For example, the current effective annual rate is 27 basis points—36 basis points multiplied by 18/24 because Fedwire is scheduled to operate eighteen hours per day.

19. 60 Fed. Reg. 12559 (March 7, 1995).

20. Current net debit cap levels provide sufficient liquidity for the majority of depository institutions: Approximately 97 percent of depository institutions with positive net debit caps use less than 50 percent of their daylight overdraft capacity for their average daily peak overdrafts.

Components of the Federal Reserve's Policy Statement on Payments System Risk

The Policy Statement on Payments System Risk comprises three sections. The first section addresses the risks to the Federal Reserve Banks in extending daylight credit to depository institutions. The second section establishes policies and procedures for private-sector payment systems and was updated in 1998 to integrate several of the Board's policies on payment system risk into a more comprehensive and consistent framework.[1] The 1998 revisions were intended to provide a flexible, risk-based approach to risk management in multilateral settlement arrangements and not to mandate uniform, rigid requirements for all systems. The last section of the policy describes the Board's support of market innovations, such as rollovers or continuing contracts, that reduce daylight overdrafts in Federal Reserve accounts.

The Board's recent review of its PSR policy focused solely on the first section of the policy and included the following topics:

- Daylight overdraft measurement (posting rules)
- Pricing
- U.S.-chartered institutions' capital
- U.S. branches and agencies of foreign banks' capital
- Net debit caps
- Book-entry government securities transactions (collateralization and transfer-size limit)
- Fedwire third-party access
- Interaffiliate transfers[2]
- Real-time monitoring
- Ex post monitoring

1. 63 Fed. Reg. 34888 (June 26, 1998).

2. As a result of its review, the Board rescinded the third-party access policy (66 Fed. Reg. 19165 [April 13, 2001]) and the interaffiliate transfer policy (66 Fed. Reg. 30198 [June 5, 2001]).

these institutions' liquidity needs at specific times during the day.[21]

As a result of the review, the Board requested comment on an interim policy statement that allowed, subject to Reserve Bank approval, certain depository institutions with self-assessed net debit caps to pledge collateral to access additional daylight overdraft capacity.[22] Depository institutions with exempt-from-filing and *de minimis* net debit caps would have to obtain a self-assessed net debit cap to access additional daylight overdraft capacity through pledging collateral.

At the same time, the Board also requested comment on a package of nearer-term proposals pertaining to its daylight credit policies.[23] One proposal was to increase the percentage of capital used in calculating net debit caps for most U.S. branches and agencies of foreign banks to recognize the current supervisory environment and the need for intraday liquidity. Another proposal was to modify the posting time of electronic check presentments (ECP) to depository institutions' Federal Reserve accounts for purposes of measuring daylight overdrafts to remove an impediment to the greater use of ECP. The Board also proposed retaining the current $50 million government securities transfer limit to support processing efficiencies in the government securities market.

The Board also sought industry feedback on the benefits and drawbacks of several possible longer-term changes to the PSR policy.[24] These changes included lowering self-assessed, single-day net debit caps, eliminating the two-week average caps, implementing differential pricing for collateralized and uncollateralized daylight overdrafts, and rejecting payments with settlement-day finality that would cause an institution to exceed its total collateralized and uncollateralized daylight overdraft capacity.

After considering commenters' responses to the nearer-term proposals, the Board modified the PSR policy in December 2001 to reflect an increase in the percentage of capital used in calculating net debit caps for most U.S. branches and agencies of foreign banks (from 10 percent to as much as 35 percent), a modified posting time of 1:00 p.m. local time for electronic check presentments, and adoption of the interim policy statement.[25] In addition, in response to its analysis and the industry's comments, the Board decided to retain the $50 million limit on individual government securities transfers.

The Board's adoption of a policy that allows some depository institutions to pledge collateral to access additional daylight overdraft capacity is a significant change from past policy actions. The Board's analysis of daylight overdraft levels, liquidity pat-

21. New CHIPS was implemented on January 22, 2001; CLS is scheduled to begin live operations in mid-2002; and Federal Reserve-processed ACH credit transactions began receiving settlement-day finality on June 25, 2001. Settlement-day finality for ACH credit transactions may exacerbate liquidity pressures for credit originators that must prefund the settlement amount for these transactions.

22. 66 Fed. Reg. 30199 (June 5, 2001). Available on line at http://www.federalreserve.gov / boarddocs / press / boardacts / 2001 / 20010530/default.htm.

23. 66 Fed. Reg. 30205, 30195, and 30193 (June 5, 2001). Available on line at http://www.federalreserve.gov/boarddocs/press/boardacts/2001/20010530/default.htm.

24. 66 Fed. Reg. 30208 (June 5, 2001). Available on line at http: // www.federalreserve.gov / boarddocs / press / boardacts / 2001/ 20010530/default.htm.

25. 66 Fed. Reg. 64419 (December 13, 2001). Available on line at http: // www.federalreserve.gov / boarddocs / press / boardacts / 2001/ 20011211/default.htm.

terns, and payment system developments revealed that, although net debit caps provide sufficient liquidity for most institutions, some depository institutions experience liquidity pressures. The Board believes that requiring collateral for additional daylight overdraft capacity will allow the Federal Reserve to protect the public sector from additional risk while providing extra liquidity to the few institutions that might otherwise be unduly constrained. Furthermore, providing extra liquidity to constrained institutions should help prevent liquidity-related market disruptions. The Board stated that the option to pledge collateral for additional daylight overdraft capacity would provide the private sector with the flexibility that it requested to relieve liquidity pressures that have arisen or may arise from new CHIPS, CLS, ACH finality, or other risk-reducing payment system initiatives.

Trends in Daylight Overdraft and Payment Activity

During the recent review, Federal Reserve staff members assessed several measures of depository institutions' use of Federal Reserve intraday credit and payment activity to identify possible changes to the policy that could improve its effectiveness. Specifically, they examined Federal Reserve payment activity and related daylight overdrafts, historical and current daylight overdraft levels, the effects of pricing overdrafts, and the distribution of daylight overdrafts.[26]

Federal Reserve Payment Activity and Related Daylight Overdrafts

The Federal Reserve Banks processed more than $2.4 trillion in payments per day in 2000, including funds and securities transfers, net settlement transactions, checks, ACH transactions, and cash deposits and withdrawals. If an institution had insufficient balances in its Federal Reserve account to cover any debits, the institution would have incurred daylight overdrafts unless the payment was rejected and not posted to its account. Because depository institutions on average hold relatively small amounts overnight in their Federal Reserve accounts (only $13 billion in 2000), many use Federal Reserve daylight credit to cover their intraday debits.

3. Value and volume of payments processed by the Federal Reserve, by type of payment, 2000

Payment type	Value (trillions of dollars)	Volume (millions of payments)
Fedwire funds	379.8	108.3
Government securities	180.1	13.6
Automated clearinghouse	14.0	4,638.0
Check	13.8	17,000.0

Although the Federal Reserve processes 175 times more checks and ACH transactions by volume than Fedwire funds and securities transfers, Fedwire transfers represent almost 95 percent of the value of transactions posted to institutions' Federal Reserve accounts (table 3). Similarly, Fedwire funds and securities transfers are the major source of institutions' daylight overdrafts. Fedwire funds transfers in 2000 generated about 70 percent of the value of average daylight overdrafts, and government securities transfers represented just under 20 percent. "Other" activity (check, ACH, cash, net settlement, and so on) represented about 10 percent.

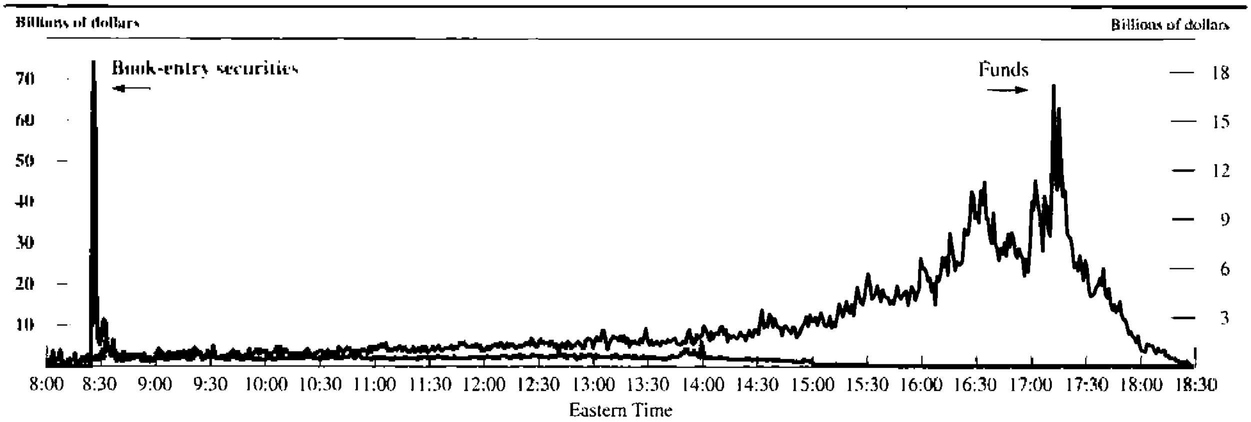
The timing and value of payments processed by the Federal Reserve and posted to depository institutions' accounts help to explain the timing and value of daylight overdrafts (charts 1 and 2). The average value of government securities transfer activity peaks when the book-entry securities system opens at 8:30 a.m. Eastern Time (ET); the average value of funds activity peaks around 4:30 p.m., most likely from settlement at the Depository Trust Company (DTC), and again around 5:15 p.m., presumably from institutions funding their end-of-day positions in CHIPS. The Federal Reserve provides settlement services to both of these entities.

According to the PSR posting rules, the debit side of a transaction should post, to the extent possible, at the same time as the credit side—with the exception of check transactions.[27] Because of the nature of paper check processing, matching debits and credits on a transaction-by-transaction basis throughout the

26. Quarterly data presented in this article extend through the second quarter of 2001. Although third-quarter data for 2001 were available, these data were not included because of anomalies resulting from the events of September 11.

27. In developing the PSR posting rules, four general principles were established. First, the posting rules were designed so as not to generate intraday float. Second, they were to permit depository institutions to anticipate precisely when transactions would be posted to their account. Third, they were to be consistent with the legal rights and responsibilities of depository institutions. Under this principle, check debits would not be posted to an institution's account before presentment of the checks. Finally, they were designed so as not to create a competitive advantage for the Federal Reserve Banks or for private-sector service providers.

1. Average value of Fedwire funds and book-entry securities activity, by time of day, August 2001



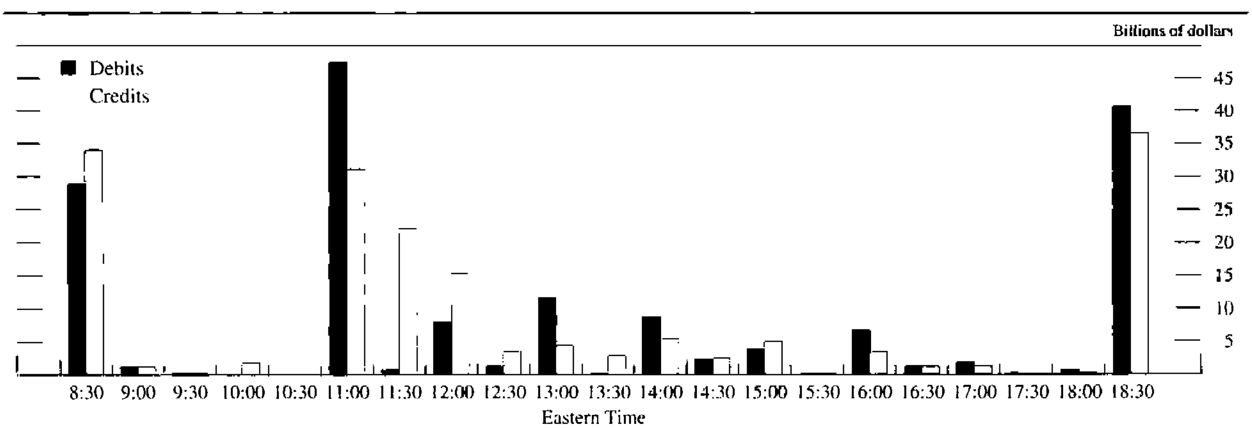
NOTE. Monthly averages of daily data at one-minute intervals during scheduled Fedwire hours of operation.

day is not practicable. As a result, debits for checks presented to depository institutions are posted on the next clock hour at least one hour after presentment, beginning at 11:00 a.m. ET. Credits for check deposits are posted either (1) at a single, float-weighted posting time or (2) at multiple times throughout the day, beginning at 11:00 a.m. ET, using a set of fractions that are based upon Reserve Bank check collection experience.[28] The earliest float-weighted posting time, which enables an institution to have full use of its check deposit credits, is 11:45 a.m. ET.

At 11:00 a.m. ET the Federal Reserve Banks debit institutions' accounts for almost $50 billion, on average, for other payment activity, of which about $20 billion represents checks. At the same time, they credit institutions' accounts for just over $30 billion, of which only about $5 billion represents checks (chart 2). During most of the day, the check posting rules result in a minimal amount of intraday check float; however, they appear to be causing as much as $15 billion in intraday float between 11:00 a.m. and 11:45 a.m. ET. This float occurs because the Reserve Banks have posted debits to depository institutions' accounts before providing corresponding credits on check transactions to other institutions. These check debits create a spike in daylight overdrafts that lasts approximately forty-five minutes, until the earliest float-weighted posting time of 11:45 a.m. ET (chart 7).

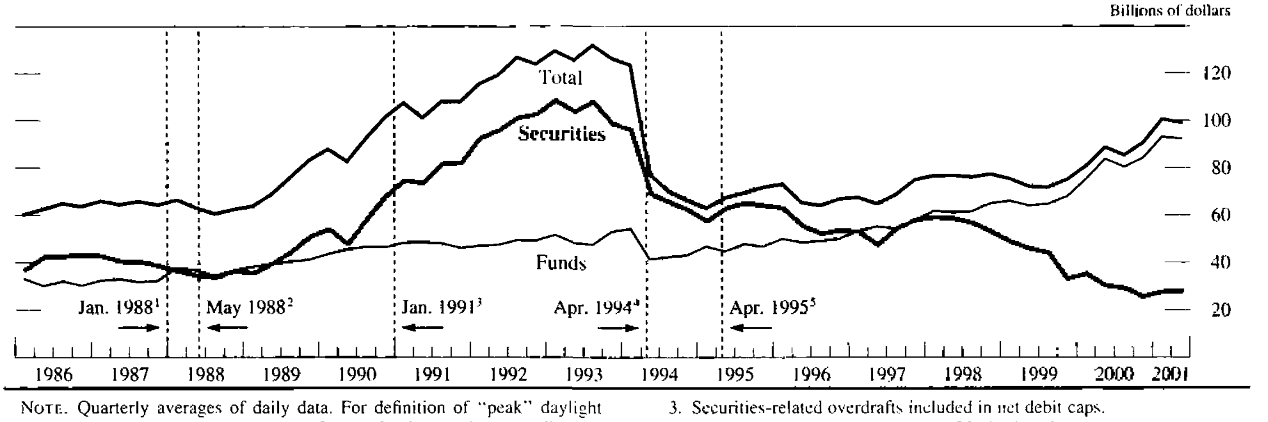
28. Institutions must choose one of two check credit posting options, (1) all credits posted at a single, float-weighted posting time or (2) fractional credits posted throughout the day. The first option allows an institution to receive all of its check credits at a single time for each type of cash letter. This time may not necessarily fall on a clock hour. The second option permits an institution to receive a portion of its available check credits on the clock hours between 11:00 a.m. and 6:00 p.m. ET. The option selected applies to all of an institution's check deposits. Reserve Banks calculate crediting fractions and float-weighted posting times for each time zone based on surveys of the times at which they present checks to depository institutions for collection.

2. Value of all other payment activity, by time of day, August 2001



NOTE. Monthly averages of daily data at thirty-minute intervals. Debit and credit posting times are based on the PSR posting rules.

3. Peak daylight overdrafts, 1986:Q1–2001:Q2



NOTE. Quarterly averages of daily data. For definition of "peak" daylight overdrafts, see box "Measuring Daylight Overdrafts: Peak and Average."

1. First reduction in net debit caps.
2. Second reduction in net debit caps.
3. Securities-related overdrafts included in net debit caps.
4. Fees introduced at an annual rate of 24 basis points.
5. Fees raised to an annual rate of 36 basis points.

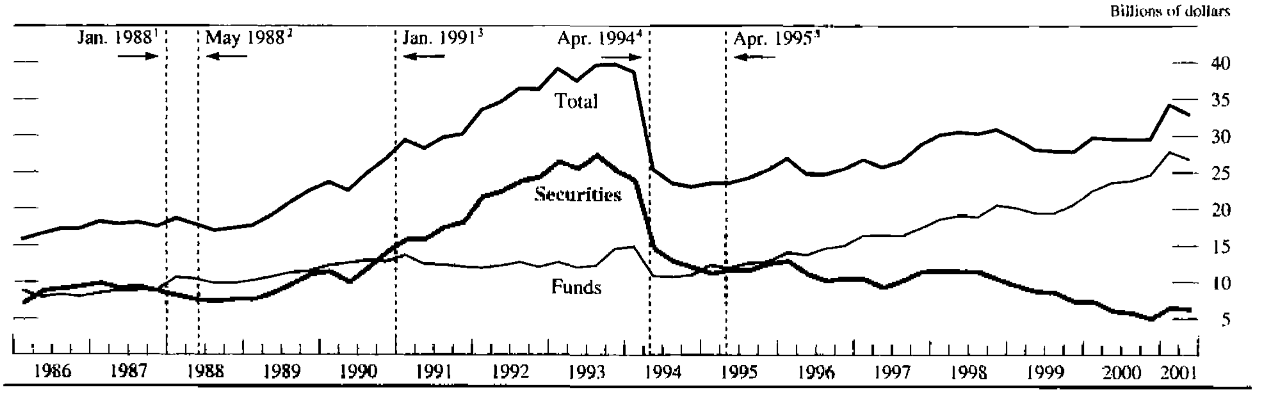
Effects of Fees on Daylight Overdraft Levels

Between the implementation of net debit caps in March 1986 and daylight overdraft pricing in April 1994, peak and average daylight overdrafts in Federal Reserve accounts increased almost continuously (see charts 3 and 4 and the box "Measuring Daylight Overdrafts: Peak and Average"). Between 1986 and 1988, peak and average daylight overdrafts grew just slightly. Between 1989 and 1993, however, daylight overdrafts increased dramatically, despite the 1988 reduction in net debit caps. Also, during the same period, securities-related overdrafts more than doubled, accounting for most of the growth in total daylight overdrafts.

Within one year of the implementation on April 14, 1994, of daylight overdraft fees, total average daylight overdrafts had dropped 40 percent, mostly because of decreases in securities-related overdrafts (chart 4).[29] Funds-related overdrafts declined slightly after the implementation of fees; however, they began to rise again even before the 1995 fee increase. Within one year of the increase, average funds-related overdrafts were up more than 15 percent and continued to grow thereafter, while securities-related overdrafts continued to trend down. The

29. One year after the implementation of daylight overdraft fees, securities-related overdrafts had dropped more than 50 percent while funds-related overdrafts had declined about 15 percent.

4. Average daylight overdrafts, 1986:Q1–2001:Q2



NOTE. Quarterly averages of daily data. For definition of "average" daylight overdrafts, see box "Measuring Daylight Overdrafts: Peak and Average."

1. First reduction in net debit caps.
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Measuring Daylight Overdrafts: Peak and Average

To determine an individual depository institution's compliance with certain Federal Reserve Board policies and to assess the aggregate amount of daylight credit it extends to the banking system, the Federal Reserve measures each depository institution's account balance at the end of each minute during the business day. An institution's average daily daylight overdraft is calculated by dividing the sum of its negative Federal Reserve account balances at the end of each minute of the scheduled Fedwire operating day (with positive balances set to zero) by the total number of minutes in the scheduled Fedwire operating day.

Individual Measures

An institution's peak daylight overdraft for a given day is its largest negative end-of-minute balance. Similarly, an institution's average daylight overdraft for a given day is calculated by summing any negative end-of-minute balances incurred during the standard operating day of the Fedwire funds transfer system and dividing this amount by the number of minutes in the standard Fedwire operating day.

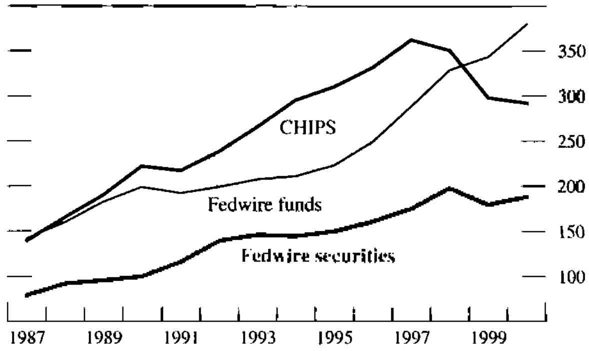
Aggregate Measures

The aggregate average daylight overdraft for a given day is simply the sum of all depository institutions' average daylight overdrafts on that day. The aggregate peak daylight overdraft is determined by adding the account balances of all depository institutions in a negative position for each minute during the day and then selecting the largest negative end-of-minute balance. The composite peak daylight overdraft is determined by adding all institutions' individual peak daylight overdrafts, regardless of whether those peaks occur at the same time. The Board does not generally use the composite peak measure in its analyses.

growth in funds-related overdrafts appears to be directly related to the growth in large-value funds transfers (chart 5).

Even though funds-related overdrafts have grown substantially since 1995, the ratio of the average value of funds-related overdrafts to Fedwire funds transfers has remained relatively constant at approximately 1.5 percent (chart 6). In contrast, the average value of securities-related overdrafts as a percentage of securities transfers has continued to decrease since the implementation of fees, from 2.5 percent to less than 1.0 percent. Furthermore, on an annual average

5. Annual transaction values for CHIPS and for Fedwire funds and book-entry securities, 1987–2000

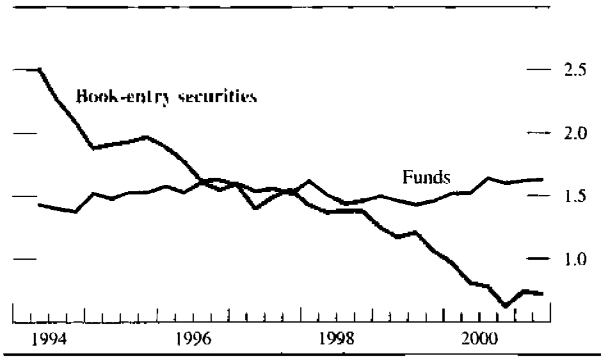


NOTE. The decrease in CHIPS activity between 1997 and 1998 is likely a result of the decrease in Asian market activity, while the decline between 1998 and 1999 may be due to the introduction of the euro in January 1999.

basis, the aggregate value of funds-related overdrafts has grown approximately 18 percent per year, a rate slightly higher than that of the aggregate value of Fedwire funds activity, which has been about 15 percent per year. The aggregate value of securities-related overdrafts has decreased almost 10 percent per year, in contrast to the 5 percent yearly increase in the aggregate value of book-entry activity.

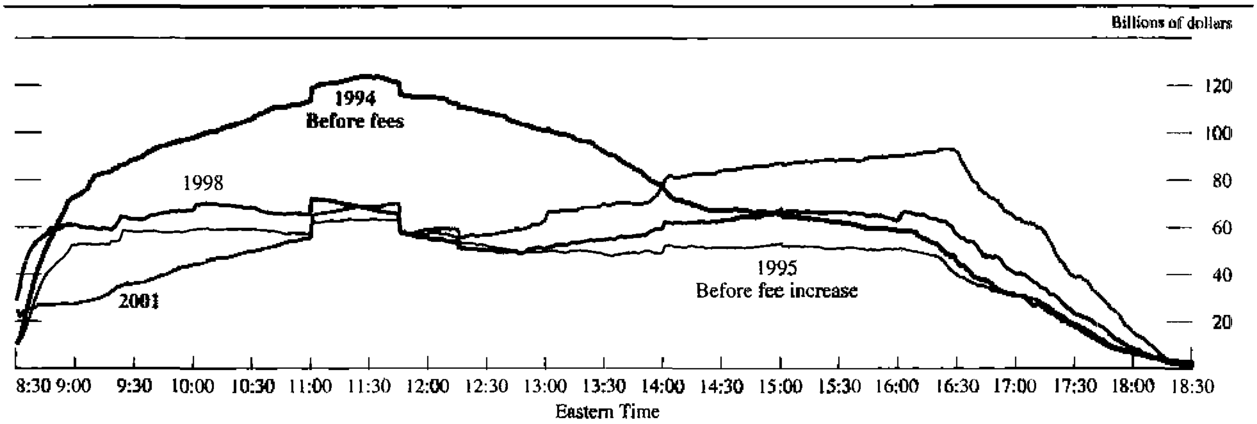
The introduction of daylight overdraft fees likely affected securities-related overdrafts more significantly than funds-related overdrafts for several reasons. First, only a small number of depository institutions (referred to as "clearing banks") clear government securities, so daylight overdraft fees resulting from government securities transfers were highly concentrated among a few institutions. Second, most clearing banks decided to pass on their daylight overdraft charges to their securities-dealer customers. In doing so, they provided their cus-

6. Average daylight overdrafts as a percentage of Fedwire transfers, 1994:Q2–2001:Q2



NOTE. Quarterly averages of daily data.

7. Total daylight overdrafts, by time of day, selected years, 1994–2001



NOTE. Data are from a monthly sample of daily averages at one-minute intervals during scheduled Fedwire hours of operation.

tomers with an economic incentive to modify their behavior. Finally, the Board's $50 million limit on the size of individual government securities transactions prompted the industry to change its delivery guidelines, which, before the limit, required dealers to deliver trade obligations in full. By building the necessary securities inventory to deliver trade obligations in full, securities dealers incurred large daylight overdrafts with their clearing banks.

Because government securities dealers tended to rely heavily on intraday credit to conduct their transactions, the daylight overdraft fee provided a strong incentive for dealers to send securities earlier in the day. In addition, the limit required dealers' counterparties to accept (and pay for) partial deliveries of very large orders in $50 million increments. In particular, after the Federal Reserve implemented daylight overdraft fees, securities dealers modified their market practices by arranging financing and delivering securities used as collateral for repurchase agreements (repos) as early in the morning as possible.[30] Because a significant portion of securities transfers is related to daily repo activity, securities-related overdrafts decreased substantially. In sum, fees provided a strong incentive for securities dealers to adopt practices that reduced the use of intraday credit and thus reduced exposures and risks to the Federal Reserve; without fees they had little incentive to change repo settlement practices.

Fees also had a notable effect on the intraday pattern and composition of overdrafts. Daylight overdraft data by time of day show the considerable shift in the timing and the decrease in the aggregate value of securities-related overdrafts. Before daylight overdraft fees, the peak daylight overdraft for the banking industry was approximately $125 billion. This peak occurred between 11:00 a.m. and 12:00 p.m. ET (chart 7) and was mainly a result of securities-related overdrafts (chart 8). Today, however, funds daylight overdrafts represent the majority of the total, and the peak of approximately $90 billion now occurs around 4:30 p.m. ET (chart 9). The timing and size of the peak in funds daylight overdrafts may be due, in part, to the large growth in settlement volumes at DTC, as settlement usually occurs around 4:30 p.m. ET on the books of the Federal Reserve Bank of New York.

Since the Board raised the daylight overdraft fee in 1995, total average daylight overdrafts have grown more than 35 percent. This change results from a decrease in book-entry-related overdrafts of almost 50 percent and an increase in funds-related overdrafts of 110 percent. More than one-third of the growth in total average daylight overdrafts has occurred since early 2000.

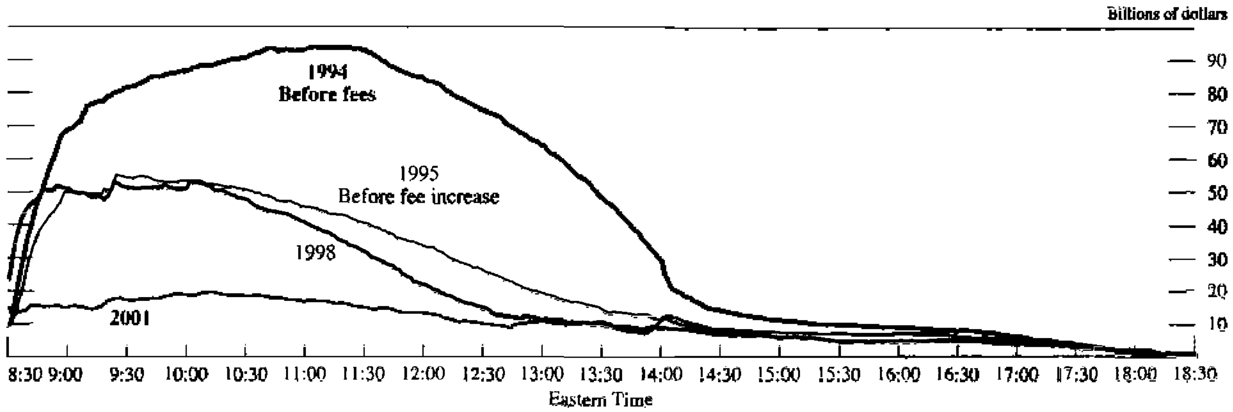
Growth in financial market activity may account for the recent increase in overdrafts. The expansion of the global economy, the tremendous growth in transaction levels in both domestic and cross-border markets, and the emergence of electronic trading vehicles in recent years greatly increased securities-related payments.[31]

Because the Depository Trust & Clearing Corporation (DTCC) clears and settles almost all trades

30. For more information, see Heidi Willmann Richards, "Daylight Overdraft Fees and the Federal Reserve's Payment System Risk Policy," *Federal Reserve Bulletin*, vol. 81 (December 1995), pp. 1065–77.

31. Securities Industry Association, "Institutional Transaction Processing Committee White Paper" (December 1, 1999).

8. Book-entry daylight overdrafts, by time of day, selected years, 1994–2001



NOTE. Data are from a monthly sample of daily averages at one-minute intervals during scheduled Fedwire hours of operation.

of equities, corporate bonds, and municipal debt, changes in trading activity can have a significant effect on the value of settlement payments made over Fedwire by DTCC's members.[32] For example, DTCC's clearing corporations processed 11.1 million transactions per day on average in 2000, a 76 percent increase over 1999 levels (table 4), while between 1999 and 2000, the daily average volume of trades on Nasdaq and on the New York Stock Exchange grew approximately 62 percent and 28 percent respectively.[33] The average daily value of transactions processed by DTCC's subsidiaries grew to $421 billion in 2000, up from $280 billion in 1999 (table 4). This increase in transactions may help to explain the tremendous growth in Fedwire funds transfers and funds-related daylight overdrafts in 2000.

32. The Depository Trust & Clearing Corporation oversees two principal subsidiaries, the Depository Trust Company and the National Securities Clearing Corporation, which provide the primary infrastructure for the clearance and settlement of the vast majority of equity, corporate debt, and municipal bond transactions in the United States.

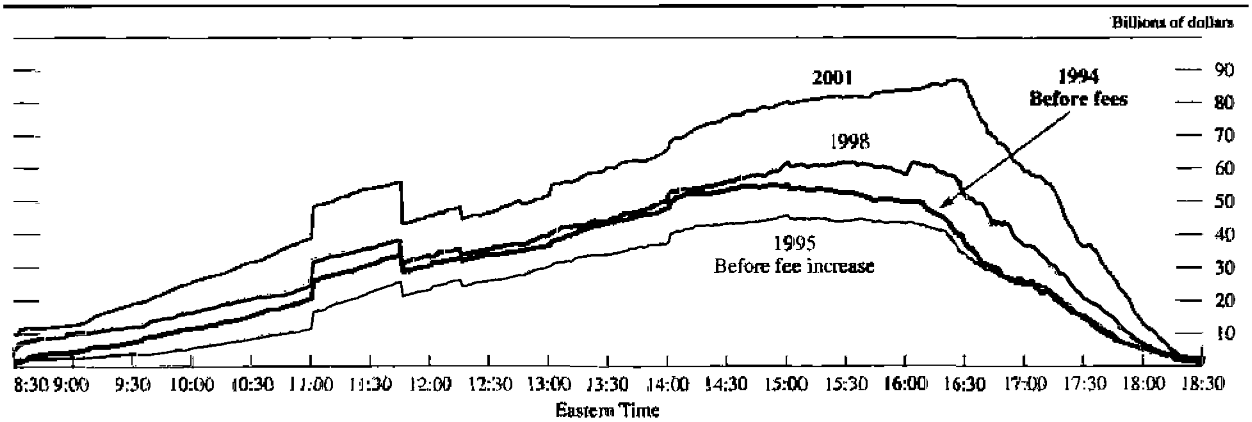
33. See the Depository Trust & Clearing Corporation, *Annual Report*, 2000 (www.dtcc.com/2000annual/ns/clearance.htm) and The Nasdaq Stock Market, Inc. (http://www.marketdata.nasdaq.com/asp/Sec1Summary.asp).

4. Value and volume of transactions processed by DTCC: average, peak, and percent change, 1999–2000

Item	1999	2000	Change (percent)
DTCC transaction processing			
Value (billions of dollars)			
Average[1]	280	421	50.4
Peak[2]	498	722	45.0
Volume (millions of transactions)			
Average[1]	6.3	11.1	76.2
Peak[3]	9.3	18.1	94.6

1. Annual average of daily figures.
2. Maximum daily value reached during the year.
3. Maximum daily volume reached during the year.
SOURCE. Depository Trust & Clearing Corporation, *Annual Report*, 2000.

9. Funds daylight overdrafts, by time of day, selected years, 1994–2001



NOTE. Data are from a monthly sample of daily averages at one-minute intervals during scheduled Fedwire hours of operation.

5. Number and percentage of Federal Reserve account holders incurring overdrafts, 1994–2000

Year	Number of account holders	Account holders incurring overdrafts	
		Number	Percent of total
1994	11,289	8,059	71
1995	10,755	7,768	72
1996	10,023	7,522	75
1997	9,808	7,241	74
1998	9,569	7,033	73
1999	9,299	6,902	74
2000	9,025	6,747	75

Distribution of Depository Institutions with Daylight Overdrafts

The Board expected that its PSR policy would reduce aggregate daylight overdrafts and the number of depository institutions relying on intraday credit. Available information seems to suggest that depository institutions have not met either of these expectations relative to funds daylight overdrafts during the past several years (table 5 and charts 3 and 4). As mentioned previously, funds-related overdrafts have continued to grow since 1995. In addition, since 1994 the percentage of Federal Reserve account holders that use daylight credit has not decreased significantly and, in fact, increased slightly after pricing was implemented in 1994 and again when the fee was raised in 1995 (table 5).

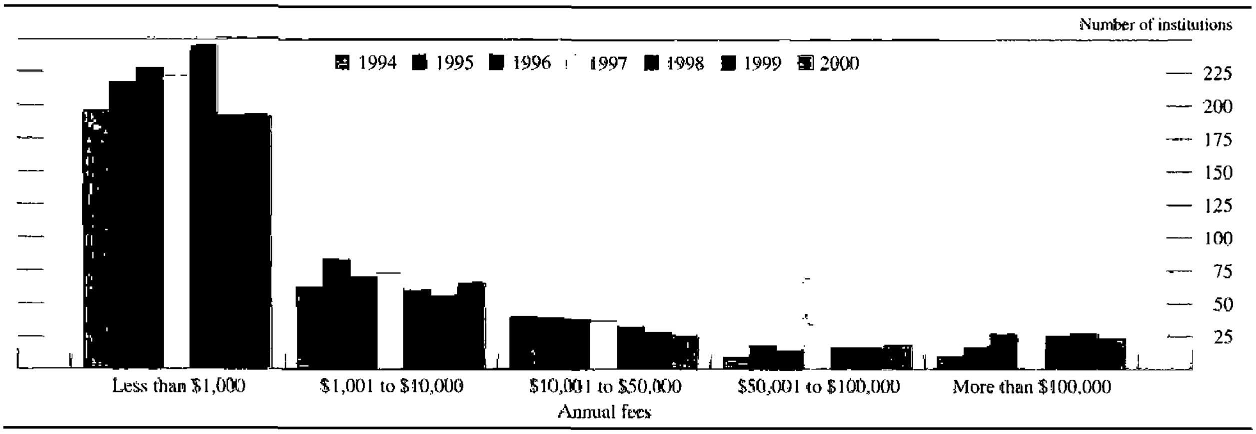
Possibly the most compelling indication that depository institutions have attempted to control their use of Federal Reserve daylight credit is the relatively constant relationship between the average value of funds daylight overdrafts and the value of Fedwire funds transfers since 1994, as described previously and shown in chart 6. Another compelling indication of lower daylight overdraft risk is the ratio of daylight overdrafts to risk-based capital. The vast majority of daylight overdrafts, approximately 98 percent, have constituted less than 50 percent of the overdrafting institution's risk-based capital or equivalent since 1994. In the mid-1980s when the PSR policy was first adopted, about two-thirds of total daylight overdrafts were attributable to about twenty depository institutions that were continually incurring overdrafts, which were often equal to two or three times their capital. Today, however, less than 1 percent of total daylight overdrafts are attributable to institutions that incur overdrafts exceeding their capital measures. Funds daylight overdrafts may now be at a level that cannot be reduced further without imposing more costs on depository institutions.

Although thousands of institutions use daylight credit throughout the year to support their payment activity (table 5), very few pay daylight overdraft fees. Since the Federal Reserve began pricing daylight overdrafts in 1994, on average only about 350 depository institutions have paid fees in a given year. Most of these institutions pay less than $1,000 per year, and the distribution of those that pay more has not changed substantially since 1994 (chart 10). Aggregate fees paid by depository institutions dropped 20 percent between 1998 and 1999, likely as a result of a few large institutions' efforts to

6. Daylight overdraft fees paid by depository institutions, 1994–2000

Year	Amount (millions of dollars)
1994	13.0
1995	24.5
1996	28.2
1997	28.8
1998	32.8
1999	26.2
2000	25.2

10. Distribution of depository institutions that pay daylight overdraft fees, by annual fee amount, 1994–2000



reduce their average daylight overdrafts and related fees and depository institutions' consolidation of multiple charters and their corresponding Federal Reserve accounts under interstate branch banking (table 6).[34]

Possible Future Policy Direction

During the review of the PSR policy, Federal Reserve staff explored several options for changes that might improve the policy's effectiveness. The policy options considered were varied and comprised those issued for comment in June 2001 and a few others—including requiring all or a portion of an institution's daylight credit use to be collateralized, a requirement of the payment system policies of many foreign central banks.[35] The Board may want to evaluate not only the policy options described in the request for comment but also other options in light of the liquidity issues that resulted from operational difficulties caused by the events of September 11, 2001.

Effect of September 11 Events on Payment Activity and Federal Reserve Credit Extensions

For several days after the terrorist attacks on the World Trade Center, problems with telecommunications and connections among financial market participants and payment systems (connectivity) hindered some institutions' ability to initiate or to act upon payment instructions, creating marketwide liquidity dislocations. In particular, some institutions were unable to meet their daily payment obligations, including covering their daylight overdraft positions, through their normal channels.[36] To inject funds into the financial system in the days following the attack, the Federal Reserve used primarily short-term open market operations and the discount window.[37] In fact, Federal Reserve open market operations, discount window lending, overnight overdrafts, and float increased dramatically in the days immediately after September 11 as depository institutions sought liquidity.

Although the Federal Reserve provided billions of dollars to depository institutions to alleviate liquidity concerns, connectivity problems and the closure of key markets made it difficult for some institutions to exchange payments and lend or borrow funds. As a result, payments could not flow effectively through the banking system, and many depository institutions incurred larger-than-usual daylight overdrafts. Between September 11 and September 21, peak and average daylight overdrafts that depository institutions incurred were approximately 36 percent and 32 percent higher, respectively, than levels in August 2001 (table 7). Daylight overdrafts peaked at $150 billion on September 14, their highest level ever and more than 60 percent higher than usual, despite Federal Reserve opening account balances of slightly more than $120 billion.

As further evidence of institutions' connectivity and associated liquidity difficulties, the aggregate number of transfers processed over the Fedwire funds and securities transfer systems declined on September 11 and remained low for the rest of the week. In addition, the aggregate value of payments transferred over Fedwire on September 11 was $1.8 trillion, almost $1 trillion less than the average for August 2001 (table 8). Although the aggregate value of payments over the Fedwire funds transfer system quickly returned to August 2001 levels and actually reached higher-than-average values for several days, the value of activity on the securities transfer system remained low into the week of September 17.

Because of connectivity problems, depository institutions were unable to gain access to some of their usual sources of funding, causing delays in payments and settlements. As a result, funds built up at a few depository institutions that could not send

34. In January 1998, the Federal Reserve implemented a new account structure to support the account management and information needs of depository institutions in an interstate branching environment. Under the new account structure, the Federal Reserve provides separately chartered institutions with one master account and the option of establishing subaccounts that can be used to segregate transaction information according to certain criteria, such as type of transaction.

35. The policy options identified in the Board's request for comment on a possible longer-term policy direction (lowering self-assessed, single-day net debit caps, eliminating the two-week average caps, implementing differential pricing for collateralized and uncollateralized daylight overdrafts, and rejecting payments with settlement-day finality that would cause an institution to exceed its total collateralized and uncollateralized daylight overdraft capacity) will require additional analysis before final action can be taken.

36. The Federal Reserve waived daylight overdraft fees for the period of Tuesday, September 11, through Friday, September 21, for all account holders.

37. To further facilitate the functioning of financial markets and provide liquidity in dollars to foreign institutions, the Federal Reserve entered into swap arrangements with the European Central Bank (ECB), the Bank of Canada, and the Bank of England. The Federal Reserve and the ECB swap arrangement allowed the ECB to draw up to $50 billion in exchange for an equivalent amount of euro deposits. The Federal Reserve and the Bank of Canada agreed to a temporary augmentation of their existing swap facility to facilitate the functioning of financial markets and provide liquidity in U.S. dollars. Under the terms of the augmented facility, the Bank of Canada was able to draw up to $10 billion in exchange for Canadian dollars. The terms of the facility with the Bank of England allowed it to draw up to $30 billion in exchange for sterling.

7. Depository institutions' peak and average daylight overdrafts for September 10–21, 2001, compared with August 2001

Billions of dollars

Date	Total		Funds		Securities	
	Peak	Average	Peak	Average	Peak	Average
August 2001[1]	92.9	32.8	85.7	25.3	31.9	7.5
2001—Sept. 10	98.7	37.0	87.0	29.4	27.1	7.6
Sept. 11	113.7	45.0	103.9	32.8	31.2	12.2
Sept. 12	113.9	36.7	90.3	27.7	37.2	9.0
Sept. 13	120.5	41.2	104.4	34.0	24.1	7.2
Sept. 14	150.1	54.6	116.1	45.3	36.9	9.3
Sept. 17	121.7	34.3	115.3	31.9	22.4	2.4
Sept. 18	125.0	38.1	115.5	33.3	16.0	4.8
Sept. 19	130.5	46.2	117.6	37.0	27.5	9.2
Sept. 20	127.6	44.7	116.5	35.0	42.3	9.7
Sept. 21	132.6	49.7	126.9	40.7	42.5	9.0

NOTE. For definition of "peak" and "average" daylight overdrafts, see box "Measuring Daylight Overdrafts: Peak and Average."

1. Monthly averages of daily data.

out funds. Consequently, many institutions that did not receive expected funds had to cover their positions through Federal Reserve open market operations, overnight overdrafts, or discount window loans. Overnight overdrafts increased from an average of $9 million in August 2001 to more than $4 billion on September 12. Discount window loans rose from around $200 million to about $45 billion on September 12; later, when markets began to function better, Federal Reserve open market operations increased from $25 billion to nearly $100 billion.

The Federal Reserve moved quickly after September 11 to ensure financial market liquidity through record lending at the discount window and the injection of funds through open market operations. Nevertheless, the Federal Reserve, in conjunction with financial market participants, is evaluating its policies and procedures regarding the payment system. In particular, as part of this evaluation, the Federal Reserve may want to reassess whether a full- or partial-collateralization policy for intraday credit could better facilitate the Federal Reserve Banks' actions during a crisis and protect the Banks from risk.

8. Daily transaction values and volumes of Fedwire funds and book-entry securities transfers for September 10–21, 2001, compared with August 2001

Date	Funds		Securities	
	Value (billions of dollars)	Volume (number of transactions)	Value (billions of dollars)	Volume (number of transactions)
August 2001[1]	1,601	428,750	1,028	53,639
2001—Sept. 10	1,591	436,312	951	44,423
Sept. 11	1,216	349,472	563	23,221
Sept. 12	1,696	332,433	406	18,679
Sept. 13	1,952	376,937	681	26,046
Sept. 14	2,009	423,256	712	22,864
Sept. 17	2,312	462,522	1,024	170,658
Sept. 18	1,978	419,126	805	51,058
Sept. 19	1,836	401,420	685	47,308
Sept. 20	1,921	433,771	808	71,534
Sept. 21	1,832	442,293	715	42,164

1. Monthly averages of daily data.

Evaluation of a Full- or Partial-Collateralization Policy

In assessing the effectiveness of certain options considered during the PSR policy review, Federal Reserve staff evaluated the options against the objective of attaining an efficient balance among the benefits and the costs and risks associated with the provision of Federal Reserve intraday credit. The comprehensive costs and risks to the private sector of managing Federal Reserve account balances were also considered. To assess whether a full- or partial-collateralization policy would more efficiently balance the costs and benefits associated with daylight credit than other policy options, Federal Reserve staff attempted to quantify those costs and benefits. Specifically, values were obtained for the amount of daylight credit that each depository institution used and the amount of collateral that each institution had pledged to the Federal Reserve. Although the majority of depository institutions' daylight overdrafts are not explicitly collateralized, some of the Federal Reserve's intraday credit exposure is effectively secured by collateral already pledged.[38]

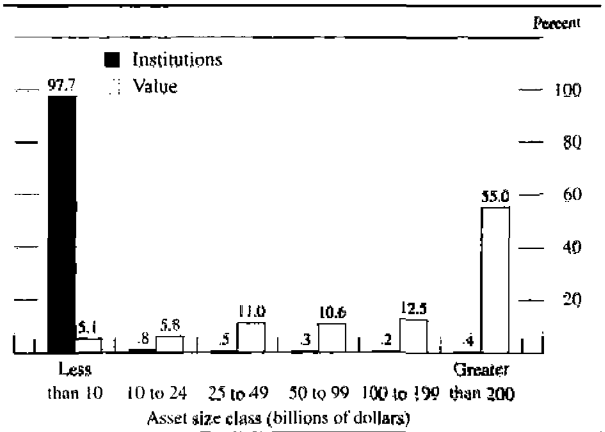
38. Depository institutions desiring to access the discount window must sign an agreement in the Federal Reserve's Operating Circular No. 10, which secures both intraday and overnight overdrafts with collateral pledged to the Federal Reserve. After executing the appropriate borrowing documents, many institutions will immediately pledge collateral to the Federal Reserve to facilitate future requests for discount window loans.

Federal Reserve staff then estimated the Federal Reserve's credit exposure and collateral coverage by comparing, institution by institution, the dollar amount of credit used by institutions to the value of collateral they held at the Federal Reserve, mainly for discount window purposes.[39] Of about 8,500 depository institutions that currently hold Federal Reserve accounts, more than 5,300 incurred daylight overdrafts at least once during the third quarter of 2001, and almost 2,000 had collateral pledged to the Federal Reserve. Although less than half of the depository institutions that incur daylight overdrafts have pledged collateral to the Federal Reserve, these institutions incur the vast majority of total average daylight overdrafts (more than 90 percent) and have sufficient collateral to cover most of their overdrafts. In fact, in covering their respective daylight overdrafts with collateral, these institutions effectively have collateralized 94 percent of the aggregate value of total average daylight overdrafts and 70 percent of the aggregate value of total peak daylight overdrafts. These institutions however, are able to cover only 30 percent of their aggregate net debit caps with collateral, likely because depository institutions rarely use more than 50 percent of their single-day net debit caps for their peak daylight overdrafts.

Although more than 5,300 depository institutions incurred daylight overdrafts in the third quarter of 2001, the majority of the value was concentrated at a small number of very large institutions. The largest users of daylight credit are depository institutions with assets greater than $200 billion (chart 11). In addition, these large depository institutions generally have self-assessed net debit caps, which provide substantially more intraday credit than the exempt-from-filing and *de minimis* net debit cap categories (chart 12). To qualify for a self-assessed net debit cap, however, depository institutions must implement risk-management controls that are proportional to the nature and magnitude of the risks they present. Likely as part of their risk-management controls, institutions that frequently use large amounts of daylight credit tend to have collateral at the Federal Reserve in the event operational problems or the lack of liquidity in the market late in the day causes their daylight overdrafts to become overnight overdrafts. These institutions would presumably rather request a discount window loan than pay the overnight overdraft penalty rate (equal to the federal funds rate plus 400 basis points).

39. Daylight overdraft levels are daily averages based on data from the third quarter of 2001, excluding September 11–21, and collateral values are based on September 10, 2001, data. As a result, coverage rates are approximations only.

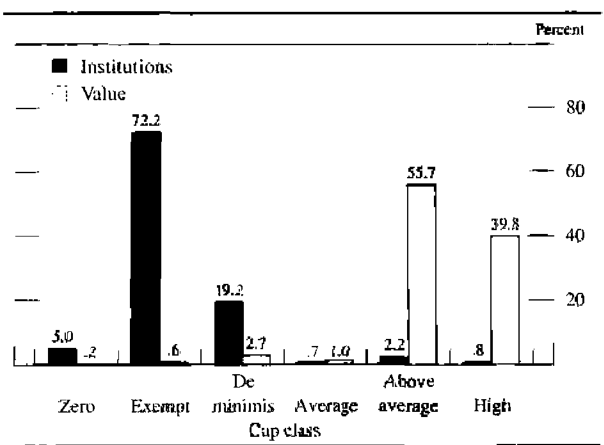
11. Distribution of depository institutions with daylight overdrafts and the value of daylight overdrafts incurred, by asset size class, 2001:Q2



NOTE. Quarterly averages of daily data.

In considering a policy that would require full or partial collateralization of daylight credit use, the most relevant issue is likely whether individual institutions can effectively cover their net debit caps or peak daylight overdrafts with their balance sheet assets that are eligible as collateral at the Federal Reserve. Because many depository institutions do not have collateral pledged to the Federal Reserve, staff compared each depository institution's net debit cap and peak daylight overdraft with its eligible balance sheet assets. The composition of institutional assets used in the comparison of eligible assets to net debit caps and peak daylight overdrafts was restricted to be consistent with those assets typically included for consideration as discount window loan collateral. In addition, the estimated asset values were reduced

12. Distribution of depository institutions with daylight overdrafts and the value of daylight overdrafts incurred, by cap class, 2001:Q2



NOTE. Quarterly averages of daily data.

(referred to as a "haircut") as described in the "Federal Reserve Bank Discount and PSR Collateral Margins Table."[40] The asset data used most likely overestimate the amount of assets that would be available to collateralize institutions' peak daylight overdrafts because no method was readily available to determine which assets, excluding government securities, were already pledged elsewhere.

In its analysis, the staff found that only a small percentage of Federal Reserve account holders have insufficient eligible balance sheet assets to meet a policy requiring the collateralization of their net debit cap or peak daylight credit use. Some of these institutions, however, are those that incur the largest daylight overdrafts. Under a full-collateralization policy, these institutions could find the level of their access to daylight credit dramatically reduced or could incur additional costs to acquire assets for collateral purposes.

Although Federal Reserve staff concluded that a full- or partial-collateralization policy could significantly reduce and possibly eliminate credit risk to the Federal Reserve, such a policy could be costly for those institutions that do not already have collateral pledged to the Federal Reserve or do not have sufficient eligible assets. In addition, the effects on depository institutions' other counterparties are unknown. Assessing the true effect of any reduction in credit risk to the Federal Reserve is also difficult because Reserve Banks already require institutions in deteriorating financial condition to pledge collateral to cover potential daylight overdrafts.

Federal Reserve staff assessed many of the costs to depository institutions of a full- or partial-collateralization policy, including the opportunity costs to depository institutions that would have to acquire additional assets or shift assets away from other uses to secure their daylight overdrafts; however, the events of September 11 may provide new perspectives on some additional benefits of such a policy. For example, requiring the full or partial collateralization of an institution's daylight overdrafts could facilitate the Federal Reserve Banks' lending through the discount window. Because collateral and the appropriate lending agreements would likely be in place, depository institutions and the Reserve Banks should be able to complete discount window loans more easily in the event of a severe market disruption that creates liquidity dislocations.

Conclusion

Although the research and analyses conducted during the Board's review of its daylight credit policies provided much information, there are many issues that warrant further study. The events of September 11 have changed the way the financial industry, including bankers and regulators, views operational contingency plans and could likely shape the future direction of the PSR policy. Because the payment system is dynamic, the Board must continually assess whether the policy is efficiently balancing the costs and benefits associated with daylight credit. □

40. Available on line at http://www.ny.frb.org/bankinfo/dwindow/dscntmrgn.pdf.

Announcements

SWEARING-IN CEREMONY FOR GOVERNORS BIES AND OLSON

Susan Schmidt Bies and Mark W. Olson were formally sworn in as members of the Board of Governors of the Federal Reserve System at a ceremony on January 3, 2002, in the atrium of the Board's main building in Washington. Friends, family, and Board employees attended the ceremony, which was presided over by Federal Reserve Chairman Alan Greenspan. Governor Bies and Governor Olson assumed their posts on December 7, following confirmation by the Senate on December 6.

President Bush nominated Governor Bies to a vacant seat last held by Susan M. Phillips, whose term expired. Governor Bies's term expires January 31, 2012. Governor Olson was nominated to the seat vacated by the resignation of Alice M. Rivlin on July 16, 1999. The term expires January 31, 2010.

Biographies of Governor Bies and Governor Olson are available on the Board's website: www.federalreserve.gov/bios/.

RESIGNATION OF GOVERNOR LAURENCE H. MEYER

Laurence H. Meyer submitted his resignation on January 14, 2002, as a member of the Board of Governors of the Federal Reserve System, effective the last day of his term, January 31, 2002.

Governor Meyer had been a member of the Board since June 20, 1996. "During my term here, we have seen remarkable developments, both in the economy and in the structure of financial market institutions," he said in a letter to President Bush.

"These developments have required the Federal Reserve to adapt its monetary and regulatory policies to help our economic system realize its full potential," he wrote. "As an independent central bank, the Federal Reserve is well-structured to accomplish this goal, and I hope I have been able to make a contribution to this effort."

In view of his impending departure and in keeping with Board practice, Dr. Meyer did not attend the January 29–30 meeting of the Federal Open Market Committee.

"Larry Meyer has made a major contribution to the Board's monetary policy," said Chairman Alan Greenspan. "His thoughtful insights into difficult issues and his technical expertise have materially enhanced the deliberations of the Board and the Federal Open Market Committee. His influence will carry on beyond his tenure as a Board member."

Dr. Meyer, 57, was appointed to the Board by President Clinton. During much of his tenure, he served as chairman of the Board's Committee on Supervisory and Regulatory Affairs. In that capacity, he oversaw the Board's regulatory implementation of the Gramm–Leach–Bliley Act and its participation in negotiations toward a new international capital accord. He also led the effort to encourage the development of sophisticated risk-management techniques at the nation's large, complex banking organizations.

Recognized as one of the nation's leading economic forecasters before becoming a member of the Board, Meyer was president of Laurence H. Meyer and Associates, a St. Louis-based economic consulting firm specializing in macroeconomic forecasting and policy analysis, and a professor of economics at Washington University. The text of his letter of resignation appears below.

January 14, 2002

The Honorable George W. Bush
The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I respectfully tender my resignation as of January 31, 2002, when my term as a Governor of the Federal Reserve Board ends.

It has been a great privilege and honor to serve the country as a member of the Federal Reserve Board of Governors. I am grateful to President Clinton and the Senate for the confidence they showed in me and for providing me with this opportunity. I have had an extraordinarily rewarding experience as a member of the Board of Governors. I have valued the opportunity to work with Chairman Greenspan, my fellow governors, and the presidents of the Reserve Banks. I have benefited during this time from the superb support of the Board's outstanding staff. And I have enjoyed the opportunities to work with members of the Council of Economic Advisers and officials of the Treasury, under two administrations, as part of the U.S. delegation to many international meetings and during collaborations on many regulatory issues.

During my term here, we have seen remarkable developments, both in the economy and in the structure of financial market institutions. These developments have required the Federal Reserve to adapt its monetary and regulatory policies to help our economic system realize its full potential. As an independent central bank, the Federal Reserve is well structured to accomplish this goal, and I hope I have been able to make a contribution to this effort.

Sincerely,
Laurence H. Meyer

APPOINTMENTS OF NEW MEMBERS AND THE PRESIDENT AND VICE PRESIDENT OF THE THRIFT INSTITUTIONS ADVISORY COUNCIL

The Federal Reserve Board on December 14, 2002, announced the names of four new members of its Thrift Institutions Advisory Council and designated a new president and vice president of the council for 2002.

The council is an advisory group made up of twelve representatives from thrift institutions. The panel was established by the Board in 1980 and includes savings and loan, savings bank, and credit union representatives. The council meets three times each year with the Board of Governors to discuss developments relating to thrift institutions, the housing industry, mortgage finance, and certain regulatory issues.

The new president of the council for 2002 is Mark H. Wright, president and chief executive officer, USAA Federal Savings Bank. The new vice president is Karen L. McCormick, president and chief executive officer, First Federal Savings and Loan Association, Port Angeles, Washington.

The four new members, named for two-year terms beginning January 1, 2002, are the following:

John B. Dicus, president, Capitol Federal Savings Bank, Topeka, Kansas

Kevin E. Pietrini, president and chief executive officer, Queen City Federal Savings Bank, Virginia, Minnesota

William J. Small, chairman and chief executive officer, First Federal Bank, Defiance, Ohio

David L. Vigren, president and chief executive officer, ESL Federal Credit Union, Rochester, New York

Council members whose terms continue through 2002 are the following:

Ronald S. Eliason, president and chief executive officer, Utah Community Federal Credit Union, Provo, Utah

D. R. Grimes, vice chairman and chief executive officer, NetBank, Alpharetta, Georgia

James F. McKenna, president and chief executive officer, North Shore Bank, FSB, Brookfield, Wisconsin

Charles C. Pearson, Jr., co-chairman and chief executive officer, Waypoint Bank, Harrisburg, Pennsylvania

Herbert M. Sandler, chairman and chief executive officer, World Savings Bank, FSB, Oakland, California

Everett Stiles, president and chief executive officer, Macon Bank, Franklin, North Carolina

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

The Federal Reserve Board on January 4, 2002, named eleven new members to its Consumer Advisory Council for three-year terms and designated a new chair and vice chair of the council for 2002. 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.

Dorothy Broadman was designated chair; her term runs through December 2002. Starting February 11, Ms. Broadman will be director of corporate citizenship at Capital One Financial Corporation in Northern Virginia. Previously, she held positions at Cal Fed Bank/First Nationwide Bank, Citibank, and Wells Fargo.

Ronald Reiter was designated vice chair; his term on the council ends in December 2003. Mr. Reiter is supervising deputy attorney general for the California Department of Justice.

The eleven new members are the following:

Janie Barrera
San Antonio, Texas
Ms. Barrera is president and chief executive officer of ACCION Texas. ACCION, the largest nonprofit microlending organization in Texas, provides small loans and management training to micro-enterprises throughout Texas. Ms. Barrera positioned the organization for three Community Development Financial Institution awards totaling more than $3 million. She received the 1997 Presidential Award for Excellence in Microenterprise Development. Ms. Barrera has received recognition for her accomplishments, including the Small Business Administration Financial Services Advocate of the Year and the Minority Enterprise Development Consortium's Corporate Advocate of the Year. She also serves on JP Morgan Chase Bank's Advisory Board of Directors in San Antonio, JP Morgan Chase National Community Advisory Board, and Washington Mutual Bank's Texas Advisory Board.

Kenneth P. Bordelon
Baton Rouge, Louisiana
Mr. Bordelon has been chief executive officer of the E Federal Credit Union since 1998. Previously, he was the credit

union's chief financial officer. He led the implementation of on-line ATM service, debit cards, on-line banking, electronic bill payment, and two branch offices serving as shared outlets in the Credit Union Cooperative Branching network (CUCB). In addition to his duties at E Federal, Mr. Bordelon serves on the boards of CUCB and Southern Financial Exchange, the electronic payment systems solutions network association for the south central United States.

Robin Coffey
Chicago, Illinois
Ms. Coffey is vice president and community development manager for Harris Trust and Savings Bank, where her responsibilities include setting benchmarks and monitoring Community Reinvestment Act (CRA) compliance for twenty-six banking charters. Previously, she managed the bank's community development lending, including both affordable housing loans and small business loans in low-income neighborhoods. Ms. Coffey works with the Neighborhood Housing Services of Chicago.

Thomas P. FitzGibbon, Jr.
Chicago, Illinois
Mr. FitzGibbon is president of MB Community Development Corporation and senior vice president of MB Financial Bank, N.A. He manages the delivery of community development equity and debt investments, economic development, and housing finance programs. He is also in charge of residential, consumer and small business lending programs, Internet banking, and insured deposit product delivery systems. Previously, he was vice president of community reinvestment and regulatory compliance for Comerica Bank-Illinois. Mr. FitzGibbon serves on the board of the Woodstock Institute and on the faculty of the Federal Reserve Bank of San Francisco's National Community Development Lending School.

Larry Hawkins, Jr.
Houston, Texas
Since 1990, Mr. Hawkins has been president and chief executive officer of Unity National Bank in Houston, a minority-owned bank primarily serving a low-income population. He is knowledgeable about opportunities and challenges facing small community banks and often speaks at schools and community organization functions. Mr. Hawkins's banking career began in 1970, and he has worked in many banking areas, including loan processing, collections, small business, and personal lending. He has been active in many community and banking organizations and now serves as a board member for the Greater Houston Partnership and the Independent Bankers Association of Texas. He also serves as chairman of the Disaster Services Committee of the American Red Cross.

Ruhi Maker
Rochester, New York
Ms. Maker is a senior attorney with the Public Interest Law Office of Rochester. She provides advocacy on Community Reinvestment Act issues at the local, state, and national level. She has assisted Monroe County and the City of Rochester on implementation of a Fair Housing Action Plan and has chaired the City's Real Estate and Lending Team. She has expertise in private and subsidized housing law and has been involved in trial work, appeals, and litigation on these issues. Ms. Maker has also been involved in litigation on the Fair Debt Collection Practices Act and the Truth in Lending Act. She is a founding member of the Predatory Lending Advisory Task Force in Rochester convened by area banks with members representing banks, community groups, and city officials.

Patricia McCoy
Cleveland, Ohio
Ms. McCoy is a professor of law at Cleveland-Marshall College of Law, Cleveland State University. She teaches courses on banking and securities regulation, and she is the author of a major treatise on federal banking regulation that includes an extensive analysis of the Community Reinvestment Act and fair lending laws. Ms. McCoy is chairman of the Section on Financial Institutions and Consumer Financial Services of the Association of American Law Schools and is a member of the Federal Reserve Bank of Cleveland's Strategic Alliance on Predatory Lending. She has written and spoken regularly on financial modernization and the Gramm–Leach–Bliley Act, predatory lending, the unbanked, consumer privacy, CRA reform, and fair lending.

Debra S. Reyes
Tampa, Florida
Ms. Reyes is the president of Neighborhood Lending Partners, Inc. (NLP), a mortgage-lending consortium with membership representing forty-three banks and thrifts. Her responsibilities include managing the lending program, conducting marketing and outreach, establishing a secondary market for the organization's products, and overseeing loan collection. Ms. Reyes helped to provide more than $90 million in loan funds to construct or revitalize 4,000 units of affordable housing. Before initiating NLP, she served as Director of Compliance for several banks, including Barnett Bank, N.A. Ms. Reyes serves on Tampa's Partners in Homeownership organization and Fannie Mae's Southeastern Regional Advisory Council.

Benson Roberts
Washington, District of Columbia
Mr. Roberts is vice president of policy for the Local Initiatives Support Corporation, the nation's largest nonprofit community development support organization. The organization makes $600 million in investments, loans, and grants annually. Mr. Roberts manages housing, urban and rural community development, finance, and economic development policy issues. He is involved in Community Reinvestment Act policy at both the regulatory and legislative levels. He played a major role in the enactment of the federal HOME housing block grant program and the New Markets Tax Credit legislation and is working on President Bush's "Renewing the Dream" tax credit to benefit low-income homebuyers. Mr. Roberts is a board member of the Center for Community Change, the National Association of Affordable Housing Lenders, and the National Housing Conference.

Agnes Bundy Scanlan
Boston, Massachusetts
Ms. Bundy Scanlan is managing director and chief privacy officer for FleetBoston Financial. She established the Cor-

porate Privacy Office and is responsible for development and implementation of corporate privacy policies. Previously, Ms. Bundy Scanlan established Fleet Financial Group's Corporate Community Development Department and was responsible for all Community Reinvestment Act lending, investment, and services and for fair lending initiatives. She co-chairs the CRA subcommittee for the Consumer Bankers Association.

Hubert Van Tol
Sparta, Wisconsin
Mr. Van Tol is founder and co-director of Fairness in Rural Lending, which engages in research and advocacy on lending issues in the rural Midwest. Previously, Mr. Van Tol founded and operated Bank Watchers, a firm specializing in information services and organizational development for nonprofit organizations working with low- and moderate-income consumers. Mr. Van Tol also served for eleven years as the executive director of the Mid-South Peace and Justice Center, which engages in education, advocacy, community reinvestment, lending discrimination research, and environmental justice. He serves on the executive committee of the National Community Reinvestment Coalition.

Council members whose terms continue through 2002 are the following:

Teresa Bryce, general counsel, Nexstar Financial Corporation, St. Louis, Missouri

Robert M. Cheadle, legislative counsel, The Chickasaw Tribal Legislature, Ada, Oklahoma

Lester Firstenberger, attorney, Hopkinton, Massachusetts

Jeremy Nowak, chief executive officer, The Reinvestment Fund, Philadelphia, Pennsylvania

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

Russell Schrader, senior vice president and assistant general counsel, Visa U.S.A., San Francisco, California

Frank Torres III, legislative counsel, Consumers Union, Washington, District of Columbia

Increase in the Asset-Size Exemption Threshold under Regulation C

The Federal Reserve Board on December 19, 2001, announced that the asset-size exemption threshold for depository institutions under Regulation C (Home Mortgage Disclosure) has been increased from $31 million to $32 million.

Depository institutions with assets of $32 million or less as of December 31, 2001, are exempt from data collection in 2002. However, an institution's exemption from collecting data in 2002 does not affect its responsibility to report the data it was required to collect in 2001.

The revision to the exemption threshold is based on the annual percent change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the twelve-month period ending in November 2001. The adjustment is effective January 1, 2002.

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 indicate that the Federal Reserve Banks distributed approximately $27.14 billion of their $31.87 billion total income to the U.S. Treasury during 2001.

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 $30.54 billion. Additionally, revenues from fees for the provision of priced services to depository institutions totaled $926 million. The remaining income of $402 million includes earnings on foreign currencies, earnings from loans, and other income.

The operating expenses of the twelve Reserve Banks totaled $1.78 billion, including the System's pension cost credit. In addition, the cost of earnings credits granted to depository institutions amounted to $253 million. Assessments against Reserve Banks for Board expenditures totaled $295 million, and the cost of currency amounted to $339 million.

Net deductions from income amounted to $1.12 billion, resulting primarily from unrealized losses on assets denominated in foreign currencies revalued to reflect current market exchange rates.

Total net income for the Federal Reserve Banks amounted to $28.09 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 $428 million.

Agencies Adopt Final Rules Concerning the Regulatory Capital Treatment of Nonfinancial Equity Investments

The Federal Reserve Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency on January 8, 2002, announced the adoption of final rules governing the regulatory capital treatment of equity investments in nonfinancial companies held by banks, bank holding companies, and financial holding companies. The agencies' final rules are substantially similar to the revised proposed rules jointly issued for public comment last year. The final rules will become effective on April 1, 2002.

The new capital requirements apply symmetrically to equity investments made by banks and their holding companies in nonfinancial companies under the legal authorities specified in the final rules. Among others, these include the merchant banking authority granted by the Gramm–Leach–Bliley Act and the authority to invest in small business investment companies (SBICs) granted by the Small Business Investment Act.

Covered equity investments will be subject to a series of marginal tier 1 capital charges, with the size of the charge increasing as the organization's level of concentration in equity investments increases. The highest marginal charge specified in the final rules requires a 25 percent deduction from tier 1 capital for covered investments that aggregate more than 25 percent of an organization's tier 1 capital. Equity investments through SBICs will be exempt from the new charges to the extent such investments, in the aggregate, do not exceed 15 percent of the banking organization's tier 1 capital.

The new charges would not apply to individual investments made by banking organizations before March 13, 2000. Grandfathered investments made by state banks under section 24(f) of the Federal Deposit Insurance Act also are exempted from coverage.

The agencies also reiterated their intent to apply heightened supervision to banking organizations as their level of concentration in equity investments increases.

Minutes of the Board Discount Rate Meeting

The Federal Reserve Board released on December 28, 2001, the minutes of its discount rate meetings from October 15 to November 6, 2001.

Enforcement Actions

The Federal Reserve Board on December 28, 2001, announced the execution of a written agreement by and among the First State Bank of Warner, Warner, South Dakota, the Federal Reserve Bank of Minneapolis, and the State of South Dakota Division of Banking.

The Federal Reserve Board on January 14, 2002, announced the issuance of an order of assessment of a civil money penalty against Dexia, S.A., Brussels, Belgium; Dexia Bank Belgium, S.A., Brussels, Belgium; and Dexia Credit Local de France, Paris, France.

The three related foreign banks, without admitting to any allegations, consented to the issuance of the order for failure to comply with the provisions of the Board's Regulation Y and with the condition imposed in writing in connection with the Board's granting of the banks' request to become financial holding companies, requiring them to notify the Board in a timely way if they fall out of compliance with standards for being financial holding companies.

The order requires Dexia, S.A., Dexia Bank Belgium, S.A., and Dexia Credit Local de France to pay a civil money penalty of $50,000. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors is amending 12 C.F.R. Part 201, its Regulation A (Extensions of Credit by Federal Reserve Banks; Change in Discount Rate), to reflect its approval of a decrease in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

Effective December 11, 2001, 12 C.F.R. Part 201 is amended as follows:

Part 201—Extensions of Credit by Federal Reserve Banks (Regulation A)

1. The authority citation for 12 C.F.R. Part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.,* 347a, 347b, 347c, 347d, 348 *et seq.,* 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

Section 201.51—Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under section 201.3(a) are:

Federal Reserve Bank	Rate	Effective
Boston	1.25	December 11, 2001
New York	1.25	December 11, 2001
Philadelphia	1.25	December 11, 2001
Cleveland	1.25	December 13, 2001
Richmond	1.25	December 13, 2001
Atlanta	1.25	December 13, 2001
Chicago	1.25	December 11, 2001
St. Louis	1.25	December 12, 2001
Minneapolis	1.25	December 13, 2001
Kansas City	1.25	December 13, 2001
Dallas	1.25	December 13, 2001
San Francisco	1.25	December 11, 2001

FINAL RULE—AMENDMENT TO REGULATION C

The Board of Governors is amending 12 C.F.R. Part 203, its Regulation C (Home Mortgage Disclosure). The Board is required to adjust annually the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The present adjustment reflects changes for the twelve-month period ending in November 2001. During this period, the index increased by 2.91 percent; as a result, the exemption threshold is increased to $32 million. Thus, depository institutions with assets of $32 million or less as of December 31, 2001, are exempt from data collection in 2002.

Effective January 1, 2002, 12 C.F.R. Part 203 is amended as follows:

Part 203—Home Mortgage Disclosure (Regulation C)

1. The authority citation for Part 203 continues to read as follows:

Authority: 12 U.S.C. 2801-2810.

2. In Supplement I to Part 203, under Section 203.3—Exempt Institutions, under 3(a) *Exemption based on location, asset size, or number of home-purchase loans,* paragraph 2 is revised to read as follows:

Supplement I to Part 203—Staff Commentary

* * * * *

Section 203.3—Exempt Institutions

3(a) *Exemption based on location, asset size, or number of home-purchase loans.*

* * * * *

2. *Adjustment of exemption threshold for depository institutions.* For data collection in 2002, the asset-size exemption threshold is $32 million. Depository institutions with assets at or below $32 million are exempt from collecting data for 2002.

FINAL RULE—CORRECTION TO AMENDMENT TO REGULATIONS H AND Y

The Board of Governors is issuing a correction to the regulatory text of a final rule published in the January 2002 volume of the *Federal Reserve Bulletin* regarding the capital treatment of recourse, direct credit substitutes, and residual interests in asset securitizations. The correction rectifies errors made in Attachment II in Appendix A, Part 208, and Appendix A, Part 225.

The following corrections are effective January 1, 2002:

1. In Appendix A to Part 208, Attachment II (88 *Federal Reserve Bulletin* 39) (2002):

A. In the column for Components, in the fourth entry under Supplementary Capital, replace the word "stocks" with the word "stock."
B. In the column for Minimum requirements, the fourth entry is revised to read, "Banks should avoid using minority interests to introduce elements not otherwise qualifying for tier 1 capital."
C. In the column for Minimum requirements, remove the eleventh entry beginning with "As a general rule . . ." in its entirety.
D. Remove footnote 3 following the table.

2. In Appendix A to Part 225, Attachment II (88 *Federal Reserve Bulletin* 53) (2002):
   A. In the column for Minimum requirements, the second entry is revised to read "Organizations should avoid using minority interests to introduce elements not otherwise qualifying for tier 1 capital."
   B. In the column for Minimum requirements, in the eleventh entry of the table, replace the word "banks" with "organizations."

FINAL RULE—AMENDMENT TO REGULATION Z

The Board of Governors is amending 12 C.F.R. Part 226, its Regulation Z (Truth in Lending), implementing the Home Ownership and Equity Protection Act (HOEPA). HOEPA was enacted in 1994, in response to evidence of abusive lending practices in the home-equity lending market. HOEPA imposes additional disclosure requirements and substantive limitations (for example, restricting short-term balloon notes) on home-equity loans bearing rates or fees above a certain percentage or amount. The Board's amendments to Regulation Z broaden the scope of mortgage loans subject to HOEPA by adjusting the price triggers used to determine coverage under the act. The rate-based trigger is lowered by two percentage points for first-lien mortgage loans, with no change for subordinate-lien loans. The fee-based trigger is revised to include the cost of optional credit insurance and similar debt protection products paid at closing. The amendments restrict certain acts and practices in connection with home-secured loans. For example, creditors may not engage in repeated refinancings of their HOEPA loans over a short time period when the transactions are not in the borrower's interest. The amendments also strengthen HOEPA's prohibition against extending credit without regard to consumers' repayment ability, and enhance disclosures received by consumers before closing for HOEPA-covered loans.

Effective December 20, 2001, 12 C.F.R. Part 226 is amended as follows:

Part 226—Truth in Lending (Regulation Z)

1. The authority citation for Part 226 continues to read as follows:

Authority: 12 U.S.C. 3806; 15 U.S.C. 1604 and 1637(c)(5).

Subpart A—General

2. Section 226.1 is amended by:
   a. Revising paragraph (b); and
   b. Revising paragraph (d)(5).

Section 226.1—Authority, purpose, coverage, organization, enforcement and liability.

* * * * *

(b) *Purpose.* The purpose of this regulation is to promote the informed use of consumer credit by requiring disclosures about its terms and cost. The regulation also gives consumers the right to cancel certain credit transactions that involve a lien on a consumer's principal dwelling, regulates certain credit card practices, and provides a means for fair and timely resolution of credit billing disputes. The regulation does not govern charges for consumer credit. The regulation requires a maximum interest rate to be stated in variable-rate contracts secured by the consumer's dwelling. It also imposes limitations on home equity plans that are subject to the requirements of section 226.5b and mortgages that are subject to the requirements of section 226.32. The regulation prohibits certain acts or practices in connection with credit secured by a consumer's principal dwelling.

* * * * *

(d) *Organization.* * * *
   (5) Subpart E contains special rules for mortgage transactions. Section 226.32 requires certain disclosures and provides limitations for loans that have rates and fees above specified amounts. Section 226.33 requires disclosures, including the total annual loan cost rate, for reverse mortgage transactions. Section 226.34 prohibits specific acts and practices in connection with mortgage transactions.

* * * * *

Subpart E—Special Rules for Certain Home Mortgage Transactions

3. Section 226.32 is amended by:
   a. Republishing paragraph (a)(1) introductory text and revising paragraph (a)(1)(i);
   b. Republishing paragraph (b) introductory text and revising paragraph (b)(1);
   c. Revising paragraph (c) introductory text, revising paragraph (c)(3), and adding paragraph (c)(5);
   d. Revising paragraph (d) introductory text and adding paragraph (d)(8); and
   e. Removing paragraph (e).

Section 226.32—Requirements for certain closed-end home mortgages.

(a) *Coverage.* (1) Except as provided in paragraph (a)(2) of this section, the requirements of this section apply to a consumer credit transaction that is secured by the consumer's principal dwelling, and in which either:
  (i) The annual percentage rate at consummation will exceed by more than 8 percentage points for first-lien loans, or by more than 10 percentage points for subordinate-lien loans, the yield on Treasury securities having comparable periods of maturity to the loan maturity as of the fifteenth day of the month immediately preceding the month in which the application for the extension of credit is received by the creditor; or

* * * * *

(b) *Definitions.* For purposes of this subpart, the following definitions apply:
  (1) For purposes of paragraph (a)(1)(ii) of this section, *points and fees* means:
    (i) All items required to be disclosed under section 226.4(a) and 226.4(b), except interest or the time-price differential;
    (ii) All compensation paid to mortgage brokers;
    (iii) All items listed in section 226.4(c)(7) (other than amounts held for future payment of taxes) unless the charge is reasonable, the creditor receives no direct or indirect compensation in connection with the charge, and the charge is not paid to an affiliate of the creditor; and
    (iv) Premiums or other charges for credit life, accident, health, or loss-of-income insurance, or debt-cancellation coverage (whether or not the debt-cancellation coverage is insurance under applicable law) that provides for cancellation of all or part of the consumer's liability in the event of the loss of life, health, or income or in the case of accident, written in connection with the credit transaction.

* * * * *

(c) *Disclosures.* In addition to other disclosures required by this part, in a mortgage subject to this section, the creditor shall disclose the following in conspicuous type size:

* * * * *

  (3) *Regular payment; balloon payment.* The amount of the regular monthly (or other periodic) payment and the amount of any balloon payment. The regular payment disclosed under this paragraph shall be treated as accurate if it is based on an amount borrowed that is deemed accurate and is disclosed under paragraph (c)(5) of this section.

* * * * *

  (5) *Amount borrowed.* For a mortgage refinancing, the total amount the consumer will borrow, as reflected by the face amount of the note; and where the amount borrowed includes premiums or other charges for optional credit insurance or debt-cancellation coverage, that fact shall be stated, grouped together with the disclosure of the amount borrowed. The disclosure of the amount borrowed shall be treated as accurate if it is not more than $100 above or below the amount required to be disclosed.

(d) *Limitations.* A mortgage transaction subject to this section shall not include the following terms:

* * * * *

  (8) *Due-on-demand clause.* A demand feature that permits the creditor to terminate the loan in advance of the original maturity date and to demand repayment of the entire outstanding balance, except in the following circumstances:
    (i) There is fraud or material misrepresentation by the consumer in connection with the loan;
    (ii) The consumer fails to meet the repayment terms of the agreement for any outstanding balance; or
    (iii) There is any action or inaction by the consumer that adversely affects the creditor's security for the loan, or any right of the creditor in such security.

4. A new section 226.34 is added to Subpart E to read as follows:

Section 226.34—Prohibited acts or practices in connection with credit secured by a consumer's dwelling.

(a) *Prohibited acts or practices for loans subject to section 226.32.* A creditor extending mortgage credit subject to section 226.32 shall not—
  (1) *Home improvement contracts.* Pay a contractor under a home improvement contract from the proceeds of a mortgage covered by section 226.32, other than:
    (i) By an instrument payable to the consumer or jointly to the consumer and the contractor; or
    (ii) At the election of the consumer, through a third-party escrow agent in accordance with terms established in a written agreement signed by the consumer, the creditor, and the contractor prior to the disbursement.
  (2) *Notice to assignee.* Sell or otherwise assign a mortgage subject to section 226.32 without furnishing the following statement to the purchaser or assignee: "Notice: This is a mortgage subject to special rules under the federal Truth in Lending Act. Purchasers or assignees of this mortgage could be liable for all claims and defenses with

respect to the mortgage that the borrower could assert against the creditor.''

(3) *Refinancings within one-year period.* Within one year of having extended credit subject to section 226.32, refinance any loan subject to section 226.32 to the same borrower into another loan subject to section 226.32, unless the refinancing is in the borrower's interest. An assignee holding or servicing an extension of mortgage credit subject to section 226.32, shall not, for the remainder of the one-year period following the date of origination of the credit, refinance any loan subject to section 226.32 to the same borrower into another loan subject to section 226.32, unless the refinancing is in the borrower's interest. A creditor (or assignee) is prohibited from engaging in acts or practices to evade this provision, including a pattern or practice of arranging for the refinancing of its own loans by affiliated or unaffiliated creditors, or modifying a loan agreement (whether or not the existing loan is satisfied and replaced by the new loan) and charging a fee.

(4) *Repayment ability.* Engage in a pattern or practice of extending credit subject to section 226.32 to a consumer based on the consumer's collateral without regard to the consumer's repayment ability, including the consumer's current and expected income, current obligations, and employment. There is a presumption that a creditor has violated this paragraph (a)(4) if the creditor engages in a pattern or practice of making loans subject to section 226.32 without verifying and documenting consumers' repayment ability.

(b) *Prohibited acts or practices for dwelling-secured loans; open-end credit.* In connection with credit secured by the consumer's dwelling that does not meet the definition in section 226.2(a)(20), a creditor shall not structure a home-secured loan as an open-end plan to evade the requirements of section 226.32.

5. Appendix H to Part 226 is amended by revising Model Form H-16 to read as follows:

Appendix H to Part 226—Closed-End Model Forms and Clauses

* * * * *

H-16—Mortgage Sample

You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application.

If you obtain this loan, the lender will have a mortgage on your home.

YOU COULD LOSE YOUR HOME, AND ANY MONEY YOU HAVE PUT INTO IT, IF YOU DO NOT MEET YOUR OBLIGATIONS UNDER THE LOAN.

You are borrowing $__________ (optional credit insurance is □ is not □ included in this amount).

The annual percentage rate on your loan will be: __%.

Your regular [frequency] payment will be:
$__________.
[At the end of your loan, you will still owe us:
$ balloon amount].]

[Your interest rate may increase. Increases in the interest rate could increase your payment. The highest amount your payment could increase is to $. ______]

6. In Supplement I to Part 226, the following amendments are made:

a. Under *Section 226.31—General Rules,* under *Paragraph 31(c)(1)(i),* paragraph 2. is added;
b. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages,* under *Paragraph 32(a)(1)(ii),* paragraph 1. introductory text is revised and 1.iv. is added;
c. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages,* a new heading *Paragraph 32(b)(1)(iv)* is added and a new paragraph 1. is added;
d. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages,* under *Paragraph 32(c)(3),* the heading is revised, paragraph 1. is revised and paragraph 2. is removed; and a new heading *Paragraph 32(c)(5)* is added and a new paragraph 1. is added.
e. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages,* a new heading *Paragraph 32(d)(8)* is added; a new heading *Paragraph 32(d)(8)(ii)* is added and a new paragraph 1. is added; and a new heading *Paragraph 32(d)(8)(iii)* is added and new paragraphs 1. and 2. are added.
f. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages, 32(e) Prohibited Acts and Practices* is removed;
g. Under Subpart E, a new *Section 226.34—Prohibited Acts or Practices in Connection with Credit Secured by a Consumer's Dwelling; Open-end Credit* is added; and
h. Under *Appendix H—Closed-End Model Forms and Clauses,* paragraphs 20. through 23. are redesignated as paragraphs 21. through 24., and new paragraph 20. is added.

The additions and revisions read as follows:

Supplement I to Part 226—Official Staff Interpretations

* * * * *

Subpart E—Special Rules for Certain Home Mortgage Transactions

Section 226.31—General Rules

* * * * *

31(c) Timing of disclosure.

* * * * *

Paragraph 31(c)(1)(i) Change in terms.

* * * * *

2. *Sale of optional products at consummation.* If the consumer finances the purchase of optional products such as credit insurance and as a result the monthly payment differs from what was previously disclosed under section 226.32, redisclosure is required and a new three-day waiting period applies. (*See* comment 32(c)(3)-1 on when optional items may be included in the regular payment disclosure.)

* * * * *

Section 226.32—Requirements for Certain Closed-End Home Mortgages

32(a) Coverage.

* * * * *

Paragraph 32(a)(1)(ii).

1. *Total loan amount.* For purposes of the ''points and fees'' test, the total loan amount is calculated by taking the amount financed, as determined according to section 226.18(b), and deducting any cost listed in section 226.32(b)(1)(iii) and section 226.32(b)(1)(iv) that is both included as points and fees under section 226.32(b)(1) and financed by the creditor. Some examples follow, each using a $10,000 amount borrowed, a $300 appraisal fee, and $400 in points. A $500 premium for optional credit life insurance is used in one example.

* * * * *

iv. If the consumer finances a $300 fee for a creditor-conducted appraisal and a $500 single premium for optional credit life insurance, and pays $400 in points at closing, the amount financed under section 226.18(b) is $10,400 ($10,000, plus the $300 appraisal fee that is paid to and financed by the creditor, plus the $500 insurance premium that is financed by the creditor, less $400 in prepaid finance charges). The $300 appraisal fee paid to the creditor is added to other points and fees under section 226.32(b)(1)(iii), and the $500 insurance premium is added under 226.32(b)(1)(iv). The $300 and $500 costs are deducted from the amount financed ($10,400) to derive a total loan amount of $9,600.

* * * * *

32(b) Definitions.

* * * * *

Paragraph 32(b)(1)(iv).

1. *Premium amount.* In determining ''points and fees'' for purposes of this section, premiums paid at or before closing for credit insurance are included whether they are paid in cash or financed, and whether the amount represents the entire premium for the coverage or an initial payment.

* * * * *

32(c) Disclosures.

* * * * *

Paragraph 32(c)(3) Regular payment; balloon payment.

1. *General.* The regular payment is the amount due from the borrower at regular intervals, such as monthly, bimonthly, quarterly, or annually. There must be at least two payments, and the payments must be in an amount and at such intervals that they fully amortize the amount owed. In disclosing the regular payment, creditors may rely on the rules set forth in section 226.18(g); however, the amounts for voluntary items, such as credit life insurance, may be included in the regular payment disclosure only if the consumer has previously agreed to the amounts.

* * * * *

Paragraph 32(c)(5) Amount borrowed.

1. *Optional insurance; debt-cancellation coverage.* This disclosure is required when the amount borrowed in a refinancing includes premiums or other charges for credit life, accident, health, or loss-of-income insurance, or debt-cancellation coverage (whether or not the debt-cancellation coverage is insurance under applicable law) that provides for cancellation of all or part of the consumer's liability in the event of the loss of life, health, or income or in the case of accident. *See* comment 4(d)(3)-2 and comment app. G and H-2 regarding terminology for debt-cancellation coverage.

32(d) Limitations.

* * * * *

32(d)(8) Due-on-demand clause.
Paragraph 32(d)(8)(ii).

1. *Failure to meet repayment terms.* A creditor may terminate a loan and accelerate the balance when the consumer fails to meet the repayment terms provided for in the agreement; a creditor may do so, however, only if the consumer actually fails to make payments. For example, a creditor may not terminate and accelerate if the consumer, in error, sends a payment to the wrong location, such as a branch rather than the main office of the creditor. If a consumer files for or is placed in bankruptcy, the creditor may terminate and accelerate under this provision if the consumer fails to

meet the repayment terms of the agreement. Section 226.32(d)(8)(ii) does not override any state or other law that requires a creditor to notify a borrower of a right to cure, or otherwise places a duty on the creditor before it can terminate a loan and accelerate the balance.

Paragraph 32(d)(8)(iii).

1. *Impairment of security.* A creditor may terminate a loan and accelerate the balance if the consumer's action or inaction adversely affects the creditor's security for the loan, or any right of the creditor in that security. Action or inaction by third parties does not, in itself, permit the creditor to terminate and accelerate.
2. *Examples.*
   i. A creditor may terminate and accelerate, for example, if:
      A. The consumer transfers title to the property or sells the property without the permission of the creditor.
      B. The consumer fails to maintain required insurance on the dwelling.
      C. The consumer fails to pay taxes on the property.
      D. The consumer permits the filing of a lien senior to that held by the creditor.
      E. The sole consumer obligated on the credit dies.
      F. The property is taken through eminent domain.
      G. A prior lienholder forecloses.
   ii. By contrast, the filing of a judgment against the consumer would permit termination and acceleration only if the amount of the judgment and collateral subject to the judgment is such that the creditor's security is adversely affected. If the consumer commits waste or otherwise destructively uses or fails to maintain the property such that the action adversely affects the security, the loan may be terminated and the balance accelerated. Illegal use of the property by the consumer would permit termination and acceleration if it subjects the property to seizure. If one of two consumers obligated on a loan dies, the creditor may terminate the loan and accelerate the balance if the security is adversely affected. If the consumer moves out of the dwelling that secures the loan and that action adversely affects the security, the creditor may terminate a loan and accelerate the balance.

* * * * *

Section 226.34—Prohibited Acts or Practices in Connection with Credit Secured by a Consumer's Dwelling; Open-end Credit

34(a) Prohibited acts or practices for loans subject to section 226.32.

Paragraph 34(a)(1) Home-improvement contracts.

Paragraph 34(a)(1)(i).

1. *Joint payees.* If a creditor pays a contractor with an instrument jointly payable to the contractor and the consumer, the instrument must name as payee each consumer who is primarily obligated on the note.

Paragraph 34(a)(2) Notice to Assignee.

1. *Subsequent sellers or assignors.* Any person, whether or not the original creditor, that sells or assigns a mortgage subject to section 226.32 must furnish the notice of potential liability to the purchaser or assignee.
2. *Format.* While the notice of potential liability need not be in any particular format, the notice must be prominent. Placing it on the face of the note, such as with a stamp, is one means of satisfying the prominence requirement.
3. *Assignee liability.* Pursuant to section 131(d) of the act, the act's general holder-in-due course protections do not apply to purchasers and assignees of loans covered by section 226.32. For such loans, a purchaser's or other assignee's liability for all claims and defenses that the consumer could assert against the creditor is not limited to violations of the act.

Paragraph 34(a)(3) Refinancings within one-year period.

1. *In the borrower's interest.* The determination of whether or not a refinancing covered by section 226.34(a)(3) is in the borrower's interest is based on the totality of the circumstances, at the time the credit is extended. A written statement by the borrower that "this loan is in my interest" alone does not meet this standard.
   i. A refinancing would be in the borrower's interest if needed to meet the borrower's "bona fide personal financial emergency" (*see* generally section 226.23(e) and section 226.31(c)(1)(iii)).
   ii. In connection with a refinancing that provides additional funds to the borrower, in determining whether a loan is in the borrower's interest consideration should be given to whether the loan fees and charges are commensurate with the amount of new funds advanced, and whether the real estate-related charges are bona fide and reasonable in amount (see generally section 226.4(c)(7)).
2. *Application of the one-year refinancing prohibition to creditors and assignees.* The prohibition in section 226.34(a)(3) applies where an extension of credit subject to section 226.32 is refinanced into another loan subject to section 226.32. The prohibition is illustrated by the following examples. Assume that Creditor A makes a loan subject to section 226.32 on January 15, 2003, secured by a first lien; this loan is assigned to Creditor B on February 15, 2003:
   i. Creditor A is prohibited from refinancing the January 2003 loan (or any other loan subject to section 226.32 to the same borrower) into a loan subject to section 226.32, until January 15, 2004. Creditor B is restricted until January 15, 2004, or such date prior to January 15, 2004 that Creditor B ceases to hold or service the loan. During the prohibition period, Creditors A and B may make a

subordinate lien loan that does not refinance a loan subject to section 226.32. Assume that on April 1, 2003, Creditor A makes but does not assign a second-lien loan subject to section 226.32. In that case, Creditor A would be prohibited from refinancing either the first-lien or second-lien loans (or any other loans to that borrower subject to section 226.32) into another loan subject to section 226.32 until April 1, 2004.

ii. The loan made by Creditor A on January 15, 2003 (and assigned to Creditor B) may be refinanced by Creditor C at any time. If Creditor C refinances this loan on March 1, 2003 into a new loan subject to section 226.32, Creditor A is prohibited from refinancing the loan made by Creditor C (or any other loan subject to section 226.32 to the same borrower) into another loan subject to section 226.32 until January 15, 2004. Creditor C is similarly prohibited from refinancing any loan subject to section 226.32 to that borrower into another until March 1, 2004. (The limitations of section 226.34(a)(3) no longer apply to Creditor B after Creditor C refinanced the January 2003 loan and Creditor B ceased to hold or service the loan.)

Paragraph 34(a)(4) Repayment ability.

1. *Income.* Any expected income can be considered by the creditor, except equity income that would be realized from collateral. For example, a creditor may use information about income other than regular salary or wages such as gifts, expected retirement payments, or income from self-employment, such as housecleaning or childcare.
2. *Pattern or practice of extending credit—repayment ability.* Whether a creditor is engaging or has engaged in a pattern or practice of violations of this section depends on the totality of the circumstances in the particular case. While a pattern or practice is not established by isolated, random, or accidental acts, it can be established without the use of a statistical process. In addition, a creditor might act under a lending policy (whether written or unwritten) and that action alone could establish a pattern or practice of making loans in violation of this section.
3. *Discounted introductory rates.* In transactions where the creditor sets an initial interest rate to be adjusted later (whether fixed or to be determined by an index or formula), in determining repayment ability the creditor must consider the consumer's ability to make loan payments based on the non-discounted or fully-indexed rate at the time of consummation.
4. *Verifying and documenting income and obligations.* Creditors may verify and document a consumer's repayment ability in various ways. A creditor may verify and document a consumer's income and current obligations through any reliable source that provides the creditor with a reasonable basis for believing that there are sufficient funds to support the loan. Reliable sources include, but are not limited to, a credit report, tax returns, pension statements, and payment records for employment income.

Paragraph 34(b) Prohibited acts or practices for dwelling-secured loans; open-end credit.

1. *Amount of credit extended.* Where a loan is documented as open-end credit but the features and terms or other circumstances demonstrate that it does not meet the definition of open-end credit, the loan is subject to the rules for closed-end credit, including section 226.32 if the rate or fee trigger is met. In applying the triggers under section 226.32, the "amount financed," including the "principal loan amount" must be determined. In making the determination, the amount of credit that would have been extended if the loan had been documented as a closed-end loan is a factual determination to be made in each case. Factors to be considered include the amount of money the consumer originally requested, the amount of the first advance or the highest outstanding balance, or the amount of the credit line. The full amount of the credit line is considered only to the extent that it is reasonable to expect that the consumer might use the full amount of credit.

* * * * *

Appendix H—Closed-End Model Forms and Clauses

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20. *Sample H-16.* This sample illustrates the disclosures required under section 226.32(c). The sample illustrates the amount borrowed and the disclosures about optional insurance that are required for mortgage refinancings under section 226.32(c)(5). Creditors may, at their option, include these disclosures for all loans subject to section 226.32. The sample also includes disclosures required under section 226.32(c)(3) when the legal obligation includes a balloon payment.

* * * * *

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

BNP Paribas
Paris, France

Order Approving the Acquisition of a Bank Holding Company

BNP Paribas ("BNPP") has requested the Board's approval under section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842) ("BHC Act") to acquire 55 percent of the voting shares of BancWest Corporation, Honolulu, Hawaii ("BancWest"), which owns Bank of the West, San Francisco, California ("Bank of the West"), and First Hawaiian Bank, Honolulu, Hawaii ("First Hawaiian"). BNPP currently owns 45 percent of BancWest's voting shares, and would own all BancWest's outstanding voting shares on consummation of the proposal.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published in the *Federal Register* (66 *Federal Register* 37,686 (2001)). 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.

BNPP, with total consolidated assets of $709.2 billion, is the largest banking organization in France.[1] BNPP operates branches in Chicago, Illinois; Los Angeles, California; New York, New York; and San Francisco, California; agencies in Houston, Texas, and Miami, Florida; and representative offices in Dallas, Texas, and Atlanta, Georgia. With its 45-percent share of outstanding voting shares, BNPP indirectly controls BancWest and its bank subsidiaries, Bank of the West and First Hawaiian. BNPP also engages in a broad range of permissible nonbanking activities in the United States through its subsidiaries.

BancWest, with total consolidated assets of $19.8 billion, is the 35th largest banking organization in the United States, controlling less than 1 percent of total banking assets of insured commercial banks in the United States.[2] BancWest operates Bank of the West and First Hawaiian. Bank of the West, with total assets of $12.3 billion, controls deposits of $7 billion in California, representing approximately 1.5 percent of total deposits of insured depository institutions in the state ("state deposits").[3] Bank of the West also operates branches in Oregon, New Mexico, Nevada, Washington, and Idaho. First Hawaiian, with total assets of $7.2 billion, controls deposits of $5.5 billion in Hawaii, representing approximately 30 percent of total state deposits. First Hawaiian also operates branches in Guam and Saipan; a branch in Grand Cayman, British West Indies; and a representative office in Tokyo, Japan.

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 supervisory factors. BNPP'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. In assessing the financial and managerial strength of BNPP and its subsidiaries, the Board has reviewed information provided by BNPP, 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 France. 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.

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."[4] The home country supervisor of BNPP is the French Banking Commission ("FBC"), which is responsible for the supervision and regulation of French financial institutions.

In approving applications under the BHC Act, the Board previously has determined that French banks, including BNPP, were subject to comprehensive consolidated supervision by the FBC.[5] In this case, the Board finds that the FBC continues to supervise BNPP in substantially the same manner as it supervised French banks at the time of those previous determinations. Based on this finding and all the facts of record, the Board concludes that BNPP 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 affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.[6] The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which BNPP operates and has communicated with relevant government authorities concerning access to information. In addition, BNPP previously has committed to make available to the Board such information on the operations of BNPP and its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act and other applicable federal law. BNPP also

1. Asset and ranking data for BNPP are as of September 30, 2001, and are based on the exchange rate then applicable.

2. Asset and ranking data for BancWest are as of September 30, 2001.

3. Asset and deposit data for Bank of the West and First Hawaiian are as of June 30, 2001. State deposit and ranking data are as of June 30, 2000. In this context, depository institutions include commercial banks, savings banks, and savings associations.

4. 12 U.S.C. § 1842(c)(3)(B). Under Regulation Y, the Board uses the standards 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 conditions and its compliance with law and regulations. *See* 12 C.F.R. 211.24(c)(1).

5. *See Banque Nationale de Paris,* 81 *Federal Reserve Bulletin* 515 (1995). Pursuant to delegated authority, the Federal Reserve Bank of San Francisco approved BNPP's application to establish offices in the United States. Letter dated May 18, 2000, from the Federal Reserve Bank of San Francisco to Paul Glotzer, Esq.

6. *See* 12 U.S.C. § 1842(c)(3)(A).

previously has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable BNPP and its affiliates to make such information available to the Board. In light of these commitments, the Board concludes that BNPP has provided adequate assurances of access to any appropriate information that the Board may request. Based on these and all the facts of record, the Board concludes that the supervisory factors it is required to consider are consistent with approval.

Other Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly. The Board is also prohibited from approving a proposal that would substantially lessen competition or tend to create a monopoly in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[7]

Because BNPP already controls BancWest, the proposed transaction would have no anticompetitive effects in any relevant markets. Accordingly, and based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval. Considerations based on the convenience and needs of the communities to be served, including the records of performance of the U.S. subsidiary banks of the organizations under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA") also are consistent with approval.[8]

Conclusion

Based on the foregoing, the Board has determined that the acquisition by BNPP of the BancWest voting shares, should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that the Board is required to consider under the BHC Act.

The Board's approval is specifically conditioned on compliance by BNPP with all the commitments made in connection with this application, including the conditions set forth in the order and the above-noted Board regulations and orders. The Board's approval also specifically is conditioned on BNPP's compliance with the commitments it previously made regarding access to information, and on the Board's receiving access to information on the operations or activities of BNPP and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by BNPP and its affiliates with applicable federal statutes. If any restrictions on access to information on the operations or activities of BNPP and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by BNPP or its affiliates with applicable federal statutes, the Board may require termination of any of BNPP's direct or indirect activities in the United States. All the commitments and conditions on which the Board relied in granting its approval, including the commitments and conditions specifically described above, are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of the BancWest shares 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 by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 4, 2001.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

7. 12 U.S.C. § 1842(c).

8. Bank of the West received a "satisfactory" rating from the Federal Deposit Insurance Corporation ("FDIC") at its most recent CRA evaluation, as of May 1, 2000. First Hawaiian received an "outstanding" rating from the FDIC at its most recent CRA evaluation, as of January 1, 2001.

Chickasaw Banc Holding Company Yukon, Oklahoma

Order Approving the Formation of a Bank Holding Company and the Acquisition of a Bank Holding Company and Bank and Unaffiliated Branch

Chickasaw Banc Holding Company ("Chickasaw")[1] has requested the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all the voting shares of First Bancorp in Davidson, Inc. ("First Bancorp") and its subsidiary, First State Bank in Davidson ("Bank"), both in Davidson, Oklahoma. In addition, Bank has requested the Board's approval under section 9 of the Federal Reserve Act ("FRA") (12 U.S.C. § 321) to become a member of the Federal Reserve System and to operate Bank as a branch office. Bank also has sought Board approval under section 18(c) of Federal Deposit Insurance Act (the Bank Merger Act ("BMA")) (12 U.S.C. § 1828(c)) to acquire certain assets and assume certain liabilities of a branch of First National Bank of

1. Chickasaw Banc Holding Company is a wholly owned subsidiary of the Chickasaw Nation, a Native American tribe.

Oklahoma, Ponca City, at 909 South Meridian, Oklahoma City, both in Oklahoma ("Meridian branch").[2]

Notice of the proposal, affording interested persons an opportunity to comment, has been published (66 *Federal Register* 52,416 (2001)). The time for filing comments has expired, and the Board has considered all the comments received on the applications, in light of the factors enumerated in section 3(c) of the BHC Act, the FRA, and the BMA.

Chickasaw, a newly organized corporation that currently does not control any depository institution, has been formed to acquire First Bancorp and Bank. Bank, which has one branch in Davidson, Oklahoma, is the 266th largest depository institution in Oklahoma,[3] controlling $7.5 million in deposits, representing less than 1 percent of total deposits in the state.[4] The Meridian branch controls $7.7 million in deposits, representing less than 1 percent of total deposits in the state. On consummation of the proposal, Chickasaw would become the 247th largest commercial banking organization in Oklahoma, controlling $15.2 million in deposits.

Considerations Relating to Competition and Convenience and Needs

Section 3 of the BHC Act and the BMA prohibit the Board from approving a proposal that would result in a monopoly or would be in furtherance of a monopoly in any relevant banking market. The BHC Act and BMA also prohibit 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.[5]

Bank and the Meridian branch do not compete in any relevant banking market. Based on all the facts of record, the Board has concluded that consummation of the proposal would have no adverse effect on competition or on the concentration of banking resources in any relevant banking market. Accordingly, the Board has determined that competitive factors are consistent with approval of the proposal.

Section 3 of the BHC Act and the BMA also require the Board to consider the effect of the transaction on the convenience and needs of the community to be served.[6] In evaluating this factor, the Board places particular emphasis on the ratings received by the depository institutions involved in a proposal at their most recent examinations under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). Bank received an "outstanding" CRA rating from its primary federal supervisor, the Federal Deposit Insurance Corporation, as of January 11, 1999. First National Bank of Oklahoma received a "satisfactory" CRA rating from its primary federal supervisor, the Office of the Comptroller of the Currency, as of October 12, 1999.

Bank has stated that it intends to retain its current retail banking activities in the Davidson community and to offer its products and services in the western Oklahoma City banking market through the acquisition of the Meridian branch. In addition, Bank intends to offer retail banking services to the Chickasaw Nation (the "Nation") and other Native American tribes.

After reviewing all the information submitted by Chickasaw and Bank related to the convenience and needs factor and based on all the facts of record, the Board concludes that considerations relating to convenience and needs are consistent with approval.

Financial, Managerial, and Other Supervisory Factors

Section 3 of the BHC Act and the BMA require the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a bank acquisition proposal.[7] As part of this analysis, the Board has reviewed Bank's operating plan and the proposed management of Chickasaw and Bank. In addition, the Board has taken into account Chickasaw's financial resources, including its capital levels and ability to serve as a source of strength to Bank. The Board also has reviewed confidential supervisory and examination information about Bank and publicly reported financial and other information about Bank and Chickasaw.

The Board also has considered that Chickasaw's voting shares are owned by the Nation.[8] The Nation would own and control Bank through Chickasaw, a registered bank holding company. The Board has accepted commitments from the Nation to ensure that its status as a domestic sovereign does not impede the ability of the federal banking agencies to supervise and enforce banking laws against any entity related to or affiliated with Chickasaw and Bank. The commitments recognize that the Nation and its affiliates are subject to limitations imposed by sections 23A and 23B of the Federal Reserve Act and the Board's Regulation O governing loans to insiders. The commitments also provide the Board with adequate assurances that the Nation

2. After consummation of the proposal, Bank would move its main office to the Meridian branch location and retain the Davidson, Oklahoma, office as a branch.

3. In this context, the term "depository institution" includes commercial banks, savings banks, and savings associations.

4. The deposit and ranking data are as of June 30, 2001.

5. 12 U.S.C. § 1842(c)(1)(A) and (B); 12 U.S.C. § 1828(c)(5)(A) and (B).

6. 12 U.S.C. § 1842(c)(2); 12 U.S.C. § 1828(c)(5).

7. 12 U.S.C. § 1842(c)(2); 12 U.S.C. §1828(c)(5).

8. The stock of the applicant is owned by the Nation and would be voted by the Governor of the tribe in his official capacity. The Board previously has recognized that Native American tribes such as the Nation are considered domestic sovereigns and are therefore excluded from the BHC Act's definition of "company." *E.g., Mille Lacs Bancorporation,* 82 *Federal Reserve Bulletin* 336 (1996). Three bank holding companies currently are wholly owned by Native American tribes. *See Bay Bancorporation,* 81 *Federal Reserve Bulletin* 791 (1995); *Mille Lacs Bancorporation,* 82 *Federal Reserve Bulletin* 336 (1996); *Native American Bancorporation,* 87 *Federal Reserve Bulletin* 747 (2001).

and its affiliates will make available the information on their operations and activities that is necessary for the Board to determine and enforce compliance with applicable federal banking laws. The Nation and affiliated entities also acknowledge the jurisdiction of the Board to enforce compliance with banking laws and have agreed to the jurisdiction of the federal courts for purposes of enforcing these laws. In light of the commitments, and after considering all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Chickasaw and Bank are consistent with approval, as are other supervisory factors the Board is required to consider under the BHC Act and the BMA.

In addition, Bank has applied under Section 9 of the FRA to become a member of the Federal Reserve System and to establish a branch at its current location. The Board has considered the factors it is required to consider when reviewing applications pursuant to Section 9 of the FRA[9] and finds those factors to be consistent with approval.

Conclusion

Based on the foregoing and after considering all the facts of record, the Board has determined that the applications should be, and hereby are, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors required to consider under the BHC Act, the FRA and the BMA. The Board's approval is specifically conditioned on compliance by Chickasaw, the Nation, and each affiliated entity with all the commitments and representations made in connection with the applications, including the commitments described in this order, and the conditions set forth in this order and the above-noted Board regulations and orders. These commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of Bank 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 by the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 14, 2001.

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

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

9. 12 U.S.C. § 322.

Independence Bancshares, Inc.
Independence, Iowa

Order Approving the Acquisition of a Bank Holding Company

Independence Bancshares, Inc. ("Independence"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all the voting shares of Fairbank Bancshares Corporation ("Fairbank"), and thereby acquire Fairbank's subsidiary bank, Fairbank State Bank ("Bank"), both in Fairbank, Iowa.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 55,941 (2001)). 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.

Independence, the 159th largest banking organization in Iowa, controls two subsidiary banks with total deposits of $63.5 million,[1] representing less than 1 percent of total deposits in depository institutions in the state ("state deposits").[2] Fairbank, the 332nd largest banking organization in Iowa, controls one subsidiary bank with total deposits of $18.4 million, representing less than 1 percent of state deposits. On consummation of the proposal, Independence would become the 117th largest banking organization in Iowa, controlling deposits of $81.9 million.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. Section 3 also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market, unless the anticompetitive effects of the proposal are clearly 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]

Independence and Fairbank compete directly in the Buchanan, Iowa, banking market ("Buchanan market").[4] The Board has reviewed carefully the competitive effects of the proposal in the Buchanan market in light of all the facts of record. In particular, the Board has considered the increase in the concentration of total deposits in depository institutions in the market ("market deposits") as measured

1. The subsidiary banks of Independence are Northeast Security Bank, Sumner, and Security State Bank, Independence, both in Iowa.
2. In this context, depository institutions include commercial banks, savings banks, and savings associations. Deposit data are as of June 30, 2001, and have been adjusted to reflect structural changes that have occurred since that time.
3. *See* 12 U.S.C. § 1842(c)(1).
4. The Buchanan market is defined as Buchanan County, Iowa.

by the Herfindahl–Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Guidelines"),[5] the number of competitors that would remain in the market, and other characteristics of the market.

Consummation of the proposal would exceed the DOJ Guidelines in the Buchanan market. Independence is the second largest of nine depository institutions in the market, controlling $38 million in deposits, representing 14.7 percent of market deposits. Fairbank ranks fifth in the market, controlling $18.3 million in deposits, representing 7.1 percent of market deposits. After the proposed transaction, Independence would remain the second largest depository institution in the Buchanan market and control $56.3 million in deposits, representing 21.8 percent of market deposits. The HHI would increase 208 points to 2861.[6]

In this case, several mitigating factors indicate that the increase in market concentration, as measured by the HHI, is not likely to reflect a significantly adverse effect on competition. After consummation of the proposal, at least eight competitors would remain in the Buchanan market. One competitor would control 46 percent of market deposits and another competitor would control more than 13 percent.

The Buchanan market also appears to be attractive for entry. The averages for Buchanan County exceed the averages for all Iowa non-Metropolitan Statistical Area counties in population per banking office, deposits per banking office, and increase in per capita income. Moreover, Iowa recently amended its branching law to allow unlimited intrastate *de novo* branching by Iowa state-chartered banks, effective July 1, 2004.[7] Until the new law becomes effective, a state bank may establish up to three new branches anywhere in the state.[8]

The Board concludes that the foregoing considerations, including the number and size of competitors that would remain in the Buchanan market after consummation of the proposal, the structure and attractiveness of that market, and other factors, mitigate the transaction's potential anticompetitive effects. The Board has also considered the views of the Department of Justice and the appropriate banking agencies on the competitive effects of the proposal in the Buchanan market. The Department of Justice has advised the Board that consummation of the proposal is not likely to have any significant adverse competitive effects in the Buchanan market. The Federal Deposit Insurance Corporation ("FDIC") was provided an opportunity to comment and did not object to consummation of the proposal.

Based on these and all the facts of record, the Board concludes that consummation of the proposal is not likely to result in any significantly adverse effects on competition or on the concentration of banking resources in the Buchanan market or any other relevant banking market. On this basis, the Board has determined that the competitive factors are consistent with approval of the proposal.

Other Considerations

The BHC Act requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the communities to be served, and certain other supervisory factors. The Board has reviewed these factors in light of the record, including supervisory reports of examination assessing the financial and managerial resources of the organizations, and financial information provided by Independence. Based on all the facts of record, the Board concludes that the financial and managerial resources and the future prospects of Independence, Fairbank, and their subsidiary banks are consistent with approval, as are the other supervisory factors the Board must consider under the BHC Act.

In considering the convenience and needs of the communities to be served, the Board has reviewed the records of performance of the subsidiary banks of Independence and Fairbank under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*).[9] Based on all the facts of record, the Board concludes that convenience and needs considerations, including the CRA performance records of the relevant institutions, are consistent with approval of the proposal.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the application should be, and hereby is, approved. The Board's approval

5. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is more than 1800 is considered to be highly concentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

6. Market share data for the Buchanan market are as of June 30, 2001, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See WM Bancorp,* 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation,* 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50-percent weighted basis. *See, e.g., First Hawaiian, Inc.,* 77 *Federal Reserve Bulletin* 52 (1991).

7. *See* H.F. 222, 79th Gen. Assem., 1st Sess. (Ia. 2001). Before the amendment, Iowa law prohibited any state bank from establishing a bank office "outside the boundaries of the counties contiguous to or cornering upon the county in which the principal place of business of the state bank is located." *See* Iowa Code § 524.1202 (2001).

8. *See* H.F. 222, 79th Gen. Assem., 1st Sess. (Ia. 2001).

9. The subsidiary banks of Independence and Fairbank received the following ratings at their most recent examinations for CRA performance by their primary federal supervisor: Northeast Security Bank received an "outstanding" rating from the FDIC, as of July 1, 1997; Security State Bank received a "satisfactory" rating from the FDIC, as of June 1, 1997; and Bank received a "satisfactory" rating from the FDIC, as of October 1, 1999.

is specifically conditioned on compliance by Independence with all the commitments made in connection with the proposal. For the purpose of this action, the commitments and conditions relied on by the Board in reaching its decision are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of Bank shall 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 Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 2001.

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

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

Orders Issued Under Sections 3 and 4 of the Bank Holding Company Act

Wells Fargo & Company
San Francisco, California

Order Approving the Acquisition of Bank Holding Companies Banks and a Nonbanking Subsidiary

Wells Fargo & Company ("Wells Fargo"), a financial 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 Texas Financial Bancorporation, Inc., Minneapolis, Minnesota ("Texas Financial"), and thereby acquire control of certain subsidiary banks of Texas Financial;[1] and to acquire from Marquette Bancshares, Inc., Minneapolis, Minnesota ("Marquette"), all the voting shares of certain subsidiary banks of Marquette, including Marquette's lead bank, Marquette Bank, National Association, Rogers, Minnesota ("Marquette Bank").[2] Wells Fargo also has requested the Board's approval under sections 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. §§ 1843(c)(8) and 1843(j)) to acquire Marquette Financial Group, Inc., Minneapolis, Minnesota ("Marquette Financial"), a nonbanking subsidiary of Marquette that engages in investment advisory and securities brokerage activities.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 54,011 (2001)). The time for filing comments has expired, and the Board has considered the proposal and all comments received during the comment period in light of all the factors set forth in sections 3 and 4 of the BHC Act.[3]

Wells Fargo, with total consolidated assets of $298.1 billion, is the fifth largest commercial banking organization in the United States, controlling approximately 4 percent of total banking assets of insured commercial banks in the United States ("total U.S. banking assets").[4] Wells Fargo operates subsidiary banks in Alaska, Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming. Wells Fargo is the fourth largest commercial banking organization in Texas, controlling deposits of $17.5 billion, representing approximately 7.2 percent of total deposits in insured depository institutions in the state ("state deposits").[5] Wells Fargo is the largest commercial banking organization in Minnesota, controlling deposits of $21.8 billion, representing approximately 28.8 percent of state deposits.

Texas Financial has total consolidated assets of $2.9 billion and operates subsidiary depository institutions in Texas, Illinois, and New Mexico. Texas Financial is the twelfth largest commercial banking organization in Texas, controlling deposits of $2.1 billion, representing less than 1 percent of state deposits.

Marquette has consolidated assets of $3.2 billion and operates subsidiary depository institutions in Minnesota, California, Illinois, Iowa, Nebraska, South Dakota, and Wisconsin. Marquette is the fifth largest commercial banking organization in Minnesota, controlling deposits of $1.4 billion, representing 1.9 percent of state deposits.

On consummation of the proposal and after accounting for the proposed divestitures discussed in this order, Wells

1. The subsidiary banks of Texas Financial that Wells Fargo proposes to acquire (collectively, the "Texas Financial Banks") are First State Bank of Texas, Denton, and the First National Bank of Texas, Decatur, both in Texas; Bank of Santa Fe, Santa Fe, New Mexico; and Marquette Bank of Monmouth, Monmouth, Illinois. Wells Fargo does not propose to acquire Texas Financial's other two subsidiary banks, Community Bank of Arizona, Wickenburg, Arizona, and Mercantile National Bank, Los Angeles, California. As part of this transaction, Wells Fargo also proposes to acquire Delaware Financial, Inc., Wilmington, Delaware, an intermediate holding company subsidiary. On consummation of the proposal, Texas Financial and Delaware Financial would be wholly owned subsidiaries of Wells Fargo.

2. The other subsidiary banks of Marquette to be acquired by Wells Fargo (collectively, the "Marquette Banks") are Marquette Bank of Morrison, Morrison, Illinois; Marquette Capital Bank, N.A., Wayzata, Minnesota; Meridian Capital Bank, Milwaukee, Wisconsin; and The First National Bank & Trust Co. of Baraboo, Baraboo, Wisconsin. Wells Fargo would not acquire Marquette Bank of Illinois, Galesburg, Illinois; Marquette Bank of Nebraska, O'Neill, Nebraska; or Business First National Bank, Santa Barbara, California, all subsidiary banks of Marquette.

3. Thirty commenters opposed and/or expressed concerns about the proposed transactions, generally citing potential anticompetitive effects of the proposal or the effects of the proposal on the convenience and needs of the affected communities.

4. Asset and national ranking data are as of September 30, 2001.

5. Asset, deposit, and state ranking data are as of June 30, 2001. In this context, depository institutions include commercial banks, savings banks, and savings associations.

Fargo would remain the fifth largest commercial banking organization in the United States, with total consolidated assets of $304.2 billion, representing approximately 4 percent of total U.S. banking assets. Wells Fargo would remain the fourth largest commercial banking organization in Texas, controlling deposits of $19.6 billion representing approximately 8 percent of state deposits. Wells Fargo would remain the largest commercial banking organization in Minnesota, controlling deposits of $23.2 billion, representing approximately 30.7 percent of state deposits.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank in a state other than the home state of the bank holding company if certain conditions are met.[6] For purposes of the BHC Act, the home state of Wells Fargo is Minnesota, and the Texas Financial Banks and Marquette Banks are located in Illinois, Iowa, Minnesota, New Mexico, South Dakota, Texas, and Wisconsin.[7] The Board has reviewed the interstate banking laws of each state in which Wells Fargo would acquire banking operations and consulted with the appropriate banking regulator in each of those states regarding the permissibility of the proposed transaction under applicable state law.

All the conditions for an interstate acquisition enumerated in section 3(d) of the BHC Act are met in this case. Wells Fargo is adequately capitalized and adequately managed, as defined by applicable law.[8] In addition, the Texas Financial Banks and Marquette Banks have been in existence for the minimum period of time required by applicable law.[9] On consummation of the proposal and after accounting for the proposed divestitures, Wells Fargo and its affiliates would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States and less than 30 percent, or the applicable percentage established by state law, of total deposits in every state except Wells Fargo's home state of Minnesota.[10] All other requirements of section 3(d) would be met on consummation of the proposal. Accordingly, based on all the facts of record, the Board is permitted to approve the proposed transaction under section 3(d) of the BHC Act.

6. *See* 12 U.S.C. § 1842(d). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on the later of July 1, 1966, or the date on which the company became a bank holding company. 12 U.S.C. § 1841(o)(4)(C).

7. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered, headquartered, or operates a branch.

8. *See* 12 U.S.C. § 1842(d)(1)(A).

9. *See* 12 U.S.C. § 1842(d)(1)(B).

10. *See* 12 U.S.C. § 1842(d)(2).

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking 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.[11]

Wells Fargo competes directly with the Texas Financial Banks and the Marquette Banks in twenty local banking markets primarily in six states.[12] The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of comments received and all the facts of record.[13] In particular, the Board has considered the number of competitors that would remain in the market, the relative share of total deposits in depository institutions controlled by Wells Fargo and the relevant subsidiary banks of Texas Financial or Marquette in the markets ("market deposits"),[14] the concentration level of market deposits and the increase in this level as measured by the Herfindahl–Hirschman Index ("HHI") under the Department of Justice Guidelines ("DOJ Guidelines"),[15] and other characteristics of the markets.

A. Banking Markets With Divestitures

To reduce the potential for adverse effects on competition in four of the twenty banking markets in which Wells Fargo and the Texas Financial Bank or Marquette Banks compete directly, Wells Fargo has committed to divest nine

11. 12 U.S.C. § 1842(c)(1).

12. These markets are described in Appendix A.

13. Nine commenters expressed concern that the proposal would have anticompetitive effects in certain banking markets.

14. Deposit and market share data are as of June 30, 2000, and are based on calculations in which the deposits of thrift institutions, which include savings banks and savings associations, are weighted at 50 percent, unless otherwise noted. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See, e.g., Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50-percent weighted basis. *See, e.g., First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

15. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (1984), a market is considered unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

branches, which account for approximately \$304 million in deposits.[16] In light of the proposed divestitures, consummation of the proposal would be consistent with Board precedent and the DOJ Guidelines in these banking markets. In addition, numerous competitors would remain in each of these banking markets.[17]

B. Banking Markets Without Divestitures

Consummation of the proposal without divestitures would be consistent with Board precedent and the DOJ guidelines in twelve of the banking markets.[18] After consummation of the proposal, two of these banking markets would remain unconcentrated, two markets would become moderately concentrated, and seven markets would remain moderately concentrated as measured by the HHI.[19] The Minneapolis-St. Paul banking market, which is discussed below, would be highly concentrated as measured by the HHI, but the increase in the HHI would be within the thresholds levels established by the DOJ Guidelines and Board precedent.

In the four remaining banking markets, consummation of the proposed acquisition would exceed the DOJ Guidelines. These banking markets are Cedar Rapids, Iowa; Santa Fe, New Mexico; and Washington County and Victoria, both in Texas. In each of these markets, the Board has considered whether other factors either mitigate the competitive effects of the proposal in the market or indicate that the proposal would have a significantly adverse effect on competition in the market.[20]

Minneapolis - St. Paul. Although the proposal would not exceed the thresholds in the DOJ Guidelines, the Board previously has recognized the unique structure of the Minneapolis-St. Paul banking market and has indicated that mergers involving one of the two largest depository institutions in the market warrant careful review because of the size of these institutions relative to other market competitors.[21] In the Minneapolis-St. Paul banking market, Wells Fargo is the second largest competitor, controlling deposits of \$13 billion, representing approximately 29.6 percent of market deposits.[22] Marquette is the fifth largest competitor in the market, controlling deposits of approximately \$964 million, representing 2.2 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of approximately \$14 billion, representing approximately 31.8 percent of market deposits. The HHI would increase by 129 points to 2310 and, therefore, would not exceed the thresholds in the DOJ Guidelines in the Minneapolis-St. Paul banking market.[23]

In this case, the Board believes that a number of factors indicate that consummation of the proposed merger is not likely to have a significantly adverse effect on competition in the Minneapolis-St. Paul banking market. As a result of the proposed acquisition, the combined relative strength of the two largest competitors in the Minneapolis-St. Paul banking market would not increase significantly.[24] In addi-

16. These banking markets are Chamberlain, Huron, and Watertown, South Dakota; and Rochester, Minnesota. The effects of the proposal on the concentration of banking resources in these markets are described in Appendix B.

The Board has considered several comments that expressed concern over potential anticompetitive effects of the proposal and asserted that the city of Chamberlain should not be considered part of the currently designated Mitchell, South Dakota, banking market. In reviewing Chamberlain's inclusion in the Mitchell market, the Board has considered worker commuting patterns (as indicated by census data), shopping patterns and other indicia of economic integration, relevant banking data, information provided by local chambers of commerce, and the results of a telephone survey of households and small businesses in the Chamberlain area. Based on all the facts of record, the Board concludes that the appropriate market for analyzing the competitive effects of the proposal is a newly designated Chamberlain, South Dakota, banking market ("Chamberlain banking market"), defined as Brule and Buffalo Counties and the eastern half of Lyman County, including the communities of Kennebec and Lower Brule, all in South Dakota.

17. With respect to each market in which Wells Fargo has committed to divest offices to mitigate the anticompetitive effects of the proposal, Wells Fargo has committed to execute, before consummation of the proposal, a sale agreement for the proposed divestiture with a purchaser determined by the Board to be competitively suitable and to complete the divestiture within 180 days after consummation of the proposal. Wells Fargo also has committed that, if it is unsuccessful in completing any divestiture within 180 days of consummation, it will transfer the unsold branch(es) to an independent trustee that is acceptable to the Board and will instruct the trustee to sell the branch(es) promptly to one or more alternative purchasers acceptable to the Board. *See BankAmerica Corporation,* 78 *Federal Reserve Bulletin* 338 (1992); *United New Mexico Financial Corporation,* 77 *Federal Reserve Bulletin* 484 (1991).

18. These markets are Hutchinson, Litchfield, Minneapolis-St. Paul, and Red Wing, Minnesota; Aberdeen, Sioux Falls, and Yankton, South Dakota; Austin, Dallas, Forth Worth, and Houston, Texas; and Milwaukee, Wisconsin. The effects of the proposal on the concentration of banking resources in these markets are described in Appendix C.

19. The unconcentrated banking markets are Sioux Falls, South Dakota, and Houston, Texas. The banking markets that would become moderately concentrated are Litchfield, Minnesota, and Fort Worth, Texas, and the banking markets that would remain moderately concentrated are Hutchinson, and Red Wing, Minnesota; Aberdeen and Yankton, South Dakota; Austin and Dallas, Texas; and Milwaukee, Wisconsin.

20. The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the level and size of the increase in market concentration. *See NationsBank Corporation,* 84 *Federal Reserve Bulletin* 129 (1998).

21. *See Firstar Corporation,* 87 *Federal Reserve Bulletin* 236 (2001) ("*Firstar*"); *see also, Norwest Corporation,* 82 *Federal Reserve Bulletin* 580 (1996); *First Bank System, Inc.,* 79 *Federal Reserve Bulletin* 50 (1993). U.S. Bancorp is the largest competitor in the market, controlling deposits of approximately \$15.6 billion, representing 35.2 percent of market deposits.

22. Deposit data are as of June 30, 2000, and have been adjusted to reflect subsequent mergers and acquisitions.

23. A commenter expressed concerns about the potential anticompetitive effects of the proposal in the Minneapolis-St. Paul banking market.

24. The combined market share percentage of U.S. Bancorp and Wells Fargo, the two largest competitors, would increase from 64.8 percent to 67 percent. As previously noted, the HHI in the Minneapolis-St. Paul market would increase by 129 points to 2310 on consummation. In *Firstar,* the Board approved a proposal by Firstar to acquire U.S. Bancorp, which increased the HHI in the Minneapolis-St. Paul market by 187 points to 2308 and resulted in a combined

tion, the record of *de novo* entry into this banking market in the last five years has been unprecedented when compared with other banking markets nationwide and confirms the attractiveness of the Minneapolis-St. Paul banking market to new entry. Since 1996, 39 depository institutions have entered the market, including 23 *de novo* banks and 16 banks headquartered outside the market that have established branches in the market. Another bank has been granted a charter in the market, but has not begun operations.

Other factors indicate that the Minneapolis-St. Paul banking market remains attractive for entry.[25] From 1990 to 2000, the average increase in population for the Minneapolis-St. Paul Metropolitan Statistical Area ("MSA") exceeded that of the State of Minnesota and the national average.[26] In addition, for each year during the same period, the unemployment rate in the Minneapolis-St. Paul MSA was lower than that of Minnesota and the national average. Moreover, for the one-year period ending June 30, 1999, the percentage increase in deposits in the Minneapolis-St. Paul MSA was more than three times that of other MSAs in Minnesota and more than four times that of the national average.[27]

Based on all the facts of record and for the reasons discussed above, the Board believes that competitive considerations in the Minneapolis-St. Paul banking market are consistent with approval in this case. However, the Board continues to have concerns about the structure of the Minneapolis-St. Paul banking market and believes that future mergers involving either of the two largest competitors in that banking market would warrant special consideration. The Board intends to scrutinize carefully any future acquisition proposal that would increase the market share of one of the two largest competitors in the Minneapolis-St. Paul banking market.

Cedar Rapids, Iowa. Wells Fargo operates the largest depository institution in the Cedar Rapids banking market, controlling deposits of $537 million, representing approximately 25.1 percent of market deposits. Marquette Bank is the fourth largest depository institution operating in the market, controlling deposits of $147.4 million, representing approximately 6.9 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the largest depository institution in the market, controlling deposits of approximately $684.5 million, representing 32 percent of market deposits. The HHI would increase by 346 points to 1835.

Several factors indicate that this increase in market concentration in the Cedar Rapids banking market as measured by the HHI does not reflect a significantly adverse effect on competition in the market. One thrift institution operating in the market serves as a significant source of commercial loans and provides a broad range of consumer, mortgage, and other banking products. Competition from this thrift institution closely approximates competition from a commercial bank. Accordingly, the Board has concluded that deposits controlled by the institution should be weighted at 100 percent in market share calculations.[28] Accounting for the revised weighting of these deposits, Wells Fargo would control 31.8 percent of market deposits and the HHI would increase by 343 points to 1817 on consummation of the proposal.

The presence and competitive strength of other bank competitors also is an important factor in this market. After consummation of the proposal, 21 depository institutions besides Wells Fargo would compete in the market, including one large multistate banking organization. The second largest competitor in the banking market would control more than 22 percent of market deposits, and another commercial banking organization would control more than 12 percent.

The significant number of recent entries into the Cedar Rapids banking market confirm that the market is attractive for entry. Since 1996, six depository institutions have entered the market *de novo*, including two in 2001.

The Board also has considered that the market has a large and active credit union and six smaller credit unions that each offer a full range of retail banking products. These credit unions have street-level branches similar to those of local banks and thrifts, and their memberships are open to all in market residents.[29]

Santa Fe, New Mexico. Wells Fargo operates the third largest depository institution in the market, controlling deposits of $151.8 million, representing approximately 14.6 percent of market deposits. Texas Financial operates the fourth largest depository institution in the market, controlling deposits of $120.1 million, representing approximately 11.6 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the largest depository institution in the market, controlling deposits of approximately $271.9 million, representing approximately 26.2 percent of market deposits. The HHI would increase by 338 points to 1832.

Certain factors indicate that the increase in concentration in the Santa Fe banking market as measured by the HHI

market share of 67 percent for Firstar and Wells Fargo. Since consummation of the *Firstar* transaction, the combined market share of the two largest competitors in the market has decreased.

25. *See Firstar,* at 237.

26. The population of the Minneapolis-St. Paul MSA increased by 13.4 percent, compared with an increase of 9.7 percent for the State of Minnesota and 10.9 percent for the entire United States.

27. Deposits in the Minneapolis-St. Paul MSA increased by 16.9 percent, compared with an increase of 2 percent in the Duluth-Superior MSA, 3.3 percent in the St. Cloud MSA, and 5 percent in the Rochester MSA, all in Minnesota. Deposits nationwide increased by 3.4 percent.

28. The Board previously has indicated that it may consider the competitiveness of a thrift institution at a level greater than 50 percent of the savings association's deposits, if appropriate. *See, e.g., Banknorth Group, Inc.,* 75 *Federal Reserve Bulletin* 703 (1989). The thrift in this case has a 16-percent ratio of commercial and industrial loans to assets, which is equivalent to the national average for all commercial banks. *See First Union Corporation,* 84 *Federal Reserve Bulletin* 489 (1998).

29. If the Board were to include the deposits of the seven credit unions at 50 percent, the HHI would increase by 288 points to 1555 as a result of this transaction.

does not reflect a significantly adverse effect on competition. In particular, one thrift institution operating in the market is actively involved in providing a broad range of banking products, including commercial loans. Based on the facts of record in this case, the Board has concluded that deposits controlled by this institution should be weighted at 100 percent in market share calculations.[30] Accounting for the revised weighting of these deposits, Wells Fargo would control 24 percent of market deposits and the HHI would increase 282 points to 1750, which is within the DOJ Guidelines. After consummation of this proposal, a significant number of depository institutions besides Wells Fargo would compete in the Santa Fe banking market.[31]

Washington County, Texas. Wells Fargo operates the third largest depository institution in the market, controlling deposits of $77.9 million, representing approximately 15.7 percent of market deposits. Texas Financial operates the fourth largest depository institution in the market, controlling deposits of $55 million, representing approximately 11.1 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the largest depository institution in the market, controlling deposits of approximately $133 million, representing approximately 26.7 percent of market deposits. The HHI would increase by 347 points to 1961.

Several factors indicate that the increase in concentration in the Washington County banking market as measured by the HHI does not reflect a significantly adverse effect on competition. In particular, two thrift institutions operating in the market are actively involved in providing a broad range of banking products, including commercial loans. Based on the facts of record in this case, the Board has concluded that deposits controlled by these institutions should be weighted at 100 percent in market share calculations.[32] Accounting for the revised weighting of these deposits, Wells Fargo would control 23 percent of market deposits and the HHI would increase 257 points to 1759, which is within the DOJ Guidelines. After consummation of this proposal, a significant number of depository institutions besides Wells Fargo would compete in the Washington County banking market.[33]

Victoria, Texas. Wells Fargo operates the second largest depository institution in the market, controlling deposits of $246.7 million, representing approximately 25.3 percent of market deposits. Texas Financial operates the fifth largest depository institution in the market, controlling deposits of $56.8 million, representing approximately 5.8 percent of market deposits. On consummation of the proposal, Wells Fargo would remain the second largest depository in the market, controlling deposits of approximately $303.5 million, representing approximately 31.1 percent of market deposits. The HHI would increase 294 points to 2962.

Several factors indicate that the increase in concentration in the Victoria banking market as measured by the HHI does not reflect a significantly adverse effect on competition. Two thrift institutions operating in the market offer a full range of banking products and services, including commercial loans. Based on a review of their activities, the Board has concluded that deposits controlled by these two institutions should be weighted at 100 percent in market share calculations.[34] Accounting for the revised weighting of these deposits, Wells Fargo would control approximately 28.3 percent of market deposits and the HHI would increase 242 points to 2580.

After consummation of this proposal, nine depository institutions besides Wells Fargo would compete in the market, including a large multistate banking organization. The largest competitor in the banking market would control more than 38.6 percent of market deposits, and two other competitors would each control more than 10 percent.

The attractiveness of the Victoria banking market has been confirmed by the entry since 1998 of three depository institutions through *de novo* branching. Other factors indicate that the Victoria banking market is attractive for entry. For example, from 1990 to 2000, the percentage increase in employment in the Victoria MSA exceeded the average percentage increase for all Texas MSAs and the percentage increase statewide.[35] Moreover, in 2000, deposits per banking office and deposits per capita for the Victoria MSA

30. The thrift institution is the largest thrift operating in the Santa Fe banking market and has a 15-percent ratio of commercial and industrial loans to assets which compares favorably with the 16-percent average ratio of commercial and industrial loans to assets for commercial banks nationwide.

31. On consummation of the proposal, eight depository institutions besides Wells Fargo would compete in the Santa Fe banking market, including a large multistate banking organization. The second largest competitor in the banking market would control more than 20.8 percent and two other competitors would each control more than 17 percent of market deposits. Two of the five other remaining commercial banking organizations would each control more than 8 percent of market deposits.

32. One of the thrifts is the largest thrift in the market and has a 14-percent ratio of commercial and industrial loans to assets. The other thrift has exhibited rapid growth in this ratio and has greatly expanded its commercial lending business.

33. On consummation of the proposal, seven depository institutions besides Wells Fargo would compete in the market, including a large multistate banking organization. The second largest competitor in the banking market would control approximately 20.3 percent and three other competitors would each control more than 10 percent of market deposits.

34. One of the institutions is the largest thrift in the market and has a 13-percent ratio of commercial and industrial loans to assets. The other thrift has aggressively pursued its commercial lending business in the last year, quadrupling to 4 percent its ratio of commercial and industrial loans to assets. The Board has given 100 percent weight to this thrift's deposits in a recent proposal. *Texas Regional Bancshares, Inc.*, 85 *Federal Reserve Bulletin* 683, 684 (1999).

35. From 1990 to 2000, employment in the Victoria MSA increased approximately 20.2 percent compared with an average of 18.8 percent for all Texas MSAs.

exceeded the average for all Texas MSAs and for the entire state.[36]

C. Views of Other Agencies and Conclusion

The Department of Justice also has conducted a detailed review of the anticipated competitive effects of the proposal. The Department has advised the Board that, in light of the proposed divestitures, the Department believes that consummation of the proposal is not likely to have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC") have been afforded an opportunity to comment and have not objected to consummation of the proposal.

After carefully reviewing all the facts of record, including public comments on the competitive factors, and for reasons discussed in this order, the Board has concluded 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 of the twenty banking markets in which Wells Fargo and the Texas Financial Banks or Marquette Banks compete directly or in any other relevant banking market. Accordingly, based on all the facts of record and subject to completion of the proposed divestitures, the Board has determined that competitive factors are consistent with approval of the proposal.

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 to take into account the records of the relevant insured depository institutions under the Community Reinvestment Act ("CRA").[37] 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 financial 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 expansionary proposals. The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Wells Fargo, Texas Financial, and Marquette in light of all the facts of record, including public comments received on the effect the proposal would have on the communities to be served by the organizations resulting from this proposal.

Two community groups submitted comments opposing the proposal and expressing concerns about the record of Wells Fargo in meeting the convenience and needs of the communities it serves. One of the commenters criticized Wells Fargo's record of home mortgage lending to LMI and minority borrowers and in LMI and predominantly minority communities in the Minneapolis-St. Paul MSA. This commenter also expressed concerns that the proposal would result in the loss of Marquette Bank's community development programs in this metropolitan area.[38] Based on data submitted under the Home Mortgage Disclosure Act ("HMDA"),[39] the two commenters also alleged that Wells Fargo engaged in disparate treatment of minority applicants in certain markets with respect to home mortgage loans. In addition, one of the commenters expressed concern about the potential closure of branches and fourteen commenters expressed concern about the loss of a particular branch of Marquette Bank in an LMI neighborhood of Minneapolis.[40]

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 CRA performance records 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, onsite evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.[41]

All the subsidiary banks of Wells Fargo received either "outstanding" or "satisfactory" ratings at their most recent CRA performance evaluations.[42] In particular, Wells Fargo's lead bank, Wells Fargo Bank, N.A., San Francisco, California ("WF Bank"), which accounts for approximately 43 percent of the total consolidated assets of Wells

36. In 2000, deposits per banking office and deposits per capita for the Victoria MSA totaled $71 million and $10,127, respectively, compared with an average of $53 million and $8,479, respectively, for all MSAs in Texas and $49 million and $8,705, respectively, for the entire state.

37. 12 U.S.C. § 2901 *et seq.*

38. In addition, the commenter also alleged that Wells Fargo has committed a smaller percentage of its resources to community development lending than other lenders in the Minneapolis-St. Paul MSA.

39. 12 U.S.C. § 2801 *et seq.*

40. Twenty commenters also expressed general concern about the loss of Marquette's subsidiary banks in Minneapolis and Chamberlain. Several of these commenters also expressed concern that the proposal might result in the loss of jobs in Chamberlain. The factors that the Board can consider when reviewing an application or notice are limited by applicable law. The effect of a proposed transaction on employment in a community is not among the factors included in the acts administered by the Board. Moreover, the convenience and needs factor has been consistently interpreted by the federal financial supervisory agencies, the courts, and Congress to relate to the effects of a proposal on the availability and quality of banking services in the community. *See Wells Fargo & Company*, 82 *Federal Reserve Bulletin* 455, 457 (1996).

41. *See Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 and 36,639 (2001).

42. *See* Appendix D for the CRA ratings of the subsidiary banks of Wells Fargo.

Fargo, received an "outstanding" rating at its most recent CRA performance evaluation by the OCC, as of June 8, 1998. In addition, Wells Fargo Bank Minnesota, National Association, Minneapolis, Minnesota ("WFB-MN"), received an "outstanding" rating at its most recent CRA performance examination by the OCC, as of October 17, 1996.[43] WF Bank and WFB-MN represent 58 percent of Wells Fargo's total consolidated assets. Each of the subsidiary banks of Texas Financial and Marquette to be acquired by Wells Fargo also received either "outstanding" or "satisfactory" ratings at their most recent CRA performance examinations.[44] Examiners found no evidence of prohibited discrimination or other illegal credit practices at any of the insured depository institutions involved in this proposal and found no violations of the substantive provisions of the fair lending laws.

The Board has carefully reviewed the most recent CRA performance examinations of each of the subsidiary banks of Wells Fargo, including those in Minnesota, Texas, New Mexico, Iowa, and Wisconsin, where the banks Wells Fargo proposes to acquire are located. In addition, the Board has consulted with the OCC and has considered confidential supervisory information on the CRA performance and fair lending records of Wells Fargo's subsidiary banks since their last CRA performance examinations. The Board has considered the policies, practices, and data and confidential supervisory information on the fair lending record of Wells Fargo's affiliates, including its primary mortgage affiliate, Wells Fargo Home Mortgage, Inc., Des Moines, Iowa ("WFHM"). WFHM is a wholly owned subsidiary of WFB-MN.

B. CRA Performance Record of Wells Fargo

In light of the relative size of WF Bank in Wells Fargo's banking organization and the comments expressing concerns about the CRA performance of WFB-MN in Minneapolis, the discussion of Wells Fargo's CRA performance record below focuses on these two banks. In addition to CRA evaluation reports, the Board has reviewed substantial information submitted by Wells Fargo concerning the CRA performance of WF Bank and WFB-MN since their last performance evaluations.

Wells Fargo stated that the banks to be acquired would adopt Wells Fargo's community banking approach in evaluating and addressing credit needs and implementing their CRA-related activities. Wells Fargo explained that this approach recognizes local decisionmaking and outreach to all segments of its subsidiary banks' communities, including LMI neighborhoods. In addition, Wells Fargo stated that it intends to continue to offer many of the lending and community development products and programs of the Texas Financial Banks and Marquette Banks or offer a comparable product or program of Wells Fargo to ensure that community banking needs are met in a manner consistent with safe and sound lending, market demand, and local community credit needs.

WF Bank. WF Bank received an examination rating of "outstanding" under the lending test in its most recent CRA performance evaluation. Examiners reported that WF Bank's lending record during the review period demonstrated good penetration in LMI communities and among LMI borrowers in its assessment areas.[45] In the aggregate, the bank made 25 percent by number and 27 percent by dollar volume amount of its residential mortgage, small business, and community development loans in LMI census tracts. WF Bank originated 36 percent of all its residential mortgage loans, totaling $240 million, to LMI borrowers.

Examiners noted that WF Bank had adopted a business strategy that concentrated on small business lending and de-emphasized residential lending.[46] Since the last CRA performance evaluation, Wells Fargo has increased its residential mortgage lending activity overall in WF Bank's assessment areas. For example, in 1998 Wells Fargo's home mortgage lending in California totaled approximately $5.2 billion and, by 2000, this amount had increased to more than $11 billion.[47]

Through its mortgage subsidiary, WFHM, WF Bank currently offers a number of affordable mortgage loan products designed to assist LMI borrowers and communities throughout its assessment areas, including loans guaranteed or sponsored by government agencies or government-sponsored enterprises, loans sponsored by various state or local government agencies, and some proprietary loan products.[48] Wells Fargo stated that, during 1999 through the third quarter of 2001, WFHM's funding of such loan products and programs in California totaled approximately $1.6 billion. Wells Fargo also stated that, during this time period, its total home purchase lending to LMI individuals and in LMI census tracts in California totaled more than $2.7 billion and $2.5 billion, respectively.

Examiners particularly commended the small business lending record of WF Bank and noted that its innovative

43. Norwest Bank Minnesota, National Association, Minneapolis, Minnesota, was renamed "Wells Fargo Bank of Minnesota, National Association" on July 8, 2000, after the merger of Wells Fargo and Norwest Corporation, all in Minneapolis.

44. *See* Appendix E for the CRA ratings for the Texas Financial Banks and Marquette Banks.

45. The review period for WF Bank's CRA evaluation was January 1, 1996, through March 31, 1998. During the review period, WF Bank's assessment areas included Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, the Las Vegas-Mohave Multistate MSA, and the Portland-Vancouver Multistate MSA. Since this last CRA performance evaluation, Wells Fargo generally has reorganized its subsidiary banks into separate statewide charters, resulting in assessment areas for WF Bank that currently include California and several MSAs outside California.

46. During the review period, the bank's residential lending in California decreased by $2.2 billion, while its small business lending in the state increased by $2.7 billion.

47. This summary of recent home mortgage lending volume is based on data provided by Wells Fargo.

48. WFHM (formerly Norwest Mortgage, Inc.) offers housing-related loan products and programs through the retail network of all Wells Fargo's subsidiary banks.

underwriting of small business loans enabled the bank to penetrate most segments of the small business community in its assessment areas. Examiners commended WF Bank for developing new loan products, including a low-documentation small business loan, and marketing programs focused on underserved groups of small business customers, including small businesses owned by women and minorities. During the review period, WF Bank originated small business loans totaling $9.3 billion, of which 92 percent were in amounts less than $100,000 and 26 percent were made to businesses in LMI census tracts.[49]

Since the last CRA performance evaluation, Wells Fargo has continued its high level of small business lending. Wells Fargo stated that WF Bank made small business loans totaling more than $2.5 billion to businesses in LMI census tracts in California during 1998 through the third quarter of 2001. This represented approximately 30 percent of the bank's total dollar amount of small business loans in the state during this time period.

Examiners commended WF Bank for its excellent level of community development lending during the review period, noting that the bank provided community development loans totaling $651 million in its assessment area. In California, WF Bank originated approximately 100 community development loans, totaling $469 million, including 64 loans to affordable housing projects to build more than 4,300 LMI housing units.

WF Bank has maintained a high level of community development lending since its most recent CRA evaluation. Wells Fargo stated that it made community development loans totaling almost $1.3 billion in California during 1998 through the third quarter of 2001.

WF Bank received an "outstanding" rating for investment activities in its last CRA performance evaluation. Examiners noted that, for many community development projects in California, WF Bank was either the first, the largest, or the only investor. WF Bank funded more than 6,500 housing units for LMI households through affordable housing investments. Examiners reported that the bank invested almost $26 million in regional and national organizations addressing affordable housing and small business credit needs in the bank's assessment areas. In addition, WF Bank contributed more than $21 million to government-subsidized programs, nonprofit developers, and social service groups.

Since the last CRA performance evaluation, Wells Fargo has maintained a high level of CRA investment activity. Wells Fargo stated that it currently maintains an $855 million portfolio of CRA-qualified investments and that it made CRA-qualified investments and grants totaling more than $262 million in California during 1998 through the third quarter of 2001.[50]

WF Bank received a rating of "high satisfactory" for its retail banking services in its last CRA performance evaluation. Examiners stated that WF Bank's service delivery systems were reasonably accessible to individuals of different income levels and often were in popular shopping areas that were accessible by public transportation. In addition, examiners reported that the bank maintained branch hours that were reasonable and convenient to LMI communities and individuals. Examiners also noted that WF Bank maintained alternative delivery systems, including 24-hour telephone banking, internet banking, and banking by mail.

WF Bank has continued to offer products and services such as no-fee checking accounts for individuals, ATM-based international remittance services, and home mortgage loan centers in LMI communities. To increase its banking services in Hispanic communities, Wells Fargo began in 2001 to accept the Mexican government's Matricula Consular Card (the Certificate of Consular Registration) as an acceptable form of primary identification for opening new banking accounts and conducting over-the-counter transactions at its retail branches.[51]

WFB-MN. As noted above, WFB-MN received an "outstanding" rating for CRA performance in its most recent evaluation. Examiners commended WFB-MN for offering and originating a comprehensive array of loan products to meet community credit needs.[52] Examiners reported that the bank and WFHM were the leading originators of HMDA-reportable loans in LMI census tracts and to LMI borrowers in the Minneapolis-St. Paul MSA during the review period.[53] Since the last CRA performance evaluation, WFB-MN has continued a high level of home mortgage lending particularly to LMI borrowers. Wells Fargo stated that, during 1997 through the third quarter of 2001, its home mortgage loans in the Minneapolis-St. Paul MSA totaled more than $20 billion, of which approximately 24 percent were to LMI borrowers.

Examiners particularly noted that WFB-MN offered flexible real estate credit terms and conditions to LMI individuals through its Community Homeownership Program ("CHOP"). During 1994 and 1995, WFB-MN provided purchase money CHOP loans totaling $51 million in the Minneapolis-St. Paul MSA, as well as down payment assistance to 257 applicants.

49. In this context, "small business loans" means loans in amounts less than $1 million. WF Bank also made 33 percent of its small business loans to businesses with gross annual revenues less than $1 million.

50. Wells Fargo has a community development corporation ("CDC") that makes CRA-qualified investments for all Wells Fargo's subsidiary banks. This CDC focuses particularly on affordable housing initiatives. In addition, the Wells Fargo Housing Foundation, which is a division of WFHM, provides contributions to local housing organizations that create affordable housing opportunities for LMI families.

51. The Mexican government issues the Matricula Consular card to Mexican nationals through its consular representatives in local offices throughout the United States.

52. A commenter expressed concern about the loss of Marquette Bank in Minneapolis, alleging that Marquette's record of home mortgage lending to LMI and minority individuals and in LMI and predominantly minority census tracts in the Minneapolis-St. Paul MSA is better than that of Wells Fargo.

53. The review period for this CRA performance evaluation of WFB-MN was 1994 and 1995. The evaluation included the lending of Norwest Mortgage, Inc., the predecessor of WFHM.

In Minnesota, WFB-MN currently offers affordable mortgage loan products through its Community Homeownership Affordable Mortgage Program ("CHAMP") and Neighborhood CHAMP programs, which feature low down payments, a waiver of private mortgage insurance requirements, and flexible underwriting criteria that include liberal consideration of the borrower's employment history and credit experience, and higher total debt-to-income ratios. Wells Fargo stated that, during 2000 through the third quarter of 2001, WFB-MN made loans totaling $49 million in Minnesota through the CHAMP program.

WFB-MN also participates in the Minnesota Housing Finance Agency ("MHFA") Purchase Mortgage Bond Programs that are designed for first-time LMI homebuyers and feature below-market interest rates with conventional or Federal Housing Authority ("FHA") underwriting guidelines, and in MHFA's related Homeowner's Assistance Fund Programs ("HAF") that provide financial assistance to borrowers under the agency's Purchase Mortgage Bond Programs.[54] In addition, WFB-MN participates in the MHFA's Community Fix-Up Fund Program, a home improvement bond program designed for LMI borrowers that offers flexible underwriting criteria such as 100 percent loan-to-value ratios and high debt-to-income ratios.[55] WFB-MN also participates in neighborhood revitalization programs ("NRP") that provide low interest rate loans for improvements on multifamily and single-family residences in LMI neighborhoods in Minneapolis.[56]

Examiners noted that WFHM was the leading originator of government-related home mortgage loans, including through programs sponsored by the FHA, the Department of Veterans Affairs ("VA"), and the Farmers Home Administration.[57] During 1994 and 1995, WFHM originated almost 5,900 such loans, totaling approximately $492 million, in WFB-MN's assessment areas.

Since the last CRA performance evaluation of WFB-MN, WFHM has continued to actively participate in these government-related home mortgage programs. During 1999 and 2000, WFHM originated more than $1 billion in loans sponsored by FHA, VA, and other government agencies in the Minneapolis-St. Paul MSA, of which more than 50 percent were made to LMI borrowers.

Examiners also commended WFB-MN for its small business lending performance, particularly for actively participating in government-related lending programs for small businesses. During 1994 and 1995, WFB-MN made more than $46 million Small Business Administration ("SBA") loans.

Since the last CRA performance evaluation of WFB-MN, Wells Fargo has continued its high level of small business lending in Minnesota. Wells Fargo stated that it originated approximately $2 billion in total small business loans in the Minneapolis-St. Paul MSA during 1997 through the third quarter of 2001. Wells Fargo was the largest SBA lender in both the number and dollar amount of loans in Minnesota during fiscal year 2001.

Examiners commended WFB-MN for actively participating in community development and redevelopment programs and providing leadership, technical expertise, and financial support for community development throughout its assessment area during the review period. Examples of such community development activity included a $3.3 million investment in low-income housing projects and a $1.2 million loan for a senior citizen condominium project in a LMI census tract in Minneapolis.

Since the last CRA performance evaluation of WFB-MN, Wells Fargo has continued a high level of community development lending and investment activity in the Minneapolis-St. Paul MSA and elsewhere in Minnesota. Wells Fargo stated that, during 2000 through the third quarter of 2001, it made community development loans totaling almost $34 million in the Minneapolis-St. Paul MSA and CRA-qualified investments and grants totaling more than $56 million in this MSA and elsewhere in Minnesota.

Examiners reported that WFB-MN's banking offices were readily accessible to all segments of its delineated community. Examiners noted that many branch locations had Spanish-speaking staff, and that other locations had staff fluent in certain Asian and African languages. Examiners indicated that WFB-MN management regularly reviewed service delivery and branch hours to ensure that local needs were met.

C. HMDA Data and Fair Lending Record

The Board also has carefully considered Wells Fargo's lending record in light of comments on HMDA data reported by its subsidiaries.[58] The HMDA data for 1999 and

54. Marquette Bank also participates in various Community Activity Set Aside ("CASA") Programs of the MHFA in Minneapolis and other communities in Minnesota. Wells Fargo stated that it intends to honor any existing CASA Program commitments of Marquette Bank and would continue to participate in any existing CASA and HAF programs in the bank's assessment areas.

55. Wells Fargo stated that it plans to expand its participation in this program to include all Marquette Bank's assessment areas.

56. Wells Fargo stated that it intends to honor the NRP commitments of Marquette Bank, and that it would continue the bank's participation in existing NRPs in its assessment areas.

57. A commenter alleged that Wells Fargo provides minority homebuyers with a disproportionate number of FHA or other government-backed mortgage loans compared with the number of such loans it provides to nonminority homebuyers. The Board notes that such mortgage loan products provide many homebuyers with opportunities for lower lending costs, and that the CRA does not require banks to provide any particular types of loan products or programs to meet the credit needs of their communities. As previously noted, examiners found no evidence of prohibited discrimination or other illegal credit practices at any subsidiary banks of Wells Fargo and found no violation of substantive provisions of the fair lending laws.

58. A commenter alleged that Wells Fargo's 1999 and 2000 HMDA data in 12 MSAs indicated that Wells Fargo disproportionately excluded and denied African-American and Hispanic applicants for home mortgage loans. The commenter noted that Wells Fargo's denial rates for minority applicants were higher than the denial rates for nonminority applicants and that those alleged disparities compared unfavorably with those of the aggregate lenders in the MSAs. Wells Fargo stated that, in each of these MSAs, Wells Fargo had a higher

2000 indicate that the percentage of Wells Fargo's housing-related loans to African-American and Hispanic borrowers and in predominantly minority census tracts generally was comparable with or lagged that of the aggregate of lenders in many of the markets reviewed. In addition, this HMDA data show that Wells Fargo's denial disparity ratios for African-American or Hispanic applicants generally were comparable with or higher than the denial disparity ratios for the aggregate of lenders with respect to the total HMDA-reportable loans in these markets.[59]

Although the HMDA data reflect certain disparities in the rates of loan applications, originations, and denials among members of different racial groups, the data do not indicate that Wells Fargo 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.[60] HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that 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 by the Wells Fargo bank subsidiaries with fair lending laws. Examiners found no evidence of prohibited discrimination or other substantive violations of the fair lending laws at any subsidiary depository institution of Wells Fargo.

The record also indicates that Wells Fargo has taken a number of affirmative steps to ensure compliance with fair lending laws. Each of Wells Fargo's business units, whether those units are separate companies or line-of-business departments in a subsidiary bank or nonbanking subsidiary, develop and maintain comprehensive compliance programs for all laws and regulations applicable to their business, including fair lending compliance programs. The Law Department of Wells Fargo provides oversight for and guidance on these compliance programs, and a corporate fair lending committee comprised of senior manager representatives from Wells Fargo's banking and nonbanking subsidiaries meets regularly to identify and provide guidance on best practices for fair lending compliance throughout the company. Wells Fargo's subsidiary banks and home mortgage lending subsidiaries, including WFHM, provide fair lending training for their employees; conduct self-assessments, audits, and periodic comparative file analyses to verify compliance and consistent underwriting practices; and generally provide second-review programs for credit applications designated for denial.

Moreover, the Board has consulted with the OCC, the primary federal supervisory agency of the Wells Fargo subsidiary banks, concerning the banks' fair lending compliance records since their most recent compliance examinations.[61] The Board also has consulted with the FTC, HUD, and Department of Justice concerning the fair lending records of Wells Fargo's nonbank lending subsidiaries.

In addition, the Board has considered the HMDA data in light of Wells Fargo's overall lending and community development activities, which show that the Wells Fargo subsidiary banks significantly assist in helping to meet the credit needs of their entire communities.[62] The Board be-

approval rate and a lower denial rate for conventional home purchase loans to minorities than that of the aggregate of lenders in the MSAs. Loans made by the aggregate of lenders refers to all HMDA-reportable loans made in a given market by all lenders required to report under HMDA.

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

60. 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.

61. A commenter argued that racial disparities in Wells Fargo's home mortgage lending record is evidenced by a pending lawsuit in a federal court in Texas alleging that WFHM violated the Fair Housing Act by providing an insufficient number of home loans in predominantly African-American communities in Dallas and using of racial classifications and stereotypes on the mortgage company's internet site. WFHM has denied all allegations of the complaint. Wells Fargo stated that the allegedly offensive content was on the internet site of an unaffiliated company that was linked to the WFHM's internet site, and that WFHM has removed the link. Wells Fargo also noted that it has expanded its internal policies and procedures for ensuring that nothing on any internet site associated with a Wells Fargo entity has content that might be considered offensive. The Board has forwarded the comment to the OCC, the primary federal supervisory agency of WF Bank. In addition, the Board has forwarded the comment to the Federal Trade Commission ("FTC"), the Department of Housing and Urban Development ("HUD"), and the Department of Justice, the agencies responsible for enforcing the compliance with fair lending laws of nondepository institutions.

62. Two commenters expressed concern about Wells Fargo's subprime mortgage lending activities, alleging that Wells Fargo engages in subprime mortgage lending without sufficient standards and questioning whether Wells Fargo may be focusing on LMI or minority individuals for subprime loan products. Wells Fargo originates subprime mortgage loans through two business units of WFHM, joint ventures in which WFHM has a direct or indirect ownership interest, Wells Fargo Financial, Inc. ("WFFI") and its subsidiaries, and Island Finance. As previously noted, WFHM is a wholly owned subsidiary of WF Bank. WFFI and Island Finance are nonbanking subsidiaries of Wells Fargo.

The Board notes that subprime lending is a permissible activity that provides needed credit to consumers who have difficulty meeting conventional underwriting criteria. The Board, however, expects bank holding companies and their affiliates to conduct their subprime lending operations without any abusive lending practices. *See Citigroup Inc.*, 87 *Federal Reserve Bulletin* 600 (2001). Wells Fargo has prolieves that, viewed in light of the entire record, the HMDA data indicate that Wells Fargo's record of performance in helping to serve the needs of its communities is consistent with approval of the proposal.[63]

D. Branch Closings

Commenters expressed concern about the effect of possible branch closings that might result from this proposal. Wells Fargo has provided the Board with its branch closing policy, and the Board has considered the public comments about potential branch closings in light of all the facts of record. The Board has considered carefully Wells Fargo's branch closing policy, its record of opening and closing branches, and its preliminary review of potential branch closures after consummation of the proposal. Wells Fargo stated that it has not made final decisions on any branches that might be closed as a result of the proposed transaction. The Board has forwarded to Wells Fargo the comments expressing concern about the possible closure of branches, including a branch in an LMI community in Minneapolis.

Wells Fargo stated that its policy on branch closures, consolidations, and relocations will apply to any such actions at the subsidiary banks of Wells Fargo, Texas Financial, and Marquette after consummation of the proposal. In addition, Wells Fargo stated that any decisions to close or consolidate branches will be made in accordance with the interagency policy statement on branch closings and will be attentive to the need for financial services in LMI communities to be served by the combined organization.[64]

The most recent CRA examinations of Wells Fargo's subsidiary banks indicated that the banks had satisfactory records of opening and closing branches. In addition, the Board consulted with the OCC concerning the banks' records of opening and closing branches since their last CRA performance examinations.

The Board expects that the subsidiary banks of Wells Fargo will continue to use a satisfactory branch closing policy for any branch closings that might result from the proposed transaction. The Board also has considered that federal banking law provides a specific mechanism for addressing branch closings. Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisory agency before closing a branch.[65] The Board also notes that the appropriate federal supervisor for each of Wells Fargo's subsidiary banks will, in the course of conducting CRA performance examinations, continue to review the branch closing record of these banks.

E. Conclusion on Convenience and Needs Considerations

In reviewing the effect 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 commenters and Wells Fargo; evaluations of the performance of the subsidiary banks of Wells Fargo, Texas Financial, and Marquette under the CRA; and confidential supervisory information.[66] Based on all the facts of record and for reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant depository institutions, are consistent with approval.

vided information about the policies and procedures of its subprime lenders to help ensure compliance with fair lending and other consumer protection laws and regulations. In addition, Wells Fargo has provided information about steps that WFHM and WFFI and its subsidiaries take to ensure that applicants who qualify for conventional loans are given the opportunity to apply for prime credit products. The Board has forwarded the comments to the OCC, the primary federal supervisory agency of WF Bank, and to the FTC, HUD, and the Department of Justice. The Board also has consulted with these agencies.

63. Two commenters also expressed concern about Wells Fargo's indirect support of unaffiliated subprime lenders. Wells Fargo and its affiliates have provided lending warehouse credit facilities and commercial loans to unaffiliated subprime lenders and acted as custodian, servicer, and trustee for securitized assets, warehouse lines of credit, and whole loans issued or originated by subprime lenders.

The Board has considered all the facts of record, including the relationships of Wells Fargo and its affiliates with unaffiliated subprime lenders. Wells Fargo stated that neither it nor its affiliates participate or play any role in the lending practices or credit review processes of the unaffiliated subprime lenders. Wells Fargo also noted that it requires the unaffiliated subprime lender or issuer to represent and warrant in an agreement that such unaffiliated entity has complied and will comply with all applicable laws in the conduct of its operations.

64. Joint Policy Statement Regarding Branch Closings (64 *Federal Register* 34,844 (1999).

65. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings, requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closing, consistent with the institution's written policy for branch closings.

66. A commenter also expressed concern that Wells Fargo offers payday advance programs to its customers and provides credit facilities to unaffiliated entities engaged in payday lending and check cashing activities. Wells Fargo stated that Wells Fargo Bank Nevada, National Association, Las Vegas, Nevada ("WFB Nevada"), provides an open-end credit product to its checking account customers who have monthly direct deposits into their accounts. Under this product, customers may obtain an advance on their directly deposited monthly income, subject to certain limitations, other terms, and disclosures. In addition, Wells Fargo noted that it has provided credit facilities to unaffiliated entities whose activities include payday lending. Wells Fargo stated that it does not participate in the lending practices or credit review processes of these unaffiliated entities, but customarily requires them to represent and warrant in an agreement that they have complied and will continue to comply with all applicable laws in the conduct of their business. The Board has forwarded the comment to the OCC, the primary federal supervisory agency of WFB Nevada, and consulted with the OCC regarding this matter.

Financial, Managerial, and Other Supervisory Factors

Section 3 of the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in the proposal and certain other supervisory factors. The Board has carefully considered these factors in light of all the facts of record, including public comments, reports of examination, and other confidential supervisory information assessing the financial and managerial resources of the organizations and other information provided by Wells Fargo.[67]

In evaluating financial factors in expansion proposals by banking organizations, the Board consistently has considered capital adequacy to be especially important. The proposed acquisition of Texas Financial, Delaware Financial, and the Texas Financial Banks is structured as an exchange of shares of Wells Fargo for shares of Texas Financial. Wells Fargo would purchase all the outstanding common stock of the Marquette Banks and Marquette Financial from Marquette. Funds to acquire the outstanding common stock of the Marquette Banks and Marquette Financial would come from the issuance of short-term debt. The Board notes that Wells Fargo and its subsidiary banks, Texas Financial, and each of the subsidiary banks to be acquired by Wells Fargo are, and on consummation of the proposal would continue to be, well capitalized, as defined in the relevant regulations of federal banking agencies.

The Board also has considered the managerial resources of Wells Fargo and Texas Financial and the examination records of those organizations and the subsidiary depository institutions to be acquired, including their risk management systems and other policies.[68] The Board also has considered the plans of Wells Fargo to implement the proposed acquisition, including its available managerial resources. In addition, the Board has considered that Wells Fargo recently acquired other bank holding companies and that Wells Fargo's management successfully integrated the acquired institutions into its existing operations.

Based on all the facts of record, including confidential reports of examination and other supervisory information received from the primary federal banking agency that supervises each institution, the Board has concluded that considerations relating to the financial and managerial resources and future prospects of Wells Fargo, Texas Financial, and the subsidiary banks to be acquired by Wells Fargo are consistent with approval, as are the other supervisory factors that the Board must consider under section 3 of the BHC Act.

Nonbanking Activities

Wells Fargo also has filed a notice under sections 4(c)(8) and 4(j) of the BHC Act to acquire Marquette Financial, a nonbanking subsidiary of Marquette that engages in investment advisory and securities brokerage activities. The Board has determined by regulation that the types of activities for which notice has been provided are closely related to banking for purposes of section 4(c)(8) of the BHC Act and, therefore, permissible for bank holding companies.[69] Wells Fargo has committed to conduct these activities in accordance with the Board's regulations and orders governing these activities for bank holding companies.

To approve this notice, the Board also must determine that the acquisition of Marquette Financial and the performance of the proposed activities by Wells Fargo can reasonably be expected to produce benefits to the public that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.[70]

Wells Fargo has indicated that the proposal would enable it, through its bank and nonbank subsidiaries, to provide Marquette Financial customers with access to many products and services, including commercial retail banking, mortgage banking, investment banking, insurance agency, venture capital, consumer finance, trust, international trade finance leasing, and asset-backed lending products and programs that Marquette Financial currently does not offer. Furthermore, customers of Marquette Financial would have an expanded service area, with numerous offices and branches nationwide.

The Board has carefully considered the competitive effects of the proposed transaction under section 4 of the BHC Act. To the extent that Wells Fargo and Marquette Financial offer different types of nonbanking products or services, the proposal would result in no loss of competition. Marquette Financial and certain nonbanking subsidiaries of Wells Fargo, however, compete in some areas for certain investment advisory and securities brokerage products or services. The markets for these nonbanking activities are regional or national and are unconcentrated. The record in this case also indicates that there are numerous providers of these services. Based on all the facts of record,

67. A commenter criticized Wells Fargo for lobbying against state and local efforts to enact antipredatory lending laws and ordinances. The Board notes that this commenter's contention does not allege any illegal activity or other action that would affect the safety and soundness of the institutions. This matter also is outside the limited statutory factors that the Board is authorized to consider when reviewing an application under the BHC Act. *See Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973).

68. A commenter cited press reports of two lawsuits filed against WF Bank alleging prohibited discrimination in the refusal by a bank teller to cash a check presented by a minority individual and failure to accommodate a branch employee's disability. The commenter also noted a press report of a lawsuit filed by Mexican laborers who worked in the United States during the 1940s under a joint program of the American and Mexican governments under which a portion of the laborers' wages were withheld and made available on their return to Mexico. The lawsuit claims that some laborers did not receive their withheld wages when they returned to Mexico and names the United States, Mexico, Wells Fargo, and three banks in Mexico as defendants. WF Bank has denied all the allegations in each of these lawsuits, and there has been no finding by a court that the bank has violated any laws in connection with these matters.

69. *See* 12 C.F.R. 225.28(b)(6), and (7).

70. *See* 12 U.S.C. § 1843(j)(2)(A).

the Board concludes that consummation of the proposal would have a *de minimis* effect on competition for the relevant nonbanking activities.

The Board also concludes that the conduct of the proposed nonbanking activities within the framework established in this order and Regulation Y is not likely to result in adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would not be outweighed by the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of public interest factors that it must consider under the standard of section 4(j) of the BHC Act is favorable and consistent with approval of the proposal.

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.[71] In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Wells Fargo with all commitments made in connection with the application and notice, including the divestiture commitments discussed in this order. The Board's approval of the nonbanking aspects of the proposal also is subject to all the conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) of Regulation Y (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. These commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of the Texas Financial Banks and Marquette Banks 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 San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 20, 2001.

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

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

Appendix A

Banking Markets in which Wells Fargo Competes Directly with the Texas Financial Banks or Marquette Banks

A. Iowa Banking Markets

Cedar Rapids	Linn County; and Jefferson Township in Johnson County.

B. Minnesota Banking Markets

Hutchinson	McLeod County, excluding Round Grove and Penn Townships; and Brookfield, Boon Lake, Hector, and Preston Lake Townships in Renville County.
Litchfield	Meeker County; and Wright County, excluding Monticello, Ostego, Buffalo, Frankfort, Rockford, and Franklin Townships.
Rochester	Olmsted and Fillmore Counties; Wanamigo, Minneola, Zumbrota, Cherry Grove, Roscoe, and Pine Island Townships in Goodhue County; Wabasha County, excluding Mount Pleasant, Lake, Pepin, Glasgow, Greenfield, Watopa, and Minneiska Townships and the City of Wabasha; Dodge County, excluding

71. A commenter requested that the Board hold a public meeting or hearing 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 banks 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 authorities.

Under its rule, the Board also may, in its discretion, hold a public meeting or hearing 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). Section 4 of the BHC Act and the Board's rule thereunder provide for a hearing on a notice to acquire nonbanking companies if there are disputed issues of material fact that cannot be resolved in some other manner. 12 U.S.C. § 1843(c)(8); 12 C.F.R. 225.25(a)(2). 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 they 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.

	Ellington, Claremon, Ripley, and Westfield Townships.

C. Banking Markets in Minnesota and Wisconsin

Minneapolis-St. Paul	Anoka, Hennepin, Ramsey, Washington, Carver, Scott, and Dakota Counties; Lent, Chisago Lake, Shafer, Wyoming, and Franconia Townships in Chisago County; Blue Hill, Baldwin, Orrock, Livonia, and Big Lake Townships and the City of Elk River in Sherburne County; Monticello, Otsego, Buffalo, Frankfort, Rockford, and Franklin Townships in Wright County; Lanesburgh Township in Le Sueur County, all in Minnesota; and the Town of Hudson in St. Croix County, Wisconsin.
Red Wing	Goodhue County, Minnesota, excluding Warsaw, Holden, Wanamingo, Minneola, Zumbrota, Kenyon, Cherry Grove, Roscoe, and Pine Island Townships; Mount Pleasant and Lake Townships in Wabasha County, Minnesota; the Towns of Stockholm and Pepin in Pepin County, Wisconsin; and Pierce County, Wisconsin, excluding the Towns of Clifton, River Falls, Martell, Gilman, and Spring Lake.

D. New Mexico Banking Markets

Santa Fe	Santa Fe Ranally Metro Area (''RMA'').

E. South Dakota Banking Markets

Chamberlain	Brule and Buffalo Counties; and the eastern half of Lyman County, including the communities of Kennebec and Lower Brule.
Huron	Hand, Beadle, Jerauld, and Sanborn Counties; Le Sueur, Spirit Lake, Iroquois, Manchester, De Smet, Esmond, and Matthews Townships in Kingsbury County; Redstone, Carthage, Miner, Green Valley, Clinton, Roswell, Beaver, and Rock Creek Townships in Miner County.

F. Banking Markets in South Dakota and Minnesota

Sioux Falls	Moody, McCook, Minnehaha, Turner, and Lincoln Counties; Pleasant, Silver Lake, Wolf Creek, Grandview, Kassel, Valley, Sweet, and Molan Townships in Hutchinson County; Star, Riverside, and Glenwood Townships in Clay County; Prairie, Elcester, and Virginia Townships in Union County, all in South Dakota; and Rock County in Minnesota.
Watertown	Roberts, Clark, Codington, Grant, Hamlin, and Deuel Counties, South Dakota; Traverse and Big Stone Counties, in Minnesota; and Lac qui Parle County, Minnesota, excluding Riverside, Baxter, Camp Release, Maxwell, and Ten Mile Lake Townships.

G. Banking Markets in South Dakota and Nebraska

Yankton	Bon Homme and Yankton Counties, South Dakota; Knox County, Nebraska; and Cedar County, Nebraska, excluding Precincts 19 and 20.

H. Banking Markets in South Dakota and North Dakota

Aberdeen	McPherson, Edmunds, Faulk, Brown, Spink, Marshall, and Day Counties, South Dakota; Albertha, Lorraine, Elm, Ellendale, Van Meter, and Ada Townships in Dickey County, North Dakota.

I. Texas Banking Markets

Austin	Austin MSA.
Dallas	Dallas and Rockwall Counties; the southeastern quadrant of Denton County, including the communities of Denton and Lewisville; the southwestern quadrant of Collin County, including the communities of McKinney and Plano; the communities of Forney and Terrell in Kaufman County; the communities of Midlothian, Waxahachie, and Ferris in Ellis County, and the communities of Grapevine and Arlington in Tarrant County.
Fort Worth	Johnson and Parker Counties; Tarrant County excluding the communities of Arlington and Grapevine; the communities of Boyd, Newark, and Rhome in Wise County, and the southwestern quadrant of Denton County including the communities of Roanoke and Justin.
Houston	Houston RMA.
Victoria	Victoria MSA.
Washington County	Washington County.

J. Wisconsin Banking Markets

Milwaukee	Milwaukee RMA.

Appendix B

Banking Markets with Divestitures

South Dakota

Chamberlain[1] Wells Fargo operates the second largest depository institution in the market, controlling deposits of approximately $50.1 million, representing approximately 39.8 percent of market deposits. Marquette Bank is the largest depository institution in the market, controlling deposits of approximately $54 million, representing approximately 42.8 percent of market deposits. Wells Fargo proposes to divest the two Marquette Bank branches in the market to an out-of-market competitor. These branches had deposits of $54 million as of June 30, 2000. Wells Fargo has committed to divest no less than $41.5 million in deposit liabilities. After the proposed divestiture, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of $50.1 million, representing approximately 39.8 percent of market deposits. The HHI would remain unchanged at 3478. At least three other commercial banking organizations besides Wells Fargo would remain in the market.

Huron Wells Fargo operates the second largest depository institution in the market, controlling deposits of approximately $84 million, representing approximately 17.9 percent of market deposits. Marquette Bank is the largest depository institution in the market, controlling deposits of approximately $94.3 million, representing approximately 20.1 percent of market deposits. Wells Fargo proposes to divest two branches in the market to an out-of-market competitor or an in-market competitor besides the banking organization that currently has the third largest share of market deposits. These branches had deposits of $81.8 million as of June 30, 2000. Wells Fargo has committed to divest no less $50 million in deposit liabilities. After the proposed divestiture, Wells Fargo would operate the largest depository institution in the market, controlling deposits of approximately $96.5 million, representing approximately 20.6 percent of market deposits. The HHI would increase by not more than 411 points to 1787. At least eight commercial banking organizations besides Wells Fargo would remain in the market.

Watertown Wells Fargo operates the third largest depository institution in the market, controlling deposits of approximately $138.5 million, representing approximately 12 percent of market deposits. The Marquette Bank is the fourth largest depository institution in the market, controlling deposits of approximately $131.1 million, representing approximately 11.4 percent of market deposits. Wells Fargo proposes to divest two branches in the market, with deposits of $41.6 million. After the proposed divestiture, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of $228 million, representing approximately 19.8 percent of market deposits. The HHI would increase by not more than 225 points to 976. At least 24 commercial banking organizations besides Wells Fargo would remain in the market.

Minnesota

Rochester Wells Fargo operates the largest depository institution in the market, controlling deposits of approximately $416 million, representing approximately 21.6 percent of market deposits. Marquette Bank is the third largest depository institution in the market, controlling deposits of approximately $174.6 million, representing approximately 9.1 percent of market deposits. Wells Fargo proposes to divest three branches in the market, with deposits of $126.6 million. After the proposed divestiture, Wells Fargo would continue to operate the largest depository institution in the market, controlling deposits of approximately $464.1 million, representing approximately 24.1 percent of market deposits. The HHI would increase by not more than 197 points to 1014. At least 30 other commercial banking organizations besides Wells Fargo would remain in the market.

1. The designations for three banking markets have been amended to account for the formation of the Chamberlain banking market. These markets are the Mitchell, Pierre, and Huron banking markets, all in South Dakota. The Mitchell market is now defined as Aurora, Davison, Hanson, Charles Mix, and Douglas Counties; and Hutchinson County, excluding Pleasant, Silver Lake, Wolf Creek, Grandview, Kassel, Valley, Sweet, and Molan Townships. The Pierre banking market is now defined as Sully, Hyde, Stanley, Hughes, and Jones County; the southern half of Potter County; and the Western half of Lyman County, including Presho Township. The revised Huron banking market is described in Appendix A.

Appendix C

Certain Banking Markets without Divestitures

Minnesota

Hutchinson — Wells Fargo operates the tenth largest depository institution in the market, controlling deposits of approximately $12.2 million, representing approximately 2.2 percent of market deposits. Marquette Bank is the fifth largest depository institution in the market, controlling deposits of approximately $41.2 million, representing approximately 7.4 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the fifth largest depository institution in the market, controlling deposits of approximately $53.4 million, representing approximately 9.6 percent of market deposits. The HHI would increase by 32 points to 1500.

Litchfield — Wells Fargo operates the fifth largest depository institution in the market, controlling deposits of approximately $41.4 million, representing approximately 9.1 percent of market deposits. Marquette Bank is the twelfth largest depository institution in the market, controlling deposits of approximately $14.5 million, representing approximately 3.2 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the third largest depository institution in the market, controlling deposits of approximately $55.9 million, representing approximately 12.3 percent of market deposits. The HHI would increase by 57 points to 1032.

Red Wing — Wells Fargo operates the second largest depository institution in the market, controlling deposits of approximately $93.9 million, representing approximately 13.6 percent of market deposits. Marquette Bank is the seventh largest depository institution in the market, controlling deposits of approximately $30.9 million, representing approximately 4.5 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of approximately $124.8 million, representing approximately 18.1 percent of market deposits. The HHI would increase by 123 points to 1384.

South Dakota/North Dakota

Aberdeen — Wells Fargo operates the largest depository institution in the market, controlling deposits of approximately $226.3 million, representing approximately 23 percent of market deposits. Marquette Bank is the fifteenth largest depository institution in the market, controlling deposits of approximately $17 million, representing approximately 1.7 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the largest depository institution in the market, controlling deposits of approximately $243.3 million, representing approximately 24.7 percent of market deposits. The HHI would increase by 80 points to 1199.

South Dakota/Minnesota

Sioux Falls — Wells Fargo operates the second largest depository institution in the market, controlling deposits of approximately $582.1 million, representing approximately 10.9 percent of market deposits. One of the Marquette Banks is the tenth largest depository institution in the market, controlling deposits of approximately $104.8 million, representing approximately 2 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of approximately $686.9 million, representing approximately 12.9 percent of market deposits. The HHI would increase by 88 points to 871.

South Dakota/Nebraska

Yankton — Wells Fargo operates the ninth largest depository institution in the market, controlling deposits of approximately $26.4 million, representing approximately 3.2 percent of market deposits. Marquette Bank is the sixteenth largest depository institution in the market, controlling deposits of approximately $10 million, representing approximately 1.2 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the seventh largest depository institution in the market, controlling deposits of approximately $36.4 million, representing approximately 4.4 percent of market de-

	posits. The HHI would increase by 8 points to 1250.
Texas	
Austin	Wells Fargo operates the second largest depository institution in the market, controlling deposits of approximately $1.6 billion, representing approximately 15.7 percent of market deposits. Texas Financial operates the eighteenth largest depository institution in the market, controlling deposits of approximately $66.9 million, representing less than 1 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the second largest depository institution in the market, controlling deposits of approximately $1.6 billion, representing approximately 16.4 percent of market deposits. The HHI would increase by 21 points to 1140.
Dallas	Wells Fargo operates the seventh largest depository institution in the market, controlling deposits of approximately $938.6 million, representing approximately 2.3 percent of market deposits. Texas Financial operates the eighth largest depository institution in the market, controlling deposits of approximately $808.5 million, representing approximately 2 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the sixth largest depository institution in the market, controlling deposits of approximately $1.7 billion, representing approximately 4.3 percent of market deposits. The HHI would increase by 9 points to 1197.
Fort Worth	Wells Fargo operates the third largest depository institution in the market, controlling deposits of approximately $1.4 billion, representing approximately 13.8 percent of market deposits. Texas Financial operates the eighth largest depository institution in the market, controlling deposits of approximately $369.6 million, representing approximately 3.6 percent of market deposits. On consummation of the proposal, Wells Fargo would operate the second largest depository institution in the market, controlling deposits of approximately $1.8 billion, representing approximately 17.4 percent of market deposits. The HHI would increase by 99 points to 1002.
Houston	Wells Fargo operates the third largest depository institution in the market, controlling deposits of approximately $4.6 billion, representing approximately 10.3 percent of market deposits. Texas Financial operates the twenty-sixth largest depository institution in the market, controlling deposits of approximately $194 million, representing less than 1 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the third largest depository institution in the market, controlling deposits of approximately $4.8 billion, representing approximately 10.7 percent of market deposits. The HHI would increase by 9 points to 897.
Wisconsin	
Milwaukee	Wells Fargo operates the eighth largest depository institution in the market, controlling deposits of approximately $487.8 million, representing approximately 1.9 percent of market deposits. One of the Marquette Banks is the forty-eighth largest depository institution in the market, controlling deposits of approximately $16 million, representing less than 1 percent of market deposits. On consummation of the proposal, Wells Fargo would continue to operate the eighth largest depository institution in the market, controlling deposits of approximately $503.8 million, representing approximately 2 percent of market deposits. The HHI would remain unchanged at 1340.

Appendix D

CRA Performance Evaluations of Wells Fargo

Subsidiary Bank	CRA Rating	Date	Supervisor
Wells Fargo			
1. Wells Fargo Bank, N.A., San Francisco, California	Outstanding	June 1998	OCC

Appendix D—Continued

Subsidiary Bank	CRA Rating	Date	Supervisor
2. Wells Fargo Bank Alaska, N.A., Anchorage, Alaska (formerly National Bank of Alaska)	Outstanding	March 1999	OCC
3. Wells Fargo Bank Arizona, N.A., Phoenix, Arizona (formerly Norwest Bank Arizona, N.A.)	Satisfactory	August 1999	OCC
4. Wells Fargo Financial Bank, Sioux Falls, South Dakota (formerly Dial Bank)	Outstanding	June 1999	OCC
5. Wells Fargo Financial National Bank, N.A., Las Vegas, Nevada (formerly Dial National Bank, Des Moines, Iowa)	Outstanding	March 1997	OCC
6. Wells Fargo Bank Illinois, N.A., Galesburg, Illinois (formerly Norwest Bank Illinois, N.A.)	Satisfactory	May 1997	OCC
7. Wells Fargo Bank Indiana, N.A., Fort Wayne, Indiana (formerly Norwest Bank Indiana, N.A.)	Outstanding	June 2000	OCC
8. Wells Fargo Bank Iowa, N.A., Des Moines, Iowa (formerly Norwest Bank Iowa, N.A.)	Outstanding	July 1996	OCC
9. Wells Fargo Bank Michigan, N.A., Marquette, Michigan (formerly MFC First National Bank)	Outstanding	April 1999	OCC
10. Wells Fargo Bank Minnesota, N.A., Minneapolis, Minnesota (formerly Norwest Bank Minnesota, N.A.)	Outstanding	October 1996	OCC
11. Wells Fargo Bank Montana, N.A., Billings, Montana (formerly Norwest Bank Montana, N.A.)	Outstanding	October 1997	OCC
12. Wells Fargo Bank Nebraska, N.A., Omaha, Nebraska (formerly Norwest Bank Nebraska, N.A.)	Outstanding	May 1996	OCC
13. Wells Fargo Bank Nevada, N.A., Las Vegas, Nevada (formerly Norwest Bank Nevada, N.A.)	Satisfactory	August 1999	OCC
14. Wells Fargo Bank New Mexico, N.A., Albuquerque, New Mexico	Satisfactory	September 1997	OCC

Appendix D—Continued

Subsidiary Bank	CRA Rating	Date	Supervisor
(formerly Norwest Bank New Mexico, N.A.)			
15. Wells Fargo Bank North Dakota, N.A., Fargo, North Dakota (formerly Norwest Bank North Dakota, N.A.)	Outstanding	September 1996	OCC
16. Wells Fargo Bank Northwest, N.A., Ogden, Utah (formerly First Security Bank, N.A., Salt Lake City, Utah)	Outstanding	May 1999	OCC
17. Wells Fargo Bank Ohio, N.A., Van Wert, Ohio (formerly Norwest Bank Ohio, N.A.)	Satisfactory	February 1996	OCC
18. Wells Fargo Bank South Dakota, N.A., Sioux Falls, South Dakota (formerly Norwest Bank South Dakota, N.A.)	Outstanding	December 1996	OCC
19. Wells Fargo Bank Texas, N.A., San Antonio, Texas	Satisfactory	November 1999	OCC
20. Wells Fargo Bank West, N.A., Denver, Colorado (formerly Norwest Bank Colorado, N.A.)	Satisfactory	November 1999	OCC
21. Wells Fargo Bank Wisconsin, N.A., Milwaukee, Wisconsin (formerly Norwest Bank Wisconsin, N.A.)	Outstanding	November 1996	OCC
22. Wells Fargo Bank Wyoming, N.A., Casper, Wyoming (formerly Norwest Bank Wyoming, N.A.)	Satisfactory	October 1997	OCC
23. Wells Fargo HSBC Trade Bank, N.A., San Francisco, California	Satisfactory	February 1996	OCC

Appendix E

CRA Performance Evaluations for the Marquette Banks and Texas Financial Banks

Subsidiary Bank	CRA Rating	Date	Supervisor
Marquette			
1. Marquette Bank, N.A., Rogers, Minnesota	Satisfactory	October 1999	OCC
2. Marquette Bank of Morrison, Morrison, Illinois	Outstanding	August 1999	FDIC
3. Marquette Capital Bank, N.A., Wayzata, Minnesota	Satisfactory	October 1999	OCC

Appendix E—Continued

Subsidiary Bank	CRA Rating	Date	Supervisor
4. Meridian Capital Bank, Milwaukee, Wisconsin (formerly State Bank of Edgar, Edgar, Wisconsin)	Outstanding	December 1995	FDIC
5. The First National Bank & Trust Co. of Baraboo, Baraboo, Wisconsin	Satisfactory	March 1998	OCC
Texas Financial			
1. First State Bank of Texas, Denton, Texas	Outstanding	April 1999	FDIC
2. First National Bank of Texas, Decatur, Texas	Satisfactory	July 1998	OCC
3. Bank of Santa Fe, Santa Fe, New Mexico	Satisfactory	February 1999	FDIC
4. Marquette Bank of Monmouth, Monmouth, Illinois	Satisfactory	March 1999	FDIC

Orders Issued Under Bank Merger Act

SunTrust Bank Atlanta, Georgia

Order Approving the Acquisition and Establishment of Branches

SunTrust Bank ("Bank"), a state member bank and a wholly owned subsidiary of SunTrust Banks, Inc., Atlanta, Georgia ("SunTrust"), has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") to acquire the Florida operations of The Huntington National Bank, Columbus, Ohio ("Huntington").[1] Bank also has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321) ("FRA") to establish branches at the Florida locations of Huntington described in Appendix A.

Notice of the transaction, 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 application and all the facts of record in light of the factors set forth in the Bank Merger Act and section 9 of the FRA.

SunTrust is the twelfth largest banking organization in the United States, with $103 billion in total assets.[2] Bank is the third largest depository institution in Florida, controlling deposits of $20.9 billion, representing 10.1 percent of the total deposits in depository institutions in the state ("state deposits"). Huntington is the eighth largest depository institution in Florida, controlling deposits of $4.3 billion, representing 2.1 percent of state deposits.[3] Following consummation, Bank would remain the third largest depository institution in Florida, controlling deposits of approximately $25.3 billion, representing 12.2 percent of state deposits.

Interstate Analysis

Section 102 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Riegle-Neal Act") authorizes a bank to merge with another bank under certain conditions unless, before June 1, 1997, the home state of one of the banks involved in the transaction adopted a law expressly prohibiting merger transactions involving out-of-state banks.[4] For the purposes of the Riegle-Neal Act, the home state of Bank is Georgia, and the home state of the

1. The Florida operations of Huntington include 106 branches and 5 Private Client Services offices. Bank also is acquiring the deposits associated with Huntington's 35 supermarket branches in Florida, although it would not establish branches or any other physical presence at those locations. The deposits associated with the supermarket branches would be reassigned to the nearest branch of Bank after the proposed transaction.

2. Asset data are as of September 30, 2001.

3. In this context, depository institutions include commercial banks, savings banks, and savings associations. Deposit and market share data are as of June 30, 2000, and have been adjusted to reflect mergers and acquisitions that have occurred since that time.

4. 12 U.S.C. § 1831u.

Huntington branches is Florida.[5] Florida and Georgia have enacted legislation allowing interstate mergers between banks in their states and out-of-state banks pursuant to the provisions of the Riegle-Neal Act. Bank has provided a copy of its Bank Merger Act application to all the relevant state agencies. The proposal also complies with all the other requirements of the Riegle-Neal Act.[6] Accordingly, the Riegle-Neal Act authorizes the proposed transaction.

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.[7] 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.[8]

Bank and Huntington compete with each other in twelve banking markets in Florida.[9] The Board has reviewed carefully the competitive effects of the proposal in each of the banking markets in which Bank and Huntington compete in light of all the facts of record, including the number of competitors that would remain in the market, the relative share of the total deposits in depository institutions in the market ("market deposits") that Bank would control,[10] the concentration level of market deposits and the increase in this level as measured by the Herfindahl–Hirschman Index ("HHI") under the Department of Justice Guidelines ("DOJ Guidelines"),[11] the size and likely effect of the proposed divestiture in relevant banking markets, and other characteristics of the markets.[12]

To reduce the possibility that the proposal would have adverse effects on competition, Bank has committed to divest seven branches, which account for approximately $168 million in deposits, in three banking markets ("divestiture markets").[13] After accounting for the proposed divestitures, the proposal would be consistent with the DOJ Guidelines in all twelve banking markets in which Bank and Huntington compete.

After consummation of the proposal in the markets without divestitures, six banking markets would remain moderately concentrated as measured by the HHI,[14] and three banking markets would be highly concentrated as measured by the HHI.[15] In each of these markets, the increase in the HHI would be consistent with the DOJ Guidelines and Board precedent. In addition, numerous competitors would remain in all these markets.

As noted, Bank has proposed divestitures in the remaining three banking markets affected by the proposal: Highlands County, North Lake-Sumter Area, and Polk County,

5. *See* 12 U.S.C. § 1831u(a)(4) and (g)(4).

6. *See* 12 U.S.C. § 1831u. Bank is adequately capitalized and adequately managed, as defined in the Riegle-Neal Act. The Florida Department of Banking has indicated that this transaction would comply with applicable Florida law, and the Georgia Department of Banking and Finance approved Bank's application to establish branches at the locations of the Huntington branches on November 2, 2001. *See* Fla. Stat. Ann. § 658.2953; Ga. Code Ann. §§ 7-1-601 and 7-1-628. Florida law only imposes an age requirement for mergers involving Florida-chartered banks and national banks with their main office in Florida. In this case, Huntington is a national bank with its main office in Ohio. On consummation of the proposal, Bank would control less than 10 percent of the total amount of deposits in insured institutions in the United States, and less than 30 percent of the total amount of deposits in insured institutions in Florida. All other requirements of section 102 of the Riegle-Neal Act would also be met on consummation of the proposal.

7. 12 U.S.C. § 1828(c)(5)(A).

8. 12 U.S.C. § 1828(c)(5)(B).

9. Banking market definitions are discussed in Appendix B.

10. Unless otherwise noted, market share data are based on calculations in which the deposits of thrift institutions, which include savings banks and savings associations, are weighted at 50 percent. The Board has previously indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See, e.g., Midwest Financial Group,* 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation,* 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50-percent weighted basis. *See, e.g., First Hawaiian, Inc.,* 77 *Federal Reserve Bulletin* 52 (1991).

11. 49 *Federal Register* 26,823 (1984). Under the DOJ Guidelines, a market is considered unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

12. One commenter argued that the proposal would be anticompetitive. In particular, the commenter claimed that Bank's divestiture proposal in three markets would not be sufficient to alleviate the negative competitive effects of the proposal.

13. Bank has committed that before consummating the proposed merger, it will execute an agreement consistent with this order to sell the divestiture branches with total deposits in the three divestiture markets of at least $125 million to a banking organization, in a transaction in which the change in and resulting HHI levels are within the DOJ Guidelines. Bank further has committed that, if it is unsuccessful in completing the proposed divestiture with a purchaser determined by the Board to be competitively suitable within 180 days after consummation of the acquisition of the Huntington branches, Bank will transfer the unsold branches to an independent trustee that will be instructed to sell such branches to an alternate purchaser or purchasers in accordance with the terms of this order and without regard to price. Both the trustee and any alternate purchaser must be deemed suitable by the Board. *See BankAmerica Corporation,* 78 *Federal Reserve Bulletin* 338 (1992); *United New Mexico Financial Corporation,* 77 *Federal Reserve Bulletin* 484 (1991).

14. The moderately concentrated banking markets would be the Fort Myers Area, Indian River County, Ocala Area, Orlando Area, Sarasota Area, and Tampa Bay Area banking markets, all in Florida. The effects of the proposal on the concentration of banking resources in the nine markets without divestitures are described in Appendix C.

15. The highly concentrated markets are Brevard County, Daytona Beach Area, and Punta Gorda Area, all in Florida.

all in Florida.[16] After accounting for the proposed divestitures, consummation of the merger would be consistent with the DOJ Guidelines in each of these banking markets. There are numerous competitors in each market, several with market share of at least 5 percent.

The Department of Justice also has conducted a detailed review of the anticipated competitive effects of the proposal. The Department has advised the Board that, in light of the proposed divestitures, consummation of the proposal is not likely to have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC") have been afforded an opportunity to comment and have not objected to consummation of the proposal.

The Board has reviewed carefully all the facts of record, including the public comment on the competitive effects of the proposal, and for the reasons discussed in this order has concluded that consummation of the proposal is not likely to affect competition or the concentration of resources in a significantly adverse manner in any of the twelve banking markets in which Bank and Huntington directly compete in Florida or in any other relevant banking market. Accordingly, based on all the facts of record and subject to completion of the proposed divestitures, the Board has determined that competitive factors are consistent with approval of the proposal.

Financial, Managerial, and Other Supervisory Factors

In reviewing this proposal under the Bank Merger Act and section 9 of the FRA, the Board has considered the financial and managerial resources and future prospects of the institutions involved. 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 information provided by Bank.[17] The Board notes that Bank would remain well capitalized on consummation of the proposal. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the institutions involved and other supervisory factors are consistent with approval of the proposal.

Convenience and Needs Considerations

The Bank Merger Act also requires the Board to consider the convenience and needs of the communities to be served and to take into account the records of the relevant depository institutions under the Community Reinvestment Act ("CRA").[18] The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with safe and sound operation, and requires the appropriate federal financial 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 acquisition proposals.

Accordingly, the Board has carefully considered the convenience and needs factor and the CRA performance records of Bank and Huntington in light of all the facts of record, including public comments received on the effect the proposal would have on the communities to be served by the combined organization. The Board received one public comment on the proposal. The commenter expressed concerns, among others, that Bank does not meet the needs of the communities it serves, particularly in predominantly minority census tracts. Based on data filed under the Home Mortgage Disclosure Act ("HMDA"),[19] the commenter criticized Bank's mortgage lending record to minority individuals and individuals in census tracts with predominantly minority populations ("minority tracts") and certain metropolitan areas.

A. CRA Performance Examinations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations by the appropriate federal supervisors of Bank and Huntington. 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.[20]

Bank received an overall rating of "satisfactory" at its most recent CRA performance examination by the Federal Reserve Bank of Atlanta ("Reserve Bank"), as of November 2000 ("2000 Examination"). Huntington received an

16. These banking markets are discussed in Appendix D. HHI calculations in the divestiture markets are based on the sale of the branches to a competitively suitable buyer. Bank has signed an agreement for the sale of the divestiture branches to a thrift that is an in-market competitor in the Polk County banking market and would be a new entrant into the Highlands County and North Lake-Sumter Area banking markets. The Board has weighted the deposits of this thrift at 100 percent for purposes of the Board's competitive analysis. In making this decision, the Board took into account the thrift's current commercial lending program and level of lending, and its ability to expand its level of commercial lending through this acquisition. Accordingly, competition from the thrift more closely approximates competition from a commercial bank. The Board previously has indicated that it may consider the competitiveness of a thrift institution at a level greater than 50 percent of the thrift's deposits when appropriate. *See Banknorth Group, Inc.*, 75 *Federal Reserve Bulletin* 703 (1989).

17. As part of this review, the Board has considered comments by a commenter that provide news reports suggesting that individuals believed to be involved in the attacks of September 11 might have had accounts at a Florida office of Bank and might have received foreign wire transfers there. Bank has been cooperating with federal law enforcement authorities regarding accounts and transactions that involve persons on the lists maintained by the Office of Foreign Assets Control.

18. 12 U.S.C. § 2901 *et seq.*

19. 12 U.S.C. § 2801 *et seq.*

20. *See Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 and 36,640 (2001).

overall rating of "satisfactory" from the OCC at its most recent evaluation for CRA performance, as of June 30, 1999. Examiners found no evidence of prohibited discrimination or other illegal credit practices by the insured depository institutions involved in this proposal and found no violations of the substantive provisions of the fair lending laws. Examiners also reviewed the assessment areas delineated by Bank and Huntington and did not report that these areas were either unreasonable or reflected an arbitrary exclusion of LMI areas.

In the 2000 Examination, examiners were generally satisfied with Bank's efforts to meet the credit needs of its entire community. From June 30, 1998, through June 30, 2000 (the "review period"), Bank, together with its affiliate lenders (collectively, "SunTrust"), originated 212,460 small business, HMDA-related, and small farm loans, totaling $22.9 billion. Examiners found that Bank demonstrated an adequate level of HMDA-related, small farm, and small business lending, with a net loan-to-deposit ratio of 165.2 percent, as of September 30, 2000. Examiners noted that a substantial majority of the bank's loans, by number and dollar volume of loans, was originated in its assessment area. Examiners concluded that Bank's concentration of lending in its assessment area indicated the bank's willingness to serve the credit needs of its assessment area.

Examiners determined that Bank's overall distribution of lending to geographies and individuals with different income levels and businesses of different sizes was adequate. Approximately 27 percent of Bank's HMDA-reportable loans were made to LMI borrowers, and 10 percent of HMDA-reportable loans were made in LMI areas. Additionally, approximately 22 percent of Bank's reportable small business loans were made in LMI areas. Examiners commended the bank's use of flexible lending practices in serving the credit needs of its entire community, including the offering of fourteen different kinds of affordable housing programs, with ten offered in specific cities or regions and four offered throughout the bank's combined assessment area. Since the 2000 Examination, Bank has increased the number of affordable housing programs it offers to 21, including eight programs that are offered throughout its combined assessment area.

In addition to its affordable housing programs, Bank represents that it has encouraged the development of loan products at the community level to meet the credit needs of specific communities. Examples of these loan products include the Piggyback Mortgage offered in Savannah, Georgia, a loan product designed to supplement the SunTrust Affordable Mortgage by providing down payment or closing cost assistance that amortizes over 60 months on a customer's primary residence; the Housing and Education Loan Program offered in the Miami/Dade, Florida Metropolitan Statistical Area ("MSA"), a 30-year fixed rate fully amortizing loan designed to finance the purchase of homes by LMI families and individuals that also offers flexible underwriting and reduced rates; and the Head Start to Home Ownership program offered in Jacksonville, Florida, a partnership with the City of Jacksonville that focuses on LMI borrowers by offering a "soft" second mortgage for down payment assistance that the borrower does not have to repay if the borrower stays in the property for five years.

Examiners found that Bank's investment activity reflected an outstanding level of responsiveness to community needs, with qualified investments totaling approximately $334.4 million, based on the September 1999 Call Report. During the review period, Bank made $14.9 million in contributions to charities with community development purposes, including approximately $7 million in Florida. Examiners commended Bank's excellent level of community development investments and high level of awareness concerning opportunities for community development throughout its assessment area.

Examiners also found that Bank provided a "high satisfactory" level of service, with 21 percent of its branches serving LMI census tracts. Examiners noted that this percentage compared favorably to the fact that 22 percent of families and 23 percent of businesses in Bank's assessment area were in LMI census tracts. Examiners noted that Bank participated in a relatively high level of community development services that were responsive to the housing needs in the bank's combined assessment area. Examiners concluded that Bank's employees, officers, and board members have used their financial expertise to assist communities in developing affordable housing programs throughout the combined assessment area.

B. HMDA Data

The Board has also carefully considered the lending record of Bank in light of the comment on its reported HMDA data.[21] The data generally indicate that SunTrust's housing-related lending to minority and LMI individuals and in minority and LMI census tracts were below the average lending levels of the HMDA-reporting lenders in the aggregate in the majority of the states and MSAs identified by the commenter. In some areas, however, SunTrust's HMDA-reportable lending activity has been very strong. For example, 1999 and 2000 data indicate that Bank has a strong record of making HMDA-reportable loans in the Washington, D.C., assessment area.

The Board is concerned when an institution's record indicates disparities in lending, and believes that all banks are obligated to ensure that their lending practices are based on criteria that 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 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 lim-

21. The commenter criticized the number and volume of HMDA-related loans originated by Bank to minority borrowers and in minority tracts. The commenter, citing SunTrust's ratio of minority loan application denials to non-minority loan application denials, claimed that SunTrust provided insufficient HMDA-reportable loans to minorities in Florida and throughout the United States.

ited information about the covered loans.[22] HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has not adequately assisted 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. For example, Bank has been examined for compliance with fair lending laws. The Board has considered these examinations, as well as periodic and other examination reports that provide an on- site evaluation of the compliance by Bank with fair lending laws and its overall lending and community development activities. In particular, the Board notes that examiners found no evidence of prohibited discriminatory practices or substantive violations of fair lending laws at the most recent examinations of Bank or Huntington. In addition, Bank has many lending programs, including those mentioned above, that demonstrate Bank's significant efforts towards and success in achieving equal access to credit by creditworthy applicants regardless of their race or income level.

C. Branch Closings

The commenter expressed concerns that consummation of the proposal would result in branch closings. Bank has indicated that it intends to close approximately 45 branches as a result of the merger, and that at consummation it would consolidate the deposits of Huntington's supermarket branches into neighboring stand-alone branches of Bank. However, Bank has made no determination on specific branches that would be closed or consolidated as a result of the proposed transaction.[23]

The Board has carefully considered the branch closing policy of Bank and Bank's record of opening and closing branches. The branch closing policy provides that local branch management in the areas of proposed branch closings must review the impact that each branch closing would have on the community. Reserve Bank examiners have reviewed the branch closing policy of Bank, most recently as a part of the 2000 Examination, and found it to be in compliance with federal law. The Board expects that Bank would continue to use a satisfactory branch closing policy for any branch closings that result from the proposed transaction.[24]

The Board also has considered that federal banking law provides a specific mechanism for addressing branch closings. Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisor before closing a branch.[25] The law does not authorize federal supervisory agencies to prevent the closing of any branch. Any branch closings resulting from the proposal will be considered by the appropriate federal banking agency at Bank's next CRA examination.

D. Conclusion on Convenience and Needs

In reviewing the effect of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered all the facts of record, including the comment received and responses to the comment, evaluations of the performance of Bank and Huntington under the CRA, other information provided by SunTrust, and confidential supervisory information.

Based on all the facts of record and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant depository institutions, are consistent with approval of the proposal.

E. Branch Application

As mentioned above, Bank has also applied under section 9 of the FRA to establish branches at the acquired offices of Huntington. The Board has considered the factors it is required to consider when reviewing application for establishing branches pursuant to section 9 of the FRA,[26] and for the reasons discussed in this order, finds those factors to be consistent with approval.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the applications should be, and hereby are, approved.[27] Approval of the applications is

22. 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.

23. The commenter was critical of Bank for closing branches located in low-income census tracts in Fort Belvoir and Petersburg, Virginia, and in moderate-income census tracts in Melbourne and Brooksville, Florida, in 2001. The closed Ft. Belvoir, Virginia, branch was in Ft. Belvoir's military base commissary, which is across the street from a full-service branch of Bank. The Brooksville branch was relocated, not closed, less than one-tenth of a mile from its original location, and the Melbourne office was consolidated into another Bank branch on the same street, approximately three-tenths of a mile from the closed location.

24. In the 2000 Examination, examiners rated Bank "high satisfactory" in the service test, and noted that the bank had adopted a branch closing policy in accordance with federal law.

25. Section 42 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831r-1, as implemented by the Joint Policy Statement Regarding Branch Closing, 64 *Federal Register* 34,844 (1999)), requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

26. *See* 12 U.S.C. § 322.

27. The commenter requested that the Board hold a public meeting or hearing on the proposal. The Bank Merger Act does not require the Board to hold a public hearing on an application. Under its rules, the Board may, in its discretion, hold a public meeting or hearing on an

specifically conditioned on compliance by Bank with all the commitments made in connection with this proposal, including the branch divestiture commitments discussed in this order, and the conditions set forth in this order and the above-noted Board regulations and orders. For purposes of this action, the commitments and conditions 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.

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 Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 17, 2001.

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

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

Appendix A

Branch Locations in Florida

1. 360 W. State Hwy. 436, Altamonte Springs 32714
2. 150 Galleria Center, Cocoa Beach 32931
3. 200 E. Orange Ave., Eustis 32726
4. 33290 U.S. Hwy. 27, Fruitland Park 34731
5. 7836 W. U.S. Hwy. 192, Kissimmee 34747
6. 100 Park Place Blvd., Kissimmee 34741
7. 101 La Grande Blvd., Lady Lake 32159
8. 3505 W. Lake Mary Blvd., Lake Mary 32746
9. 10415 S. U.S. Hwy 441, Leesburg 34788
10. 1211 North Blvd., Leesburg 34748
11. 1400 W. S.R. 434, Longwood 32779
12. 253 N. Orlando Ave., Maitland 32751
13. 1109 E. New Haven Ave., Melbourne 32951
14. 325 Eau Gallie Causeway, Melbourne 32937
15. 2116 South Babcock, Melbourne 32901
16. 3303 Suntree Blvd., Melbourne 32940
17. 8226 N. Wickham, Melbourne 32940
18. 7625 Sand Lake Rd., Orlando 32819
19. 5645 Hansel Ave., Orlando 32809
20. 4000 Central Florida Blvd., Orlando 32816
21. 997 W. Broadway, Oviedo 32762
22. 4600 Dixie Hwy. N.E., Palm Bay 32905
23. 234 Barton Blvd., Rockledge 32955
24. 210 N. Park Ave., Sanford 32771
25. 359 E. Burleigh Blvd., Tavares 32778
26. 1250 Lee Rd., Winter Park 32789
27. 2006 Aloma Ave., Winter Park 32792
28. 200 S. Palmetto Rd., Daytona Beach 32114
29. 111 N. Causeway, New Smyrna Beach 32169
30. 884 Saxon Blvd., Orange City 32763
31. 1058 Dunlawton Ave., Port Orange 32127
32. 100 Flagler Plaza Dr., Palm Coast 32137
33. 4303 First Street, Bradenton 34208
34. 1001 Third Avenue West, Bradenton 34205
35. 7459 Manatee Ave. West, Bradenton 34209
36. 6102 U.S. Hwy. 301 N., Ellenton 34222
37. 333 South Indiana Avenue, Englewood 34223
38. 10 Avenue of the Flowers, Longboat Key 34228
39. 1099 North Tamiami Trail, Nokomis 34275
40. 1801 Shreve Street, Punta Gorda 33950
41. 8055 South Beneva Road, Sarasota 34238
42. 3550 South Tamiami Trail, Sarasota 34239
43. 3300 North Tamiami Trail, Sarasota 34234
44. 240 South Pineapple Avenue, Sarasota 34236
45. 2090 South Tamiami Trail, Venice 34293
46. 1670 South Venice Bypass, Venice 34293
47. 825 W. Main St., Avon Park 33825
48. 1 U.S. 27 North, Lake Placid 33862
49. 1075 Carpenters Way, Lakeland 33809
50. 435 S. Combee Rd., Lakeland 33801
51. 2150 E. Edgewood Dr., Lakeland 33803
52. 1515 Harden Blvd., Lakeland 33803
53. 115 S. Missouri Ave., Lakeland 33801
54. 6711 U.S. Hwy. 98 North, Lakeland 33809
55. 1215 Drane Field Rd., Lakeland 33813
56. 4828 S. Florida Ave., Lakeland 33813
57. 126 W. Center Ave., Sebring 33870
58. 2631 U.S. Hwy. 27 South, Sebring 33872
59. 6225 U.S. Hwy. 98, Sebring 33870
60. 702 S. Broad St., Brooksville 34601
61. 2865 U.S. Hwy. 19, Holiday 34691
62. 14207 Fivay Road, Hudson 34567
63. 6128 U.S. Hwy. 19, New Port Richey 34652
64. 4041 Rowan Rd., New Port Richey 34653
65. 10220 U.S. Hwy. 19 North, Port Richey 34668
66. 7165 Mariner Blvd., Spring Hill 34606
67. 7539 Spring Hill Dr., Spring Hill 34605
68. 300 S. Main St., Wildwood 34785
69. 7344 Gall Blvd., Zephyrhills 33541
70. 1025 E. Silver Springs Blvd., Ocala 30470
71. 1601 S. W. College Rd., Ocala 34474
72. 17801 S.E. 109th Ave., Summerfield 34491
73. 1533 Cape Coral Pkwy. West, Cape Coral 33990
74. 2000 S. Main St., Fort Myers 33902
75. 1390 N. Cleveland Ave., Fort Myers 33903
76. 14490 S. Palm Beach Blvd. North, Fort Myers 33905

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application if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. *See* 12 C.F.R. 262.3(i). The Board has carefully considered the commenter's request in light of all the facts of record. Commenter has had ample opportunity to submit his views, and has submitted written comments that have been considered carefully by the Board in acting on the proposal. The commenter's request for a public meeting fails to demonstrate why written comments would not adequately present his evidence. Commenter's request also fails to identify disputed issues of fact that are material to the Board's decision and 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 on the proposal is denied.

77. 18875 S. Tamiami Trail, Fort Myers 33912
78. 12381 S. Tamiami Trail, Fort Myers 33907
79. 9820 Stringfellow Rd., St. James City 33856
80. 15201 Roosevelt Blvd., Clearwater 34620
81. 423 Mandalay Ave., Clearwater 34630
82. 26627 US Hwy. 19 North, Clearwater 34641
83. 2150 Cleveland St., Clearwater 34625
84. 13075 Walsingham Rd., Largo 33774
85. 200 Oakleaf Blvd., Oldsmar 34677
86. 1300 S.R. 584, Palm Harbor 34683
87. 36105 East Lake Rd., Palm Harbor 34685
88. 7694 49th St., Pinellas Park 33781
89. 105 S. Wheeler St., Plant City 33566
90. 502 US Hwy. 41 North, Ruskin 33570
91. 9130 Oakhurst Rd., Seminole 34646
92. 7405 Seminole Blvd., Seminole 34642
93. 3100 Central Ave., St. Petersburg 33712
94. 4250 6th St. S., St. Petersburg 33705
95. 2116 4th St. N., St. Petersburg 33704
96. 6925 N. 56th St., Tampa 33617
97. 601 N. Ashley, Tampa 33602
98. 13502 N. Florida Ave., Tampa 33613
99. 601 W. Platt St., Tampa 33606
100. 9601 Martin Luther King Jr Blvd., Tampa 33610
101. 4005 S. Dale Mabry Hwy., Tampa 33611
102. 4545 N. Himes Ave., Tampa 33614
103. 2208 E. Fowler Ave., Tampa 33612
104. 5370 Ehrlich Rd., Tampa 33625
105. 1701 E. 7th Ave., Tampa 33605
106. 203 E. Tarpon Ave., Tarpon Springs 34689

Appendix B

Florida Banking Markets in which SunTrust Bank and Huntington Compete Directly

Brevard County	Brevard County.
Daytona Beach Area	Flagler County and the towns of Allandale, Daytona Beach, Daytona Beach Shores, Edgewater, Holly Hill, New Smyrna Beach, Ormond Beach, Ormond-by-the-Sea, Pierson, Port Orange, and South Daytona in Volusia County, and the town of Astor in Lake County.
Fort Myers Area	Lee County, excluding the towns located on Gasparilla Island; and the town of Immokalee in Collier County.
Highlands County	Highlands County.
Indian River County	Indian River County.
North Lake-Sumter Area	Sumter County and Lake County excluding the towns of Astor, Clermont, and Groveland.
Ocala Area	Marion County and the town of Citrus Springs in Citrus County.
Orlando Area	Orange, Osceola, and Seminole Counties; the western half of Volusia County; and the towns of Clermont and Groveland in Lake County.
Polk County	Polk County.
Punta Gorda Area	The portion of Charlotte County that is east of both the harbor and the Myakka River, and the portion of Sarasota County that is both east of the Myakka River and south of Interstate 75 (currently the town of Northport).
Sarasota Area	Manatee and Sarasota Counties excluding the portion of Sarasota County that is both east of the Myakka River and south of Interstate 75 (currently the town of Northport), and the portion of Charlotte County that is west of both the harbor and the Myakka River (currently the towns of Englewood, Englewood Beach, New Point Comfort, Grove City, Cape Haze, Rotonda, Rotonda West, and Placida), and Gasparilla Island (the town of Boca Grande) in Lee County.
Tampa Bay Area	Hernando, Hillsborough, Pinellas, and Pasco Counties.

Appendix C

Certain Banking Markets without Divestitures

Brevard County	Bank is the third largest depository institution in the market, controlling deposits of approximately \$541 million, representing 13.3 percent of market deposits. Huntington is the fifth largest depository institution in the market, controlling deposits of \$282 million, representing 6.9 percent of market deposits. On consummation of the proposal, Bank would remain the third largest depository institution in the market, controlling deposits of approximately \$824 million, representing approximately 20.2 percent of market deposits. The HHI would increase 184 points to

	1936, and 20 competitors would remain in the market.
Daytona Beach Area	Bank is the third largest depository institution in the market, controlling deposits of approximately \$883 million, representing 19.3 percent of market deposits. Huntington is the eighth largest depository institution in the market, controlling deposits of \$147 million, representing 3.2 percent of market deposits. On consummation of the proposal, Bank would become the second largest depository institution in the market, controlling deposits of approximately \$1 billion, representing approximately 22.5 percent of market deposits. The HHI would increase 125 points to 1854, and 19 competitors would remain in the market.
Fort Myers Area	Bank is the third largest depository institution in the market, controlling deposits of \$644 million, representing 11.2 percent of market deposits. Huntington is the sixth largest depository institution in the market, controlling deposits of \$276 million, representing 4.8 percent of market deposits. On consummation of the proposal, Bank would remain the third largest depository institution in the market, controlling deposits of approximately \$920 million, representing 16 percent of market deposits. The HHI would increase 108 points to 1582, and 22 competitors would remain in the market.
Indian River County	Bank is the eighth largest depository institution in the market, controlling deposits of \$133 million, representing 6.6 percent of market deposits. Huntington is the seventeenth largest depository institution in the market, controlling deposits of approximately \$2 million, representing less than 1 percent of market deposits. On consummation of the proposal, Bank would become the seventh largest depository institution in the market, controlling deposits of approximately \$135 million, representing approximately 6.7 percent of market deposits. The HHI would increase 2 points to 1273, and 16 competitors would remain in the market.
Ocala Area	Bank is the second largest depository institution in the market, controlling deposits of \$554 million, representing 21.3 percent of market deposits. Huntington is the sixth largest depository institution in the market, controlling deposits of \$107 million, representing 4.1 percent of market deposits. On consummation of the proposal, Bank would become the largest depository institution in the market, controlling deposits of \$661 million, representing 25.4 percent of market deposits. The HHI would increase 176 points to 1574, and 17 competitors would remain in the market.
Orlando Area	Bank is the largest depository institution in the market, controlling deposits of \$3.9 billion, representing 26.7 percent of market deposits. Huntington is the seventh largest depository institution in the market, controlling deposits of \$346 million, representing 2.3 percent of market deposits. On consummation of the proposal, Bank would remain the largest depository institution in the market, controlling deposits of \$4.3 billion, representing 29 percent of market deposits. The HHI would increase 125 points to 1798, and 37 competitors would remain in the market.
Punta Gorda Area	Bank is the third largest depository institution in the market, controlling deposits of \$156 million, representing 19.3 percent of market deposits. Huntington is the tenth largest depository institution in the market, controlling deposits of \$5 million, representing less than 1 percent of market deposits. On consummation of the proposal, Bank would

	remain the third largest depository institution in the market, controlling deposits of $161 million, representing approximately 20 percent of market deposits. The HHI would increase 24 points to 1813, and eight competitors would remain in the market.
Sarasota Area	Bank is the second largest depository institution in the market, controlling deposits of approximately $1.5 billion representing 14.1 percent of market deposits. Huntington is the fifth largest depository institution in the market, controlling deposits of $578 million, representing 5.5 percent of market deposits. On consummation of the proposal, Bank would remain the second largest depository institution in the market, controlling deposits of approximately $2 billion, representing approximately 19.6 percent of market deposits. The HHI would increase 156 points to 1371, and 45 competitors would remain in the market.
Tampa Bay Area	Bank is the third largest depository institution in the market, controlling deposits of $2.9 billion, representing 9.8 percent of market deposits. Huntington is the sixth largest depository institution in the market, controlling deposits of $1.5 billion, representing 5.2 percent of market deposits. On consummation of the proposal, Bank would become the second largest depository institution in the market, controlling deposits of $4.4 billion, representing 15 percent of market deposits. The HHI would increase 102 points to 1451, and 59 competitors would remain in the market.

Appendix D

Certain Markets with Divestitures

Highlands County	Bank is the fourth largest depository institution in the market, controlling deposits of $124 million, representing 11.9 percent of market deposits. Huntington is the third largest depository institution in the market, controlling deposits of $192 million, representing 18.3 percent of market deposits. Bank proposes to divest to a suitable competitor two branches in the market, with deposits of $60 million, representing 5.7 percent of market deposits. After the proposed merger and divestiture, Bank would become the second largest depository institution in the market, controlling deposits of $256 million, representing 24.5 percent of market deposits. The HHI would increase 155 points to 2041, and eight competitors would remain in the market.
North Lake-Sumter Area	Bank is the largest depository institution in the market, controlling deposits of $452 million, representing 18.5 percent of market deposits. Huntington is the second largest depository institution in the market, controlling deposits of $420 million, representing 17.2 percent of market deposits. Bank proposes to divest to a suitable competitor one branch in the market, with deposits of $17 million, representing less than 1 percent of market deposits. After the proposed merger and divestiture, Bank would remain the largest depository institution in the market, controlling deposits of $856 million, representing 35 percent of market deposits. The HHI would increase 588 points to 1755, and 16 competitors would remain in the market.
Polk County	Bank is the third largest depository institution in the market, controlling deposits of $670 million, representing 17.7 percent of market deposits. Huntington is the fourth largest depository institution in the market, controlling deposits of $361 million, representing 9.6 percent of market de-

posits. Bank proposes to divest to a suitable competitor four branches in the market, with deposits of $91 million, representing 2.3 percent of market deposits. After the proposed merger and divestiture, Bank would become the largest depository institution in the market, controlling deposits of $941 million, representing 23.8 percent of market deposits. The HHI would increase 164 points to 1671, and 15 competitors would remain in the market.

ORDERS ISSUED UNDER FEDERAL RESERVE ACT

The Annapolis Banking and Trust Company Annapolis, Maryland

Order Approving Operation of Mobile Branch

The Annapolis Banking and Trust Company ("Bank"), a state member bank, has given notice under section 9 of the Federal Reserve Act ("Act") (12 U.S.C. § 321 *et seq.*) of its intention to operate a mobile branch by providing a courier service to collect noncash deposits from business customers in Annapolis and Anne Arundel County, all in Maryland.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published in accordance with the Board's Rules of Procedure (12 C.F.R. 262.3(b)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors specified in the Act.

Bank is a wholly owned subsidiary of Mercantile Bankshares Corporation, Baltimore, Maryland. Mercantile is the third largest banking organization in Maryland, controlling deposits of approximately $6.7 billion, representing 9.8 percent of banking deposits in the state. If Bank were a stand-alone institution, it would rank as the 26th largest banking organization in Maryland, controlling deposits of approximately $282.4 million, representing less than 1 percent of banking deposits in the state.[1]

Community Reinvestment Act Considerations

In acting on an application to establish a branch, the Board is required to take into account the Bank's record under the Community Reinvestment Act ("CRA").[2] The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal supervisory authority to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income ("LMI") neighborhoods, in evaluating branch applications.

A. CRA Performance Examination

As provided in the CRA, the Board evaluates the performance of an institution in light of examinations by the appropriate federal supervisors of the CRA performance record of the institution. 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.[3] Bank received a "satisfactory" rating at its most recent CRA examination by the Federal Reserve Bank of Richmond as of April 2001.

B. CRA Performance Record

Bank operates eleven full-service branches in Anne Arundel County. Examiners found that Bank offered a full range of credit services, including consumer, small business, residential mortgage, home improvement, and commercial loans. The majority of Bank's loans by number and dollar amount were to residents in Bank's assessment area, and examiners assessed Bank's lending activities as responsive to local credit demand. Examiners concluded that the geographic distribution of Bank's lending indicated adequate penetration in LMI census tracts. Bank also has formed partnerships with other area banks and provided $200,000 toward a $3.4 million line of credit to the Anne Arundel Economic Development Corporation ("AAEDC"). The line of credit funded direct loans to local businesses and supported loan guarantees by AAEDC to repay the bank debt of local businesses.

Examiners considered Bank's level of participation in community development investment activities adequate to serve the needs of its assessment area. Bank purchased four Maryland Community Development Administration bonds, which provided funds to finance the purchase of or refinance owner-occupied, single-family residences in Maryland by borrowers with limited income. Since its previous examination, Bank also has made $18,900 in qualifying grants and donations to local organizations that serve primarily LMI individuals or areas.

Examiners considered Bank's branch locations and business hours to be convenient and to meet the needs of

1. Deposit and state ranking data are as of June 30, 2001.
2. 12 U.S.C. § 2901 *et seq.*
3. *See Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 and 36,639 (2001).

residents and businesses in its assessment area.[4] Nine ATMs are available to local residents and provide 24-hour nationwide network access. Telephone banking services and a bank-by-mail program are offered. Examiners noted that Bank offered low-cost checking and savings accounts that featured a low opening balance and low monthly fees. The Bank also offered direct deposit for payroll, Social Security, or other recurring payments. Examiners commented favorably on Bank's systems for delivering retail banking services, which were found to be available to all portions of the assessment area, including moderate-income census tracts. Furthermore, examiners determined that Bank offered a level of community development services that was adequate for the institution's size, location, and financial capacity. Accordingly, Bank received a "high satisfactory" rating under the service test component of its CRA performance evaluation.

C. Conclusion on CRA Performance

The Board has considered carefully the entire record of Bank's CRA performance, including the comment letter and Bank's most recent CRA performance examination. Based on all the facts of record, the Board concludes that CRA considerations are consistent with approval of the proposal.

Other Considerations

The Board also has concluded that the factors it is required to consider under section 9 of the Act, including Bank's financial condition, the general character of its management, and the proposed exercise of corporate powers, are consistent with approval of the notice.[5]

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that this notice should be, and hereby is, approved. The Board's approval is specifically conditioned on Bank's compliance with all commitments made in connection with the proposal. The commitments and conditions relied on by the Board are deemed to be conditions imposed in writing in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

Approval of this notice is subject to the establishment of the proposed branch within one year of the date of this order, unless such period is extended by the Board or the Federal Reserve Bank of Richmond, acting pursuant to delegated authority, and to approval of the proposal by the appropriate state authorities.

By order of the Board of Governors, effective December 26, 2001.

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

JENNIFER J. JOHNSON
Secretary of the Board

Orders Issued Under International Banking Act

Caixa de Aforros de Vigo, Ourense e Pontevedra
Vigo, Spain

Order Approving Establishment of an Agency

Caixa de Aforros de Vigo, Ourense e Pontevedra ("Bank"), Vigo, Spain, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish an agency in Miami, Florida. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish an agency in the United States.

Notice of the application, affording interested persons an opportunity to comment, has been published in a newspaper of general circulation in Miami, Florida (*Miami Herald*, July 12, 2001). The time for filing comments has expired, and all comments have been considered.

Bank, with consolidated assets of approximately \$9.2 billion,[1] is a not-for-profit savings bank[2] offering retail and commercial banking services, primarily in the Galicia Region of Spain.[3] Bank also engages in securities, insurance, asset management, venture capital, food distribution,

4. A commenter suggested that the courier service, currently proposed to be provided only to business customers of Bank, be extended to provide services to local senior citizens and disabled individuals and, in particular, to senior-citizen residences. She also proposed that these extended services be publicly funded if necessary. The Board has considered these comments in light of all the facts of record, including Bank's response.

The Board notes that the CRA does not require financial institutions to provide any particular type of product or service to its customers. As discussed, Bank offers several programs that examiners found to be effective in providing banking services in its assessment area. These services included a checking account with no service charge or minimum balance requirement for customers 62 years and older and a checking account with no service charges for customers 55 years and older.

5. 12 U.S.C. § 322.

1. Asset data are as of September 30, 2001.

2. As a savings bank, Bank is required to channel part of its annual profits to social and cultural projects in the communities in which it operates. There is no minimum legal requirement for such contributions.

3. Bank does not have shareholders. Its operations are controlled and governed by three bodies: a general assembly, a board of directors, and a control commission. The 160-member general assembly includes representatives of the municipalities in which Bank operates (25 percent), Bank's depositors (40 percent), the Bank's "founding institutions" (*i.e.*, the municipal governments of Vigo, Ourense, and Pontevedra Regions of Spain) (25 percent), and Bank's employees (10 percent). Bank's board of directors is composed of 27 members, proportionally representing the groups comprising the general assem-

real estate development, telecommunications, and information management activities through a number of domestic subsidiaries. Outside Spain, Bank operates two branches in Portugal and has representative offices in Venezuela, Mexico, and Switzerland. Bank currently does not have any operations in the United States.

The proposed agency would offer deposit, trade finance, project finance, corporate loan, personal banking, and investment management services to Bank's existing and potential customers in the Americas and the Carribean.

In order to approve an application by a foreign bank to establish an agency in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of the United States, and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24).[4] The Board may also take into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)).

As noted above, Bank engages directly in the business of banking outside the United States. Bank also has provided the Board with information necessary to assess the application through submissions that address the relevant issues. With respect to supervision by home country authorities, the Board previously has determined, in connection with applications involving other banks in Spain, that those banks were subject to home country supervision on a consolidated basis.[5] Bank is supervised by the Bank of Spain on substantially the same terms and conditions as those other banks.

Based on all the facts of record, including the above information, it has been determined that Bank is subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The additional standards set forth in section 7 of the IBA and Regulation K (*see* 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)) have also been taken into account. The Bank of Spain has no objection to the establishment of the proposed agency.

Spain has enacted laws, and the Bank of Spain has promulgated implementing regulations, designed to prevent money laundering. The laws and regulations require financial institutions, including savings banks, to establish and implement policies, procedures, and controls for the purpose of preventing and detecting money laundering, and to report certain cash transactions and suspicious transactions to appropriate authorities. An institution's compliance with applicable laws and regulations is monitored by the Bank of Spain and the institution's external auditors. Bank has policies and procedures to comply with these laws and regulations.

Spain's risk-based capital standards conform to the European Union capital standards, which are consistent with those established by the Basel Capital Accord. Bank's capital is in excess of the minimum levels that would be required by the Basel Capital Accord and is considered equivalent to capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank also are considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed agency. In addition, Bank has established controls and procedures for the proposed agency to ensure compliance with U.S. law, as well as controls and procedures for its worldwide operations generally.

With respect to access to information about Bank's operations, the restrictions on disclosure in relevant jurisdictions in which Bank operates have been reviewed and the relevant government authorities have been communicated with regarding access to information. Bank has committed to make available to the Board such information on the operations of Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited by law or otherwise, Bank has committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information. In addition, subject to certain conditions, the Bank of Spain may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, it has been determined that Bank has provided adequate assurances of access to any necessary information that the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank as well as the terms and

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bly. The control commission is composed of 11 members elected by the general assembly.

4. In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

(i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;

(ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;

(iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;

(iv) Receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;

(v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.

These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination.

5. *See Caja de Ahorros y Monte de Piedad de Madrid,* 87 *Federal Reserve Bulletin* 785 (2001); *Banco Pastor, S.A.,* 87 *Federal Reserve Bulletin* 555 (2001); *Caja de Ahorros de Valencia, Castellón y Alicante,* 84 *Federal Reserve Bulletin* 231 (1998); *Banco Exterior de España S.A.,* 81 *Federal Reserve Bulletin* 616 (1995); *Corporación Bancária de España,* 81 *Federal Reserve Bulletin* 598 (1995); *Banco Santander S.A.,* 79 *Federal Reserve Bulletin* 622 (1993); *Banco de Sabadell S.A.,* 79 *Federal Reserve Bulletin* 366 (1993).

conditions set forth in this order, Bank's application to establish an agency is hereby approved.[6] Should any restrictions on access to information on the operations or activities of Bank and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on compliance by Bank with the commitments made in connection with this application and with the conditions in this order.[7] The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with this decision and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order, approved pursuant to authority delegated by the Board, effective December 20, 2001.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

6. Approved by the Director of the Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board.

7. The authority to approve the establishment of the proposed agency parallels the continuing authority of the State of Florida to license offices of a foreign bank. The approval of this application does not supplant the authority of the State of Florida or its agent, the Florida Department of Banking and Finance ("Department"), to license the proposed office of Bank in accordance with any terms or conditions that the Department may impose.

Applications Approved Under Bank Holding Company 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.

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Bancfirst Ohio Corp., Zanesville, Ohio	UNB Corp., Canton, Ohio	Cleveland	November 15, 2001
Bancshares Holding Corp., Downers Grove, Illinois	The Bank of Commerce, Downers Grove, Illinois	Chicago	December 20, 2001
Bedias Financial Corporation, Bedias, Texas Bedias Holdings, Inc., Wilmington, Delaware	First State Bank of Bedias, Bedias, Texas	Dallas	December 12, 2001
Capital Bank Corporation, Raleigh, North Carolina	First Community Financial Corporation, Burlington, North Carolina	Richmond	November 28, 2001
Cavalry Bancorp, Inc., Murfreesboro, Tennessee	Cavalry Banking, Murfreesboro, Tennessee	Atlanta	December 14, 2001
Central Financial Corporation, Hutchinson, Kansas	NorthStar Bancshares, Inc., Kansas City, Missouri	Kansas City	December 21, 2001
Central Texas Bankshare Holdings, Inc., Columbus, Texas Colorado County Investment Holdings, Inc., Wilmington, Delaware	Hill Bancshares Holdings, Inc., Weimar, Texas Hill Bank & Trust Company, Weimar, Texas	Dallas	December 18, 2001
CFB Holding Company, Clinton, Iowa	Citizens First Bank, Clinton, Iowa	Chicago	December 19, 2001
Community State Bancshares, Inc., Bradley, Arkansas	The Bradley Corporation, Bradley, Arkansas The Bank of Bradley, Bradley, Arkansas	St. Louis	December 20, 2001
Firstate Bancorp, Inc., Mason City, Illinois	1st State Bank of Mason City, Mason City, Illinois	Chicago	November 16, 2001
First Banks, Inc., St. Louis, Missouri	Plains Financial Corporation, Des Plains, Illinois PlainsBank of Illinois, N.A., Des Plains, Illinois	St. Louis	November 20, 2001

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Columbia Bancorp, Inc., Lake City, Florida	Columbia County Bank, Lake City, Florida	Atlanta	December 24, 2001
First Sentry Bancshares, Inc., Huntington, West Virginia	First Sentry Bank, Inc., Huntington, West Virginia	Richmond	November 16, 2001
First Southern Bancorp, Statesboro, Georgia	First Southern National Bank, Statesboro, Georgia	Atlanta	December 14, 2001
FlatIrons Bank Holding Company, Loveland, Colorado	FlatIrons Bank, Boulder, Colorado	Kansas City	December 7, 2001
FNB Corporation, Christiansburg, Virginia	Salem Community Bankshares, Inc., Salem, Virginia	Richmond	November 15, 2001
Grand Bankshares, Inc., West Palm Beach, Florida	Grand Bank & Trust of Florida, West Palm Beach, Florida	Atlanta	December 11, 2001
H2H Bancshares, Inc., Hosmer, South Dakota	Farmers State Bank, Hosmer, South Dakota	Minneapolis	November 28, 2001
Krum Bancshares, Inc., Krum, Texas Krum Bancshares of Delaware, Inc., Dover, Delaware	Farmers and Merchants State Bank, Krum, Texas	Dallas	December 19, 2001
Malvern Bancshares, Inc., Malvern, Iowa	Malvern Trust & Savings Bank, Malvern, Iowa	Chicago	December 6, 2001
McLaughlin Bancshares, Inc., Ralls, Texas McLaughlin Delaware Bancshares, Inc., Dover, Delaware	First Hale Center, Inc., Hale Center, Texas FNB West Texas, Plainview, Texas	Dallas	December 3, 2001
Mesaba Bancshares, Inc., Grand Rapids, Minnesota	Bovey Financial Corporation, Bovey, Minnesota The First National Bank of Bovey, Bovey, Minnesota	Minneapolis	December 3, 2001
NB&T Financial Group, Inc., Employee Stock Ownership Plan, Wilmington, Ohio	NB&T Financial Group, Wilmington, Ohio	Cleveland	December 13, 2001
Northwest Bancshares, Inc., Roanoke, Texas Northwest Delaware, Inc., Wilmington, Delaware	Northwest Bank, Roanoke, Texas	Dallas	December 5, 2001
PHSB Financial Corporation, Beaver Falls, Pennsylvania	Peoples Home Savings Bank, Beaver Falls, Pennsylvania	Cleveland	November 13, 2001
Plainville Bancshares, Inc., Plainville, Kansas	Farmers Bancshares, Inc., Lincoln, Kansas	Kansas City	December 5, 2001
Premier Holdings, Ltd., Rock Valley, Iowa	Premier Bank, Rock Valley, Iowa	Chicago	December 17, 2001
Riverside Central Florida Banking Company, Winter Park, Florida	Riverside Bank of Central Florida, Winter Park, Florida	Atlanta	December 7, 2001
South Group Bancshares, Inc., Glennville, Georgia	South Georgia Bank, Glennville, Georgia	Atlanta	December 14, 2001
Spector Properties, Inc., Chicago, Illinois	Andalusia Community Bank, Andalusia, Illinois	Chicago	December 27, 2001
Superior National Bank Holding Company, Superior, Wisconsin	Superior National Bank, Superior, Wisconsin	Minneapolis	November 14, 2001
Tri-County Bancorp, Inc., West Union, West Virginia	West Union Bank, West Union, West Virginia	Richmond	December 4, 2001

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
UNB Corp., Canton, Ohio	Bancfirst Ohio Corp., Zanesville, Ohio	Cleveland	November 15, 2001
United Bancor, Ltd., Dickenson, North Dakota	Bismarck Bancshares, Inc., Bismarck, North Dakota	Minneapolis	December 21, 2001
Valley View Bancshares, Inc., Overland Park, Kansas	Guaranty Bancshares, Kansas City, Kansas	Kansas City	December 27, 2001
Westfield Financial, Inc., Westfield, Massachusetts	Westfield Savings Bank, Westfield, Massachusetts	Boston	November 19, 2001
Westfield Mutual Holding Company, Westfield, Massachusetts	Westfield Financial, Inc., Westfield, Massachusetts	Boston	November 19, 2001
West Point Bancorp, Inc., West Point, Nebraska	Town & Country Bank, Inc., Las Vegas, Nevada	Kansas City	December 7, 2001

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Community First Financial Group, Inc., Corydon, Indiana	Harrington Bank, Chapel Hills, North Carolina	St. Louis	December 17, 2001
FBOP Corporation, Oak Park, Illinois	Bank Plus Corporation, Los Angeles, California	Chicago	December 28, 2001
Landesbank Baden-Württemberg, Stuttgart, Germany Sparkassenverband Baden-Württemberg, Stuttgart, Germany	BW Capital Markets, Inc., New York, New York	New York	December 20, 2001
Mainline Bankshares of Portland, Inc., Portland, Arkansas	To engage in certain lending activities limited to the purchase of loans from its subsidiary bank	St. Louis	December 5, 2001
Marshall & Ilsley Corporation, Milwaukee, Wisconsin Metavante Corporation, Milwaukee, Wisconsin	401kservices.com, inc., Appleton, Wisconsin	Chicago	December 14, 2001
Midwest Banc Holdings, Inc., Melrose Park, Illinois Midwest Financial and Investment Services, Inc., Elmwood Park, Illinois	Service 1st Financial Corporation, Elmwood Park, Illinois	Chicago	December 19, 2001

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
Comerica Bank-California, San Jose, California	Progress Bank, Blue Bell, Pennsylvania	Chicago	December 27, 2001
Fifth Third Bank, Indiana, Indianapolis, Indiana	Fifth Third Bank, Southwest, F.S.B., Scottsdale, Arizona	Cleveland	December 13, 2001

Applications Approved Under Bank Merger Act—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Bank, Creve Coeur, Missouri	PlainsBank of Illinois, National Association, Des Plaines, Illinois	St. Louis	December 26, 2001
The First Bank and Trust Company, Lebanon, Virginia	First Bank and Trust Company of Tennessee, Johnson City, Tennessee	Richmond	December 13, 2001
Florida Keys Bank, Marathon, Florida	Gulf Coast National Bank, Naples, Florida	Atlanta	December 7, 2001
Iowa State Bank, Sheldon, Iowa	Iowa State Bank, Orange City, Iowa	Chicago	December 14, 2001
Potomac Valley Bank, Petersburg, West Virginia	South Branch Valley National Bank, Moorefield, West Virginia	Richmond	December 12, 2001
Security Bank, Ralls, Texas	FNB West Texas, Plainview, Texas	Dallas	December 3, 2001
Southern Security Bank, Hollywood, Florida	PanAmerican Bank, Miami, Florida	Atlanta	December 14, 2001

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.

Community Bank & Trust v. United States, No. 01–571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging failure to pay interest on reserve accounts held at Federal Reserve Bank.

Emran v. Greenspan, No. 1:01CV1992 (PLF) (D.D.C., filed September 20, 2001). Employment discrimination claim. On December 21, 2001, the case was dismissed by stipulation of the parties.

Bettersworth v. Board of Governors, No. 01–444 (United States Supreme Court, docketed September 14, 2001). Petition for *certiorari* seeking review of denial of petitioner's Privacy Act claims. On November 13, 2001, the Supreme Court denied the petition.

Laredo National Bancshares, Inc. v. Whalen v. Board of Governors, No. 01-CV-134 (S.D. Tex., removed on September 5, 2001, from No. 99CVQ00940-D3 (District Court, 341st Judicial District, Webb County, Texas, originally filed July 26, 2001). Third-party petition seeking indemnification or contribution from the Board in connection with a claim asserted against defendant Whalen alleging tortious interference with a contract.

Radfar v. United States, No. 1:01CV1292 (PLF) (D.D.C., complaint filed June 11, 2001). Action under the Federal Tort Claims Act for injury on Board premises.

Artis v. Greenspan, No. 01-CV-0400(ESG) (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.

Howe v. Bank for International Settlements, No. 00CV12485 RCL (D. Mass., filed December 7, 2000). Action seeking damages in connection with gold market activities and the repurchase of privately-owned shares of the Bank for International Settlements.

Trans Union LLC v. Federal Trade Commission, et al., No. 01–5202 (D.C. Cir., filed June 4, 2001). Appeal of district court order entered April 30, 2001, upholding an interagency rule regarding Privacy of Consumer Finance Information.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the method of funding of the retirement plan for certain Board employees. On March 30, 2001, the district court granted in part and denied in part the Board's motion to dismiss.

Guerrero v. United States, No. CV-F-99–6771(OWW) (E.D. Cal., filed November 29, 1999). Prisoner suit.

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. On February 26, 1999, the Board filed a motion to dismiss the action.

Membership of the Board of Governors of the Federal Reserve System, 1913–2002

APPOINTIVE MEMBERS[1]

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936.[3]
Paul M. Warburg	New York	Aug. 10, 1914	Term expired Aug. 9, 1918.
Frederic A. Delano	Chicago	Aug. 10, 1914	Resigned July 21, 1918.
W.P.G. Harding	Atlanta	Aug. 10, 1914	Term expired Aug. 9, 1922.
Adolph C. Miller	San Francisco	Aug. 10, 1914	Reappointed in 1924. Reappointed in 1934 from the Richmond District. Served until Feb. 3, 1936.[3]
Albert Strauss	New York	Oct. 26, 1918	Resigned Mar. 15, 1920.
Henry A. Moehlenpah	Chicago	Nov. 10, 1919	Term expired Aug. 9, 1920.
Edmund Platt	New York	June 8, 1920	Reappointed in 1928. Resigned Sept. 14, 1930.
David C. Wills	Cleveland	Sept. 29, 1920	Term expired Mar. 4, 1921.
John R. Mitchell	Minneapolis	May 12, 1921	Resigned May 12, 1923.
Milo D. Campbell	Chicago	Mar. 14, 1923	Died Mar. 22, 1923.
Daniel R. Crissinger	Cleveland	May 1, 1923	Resigned Sept. 15, 1927.
George R. James	St. Louis	May 14, 1923	Reappointed in 1931. Served until Feb. 3, 1936.[4]
Edward H. Cunningham	Chicago	May 14, 1923	Died Nov. 28, 1930.
Roy A. Young	Minneapolis	Oct. 4, 1927	Resigned Aug. 31, 1930.
Eugene Meyer	New York	Sept. 16, 1930	Resigned May 10, 1933.
Wayland W. Magee	Kansas City	May 18, 1931	Term expired Jan. 24, 1933.
Eugene R. Black	Atlanta	May 19, 1933	Resigned Aug. 15, 1934.
M.S. Szymczak	Chicago	June 14, 1933	Reappointed in 1936 and 1948. Resigned May 31, 1961.
J.J. Thomas	Kansas City	June 14, 1933	Served until Feb. 10, 1936.[3]
Marriner S. Eccles	San Francisco	Nov. 15, 1934	Reappointed in 1936, 1940, and 1944. Resigned July 14, 1951.
Joseph A. Broderick	New York	Feb. 3, 1936	Resigned Sept. 30, 1937.
John K. McKee	Cleveland	Feb. 3, 1936	Served until Apr. 4, 1946.[3]
Ronald Ransom	Atlanta	Feb. 3, 1936	Reappointed in 1942. Died Dec. 2, 1947.
Ralph W. Morrison	Dallas	Feb. 10, 1936	Resigned July 9, 1936.
Chester C. Davis	Richmond	June 25, 1936	Reappointed in 1940. Resigned Apr. 15, 1941.
Ernest G. Draper	New York	Mar. 30, 1938	Served until Sept. 1, 1950.[3]
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954.[3]
James K. Vardaman, Jr.	St. Louis	Apr. 4, 1946	Resigned Nov. 30, 1958.
Lawrence Clayton	Boston	Feb. 14, 1947	Died Dec. 4, 1949.
Thomas B. McCabe	Philadelphia	Apr. 15, 1948	Resigned Mar. 31, 1951.
Edward L. Norton	Atlanta	Sept. 1, 1950	Resigned Jan. 31, 1952.
Oliver S. Powell	Minneapolis	Sept. 1, 1950	Resigned June 30, 1952.
Wm. McC. Martin, Jr.	New York	April 2, 1951	Reappointed in 1956. Term expired Jan. 31, 1970.
A.L. Mills, Jr.	San Francisco	Feb. 18, 1952	Reappointed in 1958. Resigned Feb. 28, 1965.
J.L. Robertson	Kansas City	Feb. 18, 1952	Reappointed in 1964. Resigned Apr. 30, 1973.
C. Canby Balderston	Philadelphia	Aug. 12, 1954	Served through Feb. 28, 1966.
Paul E. Miller	Minneapolis	Aug. 13, 1954	Died Oct. 21, 1954.
Chas. N. Shepardson	Dallas	Mar. 17, 1955	Retired Apr. 30, 1967.
G.H. King, Jr.	Atlanta	Mar. 25, 1959	Reappointed in 1960. Resigned Sept. 18, 1963.
George W. Mitchell	Chicago	Aug. 31, 1961	Reappointed in 1962. Served until Feb. 13, 1976.[3]
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974.[3]
Sherman J. Maisel	San Francisco	Apr. 30, 1965	Served through May 31, 1972.
Andrew F. Brimmer	Philadelphia	Mar. 9, 1966	Resigned Aug. 31, 1974.
William W. Sherrill	Dallas	May 1, 1967	Reappointed in 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970. Resigned Mar. 31, 1978.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco	June 5, 1972	Resigned Jan. 2, 1976.
Robert C. Holland	Kansas City	June 11, 1973	Resigned May 15, 1976.
Henry C. Wallich	Boston	Mar. 8, 1974	Resigned Dec. 15, 1986.
Philip E. Coldwell	Dallas	Oct. 29, 1974	Served through Feb. 29, 1980.

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	Resigned Nov. 17, 1978.
J. Charles Partee	Richmond	Jan. 5, 1976	Served until Feb. 7, 1986.[3]
Stephen S. Gardner	Philadelphia	Feb. 13, 1976	Died Nov. 19, 1978.
David M. Lilly	Minneapolis	June 1, 1976	Resigned Feb. 24, 1978.
G. William Miller	San Francisco	Mar. 8, 1978	Resigned Aug. 6, 1979.
Nancy H. Teeters	Chicago	Sept. 18, 1978	Served through June 27, 1984.
Emmett J. Rice	New York	June 20, 1979	Resigned Dec. 31, 1986.
Frederick H. Schultz	Atlanta	July 27, 1979	Served through Feb. 11, 1982.
Paul A. Volcker	Philadelphia	Aug. 6, 1979	Resigned August 11, 1987.
Lyle E. Gramley	Kansas City	May 28, 1980	Resigned Sept. 1, 1985.
Preston Martin	San Francisco	Mar. 31, 1982	Resigned April 30, 1986.
Martha R. Seger	Chicago	July 2, 1984	Resigned March 11, 1991.
Wayne D. Angell	Kansas City	Feb. 7, 1986	Served through Feb. 9, 1994.
Manuel H. Johnson	Richmond	Feb. 7, 1986	Resigned August 3, 1990.
H. Robert Heller	San Francisco	Aug. 19, 1986	Resigned July 31, 1989.
Edward W. Kelley, Jr.	Dallas	May 26, 1987	Reappointed in 1990; resigned Dec. 31, 2001.
Alan Greenspan	New York	Aug. 11, 1987	Reappointed in 1992.
John P. LaWare	Boston	Aug. 15, 1988	Resigned April 30, 1995.
David W. Mullins, Jr.	St. Louis	May 21, 1990	Resigned Feb. 14, 1994.
Lawrence B. Lindsey	Richmond	Nov. 26, 1991	Resigned Feb. 5, 1997.
Susan M. Phillips	Chicago	Dec. 2, 1991	Served through June 30, 1998.
Alan S. Blinder	Philadelphia	June 27, 1994	Term expired Jan. 31, 1996.
Janet L. Yellen	San Francisco	Aug. 12, 1994	Resigned Feb. 17, 1997.
Laurence H. Meyer	St. Louis	June 24, 1996	Term expired Jan. 31, 2002.
Alice M. Rivlin	Philadelphia	June 25, 1996	Resigned July 16, 1999.
Roger W. Ferguson, Jr.	Boston	Nov. 5, 1997	Reappointed in 2001.
Edward M. Gramlich	Richmond	Nov. 5, 1997	
Susan S. Bies	Chicago	Dec. 7, 2001	
Mark W. Olson	Minneapolis	Dec. 7, 2001	

Chairmen[4]

Charles S. Hamlin	Aug. 10, 1914–Aug. 9, 1916
W.P.G. Harding	Aug. 10, 1916–Aug. 9, 1922
Daniel R. Crissinger	May 1, 1923–Sept. 15, 1927
Roy A. Young	Oct. 4, 1927–Aug. 31, 1930
Eugene Meyer	Sept. 16, 1930–May 10, 1933
Eugene R. Black	May 19, 1933–Aug. 15, 1934
Marriner S. Eccles	Nov. 15, 1934–Jan. 31, 1948[5]
Thomas B. McCabe	Apr. 15, 1948–Mar. 31, 1951
Wm. McC. Martin, Jr.	Apr. 2, 1951–Jan. 31, 1970
Arthur F. Burns	Feb. 1, 1970–Jan. 31, 1978
G. William Miller	Mar. 8, 1978–Aug. 6, 1979
Paul A. Volcker	Aug. 6, 1979–Aug. 11, 1987
Alan Greenspan	Aug. 11, 1987–[6]

Vice Chairmen[4]

Frederic A. Delano	Aug. 10, 1914–Aug. 9, 1916
Paul M. Warburg	Aug. 10, 1916–Aug. 9, 1918
Albert Strauss	Oct. 26, 1918–Mar. 15, 1920
Edmund Platt	July 23, 1920–Sept. 14, 1930
J.J. Thomas	Aug. 21, 1934–Feb. 10, 1936
Ronald Ransom	Aug. 6, 1936–Dec. 2, 1947
C. Canby Balderston	Mar. 11, 1955–Feb. 28, 1966
J.L. Robertson	Mar. 1, 1966–Apr. 30, 1973
George W. Mitchell	May 1, 1973–Feb. 13, 1976
Stephen S. Gardner	Feb. 13, 1976–Nov. 19, 1978
Frederick H. Schultz	July 27, 1979–Feb. 11, 1982
Preston Martin	Mar. 31, 1982–Apr. 30, 1986
Manuel H. Johnson	Aug. 4, 1986–Aug. 3, 1990
David W. Mullins, Jr.	July 24, 1991–Feb. 14, 1994
Alan S. Blinder	June 27, 1994–Jan. 31, 1996
Alice M. Rivlin	June 25, 1996–July 16, 1999
Roger W. Ferguson, Jr.	Oct. 5, 1999–

EX-OFFICIO MEMBERS[1]

Secretaries of the Treasury

W.G. McAdoo	Dec. 23, 1913–Dec. 15, 1918
Carter Glass	Dec. 16, 1918–Feb. 1, 1920
David F. Houston	Feb. 2, 1920–Mar. 3, 1921
Andrew W. Mellon	Mar. 4, 1921–Feb. 12, 1932
Ogden L. Mills	Feb. 12, 1932–Mar. 4, 1933
William H. Woodin	Mar. 4, 1933–Dec. 31, 1933
Henry Morgenthau, Jr.	Jan. 1, 1934–Feb. 1, 1936

Comptrollers of the Currency

John Skelton Williams	Feb. 2, 1914–Mar. 2, 1921
Daniel R. Crissinger	Mar. 17, 1921–Apr. 30, 1923
Henry M. Dawes	May 1, 1923–Dec. 17, 1924
Joseph W. McIntosh	Dec. 20, 1924–Nov. 20, 1928
J.W. Pole	Nov. 21, 1928–Sept. 20, 1932
J.F.T. O'Connor	May 11, 1933–Feb. 1, 1936

1. Under the provisions of the original Federal Reserve Act, the Federal Reserve Board was composed of seven members, including five appointive members, the Secretary of the Treasury, who was ex-officio chairman of the Board, and the Comptroller of the Currency. The original term of office was ten years, and the five original appointive members had terms of two, four, six, eight, and ten years respectively. In 1922 the number of appointive members was increased to six, and in 1933 the term of office was increased to twelve years. The Banking Act of 1935, approved Aug. 23, 1935, changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System and provided that the Board should be composed of seven appointive members; that the Secretary of the Treasury and the Comptroller of the Currency should continue to serve as members until Feb. 1, 1936; that the appointive members in office on the date of that act should continue to serve until Feb. 1, 1936, or until their successors were appointed and had qualified; and that thereafter the terms of members should be fourteen years and that the designation of Chairman and Vice Chairman of the Board should be for a term of four years.

2. Date after words "Resigned" and "Retired" denotes final day of service.

3. Successor took office on this date.

4. Chairman and Vice Chairman were designated Governor and Vice Governor before Aug. 23, 1935.

5. Served as Chairman Pro Tempore from February 3, 1948, to April 15, 1948.

6. Served as Chairman Pro Tempore from March 3, 1996, to June 20, 1996.

Financial and Business Statistics

Guide to Tables

SYMBOLS AND ABBREVIATIONS

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

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	2000	2001			2001				
	Q4	Q1	Q2	Q3	July	Aug	Sept.	Oct.	Nov.
Reserves of depository institutions[2]									
1 Total	−9.0	−2.1	1.9	71.7	25.8	8.7	540.1	−266.0	−119.2
2 Required	−11.3	−3.6	4.3	10.4	26.1	14.4	4.4	160.2	−134.2
3 Nonborrowed	−6.7	.4	.9	60.4	24.3	11.8	445.8	−210.8	−118.3
4 Monetary base[3]	2.8	6.4	5.4	14.7	11.6	15.4	47.2	−19.1	−.9
Concepts of money and debt[4]									
5 M1	−3.3	5.0	5.5	14.5	13.8	8.6	58.1	−41.3	−.2
6 M2	6.0	9.8	9.7	10.7	9.1	8.2	26.7	−1.5	9.2
7 M3	7.3	13.1	14.7	9.7	6.9	.8	25.0	10.6	16.1
8 Debt	4.4	4.8	5.9	5.8	3.7[r]	6.7	8.0	4.7	n.a.
Nontransaction components									
9 In M2[5]	8.8	11.2	10.9	9.6	7.8	8.1	18.0	9.9	11.9
10 In M3 only[6]	10.4	20.7	25.9	7.6	2.2	−14.8	21.1	37.0	30.5
Time and savings deposits									
Commercial banks									
11 Savings, including MMDAs	12.1	17.4	20.4	19.8	12.4	24.5	32.9	12.4	29.1
12 Small time[7]	5.6	2.5	−7.8	−10.3	−13.9	−7.5	−8.6	−11.2	−17.9
13 Large time[8,9]	4.1	−1.3	−.2	−4.0	−11.4	−19.4	6.9[r]	23.5[r]	18.4
Thrift institutions									
14 Savings, including MMDAs	.4	6.5	22.3	25.3	23.1	24.3	22.9	33.4	26.7
15 Small time[7]	9.3	6.5	4.0	−4.8	−8.2	−9.9	−4.5	−14.9	−16.9
16 Large time[8]	10.6	11.1	12.8	16.0	20.7	31.1	13.6	1.0	−21.7
Money market mutual funds									
17 Retail	10.4	12.2	7.0	4.9	13.4	−9.6	17.1	16.2	4.3
18 Institution-only	20.5	50.8	55.1	21.9	9.7	−20.1	53.0	76.4	30.0
Repurchase agreements and eurodollars									
19 Repurchase agreements[10]	2.1	−7.1	21.0	−9.6	−12.4	−11.5	−40.8	−11.1	62.6
20 Eurodollars[10]	10.3	38.6	8.1	6.4	28.5	−4.9	26.8	−12.3	47.6
Debt components[4]									
21 Federal	−8.0	−5.2	−7.0	3.1	4.5	7.6	12.3	.0	n.a.
22 Nonfederal	7.4	7.1	8.7	6.3	3.6	6.5	7.1	5.7	n.a.

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 and debt 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.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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 CREDIT[1]

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2001			2001						
	Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	628,193	613,448	616,947	616,686	606,617	617,176	609,341	616,000	619,203	621,108
U.S. government securities[2]										
2 Bought outright—System account[3]	533,581	541,533	547,415	541,322	543,577	543,435	544,264	546,037	549,068	549,494
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 agreeements—triparty[4]	44,704	33,035	32,049	33,154	27,405	37,843	26,704	31,004	34,257	35,243
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	3,344	9	50	7	10	10	77	90	33	9
9 Seasonal credit	89	68	33	67	64	54	39	31	30	33
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	7,551	490	479	915	−38	−146	−14	71	578	679
13 Other Federal Reserve assets	38,914	38,302	36,911	41,213	35,589	35,968	38,261	38,757	35,227	35,639
14 Gold stock	11,044	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
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	32,984	33,045	33,104	33,041	33,055	33,069	33,083	33,097	33,111	33,113
ABSORBING RESERVE FUNDS										
17 Currency in circulation	613,474	615,444	622,206	616,113	614,807	614,653	617,406	621,370	622,985	626,232
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	424	438	435	442	451	438	436	438	436	429
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	6,644	5,234	5,131	4,722	5,321	5,121	4,987	4,690	5,603	5,074
21 Foreign	292	505	213	632	579	112	96	149	172	327
22 Service-related balances and adjustments	7,796	8,160	8,012	8,096	8,057	8,223	7,724	7,788	8,237	8,151
23 Other	342	262	267	257	262	236	280	256	274	263
24 Other Federal Reserve liabilities and capital	19,081	17,892	17,910	17,958	17,844	17,879	18,054	17,967	17,766	17,815
25 Reserve balances with Federal Reserve Banks[5]	26,368	11,802	9,123	14,752[r]	5,595	16,827	6,687	9,684	10,087	9,175
	End-of-month figures			Wednesday figures						
	Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	619,548	625,350	624,228	624,125	610,745	625,350	611,452	627,260	623,368	627,136
U.S. government securities[2]										
2 Bought outright—System account[3]	534,136	544,287	550,314	544,024	544,190	544,287	545,603	547,300	549,166	550,765
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 agreeements—triparty[4]	47,880	45,050	36,500	37,045	30,050	45,050	27,925	37,755	36,250	39,350
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	7	15	3	1	42	15	61	1	4	3
9 Seasonal credit	81	40	35	64	60	40	37	28	31	33
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	−549	244	1,523	1,640	646	244	−681	3,283	2,369	1,001
13 Other Federal Reserve assets	37,983	35,703	35,842	41,342	35,747	35,703	38,498	38,882	35,539	35,974
14 Gold stock	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
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	33,013	33,069	33,139	33,041	33,055	33,069	33,083	33,097	33,111	33,111
ABSORBING RESERVE FUNDS										
17 Currency in circulation	612,069	616,853	624,672	616,220	615,437	616,853	619,660	623,072	626,282	626,851
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	422	435	434	453	439	435	438	437	428	434
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	9,796	5,112	6,219	5,038	4,297	5,112	5,183	5,347	4,627	4,313
21 Foreign	609	75	528	744	282	75	124	471	163	351
22 Service-related balances and adjustments	8,016	8,223	8,525	8,096	8,057	8,223	7,724	7,788	8,237	8,151
23 Other	191	271	236	256	251	271	278	262	257	272
24 Other Federal Reserve liabilities and capital	17,875	17,773	18,101	17,734	17,597	17,773	17,822	17,604	17,606	17,858
25 Reserve balances with Federal Reserve Banks[5]	16,829	22,922[r]	11,896	21,872	10,685	22,922[r]	6,551	18,622	12,125	15,261

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.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1998	1999	2000	2001						
	Dec	Dec.	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Reserve balances with Reserve Banks[2]	9,026	5,262	7,022	7,604	7,041	7,665	7,552	25,564	12,127	8,943
2 Total vault cash[3]	44,294	60,619	45,245	43,267	43,139	43,911	44,007	43,436	45,022	43,067
3 Applied vault cash[4]	36,183	36,392	31,451	31,771	31,174	31,619	32,051	31,940	32,476r	31,216
4 Surplus vault cash[5]	8,111	24,227	13,794	11,497	11,966	12,291	11,956	11,496	12,546	11,851
5 Total reserves[6]	45,209	41,654	38,473	39,374	38,215	39,285	39,603	57,504	44,604	40,159
6 Required reserves	43,695	40,357	37,046	38,355	36,855	37,904	38,397	38,491	43,589r	38,696
7 Excess reserve balances at Reserve Banks[7]	1,514	1,297	1,427	1,019	1,360	1,380	1,206	19,013	1,014r	1,463
8 Total borrowing at Reserve Banks	117	320	210	213	229	283	183	3,385	127	84
9 Adjustment	101	179	99	134	110	109	19	3,292	60	51
10 Seasonal	15	67	111	79	120	174	164	93	67	33
11 Special Liquidity Facility[8]	0	74	0	...	...	...	...	...	...	...
12 Extended credit[9]	0	0	0	0	0	0	0	0	0	0

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2001									
	Aug. 8	Aug. 22	Sept. 5	Sept. 19	Oct. 3	Oct. 17	Oct. 31	Nov. 14	Nov. 28	Dec. 12
1 Reserve balances with Reserve Banks[2]	7,642	7,029	8,287	44,460	9,368	13,635	11,212	8,317	9,625	8,556
2 Total vault cash[3]	44,716	44,326	42,883	42,992	44,254	45,739	44,471	43,506	42,769	42,084
3 Applied vault cash[4]	32,298	32,111	31,739	30,976	33,260	32,392	32,393r	30,971	31,531	30,729
4 Surplus vault cash[5]	12,418	12,215	11,145	12,016	10,994	13,347	12,078r	12,535	11,238	11,355
5 Total reserves[6]	39,940	39,140	40,026	75,436	42,628	46,027	43,605r	39,288	41,156	39,284
6 Required reserves	38,799	38,088	38,523	37,301	39,992	45,187	42,763	37,848	39,653	37,941
7 Excess reserve balances at Reserve Banks[7]	1,141	1,052	1,502	38,134	2,635	839	842	1,440	1,503	1,343
8 Total borrowing at Reserve Banks	214	184	156	6,717	613	82	69	119	53	60
9 Adjustment	27	9	29	6,622	538	8	10	84	22	26
10 Seasonal	188	175	127	95	75	74	59	35	32	34
11 Special Liquidity Facility[8]	...	...	...	...	...	...	...	...	...	...
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	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 1/11/02	Effective date	Previous rate	On 1/11/02	Effective date	Previous rate	On 1/11/02	Effective date	Previous rate
Boston	1.25	12/11/01	1.50	1.70	1/10/02	1.80	2.20	1/10/02	2.30
New York		12/11/01							
Philadelphia		12/11/01							
Cleveland		12/13/01							
Richmond		12/13/01							
Atlanta		12/13/01							
Chicago		12/11/01							
St. Louis		12/12/01							
Minneapolis		12/13/01							
Kansas City		12/13/01							
Dallas		12/13/01							
San Francisco	1.25	12/11/01	1.50	1.70	1/10/02	1.80	2.20	1/10/02	2.30

Range of rates for adjustment credit in recent years[4]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1981	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
23	6.5	6.5
July 11	6	6
Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11	6.5	6.5
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6–6.5	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1991—Sept. 13	5–5.5	5
17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
1992—July 2	3–3.5	3
7	3	3
1994—May 17	3–3.5	3.5
18	3.5	3.5
Aug. 16	3.5–4	4
18	4	4
Nov. 15	4–4.75	4.75
17	4.75	4.75
1995—Feb. 1	4.75–5.25	5.25
9	5.25	5.25
1996—Jan. 31	5.00–5.25	5.00
Feb. 3	5.00	5.00
1998—Oct. 15	4.75–5.00	4.75
16	4.75	4.75
Nov. 17	4.50–4.75	4.50
19	4.50	4.50
1999—Aug. 24	4.50–4.75	4.75
26	4.75	4.75
Nov. 16	4.75–5.00	4.75
18	5.00	5.00
2000—Feb. 2	5.00–5.25	5.25
4	5.25	5.25
Mar. 21	5.25–5.50	5.50
23	5.50	5.50
May 16	5.50–6.00	5.50
19	6.00	6.00
2001—Jan. 3	5.75–6.00	5.75
4	5.50–5.75	5.50
5	5.50	5.50
31	5.00–5.50	5.00
Feb. 1	5.00	5.00
Mar. 20	4.50–5.00	4.50
21	4.50	4.50
Apr. 18	4.00–4.50	4.00
20	4.00	4.00

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
2001—May 15	3.50–4.00	3.50
17	3.50	3.50
June 27	3.25–3.50	3.25
29	3.25	3.25
Aug. 21	3.00–3.25	3.00
23	3.00	3.00
Sept. 17	2.50–3.00	2.50
18	2.50	2.50
Oct. 2	2.00–2.50	2.00
4	2.00	2.00
Nov. 6	1.50–2.00	1.50
8	1.50	1.50
Dec. 11	1.25–1.50	1.25
13	1.25	1.25
In effect Jan.11, 2002	1.25	1.25

1. Available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. The highest rate established for loans to depository institutions may be charged on adjustment credit loans of unusual size that result from a major operating problem at the borrower's facility.

2. 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; however, it is never less than the discount rate applicable to adjustment credit.

3 May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941,* and *1941–1970;* and the *Annual Statistical Digest, 1970–1979,* and *1980–1989.* 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 INSTITUTIONS[1]

Type of deposit	Requirement	
	Percentage of deposits	Effective date
Net transaction accounts[2]		
1 $0 million–$42.8 million[3]	3	12/30/99
2 More than $42.8 million[4]	10	12/30/99
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 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the amount was decreased from $44.3 million to $42.8 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 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the exemption was raised from $5.0 million to $5.5 million

4. The reserve requriement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 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 fom 3 percent to 1.5 percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 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 Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1.5 years or more has been zero since Oct. 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 TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	1998	1999	2000	2001 Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. TREASURY SECURITIES[2]										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	3,550	0	8,676	308	624	2,165	718	2,899	348	772
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	450,835	464,218	477,904	38,317	47,112	40,363	42,001	55,231	42,268	50,274
4 For new bills	450,835	464,218	477,904	38,317	47,112	40,363	42,001	55,231	42,268	50,274
5 Redemptions	2,000	0	24,522	3,537	3,939	0	0	0	1,543	473
Others within one year										
6 Gross purchases	6,297	11,895	8,809	3,027	2,174	1,410	235	1,385	0	1,411
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	46,062	50,590	62,025	12,204	8,117	0	7,088	9,379	0	6,535
9 Exchanges	−49,434	−53,315	−54,656	−7,000	−8,965	0	−7,667	−6,873	0	−11,809
10 Redemptions	2,676	1,429	3,779	4,368	2,287	0	4,668	1,055	0	0
One to five years										
11 Gross purchases	12,901	19,731	14,482	4,480	2,685	1,428	4,193	810	851	22
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	−37,777	−44,032	−52,068	−12,204	−1,913	0	1,838	−9,379	0	−2,164
14 Exchanges	37,154	42,604	46,177	7,000	6,508	0	7,667	5,290	0	11,809
Five to ten years										
15 Gross purchases	2,294	4,303	5,871	1,390	657	0	756	935	0	422
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	−5,908	−5,841	−6,801	0	−5,130	0	−8,926	1,043	0	−4,372
18 Exchanges	7,439	7,583	6,585	0	2,457	0	0	1,043	0	0
More than ten years										
19 Gross purchases	4,884	9,428	5,833	913	1,241	1,419	815	720	0	1,184
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	−2,377	−717	−3,155	0	−1,074	0	0	−1,043	0	0
22 Exchanges	4,842	3,139	1,894	0	0	0	0	540	0	0
All maturities										
23 Gross purchases	29,926	45,357	43,670	10,118	7,380	6,422	6,716	6,749	1,199	3,811
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	4,676	1,429	28,301	7,905	6,226	0	4,668	1,055	1,543	473
Matched transactions										
26 Gross purchases	4,430,457	4,413,430	4,399,257	381,667	398,039	367,462	392,721	406,143	508,129	431,887
27 Gross sales	4,434,358	4,431,685	4,381,188	381,895	397,600	366,411	394,381	405,627	515,429	425,110
Repurchase agreements										
28 Gross purchases	512,671	281,599	0	0	0	0	0	0	0	0
29 Gross sales	514,186	301,273	0	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	19,835	5,999	33,439	1,984	1,592	7,472	388	6,211	−7,645	10,114
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	25	0	0	0	0	0	0	0	0	0
33 Redemptions	322	157	51	0	0	0	0	0	0	0
Repurchase agreements										
34 Gross purchases	284,316	360,069	0	0	0	0	0	0	0	0
35 Gross sales	276,266	370,772	0	0	0	0	0	0	0	0
36 Net change in federal agency obligations	7,703	−10,859	−51	0	0	0	0	0	0	0
Reverse repurchase agreements										
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
Repurchase agreements										
39 Gross purchases	0	304,989	890,236	85,166	120,135	65,005	106,355	103,255	406,930	110,885
40 Gross sales	0	164,349	987,501	82,154	114,832	72,065	103,255	99,850	388,805	113,715
41 Net change in triparty obligations	0	140,640	−97,265	3,012	5,303	−7,060	3,100	3,405	18,125	−2,830
42 Total net change in System Open Market Account	**27,538**	**135,780**	**−63,877**	**4,996**	**6,895**	**412**	**3,488**	**9,616**	**10,480**	**7,284**

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.

1.18 FEDERAL RESERVE BANKS Condition and Federal Note Statements[1]

Millions of dollars

Account	Wednesday					End of month		
	2001					2001		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept.	Oct.	Nov.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,123	1,116	1,107	1,074	1,046	1,141	1,123	1,064
Loans								
4 To depository institutions	55	97	30	35	35	88	55	38
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Triparty obligations								
7 Repurchase agreements—triparty[2]	45,050	27,925	37,755	36,250	39,350	47,880	45,050	36,500
Federal agency obligations[3]								
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 securities**[3]	**544,287**	**545,603**	**547,300**	**549,166**	**550,765**	**534,136**	**544,287**	**550,314**
11 Bought outright[4]	544,287	545,603	547,300	549,166	550,765	534,136	544,287	550,314
12 Bills	182,652	183,958	183,506	184,655	185,299	175,104	182,652	184,845
13 Notes	258,389	258,395	260,540	261,475	262,376	257,030	258,389	262,378
14 Bonds	103,246	103,250	103,254	103,035	103,090	102,002	103,246	103,091
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 **Total loans and securities**	**589,403**	**573,635**	**585,095**	**585,460**	**590,161**	**582,114**	**589,403**	**586,862**
17 Items in process of collection	7,676	8,746	14,671	9,608	8,037	5,089	7,676	7,168
18 Bank premises	1,513	1,518	1,518	1,519	1,519	1,508	1,513	1,517
Other assets								
19 Denominated in foreign currencies[5]	15,090	15,196	15,021	14,892	14,958	15,366	15,090	15,042
20 All other[6]	21,633	22,035	22,611	19,333	19,821	20,947	21,633	19,267
21 **Total assets**	**649,682**	**635,490**	**653,268**	**645,131**	**648,787**	**639,410**	**649,682**	**644,165**
LIABILITIES								
22 Federal Reserve notes	585,342	588,131	591,519	594,673	595,220	580,619	585,342	593,031
23 Reverse repurchase agreements—triparty[2]	0	0	0	0	0	0	0	0
24 **Total deposits**	**38,735**	**21,194**	**32,904**	**24,674**	**28,219**	**35,532**	**38,735**	**27,342**
25 Depository institutions	33,278	15,609	26,825	19,627	23,283	24,937	33,278	20,359
26 U.S. Treasury—General account	5,112	5,183	5,347	4,627	4,313	9,796	5,112	6,219
27 Foreign—Official accounts	75	124	471	163	351	609	75	528
28 Other	271	278	262	257	272	191	271	236
29 Deferred credit items	7,833	8,343	11,241	8,178	7,490	5,384	7,833	5,690
30 Other liabilities and accrued dividends[7]	2,773	2,752	2,744	2,696	2,687	2,971	2,773	2,745
31 **Total liabilities**	**634,683**	**620,420**	**638,409**	**630,221**	**633,616**	**624,506**	**634,683**	**628,809**
CAPITAL ACCOUNTS								
32 Capital paid in	7,269	7,274	7,277	7,281	7,370	7,266	7,269	7,354
33 Surplus	6,738	6,742	6,735	6,730	6,733	6,741	6,738	6,732
34 Other capital accounts	993	1,054	848	899	1,069	896	993	1,270
35 **Total liabilities and capital accounts**	**649,682**	**635,490**	**653,268**	**645,131**	**648,787**	**639,410**	**649,682**	**644,165**
MEMO								
36 Marketable U.S. Treasury securities held in custody for foreign and international accounts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Federal Reserve note statement							
37 Federal Reserve notes outstanding (issued to Banks)	741,957	743,635	746,080	746,713	746,906	742,539	741,957	746,821
38 LESS: Held by Federal Reserve Banks	156,615	155,505	154,561	152,040	151,686	161,920	156,615	153,790
39 Federal Reserve notes, net	585,342	588,131	591,519	594,673	595,220	580,619	585,342	593,031
Collateral held against notes, net								
40 Gold certificate account	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
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	1,348	0	0	0	0	0	0
43 U.S. Treasury and agency securities	572,097	573,538	578,274	581,428	581,975	567,374	572,097	579,786
44 **Total collateral**	**585,342**	**588,131**	**591,519**	**594,673**	**595,220**	**580,619**	**585,342**	**593,031**

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		
	2001					2001		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept.	Oct.	Nov.
1 **Total loans**	**55**	**97**	**30**	**35**	**35**	**88**	**55**	**38**
2 Within fifteen days[1]	44	73	8	31	31	69	44	32
3 Sixteen days to ninety days	11	24	22	4	5	19	11	7
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 **Total U.S. Treasury securities**[2]	**544,287**	**545,603**	**547,300**	**549,166**	**550,765**	**534,137**	**544,287**	**550,314**
6 Within fifteen days[1]	19,638	16,085	22,735	21,887	23,947	10,737	19,638	4,477
7 Sixteen days to ninety days	113,438	123,672	117,379	115,019	113,309	117,454	113,438	135,090
8 Ninety-one days to one year	134,127	128,752	129,352	130,027	130,323	129,491	134,127	127,556
9 One year to five years	147,078	147,078	147,808	150,147	151,091	142,304	147,078	151,093
10 Five years to ten years	50,204	50,209	50,214	53,245	53,251	55,571	50,204	53,252
11 More than ten years	79,802	79,806	79,811	78,840	78,845	78,581	79,802	78,846
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 BASE[1]

Billions of dollars, averages of daily figures

Item	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001							
					Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	46.85	45.18	41.78	38.44	38.79	38.88	38.76	39.59	39.88	57.82	45.01	40.54
2 Nonborrowed reserves[4]	46.52	45.07	41.46	38.23	38.74	38.67	38.53	39.31	39.69	54.44	44.88	40.45
3 Nonborrowed reserves plus extended credit[5]	46.52	45.07	41.46	38.23	38.74	38.67	38.53	39.31	39.69	54.44	44.88	40.45
4 Required reserves	45.16	43.67	40.48	37.01	37.51	37.86	37.40	38.21	38.67	38.81	43.99	39.07
5 Monetary base[6]	479.47	513.49	593.09	583.82	595.93	599.08	601.87	607.67	615.48	639.71	629.51	629.06
	Not seasonally adjusted											
6 Total reserves[7]	48.01	45.31	41.89	38.53	38.65	39.46	38.31	39.40	39.73	57.66	44.79	40.34
7 Nonborrowed reserves	47.69	45.19	41.57	38.32	38.60	39.24	38.08	39.12	39.55	54.28	44.66	40.26
8 Nonborrowed reserves plus extended credit[5]	47.69	45.19	41.57	38.32	38.60	39.24	38.08	39.12	39.55	54.28	44.66	40.26
9 Required reserves[8]	46.33	43.80	40.59	37.10	37.38	38.44	36.95	38.02	38.53	38.65	43.77	38.88
10 Monetary base[9]	484.98	518.27	600.72	590.06	594.92	598.57	601.67	608.22	614.51	637.94	627.86	629.90
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	47.92	45.21	41.65	38.47	38.59	39.37	38.22	39.29	39.60	57.50	44.60	40.16
12 Nonborrowed reserves	47.60	45.09	41.33	38.26	38.54	39.16	37.99	39.00	39.42	54.12	44.48	40.08
13 Nonborrowed reserves plus extended credit[5]	47.60	45.09	41.33	38.26	38.54	39.16	37.99	39.00	39.42	54.12	44.48	40.08
14 Required reserves	46.24	43.70	40.36	37.05	37.31	38.36	36.86	37.90	38.40	38.49	43.59	38.70
15 Monetary base[12]	491.79	525.06	608.02	596.98	601.84	605.48	608.81	615.55	621.99	645.68	635.96	637.87
16 Excess reserves[13]	1.69	1.51	1.30	1.43	1.28	1.02	1.36	1.38	1.21	19.01	1.01[r]	1.46
17 Borrowings from the Federal Reserve	.32	.12	.32	.21	.05	21	.23	.28	.18	3.39	.13	.08

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 AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001 Aug.	2001 Sept.	2001 Oct.	2001 Nov.
	Seasonally adjusted							
Measures[2]								
1 M1	1,073.4	1,097.0	1,124.8	1,088.1	1,144.1	1,199.5	1,158.2	1,158.0
2 M2	4,030.0	4,384.1	4,651.8	4,937.4	5,261.2	5,378.4	5,371.7	5,413.1
3 M3	5,432.3	6,029.7	6,531.0	7,114.3	7,679.9	7,839.7	7,908.9	8,014.8
4 Debt	15,227.9	16,279.9	17,363.5	18,282.5	18,947.2[r]	19,073.2	19,147.7	n.a.
M1 components								
5 Currency[3]	424.3	459.2	516.7	529.9	562.6	568.0	571.5	575.0
6 Travelers checks[4]	8.1	8.2	8.2	8.0	8.8	8.4	8.1	7.8
7 Demand deposits[5]	395.4	379.4	356.2	311.2	315.2	365.6	327.3[r]	323.8
8 Other checkable deposits[6]	245.7	250.1	243.6	239.0	257.4	257.4	251.2	251.4
Nontransaction components								
9 In M2[7]	2,956.6	3,287.1	3,527.0	3,849.3	4,117.1	4,178.9	4,213.5	4,255.2
10 In M3 only[8]	1,402.3	1,645.6	1,879.2	2,176.9	2,418.7	2,461.3	2,537.2	2,601.7
Commercial banks								
11 Savings deposits, including MMDAs	1,021.1	1,185.8	1,287.2	1,422.2	1,613.5	1,657.7	1,674.8	1,715.4
12 Small time deposits[9]	625.5	626.4	635.5	699.8	668.7	663.9	657.7	647.9
13 Large time deposits[10,11]	517.3	575.1	648.4	726.3	694.7	698.7[r]	712.4	723.3
Thrift institutions								
14 Savings deposits, including MMDAs	376.8	414.1	449.0	451.6	518.3	528.2	542.9	555.0
15 Small time deposits[9]	342.9	325.8	320.6	344.8	347.4	346.1	341.8	337.0
16 Large time deposits[10]	85.5	88.7	91.3	103.1	114.7	116.0	116.1	114.0
Money market mutual funds								
17 Retail	590.2	735.1	834.7	930.9	969.2	983.0	996.3	999.9
18 Institution-only	395.2	535.5	628.1	783.1	1,019.4	1,064.4	1,132.2	1,160.5
Repurchase agreements and eurodollars								
19 Repurchase agreements[12]	254.3	294.5	338.2	367.3	370.6	358.0	354.7	373.2
20 Eurodollars[12]	150.0	151.8	173.3	197.1	219.3	224.2	221.9	230.7
Debt components								
21 Federal debt	3,800.4	3,751.1	3,660.1	3,400.4	3,339.0	3,373.2	3,373.2	n.a.
22 Nonfederal debt	11,427.5	12,528.9	13,703.4	14,882.1	15,608.2	15,700.0[r]	15,774.5	n.a.
	Not seasonally adjusted							
Measures[2]								
23 M1	1,096.9	1,120.4	1,148.3	1,112.3	1,141.3	1,194.3	1,155.5	1,164.8
24 M2	4,051.4	4,406.4	4,675.9	4,966.0	5,240.8	5,363.0	5,343.7	5,402.3
25 M3	5,457.7	6,061.9	6,568.6	7,159.7	7,637.8	7,791.7	7,855.9	8,006.7
26 Debt	15,222.4	16,267.5	17,355.0	18,273.5	18,862.6[r]	18,990.1[r]	19,067.3	n.a.
M1 components								
27 Currency[3]	428.1	463.3	521.5	535.2	561.9	566.3	569.9	575.8
28 Travelers checks[4]	8.3	8.4	8.4	8.1	8.4	8.3	8.1	7.9
29 Demand deposits[5]	412.4	395.9	371.8	326.5	315.5	364.6	327.4[r]	329.3
30 Other checkable deposits[6]	248.2	252.8	246.6	242.5	255.5	255.2	249.9	251.7
Nontransaction components								
31 In M2[7]	2,954.5	3,286.0	3,527.6	3,853.7	4,099.5	4,168.8	4,188.2	4,237.5
32 In M3 only[8]	1,406.3	1,655.5	1,892.8	2,193.7	2,397.0	2,428.6	2,512.2	2,604.5
Commercial banks								
33 Savings deposits, including MMDAs	1,020.4	1,186.0	1,288.8	1,426.9	1,607.4	1,655.7	1,662.4	1,709.9
34 Small time deposits[9]	625.3	626.5	635.7	700.0	667.9	664.1	658.7	649.2
35 Large time deposits[10,11]	516.7	574.5	647.7	725.6	690.7	693.9	708.5	723.6
Thrift institutions								
36 Savings deposits, including MMDAs	376.5	414.2	449.6	453.1	516.3	527.5	538.8	553.2
37 Small time deposits[9]	342.8	325.8	320.7	345.0	347.0	346.2	342.3	337.6
38 Large time deposits[10]	85.4	88.6	91.2	103.0	114.0	115.2	115.5	114.1
Money market mutual funds								
39 Retail	589.5	733.5	832.8	928.7	960.8	975.2	986.0	987.5
40 Institution-only	402.3	547.5	643.2	801.4	1,005.2	1,042.4	1,117.8	1,165.2
Repurchase agreements and eurodollars								
41 Repurchase agreements[12]	249.5	290.4	334.7	364.2	370.1	355.3	349.9	371.6
42 Eurodollars[12]	152.3	154.5	176.0	199.5	217.0	221.8	220.5	230.0
Debt components								
43 Federal debt	3,805.8	3,754.9	3,663.2	3,403.5	3,281.0	3,319.1	3,318.2	n.a.
44 Nonfederal debt	11,416.6	12,512.5	13,691.8	14,870.0	15,581.6[r]	15,671.1	15,749.1	n.a.

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 and debt 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 wolrdwide 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.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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 Liabilities[1]

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Seasonally adjusted											
Assets												
1 Bank credit	5,165.5	5,331.6	5,328.3	5,328.9	5,346.2	5,419.6	5,400.2	5,427.8	5,442.7	5,434.1	5,430.8	5,403.0
2 Securities in bank credit	1,310.4	1,370.7	1,380.5	1,386.4	1,417.7	1,438.1	1,465.6	1,477.4	1,505.5	1,477.0	1,475.0	1,452.9
3 U.S. government securities	786.2	766.8	764.4	770.1	783.5	795.0	814.7	824.6	832.9	813.9	819.5	825.7
4 Other securities	524.3	603.9	616.1	616.2	634.2	643.2	651.0	652.7	672.6	663.1	655.5	627.2
5 Loans and leases in bank credit[2]	3,855.1	3,960.9	3,947.8	3,942.5	3,928.5	3,981.5	3,934.6	3,950.4	3,937.2	3,957.1	3,955.9	3,950.2
6 Commercial and industrial	1,083.6	1,097.6	1,080.9	1,070.4	1,063.8	1,067.7	1,051.5	1,039.7	1,042.3	1,041.8	1,042.0	1,034.2
7 Real estate	1,651.9	1,705.0	1,708.3	1,717.5	1,715.9	1,723.3	1,733.1	1,748.6	1,745.3	1,748.2	1,746.9	1,750.0
8 Revolving home equity	127.5	135.3	136.3	137.5	139.4	142.1	147.4	149.9	149.3	149.4	150.0	150.4
9 Other	1,524.4	1,569.7	1,572.0	1,580.0	1,576.5	1,581.2	1,585.7	1,598.7	1,595.9	1,598.8	1,596.9	1,599.6
10 Consumer	536.4	553.4	551.8	549.9	547.9	548.4	552.6	559.6	556.0	556.3	561.6	564.1
11 Security[3]	165.3	168.2	172.1	170.2	171.1	181.4	149.9	150.2	144.0	158.0	150.9	149.7
12 Other loans and leases	418.0	436.8	434.7	434.5	429.8	460.8	447.4	452.3	449.6	452.7	454.5	452.1
13 Interbank loans	245.1	283.0	267.7	273.0	287.8	355.8	315.8	306.9	317.4	306.7	305.1	304.3
14 Cash assets[4]	274.1	282.3	275.5	288.8	284.1	329.2	300.2	292.4	284.6	320.0	296.6	269.6
15 Other assets[5]	384.9	416.7	408.8	419.1	432.7	470.7	490.4	479.1	474.6	474.5	478.1	489.6
16 Total assets[6]	**6,006.9**	**6,247.8**	**6,214.3**	**6,243.3**	**6,283.5**	**6,507.4**	**6,436.7**	**6,435.7**	**6,448.9**	**6,464.8**	**6,440.2**	**6,395.8**
Liabilities												
17 Deposits	3,782.2	4,011.5	4,045.5	4,071.4	4,083.7	4,208.9	4,164.3	4,184.5	4,158.0	4,226.9	4,189.5	4,158.5
18 Transaction	601.0	613.1	601.0	606.1	611.0	689.2	637.2	631.5	599.8	652.5	642.8	633.7
19 Nontransaction	3,181.2	3,398.4	3,444.4	3,465.3	3,472.7	3,519.8	3,527.0	3,553.0	3,558.2	3,574.4	3,546.7	3,524.8
20 Large time	915.8	967.0	980.0	975.2	965.1	964.6	976.5	976.0	973.2	982.2	973.6	976.3
21 Other	2,265.5	2,431.4	2,464.4	2,490.1	2,507.6	2,555.2	2,550.6	2,577.0	2,584.9	2,592.2	2,573.1	2,548.5
22 Borrowings	1,188.5	1,238.8	1,205.4	1,217.4	1,228.2	1,282.1	1,261.0	1,237.2	1,245.6	1,233.0	1,227.2	1,246.0
23 From banks in the U.S.	365.7	384.1	382.0	390.0	398.1	443.6	421.6	402.8	423.8	404.6	392.4	390.7
24 From others	822.9	854.7	823.4	827.4	830.1	838.5	839.4	834.4	821.8	828.3	834.8	855.3
25 Net due to related foreign offices	244.3	207.4	184.5	191.0	194.4	170.8	176.6	161.1	163.3	152.1	169.7	157.9
26 Other liabilities	357.8	350.5	362.6	342.6	356.1	409.6	382.2	415.7	451.2	431.4	420.6	375.7
27 Total liabilities	**5,572.8**	**5,808.2**	**5,797.9**	**5,822.5**	**5,862.5**	**6,071.4**	**5,984.0**	**5,998.6**	**6,018.1**	**6,043.4**	**6,007.0**	**5,938.1**
28 Residual (assets less liabilities)[7]	434.2	439.6	416.4	420.9	421.0	436.0	452.7	437.1	430.8	421.5	433.1	457.7
	Not seasonally adjusted											
Assets												
29 Bank credit	5,184.7	5,320.9	5,321.1	5,308.2	5,328.8	5,414.0	5,408.1	5,448.3	5,467.1	5,454.3	5,442.7	5,426.8
30 Securities in bank credit	1,314.4	1,369.9	1,379.9	1,377.3	1,410.9	1,434.4	1,463.4	1,481.3	1,508.9	1,480.0	1,477.7	1,457.7
31 U.S. government securities	787.3	767.7	764.8	766.1	778.9	791.9	809.7	825.0	833.2	814.3	819.3	825.9
32 Other securities	527.1	602.2	615.1	611.3	632.0	642.4	653.7	656.3	675.8	665.7	658.3	631.8
33 Loans and leases in bank credit[2]	3,870.3	3,950.9	3,941.3	3,930.9	3,918.0	3,979.6	3,944.6	3,967.0	3,958.2	3,974.4	3,965.0	3,969.1
34 Commercial and industrial	1,084.6	1,099.9	1,083.2	1,069.6	1,057.7	1,064.4	1,051.0	1,040.8	1,044.8	1,042.7	1,042.7	1,035.1
35 Real estate	1,657.4	1,705.4	1,707.6	1,716.6	1,719.0	1,726.9	1,736.8	1,754.5	1,752.5	1,755.3	1,751.0	1,755.5
36 Revolving home equity	128.1	135.3	136.4	137.9	140.2	143.4	148.6	150.7	150.2	150.3	150.7	151.0
37 Other	1,529.3	1,570.0	1,571.2	1,578.6	1,578.8	1,583.5	1,588.2	1,603.9	1,602.3	1,605.0	1,600.3	1,604.4
38 Consumer	536.8	551.2	549.1	547.4	548.9	550.6	552.4	560.0	555.1	556.1	562.5	565.9
39 Credit cards and related plans	208.7	218.9	217.2	216.8	218.0	217.1	218.3	226.2	220.6	222.3	229.3	232.1
40 Other	328.1	332.3	331.9	330.6	331.0	333.5	334.0	333.8	334.5	333.8	333.2	333.8
41 Security[3]	171.3	162.2	167.6	162.5	162.6	175.2	156.2	156.9	153.8	164.8	153.1	157.5
42 Other loans and leases	420.1	432.4	433.8	434.9	429.7	462.6	448.2	454.8	451.9	455.5	455.8	455.2
43 Interbank loans	251.8	276.4	265.5	265.3	276.4	343.9	309.3	315.3	327.8	318.4	308.1	310.2
44 Cash assets[4]	282.0	280.0	271.6	279.7	272.3	324.5	300.7	301.2	283.5	339.7	298.4	284.9
45 Other assets[5]	384.5	417.1	409.7	417.7	429.8	470.7	485.9	478.6	475.9	474.4	473.0	490.0
46 Total assets[6]	**6,040.2**	**6,228.4**	**6,201.9**	**6,204.5**	**6,239.8**	**6,485.0**	**6,434.3**	**6,472.7**	**6,483.9**	**6,516.2**	**6,451.5**	**6,441.0**
Liabilities												
47 Deposits	3,804.2	3,999.5	4,026.5	4,039.7	4,043.1	4,183.4	4,151.7	4,207.8	4,176.9	4,259.9	4,199.1	4,184.6
48 Transaction	607.1	603.4	600.7	599.8	597.2	683.1	631.4	637.7	596.1	667.2	641.6	647.9
49 Nontransaction	3,197.0	3,396.1	3,425.8	3,439.9	3,445.9	3,500.3	3,520.3	3,570.1	3,580.8	3,592.7	3,557.5	3,536.7
50 Large time	923.2	965.7	970.4	961.3	951.6	953.2	970.3	983.8	977.5	988.2	981.6	987.9
51 Other	2,273.9	2,430.4	2,455.4	2,478.6	2,494.3	2,547.2	2,550.0	2,586.3	2,603.3	2,604.5	2,575.9	2,548.8
52 Borrowings	1,196.8	1,243.8	1,206.2	1,208.2	1,206.7	1,276.8	1,258.6	1,245.6	1,256.1	1,245.0	1,232.0	1,253.0
53 From banks in the U.S.	366.5	387.3	382.8	386.7	389.9	433.8	416.4	403.6	425.4	406.7	391.8	390.8
54 From others	830.3	856.6	823.4	821.4	816.8	843.0	842.3	841.9	830.7	838.3	840.2	862.2
55 Net due to related foreign offices	246.5	206.6	180.7	184.7	193.5	172.7	177.1	163.1	166.0	153.0	170.6	160.3
56 Other liabilities	359.9	351.3	360.4	338.1	356.0	410.0	382.3	418.2	453.3	432.2	423.5	379.8
57 Total liabilities	**5,607.4**	**5,801.2**	**5,773.9**	**5,770.6**	**5,799.3**	**6,042.8**	**5,969.6**	**6,034.6**	**6,052.3**	**6,090.2**	**6,025.2**	**5,977.7**
58 Residual (assets less liabilities)[7]	432.9	427.2	428.0	433.9	440.6	442.1	464.7	438.1	431.6	426.1	426.3	463.3

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Seasonally adjusted											
Assets												
1 Bank credit	4,576.0	4,718.6	4,723.1	4,732.2	4,750.8	4,827.2	4,813.2	4,835.3	4,846.2	4,836.3	4,839.1	4,818.5
2 Securities in bank credit	1,112.9	1,155.0	1,162.6	1,166.3	1,197.4	1,215.8	1,239.4	1,249.9	1,271.8	1,245.9	1,249.3	1,232.5
3 U.S. government securities	718.4	698.6	698.6	706.2	720.2	728.3	742.5	750.1	755.6	736.7	745.7	755.3
4 Other securities	394.5	456.4	464.0	460.1	477.2	487.5	496.9	499.8	516.2	509.2	503.6	477.2
5 Loans and leases in bank credit[2]	3,463.1	3,563.6	3,560.5	3,565.9	3,553.4	3,611.3	3,573.8	3,585.4	3,574.3	3,590.4	3,589.8	3,586.0
6 Commercial and industrial	877.4	879.5	869.8	864.5	859.0	862.6	850.8	838.9	841.9	840.4	839.9	834.7
7 Real estate	1,633.6	1,686.8	1,690.1	1,699.3	1,697.5	1,704.5	1,714.3	1,729.6	1,726.3	1,729.1	1,727.8	1,731.1
8 Revolving home equity	127.5	135.3	136.3	137.5	139.4	142.1	147.4	149.9	149.3	149.4	150.0	150.4
9 Other	1,506.1	1,551.5	1,553.9	1,561.8	1,558.1	1,562.5	1,566.9	1,579.7	1,576.9	1,579.8	1,577.9	1,580.7
10 Consumer	536.4	553.4	551.8	549.9	547.9	548.4	552.6	559.6	556.0	556.3	561.6	564.1
11 Security[3]	65.3	75.2	80.8	83.5	86.5	102.4	77.2	73.3	69.0	79.4	72.9	73.8
12 Other loans and leases	350.4	368.8	368.0	368.7	362.5	393.5	378.8	384.0	381.1	385.2	387.5	382.4
13 Interbank loans	218.1	253.9	246.4	251.8	267.6	329.8	291.7	281.3	293.9	280.6	281.7	276.0
14 Cash assets[4]	235.6	244.9	239.1	252.0	246.6	283.7	260.9	254.9	246.7	281.7	258.9	233.3
15 Other assets[5]	349.4	379.3	371.7	388.8	402.6	437.6	458.2	444.7	443.4	439.0	445.2	450.8
16 **Total assets**[6]	**5,316.9**	**5,531.3**	**5,514.8**	**5,558.5**	**5,600.6**	**5,810.7**	**5,754.5**	**5,746.1**	**5,760.3**	**5,767.5**	**5,754.8**	**5,708.2**
Liabilities												
17 Deposits	3,400.3	3,602.9	3,626.7	3,657.7	3,676.8	3,799.5	3,742.0	3,756.0	3,738.5	3,797.5	3,759.2	3,724.3
18 Transaction	590.1	602.5	591.6	596.9	601.5	676.9	626.5	620.8	588.9	641.8	632.3	623.1
19 Nontransaction	2,810.2	3,000.4	3,035.1	3,060.7	3,075.3	3,122.6	3,115.5	3,135.3	3,149.6	3,155.7	3,126.9	3,101.2
20 Large time	546.9	571.3	573.1	573.0	570.1	569.8	567.7	560.6	567.1	565.8	556.2	555.0
21 Other	2,263.3	2,429.1	2,462.1	2,487.8	2,505.2	2,552.8	2,547.8	2,574.7	2,582.6	2,589.9	2,570.7	2,546.2
22 Borrowings	965.0	1,019.5	989.3	1,006.2	1,017.6	1,060.1	1,052.6	1,025.0	1,028.6	1,011.9	1,025.6	1,035.6
23 From banks in the U.S.	347.1	363.8	359.5	367.7	377.4	412.9	398.1	378.6	397.2	375.3	371.8	369.6
24 From others	617.9	655.7	629.8	638.5	640.1	647.2	654.5	646.4	631.5	636.6	653.8	666.0
25 Net due to related foreign offices	237.0	211.8	204.1	207.1	205.7	188.5	193.8	191.9	190.9	185.5	195.4	193.4
26 Other liabilities	284.6	264.0	277.7	263.2	277.6	329.2	307.2	338.1	369.8	352.1	345.4	299.7
27 **Total liabilities**	**4,886.9**	**5,098.2**	**5,097.7**	**5,134.2**	**5,177.7**	**5,377.2**	**5,295.5**	**5,311.0**	**5,327.9**	**5,347.0**	**5,325.6**	**5,253.0**
28 Residual (assets less liabilities)[7]	429.9	433.1	417.0	424.3	422.9	433.4	459.0	435.1	432.4	420.5	429.2	455.3
	Not seasonally adjusted											
Assets												
29 Bank credit	4,592.4	4,712.6	4,719.7	4,716.0	4,739.8	4,823.3	4,818.2	4,853.0	4,864.8	4,853.6	4,852.5	4,838.3
30 Securities in bank credit	1,116.9	1,154.2	1,161.9	1,157.3	1,190.6	1,212.1	1,237.2	1,253.8	1,275.3	1,248.8	1,252.0	1,237.3
31 U.S. government securities	719.5	699.5	699.0	702.2	715.6	725.3	737.6	750.5	755.9	737.1	745.5	755.5
32 Other securities	397.4	454.8	462.9	455.1	475.0	486.8	499.6	503.3	519.4	511.7	506.5	481.8
33 Loans and leases in bank credit[2]	3,475.5	3,558.3	3,557.7	3,558.7	3,549.2	3,611.2	3,581.0	3,599.2	3,589.5	3,604.8	3,600.4	3,600.9
34 Commercial and industrial	877.8	884.8	873.2	864.4	854.2	859.7	850.1	839.3	843.6	840.7	839.9	834.7
35 Real estate	1,639.2	1,687.2	1,689.5	1,698.3	1,700.6	1,708.1	1,718.0	1,735.5	1,733.5	1,736.2	1,732.0	1,736.5
36 Revolving home equity	128.1	135.3	136.4	137.9	140.2	143.4	148.6	150.7	150.2	150.3	150.7	151.0
37 Other	1,511.0	1,551.8	1,553.1	1,560.4	1,560.4	1,564.7	1,569.4	1,584.8	1,583.3	1,585.9	1,581.3	1,585.5
38 Consumer	536.8	551.2	549.1	547.4	548.9	550.6	552.4	560.0	555.1	556.1	562.5	565.9
39 Credit cards and related plans	208.7	218.9	217.2	216.8	218.0	217.1	218.3	226.2	220.6	222.3	229.3	232.1
40 Other	328.1	332.3	331.9	330.6	331.0	333.5	334.0	333.8	334.5	333.8	333.2	333.8
41 Security[3]	69.8	70.0	78.2	78.6	81.8	97.3	80.4	78.4	74.1	84.2	77.8	79.2
42 Other loans and leases	352.0	365.2	367.7	370.1	363.7	395.4	380.1	386.0	383.1	387.5	388.3	384.6
43 Interbank loans	224.8	247.4	244.2	244.0	256.2	317.9	285.2	289.7	304.4	292.3	284.7	281.9
44 Cash assets[4]	241.5	243.5	236.4	244.2	236.0	280.0	260.6	261.6	244.1	298.9	258.7	246.3
45 Other assets[5]	349.0	380.2	373.9	388.1	399.9	437.8	454.2	444.2	444.9	439.4	440.2	450.7
46 **Total assets**[6]	**5,345.4**	**5,518.1**	**5,508.5**	**5,526.3**	**5,564.8**	**5,791.2**	**5,748.9**	**5,778.2**	**5,788.1**	**5,814.0**	**5,765.8**	**5,746.7**
Liabilities												
47 Deposits	3,419.6	3,589.7	3,614.8	3,636.2	3,647.9	3,781.9	3,736.8	3,776.1	3,758.2	3,828.5	3,765.2	3,743.2
48 Transaction	596.1	593.2	591.3	590.5	587.6	670.4	620.5	626.8	585.1	656.2	630.9	637.0
49 Nontransaction	2,823.5	2,996.5	3,023.5	3,045.7	3,060.3	3,111.5	3,116.3	3,149.3	3,173.0	3,172.3	3,134.3	3,106.2
50 Large time	551.8	568.4	570.4	569.3	568.3	566.8	569.1	565.4	572.1	570.2	560.8	559.7
51 Other	2,271.7	2,428.1	2,453.1	2,476.3	2,492.0	2,544.8	2,547.2	2,583.9	2,600.9	2,602.1	2,573.5	2,546.5
52 Borrowings	973.3	1,024.5	990.1	997.0	996.0	1,054.8	1,050.3	1,033.3	1,039.2	1,024.0	1,030.4	1,042.5
53 From banks in the U.S.	347.9	366.9	360.3	364.5	369.2	403.2	392.9	379.4	398.7	377.4	371.2	369.7
54 From others	625.4	657.6	629.8	632.5	626.8	651.6	657.3	653.9	640.4	646.6	659.2	672.8
55 Net due to related foreign offices	238.9	214.1	203.4	204.0	206.1	188.0	193.9	193.7	191.7	185.9	198.2	197.3
56 Other liabilities	286.5	266.3	277.1	260.1	278.0	328.4	307.1	340.5	371.2	352.8	349.0	304.3
57 **Total liabilities**	**4,918.3**	**5,094.7**	**5,085.4**	**5,097.3**	**5,128.1**	**5,353.1**	**5,288.1**	**5,343.6**	**5,360.2**	**5,391.2**	**5,342.7**	**5,287.3**
58 Residual (assets less liabilities)[7]	427.1	423.4	423.0	429.0	436.8	438.2	460.8	434.5	428.0	422.8	423.1	459.4

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Seasonally adjusted											
Assets												
1 Bank credit	2,556.4	2,635.7	2,632.9	2,625.3	2,625.5	2,688.9	2,630.8	2,634.3	2,649.7	2,639.3	2,637.6	2,613.6
2 Securities in bank credit	576.7	610.0	613.1	609.9	631.1	642.2	649.7	654.0	677.7	651.3	654.2	635.5
3 U.S. government securities	354.8	355.1	352.4	352.1	359.4	362.5	363.9	367.7	374.7	355.8	363.8	371.0
4 Trading account	21.6	35.3	35.1	38.3	36.3	37.9	35.7	40.3	35.9	38.4	40.1	45.7
5 Investment account	333.2	319.9	317.3	313.8	323.2	324.5	328.2	327.4	338.8	317.4	323.7	325.3
6 Other securities	221.9	254.8	260.7	257.8	271.7	279.8	285.9	286.4	303.0	295.5	290.3	264.5
7 Trading account	114.5	137.0	143.5	140.8	153.1	160.9	165.4	163.9	180.8	172.8	167.2	142.3
8 Investment account	107.4	117.8	117.2	117.1	118.5	118.8	120.4	122.5	122.2	122.6	123.1	122.2
9 State and local government	26.3	28.1	27.9	27.8	27.6	27.5	26.8	27.1	27.1	27.2	27.3	27.1
10 Other	81.1	89.7	89.4	89.3	91.0	91.4	93.7	95.4	95.1	95.4	95.9	95.1
11 Loans and leases in bank credit[2]	1,979.7	2,025.8	2,019.7	2,015.4	1,994.4	2,046.7	1,981.0	1,980.2	1,972.0	1,988.0	1,983.4	1,978.0
12 Commercial and industrial	591.9	583.2	571.2	562.1	557.0	561.3	548.4	538.4	540.3	539.8	539.6	535.4
13 Bankers acceptances	1.0	.8	.7	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	590.9	582.4	570.5	562.1	557.0	561.3	548.4	538.4	540.3	539.8	539.6	535.4
15 Real estate	828.5	856.2	854.9	855.7	846.3	845.7	839.4	848.1	846.7	849.1	846.3	847.8
16 Revolving home equity	82.4	87.0	87.1	87.0	87.6	89.3	92.4	94.3	93.9	94.0	94.4	94.6
17 Other	746.1	769.1	767.9	768.7	758.7	756.4	747.1	753.8	752.8	755.2	751.9	753.3
18 Consumer	241.6	252.4	254.3	254.0	251.1	252.7	243.8	244.6	243.2	243.5	244.7	246.4
19 Security[3]	58.9	66.8	72.6	75.2	78.0	93.7	69.4	65.5	61.2	71.5	65.0	66.0
20 Federal funds sold to and repurchase agreements with broker–dealers	42.4	49.4	54.8	59.6	63.5	66.3	56.6	52.2	47.8	58.5	52.5	52.0
21 Other	16.5	17.4	17.8	15.5	14.5	27.4	12.8	13.2	13.4	13.0	12.6	13.9
22 State and local government	12.8	13.0	13.4	14.2	14.2	14.4	15.3	15.6	15.7	15.7	15.6	15.6
23 Agricultural	9.8	10.6	10.3	10.0	9.4	9.2	9.2	9.3	9.2	9.4	9.4	9.3
24 Federal funds sold to and repurchase agreements with others	19.2	23.7	25.6	30.9	31.9	32.6	28.7	30.6	29.6	31.7	30.0	30.8
25 All other loans	86.6	85.5	84.8	81.6	75.6	107.2	92.9	92.6	91.0	92.2	96.5	90.7
26 Lease-financing receivables	130.4	134.4	132.6	131.7	131.0	129.9	134.0	135.6	135.1	135.2	136.1	136.0
27 Interbank loans	140.7	134.8	131.4	136.2	150.5	208.7	188.2	177.1	193.5	175.2	173.9	172.1
28 Federal funds sold to and repurchase agreements with commercial banks	64.2	73.4	72.7	71.3	80.1	132.9	106.7	103.0	106.8	106.0	102.0	102.3
29 Other	76.6	61.4	58.7	64.9	70.4	75.8	81.5	74.0	86.7	69.2	71.9	69.8
30 Cash assets[4]	140.0	140.1	135.8	146.3	140.3	173.9	151.5	148.2	142.6	170.2	149.5	131.7
31 Other assets[5]	261.1	274.1	261.8	269.5	281.4	309.4	328.7	316.2	317.7	309.0	316.9	322.1
32 **Total assets**[6]	**3,062.3**	**3,147.0**	**3,124.2**	**3,139.3**	**3,159.5**	**3,342.8**	**3,259.8**	**3,236.1**	**3,264.1**	**3,254.1**	**3,238.4**	**3,199.7**
Liabilities												
33 Deposits	1,660.7	1,734.8	1,739.4	1,751.6	1,753.9	1,858.9	1,793.9	1,798.3	1,790.7	1,833.9	1,794.8	1,774.1
34 Transaction	299.0	304.8	300.3	306.7	304.3	375.6	322.5	321.1	302.7	344.9	323.7	314.3
35 Nontransaction	1,361.8	1,430.0	1,439.1	1,444.9	1,449.6	1,483.3	1,471.4	1,477.2	1,487.9	1,489.0	1,471.0	1,459.8
36 Large time	258.3	271.1	274.5	271.5	264.8	264.7	259.9	251.0	255.8	254.6	246.7	247.4
37 Other	1,103.5	1,159.0	1,164.6	1,173.4	1,184.8	1,218.6	1,211.5	1,226.2	1,232.1	1,234.4	1,224.3	1,212.4
38 Borrowings	646.0	683.4	655.2	668.7	674.0	705.1	688.5	658.7	667.3	644.1	659.8	665.5
39 From banks in the U.S.	196.8	213.5	211.1	218.9	226.5	257.4	232.5	213.0	231.5	207.8	206.9	205.0
40 From others	449.2	469.9	444.1	449.7	447.4	447.8	456.0	445.7	435.8	436.3	452.9	460.4
41 Net due to related foreign offices	213.3	195.2	190.9	192.4	190.3	178.0	184.3	181.7	180.0	177.9	184.1	182.4
42 Other liabilities	233.9	208.9	221.3	204.3	217.2	266.9	243.0	272.9	305.1	286.8	280.2	234.4
43 **Total liabilities**	**2,754.0**	**2,822.3**	**2,806.8**	**2,816.9**	**2,835.4**	**3,008.9**	**2,909.7**	**2,911.7**	**2,943.0**	**2,942.7**	**2,918.8**	**2,856.4**
44 Residual (assets less liabilities)[7]	308.3	324.6	317.4	322.4	324.1	333.9	350.1	324.4	321.0	311.4	319.7	343.3

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Not seasonally adjusted											
Assets												
45 Bank credit	2,572.1	2,629.2	2,627.5	2,609.0	2,611.3	2,679.4	2,633.9	2,650.8	2,666.4	2,655.1	2,650.9	2,631.8
46 Securities in bank credit	582.4	607.6	610.8	601.0	624.9	638.6	649.9	659.8	683.1	656.0	658.8	642.0
47 U.S. government securities	357.6	354.4	351.1	348.1	355.5	359.6	361.4	369.9	376.9	358.0	365.6	372.8
48 Trading account	21.8	35.2	35.0	37.9	35.9	37.6	35.4	40.5	36.1	38.6	40.3	45.9
49 Investment account	335.8	319.3	316.1	310.3	319.6	321.9	325.9	329.4	340.8	319.4	325.3	326.9
50 Mortgage-backed securities	216.2	234.2	229.7	229.0	241.7	247.2	257.5	255.8	270.0	247.1	250.4	251.3
51 Other	119.6	85.0	86.4	81.2	77.9	74.8	68.5	73.6	70.8	72.3	74.9	75.6
52 One year or less	33.1	27.0	25.5	21.1	20.1	20.1	18.4	27.4	23.8	26.9	28.6	29.8
53 One to five years	50.5	31.3	34.4	34.3	33.8	34.6	32.7	31.4	30.8	30.5	31.7	31.7
54 More than five years	36.0	26.7	26.6	25.9	24.0	20.1	17.4	14.8	16.2	14.9	14.5	14.1
55 Other securities	224.8	253.2	259.7	252.9	269.5	279.0	288.6	289.9	306.2	298.0	293.2	269.1
56 Trading account	116.0	136.1	142.9	138.1	151.9	160.5	167.0	165.9	182.7	174.3	168.8	144.8
57 Investment account	108.8	117.1	116.8	114.8	117.6	118.5	121.6	124.1	123.4	123.7	124.4	124.3
58 State and local government	26.6	28.0	27.8	27.3	27.3	27.4	27.0	27.5	27.4	27.5	27.5	27.5
59 Other	82.2	89.1	89.0	87.6	90.2	91.1	94.5	96.6	96.1	96.2	96.8	96.8
60 Loans and leases in bank credit[2]	1,989.7	2,021.6	2,016.7	2,008.0	1,986.4	2,040.8	1,983.9	1,991.0	1,983.3	1,999.1	1,992.0	1,989.8
61 Commercial and industrial	593.0	585.9	572.8	562.1	553.8	559.9	548.0	539.4	542.5	541.0	540.6	535.9
62 Bankers acceptances	1.0	.8	.7	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	592.1	585.1	572.1	562.1	553.8	559.9	548.0	539.4	542.5	541.0	540.6	535.9
64 Real estate	833.7	855.7	853.6	854.2	847.6	847.6	842.0	853.6	852.8	855.3	850.7	852.8
65 Revolving home equity	82.8	87.0	87.3	87.6	88.6	90.5	93.3	94.8	94.5	94.5	94.9	95.0
66 Other	454.7	469.0	465.4	465.7	458.7	455.9	441.5	450.4	451.0	452.4	446.9	449.0
67 Commercial	296.2	299.8	300.9	300.9	300.3	301.2	307.2	308.3	307.3	308.4	309.0	308.8
68 Consumer	240.0	252.9	253.8	252.3	249.9	251.5	241.4	243.0	241.0	241.4	243.0	245.5
69 Credit cards and related plans	78.1	87.0	88.0	87.3	85.1	84.6	75.7	76.4	74.7	75.3	76.5	78.6
70 Other	161.9	165.9	165.8	165.0	164.8	166.9	165.6	166.6	166.4	166.2	166.5	166.9
71 Security[3]	63.0	62.0	70.2	70.5	73.6	88.7	72.5	70.1	65.7	75.9	69.6	71.3
72 Federal funds sold to and repurchase agreements with broker–dealers	45.4	45.8	53.0	55.9	59.9	62.9	59.1	56.0	51.3	62.1	56.2	56.2
73 Other	17.6	16.2	17.3	14.6	13.7	25.9	13.4	14.2	14.4	13.8	13.4	15.1
74 State and local government	12.8	13.0	13.4	14.2	14.2	14.4	15.3	15.6	15.7	15.7	15.6	15.6
75 Agricultural	9.8	10.5	10.4	10.1	9.6	9.3	9.3	9.4	9.3	9.4	9.4	9.3
76 Federal funds sold to and repurchase agreements with others	19.2	23.7	25.6	30.9	31.9	32.6	28.7	30.6	29.6	31.7	30.0	30.8
77 All other loans	87.9	84.1	84.8	82.4	75.7	108.4	93.1	93.8	91.6	93.6	97.1	93.0
78 Lease-financing receivables	130.1	133.7	132.2	131.2	130.2	128.5	133.8	135.5	135.1	135.1	135.9	135.7
79 Interbank loans	141.6	137.1	135.9	136.0	145.0	200.9	180.6	178.1	192.1	178.7	171.8	175.8
80 Federal funds sold to and repurchase agreements with commercial banks	64.6	74.6	75.1	71.2	77.2	127.9	102.3	103.7	106.0	108.1	100.7	104.5
81 Other	77.0	62.5	60.7	64.8	67.8	73.0	78.2	74.5	86.1	70.6	71.0	71.3
82 Cash assets[4]	141.1	140.2	134.3	139.9	132.5	169.6	150.6	149.6	138.7	178.8	145.6	136.7
83 Other assets[5]	260.8	275.0	264.0	268.8	278.8	309.7	324.7	315.7	319.2	309.4	311.9	322.0
84 **Total assets**[6]	**3,079.4**	**3,143.7**	**3,123.8**	**3,115.8**	**3,129.2**	**3,321.1**	**3,250.5**	**3,254.4**	**3,276.7**	**3,282.3**	**3,240.5**	**3,226.4**
Liabilities												
85 Deposits	1,667.9	1,728.1	1,739.0	1,743.4	1,737.9	1,847.7	1,787.3	1,805.5	1,795.1	1,849.7	1,793.7	1,781.7
86 Transaction	301.3	300.6	300.4	301.9	293.2	369.2	316.9	323.6	296.1	353.8	321.9	323.4
87 Nontransaction	1,366.6	1,427.5	1,438.5	1,441.5	1,444.7	1,478.5	1,470.4	1,482.0	1,499.0	1,495.9	1,471.8	1,458.3
88 Large time	263.1	268.2	271.9	267.9	263.0	261.6	261.2	255.8	260.8	259.0	251.3	252.1
89 Other	1,103.5	1,159.3	1,166.6	1,173.6	1,181.7	1,216.8	1,209.2	1,226.2	1,238.2	1,236.9	1,220.5	1,206.2
90 Borrowings	654.3	688.5	656.0	659.4	652.4	699.8	686.2	667.1	677.8	656.2	664.5	672.4
91 From banks in the U.S.	197.7	216.7	211.9	215.6	218.3	247.6	227.3	213.8	233.0	209.9	206.3	205.1
92 From nonbanks in the U.S.	456.6	471.8	444.1	443.8	434.1	452.2	458.9	453.2	444.8	446.3	458.3	467.3
93 Net due to related foreign offices	215.3	197.5	190.3	189.2	190.6	177.4	184.5	183.5	180.8	178.3	186.8	186.3
94 Other liabilities	235.8	211.2	220.7	201.2	217.6	266.1	242.9	275.3	306.5	287.4	283.8	239.1
95 **Total liabilities**	**2,773.3**	**2,825.3**	**2,806.0**	**2,793.2**	**2,798.6**	**2,991.1**	**2,900.9**	**2,931.5**	**2,960.1**	**2,971.6**	**2,928.9**	**2,879.5**
96 Residual (assets less liabilities)[7]	306.1	318.4	317.8	322.6	330.6	330.1	349.7	323.0	316.5	310.7	311.6	346.9

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Seasonally adjusted											
Assets												
1 Bank credit	2,019.6	2,082.9	2,090.2	2,106.9	2,125.3	2,138.3	2,182.5	2,201.0	2,196.5	2,197.0	2,201.5	2,204.9
2 Securities in bank credit	536.3	545.1	549.4	556.4	566.3	573.6	589.7	595.8	594.1	594.6	595.2	597.0
3 U.S. government securities	363.6	343.5	346.2	354.2	360.8	365.8	378.6	382.4	380.9	380.9	381.9	384.3
4 Other securities	172.6	201.6	203.2	202.2	205.5	207.8	211.1	213.4	213.2	213.7	213.3	212.7
5 Loans and leases in bank credit[2]	1,483.3	1,537.8	1,540.8	1,550.5	1,559.0	1,564.7	1,592.8	1,605.2	1,602.3	1,602.4	1,606.3	1,608.0
6 Commercial and industrial	285.5	296.3	298.6	302.4	302.1	301.3	302.5	300.6	301.6	300.6	300.3	299.3
7 Real estate	805.1	830.6	835.2	843.6	851.2	858.8	874.9	881.5	879.6	880.0	881.5	883.2
8 Revolving home equity	45.1	48.3	49.2	50.5	51.8	52.8	55.0	55.6	55.4	55.4	55.6	55.8
9 Other	760.0	782.3	786.0	793.1	799.4	806.1	819.9	825.9	824.2	824.6	825.9	827.4
10 Consumer	294.9	300.9	297.5	295.9	296.8	295.6	308.8	315.0	312.9	312.9	316.9	317.7
11 Security[3]	6.4	8.4	8.2	8.3	8.4	8.7	7.8	7.8	7.8	7.9	7.8	7.8
12 Other loans and leases	91.6	101.6	101.3	100.3	100.5	100.3	98.8	100.3	100.5	101.0	99.8	100.0
13 Interbank loans	77.4	119.1	114.9	115.5	117.0	121.1	103.5	104.2	100.4	105.4	107.8	103.9
14 Cash assets[4]	95.7	104.8	103.3	105.6	106.4	109.8	109.4	106.7	104.0	111.5	109.4	101.6
15 Other assets[5]	88.3	105.3	109.9	119.3	121.2	128.1	129.5	128.5	125.7	130.0	128.3	128.7
16 **Total assets[6]**	**2,254.6**	**2,384.3**	**2,390.6**	**2,419.2**	**2,441.0**	**2,467.8**	**2,494.7**	**2,510.0**	**2,496.2**	**2,513.4**	**2,516.4**	**2,508.5**
Liabilities												
17 Deposits	1,739.6	1,868.1	1,887.3	1,906.1	1,922.8	1,940.5	1,948.1	1,957.7	1,947.9	1,963.6	1,964.4	1,950.2
18 Transaction	291.1	297.7	291.2	290.2	297.2	301.2	303.9	299.6	286.2	296.9	308.6	308.8
19 Nontransaction	1,448.4	1,570.4	1,596.1	1,615.9	1,625.7	1,639.3	1,644.2	1,658.1	1,661.7	1,666.7	1,655.9	1,641.4
20 Large time	288.7	300.2	298.5	301.5	305.3	305.1	307.9	309.6	311.3	311.2	309.5	307.6
21 Other	1,159.8	1,270.1	1,297.5	1,314.4	1,320.4	1,334.2	1,336.3	1,348.5	1,350.5	1,355.5	1,346.3	1,333.8
22 Borrowings	319.0	336.1	334.1	337.6	343.6	355.0	364.1	366.2	361.3	367.8	365.8	370.1
23 From banks in the U.S.	150.3	150.3	148.4	148.8	150.9	155.6	165.7	165.6	165.7	167.5	164.9	164.6
24 From others	168.7	185.8	185.7	188.7	192.7	199.4	198.4	200.6	195.6	200.3	200.9	205.5
25 Net due to related foreign offices	23.7	16.6	13.1	14.7	15.5	10.5	9.5	10.2	10.9	7.6	11.3	11.0
26 Other liabilities	50.7	55.1	56.4	58.9	60.4	62.3	64.2	65.2	64.7	65.3	65.2	65.3
27 **Total liabilities**	**2,132.9**	**2,275.9**	**2,290.9**	**2,317.3**	**2,342.3**	**2,368.3**	**2,385.8**	**2,399.3**	**2,384.8**	**2,404.3**	**2,406.8**	**2,396.5**
28 Residual (assets less liabilities)[7]	121.7	108.4	99.7	101.9	98.7	99.5	108.9	110.6	111.4	109.1	109.5	112.0
	Not seasonally adjusted											
Assets												
29 Bank credit	2,020.4	2,083.4	2,092.2	2,107.0	2,128.5	2,143.9	2,184.3	2,202.2	2,198.4	2,198.5	2,201.6	2,206.5
30 Securities in bank credit	534.5	546.6	551.1	556.2	565.6	573.5	587.3	594.0	592.2	592.8	593.2	595.4
31 U.S. government securities	361.9	345.0	347.8	354.0	360.1	365.7	376.2	380.6	379.0	379.2	379.9	382.7
32 Other securities	172.6	201.6	203.2	202.2	205.5	207.8	211.1	213.4	213.2	213.7	213.3	212.7
33 Loans and leases in bank credit[2]	1,485.9	1,536.8	1,541.1	1,550.7	1,562.9	1,570.4	1,597.0	1,608.2	1,606.2	1,605.7	1,608.4	1,611.1
34 Commercial and industrial	284.8	298.9	300.4	302.3	300.4	299.8	302.1	299.9	301.1	299.7	299.2	298.9
35 Real estate	805.4	831.4	835.9	844.1	853.0	860.6	876.0	881.9	880.7	880.9	881.3	883.7
36 Revolving home equity	45.3	48.4	49.2	50.3	51.6	53.0	55.3	55.9	55.7	55.8	55.8	56.1
37 Other	760.1	783.0	786.8	793.8	801.4	807.6	820.7	826.1	825.0	825.1	825.4	827.7
38 Consumer	296.8	298.3	295.3	295.1	299.1	299.2	311.0	317.0	314.1	314.7	319.5	320.4
39 Credit cards and related plans	130.6	131.9	129.3	129.5	132.9	132.5	142.6	149.8	145.9	147.1	152.7	153.5
40 Other	166.2	166.3	166.0	165.6	166.2	166.6	168.4	167.3	168.2	167.6	166.7	166.9
41 Security[3]	6.7	8.0	8.0	8.1	8.2	8.6	7.9	8.2	8.4	8.4	8.2	8.0
42 Other loans and leases	92.1	100.2	101.4	101.2	102.2	102.3	100.0	101.1	101.9	102.0	100.3	100.2
43 Interbank loans	83.2	110.2	108.3	108.0	111.2	117.0	104.6	111.5	112.3	113.6	112.9	106.1
44 Cash assets[4]	100.4	103.3	102.1	104.3	103.6	110.5	110.1	112.1	105.4	120.1	113.2	109.6
45 Other assets[5]	88.3	105.3	109.9	119.3	121.2	128.1	129.5	128.5	125.7	130.0	128.3	128.7
46 **Total assets[6]**	**2,266.0**	**2,374.4**	**2,384.7**	**2,410.5**	**2,435.6**	**2,470.1**	**2,498.4**	**2,523.7**	**2,511.4**	**2,531.7**	**2,525.3**	**2,520.3**
Liabilities												
47 Deposits	1,751.6	1,861.7	1,875.9	1,892.8	1,910.0	1,934.2	1,949.5	1,970.5	1,963.1	1,978.8	1,971.5	1,961.4
48 Transaction	294.8	292.6	290.9	288.7	294.4	301.2	303.6	303.2	289.0	302.4	309.0	313.6
49 Nontransaction	1,456.9	1,569.1	1,585.0	1,604.2	1,615.6	1,633.0	1,645.9	1,667.3	1,674.0	1,676.4	1,662.5	1,647.9
50 Large time	288.7	300.2	298.5	301.5	305.3	305.1	307.9	309.6	311.3	311.2	309.5	307.6
51 Other	1,168.2	1,268.8	1,286.5	1,302.7	1,310.3	1,327.9	1,338.0	1,357.8	1,362.8	1,365.2	1,353.0	1,340.3
52 Borrowings	319.0	336.1	334.1	337.6	343.6	355.0	364.1	366.2	361.3	367.8	365.8	370.1
53 From banks in the U.S.	150.3	150.3	148.4	148.8	150.9	155.6	165.7	165.6	165.7	167.5	164.9	164.6
54 From others	168.7	185.8	185.7	188.7	192.7	199.4	198.4	200.6	195.6	200.3	200.9	205.5
55 Net due to related foreign offices	23.7	16.6	13.1	14.7	15.5	10.5	9.5	10.2	10.9	7.6	11.3	11.0
56 Other liabilities	50.7	55.1	56.4	58.9	60.4	62.3	64.2	65.2	64.7	65.3	65.2	65.3
57 **Total liabilities**	**2,145.0**	**2,269.4**	**2,279.5**	**2,304.1**	**2,329.4**	**2,362.0**	**2,387.2**	**2,412.1**	**2,400.0**	**2,419.6**	**2,413.8**	**2,407.8**
58 Residual (assets less liabilities)[7]	121.0	104.9	105.2	106.4	106.2	108.1	111.2	111.6	111.4	112.1	111.5	112.5

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov.	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Seasonally adjusted											
Assets												
1 Bank credit	589.6	613.0	605.2	596.7	595.5	592.5	587.0	592.5	596.5	597.8	591.7	584.5
2 Securities in bank credit	197.5	215.7	217.9	220.1	220.3	222.3	226.2	227.5	233.6	231.1	225.6	220.3
3 U.S. government securities	67.8[r]	68.2	65.8	63.9	63.3	66.7	72.2	74.6	77.3	77.2	73.8	70.4
4 Other securities	129.7[r]	147.5	152.2	156.1	157.0	155.6	154.1	152.9	156.3	154.0	151.8	150.0
5 Loans and leases in bank credit[2]	392.1	397.3	387.3	376.6	375.2	370.2	360.7	365.0	362.9	366.7	366.1	364.1
6 Commercial and industrial	206.2	218.2	211.1	205.9	204.8	205.1	200.7	200.8	200.4	201.5	202.1	199.5
7 Real estate	18.3	18.2	18.1	18.2	18.4	18.7	18.8	19.0	19.0	19.1	19.0	19.0
8 Security[3]	100.0	93.0	91.3	86.7	84.7	79.0	72.7	76.9	75.0	78.6	78.1	76.0
9 Other loans and leases	67.6	68.0	66.7	65.8	67.3	67.4	68.5	68.2	68.5	67.6	66.9	69.7
10 Interbank loans	27.0	29.1	21.3	21.2	20.2	26.0	24.1	25.6	23.4	26.1	23.4	28.3
11 Cash assets[4]	38.4[r]	37.4	36.3	36.8	37.5	45.5	39.3	37.5	37.9	38.3	37.7	36.3
12 Other assets[5]	35.4	37.4	37.1	30.4	30.1	33.2	32.2	34.4	31.2	35.5	32.9	38.8
13 **Total assets[6]**	**690.1**	**716.5**	**699.6**	**684.8**	**682.9**	**696.7**	**682.1**	**689.6**	**688.6**	**697.3**	**685.4**	**687.6**
Liabilities												
14 Deposits	381.9[r]	408.6	418.8	413.7	407.0	409.5	422.3	428.5	419.4	429.4	430.3	434.2
15 Transaction	10.8	10.6	9.5	9.2	9.5	12.3	10.8	10.7	10.9	10.7	10.5	10.6
16 Nontransaction	371.0	398.0	409.3	404.6	397.4	397.2	411.5	417.8	408.5	418.7	419.8	423.6
17 Borrowings	223.5	219.3	216.1	211.2	210.6	222.0	208.3	212.3	217.0	221.0	201.6	210.5
18 From banks in the U.S.	18.6	20.3	22.5	22.3	20.7	30.6	23.4	24.2	26.7	29.3	20.6	21.1
19 From others	204.9	199.0	193.7	188.9	190.0	191.4	184.9	188.0	190.3	191.7	181.0	189.4
20 Net due to related foreign offices	7.3	−4.3	−19.6	−16.1	−11.3	−17.7	−17.2	−30.8	−27.6	−33.4	−25.6	−35.5
21 Other liabilities	73.2	86.5	84.9	79.4	78.5	80.4	75.0	77.6	81.4	79.3	75.2	76.0
22 **Total liabilities**	**685.9[r]**	**710.0**	**700.2**	**688.2**	**684.8**	**694.1**	**688.4**	**687.6**	**690.2**	**696.3**	**681.5**	**685.2**
23 Residual (assets less liabilities)[7]	4.2[r]	6.5	−.6	−3.4	−1.9	2.6	−6.3	2.0	−1.6	1.0	3.9	2.4
	Not seasonally adjusted											
Assets												
24 Bank credit	592.2[r]	608.3	601.4	592.2	589.0	590.7	589.9	595.3	602.3	600.7	590.2	588.5
25 Securities in bank credit	197.5	215.7	217.9	220.1	220.3	222.3	226.2	227.5	233.6	231.1	225.6	220.3
26 U.S. government securities	67.8[r]	68.2	65.8	63.9	63.3	66.7	72.2	74.6	77.3	77.2	73.8	70.4
27 Trading account	10.9	13.8	13.8	13.0	12.3	14.0	15.3	14.1	14.6	14.8	14.1	12.9
28 Investment account	56.9[r]	54.4	52.0	50.9	51.0	52.6	56.8	60.5	62.7	62.3	59.7	57.5
29 Other securities	129.7[r]	147.5	152.2	156.1	157.0	155.6	154.1	152.9	156.3	154.0	151.8	150.0
30 Trading account	89.6	99.9	106.4	108.1	111.0	110.1	108.7	107.9	109.8	108.9	107.9	105.3
31 Investment account	40.1[r]	47.6	45.8	48.1	46.0	45.6	45.4	45.0	46.6	45.1	43.9	44.7
32 Loans and leases in bank credit[2]	394.7[r]	392.6	383.5	372.1	368.7	368.4	363.7	367.8	368.7	369.6	364.6	368.2
33 Commercial and industrial	206.8	215.1	210.0	205.2	203.5	204.7	200.9	201.5	201.2	201.9	202.8	200.3
34 Real estate	18.3	18.2	18.1	18.2	18.4	18.7	18.8	19.0	19.0	19.1	19.0	19.0
35 Security[3]	101.5	92.2	89.4	83.9	80.8	77.9	75.9	78.5	79.7	80.5	75.3	78.2
36 Other loans and leases	68.1	67.2	66.1	64.8	66.0	67.1	68.1	68.8	68.8	68.0	67.5	70.6
37 Interbank loans	27.0	29.1	21.3	21.2	20.2	26.0	24.1	25.6	23.4	26.1	23.4	28.3
38 Cash assets[4]	40.5	36.5	35.2	35.5	36.3	44.5	40.1	39.6	39.5	40.8	39.6	38.6
39 Other assets[5]	35.5	36.8	35.8	29.6	29.8	32.9	31.7	34.4	31.0	35.0	32.8	39.4
40 **Total assets[6]**	**694.8[r]**	**710.4**	**693.4**	**678.2**	**675.0**	**693.7**	**685.3**	**694.6**	**695.8**	**702.2**	**685.7**	**694.4**
Liabilities												
41 Deposits	384.6[r]	409.7	411.6	403.5	395.1	401.4	414.9	431.8	418.7	431.4	433.9	441.4
42 Transaction	11.0	10.2	9.4	9.3	9.5	12.6	10.9	10.9	10.9	11.0	10.7	10.9
43 Nontransaction	373.6[r]	399.5	402.3	394.3	385.6	388.8	403.9	420.8	407.8	420.4	423.2	430.5
44 Borrowings	223.5	219.3	216.1	211.2	210.6	222.0	208.3	212.3	217.0	221.0	201.6	210.5
45 From banks in the U.S.	18.6	20.3	22.5	22.3	20.7	30.6	23.4	24.2	26.7	29.3	20.6	21.1
46 From others	204.9	199.0	193.7	188.9	190.0	191.4	184.9	188.0	190.3	191.7	181.0	189.4
47 Net due to related foreign offices	7.6	−7.5	−22.7	−19.3	−12.6	−15.2	−16.9	−30.7	−25.7	−32.9	−27.5	−36.9
48 Other liabilities	73.4	85.0	83.4	78.0	78.0	81.5	75.2	77.7	82.2	79.5	74.5	75.5
49 **Total liabilities**	**689.1**	**706.5**	**688.4**	**673.4**	**671.2**	**689.7**	**681.5**	**691.0**	**692.2**	**699.0**	**682.4**	**690.4**
50 Residual (assets less liabilities)[7]	5.8	3.8	5.0	4.9	3.8	4.0	3.8	3.5	3.7	3.3	3.3	4.0

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Nov	May[r]	June[r]	July[r]	Aug.[r]	Sept[r]	Oct.[r]	Nov.	Nov. 7	Nov. 14	Nov 21	Nov. 28
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items[8]	68.1	82.0	87.5	79.8	89.8	97.9	100.3	103.0	117.0	105.3	108.1	87.1
2 Revaluation losses on off-balance-sheet items[8]	72.6	74.7	81.9	71.8	78.4	84.8	85.6	85.1	98.5	88.1	89.1	68.2
3 Mortgage-backed securities[9]	245.3[r]	265.8	262.2	261.8	274.0	279.8	289.3	290.1	303.0	282.0	285.4	285.8
4 Pass-through	177.5	200.7	200.8	200.2	212.3	218.1	222.2	206.3	219.8	200.1	203.9	203.0
5 CMO. REMIC, and other	67.7	65.1	61.4	61.7	61.7	61.6	67.1	83.8	83.2	82.0	81.5	82.9
6 Net unrealized gains (losses) on available-for-sale securities[10]	.7	4.9	4.2	2.6	5.0	7.0	9.4	10.1	11.6	10.7	9.6	9.8
7 Off-shore credit to U.S. residents[11]	23.1	21.0	20.6	20.2	19.6	20.2	20.0	19.2	19.6	19.4	19.3	18.6
8 Securitized consumer loans[12]	77.4	80.3	81.7	96.2	96.1	97.1	98.1	99.6	100.1	100.2	99.6	99.0
9 Credit cards and related plans	68.0	71.1	72.8	86.1	85.6	86.8	87.8	88.3	88.7	88.7	88.3	87.8
10 Other	9.4	9.2	9.0	10.1	10.5	10.3	10.3	11.3	11.4	11.4	11.4	11.2
11 Securitized business loans[12]	14.2	14.2	14.7	14.8	15.0	15.1	15.4	14.9	15.2	15.2	15.1	14.3
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities[9]	208.8[r]	229.2	232.8	240.0	245.0	251.2	258.2	263.4	264.0	263.5	262.4	262.7
13 Securitized consumer loans[12]	227.3[r]	236.8	240.3	228.8	231.7	234.9	238.4	241.3	241.7	242.1	239.8	241.3
14 Credit cards and related plans	218.0[r]	228.6	232.0	220.1	223.1	226.3	230.2	232.7	233.1	233.5	231.2	232.8
15 Other	9.4[r]	8.2	8.3	8.7	8.6	8.5	8.2	8.6	8.6	8.6	8.6	8.5
Foreign-related institutions												
16 Revaluation gains on off-balance-sheet items[8]	46.4	56.8	57.7	54.9	57.6	57.3	58.2	56.6	61.1	57.0	54.8	53.7
17 Revaluation losses on off-balance-sheet items[8]	42.5	52.3	52.4	49.7	52.1	51.4	49.3	49.3	53.7	49.4	47.6	47.1
18 Securitized business loans[12]	34.3	30.8	29.6	27.4	26.6	26.5	26.6	25.2	26.0	25.6	25.2	24.1

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 AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2001					
	1996	1997	1998	1999	2000	May	June	July	Aug.	Sept.	Oct.
1 **All issuers**	**775,371**	**966,699**	**1,163,303**	**1,403,023**	**1,615,341**	**1,501,113**	**1,468,919**	**1,453,770**	**1,434,238**	**1,423,004**	**1,436,254**
Financial companies[1]											
2 Dealer-placed paper, total[2]	361,147	513,307	614,142	786,643	973,060	986,369	982,216	958,911	957,792	950,346	984,996
3 Directly placed paper, total[3]	229,662	252,536	322,030	337,240	298,848	245,768	244,520	265,824	248,974	255,122	232,407
4 Nonfinancial companies[4]	184,563	200,857	227,132	279,140	343,433	268,976	242,183	229,035	227,473	217,537	218,851

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 Loans[1]

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1999—Jan. 1	7.75	1999	8.00	2000—Jan.	8.50	2001—Jan.	9.05
July 1	8.00	2000	9.23	Feb.	8.73	Feb.	8.50
Aug. 25	8.25	2001	6.91	Mar.	8.83	Mar	8.32
Nov. 17	8.50			Apr.	9.00	Apr.	7.80
		1999—Jan.	7.75	May	9.24	May	7.24
2000—Feb 3	8.75	Feb.	7.75	June	9.50	June	6.98
Mar. 22	9.00	Mar.	7 75	July	9.50	July	6.75
May 17	9.50	Apr.	7 75	Aug.	9.50	Aug.	6.67
		May	7.75	Sept.	9.50	Sept.	6.28
2001—Jan. 4	9.00	June	7.75	Oct.	9.50	Oct.	5.53
Feb. 1	8.50	July	8.00	Nov.	9.50	Nov.	5.10
Mar. 21	8.00	Aug.	8.06	Dec.	9.50	Dec	4.84
Apr. 19	7.50	Sept.	8.25				
May 16	7.00	Oct.	8.25				
June 28	6.75	Nov.	8.37				
Aug. 22	6.50	Dec.	8.50				
Sept. 18	6.00						
Oct. 3	5.50						
Nov. 7	5.00						
Dec. 12	4.75						

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	1998	1999	2000	2001				2001, week ending				
				Aug.	Sept.	Oct.	Nov.	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	5.35	4.97	6.24	3.65	3.07	2.49	2.09	2.55	2.36	2.03	2.01	1.95
2 Discount window borrowing[2,4]	4.92	4.62	5.73	3.16	2.77	2.02	1.58	2.00	1.86	1.50	1.50	1.50
Commercial paper[3,5,6]												
Nonfinancial												
3 1-month	5.40	5.09	6.27	3.54	2.96	2.40	2.03	2.23	2.02	2.00	2.02	1.99
4 2-month	5.38	5.14	6.29	3.47	2.87	2.30	2.00	2.15	1.98	1.96	2.03	1.99
5 3-month	5.34	5.18	6.31	3.42	2.81	2.28	1.97	2.11	1.93	1.93	2.02	1.98
Financial												
6 1-month	5.42	5.11	6.28	3.57	2.97	2.42	2.04	2.24	2.06	2.01	2.04	1.99
7 2-month	5.40	5.16	6.30	3.48	2.87	2.31	2.02	2.13	1.98	1.99	2.04	2.03
8 3-month	5.37	5.22	6.33	3.44	2.84	2.29	2.00	2.11	1.97	1.96	2.02	2.00
Commercial paper (historical)[3,5,7]												
9 1-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 6-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finance paper, directly placed (historical)[3,5,8]												
12 1-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 6-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bankers acceptances[3,5,9]												
15 3-month	5.39	5.24	6.23	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 6-month	5.30	5.30	6.37	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Certificates of deposit, secondary market[3,10]												
17 1-month	5.49	5.19	6.35	3.59	2.99	2.43	2.08	2.22	2.07	2.05	2.07	2.06
18 3-month	5.47	5.33	6.46	3.48	2.87	2.31	2.03	2.11	1.96	1.99	2.06	2.07
19 6-month	5.44	5.46	6.59	3.49	2.84	2.26	2.03	2.08	1.94	2.00	2.11	2.08
20 Eurodollar deposits, 3-month[3,11]	5.45	5.31	6.45	3.47	2.85	2.31	2.03	2.14	1.98	2.00	2.07	2.03
U.S. Treasury bills												
Secondary market[3,5]												
21 3-month	4.78	4.64	5.82	3.36	2.64	2.16	1.87	2.01	1.83	1.86	1.91	1.84
22 6-month	4.83	4.75	5.90	3.29	2.63	2.12	1.88	1.93	1.79	1.91	1.97	1.87
23 1-year	4.80	4.81	5.78	3.26	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Auction high[3,5,12]												
24 3-month	4.81	4.66	5.66	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 6-month	4.85	4.76	5.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 1-year	4.85	4.78	5.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[13]												
27 1-year	5.05	5.08	6.11	3.47	2.82	2.33	2.18	2.11	1.99	2.24	2.35	2.23
28 2-year	5.13	5.43	6.26	3.76	3.12	2.73	2.78	2.49	2.40	2.83	3.05	3.03
29 3-year	5.14	5.49	6.22	4.04	3.45	3.14	3.22	2.92	2.81	3.26	3.51	3.50
30 5-year	5.15	5.55	6.16	4.57	4.12	3.91	3.97	3.73	3.58	3.97	4.25	4.25
31 7-year	5.28	5.79	6.20	4.84	4.51	4.31	4.42	4.10	4.04	4.45	4.71	4.70
32 10-year	5.26	5.65	6.03	4.97	4.73	4.57	4.65	4.37	4.30	4.66	4.93	4.92
33 20-year	5.72	6.20	6.23	5.58	5.53	5.34	5.33	5.13	5.03	5.31	5.54	5.60
34 30-year	5.58	5.87	5.94	5.48	5.48	5.32	5.12	5.02	4.85	5.12	5.32	5.33
Composite												
35 More than 10 years (long-term)	5.69	6.14	6.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
STATE AND LOCAL NOTES AND BONDS												
Moody's series[14]												
36 Aaa	4.93	5.28	5.58	4.89	4.93	4.89	4.85	4.81	4.76	4.82	4.90	4.97
37 Baa	5.14	5.70	6.19	5.55	5.62	5.55	5.53	5.45	5.41	5.52	5.60	5.65
38 *Bond Buyer* series[15]	5.09	5.43	5.71	5.03	5.09	5.05	5.04	4.96	4.91	5.02	5.14	5.15
CORPORATE BONDS												
39 Seasoned issues, all industries[16]	6.87	7.45	7.98	7.37	7.54	7.41	7.32	7.22	7.11	7.32	7.49	7.46
Rating group												
40 Aaa	6.53	7.05	7.62	7.02	7.17	7.03	6.97	6.86	6.75	6.97	7.16	7.10
41 Aa	6.80	7.36	7.83	7.11	7.28	7.13	7.01	6.92	6.79	7.02	7.19	7.15
42 A	6.93	7.53	8.11	7.48	7.67	7.59	7.49	7.38	7.27	7.48	7.66	7.64
43 Baa	7.22	7.88	8.37[r]	7.85	8.03	7.91	7.81	7.73	7.62	7.81	7.96	7.95
MEMO												
Dividend–price ratio[17]												
44 Common stocks	1.49	1.25	1.15	1.34	1.48	1.45	1.38	1.47	1.40	1.37	1.37	1.38

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. Rate for the Federal Reserve Bank of New York.
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 offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.
8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.
9. Representative closing yields for acceptances of the highest-rated money center banks.
10. An average of dealer offering rates on nationally traded certificates of deposit.
11. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.
12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.
13. Yields on actively traded issues adjusted to constant maturities. SOURCE: U.S. Department of the Treasury.
14. General obligation bonds based on Thursday figures: Moody's Investors Service.
15. 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 Moodys' A1 rating. Based on Thursday figures.
16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
17. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1998	1999	2000	2001								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	550.65	619.52	643.71	603.44	607.06	644.44	630.86	613.36	604.52	544.39	556.04	575.31
2 Industrial	684.35	775.29	809.40	744.21	747.48	798.94	782.73	756.04	748.65	672.89	688.35	715.98
3 Transportation	468.61	491.62	414.73	452.36	455.22	477.21	458.60	469.80	458.35	382.68	371.56	410.05
4 Utility	190.52	284.82	478.99	395.34	400.49	414.69	382.98	374.11	357.76	339.72	341.51	330.78
5 Finance	516.65	530.97	552.48	583.38	587.88	618.74	622.17	614.54	605.59	538.01	553.16	577.85
6 Standard & Poor's Corporation (1941–43 = 10)[1]	1,085.50	1,327.33	1,427.22	1,185.85	1,189.84	1,270.37	1,238.71	1,204.45	1,178.51	1,044.64	1,076.59	1,129.68
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	682.69	770.90	922.22	891.22	891.18	940.73	923.06	892.74	883.01	823.78	825.91	814.78
Volume of trading (thousands of shares)												
8 New York Stock Exchange	666,534	799,554	1,026,867	1,251,569	1,247,382	1,091,366	1,152,193	1,120,074	1,012,907	1,666,980	1,293,019	1,242,965
9 American Stock Exchange	28,870	32,629	51,437	81,666	77,612	66,103	62,395	56,735	48,304	72,319	66,765	88,694
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	**140,980**	**228,530**	**198,790**	**165,350**	**166,940**	**174,180**	**170,000**	**165,250**	**161,130**	**144,670**	**144,010**[r]	**148,650**
Free credit balances at brokers[4]												
11 Margin accounts[5]	40,250	55,130	100,680	106,300	97,470	91,990	98,430	97,950	103,990	115,450	101,850[r]	98,330
12 Cash accounts	62,450	79,070	84,400	77,520	77,460	76,260	75,270	73,490	73,710	74,220	69,550[r]	72,090

	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.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
				2001					
	1999	2000	2001	June	July	Aug.	Sept.	Oct.	Nov.
U.S. budget[1]									
1 Receipts, total	1,827,302	2,025,218	1,990,930r	202,887	127,842	122,559	158,496	157,163	121,233
2 On-budget	1,382,986	1,544,634	1,483,411r	151,482	89,473	84,011	116,598	122,004	83,375
3 Off-budget	444,468	480,584	507,519	51,405	38,369	38,548	41,898	35,159	37,858
4 Outlays, total	1,702,875	1,788,826	1,863,909r	171,025	125,022	202,549	123,250	166,548	175,500
5 On-budget	1,382,097	1,458,061	1,517,071r	167,796	92,145	138,167	111,255	134,014	140,388
6 Off-budget	320,778	330,765	346,838	3,229	32,877	64,382	11,996	32,534	35,112
7 Surplus or deficit (−), total	124,579	236,392	127,021	31,862	2,820	−79,990	35,245	−9,385	−54,267
8 On-budget	889	86,573	−33,660	−16,314	−2,672	−54,156	5,343	−12,010	−57,013
9 Off-budget	123,690	149,819	160,682	48,176	5,492	−25,834	29,902	2,625	2,746
Source of financing (total)									
10 Borrowing from the public	−88,674	−222,807	−90,118	−1,212	−7,460	74,101	1,996	−3,695	72,036
11 Operating cash (decrease, or increase [−])	−17,580	3,799	8,440	−37,413	20,589	16,769	−37,890	16,612	−2,908
12 Other[2]	−18,325	−17,384	−45,343	6,763	−15,949	−10,880	649	−3,532	−14,861
MEMO									
13 Treasury operating balance (level, end of period)	56,458	52,659	44,219	43,687	23,098	6,329	44,219	27,607	30,515
14 Federal Reserve Banks	6,641	8,459	9,796	7,188	5,592	5,533	9,796	5,112	6,219
15 Tax and loan accounts	49,817	44,199	34,423	36,498	17,506	795	34,423	22,495	24,295

1. Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCE. Monthly totals; U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; and fiscal year totals, U.S. Office of Management and Budget, *Budget of the U.S. Government* when available.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS[1]

Millions of dollars

Source or type	Fiscal year		Calendar year						
	2000	2001	1999	2000		2001	2001		
			H2	H1	H2	H1	Sept.	Oct.	Nov.
RECEIPTS									
1 **All sources**	**2,025,218**	**1,990,930[r]**	**892,266**	**1,089,763**	**953,667[r]**	**1,120,040**	**158,496**	**157,163**	**121,233**
2 Individual income taxes, net	1,004,462	994,339	425,451	550,208	458,679	580,632	81,277	77,772	56,534
3 Withheld	780,397	793,386	372,012	388,526	395,572	402,417	49,679	69,963	59,818
4 Nonwithheld	358,049	383,146	68,302	281,103	77,732	308,418	45,676	9,858	2,729
5 Refunds	134,046	182,251	14,841	119,477	14,628	130,256	14,078	2,049	6,013
Corporation income taxes									
6 Gross receipts	235,655	186,732	110,111	119,166	123,962	102,947	9,533	30,134	3,411
7 Refunds	28,367	35,657	13,996	13,781	15,776	20,262	2,057	10,388	3,450
8 Social insurance taxes and contributions, net	652,852	693,967	292,551	353,514	310,122	379,878	56,147	48,794	53,263
9 Employment taxes and contributions[2]	620,451	661,442	280,059	333,584	297,665	359,648	55,433	46,887	50,494
10 Unemployment insurance	27,640	27,812	10,173	17,562	10,097	17,842	349	1,529	2,356
11 Other net receipts[3]	4,761	4,712	2,319	2,368	2,360	2,387	365	378	413
12 Excise taxes	68,865	66,232	34,262	33,532	35,501	32,490	6,443	3,657	4,842
13 Customs deposits	19,914	19,616	10,287	9,218	10,676	9,370	1,563	1,920	1,571
14 Estate and gift taxes	29,010	28,400	14,001	15,073	13,216	15,471	1,761	2,488	2,204
15 Miscellaneous receipts[4]	42,826	36,576	19,569	22,831	17,286[r]	19,517	3,828	2,786	2,857
OUTLAYS									
16 **All types**	**1,788,826**	**1,863,909[r]**	**882,465**	**892,947**	**895,630[r]**	**948,750**	**123,250**	**166,548**	**175,500**
17 National defense	294,494	304,486	149,573	143,476	147,651	153,154	23,987	26,373	30,983
18 International affairs	17,216	16,522	8,530	7,250	11,902	6,522	1,350	2,519	2,606
19 General science, space, and technology	18,637	20,715	10,089	9,601	10,389	10,073	1,668	2,025	1,781
20 Energy	−1,060	48[r]	−90	−893	130[r]	−244	697	−355	145
21 Natural resources and environment	25,031	23,738	12,100	10,814	12,907	11,059	2,521	2,248	2,518
22 Agriculture	36,641	28,339	20,887	11,164	20,977	10,832	−1,149	5,288	4,576
23 Commerce and housing credit	3,211	5,801	7,353	−2,497	4,408	−1,539	15,844	1,194	218
24 Transportation	46,854	53,882	23,199	21,054	25,841	23,810	7,358	5,423	5,885
25 Community and regional development	10,629	12,827	6,806	5,050	5,962	5,265	1,347	1,509	1,110
26 Education, training, employment, and social services	59,201	62,869	27,532	31,234	29,263	35,698	4,927	6,113	5,370
27 Health	154,534	171,912	74,490	75,871	81,413	87,427	14,088	17,549	15,216
28 Social security and Medicare	606,549	650,407	295,030	306,966	307,473	328,072	26,044	53,444	58,302
29 Income security	247,895	263,274	113,504	133,915	113,212	146,913	15,738	21,664	24,281
30 Veterans benefits and services	47,083	45,029	23,412	23,174	22,615	23,171	2,123	4,294	5,941
31 Administration of justice	27,820	29,754	13,459	13,981	14,635	14,694	2,428	3,230	2,834
32 General government	13,454	15,084	7,010	6,198	6,461	8,887	1,733	1,581	1,365
33 Net interest[5]	223,218	206,088	112,420	115,545	104,685	107,824	9,113	16,157	15,928
34 Undistributed offsetting receipts[6]	−42,581	−47,011	−22,850	−19,346	−24,070	−22,865	−6,711	−3,727	−3,560

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.
2. Old-age, disability, and hospital insurance and railroad retirement accounts.
3. Federal employee retirement contributions and civil service retirement and disability fund.
4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
5. Includes interest received by trust funds.
6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCE. Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2002;* monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government.*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1999		2000				2001		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 **Federal debt outstanding**	**5,685.2**	**5,805.0**	**5,801.5**	**5,714.2**	**5,701.9**	**5,689.6**	**5,800.6**	**5,753.9**	**5,834.5**
2 Public debt securities	5,656.3	5,776.1	5,773.4	5,685.9	5,674.2	5,662.2	5,773.7	5,726.8	5,807.5
3 Held by public	3,667.2	3,715.5	3,688.0	3,495.7	3,438.5	3,413.5	3,434.4	3,274.2	3,338.7
4 Held by agencies	1,989.1	2,060.6	2,085.4	2,190.2	2,235.7	2,248.7	2,339.4	2,452.6	2,468.8
5 Agency securities	28.9	28.9	28.1	28.3	27.7	27.4	26.8	27.1	27.0
6 Held by public	28.3	28.3	27.8	28.2	27.6	27.3	26.8	27.1	27.0
7 Held by agencies	.6	.6	.4	.1	.1	.1	.1	.0	.0
8 **Debt subject to statutory limit**	**5,567.7**	**5,686.9**	**5,686.5**	**5,600.6**	**5,591.6**	**5,580.5**	**5,692.5**	**5,645.0**	**5,732.6**
9 Public debt securities	5,567.6	5,686.7	5,686.3	5,600.5	5,591.4	5,580.2	5,692.3	5,644.8	5,807.5
10 Other debt[1]	.1	.1	.2	.2	.2	.2	.2	.2	.2
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	5,950.0	5,950.0

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	1997	1998	1999	2000	2000	2001		
					Q4	Q1	Q2	Q3
1 **Total gross public debt**	**5,502.4**	**5,614.2**	**5,776.1**	**5,662.2**	**5,662.2**	**5,773.7**	**5,726.8**	**5,807.5**
By type								
2 Interest-bearing	5,494.9	5,605.4	5,766.1	5,618.1	5,618.1	5,752.0	5,682.8	5,763.6
3 Marketable	3,456.8	3,355.5	3,281.0	2,966.9	2,966.9	2,981.9	2,822.3	2,897.3
4 Bills	715.4	691.0	737.1	646.9	646.9	712.0	620.1	734.9
5 Notes	2,106.1	1,960.7	1,784.5	1,557.3	1,557.3	1,499.0	1,441.0	1,399.6
6 Bonds	587.3	621.2	643.7	626.5	626.5	627.9	616.9	612.9
7 Inflation-indexed notes and bonds[1]	33.0	67.6	100.7	121.2	121.2	128.0	129.3	134.9
8 Nonmarketable[2]	2,038.1	2,249.9	2,485.1	2,651.2	2,651.2	2,770.0	2,860.5	2,866.4
9 State and local government series	124.1	165.3	165.7	151.0	151.0	152.9	153.3	146.4
10 Foreign issues[3]	36.2	34.3	31.3	27.2	27.2	24.7	24.0	18.3
11 Government	36.2	34.3	31.3	27.2	27.2	24.7	24.0	18.3
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	181.2	180.3	179.4	176.9	176.9	177.4	178.4	179.6
14 Government account series[4]	1,666.7	1,840.0	2,078.7	2,266.1	2,266.1	2,360.3	2,474.7	2,492.1
15 Non-interest-bearing	7.5	8.8	10.0	44.2	44.2	46.5	44.0	43.8
By holder[5]								
16 U.S. Treasury and other federal agencies and trust funds	1,657.1	1,828.1	2,064.2	2,249.0[r]	2,249.0[r]	2,357.0	2,469.1	2,493.7
17 Federal Reserve Banks[6]	430.7	452.1	478.0	511.7	511.7	523.9	535.1	534.1
18 Private investors	3,414.6	3,334.0	3,233.9	2,880.4	2,880.4	2,892.9	2,722.6	2,779.7
19 Depository institutions	300.3	237.3	246.5	199.2[r]	199.2[r]	187.9[r]	190.1[r]	189.0
20 Mutual funds	321.6[r]	343.3[r]	335.4[r]	312.6[r]	312.6[r]	322.8[r]	333.2[r]	362.7
21 Insurance companies	176.6	141.7[r]	123.4[r]	110.2[r]	110.2[r]	101.9	94.8[r]	88.5
22 State and local treasuries[7]	239.3	269.3	266.8	236.2[r]	236.2[r]	224.0	216.5	188.9
Individuals								
23 Savings bonds	186.5	186.6	186.4	184.8	184.8	184.8	185.5[r]	186.4
24 Pension funds	360.5	356.9[r]	349.7[r]	333.4[r]	333.4[r]	326.5	324.6[r]	314.7
25 Private	143.5	139.1[r]	138.5[r]	137.7[r]	137.7[r]	131.2	127.5[r]	122.7
26 State and Local	216.9	217.7	211.2	195.7[r]	195.7[r]	195.3	197.1[r]	192.0
27 Foreign and international[8]	1,241.6	1,278.7	1,268.7	1,201.3[r]	1,201.3[r]	1,196.1	1,167.1	1,170.0
28 Other miscellaneous investors[7,9]	589.5	517.5[r]	444.1[r]	276.9[r]	276.9[r]	323.6[r]	195.8	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 Transactions[1]

Millions of dollars, daily averages

	Item	2001			2001, week ending								
		Aug.	Sept.	Oct.	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	By type of security												
1	U.S. Treasury bills	35,361	29,627	28,935	27,408	26,555	24,338	32,937	32,351	46,129	38,720	41,919	41,112
	Treasury coupon securities by maturity												
2	Three years or less	90,953	96,124	106,558	112,694	85,341	103,453	119,295	110,220	135,164	121,476	133,713	142,859
3	More than three but less than or equal to six years	69,717	76,258	83,732	82,377	85,233	84,124	78,869	87,813	141,908	109,895	107,670	83,813
4	More than six but less than or equal to eleven years	65,251	60,808	59,295	65,974	63,938	52,884	50,928	66,353	89,839	70,506	90,672	66,402
5	More than eleven	16,847	18,764	24,268	27,558	19,610	16,814	22,759	34,983	40,584	27,110	28,648	23,938
6	Inflation-indexed[2]	1,491	1,653	2,565	1,505	4,143	2,141	2,760	2,168	3,405	1,994	1,969	1,952
	Federal agency and government-sponsored enterprises												
7	Discount notes	57,141	70,486	61,756	63,505	60,364	61,487	60,286	63,560	62,391	61,257	60,314	57,674
	Coupon securities by maturity												
8	Three years or less	11,514	11,891	11,551	15,321	9,685	11,484	10,921	11,480	11,691	13,475	16,350	11,290
9	More than three years but less than or equal to six years	8,769	8,913	11,860	10,876	9,624	12,414	16,332	9,211	8,492	13,461	10,164	5,747
10	More than six years but less than or equal to eleven years	6,502	10,595	8,487	9,629	7,447	8,780	7,344	9,484	12,092	10,308	13,725	7,828
11	More than eleven years	1,332	1,010	1,451	1,353	1,604	856	1,443	1,989	2,274	2,854	1,093	1,143
12	Mortgage-backed	106,708	129,615	130,025	130,802	182,422	158,842	96,765	92,084	166,493	181,741	140,520	91,673
	Corporate securities												
13	One year or less	79,388	95,488	79,349	82,169	92,566	81,955	76,528	67,299	76,073	84,847	83,253	63,122
14	More than one year	17,259	14,825	20,690	16,829	20,319	18,470	23,482	22,731	21,754	24,765	25,170	17,712
	By type of counterparty												
	With interdealer broker												
15	U.S. Treasury	133,598	125,189	139,549	136,037	130,368	133,046	144,839	150,216	204,851	170,365	179,261	166,102
16	Federal agency and government-sponsored enterprises	11,532	11,668	11,878	11,222	10,412	11,344	13,737	12,120	12,741	14,406	14,167	11,317
17	Mortgage-backed	32,160	33,296	36,435	35,009	47,825	45,799	29,636	25,614	38,520	47,633	32,056	27,251
18	Corporate	813	793	666	563	1,042	612	590	558	625	672	613	462
	With other												
19	U.S. Treasury	146,023	158,044	165,804	181,478	154,452	150,708	162,709	183,672	252,179	199,336	225,330	193,975
20	Federal agency and government-sponsored enterprises	73,725	91,226	83,227	89,462	78,313	83,677	82,589	83,603	84,198	86,949	87,479	72,366
21	Mortgage-backed	74,548	96,318	93,590	95,793	134,598	113,044	67,129	66,470	127,973	134,108	108,464	64,422
22	Corporate	95,833	109,520	99,373	98,435	111,842	99,814	99,420	89,471	97,202	108,940	107,810	80,373

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 (TIIS) 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.

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.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing[1]

Millions of dollars

Item	2001 Aug.	2001 Sept.	2001 Oct.	2001, week ending Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21
						NET OUTRIGHT POSITIONS[2]					
By type of security											
1 U.S. Treasury bills	22,281	29,542	21,414	23,605	22,438	22,590	18,336	21,354	5,491	10,700	20,314
Treasury coupon securities by maturity											
2 Three years or less	-17,171	-13,889	-21,698	-15,222	-17,728	-20,821	-21,452	-29,568	-27,897	-26,296	-31,734
3 More than three years but less than or equal to six years	-11,233	-10,010	-19,650	-13,247	-19,193	-18,954	-21,775	-21,421	-24,026	-22,704	-23,811
4 More than six but less than or equal to eleven years	-14,383	-13,631	-8,478	-13,756	-7,642	-8,694	-6,976	-8,339	-8,587	-7,486	-11,358
5 More than eleven	8,486	10,701	10,868	11,769	11,197	9,745	9,651	12,495	13,586	13,700	11,113
6 Inflation-indexed	3,202	3,918	4,541	3,867	5,290	4,437	4,333	4,392	5,117	4,365	4,152
Federal agency and government-sponsored enterprises											
7 Discount notes	56,726	58,480	50,870	51,113	58,372	57,327	44,499	43,180	45,104	55,967	50,853
Coupon securities, by maturity											
8 Three years or less	18,353	14,089	14,742	15,247	15,847	16,680	14,959	11,265	9,833	12,226	11,510
9 More than three years but less than or equal to six years	-1,895	-1,937	1,395	-933	2,786	695	1,728	1,370	1,023	1,582	897
10 More than six but less than or equal to eleven years	3,486	2,516	1,889	2,676	1,826	2,511	2,525	357	739	1,045	3,361
11 More than eleven	3,686	3,231	3,733	3,643	3,426	3,556	4,000	3,988	4,232	4,718	4,655
12 Mortgage-backed	12,198	7,506	12,233	7,914	9,534	8,753	18,528	13,967	28,015	25,172	19,937
Corporate securities											
13 One year or less	15,756	18,108	18,969	21,033	19,301	19,157	17,640	18,895	22,512	24,956	21,561
14 More than one year	29,747	29,098	31,904	27,089	32,273	30,689	33,218	33,500	36,262	34,767	33,033
						FINANCING[3]					
Securities in											
U.S. Treasury											
15 Overnight and continuing	555,619	536,941	565,640	564,986	572,274	558,485	559,013	573,068	584,875	581,145	507,774
16 Term	688,830	660,031	660,095	587,017	611,781	665,616	687,012	707,291	728,636	743,640	750,444
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	116,534	112,778	120,632	123,630	117,524	121,157	121,265	121,299	145,788	133,597	119,425
18 Term	177,889	171,037	176,742	165,236	168,441	172,761	182,881	187,817	205,840	197,372	232,333
Mortgage-backed securities											
19 Overnight and continuing	24,844	24,748	26,548	27,948	27,742	30,203	22,371	25,276	32,415	28,176	23,420
20 Term	220,176	208,146	216,423	203,982	202,805	211,124	226,802	230,291	222,660	225,519	229,877
Corporate securities											
21 Overnight and continuing	33,956	34,799	37,072	38,602	36,535	36,767	36,433	37,898	38,817	38,851	38,980
22 Term	13,216	12,781	14,101	14,247	14,199	14,557	13,777	13,808	14,528	13,984	16,727
MEMO: Reverse repurchase agreements											
23 Overnight and continuing	366,386	338,279	362,499	360,601	357,363	348,798	354,913	389,737	406,008	382,523	297,926
24 Term	976,454	929,665	936,892	848,766	871,048	937,926	981,485	994,875	1,051,851	1,057,706	1,099,430
Securities out											
U.S. Treasury											
25 Overnight and continuing	565,431	556,068	580,816	593,206	592,422	578,417	561,541	585,572	561,390	578,587	487,138
26 Term	620,092	596,767	589,529	527,418	540,399	583,625	624,158	636,553	666,574	671,469	688,687
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	213,057	200,899	218,541	218,018	217,125	225,136	224,837	207,288	231,218	223,140	205,545
28 Term	144,850	131,482	130,511	119,215	121,235	127,938	134,711	143,002	159,821	152,423	198,903
Mortgage-backed securities											
29 Overnight and continuing	277,441	258,259	271,700	265,276	251,548	284,640	297,432	255,932	261,857	305,406	245,344
30 Term	110,410	112,292	134,317	110,038	121,481	138,676	147,547	139,969	132,790	134,053	193,704
Corporate securities											
31 Overnight and continuing	82,922	80,776	92,074	91,730	91,857	91,312	93,083	92,193	95,076	103,381	95,421
32 Term	11,698	8,333	10,158	9,009	9,458	9,595	9,826	12,244	9,508	8,320	14,041
MEMO: Repurchase agreements											
33 Overnight and continuing	1,006,856	965,270	1,019,698	1,016,816	1,003,565	1,033,208	1,037,783	1,005,472	1,008,405	1,059,874	888,904
34 Term	865,731	832,229	846,123	747,151	773,130	843,261	897,956	912,562	948,335	946,450	1,075,887

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).

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/pihome/statistics) under the Primary Dealer heading.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1997	1998	1999	2000	2001				
					May	June	July	Aug.	Sept.
1 **Federal and federally sponsored agencies**	**1,022,609**	**1,296,477**	**1,616,492**	**1,851,632**	**1,967,515**	**1,986,146**	**2,009,746**	**2,028,562**	**2,071,164**
2 Federal agencies	27,792	26,502	26,376	25,666	25,070	25,495	25,325	26,623	27,017
3 Defense Department[1]	6	6	6	6	6	6	6	6	6
4 Export–Import Bank[2,3]	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration[4]	102	205	126	255	201	204	210	224	231
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	27,786	26,496	26,370	25,660	25,064	25,489	25,319	26,617	27,011
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]	994,817	1,269,975	1,590,116	1,825,966	1,942,445	1,960,651	1,984,421	2,001,939	2,044,147
11 Federal Home Loan Banks	313,919	382,131	529,005	594,404	592,406	595,148	601,490	599,070	614,325
12 Federal Home Loan Mortgage Corporation	169,200	287,396	360,711	426,899	490,442	496,711	508,944	515,671	534,434
13 Federal National Mortgage Association	369,774	460,291	547,619	642,700	693,600	702,300	706,800	718,000	727,000
14 Farm Credit Banks[8]	63,517	63,488	68,883	74,181	75,363	76,330	76,307	76,264	76,385
15 Student Loan Marketing Association[9]	37,717	35,399	41,988	45,375	48,255	47,687	48,427	50,356	49,404
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 debt**[13]	**49,090**	**44,129**	**42,152**	**40,575**	**42,837**	**38,235**	**37,510**	**37,789**	**42,825**
Lending to federal and federally sponsored agencies									
20 Export–Import Bank[3]	552	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.
Other lending[14]									
25 Farmers Home Administration	13,530	9,500	6,665	5,275	5,540	5,155	5,155	5,155	4,375
26 Rural Electrification Administration	14,898	14,091	14,085	13,126	12,989	13,381	13,483	13,602	13,599
27 Other	20,110	20,538	21,402	22,174	24,308	19,699	18,872	19,032	30,851

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	1998	1999	2000	2001							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 **All issues, new and refunding**[1]	**262,342**	**215,427**	**180,403**	**16,985**	**26,248**	**29,298**	**19,232**	**21,152**	**13,159**	**30,446**	**30,105**
By type of issue											
2 General obligation	87,015	73,308	64,475	6,890	8,385	9,691	5,836	8,796	3,926	14,302	10,163
3 Revenue	175,327	142,120	115,928	10,094	17,863	19,606	13,396	12,356	9,233	16,144	19,942
By type of issuer											
4 State	23,506	16,376	19,944	1,900	3,123	2,905	2,029	2,713	1,504	6,008	2,271
5 Special district or statutory authority[2]	178,421	152,418	111,695	113,344	17,281	20,672	11,784	12,351	9,137	17,382	21,601
6 Municipality, county, or township	60,173	46,634	39,273	3,740	5,845	5,721	5,419	6,088	2,518	7,056	6,233
7 **Issues for new capital**	**160,568**	**161,065**	**154,257**	**12,264**	**20,002**	**20,044**	**15,015**	**13,550**	**10,110**	**21,249**	**21,009**
By use of proceeds											
8 Education	36,904	36,563	38,665	3,731	5,714	6,460	3,379	2,950	3,017	4,279	4,475
9 Transportation	19,926	17,394	19,730	1,381	2,522	1,258	3,160	1,669	1,195	1,587	2,882
10 Utilities and conservation	21,037	15,098	11,917	1,447	2,969	3,191	1,055	1,228	1,025	2,324	2,429
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	8,594	9,099	7,122	436	422	443	508	708	663	688	359
13 Other purposes	42,450	47,896	47,309	3,010	4,736	5,047	3,803	4,524	1,732	9,158	5,281

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	1998	1999	2000	2001							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct
1 **All issues**[1]	**1,128,491**	**1,072,866**	**942,198**	**139,267**	**92,778**	**164,563**	**122,773**	**93,451**	**97,944**	**89,855**	**139,181**
2 **Bonds**[2]	**1,001,736**	**941,298**	**807,281**	**127,956**	**86,274**	**154,623**	**102,476**	**84,872**	**89,990**	**84,509**	**123,346**
By type of offering											
3 Sold in the United States	923,771	818,683	684,484	118,779	81,156	146,164	96,382	79,508	86,759	80,223	120,162
4 Sold abroad	77,965	122,615	122,798	9,177	5,117	8,459	6,094	5,364	3,231	4,286	3,185
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	652	0	2,563	3,146	12	48	0	224
By industry group											
6 Nonfinancial	307,711	293,963	242,452	44,385	33,549	67,142	34,996	18,904	28,546	31,920	43,830
7 Financial	694,025	647,335	564,829	83,571	52,725	87,481	67,480	65,968	61,443	52,589	79,517
8 **Stocks**[3]	**182,055**	**223,968**	**283,717**	**11,311**	**6,504**	**9,940**	**20,297**	**8,579**	**7,954**	**5,346**	**15,835**
By type of offering											
9 Public	126,755	131,568	134,917	11,311	6,504	9,940	20,297	8,579	7,954	5,346	15,835
10 Private placement[4]	55,300	92,400	148,800	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
11 Nonfinancial	74,113	110,284	118,369	7,718	4,822	6,809	16,630	4,237	5,487	81	7,611
12 Financial	52,642	21,284	16,548	3,593	1,682	3,131	3,667	4,342	2,467	5,265	8,224

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 are not available.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets[1]

Millions of dollars

Item	1999	2000	2001							
			Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
1 **Sales of own shares**[2]	**1,791,894**	**2,279,315**	**152,327**	**158,361**	**139,270**	**138,428**	**142,577**	**105,038**	**153,827**	**146,636**
2 Redemptions of own shares	1,621,987	2,057,277	130,454	132,574	125,097	129,021	131,408	127,995	137,837	124,141
3 Net sales[3]	169,906	222,038	21,873	25,787	14,173	9,407	11,169	−22,957	15,990	22,495
4 **Assets**[4]	**5,233,191**	**5,123,747**	**4,910,568**	**4,956,982**	**4,888,874**	**4,825,144**	**4,635,477**	**4,253,850**	**4,376,923**	**4,625,117**
5 Cash[5]	219,189	277,386	247,169	237,487	240,199	240,392	240,329	223,077	229,576	240,142
6 Other	5,014,002	4,846,361	4,663,399	4,719,495	4,648,675	4,584,752	4,395,148	4,030,773	4,147,347	4,384,975

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.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1998	1999	2000	1999	2000				2001		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Profits with inventory valuation and capital consumption adjustment	777.4	825.2	876.4	857.6	870.3	892.8	895.0	847.6	789.8	759.8	697.0
2 Profits before taxes	721.1	776.3	845.4	825.0	844.9	862.0	858.3	816.5	755.7	738.3	680.6
3 Profits-tax liability	238.8	253.0	271.5	267.3	277.0	280.4	274.9	253.5	236.8	228.0	204.9
4 Profits after tax	482.3	523.3	573.9	557.7	567.8	581.6	583.4	563.0	518.9	510.3	475.6
5 Dividends	348.7	343.5	379.6	349.6	361.5	373.7	386.2	397.0	405.2	412.3	420.4
6 Undistributed profits	133.6	179.8	194.3	208.1	206.3	207.9	197.2	165.9	113.7	98.0	55.2
7 Inventory valuation	18.3	−2.9	−12.4	−21.0	−23.8	−14.8	−3.6	−7.3	−1.9	−8.8	3.1
8 Capital consumption adjustment	38.0	51.7	43.4	53.6	49.2	45.5	40.4	38.4	36.0	30.3	13.4[r]

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

Account	1998	1999	2000	2000				2001		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS										
1 Accounts receivable, gross[2]	742.1	845.4	958.6	883.2	921.5	939.9	958.6	954.4	988.7	967.7
2 Consumer	280.0	304.4	327.9	311.4	321.8	331.5	327.9	319.2	324.5	329.2
3 Business	340.9	395.1	458.4	422.7	441.9	443.0	458.4	459.1	481.9	451.1
4 Real estate	121.2	145.8	172.3	149.1	157.7	165.4	172.3	176.1	182.3	187.4
5 LESS: Reserves for unearned income	62.7	61.4	69.7	62.4	66.1	68.3	69.7	69.9	61.5	60.8
6 Reserves for losses	14.7	14.7	16.7	15.2	15.7	15.6	16.7	17.2	17.4	18.0
7 Accounts receivable, net	664.7	769.3	872.2	805.6	839.6	856.1	872.2	867.3	909.7	888.9
8 All other	335.8	406.6	461.5	413.8	419.4	442.3	461.5	474.8	459.0	478.2
9 **Total assets**	**1,000.5**	**1,175.9**	**1,333.7**	**1,219.4**	**1,259.0**	**1,298.4**	**1,333.7**	**1,342.1**	**1,368.7**	**1,367.1**
LIABILITIES AND CAPITAL										
10 Bank loans	26.5	35.4	35.9	28.8	32.8	35.7	35.9	41.6	45.3	44.5
11 Commercial paper	233.3	230.4	238.8	233.0	224.3	218.8	238.8	180.9	181.6	171.0
Debt										
12 Owed to parent	34.3	87.8	102.5	107.2	95.1	100.0	102.5	97.2	93.4	90.8
13 Not elsewhere classified	365.6	429.9	502.2	446.6	483.7	507.3	502.2	533.8	542.1	555.9
14 All other liabilities	216.0	237.8	301.8	264.4	277.5	288.1	301.8	325.1	336.3	327.7
15 Capital, surplus, and undivided profits	124.7	154.5	152.5	139.4	145.7	148.5	152.5	163.5	170.0	177.3
16 **Total liabilities and capital**	**1,000.5**	**1,175.9**	**1,333.7**	**1,219.4**	**1,259.0**	**1,298.4**	**1,333.7**	**1,342.1**	**1,368.7**	**1,367.1**

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 Receivables[1]

Billions of dollars, amounts outstanding

Type of credit	1998	1999	2000	2001					
				May	June	July	Aug.	Sept.	Oct.
	Seasonally adjusted								
1 **Total**	**904.4**	**1,027.0**	**1,181.3**	**1,221.7**	**1,235.7**	**1,242.4**	**1,244.1**	**1,244.3**	**1,236.9**
2 Consumer	369.1	409.0	464.0	485.9	490.4	491.6	497.9	496.0	492.8
3 Real estate	150.3	174.0	198.9	210.0	208.5	212.7	214.9	213.1	217.8
4 Business	385.0	444.0	518.4	525.7	536.8	538.1	531.2	535.2	526.3
	Not seasonally adjusted								
5 **Total**	**912.7**	**1,036.4**	**1,192.1**	**1,224.6**	**1,241.8**	**1,237.2**	**1,238.3**	**1,239.5**	**1,235.7**
6 Consumer	372.5	412.7	468.3	483.3	491.3	493.6	499.5	498.0	495.8
7 Motor vehicle loans	113.5	129.2	141.6	148.0	144.6	146.1	153.6	151.5	159.6
8 Motor vehicle leases	96.6	102.9	108.2	106.8	110.2	110.0	110.3	108.3	107.3
9 Revolving[2]	31.9	32.5	37.6	37.0	36.8	36.9	37.1	35.9	28.0
10 Other[3]	37.9	39.8	40.7	32.7	32.8	33.2	33.7	33.4	31.3
Securitized assets[4]									
11 Motor vehicle loans	54.8	73.1	97.1	107.7	114.6	115.8	113.6	117.5	124.4
12 Motor vehicle leases	12.7	9.7	6.6	6.9	7.6	7.4	7.2	7.0	6.9
13 Revolving	5.5	6.7	19.6	28.4	29.1	29.1	28.9	29.3	23.5
14 Other	19.6	18.8	17.1	15.7	15.5	15.2	15.2	15.0	14.8
15 Real estate	150.3	174.0	198.9	210.0	208.5	212.7	214.9	213.1	217.8
16 One- to four-family	90.0	108.2	130.6	141.5	140.1	144.7	146.9	144.8	150.2
17 Other	31.2	37.6	41.7	42.4	42.2	42.0	42.2	42.6	42.1
Securitized real estate assets[4]									
18 One- to four-family	29.0	28.0	24.7	23.6	23.4	23.2	23.0	22.8	22.7
19 Other	.1	.2	1.9	2.6	2.8	2.8	2.8	2.9	2.9
20 Business	389.9	449.6	525.0	531.3	542.0	531.0	523.9	528.4	522.0
21 Motor vehicles	64.8	69.4	75.5	70.8	83.9	79.7	56.9	57.8	52.7
22 Retail loans	19.5	21.1	18.3	17.4	16.6	16.6	16.7	16.7	16.8
23 Wholesale loans[5]	32.8	34.8	39.7	35.3	49.3	45.0	22.2	23.6	18.7
24 Leases	12.5	13.6	17.6	18.1	18.1	18.0	18.0	17.5	17.2
25 Equipment	212.2	238.7	283.5	291.4	292.6	288.0	290.0	288.2	290.6
26 Loans	59.2	64.5	70.2	73.1	76.1	74.0	75.2	76.8	79.9
27 Leases	153.0	174.2	213.3	218.3	216.4	214.0	214.8	211.4	210.7
28 Other business receivables[6]	63.9	87.0	99.4	101.8	105.4	103.7	102.9	105.1	104.8
Securitized assets[4]									
29 Motor vehicles	29.2	31.5	37.8	40.0	31.4	30.6	45.2	48.0	45.3
30 Retail loans	2.6	2.9	3.2	3.0	3.1	2.9	2.8	2.6	2.4
31 Wholesale loans	24.7	26.4	32.5	34.3	25.8	25.1	39.8	42.8	40.3
32 Leases	1.9	2.1	2.2	2.7	2.6	2.6	2.6	2.7	2.7
33 Equipment	13.0	14.6	23.1	21.6	22.6	23.0	22.7	23.1	22.5
34 Loans	6.6	7.9	15.5	13.9	15.2	15.2	14.8	15.1	14.5
35 Leases	6.4	6.7	7.6	7.7	7.5	7.8	7.9	8.0	8.0
36 Other business receivables[6]	6.8	8.4	5.6	5.7	6.0	6.0	6.2	6.1	6.1

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	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct.	Nov.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	195.2	210.7	234.5	241.4	250.6	242.9	241.5	246.6	242.9	252.2
2 Amount of loan (thousands of dollars)	151.1	161.7	177.0	181.4	188.7	182.7	181.3	184.3	181.2	189.1
3 Loan-to-price ratio (percent)	80.0	78.7	77.4	77.6	77.3	77.3	76.6	77.1	76.9	77.2
4 Maturity (years)	28.4	28.8	29.2	28.6	28.7	28.8	28.7	29.0	28.5	28.6
5 Fees and charges (percent of loan amount)[2]	.89	.77	.70	.69	.66	.66	.61	.61	.67	.63
Yield (percent per year)										
6 Contract rate[1]	6.95	6.94	7.41	7.02	7.02	7.01	7.06	6.80	6.63	6.54
7 Effective rate[1,3]	7.08	7.06	7.52	7.12	7.12	7.11	7.15	6.89	6.73	6.63
8 Contract rate (HUD series)[4]	7.00	7.45	n.a.	n.a.	n.a	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (section 203)[5]	7.04	7.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities[6]	6.43	7.03	7.57	6.61	6.55	6.49	6.29	6.03	5.86	5.96
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	414,515	523,941	610,122	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 FHA/VA insured	33,770	55,318	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	380,745	468,623	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	188,448	195,210	154,231	16,825	24,430	26,082	22,111	16,016	20,020	25,389
Mortgage commitments (during period)										
15 Issued[7]	193,795	187,948	163,689	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a
16 To sell[8]	1,880	5,900	11,786	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	255,010	324,443	385,693	437,582	443,810	454,485	465,553	470,850	477,588	483,911
18 FHA/VA insured	785	1,836	3,332	2,785	2,738	2,689	2,643	2,597	2,553	3,562
19 Conventional	254,225	322,607	382,361	434,797	441,072	451,796	462,910	468,253	475,035	480,349
Mortgage transactions (during period)										
20 Purchases	267,402	239,793	174,043	n.a.	n.a.	n.a.	n.a.	n.a	n.a.	n.a
21 Sales	250,565	233,031	166,901	33,670	38,133	44,574	33,933	32,666	31,646	38,958
22 Mortgage commitments contracted (during period)[9]	281,899	228,432	169,231	39,897	37,312	43,788	34,087	31,140	41,346	42,619

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 OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1997	1998	1999	2000 Q2	2000 Q3	2000 Q4	2001 Q1	2001 Q2
1 **All holders**	**5,203,854[r]**	**5,726,058[r]**	**6,363,297[r]**	**6,637,220[r]**	**6,790,900[r]**	**6,938,109[r]**	**7,061,571[r]**	**7,281,487**
By type of property								
2 One- to four-family residences	3,975,197[r]	4,365,761[r]	4,800,174[r]	4,993,038[r]	5,120,042[r]	5,226,585[r]	5,319,959[r]	5,480,513
3 Multifamily residences	301,700[r]	333,677[r]	376,466[r]	395,650[r]	403,925[r]	414,386[r]	423,557[r]	438,827
4 Nonfarm, nonresidential	836,657[r]	930,113[r]	1,083,695[r]	1,142,082[r]	1,158,976[r]	1,188,302[r]	1,208,182[r]	1,249,096
5 Farm	90,300	96,506	102,962	106,451	107,957	108,836	109,873	113,050
By type of holder								
6 Major financial institutions	2,084,000	2,195,869	2,396,265	2,550,401	2,606,592	2,620,886	2,664,837	2,716,269
7 Commercial banks[2]	1,245,334	1,338,273	1,496,844	1,615,794	1,650,294	1,661,411	1,688,673	1,727,463
8 One- to four-family	745,777	798,009	880,208	949,223	968,831	966,502	978,144	999,396
9 Multifamily	50,705	54,174	67,666	75,795	77,031	77,821	79,890	80,542
10 Nonfarm, nonresidential	421,865	457,054	517,130	557,059	570,513	583,071	596,405	612,366
11 Farm	26,987	29,035	31,839	33,717	33,919	34,016	34,234	35,159
12 Savings institutions[3]	631,826	643,957	668,634	701,992	721,563	723,534	741,114	751,660
13 One- to four-family	520,782	533,895	549,046	578,612	595,518	595,053	608,289	616,506
14 Multifamily	59,540	56,847	59,168	59,174	60,077	61,094	62,666	63,193
15 Nonfarm, nonresidential	51,150	52,798	59,945	63,688	65,437	66,852	69,589	71,378
16 Farm	354	417	475	518	531	535	569	583
17 Life insurance companies	206,840	213,640	230,787	232,615	234,735	235,941	235,050	237,146
18 One- to four-family	7,187	6,590	5,934	5,242	4,907	4,903	4,877	5,003
19 Multifamily	30,402	31,522	32,818	33,150	33,478	33,681	33,557	33,842
20 Nonfarm, nonresidential	158,779	164,004	179,048	180,856	182,646	183,757	183,078	184,634
21 Farm	10,472	11,524	12,987	13,367	13,704	13,600	13,538	13,667
22 Federal and related agencies	286,194	293,602	322,132	332,568	336,575	343,962	346,276	355,218
23 Government National Mortgage Association	8	7	7	7	6	6	6	6
24 One- to four-family	8	7	7	7	6	6	6	6
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration[4]	41,195	40,851	73,871	72,896	73,009	73,323	73,361	73,206
27 One- to four-family	17,253	16,895	16,506	16,435	16,444	16,372	16,297	16,153
28 Multifamily	11,720	11,739	11,741	11,729	11,734	11,733	11,725	11,720
29 Nonfarm, nonresidential	7,370	7,705	41,355	40,554	40,665	41,070	41,247	41,262
30 Farm	4,852	4,513	4,268	4,179	4,167	4,148	4,093	4,072
31 Federal Housing and Veterans' Administrations	3,811	3,674	3,712	3,845	3,395	3,507	2,873	2,918
32 One- to four-family	1,767	1,849	1,851	1,832	1,327	1,308	1,276	1,267
33 Multifamily	2,044	1,825	1,861	2,013	2,068	2,199	1,597	1,651
34 Resolution Trust Corporation	−278	24	−10	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	724	361	152	72	82	45	50	24
40 One- to four-family	117	58	25	12	13	7	8	4
41 Multifamily	140	70	29	14	16	9	10	5
42 Nonfarm, nonresidential	467	233	98	46	53	29	32	15
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	161,308	157,675	151,500	153,507	152,815	155,363	156,294	159,221
45 One- to four-family	149,831	147,594	141,195	142,478	141,786	144,150	145,014	147,730
46 Multifamily	11,477	10,081	10,305	11,029	11,029	11,213	11,280	11,491
47 Federal Land Banks	30,657	32,983	34,187	34,830	35,549	36,326	37,072	38,686
48 One- to four-family	1,804	1,941	2,012	2,049	2,092	2,137	2,181	2,276
49 Farm	0	0	0	0	0	0	0	0
50 Federal Home Loan Mortgage Corporation	48,454	57,085	56,676	56,972	57,046	59,240	60,110	61,542
51 One- to four-family	42,629	49,106	44,321	42,892	42,138	42,871	42,771	42,537
52 Multifamily	5,825	7,979	12,355	14,080	14,908	16,369	17,339	19,005
53 Mortgage pools or trusts[5]	2,232,848	2,581,969	2,947,760	3,035,546	3,116,180	3,232,338	3,303,731[r]	3,450,243
54 Government National Mortgage Association	536,879	537,446	582,263	590,708	602,628	611,553	601,523[r]	598,075
55 One- to four-family	523,225	522,498	565,189	572,661	584,152	592,624	581,743[r]	577,284
56 Multifamily	13,654	14,948	17,074	18,047	18,476	18,929	19,780	20,792
57 Federal Home Loan Mortgage Corporation	579,385	646,459	749,081	768,641	790,891	822,310	833,616	873,750
58 One- to four-family	576,846	643,465	744,619	763,890	786,007	816,602	827,769	867,924
59 Multifamily	2,539	2,994	4,462	4,751	4,884	5,708	5,847	5,826
60 Federal National Mortgage Association	709,582	834,517	960,883	995,815	1,020,828	1,057,750	1,099,049	1,163,978
61 One- to four-family	687,981	804,204	924,941	957,584	981,206	1,016,398	1,055,412	1,116,534
62 Multifamily	21,601	30,313	35,942	38,231	39,622	41,352	43,637	47,444
63 Farmers Home Administration[4]	2	1	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	2	1	0	0	0	0	0	0
68 Private mortgage conduits	407,000	563,546	655,533	680,382	701,833	740,725	769,543	814,440
69 One- to four-family[6]	310,659	405,153	455,021	464,593	477,899	499,834	523,300	539,200
70 Multifamily	20,907	33,754	42,226	44,413	46,142	49,513	50,749	56,974
71 Nonfarm, nonresidential	75,434	124,639	158,287	171,376	177,792	191,378	195,494	218,266
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others[7]	600,812[r]	654,617[r]	697,140[r]	718,705[r]	731,552[r]	740,923[r]	746,727[r]	759,758
74 One- to four-family	389,294[r]	433,542[r]	467,503[r]	485,316[r]	503,266[r]	511,887[r]	516,580[r]	529,296
75 Multifamily	71,146[r]	77,421[r]	80,588[r]	82,997[r]	84,237[r]	84,544[r]	85,263[r]	86,129
76 Nonfarm, nonresidential	121,593[r]	123,679[r]	127,832[r]	128,503[r]	121,871[r]	122,144[r]	122,336[r]	121,174
77 Farm	18,779	19,974	21,217	21,889	22,179	22,348	22,547	23,160

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.

1.55 CONSUMER CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1998	1999	2000	2001					
				May	June	July	Aug.	Sept.	Oct.
	Seasonally adjusted								
1 **Total**	**1,315,797**	**1,413,564**	**1,557,931**	**1,617,041**	**1,616,293**	**1,615,308**	**1,619,629**	**1,621,615**	**1,628,649**
2 Revolving	560,155	594,339	663,170	698,536	699,651	694,785	693,486	692,732	689,032
3 Nonrevolving[2]	755,642	819,225	894,761	918,505	916,642	920,524	926,143	928,882	939,617
	Not seasonally adjusted								
4 **Total**	**1,346,596**	**1,446,127**	**1,593,051**	**1,602,128**	**1,608,104**	**1,607,705**	**1,621,982**	**1,622,820**	**1,631,729**
By major holder									
5 Commercial banks	508,932	499,758	541,470	543,048	540,213	535,459	537,724	535,255	539,758
6 Finance companies	183,345	201,549	219,783	217,697	214,271	216,191	224,310	220,849	218,953
7 Credit unions	155,406	167,921	184,434	185,683	186,357	185,081	186,274	185,732	186,120
8 Savings institutions	51,611	61,527	64,557	65,396	65,340	66,584	67,828	69,072	68,275
9 Nonfinancial business	74,877	80,311	82,662	69,963	68,013	65,228	63,310	60,212	58,719
10 Pools of securitized assets[3]	372,425	435,061	500,145	520,340	533,911	539,164	542,536	551,700	559,904
By major type of credit[4]									
11 Revolving	586,163	621,914	692,955	691,141	693,662	687,439	689,874	688,512	685,626
12 Commercial banks	210,346	189,352	218,063	216,268	213,014	208,852	206,279	203,126	208,591
13 Finance companies	31,944	32,483	37,561	37,033	36,848	36,949	37,082	35,901	27,999
14 Credit unions	19,930	20,641	22,226	21,207	21,268	21,799	22,195	21,879	21,490
15 Savings institutions	12,450	15,838	16,560	16,589	16,389	16,568	16,746	16,925	16,862
16 Nonfinancial business	39,166	42,783	42,430	32,690	31,366	29,314	27,603	25,207	23,709
17 Pools of securitized assets[3]	272,327	320,817	356,114	367,354	374,776	373,958	379,968	385,474	386,975
18 Nonrevolving	760,433	824,213	900,095	910,987	914,442	920,267	932,108	934,308	946,103
19 Commercial banks	298,586	310,406	323,407	326,780	327,199	326,607	331,445	332,129	331,168
20 Finance companies	151,401	169,066	182,221	180,664	177,422	179,242	187,228	184,948	190,954
21 Credit unions	135,476	147,280	162,208	164,476	165,089	163,282	164,079	163,853	164,630
22 Savings institutions	39,161	45,689	47,997	48,807	48,951	50,016	51,082	52,147	51,413
23 Nonfinancial business	35,711	37,528	40,232	37,274	36,647	35,914	35,707	35,005	35,010
24 Pools of securitized assets[3]	100,098	114,244	144,031	152,986	159,134	165,207	162,567	166,226	172,929

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 CREDIT[1]

Percent per year except as noted

Item	1998	1999	2000	2001						
				Apr.	May	June	July	Aug.	Sept.	Oct
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	8.72	8.44	9.34	n.a.	8.67	n.a.	n.a.	8.31	n.a.	n.a.
2 24-month personal	13.74	13.39	13.90	n.a.	13.28	n.a.	n.a.	13.25	n.a.	n.a.
Credit card plan										
3 All accounts	15.71	15.21	15.71	n.a.	15.07	n.a.	n.a.	14.60	n.a.	n.a.
4 Accounts assessed interest	15.59	14.81	14.91	n.a.	14.63	n.a.	n.a.	14.64	n.a.	n.a.
Auto finance companies										
5 New car	6.30	6.66	6.61	6.80	6.56	6.15	6.20	6.41	5.42	2.71
6 Used car	12.64	12.60	13.55	12.82	12.57	12.05	11.79	12.06	12.01	11.41
OTHER TERMS[3]										
Maturity (months)										
7 New car	52.1	52.7	54.9	56.3	57.0	57.2	57.3	57.7	57.2	53.7
8 Used car	53.5	55.9	57.0	57.9	57.8	57.6	57.6	57.6	57.6	57.2
Loan-to-value ratio										
9 New car	92	92	92	91	92	91	91	91	92	94
10 Used car	99	99	99	100	100	100	100	100	101	100
Amount financed (dollars)										
11 New car	19,083	19,880	20,923	21,914	21,871	22,124	22,687	22,591	23,049	24,443
12 Used car	12,691	13,642	14,058	14,347	14,350	14,586	14,571	14,321	14,408	14,627

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 MARKETS[1]

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1995	1996	1997	1998	1999	2000				2001		
						Q1	Q2	Q3	Q4	Q1[r]	Q2[r]	Q3
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**705.9**	**733.6[r]**	**805.5[r]**	**1,048.8[r]**	**1,099.8[r]**	**951.1[r]**	**978.2[r]**	**792.0[r]**	**772.1[r]**	**1,006.5**	**1,018.6**	**1,275.5**
By sector and instrument												
2 Federal government	144.4	145.0	23.1	-52.6	-71.2	-217.2	-408.7	-226.2	-331.3	-4.3	-256.0	255.7
3 Treasury securities	142.9	146.6	23.2	-54.6	-71.0	-215.2	-410.5	-223.8	-330.2	-2.1	-257.1	256.0
4 Budget agency securities and mortgages	1.5	-1.6	-.1	2.0	-.2	-2.1	1.8	-2.4	-1.2	-2.2	1.1	-4
5 Nonfederal	561.5	588.6[r]	782.4[r]	1,101.5[r]	1,171.1[r]	1,168.4[r]	1,386.9[r]	1,018.2[r]	1,103.5[r]	1,010.9	1,274.6	1,019.8
By instrument												
6 Commercial paper	18.1	-.9	13.7	24.4	37.4	29.8	110.4	56.1	-4.0	-207.2	-141.5	-74.1
7 Municipal securities and loans	-48.2	2.6	71.4	96.8	68.2	20.0	30.1	31.0	60.1	110.7	112.4	56.0
8 Corporate bonds	91.1	116.3	150.5	218.7	229.9	186.2	153.8	168.8[r]	175.6	400.9	428.0	187.7
9 Bank loans n.e.c	103.7	70.4[r]	106.4[r]	108.1[r]	82.6[r]	139.5	166.5[r]	47.0[r]	59.3[r]	-5.9	-153.2	-9.9
10 Other loans and advances	67.2	28.7[r]	59.5[r]	82.1[r]	57.1[r]	140.1[r]	124.2[r]	16.5[r]	125.2	-12.0	117.7	78.4
11 Mortgages	190.6	280.4[r]	323.3[r]	496.4[r]	596.3[r]	502.9[r]	659.6[r]	570.7[r]	551.6[r]	564.6	837.7	760.6
12 Home	179.1	245.7[r]	258.3[r]	389.9[r]	435.2[r]	361.9[r]	490.3[r]	441.9[r]	395.9[r]	434.3	622.9	544.7
13 Multifamily residential	4.5	9.4[r]	7.5[r]	23.8	40.5[r]	29.2[r]	48.0[r]	28.8[r]	41.7	39.3	55.5	57.7
14 Commercial	5.7	22.5	54.4[r]	76.1[r]	114.8[r]	104.4[r]	111.2[r]	93.4[r]	112.0[r]	86.8	146.8	151.6
15 Farm	1.4	2.7	3.1	6.5	5.8	7.4	10.1	6.5	2.0[r]	4.2	12.4	6.5
16 Consumer credit	138.9	91.3[r]	57.5[r]	75.0[r]	99.5[r]	149.9[r]	142.1[r]	128.2[r]	135.6[r]	159.9	73.6	21.3
By borrowing sector												
17 Household	339.3	343.8[r]	332.7[r]	467.2[r]	517.1[r]	526.9[r]	624.3[r]	554.5[r]	514.0[r]	554.4	671.2	616.2
18 Nonfinancial business	273.7	251.6[r]	393.6[r]	554.0[r]	601.6[r]	628.5[r]	744.4[r]	440.0[r]	535.8[r]	352.6	494.7	360.6
19 Corporate	224.9	179.4[r]	292.7[r]	406.3[r]	440.8[r]	479.7[r]	550.2[r]	303.7[r]	388.8[r]	225.2	354.3	248.9
20 Nonfarm noncorporate	46.1	67.3[r]	94.7[r]	139.7[r]	155.4[r]	135.0[r]	184.5[r]	129.1[r]	134.2	121.3	130.6	108.6
21 Farm	2.7	4.9	6.2	8.0	5.5	13.8	9.7	7.2	12.8[r]	6.0	9.8	3.1
22 State and local government	-51.5	-6.8	56.1	80.3	52.3	12.9	18.2	23.8	53.7	103.9	108.7	43.0
23 Foreign net borrowing in United States	78.5	88.4	71.8	43.4	27.9	120.3[r]	-7.9[r]	88.6[r]	66.8[r]	-6.9	-57.2	-126.8
24 Commercial paper	13.5	11.3	3.7	7.8	16.3	57.8	12.0	7.0	50.1	-25.4	-5.6	-26.5
25 Bonds	57.1	67.0	61.4	34.9	16.8	47.6[r]	-27.3[r]	71.4[r]	9.0[r]	17.1	-15.9	-101.4
26 Bank loans n.e.c.	8.5	9.1	8.5	6.7	.5	15.4	5.7	11.9	12.2	13.0	-31.0	4.4
27 Other loans and advances	-.5	1.0	-1.8	-6.0	-5.7	-.5	1.7	-1.7	-4.6	-11.6	-4.7	-3.4
28 **Total domestic plus foreign**	**784.5**	**822.0[r]**	**877.3[r]**	**1,092.2[r]**	**1,127.8[r]**	**1,071.4[r]**	**970.3[r]**	**880.6[r]**	**838.9[r]**	**999.6**	**961.5**	**1,148.7**
	Financial sectors											
29 **Total net borrowing by financial sectors**	**454.0**	**550.1[r]**	**662.2[r]**	**1,087.2[r]**	**1,084.4[r]**	**608.0[r]**	**897.1[r]**	**794.0[r]**	**963.1[r]**	**864.2**	**795.7**	**1,086.3**
By instrument												
30 Federal government-related	204.2	231.4	212.9	470.9	592.0	224.4	381.1	514.8	613.6	432.6	674.8	820.6
31 Government-sponsored enterprise securities	105.9	90.4	98.4	278.3	318.2	104.9	248.9	278.1	304.5	262.3	268.3	328.0
32 Mortgage pool securities	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
33 Loans from U.S. government	.0	0	.0	.0	0	.0	0	.0	0	.0	.0	.0
34 Private	249.8	318.7[r]	449.3[r]	616.3[r]	492.5[r]	383.6[r]	516.1[r]	279.2[r]	349.5[r]	431.7	120.9	265.7
35 Open market paper	42.7	92.2	166.7	161.0	176.2	114.6	136.7	106.5	153.2	-134.6	-85.4	-85.6
36 Corporate bonds	195.9	178.1[r]	218.9[r]	310.1[r]	218.2[r]	171.8[r]	243.3[r]	205.0[r]	203.7[r]	438.9	186.8	309.6
37 Bank loans n.e.c.	2.5	12.6	13.3[r]	30.1	-14.2[r]	3.2[r]	6.9[r]	-6.7[r]	-4.4	27.1	14.3	-8.1
38 Other loans and advances	3.4	27.9	35.6	90.2	107.1	87.0	119.2	-31.6	-4.8	107.8	-11.0	58.0
39 Mortgages	5.3	7.9	14.9	24.8	5.1	7.0	10.0	6.0	1.8	-7.5	16.2	-8.2
By borrowing sector												
40 Commercial banking	22.5	13.0	46.1	72.9	67.2	78.3	99.3	43.4	18.8	148.3	-15.8	69.8
41 Savings institutions	2.6	25.5	19.7	52.2	48.0	57.5	69.0	-37.9	20.4	62.5	16.1	12.6
42 Credit unions	-.1	1	.1	.6	2.2	-2.9	9	1.1	1.0	-.6	8	1.5
43 Life insurance companies	-.1	1.1	.2	.7	.7	-.7	-1.1	-.3	-.7	-2.4	1	3.5
44 Government-sponsored enterprises	105.9	90.4	98.4	278.3	318.2	104.9	248.9	278.1	304.5	262.3	268.3	328.0
45 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
46 Issuers of asset-backed securities (ABSs)	142.4	150.8	202.2	321.4	223.4	175.0	146.0	156.2	307.9	295.8	172.3	303.2
47 Finance companies	50.2	50.6[r]	57.8[r]	57.1[r]	70.3[r]	61.1[r]	139.4[r]	98.1[r]	26.1[r]	-72.8	64.1	22.1
48 Mortgage companies	-2.2	4.1	-4.6	1.6	.2	-3.0	2.7	-.3	1.0	.7	.6	.8
49 Real estate investment trusts (REITs)	4.5	11.9	39.6	62.7	6.3	11.5	9.8	-2.4	-8.1	-6.1	10.5	-10.2
50 Brokers and dealers	-5.0	-2.0	8.1	7.2	-17.2	44.4	-.7	25.4	-6.6	-23.9	35.7	12.3
51 Funding corporations	34.9	63.8[r]	79.9[r]	40.0[r]	91.5[r]	-37.5[r]	50.6[r]	-4.2[r]	-10.4[r]	30.1	-163.6	-150.0

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1995	1996[r]	1997[r]	1998[r]	1999[r]	2000				2001		
						Q1[r]	Q2[r]	Q3[r]	Q4[r]	Q1[r]	Q2[r]	Q3
	All sectors											
52 **Total net borrowing, all sectors**	**1,238.5**	**1,372.1**	**1,539.5**	**2,179.4**	**2,212.2**	**1,679.4**	**1,867.4**	**1,674.6**	**1,802.0**	**1,863.8**	**1,757.2**	**2,235.0**
53 Open market paper	74.3	102.6	184.1	193.1	229.9	202.1	259.1	169.7	199.3	−367.2	−232.5	−186.3
54 U.S government securities	348.6	376.4	236.0	418.3	520.7	7.2	−27.6	288.6	282.2	428.2	418.8	1,076.3
55 Municipal securities	−48.2	2.6	71.4	96.8	68.2	20.0	30.1	31.0	60.1	110.7	112.4	56.0
56 Corporate and foreign bonds	344.1	361.3	430.8	563.7	465.0	405.6	369.8	445.2	388.3	856.9	598.9	395.9
57 Bank loans n.e.c.	114.7	92.1	128.2	145.0	68.9	158.0	179.2	52.2	67.1	34.1	−170.0	−13.6
58 Other loans and advances	70.1	57.7	93.2	166.3	158.5	226.6	245.1	−16.8	115.8	84.2	102.0	133.0
59 Mortgages	196.0	288.2	338.2	521.2	601.4	509.9	669.6	576.7	553.5	557.1	853.9	752.3
60 Consumer credit	138.9	91.3	57.5	75.0	99.5	149.9	142.1	128.2	135.6	159.9	73.6	21.3
	Funds raised through mutual funds and corporate equities											
61 **Total net issues**	**147.2[r]**	**232.9**	**185.2**	**108.8**	**153.7**	**390.1**	**209.9**	**245.6**	**−14.8**	**233.7**	**387.5**	**88.9**
62 Corporate equities	−.2[r]	−4.7	−79.9	−165.8	−34.6	82.8	−22.2	−33.8	−171.5	137.3	119.5	−80.9
63 Nonfinancial corporations	−58.3	−69.5	−114.4	−267.0	−143.5	61.2	−245.2	−67.6	−350.8	−25.6	−72.6	−118.5
64 Foreign shares purchased by U.S. residents	65.4	82.8	57.6	101.3	114.4	62.6	185.9	61.1	89.4	109.2	208.8	10.9
65 Financial corporations	−7.3[r]	−18.1	−23.1	−.1	−5.6	−41.0	37.2	−27.3	89.8	53.7	−16.7	26.7
66 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	307.3	232.0	279.4	156.7	96.4	268.0	169.8

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 TRANSACTIONS[1]

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

Transaction category or sector	1995	1996	1997	1998	1999	2000				2001		
						Q1	Q2	Q3	Q4	Q1	Q2[r]	Q3
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**1,238.5**	**1,372.1[r]**	**1,539.5[r]**	**2,179.4[r]**	**2,212.2[r]**	**1,679.4[r]**	**1,867.4[r]**	**1,674.6[r]**	**1,802.0[r]**	**1,863.8[r]**	**1,757.2**	**2,235.0**
2 Domestic nonfederal nonfinancial sectors	−79.3	74.0[r]	−21.3[r]	99.5[r]	196.3[r]	−218.5[r]	90.3[r]	−255.1[r]	−227.2[r]	−171.6[r]	−153.8	−178.8
3 Household	16.5	113.7[r]	−11.8[r]	−37.1[r]	148.6[r]	−274.4[r]	−10.4[r]	−183.3[r]	−212.1[r]	−172.5[r]	−140.5	−118.5
4 Nonfinancial corporate business	−8.8	−10.2	−12.7	−16.0	−2.8	56.8[r]	60.4[r]	−51.4[r]	−24.5[r]	4.1[r]	16.6	−23.7
5 Nonfarm noncorporate business	4.4	4.2	3.0	18.1	7.1	−2.1	.4	−4.0	−2.7	−4.8	−5.2	−6.2
6 State and local governments	−91.4	−33.7	.1	134.5	43.4	1.2	39.9	−16.4	12.1	1.5	−24.8	−30.4
7 Federal government	−.5	−7.2	5.1	13.5	5.8	6.5	7.7	4.5	10.6	4.6	4.0	1.0
8 Rest of the world	273.9	414.4	311.3	254.2	208.8	315.2	197.9	216.2	387.8	411.2[r]	349.6	381.9
9 Financial sectors	1,044.4	890.9[r]	1,244.5[r]	1,812.1[r]	1,801.3[r]	1,576.1[r]	1,571.4[r]	1,709.0[r]	1,630.7[r]	1,619.7[r]	1,557.4	2,030.9
10 Monetary authority	12.7	12.3	38.3	21.1	25.7	102.0	−5.4	39.1	−9	53.7	26.4	8.7
11 Commercial banking	265.9	187.5	324.3	305.2	308.2	415.8	497.4	363.2	157.0	152.8	133.9	234.8
12 U.S.-chartered banks	186.5	119.6	274.9	312.0	317.6	448.2	510.9	324.8	75.3	107.9	179.7	215.4
13 Foreign banking offices in United States	75.4	63.3	40.2	−11.9	−20.1	4.5	−22.3	32.8	81.1	41.3	−48.6	16.5
14 Bank holding companies	−.3	3.9	5.4	−.9	6.2	−42.2	3.5	−6.7	−3.2	7.3	−2.8	−1.4
15 Banks in U.S.-affiliated areas	4.2	.7	3.7	6.0	4.4	5.4	5.4	12.3	3.8	−3.6	5.6	4.2
16 Savings institutions	−7.6	19.9	−4.7	36.1	68.6	55.6	65.0	62.7	42.5	52.5	57.3	−6.0
17 Credit unions	16.2	25.5	16.8	19.0	27.5	35.7	31.6	21.2	33.6	23.2[r]	7.6	61.7
18 Bank personal trusts and estates	−8.3	−7.7	−25.0	−12.8	27.8	18.9	13.8	17.6	18.1	10.7	13.4	8.8
19 Life insurance companies	100.0	69.6	104.8	76.9	53.5	65.0	52.9	74.8	38.8	95.3	124.9	162.4
20 Other insurance companies	21.5	22.5	25.2	5.8	−3.0	−11.2	−18.1	6.2	−11.7	2.1	.1	9.0
21 Private pension funds	19.9	−4.1	47.6	56.4	45.0	46.8	24.7	64.9	28.7	26.1	−7.1	−.9
22 State and local government retirement funds	38.3	35.8	67.1	72.1	46.9	63.3	31.5	37.6	86.1[r]	−70.7[r]	53.4	18.5
23 Money market mutual funds	86.5	88.8	87.5	244.0	182.0	161.5	−118.2	256.1	296.0	303.4	166.2	379.1
24 Mutual funds	52.5	48.9	80.9	124.8	47.2	−66.9	63.1	50.1	60.8	69.4	165.1	123.9
25 Closed-end funds	10.2	4.6	−2.6	5.5	7.4	−8.4	−8.4	−8.4	−8.4	−8.4	−8.4	−8.4
26 Government-sponsored enterprises	95.4	97.4	106.6	314.6	291.7	205.4	250.9	188.6	318.8	347.8	296.2	267.7
27 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
28 Asset-backed securities issuers (ABSs)	120.6	120.5	163.8	281.7	205.2	154.2	111.4	120.9	278.9	269.8	150.0	276.4
29 Finance companies	49.9	18.9[r]	23.1[r]	77.3[r]	97.0[r]	145.4[r]	147.6[r]	102.8[r]	36.2[r]	−.9[r]	126.7	−42.1
30 Mortgage companies	−3.4	8.2	−9.1	3.2	.3	−6.0	5.5	−.5	2.0	1.4	1.1	1.7
31 Real estate investment trusts (REITs)	1.4	4.4	20.2	−5.1	−2.6	−16.3	−2.5	−3.6	−2.8	4.0	1.1	7.7
32 Brokers and dealers	90.1	−15.7	14.9	6.8	−34.7	102.9[r]	89.8[r]	152.1[r]	−69.0	289.5[r]	35.4	250.1
33 Funding corporations	−15.7	12.6	50.4	−12.9	133.8	−7.2	206.8[r]	−73.0[r]	17.0[r]	−172.5[r]	−192.4	−214.6
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 **Net flows through credit markets**	**1,238.5**	**1,372.1[r]**	**1,539.5[r]**	**2,179.4[r]**	**2,212.2[r]**	**1,679.4[r]**	**1,867.4[r]**	**1,674.6[r]**	**1,802.0[r]**	**1,863.8[r]**	**1,757.2**	**2,235.0**
Other financial sources												
35 Official foreign exchange	8.8	−6.3	.7	6.6	−8.7	1.5	−8.8	.7	4.9	−1.5	4.7	19.1
36 Special drawing rights certificates	2.2	−.5	−.5	.0	−3.0	.0	−8.0	−4.0	−4.0	.0	.0	.0
37 Treasury currency	.7	.5	.5	.6	1.0	2.2	3.2	4.2	−0.0	−1.1	1.1	−0.0
38 Foreign deposits	35.3	85.9	107.7	6.5	61.0	313.3	3.4	−40.8	207.4	235.5	−146.5	15.4
39 Net interbank transactions	10.0	−51.6	−19.7	−32.3	17.6	−72.9	151.9	−170.6	10.6	−45.7[r]	19.3	19.7
40 Checkable deposits and currency	−12.8	15.7	41.2	47.4	151.4	−206.8	−33.8	5.0	−50.2	90.3	100.8	245.3
41 Small time and savings deposits	96.6	97.2	97.1	152.4	44.7	104.6	123.0	224.5	310.8	288.3	194.2	229.2
42 Large time deposits	65.6	114.0	122.5	92.1	130.6	154.1	101.2	152.9	65.2	130.6	51.9	14.9
43 Money market fund shares	141.2	145.4	155.9	287.2	249.1	239.7	71.5	250.9	371.1	621.4	322.5	367.7
44 Security repurchase agreements	110.5	41.4	120.9	91.3	169.7	275.8[r]	155.1[r]	277.1[r]	−265.4[r]	−12.8[r]	177.7	262.2
45 Corporate equities	−.2[r]	−4.7[r]	−79.9[r]	−165.8[r]	−34.6[r]	82.8[r]	−22.2[r]	−33.8[r]	−171.5[r]	137.3[r]	119.5	−80.9
46 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	307.3	232.0	279.4	156.7	96.4	268.0	169.8
47 Trade payables	133.7	123.3	139.7	109.2	222.3	193.6[r]	212.9[r]	138.5[r]	119.3[r]	−16.2[r]	−100.0	−81.4
48 Security credit	26.7	52.4	111.0	103.3	104.3	507.8[r]	−95.3[r]	97.5[r]	74.4[r]	−140.9[r]	−28.5	485.8
49 Life insurance reserves	45.8	44.5	59.3	48.0	50.8	54.9	45.6	53.0	47.3	52.7	53.2	56.5
50 Pension fund reserves	158.8	148.3	201.4	202.1	184.4[r]	206.9[r]	260.7[r]	227.0[r]	168.8[r]	255.5[r]	168.7	192.9
51 Taxes payable	7.8	19.5	22.3	21.3	22.3	31.0[r]	26.5[r]	3.3[r]	26.0[r]	3.3[r]	16.3	114.4
52 Investment in bank personal trusts	6.4	−5.3	−49.9	−41.8	−6.5	−28.4	−33.1	−29.2	−28.0	−26.1	−22.7	−28.2
53 Noncorporate proprietors' equity	−.2	−31.1[r]	−70.9[r]	−80.6[r]	−64.8[r]	−63.4[r]	−45.0[r]	−26.7[r]	−49.7[r]	−48.5[r]	−25.1	−60.2
54 Miscellaneous	496.9	526.1[r]	492.8[r]	986.8[r]	749.8[r]	904.3[r]	1,084.0[r]	1,399.2[r]	733.1[r]	500.7[r]	789.8	571.8
55 **Total financial sources**	**2,719.7[r]**	**2,924.5[r]**	**3,256.8[r]**	**4,288.2[r]**	**4,441.8[r]**	**4,687.7[r]**	**4,092.3[r]**	**4,482.8[r]**	**3,528.8[r]**	**3,983.1[r]**	**3,722.3**	**4,749.2**
Liabilities not identified as assets (−)												
56 Treasury currency	−.3	−.4	−.2	−.1	−.7	−1.8	−.7	.9	−3.3	−3.6	−.5	−.7
57 Foreign deposits	25.0[r]	59.4[r]	106.2	−8.5	45.8	263.1[r]	−82.2[r]	−100.2[r]	200.3[r]	181.5[r]	−121.2	24.8
58 Net interbank liabilities	−3.1	−3.3	−19.9	3.4	3.5	25.3	5.4	−12.1	51.1	16.7	13.6	8.3
59 Security repurchase agreements	25.7	2.4	63.2	60.6	30.0	567.2[r]	51.9[r]	126.5[r]	−301.4[r]	−161.7[r]	171.9	36.6
60 Taxes payable	21.1	23.1	28.0	19.7	6.5	9.5[r]	4.8[r]	−2.6[r]	44.6[r]	4.4[r]	−9.7	12.9
61 Miscellaneous	−198.7[r]	−173.7[r]	−245.5[r]	−127.4[r]	−418.9[r]	−501.0[r]	−353.3[r]	−232.2[r]	−390.1[r]	27.3[r]	−477.6	−87.0
Floats not included in assets (−)												
62 Federal government checkable deposits	−6.0	.5	−2.7	2.6	−7.4	18.7	16.3	3.0	−2.1	−29.8	10.1	18.5
63 Other checkable deposits	−3.8	−4.0	−3.9	−3.1	−.8	1.0	1.4	1.9	2.4	3.8	3.9	5.1
64 Trade credit	17.4	−25.4	−29.2	−51.3	42.9	−71.8[r]	−36.5[r]	−51.9[r]	24.3[r]	2.0[r]	32.3	−10.7
65 **Total identified to sectors as assets**	**2,842.5[r]**	**3,046.2[r]**	**3,360.7[r]**	**4,392.3[r]**	**4,740.8[r]**	**4,377.5[r]**	**4,485.3[r]**	**4,749.6[r]**	**3,903.1[r]**	**3,942.5[r]**	**4,099.7**	**4,741.5**

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 OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1996	1997	1998	1999	2000				2001		
					Q1	Q2	Q3	Q4	Q1r	Q2r	Q3
	Nonfinancial sectors										
1 **Total credit market debt owed by domestic nonfinancial sectors**	**14,441.1r**	**15,245.1r**	**16,293.9r**	**17,428.5r**	**17,658.2r**	**17,839.9r**	**18,038.3r**	**18,320.9r**	**18,563.5**	**18,746.8**	**19,054.8**
By sector and instrument											
2 Federal government	3,781.8	3,804.9	3,752.2	3,681.0	3,653.5	3,464.0	3,410.2	3,385.2	3,408.8	3,251.4	3,320.1
3 Treasury securities	3,755.1	3,778.3	3,723.7	3,652.8	3,625.8	3,435.7	3,382.6	3,357.8	3,382.1	3,224.4	3,293.1
4 Budget agency securities and mortgages	26.6	26.5	28.5	28.3	27.8	28.2	27.6	27.3	26.8	27.0	27.0
5 Nonfederal	10,659.4r	11,440.2r	12,541.7r	13,747.4r	14,004.7r	14,376.0r	14,628.1r	14,935.7r	15,154.7	15,495.3	15,734.8
By instrument											
6 Commercial paper	156.4	168.6	193.0	230.3	260.8	296.8	307.0	278.4	253.2	223.3	201.3
7 Municipal securities and loans	1,296.0	1,367.5	1,464.3	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3
8 Corporate bonds	1,460.4	1,610.9	1,829.6	2,059.5	2,106.0	2,144.5	2,186.7r	2,230.6r	2,330.8	2,437.8	2,484.7
9 Bank loans n.e.c.	934.0r	1,040.4r	1,148.5r	1,231.2r	1,258.7r	1,306.9r	1,311.3r	1,334.2r	1,323.9	1,292.9	1,282.9
10 Other loans and advances	765.6r	825.1r	907.2r	964.5r	1,008.3r	1,037.2r	1,039.5r	1,077.1r	1,083.4	1,110.6	1,116.0
11 Mortgages	4,832.9r	5,156.2r	5,652.6r	6,283.3r	6,394.6r	6,562.6r	6,713.9r	6,854.5r	6,980.6	7,192.8	7,391.9
12 Home	3,720.0r	3,978.3r	4,368.2r	4,803.4r	4,879.4r	5,005.1r	5,124.3r	5,225.9r	5,319.5	5,477.9	5,623.1
13 Multifamily residential	278.2	285.7r	309.5r	350.2r	357.5r	369.5r	376.7r	387.2r	397.0	410.9	425.3
14 Commercial	747.8	802.2r	878.3r	1,027.3r	1,053.4r	1,081.2r	1,104.5r	1,132.5r	1,154.2	1,190.9	1,228.9
15 Farm	86.9	90.0	96.6	102.3	104.2	106.8	108.3	108.8r	109.9	113.1	114.6
16 Consumer credit	1,214.1r	1,271.6r	1,346.6r	1,446.1r	1,437.0r	1,476.5r	1,519.6r	1,593.1r	1,585.3	1,608.1	1,622.8
By borrowing sector											
17 Households	5,223.9r	5,556.9r	6,024.1r	6,541.5r	6,608.3r	6,772.9r	6,938.9r	7,115.5r	7,186.3	7,362.9	7,531.7
18 Nonfinancial business	4,372.0r	4,763.8r	5,317.8r	5,953.8r	6,139.1r	6,337.4r	6,426.2r	6,540.9r	6,660.9	6,794.6	6,862.4
19 Corporate	3,093.0r	3,383.9r	3,790.2r	4,265.3r	4,415.3r	4,562.2r	4,618.0r	4,695.9r	4,785.7	4,881.5	4,922.8
20 Nonfarm noncorporate	1,129.3r	1,224.0r	1,363.7r	1,519.1r	1,553.1r	1,599.1r	1,630.3r	1,664.8r	1,695.5	1,727.9	1,753.9
21 Farm	149.7	155.9	163.9	169.4	170.7	176.2	177.9	180.2r	179.7	185.2	185.8
22 State and local government	1,063.4	1,119.5	1,199.8	1,252.1	1,257.3	1,265.7	1,263.1	1,279.3	1,307.5	1,337.8	1,340.6
23 **Foreign credit market debt held in United States**	**542.2**	**608.0**	**651.5**	**679.6**	**707.9r**	**702.5r**	**731.0r**	**746.7r**	**743.4**	**727.8**	**698.5**
24 Commercial paper	67.5	65.1	72.9	89.2	101.6	101.2	109.8	120.9	112.8	110.1	106.3
25 Bonds	366.3	427.7	462.6	479.4	491.3r	484.5r	502.4r	504.6r	508.9	504.9	479.6
26 Bank loans n.e.c.	43.7	52.1	58.9	59.4	63.3	64.7	67.7	70.7	73.9	66.2	67.3
27 Other loans and advances	64.7	63.0	57.2	51.7	51.7	52.1	51.2	50.5	47.7	46.6	45.3
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**14,983.3r**	**15,853.1r**	**16,945.4r**	**18,108.1r**	**18,366.1r**	**18,542.5r**	**18,769.3r**	**19,067.6r**	**19,306.9**	**19,474.6**	**19,753.3**
	Financial sectors										
29 **Total credit market debt owed by financial sectors**	**4,828.8r**	**5,458.0r**	**6,545.2r**	**7,629.6r**	**7,769.2r**	**7,993.5r**	**8,190.8r**	**8,457.1r**	**8,657.3**	**8,856.2**	**9,121.0**
By instrument											
30 Federal government-related	2,608.2	2,821.1	3,292.0	3,884.0	3,940.1	4,035.3	4,164.0	4,317.4	4,422.9	4,591.6	4,796.8
31 Government-sponsored enterprise securities	896.9	995.3	1,273.6	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.8
32 Mortgage pool securities	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
33 Loans from U.S. government	.0	.0	0	0	.0	.0	.0	.0	0	.0	.0
34 Private	2,220.6r	2,636.9r	3,253.2r	3,745.6r	3,829.1r	3,958.1r	4,026.7r	4,139.7r	4,234.4	4,264.6	4,324.3
35 Open market paper	579.1	745.7	906.7	1,082.9	1,115.7	1,135.2	1,151.6	1,210.7	1,180.8	1,144.5	1,110.2
36 Corporate bonds	1,382.7r	1,568.6r	1,878.7r	2,096.9r	2,138.8r	2,212.0r	2,269.7r	2,314.8r	2,424.3	2,483.9	2,563.8
37 Bank loans n.e.c.	64.0	77.3r	107.5r	93.2r	91.8r	93.1r	92.8r	93.0r	97.3	100.4	100.0
38 Other loans and advances	162.9	198.5	288.7	395.8	404.4	436.9	430.2	438.3	450.9	450.7	467.2
39 Mortgages	31.9	46.8	71.6	76.7	78.5	81.0	82.5	82.9	81.1	85.1	83.0
By borrowing sector											
40 Commercial banks	113.6	140.6	188.6	230.0	242.2	265.4	265.2	266.7	273.8	274.7	283.0
41 Bank holding companies	150.0	168.6	193.5	219.3	221.4	229.3	236.9	242.5	266.5	269.0	273.8
42 Savings institutions	140.5	160.3	212.4	260.4	266.9	280.7	276.0	287.7	295.1	294.4	303.9
43 Credit unions	.4	.6	1.1	3.4	2.6	2.9	3.1	3.4	3.2	3.5	3.8
44 Life insurance companies	1.6	1.8	2.5	3.2	3.0	2.7	2.7	2.5	1.9	1.9	2.8
45 Government-sponsored enterprises	896.9	995.3	1,273.6	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.8
46 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
47 Issuers of asset-backed securities (ABSs)	863.3	1,076.6	1,398.0	1,621.4	1,655.8	1,697.0	1,742.3	1,829.6	1,893.7	1,942.4	2,020.2
48 Brokers and dealers	27.3	35.3	42.5	25.3	36.4	36.2	42.6	40.9	35.0	43.9	47.0
49 Finance companies	534.5r	568.3r	625.5r	695.7r	708.4r	740.8r	761.8r	776.9r	756.2	769.0	771.3
50 Mortgage companies	20.6	16.0	17.7	17.8	17.1	17.8	17.7	17.9	18.1	18.2	18.5
51 Real estate investment trusts (REITs)	56.5	96.1	158.8	165.1	167.9	170.4	169.8	167.8	166.2	168.9	166.3
52 Funding corporations	312.4r	372.6r	412.6r	504.0r	507.4r	515.0r	508.7r	503.7r	524.7	478.6	433.6
	All sectors										
53 **Total credit market debt, domestic and foreign**	**19,812.1r**	**21,311.1r**	**23,490.6r**	**25,737.7r**	**26,135.3r**	**26,535.9r**	**26,960.1r**	**27,524.7r**	**27,964.2**	**28,330.8**	**28,874.3**
54 Open market paper	803.0	979.4	1,172.6	1,402.4	1,478.1	1,533.3	1,568.3	1,610.0	1,546.8	1,477.9	1,417.8
55 U.S. government securities	6,389.9	6,626.0	7,044.3	7,565.0	7,593.6	7,499.3	7,574.2	7,702.6	7,831.7	7,843.0	8,116.8
56 Municipal securities	1,296.0	1,367.5	1,464.3	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3
57 Corporate and foreign bonds	3,209.4r	3,607.2r	4,170.8r	4,635.8r	4,736.1r	4,841.0r	4,958.7r	5,050.0r	5,264.0	5,426.6	5,528.1
58 Bank loans n.e.c.	1,041.7	1,169.8	1,314.9	1,383.8	1,413.7	1,464.6	1,471.7	1,497.9	1,495.1	1,459.5	1,450.2
59 Other loans and advances	993.2r	1,086.6r	1,253.0r	1,412.0r	1,464.4r	1,526.2r	1,520.9r	1,565.9r	1,582.0	1,607.9	1,628.5
60 Mortgages	4,864.8r	5,203.0r	5,724.2r	6,360.0r	6,473.1r	6,643.5r	6,796.4r	6,937.4r	7,061.7	7,277.9	7,474.9
61 Consumer credit	1,214.1r	1,271.6r	1,346.6r	1,446.1r	1,437.0r	1,476.5r	1,519.6r	1,593.1r	1,585.3	1,608.1	1,622.8

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 LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1996	1997	1998	1999	2000				2001		
					Q1	Q2	Q3	Q4	Q1	Q2[r]	Q3
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**19,812.1[r]**	**21,311.1[r]**	**23,490.6[r]**	**25,737.7[r]**	**26,135.3[r]**	**26,535.9[r]**	**26,960.1[r]**	**27,524.7[r]**	**27,964.2[r]**	**28,330.8**	**28,874.3**
2 Domestic nonfederal nonfinancial sectors	3,011.5[r]	2,946.5[r]	3,017.7[r]	3,284.1[r]	3,205.6[r]	3,209.3[r]	3,144.7[r]	3,094.4[r]	3,021.4[r]	2,964.3	2,914.0
3 Household	2,086.8[r]	2,031.3[r]	1,967.7[r]	2,184.5[r]	2,114.4[r]	2,089.7[r]	2,040.3[r]	1,977.4[r]	1,928.0[r]	1,869.6	1,832.7
4 Nonfinancial corporate business	270.2	257.5	241.5	238.7	230.8	246.1[r]	239.0[r]	249.1[r]	226.3[r]	232.1	231.1
5 Nonfarm noncorporate business	49.7	52.7	69.1	78.0	77.5	77.6	76.6	75.9	74.7	73.4	71.9
6 State and local governments	604.8	605.0	739.4	782.8	782.9	795.8	788.7	792.0	792.4	789.1	778.3
7 Federal government	200.2	205.4	219.1	258.0	259.6	261.6	262.7	265.4	266.6	267.6	267.8
8 Rest of the world	1,926.6	2,257.3	2,539.8	2,676.2	2,760.7	2,809.9	2,861.7	3,004.6	3,113.0[r]	3,200.4	3,293.2
9 Financial sectors	14,673.8[r]	15,901.8[r]	17,714.0[r]	19,519.4[r]	19,909.4[r]	20,255.2[r]	20,691.0[r]	21,160.3[r]	21,563.2[r]	21,898.6	22,399.3
10 Monetary authority	393.1	431.4	452.5	478.1	501.9	505.1	511.5	511.8	523.9	535.1	534.1
11 Commercial banking	3,707.7	4,031.9	4,335.7	4,643.9	4,725.0	4,847.4	4,931.0	5,002.3	5,015.7	5,044.4	5,096.5
12 U.S.-chartered banks	3,175.8	3,450.7	3,761.2	4,078.9	4,171.3	4,295.4	4,368.2	4,418.7	4,424.4	4,463.2	4,508.8
13 Foreign banking offices in United States	475.8	516.1	504.2	484.1	482.0	478.1	487.5	508.1	515.0	504.2	509.9
14 Bank holding companies	22.0	27.4	26.5	32.7	22.1	23.0	21.3	20.5	22.3	21.6	21.3
15 Banks in U.S.-affiliated areas	34.1	37.8	43.8	48.3	49.6	51.0	54.0	55.0	54.1	55.5	56.5
16 Savings institutions	933.2	928.5	964.6	1,033.2	1,045.8	1,062.5	1,082.2	1,089.7	1,101.6	1,116.4	1,119.0
17 Credit unions	288.5	305.3	324.2	351.7	359.0	370.1	376.0	382.2	386.5[r]	391.8	407.8
18 Bank personal trusts and estates	232.0	207.0	194.1	222.0	226.7	230.2	234.6	239.1	241.8	245.1	247.3
19 Life insurance companies	1,657.0	1,751.1	1,828.0	1,886.0	1,902.2	1,914.1	1,935.1	1,943.9	1,967.2	1,996.9	2,040.0
20 Other insurance companies	491.2	515.3	521.1	518.2	515.4	510.8	512.4	509.4	510.0	510.0	512.3
21 Private pension funds	627.0	674.6	731.0	775.9	787.6	793.8	810.0	817.2	823.7	822.0	821.7
22 State and local government retirement funds	565.4	632.5	704.6	751.4	767.2	775.1	784.5	806.0[r]	788.3[r]	801.7	806.3
23 Money market mutual funds	634.3	721.9	965.9	1,147.8	1,217.1	1,159.4	1,212.5	1,296.7	1,403.8	1,414.6	1,498.0
24 Mutual funds	820.2	901.1	1,025.9	1,073.1	1,053.7	1,073.9	1,088.5	1,099.9	1,113.8	1,160.1	1,193.0
25 Closed-end funds	100.8	98.3	103.7	111.1	109.0	106.9	104.8	102.7	100.6	98.5	96.4
26 Government-sponsored enterprises	832.8	939.4	1,253.9	1,545.6	1,584.0	1,649.2	1,704.3	1,793.7	1,864.7[r]	1,941.1	2,009.5
27 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
28 Asset-backed securities (ABSs) issuers	773.9	937.7	1,219.4	1,424.6	1,453.8	1,486.3	1,522.9	1,602.9	1,660.5	1,703.7	1,774.7
29 Finance companies	545.1[r]	568.2[r]	645.5[r]	742.5[r]	776.6[r]	812.3[r]	830.0[r]	850.5[r]	848.0[r]	878.5	859.4
30 Mortgage companies	41.2	32.1	35.3	35.6	34.1	35.5	35.4	35.9	36.2	36.5	36.9
31 Real estate investment trusts (REITs)	30.4	50.6	45.5	42.9	38.8	38.2	37.3	36.6	37.6	37.9	39.8
32 Brokers and dealers	167.7	182.6	189.4	154.7	194.8[r]	188.2[r]	243.3	223.6	312.3[r]	288.4	369.9
33 Funding corporations	121.0	166.7	155.3	288.8	294.5	341.0[r]	320.4[r]	324.7[r]	292.7[r]	240.1	177.8
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 **Total credit market debt**	**19,812.1[r]**	**21,311.1[r]**	**23,490.6[r]**	**25,737.7[r]**	**26,135.3[r]**	**26,535.9[r]**	**26,960.1[r]**	**27,524.7[r]**	**27,964.2[r]**	**28,330.8**	**28,874.3**
Other liabilities											
35 Official foreign exchange	53.7	48.9	60.1	50.1	46.6[r]	46.0[r]	44.9	46.1[r]	42.8[r]	43.4	49.0
36 Special drawing rights certificates	9.7	9.2	9.2	6.2	6.2	4.2	3.2	2.2	2.2	2.2	2.2
37 Treasury currency	18.9	19.3	19.9	20.9	21.4	22.1	23.2	23.2	22.9	23.2	23.2
38 Foreign deposits	521.7	618.5	642.3	703.6	781.9	782.8	772.6	824.5	883.4	846.8	850.6
39 Net interbank liabilities	240.8	219.4	189.0	204.5	169.7	210.6	173.2	188.0	155.1[r]	163.1	176.8
40 Checkable deposits and currency	1,244.8	1,286.1	1,333.4	1,484.8	1,392.9	1,409.7	1,385.7	1,413.3	1,385.2	1,416.8	1,453.0
41 Small time and savings deposits	2,377.0	2,474.1	2,626.5	2,671.2	2,728.0	2,738.8	2,790.9	2,861.9	2,965.3	2,992.3	3,047.1
42 Large time deposits	590.9	713.4	805.5	936.1	966.5	987.4	1,025.9	1,054.5	1,078.0	1,087.1	1,090.4
43 Money market fund shares	886.7	1,042.5	1,329.7	1,578.8	1,666.0	1,627.1	1,697.8	1,812.1	1,994.7	2,014.8	2,116.1
44 Security repurchase agreements	701.5	822.4	913.7	1,083.4	1,149.4[r]	1,185.2[r]	1,238.6[r]	1,194.1[r]	1,199.7[r]	1,240.5	1,287.8
45 Mutual fund shares	2,342.4	2,989.4	3,610.5	4,553.4	4,863.3	4,759.6	4,814.4	4,457.2	3,999.8	4,275.3	3,705.2
46 Security credit	358.1	469.1	572.3	676.6	801.1[r]	780.3[r]	805.8[r]	822.7[r]	785.4[r]	781.5	904.6
47 Life insurance reserves	610.6	665.0	718.3	783.9	801.0	806.5	818.7	819.1	823.0	840.3	841.5
48 Pension fund reserves	6,325.1	7,323.4	8,193.7	9,041.7	9,237.9	9,166.7	9,307.9	9,054.8	8,588.9[r]	8,849.7	8,281.0
49 Trade payables	1,827.6	1,967.3	2,076.5	2,298.8	2,321.7	2,371.6[r]	2,418.2[r]	2,464.9[r]	2,436.3[r]	2,406.9	2,412.2
50 Taxes payable	128.8	151.1	172.4	194.7	210.1	211.4[r]	214.7[r]	216.4	224.8[r]	224.0	254.9
51 Investment in bank personal trusts	871.3	942.5	1,001.0	1,130.4	1,158.0	1,114.4	1,106.7	1,019.4	929.1	964.4	859.6
52 Miscellaneous	6,387.1[r]	6,730.7[r]	7,692.9[r]	8,269.8[r]	8,464.3[r]	8,731.9[r]	9,221.0[r]	9,104.9[r]	9,536.4[r]	9,763.7	10,222.5
53 **Total liabilities**	**45,308.7[r]**	**49,803.3[r]**	**55,457.6[r]**	**61,426.6[r]**	**62,921.3[r]**	**63,492.5[r]**	**64,823.6[r]**	**64,903.9[r]**	**65,017.3[r]**	**66,266.6**	**66,452.1**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.4	21.1	21.6	21.4	21.4	21.5	21.4	21.6[r]	21.4[r]	21.5	22.0
55 Corporate equities	10,281.6[r]	13,301.7[r]	15,577.3[r]	19,581.2[r]	20,276.3[r]	19,395.9[r]	19,249.0[r]	17,566.4[r]	15,311.6[r]	16,239.1	13,625.2
56 Household equity in noncorporate business	3,786.6[r]	4,051.0[r]	4,394.1[r]	4,623.6[r]	4,652.1[r]	4,745.9[r]	4,782.7[r]	4,850.2[r]	4,882.4[r]	4,893.8	4,897.1
Liabilities not identified as assets (−)											
57 Treasury currency	−6.1	−6.3	−6.4	−7.1	−7.6	−7.9	−7.6	−8.5	−9.4	−9.5	−9.7
58 Foreign deposits	434.9[r]	535.0[r]	542.8[r]	588.9[r]	654.7[r]	634.2[r]	609.1[r]	659.3[r]	704.6[r]	674.3	680.5
59 Net interbank transactions	−10.6	−32.2	−27.0	−25.5	−13.9	−11.6	−17.6	−4.3	1.7	5.5	6.3
60 Security repurchase agreements	109.8	172.9	233.5	263.6	410.5[r]	423.0[r]	446.0	374.6[r]	353.7[r]	396.2	394.1
61 Taxes payable	81.9	104.2	122.9	122.7	118.7[r]	134.5[r]	124.4	128.4[r]	113.3[r]	133.2	152.1
62 Miscellaneous	−1,226.5[r]	−1,548.9[r]	−2,323.1[r]	−2,740.5[r]	−2,908.3[r]	−2,939.4[r]	−2,727.8[r]	−3,224.6[r]	−3,066.2[r]	−3,040.8	−2,760.7
Floats not included in assets (−)											
63 Federal government checkable deposits	−1.6	−8.1	−3.9	−9.9	−9.2[r]	−5.6[r]	−7.8	−2.3[r]	−22.3[r]	−40.1	−38.4
64 Other checkable deposits	30.1	26.2	23.1	22.3	18.7	22.5	15.5	24.0	21.1	25.5	19.2
65 Trade credit	165.7	126.8	76.6	120.9	50.2[r]	16.5[r]	6.0[r]	91.6[r]	38.4[r]	21.8	35.7
66 **Totals identified to sectors as assets**	**59,820.7[r]**	**67,807.3[r]**	**76,812.0[r]**	**87,317.3[r]**	**89,557.3[r]**	**89,389.6[r]**	**90,436.5[r]**	**89,303.8[r]**	**87,097.8[r]**	**89,254.8**	**86,517.1**

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.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1998	1999	2000	2001								
				Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[p]
1 **Industrial production**[1]	**134.5**	**139.4**	**145.7**	**142.9**	**142.0**	**141.6**	**140.3**	**140.4**	**140.0**[r]	**138.8**	**137.6**	**137.1**
Market groups												
2 Products, total	126.8	129.6	133.5	132.1	131.0	130.9	130.0	130.3	129.4[r]	128.1	126.7	126.5
3 Final, total	128.9	131.8	135.8	135.1	134.0	133.9	132.9	133.2	132.0[r]	130.4	129.1	129.2
4 Consumer goods	118.3	119.9	121.9	121.8	121.3	121.4	121.1	122.2	121.4[r]	120.6	119.6	120.1
5 Equipment	148.1	153.5	161.8	159.6	157.3	156.5	154.1	152.7	150.5[r]	147.3	145.1	144.1
6 Intermediate	120.2	123.2	126.4	123.4	122.2	122.2	121.4	121.4	121.6[r]	120.9	119.5	118.7
7 Materials	146.9	155.6	166.4	160.9	160.3	159.4	157.4	157.2	157.6[r]	156.8	155.7	154.8
Industry groups												
8 Manufacturing	138.8	144.7	151.6	147.9	146.7	146.4	145.0	145.2	144.5[r]	143.2	142.0	141.7
9 Capacity utilization, manufacturing (percent)[2]	81.4	80.6	80.7	76.7	76.0	75.8	75.0	75.1	74.6	73.9	73.2	73.0
10 Construction contracts[3]	122.7[r]	135.2	142.3[r]	141.0	144.0	149.0[r]	151.0	143.0	143.0[r]	152.0	148.0	144.0
11 Nonagricultural employment, total[4]	115.9	118.6	121.0	122.2	122.0	122.0	122.0	122.0	121.9	121.8	121.3	121.0
12 Goods-producing, total	109.4	109.7	110.5	110.2	109.4	109.0	108.4	108.1	107.5	107.1	106.5	105.8
13 Manufacturing, total	103.9	102.4	101.8	100.1	99.5	98.7	98.1	97.7	96.8	96.4	95.7	94.8
14 Manufacturing, production workers	105.4	103.7	102.9	99.7	99.0	98.2	97.3	96.8	95.9	95.3	94.6	93.6
15 Service-producing	117.7	121.0	123.9	125.4	125.4	125.6	125.6	125.7	125.9	125.8	125.4	125.2
16 Personal income, total	137.8	144.3	154.3	161.0	161.3	161.6	162.1	162.7	162.8	162.7	162.5	162.4
17 Wages and salary disbursements	140.6	149.9	162.2	170.1	170.8	170.7	171.5	171.8	171.8	171.7	171.3	171.3
18 Manufacturing	129.7	134.0	142.3	146.3	146.8	145.4	144.9	144.9	144.1	143.4	142.0	140.8
19 Disposable personal income[5]	133.7	139.2	147.9	154.1	154.5	154.8	155.2	157.9[r]	161.0	159.1	156.3	156.2
20 Retail sales[5]	142.8	155.1	167.0	169.6	172.2	172.4	172.3	172.6	172.9	169.2	181.0	173.6
Prices[6]												
21 Consumer (1982–84=100)	163.0	166.6	172.2	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4
22 Producer finished goods (1982=100)	130.7	133.0	138.0	140.9	141.8	142.7	142.2	140.5[r]	141.1	141.7	139.6	138.4

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 November 2001. The recent annual revision will be described in an article in an upcoming issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Fedaral Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F.W. Dodge Division.

4. Based on data from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

NOTE. Basic data (not indexes) for series mentioned in notes 4 and 5, and indexes for series mentioned in notes 3 and 6, can also be found in the *Survey of Current Business*.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

Category	1998	1999	2000	2001							
				Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.
HOUSEHOLD SURVEY DATA[1]											
1 Civilian labor force[2]	137,673	139,368	140,863	141,757	141,272	141,354	141,774	141,350	142,190	142,303	142,244
Employment											
2 Nonagricultural industries[3]	128,085	130,207	131,903	132,162	131,910	131,937	132,334	131,276	131,961	131,362	130,975
3 Agriculture	3,378	3,281	3,305	3,192	3,193	2,995	3,045	3,117	3,220	3,200	3,109
Unemployment											
4 Number	6,210	5,880	5,655	6,402	6,169	6,422	6,395	6,957	7,009	7,741	8,160
5 Rate (percent of civilian labor force)	4.5	4.2	4.0	4.5	4.4	4.5	4.5	4.9	4.9	5.4	5.7
ESTABLISHMENT SURVEY DATA											
6 **Nonagricultural payroll employment**[4]	**125,865**	**128,786**	**131,417**	**132,489**	**132,530**	**132,431**	**132,449**	**132,395**	**132,230**	**131,762**	**131,431**
7 Manufacturing	18,805	18,543	18,437	18,009	17,879	17,757	17,688	17,533	17,448	17,324	17,161
8 Mining	590	535	538	560	564	565	567	569	569	569	567
9 Contract construction	6,020	6,404	6,687	6,852	6,881	6,864	6,867	6,861	6,871	6,854	6,852
10 Transportation and public utilities	6,611	6,826	6,993	7,119	7,130	7,118	7,108	7,082	7,070	7,017	6,959
11 Trade	29,095	29,712	30,191	30,583	30,584	30,583	30,623	30,593	30,524	30,388	30,349
12 Finance	7,389	7,569	7,618	7,626	7,644	7,631	7,618	7,623	7,633	7,627	7,636
13 Service	37,533	39,027	40,384	40,993	41,078	41,085	41,046	41,129	41,134	40,983	40,913
14 Government	19,823	20,170	20,570	20,747	20,770	20,828	20,932	21,005	20,981	21,000	20,994

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

3. Includes self-employed, unpaid family, and domestic service workers.

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE. Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	2000	2001			2000	2001			2000	2001		
	Q4	Q1	Q2	Q3r	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3r
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**145.7**	**143.5**	**141.3**	**139.7**	**180.6**	**181.8**	**182.6**	**183.2**	**80.7**	**78.9**	**77.4**	**76.3**
2 Manufacturing	151.1	148.4	146.0	144.3	191.0	192.3	193.2	193.6	79.1	77.2	75.6	74.5
3 Primary processing[3]	177.2	172.0	168.9	167.2	218.6	221.4	223.0	223.8	81.1	77.7	75.8	74.7
4 Advanced processing[4]	136.7	135.3	133.3	131.6	175.6	176.2	176.6	176.9	77.9	76.8	75.5	74.4
5 Durable goods	189.7	185.0	181.9	178.4	241.3	244.4	246.3	247.5	78.6	75.7	73.8	72.1
6 Lumber and products	114.1	110.2	113.2	115.7	147.6	148.2	148.5	148.8	77.3	74.4	76.2	77.7
7 Primary metals	126.5	120.8	120.5	117.6	151.2	151.0	150.8	150.6	83.6	80.0	79.9	78.1
8 Iron and steel	119.6	113.7	117.3	115.9	148.4	147.9	147.4	146.8	80.6	76.9	79.6	78.9
9 Nonferrous	134.9	129.5	124.6	120.0	155.0	155.1	155.3	155.6	87.0	83.5	80.2	77.1
10 Industrial machinery and equipment	229.1	226.9	217.0	208.9	292.2	295.3	297.3	298.8	78.4	76.8	73.0	69.9
11 Electrical machinery	566.8	544.2	509.2	485.8	684.9	716.8	735.6	745.4	82.8	75.9	69.2	65.2
12 Motor vehicles and parts	165.7	155.2	166.8	169.5	217.2	218.7	220.1	221.5	76.3	71.0	75.8	76.5
13 Aerospace and miscellaneous transportation equipment	100.1	100.2	99.0	95.9	135.4	135.4	135.3	135.2	74.0	74.0	73.2	71.0
14 Nondurable goods	114.2	113.2	111.5	111.1	143.1	143.1	143.0	142.9	79.8	79.1	77.9	77.7
15 Textile mill products	92.4	91.4	88.0	85.4	119.4	118.4	117.4	116.4	77.4	77.2	74.9	73.4
16 Paper and products	112.6	109.2	108.9	108.4	138.2	138.5	138.7	138.8	81.5	78.9	78.5	78.1
17 Chemicals and products	122.7	121.6	119.6	121.2	157.9	158.1	158.3	158.5	77.7	76.9	75.6	76.5
18 Plastics materials	115.7	121.0	116.4	117.4	151.5	152.0	152.5	153.0	76.4	79.6	76.3	76.7
19 Petroleum products	115.1	114.8	115.5	113.2	121.9	122.0	122.2	122.4	94.5	94.1	94.5	92.5
20 Mining	101.1	102.0	102.9	101.8	111.9	111.9	112.0	112.2	90.3	91.1	91.8	90.7
21 Utilities	124.6	123.5	120.0	119.5	133.1	134.6	136.2	138.1	93.6	91.8	88.1	86.5
22 Electric	126.2	125.6	123.6	122.6	131.3	133.1	135.1	137.4	96.1	94.4	91.5	89.2

Series	1973	1975	Previous cycle[5]		Latest cycle[6]		2000	2001					
	High	Low	High	Low	High	Low	Nov.	June	July	Aug.r	Sept.r	Oct.r	Nov.p
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.1**	**85.4**	**78.1**	**80.7**	**76.7**	**76.7**	**76.4**	**75.7**	**75.0**	**74.7**
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	79.2	75.0	75.1	74.6	73.9	73.2	73.0
3 Primary processing[3]	91.8	67.3	88.6	65.7	88.3	76.7	81.0	74.9	74.9	74.8	74.5	73.8	73.3
4 Advanced processing[4]	86.5	72.5	86.3	71.0	84.2	76.6	78.0	75.0	75.1	74.5	73.5	72.8	72.8
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	78.6	73.0	72.8	72.3	71.2	70.0	69.8
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	77.5	76.8	76.6	78.1	78.5	76.3	76.6
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	83.2	79.3	79.3	78.0	76.9	75.8	73.6
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	80.4	79.9	80.8	78.8	77.2	76.4	74.0
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	86.2	78.5	77.7	77.1	76.6	75.3	73.0
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	78.3	71.8	70.5	70.6	68.7	67.6	67.2
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	82.6	67.3	65.4	65.1	65.0	64.6	63.8
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	75.9	76.0	79.0	76.7	74.0	70.7	75.1
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	74.4	72.7	71.8	70.8	70.3	69.5	67.5
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	80.0	77.7	78.0	77.7	77.5	77.4	77.2
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	77.3	74.1	72.2	73.7	74.3	72.9	73.4
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	81.7	77.2	77.9	77.6	78.8	77.7	77.0
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	78.2	75.5	76.5	76.5	76.5	76.7	77.0
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	77.5	76.3	76.9	77.6	75.8	75.6	75.0
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	95.1	94.5	93.6	92.2	91.6	93.6	91.7
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	90.4	91.4	90.9	90.4	90.9	89.0	89.2
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	93.3	87.0	86.0	87.7	85.9	85.2	83.1
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	96.1	90.4	88.5	90.6	88.4	88.6	86.9

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 November 2001. The recent annual revision will be described in an article in an upcoming issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

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. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics; stone, clay, and glass; primary metals; and fabricated metals.

4. Advanced processing includes foods, tobacco, apparel, furniture and fixtures, printing and publishing, chemical products such as drugs and toiletries, agricultural chemicals, leather and products, machinery, transportation equipment, instruments, and miscellaneous manufacturing.

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1992 proportion	2000 avg.	2000 Nov.	2000 Dec.	2001 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[p]
			Index (1992=100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**145.7**	**145.8**	**145.1**	**143.9**	**143.5**	**142.9**	**142.0**	**141.6**	**140.3**	**140.4**	**140.0**	**138.8**	**137.6**	**137.1**
2 Products	60.5	133.5	133.8	133.6	132.7	132.2	132.1	131.0	130.9	130.0	130.3	129.4	128.1	126.7	126.5
3 Final products	46.3	135.8	136.3	136.3	135.2	134.7	135.1	134.0	133.9	132.9	133.2	132.0	130.4	129.1	129.2
4 Consumer goods, total	29.1	121.9	122.1	122.5	121.0	121.2	121.8	121.3	121.4	121.1	122.2	121.4	120.6	119.6	120.1
5 Durable consumer goods	6.1	161.2	154.7	153.2	147.3	149.1	152.9	152.2	154.2	153.2	157.0	154.1	152.0	146.9	151.8
6 Automotive products	2.6	157.0	148.2	145.3	138.5	141.8	149.8	149.6	152.8	152.3	161.1	155.6	152.5	145.7	155.0
7 Autos and trucks	1.7	169.8	157.6	150.2	142.2	147.8	159.6	160.1	165.7	163.4	178.3	169.1	163.9	154.5	169.5
8 Autos, consumer	.9	104.4	96.0	89.3	93.4	93.3	97.0	96.0	97.9	97.2	97.5	90.6	92.7	86.9	94.6
9 Trucks, consumer	.7	239.5	223.4	215.1	194.4	206.0	226.3	228.4	237.9	234.0	264.3	252.6	239.8	226.5	249.2
10 Auto parts and allied goods	.9	137.2	133.7	138.2	133.3	132.8	134.7	133.5	132.5	135.1	133.9	134.5	134.7	132.2	132.2
11 Other	3.5	164.6	160.6	160.9	155.9	156.1	155.1	153.9	154.5	152.9	151.0	151.0	150.1	147.0	146.7
12 Appliances, televisions, and air conditioners	1.0	304.9	300.8	306.4	289.5	284.4	284.0	284.0	292.1	285.0	271.7	289.5	288.7	279.0	283.7
13 Carpeting and furniture	.8	128.8	123.4	125.5	119.8	124.7	123.1	119.9	117.7	118.6	116.2	117.6	119.2	116.2	116.9
14 Miscellaneous home goods	1.6	125.0	122.5	120.5	119.5	118.3	117.7	117.4	117.7	116.2	117.7	112.7	110.5	109.4	107.5
15 Nondurable consumer goods	23.0	112.7	114.3	115.1	114.5	114.4	114.3	113.9	113.6	113.4	113.9	113.6	113.0	113.0	112.5
16 Foods and tobacco	10.3	109.4	109.3	110.3	109.4	109.5	109.3	108.9	108.6	108.9	109.3	108.7	108.1	108.1	108.0
17 Clothing	2.4	86.4	83.8	82.2	83.0	82.6	82.8	82.0	80.6	78.2	79.0	76.4	75.3	74.7	73.3
18 Chemical products	4.5	134.8	140.9	140.1	139.4	141.7	143.8	143.4	145.2	145.7	147.5	146.7	146.5	147.4	148.8
19 Paper products	2.9	106.3	107.5	107.9	109.2	107.3	106.9	107.4	106.7	106.6	106.0	105.7	105.7	104.2	103.9
20 Energy	2.9	117.0	121.9	125.8	124.0	122.1	119.8	118.7	116.9	115.8	116.0	117.8	117.2	117.4	114.2
21 Fuels	.8	112.9	115.4	112.3	112.9	114.2	113.9	114.6	115.6	115.2	114.3	112.2	113.9	117.2	115.1
22 Residential utilities	2.1	118.7	125.1	133.2	130.0	126.2	122.8	120.7	117.2	115.8	116.5	120.5	118.6	117.2	113.3
23 Equipment	17.2	161.8	163.0	162.0	161.8	159.8	159.6	157.3	156.5	154.1	152.7	150.5	147.3	145.1	144.1
24 Business equipment	13.2	188.9	190.6	189.3	188.7	186.1	185.4	182.1	181.3	177.8	176.1	173.3	168.6	166.0	164.9
25 Information processing	5.4	290.8	302.1	303.4	304.1	297.5	294.1	288.4	286.8	279.6	275.2	271.9	265.9	264.3	262.6
26 Computer and office equipment	1.1	914.2	1,001.7	1,012.9	1,017.4	1,012.6	996.5	970.9	950.6	948.7	934.2	925.5	902.0	897.3	902.4
27 Industrial	4.0	138.3	138.1	135.9	137.2	132.4	132.6	129.1	129.0	125.2	123.1	122.2	119.9	118.9	116.1
28 Transit	2.5	143.4	138.5	134.0	131.0	131.6	135.6	133.8	134.5	133.1	133.8	128.7	124.6	119.3	120.0
29 Autos and trucks	1.2	170.1	155.5	145.9	140.0	142.5	151.1	148.0	152.5	150.5	157.1	149.6	143.6	136.2	145.4
30 Other	1.3	143.2	144.3	148.5	145.4	151.6	143.3	143.1	139.1	140.7	140.8	139.8	132.5	130.7	132.6
31 Defense and space equipment	3.3	74.4	74.8	75.2	75.5	74.1	74.5	74.4	73.5	73.4	73.6	73.5	73.8	74.1	74.4
32 Oil and gas well drilling	.6	132.0	139.0	139.9	146.7	147.7	151.0	152.2	151.9	150.4	147.1	143.1	140.4	133.5	129.5
33 Manufactured homes	.2	120.6	95.8	86.0	79.6	87.1	87.3	88.6	91.7	96.0	95.4	97.9	102.9	100.2	96.4
34 Intermediate products, total	14.2	126.4	126.2	125.3	125.0	124.4	123.4	122.2	122.2	121.4	121.4	121.6	120.9	119.5	118.7
35 Construction supplies	5.3	141.5	140.3	139.5	138.8	138.6	139.4	139.0	138.7	138.0	137.3	138.8	138.9	135.3	135.2
36 Business supplies	8.9	117.5	117.8	116.9	116.9	116.0	113.8	112.2	112.4	111.6	112.0	111.3	110.1	110.2	108.9
37 Materials	39.5	166.4	166.0	164.5	162.8	162.5	160.9	160.3	159.4	157.4	157.2	157.6	156.8	155.7	154.8
38 Durable goods materials	20.8	225.4	225.4	223.9	220.3	219.7	218.0	216.4	216.2	212.9	212.6	212.0	209.8	208.2	206.4
39 Durable consumer parts	4.0	167.2	160.0	157.6	149.0	154.6	155.0	155.1	159.6	157.7	160.2	160.8	155.7	152.8	155.1
40 Equipment parts	7.6	459.6	483.4	482.4	474.0	470.1	464.3	452.9	446.5	436.1	429.9	429.6	431.3	431.6	425.7
41 Other	9.2	134.7	130.8	129.8	130.3	128.2	127.2	127.9	127.5	126.2	126.4	125.4	123.9	122.7	120.8
42 Basic metal materials	3.1	127.7	122.7	123.5	121.4	118.1	114.5	117.6	116.7	115.5	115.7	113.6	112.4	111.3	107.9
43 Nondurable goods materials	8.9	113.0	109.6	107.1	108.4	107.9	104.9	104.7	103.0	102.2	102.7	104.0	104.1	103.8	103.4
44 Textile materials	1.1	106.3	98.0	95.0	99.3	95.8	95.3	95.0	90.9	90.8	87.6	90.1	89.3	89.4	89.5
45 Paper materials	1.8	115.6	113.3	109.7	112.2	112.1	106.0	110.2	108.3	104.8	107.7	109.5	110.0	111.5	110.1
46 Chemical materials	3.9	113.4	110.1	106.3	107.8	108.0	104.8	101.8	100.5	100.3	100.9	102.2	102.1	101.7	101.4
47 Other	2.1	112.8	111.1	112.7	110.5	109.9	108.7	110.6	109.4	109.3	109.7	109.8	110.3	108.5	108.4
48 Energy materials	9.7	104.6	106.0	105.8	104.3	104.6	104.5	104.9	103.8	103.1	102.3	103.0	103.5	102.4	102.5
49 Primary energy	6.3	98.9	99.5	99.5	99.4	98.9	99.1	99.5	99.0	99.5	98.5	98.4	99.2	97.6	98.3
50 Converted fuel materials	3.3	116.2	119.8	118.9	113.6	116.1	115.5	115.7	113.1	109.1	109.0	111.4	111.4	111.7	110.3
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.1	145.1	145.6	145.2	144.1	143.6	142.6	141.7	141.1	139.9	139.5	139.4	138.4	137.4	136.5
52 Total excluding motor vehicles and parts	95.1	144.2	144.9	144.6	144.0	143.1	142.0	141.0	140.2	139.0	138.7	138.5	137.6	136.6	135.6
53 Total excluding computer and office equipment	98.2	139.8	139.6	139.0	137.8	137.4	136.9	136.0	135.7	134.4	134.6	134.1	133.1	131.9	131.5
54 Consumer goods excluding autos and trucks	27.4	119.3	120.2	121.2	120.0	119.9	119.8	119.3	119.0	118.8	119.1	118.8	118.2	117.8	117.4
55 Consumer goods excluding energy	26.2	122.5	122.0	122.0	120.5	121.0	122.0	121.6	122.0	121.8	122.9	121.8	121.0	119.9	120.9
56 Business equipment excluding autos and trucks	12.0	191.2	195.1	194.9	195.0	191.8	189.8	186.4	184.9	181.3	178.4	176.2	171.8	169.8	167.3
57 Business equipment excluding computer and office equipment	12.1	159.6	159.5	158.0	157.4	155.1	154.7	152.1	151.7	148.5	147.2	144.7	140.8	138.5	137.4
58 Materials excluding energy	29.8	187.2	185.9	183.9	182.2	181.6	179.3	178.2	177.4	175.0	175.0	175.2	173.9	172.8	171.5

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]—Continued

Monthly data seasonally adjusted

Group	SIC code[2]	1992 proportion	2000 avg.	2000 Nov.	2000 Dec.	2001 Jan.	2001 Feb.	2001 Mar.	2001 Apr.	2001 May	2001 June	2001 July	2001 Aug.[r]	2001 Sept.[r]	2001 Oct.[r]	2001 Nov.[p]
				Index (1992=100)												
MAJOR INDUSTRIES																
59 **Total index**		**100.0**	**145.7**	**145.8**	**145.1**	**143.9**	**143.5**	**142.9**	**142.0**	**141.6**	**140.3**	**140.4**	**140.0**	**138.8**	**137.6**	**137.1**
60 Manufacturing	.	85.4	151.6	151.2	150.1	148.9	148.4	147.9	146.7	146.4	145.0	145.2	144.5	143.2	142.0	141.7
61 Primary processing		26.5	178.2	177.1	174.8	172.9	172.4	170.7	170.1	169.4	167.3	167.4	167.3	166.8	165.5	164.6
62 Advanced processing		58.9	136.9	136.9	136.4	135.5	135.1	135.1	133.7	133.6	132.5	132.9	131.7	130.1	129.0	129.0
63 Durable goods	.	45.0	190.0	189.6	188.5	185.6	184.6	184.7	182.9	182.7	180.1	180.0	178.9	176.4	173.7	173.6
64 Lumber and products	24	2.0	118.8	114.4	112.1	109.3	109.5	111.8	111.8	113.7	114.2	114.0	116.2	116.9	113.7	114.1
65 Furniture and fixtures	25	1.4	146.3	144.9	146.4	143.1	144.4	142.5	141.8	140.4	138.3	138.4	138.7	136.2	134.8	132.5
66 Stone, clay, and glass products	32	2.1	133.9	131.8	130.4	132.5	132.4	132.9	133.1	133.0	130.0	130.0	130.8	130.9	129.7	130.1
67 Primary metals	33	3.1	131.9	125.8	125.8	123.9	121.0	117.5	121.2	120.8	119.5	119.5	117.5	115.8	114.1	110.6
68 Iron and steel	331,2	1.7	127.3	119.4	117.8	115.4	114.4	111.3	115.8	118.4	117.7	118.8	115.7	113.1	111.8	108.2
69 Raw steel	331PT	.1	117.9	106.4	104.3	106.6	106.9	107.0	99.2	106.2	107.8	108.3	106.2	105.8	99.5	96.5
70 Nonferrous	333–6,9	1.4	137.7	133.6	135.5	134.3	128.9	125.1	127.8	124.0	122.0	120.8	119.9	119.3	117.2	113.8
71 Fabricated metal products	34	5.0	137.2	136.8	136.0	136.2	133.2	132.2	131.0	131.0	129.5	131.1	131.0	129.1	127.1	125.9
72 Industrial machinery and equipment	35	8.0	227.1	228.9	228.2	228.1	227.0	225.5	220.2	217.0	213.8	210.2	211.0	205.5	202.6	201.6
73 Computer and office equipment	357	1.8	1,070.0	1,165.3	1,167.3	1,163.4	1,153.5	1,137.1	1,112.9	1,095.1	1,095.4	1,074.6	1,064.8	1,037.6	1,033.2	1,038.9
74 Electrical machinery	36	7.3	536.6	566.3	569.5	555.4	543.6	533.6	518.8	511.4	497.6	485.9	485.5	486.1	485.0	480.4
75 Transportation equipment	37	9.5	137.1	131.8	128.8	123.1	126.4	131.0	130.5	133.2	131.9	134.6	131.6	128.5	124.6	128.0
76 Motor vehicles and parts	371	4.9	177.6	164.8	158.6	146.9	154.9	163.7	163.2	169.7	167.7	174.6	169.9	164.2	157.3	167.3
77 Autos and light trucks	371PT	2.6	164.6	152.9	145.2	138.8	143.5	154.2	154.4	159.5	157.2	170.2	160.9	156.6	147.4	161.6
78 Aerospace and miscellaneous transportation equipment	372–6,9	4.6	99.1	100.8	100.7	100.7	99.5	100.4	99.9	98.9	98.3	97.1	95.7	95.0	93.9	91.2
79 Instruments	38	5.4	118.6	119.0	118.8	119.7	118.4	117.7	117.2	116.8	114.5	115.0	113.9	112.8	112.2	111.5
80 Miscellaneous	39	1.3	124.9	123.5	123.6	122.7	120.2	119.9	120.4	119.0	119.8	120.7	116.7	114.5	113.4	110.8
81 Nondurable goods	.	40.4	114.8	114.5	113.5	113.5	113.5	112.5	111.8	111.5	111.1	111.5	111.1	110.8	110.6	110.3
82 Foods	20	9.4	113.8	114.0	113.5	113.0	113.5	113.6	112.6	112.8	112.9	113.1	113.0	112.2	112.2	112.1
83 Tobacco products	21	1.6	93.0	91.7	98.7	96.2	94.8	93.3	94.8	92.9	93.8	95.0	93.2	92.7	92.8	92.7
84 Textile mill products	22	1.8	98.9	92.2	90.5	92.4	90.9	91.0	90.4	86.7	86.8	84.3	85.8	86.2	84.4	84.7
85 Apparel products	23	2.2	101.9	99.1	97.8	97.7	97.6	97.4	97.0	96.5	94.0	95.1	91.2	89.7	88.2	87.1
86 Paper and products	26	3.6	113.9	112.9	110.6	111.0	110.8	106.0	110.6	108.8	107.1	108.1	107.7	109.4	108.0	107.0
87 Printing and publishing	27	6.7	106.9	107.4	106.5	106.9	105.9	104.3	102.5	102.3	101.3	101.1	100.7	100.3	100.5	99.9
88 Chemicals and products	28	9.9	122.0	123.5	121.1	121.2	122.2	121.4	119.5	119.9	119.5	121.2	121.2	121.3	121.6	122.1
89 Petroleum products	29	1.4	115.0	115.8	114.1	114.5	115.3	114.7	115.4	115.6	115.5	114.6	112.9	112.2	114.7	112.5
90 Rubber and plastics	30	3.5	144.9	141.5	139.5	140.4	139.5	138.8	137.9	137.1	137.7	138.0	137.3	136.8	135.5	134.2
91 Leather and products	31	.3	71.4	70.2	67.6	67.8	67.9	67.5	65.7	63.6	62.2	62.1	62.8	61.5	60.3	58.4
92 Mining	. .	6.9	100.7	101.2	100.9	101.3	102.2	102.5	103.1	103.0	102.5	101.9	101.4	102.1	100.0	100.2
93 Metal	10	.5	97.2	90.6	98.7	96.5	91.6	87.9	92.1	91.3	88.6	88.8	87.9	89.5	87.7	86.6
94 Coal	12	1.0	107.1	108.3	107.1	113.8	113.4	115.5	114.9	113.9	115.9	111.9	111.7	111.7	106.5	106.6
95 Oil and gas extraction	13	4.8	95.6	96.7	96.2	95.7	96.6	97.1	97.6	97.4	97.0	97.0	96.3	97.0	94.8	95.2
96 Stone and earth minerals	14	.6	130.4	126.7	125.3	130.0	135.0	133.0	134.3	137.1	133.7	130.6	132.2	133.6	136.3	135.2
97 Utilities	. .	7.7	120.7	124.2	127.7	125.2	123.4	121.8	121.3	119.7	119.1	118.2	121.1	119.1	118.7	116.4
98 Electric	491,3PT	6.2	123.3	126.1	128.7	127.1	125.0	124.7	125.2	122.8	122.9	121.0	124.5	122.2	123.2	121.5
99 Gas	492,3PT	1.6	109.9	115.7	122.4	117.0	116.2	110.3	107.1	107.8	105.2	107.4	108.1	107.4	102.5	98.1
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts	.	80.5	150.1	150.6	149.8	149.3	148.2	147.0	145.8	145.1	143.7	143.5	143.0	142.0	141.2	140.2
101 Manufacturing excluding computers and office equipment	.	83.6	144.6	144.0	142.9	141.7	141.3	140.8	139.8	139.5	138.1	138.4	137.7	136.5	135.4	135.1
102 Computers, communications equipment, and semiconductors	.	5.9	1,101.2	1,191.1	1,193.6	1,166.2	1,146.7	1,127.5	1,089.4	1,065.4	1,036.7	1,006.7	999.5	995.5	997.8	992.2
103 Manufacturing excluding computers and semiconductors	. .	81.1	127.2	125.8	124.8	124.0	123.7	123.3	122.6	122.6	121.5	122.0	121.3	120.2	119.0	118.8
104 Manufacturing excluding computers, communications equipment, and semiconductors	.	79.5	123.9	122.4	121.3	120.5	120.4	120.0	119.4	119.4	118.5	119.0	118.4	117.3	116.2	116.0
				Gross value (billions of 1992 dollars, annual rates)												
MAJOR MARKETS																
105 **Products, total**		**2,001.9**	**2,821.5**	**2,813.8**	**2,800.7**	**2,771.7**	**2,768.2**	**2,776.5**	**2,754.8**	**2,759.1**	**2,741.6**	**2,753.0**	**2,732.0**	**2,701.6**	**2,668.3**	**2,674.3**
106 Final	. .	1,552.1	2,176.4	2,170.5	2,161.0	2,134.6	2,133.7	2,145.9	2,129.3	2,133.0	2,118.1	2,129.7	2,107.0	2,081.8	2,057.0	2,067.8
107 Consumer goods	. . .	1,049.6	1,323.8	1,318.2	1,316.7	1,296.7	1,301.7	1,311.5	1,307.1	1,312.4	1,307.9	1,322.5	1,312.1	1,304.1	1,292.8	1,303.1
108 Equipment	.	502.5	859.5	859.5	850.5	845.0	837.7	839.5	825.8	823.3	811.6	806.5	793.3	773.8	759.1	758.6
109 Intermediate	.	449.9	645.2	643.4	639.8	637.1	634.5	630.8	625.7	626.3	623.7	623.5	625.0	619.9	611.3	606.7

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 November 2001. The recent annual revision will be described in an article in an upcoming issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

2. Standard Industrial Classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1998	1999	2000	2001 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,612	1,664	1,592	1,724	1,663	1,627	1,587	1,621	1,587	1,571	1,571	1,528	1,485
2 One-family	1,188	1,247	1,198	1,283	1,228	1,209	1,218	1,205	1,225	1,211	1,210	1,164	1,140
3 Two-family or more	425	417	394	441	435	418	369	416	362	360	361	364	345
4 Started	1,617	1,641	1,569	1,666	1,623	1,592	1,626	1,610	1,634	1,660	1,559	1,585	1,521
5 One-family	1,271	1,302	1,231	1,336	1,288	1,208	1,295	1,285	1,292	1,290	1,271	1,265	1,222
6 Two-family or more	346	339	338	330	335	384	331	325	342	370	288	320	299
7 Under construction at end of period[1]	971	953	934	985	989	1,002	1,006	1,016	1,012	1,019	1,009	1,015	1,012
8 One-family	659	648	623	669	675	676	682	688	688	693	691	691	685
9 Two-family or more	312	305	310	316	314	326	324	328	324	326	318	324	327
10 Completed	1,474	1,605	1,574	1,424	1,531	1,478	1,569	1,499	1,643	1,583	1,620	1,543	1,543
11 One-family	1,160	1,270	1,242	1,090	1,201	1,207	1,232	1,225	1,275	1,269	1,276	1,258	1,300
12 Two-family or more	315	335	332	334	330	271	337	274	368	314	344	285	243
13 Mobile homes shipped	374	348	250	171	180	179	184	186	198	193	199	206	207
Merchant builder activity in one-family units													
14 Number sold	886	880	877	938	959	953	899	882	889	877[r]	871	863	878
15 Number for sale at end of period[1]	300	315	301	295	295	289	293	296	301	307[r]	309	310	308
Price of units sold (thousands of dollars)[2]													
16 Median	152.5	161.0	169.0	171.3	169.1	166.3	175.2	175.3	179.4	175.0[r]	173.7	166.8	172.2
17 Average	181.9	195.6	207.0	209.0	211.0	210.2	205.5	211.4	211.7	209.3[r]	207.5	203.1	207.4
EXISTING UNITS (one-family)													
18 Number sold	4,970	5,205	5,113	5,200	5,190	5,430	5,220	5,360	5,330	5,200	5,540	4,900	5,180
Price of units sold (thousands of dollars)[2]													
19 Median	128.4	133.3	139.0	137.1	138.6	143.4	143.1	145.0	152.2	151.7	153.7	147.4	145.4
20 Average	159.1	168.3	176.2	175.8	174.6	179.5	179.9	183.6	191.1	190.6	193.5	185.2	181.8
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 Total put in place	**703,533**	**763,914**	**817,130**	**859,815**	**869,334**	**869,140**	**870,826**	**869,574**	**861,571**	**863,742[r]**	**856,629**	**851,883**	**858,557**
22 Private	550,754	595,667	641,269	673,715	681,826	681,176	677,429	670,838	665,322	667,765[r]	663,108	660,249	652,991
23 Residential	314,514	349,560	375,268	386,088	398,863	395,080	392,160	394,330	391,508	395,668[r]	399,558	398,136	398,289
24 Nonresidential	236,240	246,107	266,001	287,627	282,963	286,096	285,269	276,508	273,814	272,097[r]	263,550	262,113	254,702
25 Industrial buildings	40,547	32,794	31,984	35,878	33,386	34,823	34,662	31,943	32,966	34,645[r]	31,884	31,291	25,644
26 Commercial buildings	95,760	104,531	116,988	125,402	124,568	128,792	124,935	118,601	116,842	115,894[r]	110,860	111,249	111,546
27 Other buildings	39,609	40,906	44,505	46,567	46,264	47,117	46,080	46,643	46,020	45,549[r]	44,851	44,829	45,991
28 Public utilities and other	60,324	67,876	72,523	79,780	78,745	75,364	79,592	79,321	77,986	76,009[r]	75,955	74,744	71,521
29 Public	152,779	168,247	175,861	186,100	187,508	187,964	193,397	198,736	196,249	195,977[r]	193,521	191,635	205,566
30 Military	2,539	2,142	2,334	2,270	2,342	2,131	2,530	2,274	2,477	2,375[r]	2,539	2,362	2,337
31 Highway	45,251	52,024	52,851	55,368	56,204	57,443	57,717	60,437	61,534	60,470[r]	55,667	53,534	56,749
32 Conservation and development	5,415	5,995	6,043	7,381	7,838	7,573	6,332	7,216	6,592	6,063	7,265	7,344	7,333
33 Other	99,575	108,086	114,634	121,081	121,124	120,817	126,818	128,809	125,646	127,069[r]	128,050	128,395	139,147

1. Not at annual rates.
2. Not seasonally adjusted.
3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C–30–76–5), issued by the Census Bureau in July 1976.

SOURCE. Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Nov. 2001[1]
	2000 Nov.	2001 Nov.	2000	2001			2001					
			Dec.	Mar.	June	Sept.	July	Aug.	Sept.	Oct.	Nov.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**3.4**	**1.9**	**2.3**	**4.0**	**3.7**	**.7**	**–.3**	**.1**	**.4**	**–.3**	**.0**	**177.4**
2 Food	2.2	3.4	2.1	4.1	3.3	2.8	.3	.2	.2	.5	–.1	174.6
3 Energy items	16.0	–10.1	3.8	6.0	16.8	–18.2	–5.6	–1.9	2.6	–6.3	–4.4	116.0
4 All items less food and energy	2.6	2.8	2.0	3.5	2.6	2.4	.2	.2	.2	.2	.4	188.1
5 Commodities	.7	.0	.0	1.4	–1.6	.3	.1	–.4	.3	–.1	.2	146.0
6 Services	3.4	4.0	3.2	4.2	4.5	3.1	.2	.5	.1	.2	.5	212.3
PRODUCER PRICES (1982=100)												
7 Finished goods	3.8	–1.1	2.9	4.7	.9	–1.4	–1.2[r]	.5[r]	.4	–1.6	–.6	138.4
8 Consumer foods	2.1	1.7	2.7	10.5	.9	2.0	–.4[r]	.7[r]	.2	–.4	–.8	140.5
9 Consumer energy	18.3	–13.5	12.0	9.5	–4.2	–16.3	–7.6[r]	2.6[r]	.9	–7.7	–3.8	85.5
10 Other consumer goods	1.3	1.5	1.0	2.3	2.8	1.3	.1[r]	–.2[r]	.4	–.4	.3	157.8
11 Capital equipment	1.2	.0	.3	.0	.6	1.7	.3[r]	.0[r]	.1	–.7	.1	139.9
Intermediate materials												
12 Excluding foods and feeds	4.4	–3.2	1.2	1.5	–1.2	–5.6	–1.2[r]	–.3[r]	.1	–1.5	–.5	127.3
13 Excluding energy	1.8	–1.4	–.3	1.5	–.9	–3.7	–.5[r]	–.3[r]	–.1	–.4	–.2	134.9
Crude materials												
14 Foods	.9	–2.1	36.5	15.6	–6.8	4.2	.4[r]	–.5[r]	1.1	–2.6	–5.9	98.3
15 Energy	42.5	–31.5	102.6	–42.4	–52.0	–61.6	–12.4[r]	.6[r]	–10.7	–19.2	28.3	96.5
16 Other	–3.4	–9.7	–9.2	–10.8	–15.0	–4.5	.8[r]	–2.1[r]	.2	–1.7	–.8	124.5

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE. U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3[r]
GROSS DOMESTIC PRODUCT								
1 **Total**	**8,781.5**	**9,268.6**	**9,872.9**	**9,937.5**	**10,027.9**	**10,141.7**	**10,202.6**	**10,224.9**
By source								
2 Personal consumption expenditures	5,856.0	6,250.2	6,728.4	6,785.5	6,871.4	6,977.6	7,044.6	7,057.6
3 Durable goods	693.2	760.9	819.6	825.4	818.7	838.1	844.7	840.6
4 Nondurable goods	1,708.5	1,831.3	1,989.6	2,012.4	2,025.1	2,047.1	2,062.3	2,057.5
5 Services	3,454.3	3,658.0	3,919.2	3,947.7	4,027.5	4,092.4	4,137.6	4,159.4
6 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,788.4	1,780.3	1,722.8	1,669.9	1,624.8
7 Fixed investment	1,465.6	1,578.2	1,718.1	1,735.9	1,741.6	1,748.3	1,706.5	1,682.6
8 Nonresidential	1,101.2	1,174.6	1,293.1	1,314.9	1,318.2	1,311.2	1,260.2	1,231.0
9 Structures	282.4	283.5	313.6	321.1	330.9	345.8	338.6	334.3
10 Producers' durable equipment	818.9	891.1	979.5	993.8	987.3	965.4	921.7	896.8
11 Residential structures	364.4	403.5	425.1	421.0	423.4	437.0	446.2	451.6
12 Change in business inventories	73.1	58.6	49.4	52.5	38.7	−25.5	−36.6	−57.8
13 Nonfarm	72.3	60.1	51.1	55.3	37.8	−26.2	−35.3	−55.9
14 Net exports of goods and services	−151.7	−250.9	−364.0	−380.6	−390.6	−363.8	−347.4	−294.4
15 Exports	964.9	989.8	1,102.9	1,131.1	1,121.0	1,117.4	1,079.6	1,020.6
16 Imports	1,116.7	1,240.6	1,466.9	1,511.8	1,511.6	1,481.2	1,427.0	1,315.0
17 Government consumption expenditures and gross investment	1,538.5	1,632.5	1,741.0	1,744.2	1,766.8	1,805.2	1,835.4	1,836.9
18 Federal	539.2	564.0	590.2	587.0	594.2	605.3	609.9	615.7
19 State and local	999.3	1,068.5	1,150.8	1,157.2	1,172.6	1,199.8	1,225.5	1,221.2
By major type of product								
20 Final sales, total	8,708.4	9,210.0	9,823.6	9,884.9	9,989.2	10,167.2	10,239.1	10,282.7
21 Goods	3,232.3	3,418.6	3,644.8	3,677.2	3,670.6	3,718.8	3,715.0	3,690.3
22 Durable	1,524.4	1,618.8	1,735.2	1,753.8	1,740.7	1,755.8	1,737.2	1,704.9
23 Nondurable	1,707.9	1,799.8	1,909.7	1,923.5	1,929.9	1,963.1	1,977.8	1,985.4
24 Services	4,678.6	4,939.1	5,268.5	5,296.1	5,393.0	5,482.8	5,545.7	5,626.5
25 Structures	797.5	852.4	910.3	911.6	925.6	965.6	978.4	965.9
26 Change in business inventories	73.1	58.6	49.4	52.5	38.7	−25.5	−36.6	−57.8
27 Durable goods	44.7	35.3	34.7	33.0	31.5	−31.0	−42.3	−55.3
28 Nondurable goods	28.5	23.3	14.7	19.5	7.2	5.5	5.8	−2.5
MEMO								
29 **Total GDP in chained 1996 dollars**	**8,508.9**	**8,856.5**	**9,224.0**	**9,260.1**	**9,303.9**	**9,334.5**	**9,341.7**	**9,310.4**
NATIONAL INCOME								
30 **Total**	**7,041.4**	**7,462.1**	**7,980.9**	**8,047.2**	**8,124.0**	**8,169.7**	**8,207.9**	**8,189.6**
31 Compensation of employees	4,989.6	5,310.7	5,715.2	5,759.3	5,868.9	5,955.7	6,010.8	6,037.7
32 Wages and salaries	4,192.1	4,477.4	4,837.2	4,875.8	4,973.2	5,049.4	5,099.8	5,123.4
33 Government and government enterprises	692.7	724.3	768.4	772.6	776.6	788.8	799.6	812.5
34 Other	3,499.4	3,753.1	4,068.8	4,103.2	4,196.6	4,260.6	4,300.2	4,311.0
35 Supplement to wages and salaries	797.5	833.4	878.0	883.5	895.7	906.3	911.0	914.2
36 Employer contributions for social insurance	306.9	323.6	343.8	345.6	350.8	357.1	358.8	358.8
37 Other labor income	490.6	509.7	534.2	537.9	544.9	549.3	552.2	555.4
38 Proprietors' income[1]	623.8	672.0	715.0	719.3	725.2	735.2	745.3	752.7
39 Business and professional[1]	598.2	645.4	684.4	687.6	693.5	705.4	716.6	720.5
40 Farm[1]	25.6	26.6	30.6	31.6	31.7	29.8	28.7	32.3
41 Rental income of persons[2]	138.6	147.7	141.6	138.3	141.7	139.6	139.0	144.0
42 Corporate profits[1]	777.4	825.2	876.4	895.0	847.6	789.8	759.8	697.0
43 Profits before tax[3]	721.1	776.3	845.4	858.3	816.5	755.7	738.3	680.6
44 Inventory valuation adjustment	18.3	−2.9	−12.4	−3.6	−7.3	−1.9	−8.8	3.1
45 Capital consumption adjustment	38.0	51.7	43.4	40.4	38.4	36.0	30.3	13.4
46 Net interest	511.9	506.5	532.7	535.3	540.6	549.4	553.0	558.3

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

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

Account	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**7,426.0**	**7,777.3**	**8,319.2**	**8,381.5**	**8,519.6**	**8,640.2**	**8,714.6**	**8,771.8**
2 Wage and salary disbursements	4,192.8	4,472.2	4,837.2	4,875.8	4,973.2	5,049.4	5,099.8	5,123.4
3 Commodity-producing industries	1,038.5	1,088.7	1,163.7	1,173.2	1,195.5	1,206.3	1,204.4	1,197.5
4 Manufacturing	756.6	782.0	830.1	838.0	852.2	853.3	850.2	841.1
5 Distributive industries	948.9	1,021.0	1,095.6	1,102.4	1,125.9	1,140.3	1,148.2	1,148.1
6 Service industries	1,512.7	1,638.2	1,809.5	1,827.6	1,875.2	1,914.0	1,947.6	1,965.4
7 Government and government enterprises	692.7	724.3	768.4	772.6	776.6	788.8	799.6	812.5
8 Other labor income	490.6	509.7	534.2	537.9	544.9	549.3	552.2	555.4
9 Proprietors' income[1]	623.8	672.0	715.0	719.3	725.2	735.2	745.3	752.7
10 Business and professional[1]	598.2	645.4	684.4	687.6	693.5	705.4	716.6	720.5
11 Farm[1]	25.6	26.6	30.6	31.6	31.7	29.8	28.7	32.3
12 Rental income of persons[2]	138.6	147.7	141.6	138.3	141.7	139.6	139.0	144.0
13 Dividends	348.3	343.1	379.2	385.8	396.6	404.8	411.9	420.0
14 Personal interest income	964.4	950.0	1,000.6	1,009.2	1,013.1	1,010.9	1,001.0	991.5
15 Transfer payments	983.7	1,019.6	1,069.1	1,074.6	1,089.0	1,123.1	1,139.4	1,159.0
16 Old-age survivors, disability, and health insurance benefits	578.1	588.0	617.3	620.9	626.5	651.4	660.1	670.8
17 LESS: Personal contributions for social insurance	316.3	337.1	357.7	359.4	364.1	372.1	374.0	374.2
18 EQUALS: Personal income	7,426.0	7,777.3	8,319.2	8,381.5	8,519.6	8,640.2	8,714.6	8,771.8
19 LESS: Personal tax and nontax payments	1,070.4	1,159.2	1,288.2	1,300.2	1,329.8	1,345.2	1,351.4	1,195.5
20 EQUALS: Disposable personal income	6,355.6	6,618.0	7,031.0	7,081.3	7,189.8	7,295.0	7,363.2	7,576.4
21 LESS: Personal outlays	6,054.1	6,457.2	6,963.3	7,026.9	7,115.1	7,216.2	7,281.7	7,291.0
22 EQUALS: Personal saving	301.5	160.9	67.7	54.5	74.7	78.8	81.5	285.3
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	31,449.2	32,441.9	33,490.3	32,732.7[r]	32,783.4[r]	32,798.6[r]	32,732.1[r]	32,508.4
24 Personal consumption expenditures	21,007.2	21,862.6	22,720.7	22,241.5[r]	22,343.5[r]	22,447.3[r]	22,524.2[r]	22,499.5
25 Disposable personal income	22,800.0	23,150.0	23,742.0	23,209.0[r]	23,376.0[r]	23,470.0[r]	23,541.0[r]	24,157.0
26 Saving rate (percent)	4.7	2.4	1.0	.8	1.0	1.1	1.1	3.8
GROSS SAVING								
27 **Gross saving**	**1,647.2**	**1,707.4**	**1,785.7**	**1,807.4**	**1,799.7**	**1,754.0**	**1,750.5**	**1,751.9**
28 Gross private saving	1,375.0	1,348.0	1,323.0	1,329.6	1,332.7	1,307.9	1,321.2	1,534.4
29 Personal saving	301.5	160.9	67.7	54.5	74.7	78.8	81.5	285.3
30 Undistributed corporate profits[1]	189.9	228.7	225.3	233.9	197.0	147.8	119.5	71.7
31 Corporate inventory valuation adjustment	18.3	−2.9	−12.4	−3.6	−7.3	−1.9	−8.8	3.1
Capital consumption allowances								
32 Corporate	620.2	669.2	727.1	736.0	749.7	763.8	785.6	847.0
33 Noncorporate	264.2	284.1	302.8	305.2	311.3	317.5	334.6	330.4
34 Gross government saving	272.2	359.4	462.8	477.8	467.1	446.1	429.3	217.6
35 Federal	132.0	210.9	315.0	326.9	320.5	303.7	286.2	86.2
36 Consumption of fixed capital	88.2	91.7	96.4	97.0	97.9	98.4	99.4	99.8
37 Current surplus or deficit (−), national accounts	43.8	119.2	218.6	229.9	222.5	205.3	186.7	−13.6
38 State and local	140.2	148.5	147.8	150.9	146.6	142.5	143.2	131.4
39 Consumption of fixed capital	99.5	106.4	114.9	116.1	118.0	120.2	121.9	129.5
40 Current surplus or deficit (−), national accounts	40.7	42.1	32.8	34.8	28.6	22.3	21.3	1.9
41 **Gross investment**	**1,616.2**	**1,634.7**	**1,655.3**	**1,651.1**	**1,649.7**	**1,633.5**	**1,607.3**	**1,602.3**
42 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,788.4	1,780.3	1,722.8	1,669.9	1,624.8
43 Gross government investment	277.1	304.6	318.3	314.0	322.8	330.9	344.0	331.9
44 Net foreign investment	−199.7	−306.6	−430.5	−451.3	−453.4	−420.2	−406.6	−354.5
45 **Statistical discrepancy**	**−31.0**	**−72.7**	**−130.4**	**−156.3**	**−150.0**	**−120.5**	**−143.2**	**−149.7**

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted[1]

Item credits or debits	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3
1 Balance on current account	−217,457	−324,364	−444,667	−115,305	−116,324	−111,778	−107,576	−94,980
2 Balance on goods and services	−166,828	−261,838	−375,739	−97,340	−100,293	−95,023	−90,543	−77,587
3 Exports	932,694	957,353	1,065,702	272,497	270,131	269,092	259,315	243,391
4 Imports	−1,099,522	−1,219,191	−1,441,441	−369,837	−370,424	−364,115	−349,858	−320,978
5 Income, net	−6,202	−13,613	−14,792	−4,885	642	−5,021	−4,995	−5,038
6 Investment, net	−1,211	−8,511	−9,621	−3,620	1,971	−3,661	−3,658	−3,716
7 Direct	66,253	67,044	81,231	21,049	25,703	22,673	23,426	24,045
8 Portfolio	−67,464	−75,555	−90,852	−24,669	−23,732	−26,334	−27,084	−27,761
9 Compensation of employees	−4,991	−5,102	−5,171	−1,265	−1,329	−1,360	−1,337	−1,322
10 Unilateral current transfers, net	−44,427	−48,913	−54,136	−13,080	−16,673	−11,734	−12,038	−12,355
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	−422	2,751	−944	114	−359	21	−786	23
12 Change in U.S. official reserve assets (increase, −)	−6,783	8,747	−290	−346	−1,410	190	−1,343	−3,559
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−147	10	−722	−182	−180	−189	−156	−145
15 Reserve position in International Monetary Fund	−5,119	5,484	2,308	1,300	−1,083	574	−1,015	−3,242
16 Foreign currencies	−1,517	3,253	−1,876	−1,464	−147	−195	−172	−172
17 Change in U.S. private assets abroad (increase, −)	−352,427	−448,565	−579,718	−107,495	−179,779	−243,331	−70,046	−11,847
18 Bank-reported claims[2]	−35,572	−76,263	−138,500	−18,147	−71,574	−109,789	−105	56,025
19 Nonbank-reported claims	−38,204	−85,700	−163,846	−14,585	−44,514	−61,011	22,232	−29,773
20 U.S. purchase of foreign securities, net	−136,135	−131,217	−124,935	−33,129	−24,621	−31,591	−51,109	13,963
21 U.S. direct investments abroad, net	−142,516	−155,385	−152,437	−41,634	−39,070	−40,940	−41,064	−52,062
22 Change in foreign official assets in United States (increase, +)	−19,948	43,551	37,619	12,247	−3,573	4,898	−20,879	16,814
23 U.S. Treasury securities	−9,921	12,177	−10,233	−9,001	−13,436	−1,027	−20,783	15,810
24 Other U.S. government obligations	6,332	20,350	40,909	14,272	8,196	3,574	9,932	−216
25 Other U.S. government liabilities[2]	−3,371	−2,855	−1,987	−220	−293	−1,246	−926	113
26 Other U.S. liabilities reported by U.S. banks[2]	−9,501	12,964	5,803	6,884	980	2,594	−10,130	−874
27 Other foreign official assets[3]	−3,487	915	3,127	312	980	1,003	1,028	1,981
28 Change in foreign private assets in United States (increase, +)	524,412	770,193	986,599	209,861	298,894	341,762	247,460	35,297
29 U.S. bank-reported liabilities[4]	39,769	54,232	87,953	−1,910	43,365	6,890	44,271	−54,015
30 U.S. nonbank-reported liabilities	23,140	69,075	177,010	19,078	48,344	130,624	3,375	−13,298
31 Foreign private purchases of U.S. Treasury securities, net	48,581	−20,490	−52,792	−12,503	−10,395	656	−8,678	−9,436
32 U.S. currency flows	16,622	22,407	1,129	757	6,230	2,311	2,772	8,203
33 Foreign purchases of other U.S. securities, net	218,091	343,963	485,644	128,393	126,643	148,809	140,512	77,455
34 Foreign direct investments in United States, net	178,209	301,006	287,655	76,046	84,707	52,472	65,208	26,388
35 Capital account transactions, net[5]	678	−3,491	705	175	184	173	177	182
36 Discrepancy	71,947	−48,822	696	749	2,367	8,065	−47,007	58,070
37 Due to seasonal adjustment	...	..	.	−9,977	3,856	8,821	−1,835	−8,617
38 Before seasonal adjustment	71,947	−48,822	696	10,726	−1,489	−756	−45,172	66,687
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, −)	−6,783	8,747	−290	−346	−1,410	190	−1,343	−3,559
40 Foreign official assets in United States, excluding line 25 (increase, +)	−16,577	46,406	39,606	12,467	−3,280	6,144	−19,953	16,701
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	−11,531	1,621	11,582	3,636	164	589	−1,743	−4,057

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*.

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

Item	1998	1999	2000	2001						
				Apr.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[p]
1 Goods and services, balance	−166,686	−261,838	−375,739	−31,841	−28,876	−29,827	−30,166	−28,017	−19,019	−29,325
2 Merchandise	−246,855	−345,434	−452,207	−37,656	−34,449	−35,553	−35,838	−34,073	−35,531	−35,045
3 Services	79,868	83,596	76,468	5,815	5,573	5,726	5,672	6,056	16,512	5,720
4 Goods and services, exports	933,053	957,353	1,065,702	86,848	87,155	85,312	82,822	83,837	76,775	77,640
5 Merchandise	670,324	684,553	772,210	62,170	62,846	60,848	58,688	59,533	55,597	56,590
6 Services	262,729	272,800	293,492	24,678	24,309	24,464	24,134	24,304	21,178	21,050
7 Goods and services, imports	−1,099,739	−1,219,191	−1,441,441	−118,689	−116,031	−115,139	−112,988	−111,854	−95,794	−106,965
8 Merchandise	−917,179	−1,029,987	−1,224,417	−99,826	−97,295	−96,401	−94,526	−93,606	−91,128	−91,635
9 Services	−182,560	−189,204	−217,024	−18,863	−18,736	−18,738	−18,462	−18,248	−4,666	−15,330

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE. *FT900*, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1998	1999	2000	2001							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 **Total**	**81,761**	**71,516**	**67,647**	**65,254**	**64,847**	**65,736**	**67,852**	**70,963**	**69,707**	**69,158**	**68,654**
2 Gold stock[1]	11,046	11,048	11,046	11,044	11,044	11,044	11,044	11,045	11,045	11,045	11,045
3 Special drawing rights[2,3]	10,603	10,336	10,539	10,481	10,409	10,518	10,913	10,919	10,827	10,864	10,774
4 Reserve position in International Monetary Fund[2]	24,111	17,950	14,824	14,283	14,619	14,965	15,297	18,404	17,787	17,293	17,854
5 Foreign currencies[4]	36,001	32,182	31,238	29,446	28,775	29,209	30,598	30,595	30,048	29,956	28,981

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 BANKS[1]

Millions of dollars, end of period

Asset	1998	1999	2000	2001							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 **Deposits**	**167**	**71**	**215**	**86**	**102**	**84**	**80**	**608**	**75**	**528**	**61**
Held in custody											
2 U.S. Treasury securities[2]	607,574	632,482	594,094	583,655	586,607	578,573	590,820	587,566	599,043	600,129	592,630
3 Earmarked gold[3]	10,343	9,933	9,451	9,154	9,100	9,100	9,100	9,100	9,099	9,099	9,099

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						
			Apr.	May	June	July	Aug.	Sept.	Oct.[p]
1 **Total**[1]	**806,318**	**845,869**	**855,083**[r]	**836,962**[r]	**835,417**[r]	**845,155**	**839,457**	**852,175**	**858,074**
By type									
2 Liabilities reported by banks in the United States[2]	138,847	144,593	158,372[r]	143,616[r]	144,414[r]	151,858	137,621	143,597	140,126
3 U.S. Treasury bills and certificates[3]	156,177	153,010	144,158	137,933	139,195	143,288	151,850	153,899	158,572
U.S. Treasury bonds and notes									
4 Marketable	422,266	415,964	410,066	410,979	407,736	406,995	407,338	409,887	412,126
5 Nonmarketable[4]	6,111	5,348	5,017	5,049	5,081	4,846	4,805	4,036	3,520
6 U.S. securities other than U.S. Treasury securities[5]	82,917	126,954	137,470	139,385	138,991	138,168	137,843	140,756	143,730
By area									
7 Europe[1]	244,805	253,592	247,128	251,505	252,391	262,830	260,593	262,568	262,989
8 Canada	12,503	12,394	10,474	10,967	11,573	11,727	12,033	11,299	11,780
9 Latin America and Caribbean	73,518	76,753	79,395[r]	75,861[r]	79,068[r]	79,359	76,251	75,751	75,503
10 Asia	463,703	488,170	501,085	482,959[r]	478,253[r]	475,475	474,650	488,358	491,339
11 Africa	7,523	9,165	9,341	9,272	9,054	10,574	9,864	10,249	10,337
12 Other countries	4,266	5,795	7,660	6,398	5,078	5,190	6,066	3,950	6,126

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 1988, 20-year maturity issue, and 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.

SOURCE. Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States[1]

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1997	1998	1999	2000	2001		
				Dec.[r]	Mar.	June[r]	Sept.
1 Banks' liabilities	117,524	101,125	88,537	77,779	89,394	108,418	93,194
2 Banks' claims	83,038	78,162	67,365	56,912	73,179	77,400	68,703
3 Deposits	28,661	45,985	34,426	23,315	29,902	32,765	36,895
4 Other claims	54,377	32,177	32,939	33,597	43,277	44,635	31,808
5 Claims of banks' domestic customers[2]	8,191	20,718	20,826	24,411	21,105	21,144	20,844

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 States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Item	1998	1999	2000	2001 Apr.	May	June	July	Aug.	Sept.	Oct.[p]
BY HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**1,347,837**	**1,408,740**	**1,511,380**	**1,530,045[r]**	**1,532,049[r]**	**1,518,559[r]**	**1,519,184[r]**	**1,508,339[r]**	**1,489,444[r]**	**1,556,311**
2 Banks' own liabilities	884,939	971,536	1,077,606	1,092,745[r]	1,113,858[r]	1,095,004[r]	1,098,872[r]	1,077,567[r]	1,057,601[r]	1,111,723
3 Demand deposits	29,558	42,884	33,365	30,213[r]	29,123	32,833	29,949[r]	33,668[r]	34,258[r]	28,235
4 Time deposits[2]	151,761	163,620	187,883	187,974[r]	180,063[r]	179,380[r]	174,456[r]	174,196[r]	178,502[r]	168,511
5 Other[3]	140,752	155,853	171,401	201,904[r]	206,146[r]	212,071[r]	225,276	206,037	196,294	212,013
6 Own foreign offices[4]	562,868	609,179	684,957	672,654[r]	698,526[r]	670,720[r]	669,191[r]	663,666[r]	648,547[r]	702,964
7 Banks' custodial liabilities[5]	462,898	437,204	433,774	437,300	418,191	423,555	420,312	430,772	431,843	444,588
8 U.S. Treasury bills and certificates[6]	183,494	185,676	177,846	160,702	156,022	156,525	160,847	170,605	173,115	179,264
9 Short-term agency securities[7]	n.a.	n.a.	n.a.	69,543	62,425	60,081	61,471	62,801	62,114	62,126
10 Other negotiable and readily transferable instruments[8]	141,699	132,617	145,840	78,258	80,917	78,790	76,503	76,676	74,698	76,832
11 Other	137,705	118,911	110,088	128,797	118,827	128,159	121,491	120,690	121,916	126,366
12 Nonmonetary international and regional organizations[9]	11,883	15,276	12,542	12,952[r]	14,668	13,818	11,255	13,214	13,309	15,004
13 Banks' own liabilities	10,850	14,357	12,140	12,463[r]	14,342	13,479	11,020	12,983	13,075	14,441
14 Demand deposits	172	98	41	14	15	28	50	21	36	40
15 Time deposits[2]	5,793	10,349	6,246	5,301	3,532	4,228	2,896	2,738	2,299	2,627
16 Other[3]	4,885	3,910	5,853	7,148[r]	10,795	9,223	8,074	10,224	10,740	11,774
17 Banks' custodial liabilities[5]	1,033	919	402	489	326	339	235	231	234	563
18 U.S. Treasury bills and certificates[6]	636	680	252	170	105	68	78	92	118	521
19 Short-term agency securities[7]	n.a.	n.a.	n.a.	144	132	134	132	117	102	18
20 Other negotiable and readily transferable instruments[8]	397	233	149	175	87	137	25	21	13	13
21 Other	0	6	1	0	2	0	0	1	1	11
22 Official institutions[10]	260,060	295,024	297,603	302,530[r]	281,549[r]	283,609[r]	295,146	289,471	297,496	298,698
23 Banks' own liabilities	80,256	97,615	96,989	103,439[r]	96,391[r]	99,996[r]	108,991	94,150	101,385	96,187
24 Demand deposits	3,003	3,341	3,952	2,552	2,522	2,465	2,169	2,934	3,042	2,507
25 Time deposits[2]	29,506	28,942	35,573	31,985	26,625	32,752	28,121	26,441	31,971	25,248
26 Other[3]	47,747	65,332	57,464	68,902[r]	67,244[r]	64,779[r]	78,701	64,775	66,372	68,432
27 Banks' custodial liabilities[5]	179,804	197,409	200,614	199,091	185,158	183,613	186,155	195,321	196,111	202,511
28 U.S. Treasury bills and certificates[6]	134,177	156,177	153,010	144,158	137,933	139,195	143,288	151,850	153,899	158,572
29 Short-term agency securities[7]	n.a.	n.a.	n.a.	51,107	43,193	40,301	39,971	40,727	39,961	40,542
30 Other negotiable and readily transferable instruments[8]	44,953	41,182	47,366	3,325	3,509	3,647	2,686	2,558	2,230	2,561
31 Other	674	50	238	501	523	470	210	186	21	836
32 Banks[11]	885,336	900,379	972,902	965,864[r]	989,545[r]	969,095[r]	957,696	955,544	929,462[r]	986,040
33 Banks' own liabilities	676,057	728,492	821,276	816,257[r]	844,991[r]	815,951[r]	811,173	809,835	787,760[r]	838,537
34 Unaffiliated foreign banks	113,189	119,313	136,319	143,603[r]	146,465[r]	145,231[r]	141,982[r]	146,169[r]	139,213	135,573
35 Demand deposits	14,071	17,583	15,522	13,030	12,143	15,211	12,548	14,585	14,928	10,144
36 Time deposits[2]	45,904	48,140	66,904	71,200[r]	69,365[r]	63,199[r]	62,794[r]	64,252[r]	64,816	61,308
37 Other[3]	53,214	53,590	53,893	59,373[r]	64,957[r]	66,821[r]	66,640	67,332	59,469	64,121
38 Own foreign offices[4]	562,868	609,179	684,957	672,654[r]	698,526[r]	670,720[r]	669,191[r]	663,666[r]	648,547[r]	702,964
39 Banks' custodial liabilities[5]	209,279	171,887	151,626	149,607	144,554	153,144	146,523	145,709	141,702	147,503
40 U.S. Treasury bills and certificates[6]	35,359	16,796	16,023	7,233	8,535	8,455	9,093	9,582	8,781	9,497
41 Short-term agency securities[7]	n.a.	n.a.	n.a.	2,824	3,772	3,169	2,535	2,421	2,628	2,655
42 Other negotiable and readily transferable instruments[8]	45,332	45,695	36,036	25,738	28,319	27,836	27,097	27,042	23,889	25,115
43 Other	128,588	109,396	99,567	113,812	103,928	113,684	107,798	106,664	106,404	110,236
44 Other foreigners	190,558	198,061	228,333	248,699[r]	246,287[r]	252,037[r]	255,087[r]	250,110[r]	249,177[r]	256,569
45 Banks' own liabilities	117,776	131,072	147,201	160,586[r]	158,134[r]	165,578[r]	167,688[r]	160,599[r]	155,381[r]	162,558
46 Demand deposits	12,312	21,862	13,850	14,617[r]	14,443	15,129	15,182[r]	16,128[r]	16,252[r]	15,544
47 Time deposits[2]	70,558	76,189	79,160	79,488[r]	80,541[r]	79,201[r]	80,645[r]	80,765[r]	79,416[r]	79,328
48 Other[3]	34,906	33,021	54,191	66,481[r]	63,150[r]	71,248[r]	71,861	63,706	59,713	67,686
49 Banks' custodial liabilities[5]	72,782	66,989	81,132	88,113	88,153	86,459	87,399	89,511	93,796	94,011
50 U.S. Treasury bills and certificates[6]	13,322	12,023	8,561	9,141	9,449	8,807	8,388	9,081	10,317	10,674
51 Short-term agency securities[7]	n.a.	n.a.	n.a.	15,468	15,328	16,477	18,833	19,536	19,423	18,911
52 Other negotiable and readily transferable instruments[8]	51,017	45,507	62,289	49,020	49,002	47,170	46,695	47,055	48,566	49,143
53 Other	8,443	9,459	10,282	14,484	14,374	14,005	13,483	13,839	15,490	15,283
MEMO										
54 Negotiable time certificates of deposits in custody for foreigners	27,026	30,345	34,217	26,238	25,912	24,884	22,640	24,442	23,228	23,632
55 Repurchase agreements[7]	n.a.	n.a.	n.a.	119,577	119,901	126,508	138,328	132,705	111,109	127,516

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 States[1]—Continued

Payable in U.S. dollars

Millions of dollars, end of period

Item	1998	1999	2000	2001						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
AREA										
56 **Total, all foreigners**	**1,347,837**	**1,408,740**	**1,511,380**	**1,530,045r**	**1,532,049r**	**1,518,559r**	**1,519,184r**	**1,508,339r**	**1,489,444r**	**1,556,311**
57 **Foreign countries**	**1,335,954**	**1,393,464**	**1,498,837**	**1,517,092r**	**1,517,380r**	**1,504,740r**	**1,507,928r**	**1,495,125r**	**1,476,135r**	**1,541,306**
58 Europe	427,375	441,810	446,788	431,205r	464,032r	457,405r	449,629r	431,158r	414,091r	429,532
59 Austria	3,178	2,789	2,692	2,771	2,593	2,026	2,040	2,370	2,398	2,136
60 Belgium[12]	42,818	44,692	33,399	5,309	5,895	6,270	7,058	6,624	6,424	6,961
61 Denmark	1,437	2,196	3,000	3,412	2,910	3,063	2,596	3,294	3,243	3,542
62 Finland	1,862	1,658	1,411	1,769	1,144	2,395	1,574	1,003	1,267	1,137
63 France	44,616	49,790	37,833	38,757r	40,209	40,076r	42,709r	39,661r	38,263r	48,465
64 Germany	21,357	24,753	35,519	29,591	30,341	32,358	32,336	27,764	20,385	23,103
65 Greece	2,066	3,748	2,011	1,336	1,525	1,653	2,288	2,607	2,440	2,416
66 Italy	7,103	6,775	5,072	5,272	5,534	6,767	5,877	4,761	5,803	5,424
67 Luxembourg[12]	n.a.	n.a.	n.a.	14,455r	14,961r	14,876r	14,568	14,411	15,065	14,681
68 Netherlands	10,793	8,143	7,047	10,146	10,772	9,621	11,372	11,537	11,145	12,173
69 Norway	710	1,327	2,305	4,807	2,573	4,584	3,540	3,961	3,565	3,145
70 Portugal	3,236	2,228	2,403	1,949	2,041	2,287	2,662	2,490	2,594	2,764
71 Russia	2,439	5,475	19,018	19,917	21,357	22,839	23,966	22,687	22,942	23,716
72 Spain	15,781	10,426	7,787	7,750	7,886	7,412	6,974	7,286	8,927	9,812
73 Sweden	3,027	4,652	6,497	6,025	5,284	5,507	4,111	3,233	3,760	3,482
74 Switzerland	50,654	63,485	74,635	65,967r	93,170r	73,078r	65,942	53,148	39,576	39,535
75 Turkey	4,286	7,842	7,548	4,556	7,171	5,487	6,194	7,068	6,203	6,769
76 United Kingdom	181,554	172,687	167,757	138,324r	139,007r	145,667r	137,207	138,121	139,218	142,678
77 Channel Islands and Isle of Man[13]	n.a.	n.a.	n.a.	36,013	34,742	34,994	35,018	35,745	36,072	36,392
78 Yugoslavia[14]	233	286	276	303	301	297	395	297	321	313
79 Other Europe and other former U.S.S.R.[15]	30,225	28,858	30,578	32,776	34,616	36,148r	41,202	43,090	44,480	40,888
80 Canada	30,212	34,214	30,982	27,964	25,984	25,973	26,378	28,098	26,117	25,684
81 Latin America	121,327	117,495	120,041	117,379r	113,213r	117,457r	118,565r	120,738r	119,268r	119,772
82 Argentina	19,014	18,633	19,451	14,670r	12,390r	16,458r	13,296r	11,260r	15,139r	13,001
83 Brazil	15,815	12,865	10,852	10,858r	11,264r	12,586r	14,369r	16,142r	16,979r	16,343
84 Chile	5,015	7,008	5,892	5,450	5,702	5,491	5,443	5,322	5,740	5,403
85 Colombia	4,624	5,669	4,542	4,620	4,746	4,631	4,397	4,582	4,449	4,590
86 Ecuador	1,572	1,956	2,112	2,187	2,140	1,981	2,145	2,170	2,117	2,100
87 Guatemala	1,336	1,626	1,601	1,564	1,594	1,515	1,530	1,466	1,442	1,479
88 Mexico	37,157	30,717	32,166	34,048r	33,080r	33,239r	34,591r	37,836r	37,338r	38,053
89 Panama	3,864	4,415	4,240	3,487r	3,648r	3,520r	3,700r	3,678r	3,768r	3,807
90 Peru	840	1,142	1,427	1,770	1,535	1,614	1,599	1,526	1,466	1,520
91 Uruguay	2,486	2,386	3,003	3,411	3,333	3,026	2,980	2,993	2,684	3,118
92 Venezuela	19,894	20,192	24,730	27,892	26,920	26,940	27,604	26,969	21,768	23,538
93 Other Latin America[16]	9,710	10,886	10,025	7,422r	6,861r	6,456	6,911	6,794	6,378	6,820
94 Caribbean	433,539	461,200	573,337	605,579r	600,228r	598,071r	608,416r	613,570r	596,849r	645,768
95 Bahamas	118,085	135,811	189,298	177,506	190,142	187,469	183,844	184,763	178,257	212,427
96 Bermuda	6,846	7,874	9,636	8,317	7,020	7,816	8,230	7,419	7,533	9,359
97 British West Indies[17]	302,486	312,278	367,197	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
98 Cayman Islands[17]	n.a.	n.a.	n.a.	401,527r	385,606r	384,259r	400,553r	406,070r	393,331r	403,237
99 Cuba	62	75	90	83	84	85	88	45	154	86
100 Jamaica	577	520	794	867	1,101	963	975	967	958	869
101 Netherlands Antilles	5,010	4,047	5,428	4,523	3,402	3,892	3,207	3,270	4,505	6,006
102 Trinidad and Tobago	473	595	894	1,114	1,237	1,272	1,253	1,428	1,410	1,508
103 Other Caribbean[16]	n.a.	n.a.	n.a.	11,642	11,636	12,315	10,266	9,608r	10,701r	12,276
104 Asia	307,960	319,489	305,524	311,663r	291,775r	284,030r	283,661r	279,093r	300,523r	298,830
China										
105 Mainland	13,441	12,325	16,531	34,689	23,156	15,390	15,586	16,023	16,886	17,991
106 Taiwan	12,708	13,603	17,352	19,946r	18,102r	19,844r	23,063r	22,756r	22,233r	19,123
107 Hong Kong	20,900	27,701	26,462	26,580r	27,347r	29,179r	26,841r	23,837r	24,585r	23,130
108 India	5,250	7,367	4,530	4,113	4,281	4,043	4,413	4,076	4,024	3,879
109 Indonesia	8,282	6,567	8,514	10,726r	10,600r	10,565r	11,629r	11,987r	11,926r	12,340
110 Israel	7,749	7,488	8,053	7,095	8,282	8,696	8,710	7,715	8,818	7,327
111 Japan	168,563	159,075	150,415	144,863	141,250	137,072	134,252	132,305	149,610r	157,321
112 Korea (South)	12,524	12,988	7,955	5,879	5,854	6,746	7,366	7,046	7,723	7,757
113 Philippines	3,324	3,268	2,316	1,669	1,684	1,478	1,657	1,791	1,884	1,835
114 Thailand	7,359	6,050	3,117	2,936	3,306	3,316	3,381	3,763	3,347	3,610
115 Middle Eastern oil-exporting countries[18]	15,609	21,314	23,733	20,517r	19,646r	20,520r	19,190	20,542	20,844	18,799
116 Other	32,251	41,743	36,546	32,650r	28,267r	27,181r	27,573	27,252	28,643	25,718
117 Africa	8,905	9,468	10,824	10,662	10,622	10,584	12,178	12,194	11,609	12,143
118 Egypt	1,339	2,022	2,621	2,213	2,220	2,267	3,526	3,647	3,014	2,912
119 Morocco	97	179	139	139	116	102	118	165	235	333
120 South Africa	1,522	1,495	1,010	794	707	693	839	1,324	810	944
121 Congo (formerly Zaire)	5	14	4	5	2	14	5	5	2	3
122 Oil-exporting countries[19]	3,088	2,914	4,052	4,752	4,740	4,645	4,349	3,839	4,431	4,969
123 Other	2,854	2,844	2,998	2,759	2,837	2,863	3,341	3,214	3,117	2,982
124 Other countries	6,636	9,788	11,341	12,640	11,526	11,220	9,101	10,274	7,678	9,577
125 Australia	5,495	8,377	10,070	11,391	10,419	9,855	8,058	9,290	6,822	8,633
126 New Zealand[20]	n.a.	n.a.	n.a.	503	437	862	501	517	437	503
127 All other	1,141	1,411	1,271	746	670	503	542	467	419	441
128 Nonmonetary international and regional organizations	11,883	15,276	12,543	12,953r	14,669	13,819	11,256	13,214	13,309	15,005
129 International[21]	10,221	12,876	11,270	11,174r	12,705r	12,549r	10,241	12,090	12,224	13,652
130 Latin American regional[22]	594	1,150	740	607r	1,146r	705r	441	509	569	480
131 Other regional[23]	1,068	1,250	533	620	518	523	502	558	476	822

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 States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	1998	1999	2000	2001						
				Apr.	May	June	July	Aug.	Sept.[r]	Oct.[p]
1 **Total, all foreigners**	**734,995**	**793,139**	**904,697**	**990,194[r]**	**996,741[r]**	**990,763[r]**	**975,363**	**948,839**	**958,006**	**993,758**
2 **Foreign countries**	**731,378**	**788,576**	**900,011**	**987,439[r]**	**992,831[r]**	**986,065[r]**	**970,509**	**944,288**	**953,530**	**988,854**
3 Europe	233,321	311,686	378,115	443,051	461,025	452,076[r]	441,780	413,717	406,726	413,867
4 Austria	1,043	2,643	2,926	3,728	3,364	2,870	2,714	3,130	3,116	3,847
5 Belgium[2]	7,187	10,193	5,399	4,375	5,627	4,254	9,184	4,451	4,780	6,005
6 Denmark	2,383	1,669	3,272	2,954	2,505	2,268	1,345	1,570	1,672	939
7 Finland	1,070	2,020	7,382	8,901	8,800	8,460	8,666	8,350	10,917	12,065
8 France	15,251	29,142	40,035	46,378	42,189	48,835	56,997	56,342	51,709	60,768
9 Germany	15,923	29,205	36,834	49,062	55,063	51,242	47,378	47,744	37,802	39,576
10 Greece	575	806	646	265	285	313	369	278	288	338
11 Italy	7,284	8,496	7,629	7,274	6,867	8,111	5,466	6,227	6,639	7,728
12 Luxembourg[2]	n.a.	n.a.	n.a.	2,012	1,876	1,285	914	1,010	910	1,087
13 Netherlands	5,697	11,810	17,043	22,692	16,488	16,993	16,875	16,309	18,408	17,258
14 Norway	827	1,000	5,012	5,296	2,915	6,502	4,379	3,851	4,835	3,663
15 Portugal	669	1,571	1,382	1,535	1,173	1,304	1,050	1,232	1,285	1,169
16 Russia	789	713	517	813	715	911	589	877	676	876
17 Spain	5,735	3,796	2,603	3,445	4,275	3,654[r]	3,955	3,431	4,662	3,837
18 Sweden	4,223	3,264	9,226	11,934	10,986	11,049	11,507	11,651	12,216	11,950
19 Switzerland	46,874	79,158	82,085	104,816	137,273	111,492	96,036	79,942	72,545	71,932
20 Turkey	1,982	2,617	3,059	2,770	2,596	2,530	2,499	2,407	2,307	2,294
21 United Kingdom	106,349	115,971	144,938	156,161	149,064	161,720	161,232	157,531	163,164	158,469
22 Channel Islands and Isle of Man[3]	n.a.	n.a.	n.a.	3,151	3,838	3,275	3,417	3,162	3,900	3,779
23 Yugoslavia[4]	53	50	50	49	59	49	4	4	4	4
24 Other Europe and other former U.S.S.R.[5]	9,407	7,562	8,077	5,440	5,067	4,959[r]	7,204	4,218	4,891	6,283
25 Canada	47,037	37,206	39,858	45,094	44,583	50,153	43,308	42,847	50,293	48,772
26 Latin America	79,976	74,040	76,588	73,864[r]	73,855[r]	73,767[r]	73,432	76,376	74,694	74,231
27 Argentina	9,552	10,894	11,546	11,548[r]	11,740[r]	11,923	12,344	13,103	12,120	11,665
28 Brazil	16,184	16,987	20,567	20,298[r]	20,728[r]	21,538	20,941	22,152	22,481	21,481
29 Chile	8,250	6,607	5,815	5,630[r]	5,444[r]	5,451	5,217	5,379	5,240	5,382
30 Colombia	6,507	4,524	4,370	3,720	3,740	3,641	3,625	3,720	3,604	3,560
31 Ecuador	1,400	760	635	526	482	523	515	505	508	507
32 Guatemala	1,127	1,135	1,244	1,179[r]	1,234[r]	1,199	1,148	1,276	1,262	1,565
33 Mexico	21,212	17,899	17,415	18,014[r]	17,961[r]	17,385	17,476	17,582	16,947	17,277
34 Panama	3,584	3,387	2,933	3,158	2,872	3,086	3,190	3,199	3,212	3,447
35 Peru	3,275	2,529	2,807	2,773[r]	2,535[r]	2,570[r]	2,516	2,422	2,440	2,441
36 Uruguay	1,126	801	673	367	366	398	410	453	459	492
37 Venezuela	3,089	3,494	3,518	3,154	3,109	2,982	2,913	3,417	3,225	3,222
38 Other Latin America[6]	4,670	5,023	5,065	3,497[r]	3,644[r]	3,071	3,137	3,168	3,196	3,192
39 Caribbean	262,678	281,128	319,410	333,138[r]	324,718[r]	322,561[r]	317,635	326,668	334,309	357,467
40 Bahamas	96,455	99,066	114,090	112,424	112,802	105,772	100,133	99,046	114,763	124,583
41 Bermuda	5,011	8,007	9,260	6,781	5,507	5,802	7,236	6,803	6,974	11,408
42 British West Indies[7]	153,749	167,189	189,296	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43 Cayman Islands[7]	n.a.	n.a.	n.a.	200,022	195,790	200,151[r]	198,918	204,760	198,079	208,899
44 Cuba	0	0	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
45 Jamaica	239	295	355	336	396	301	326	367	369	380
46 Netherlands Antilles	6,779	5,982	5,801	9,384	5,738	5,749	5,617	10,228	9,818	7,647
47 Trinidad and Tobago	445	589	608	783	804	946	989	1,086	959	890
48 Other Caribbean[6]	n.a.	n.a.	n.a.	3,407[r]	3,681[r]	3,840	4,416	4,378	3,347	3,660
49 Asia	98,607	75,143	77,829	83,546	81,217	80,927	86,714	77,445	80,734	86,992
China										
50 Mainland	1,261	2,110	1,606	3,171	2,252	4,387	3,785	2,191	3,462	4,124
51 Taiwan	1,041	1,390	2,247	2,258	1,985	2,524	2,906	2,780	3,276	4,277
52 Hong Kong	9,080	5,903	6,669	10,462	9,127	9,249	7,488	5,743	6,432	5,156
53 India	1,440	1,738	2,178	1,675	1,648	1,634	1,576	1,622	1,576	1,545
54 Indonesia	1,942	1,776	1,914	2,033	2,015	1,932	2,011	1,975	1,944	1,965
55 Israel	1,166	1,875	2,729	2,526	2,715	2,417	4,483	3,621	3,622	3,981
56 Japan	46,713	28,641	34,974	32,908	34,442	32,338	36,953	34,922	32,349	39,922
57 Korea (South)	8,289	9,426	7,776	13,971	11,673	11,258	12,803	10,701	11,788	10,986
58 Philippines	1,465	1,410	1,784	1,835	1,788	1,831	2,333	1,740	2,151	1,537
59 Thailand	1,807	1,515	1,381	1,062	1,380	1,541	1,119	1,440	1,172	1,471
60 Middle Eastern oil-exporting countries[8]	16,130	14,267	9,346	7,936	9,926	8,621	8,531	8,267	7,953	8,257
61 Other	8,273	5,092	5,225	3,709	2,266	3,195	2,726	2,443	5,009	3,771
62 Africa	3,122	2,268	2,094	2,035	1,904	2,132	2,038	2,052	1,872	1,841
63 Egypt	257	258	201	308	466	530	391	389	397	345
64 Morocco	372	352	204	185	185	175	173	151	154	150
65 South Africa	643	622	309	444	289	528	608	661	493	449
66 Congo (formerly Zaire)	0	24	0	n.a.	n.a.	n.a.	n.a.	2	n.a.	n.a.
67 Oil-exporting countries[9]	936	276	471	267	197	142	130	128	148	169
68 Other	914	736	909	831	767	757	736	721	680	728
69 Other countries	6,637	7,105	6,117	6,711	5,529	4,449	5,602	5,183	4,902	5,684
70 Australia	6,173	6,824	5,868	6,261	5,215	4,121	5,143	4,807	3,982	5,350
71 New Zealand[10]	n.a.	n.a.	n.a.	269	136	279	360	264	329	275
72 All other	464	281	249	181	178	49	99	112	591	59
73 Nonmonetary international and regional organizations[11]	3,617	4,563	4,686	2,755	4,535	4,848	4,854	4,551	4,476	4,904

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 States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	1998	1999	2000	2001						
				Apr.	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[p]
1 **Total**	**875,891**	**944,937**	**1,095,924**[r]	...	.	**1,181,701**	...	...	**1,133,186**	...
2 Banks' claims	734,995	793,139	904,697	990,194[r]	996,741	990,763	975,363	948,839	958,006	993,758
3 Foreign public borrowers	23,542	35,090	37,907	52,357	49,533	52,193	55,762	47,156	45,777	49,252
4 Own foreign offices[2]	484,535	529,682	630,137	683,103[r]	709,123	686,065	660,538	652,434	658,644	679,716
5 Unaffilliated foreign banks	106,206	97,186	95,277	95,291[r]	79,976	91,486	94,632	84,584	92,216	92,467
6 Deposits	27,230	34,538	23,886	21,533	19,717	20,155	24,399	15,590	19,803	22,577
7 Other	78,976	62,648	71,391	73,758[r]	60,259	71,331	70,233	68,994	72,413	69,890
8 All other foreigners	120,712	131,181	141,376	159,443[r]	158,109	161,019	164,431	164,665	161,369	172,323
9 Claims of banks' domestic customers[3]	140,896	151,798	191,227[r]	.		190,938	..	.	175,180	.
10 Deposits	79,363	88,006	100,352[r]		..	93,656	.	.	89,478	
11 Negotiable and readily transferable instruments[4]	47,914	51,161	78,147	.		81,034	...	..	75,868	..
12 Outstanding collections and other claims	13,619	12,631	12,728	..	.	16,248	...	..	9,834	...
MEMO										
13 Customer liability on acceptances	4,520	4,553	4,257[r]	...	...	3,054	...	...	2,468	...
14 Banks' loans under resale agreements[5]	n.a.	n.a.	n.a.	126,871	116,938	129,693	131,731	117,224	111,844	144,250
15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[6]	39,978	31,125	53,153	60,796	58,137	66,155	60,152	60,299	54,932	57,698

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 States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area[2]	1997	1998	1999	2000	2001		
				Dec.	Mar.[r]	June[r]	Sept.[p]
1 **Total**	**276,550**	**250,418**	**267,082**	**274,009**[r]	**307,613**	**302,109**	**298,548**
By borrower							
2 Maturity of one year or less	205,781	186,526	187,894	186,103[r]	195,032	191,827	180,117
3 Foreign public borrowers	12,081	13,671	22,811	21,399	23,741	26,656	20,259
4 All other foreigners	193,700	172,855	165,083	164,704[r]	171,291	165,171	159,858
5 Maturity of more than one year	70,769	63,892	79,188	87,906	112,581	110,282	118,431
6 Foreign public borrowers	8,499	9,839	12,013	15,838	24,951	24,978	24,863
7 All other foreigners	62,270	54,053	67,175	72,068	87,630	85,304	93,568
By area							
Maturity of one year or less							
8 Europe	58,294	68,679	80,842	142,464[r]	89,553	80,682	71,271
9 Canada	9,917	10,968	7,859	8,323	7,065	8,639	7,890
10 Latin America and Caribbean	97,207	81,766	69,498	151,840[r]	72,316	72,922	75,927
11 Asia	33,964	18,007	21,802	43,371[r]	20,730	24,124	20,049
12 Africa	2,211	1,835	1,122	2,263	970	971	831
13 All other[3]	4,188	5,271	6,771	11,717	4,398	4,489	4,149
Maturity of more than one year							
14 Europe	13,240	14,923	22,951	57,770	38,259	39,944	41,171
15 Canada	2,525	3,140	3,192	3,174	3,252	3,995	4,250
16 Latin America and Caribbean	42,049	33,442	39,051	82,684	50,111	47,028	51,859
17 Asia	10,235	10,018	11,257	19,536	17,187	15,240	16,822
18 Africa	1,236	1,232	1,065	1,567	763	774	692
19 All other[3]	1,484	1,137	1,672	5,954	3,009	3,301	3,637

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. Banks[1]

Billions of dollars, end of period

Area or country	1997	1998	1999		2000				2001		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.p
1 **Total**	**721.8**	**1,051.6**	**941.6**	**945.5**	**955.0**	**991.0**	**954.4**	**1,027.3**	**1,140.9**	**1,136.2r**	**1,278.8**
2 G-10 countries and Switzerland	242.8	217.7	219.4	243.4	272.4	313.6	280.3	300.7	333.0	335.0	296.8
3 Belgium and Luxembourg	11.0	10.7	15.7	14.3	14.2	13.9	13.0	14.2	15.3	13.0	14.3
4 France	15.4	18.4	20.0	29.0	27.1	32.6	29.0	29.6	30.0	35.9	34.4
5 Germany	28.6	30.9	37.4	38.7	37.3	31.5	37.6	45.1	45.2	51.6	41.1
6 Italy	15.5	11.5	15.0	18.1	19.9	20.5	18.6	21.3	20.4	23.7	22.8
7 Netherlands	6.2	7.8	11.7	12.3	17.0	16.0	17.5	18.4	18.8	15.3	16.8
8 Sweden	3.3	2.3	3.6	3.0	3.9	3.5	4.3	3.6	4.7	4.7	5.3
9 Switzerland	7.2	8.5	8.8	10.3	10.1	13.8	10.9	13.2	13.9	13.5	13.0
10 United Kingdom	113.4	85.4	63.5	79.3	101.9	138.2	112.8	115.6	141.3	127.5	100.9
11 Canada	13.7	16.8	17.9	16.3	17.3	18.2	18.5	16.7	15.4	21.4	21.4
12 Japan	28.6	25.4	25.7	22.1	23.5	25.4	18.1	23.0	28.0	28.3	26.8
13 Other industrialized countries	65.5	69.0	71.7	68.4	62.7	75.3	73.7	74.5	75.7	70.2r	69.4
14 Austria	1.5	1.4	3.0	3.5	2.6	2.8	3.5	4.1	3.8	3.6	4.4
15 Denmark	2.4	2.2	2.1	2.6	1.5	1.2	1.8	1.9	3.1	2.7	2.6
16 Finland	1.3	1.4	.9	.9	.8	1.2	2.8	1.5	1.4	1.2	1.3
17 Greece	5.1	5.9	6.6	6.0	5.7	6.7	6.4	8.3	4.1	3.6	3.6
18 Norway	3.6	3.2	3.8	3.3	3.0	4.6	8.5	8.3	10.2	7.9	6.1
19 Portugal	.9	1.4	1.2	1.0	1.0	2.0	1.5	2.0	1.9	1.4	1.4
20 Spain	12.6	13.7	15.1	12.1	11.3	12.2	10.5	10.3	12.6	12.4	13.2
21 Turkey	4.5	4.8	4.7	4.8	5.1	5.6	5.6	5.9	5.1	4.5	4.1
22 Other Western Europe	8.3	10.4	9.2	6.8	8.4	7.9	8.3	6.5	7.3	6.9	6.8
23 South Africa	2.2	4.4	4.0	3.8	4.8	4.6	4.2	3.6	4.1	3.8	4.4
24 Australia	23.1	20.3	21.1	23.5	18.6	26.3	20.5	22.1	21.9	22.1	21.6
25 OPEC[2]	26.0	27.1	30.1	31.4	28.9	32.1	31.4	28.9	28.2	27.0	27.5
26 Ecuador	1.3	1.3	.9	.8	7	.7	.6	.6	.6	.6	.6
27 Venezuela	2.5	3.2	3.0	2.8	3.0	2.9	2.9	2.5	2.7	2.6	2.6
28 Indonesia	6.7	4.7	4.4	4.2	3.9	4.1	4.4	4.6	4.4	4.1	3.9
29 Middle East countries	14.4	17.0	21.4	23.1	21.1	23.8	22.4	20.3	20.1	19.3	20.1
30 African countries	1.2	1.0	.5	.5	.2	.7	1.2	.8	.5	.4	4
31 Non-OPEC developing countries	139.2	143.4	144.6	149.4	154.6	158.1	149.5	145.5	144.5r	152.6	195.5
Latin America											
32 Argentina	18.4	23.1	22.8	23.2	22.4	21.6	21.4	21.4	20.9r	19.7	19.2
33 Brazil	28.6	24.7	23.5	27.7	28.1	28.3	28.5	28.8	29.3	30.8	30.9
34 Chile	8.7	8.3	7.7	7.4	8.2	8.1	7.3	7.6	7.3	7.0	6.4
35 Colombia	3.4	3.2	2.7	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.5
36 Mexico	17.4	18.9	19.4	18.7	18.3	20.4	17.5	15.7	16.7	16.3	58.3
37 Peru	2.0	2.2	1.8	1.7	1.9	2.1	2.1	2.0	2.0	2.0	1.9
38 Other	4.1	5.4	5.5	5.9	6.5	6.7	6.2	6.3	8.5	8.2	8.0
Asia											
China											
39 Mainland	3.2	3.0	3.3	3.6	4.6	3.8	3.4	2.9	3.4	6.8	6.1
40 Taiwan	9.5	13.3	12.3	12.0	12.6	12.6	12.8	10.8	11.1	10.7	10.8
41 India	4.9	5.5	7.0	7.7	7.9	8.2	5.8	9.1	6.5	11.8	14.1
42 Israel	.7	1.1	1.0	1.8	3.3	1.5	1.1	2.7	2.2	2.0	3.2
43 Korea (South)	15.6	13.7	16.0	15.2	17.7	21.7	21.4	15.5	19.8	19.2	19.4
44 Malaysia	5.1	5.6	6.1	6.1	6.5	6.8	6.9	7.1	6.5	6.7	6.1
45 Philippines	5.7	5.1	5.8	6.2	5.3	5.3	4.7	5.1	5.2	5.4	5.3
46 Thailand	5.4	4.7	4.0	4.1	4.3	4.0	3.9	4.0	4.2	4.2	3.9
47 Other Asia	4.3	2.9	2.9	2.9	2.0	1.9	1.7	1.9	1.7	1.8	1.6
Africa											
48 Egypt	.9	1.3	1.3	1.4	1.4	1.3	1.1	1.1	1.2	1.2	1.4
49 Morocco	.6	.5	.5	.4	.3	.3	.4	.3	.3	.3	.3
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	.8	1.0	1.0	1.0	.9	.9	.8	.7	.7	.7	.7
52 Eastern Europe	9.1	5.5	5.4	5.2	6.3	9.4	9.0	10.1	9.5	9.5	9.8
53 Russia[4]	5.1	2.2	2.0	1.6	1.7	1.5	1.4	1.0	1.5	1.5	1.4
54 Other	4.0	3.3	3.4	3.6	4.7	7.9	7.6	9.1	8.0	8.0	8.5
55 Offshore banking centers	155.1	134.4	122.5	114.5	53.9	55.5	53.5	61.7	57.9	46.2	51.0
56 Bahamas	24.2	35.4	18.2	13.7	14.4	8.8	9.3	13.5	7.0	.0	1.0
57 Bermuda	9.8	4.6	8.2	8.0	7.3	6.3	6.3	9.0	7.9	5.7	7.6
58 Cayman Islands and other British West Indies	43.4	12.8	6.3	1.3	.0	5.1	5.9	14.6	14.3	12.6	20.7
59 Netherlands Antilles	14.6	2.6	9.1	1.7	2.5	2.6	1.9	1.9	2.9	1.7	5.8
60 Panama[5]	3.1	3.9	3.9	3.9	3.4	3.3	2.5	3.2	3.8	3 4	3.4
61 Lebanon	.1	.1	.2	.1	.1	.1	.1	.1	.1	1	.1
62 Hong Kong, China	32.2	23.3	22.4	21.0	22.2	20.7	20.6	18.7	21.7	22.4	17.9
63 Singapore	12.7	11.1	10.6	10.1	4.1	13.6	12.6	15.2	14.5	12.9	15.2
64 Other[6]	.1	.2	.2	.1	.1	.1	.1	.2	.1	.1	.0
65 Miscellaneous and unallocated[7]	99.1	495.1	391.2	387.9	376.1	342.1	351.1	391.2	472.4	478.4	603.4

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	1997	1998	1999	2000				2001	
					Mar.	June	Sept.	Dec.	Mar.[r]	June
1	**Total**	**57,382**	**46,570**	**53,044**	**53,489**	**70,534**	**76,644**	**73,904**	**73,805**	**68,501**
2	Payable in dollars	41,543	36,668	37,605	35,614	47,864	51,451	48,931	46,676	42,207
3	Payable in foreign currencies	15,839	9,902	15,415	17,875	22,670	25,193	24,973	27,129	26,294
	By type									
4	Financial liabilities	26,877	19,255	27,980	29,180	44,068	49,895	47,419	47,958	42,296
5	Payable in dollars	12,630	10,371	13,883	12,858	22,803	26,159	25,246	23,351	18,043
6	Payable in foreign currencies	14,247	8,884	14,097	16,322	21,265	23,736	22,173	24,607	24,253
7	Commercial liabilities	30,505	27,315	25,064	24,309	26,466	26,749	26,485	25,847	26,205
8	Trade payables	10,904	10,978	12,857	12,401	13,764	13,918	14,293	12,481	13,213
9	Advance receipts and other liabilities	19,601	16,337	12,207	11,908	12,702	12,831	12,192	13,366	12,992
10	Payable in dollars	28,913	26,297	23,722	22,756	25,061	25,292	23,685	23,325	24,164
11	Payable in foreign currencies	1,592	1,018	1,318	1,553	1,405	1,457	2,800	2,522	2,041
	By area or country									
	Financial liabilities									
12	Europe	18,027	12,589	23,241	24,050	30,332	36,175	34,172	37,572	33,173
13	Belgium and Luxembourg	186	79	31	4	163	169	147	112	98
14	France	1,425	1,097	1,659	1,849	1,702	1,299	1,480	1,553	1,222
15	Germany	1,958	2,063	1,974	1,880	1,671	2,132	2,168	2,624	2,463
16	Netherlands	494	1,406	1,996	1,970	2,035	2,040	2,016	2,169	1,763
17	Switzerland	561	155	147	97	137	178	104	103	93
18	United Kingdom	11,667	5,980	16,521	16,579	21,463	28,601	26,362	28,962	25,751
19	Canada	2,374	693	284	313	714	249	411	718	628
20	Latin America and Caribbean	1,386	1,495	892	846	2,874	3,447	4,125	3,632	2,100
21	Bahamas	141	7	1	1	78	105	6	18	40
22	Bermuda	229	101	5	1	1,016	1,182	1,739	1,837	461
23	Brazil	143	152	126	128	146	132	148	26	21
24	British West Indies	604	957	492	489	463	501	406	1,657	1,508
25	Mexico	26	59	25	22	26	35	26	31	20
26	Venezuela	1	2	0	0	0	0	2	1	1
27	Asia	4,387	3,785	3,437	3,275	9,453	9,320	7,965	5,324	5,639
28	Japan	4,102	3,612	3,142	2,985	6,024	4,782	6,216	4,757	3,297
29	Middle Eastern oil-exporting countries[1]	27	0	4	4	5	7	11	15	8
30	Africa	60	28	28	28	33	48	52	38	61
31	Oil-exporting countries[2]	0	0	0	0	0	0	0	0	0
32	All other[3]	643	665	98	668	662	656	694	674	695
	Commercial liabilities									
33	Europe	10,228	10,030	9,262	8,646	9,293	9,411	9,629	8,792	8,723
34	Belgium and Luxembourg	666	278	140	78	178	201	293	251	297
35	France	764	920	672	539	711	716	979	689	665
36	Germany	1,274	1,392	1,131	914	948	1,023	1,047	982	1,017
37	Netherlands	439	429	507	648	562	424	300	349	343
38	Switzerland	375	499	626	536	565	647	502	623	697
39	United Kingdom	4,086	3,697	3,071	2,661	2,982	2,951	2,847	2,542	2,706
40	Canada	1,175	1,390	1,775	2,024	2,053	1,889	1,933	1,625	2,043
41	Latin America and Caribbean	2,176	1,618	2,310	2,286	2,607	2,443	2,381	2,166	2,292
42	Bahamas	16	14	22	9	10	15	31	5	31
43	Bermuda	203	198	152	287	300	377	281	280	367
44	Brazil	220	152	145	115	119	167	114	239	279
45	British West Indies	12	10	48	23	22	19	76	64	21
46	Mexico	565	347	887	805	1,073	1,079	841	792	762
47	Venezuela	261	202	305	193	239	124	284	243	218
48	Asia	14,966	12,342	9,886	9,681	10,965	11,133	10,983	11,542	11,384
49	Japan	4,500	3,827	2,609	2,274	2,200	1,998	2,757	2,431	2,377
50	Middle Eastern oil-exporting countries[1]	3,111	2,852	2,551	2,308	3,489	3,706	2,832	3,359	3,087
51	Africa	874	794	950	943	950	1,220	948	1,072	1,115
52	Oil-exporting countries[2]	408	393	499	536	575	663	483	566	539
53	Other[3]	1,086	1,141	881	729	598	653	614	650	648

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	1997	1998	1999	2000				2001	
				Mar.	June	Sept.	Dec.	Mar.[r]	June
1 **Total**	**68,128**	**77,462**	**76,669**	**84,266**	**80,731**	**94,803**	**90,157**	**107,705**	**98,023[r]**
2 Payable in dollars	62,173	72,171	69,170	74,331	72,300	82,872	79,558	94,932	88,243[r]
3 Payable in foreign currencies	5,955	5,291	7,472	9,935	8,431	11,931	10,599	12,773	9,780
By type									
4 Financial claims	36,959	46,260	40,231	47,798	44,303	58,303	53,031	74,255	61,907[r]
5 Deposits	22,909	30,199	18,566	23,316	17,462	30,928	23,374	25,419	25,381[r]
6 Payable in dollars	21,060	28,549	16,373	21,442	15,361	27,974	21,015	23,244	23,174[r]
7 Payable in foreign currencies	1,849	1,650	2,193	1,874	2,101	2,954	2,359	2,175	2,207
8 Other financial claims	14,050	16,061	21,665	24,482	26,841	27,375	29,657	48,836	36,526[r]
9 Payable in dollars	11,806	14,049	18,593	19,659	22,384	20,541	25,142	41,417	32,054[r]
10 Payable in foreign currencies	2,244	2,012	3,072	4,823	4,457	6,834	4,515	7,419	4,472
11 Commercial claims	31,169	31,202	36,438	36,468	36,428	36,500	37,126	33,450	36,116[r]
12 Trade receivables	27,536	27,202	32,629	31,443	31,283	31,530	33,104	28,958	31,168[r]
13 Advance payments and other claims	3,633	4,000	3,809	5,025	5,145	4,970	4,022	4,492	4,948
14 Payable in dollars	29,307	29,573	34,204	33,230	34,555	34,357	33,401	30,271	33,015[r]
15 Payable in foreign currencies	1,862	1,629	2,207	3,238	1,873	2,143	3,725	3,179	3,101
By area or country									
Financial claims									
16 Europe	14,999	12,294	13,023	16,789	18,254	23,706	23,136	31,855	23,975
17 Belgium and Luxembourg	406	661	529	540	317	304	296	430	262
18 France	1,015	864	967	1,835	1,292	1,477	1,206	3,142	1,376
19 Germany	427	304	504	669	576	696	848	1,401	1,163
20 Netherlands	677	875	1,229	1,981	1,984	2,486	1,396	2,313	1,072
21 Switzerland	434	414	643	612	624	626	699	613	653
22 United Kingdom	10,337	7,766	7,561	9,044	11,668	16,191	15,900	20,938	15,913
23 Canada	3,313	2,503	2,553	3,175	5,799	7,517	4,576	4,847	4,787
24 Latin America and Caribbean	15,543	27,714	18,206	21,945	14,874	21,691	19,317	28,791	24,419[r]
25 Bahamas	2,308	403	1,593	1,299	655	1,358	1,353	561	818
26 Bermuda	108	39	11	11	34	22	19	1,729	426
27 Brazil	1,313	835	1,476	1,646	1,666	1,568	1,827	1,648	1,877
28 British West Indies	10,462	24,388	12,099	15,814	7,751	15,722	12,596	21,227	16,515[r]
29 Mexico	537	1,245	1,798	1,979	2,048	2,280	2,448	2,461	2,633
30 Venezuela	36	55	48	65	78	101	87	38	66
31 Asia	2,133	3,027	5,457	4,430	3,923	4,002	4,697	7,215	6,829
32 Japan	823	1,194	3,262	2,021	1,410	1,726	1,631	3,867	1,698
33 Middle Eastern oil-exporting countries[1]	11	9	23	29	42	85	80	86	76
34 Africa	319	159	286	232	320	284	411	430	476
35 Oil-exporting countries[2]	15	16	15	15	39	3	57	42	35
36 All other[3]	652	563	706	1,227	1,133	1,103	894	1,117	1,421
Commercial claims									
37 Europe	12,120	13,246	16,389	16,118	15,935	16,486	15,938	13,775	14,602[r]
38 Belgium and Luxembourg	328	238	316	271	425	393	452	395	408[r]
39 France	1,796	2,171	2,236	2,520	2,693	2,921	3,095	3,479	3,194[r]
40 Germany	1,614	1,822	1,960	2,034	1,905	2,159	1,982	1,586	1,995[r]
41 Netherlands	597	467	1,429	1,337	1,242	1,310	1,729	757	864[r]
42 Switzerland	554	483	610	611	562	684	763	634	472
43 United Kingdom	3,660	4,769	5,827	5,354	4,937	5,193	4,502	3,562	3,826[r]
44 Canada	2,660	2,617	2,757	3,088	3,250	2,953	3,502	3,392	3,498[r]
45 Latin America and Caribbean	5,750	6,296	5,959	5,899	5,792	5,788	5,851	5,144	6,127[r]
46 Bahamas	27	24	20	15	48	75	37	20	39
47 Bermuda	244	536	390	404	381	387	376	407	650
48 Brazil	1,162	1,024	905	849	894	981	957	975	1,377[r]
49 British West Indies	109	104	181	95	51	55	137	130	135
50 Mexico	1,392	1,545	1,678	1,529	1,565	1,612	1,507	1,350	1,421[r]
51 Venezuela	576	401	439	435	466	379	328	292	321
52 Asia	8,713	7,192	9,165	9,101	9,172	8,986	9,630	8,985	9,707[r]
53 Japan	1,976	1,681	2,074	2,082	1,881	2,074	2,796	2,560	3,157[r]
54 Middle Eastern oil-exporting countries[1]	1,107	1,135	1,625	1,533	1,241	1,199	1,024	966	1,054
55 Africa	680	711	631	716	766	895	672	773	673[r]
56 Oil-exporting countries[2]	119	165	171	82	160	392	180	165	154
57 Other[3]	1,246	1,140	1,537	1,546	1,513	1,392	1,572	1,381	1,509[r]

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	1999	2000	2001 Jan.–Oct.	2001 Apr	May	June	July	Aug.[r]	Sept.[r]	Oct.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	2,340,659	3,605,196	2,565,480	249,747	276,934	259,635	244,897	241,950	193,478	255,685
2 Foreign sales	2,233,137	3,430,306	2,475,617	243,122	259,604	249,196	233,422	234,337	204,994	248,438
3 **Net purchases, or sales (–)**	**107,522**	**174,890**	**89,863**	**6,625**	**17,330**	**10,439**	**11,475**	**7,613**	**–11,516**	**7,247**
4 **Foreign countries**	**107,578**	**174,903**	**89,688**	**6,647**	**17,315**	**10,418**	**11,460**	**7,614**	**–11,505**	**7,224**
5 Europe	98,060	164,656	72,948	3,694	9,805	9,307	6,704	9,258	–7,316	7,471
6 France	3,813	5,727	6,674	105	338	3,044	35	635	–2,605	1,969
7 Germany	13,410	31,752	7,072	199	1,025	133	1,048	489	–418	825
8 Netherlands	8,083	4,915	8,526	1,112	573	334	654	568	358	552
9 Switzerland	5,650	11,960	2,262	139	448	298	–228	–140	–688	351
10 United Kingdom	42,902	58,736	33,294	598	4,501	4,006	3,750	6,238	–575	3,312
11 Channel Islands and Isle of Man[1]	n.a.	n.a.	–514	–144	59	–168	–42	32	–73	–23
12 Canada	–335	5,956	8,779	1,567	628	130	948	–246	1,137	193
13 Latin America and Caribbean	5,187	–17,812	–11,051	–1,168	3,436	–1,038	65	–3,062	–4,779	–1,507
14 Middle East[2]	–1,066	9,189	1,652	–56	–173	234	513	830	668	–514
15 Other Asia	4,445	12,494	18,307	2,966	3,532	1,724	3,220	614	–879	1,551
16 Japan	5,723	2,070	6,302	2,048	1,088	1,000	1,956	51	–806	1,148
17 Africa	372	415	–350	–44	9	–82	–20	72	–37	–31
18 Other countries	915	5	–597	–312	78	143	30	148	–299	61
19 **Nonmonetary international and regional organizations**	**–56**	**–11**	**175**	**–22**	**15**	**21**	**15**	**–1**	**–11**	**23**
BONDS[3]										
20 Foreign purchases	854,692	1,208,386	1,577,707	148,930	169,528	158,157	138,841	157,635	156,454	192,441
21 Foreign sales	602,100	871,416	1,237,232	111,505	129,146	125,693	111,998	132,936	137,718	144,773
22 **Net purchases, or sales (–)**	**252,592**	**336,970**	**340,475**	**37,425**	**40,382**	**32,464**	**26,843**	**24,699**	**18,736**	**47,668**
23 **Foreign countries**	**252,994**	**337,074**	**340,184**	**37,399**	**40,370**	**32,445**	**26,951**	**24,501**	**18,581**	**47,840**
24 Europe	140,674	180,917	178,664	18,169	26,116	14,740	11,904	9,625	9,788	22,352
25 France	1,870	2,216	4,428	519	817	618	1,154	–1,035	–573	601
26 Germany	7,723	4,067	10,373	1,639	1,500	114	–185	472	454	1,666
27 Netherlands	2,446	1,130	2,329	–41	509	576	–210	–297	457	83
28 Switzerland	4,553	3,973	5,229	709	399	294	291	628	–51	292
29 United Kingdom	106,344	141,223	141,360	12,477	21,489	12,575	9,507	8,759	9,801	17,261
30 Channel Islands and Isle of Man[1]	n.a.	n.a.	1,527	318	–218	330	203	106	93	355
31 Canada	6,043	13,287	3,676	1,158	240	822	485	–1,434	–646	1,335
32 Latin America and Caribbean	58,783	59,444	63,613	7,546	9,167	7,387	6,222	8,961	2,518	2,270
33 Middle East[1]	1,979	2,076	1,451	129	–395	–24	–345	–22	8	307
34 Other Asia	42,817	78,794	92,498	10,329	5,412	9,646	8,815	7,569	7,281	21,043
35 Japan	17,541	39,356	33,805	344	–480	5,187	3,452	1,641	1,066	15,243
36 Africa	1,411	938	735	–33	14	160	79	136	–6	272
37 Other countries	1,287	1,618	–453	101	–184	–286	–209	–334	–362	261
38 **Nonmonetary international and regional organizations**	**–402**	**–70**	**292**	**26**	**12**	**19**	**–108**	**198**	**155**	**–172**
	Foreign securities									
39 Stocks, net purchases, or sales (–)	15,640	–13,088	–46,366	–4,675	–8,098	–5,292	–5,031	–1,780	4,239	–3,172
40 Foreign purchases	1,177,303	1,802,185	1,209,935	121,345	136,046	122,243	115,956	96,370	101,518	105,817
41 Foreign sales	1,161,663	1,815,273	1,256,301	126,020	144,144	127,535	120,987	98,150	97,279	108,989
42 Bonds, net purchases, or sales (–)	–5,676	–4,054	31,501	5,487	2,267	1,048	5,629	9,405	10,319	–677
43 Foreign purchases	798,267	958,932	991,664	93,828	101,383	101,950	91,585	87,584	87,076	93,404
44 Foreign sales	803,943	962,986	960,163	88,341	99,116	100,902	85,956	78,179	76,757	94,081
45 **Net purchases, or sales (–), of stocks and bonds**	**9,964**	**–17,142**	**–14,865**	**812**	**–5,831**	**–4,244**	**598**	**7,625**	**14,558**	**–3,849**
46 **Foreign countries**	**9,679**	**–17,278**	**–14,351**	**824**	**–5,976**	**–4,241**	**630**	**7,485**	**14,560**	**–3,655**
47 Europe	59,247	–25,386	–9,186	3,616	–4,803	3,392	1,026	6,532	6,033	–4,085
48 Canada	–999	–3,888	2,011	–1,535	931	405	299	–1,778	1,295	–804
49 Latin America and Caribbean	–4,726	–15,688	1,678	1,295	3,047	–6,662	–444	759	2,658	–575
50 Asia	–42,961	24,488	–6,071	–1,928	–4,379	–485	69	1,601	4,403	2,462
51 Japan	–43,637	20,970	–11,466	–3,494	–3,670	–44	118	596	1,477	1,447
52 Africa	710	943	–881	93	–132	–47	–111	–24	–34	–565
53 Other countries	–1,592	2,253	–1,902	–717	–640	–844	–209	395	205	–88
54 **Nonmonetary international and regional organizations**	**285**	**150**	**–513**	**–12**	**145**	**–3**	**–32**	**140**	**–2**	**–194**

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 Transactions[1]

Millions of dollars; net purchases, or sales (–) during period

Area or country	1999	2000	2001 Jan.– Oct.	2001 Apr.	May	June	July	Aug.	Sept.	Oct.p
1 **Total estimated**	**–9,953**	**–54,032**	**–4,664**	**–13,711**	**3,076**	**–3,445**	**–11,494**	**4,410**	**–1,922r**	**14,969**
2 Foreign countries	–10,518	–53,571	–4,238	–13,517	2,831	–3,237	–11,668	4,590	–2,070r	14,884
3 Europe	–38,228	–50,704	–14,860	–5,599	–498	–2,522	–8,223	321	–704r	2,339
4 Belgium[2]	–81	73	–791	240	–216	–25	–343	42	174	–146
5 Germany	2,285	–7,304	–2,797	1,769	1,176	–1,517	–970	67	–113	–392
6 Luxembourg[2]	n.a.	n.a.	501	204	92	145	168	–64	–348	285
7 Netherlands	2,122	2,140	–5,079	–2,488	–1,730	1,117	1,263	2,437	–2,653	–1,336
8 Sweden	1,699	1,082	–1,261	195	–386	–663	–114	593	1,037	–109
9 Switzerland	–1,761	–10,326	863	116	–912	–3	270	–44	979	–339
10 United Kingdom	–20,232	–33,669	–1,741	–4,736	1,120	–3,180	–7,844	–4,610	2,070r	7,359
11 Channel Islands and Isle of Man[3]	n.a.	n.a.	–50	–31	–9	22	–64	11	–1	–34
12 Other Europe and former U.S.S.R.	–22,260	–2,700	–4,505	–868	367	1,582	–589	1,889	–1,849	–2,949
13 Canada	7,348	–550	–6,683	1,248	745	161	–1,653	–356	–947	–3,091
14 Latin America and Caribbean	–7,523	–4,914	5,148	–7,095	140	–3,812	1,893	3,711	–541	3,998
15 Venezuela	362	1,288	184	–148	51	–126	248	–128	39	–129
16 Other Latin America and Caribbean	1,661	–11,581	11,091	–3,228	1,587	–545	–880	67	–524	4,065
17 Netherlands Antilles	–9,546	5,379	–6,127	–3,719	–1,498	–3,141	2,525	3,772	–56	62
18 Asia	29,359	1,639	11,707	–2,928	2,704	3,464	–3,940	576	–160	11,755
19 Japan	20,102	10,580	11,648	3,099	4,658	–3,920	–2,126	324	–3,339	16,640
20 Africa	–3,021	–414	–640	27	–6	–12	–65	–120	47	–396
21 Other	1,547	1,372	1,090	830	–254	–516	320	458	235	279
22 Nonmonetary international and regional organizations	565	–461	–426	–194	245	–208	174	–180	148	85
23 International	190	–483	–396	–213	393	–52	–90	103	–65	8
24 Latin American Caribbean regional	666	76	23	25	–4	–2	–1	–3	0	1
MEMO										
25 Foreign countries	–10,518	–53,571	–4,238	–13,517	2,831	–3,237	–11,668	4,590	–2,070r	14,884
26 Official institutions	–9,861	–6,302	–3,838	–9,040	913	–3,243	–741	343	2,549	2,239
27 Other foreign	–657	–47,269	–400	–4,477	1,918	6	–10,927	4,247	–4,619r	12,645
Oil-exporting countries										
28 Middle East[4]	2,207	3,483	–3,794	–383	–120	316	–590	–308	–586	12
29 Africa[5]	0	0	–2	0	1	3	2	–2	–2	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. DOLLAR[1]

Currency units per U.S. dollar except as noted

Item	1999	2000	2001	2001 July	Aug.	Sept.	Oct.	Nov.	Dec.
	Exchange rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar[2]	64.54	58.15	51.69	50.89	52.46	50.36	50.42	51.65	51.38
2 Austria/schilling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.8207	1.8301	2.3527	2.4731	2.5122	2.6767	2.7408	2.5481	2.3635
5 Canada/dollar	1.4858	1.4855	1.5487	1.5308	1.5399	1.5679	1.5717	1.5922	1.5788
6 China, P.R./yuan	8.2783	8.2784	8.2770	8.2769	8.2770	8.2768	8.2768	8.2769	8.2761
7 Denmark/krone	6.9900	8.0953	8.3323	8.6442	8.2632	8.1654	8.2186	8.3832	8.3526
8 European Monetary Union/euro[3]	1.0653	0.9232	0.8952	0.8615	0.9014	0.9114	0.9050	0.8883	0.8912
9 Finland/markka	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	306.30	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Hong Kong/dollar	7.7594	7.7924	7.7997	7.7999	7.7997	7.7997	7.7999	7.7996	7.7989
14 India/rupee	43.13	45.00	47.22	47.18	47.17	47.75	48.05	48.04	47.93
15 Ireland/pound[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	113.73	107.80	121.57	124.50	121.37	118.61	121.45	122.41	127.59
18 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8001	3.8000	3.8000
19 Mexico/peso	9.553	9.459	9.337	9.168	9.133	9.425	9.339	9.225	9.157
20 Netherlands/guilder	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar[2]	52.94	45.68	42.02	40.81	43.14	41.73	41.39	41.58	41.57
22 Norway/krone	7.8071	8.8131	8.9964	9.2566	8.9427	8.7691	8.8329	8.9296	8.9713
23 Portugal/escudo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.6951	1.7250	1.7930	1.8233	1.7613	1.7494	1.8113	1.8295	1.8382
25 South Africa/rand	6.1191	6.9468	8.6093	8.2094	8.3115	8.6756	9.2804	9.7388	11.6761
26 South Korea/won	1,189.84	1,130.90	1,292.01	1,305.24	1,285.65	1,293.83	1,302.36	1,282.10	1,292.29
27 Spain/peseta	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	70.868	76.964	89.602	90.314	89.994	90.157	90.954	92.670	93.194
29 Sweden/krona	8.2740	9.1735	10.3425	10.7603	10.3329	10.6353	10.5661	10.6117	10.5753
30 Switzerland/franc	1.5045	1.6904	1.6891	1.7570	1.6808	1.6338	1.6357	1.6509	1.6566
31 Taiwan/dollar	32.322	31.260	33.824	34.821	34.639	34.575	34.583	34.498	34.682
32 Thailand/baht	37.887	40.210	44.532	45.641	44.907	44.331	44.750	44.411	43.952
33 United Kingdom/pound[2]	161.72	151.56	143.96	141.48	143.72	146.38	145.01	143.56	144.13
34 Venezuela/bolivar	606.82	680.52	724.10	722.72	731.97	743.46	743.22	745.10	753.64
	Indexes[4]								
NOMINAL									
35 Broad (January 1997=100)[5]	116.87	119.67	126.09	127.65[r]	125.62[r]	125.97[r]	126.86[r]	127.33[r]	127.52
36 Major currencies (March 1973=100)[6]	94.07	98.32	104.32	106.11[r]	103.84[r]	103.40[r]	104.37[r]	105.64[r]	106.30
37 Other important trading partners (January 1997=100)[7]	129.94	130.33	136.34	137.20[r]	135.95[r]	137.49[r]	138.08[r]	137.19[r]	136.62
REAL									
38 Broad (March 1973=100)[5]	99.37	102.85	108.88	110.41[r]	108.49[r]	108.97[r]	109.26[r]	109.65[r]	109.82
39 Major currencies (March 1973=100)[6]	97.07	103.18	110.78	112.62[r]	110.07[r]	109.94[r]	110.84[r]	112.53[r]	113.39
40 Other important trading partners (March 1973=100)[7]	109.61	109.88	114.34	115.60[r]	114.32[r]	115.58[r]	115.13[r]	113.94[r]	113.30

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	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	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.

Guide to Special Tables and Statistical Releases

SPECIAL TABLES—Data Published Irregularly, with Latest Bulletin *Reference*

STATISTICAL RELEASES—A List of Statistical Releases Published by the Federal Reserve Is Printed Semiannually in the Bulletin

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities

Consolidated Report of Condition, September 30, 2001

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**	**6,472,303**	**5,703,669**	**4,398,796**	**3,630,162**	**2,073,507**
2	Cash and balances due from depository institutions	390,901	256,274	298,543	163,916	92,358
3	Cash items in process of collection, unposted debits, and currency and coin	n.a.	n.a.	115,441	112,970	n.a.
4	Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	91,485	n.a.
5	Currency and coin	n.a.	n.a.	n.a.	21,485	n.a.
6	Balances due from depository institutions in the United States	n.a.	n.a.	41,431	27,194	n.a.
7	Balances due from banks in foreign countries and foreign central banks	n.a.	n.a.	122,792	4,972	n.a.
8	Balances due from Federal Reserve Banks	n.a.	n.a.	18,879	18,780	n.a.
9	Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,087,437	n.a.	613,898	n.a.	473,539
10	U.S. Treasury securities	46,786	n.a.	25,587	n.a.	21,199
11	U.S. government agency and corporation obligations (excludes mortgage-backed securities)	176,989	n.a.	63,169	n.a.	113,821
12	Issued by U.S. government agencies	4,126	n.a.	1,625	n.a.	2,501
13	Issued by U.S. government-sponsored agencies	172,864	n.a.	61,544	n.a.	111,320
14	Securities issued by states and political subdivisions in the United States	95,359	n.a.	32,539	n.a.	62,820
15	Mortgage-backed securities (MBS)	550,765	n.a.	370,151	n.a.	180,614
16	Pass-through securities	359,849	n.a.	261,346	n.a.	98,503
17	Guaranteed by GNMA	93,880	n.a.	61,261	n.a.	32,619
18	Issued by FNMA and FHLMC	259,379	n.a.	194,867	n.a.	64,512
19	Other pass-through securities	6,591	n.a.	5,218	n.a.	1,372
20	Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	190,916	n.a.	108,804	n.a.	82,112
21	Issued or guaranteed by FNMA, FHLMC or GNMA	132,793	n.a.	78,653	n.a.	54,140
22	Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	4,585	n.a.	3,089	n.a.	1,495
23	All other mortgage-backed securities	53,538	n.a.	27,062	n.a.	26,476
24	Asset-backed securities	94,246	n.a.	33,098	n.a.	61,148
25	Credit card receivables	32,614	n.a.	6,976	n.a.	25,638
26	Home equity lines	28,773	n.a.	15,423	n.a.	13,350
27	Automobile loans	13,873	n.a.	2,754	n.a.	11,119
28	Other consumer loans	1,129	n.a.	571	n.a.	559
29	Commercial and industrial loans	5,471	n.a.	3,221	n.a.	2,249
30	Other	12,386	n.a.	4,152	n.a.	8,233
31	Other debt securities	104,916	n.a.	77,670	n.a.	27,246
32	Other domestic debt securities	36,592	n.a.	13,723	n.a.	22,870
33	Foreign debt securities	68,324	n.a.	63,948	n.a.	4,377
34	Investments in mutual funds and other equity securities with readily determinable fair value	18,376	n.a.	11,684	n.a.	6,691
35	Federal funds sold and securities purchased under agreements to resell	344,197	277,578	260,586	193,967	83,611
36	Total loans and leases (gross) and lease-financing receivables (net)	3,809,027	3,521,949	2,492,991	2,205,913	1,316,036
37	LESS: Unearned income on loans	2,590	1,983	1,353	746	1,237
38	LESS: Loans and leases held for sale	146,958	n.a.	120,023	n.a.	26,934
39	Total loans and leases (net of unearned income)	3,659,479	n.a.	2,371,616	n.a.	1,287,864
40	LESS: Allowance for loan and lease losses	67,094	n.a.	44,947	n.a.	22,147
41	Loans and leases, net of unearned income and allowance	3,592,385	n.a.	2,326,668	n.a.	1,265,717
	Total loans and leases, gross, by category					
42	Loans secured by real estate	1,733,363	1,701,977	984,672	953,287	748,691
43	Construction and land development	n.a.	188,647	n.a.	96,167	92,481
44	Farmland	n.a.	35,433	n.a.	7,080	28,353
45	One- to four-family residential properties	n.a.	924,386	n.a.	580,246	344,141
46	Revolving, open-end loans, extended under lines of credit	n.a.	145,729	n.a.	102,097	43,632
	Closed-end loans secured by one- to four-family residential properties					
47	Secured by first liens	n.a.	672,234	n.a.	414,145	258,088
48	Secured by junior liens	n.a.	106,424	n.a.	64,004	42,420
49	Multifamily (five or more) residential properties	n.a.	63,283	n.a.	34,437	28,845
50	Nonfarm nonresidential properties	n.a.	490,227	n.a.	235,357	254,870
51	Loans to depository institutions and acceptances of other banks	114,750	98,156	102,408	85,813	12,343
52	Commercial banks in the United States	n.a.	n.a.	68,423	67,730	n.a.
53	Other depository institutions in the United States	n.a.	n.a.	8,959	8,952	n.a.
54	Banks in foreign countries	n.a.	n.a.	25,026	9,131	n.a.
55	Loans to finance agricultural production and other loans to farmers	47,978	47,155	11,738	10,916	36,240
56	Commercial and industrial loans	1,003,242	846,925	767,491	611,174	235,752
57	U.S. addressees (domicile)	n.a.	n.a.	618,676	600,834	n.a.
58	Non-U.S. addressees (domicile)	n.a.	n.a.	148,814	10,340	n.a.
59	Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	581,484	536,188	335,669	290,373	245,815
60	Credit cards	197,445	180,064	107,801	90,420	89,644
61	Other revolving credit plans	25,507	23,056	20,659	18,209	4,847
62	Other consumer loans (including single-payment, installment, and all student loans)	358,532	333,068	207,209	181,745	151,323
63	Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	23,512	23,499	15,635	15,621	7,877
64	All other loans	140,622	110,720	129,599	99,697	11,023
65	Loans to foreign governments and official institutions	5,878	2,394	5,865	2,381	14
66	Other loans	134,743	108,326	123,734	97,317	11,009
67	Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	21,120	n.a.
68	All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	76,197	n.a.
69	Lease-financing receivables	164,076	157,329	145,779	139,033	18,297
70	Trading assets	351,875	n.a.	343,889	n.a.	7,986
71	Premises and fixed assets (including capitalized leases)	76,462	n.a.	46,160	n.a.	30,301
72	Other real estate owned	3,664	n.a.	1,835	n.a.	1,828
73	Investments in unconsolidated subsidiaries and associated companies	9,107	n.a.	7,949	n.a.	1,158
74	Customers' liability on acceptances outstanding	5,902	n.a.	5,680	n.a.	221
75	Net due form own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	35,726	n.a.
76	Intangible assets	109,008	n.a.	91,593	n.a.	17,415
77	Goodwill	70,920	n.a.	59,112	n.a.	11,808
78	Other intangible assets	38,088	n.a.	32,481	n.a.	5,607
79	All other assets	354,409	n.a.	281,971	n.a.	72,438

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities—Continued

Consolidated Report of Condition, September 30, 2001

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices[1]		Banks with domestic offices only[2]
			Total	Domestic	Total
80 **Total liabilities, minority interest, and equity capital**	**6,472,303**	n.a.	**4,398,796**	n.a.	**2,073,507**
81 **Total liabilities**	**5,889,029**	**5,120,395**	**4,016,858**	**3,248,223**	**1,872,171**
82 Total deposits	4.261,612	3,580,959	2,736,857	2,056,203	1,524.756
83 Individuals, partnerships, and corporations (include all certified and official checks)	3.839,416	3.358,002	2,423,097	1.941,683	1,416,319
84 U.S. government	n.a.	13,634	n.a.	12,598	1,036
85 States and political subdivisions in the United States	n.a.	155.919	n.a.	65,637	90,282
86 Commercial banks and other depository institutions in the United States	125,724	44,319	109,432	28,027	16,292
87 Banks in foreign countries	93.052	8,208	92,249	7,405	803
88 Foreign governments and official institutions (including foreign central banks)	33.537	877	33,513	853	24
89 Total transaction accounts	n.a.	644,244	n.a.	353,938	290,306
90 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	558,477	n.a.	302,549	255.928
91 U.S. government	n.a.	1,949	n.a.	1,370	579
92 States and political subdivisions in the United States	n.a.	46,680	n.a.	21,082	25,597
93 Commercial banks and other depository institutions in the United States	n.a.	29,754	n.a.	21,923	7,831
94 Banks in foreign countries	n.a.	6.756	n.a.	6,398	359
95 Foreign governments and official institutions (including foreign central banks)	n.a.	627	n.a.	615	12
96 Total demand deposits	n.a.	494.232	n.a.	307.310	186,922
97 Total nontransaction accounts	n.a.	2,936,716	n.a.	1,702,266	1,234,450
98 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	2,799,525	n.a.	1,639,134	1.160,391
99 U.S. government	n.a.	11,685	n.a.	11,228	457
100 States and political subdivisions in the United States	n.a.	109,240	n.a.	44,555	64.685
101 Commercial banks and other depository institutions in the United States	n.a.	14,565	n.a.	6,105	8.461
102 Banks in foreign countries	n.a.	1,452	n.a.	1,008	444
103 Foreign governments and official institutions (including foreign central banks)	n.a.	250	n.a.	237	12
104 Federal funds purchased and securities sold under agreements to repurchase	538,773	482.830	430,872	374,929	107,901
105 Trading liabilities	210.672	n.a.	209,969	n.a.	703
106 Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	523,148	485.587	337,233	299,672	185,914
107 Banks' liability on acceptances executed and outstanding	6,049	4,086	5,827	3,865	221
108 Subordinated notes and debentures to deposits	91,813	n.a.	82,783	n.a	9,030
109 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	140,020	n.a.
110 All other liabilities	256,962	n.a.	213,316	n.a.	43,646
111 Minority interest in consolidated subsidiaries	8,109	n.a.	7,359	n.a.	750
112 **Total equity capital**	**575,165**	n.a.	**374,579**	n.a.	**200,586**
MEMO					
113 Trading assets at large banks[2]	345,884	191,404	343.860	189,380	2,024
114 U.S. Treasury securities (domestic offices)	n.a.	19,681	n.a.	19,663	18
115 U.S. government agency obligations (excluding MBS)	n.a.	9,569	n.a.	9,022	547
116 Securities issued by states and political subdivisions in the United States	n.a.	1,721	n.a.	1,484	237
117 Mortgage-backed securities	n.a.	7,251	n.a.	6,796	455
118 Other debt securities	n.a.	41,248	n.a.	41,074	174
119 Other trading assets	n.a.	21,309	n.a.	21,198	111
120 Trading assets in foreign offices	82.659	0	82,659	0	0
121 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	162.445	90.624	161,964	90,143	481
122 Total individual retirement (IRA) and Keogh plan accounts	n.a.	160,369	n.a.	75,522	84,847
123 Total brokered deposits	n.a.	219,928	n.a.	100,763	119,165
124 Fully insured brokered deposits	n.a.	165,066	n.a.	68,287	96,779
125 Issued in denominations of less than $100,000	n.a.	81,515	n.a.	25,121	56,395
126 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.	83,551	n.a.	43,167	40.384
127 Money market deposit accounts (MMDAs)	n.a.	1,144,584	n.a.	748,817	395,767
128 Other savings deposits (excluding MMDAs)	n.a.	466,432	n.a.	288,185	178.247
129 Total time deposits of less than $100,000	n.a.	761,513	n.a.	346,771	414,742
130 Total time deposits of $100,000 or more	n.a.	564,182	n.a.	318,493	245,690
131 Number of banks	8,124	8.124	142	n.a.	7,982

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 5–9, 2001

A. Commercial and industrial loans made by all commercial banks[1]

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): Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	Most common base pricing rate[4]
				Days					
LOAN RISK[5]									
1 All commercial and industrial loans	3.89	87,548	605	347	30.9	10.2	32.6	72.2	Foreign
2 Minimal risk	2.97	3,639	846	186	9.4	18.3	7.2	45.7	Fed funds
3 Low risk	3.08	19,152	1,268	317	15.1	8.9	39.3	81.1	Foreign
4 Moderate risk	4.25	30,622	597	480	38.7	12.6	33.3	83.4	Foreign
5 Other	4.31	22,811	445	280	35.1	8.0	28.6	68.8	Prime
By maturity/repricing interval[6]									
6 Zero interval	4.49	10,590	262	319	49.2	12.5	24.0	88.3	Prime
7 Minimal risk	4.33	361	313	244	54.5	59.9	21.3	99.7	Prime
8 Low risk	3.28	2,837	985	185	13.3	3.9	72.0	93.6	Domestic
9 Moderate risk	4.79	3,262	211	460	50.3	14.5	6.6	77.8	Prime
10 Other	5.76	2,558	145	475	63.8	16.8	8.1	94.9	Prime
11 Daily	3.67	34,181	645	237	26.0	10.4	27.2	59.8	Fed funds
12 Minimal risk	2.83	1,990	1,615	128	2.9	10.2	3.5	12.8	Fed funds
13 Low risk	2.95	7,102	2,717	245	9.3	13.7	35.5	60.4	Fed funds
14 Moderate risk	3.85	10,164	569	361	28.5	14.2	23.7	78.9	Fed funds
15 Other	4.20	9,041	458	162	41.1	5.9	16.5	62.8	Fed funds
16 2 to 30 days	3.66	26,895	1,568	327	23.3	12.1	38.1	80.9	Foreign
17 Minimal risk	2.59	1,127	2,164	258	2.8	19.3	6.8	79.6	Foreign
18 Low risk	2.96	7,201	2,122	365	14.2	7.3	29.8	94.1	Foreign
19 Moderate risk	4.18	9,798	1,743	354	33.1	16.7	46.2	90.1	Foreign
20 Other	4.02	5,993	994	291	23.5	11.0	40.4	72.8	Foreign
21 31 to 365 days	3.94	12,513	633	390	33.7	3.0	50.6	79.0	Foreign
22 Minimal risk	3.20	120	136	82	15.3	2.5	32.8	91.8	Foreign
23 Low risk	3.34	1,664	409	295	38.4	1.2	47.1	94.9	Foreign
24 Moderate risk	4.14	5,258	721	570	47.6	3.0	56.5	97.6	Foreign
25 Other	3.87	4,595	1,264	254	16.4	1.4	51.2	60.4	Foreign
				Months					
26 More than 365 days	6.09	2,855	239	56	78.9	5.0	6.3	46.3	Prime
27 Minimal risk	8.10	31	65	30	86.8	54.9	.4	98.0	Prime
28 Low risk	5.62	303	146	73	60.8	12.3	11.7	61.3	Other
28 Moderate risk	5.92	1,767	483	49	83.0	.9	4.4	38.7	Prime
30 Other	6.29	547	164	51	77.3	11.5	10.6	69.5	Other
			Weighted-average risk rating[5]	Weighted-average maturity/repricing interval[6]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	6.28	2,567	3.4	159	83.6	27.8	3.4	83.9	Prime
32 100–999	5.43	9,379	3.4	142	70.9	17.0	8.5	86.9	Prime
33 1,000–9,999	4.10	25,546	3.2	72	35.3	10.8	30.6	80.8	Foreign
34 10,000 or more	3.38	50,056	2.9	49	18.5	7.8	39.7	64.5	Foreign
									Average size (thousands of dollars)
BASE RATE OF LOAN[4]									
35 Prime[7]	5.71	17,557	3.3	141	67.0	24.8	1.7	85.7	178
36 Fed funds	2.96	15,986	3.0	24	7.2	2.6	24.6	37.5	6,820
37 Other domestic	3.19	11,788	2.5	8	6.2	22.1	66.0	53.1	3,831
38 Foreign	3.51	26,526	2.9	41	24.9	2.2	54.0	93.8	2,563
39 Other	4.00	15,690	3.2	126	43.4	6.3	14.4	70.4	517

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 5–9, 2001—Continued

B. Commercial and industrial loans made by all domestic banks[1]

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): Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	Most common base pricing rate[4]
				Days					
LOAN RISK[5]									
1 All commercial and industrial loans	4.25	52,128	378	519	40.1	13.9	21.9	82.8	Prime
2 Minimal risk	3.11	2,255	543	270	14.8	29.5	6.6	60.5	Foreign
3 Low risk	3.27	11,142	779	399	21.9	13.3	48.4	87.9	Domestic
4 Moderate risk	4.40	21,520	440	649	43.2	13.5	21.9	82.2	Prime
5 Other	5.04	11,809	243	456	54.9	11.1	9.6	90.0	Prime
By maturity/repricing interval[6]									
6 Zero interval	4.55	9,065	232	325	45.3	14.4	27.9	88.5	Prime
7 Minimal risk	4.29	355	310	225	55.4	61.0	21.6	99.7	Prime
8 Low risk	3.15	2,647	940	121	13.8	4.0	77.1	93.2	Domestic
9 Moderate risk	4.77	3,106	208	456	50.2	15.2	6.7	76.8	Prime
10 Other	5.72	2,389	139	452	65.4	18.0	8.4	94.6	Prime
11 Daily	4.10	20,745	403	393	34.9	17.1	21.2	82.3	Prime
12 Minimal risk	2.94	858	713	302	6.8	23.6	8.0	23.9	Fed funds
13 Low risk	3.09	4,397	1,832	393	14.9	22.1	41.3	83.9	Domestic
14 Moderate risk	4.11	7,985	455	464	36.1	18.0	27.7	85.0	Prime
15 Other	4.91	5,263	274	274	49.2	10.1	4.7	84.9	Prime
16 2 to 30 days	3.82	13,238	896	479	32.9	12.1	26.5	84.9	Foreign
17 Minimal risk	2.60	953	2,090	245	2.4	22.8	.0	75.8	Foreign
18 Low risk	3.28	2,716	891	477	23.6	10.9	45.5	90.0	Foreign
19 Moderate risk	4.03	5,753	1,248	515	35.0	12.0	31.7	88.6	Foreign
20 Other	4.76	2,133	406	557	58.0	7.7	21.0	98.6	Foreign
21 31 to 365 days	4.26	5,765	317	736	48.3	6.5	15.3	88.5	Foreign
22 Minimal risk	4.08	48	57	144	38.4	6.4	4.1	86.2	Other
23 Low risk	3.60	1,036	265	404	55.1	2.0	25.8	93.3	Foreign
24 Moderate risk	4.41	2,559	376	1,114	51.0	6.2	15.9	95.4	Foreign
25 Other	4.29	1,432	510	539	42.3	4.6	14.2	95.8	Foreign
				Months					
26 More than 365 days	6.13	2,804	236	56	79.2	5.1	4.6	45.3	Prime
27 Minimal risk	8.10	31	65	30	86.8	54.9	.4	98.0	Prime
28 Low risk	5.62	303	146	73	60.8	12.3	11.7	61.3	Other
28 Moderate risk	5.94	1,744	478	50	82.7	.9	3.1	37.8	Prime
30 Other	6.41	519	157	53	79.9	12.1	5.9	67.9	Other
			Weighted-average risk rating[5]	Weighted-average maturity/repricing interval[6]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	6.29	2,535	3.4	161	83.9	27.9	3.2	83.9	Prime
32 100–999	5.54	8,359	3.4	156	74.8	17.7	4.9	87.3	Prime
33 1,000–9,999	4.40	16,113	3.1	100	44.5	13.2	15.6	88.8	Prime
34 10,000 or more	3.51	25,121	2.7	81	21.4	11.6	33.6	77.3	Other
									Average size (thousands of dollars)
BASE RATE OF LOAN[4]									
35 Prime[7]	5.73	14,918	3.4	164	73.6	17.7	1.7	84.2	154
36 Fed funds	3.11	4,940	2.8	58	18.0	8.3	18.3	54.7	4,671
37 Other domestic	3.18	7,754	2.5	8	6.5	33.7	48.3	80.4	3,036
38 Foreign	3.65	12,063	2.9	49	34.1	4.8	36.7	97.3	1,518
39 Other	4.17	12,454	3.0	157	35.6	7.9	17.0	79.8	418

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 5–9, 2001—Continued

C. Commercial and industrial loans made by large domestic banks[1]

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 RISK[5]									
1 All commercial and industrial loans	3.99	45,266	653	469	34.2	12.4	24.2	83.7	Foreign
2 Minimal risk	2.76	1,770	2,407	255	8.2	23.7	6.5	58.9	Fed funds
3 Low risk	3.04	10,239	1,926	340	17.6	12.9	52.1	89.4	Domestic
4 Moderate risk	4.19	19,472	777	580	38.2	13.3	23.1	82.8	Foreign
5 Other	4.83	10,008	373	400	48.9	8.3	9.4	91.3	Prime
By maturity/repricing interval[6]									
6 Zero interval	4.18	6,722	452	322	33.8	9.1	36.1	88.8	Prime
7 Minimal risk	3.72	142	619	390	65.6	18.9	46.2	99.1	Prime
8 Low risk	2.91	2,418	5,631	90	7.6	1.7	84.1	95.8	Domestic
9 Moderate risk	4.52	2,493	371	444	41.0	11.9	6.5	76.8	Prime
10 Other	5.53	1,651	223	501	58.3	14.8	10.1	95.6	Prime
11 Daily	3.97	19,349	496	375	31.1	16.8	22.1	82.0	Prime
12 Minimal risk	2.75	811	2,515	194	2.3	20.6	6.1	19.6	Fed funds
13 Low risk	3.00	4,233	3,309	381	13.3	22.7	42.8	83.6	Domestic
14 Moderate risk	3.96	7,378	567	455	31.5	18.4	29.8	84.9	Prime
15 Other	4.82	4,822	334	238	45.1	8.3	3.2	85.3	Prime
16 2 to 30 days	3.72	12,134	1,312	487	30.5	10.7	28.6	85.0	Foreign
17 Minimal risk	2.56	787	6,297	291	2.1	27.3	*	90.7	Foreign
18 Low risk	3.23	2,619	979	468	22.0	9.9	46.4	89.7	Foreign
19 Moderate risk	3.98	5,611	1,906	496	33.7	11.8	32.5	88.6	Foreign
20 Other	4.65	1,876	665	548	53.1	4.3	22.6	98.5	Foreign
21 31 to 365 days	3.71	4,712	1,748	609	42.2	4.3	15.7	93.6	Foreign
22 Minimal risk	2.74	15	541	94	48.4	1.9	.1	98.1	Other
23 Low risk	2.94	828	1,306	372	52.9	1.6	30.9	97.7	Foreign
24 Moderate risk	3.82	2,214	2,183	767	44.8	6.4	13.1	97.5	Foreign
25 Other	4.16	1,322	1,799	545	39.9	2.7	14.3	98.7	Foreign
				Months					
26 More than 365 days	5.59	1,877	1,033	46	72.2	.4	2.6	46.1	Prime
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	3.68	98	415	37	21.0	.5	15.6	98.7	Other
28 Moderate risk	5.70	1,439	1,871	47	80.1	.1	1.4	35.3	Prime
30 Other	5.34	265	501	31	62.0	1.7	2.4	86.0	Other
			Weighted-average risk rating[5]	Weighted-average maturity/repricing interval[6]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.68	1,279	3.5	45	83.3	29.2	1.5	89.3	Prime
32 100–999	5.21	5,548	3.5	53	68.7	16.0	4.0	93.9	Prime
33 1,000–9,999	4.23	13,856	3.2	74	39.3	12.3	16.4	91.2	Foreign
34 10,000 or more	3.49	24,583	2.7	82	21.1	10.8	34.3	76.8	Other
									Average size (thousands of dollars)
BASE RATE OF LOAN[4]									
35 Prime[7]	5.58	10,690	3.4	148	69.1	15.5	.2	86.0	205
36 Fed funds	3.06	4,860	2.8	17	17.1	8.0	18.6	54.7	5,990
37 Other domestic	3.17	7,703	2.5	5	5.9	33.8	48.6	80.5	7,231
38 Foreign	3.62	11,134	2.9	44	33.1	4.1	39.4	97.8	1,750
39 Other	3.81	10,880	3.1	109	28.9	4.7	17.3	82.1	1,221

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 5–9, 2001—Continued

D. Commercial and industrial loans made by small domestic banks[1]

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 RISK[5]									
1 All commercial and industrial loans	5.94	6,862	100	852	78.8	23.3	7.2	77.1	Prime
2 Minimal risk	4.40	485	142	324	38.6	50.9	6.7	66.2	Other
3 Low risk	5.90	903	100	1,109	70.3	17.6	7.0	71.1	Prime
4 Moderate risk	6.45	2,047	86	1,333	90.8	15.9	10.3	76.3	Prime
5 Other	6.19	1,801	83	771	88.0	26.9	10.2	82.4	Prime
By maturity/repricing interval[6]									
6 Zero interval	5.63	2,343	97	337	78.4	29.5	4.3	87.6	Prime
7 Minimal risk	4.67	213	233	114	48.7	89.0	5.2	100.0	Prime
8 Low risk	5.64	228	96	547	78.9	28.6	3.8	64.9	Prime
9 Moderate risk	5.77	613	75	509	87.7	28.4	7.5	76.6	Prime
10 Other	6.15	738	76	347	81.3	25.1	4.6	92.5	Prime
11 Daily	5.89	1,397	112	642	86.8	20.4	9.2	86.2	Prime
12 Minimal risk	6.34	46	53	2,270	85.4	76.4	41.5	100.0	Prime
13 Low risk	5.68	164	146	684	56.1	7.5	2.8	91.6	Prime
14 Moderate risk	5.97	607	134	586	92.0	12.8	2.2	85.8	Prime
15 Other	5.90	441	93	650	94.1	28.8	20.5	80.8	Prime
16 2 to 30 days	4.87	1,104	200	397	59.8	27.3	3.8	84.1	Other
17 Minimal risk	2.81	166	503	28	3.7	1.2	.0	5.5	Other
18 Low risk	4.85	97	260	722	67.3	38.7	19.6	99.4	Prime
19 Moderate risk	5.84	143	86	1,303	87.6	20.5	.4	90.2	Prime
20 Other	5.60	256	105	628	93.9	32.5	8.7	98.9	Prime
21 31 to 365 days	6.71	1,053	68	1,299	75.7	16.2	13.6	65.5	Other
22 Minimal risk	4.72	33	40	168	33.7	8.5	6.0	80.6	Other
23 Low risk	6.23	209	64	528	64.0	3.5	5.3	76.1	Prime
24 Moderate risk	8.15	344	59	3,299	90.7	4.6	33.9	82.0	Other
25 Other	5.86	110	53	468	71.7	27.7	11.8	61.0	Other
				Months					
26 More than 365 days	7.21	927	92	77	93.4	14.6	8.6	43.6	Other
27 Minimal risk	8.52	27	56	30	100.0	63.8	.4	97.6	Prime
28 Low risk	6.55	205	111	92	79.8	17.9	9.8	43.4	Other
28 Moderate risk	7.08	305	106	64	95.3	4.4	11.6	50.1	Other
30 Other	7.52	254	92	75	98.7	23.0	9.5	49.0	Prime
			Weighted-average risk rating[5]	Weighted-average maturity/repricing interval[6]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	6.92	1,257	3.2	277	84.4	26.7	5.0	78.3	Prime
32 100–999	6.19	2,811	3.2	359	86.7	21.1	6.7	74.1	Prime
33 1,000–9,999	5.47	2,257	2.8	264	76.4	19.1	10.7	74.5	Prime
34 10,000 or more	*	*	*	*	*	*	*	*	*
									Average size (thousands of dollars)
BASE RATE OF LOAN[4]									
35 Prime[7]	6.10	4,227	3.2	206	85.0	23.3	5.5	79.5	95
36 Fed funds	5.92	81	2.5	2,411	73.2	27.1	2.2	57.3	328
37 Other domestic	6.05	51	2.6	461	99.3	12.6	*	63.8	34
38 Foreign	3.97	929	2.5	110	45.5	12.9	3.2	91.3	585
39 Other	6.68	1,574	2.6	490	81.6	29.7	14.4	63.5	75

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 5–9, 2001—Continued

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks[1]

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 Risk[5]									
1 All commercial and industrial loans	3.38	35,420	5,225	94	17.4	4.9	48.4	56.7	Foreign
2 Minimal risk	2.73	1,384	9,583	51	.7	*	8.2	21.5	Fed funds
3 Low risk	2.82	8,010	10,095	201	5.8	2.9	26.6	71.7	Foreign
4 Moderate risk	3.90	9,102	3,819	52	27.9	10.5	60.3	86.1	Foreign
5 Other	3.53	11,002	4,222	95	13.8	4.6	49.1	46.2	Fed funds
By maturity/repricing interval[6]									
6 Zero interval	4.11	1,525	1,187	277	72.0	1.7	.8	87.5	Other
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	5.08	191	2,946	1,287	6.2	2.5	*	99.6	Prime
9 Moderate risk	5.30	156	287	678	51.5	1.0	3.6	99.0	Prime
10 Other	6.26	169	404	924	41.0	*	3.7	99.2	Prime
11 Daily	3.01	13,436	9,125	11	12.4	.2	36.4	25.2	Fed funds
12 Minimal risk	*	*	*	*	*	*	*	*	*
13 Low risk	2.72	2,705	12,635	14	.1	*	25.9	22.3	Fed funds
14 Moderate risk	2.90	2,179	6,468	4	.7	.3	8.7	56.8	Fed funds
15 Other	3.20	3,778	6,774	15	29.7	*	33.0	32.1	Fed funds
16 2 to 30 days	3.50	13,658	5,746	165	14.0	12.2	49.4	76.9	Foreign
17 Minimal risk	2.53	174	2,686	331	5.2	*	44.0	100.0	Foreign
18 Low risk	2.76	4,486	12,930	295	8.5	5.1	20.3	96.7	Foreign
19 Moderate risk	4.39	4,045	4,001	61	30.3	23.3	66.8	92.3	Foreign
20 Other	3.60	3,860	5,012	131	4.4	12.9	51.1	58.6	Foreign
21 31 to 365 days	3.66	6,748	4,217	97	21.2	*	80.7	71.0	Foreign
22 Minimal risk	*	*	*	*	*	*	*	*	*
23 Low risk	2.92	628	3,746	113	10.8	*	82.2	97.5	Foreign
24 Moderate risk	3.88	2,699	5,588	66	44.5	*	95.0	99.7	Foreign
25 Other	3.68	3,163	3,834	124	4.6	*	68.0	44.4	Foreign
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
28 Moderate risk	*	*	*	*	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
			Weighted-average risk rating[5]	Weighted-average maturity/repricing interval[6]					
				Days					
Size of Loan (thousands of dollars)									
31 1–99	5.39	32	3.4	22	65.6	17.5	20.8	85.8	Prime
32 100–999	4.55	1,020	3.5	29	39.4	11.2	38.2	83.3	Prime
33 1,000–9,999	3.58	9,432	3.4	23	19.6	6.7	56.3	67.1	Foreign
34 10,000 or more	3.25	24,935	3.0	17	15.6	3.9	45.8	51.6	Foreign
									Average size (thousands of dollars)
Base Rate of Loan[4]									
35 Prime[7]	5.63	2,640	3.2	11	29.5	65.0	1.4	94.5	1,342
36 Fed funds	2.89	11,045	3.1	9	2.4	*	27.4	29.8	8,586
37 Other domestic	3.21	4,035	4.2	9	5.5	*	100.0	.7	7,716
38 Foreign	3.39	14,464	2.9	34	17.3	*	68.5	90.9	6,026
39 Other	3.32	3,237	4.3	5	73.5	.3	4.4	34.4	5,372

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 0.17 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 matuirty/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 5.28 percent for all banks; 5.26 percent for large domestic banks, 5.42 percent for small domestic banks; and 5.13 percent for U.S. branches and agencies of foreign banks.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 2001[1]

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 assets[4]**	**989,106**	**191,384**	**841,532**	**163,170**	**20,031**	**4,897**	**43,883**	**5,306**
2 Claims on nonrelated parties	753,396	76,061	625,722	70,732	19,383	1,227	43,032	52
3 Cash and balances due from depository institutions	63,376	30,888	61,603	30,672	513	113	543	13
4 Cash items in process of collection and unposted debits	1,446	0	1,383	0	3	0	16	0
5 Currency and coin (U.S. and foreign)	13	n.a.	9	n.a.	1	n.a.	0	n.a.
6 Balances with depository institutions in United States	41,859	13,583	40,394	13,452	417	45	511	13
7 U.S branches and agencies of other foreign banks (including their IBFs)	36,795	12,792	35,687	12,695	269	24	442	13
8 Other depository institutions in United States (including their IBFs)	5,064	791	4,707	757	148	21	69	0
9 Balances with banks in foreign countries and with foreign central banks	19,710	17,305	19,536	17,220	70	68	5	0
10 Foreign branches of U.S. banks	611	369	571	329	40	40	0	0
11 Banks in home country and home-country central banks	5,947	5,055	5,938	5,047	8	8	1	0
12 All other banks in foreign countries and foreign central banks	13,152	11,880	13,027	11,843	22	20	4	0
13 Balances with Federal Reserve Banks	349	n.a.	280	n.a.	23	n.a.	11	n.a.
14 **Total securities and loans**	**437,695**	**36,445**	**358,903**	**31,547**	**18,243**	**1,082**	**27,637**	**39**
15 Total securities, book value	108,119	5,304	99,754	4,839	1,221	416	4,310	11
16 U.S. Treasury	11,079	n.a.	10,739	n.a.	44	n.a.	273	n.a.
17 Obligations of U.S. government agencies and corporations	27,428	n.a.	25,588	n.a.	48	n.a.	1,679	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	69,613	5,304	63,428	4,839	1,128	416	2,358	11
19 Securities of foreign governmental units	11,180	3,316	11,006	3,267	135	32	11	11
20 Mortgage-backed securities	16,734	33	16,579	33	135	0	0	0
21 Other asset-backed securities	9,498	13	7,643	13	0	0	0	0
22 All other	32,201	1,942	28,201	1,526	858	383	2,346	0
23 Federal funds sold and securities purchased under agreements to resell	98,543	6,679	90,789	6,554	226	14	6,484	0
24 Depository institutions in the United States	19,271	3,274	18,369	3,157	226	14	12	0
25 Other	79,272	3,406	72,419	3,397	0	0	6,473	0
26 Total loans, gross	329,901	31,172	259,403	26,737	17,054	667	23,337	28
27 LESS: Unearned income on loans	325	31	254	29	32	1	10	0
28 EQUALS: Loans, net	329,576	31,141	259,149	26,708	17,022	666	23,327	28
Total loans, gross, by category								
29 Real estate loans	16,782	51	12,244	51	2,878	0	131	0
30 Loans to depository institutions and acceptances of other banks	77,515	15,984	63,802	13,001	2,041	513	5,411	25
31 Commercial banks in United States (including their IBFs)	9,210	2,468	7,589	2,029	838	345	389	0
32 U.S. branches and agencies of other foreign banks	5,486	2,303	4,108	1,864	783	345	361	0
33 Other commercial banks in United States	3,725	165	3,481	165	55	0	28	0
34 Other depository institutions in United States (including their IBFs)	14	0	0	0	0	0	0	0
35 Banks in foreign countries	17,506	12,312	13,839	9,878	214	168	249	25
36 Foreign branches of U.S. banks	381	330	342	300	30	30	0	0
37 Other banks in foreign countries	17,125	11,982	13,498	9,578	184	138	249	25
38 Loans to other financial institutions	50,784	1,205	42,373	1,094	988	0	4,773	0
39 Commercial and industrial loans	212,769	12,969	162,922	11,661	11,579	132	16,724	0
40 U.S. addressees (domicile)	174,237	57	134,487	55	10,760	0	14,529	0
41 Non-U.S. addressees (domicile)	38,532	12,912	28,435	11,606	820	132	2,195	0
42 Loans to foreign governments and official institutions (including foreign central banks)	3,420	2,095	2,908	1,965	127	22	227	3
43 Loans for purchasing or carrying securities (secured and unsecured)	13,066	0	12,617	0	0	0	252	0
44 All other loans	5,760	72	4,654	58	430	0	260	0
45 Lease financing receivables (net of unearned income)	588	0	256	0	0	0	332	0
46 U.S. addressees (domicile)	588	0	256	0	0	0	332	0
47 Non-U.S. addressees (domicile)	0	0	0	0	0	0	0	0
48 Trading assets	121,141	819	85,833	819	74	0	5,963	0
49 All other assets	32,641	1,230	28,594	1,140	327	18	2,404	1
50 Customers' liabilities on acceptances outstanding	1,094	n.a.	763	n.a.	84	n.a.	214	n.a.
51 U.S. addressees (domicile)	353	n.a.	266	n.a.	80	n.a.	5	n.a.
52 Non-U.S. addressees (domicile)	742	n.a.	497	n.a.	4	n.a.	209	n.a.
53 Other assets including other claims on nonrelated parties	31,547	1,230	27,831	1,140	243	18	2,190	1
54 Net due from related depository institutions[5]	235,710	115,322	215,811	92,437	648	3,670	851	5,254
55 Net due from head office and other related depository institutions[5]	235,710	n.a.	215,811	n.a.	648	n.a.	851	n.a.
56 Net due from establishing entity, head office, and other related depository institutions[5]	n.a.	115,322	n.a.	92,437	n.a.	3,670	n.a	5,254
57 **Total liabilities[4]**	**989,106**	**191,384**	**841,532**	**163,170**	**20,031**	**4,897**	**43,883**	**5,306**
58 Liabilities to nonrelated parties	877,554	177,157	764,765	149,616	8,213	4,818	37,915	5,273

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 2001[1]—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	399,698	130,244	346,479	114,151	2,610	834	12,202	4,549
60 Individuals, partnerships, and corporations (including certified and official checks)	310,707	10,298	261,315	5,331	2,257	165	11,310	53
61 U.S. addressees (domicile)	293,680	6	250,871	5	596	0	11,049	0
62 Non-U.S. addressees (domicile)	17,027	10,292	10,445	5,326	1,661	165	261	53
63 Commercial banks in United States (including their IBFs)	46,586	13,061	44,204	12,759	310	20	883	67
64 U.S. branches and agencies of other foreign banks	18,760	12,098	17,700	11,824	10	20	50	67
65 Other commercial banks in United States	27,825	963	26,504	935	300	0	833	0
66 Banks in foreign countries	12,025	71,374	11,822	67,728	10	77	8	1,654
67 Foreign branches of U.S. banks	1,709	4,539	1,708	4,359	0	0	0	120
68 Other banks in foreign countries	10,316	66,835	10,114	63,369	10	77	8	1,534
69 Foreign governments and official institutions (including foreign central banks)	10,753	35,480	10,314	28,301	6	572	1	2,775
70 All other deposits and credit balances	19,628	31	18,823	31	27	0	0	0
71 Transaction accounts and credit balances (excluding IBFs)	7,532	n.a.	6,002	n.a.	260	n.a.	158	n.a.
72 Individuals, partnerships, and corporations (including certified and official checks)	6,352	n.a.	5,005	n.a.	246	n.a.	156	n.a.
73 U.S. addressees (domicile)	4,303	n.a.	3,793	n.a.	119	n.a.	154	n.a.
74 Non-U.S. addressees (domicile)	2,049	n.a.	1,212	n.a.	126	n.a.	2	n.a.
75 Commercial banks in United States (including their IBFs)	60	n.a.	58	n.a.	0	n.a.	0	n.a.
76 U.S. branches and agencies of other foreign banks	33	n.a.	32	n.a.	0	n.a.	0	n.a.
77 Other commercial banks in United States	27	n.a.	26	n.a.	0	n.a.	0	n.a.
78 Banks in foreign countries	611	n.a.	477	n.a.	10	n.a.	0	n.a.
79 Foreign branches of U.S. banks	2	n.a.	2	n.a.	0	n.a.	0	n.a.
80 Other banks in foreign countries	609	n.a.	476	n.a.	10	n.a.	0	n.a.
81 Foreign governments and official institutions (including foreign central banks)	313	n.a.	272	n.a.	2	n.a.	0	n.a.
82 All other deposits and credit balances	196	n.a.	190	n.a.	2	n.a.	0	n.a.
83 Nontransaction accounts (including MMDAs, excluding IBFs)	392,166	n.a.	340,477	n.a.	2,350	n.a.	12,044	n.a.
84 Individuals, partnerships, and corporations (including certified and official checks)	304,355	n.a.	256,311	n.a.	2,011	n.a.	11,153	n.a.
85 U.S. addressees (domicile)	289,378	n.a.	247,078	n.a.	476	n.a.	10,894	n.a.
86 Non-U.S. addressees (domicile)	14,978	n.a.	9,233	n.a.	1,535	n.a.	259	n.a.
87 Commercial banks in United States (including their IBFs)	46,526	n.a.	44,145	n.a.	310	n.a.	883	n.a.
88 U.S. branches and agencies of other foreign banks	18,728	n.a.	17,668	n.a.	10	n.a.	50	n.a.
89 Other commercial banks in United States	27,798	n.a.	26,478	n.a.	300	n.a.	833	n.a.
90 Banks in foreign countries	11,414	n.a.	11,345	n.a.	0	n.a.	8	n.a.
91 Foreign branches of U.S. banks	1,707	n.a.	1,707	n.a.	0	n.a.	0	n.a.
92 Other banks in foreign countries	9,707	n.a.	9,638	n.a.	0	n.a.	8	n.a.
93 Foreign governments and official institutions (including foreign central banks)	10,440	n.a.	10,043	n.a.	4	n.a.	0	n.a.
94 All other deposits and credit balances	19,432	n.a.	18,634	n.a.	25	n.a.	0	n.a.
95 IBF deposit liabilities	n.a.	130,244	n.a.	114,151	n.a.	834	n.a.	4,549
96 Individuals, partnerships, and corporations (including certified and official checks)	n.a.	10,298	n.a.	5,331	n.a.	165	n.a.	53
97 U.S. addressees (domicile)	n.a.	6	n.a.	5	n.a.	0	n.a.	0
98 Non-U.S. addressees (domicile)	n.a.	10,292	n.a.	5,326	n.a.	165	n.a.	53
99 Commercial banks in United States (including their IBFs)	n.a.	13,061	n.a.	12,759	n.a.	20	n.a.	67
100 U.S. branches and agencies of other foreign banks	n.a.	12,098	n.a.	11,824	n.a.	20	n.a.	67
101 Other commercial banks in United States	n.a.	963	n.a.	935	n.a.	0	n.a.	0
102 Banks in foreign countries	n.a.	71,374	n.a.	67,728	n.a.	77	n.a.	1,654
103 Foreign branches of U.S. banks	n.a.	4,539	n.a.	4,359	n.a.	0	n.a.	120
104 Other banks in foreign countries	n.a.	66,835	n.a.	63,369	n.a.	77	n.a.	1,534
105 Foreign governments and official institutions (including foreign central banks)	n.a.	35,480	n.a.	28,301	n.a.	572	n.a.	2,775
106 All other deposits and credit balances	n.a.	31	n.a.	31	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, June 30, 2001[1]—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	166,653	22,315	156,623	16,807	981	455	3,378	302
108 Depository institutions in the United States	33,693	5,677	28,683	2,635	681	275	1,416	0
109 Other	132,960	16,638	127,939	14,173	301	180	1,962	302
110 Other borrowed money	77,596	22,847	62,485	17,001	3,562	3,501	5,476	414
111 Owed to nonrelated commercial banks in United States (including their IBFs)	13,703	4,829	11,468	3,754	508	470	511	65
112 Owed to U.S. offices of nonrelated U.S. banks	7,536	1,557	6,605	1,116	60	30	186	0
113 Owed to U.S. branches and agencies of nonrelated foreign banks	6,167	3,272	4,863	2,638	447	440	325	65
114 Owed to nonrelated banks in foreign countries	16,346	14,343	11,948	10,037	2,667	2,643	353	349
115 Owed to foreign branches of nonrelated U.S. banks	677	594	533	452	133	133	0	0
116 Owed to foreign offices of nonrelated foreign banks	15,669	13,749	11,415	9,586	2,534	2,510	353	349
117 Owed to others	47,547	3,675	39,069	3,211	387	387	4,613	0
118 All other liabilities	103,363	1,750	85,028	1,656	225	28	12,310	8
119 Branch or agency liability on acceptances executed and outstanding	1,252	n.a.	855	n.a.	84	n.a.	276	n.a.
120 Trading liabilities	72,123	86	57,305	85	34	0	11,032	1
121 Other liabilities to nonrelated parties	29,988	1,664	26,867	1,571	107	28	1,002	7
122 Net due to related depository institutions[5]	111,552	14,227	76,767	13,554	11,818	79	5,968	33
123 Net due to head office and other related depository institutions[5]	111,552	n.a.	76,767	n.a.	11,818	n.a.	5,968	n.a.
124 Net due to establishing entity, head office, and other related depository institutions[5]	n.a.	14,227	n.a.	13,554	n.a.	79	n.a.	33
MEMO								
125 Holdings of own acceptances included in commercial and industrial loans	1,362	n.a.	1,008	n.a.	9	n.a.	249	n.a.
126 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	105,743	n.a.	74,857	n.a.	6,458	n.a.	12,116	n.a.
127 Predetermined interest rates	55,334	n.a.	35,669	n.a.	3,479	n.a.	9,420	n.a.
128 Floating interest rates	50,409	n.a.	39,188	n.a.	2,978	n.a.	2,696	n.a.
129 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	102,806	n.a.	84,607	n.a.	4,969	n.a.	4,226	n.a.
130 Predetermined interest rates	21,761	n.a.	18,559	n.a.	565	n.a.	636	n.a.
131 Floating interest rates	81,045	n.a.	66,047	n.a.	4,403	n.a.	3,590	n.a.

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 (excluding IBFs)	396,105	n.a.	345,322	n.a.	2,157	n.a.	11,975	n.a.
133 Time deposits of $100,000 or more	381,527	n.a.	331,247	n.a.	2,156	n.a.	11,972	n.a.
134 Time CDs in denominations of $100,000 or more with remaining maturity of more than 12 months	14,578	n.a.	14,076	n.a.	2	n.a.	3	n.a.

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
135 Immediately available funds with a maturity greater than one day included in other borrowed money	28,632	n.a.	25,546	n.a.	1,488	n.a.	484	n.a.
136 Number of reports filed[6]	324	0	170	0	63	0	25	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.

Index to Statistical Tables

References are to pages A3–A75, although the prefix "A" is omitted in this index.

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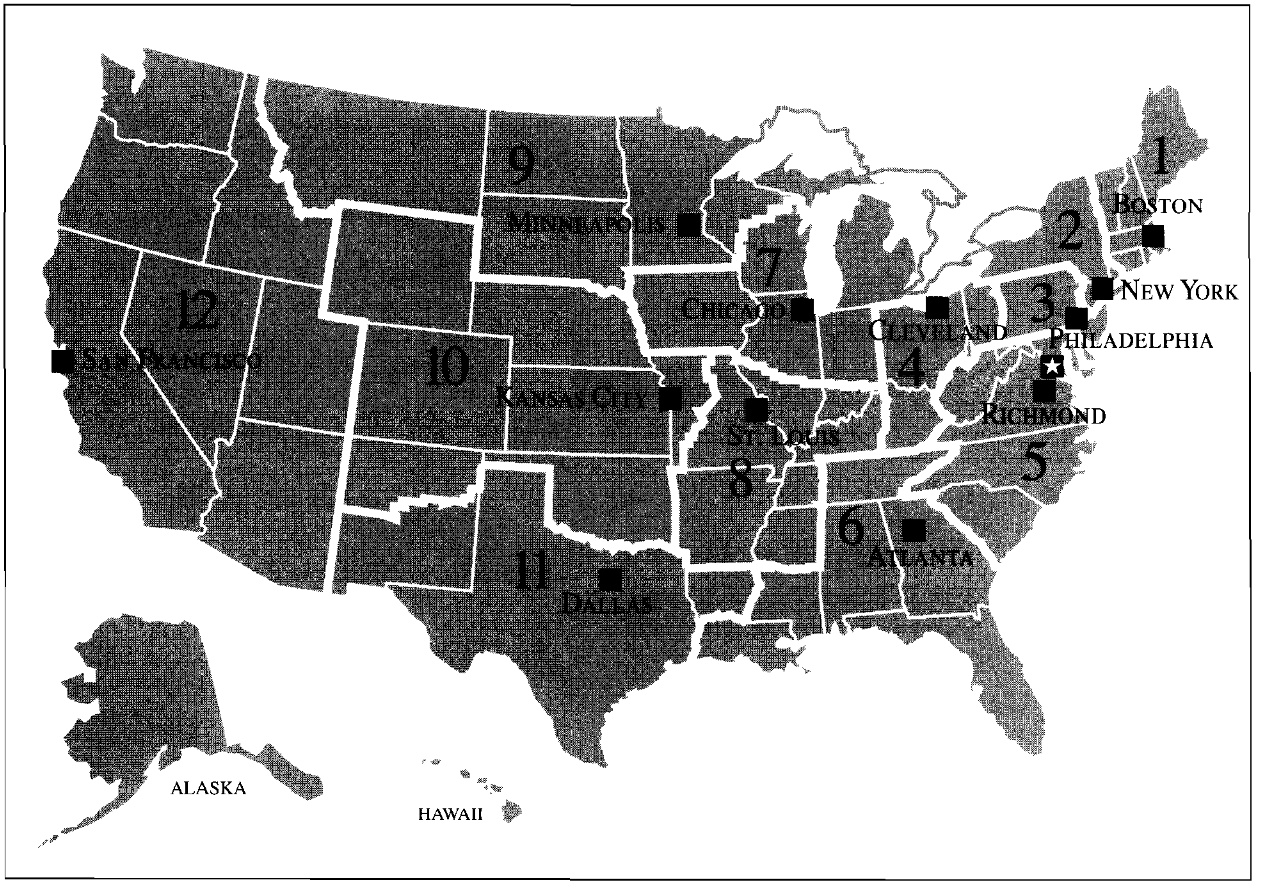


LEGEND

Both pages

■ Federal Reserve Bank city

☒ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

• Federal Reserve Branch city

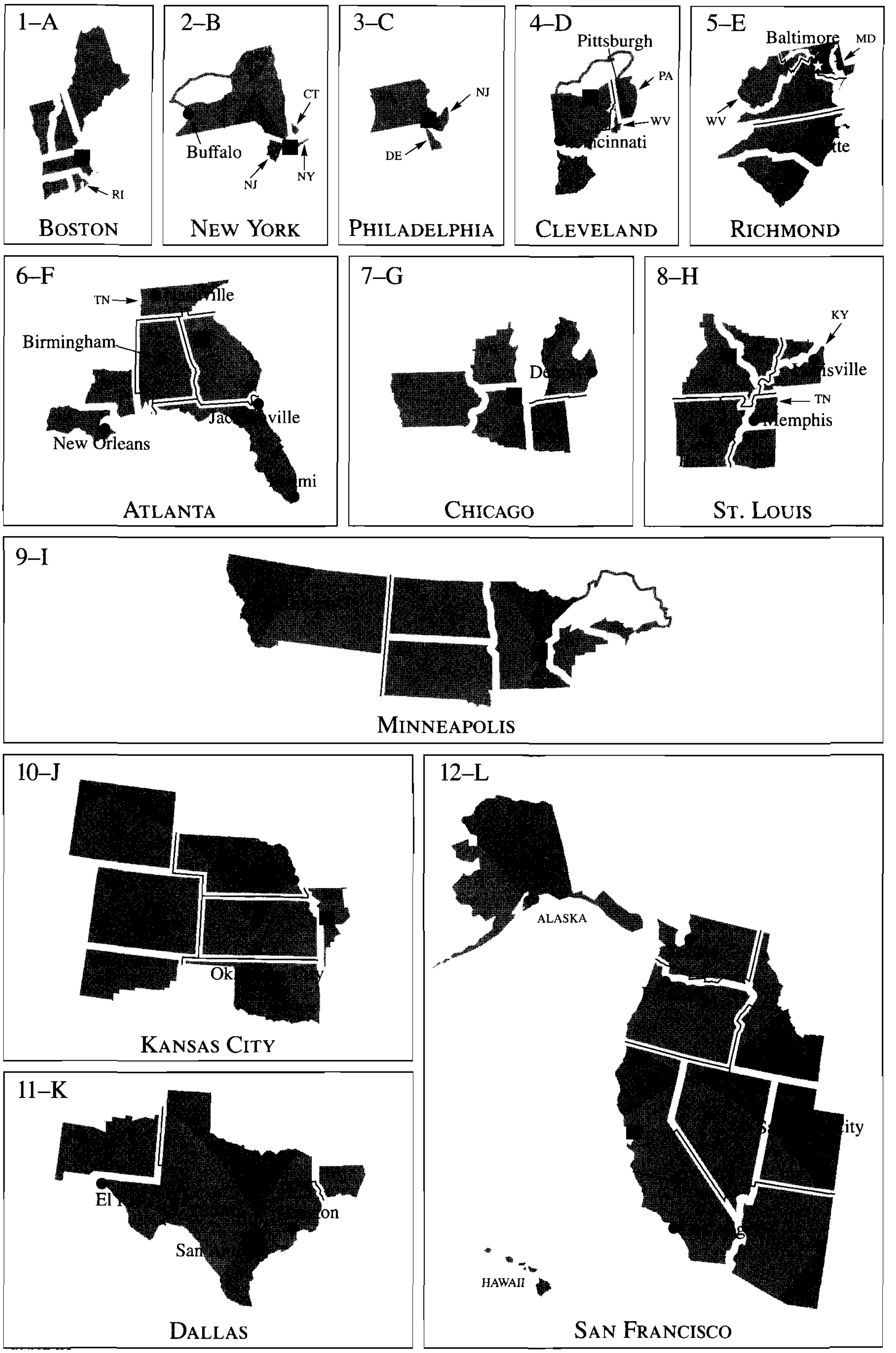
— Branch boundary

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.


1–A
RI
BOSTON
2–B
CT
Buffalo
NJ
NY
NEW YORK
3–C
NJ
DE
PHILADELPHIA
4–D
Pittsburgh
PA
WV
CLEVELAND
5–E
MD
WV
RICHMOND
6–F
TN
Birmingham
New Orleans
ATLANTA
7–G
CHICAGO
8–H
KY
TN
ST. LOUIS
9–I
MINNEAPOLIS
10–J
KANSAS CITY
11–K
DALLAS
12–L
ALASKA
HAWAII
SAN FRANCISCO

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Cincinnati	45201	George C. Juilfs		Barbara B. Henshaw
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