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Under legislative mandate, the Federal Reserve Board has for many years sponsored annual surveys of the retail fees charged by depository institutions. Analysis of the data for the most recent six years (1994–99) shows that for the most common types of depository accounts surveyed, few of the fees and minimum balances changed by a statistically significant amount. However, the most common types of ATM fees and the fees for certain special actions, such as stop-payment orders, increased significantly and by more than the rate of consumer price inflation over the period. In addition, for almost all of the fees charged for seven common services and special actions, banks that were part of multistate banking organizations on average charged significantly higher fees than single-state banks, and large banks charged significantly more than small banks. Although they narrowed, the differences remained statistically significant after analyses that controlled for the general location of the institutions, for size (in the case of the multistate versus single-state comparison), and for multistate operations (in the case of the large versus small comparison).

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Retail Fees of Depository Institutions, 1994–99

Timothy H. Hannan, of the Board's Division of Research and Statistics, prepared this article. Eli Mou provided research assistance.

The fees that depository institutions charge customers for the use of checking and savings accounts, automated teller machines, and other retail services have received substantial attention over the past decade. When the Congress in 1989 established assessment rules that were likely to raise the premiums that depository institutions paid for deposit insurance, a particular concern was that institutions might markedly increase retail fees or eliminate some services to offset their higher premiums. As a result of this concern, the Congress directed the Board of Governors of the Federal Reserve System to report annually on changes in the availability of retail banking services and in the level of the associated fees. The first survey on retail fees and services commissioned by the Board under the new law was conducted in 1989, and the results were reported in 1990; the most recent report, covering 1999, was released in July 2000.

The reports presented estimates each year of the proportion of all depository institutions that were offering various services, the proportion that were charging a fee for these services, the average level of the fees, and the changes in these estimates from the previous year. This article reports a selection of the estimates for each of the years from 1994 through 1999.¹

Several findings for the 1994–99 period are noteworthy:

- Only a few of the fees and minimum balances associated with various types of checking and savings accounts changed over the period by statistically significant amounts
- Fees associated with several special actions—stop-payment orders, customer-written checks returned for insufficient funds, and overdrafts—

increased by statistically significant amounts that exceeded the rate of inflation during the period

- The level of the most common types of transaction fees imposed for the use of automated teller machines (ATMs) increased by statistically significant amounts that substantially exceeded the inflation rate between 1994 and 1999, and the proportion of depository institutions assessing a fee (“surcharge”) for use of their ATMs by nondepositors increased dramatically over the period for which the surcharge was tracked (1996–99).

The results of two other analyses, for banks alone, are also reported: (1) a comparison of fees charged by multistate banks (banks that are part of organizations with banking operations in two or more states) with those charged by single-state banks and (2) a comparison of fees charged by banks of different sizes. Such comparisons for each year of data give results that are broadly similar across the years. For ease of presentation, these comparisons are reported here for a single year (1999, the year of the latest survey):

- In a selection of the most common services and actions, multistate banks charged, on average, higher fees than single-state banks for almost all items. In most cases, the differences were statistically significant after controlling for the size and general location of the sampled banks
- Large banks charged higher fees, on average, than small banks did. The differences were statistically significant after controlling for the location of the sampled banks and for their status as either multistate or single-state banks.

BACKGROUND

In section 1002 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the Congress directed the Board to report annually on changes in the availability of retail banking services and in the level of the associated fees. Section 1002 further specified that the reports be based on annual surveys of samples of insured depository institutions that are representative of all such institutions in terms of size and location.

1. For an examination of the results from the 1989–93 surveys, see Timothy H. Hannan, “Recent Trends in Retail Fees and Services of Depository Institutions,” *Federal Reserve Bulletin*, vol. 80 (September 1994), pp. 771–81. The reports covering the years 1996–99 are available at www.federalreserve.gov/boarddocs/RptCongress/

The sampled institutions were members either of the Bank Insurance Fund, a group consisting mostly of commercial banks (hereafter referred to as banks), or of the Savings Association Insurance Fund, a group consisting mostly of savings and loan associations (hereafter referred to as savings associations). For all the surveys, the institutions were picked randomly from different regions of the country encompassing all fifty states and the District of Columbia and from a comprehensive range of asset-size groupings (see the appendix for more detail on the design of the sample). All of the surveys were conducted by telephone with the same procedures and by the same private survey organization operating under contract with the Federal Reserve Board. To improve the accuracy of the results, each telephone interview typically covered only one product category.

Statistical analysis of the survey results produced estimates for the entire population of banks and savings associations in the United States. Each report after the first gave the change in fee amount and in service availability between the time of the preceding survey and the most recent one, along with an indication of the statistical significance of any changes.²

Legislation in 1994 and 1996 required that trends be reported in more detail. Section 108 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 required that data be reported not only nationally but also by geographic region and size class of institution and according to whether institutions engaged in multistate activities. To meet these additional requirements, the Board in 1994 substantially expanded the number of institutions surveyed, from approximately 330 (about 150 banks and about 180 savings associations) to approximately 1,050 (650–700 banks and 350–400 savings associations).

Under section 2608 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the geographic detail in the annual reports was increased from regional coverage to coverage for each state and each consolidated metropolitan statistical area. The first survey under these expanded terms was conducted in 1996.

2. Here and in the annual reports, statistical significance is represented with 90 percent and 95 percent confidence levels. With a 95 percent confidence level, for instance, the probability is less than 5 percent that a change was observed between two samples but did not occur in the population as a whole. The finding of a statistically significant change carries no implication about the size of the change in the population. The discussion in this article covers the statistically significant results, referring to them as such or simply as "significant." Most of the nonsignificant changes shown in the tables are not discussed.

Because of numerous differences that can exist between members of the Bank Insurance Fund and members of the Savings Association Insurance Fund, including differences in deposit insurance premiums, results were reported separately for banks and savings associations. Using data obtained from the 1999 survey, this article also examines the differences in the estimates between large and small banks and between multistate and single-state banks.

THE INCIDENCE AND LEVEL OF FEES OVER TIME

Depository institutions provide a large number of services with widely differing fees. Dividing service fees into three different types provides a manageable way to deal with the variations; these types are fees associated with (1) the maintenance and use of various kinds of deposit accounts, (2) special actions such as stop-payment orders and the handling of checks written with insufficient funds, and (3) the use of ATM services.

Deposit Accounts

Analysis of the fees charged in connection with deposit accounts must, at the very least, account for the distinctions among noninterest checking accounts, NOW (negotiable order of withdrawal) accounts, and savings accounts. Even within these categories, however, accounts can differ considerably. In the case of noninterest checking, for example, accounts can differ in terms of the nonchecking services provided, the minimum balances that depositors must maintain to qualify for various fee levels, and the mix of fees charged. In the case of savings accounts, fees can depend on whether the account is a passbook or statement account and on minimum balance requirements. Therefore, the characteristics of accounts must be specified when comparing the levels of fees over time. The following discussion presents information on two types of noninterest checking account, one type of NOW account, and two types of savings account. Data on the proportion of institutions offering each of these account types is included to indicate prevalence.

Financial institutions offer many other types of noninterest checking account not analyzed in this article, including the so-called basic banking account. Basic banking accounts impose low fees and minimum balances (or none at all), often in exchange for

limitations in service, such as a cap on the number of checks that may be written per month.³

Noninterest Checking

The following two fee structures are reported for noninterest checking accounts: (1) "single balance and fee" and (2) "fee only" (table 1).

3. Although the surveys do not provide direct evidence on the extent to which such accounts are offered, they do cover certain no-fee accounts. In 1999, approximately 11 percent of banks and 30 percent of savings associations offered no-fee noninterest checking accounts, which entail no monthly or per-check fees (Board of Governors of the Federal Reserve System, *Annual Report to the Congress on Retail Fees and Services of Depository Institutions*, Board of Governors, 2000, p. 3, table 1).

Single balance and fee. Single balance and fee accounts involve no fee if a specified minimum balance is maintained; otherwise the account incurs a single monthly fee with no other charges. The estimated proportion of banks offering this account fluctuated between 29 percent and 41 percent over the 1994-99 period, while the proportion for savings associations varied between 14 percent and 24 percent. Neither the low-balance fee nor the minimum balances required to avoid the fee or to open the account changed significantly during this period for either type of institution.

Fee only. Fee-only noninterest checking accounts levy a monthly fee regardless of the account balance and may also impose a per-check charge. Because of the small number of sampled institutions that levied a per-check charge for this type of account, informa-

1. Selected checkable accounts at banks and savings associations, average low-balance fees and balance requirements, 1994-99
Dollars except as noted

Account	1994	1995	1996	1997	1998	1999	Percent change, 1994-99
BANKS							
<i>Noninterest checking</i>							
<i>Single balance and fee¹</i>							
Percent offering	36.4	29.4	32.9	39.3	35.6	40.6	†
Monthly low-balance fee	6.14	6.61	6.34	6.09	6.43	6.15	.2
<i>Minimum balance</i>							
To avoid fee	503.62	479.22	480.26	479.41	498.61	515.62	2.4
To open	109.45	...	123.33	123.96	115.01	103.65	-5.3
<i>Fee only²</i>							
Percent offering	35.4	45.7	34.2	33.3	36.3	38.9	†
Monthly low-balance fee	4.39	4.61	5.02	4.49	4.73	5.17	17.8**
Minimum balance to open	79.88	81.62	82.15	61.43	76.34	65.20	-18.4**
<i>NOW account</i>							
<i>Single balance and fee¹</i>							
Percent offering	40.2	43.9	44.0	56.7	50.8	54.2	†**
Monthly low-balance fee	8.02	8.49	8.11	7.81	8.07	8.39	4.6
<i>Minimum balance</i>							
To avoid fee	1,055.43	1,069.54	1,078.78	1,051.51	1,109.02	1,060.37	.5
To open	701.45	...	653.72	662.67	616.12	641.34	-8.6
SAVINGS ASSOCIATIONS							
<i>Noninterest checking</i>							
<i>Single balance and fee¹</i>							
Percent offering	20.1	14.4	21.1	18.9	24.3	21.4	†
Monthly low-balance fee	5.58	5.95	5.76	5.78	5.94	6.00	7.5
<i>Minimum balance</i>							
To avoid fee	390.89	383.61	424.54	380.45	410.97	419.68	7.4
To open	131.74	...	152.71	122.16	101.42	129.87	-1.4
<i>Fee only²</i>							
Percent offering	19.0	22.1	26.9	21.0	24.0	24.6	†*
Monthly low-balance fee	4.28	4.04	4.13	4.48	4.97	4.30	.5
Minimum balance to open	92.33	72.38	68.80	70.44	119.97	53.98	-41.5**
<i>NOW account</i>							
<i>Single balance and fee¹</i>							
Percent offering	31.8	38.5	42.5	46.3	50.2	49.3	†**
Monthly low-balance fee	6.54	6.84	6.54	6.65	6.64	6.94	6.1
<i>Minimum balance</i>							
To avoid fee	550.95	597.83	783.33	645.68	644.91	744.28	35.1**
To open	291.60	...	365.15	274.65	286.56	349.50	19.9

NOTE. The change in the consumer price index between the dates of the 1994 and 1999 surveys was about 11 percent. Average fees and balance requirements are calculated only for those institutions that offer the account.

† Percent change for "percent offering" not reported, but instances of statistically significant change are noted.

... Data are insufficient to report or are not applicable across surveys.

* Significant at the 90 percent confidence level. For explanation of confidence levels, see text note 2.

** Significant at the 95 percent confidence level.

1. A monthly fee for balances below the minimum, no monthly fee for balances above the minimum, and no other charges.

2. A monthly fee, no minimum balance to eliminate the fee, and a charge per check in some cases.

tion on the incidence and level of the check charge is not presented.

The proportion of banks offering this type of account was typically between 33 percent and 40 percent during the 1994–99 period, and the proportion of savings associations offering it was between 19 percent and 27 percent. At both types of institution, the minimum balance required to open the account fell by statistically significant amounts, to about \$65 at banks and about \$54 at savings associations.

The trends in the monthly fees charged for this account differ considerably between banks and savings associations. At banks, the monthly fee rose a statistically significant 18 percent, from \$4.39 in 1994 to \$5.17 in 1999, compared with the roughly 11 percent rise in the consumer price index (CPI) in the same period.⁴ At savings associations, however, the monthly fee, while fluctuating some in the intervening years, did not change significantly between 1994 and 1999.

4. The CPI used throughout is the urban index, all items. Comparisons with the CPI are intended to place changes in fees and minimum balances in the context of changes in the prices of other common consumer items.

NOW Accounts

Negotiable order of withdrawal accounts are checking accounts that pay interest to the account holder; presumably because they pay interest, NOW accounts have tended to have fees that are higher than those observed for noninterest checking accounts. Like noninterest accounts, they can differ considerably in terms of the balances that depositors must maintain to qualify for various fee levels and in terms of the mix of fees charged the account holder.

A common type of NOW account, both at banks and at savings associations, carries the “single balance and fee” structure defined above for noninterest checking accounts. The estimated proportion of banks and savings associations offering this type of account increased significantly at both banks and savings associations during the period. By 1999, 54 percent of banks and 49 percent of savings associations offered the account (table 1).

The monthly fee, the minimum balance to avoid the fee, and the minimum balance to open for the “single balance and fee” type of NOW account have long been higher at banks than at savings associations. The gap narrowed, however, during the

2. Selected “single balance and fee” savings accounts at banks and savings associations, average low-balance fees and balance requirements, 1994–99

Dollars except as noted

Account	1994	1995	1996	1997	1998	1999	Percent change, 1994–99
BANKS							
<i>Passbook</i> ¹							
Percent offering	29.6	36.6	36.1	32.0	32.6	26.5	†
Monthly low-balance fee	1.47	1.61	1.46	1.80	1.72	1.93	31.3**
Minimum balance							
To avoid fee	130.21	157.44	135.73	133.75	143.75	139.04	6.8
To open	86.27	81.86	88.36	87.61	87.54	80.65	-6.5
<i>Statement</i> ²							
Percent offering	43.7	48.3	43.9	39.1	43.2	43.0	†
Monthly low-balance fee	2.11	2.39	1.97	2.18	2.25	2.31	9.5
Minimum balance							
To avoid fee	188.98	233.27	189.62	174.29	197.27	199.95	5.8
To open	118.21	183.60	137.96	106.10	107.66	98.87	-16.4
SAVINGS ASSOCIATIONS							
<i>Passbook</i> ¹							
Percent offering	39.8	39.6	39.7	39.5	38.4	37.1	†
Monthly low-balance fee	2.10	1.77	1.93	2.08	2.39	2.23	6.2
Minimum balance							
To avoid fee	146.62	176.89	199.94	146.47	169.03	184.50	25.8*
To open	102.27	81.22	104.78	80.45	113.71	92.60	-10.0
<i>Statement</i> ²							
Percent offering	41.6	56.8	44.4	43.1	41.6	48.3	†*
Monthly low-balance fee	2.24	2.33	2.10	2.28	2.54	2.42	8.0
Minimum balance							
To avoid fee	186.06	227.02	219.34	218.00	233.95	192.96	3.7
To open	126.81	135.63	114.59	134.81	187.46	109.29	-13.8

NOTE. See notes to table 1.

1. Institution records transactions and balances in document kept by the account holder.

2. Institution mails to the account holder a periodic statement showing transactions and balances.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

1994-99 period for the minimum balance to avoid the fee, which increased a statistically significant 35 percent at savings associations.

Savings Accounts

The two major types of savings account are the passbook account and the statement account. In passbook accounts, transactions and balances are recorded in a passbook kept by the account holder; in statement accounts, periodic statements of balances and recent activity are mailed to account holders. The most common fee structure is of the "single balance and fee" type.

Throughout the period, savings accounts with this fee structure were more commonly offered by banks and savings associations as statement accounts than as passbook accounts, and the proportion of savings associations offering the statement account increased significantly during the period (table 2). The other statistically significant changes were for passbook accounts: The low-balance fee increased 31 percent at banks, and the estimated minimum balance re-

quired to avoid the fee increased 26 percent at savings associations. Both of these increases were well in excess of the change in the CPI during the period.

Summary of Deposit Account Results

Only a limited number of balance requirements and fees changed significantly for the five types of deposit account surveyed over the 1994-99 period. Among the three checkable types of deposit account, statistically significant change was concentrated in fee-only noninterest accounts: The monthly fee increased at banks, and the minimum balance to open decreased at both institution types. The only other significant change was in NOW accounts at savings associations—an increase in the minimum balance to avoid a fee.

Among the two savings account types, passbook accounts had two significant changes: an increase in the low-balance fee at banks and an increase in the minimum balance to avoid a fee at savings associations. Although a significant increase in the proportion of savings associations offering the statement

3. Fees for selected special actions—incidence and average level at banks and savings associations, 1994-99

Dollars except as noted

Item	1994	1995	1996	1997	1998	1999	Percent change, 1994-99
BANKS							
<i>Stop-payment orders</i>							
Percent charging	99.8	99.0	99.4	99.2	99.7	99.9	†
Fee	13.29	13.68	13.68	13.97	14.35	15.29	15.0**
<i>NSF checks</i>							
Percent charging	100.0	100.0	100.0	100.0	100.0	99.9	†
Fee	15.33	15.71	16.36	16.55	16.96	17.71	15.5**
<i>Overdrafts</i>							
Percent charging	99.4	98.4	100.0	97.6	98.0	99.9	†
Fee	14.92	15.67	16.28	15.73	16.65	17.45	17.0**
<i>Deposit items returned</i>							
Percent charging	81.7	59.0	59.3	55.7	61.7	57.1	†**
Fee	6.89	4.95	5.50	5.15	5.49	6.28	-8.9
SAVINGS ASSOCIATIONS							
<i>Stop-payment orders</i>							
Percent charging	99.6	100.0	100.0	100.0	99.8	99.8	†
Fee	13.33	14.09	14.08	14.68	14.74	15.28	14.6**
<i>NSF checks</i>							
Percent charging	99.7	99.8	99.9	100.0	100.0	99.7	†
Fee	16.30	17.06	17.62	18.01	17.98	18.80	15.3**
<i>Overdrafts</i>							
Percent charging	97.4	99.3	99.4	97.5	96.6	97.6	†
Fee	15.43	16.75	17.53	17.67	17.82	18.97	22.9**
<i>Deposit items returned</i>							
Percent charging	93.5	78.2	80.5	74.4	78.3	78.6	†**
Fee	8.36	6.85	7.62	7.38	7.84	7.65	-8.5

NOTE. NSF (not sufficient funds) checks are those written without sufficient funds in the account to cover them; they are not honored by the paying bank or savings association. Overdrafts are checks written without sufficient funds but are honored by the paying institution. See also notes to table 1.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

account was observed, no significant change in statement account fees was found at either banks or savings associations.

Special Actions

The evidence on fees associated with special actions is more uniform than that on deposit accounts. With one exception, average fees for the four types of special action covered by the surveys rose by statistically significant amounts between 1994 and 1999 and faster than the change in the CPI (table 3).

Stop-Payment Orders

Throughout the period, virtually all banks and savings associations charged for a stop-payment order, which is a request by a customer that the institution not pay a particular check previously written by the customer. The average charge rose from about \$13.30 to about \$15.30 at both banks and savings associations, a statistically significant increase of about 15 percent.

NSF Checks and Overdrafts

A check drawn on an account with insufficient funds may or may not be honored by the paying bank. When not honored, it is called an NSF (not sufficient funds) check; when honored, it is called an overdraft and represents an extension of credit. Throughout the period, nearly all depository institutions charged for NSF checks and overdrafts, and the fees were generally \$2 to \$3 higher than for stop-payment orders. The increases in the fees charged for these actions at both banks and savings associations over the period were statistically significant and ranged from 15 percent to 23 percent.

Deposit Items Returned

When a customer deposits a check that is returned by the paying bank (because of insufficient funds, for example), the bank in which it was deposited may charge the customer a fee. The levying of such charges is controversial. Many have argued that it is not the depositor's fault that the check is drawn on insufficient funds, and charging the depositor in such cases is therefore unreasonable. Others argue that such fees may provide a useful incentive for depositors to refuse checks thought likely to be

returned for insufficient funds and that depository institutions have a right to recover their costs in ways available to them.

Perhaps because of the controversy surrounding this fee, the proportion of institutions charging it (generally about 60 percent of banks and about 80 percent of savings associations) has been smaller than the proportion charging for stop-payment orders, NSF checks, and overdrafts.⁵ Of those institutions that levied a fee, the average charge at banks and at savings associations was typically less than half of the charge for NSF checks.

ATM Services

Many fees may be assessed for services rendered by automated teller machines (ATMs). A depository institution may levy an annual fee on depositors who use its ATMs as well as impose separate fees on both customers and noncustomers for various types of ATM transactions. Fees that the institution levies on its own customers for use of ATMs may differ depending on whether the transaction is a withdrawal, a deposit, or a balance inquiry; further, the fee may vary depending on whether the institution's customer uses the institution's own ATM (an "on us" transaction) or another institution's ATM (an "on others" transaction). From the outset, the surveys elicited information on all of these aspects of ATM fees. Beginning with the 1996 survey, information was also obtained on the incidence and level of the "surcharge," which is the fee that ATM owners levy on users who do not maintain an account with the depository institution operating the machine.

Annual Fee

Survey results indicate that a small minority of institutions charged their customers an annual fee for the use of ATM services during the 1994–99 period (table 4). The incidence of the fee varied between 13 percent and 19 percent at banks; at savings associations, it declined significantly, from 18 percent to 8 percent. In addition, the average fee declined a significant amount at banks and in 1999 was about \$8 at both types of institution. Clearly, the annual fee,

5. Indeed the incidence of this fee actually decreased during the period by statistically significant amounts, from 82 percent to 57 percent at banks and from 94 percent to 79 percent at savings associations. Some caution is in order in assessing this trend, however, because it reflects unusually high estimates obtained from the 1994 survey. Overall, the readings on the incidence of the fee for deposit items returned were quite stable for the last four years of the period.

while still charged by a minority of institutions, became less of a factor for ATM customers during the period.

"On Us" Fees

Another type of ATM fee that appears to have become, if anything, less important over the years has been the "on us" transaction fee, or the fee that the institution charges its own customers for use of its own ATMs. Never exceeding a small proportion of

institutions, the incidence of this type of fee declined by statistically significant amounts at both banks and savings associations between 1994 and 1999. By 1999, only 6 percent of banks charged for withdrawals "on us" and 2 percent charged for deposits "on us." In 1999, only 2 percent of savings associations charged for "on us" withdrawals and less than 1 percent charged for "on us" deposits. Because so few institutions charge for "on us" ATM transactions, sufficiently reliable information on the level of fees charged by those institutions that do levy the fee is not available for many of the years covered.

4. Fees for automated teller machine services—incidence and average level at banks and savings associations, 1994-99

Dollars except as noted

Fee	1994	1995	1996	1997	1998	1999	Percent change, 1994-99
BANKS							
<i>Yearly fee</i>							
Percent charging	18.1	18.9	13.4	16.7	15.1	17.4	†
Fee	9.92	13.07	7.94	11.51	13.12	7.90	-20.4**
<i>Fee for transactions "on us"</i>							
Withdrawals							
Percent charging	11.5	9.6	6.8	7.4	6.4	6.4	†**
Fee .....	.55	.61	.59	.65	.68	.54	-1.8
Deposits							
Percent charging	4.6	4.2	2.1	3.3	5.2	2.3	†**
Fee .....	.43	...	...	...	.71	...	...
<i>Fee for transactions "on others"</i>							
Withdrawals							
Percent charging	78.4	85.3	79.8	67.0	74.5	72.3	†**
Fee .....	.95	1.03	1.10	1.06	1.10	1.17	23.2**
Deposits							
Percent charging	52.7	70.0	64.7	56.8	70.7	49.1	†
Fee .....	.91	1.03	1.08	1.03	1.10	1.26	38.5**
Surcharge¹							
Percent charging	n.a.	n.a.	44.8	60.1	77.9	82.9	†**
Fee	n.a.	n.a.	1.19	1.14	1.20	1.26	5.9**
SAVINGS ASSOCIATIONS							
<i>Yearly fee</i>							
Percent charging	17.7	11.7	10.1	13.7	16.6	7.9	†**
Fee	11.85	11.71	12.86	11.37	14.56	8.10	-31.6
<i>Fee for transactions "on us"</i>							
Withdrawals							
Percent charging	9.1	8.8	11.3	6.2	3.9	2.1	†**
Fee .....	.79	.65	.86	...	.85	...	...
Deposits							
Percent charging	7.8	3.0	7.2	4.6	1.4	.3	†**
Fee .....	.79	...	.85	...	...	...	...
<i>Fee for transactions "on others"</i>							
Withdrawals							
Percent charging	73.8	83.1	79.2	67.6	77.6	70.3	†
Fee .....	.91	.97	.98	.98	1.05	1.11	22.0**
Deposits							
Percent charging	54.8	62.7	66.5	63.7	66.7	50.8	†
Fee .....	.84	.92	1.00	.99	1.07	1.05	25.0**
Surcharge¹							
Percent charging	n.a.	n.a.	31.7	39.7	56.8	70.2	†**
Fee	n.a.	n.a.	1.00	1.04	1.15	1.18	18.0**

NOTE. For transactions "on us," the machine used is that of the customer's institution. See also notes to table 1.

1. Fee levied by ATM owners on users who do not maintain an account with the depository institution operating the ATM. Surveys of this charge began in 1996.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

... Data are insufficient to report or are not applicable across surveys.

n.a. Not available.

“On Others” Fees

Fees for transactions “on others” are quite common. By 1999, about 70 percent of banks and savings associations charged for withdrawals in which the institution’s customer used another institution’s ATM, while about 50 percent of banks and savings associations charged for deposits made through another institution’s ATM. Nonetheless, the proportion of banks charging their customers for withdrawals “on others” declined a statistically significant amount between 1994 and 1999.

The most dramatic change observed between 1994 and 1999 for “on others” transactions, however, was in the average fee charged for such transactions. At banks, the “on others” fee rose 23 percent for withdrawals and almost 40 percent for deposits. At savings associations, the average “on others” fee increased 22 percent for withdrawals and 25 percent for deposits. All of these increases are statistically significant and substantially exceeded the increase in the CPI during the period.

Surcharges

Even more dramatic has been the increase in the incidence of surcharging since 1996, the first year that data were collected on this fee. The proportion of banks charging noncustomers a surcharge for use of their ATMs increased from 45 percent in 1996 to 83 percent in 1999, while the proportion of savings associations charging the fee increased from 32 percent to 70 percent. Each of these increases is statistically significant.

Estimates of the average surcharge levied by those institutions that imposed the fee also increased significantly at both banks and savings associations. The estimated average charge at banks increased 6 percent over the 1996–99 period, to \$1.26 per transaction, while the charge at savings associations increased 18 percent, to \$1.18. The increase at savings associations substantially exceeded the 5 percent increase in the CPI between the dates of the 1996 and 1999 surveys.

COMPARISONS BETWEEN SINGLE-STATE AND MULTISTATE BANKING ORGANIZATIONS

Under the terms of the 1994 Riegle–Neal legislation, the Board’s annual reports have included separate analyses of the fees charged by banks engaged in multistate banking activities. Beginning with the

1996 survey, banks were designated as multistate if they were part of banking organizations that conduct banking operations in more than one state; all other banks were designated as single-state.⁶ In each of the surveys from 1996 onward, fees charged by multistate banks tended to be significantly higher than those charged by single-state banks, even after controlling for some factors (institution size and general location) that may account for some of the observed difference.

A more detailed look at these comparisons is reported here for seven of the most common services or actions for the most recent year of data (1999): noninterest checking accounts and NOW accounts (the “single balance and fee” versions), stop-payment orders, NSF checks, deposit items returned, ATM withdrawals “on others,” and ATM surcharges.

A statistically significant difference exists between single-state and multistate banks for six of the seven fees associated with these services or actions; for all six significant differences, the readings are higher at multistate banks (table 5). In addition, multistate banks were significantly more likely to charge for deposit items returned (the one item for which the fee itself did not differ significantly between single-state

6. The 1994 and 1995 surveys used a slightly different definition of multistate activity.

5. Fees for selected services and special actions at single-state and multistate banking organizations, 1999
Dollars except as noted

Item	Single-state (1)	Multistate (2)	Difference (2 – 1)
<i>Single balance and fee account</i>			
Noninterest checking			
Monthly low-balance fee	5.90	7.23	1.33**
Minimum balance to avoid fee ..	506.94	552.70	45.76
<i>NOW account</i>			
Monthly low-balance fee	8.21	9.62	1.41**
Minimum balance to avoid fee ..	1,002.05	1,413.79	404.74**
<i>Special actions</i>			
<i>Stop-payment orders</i>			
Percent charging	99.9	100.0	.1
Average fee	14.50	20.10	5.60**
<i>NSF checks</i>			
Percent charging	99.9	100.0	.1
Average fee	17.04	21.80	4.76**
<i>Deposit items returned</i>			
Percent charging	54.3	74.5	20.2 **
Average fee	6.31	6.15	-.16
<i>ATM services</i>			
<i>Withdrawals on others</i>			
Percent charging	71.4	77.0	5.6
Average fee	1.15	1.26	.11**
<i>Surcharge</i>			
Percent charging	82.2	86.7	4.5
Average fee	1.23	1.38	.15**

NOTE. Multistate banks are part of organizations that conduct banking operations in more than one state; all other banks are designated as single-state. See also notes to tables 1, 3, and 4.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

6. Amount by which fees for selected services and special actions at multistate banks are higher (lower, -) than those at single-state banks after controlling for size and location of institution, 1999

Dollars

Item	Difference
<i>Single balance and fee account</i>	
Monthly low-balance fee	.80**
Noninterest checking	1.13**
NOW account	
<i>Special actions</i>	
Stop-payment orders	3.53**
NSF checks	2.99**
Deposit items returned	-.97
<i>ATM services</i>	
ATM withdrawals "on others"	.04
Surcharge	.14**

NOTE. See note to table 5. Weighted ordinary-least-squares regression.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

and multistate banks). Further, the minimum balance to avoid a fee for NOW accounts at multistate banks was significantly higher than at single-state banks.

The observed differences in the fees charged by multistate and single-state banks may be due to conditions that simply accompany (correlate with) the distinction between single-state and multistate banking operations. For example, if one type of bank tends to be located in areas that entail higher operating costs, then the observed difference in fees between multistate and single-state banks might be

due to differences in location rather than to any inherent difference between types of institution. Therefore, the possibility exists that, after statistically controlling for the influence of these factors on fees, the observed differences between the fees of single-state and multistate banks would decline substantially or even disappear.

Through a statistical procedure (multivariate regression analysis), the fees of single-state and multistate banks were compared after accounting for two of these possible underlying conditions—the general location of the bank (as indicated by the state or consolidated metropolitan statistical area in which the bank was located) and the size category of the bank. In the comparison, the fees of multistate banks were still higher than those of single-state banks but, indeed, by smaller amounts (table 6). That is, controlling for the size and general location of institutions reduced the importance of bank type in accounting for differences in fees. Nonetheless, in most cases statistically significant differences remained.⁷

The reasons for the remaining difference in fees between multistate banks and single-state banks may be speculated upon but are difficult to determine. One possibility is that multistate banking organizations

7. The possibility exists, of course, that locational and size differences fully account for the fee differences between multistate and single-state banks and that the data employed are not sufficiently detailed to reveal that result.

7. Fees for selected services and special actions, by asset-size class of bank, 1999

Dollars except as noted

Item	Small (1)	Medium (2)	Large (3)	Difference (3 - 1)
<i>Single balance and fee account</i>				
<i>Noninterest checking</i>				
Monthly low-balance fee	5.62	6.83	8.20	2.58**
Minimum balance to avoid fee	439.81	638.01	664.21	224.40**
<i>NOW account</i>				
Monthly low-balance fee	8.04	8.97	10.85	2.81**
Minimum balance to avoid fee	974.39	1,241.82	1,412.13	437.74**
<i>Special actions</i>				
<i>Stop-payment orders</i>				
Percent charging	99.9	100.0	100.0	.1
Average fee	13.92	17.71	21.50	7.58**
<i>NSF checks</i>				
Percent charging	99.9	100.0	100.0	.1
Average fee	16.48	19.85	23.51	7.03**
<i>Deposit items returned</i>				
Percent charging	51.3	67.0	86.2	34.9 **
Average fee	6.05	6.43	7.72	1.67*
<i>ATM services</i>				
<i>Withdrawals on others</i>				
Percent charging	67.7	79.2	88.2	20.5 **
Average fee	1.09	1.28	1.32	.23**
<i>Surcharge</i>				
Percent charging	77.4	92.4	87.8	10.4 **
Average fee	1.22	1.30	1.42	.20**

NOTE. Small banks are those with assets of less than \$100 million; large banks are those with assets of more than \$1 billion. See also notes to tables 1, 3, and 4.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

tend to depend less on retail customers for funds than do single-state banks because they may obtain funds from other sources more cheaply; therefore, multi-state banks may be relatively less inclined to hold down fees incurred by the retail customer. Another possibility concerns the services provided by multi-state organizations; perhaps they are of better quality or more varied than those provided by single-state banks and would thus warrant the higher cost to the customer.

COMPARISONS BETWEEN LARGE AND SMALL BANKS

The 1994 Riegle–Neal legislation also required that the Board report its data on fees and services by size class of institution. Beginning with the 1995 report, results for banks and savings associations were reported for three asset-size classes. The reports showed changes from year to year by size class of institution, but they did not compare directly the level of fees and extent of availability across size classes in each year. Such a comparison has been made for this article (table 7), using the 1999 bank data for the seven services and actions employed in the comparison of multistate and single-state banks. The results are reported for large banks (assets of more than \$1 billion), medium-sized banks (\$100 million to \$1 billion), and small banks (less than \$100 million).

For all seven fees, the 1999 average level rose with the asset size of the bank, and the levels at large banks were significantly higher than at small banks. In the case of checking and NOW accounts, the

minimum balance to avoid a fee at large banks was significantly higher than at small banks. And in the case of special actions and ATM services, the proportions of institutions charging a fee were also significantly higher at large than at small banks (except in the case of stop-payment orders and NSF checks, for which virtually all banks charge).

Regression analysis controlled for the general location of the bank (as indicated by the state or consolidated metropolitan statistical area in which the bank was located) and for organizational structure (single-state or multistate). The fee differences between large and small banks were then found to have declined, but in most cases they remained substantial and statistically significant (table 8).⁸

SUMMARY

Under legislative mandate, the Federal Reserve Board has for many years sponsored annual surveys of the retail fees charged by depository institutions. Analysis of the data for the most recent six years (1994–99) shows that for the most common types of depository accounts surveyed, few of the fees and minimum balances changed significantly. However, the fees associated with three special actions—stop-payment orders, NSF checks, and overdrafts—rose significantly and by more than the rate of consumer price inflation over the period.

The levels of the most common types of ATM fees increased by statistically significant amounts that substantially exceeded the rate of inflation. In addition, the proportion of depository institutions imposing a surcharge for use of their ATMs by nondepositors increased dramatically in the period for which that feature was tracked (1996–99).

Finally, this article used the 1999 fees charged for seven common services and special actions to compare multistate banks with single-state banks and to compare small banks with large banks. For six of the seven items, banks that were part of multistate banking organizations charged, on average, significantly higher fees than single-state banks. For all of the items, large banks (assets of more than \$1 billion) charged significantly more than small banks (assets of less than \$100 million).

8. Amount by which fees for selected services and special actions at large banks are higher than those at small banks after controlling for organizational structure and location of institution, 1999

Dollars

Item	Difference
<i>Single balance and fee accounts</i>	
Monthly low-balance fee	
Noninterest checking	1.71**
NOW account	1.83**
<i>Special actions</i>	
Stop-payment orders	4.89**
NSF checks	3.66**
Deposit items returned	1.89
<i>ATM services</i>	
ATM withdrawals "on others" .....	.16*
Surcharge .....	.08

NOTE. Organizational structure refers to the distinction between multistate and single-state banks. See also note to table 7. Differences obtained with same weighted ordinary-least-squares regression employed for results in table 6.

* Significant at the 90 percent confidence level.

** Significant at the 95 percent confidence level.

8. As in the case of the fee differences between single-state and multistate banking organizations, the fee differences between large and small banks could be due to additional factors—such as differences in the quality and variety of services offered—but, again, such reasoning is speculative. And again the possibility also exists that if the data were more detailed, the multivariate analysis would show that the factors being held constant (in this case location and organizational structure) fully account for the fee differences.

Although they narrowed, the differences remained statistically significant after analyses that controlled for the general location of the institutions, for size (in the case of the multistate versus single-state comparison), and for multistate banking operations (in the case of the large versus small comparison).

APPENDIX: DESIGN OF THE SURVEYS

The data employed in this article were obtained through telephone interviews conducted by Moebis Services, of Lake Bluff, Illinois, under contract with

the Board of Governors of the Federal Reserve System. Approximately 1,050 depository institutions were surveyed each year, with the institutions in the surveyed samples varying from one year to the next.

The statistical design of the survey consists of a stratified systematic sample, treated as a stratified random sample, with seven geographic regions and five size classifications serving as the strata. Because selection probabilities differ by region and size class, the inverses of the selection probabilities were employed as weights. These weights were then used to obtain the population estimates reported here. □

Industrial Production and Capacity Utilization for November 2000

Released for publication December 15

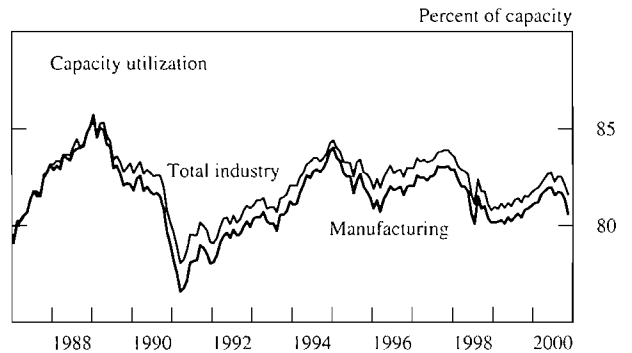
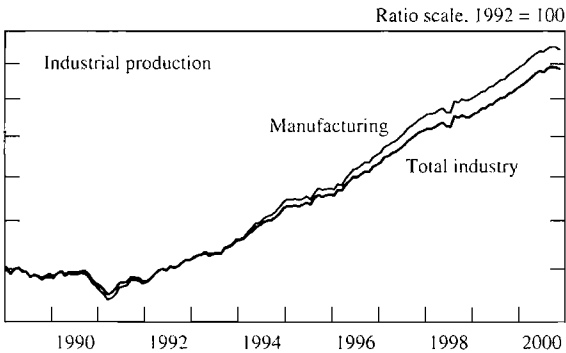
Industrial production fell 0.2 percent in November. Manufacturing output dropped 0.5 percent, with declines in many industries. Output at utilities surged 3.6 percent in response to unseasonably cool weather, and production in mining edged up 0.1 percent. At 148.6 percent of its 1992 average, industrial production was 4.7 percent higher than in November 1999.

The rate of capacity utilization for total industry fell to 81.6 percent in November, a level ½ percentage point below its 1967–99 average.

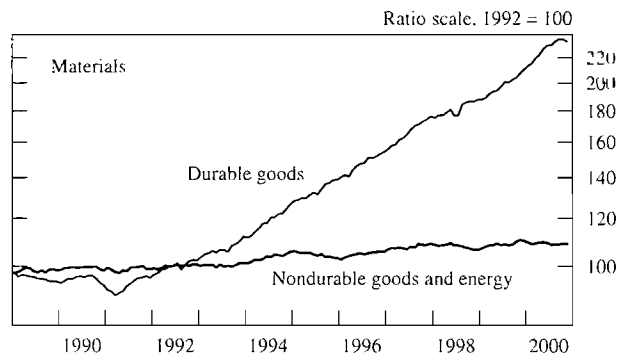
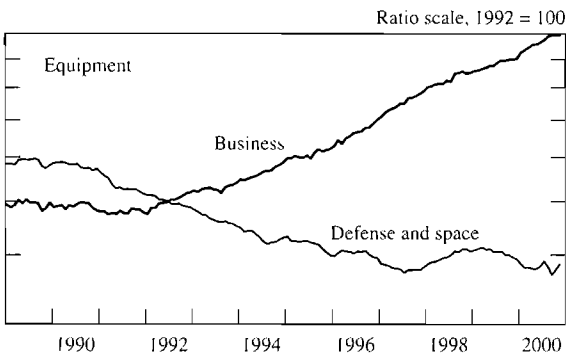
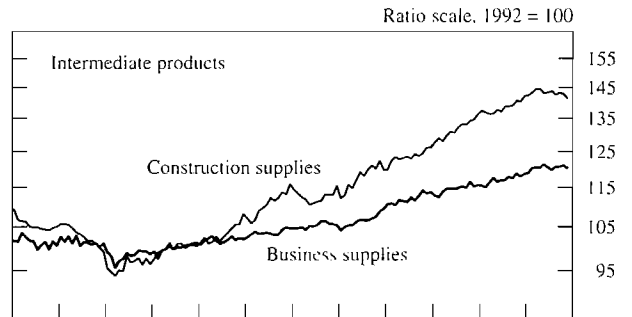
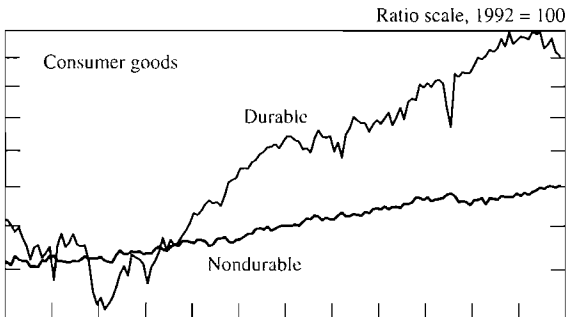
MARKET GROUPS

The output of consumer goods ticked up 0.1 percent in November after having fallen 0.9 percent in Octo-

Industrial production and capacity utilization



Industrial production, market groups



All series are seasonally adjusted. Latest series, November. Capacity is an index of potential industrial production.

Industrial production and capacity utilization, November 2000

Category	Industrial production, index, 1992 = 100								
	2000				Percent change				
	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	2000 ¹				Nov. 1999 to Nov. 2000
					Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	
Total	148.6	149.1	148.9	148.6	.7	.3	-.1	-.2	4.7
Previous estimate	148.6	149.0	148.8	...	.7	.2	-.1	...	...
<i>Major market groups</i>									
Products, total ²	136.6	136.9	136.4	136.4	.6	.2	-.3	-.1	3.5
Consumer goods	123.8	124.1	123.0	123.2	.7	.3	-.9	.1	1.4
Business equipment	197.8	198.9	199.2	199.1	1.4	.6	.1	.0	10.7
Construction supplies	142.7	143.2	143.0	141.6	-.8	.4	-.2	-1.0	.8
Materials	170.5	171.5	171.7	170.8	.9	.6	.1	-.5	6.8
<i>Major industry groups</i>									
Manufacturing	154.6	155.2	155.1	154.4	.6	.4	.0	-.5	4.6
Durable	196.9	198.3	197.7	196.9	1.1	.7	-.3	-.4	8.8
Nondurable	116.3	116.2	116.6	115.9	.0	-.1	.3	-.6	-.3
Mining	101.0	100.3	100.2	100.3	.6	-.8	.0	.1	.9
Utilities	122.1	123.4	120.9	125.3	2.5	1.0	-2.0	3.6	10.4
	Capacity utilization, percent								MEMO Capacity, percent change, Nov. 1999 to Nov. 2000
	Average, 1967-99	Low, 1982	High, 1988-89	1999	2000				
				Nov.	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	
Total	82.0	71.1	85.4	81.5	82.6	82.5	82.1	81.6	4.6
Previous estimate .....	...	...	...	...	82.5	82.4	82.0	...	...
Manufacturing	81.1	69.0	85.7	80.9	81.7	81.7	81.4	80.6	5.0
Advanced processing	80.5	70.4	84.2	79.7	81.7	81.6	81.2	80.6	6.6
Primary processing	82.5	66.2	88.9	84.8	82.9	83.0	82.9	81.8	1.6
Mining	87.4	80.3	88.0	85.1	86.9	86.3	86.3	86.5	-.8
Utilities	87.5	75.9	92.6	87.2	91.5	92.2	90.2	93.2	3.3

NOTE: Data seasonally adjusted or calculated from seasonally adjusted monthly data.

1. Change from preceding month.

2. Contains components in addition to those shown.

r Revised.

p Preliminary.

ber. The production of durable consumer goods decreased for a second month and was again pulled down by a drop in the assembly rate of autos and light trucks. The output of other consumer durables, which dipped 0.3 percent in November, was held down by a decline in carpeting and furniture. The production of nondurable consumer goods, which gained 0.4 percent, was buoyed by a strong gain in energy products, especially utilities. Excluding energy, the output of nondurables fell 0.3 percent. Decreases in the production of paper products, food and tobacco, and clothing outweighed a gain in the output of consumer chemicals.

The output of business equipment was flat after having shown little change in October; in the three months preceding October, the gains averaged about 1 percent. The output of computer and office equipment grew 2.0 percent in November, a pace below that of the preceding six months. The 0.9 percent drop in the production of industrial equipment more than erased October's gain. In contrast, the production of transit equipment climbed 0.6 percent; the

gain was led by increases in commercial aircraft and medium and heavy trucks. Production in the other business equipment group fell 3.1 percent. The output of defense and space equipment grew 2.3 percent as two strikes that had held down output came to an end.

The production of construction supplies, which has been softening in recent months, declined another 1 percent in November. The output of materials fell ½ percent, pulled down by declines in durables and nondurables. Within durable materials, consumer parts was hit by a substantial decline in original equipment parts for motor vehicles. Although the output of semiconductors, printed circuit boards, and other electronic components increased 1.1 percent for a second month, the move was a sharp step-down from the 5.8 percent average monthly rate in the first three quarters of the year. The drop of 0.9 percent in the output of nondurable goods materials offset the gain in October and reflected losses in many of the sector's constituent categories.

INDUSTRY GROUPS

Manufacturing output dropped 0.5 percent in November, with decreases spread about evenly across both durable and nondurable goods industries. Among durable goods, the losses were widespread, with the largest declines in primary metals, lumber and products, and stone, clay, and glass industries. After being nearly flat for the year, the output of nondurables fell 0.6 percent; production is now 0.3 percent below its November 1999 level.

The factory operating rate declined to 80.6 percent, and easing occurred within many industries. The operating rate at electric utilities rose to 95.7 percent, 6.1 percentage points above its 1967–99 average; capacity utilization at gas utilities also increased, to 84.3 percent, a level 2.3 percentage points above its long-term average. The operating rate for mining was 86.5 percent, a reading little changed since June.

REVISION OF INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

On December 5, the Federal Reserve Board published revisions to the index of industrial production (IP), to the related measures of capacity and capacity utilization, and to the index of industrial use of electric power. The updated measures reflect both the incorporation of newly available, more comprehensive source data typical of annual revisions and, for some series, the introduction of improved compilation methods. The revision also included a refinement of the method used to aggregate the individual series in the production and capacity indexes. The new source data are for recent years, primarily 1997 through 1999, and the modified methods affected data from 1992 onward.

The updating of source data for IP included annual data from the following reports of the Bureau of the

Census: the 1997 Census of Manufactures, the 1998 Annual Survey of Manufactures, and selected editions of its 1998 and 1999 Current Industrial Reports. Annual data from the U.S. Geological Survey regarding metallic and nonmetallic minerals (except fuels) for 1998 and 1999 also were introduced. The updating included revisions to the monthly indicator for each industry (either physical product data, production-worker hours, or electric power usage) and revised seasonal factors.

The revision to capacity and capacity utilization incorporated preliminary data from the 1999 Survey of Plant Capacity of the Bureau of the Census, which covers manufacturing, along with other new data on capacity from the U.S. Geological Survey, the Department of Energy, and other organizations. The statistics on the industrial use of electric power incorporated additional information received from utilities for the past few years as well as data from the 1997 Census of Manufactures and 1998 Annual Survey of Manufactures.

Aggregate IP indexes are built as annually weighted chain-type indexes, beginning with data for 1977. Previously, the weights changed at the middle of every year; with the revision, the weights change every month beginning with data for 1992. The revision is available on the Board's web site (www.federalreserve.gov/releases/g17). The revised data are also available through the web site of the Department of Commerce. Further information on these revisions is available from the Board's Industrial Output Section (telephone 202-452-3197).

The G.17 statistical release will be redesigned in January 2001. Special aggregates will be added; some detailed industry data will no longer be listed in the regular release but will be available on the Federal Reserve Board's public web site, along with a template of the redesigned tables. □

Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee at its meeting on November 15, 2000, decided to maintain the existing stance of monetary policy, keeping its target for the federal funds rate at 6½ percent.

The utilization of the pool of available workers remains at an unusually high level, and the increase in energy prices, though having limited effect on core measures of prices to date, still harbors the possibility of raising inflation expectations. The Committee, accordingly, continues to see a risk of heightened inflation pressures. However, softening in business and household demand and tightening conditions in financial markets over recent months suggest that the economy could expand for a time at a pace below the productivity-enhanced rate of growth of its potential to produce.

Nonetheless, to date the easing of demand pressures has not been sufficient to warrant a change in the Committee's judgment that against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks continue to be weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

STATEMENT ON THE DEATH OF HENRY B. GONZALEZ, FORMER CHAIRMAN OF THE U.S. BANKING COMMITTEE

Federal Reserve Board Chairman Alan Greenspan issued on November 29, 2000, the following statement:

I was saddened to hear of the passing yesterday of former House Banking Committee Chairman Henry B. Gonzalez. While we had many debates over policy, he was always civil, always a gentleman. In pursuing his convictions, he never deviated from the deep-seated integrity and decency at the core of his character. I extend my condolences to his family and many friends.

APPROVAL OF 2001 FEE SCHEDULES FOR FEDERAL RESERVE BANK PAYMENT SERVICES

The Federal Reserve Board approved on November 8, 2000, fee schedules for Federal Reserve Bank payment services, effective January 2, 2001.

Overall, the 2001 price level for Federal Reserve payment services is projected to increase 4.2 percent from the 2000 level. Because of price reductions in recent years, the overall price level has risen only half a percent since 1996.

For electronic payment services, the efficiencies that have been gained from consolidating the Federal Reserve's automated processing facilities will allow the Reserve Banks to maintain their current basic transaction fees for Fedwire funds, book-entry securities, and automated clearinghouse in 2001.

Reflecting, in part, investments in check automation and electronic check technologies, check service fees will increase, on average, approximately 3 percent compared with current prices. These investments should lead to greater operating efficiencies at the Reserve Banks and yield cost savings that ultimately can be passed along to customers.

The 2001 priced services fee schedules are available at the Federal Reserve's Financial Services web site: www.frbservices.org.

The Board also approved on November 8, 2000, the 2001 private-sector adjustment factor (PSAF) for Reserve Bank priced services of \$206.9 million, an increase of \$14.2 million, or 7.4 percent, from the 2000 PSAF of \$192.6 million.

The PSAF is an allowance for taxes and other imputed expenses that would have been paid and return on capital that would have been provided had the Federal Reserve's priced services been provided by a private business. The Monetary Control Act of 1980 requires the Federal Reserve to recover the costs of providing priced payment services, including the PSAF, over the long run to promote competition between the Reserve Banks and private-sector service providers.

The Reserve Banks project that they will recover 98.0 percent of their priced services costs, including operating costs and the imputed costs and target return on equity (ROE), in 2001. The Reserve Banks expect to earn \$978.5 million in revenue while incurring operating and imputed costs of \$889.4 million, for a net income of \$89.1 million, compared with a target ROE of \$109.3 million. The Reserve Banks estimate that they will recover 100.4 percent of their costs in 2000. During the 1990–99 period, the Reserve Banks recovered 99.7 percent of the costs of priced services, including targeted ROE.

ANNUAL ADJUSTMENT FOR RESERVE CALCULATIONS AND DEPOSIT REPORTING

The Federal Reserve Board announced on November 16, 2000, the annual adjustments in the amount of net transaction accounts used in the calculation of reserve requirements and the cutoff levels used to determine the detail and frequency of deposit reporting.

All depository institutions must retain a percentage of certain types of deposits in the form of vault cash, or as a deposit in a Federal Reserve Bank, or a pass-through account at a correspondent institution. Reserve requirements currently are assessed on the depository institution's net transaction accounts (mostly checking accounts).

For net transaction accounts in 2001, the first \$5.5 million, up from \$5 million in 2000, will be exempt from reserve requirements. A 3 percent reserve ratio will be assessed on net transaction accounts over \$5.5 million to and including \$42.8 million, down from \$44.3 million in 2000. A 10 percent reserve ratio will be applied to net transaction accounts above \$42.8 million.

These annual adjustments, known as the low reserve tranche adjustment and the reservable liabilities exemption adjustment, are based on growth in net transaction accounts and total reservable liabilities respectively at all depository institutions between June 30, 1999, and June 30, 2000.

Additionally, the Board increased the deposit cutoff level that is used with the exemption level to determine the frequency and detail of deposit reporting.

Effective September 2001, depository institutions with total reservable liabilities greater than the exemption level (\$5.5 million) are subject to detailed deposit reporting and are called nonexempt institutions. Those nonexempt institutions with total deposits greater than or equal to \$101 million, up from the \$95 million cutoff that became effective September

2000, must report their deposit levels weekly. Those with total deposits of less than \$101 million must report their deposit levels quarterly.

Depository institutions with total reservable liabilities equal to or less than the exemption level of \$5.5 million are not subject to detailed deposit reporting and are called exempt depository institutions. Exempt depository institutions with total deposits of \$5.5 million or more file a less detailed deposit report once each year. Exempt depository institutions with total deposits of less than \$5.5 million are not required to file deposit reports. In July 2000, the Board discontinued the quarterly report previously used by some exempt institutions (form FR 2910q).

U.S. branches and agencies of foreign banks and Edge and agreement corporations must file deposit reports weekly, regardless of size.

For depository institutions that report weekly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins November 28, 2000, and the corresponding reserve maintenance period that begins December 28, 2000.

For institutions that report quarterly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins December 19, 2000, and the corresponding reserve maintenance period that begins January 18, 2001.

REGULATION Z: ADJUSTMENT TO THE DOLLAR AMOUNT THAT TRIGGERS ADDITIONAL DISCLOSURE REQUIREMENTS

The Federal Reserve Board published on November 21, 2000, its annual adjustment of the dollar amount that triggers additional disclosure requirements under the Truth in Lending Act (Regulation Z) for mortgage loans that bear rates or fees above a certain amount.

Under the revision to the Board's staff commentary to Regulation Z, the dollar amount of the fee-based trigger has been adjusted from \$451 for 2000 to \$465 for 2001 based on the annual percentage change reported in the Consumer Price Index as of June 1, 2000. The adjustment is effective January 1, 2001.

The Home Ownership and Equity Protection Act of 1994 bars credit terms such as balloon payments and requires additional disclosures when total points and fees payable by the consumer exceed \$400 (to be adjusted annually) or 8 percent of the total loan amount, whichever is larger.

REGULATION C: REQUEST FOR COMMENT ON PROPOSED REVISIONS

The Federal Reserve Board on November 29, 2000, requested comment on proposed revisions to its Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). Comments are due by March 9, 2001.

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

The Board's proposal incorporates suggestions received in response to the Advance Notice of Proposed Rulemaking published in 1998, as well as suggestions from discussions with a wide range of interested parties, including industry and consumer representatives and officials of financial regulatory and fair lending enforcement agencies. Other suggestions were presented at hearings held in Charlotte, Boston, Chicago, and San Francisco last summer on possible changes in the enforcement of the Home Ownership and Equity Protection Act (HOEPA).

In evaluating potential changes to the HMDA reporting requirements, the Board considered whether the changes would improve the quality and utility of the resulting data. The Board took into account changes in the home mortgage market, including growth in areas such as home equity lines of credit and subprime lending. The objective of the proposed changes is to enhance the public's and agencies' understanding of the home mortgage market generally, and the subprime market in particular, as well as to further fair lending analysis. At the same time, the Board has attempted to minimize the increase in the data collection and reporting burden by limiting proposed changes to those likely to have significant benefit.

The proposed changes to Regulation C include the following:

- Expand coverage of nondepository lenders by adding a dollar-volume threshold of \$50 million to the current loan-percentage test
- Simplify the definitions of "refinancing" and "home-improvement loan" to generate more consistent and accurate data

- Require lenders to report home equity lines of credit (such reporting is now optional)
- Require lenders to report certain applications for credit received through preapproval programs
- Require lenders to report the annual percentage rate of the loan, whether the loan is subject to HOEPA, and whether the loan involves a manufactured home.

The Board also proposed a number of clarifications and technical changes, in addition to reorganizing Regulation C to make it easier to use.

INTERACTIVE WEB SITE FOR CONSUMER REGULATION ISSUES IN INTERNET BANKING

The Federal Reserve Board announced on November 21, 2000, a new Internet resource designed to help bankers and bank examiners apply consumer regulations to Internet banking. The Checkers Bank (TCB) is a mock on-line bank whose web site contains violations of federal consumer protection regulations. The TCB site highlights these violations for further investigation.

The TCB site provides web pages that address such financial vehicles as loans and credit cards, consumer deposits, investments, and commercial services.

Each web page provides a link to a sidebar of supporting information that the user can reach by clicking on the Federal Reserve System seal at the bottom of the page. The sidebar provides educational features designed to help users spot violations and to learn more about the applicable regulation. Each sidebar offers the following features:

- Need a hint: Gives hints about what may be wrong with the page without completely ruining the challenge
- Findings and Follow-up: Marks actual violations or problem areas that require further investigation
- Review Regs: Provides a link to the Federal Reserve Board's regulations directory
- Suggest Changes: Allows users to electronically send feedback to the Federal Reserve.

Though not all pages show violations, for those that do, the issues are described in detail. The Findings page offers users the option to print for further examination.

Users of the site may peruse it at their own pace. The Checkers Bank can be accessed at www.federalreserve.gov/tcb.

PUBLICATION OF THE NOVEMBER 2000 UPDATE TO THE *COMMERCIAL BANK EXAMINATION MANUAL*

The November 2000 update to the *Commercial Bank Examination Manual*, Supplement No. 13, has been published and is now available. The *Manual* comprises the Federal Reserve System's state member bank supervisory and examination guidance. The new supplement includes the following:

1. *The September 1999 FFIEC Interagency Policy Statement on the External Audits of Banks with Less Than \$500 Million in Total Assets*. Small institutions that are not subject to other audit requirements are encouraged to adopt an external-auditing program. A full-scope annual audit by an independent public accountant is preferable. Small banks are also encouraged to establish an audit committee consisting of outside directors. See Supervisory Letter 99-33. Supervisory (SR) letters are the Federal Reserve's primary means of communicating key policy directives to its examiners, supervisory staff, and the banking industry. SR letters can be viewed on the Board's web site: www.federalreserve.gov/boarddocs/srletters.

2. *The Federal Reserve System Bank Watch List Program*. The surveillance section includes procedures discussing the assignment of state member banks to a watch list. The watch list and its accompanying screen monitoring program identify state member banks that warrant additional off-site surveillance, either because of their financial condition or because of recent examination findings. See SR 00-7.

3. *A Reinforcement of the Lending Standards for Commercial Loans to Address Supervisory Concerns about the Weakening of Internal Controls*. New supervisory guidance focuses on the risks of overly aggressive lending practices due to an overreliance on favorable economic conditions. Supervisors and examiners are instructed to be alert to indications of an institution's insufficiently rigorous risk assessment, such as (1) an excessive reliance on strong economic conditions and robust financial markets (for example, borrowers whose financial capacity is inadequate to service their debts without access to capital markets on favorable terms); (2) an inadequate consideration of stress testing; or (3) a weakening of key internal controls in the lending process. Examiners are to be attentive to an institution's monitoring of its own credit practices, making certain that the institution's practices do not lead to a delay in recognizing emerging loan weaknesses. See SR 99-23.

4. *The June 2000 FFIEC Uniform Retail-Credit Classification and Account-Management Policy* (supersedes the February 1999 policy). The revised policy includes the following:

- Stressing the need for institutions to adopt and adhere to prudential internal standards on the number and frequency of extensions, deferrals, rewrites, and renewals of closed-end loans
- Limited re-aging of open-end accounts that participate in a debt-counseling/workout program, following receipt of at least three consecutive minimum monthly payments, or an equivalent cumulative amount

- A current assessment of value to be made no later than 180 days past the contractual due date for loans secured by real estate (any loan balance exceeding the property's value, less selling costs, is to be classified as a loss and charged off)

- A clarification that collateralized loans due to be charged off under the policy can be written down to the collateral's value, less cost to sell, instead of being entirely charged off

- A clarification that payments received after the applicable charge-off threshold, but before the end of the month in which the charge-off threshold is triggered, may be considered when determining if a charge-off remains appropriate.

The terms of the revised policy apply to federally insured depository institutions. Examiners are advised to review their methodology for aging retail loans. The contractual method of loan aging is more accurate and is required for reporting on the bank call reports. See SR 00-8.

5. *December 1999 Joint Interagency Supervisory Guidance on Securitization Activities*. The asset securitization section is amended to further underscore the importance of sound risk-management practices in all aspects of asset securitization. Guidance is provided on the risk management and valuation of retained interests arising from securitization activities. Retained interests, including interest-only STRIPs receivable, arise when a selling institution keeps an interest in assets sold to a securitization vehicle that, in turn, issues bonds to investors. Supervisory concerns exist about the methods and models banking organizations use to value retained interests and the difficulties in managing exposure to these volatile assets. The fair value of the retained interests should be documented and determined in accordance with generally accepted accounting principles. The valuation should be based on reasonable, conservative assumptions about such factors as discount rates, projected credit losses, and prepayment rates. See SR 99-37.

6. Revised Information Technology Examination and Supervisory Guidance. This expanded guidance gives greater emphasis to the role of information technology (IT) and its effect on an organization's safety and soundness. Instead of separate IT examinations, all examinations should include an assessment and evaluation of IT risks and risk management. Examiners must consider IT when developing risk assessments and supervisory plans, and in determining the level of review needed, given the characteristics, size, and business activities of the organization. See SR 00-3 and SR 98-9. The revised FFIEC Uniform Rating System for Information Technology (URSIT) (effective April 1, 1999) is also included. See SR 99-8.

The examiner's assessment of IT activities may be incorporated directly into the safety-and-soundness rating. The scope of an examination should include an evaluation of the adequacy of the institution's oversight of service providers for critical processing activities, the results of any relevant supervisory reviews of such service providers, and any significant in-house activities. See SR 00-3 and SR 00-4.

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (or charge by facsimile: 202-728-5886). The *Manual* is also available on the Board's web site: www.federalreserve.gov/boarddocs/supmanual/.

ENFORCEMENT ACTIONS AND TERMINATIONS OF PRIOR ENFORCEMENT ACTIONS

The Federal Reserve Board on November 20, 2000, announced the execution of a written agreement by and among Guaranty Financial Corporation, Charlottesville, Virginia; the Guaranty Bank, Charlottesville, Virginia; the Federal Reserve Bank of Richmond; and the Bureau of Financial Institutions of the Commonwealth of Virginia.

The Federal Reserve Board announced on November 20, 2000, the issuance of a cease and desist order against the United Central Bank, Garland, Texas.

The Federal Reserve Board announced on November 30, 2000, the execution of a written agreement by and among CSB Bancorp, Inc., Millersburg, Ohio; The Commercial and Savings Bank of Millersburg, Millersburg, Ohio; the Federal Reserve Bank of Cleveland; and the Ohio Division of Financial Institutions.

The Federal Reserve Board announced on December 1, 2000, the execution of a written agree-

ment by and among Caisse Nationale de Crédit Agricole, Paris, France; Crédit Agricole Indosuez, Paris, France; Crédit Agricole Indosuez, New York branch, New York, New York; the Federal Reserve Bank of New York; and the New York State Banking Department.

The Federal Reserve Board announced on December 1, 2000, the issuance of a final decision and order of prohibition against Sammie R. Golden, former employee, Union Planters Bank, Memphis, Tennessee. The order, the result of an action brought by the Office of the Comptroller of the Currency, prohibits Ms. Golden from participating in the conduct of the affairs of any financial institution or holding company.

The Federal Reserve Board announced on November 20, 2000, the termination of the following enforcement action: The Asahi Bank, Ltd., New York branch, cease and desist order dated February 13, 1997, was terminated October 11, 2000.

CHANGE IN BOARD STAFF

The Board of Governors approved on December 8, 2000, the promotion of Thomas Connors to associate director in the Division of International Finance. Mr. Connors will assume oversight responsibility for the Administrative Office in the International Finance Division, in addition to his current oversight responsibilities for the International Development and World Payments and Economic Activity sections, and for the International Information Center. □

Minutes of the Meeting of the Federal Open Market Committee Held on October 3, 2000

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, October 3, 2000, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Broaddus
Mr. Ferguson
Mr. Gramlich
Mr. Guynn
Mr. Jordan
Mr. Kelley
Mr. Meyer
Mr. Parry

Mr. Hoenig, Ms. Minehan, Messrs. Moskowitz and Poole, Alternate Members of the Federal Open Market Committee

Messrs. McTeer, Stern, and Santomero, Presidents of the Federal Reserve Banks of Dallas, Minneapolis, and Philadelphia respectively

Mr. Kohn, Secretary and Economist
Mr. Gillum, Assistant Secretary
Ms. Fox, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Baxter, Deputy General Counsel
Ms. Johnson, Economist
Mr. Stockton, Economist

Mr. Beebe, Ms. Cumming, Messrs. Eisenbeis, Howard, Lindsey, Reinhart, Simpson, and Sniderman, Associate Economists

Mr. Fisher, Manager, System Open Market Account

Messrs. Madigan and Slifman, Associate Directors, Divisions of Monetary Affairs and Research and Statistics respectively, Board of Governors

Mr. Winn, Assistant to the Board, Office of Board Members, Board of Governors

Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors

Messrs. Oliner and Struckmeyer, Associate Directors, Division of Research and Statistics, Board of Governors

Mr. Porter, Deputy Associate Director, Division of Monetary Affairs, Board of Governors

Mr. Whitesell, Assistant Director, Division of Monetary Affairs, Board of Governors

Mr. Ramm, Section Chief, Division of Research and Statistics, Board of Governors

Messrs. Reeve and Sack, Economists, Divisions of International Finance and Monetary Affairs respectively, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Mr. Kumasaka, Assistant Economist, Division of Monetary Affairs, Board of Governors

Messrs. Hakkio, Kos, Lacker, Ms. Mester, Messrs. Rasche, Rolnick, and Rosenblum, Senior Vice Presidents, Federal Reserve Banks of Kansas City, New York, Richmond, Philadelphia, St. Louis, Minneapolis, and Dallas respectively

Messrs. Evans and Rosengren, Vice Presidents, Federal Reserve Banks of Chicago and Boston respectively

Mr. Tallman, Senior Economist, Federal Reserve Bank of Atlanta

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on August 22, 2000, were approved.

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets and on System transactions in those markets during the period August 22, 2000, through October 2, 2000. By unanimous vote, the Committee ratified these transactions.

In ratifying these transactions, members emphasized that the action was not intended to signal an

increased willingness by the Committee to intervene in foreign exchange markets. In the current instance, the intervention transactions were undertaken in a spirit of cooperation with the international financial community and at the express request of the European Central Bank (ECB). Members commented that historical experience suggested that foreign exchange market interventions generally had not had lasting effects when not accompanied by supporting changes in macroeconomic policies.

The Manager also reported on developments in domestic financial markets and on System open market transactions in government securities and federal agency obligations during the period August 22, 2000, through October 2, 2000. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic outlook and the implementation of monetary policy over the intermeeting period ahead.

The information reviewed at this meeting suggested that economic activity was expanding at a more moderate pace than in the first half of the year. The moderation reflected lower growth in most major expenditure sectors. As a result of the deceleration in aggregate demand, expansion of employment and industrial production had slowed. Rising energy prices had boosted overall price inflation considerably, but core measures of consumer inflation had increased substantially less.

Total nonfarm payroll employment dropped further in August, in part reflecting additional large declines in the number of temporary Census workers. In the private sector, a labor strike held down the August rise in payroll employment, but even after adjusting for the effects of the strike, the pace of private job gains in the July–August period fell considerably from the rate for the first half of the year. The slowdown was particularly pronounced in the construction, manufacturing, and services sectors. The civilian unemployment rate edged up to 4.1 percent in August.

Total industrial production rose only slightly on balance during July and August after having registered strong gains earlier in the year. The growth in production of high-tech equipment remained rapid, though not at the extraordinary rates posted earlier in the year, and softer conditions had emerged in a number of manufacturing industries, including steel, trucks, motor vehicles, and construction supplies. Because of the weakness in production, the rate of capacity utilization in manufacturing edged down to a level slightly below its long-term average.

Consumer spending picked up somewhat in July and August from a moderate rate of increase in the

second quarter. Real personal consumption expenditures on durable goods surged in the July–August period, spending on nondurable goods picked up somewhat less, and consumption of services decelerated a little. The recent strengthening of consumer spending occurred against the background of moderate growth of real disposable income in recent quarters but generally buoyant consumer sentiment.

With interest rates on fixed-rate mortgages having fallen significantly since mid-May and consumers' assessments of homebuying conditions having risen recently, single-family housing starts picked up somewhat in August. However, such starts were still sharply below their levels of early in the year, likely reflecting in part the recent smaller gains in income and employment and the flattening out of equity prices thus far this year. New home sales picked up in July (latest data), though that gain might have been overstated as a result of problems with estimation procedures, and existing home sales bounced back in August, roughly offsetting a drop in July. Multifamily starts, by contrast, declined further in August even though vacancy rates remained low and apartment rents continued to rise.

The available information suggested that business investment in durable equipment and software increased substantially further in the third quarter. Data on shipments of nondefense capital goods in July and August indicated that outlays for high-tech equipment, notably computing and communications equipment, remained quite strong. For other types of equipment, spending growth seemed to have moderated somewhat after the substantial gains of the first half of the year. Information on orders for nondefense capital goods pointed to further slowing in the pace of spending increases in coming months. Nonresidential construction activity fell in July but market fundamentals, including rising property values and lower vacancy rates, suggested the likelihood of further expansion in nonresidential investment, particularly in office buildings.

Business inventory investment decreased sharply in July after a large second-quarter advance. Much of the slowdown was associated with a runoff of stocks of motor vehicles at wholesalers and automotive dealerships. Elsewhere, stockbuilding eased a little and sales decelerated somewhat. Inventory–sales ratios generally were within their ranges for the preceding twelve months, and there seemed to be only a few scattered indications of inventory imbalances at the industry level.

The U.S. trade deficit in goods and services widened considerably in July from its June level, with the dollar value of exports retracing part of its

extraordinary June increase and the value of imports rising further. The drop in exports was concentrated in aircraft and automotive products, while the advance in imports was largely in industrial supplies, automotive products, and services. The available information indicated that economic expansion in the foreign industrial countries had slowed somewhat in the third quarter from the robust growth during the first half of the year, primarily reflecting reduced economic expansion in Japan. Growth appeared to be somewhat uneven among the developing countries in the third quarter but remained solid on balance.

Recent information continued to indicate a slight pickup in price inflation. Consumer prices edged up on balance over July and August, despite a net drop in energy prices; excluding the food and energy components, consumer price inflation remained moderate in both months. On a year-over-year basis, however, core consumer prices increased somewhat more in the twelve months ended in August than in the previous twelve-month period. Core producer prices edged up over the July-August period and decelerated a little on a year-over-year basis. With regard to labor costs, average hourly earnings of production or non-supervisory workers rose moderately in July and August. The advance for the twelve months ended in August was slightly larger than that for the previous twelve-month period.

At its meeting on August 22, 2000, the Committee adopted a directive that called for maintaining conditions in reserve markets consistent with an unchanged federal funds rate of about 6½ percent. In reaching their decision, the members noted that decelerating demand and surging productivity seemed to have narrowed the gap between the growth rates of aggregate demand and potential supply, even though previous policy tightening actions had not yet exerted their full restraining effects. The members emphasized, however, that unusually taut labor markets could result in greater upward pressures on unit costs and prices, especially if productivity growth were to level out or edge lower in the future, and they agreed that the statement accompanying the announcement of their decision should continue to indicate that the risks remained weighted mainly in the direction of rising inflation.

Open market operations throughout the intermeeting period were directed toward maintaining the federal funds rate at the Committee's targeted level of 6½ percent, and the average rate was close to the intended level. Most short- and intermediate-term interest rates moved lower over the interval, though long-term yields changed little or drifted slightly higher. Market expectations about the near-term pros-

pects for interest rates were revised downward in response to both the Committee's statement after the August meeting, which was interpreted as expressing greater confidence that growth rates of aggregate demand and aggregate supply were coming into better alignment, and to subsequent data releases, which were seen as confirming earlier indications of some slowing in the economic expansion. Against a background of some upward pressure on long-term Treasury yields and of growing concerns about corporate earnings, most broad indexes of stock market prices declined somewhat over the intermeeting period.

In foreign exchange markets, the trade-weighted value of the dollar increased somewhat further on balance in terms of an index of major foreign currencies. The dollar's net appreciation against the euro occurred despite a small policy tightening by the ECB on August 31 as sentiment toward that currency remained negative, in part because of concerns about capital flows out of the euro area. The major industrial countries undertook joint foreign exchange intervention late in the period, on September 22, to stem the euro's slide. The intervention was at the initiative of the ECB and was joined by the United States and other nations because of shared concern about the potential implications of recent movements in the euro. The dollar also posted gains against the currencies of a number of other important trading partners, notably the Brazilian *real* and the Mexican peso.

The broad monetary aggregates had expanded relatively briskly in recent months. The growth of M2, perhaps reflecting the recent vigor of consumer spending, picked up considerably in August and September after having increased slowly in June and July. Averaged across the past four months, however, M2 increased at a pace noticeably below that of earlier in the year, with the slowdown partly reflecting a lagged response to a widening, during the first half of the year, of the opportunity costs of holding M2 assets. M3 expansion remained robust in August and September, though somewhat below the pace in the first half of the year. The growth of domestic nonfinancial debt slowed somewhat in July and August in association with some moderation in the brisk pace of private borrowing that was offset in part by a less rapid paydown of federal debt.

The staff forecast prepared for this meeting suggested that the economic expansion, after slowing considerably from its elevated pace of recent quarters, would be sustained at a rate a little below the staff's current estimate of the economy's potential output. The forecast anticipated that the expansion of domestic final demand would be held back to some extent by the eventual disappearance of positive

wealth effects associated with outsized earlier gains in equity prices and by higher interest rates. As a result, growth of spending on consumer durables was expected to remain appreciably below that in recent quarters, and housing demand would trend slightly downward. By contrast, business fixed investment, notably outlays for equipment and software, was projected to remain robust, and brisk growth abroad would boost the expansion of U.S. exports for some period ahead. Core consumer price inflation was projected to rise a little over the forecast horizon, in part as a result of higher import prices but largely as a consequence of further increases in nominal labor compensation gains that would not be fully offset by growth in productivity.

In the Committee's discussion of current and prospective economic developments, members referred to recent statistical and anecdotal information that tended to confirm earlier indications of appreciable slowing in the pace of the expansion from the outsized increases experienced in the latter part of 1999 and the first half of this year. Several commented that growth of aggregate demand now appeared to be closer to, and perhaps slightly below, the rate of expansion in the nation's output potential. Looking ahead, they generally anticipated that the softening in equity prices and the rise in interest rates that had occurred earlier in the year would contribute to keeping growth in demand at a more subdued but still relatively robust pace. The members recognized that marked uncertainties surrounded any forecast in present circumstances. Those uncertainties had been augmented by recent developments in world oil markets and continued to include questions about the extent of further gains in productivity, the effects of such gains on the growth of aggregate demand as well as supply, and the associated degree of prospective pressures on resources and inflation. In the latter regard, members anticipated that even assuming reduced economic growth in line with their forecasts and further impressive gains in productivity, conditions in labor markets were likely to remain relatively tight, and risks persisted that at some point such tightness could exert upward pressures on labor costs and prices.

Developments in world oil markets also might exert continued upward pressure on inflation, while at the same time posing a downward risk to economic activity. Uncertainties relating to political events in the Middle East, superimposed on limited available inventories of oil products held by producers and refiners, had fostered recent "spikes" in oil prices. While price quotations in futures markets pointed to a decline in oil prices over time, such prices might well

remain relatively elevated for an extended period, with negative effects on spending and inflation. There already were scattered signs that higher energy prices, by reducing income available for discretionary purchases, might be damping retail sales. Moreover, to the extent that relatively high oil prices persisted, they were likely to have increasing pass-through effects on core measures of inflation as well as on "headline" inflation, especially if the energy price increases began to affect inflation expectations. However, the course of oil prices was very difficult to predict not only because of political and market uncertainties but in part also because of the lack of information about the extent of what appeared to be a precautionary buildup of fuel supplies by households and retail businesses.

In their review of the outlook for household spending, members cited a number of developments that pointed to slower but continuing growth. With some exceptions, anecdotal reports from various parts of the country suggested a recent softening in retail sales, and some industry contacts indicated that they were marking down their forecasts of retail sales. A flat and volatile stock market and the rise in energy costs appeared to be key factors currently tending to inhibit growth in consumer spending at least to some extent. On the positive side, continuing gains in consumer incomes and a high level of consumer confidence could be expected to foster sustained growth in such spending, albeit probably at a pace below recent trends.

With regard to the outlook for residential construction, anecdotal reports indicated some softening in housing activity in many parts of the country, though some members cited regional evidence of a partial rebound recently that was attributed to declines in mortgage interest rates. However, financial factors, including mortgage interest rates at levels still appreciably above earlier lows and the sideways performance of the stock market, were expected to constrain housing activity somewhat over coming quarters, though such activity likely would remain on a relatively high plateau.

In their comments about the prospects for business fixed investment, members cited some indications that the expansion in business spending for equipment and software might be moderating from the extraordinary pace of recent years, though growth in such expenditures probably would remain robust. Retarding influences bearing on the outlook for investment expenditures included forecasts of slower growth in final demand and less favorable financial conditions, notably weakness in the equity prices of numerous "new economy" firms and tightening

credit availability for business firms that did not enjoy investment-grade credit ratings or favorable earnings prospects. Evidence of overbuilding in some areas of commercial and other nonresidential real estate also was mentioned. Against this background, some members referred to a growing sense of caution among business- and financial-sector executives about undertaking or financing business investments. At the same time, the incentive to take advantage of increasingly efficient high-tech equipment and software, typically available at declining prices, would continue to provide an important underpinning for further large gains in investment spending, with favorable implications for continued rapid growth in productivity.

In their assessment of the outlook for inflation, members agreed that although forecasts of more moderate growth in aggregate demand at a pace around potential output had substantially reduced the odds of rising inflation, the risks still were pointed in that direction on balance. Even so, any increase in inflation was likely to be modest and gradual and was subject to substantial uncertainty for a variety of reasons. As noted previously, the behavior of oil prices was one highly uncertain source of potentially greater inflation pressures. Another major source of uncertainty was the prospective performance of productivity. Largely as a consequence of rapidly expanding “new economy” investments, gains in productivity had occurred at remarkable rates in recent years. However, the anticipated moderation in the expansion of economic activity and the related softening in expected returns on such investments might well restrain the further expansion of investment spending and limit the associated pickup in productivity. Once productivity growth tended to level out, employers would find it more difficult to offset the rise in their costs that might occur should tight labor markets persist. Finally, a decline in the dollar from its current level, should that happen, might add to inflation pressures going forward. On the more positive side, there were no signs that the pace of productivity gains was currently leveling out and no evidence of rising longer-term inflation expectations. Moreover, cost pressures and price inflation had remained subdued for an extended period despite low rates of unemployment that in the past had been associated with increasing inflation.

Against the backdrop of these uncertainties and the current performance of the economy, all the Committee members indicated that they favored an unchanged policy stance for the intermeeting period ahead. In support of this view, they placed considerable weight on widespread indications, reinforced by

developments since the August meeting, that growth in aggregate demand had moderated appreciably to a pace that improved the prospects for containing pressures on resources. Moreover, the tightening that had occurred in financial conditions through the spring and the rise in energy prices since the fall of 1998 had not yet exerted their full effects on aggregate demand, and members expected these effects to contribute to a more sustainable rate of growth in aggregate spending. Although inflation had picked up, a decline in energy prices, should it materialize in line with market expectations, clearly would have favorable implications for inflation expectations and cost pressures in the economy. Questions nonetheless remained regarding the extent and duration of the slowdown in the economic expansion and the other factors bearing on the outlook for inflation, especially against the backdrop of substantial pressures on labor resources.

All the members agreed that their views regarding the outlook for inflation were consistent with retaining the press release sentence indicating that the risks remained weighted toward higher inflation over time. Some expressed the opinion that those risks were now less decidedly tilted to the upside and that a reconsideration of the sentence might be warranted over the next several months, but they believed that a change at this point would be premature. While the prospects of a significant rise in inflation seemed quite limited for the nearer term, the members agreed on the need to remain especially vigilant for signs of potentially rising inflation over the intermediate term, particularly since any increase in inflation would occur from a level that in the view of many members was already on the high side of an acceptable range.

At the conclusion of this discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it is instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with maintaining the federal funds rate at an average of around 6½ percent.

The vote also encompassed approval of the sentence below for inclusion in the press statement to be released shortly after the meeting:

Against the background of its long-run goals of price stability and sustainable economic growth and of the infor-

mation currently available, the Committee believes that the risks are weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Ferguson, Gramlich, Guynn, Jordan, Kelley, Meyer, and Parry. Votes against this action: None.

It was agreed that the next meeting of the Committee would be held on Wednesday, November 15, 2000.

The meeting adjourned at 12:05 p.m.

Donald L. Kohn
Secretary

Legal Developments

JOINT FINAL RULE — AMENDMENT TO CONSUMER PROTECTIONS FOR DEPOSITORY INSTITUTION SALES OF INSURANCE

The Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury (collectively, the Agencies) are publishing final insurance consumer protection rules. These rules are published pursuant to section 47 of the Federal Deposit Insurance Act (FDIA), which was added by section 305 of the Gramm-Leach-Bliley Act (the G-L-B Act or Act). Section 47 directs the Agencies jointly to prescribe sales practices, solicitations, advertising, or offers of any insurance product by a depository institutional¹ and publish consumer protection regulations that apply to retailers or any person that is engaged in such activities at an office of the institution or on behalf of the institution.

The text of the other Agencies' final rules can be found in 12 C.F.R. Parts 14, 343, and 536, and was published in the *Federal Register* on December 4, 2000 (65 *Federal Register* 75821-75848). The Board adopted its final rule, Regulation H, Membership of State Banking Institutions in the Federal Reserve System, 12 C.F.R. Part 208, on November 21, 2000.

Effective April 1, 2001, 12 C.F.R. Part 208 is amended as follows:

Part 208—Membership of State Banking Institutions in the Federal Reserve System (Regulation H)

1. The authority citation for Part 208 is revised to read as follows:

Authority: 12 U.S.C. 24, 36, 92a, 93a, 248(a), 248(c), 321-338a, 371d, 461, 481-486, 601, 611, 1814, 1816, 1818, 1820(d)(9), 1823(j), 1828(o), 1831, 1831o, 1831p-1, 1831r-1, 1831w, 1831x, 1835a, 1882, 2901-2907, 3105, 3310, 3331-3351, and 3906-3909; 15 U.S.C. 78b, 781(b), 781(g), 781(i), 78o-4(c)(5), 78q, 78q-1, and 78w; 31 U.S.C. 5318, 42 U.S.C. 4012a, 4104a, 4104b, 4106, and 4128.

1. "Depository institution" means national banks in the case of institutions supervised by the Office of the Comptroller of the Currency (OCC), state member banks in the case of the Board of Governors of the Federal Reserve System (Board), state nonmember banks in the case of the Federal Deposit Insurance Corporation (FDIC), and savings associations in the case of the Office of Thrift Supervision (OTS).

2. The existing subpart H—Interpretations is redesignated as subpart I.

3. A new subpart H is added to read as follows:

Subpart H—Consumer Protection in Sales of Insurance

Section

208.81—Purpose and scope.

208.82—Definitions for purposes of this subpart.

208.83—Prohibited practices.

208.84—What you must disclose.

208.85—Where insurance activities may take place.

208.86—Qualification and licensing requirements for insurance sales personnel.

Appendix A to Subpart H—Consumer Grievance Process.

Section 208.81—Purpose and scope.

This subpart establishes consumer protections in connection with retail sales practices, solicitations, advertising, or offers of any insurance product or annuity to a consumer by:

- (a) Any state member bank; or
- (b) Any other person that is engaged in such activities at an office of the bank or on behalf of the bank.

Section 208.82—Definitions for purposes of this subpart.

As used in this subpart:

- (a) *Affiliate* means a company that controls, is controlled by, or is under common control with another company.
- (b) *Bank* means a state member bank.
- (c) *Company* means any corporation, partnership, business trust, association or similar organization, or any other trust (unless by its terms the trust must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust). It does not include any corporation the majority of the shares of which are owned by the United States or by any State, or a qualified family partnership, as defined in section 2(o) (10) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(o)(10)).

- (d) *Consumer* means an individual who purchases, applies to purchase, or is solicited to purchase from you insurance products or annuities primarily for personal, family, or household purposes.
- (e) *Control* of a company has the same meaning as in section 3(w)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(5)).
- (f) *Domestic violence* means the occurrence of one or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:
- (1) Attempting to cause or causing or threatening another person physical harm, severe emotional distress, psychological trauma, rape, or sexual assault;
 - (2) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm;
 - (3) Subjecting another person to false imprisonment; or
 - (4) Attempting to cause or causing damage to property so as to intimidate or attempt to control the behavior of another person.
- (g) *Electronic media* includes any means for transmitting messages electronically between you and a consumer in a format that allows visual text to be displayed on equipment, for example, a personal computer monitor.
- (h) *Office* means the premises of a bank where retail deposits are accepted from the public.
- (i) *Subsidiary* has the same meaning as in section 3(w)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(4)).
- (j) *You* means:
- (i) A bank; or
 - (ii) Any other person only when the person sells, solicits, advertises, or offers an insurance product or annuity to a consumer at an office of the bank or on behalf of a bank.
- (2) For purposes of this definition, activities on behalf of a bank include activities where a person, whether at an office of the bank or at another location sells, solicits, advertises, or offers an insurance product or annuity and at least one of the following applies:
- (i) The person represents to a consumer that the sale, solicitation, advertisement, or offer of any insurance product or annuity is by or on behalf of the bank;
 - (ii) If the bank refers a consumer to a seller of insurance products or annuities and the bank has a contractual arrangement to receive commissions or fees derived from the sale of an insurance product or annuity resulting from that referral; or

- (iii) Documents evidencing the sale, solicitation, advertising, or offer of an insurance product or annuity identify or refer to the bank.

Section 208.83—Prohibited practices.

- (a) *Anticoercion and antitying rules.* You may not engage in any practice that would lead a consumer to believe that an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972), is conditional upon either:
- (1) The purchase of an insurance product or annuity from the bank or any of its affiliates; or
 - (2) An agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product or annuity from an unaffiliated entity.
- (b) *Prohibition on misrepresentations generally.* You may not engage in any practice or use any advertisement at any office of, or on behalf of, the bank or a subsidiary of the bank that could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to:
- (1) The fact that an insurance product or annuity sold or offered for sale by you or any subsidiary of the bank is not backed by the Federal government or the bank or the fact that the insurance product or annuity is not insured by the Federal Deposit Insurance Corporation;
 - (2) In the case of an insurance product or annuity that involves investment risk, the fact that there is an investment risk, including the potential that principal may be lost and that the product may decline in value; or
 - (3) In the case of a bank or subsidiary of the bank at which insurance products or annuities are sold or offered for sale, the fact that:
 - (i) The approval of an extension of credit to a consumer by the bank or subsidiary may not be conditioned on the purchase of an insurance product or annuity by the consumer from the bank or a subsidiary of the bank; and
 - (ii) The consumer is free to purchase the insurance product or annuity from another source.
- (c) *Prohibition on domestic violence discrimination.* You may not sell or offer for sale, as principal, agent, or broker, any life or health insurance product if the status of the applicant or insured as a victim of domestic violence or as a provider of services to victims of domestic violence is considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of such product, or with regard to the payment of insurance claims on such product, except as required or expressly permitted under State law.

Section 208.84—What you must disclose.

- (a) Insurance disclosures. In connection with the initial purchase of an insurance product or annuity by a consumer from you, you must disclose to the consumer, except to the extent the disclosure would not be accurate, that:
- (1) The insurance product or annuity is not a deposit or other obligation of, or guaranteed by, the bank or an affiliate of the bank;
 - (2) The insurance product or annuity is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States, the bank, or (if applicable) an affiliate of the bank; and
 - (3) In the case of an insurance product or annuity that involves an investment risk, there is investment risk associated with the product, including the possible loss of value.
- (b) *Credit disclosure.* In the case of an application for credit in connection with which an insurance product or annuity is solicited, offered, or sold, you must disclose that the bank may not condition an extension of credit on either:
- (1) The consumer's purchase of an insurance product or annuity from the bank or any of its affiliates; or
 - (2) The consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product or annuity from an unaffiliated entity.
- (c) *Timing and method of disclosures.*
- (1) *In general.* The disclosures required by paragraph (a) of this section must be provided orally and in writing before the completion of the initial sale of an insurance product or annuity to a consumer. The disclosure required by paragraph (b) of this section must be made orally and in writing at the time the consumer applies for an extension of credit in connection with which insurance is solicited, offered, or sold.
 - (2) *Exceptions for transactions by mail.* If a sale of an insurance product or annuity is conducted by mail, you are not required to make the oral disclosures required by paragraph (a) of this section. If you take an application for credit by mail, you are not required to make the oral disclosure required by paragraph (b) of this section.
 - (3) *Exception for transactions by telephone.* If a sale of an insurance product or annuity is conducted by telephone, you may provide the written disclosures required by paragraph (a) of this section by mail within three business days beginning on the first business day after the sale, excluding Sundays and the legal public holidays specified in 5 U.S.C. 6103(a). If you take an application for such credit by telephone, you may provide the written disclosure required by paragraph (b) of this section by mail, provided you mail it to the consumer within three days beginning the first business day after the application is taken, excluding Sundays and the legal public holidays specified in 5 U.S.C. 6103(a).
- (4) *Electronic form of disclosures.*
- (i) Subject to the requirements of section 101(c) of the Electronic Signatures in Global and National Commerce Act (12 U.S.C. 7001(c)), you may provide the written disclosures required by paragraphs (a) and (b) of this section through electronic media instead of on paper, if the consumer affirmatively consents to receiving the disclosures electronically and if the disclosures are provided in a format that the consumer may retain or obtain later, for example, by printing or storing electronically (such as by downloading).
 - (ii) Any disclosures required by paragraphs (a) or (b) of this section that are provided by electronic media are not required to be provided orally.
- (5) *Disclosures must be readily understandable.* The disclosures provided shall be conspicuous, simple, direct, readily understandable, and designed to call attention to the nature and significance of the information provided. For instance, you may use the following disclosures, in visual media, such as television broadcasting, ATM screens, billboards, signs, posters and written advertisements and promotional materials, as appropriate and consistent with paragraphs (a) and (b) of this section:
- NOT A DEPOSIT
 - NOT FDIC-INSURED
 - NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
 - NOT GUARANTEED BY THE BANK
 - MAY GO DOWN IN VALUE.
- (6) *Disclosures must be meaningful.*
- (i) You must provide the disclosures required by paragraphs (a) and (b) of this section in a meaningful form. Examples of the types of methods that could call attention to the nature and significance of the information provided include:
 - (A) A plain-language heading to call attention to the disclosures;
 - (B) A typeface and type size that are easy to read;
 - (C) Wide margins and ample line spacing;
 - (D) Boldface or italics for key words; and
 - (E) Distinctive type size, style, and graphic devices, such as shading or sidebars, when the disclosures are combined with other information.
 - (ii) You have not provided the disclosures in a meaningful form if you merely state to the consumer that the required disclosures are available in printed material, but you do not provide the printed material when required and do not orally disclose the information to the consumer when required.

- (iii) With respect to those disclosures made through electronic media for which paper or oral disclosures are not required, the disclosures are not meaningfully provided if the consumer may bypass the visual text of the disclosures before purchasing an insurance product or annuity.
- (7) *Consumer acknowledgment.* You must obtain from the consumer, at the time a consumer receives the disclosures required under paragraphs (a) or (b) of this section, or at the time of the initial purchase by the consumer of an insurance product or annuity, a written acknowledgment by the consumer that the consumer received the disclosures. You may permit a consumer to acknowledge receipt of the disclosures electronically or in paper form. If the disclosures required under paragraphs (a) or (b) of this section are provided in connection with a transaction that is conducted by telephone, you must:
- (i) Obtain an oral acknowledgment of receipt of the disclosures and maintain sufficient documentation to show that the acknowledgment was given; and
 - (ii) Make reasonable efforts to obtain a written acknowledgment from the consumer.
- (d) *Advertisements and other promotional material for insurance products or annuities.* The disclosures described in paragraph (a) of this section are required in advertisements and promotional material for insurance products or annuities unless the advertisements and promotional materials are of a general nature describing or listing the services or products offered by the bank.

Section 208.85—Where insurance activities may take place.

- (a) *General rule.* A bank must, to the extent practicable, keep the area where the bank conducts transactions involving insurance products or annuities physically segregated from areas where retail deposits are routinely accepted from the general public, identify the areas where insurance product or annuity sales activities occur, and clearly delineate and distinguish those areas from the areas where the bank's retail deposit-taking activities occur.
- (b) *Referrals.* Any person who accepts deposits from the public in an area where such transactions are routinely conducted in the bank may refer a consumer who seeks to purchase an insurance product or annuity to a qualified person who sells that product only if the person making the referral receives no more than a one-time, nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

Section 208.86—Qualification and licensing requirements for insurance sales personnel.

A bank may not permit any person to sell or offer for sale any insurance product or annuity in any part of its office or on its behalf, unless the person is at all times appropriately qualified and licensed under applicable State insurance licensing standards with regard to the specific products being sold or recommended.

Appendix A To Subpart H—Consumer Grievance Process

Any consumer who believes that any bank or any other person selling, soliciting, advertising, or offering insurance products or annuities to the consumer at an office of the bank or on behalf of the bank has violated the requirements of this subpart should contact the Consumer Complaints Section, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System at the following address: 20th & C Streets, NW, Washington, D.C. 20551.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 4 of the Bank Holding Company Act

*Queens County Bancorp, Inc.
Flushing, New York*

Order Approving Notice to Acquire a Savings Association and to Engage in Nonbanking Activities

Queens County Bancorp, Inc. ("Bancorp"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), 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)) and section 225.24 of the Board's Regulation Y to acquire all the voting shares of Haven Bancorp, Inc., Westbury, New York ("Haven"), and thereby indirectly acquire its subsidiary savings association, CFS Bank, Woodhaven, New York, ("CFS Bank").¹ Bancorp also has requested the Board's approval to acquire indirectly CFS Investments, Inc. ("CFS Investments") and thereby engage in providing securities brokerage services, and Columbia Preferred Capital Corporation ("CPC")

1. Bancorp intends to merge its wholly owned subsidiary bank, Queens County Savings Bank, Flushing, New York ("QCSB"), and CFS Bank, with QCSB remaining as the surviving institution. The merger is subject to approval by the Federal Deposit Insurance Corporation ("FDIC") under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") and by the New York State Banking Department ("NYSBD"). After consummation of the proposal, Bancorp will change its name to New York Community Bancorp, Inc.

and thereby engage in extending credit and servicing loans and activities related to extending credit.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 50,992 (2000)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors set forth in section 4 of the BHC Act.

Bancorp, with total consolidated assets of \$2 billion, operates a single subsidiary bank, QCSB, which is the 50th largest depository institution in New York State, controlling deposits of \$1 billion, representing less than 1 percent of total deposits in insured depository institutions in the state ("state deposits").² Haven's subsidiary savings association, CFS Bank, is the 35th largest depository institution in the state, controlling deposits of \$2.1 billion, representing less than 1 percent of state deposits. On consummation of the proposal, Bancorp would become the 22nd largest depository organization in New York State, controlling deposits of \$3 billion.

The Board has previously determined by regulation that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.³ The Board has also determined that securities brokerage activities, extending credit and servicing loans, and activities related to extending credit, are closely related to banking.⁴ Bancorp has committed to conform the activities of CFS Bank and Haven to, and conduct those activities in accordance with, the requirements of section 4(c)(8) of the BHC Act and Regulation Y.

In reviewing the proposal, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of Haven by Bancorp "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."⁵ As part of its evaluation of the public interest factors, the Board reviews the financial and managerial resources of the companies involved.⁶

Financial and Managerial Considerations

The Board has carefully reviewed the financial and managerial resources of Bancorp and Haven and their respective subsidiaries and the effect the transaction would have on such resources in light of all the facts of record. The Board has considered, among other things, confidential reports of examination and other supervisory information received from the primary federal supervisors of the organizations.

The Board also has considered publicly available financial and other information on the organizations and their subsidiaries, and all the information submitted on the financial and managerial aspects of the proposal by Bancorp. Based on all the facts of record, the Board concludes that the financial and managerial resources of the organizations involved are consistent with approval.

Competitive Considerations

As part of its consideration of the public interest factors under section 4 of the BHC Act, the Board has considered carefully the competitive effects of the proposal in light of all the facts of record.⁷ QCSB and CFS Bank compete directly in the Metropolitan New York/New Jersey banking market ("New York banking market").⁸ On consummation of the proposal, Bancorp would become the 27th largest depository institution in the market, controlling deposits of approximately \$3 billion, representing less than 1 percent of total deposits in depository institutions in the market ("market deposits").⁹ The Herfindahl-Hirschman Index ("HHI") for the New York banking market would remain unchanged at 786 points. Market concentration, as measured by the HHI, would remain unconcentrated and within the parameters contained in the Department of Justice Merger Guidelines ("DOJ Guidelines") and the Board's precedent.¹⁰ Based on all the facts of record, the Board concludes that consummation of the proposal would not result in any significantly adverse effect on competition or on the concentration of banking resources in the New York banking market or any other relevant banking market.

7. See *First Hawaiian, Inc.*, 79 *Federal Reserve Bulletin* 966 (1993).

8. The New York banking market is defined as Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, Warren, and a portion of Mercer Counties in New Jersey; Pike County in Pennsylvania and portions of Fairfield and Litchfield Counties in Connecticut.

9. Market share data before consummation are based on calculations in which the deposits of thrift institutions are included 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 *WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the deposits of Haven would be controlled by a commercial banking organization after consummation, these deposits are included at 100 percent in the calculation of Bancorp's post-consummation share of market deposits. See *Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990).

10. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is less than 1000 is considered to be unconcentrated. The Department of Justice has informed the Board that a bank merger or acquisition 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 entities.

2. Asset and deposit data are as of June 30, 2000. Ranking data are as of March 3, 2000. In this context, depository institutions include commercial banks, savings banks, and savings associations.

3. 12 C.F.R. 225.28(b)(4).

4. See 12 C.F.R. 225.28(b)(1), (2), and (7)(i).

5. 12 U.S.C. § 1843(j)(2)(A).

6. See 12 C.F.R. 225.26.

Convenience and Needs Considerations

In acting on notices to acquire a savings association, the Board reviews the records of performance of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*).¹¹ The CRA requires the appropriate federal financial supervisory agency to “assess the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operations of such institution,” and to take this record into account in its evaluation of bank holding company applications.¹² The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Bancorp and Haven in light of all the facts of record, including public comments on the proposal.

The Board has received comments from Inner City Press/Community on the Move (“ICP”) contending that QCSB and CFS Bank have failed to make an adequate amount of community development investments in low- and moderate-income (“LMI”) communities. ICP notes that QCSB received a “needs to improve” rating on the investment test portion of its most recent CRA examination by its primary federal supervisory agency, the Federal Deposit Insurance Corporation (“FDIC”), as of September 9, 1999. ICP also notes that CFS Bank received a “low satisfactory” rating on the investment test portion, and a “needs to improve” rating with respect to the activities of its Connecticut branches, on its most recent CRA examination by its primary federal supervisor, the Office of Thrift Supervision (“OTS”), as of April 26, 1999. ICP asserts that the sale or closure of CFS Bank’s 15 branches in New Jersey and Connecticut would not serve the convenience and needs of the community. Finally, ICP contends, based in part on its analysis of data filed under the Home Mortgage Disclosure Act (12 U.S.C. §§ 2801 *et seq.*) (“HMDA”), that QCSB engages in the exportation of capital from LMI communities to more affluent communities and that certain aspects of QCSB’s lending record indicate illegal discriminatory lending practices.

A. CRA Performance Examinations

As provided in the CRA, the Board evaluates an institution’s record of performance in light of examinations of the CRA performance records of the institution conducted by the appropriate federal supervisory agency. An institution’s most recent CRA performance examination is a particularly important consideration in the notice process, because it represents a detailed on-site evaluation of the institution’s overall record of performance under the CRA by its appropriate federal supervisory agency.¹³ Unless otherwise

provided under applicable CRA regulations, examiners review an institution’s performance under the lending, investment, and service tests. An institution’s performance under these tests forms the basis for its overall CRA rating.¹⁴ In determining an institution’s overall CRA rating, examiners generally accord greater consideration to the institution’s performance under the lending test than to the investment or service tests.

B. QCSB’s Record of Performance

At QCSB’s most recent CRA examination, FDIC examiners reviewed the bank’s record of meeting the credit needs of its community for the period from January 1997 to September 1999. Although noting certain weaknesses in QCSB’s community investment portfolio, examiners rated the bank “satisfactory” overall based on its total performance in community lending, investment, and service throughout its entire assessment area. In particular, examiners characterized QCSB as a leader in lending volume and noted that the bank consistently lent substantially more in its assessment area than other institutions of comparable size. Moreover, examiners found QCSB to be committed to meeting the credit needs of its assessment area.

QCSB received a “high satisfactory” rating under the lending test. Examiners found that QCSB had excellent responsiveness to community credit needs in terms of volume and amount loaned in its assessment area. In 1997 and 1998, QCSB’s overall market rank for total loan originations in Queens and New York Counties was in the top 15 percent of reporting institutions. During that same period, QCSB made approximately \$1 billion in home mortgage loans,¹⁵ of which more than 73 percent by number and dollar amount were in its assessment area.

Examiners stated that the distribution of QCSB’s lending reflected good penetration by geography and by income of the borrower. In 1997 and 1998, QCSB’s lending in LMI areas represented more than 20 percent of its total lending, more than double the percentage for all lenders in those areas (“lenders in the aggregate”). Examiners characterized QCSB as one of the assessment area’s largest LMI area lenders. In 1998, approximately 33 percent of all loans originated by QCSB where borrower information was collected were made to LMI individuals.

Examiners commended QCSB’s record of community development lending, particularly lending for multifamily housing for LMI individuals. During the review period, more than 98 percent of loans made by QCSB in the assessment area were for multifamily housing. From April 1997 to December 1999, QCSB originated 86 loans, totaling approximately \$104 million, for multifamily financing on properties in LMI areas. QCSB has also extended credit and provided loans to community organizations that reha-

11. See, e.g., *Banc One Corporation*, 83 *Federal Reserve Bulletin* 602 (1997).

12. 12 U.S.C. § 2903.

13. See Interagency Questions and Answers Regarding Community Reinvestment, 65 *Federal Register* 25,088 and 25,107 (2000) (“Interagency Questions and Answers”).

14. See Interagency Questions and Answers, 65 *Federal Register* 25,099.

15. In this context, “home mortgage loan” means loans provided for home purchase, refinance, home improvement and multifamily housing.

bilitate affordable housing throughout New York City and provided outreach services to LMI individuals and elderly members of the community.

QCSB participated in a number of programs to provide innovative and flexible lending practices to its communities. QCSB offered a special type of residential mortgage loan that included no income verification. Furthermore, QCSB offered loans under a special program designed by the State of New York Mortgage Association that was available to first-time buyers of certain homes and condominiums.

Examiners noted that QCSB provided multiple delivery systems in its assessment area to offer accessible banking service. QCSB operated eleven full-service branches and two customer service centers in neighborhood convenience stores. All branches maintained Saturday and extended evening business hours. QCSB did not close any branches during the review period. QCSB also operated 11 ATMs in its assessment area. Furthermore, QCSB offered a 24-hour bank-by-telephone program that allowed customers to access a wide variety of banking services by telephone. Examiners reported that the ATM and telephone network provided QCSB with alternative delivery systems that were accessible to essentially all portions of the bank's assessment area.

As previously noted, examiners found some deficiencies in QCSB's portfolio of community investments and rated the bank "needs to improve" under the investment test. Although QCSB made investments in community development corporations and other local organizations dedicated to small business, affordable housing development, and lending, examiners specifically noted that the bank's amount of qualified community development investments was inadequate for its size. Since the time of the examination, QCSB has taken steps to improve and increase its investment activities. According to QCSB, it has increased its level of qualified investments to more than \$4 million, an increase of more than 75 percent. QCSB's new investments include organizations that provide educational and housing assistance to persons in LMI communities.

As noted, in determining the overall performance of QCSB under the CRA, examiners weighed its very strong performance in lending in its community, its strong performance in providing banking services in the community, and its weaker performance in making community development investments. On balance, examiners determined that the performance of QCSB under the CRA was "satisfactory." The Board has also considered that, since receiving criticism of its community investment activities, QCSB has taken steps to address this weakness in its overall satisfactory performance record.

C. CFS Bank's Record of Performance

CFS Bank's most recent examination by the OTS for CRA was in April 1999. In addition to evaluating CFS Bank's overall performance, the OTS assigned separate ratings to reflect the bank's branch operations in New Jersey, New York, and Connecticut. Although noting certain deficien-

cies in its level of qualified investments and operations in Connecticut, the OTS examiners rated the CRA performance of CFS Bank "satisfactory" overall, based on its comprehensive performance in lending, investments, and service in all states in which it operates.

1. *CFS Bank's Overall Record of Performance.* At CFS Bank's most recent CRA examination, examiners reviewed its performance record from August 1996 to April 1999. Examiners characterized CFS Bank's lending performance as strong and rated it "high satisfactory." Examiners favorably noted that during the reviewed period, CFS Bank increased its lending volume from 1,249 loans in 1997, to 4,020 loans in 1998, or approximately 222 percent. The overall increase in lending produced a corresponding increase in the number of loans in LMI communities.¹⁶ In 1997, CFS Bank had 87 HMDA-reportable loans in LMI communities; in 1998, it had 406 HMDA-reportable loans in LMI communities. Examiners also found that CFS Bank's responsiveness to the mortgage needs of the entire community, including LMI communities, was satisfactory. From August 1996 to March 1999, approximately 60 percent of CFS Bank's residential mortgage loans by number, and 71 percent by dollar amount, were in its assessment area.

Examiners also found that CFS Bank's lending record showed good loan penetration by geography, including LMI areas. In 1997, CFS Bank ranked in the top 25 percent of aggregate HMDA lenders in lending to LMI communities in its assessment area. Furthermore, between 1997 and 1998, the number and dollar amount of CFS Bank's lending in LMI areas increased by more than 350 percent. Examiners also found that CFS Bank achieved good results in making loans to LMI borrowers. From 1997 to 1998, the total number of loans to LMI borrowers increased from 163 to 622. During that same period, the dollar amount of the bank's loans to LMI borrowers increased from \$14.3 million to \$61.2 million.

The examination report noted CFS Bank's record of using innovative and flexible lending practices to serve the credit needs of its community. CFS Bank participated in the New York City Housing Partnership New Homes Program, which subsidized the purchase of homes for certain first-time buyers through financing from conventional loan products offered by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. CFS Bank also offered "credit rehabilitation" loans that used flexible underwriting criteria to assist persons who might not otherwise qualify for conventional mortgage loans.

CFS Bank received a "high satisfactory" rating for the service test. Examiners favorably commented on CFS Bank's expansion into and provision of banking services to LMI communities. At the time of the examination, CFS Bank maintained 8 traditional branches and 59 supermarket branches, 10 of which were located in, or in areas

16. Most of the increase in CFS Bank's lending record resulted from the acquisition of Intercounty Mortgage Company in 1997, a high-volume mortgage lender operating in Connecticut, New Jersey, New York, and Pennsylvania.

adjacent to, LMI areas. During the review period, one branch was closed, but customers were served by a super-market branch across the street. Supermarket and traditional branches offered a wide variety of flexible hours and services, including weekend and evening hours, ATMs, money transfers, and certain utility payment programs. Examiners stated that CFS Bank was actively involved in community development services for organizations that encouraged local economic development or provided assistance to LMI individuals.

Examiners assigned CFS bank a “low satisfactory” rating on the investment test portion of the evaluation. During the examination period, CFS Bank made some qualified investments, including a \$1 million investment in a community development organization that acquired, developed, and operated LMI residential rental properties. CFS Bank also donated to associations that provided housing assistance to LMI individuals. CFS Bank has represented that it has increased its level of CRA qualified investments. For example, CFS Bank has invested approximately \$2 million in mortgage-backed securities representing interests in loans in LMI areas in Connecticut. CFS Bank has also represented that it would continue to seek CRA-qualified investments for its portfolio in accordance with safe and sound banking operations.

2. *CFS Bank’s Record of Performance in Connecticut, New York, and New Jersey.* In addition to evaluating CFS Bank’s overall performance, examiners assigned individual ratings to the bank’s operations in New Jersey, New York, and Connecticut. As of June 30, 1999, branches in New York accounted for 94 percent of CFS Bank’s total insured deposits, and branches in New Jersey and Connecticut accounted for approximately 3 percent each. For New Jersey and New York, the OTS examiners rated CFS Bank’s CRA record “satisfactory.” In Connecticut, however, CFS Bank received a “needs to improve” rating.

In New Jersey and New York, examiners commented favorably on CFS Bank’s achievements under the lending and service tests, where CFS Bank received “high satisfactory” ratings under the lending test. From 1997 to 1998, the total number of borrowers of CFS Bank in LMI areas in New Jersey and New York increased approximately 380 percent, while total dollars lent increased from approximately \$26.6 million to \$80.1 million. Using HMDA data, examiners found that in 1997, CFS Bank ranked in the top 25 percent of aggregate lenders to LMI borrowers in New York. CFS Bank also participated in community development lending in New York. During the examination period, CFS Bank had 48 loans totaling \$62 million that were secured by multifamily apartment buildings in New York City. Furthermore, CFS Bank extended a \$500,000 line of credit to a community development corporation that provided financing to small businesses.

Under the service test, CFS Bank also received “high satisfactory” ratings for its New Jersey and New York operations. In New Jersey, CFS Bank operated eight super-market branches, three of which were located in LMI areas. In New York, CFS Bank operated 52 standard retail or super-market branches, seven of which were in LMI

areas. In New Jersey and New York, examiners found that branch convenience, products, accessibility, and services were essentially identical to those of CFS Bank’s consolidated operations. Examiners further noted that CFS Bank personnel in New York, including directors, were actively involved in organizations that offer educational, economic, and housing assistance to LMI individuals.

Examiners rated CFS Bank “needs to improve” for its overall CRA performance in Connecticut, including its performance under the investment and lending tests.¹⁷ Examiners noted that some of the issues that influenced CFS Bank’s CRA ratings in Connecticut were caused by the relative newness of operations in that state. At the time of the examination, CFS Bank maintained only seven super-market branches in Connecticut, all of which were less than four years old, and four of which were less than two years old. CFS Bank has represented that it has increased its lending operations and qualified investments in Connecticut. Since its last examination, CFS Bank has purchased approximately \$24 million of multi-family loans in LMI areas in Connecticut. As noted above, CFS Bank has also invested \$2 million in mortgage-backed securities that represent interests in loans in Connecticut LMI areas.

D. Branch Closings

ICP also expresses concern that consummation of the proposal would result in the closure of CFS Bank branches in Connecticut and New Jersey. Bancorp has represented that it does not intend to close any of the Connecticut or New Jersey branches, but is likely to sell them. Bancorp has provided preliminary and confidential information on the integration of CFS Bank into QCSB’s existing branch system. Bancorp has also committed to provide the Board with details concerning the sale or other disposition of the former CFS Bank branches in Connecticut and New Jersey.

The Board has carefully considered all the facts concerning branch closings, including the preliminary branch integration information submitted by Bancorp, and Bancorp’s record of opening and closing branches. Examiners at the most recent CRA examination of QCSB reviewed its record of opening and closing branches and found that no branches were closed from 1997 to 1999. Furthermore, examiners noted that QCSB had opened two new branches during the examination period, one of which was located in a census tract adjacent to an LMI census tract. The Board notes that any branches closed would be closed pursuant to the branch closing policies of QCSB and CFS Bank, which require consideration of the community’s needs and the impact of the closing on the neighborhood. The FDIC and OTS have reviewed the branch closing policies of QCSB and CFS Bank respectively, and found them satisfactory.

17. An examined institution need not participate in innovative or complex qualified investments to demonstrate a satisfactory record of performance under the CRA. See *Interagency Questions and Answers*, 65 *Federal Register* 25,106.

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.¹⁸ 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 supervisor at the next CRA examination of the relevant subsidiary depository institution.

E. HMDA Data

The Board also has considered carefully the lending record of Bancorp in light of ICP's comments regarding 1999 HMDA data for QCSB. ICP contends that QCSB's lending and deposit-taking practices amount to the exportation of capital from Queens County to New York County.¹⁹ ICP also contends that QCSB originates a larger proportion of 1-4 family loans in Queens County to whites than to minorities.

The 1999 HMDA data indicates that QCSB originated multifamily loans in Queens and New York Counties and that the number of multifamily loans originated in both counties was roughly equal.²⁰ The Board also has considered other forms of residential lending that are not reflected in the 1999 HMDA data. QCSB has represented that in addition to traditional 1-4 family and multifamily lending, it provides supplemental residential financing through Mortgage, Extension, and Consolidation Agreement ("MECA") loans.²¹ QCSB has provided additional data demonstrating that in 1999, it provided more than \$570 million in combined HMDA/MECA financing, of which 82 percent by number and 80 percent by amount were in its assessment areas. In 1999, QCSB extended 139 MECA loans in Queens County, totaling approximately \$223.7 million, including 31 in LMI census tracts. QCSB's

combined HMDA and MECA lending records indicate that the bank provides for and assists in meeting the credit needs of its entire community, including Queens County.

The HMDA data for QCSB reflect certain disparities in the rates of loan origination by racial group.²² The Board is concerned when the record of an institution indicates disparities in lending and believes that all banks are obligated to ensure 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. 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 the covered loans.²³ HMDA data, therefore, have limitations that make them an insufficient 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 carefully reviewed other information concerning QCSB's record of lending to minority and LMI individuals. In particular, the Board has carefully reviewed examination reports, which provide on-site evaluations of compliance with the fair lending laws and the overall lending and community development activities of the banks. At QCSB's most recent CRA performance evaluation, examiners found that the bank had complied with fair lending laws. CRA examiners also found that QCSB had excellent responsiveness to the credit needs of its entire community. Furthermore, multifamily loans, rather than 1-4 family loans, comprise the majority of QCSB's lending. In 1997 and 1998, more than 83 percent of QCSB's total HMDA loans in its assessment area were for multifamily lending. As previously noted, examiners rated QCSB "high satisfactory" for the lending test portion of its last CRA examination. In 1997 and 1998, QCSB extended 20.5 percent and 22 percent, respectively, of its loans in LMI areas, compared with 6.8 percent and 8.1 percent, respectively, for lenders in the aggregate. Furthermore, for HMDA loans reflecting the income of the borrower, examiners found QCSB had excellent penetration among customers of different income levels.

18. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (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.

19. ICP alleges that in Queens County, where QCSB collects most of its deposits, the bank only originates 1-4 family housing loans while in the neighboring, wealthier New York County, the bank originates multifamily housing loans that are generally larger than 1-4 family loans. Furthermore, ICP notes that QCSB did not extend any multifamily loans in low-income census tracts.

20. In 1999, QCSB extended 6 multifamily HMDA loans in New York County, compared with 5 such loans in Queens County.

21. A MECA is an agreement between a lender and a borrower that modifies the terms of an existing loan by, for example, extending the final repayment date. MECAs do not involve lending additional money and are not reported under HMDA, but are regarded as loans and may be considered in evaluating an institution's CRA performance. See Interagency Questions and Answers, 65 *Federal Register* 25,100.

22. For example, QCSB's percentages of loans to African Americans and Hispanics are below the percentages for lenders in the aggregate for 1999.

23. 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 the creditworthiness of applicants. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

F. Conclusion Regarding Convenience and Needs Factors

In considering the overall CRA performance records of Bancorp and Haven, the Board has carefully evaluated the entire record, including the public comments in this case.²⁴ The Board particularly notes that the overall CRA ratings for QCSB and CFS Bank are “satisfactory,” and that examiners concluded that the institutions’ strong performance in lending offset their weaknesses in other types of CRA performance. The Board has also considered actions taken by QCSB and CFS Bank since their last examinations to address weaknesses noted by examiners and to improve their CRA performance. Based on a review of the entire record, including ICP’s comments and responses by Bancorp and Haven, relevant reports of examination, HMDA data, and information on branch closings, the Board concludes that convenience and needs considerations, including the CRA performance records of Bancorp, Haven, and their subsidiary depository institutions, are consistent with approval.

Other Factors

The record indicates that consummation of the proposal would result in benefits to consumers and businesses. The proposal would enable Bancorp to provide its customers and Haven’s customers with access to a broader array of products and services, including commercial bank products, in an expanded service area. Among the Haven services that would become available to customers of Bancorp are securities brokerage services and an expanded branch network, including 8 traditional branches in the New York banking market and 15 supermarket branches in Connecticut and New Jersey where Bancorp currently has no branches. In addition, Haven would provide the combined organization with an enhanced capacity to offer 1–4 family residential mortgage loans to complement Bancorp’s focus on multifamily lending. Bancorp, in turn, would provide Haven customers increased convenience with experience in multifamily lending, and on-line bank-

24. ICP also notes that the NYSBD rated QCSB “low satisfactory” under the lending test and “needs to improve” under the investment test portion at its last examination (“State Examination”), as of June 30, 1998, which evaluated its performance in meeting the credit needs of its entire community pursuant to New York law. The Board notes the State Examination rated QCSB’s performance “satisfactory” overall.

ing services. Additionally, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies may make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they believe is most efficient when, as in this case, those investments are consistent with the relevant considerations under the BHC Act. Based on all the facts of record, the Board has determined that consummation of this proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the standard of section 4(j)(2) of the BHC Act.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. The Board’s approval is specifically conditioned on compliance by Bancorp with all the commitments made in connection with this notice and with all the conditions in this order. The Board’s determination also is subject to all the conditions set forth in Regulation Y, including those in 225.7 and 225.25(c) (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 thereunder. For purposes 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.

This transaction shall 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 New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 29, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

*INDEX OF ORDERS ISSUED OR ACTIONS TAKEN BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
(JULY 1, 2000—SEPTEMBER 30, 2000)*

Applicant	Merged or Acquired Bank or Activity	Date of Approval	Bulletin Volume and Page
Australia & New Zealand Banking Group Limited, Melbourne, Australia	Amerika Samoa Bank, Pago Pago, American Samoa	August 7, 2000	86, 695
Banca Antoniana Popolare Veneta S.c.p.a.r.l., Padua, Italy	To establish a state-licensed branch in New York, New York	September 25, 2000	86, 783
Banco Venezolano de Credito S.A.C.A., Caracas, Venezuela	To establish a representative office in Miami, Florida	September 27, 2000	86, 785
Caixa Económica Montepio Geral, Lisbon, Portugal	To establish a representative office in Newark, New Jersey	August 21, 2000	86, 700
The Chuo Mitsui Trust & Banking Co., Ltd., Tokyo, Japan	To establish a representative office in New York, New York	August 21, 2000	86, 702
Deutsche Hyp Deutsche Hypothekbank Frankfurt-Hamburg, AG Frankfurt, Germany	To establish a representative office in New York, New York	July 26, 2000	86, 658
First Bancorp, Troy, North Carolina	First Savings Bancorp, Inc., Southern Pines, North Carolina First Savings Bank of Moore County, Inc., SSB, Southern Pines, North Carolina	August 21, 2000	86, 696
FleetBoston Financial Corporation, Boston Massachusetts	North Fork Bancorporation, Inc., Melville, New York North Fork Bank, Mattituck, New York Superior Savings of New England, N.A., Bradford, Connecticut Dime Bancorp, Inc., New York, New York The Dime Savings Bank of New York, FSB, New York, New York	September 27, 2000	86, 751
Mizuho Holdings, Inc. (In Formation), Tokyo, Japan	The Dai-Ichi Kangyo Bank, Ltd., Tokyo, Japan The Fuji Bank, Ltd., Tokyo, Japan The Industrial Bank of Japan, Ltd., Tokyo, Japan Fuji Bank International, Inc., Los Angeles, California	September 5, 2000	86, 776
North Fork Bancorporation, Inc., Melville, New York	Dime Bancorp, Inc., New York, New York The Dime Savings Bank of New York, FSB, New York, New York	September 27, 2000	86, 767
The Royal Bank of Scotland Group plc, Edinburgh, Scotland	NatWest Group Holdings Corporation, New York, New York	July 31, 2000	86, 655
Turkiye Is Bankasi, A.S., Ankara, Turkey	To establish a representative office in New York, New York	September 18, 2000	86, 786
Westamerica Bancorporation, San Rafael, California	First Counties Bank, Clearlake, California	August 2, 2000	86, 699

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

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

Section 4

Applicant(s)	Bank(s)	Effective Date
Zions Bancorporation, Salt Lake City, Utah	To engage in activities that are financial in nature or incidental to a financial activity	November 28, 2000

*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
Alabama National Bancorporation, Birmingham, Alabama	Peoples State Bank of Groveland, Groveland, Florida	Atlanta	November 21, 2000
Carolina Bank Holdings, Inc., Greensboro, North Carolina	Carolina Bank, Greensboro, North Carolina	Richmond	October 27, 2000
Charter Financial Corporation, Bellevue, Washington	Charter Bank, Bellevue, Washington	San Francisco	November 8, 2000
Community Bancshares Company, Colfax, Louisiana	Colfax Banking Company, Colfax, Louisiana	Dallas	November 17, 2000
ENB Bankshares, Inc., Dallas, Texas	Eagle National Bank, Dallas, Texas	Dallas	November 17, 2000
ENB Delaware Bankshares, Inc., Wilmington, Delaware			
Eureka Springs Bancshares, Inc., Eureka Springs, Arkansas	Bank of Eureka Springs, Eureka Springs, Arkansas	St. Louis	October 27, 2000
First Community Capital Corporation, Houston, Texas	First Community Bank, N.A., Houston, Texas	Dallas	October 25, 2000
First Community Capital Corporation of Delaware, Inc., Wilmington, Delaware			
First Olathe Bancshares, Inc., Kansas City, Missouri	Bannister Bank & Trust, Kansas City, Missouri	Kansas City	November 16, 2000
FNB Corporation, Christiansburg, Virginia	CNB Holdings, Inc., Pulaski, Virginia	Richmond	November 20, 2000
Heritage Bancshares, Inc., Orange Park, Florida	Heritage Bank of North Florida, Orange Park, Florida	Atlanta	October 30, 2000
Inter-Mountain Bancorp, Inc., Bozeman, Montana	Chouteau County Bancshares, Inc., Fort Benton, Montana	Minneapolis	November 2, 2000
	First State Bank of Fort Benton, Fort Benton, Montana		
JDOB, Inc., Sandstone, Minnesota	First National Bank of Hinckley, Hinckley, Minnesota	Minneapolis	November 17, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Marathon Financial Corporation, Winchester, Virginia	Rockingham Heritage Bank, Harrisonburg, Virginia	Richmond	November 3, 2000
National Penn Bancshares, Inc., Boyertown, Pennsylvania	Community Independent Bank, Inc., Bernville, Pennsylvania	Philadelphia	November 3, 2000
Northfield MHC (Mutual Holding Company), Northfield, Vermont	Northfield Savings Bank, Northfield, Vermont	Boston	November 14, 2000
Northfield Bancorp, Inc. (Stock Holding Company), Northfield, Vermont			
Peterstown Bancorp, Inc., Peterstown, West Virginia	The First National Bank of Peterstown, Peterstown, West Virginia	Richmond	November 7, 2000
The PNC Financial Services Group, Inc., Pittsburgh, Pennsylvania	PNC Converted Bank, National Association, Pittsburgh, Pennsylvania	Cleveland	November 9, 2000
Red Level Financial Coporation, Red Level, Alabama	The Peoples Bank of Red Level, Red Level, Alabama	Atlanta	November 13, 2000
Regional Bankshares, Inc., Hartsville, South Carolina	Hartsville Community Bank, National Association, Hartsville, South Carolina	Richmond	November 17, 2000
Routt County Bancorporation, Inc., Steamboat Springs, Colorado	First National Bank of Steamboat Springs, Steamboat Springs, Colorado	Kansas City	October 30, 2000
Shore Bancshares, Inc., Centreville, Maryland	Talbot Bancshares, Inc., Easton, Maryland	Richmond	October 27, 2000
Somerset Hills Bancorp, Bernardsville, New Jersey	The Bank of the Somerset Hills, Bernardsville, New Jersey	New York	November 8, 2000
Stockman Financial Corporation, Miles City, Montana	Marquette Bank Montana, National Association, Conrad, Montana	Minneapolis	November 1, 2000
Sun Bancshares, Inc., Murrells Inlet, South Carolina	SunBank, N.A., Murrells Inlet, South Carolina	Richmond	October 31, 2000
Wilber Co., Wilber, Nebraska	NebraskaLand Financial Services, Inc., North Platte, Nebraska	Kansas City	November 22, 2000

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BB&T Corporation, Winston-Salem, North Carolina	FirstSpartan Financial Corp., Spartanburg, South Carolina	Richmond	November 17, 2000
Citco Community Bancshares, Inc., Elizabethton, Tennessee	Twin City Bancorp, Inc., Bristol, Tennessee	Atlanta	November 2, 2000
	Twin City Federal Savings Bank, Bristol, Tennessee		
Fifth Third Bancorp, Cincinnati, Ohio	Ottawa Financial Corporation, Holland, Michigan	Cleveland	November 10, 2000
	AmeriBank, Holland, Michigan		
First National Johnson Bancshares, Inc., Johnson, Nebraska	Saline State Insurance Agency, L.L.C., Wilber, Nebraska	Kansas City	November 1, 2000

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
FNB Corporation, Christiansburg, Virginia	SWVA Bancshares, Inc., Roanoke, Virginia	Richmond	November 10, 2000
Marshall and Ilsley Corporation, Milwaukee, Wisconsin	M&I Community Development Corporation, Milwaukee, Wisconsin	Chicago	November 3, 2000
Royal Bank of Canada, Toronto, Canada	Harris Trust and Savings Bank, Chicago, Illinois Bank of Montreal, Montreal, Canada	New York	November 16, 2000
Wausa Banshares, Inc., Wausa, Nebraska	KLS Insurance, Bloomfield, Nebraska	Kansas City	November 8, 2000

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BB&T Corporation, Winston-Salem, North Carolina	BankFirst Corporation, Knoxville, Tennessee	Richmond	November 2, 2000
Guaranty Corporation, Denver, Colorado	Bank Capital Corporation, Strasburg, Colorado First National Bank of Strasburg, Strasburg, Colorado Collegiate Peaks Bancorporation, Strasburg, Colorado Collegiate Peaks Bank, Buena Vista, Colorado Bank Capital Mortgage, LLC, Strasburg, Colorado	Kansas City	October 26, 2000
Sturm Financial Group, Inc., Denver, Colorado	Sturm Banks of Colorado, Inc., Denver, Colorado Sturm Banks of Wyoming, Inc., Denver, Colorado Sturm Banks of Kansas City, Inc., Denver, Colorado Community First Data Services, Inc., Cheyenne, Wyoming	Kansas City	November 1, 2000
Whitney Holding Corporation, New Orleans, Louisiana	Prattville Financial Services Corporation, Prattville, Alabama Bank of Prattville, Prattville, Alabama Key Finance Company of Prattville, Prattville, Alabama	Atlanta	November 21, 2000

*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
Bank of Chelsea, Chelsea, Oklahoma	Bank of Commerce, Catoosa, Oklahoma	Kansas City	November 2, 2000
Chemical Bank and Trust Company, Midland, Michigan	Chemical Bank Bay Area, Bay City, Michigan Chemical Bank Michigan, Clare, Michigan Chemical Bank Key State, Owosso, Michigan Chemical Bank Thumb Area, Caro, Michigan	Chicago	November 17, 2000
Colonial Bank, Montgomery, Alabama	First Security Bank of Nevada, Las Vegas, Nevada	Atlanta	November 17, 2000
Farmers & Merchants Bank, Timberville, Virginia	First Union National Bank, Charlotte, North Carolina	Richmond	October 27, 2000
Fifth Third Bank, Indiana, St. Joseph, Michigan	AmeriBank, Holland, Michigan	Cleveland	November 10, 2000
Fifth Third Bank, Western Ohio, Dayton, Ohio	Fifth Third Bank, Central Ohio, Columbus, Ohio	Cleveland	November 21, 2000
Greenwood Bank & Trust, Greenwood, South Carolina	Clemson Bank & Trust, Clemson, South Carolina Community Bank & Trust, Barnwell, South Carolina TheBank, Belton, South Carolina Mid State Bank, Newberry, South Carolina	Richmond	November 3, 2000
M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin	M&I Bank of Racine, Racine, Wisconsin M&I Bank of Burlington, Burlington, Wisconsin M&I Lake Country Bank, Hartland, Wisconsin M&I First National Bank, West Bend, Wisconsin M&I Bank of Menomonee Falls, Menomonee Falls, Wisconsin M&I Northern Bank, Brookfield, Wisconsin	Chicago	November 8, 2000
The Provident Bank, Cincinnati, Ohio	Provident Bank of Florida, Sarasota, Florida	Cleveland	October 30, 2000
Rockingham Heritage Bank, Harrisonburg, Virginia	Marathon Merger Bank, Winchester, Virginia	Richmond	November 3, 2000
SouthTrust Bank, Birmingham, Alabama	First Bank, Birmingham, Alabama	Atlanta	November 17, 2000

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.

El Bey v. United States, No. 00-5293 (D.C. Cir., filed August 31, 2000). Appeal from district court order dismissing *pro se* action as lacking arguable basis in law. The government filed a motion for summary affirmance on October 26, 2000.

Trans Union LLC v. Board of Governors, et al., No. 00-CV-2087 (ESH) (D.D.C., filed August 30, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Financial Information.

Sedgwick v. Board of Governors, No. 00-16525 (9th Cir., filed August 7, 2000). Appeal of district court dismissal of action under Federal Tort Claims Act alleging violation of bank supervision requirements.

Individual Reference Services Group, Inc. v. Board of Governors, et al., No. 00-CV-1828 (ESH) (D.D.C., filed July 28, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Finance Information.

Reed Elsevier Inc. v. Board of Governors, No. 00-1289 (D.C. Cir., filed June 30, 2000). Petition for review of interagency rule regarding Privacy of Consumer Financial Information.

Board of Governors v. Interfinancial Services, Ltd., No. 00-5233 (D.C. Cir., filed June 27, 2000). Appeal of district court order enforcing administrative subpoena issued by the Board. On June 30, 2000, the court of appeals denied the appellant's motion for a stay of the district court order. On December 1, 2000, the court dismissed the case on appellant's motion.

Bettsworth v. Board of Governors, No. 00-50262 (5th Cir., filed April 14, 2000). Appeal of district court's dismissal of Privacy Act claims.

Hunter v. Board of Governors, No. 00-CV-735 (ESH) (D.D.C., filed April 5, 2000). Action claiming retaliation for whistleblowing activity.

Bennett v. Federal Bureau of Investigation, et al., No. H-00-0707 (S.D. Texas, filed March 1, 2000). Action alleging Board interference with a private investment. On October 20, 2000, the court dismissed the action.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the funding of the retirement plan for certain Board employees.

Folstad v. Board of Governors, No. 00-1056 (6th Cir., filed January 14, 2000). Appeal of district court order granting summary judgment to the Board in a Freedom of Information Act case. On October 26, 2000, the court of appeals affirmed the district court's order.

Toland v. Internal Revenue Service, Federal Reserve System, et al., No. CV-S-99-1769-JBR-RJJ (D. Nevada, filed December 29, 1999). Challenge to income taxation and Fed-

eral Reserve notes. On February 16, 2000, the government filed a motion to dismiss the action.

Artis v. Greenspan, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). Employment discrimination action.

Sheriff Gerry Ali v. U.S. State Department, No. 99-7438 (C.D. Cal., filed July 21, 1999). Action relating to impounded bank drafts.

Kerr v. Department of the Treasury, No. 99-16263 (9th Cir., filed April 28, 1999). Appeal of dismissal of action challenging income taxation and Federal Reserve notes.

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.

Board of Governors v. Carrasco, No. 98 Civ. 3474 (LAK) (S.D.N.Y., filed May 15, 1998). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On May 26, 1998, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets and appointing the Federal Reserve Bank of New York as receiver for those assets. Following entry of the Board's order requiring restitution, 85 *Federal Reserve Bulletin* 142 (1998), the court granted the Board's motion for judgment in the asset freeze action and authorized a judicial sale of the seized property.

Board of Governors v. Pharaon, No. 98-6101 (2d Cir., filed May 4, 1998). Appeal and cross-appeal of district court order granting in part and denying in part the Board's motion for summary judgment seeking prejudgment interest and a statutory surcharge in connection with a civil money penalty assessed by the Board. On February 24, 1999, the court granted the Board's appeal and denied the cross-appeal, and remanded the matter to the district court for determination of prejudgment interest due to the Board.

FINAL ENFORCEMENT DECISION ISSUED BY THE BOARD OF GOVERNORS

In the Matter of a Notice to Prohibit Further Participation Against, Sammie R. Golden, Former Employee,

Union Planters National Bank,
Memphis, Tennessee

Docket No. OCC-No-EC-00-25

Final Decision

This is an administrative proceeding pursuant to the Federal Deposit Insurance Act ("FDI Act") in which the

Office of the Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit the Respondent, Sammie R. Golden ("Respondent"), from further participation in the affairs of any financial institution because of her conduct as an employee of Union Planters National Bank, Memphis, Tennessee (the "Bank"). Under the FDI Act, the OCC may initiate a prohibition proceeding against a former employee of a national bank, but the Board must make the final determination whether to issue an order of prohibition.

Upon review of the administrative record, the Board issues this Final Decision adopting the Recommended Decision ("RD") of Administrative Law Judge Arthur L. Shipe (the "ALJ"), and orders the issuance of the attached Order of Prohibition.

I. Statement of the Case

A. Statutory and Regulatory Framework

Under the FDI Act and the Board's regulations, the ALJ is responsible for conducting proceedings on a notice of charges. 12 U.S.C. § 1818(e)(4). The ALJ issues a recommended decision that is referred to the deciding agency together with any exceptions to those recommendations filed by the parties. The Board makes the final findings of fact, conclusions of law, and determination whether to issue an order of prohibition in the case of prohibition orders sought by the OCC. *Id.*; 12 C.F.R. 263.40.

The FDI Act sets forth the substantive basis upon which a federal banking agency may issue against a bank official or employee an order of prohibition from further participation in banking. In order to issue such an order, the Board must make each of three findings:

- (1) That the respondent engaged in identified *misconduct*, including a violation of law or regulation, an unsafe or unsound practice or a breach of fiduciary duty;
- (2) That the conduct had a specified *effect*, including financial loss to the institution or gain to the respondent; and
- (3) That the respondent's conduct involved either personal dishonesty or a willful or continuing disregard for the safety or soundness of the institution. 12 U.S.C. § 1818(e)(1)(A)-(C).

An enforcement proceeding is initiated by the filing of a notice of charges which is served on the respondent. Under the OCC's and the Board's regulations, the respondent must file an answer within 20 days of service of the notice. 12 C.F.R. 19.19(a) and 263.19(a). The answer must "fairly meet the substance of each allegation of fact denied; general denials are not permitted." 12 C.F.R. 19.19(b) and 263.19(b). Failure to file an answer constitutes a waiver of the respondent's right to contest the allegations in the notice, and a final order may be entered unless good cause is shown for failure to file a timely answer. 12 C.F.R. 19.19(c)(1) and 263.19(c)(1).

B. Procedural History

On April 6, 2000, the OCC issued a Notice initiating an enforcement action that sought an order of prohibition due to Respondent's actions in assisting a customer, for a gratuity, in cashing twelve stolen and forged checks totaling over \$7000. Respondent filed a timely answer, but failed to provide specific responses to the factual allegations in the Notice. Enforcement Counsel then moved to require Respondent to provide a more specific answer to the Notice. Respondent did not oppose the motion, and the ALJ ordered that an amended answer be filed by July 25, 2000.

Respondent failed to file an amended answer, and instead, through counsel, withdrew her previous request for a hearing and indicated her consent to the entry of a prohibition order. Enforcement Counsel moved for entry of a default order on the basis of Respondent's failure to file a timely amended answer. Respondent filed no reply to the motion, and in a telephonic prehearing conference appeared through counsel and consented again to the entry of a default order. Counsel indicated, however, that Respondent would decline to enter into any stipulated settlement of the proceeding.

Following the telephonic conference, the ALJ issued a Recommended Decision finding Respondent in default and adopting as his factual findings the allegations in the Notice. On the basis of those findings, the ALJ recommended that an order of prohibition be entered against the Respondent.

II. Discussion

The OCC's Rules of Practice and Procedure set forth the requirements of an answer and the consequences of a failure to file an answer to a Notice. Under the Rules, an answer "must fairly meet the substance of each allegation of fact denied; general denials are not permitted." 12 C.F.R. 19.19(b). Failure to file a timely answer "constitutes a waiver of [a respondent's] right to appear and contest the allegations in the Notice." 12 C.F.R. 19.19(c). If the ALJ finds that no good cause has been shown for the failure to file, the judge "shall file . . . a recommended decision containing the findings and the relief sought in the notice." *Id.* An order based on a failure to file a timely answer is deemed to be issued by consent. *Id.*

In this case, Respondent's initial answer did not comply with the requirement that an answer meet the substance of each allegation of fact denied. Rather, the answer contained only a general denial. Following Enforcement Counsel's unopposed motion to require an amended answer, the ALJ required Respondent to file an amended answer that complied with the requirements of the OCC's Rules. Respondent's failure to file an amended answer constitutes a default.

Respondent's default requires the Board to consider the allegations in the Notice as uncontested. Those allegations meet all the criteria for entry of an order of prohibition

under 12 U.S.C. § 1818(e). Respondent's conduct in assisting a customer to cash over \$7000 in stolen and forged checks, and in accepting a gratuity for such assistance, meets the "misconduct" prong of the prohibition statute, 12 U.S.C. § 1818(e)(1)(A), being both a violation of law and an unsafe or unsound practice. The action had the necessary "effect" of gain to the Respondent, as well as loss to the Bank, under 12 U.S.C. § 1818(e)(1)(B). Finally, the conduct involved the requisite culpability under 12 U.S.C. § 1818(e)(1)(C) in that it involved personal dishonesty. The requirements for an order of prohibition having been met, the Board has determined that such an order will issue.

Conclusion

For these reasons, the Board orders the issuance of the attached Order of Prohibition.

By Order of the Board of Governors, this 30th day of November, 2000.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

JENNIFER J. JOHNSON
Secretary of the Board

Order of Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act") (12 U.S.C. § 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Prohibition should issue against SAMMIE R. GOLDEN ("GOLDEN"),

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (12 U.S.C. § 1818(e)), that:

1. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), Golden is hereby prohibited:
 - (a) From participating in the conduct of the affairs of any bank holding company, any insured depository institution or any other institution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
 - (b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
 - (c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or

(d) From voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), such as an officer, director, or employee.

2. This order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.

This Order shall become effective at the expiration of thirty days after service is made.

By Order of the Board of Governors, this 30th day of November, 2000

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

JENNIFER J. JOHNSON
Secretary of the Board

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

George J. Peterson
South Elgin, Illinois

The Federal Reserve Board announced on November 7, 2000, the issuance of an Order of Prohibition against George J. Peterson, the former chairman of the board and chief executive officer and institution-affiliated party of Foxdale Bancorp, Inc., and the Foxdale Bank, both of South Elgin, Illinois.

United Central Bank
Garland, Texas

The Federal Reserve Board announced on November 20, 2000, the issuance of a Cease and Desist Order against the United Central Bank, Garland, Texas.

TERMINATION OF ENFORCEMENT ACTIONS

The Federal Reserve Board announced on November 20, 2000, the termination of the following enforcement action:

The Asahi Bank, Ltd., New York Branch
Cease and Desist Order dated February 13, 1997 — Terminated October 11, 2000.

*WRITTEN AGREEMENTS APPROVED BY FEDERAL
RESERVE BANKS*

*CSB Bancorp, Inc.
Millersburg, Ohio*

The Federal Reserve Board announced on November 30, 2000, the execution of a Written Agreement by and among CSB Bancorp, Inc., Millersburg, Ohio; The Commercial and Savings Bank of Millersburg, Millersburg, Ohio; the

Federal Reserve Bank of Cleveland; and the Ohio Division of Financial Institutions.

*Guaranty Financial Corporation
Charlottesville, Virginia*

The Federal Reserve Board announced on November 20, 2000, the execution of a Written Agreement by and among Guaranty Financial Corporation, Charlottesville, Virginia; the Guaranty Bank, Charlottesville, Virginia; the Federal Reserve Bank of Richmond; and the Bureau of Financial Institutions of the Commonwealth of Virginia.

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SYMBOLS AND ABBREVIATIONS

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

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

A4 Domestic Financial Statistics □ January 2001

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	1999	2000			2000				
	Q4	Q1	Q2	Q3 [†]	June	July [†]	Aug. [†]	Sept. [†]	Oct.
<i>Reserves of depository institutions²</i>									
1 Total	-3.4	1.8	-9.5	-7.1	-40.6	9.0	-9.4	-2.5	-9.5
2 Required	-4.5	.1	-5.9	-7.4	-45.1	9.1	-8.0	-5.3	-10.7
3 Nonborrowed	-3.0	2.4	-11.1	-8.8	-44.4	6.4	-9.8	.6	-7.9
4 Monetary base	20.4	4.3	-3.2	2.6	2.8	3.7	.6	3.0	3.1
<i>Concepts of money and debt⁴</i>									
5 M1	4.8	.0	-1.2	-2.7	-1.7	1.1	-3.5	-6.4	3.9
6 M2	5.3 [†]	6.3 [†]	6.4 [†]	4.7	3.8	3.7	7.5	8.7	4.3
7 M3	10.5 [†]	11.3 [†]	8.6 [†]	8.2	7.7	8.8	9.7	8.3	4.3
8 Debt	6.3	5.6	6.2	5.2	5.6	4.8	4.9	5.9	n.a.
<i>Nontransaction components</i>									
9 In M2 ⁵	5.5 [†]	8.3 [†]	8.8 [†]	6.9	5.4	4.5	10.8	13.2	4.4
10 In M3 only ⁶	24.8	24.3	13.9	17.0	17.5 [†]	21.2	15.0	7.3	4.4
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
11 Savings, including MMDAs	4.2	3.6	8.1	10.6	7.3	10.2	14.6	22.3	1.5
12 Small time ^{8,9}	7.0	9.3	13.7	10.4	17.5	8.4	9.2	3.9	2.1
13 Large time ^{8,9}	38.5	22.2	17.7	9.3	19.1	10.4	16.0	-19.3	-2.7
<i>Thrift institutions</i>									
14 Savings, including MMDAs	-3.3	-1.7	1.9	2.6	-1.9	-5	6.6	3.7	.5
15 Small time ⁸	5.1	7.2	3.7	11.6	9.2	12.0	16.2	9.6	9.2
16 Large time ⁸	6.0	17.9	-3.8 [†]	19.3	23.1 [†]	26.4	24.6	9.6	26.3
<i>Money market mutual funds</i>									
17 Retail	11.5 [†]	20.6 [†]	11.7 [†]	-.6	-3.9	-7.2	6.3	12.8	10.7
18 Institution-only	22.0	23.8	13.7	33.4	15.5	51.8	28.2	32.7	6.8
<i>Repurchase agreements and eurodollars</i>									
19 Repurchase agreements ¹⁰	19.5	22.5 [†]	10.8	7.3	29.1 [†]	5.2	-17.9	-3.6	.0
20 Eurodollars ¹⁰	10.0	41.1	15.4	3.4	-5.7	-20.5	22.8	26.8	17.5
<i>Debt components⁴</i>									
21 Federal	-4.4	-4.8	-7.5	-7.2	-8.4	-3.7	-7.1	-4.6	n.a.
22 Nonfederal	9.3	8.4	9.7	8.2	9.0	6.9	7.8	8.4	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 CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2000			2000						
	Aug.	Sept.	Oct.	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	557,962	561,086	561,406	559,406	562,208	558,792	562,880	561,715	561,883	559,392
U.S. government securities ²										
2 Bought outright—System account ³	509,923	510,925	510,713	512,218	509,013	511,153	511,352	512,085	509,485	510,464
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	140	133	130	136	130	130	130	130	130	130
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	12,059	14,427	12,875	11,205	17,286	11,425	14,514	10,939	14,330	11,689
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	24	52	120	4	135	18	35	36	299	175
9 Seasonal credit	559	424	298	422	384	398	367	325	301	277
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	896	776	1,192	1,462	977	677	937	2,596	1,181	267
13 Other Federal Reserve assets	34,362	34,349	36,078	33,959	34,284	34,991	35,546	35,603	36,157	36,391
14 Gold stock	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046
15 Special drawing rights certificate account	4,200	3,667	3,200	4,200	3,343	3,200	3,200	3,200	3,200	3,200
16 Treasury currency outstanding	30,444	30,687	30,975	30,657	30,708	30,759	30,811	30,911	30,972	31,033
ABSORBING RESERVE FUNDS										
17 Currency in circulation	569,532	570,465	571,604	572,073	569,649	568,349	569,594	572,918	572,442	570,968
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	146	170	248	167	164	177	185	202	256	287
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,047	6,695	5,338	4,627	8,574	7,357	6,822	5,324	5,170	5,278
21 Foreign	87	84	95	80	86	77	118	89	108	91
22 Service-related balances and adjustments	6,745	6,703 ^f	6,733	6,588	6,473	6,894	6,894	6,714	6,614	6,698
23 Other	239	227	251	237	199	242	212	269	250	241
24 Other Federal Reserve liabilities and capital	15,269	15,260	15,717	15,278	15,261	15,333	15,235	15,206	15,427	16,066
25 Reserve balances with Federal Reserve Banks ⁵	6,588	6,882 ^f	6,639	6,259	6,899	5,369	8,877	6,151	6,834	5,041
End-of-month figures				Wednesday figures						
	Aug.	Sept.	Oct.	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	562,882	565,382	566,215	559,863	566,465	561,557	561,048	564,038	565,656	559,965
U.S. government securities ²										
2 Bought outright—System account ³	510,182	511,413	508,961	510,829	510,434	512,472	511,402	512,173	510,168	511,038
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	140	130	130	130	130	130	130	130	130	130
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	18,525	17,320	19,440	11,840	19,885	12,170	12,375	11,540	18,843	9,995
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	30	4	29	8	908	7	3	32	12	13
9 Seasonal credit	567	368	219	387	392	407	345	312	290	270
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	198	372	1,438	2,508	124	642	1,665	4,021	- 143	1,903
13 Other Federal Reserve assets	33,240	35,774	35,999	34,161	34,591	35,728	35,128	35,829	36,355	36,616
14 Gold stock	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046
15 Special drawing rights certificate account	4,200	3,200	3,200	4,200	3,200	3,200	3,200	3,200	3,200	3,200
16 Treasury currency outstanding	30,549	30,811	31,093	30,657	30,708	30,759	30,811	30,911	30,972	31,033
ABSORBING RESERVE FUNDS										
17 Currency in circulation	571,430	568,612	572,397	571,790	569,742	569,672	571,695	574,060	572,499	571,775
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	166	184	289	162	175	184	193	250	289	276
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,961	8,459	5,360	5,348	7,413	7,986	4,818	6,162	5,149	4,207
21 Foreign	79	139	115	74	66	75	74	85	87	71
22 Service-related balances and adjustments	6,788	6,894	6,830	6,588	6,474 ^f	6,894 ^f	6,894	6,714	6,614	6,698
23 Other	214	177	245	188	192	189	267	253	269	241
24 Other Federal Reserve liabilities and capital	15,180	15,243	16,416	14,949	15,003	15,034	14,885	14,993	15,652	16,254
25 Reserve balances with Federal Reserve Banks ⁵	8,859	10,731	9,903	6,667	12,354 ^f	6,529 ^f	7,278	6,677	10,315	5,721

1. Amounts of cash held as reserves are shown in table 1.12, line 2.
 2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale—purchase transactions.
 3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.
 4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.
 5. Excludes required clearing balances and adjustments to compensate for float.

A6 Domestic Financial Statistics □ January 2001

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages										
	1997	1998	1999	2000							
	Dec.	Dec.	Dec.	Apr.	May	June	July	Aug.	Sept. ^f	Oct.	
1 Reserve balances with Reserve Banks ²	10,664	9,026	5,263	7,081	7,661	6,460	6,582	6,875	6,829	6,785	
2 Total vault cash ³	44,742	44,294	60,630	46,456	44,643	44,560	45,475	45,322	44,802	45,179	
3 Applied vault cash ⁴	37,255	36,183	36,392	33,512	33,898	32,757	33,086	32,611	32,429	32,073	
4 Surplus vault cash ⁵	7,486	8,111	24,238	12,944	10,745	11,802	12,389	12,711	12,374	13,106	
5 Total reserves ⁶	47,919	45,209	41,655	40,593	41,558	39,217	39,668	39,486	39,257	38,858	
6 Required reserves	46,235	43,695	40,348	39,448	40,616	38,153	38,600	38,471	38,155	37,727	
7 Excess reserve balances at Reserve Banks ⁷	1,685	1,514	1,307	1,145	943	1,064	1,068	1,014	1,102	1,131	
8 Total borrowing at Reserve Banks	324	117	320	304	362	479	570	579	477	418	
9 Adjustment	245	101	179	184	86	90	60	25	50	119	
10 Seasonal	79	15	67	120	276	389	510	554	427	299	
11 Special Liquidity Facility ⁸	0	0	74	0	0	0	0	0	0	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									
	2000									
	June 28	July 12	July 26	Aug. 9	Aug. 23	Sept. 6	Sept. 20	Oct. 4 ^f	Oct. 18	Nov. 1
1 Reserve balances with Reserve Banks ²	6,413	6,524	6,388	7,267	6,603	6,911	6,578	7,131	6,502	6,984
2 Total vault cash ³	45,098	45,783	44,921	46,291	45,398	44,099	44,814	45,208	45,782	44,522
3 Applied vault cash ⁴	33,333	32,742	33,184	33,638	32,195	32,184	32,077	33,068	31,601	32,276
4 Surplus vault cash ⁵	11,765	13,041	11,737	12,654	13,204	11,915	12,737	12,140	14,181	12,246
5 Total reserves ⁶	39,746	39,266	39,572	40,904	38,797	39,095	38,655	40,198	38,103	39,260
6 Required reserves	38,545	38,103	38,596	39,802	37,818	38,118	37,612	38,938	37,073	38,060
7 Excess reserve balances at Reserve Banks ⁷	1,200	1,162	975	1,102	979	977	1,043	1,260	1,030	1,200
8 Total borrowing at Reserve Banks	471	589	549	581	564	604	473	409	480	355
9 Adjustment	43	117	22	27	12	45	70	26	167	97
10 Seasonal	428	472	527	555	552	559	403	383	313	259
11 Special Liquidity Facility ⁸	0	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.

2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).

6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).

7. Total reserves (line 5) less required reserves (line 6).

8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit ¹			Seasonal credit ²			Extended credit ³		
	On 12/8/00	Effective date	Previous rate	On 12/8/00	Effective date	Previous rate	On 12/8/00	Effective date	Previous rate
Boston	6.00	5/16/00	5.50	6.60	10/5/00	6.55	7.10	10/5/00	7.05
New York		5/19/00							
Philadelphia		5/18/00							
Cleveland		5/16/00							
Richmond		5/16/00							
Atlanta		5/17/00							
Chicago		5/17/00							
St. Louis	5/18/00								
Minneapolis	5/18/00								
Kansas City	5/17/00								
Dallas	5/17/00								
San Francisco	6.00	5/16/00	5.50	6.60	10/5/00	6.55	7.10	10/5/00	7.05

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6	1982—Oct. 12	9.5–10	9.5	1994—May 17	3–3.5	3.5
1978—Jan. 9	6–6.5	6.5	13	9.5	9.5	18	3.5	3.5
20	6.5	6.5	26	9	9	Aug. 16	3.5–4	4
May 11	6.5–7	7	Nov. 14	8.5–9	9	18	4	4
12	7	7	15	8.5–9	8.5	Nov. 15	4–4.75	4.75
July 3	7–7.25	7.25	17	8.5	8.5	17	4.75	4.75
10	7.25	7.25	1984—Apr. 9	8.5–9	9	1995—Feb. 1	4.75–5.25	5.25
Aug. 21	7.75	7.75	13	9	9	9	5.25	5.25
Sept. 22	8	8	Nov. 21	8.5–9	8.5	1996—Jan. 31	5.00–5.25	5.00
Oct. 16	8–8.5	8.5	26	8.5	8.5	Feb. 5	5.00	5.00
20	8.5	8.5	Dec. 24	8	8	1998—Oct. 15	4.75–5.00	4.75
Nov. 1	8.5–9.5	9.5	1985—May 20	7.5–8	7.5	16	4.75	4.75
3	9.5	9.5	24	7.5	7.5	Nov. 17	4.50–4.75	4.50
1979—July 20	10	10	1986—Mar. 7	7–7.5	7	19	4.50	4.50
Aug. 17	10–10.5	10.5	10	7	7	1999—Aug. 24	4.50–4.75	4.75
20	10.5	10.5	21	6.5–7	6.5	26	4.75	4.75
Sept. 19	10.5–11	11	23	6.5	6.5	Nov. 16	4.75–5.00	4.75
21	11	11	July 11	6	6	18	5.00	5.00
Oct. 8	11–12	12	Aug. 21	5.5–6	5.5	2000—Feb. 2	5.00–5.25	5.25
10	12	12	22	5.5	5.5	4	5.25	5.25
1980—Feb. 15	12–13	13	1987—Sept. 4	5.5–6	6	Mar. 21	5.25–5.50	5.50
19	13	13	11	6	6	23	5.50	5.50
May 29	12–13	13	1988—Aug. 9	6–6.5	6.5	May 16	5.50–6.00	5.50
30	12	12	11	6.5	6.5	19	6.00	6.00
June 13	11–12	11	1989—Feb. 24	6.5–7	7	In effect Dec. 8, 2000	6.00	6.00
16	11	11	27	7	7			
July 28	10–11	10	1990—Dec. 19	6.5	6.5			
29	10	10	1991—Feb. 1	6–6.5	6			
Sept. 26	11	11	4	6	6			
Nov. 17	12	12	Apr. 30	5.5–6	5.5			
Dec. 5	12–13	13	May 2	5.5	5.5			
8	13	13	Sept. 13	5–5.5	5			
1981—May 5	13–14	14	17	5	5			
8	14	14	Nov. 6	4.5–5	4.5			
Nov. 2	13–14	13	7	4.5	4.5			
6	13	13	Dec. 20	3.5–4.5	3.5			
Dec. 4	12	12	24	3.5	3.5			
1982—July 20	11.5–12	11.5	1992—July 2	3–3.5	3			
23	11.5	11.5	7	3	3			
Aug. 2	11–11.5	11						
3	11	11						
16	10.5	10.5						
27	10–10.5	10						
30	10	10						

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 intrayear 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*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million–\$42.8 million ³	3	12/28/00
2 More than \$42.8 million ⁴	10	12/28/00
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 requirement 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 1½ years was reduced from 3 percent to 1½ 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 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ 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 1½ years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	1997	1998	1999	2000						
				Mar.	Apr.	May	June	July	Aug.	Sept.
U.S. TREASURY SECURITIES²										
<i>Outright transactions (excluding matched transactions)</i>										
<i>Treasury bills</i>										
1 Gross purchases	9,147	3,550	0	0	2,294	0	0	1,825	531	231
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	-435,907	450,835	464,218	48,459	37,141	36,386	44,008	33,718	42,797	37,006
4 For new bills	435,907	450,835	464,218	48,459	37,141	36,386	44,008	33,718	42,797	37,006
5 Redemptions	0	2,000	0	198	779	2,297	4,188	4,902	3,438	3,898
<i>Others within one year</i>										
6 Gross purchases	5,549	6,297	11,895	0	0	164	1,875	1,284	2,770	716
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	41,716	46,062	50,590	5,034	0	13,063	4,672	5,152	7,040	0
9 Exchanges	-27,499	-49,434	-53,315	-3,513	0	-12,633	-3,109	-3,333	-7,396	0
10 Redemptions	1,996	2,676	1,429	0	568	0	0	367	887	0
<i>One to five years</i>										
11 Gross purchases	20,080	12,901	19,731	740	1,723	890	706	2,259	2,508	2,385
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-37,987	-37,777	-44,032	-5,034	0	-10,334	-4,672	-5,152	-3,439	0
14 Exchanges	20,274	37,154	42,604	3,515	0	10,063	3,109	3,333	5,418	0
<i>Five to ten years</i>										
15 Gross purchases	3,449	2,294	4,303	489	930	0	0	0	1,914 ^f	448
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-1,954	-5,908	-5,841	0	0	-1,552	0	0	-3,601	0
18 Exchanges	5,215	7,439	7,583	0	0	2,570	0	0	1,254	0
<i>More than ten years</i>										
19 Gross purchases	5,897	4,884	9,428	330	0	528	1,151	500	727	547
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-1,775	-2,377	-717	0	0	-1,177	0	0	0	0
22 Exchanges	2,360	4,842	3,139	0	0	0	0	0	724	0
<i>All maturities</i>										
23 Gross purchases	44,122	29,926	45,357	1,559	4,947	1,582	3,732	5,868	8,450 ^f	4,326
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,996	4,676	1,429	198	1,347	2,297	4,188	5,269	4,325	3,898
<i>Matched transactions</i>										
26 Gross purchases	3,591,210	4,430,457	4,413,430	401,404	336,103	357,355	368,396	344,935	381,349	335,321
27 Gross sales	3,593,530	4,434,358	4,431,685	401,841	334,751	356,640	369,739	344,384	381,475	334,530
<i>Repurchase agreements</i>										
28 Gross purchases	810,485	512,671	281,599	0	0	0	0	0	0	0
29 Gross sales	809,268	514,186	301,273	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	41,022	19,835	5,999	923	4,952	-1	-1,800	1,150	3,999 ^f	1,219
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	25	0	0	0	0	0	0	0	0
33 Redemptions	1,540	322	157	0	10	0	0	0	0	10
<i>Repurchase agreements</i>										
34 Gross purchases	160,409	284,316	360,069	0	0	0	0	0	0	0
35 Gross sales	159,369	276,266	370,772	0	0	0	0	0	0	0
36 Net change in federal agency obligations	-500	7,703	-10,859	0	-10	0	0	0	0	-10
<i>Reverse repurchase agreements</i>										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
<i>Repurchase agreements</i>										
39 Gross purchases	0	0	304,989	61,230	79,585	107,375	70,850	66,485	47,265	66,080
40 Gross sales	0	0	164,349	62,253	78,425	105,885	70,315	75,925	46,230	67,285
41 Net change in triparty obligations	0	0	140,640	-1,023	1,160	1,490	535	-9,440	1,035	-1,205
42 Total net change in System Open Market Account	40,522	27,538	135,780	-100	6,102	1,489	-1,265	-8,290	5,034 ^f	4

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.

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1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2000					2000		
	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	Aug. 31	Sept. 30	Oct. 31
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046
2 Special drawing rights certificate account	3,200	3,200	3,200	3,200	3,200	4,200	3,200	3,200
3 Coin	790	826	823	824	856	760	831	887
<i>Loans</i>								
4 To depository institutions	414	348	344	303	282	597	372	248
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Triparty Obligations</i>								
7 Repurchase agreements—triparty ²	12,170	12,375	11,540	18,843	9,995	18,525	17,320	19,440
<i>Federal agency obligations³</i>								
8 Bought outright	130	130	130	130	130	140	130	130
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities ³	512,472	511,402	512,173	510,168	511,038	510,182	511,413	508,961
11 Bought outright ⁴	512,472	511,402	512,173	510,168	511,038	510,182	511,413	508,961
12 Bills	185,416	184,344	185,114	182,609	182,744	187,232	184,356	180,971
13 Notes	235,724	235,725	235,726	235,727	236,389	232,770	235,725	235,603
14 Bonds	91,332	91,332	91,333	91,833	91,905	90,180	91,332	92,387
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	525,186	524,255	524,187	529,444	521,445	529,444	529,235	528,779
17 Items in process of collection	7,072	10,262	14,877	8,495	9,168	5,391	5,424	10,945
18 Bank premises	1,425	1,430	1,432	1,433	1,433	1,421	1,430	1,433
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	15,777	15,647	15,653	15,659	15,665	15,088	15,642	15,297
20 All other ⁶	18,626	18,490	18,874	19,255	19,640	16,755	18,817	19,616
21 Total assets	583,123	585,155	590,093	589,355	582,454	584,103	585,625	591,203
LIABILITIES								
22 Federal Reserve notes	539,886	541,904	544,222	542,639	541,875	541,806	538,816	542,479
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	21,276	20,227	20,050	22,976	17,380	21,855	26,399	22,793
25 Depository institutions	13,027	15,068	13,549	17,471	12,860	15,601	17,624	17,074
26 U.S. Treasury—General account	7,986	4,818	6,162	5,149	4,207	5,961	8,459	5,360
27 Foreign—Official accounts	75	74	85	87	71	79	139	115
28 Other	189	267	253	269	241	214	177	245
29 Deferred credit items	6,927	8,139	10,827	8,088	6,945	5,263	5,168	9,514
30 Other liabilities and accrued dividends ⁷	4,338	4,323	4,287	4,295	4,293	4,585	4,447	4,325
31 Total liabilities	572,427	574,594	579,386	577,998	570,493	573,508	574,830	579,111
CAPITAL ACCOUNTS								
32 Capital paid in	6,949	6,943	6,945	6,982	6,981	6,856	6,933	6,986
33 Surplus	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,679
34 Other capital accounts	1,067	939	1,083	1,697	2,300	1,060	1,184	2,426
35 Total liabilities and capital accounts	583,123	585,155	590,093	589,355	582,454	584,103	585,625	591,203
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)	765,043	764,063	763,100	762,123	760,932	766,982	764,756	760,004
38 LESS: Held by Federal Reserve Banks	225,157	222,159	218,878	219,484	219,057	225,175	225,940	217,525
39 Federal Reserve notes, net	539,886	541,904	544,222	542,639	541,875	541,806	538,816	542,479
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,046	11,046	11,046	11,046	11,046	11,046	11,046	11,046
41 Special drawing rights certificate account	3,200	3,200	3,200	3,200	3,200	4,200	3,200	3,200
42 Other eligible assets	869	3,751	6,133	0	6,466	0	0	0
43 U.S. Treasury and agency securities	524,772	523,907	523,843	528,393	521,163	526,560	524,570	528,233
44 Total collateral	539,886	541,904	544,222	542,639	541,875	541,806	538,816	542,479

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		
	2000					2000		
	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	Aug. 31	Sept. 30	Oct. 31
1 Total loans	415	348	344	303	282	597	372	248
2 Within fifteen days ¹	365	53	100	287	241	398	221	152
3 Sixteen days to ninety days	49	295	245	16	41	200	151	96
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	512,472	511,402	512,173	510,168	511,038	510,182	511,413	508,961
6 Within fifteen days ¹	19,796	14,514	19,633	17,280	19,440	4,891	8,978	12,494
7 Sixteen days to ninety days	107,557	112,776	112,647	111,121	108,798	111,192	116,776	109,123
8 Ninety-one days to one year	128,442	128,841	124,621	125,994	126,292	140,813	128,981	131,002
9 One year to five years	131,987	130,581	130,581	130,581	131,315	129,601	131,987	130,667
10 Five years to ten years	53,527	53,528	53,529	53,529	53,530	53,072	53,527	53,530
11 More than ten years	71,162	71,163	71,163	71,663	71,663	70,613	71,162	72,145
12 Total federal agency obligations	130	130	130	130	130	140	130	130
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	0	0	0	10	0	0
15 Ninety-one days to one year	0	0	0	0	0	0	0	0
16 One year to five years	30	30	30	30	30	10	30	30
17 Five years to ten years	100	100	100	100	100	120	100	100
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.

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1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	2000							
					Mar.	Apr.	May	June	July	Aug.	Sept. ^f	Oct.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	50.17	46.87	45.19	41.74	40.46	40.93	41.36	39.96	40.26	39.94	39.86	39.54
2 Nonborrowed reserves ⁴	50.02	46.54	45.07	41.42	40.28	40.63	41.00	39.48	39.69	39.37	39.38	39.13
3 Nonborrowed reserves plus extended credit ⁵	50.02	46.54	45.07	41.42	40.28	40.63	41.00	39.48	39.69	39.37	39.38	39.13
4 Required reserves	48.76	45.18	43.68	40.44	39.26	39.78	40.41	38.89	39.19	38.93	38.76	38.41
5 Monetary base ⁶	451.62	479.17	512.75	591.18	571.44	573.08	574.29	575.63	577.41	577.70 ^f	579.15	580.67
Not seasonally adjusted												
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
6 Total reserves ⁷	51.45	48.01	45.31	41.89	39.76	40.61	41.58	39.24	39.70	39.52	39.29	38.90
7 Nonborrowed reserves	51.30	47.69	45.19	41.57	39.59	40.31	41.22	38.76	39.13	38.94	38.82	38.48
8 Nonborrowed reserves plus extended credit ⁸	51.30	47.69	45.19	41.57	39.59	40.31	41.22	38.76	39.13	38.94	38.82	38.48
9 Required reserves ⁹	50.04	46.33	43.80	40.58	38.56	39.47	40.64	38.18	38.63	38.50	38.19	37.77
10 Monetary base ⁹	456.63	484.98	518.27	600.63	570.24	571.51	573.26	574.55	577.19 ^f	576.60 ^f	576.69	578.08
11 Total reserves ¹¹	51.17	47.92	45.21	41.66	39.75	40.59	41.56	39.22	39.67	39.49	39.26	38.86
12 Nonborrowed reserves	51.02	47.60	45.09	41.33	39.57	40.29	41.20	38.74	39.10	38.91	38.78	38.44
13 Nonborrowed reserves plus extended credit ⁸	51.02	47.60	45.09	41.33	39.57	40.29	41.20	38.74	39.10	38.91	38.78	38.44
14 Required reserves	49.76	46.24	43.70	40.35	38.55	39.45	40.62	38.15	38.60	38.47	38.16	37.73
15 Monetary base ¹²	463.40	491.79	525.06	607.94	577.13	578.33	580.09	581.44	583.99 ^f	583.34 ^f	583.38	584.81
16 Excess reserves ¹³	1.42	1.69	1.51	1.31	1.21	1.15	.94	1.06	1.07	1.01	1.10	1.13
17 Borrowings from the Federal Reserve	.16	.32	.12	.32	.18	.30	.36	.48	.57	.58	.48	.42

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 MEASURES¹

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	2000			
					July ^f	Aug. ^f	Sept. ^f	Oct.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,081.1	1,073.9	1,097.4	1,122.9	1,104.4	1,101.2	1,095.3	1,098.9
2 M2	3,821.6	4,040.2	4,395.0	4,659.8 ^f	4,806.1	4,836.2	4,871.4	4,888.8
3 M3	4,952.4	5,403.2	5,996.7	6,491.1 ^f	6,807.0	6,862.1	6,909.7	6,934.5
4 Debt	14,430.8	15,223.1	16,276.4	17,377.2	17,948.4	18,021.9	18,110.8	n.a.
<i>M1 components</i>								
5 Currency ³	394.3	424.8	459.5	515.5	522.3	523.2	524.1	525.9
6 Travelers checks ⁴	8.3	8.1	8.2	8.3	9.3	9.2	8.8	8.4
7 Demand deposits ⁵	402.3	395.3	379.3	355.2	332.9	328.2	324.1	324.6
8 Other checkable deposits ⁶	276.1	245.8	250.3	244.0	239.9	240.6	238.3	240.0
<i>Nontransaction components</i>								
9 In M2 ⁷	2,740.5	2,966.3	3,297.6	3,536.9 ^f	3,701.7	3,735.0	3,776.1	3,789.8
10 In M3 only ⁸	1,130.8	1,363.0	1,601.7	1,831.3 ^f	2,000.9	2,025.9	2,038.3	2,045.7
<i>Commercial banks</i>								
11 Savings deposits, including MMDAs	904.0	1,020.5	1,184.8	1,285.7	1,342.0	1,358.3	1,383.5	1,385.2
12 Small time deposits ⁹	593.3	625.4	626.1	634.7	680.0	685.2	687.4	688.6
13 Large time deposits ^{10, 11}	413.9	488.3	539.3	614.1	661.7	670.5	659.7	658.2
<i>Thrift institutions</i>								
14 Savings deposits, including MMDAs	366.6	376.6	413.8	448.7	452.3	454.8	456.2	456.4
15 Small time deposits ⁹	353.6	342.8	325.6	320.6	333.1	337.6	340.3	342.9
16 Large time deposits ¹⁰	78.3	85.6	88.9	91.5	97.5	99.5	100.3	102.5
<i>Money market mutual funds</i>								
17 Retail	523.0	601.1	747.4	847.3 ^f	894.3	899.0	908.6	916.7
18 Institution-only	313.3	382.4	520.1	610.1	688.7	704.9	724.1	728.2
<i>Repurchase agreements and eurodollars</i>								
19 Repurchase agreements ¹²	210.7	256.0	300.8	344.3 ^f	368.6	363.1	362.0	362.0
20 Eurodollars ¹²	114.6	150.7	152.6	171.3	184.4	187.9	192.1	194.9
<i>Debt components</i>								
21 Federal debt	3,781.3	3,800.6	3,751.2	3,660.2	3,510.4	3,489.5	3,476.1	n.a.
22 Nonfederal debt	10,649.5	11,422.5	12,525.2	13,717.0	14,438.0	14,532.4	14,634.7	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
23 M1	1,105.1	1,097.7	1,121.3	1,147.4	1,103.2	1,095.0	1,087.9	1,090.9
24 M2	3,843.8	4,063.4	4,420.2	4,688.0 ^f	4,790.2	4,822.9	4,857.3	4,870.5
25 M3	4,973.4	5,427.2	6,026.3	6,526.0 ^f	6,766.8	6,834.1	6,877.7	6,906.1
26 Debt	14,428.4	15,218.5	16,271.2 ^f	17,372.6	17,876.4	17,958.6	18,051.9	n.a.
<i>M1 components</i>								
27 Currency ³	397.9	428.9	464.1	521.2	522.4	521.8	522.6	524.2
28 Travelers checks ⁴	8.6	8.3	8.4	8.4	8.9	8.9	8.7	8.4
29 Demand deposits ⁵	419.9	412.4	395.9	371.2	333.6	326.2	320.9	321.1
30 Other checkable deposits ⁶	278.8	248.2	252.8	246.7	238.3	238.0	235.8	237.3
<i>Nontransaction components</i>								
31 In M2 ⁷	2,738.7	2,965.7	3,298.9	3,540.6 ^f	3,687.0	3,728.0	3,769.4	3,779.6
32 In M3 only ⁸	1,129.6	1,363.8	1,606.1	1,838.0 ^f	1,976.5	2,011.1	2,020.4	2,035.6
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	903.3	1,020.4	1,186.0	1,288.5	1,343.8	1,356.0	1,380.5	1,379.4
34 Small time deposits ⁹	592.7	625.3	626.5	635.5	677.7	683.2	686.8	689.8
35 Large time deposits ^{10, 11}	413.2	487.2	537.8	612.2	662.4	668.6	662.7	662.8
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	366.3	376.5	414.2	449.7	452.9	454.1	455.3	454.5
37 Small time deposits ⁹	353.2	342.8	325.8	321.0	332.0	336.6	340.0	343.6
38 Large time deposits ¹⁰	78.1	85.4	88.6	91.2	97.6	99.3	100.8	103.2
<i>Money market mutual funds</i>								
39 Retail	523.0	600.7	746.3	846.0 ^f	880.5	898.1	906.9	912.3
40 Institution-only	316.9	388.4	529.7	621.7	668.5	693.6	705.6	718.5
<i>Repurchase agreements and eurodollars</i>								
41 Repurchase agreements ¹²	205.7	250.5	295.4	339.5 ^f	365.9	362.8	360.9	358.3
42 Eurodollars ¹²	115.7	152.3	154.5	173.4	182.2	186.8	190.4	192.9
<i>Debt components</i>								
43 Federal debt	3,787.9	3,805.8	3,754.9	3,663.1	3,448.3	3,437.7	3,426.5	n.a.
44 Nonfederal debt	10,640.4	11,412.7	12,516.3	13,709.5	14,428.1	14,520.9	14,625.4	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 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 enter-

prises 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 Liabilities¹—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	Oct.	Apr. ^f	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct.	Oct. 4	Oct. 11	Oct. 18	Oct. 25
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	2,295.6 ^f	2,443.7	2,479.7	2,495.3	2,505.4	2,522.9	2,547.4	2,523.3	2,531.7	2,525.7	2,521.7	2,526.8
2 Securities in bank credit	545.8 ^f	568.7	579.1	580.5	577.9	576.0	584.1	575.1	580.5	580.5	574.6	573.5
3 U.S. government securities	356.7 ^f	357.2	358.9	361.8	362.5	358.4	356.3	350.1	354.1	353.1	349.2	349.4
4 Trading account	20.2	21.3	23.5	22.7	24.3	23.7	23.2	21.1	20.6	21.2	19.4	23.3
5 Investment account	336.5 ^f	335.9	335.5	339.1	338.2	334.7	333.1	329.0	333.5	331.9	329.8	326.1
6 Other securities	189.1	211.5	220.1	218.7	215.4	217.6	227.7	225.0	226.4	227.5	225.4	224.1
7 Trading account	81.4	92.9	101.2	100.2	97.2	102.5	114.5	112.7	114.0	114.1	113.3	111.9
8 Investment account	107.7	118.6	118.9	118.5	118.1	115.1	113.3	112.4	112.3	113.4	112.1	112.2
9 State and local government	23.6	25.1	25.4	25.6	26.1	25.9	25.8	26.1	26.0	26.2	26.2	26.0
10 Other	84.1	93.5	93.5	92.9	92.0	89.2	87.5	86.2	86.4	87.1	85.9	86.1
11 Loans and leases in bank credit ²	1,749.8 ^f	1,875.0	1,900.6	1,914.8	1,927.5	1,946.9	1,963.3	1,948.2	1,951.2	1,945.1	1,947.0	1,953.3
12 Commercial and industrial	537.5 ^f	568.5	579.0	582.4	582.9	586.0	586.3	585.6	584.2	585.9	584.4	588.3
13 Bankers acceptances	1.1	1.1	1.1	1.0	1.0	.9	.9	.8	.8	.9	.8	.8
14 Other	536.4 ^f	567.4	578.0	581.4	582.0	585.1	585.4	584.7	583.3	585.0	583.6	587.5
15 Real estate	707.8 ^f	780.4	794.4	800.6	809.3	815.0	817.7	810.3	809.6	811.6	810.0	808.2
16 Revolving home equity	64.3 ^f	72.2	74.0	74.3	75.2	76.1	75.2	77.2	76.8	77.0	77.2	77.4
17 Other	643.5 ^f	708.2	720.4	726.3	734.1	738.9	742.4	733.0	734.6	734.6	732.8	730.8
18 Consumer	215.8	226.2	226.3	227.2	228.4	230.6	231.5	232.6	231.9	231.3	233.6	232.9
19 Security ³	48.6	59.3	57.8	62.1	63.1	70.1	81.2	70.9	76.8	70.0	69.9	73.4
20 Federal funds sold to and repurchase agreements with broker-dealers	32.0	38.2	38.9	43.9	44.6	51.5	61.9	52.4	56.4	51.2	51.1	55.2
21 Other	16.5	21.1	18.9	18.2	18.5	18.6	19.3	18.5	20.3	18.8	18.7	18.2
22 State and local government	11.7	12.4	12.3	12.2	12.1	12.2	12.3	12.4	12.3	12.4	12.4	12.3
23 Agricultural	8.8	9.5	9.5	9.5	9.5	9.5	9.4	9.4	9.3	9.3	9.4	9.4
24 Federal funds sold to and repurchase agreements with others	9.9	13.6	13.2	13.6	12.9	13.2	12.7	13.2	13.5	12.4	12.8	13.1
25 All other loans	93.5	85.8	87.6	84.7	84.2	84.1	85.3	85.3	85.2	83.8	86.1	86.9
26 Lease-financing receivables	116.2	119.2	120.3	122.5	125.0	126.2	126.8	128.6	128.4	128.4	128.5	128.8
27 Interbank loans	139.1	125.2	131.0	133.9	141.8	140.2	130.7	136.1	132.0	131.3	136.5	138.7
28 Federal funds sold to and repurchase agreements with commercial banks	75.8 ^f	62.1	67.0	68.1	73.9	66.1	56.4	57.4	55.6	54.9	57.5	59.2
29 Other	63.3	63.1	63.9	65.8	67.9	74.1	74.3	78.7	76.4	76.4	79.0	79.5
30 Cash assets ⁴	144.0 ^f	155.1	149.6	145.8	143.8	144.5	141.6	141.8	137.8	146.5	135.4	142.6
31 Other assets ⁵	230.8 ^f	219.7	223.8	225.0	245.6	248.3	250.1	263.6	260.4	266.0	264.8	261.1
32 Total assets ⁶	2,774.2 ^f	2,909.1	2,949.2	2,965.5	3,001.5	3,020.5	3,034.3	3,029.6	3,026.7	3,034.3	3,023.2	3,033.9
<i>Liabilities</i>												
33 Deposits	1,592.2 ^f	1,636.2	1,641.9	1,635.4	1,635.8	1,631.2	1,630.7	1,633.4	1,633.1	1,647.3	1,619.6	1,632.8
34 Transaction	321.8 ^f	312.3	316.0	308.8	302.3	304.7	300.8	303.0	290.7	308.6	296.7	319.0
35 Nontransaction	1,270.3 ^f	1,323.9	1,325.9	1,326.6	1,333.5	1,326.5	1,329.9	1,330.5	1,342.4	1,338.7	1,322.9	1,313.9
36 Large time	219.4 ^f	242.9	250.5	257.3	265.7	264.0	253.4	256.0	256.1	253.9	253.1	252.4
37 Other	1,050.9 ^f	1,081.0	1,075.4	1,069.3	1,067.8	1,062.5	1,073.9	1,077.1	1,086.3	1,084.8	1,069.8	1,061.5
38 Borrowings	578.8	649.5	650.9	655.8	678.2	688.4	672.4	665.4	662.5	666.8	668.1	664.7
39 From banks in the U.S.	180.5	197.7	202.9	196.8	204.9	207.2	193.8	198.1	194.7	197.6	197.2	197.5
40 From others	398.3	451.9	448.1	459.0	473.3	481.2	478.6	467.2	467.8	469.2	470.9	467.1
41 Net due to related foreign offices	161.1	205.7	226.5	234.1	221.2	222.7	224.4	211.9	228.8	219.9	217.7	194.1
42 Other liabilities	166.5 ^f	161.3	174.0	175.7	179.7	195.8	209.8	216.2	211.1	206.9	215.0	223.5
43 Total liabilities	2,498.5 ^f	2,652.7	2,693.3	2,701.1	2,715.0	2,738.1	2,737.3	2,726.9	2,735.5	2,740.9	2,720.4	2,715.1
44 Residual (assets less liabilities) ⁷	275.6 ^f	256.3	255.9	264.5	286.5	282.4	296.9	302.7	291.2	293.4	302.8	318.8

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ January 2001

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

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	Oct.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct.	Oct. 4	Oct. 11	Oct. 18	Oct. 25
	Not seasonally adjusted											
<i>Assets</i>												
45 Bank credit	2,296.5 ^f	2,447.0	2,473.0	2,482.6	2,483.9	2,500.4	2,530.1	2,526.4	2,528.7	2,522.5	2,526.1	2,525.1
46 Securities in bank credit	545.4 ^f	569.7	575.9	574.2	568.4	569.5	580.1	574.6	579.4	577.6	573.2	572.5
47 U.S. government securities	354.5 ^f	361.8	360.0	358.8	355.3	351.7	351.3	347.9	351.2	348.6	346.1	347.1
48 Trading account	20.3	21.5	22.0	22.5	22.6	23.0	22.5	21.0	20.0	20.5	19.7	22.8
49 Investment account	334.2 ^f	340.3	338.0	336.3	332.7	328.7	328.8	326.9	331.2	328.1	326.4	324.2
50 Mortgage-backed securities	218.3 ^f	221.8	219.1	217.7	212.2	207.7	208.0	210.0	210.7	209.9	210.0	209.4
51 Other	115.9 ^f	118.5	118.8	118.6	120.6	121.0	120.9	117.0	120.5	118.2	116.4	114.9
52 One year or less	23.1	29.0	30.7	30.6	30.6	31.6	32.3	30.8	31.5	31.2	30.5	30.4
53 One to five years	56.5 ^f	51.9	52.0	52.8	53.6	52.6	52.2	50.0	51.7	50.5	49.9	49.7
54 More than five years	36.3	37.7	36.1	35.2	36.4	36.9	36.4	36.1	37.2	36.6	36.0	34.8
55 Other securities	190.9	207.9	215.9	215.4	213.1	217.8	228.8	226.7	228.2	229.0	227.1	225.4
56 Trading account	81.4	92.9	101.2	100.2	97.2	102.5	114.5	112.7	114.0	114.1	113.3	111.9
57 Investment account	109.5	115.0	114.7	115.2	115.8	115.2	114.3	114.1	114.2	114.9	113.7	113.6
58 State and local government	23.7	25.1	25.3	25.5	25.6	25.6	25.7	26.1	25.8	26.2	26.3	26.2
59 Other	85.8	89.8	89.3	89.7	90.3	89.7	88.6	87.9	88.4	88.8	87.5	87.4
60 Loans and leases in bank credit ²	1,751.1 ^f	1,877.3	1,897.1	1,908.5	1,915.5	1,931.0	1,950.0	1,951.8	1,949.3	1,944.9	1,953.0	1,952.6
61 Commercial and industrial	537.3 ^f	575.1	583.5	583.0	580.6	580.3	583.9	585.3	584.9	584.0	584.3	586.3
62 Bankers acceptances	1.1	1.1	1.1	1.0	1.0	.9	.9	.8	.8	.9	.8	.8
63 Other	536.2 ^f	574.1	582.4	582.0	579.6	579.4	583.1	584.5	584.1	583.1	583.5	585.5
64 Real estate	709.5 ^f	777.5	791.6	796.4	804.7	812.5	815.2	812.3	810.1	814.2	812.0	809.0
65 Revolving home equity	64.5	71.5	73.6	74.4	75.5	76.4	75.6	77.4	77.0	77.1	77.5	77.5
66 Other	388.1 ^f	428.7	438.5	442.6	450.4	455.6	459.5	454.0	452.7	456.7	453.6	450.4
67 Commercial	257.0 ^f	277.3	279.4	279.4	278.8	280.4	280.2	280.8	280.4	280.3	280.9	281.1
68 Consumer	213.5	226.1	225.9	225.6	225.9	228.7	230.5	230.6	229.9	229.0	231.5	231.0
69 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	72.0	73.1	74.1	74.2	73.3	72.9	75.1	74.5
70 Other	n.a.	n.a.	n.a.	n.a.	153.9	155.7	156.4	156.4	156.6	156.0	156.4	156.5
71 Security ³	51.4	59.8	56.4	61.7	60.5	64.7	74.1	75.7	75.1	72.5	76.6	79.7
72 Federal funds sold to and repurchase agreements with broker-dealers	35.0	38.2	36.8	42.6	41.8	46.5	55.1	57.3	55.7	54.3	57.8	61.5
73 Other	16.4	21.6	19.6	19.1	18.6	18.3	18.9	18.3	19.4	18.2	18.8	18.3
74 State and local government	11.8	12.3	12.2	12.1	12.1	12.4	12.5	12.5	12.5	12.5	12.5	12.4
75 Agricultural	9.0	9.3	9.4	9.5	9.6	9.6	9.6	9.5	9.6	9.5	9.5	9.6
76 Federal funds sold to and repurchase agreements with others	9.9	13.6	13.2	13.6	12.9	13.2	12.7	13.2	13.5	12.4	12.8	13.1
77 All other loans	93.5	83.7	84.6	84.3	84.9	84.3	86.2	85.2	86.2	83.3	86.5	84.2
78 Lease-financing receivables	115.1	119.9	120.4	122.3	124.3	125.2	125.2	127.5	127.5	127.5	127.3	127.3
79 Interbank loans	133.1 ^f	130.0	134.5	136.9	141.9	134.3	127.2	130.2	128.1	124.8	130.0	130.1
80 Federal funds sold to and repurchase agreements with commercial banks	72.6	64.7	67.6	68.6	73.2	62.3	54.7	55.6	54.4	51.6	55.1	55.6
81 Other	60.4	65.3	66.9	68.2	68.7	72.0	72.5	74.6	73.7	73.2	75.0	74.5
82 Cash assets ⁴	144.6 ^f	155.0	148.8	143.3	137.5	136.4	138.5	142.1	131.0	154.4	141.0	132.0
83 Other assets ⁵	225.0 ^f	223.1	228.3	228.9	245.0	245.5	249.6	257.2	258.5	259.6	256.8	251.2
84 Total assets⁶	2,763.8^f	2,920.6	2,949.8	2,957.0	2,973.3	2,981.2	3,009.7	3,020.9	3,011.0	3,026.1	3,019.0	3,003.4
<i>Liabilities</i>												
85 Deposits	1,586.8 ^f	1,645.9	1,627.1	1,630.5	1,625.3	1,615.5	1,622.9	1,628.0	1,633.7	1,647.7	1,619.2	1,603.5
86 Transaction	315.5 ^f	319.5	309.6	307.6	298.5	293.6	296.2	297.1	289.0	306.1	295.9	296.1
87 Nontransaction	1,271.2 ^f	1,326.5	1,317.5	1,322.9	1,326.8	1,321.9	1,326.8	1,330.9	1,344.7	1,341.6	1,323.4	1,307.4
88 Large time	220.8 ^f	240.5	245.2	251.9	257.6	258.6	251.5	254.9	253.4	254.1	254.2	255.0
89 Other	1,050.4 ^f	1,086.0	1,072.3	1,071.0	1,069.2	1,063.3	1,075.3	1,076.0	1,091.4	1,087.4	1,069.2	1,052.3
90 Borrowings	576.6	652.3	659.0	656.8	662.6	657.7	662.0	663.9	652.9	657.4	667.0	666.5
91 From banks in the U.S.	176.0	201.6	204.1	195.9	199.5	199.8	189.7	194.5	189.7	193.3	192.9	193.4
92 From nonbanks in the U.S.	400.6	450.7	454.9	460.9	463.2	457.9	472.3	469.4	463.2	464.0	474.0	473.1
93 Net due to related foreign offices	161.9	199.6	231.2	225.9	213.7	220.1	220.0	212.8	214.1	214.5	216.4	210.4
94 Other liabilities	166.5 ^f	161.3	174.0	175.7	179.7	195.8	209.8	216.2	211.1	206.9	215.0	223.5
95 Total liabilities	2,491.7^f	2,659.1	2,691.3	2,689.0	2,681.3	2,689.1	2,714.8	2,721.0	2,711.9	2,726.4	2,717.6	2,703.9
96 Residual (assets less liabilities) ⁷	272.1 ^f	261.5	258.5	268.0	292.0	292.0	294.9	299.9	299.1	299.7	301.4	299.5

Footnotes appear on p. A21.

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999		2000						2000			
	Oct.	Apr.	May	June	July	Aug.	Sept.	Oct.	Oct. 4	Oct. 11	Oct. 18	Oct. 25
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	525.1	570.8 ^d	586.3 ^f	579.1 ^f	579.5 ^f	585.2 ^f	592.6 ^f	579.7	577.7	575.1	572.5	584.1
2 Securities in bank credit	192.2	205.6 ^f	213.7 ^f	208.6 ^f	208.4 ^f	209.3 ^f	207.4 ^f	191.0	195.5	189.9	188.3	191.0
3 U.S. government securities	82.9	79.6	79.7	78.9	79.7	79.9	77.4	69.8	73.1	72.4	68.1	67.9
4 Other securities	109.4	126.0 ^f	134.0 ^f	129.8 ^f	128.7 ^f	129.4 ^f	130.0 ^f	121.2	122.4	117.5	120.2	123.2
5 Loans and leases in bank credit ²	332.8	365.2	372.7	370.4	371.1	375.9	385.2	388.7	382.2	385.2	384.2	393.1
6 Commercial and industrial	195.3	199.2	204.9	205.1	203.5	205.8	203.7	201.2	200.7	200.7	201.2	201.9
7 Real estate	17.7	18.4	18.7	19.0	18.9	18.8	19.3	18.7	19.2	18.9	18.5	18.4
8 Security ³	55.2	77.9	81.0	81.0	81.8	82.2	94.8	102.7	96.7	99.2	99.3	106.7
9 Other loans and leases	64.6	69.7	68.0	65.2	66.9	69.0	67.3	66.1	65.6	66.4	65.2	66.1
10 Interbank loans	25.3	29.4	31.8	28.6	26.2	24.2	25.7	29.0	25.7	27.0	29.4	31.1
11 Cash assets ⁴	45.9	47.4	43.9	44.6	44.9	44.4	44.6	42.4	44.0	44.0	41.9	41.9
12 Other assets ⁵	32.2 ^f	39.2 ^f	40.3 ^f	42.6 ^f	42.1 ^f	41.3 ^f	39.8 ^f	36.4	37.0	37.1	36.4	37.1
13 Total assets ⁶	628.2 ^f	686.4 ^f	702.1 ^f	694.6 ^f	692.4 ^f	694.6 ^f	702.4 ^f	687.2	684.0	682.9	679.8	693.9
<i>Liabilities</i>												
14 Deposits	335.3	387.5	382.0	382.4	386.7	391.6	384.5	380.5	379.6	380.5	380.9	379.6
15 Transaction	10.7	10.9	11.2	11.4	11.4	10.9	9.8	10.5	10.5	10.6	10.0	11.1
16 Nontransaction	324.6	376.7	370.8	371.0	375.3	380.7	374.7	370.0	369.2	369.8	371.0	368.6
17 Borrowings	177.9	199.6	204.4	205.3	205.7	202.0	217.5 ^f	221.8	213.0	217.0	221.1	220.3
18 From banks in the U.S.	21.8	20.9	17.9	18.9	20.8	16.9	19.2	18.7	17.2	17.8	18.3	18.5
19 From others	156.1	178.7	186.5	186.3	184.9	185.1	198.3	203.0	195.8	199.2	202.8	201.8
20 Net due to related foreign offices	57.4	15.3	21.3	19.5	17.8	23.6	24.0 ^f	16.5	24.7	17.1	11.2	17.3
21 Other liabilities	65.4 ^f	73.8 ^f	78.4 ^f	71.4 ^f	68.6 ^f	67.9 ^f	71.6 ^f	72.4	67.3	69.0	72.6	74.6
22 Total liabilities	636.1 ^f	676.2 ^f	686.2 ^f	678.6 ^f	678.8 ^f	685.1 ^f	697.6 ^f	691.2	684.6	683.5	685.8	691.9
23 Residual (assets less liabilities) ⁷	-7.9 ^f	10.2 ^f	15.9 ^f	16.0 ^f	13.6 ^f	9.5 ^f	-4.8 ^f	-4.0	-5	-7	-6.0	2.0
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	532.1	564.3 ^f	577.8 ^f	569.2 ^f	568.7 ^f	575.4 ^f	591.8 ^f	588.5	582.5	580.1	581.0	592.3
25 Securities in bank credit	198.0	201.8 ^f	210.5 ^f	202.4 ^f	201.4 ^f	203.6 ^f	207.6 ^f	198.5	198.2	195.3	195.1	199.3
26 U.S. government securities	82.5	80.3	80.7	78.9	78.7	78.3	75.3	69.4	71.1	71.0	67.7	68.0
27 Trading account	14.3	11.8	12.3	11.8	11.8	13.7	14.1	11.7	13.0	12.4	10.1	10.8
28 Investment account	68.2	68.6	68.4	67.1	66.8	64.6	61.3	57.7	58.2	58.7	57.6	57.2
29 Other securities	115.5	121.5 ^f	129.8 ^f	123.5 ^f	122.7 ^f	125.3 ^f	132.2 ^f	129.1	127.1	124.3	127.3	131.3
30 Trading account	75.6	77.6 ^f	86.0 ^f	80.6 ^f	79.9 ^f	81.7 ^f	90.3 ^f	89.4	86.2	84.4	88.0	92.1
31 Investment account	39.8	43.9	43.7	42.9	42.9	43.6	41.9	39.7	40.9	39.9	39.3	39.2
32 Loans and leases in bank credit ²	334.2	362.5	367.3	366.8	367.3	371.8	384.2 ^f	390.0	384.3	384.8	385.9	393.0
33 Commercial and industrial	196.5	197.4	200.7	201.8	201.1	203.1	203.6 ^f	202.5	202.3	200.9	202.1	203.0
34 Real estate	18.0	18.3	18.7	18.9	18.7	18.6	19.1	19.1	19.3	19.3	18.9	18.8
35 Security ³	54.8	77.9	80.8	81.3	81.5	82.4	94.7	102.1	96.7	98.6	99.1	105.0
36 Other loans and leases	64.8	68.8	67.1	64.7	66.1	67.7	66.8	66.3	65.9	65.9	65.7	66.2
37 Interbank loans	25.3	29.4	31.8	28.6	26.2	24.2	25.7	29.0	25.7	27.0	29.4	31.1
38 Cash assets ⁴	46.7	45.3	42.8	43.9	43.3	42.9	43.8	43.2	44.0	43.8	42.8	43.2
39 Other assets ⁵	31.6 ^f	38.5 ^f	39.7 ^f	40.4 ^f	40.2 ^f	40.5 ^f	39.1 ^f	35.7	36.2	36.5	35.7	36.0
40 Total assets ⁶	635.4 ^f	677.2 ^f	691.7 ^f	681.8 ^f	678.0 ^f	682.6 ^f	700.0 ^f	696.1	688.0	687.0	688.5	702.3
<i>Liabilities</i>												
41 Deposits	331.8	388.6	382.9	378.1	378.0	379.8	378.2	376.1	375.6	374.2	374.2	377.2
42 Transaction	10.8	10.5	10.7	11.1	11.3	10.8	10.3	10.7	10.8	10.5	10.2	11.0
43 Nontransaction	321.0	378.1	372.1	367.0	366.7	368.9	367.9	365.4	364.8	363.7	364.0	366.2
44 Borrowings	177.9	199.6	204.4	205.3	205.7	202.0	217.5 ^f	221.8	213.0	217.0	221.1	220.3
45 From banks in the U.S.	21.8	20.9	17.9	18.9	20.8	16.9	19.2	18.7	17.2	17.8	18.3	18.5
46 From others	156.1	178.7	186.5	186.3	184.9	185.1	198.3	203.0	195.8	199.2	202.8	201.8
47 Net due to related foreign offices	57.8	10.6	17.1	18.1	16.9	23.4	23.4 ^f	16.7	22.8	17.0	10.6	19.6
48 Other liabilities	64.9 ^f	71.9 ^f	76.9 ^f	69.9 ^f	67.0 ^f	67.5 ^f	71.2 ^f	71.9	66.5	68.1	71.7	74.4
49 Total liabilities	632.4 ^f	670.8 ^f	681.3 ^f	671.4 ^f	667.6 ^f	672.7 ^f	690.2 ^f	686.4	677.9	676.3	677.6	691.4
50 Residual (assets less liabilities) ⁷	3.1 ^f	6.4 ^f	10.4 ^f	10.4 ^f	10.5 ^f	9.9 ^f	9.8 ^f	9.7	10.1	10.7	10.9	10.9

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

E. Foreign-related institutions—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	Oct.	Apr.	May	June	July	Aug.	Sept.	Oct.	Oct. 4	Oct. 11	Oct. 18	Oct. 25
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
51 Revaluation gains on off-balance-sheet items ⁸	60.6	65.1	72.4	68.3	63.1	66.5	74.4	70.9	76.1	71.1	72.6	70.9
52 Revaluation losses on off-balance-sheet items ⁸	59.9	65.0	72.9	68.5	62.9	67.3	73.9	72.8	77.3	70.6	73.7	73.8
53 Mortgage-backed securities ⁹	248.5 ^f	255.5 ^f	252.7 ^f	250.0 ^f	242.3 ^f	237.8 ^f	237.9 ^f	239.4	240.8	239.5	239.3	238.4
54 Pass-through	170.2 ^f	179.7 ^f	178.1 ^f	177.8 ^f	173.1 ^f	169.8 ^f	170.3 ^f	173.2	173.9	173.5	173.2	172.7
55 CMO, REMIC, and other	78.3	75.9 ^f	74.6	72.2	69.2	68.1 ^f	67.6	66.2	66.9	66.1	66.1	65.7
56 Net unrealized gains (losses) on available-for-sale securities ¹⁰	-10.6	-16.3	-18.7 ^f	-14.5 ^f	-10.2 ^f	-10.8 ^f	-9.8 ^f	-8.8	-8.9	-8.9	-8.9	-8.7
57 Off-shore credit to U.S. residents ¹¹	26.7	24.4	23.5	22.4	22.2	22.1	22.1	22.3	22.2	22.4	22.2	22.5
58 Securitized consumer loans ¹²	n.a.	n.a.	n.a.	n.a.	87.4	86.6 ^f	85.9	80.8	81.8	81.5	79.8	80.8
59 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	72.4	72.0	71.8	67.2	67.9	67.9	66.3	67.1
60 Other	n.a.	n.a.	n.a.	n.a.	15.0	14.6 ^f	14.1 ^f	13.6	13.8	13.6	13.5	13.7
61 Securitized business loans ¹²	n.a.	n.a.	n.a.	n.a.	17.0	16.2	15.3	15.2	15.1	15.1	15.1	15.0
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
62 Mortgage-backed securities ⁹	199.3 ^f	205.9 ^f	205.4 ^f	204.2 ^f	203.7 ^f	206.7 ^f	208.8 ^f	210.1	210.4	210.9	209.5	208.9
63 Securitized consumer loans ¹²	n.a.	n.a.	n.a.	n.a.	230.2	230.6	221.2	223.7	221.5	223.0	224.5	224.2
64 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	211.2	211.7	212.6	214.0	212.6	213.8	214.4	214.2
65 Other	n.a.	n.a.	n.a.	n.a.	9.0	8.8	8.6	9.7	9.0	9.2	10.1	10.0
<i>Foreign-related institutions</i>												
66 Revaluation gains on off-balance-sheet items ⁸	39.3	41.7	47.1	41.1	38.1	39.9	45.4	45.1	41.3	41.0	45.6	47.4
67 Revaluation losses on off-balance-sheet items ⁸	37.8	38.6	44.5	38.0	35.7	37.7	43.0	43.2	39.5	40.0	43.9	45.4
68 Securitized business loans ¹²	n.a.	n.a.	n.a.	n.a.	23.9	23.7	23.1	23.0	23.3	23.1	23.2	23.1

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.

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1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2000					
	1995	1996	1997	1998	1999	Apr.	May	June	July	Aug.	Sept.
1 All issuers	674,904	775,371	966,699	1,163,303	1,403,023	1,465,697	1,497,712	1,516,205	1,551,668	1,559,054	1,557,700
Financial companies ¹											
2 Dealer-placed paper, total ²	275,815	361,147	513,307	614,142	786,643	860,843	884,299	884,578	900,651	905,634	899,853
3 Directly placed paper, total ³	210,829	229,662	252,536	322,030	337,240	294,328	302,305	300,718	309,076	303,307	315,039
4 Nonfinancial companies ⁴	188,260	184,563	200,857	227,132	279,140	310,526	311,109	330,909	341,941	350,113	342,809

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

B. Bankers Dollar Acceptances¹

Millions of dollars, not seasonally adjusted, year ending September²

Item	1997	1998	1999	2000
1 Total amount of reporting banks' acceptances in existence	25,774	14,363	10,094	9,881
2 Amount of other banks' eligible acceptances held by reporting banks	736	523	461	462
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	6,862	4,884	4,261	3,789
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	10,467	5,413	3,498	3,689

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).

2. Data on bankers dollar acceptances are gathered from approximately 40 institutions; includes U.S. chartered commercial banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1997—Jan. 1	8.25	1997	8.44	1998—Jan.	8.50	1999—July	8.00
Mar. 26	8.50	1998	8.35	Feb.	8.50	Aug.	8.06
1998—Sept. 30	8.25	1999	8.00	Mar.	8.50	Sept.	8.25
Oct. 16	8.00	1997—Jan.	8.25	Apr.	8.50	Oct.	8.25
Nov. 18	7.75	Feb.	8.25	May	8.50	Nov.	8.37
1999—July 1	8.00	Mar.	8.30	June	8.50	Dec.	8.50
Aug. 25	8.25	Apr.	8.50	July	8.50	2000—Jan.	8.50
Nov. 17	8.50	May	8.50	Aug.	8.50	Feb.	8.73
2000—Feb. 3	8.75	June	8.50	Sept.	8.49	Mar.	8.83
Mar. 22	9.00	July	8.50	Oct.	8.12	Apr.	9.00
May 17	9.50	Aug.	8.50	Nov.	7.89	May	9.24
		Sept.	8.50	Dec.	7.75	June	9.50
		Oct.	8.50	1999—Jan.	7.75	July	9.50
		Nov.	8.50	Feb.	7.75	Aug.	9.50
		Dec.	8.50	Mar.	7.75	Sept.	9.50
				Apr.	7.75	Oct.	9.50
				May	7.75		
				June	7.75		

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	1997	1998	1999	2000				2000, week ending				
				July	Aug.	Sept.	Oct.	Sept. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	5.46	5.35	4.97	6.54	6.50	6.52	6.51	6.50	6.58	6.47	6.49	6.51
2 Discount window borrowing ^{2,4}	5.00	4.92	4.62	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<i>Commercial paper</i> ^{3,5,6}												
<i>Nonfinancial</i>												
3 1-month	5.57	5.40	5.09	6.49	6.47	6.48	6.48	6.49	6.48	6.47	6.47	6.47
4 2-month	5.57	5.38	5.14	6.50	6.48	6.47	6.48	6.48	6.48	6.47	6.48	6.48
5 3-month	5.56	5.34	5.18	6.52	6.49	6.47	6.51	6.47	6.50	6.52	6.52	6.50
<i>Financial</i>												
6 1-month	5.59	5.42	5.11	6.50	6.49	6.49	6.48	6.49	6.49	6.47	6.48	6.48
7 2-month	5.59	5.40	5.16	6.51	6.49	6.48	6.47	6.48	6.48	6.48	6.46	6.46
8 3-month	5.60	5.37	5.22	6.54	6.49	6.47	6.52	6.47	6.50	6.55	6.53	6.52
<i>Commercial paper (historical)</i> ^{3,5,7}												
9 1-month	5.54	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	5.58	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	5.62	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Finance paper, directly placed (historical)</i> ^{3,5,8}												
12 1-month	5.44	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	5.48	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	5.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Bankers acceptances</i> ^{3,5,9}												
15 3-month	5.54	5.39	5.24	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 6-month	5.57	5.30	5.30	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Certificates of deposit, secondary market</i> ^{3,10}												
17 1-month	5.54	5.49	5.19	6.57	6.55	6.56	6.55	6.57	6.56	6.56	6.55	6.55
18 3-month	5.62	5.47	5.33	6.67	6.61	6.60	6.67	6.63	6.70	6.68	6.66	6.65
19 6-month	5.73	5.44	5.46	6.86	6.76	6.68	6.65	6.67	6.67	6.66	6.64	6.64
20 Eurodollar deposits, 3-month ^{3,11}	5.61	5.45	5.31	6.67	6.61	6.59	6.66	6.62	6.69	6.68	6.65	6.65
<i>U.S. Treasury bills</i>												
<i>Secondary market</i> ^{3,5}												
21 3-month	5.06	4.78	4.64	5.96	6.09	6.00	6.11	6.03	6.06	6.03	6.11	6.18
22 6-month	5.18	4.83	4.75	6.00	6.07	5.98	6.04	6.00	6.04	6.00	6.01	6.08
23 1-year	5.32	4.80	4.81	5.75	5.87	5.79	5.72	5.76	5.85	5.68	5.66	5.74
<i>Auction high</i> ^{3,3,12}												
24 3-month	5.07	4.81	4.66	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 6-month	5.18	4.85	4.76	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 1-year	5.36	4.85	4.78	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities</i> ¹³												
27 1-year	5.63	5.05	5.08	6.08	6.18	6.13	6.01	6.08	6.06	5.98	5.94	6.01
28 2-year	5.99	5.13	5.43	6.34	6.23	6.08	5.91	6.04	6.00	5.90	5.85	5.88
29 3-year	6.10	5.14	5.49	6.28	6.17	6.02	5.85	5.97	5.95	5.85	5.77	5.80
30 5-year	6.22	5.15	5.55	6.18	6.06	5.93	5.78	5.90	5.90	5.79	5.70	5.73
31 7-year	6.33	5.28	5.79	6.22	6.05	5.98	5.84	5.96	5.97	5.86	5.77	5.75
32 10-year	6.35	5.26	5.65	6.05	5.83	5.80	5.74	5.82	5.86	5.76	5.68	5.66
33 20-year	6.69	5.72	6.20	6.20	6.02	6.09	6.04	6.14	6.17	6.06	6.00	5.94
34 30-year	6.61	5.58	5.87	5.85	5.72	5.83	5.80	5.89	5.92	5.82	5.77	5.72
<i>Composite</i>												
35 More than 10 years (long-term)	6.67	5.69	6.14	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series</i> ¹⁴												
36 Aaa	5.32	4.93	5.28	5.53	5.43	5.40	5.46	5.50	5.50	5.48	5.45	5.42
37 Baa	5.50	5.14	5.70	6.09	6.01	6.12	6.22	6.27	6.28	6.23	6.19	6.18
38 Bond Buyer series ¹⁵	5.52	5.09	5.43	5.63	5.51	5.56	5.59	5.63	5.64	5.62	5.56	5.53
CORPORATE BONDS												
39 Seasoned issues, all industries ¹⁶	7.54	6.87	7.45	7.98	7.88	7.98	7.95	7.99	8.03	7.98	7.94	7.89
<i>Rating group</i>												
40 Aaa	7.27	6.53	7.05	7.65	7.55	7.62	7.55	7.65	7.68	7.57	7.53	7.45
41 Aa	7.48	6.80	7.36	7.81	7.70	7.83	7.81	7.85	7.88	7.84	7.81	7.75
42 A	7.54	6.93	7.53	8.11	8.02	8.13	8.11	8.13	8.16	8.14	8.10	8.06
43 Baa	7.87	7.22	7.88	8.35	8.26	8.35	8.34	8.35	8.39	8.37	8.33	8.29
MEMO												
<i>Dividend-price ratio</i> ¹⁷												
44 Common stocks	1.77	1.49	1.25	1.10	1.09	1.10	1.15	1.12	1.11	1.16	1.18	1.16

NOTE: Some of the 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. 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 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 Moody's 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	1997	1998	1999	2000								
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	456.99	550.65	619.52	606.03	622.28	646.82	640.07	649.61	653.27	666.14	667.05	646.53
2 Industrial	574.97	684.35	775.29	767.08	790.35	822.76	814.75	819.54	825.28	837.23	829.99	797.00
3 Transportation	415.08	468.61	491.62	398.69	384.39	406.14	411.50	395.09	410.67	419.84	404.23	403.20
4 Utility	143.87	190.52	284.82	482.30	509.59	502.78	487.17	501.93	484.19	459.91	463.76	469.16
5 Finance	424.84	516.65	530.97	471.65	491.29	524.05	523.22	544.51	556.32	597.17	616.89	587.76
6 Standard & Poor's Corporation (1941-43 = 10) ¹	873.43	1,085.50	1,327.33	1,388.88	1,442.21	1,461.36	1,418.48	1,461.96	1,473.00	1,485.46	1,468.06	1,390.14
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	628.34	682.69	770.90	910.00	1,014.03	918.77	917.76	934.90	930.66	920.54	952.74	913.64
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	523,254	666,534	799,554	1,032,791	1,124,097	1,047,960	893,896	971,137	941,694	875,087	1,026,597	1,167,025
9 American Stock Exchange	24,390	28,870	32,629	51,134	59,449	63,054	44,146	42,490	36,486	35,695	47,047	57,915
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	1,361,600	1,685,820	2,130,152	265,210	278,530	251,700	240,660	247,200	244,970	247,560	250,780	233,376
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ³	293,000	405,180	532,500	56,470	65,020	65,930	66,170	64,970	71,730	68,020	70,959	83,131
12 Cash accounts	517,030	633,725	757,345	79,700	85,530	76,190	73,500	74,140	74,970	72,640	74,766	73,271
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					
	1998	1999	2000	2000					
				May	June	July	Aug.	Sept.	Oct.
<i>U.S. budget¹</i>									
1 Receipts, total	1,721,798	1,827,454	2,025,038	146,002	214,875	134,074	138,128	219,471	135,111
2 On-budget	1,305,999	1,382,986	1,544,435	107,469	168,319	97,681	101,429	176,692	101,121
3 Off-budget	415,799	444,468	480,583	38,533	46,556	36,393	36,699	42,779	33,990
4 Outlays, total	1,652,552	1,702,940	1,788,294	149,612	158,987	129,013	148,555	153,898	146,431
5 On-budget	1,335,948	1,382,262	1,457,529	114,829	152,308	99,404	115,539	114,748	115,840
6 Off-budget	316,604	320,778	330,765	34,783	6,679	29,609	33,016	38,901	30,592
7 Surplus or deficit (-), total	69,246	124,414	236,743	-3,611	55,888	5,061	-10,427	65,822	-11,321
8 On-budget	-29,949	724	86,925	-7,360	16,011	-1,723	-14,110	61,944	-14,719
9 Off-budget	99,195	123,690	149,818	3,750	39,877	6,784	3,683	3,878	3,398
<i>Source of financing (total)</i>									
10 Borrowing from the public	-51,211	-88,674	-222,672	-53,755	-23,131	-31,307	9,995	-32,334	-29,666
11 Operating cash (decrease, or increase (-))	4,743	-17,580	3,799	69,470	-34,350	23,384	20,873	-39,479	42,653
12 Other ²	-22,778	-18,160	-18,120	-12,104	1,593	2,862	-20,441	5,991	-1,666
MEMO									
13 Treasury operating balance (level, end of period)	38,878	56,458	52,659	23,087	57,437	34,053	13,180	52,659	10,006
14 Federal Reserve Banks	4,952	6,641	8,459	5,445	6,208	5,392	5,961	8,459	5,360
15 Tax and loan accounts	33,926	49,817	44,199	17,642	51,229	28,661	7,218	44,199	4,646

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*; fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government* when available.

A26 Domestic Financial Statistics □ January 2001

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1999	2000	1998	1999		2000	2000		
			H2	H1	H2	H1	Aug.	Sept.	Oct.
RECEIPTS									
1 All sources	1,827,454	2,025,038	825,057	966,045	892,266	1,089,760	138,128	219,471	135,111
2 Individual income taxes, net	879,480	1,004,461	392,332	481,907	425,451	550,208	68,033	104,402	75,969
3 Withheld	693,940	780,397	339,144	351,068	372,012	388,526	62,057	59,766	68,287
4 Nonwithheld	308,185	358,049	65,204	240,278	68,302	281,103	7,850	48,229	8,799
5 Refunds	122,706	134,046	12,032	109,467	14,841	119,477	1,874	3,593	1,118
Corporation income taxes									
6 Gross receipts	216,324	235,655	104,163	106,861	110,111	119,166	6,577	46,183	7,113
7 Refunds	31,645	28,367	14,250	17,092	13,996	13,781	1,903	2,746	5,404
8 Social insurance taxes and contributions, net	611,833	652,851	268,466	324,831	292,551	353,514	52,082	56,293	47,155
9 Employment taxes and contributions ²	580,880	620,447	256,142	306,235	280,059	333,584	48,132	55,682	45,247
10 Unemployment insurance	26,480	27,641	10,121	16,378	10,173	17,562	3,584	168	1,509
11 Other net receipts ³	4,473	4,763	2,202	2,216	2,319	2,368	366	443	399
12 Excise taxes	70,414	68,866	33,366	31,015	34,262	33,532	5,580	7,769	4,235
13 Customs deposits	18,336	19,913	9,838	8,440	10,287	9,218	2,071	1,823	1,900
14 Estate and gift taxes	27,782	29,010	12,359	14,915	14,001	15,073	2,304	2,168	2,868
15 Miscellaneous receipts ⁴	34,929	42,647	18,735	15,140	19,569	22,831	3,383	3,579	1,275
OUTLAYS									
16 All types	1,702,940	1,788,045	877,414	817,227	882,465	892,947	148,555	153,898⁵	146,431
17 National defense	274,873	293,856	140,196	134,414	149,573 ^f	143,476	24,767	28,243	21,478
18 International affairs	15,243	17,252	8,297	6,879	8,530	7,250	-667	1,553	1,795
19 General science, space, and technology	18,125	19,707	10,142	9,319	10,089	9,601	1,829	1,716	1,676
20 Energy	912	-1,020	699	797	-90	-893	-223	530	-1,200
21 Natural resources and environment	23,970	23,295	12,671	10,351	12,100	10,814	2,267	2,542	2,132
22 Agriculture	23,011	38,472	16,757	9,803	20,887	11,164	1,449	6,842	5,025
23 Commerce and housing credit	2,649	3,321	4,046	-1,629	7,353	-2,497	-1,295	4,591	843
24 Transportation	42,531	46,211	20,836	17,082	23,199 ^f	21,054	4,866	4,209	4,729
25 Community and regional development	11,870	11,687	6,972	5,368	6,806 ^f	5,050	1,007	975	1,211
26 Education, training, employment, and social services	56,402	58,364	27,762	29,003	27,532	31,234	5,576	3,616	5,061
27 Health	141,079	154,215	67,838	69,320	74,490	75,871	14,512	13,566	14,799
28 Social security and Medicare	580,488	606,552	316,809	261,146	295,030	306,966	52,206	50,381	51,766
29 Income security	237,707	247,380	109,481	126,552	113,504	133,915	18,521	20,031	16,485
30 Veterans benefits and services	43,212	47,084	22,750	20,105	23,412	23,174	3,700	5,619	2,222
31 Administration of justice	25,924	27,704	12,041	13,149	13,459	13,981	2,405	2,398	2,545
32 General government	15,771	13,721	9,136	6,641	7,010 ^f	6,198	906	1,017	1,239
33 Net interest ⁵	229,735	222,825	116,954	116,655	112,420	115,545	20,004	12,584	18,399
34 Undistributed offsetting receipts ⁶	-40,445	-42,581	-25,793	-17,724	-22,850	-19,346	-3,275	-6,766	-3,775

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 2001*; 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	1998		1999				2000		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	5,556	5,643	5,681	5,668	5,685	5,805	5,802	5,714	5,702
2 Public debt securities	5,526	5,614	5,652	5,639	5,656	5,776	5,773	5,686	5,674
3 Held by public	3,761	3,787	3,795	3,685	3,667	3,716	3,688	3,496	n.a.
4 Held by agencies	1,766	1,827	1,857	1,954	1,989	2,061	2,085	2,190	n.a.
5 Agency securities	29	29	29	29	29	29	28	28	28
6 Held by public	26	29	28	28	28	28	28	28	n.a.
7 Held by agencies	4	1	1	1	1	1	0	0	n.a.
8 Debt subject to statutory limit	5,440	5,530	5,566	5,552	5,568	5,687	5,687	5,601	5,592
9 Public debt securities	5,439	5,530	5,566	5,552	5,568	5,687	5,686	5,601	5,591
10 Other debt ¹	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950

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 Treasury Bulletin*.

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

Billions of dollars, end of period

Type and holder	1996	1997	1998	1999	1999	2000		
					Q4	Q1	Q2	Q3
1 Total gross public debt	5,323.2	5,502.4	5,614.2	5,776.1	5,776.1	5,773.4	5,685.9	5,674.2
<i>By type</i>								
2 Interest-bearing	5,317.2	5,494.9	5,605.4	5,766.1	5,766.1	5,763.8	5,675.9	5,622.1
3 Marketable	3,459.7	3,456.8	3,355.5	3,281.0	3,281.0	3,261.2	3,070.7	2,992.8
4 Bills	777.4	715.4	691.0	737.1	737.1	753.3	629.9	616.2
5 Notes	2,112.3	2,106.1	1,960.7	1,784.5	1,784.5	1,732.6	1,679.1	1,611.3
6 Bonds	555.0	587.3	621.2	643.7	643.7	653.0	637.7	635.3
7 Inflation-indexed notes and bonds ¹	n.a.	33.0	67.6	100.7	100.7	107.4	109.0	115.0
8 Nonmarketable ²	1,857.5	2,038.1	2,249.9	2,485.1	2,485.1	2,502.6	2,605.2	2,629.3
9 State and local government series	101.3	124.1	165.3	165.7	165.7	161.9	160.4	153.3
10 Foreign issues ³	37.4	36.2	34.3	31.3	31.3	28.8	27.7	25.4
11 Government	47.4	36.2	34.3	31.3	31.3	28.8	27.7	25.4
12 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	182.4	181.2	180.3	179.4	179.4	178.6	177.7	177.7
14 Government account series ⁴	1,505.9	1,666.7	1,840.0	2,078.7	2,078.7	2,103.3	2,209.4	2,242.9
15 Non-interest-bearing	6.0	7.5	8.8	10.0	10.0	9.6	10.1	52.1
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	1,497.2	1,655.7	1,826.8	2,060.6	2,060.6	2,085.4	2,190.2	2,235.7
17 Federal Reserve Banks	410.9	451.9	471.7	477.7	477.7	501.7	505.0	511.4
18 Private investors	3,431.2	3,414.6	3,334.0	3,233.9	3,233.9	3,182.8	2,987.4	2,936.2
19 Depository institutions	296.6	300.3	237.3	246.3	246.4 ⁷	235.1 ⁷	219.7	n.a.
20 Mutual funds	315.8	321.5	343.2	349.5	349.5	343.7	318.6	n.a.
21 Insurance companies	214.1	176.6	144.5	140.0	140.0	138.7	120.9	n.a.
22 State and local treasuries ⁶	257.0	239.3	269.3	266.8	266.8	257.2	256.4 ⁷	n.a.
Individuals								
23 Savings bonds	187.0	186.5	186.7	186.5	186.4 ⁷	185.3	184.7	184.7
24 Pension funds	342.8 ⁷	359.4 ⁷	374.4 ⁷	384.5 ⁷	384.5 ⁷	385.9 ⁷	384.5 ⁷	n.a.
25 Private	139.3 ⁷	142.5 ⁷	157.8 ⁷	171.3 ⁷	171.3 ⁷	174.8 ⁷	175.5 ⁷	n.a.
26 State and Local	203.5	216.9	217.7	213.2 ⁷	213.2 ⁷	211.10 ⁷	209.0 ⁷	n.a.
27 Foreign and international ⁷	1,102.1	1,241.6	1,278.7	1,268.8	1,268.8	1,273.9 ⁷	1,248.9	1,225.2
28 Other miscellaneous investors ⁸	715.8 ⁷	589.5 ⁷	498.8 ⁷	407.1 ⁷	407.1 ⁷	382.5 ⁷	253.8 ⁷	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. 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.

7. 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.

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

SOURCE: U.S. Treasury Department, data by type of security, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

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1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2000			2000, week ending								
	July	Aug.	Sept.	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
OUTRIGHT TRANSACTIONS²												
<i>By type of security</i>												
1 U.S. Treasury bills	16,467	21,487	24,438	27,255	31,270	23,896	22,297	22,099	26,749	25,644	24,964	21,269
<i>Coupon securities, by maturity</i>												
2 Five years or less	96,709	84,941	117,915	75,257	95,849	90,909	133,824	140,680	121,841	142,852	146,449	141,987
3 More than five years	57,055	62,777	69,458	53,359	62,764	56,674	92,418	63,927	67,886	62,610	68,600	67,826
4 Inflation-indexed	1,261	1,185	1,490	1,219	2,086	1,683	1,043	1,584	1,000	4,070	2,150	1,675
<i>Federal agency</i>												
5 Discount notes	53,649	53,668	50,165	58,435	55,704	50,911	46,575	48,146	54,014	50,581	51,999	47,189
<i>Coupon securities, by maturity</i>												
6 One year or less	1,299	1,314	1,160	1,710	935	1,271	1,208	1,175	1,058		730	1,107
7 More than one year, but less than or equal to five years	7,939	8,879	9,860	7,163	6,995	12,658	10,972	7,646	9,922	15,099	10,935	16,278
8 More than five years	9,286	7,002	9,925	5,534	6,129	7,644	16,190	8,844	8,365	11,972	8,979	12,925
9 Mortgage-backed	68,080	67,487	76,954	37,770	63,208	111,880	79,310	54,433	60,673	109,182	112,689	51,511
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
10 U.S. Treasury	81,757	81,566	101,973	74,830	85,739	83,155	119,564	112,466	103,159	102,320	105,704	99,613
11 Federal agency	7,497	8,089	9,811	6,690	6,865	10,062	12,497	9,130	8,589	10,182	9,385	14,588
12 Mortgage-backed	22,785	25,460	28,514	16,444	20,792	39,863	25,681	28,153	19,705	34,264	33,514	20,349
<i>With other</i>												
13 U.S. Treasury	89,735	88,823	111,328	82,260	106,229	90,006	130,018	115,824	114,317	132,855	136,460	133,144
14 Federal agency	64,677	62,774	61,299	66,152	62,898	62,422	62,448	56,681	64,770	68,199	63,635	62,968
15 Mortgage-backed	45,294	42,027	48,440	21,327	42,410	72,017	53,628	26,280	40,968	74,929	79,175	31,162
FUTURES TRANSACTIONS³												
<i>By type of deliverable security</i>												
16 U.S. Treasury bills	0	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	n.a.	0
<i>Coupon securities, by maturity</i>												
17 Five years or less	2,571	3,467	3,119	5,025	5,032	3,346	3,255	2,185	1,678	2,547	2,534	3,263
18 More than five years	8,991	10,960	11,756	12,228	11,749	9,846	15,512	10,460	10,390	9,507	10,129	10,740
19 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>												
20 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
21 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
22 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0	0
23 More than five years	51	109	165	150	49	138	237	189	n.a.	131	57	106
24 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0	0
OPTIONS TRANSACTIONS⁴												
<i>By type of underlying security</i>												
25 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
26 Five years or less	1,214	1,149	1,350	1,201	831	1,569	1,606	1,425	751	970	1,799	956
27 More than five years	2,634	2,821	3,382	2,313	2,923	3,070	4,131	3,117	3,640	3,835	4,313	3,367
28 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>												
29 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
30 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
31 More than one year, but less than or equal to five years	12	34	38	0	38	n.a.	0	0	0	0	0	0
32 More than five years	3	2	6	n.a.	16	0	n.a.	n.a.	n.a.	n.a.	102	n.a.
33 Mortgage-backed	898	1,145	1,097	581	1,049	1,446	851	832	1,578	1,719	874	1,287

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Monthly averages are based on the number of trading days in the month. Transactions are assumed to be evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

2. Outright transactions include immediate and forward transactions. Immediate delivery refers to purchases or sales of securities (other than mortgage-backed federal agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

3. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

4. Options transactions are purchases or sales of put and call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	2000			2000, week ending							
	July	Aug.	Sept.	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18
Positions ²											
NET OUTRIGHT POSITIONS ³											
<i>By type of security</i>											
1 U.S. Treasury bills	3,951	2,426	9,758	1,111	17,945	17,068	5,563	2,930	2,049	3,151	1,661
<i>Coupon securities, by maturity</i>											
2 Five years or less	-31,279	-29,287	-29,392	-27,175	-26,519	-27,258	-31,407	-30,917	-31,857	-34,212	-27,319
3 More than five years	-21,335	-18,943	-17,375	-17,471	-16,718	-16,789	-15,425	-19,271	-20,181	-19,684	-14,297
4 Inflation-indexed	2,564	2,711	2,452	2,635	1,982	2,477	2,742	2,622	2,264	2,882	3,251
<i>Federal agency</i>											
5 Discount notes	35,531	31,912	37,057	31,262	31,726	36,160	39,899	39,369	37,785	34,342	30,297
<i>Coupon securities, by maturity</i>											
6 One year or less	12,896	13,638	13,999	13,549	12,380	14,792	14,447	14,254	13,751	13,882	14,277
7 More than one year, but less than or equal to five years	3,249	5,089	4,628	5,991	6,016	4,327	4,873	3,796	3,926	6,032	4,333
8 More than five years	1,268	1,281	1,696	197	1,035	34	1,838	2,905	3,748	3,239	1,951
9 Mortgage-backed	20,713	18,646	14,544	17,032	13,051	15,083	15,283	14,170	15,420	10,702	12,563
NET FUTURES POSITIONS ⁴											
<i>By type of deliverable security</i>											
10 U.S. Treasury bills	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Coupon securities, by maturity</i>											
11 Five years or less	14,350	11,726	4,480	10,071	8,981	6,799	2,138	1,754	1,891	1,919	921
12 More than five years	71	-329	1,600	-546	544	124	2,638	2,006	3,790	2,454	186
13 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>											
14 Discount notes	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>											
15 One year or less	0	0	0	0	0	0	0	0	0	0	0
16 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0
17 More than five years	-261	-582	-737	-470	-528	-638	-922	-790	-832	-1,320	-1,345
18 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0
NET OPTIONS POSITIONS											
<i>By type of deliverable security</i>											
19 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>											
20 Five years or less	1,143	1,723	2,489	2,052	1,528	3,134	2,875	2,472	2,046	1,789	1,755
21 More than five years	1,699	1,324	1,242	765	1,522	870	1,789	1,723	-844	651	949
22 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>											
23 Discount notes	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>											
24 One year or less	0	0	0	0	0	0	0	0	0	0	0
25 More than one year, but less than or equal to five years	233	208	88	108	105	150	82	27	63	28	73
26 More than five years	309	181	33	17	22	15	35	29	104	95	277
27 Mortgage-backed	2,236	5,009	4,328	6,177	5,772	3,926	4,191	3,741	4,065	3,615	3,470
Financing ⁵											
<i>Reverse repurchase agreements</i>											
28 Overnight and continuing	282,999	283,661	282,991	267,642	290,528	274,009	289,304	274,584	293,759	279,418	294,586
29 Term	828,512	782,717	777,783	757,389	734,160	773,814	778,606	818,031	778,462	801,856	821,856
<i>Securities borrowed</i>											
30 Overnight and continuing	299,289	285,382	283,528	275,653	285,659	283,829	285,836	278,219	285,566	292,300	296,145
31 Term	113,572	114,470	114,413	116,175	108,057	110,917	111,445	123,968	119,912	118,622	116,806
<i>Securities received as pledge</i>											
32 Overnight and continuing	2,454	2,367	2,232	2,109	2,422	2,272	2,057	n.a.	2,169	2,184	2,259
33 Term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Repurchase agreements</i>											
34 Overnight and continuing	750,138	748,503	738,371	719,039	758,248	737,204	739,576	723,889	732,321	719,909	734,958
35 Term	736,488	689,557	707,207	671,941	648,849	688,139	720,286	760,262	714,107	732,376	775,093
<i>Securities loaned</i>											
36 Overnight and continuing	7,433	7,705	6,935	7,317	7,060	7,290	6,999	6,393	6,976	7,214	7,233
37 Term	5,295	4,295	6,189	6,234	6,594	6,597	6,597	5,243	5,682	5,429	5,427
<i>Securities pledged</i>											
38 Overnight and continuing	63,077	60,868	61,552	62,275	60,931	64,044	61,419	59,309	62,526	60,986	60,206
39 Term	4,358	4,203	4,432	4,072	3,952	4,247	4,367	4,950	4,771	4,806	4,703
<i>Collateralized loans</i>											
40 Total	20,706	23,695	22,972	21,204	23,375	30,761	18,582	17,876	26,125	27,168	28,677

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. Securities positions are reported at market value.

3. Net outright positions include immediate and forward positions. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions for mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt

securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day. Financing data are reported in terms of actual funds paid or received, including accrued interest.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

A30 Domestic Financial Statistics □ January 2001

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1996	1997	1998	1999	2000				
					Apr.	May	June	July	Aug.
1 Federal and federally sponsored agencies	925,823	1,022,609	1,296,477	1,616,492	n.a.	193,776	1,706,709^f	1,726,016	1,763,089
2 Federal agencies	29,380	27,792	26,502	26,376	26,011	26,052	26,669	26,094	25,892
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,3}	1,447	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	84	102	205	126	173	184	185	205	210
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	27,853	27,786	26,496	26,370	26,005	26,046	26,663	26,088	25,886
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	896,443	994,817	1,269,975	1,590,116	164,298	167,726	1,680,040 ^f	1,699,922	1,737,197
11 Federal Home Loan Banks	263,404	313,919	382,131	529,005	541,673	557,506	568,438	565,037	572,836
12 Federal Home Loan Mortgage Corporation	156,980	169,200	287,396	360,711	388,261	392,555	384,286	399,370	412,656
13 Federal National Mortgage Association	331,270	369,774	460,291	547,619	561,700	571,800	578,500	579,448	595,117
14 Farm Credit Banks ⁸	60,053	63,517	63,488	68,883	69,036	70,036	69,541	69,757	70,139
15 Student Loan Marketing Association ⁹	44,763	37,717	35,399	41,988	40,119	43,144	37,263	44,223	44,113
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	58,172	49,090	44,129	42,152	38,700	39,102	38,513	38,143	38,040
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	1,431	552	↑	↑	↑	↑	↑	↑	↑
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.	↓	↓	↓	↓	↓	↓	↓
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	18,325	13,530	9,500	6,665	6,240	6,140	6,040	5,760	5,660
26 Rural Electrification Administration	16,702	14,898	14,091	14,085	13,167	13,221	13,121	13,165	13,238
27 Other	21,714	20,110	20,538	21,402	19,293	19,741	19,352	19,218	19,142

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 Agricultural 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	1997	1998	1999	2000							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 All issues, new and refunding¹	214,694	262,342	215,427	16,780	14,233	14,136	20,208	12,827	15,284	15,598	18,035
<i>By type of issue</i>											
2 General obligation	69,934	87,015	73,308	5,008	4,598	6,051	8,581	4,256	5,194	6,888	5,871
3 Revenue	134,989	175,327	142,120	11,773	9,635	8,086	11,628	8,572	10,090	8,710	12,163
<i>By type of issuer</i>											
4 State	18,237	23,506	16,376	1,570	1,371	1,102	2,907	783	1,011	2,022	3,005
5 Special district or statutory authority ²	134,919	178,421	152,418	11,098	10,229	9,639	13,520	8,545	10,728	10,152	11,224
6 Municipality, county, or township	70,558	60,173	46,634	4,112	2,633	3,396	3,782	3,500	3,545	3,424	3,806
7 Issues for new capital	135,519	160,568	161,065	13,508	12,029	12,481	16,987	11,297	12,402	13,968	16,387
<i>By use of proceeds</i>											
8 Education	31,860	36,904	36,563	3,436	2,484	3,662	4,465	3,185	3,630	3,210	3,492
9 Transportation	13,951	19,926	17,394	2,723	768	1,778	1,093	1,947	1,979	1,574	2,575
10 Utilities and conservation	12,219	21,037	15,098	1,086	729	537	1,141	353	1,409	1,408	1,272
11 Social welfare	27,794	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	6,667	8,594	9,099	747	762	585	1,150	632	281	387	730
13 Other purposes	35,095	42,450	47,896	2,426	3,903	3,557	5,776	2,543	3,564	5,243	6,558

- 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	1997	1998	1999	2000							
				Feb.	Mar.	Apr.	May	June	July	Aug. ^f	Sept
1 All issues¹	929,256	1,128,491	1,072,866	85,679	113,093	61,963	62,939	100,615	65,511	82,752	94,113
2 Bonds²	811,376	1,001,736	941,298	63,391	96,148	40,941	58,233	92,742	57,476	69,875	88,102
<i>By type of offering</i>											
3 Sold in the United States	708,188	923,771	818,683	56,727	87,603	36,724	45,986	75,271	40,753	56,133	73,516
4 Sold abroad	103,188	77,965	122,615	6,664	8,545	4,217	12,247	17,471	16,723	13,742	14,585
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	65	0	228	2,694	3,391	1,038	241	376
<i>By industry group</i>											
6 Nonfinancial	222,603	307,935	293,963	26,598	28,086	8,060	20,832	29,412	15,885	17,947	24,483
7 Financial	588,773	693,801	647,335	36,792	68,062	32,881	37,401	63,331	41,592	51,928	63,619
8 Stocks³	173,330	205,605	217,868	22,288	16,945	21,022	4,706	7,873	8,035	12,877	6,284
<i>By type of offering</i>											
9 Public	117,880	126,755	131,568	22,288	16,945	21,022	4,706	7,873	8,035	12,877	6,284
10 Private placement ⁴	55,450	78,850	86,300	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	60,386	74,113	110,284	21,796	15,679	16,763	4,522	6,521	7,773	8,645	6,099
12 Financial	57,494	52,642	21,284	492	1,266	4,259	184	1,352	262	4,232	185

- 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.

A32 Domestic Financial Statistics □ January 2001

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	1998	1999	2000							
			Mar.	Apr.	May	June	July	Aug.	Sept. ^f	Oct.
1 Sales of own shares ²	1,461,430	1,791,894	269,118	202,248	172,718	181,866	166,815	179,890	159,809	169,585
2 Redemptions of own shares	1,217,022	1,621,987	243,194	176,671	162,984	161,462	151,717	159,027	147,644	154,836
3 Net sales ³	244,408	169,906	25,924	25,577	9,735	20,404	15,098	20,864	12,166	14,749
4 Assets ⁴	4,173,531	5,233,191	5,606,254	5,391,187	5,232,319	5,458,914	5,392,308	5,745,264	5,550,176	5,435,666
5 Cash ⁵	191,393	219,189	221,623	254,819	260,426	259,241	258,472	261,967	280,192	302,574
6 Other	3,982,138	5,014,002	5,384,630	5,136,368	4,971,892	5,199,673	5,133,836	5,483,298	5,269,984	5,133,092

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	1997	1998	1999	1998	1999					2000		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
1 Profits with inventory valuation and capital consumption adjustment	833.8	815.0	856.0	803.4	852.0	836.8	842.0	893.2	936.3	963.6	971.2	
2 Profits before taxes	792.4	758.2	823.0	742.3	797.6	804.5	819.0	870.7	920.7	942.5	946.0	
3 Profits-tax liability	237.2	244.6	255.9	219.4	247.8	250.8	254.2	270.8	286.3	292.0	291.9	
4 Profits after taxes	555.2	513.6	567.1	502.9	549.9	553.7	564.8	599.9	634.4	650.4	654.1	
5 Dividends	335.2	351.5	370.7	356.1	361.1	367.2	373.9	380.6	387.3	393.0	400.1	
6 Undistributed profits	220.0	162.1	196.4	146.9	188.7	186.5	190.9	219.3	247.1	257.4	254.0	
7 Inventory valuation	8.4	17.0	-9.1	19.9	11.4	-8.9	-19.7	-19.2	-25.0	-13.6	-4.7	
8 Capital consumption adjustment	32.9	39.9	42.1	41.2	42.9	41.2	42.7	41.6	40.6	34.7	29.9	

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1997	1998	1999	1999				2000			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	
ASSETS											
1 Accounts receivable, gross ²	663.3	711.7	811.5	733.8	756.5	776.3	811.5	848.7	884.4	↑	
2 Consumer	256.8	261.8	279.8	261.7	269.2	271.0	279.8	285.4	294.1		
3 Business	318.5	347.5	405.2	362.8	373.7	383.0	405.2	434.6	454.1		
4 Real estate	87.9	102.3	126.5	109.2	113.5	122.3	126.5	128.8	136.2		
5 LESS: Reserves for unearned income	52.7	56.3	53.5	52.9	53.4	54.0	53.5	54.0	57.0	n.a	
6 Reserves for losses	13.0	13.8	13.5	13.4	13.4	13.6	13.5	14.0	14.4		
7 Accounts receivable, net	597.6	641.6	744.6	667.6	689.7	708.6	744.6	780.7	813.1		
8 All other	312.4	337.9	406.3	363.3	373.2	368.5	406.3	412.7	419.4		
9 Total assets	910.0	979.5	1,150.9	1,030.8	1,062.9	1,077.2	1,150.9	1,193.4	1,232.4	↓	
LIABILITIES AND CAPITAL											
10 Bank loans	24.1	26.3	35.1	24.8	25.1	27.0	35.1	28.5	33.3		
11 Commercial paper	201.5	231.5	227.9	222.9	231.0	205.3	227.9	230.2	234.2		
<i>Debt</i>											
12 Owed to parent	64.7	61.8	123.8	64.6	65.4	84.5	123.8	145.1	136.8		
13 Not elsewhere classified	328.8	339.7	397.0	366.7	383.1	396.2	397.0	412.0	445.1		
14 All other liabilities	189.6	203.2	222.7	220.3	226.1	216.0	222.7	247.6	249.6		
15 Capital, surplus, and undivided profits	101.3	117.0	144.5	131.5	132.2	148.2	144.5	130.1	135.3		
16 Total liabilities and capital	910.0	979.5	1,150.9	1,030.8	1,062.9	1,077.2	1,150.9	1,193.4	1,234.4		

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

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

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit	1997	1998	1999	2000					
				Apr.	May	June	July	Aug.	Sept.
Seasonally adjusted									
1 Total	810.5	875.8	993.9	1,061.6^f	1,074.9^f	1,076.9^f	1,089.1^f	1,094.1	1,107.2
2 Consumer	327.9	352.8	385.3	398.4 ^f	400.7	401.4	405.9 ^f	411.1	419.6
3 Real estate	121.1	131.4	154.7	161.0 ^f	164.7 ^f	163.7 ^f	167.5	169.0	170.9
4 Business	361.5	391.6	453.9	502.2	509.5	511.7 ^f	515.8	514.1	516.7
Not seasonally adjusted									
5 Total	818.1	884.0	1,003.2	1,061.9^f	1,074.8^f	1,082.3^f	1,082.2^f	1,087.9	1,101.9
6 Consumer	330.9	356.1	388.8	394.8 ^f	399.4	403.9	408.3 ^f	412.3	420.9
7 Motor vehicle loans	87.0	103.1	114.7	120.9	124.1	126.5	129.4	130.7	130.1
8 Motor vehicle leases	96.8	93.3	98.3	102.8	104.1	103.9	104.4	105.4	104.6
9 Revolving ²	38.6	32.3	33.8	31.9	31.6	33.1	33.6	33.6	35.4
10 Other ³	34.4	33.1	33.1	31.2	31.9	30.7	31.5 ^f	32.3	31.7
Securitized assets ⁴									
11 Motor vehicle loans	44.3	54.8	71.1	72.1	71.9	74.1	74.5	76.2	78.8
12 Motor vehicle leases	10.8	12.7	9.7	8.5	8.2	7.9	7.6	7.4	7.2
13 Revolving	.0	8.7	10.5	10.5 ^f	11.1	11.1	10.9	10.7	17.2
14 Other	19.0	18.1	17.7	16.8	16.5	16.6	16.4	16.2	16.0
15 Real estate	121.1	131.4	154.7	161.0 ^f	164.7 ^f	163.7 ^f	167.5	169.0	170.9
16 One- to four-family	59.0	75.7	88.3	93.6	97.3	96.6 ^f	100.5	101.7	100.9
17 Other	28.9	26.6	38.3	39.0	39.4	39.6	39.7	40.2	41.5
Securitized real estate assets ⁴									
18 One- to four-family	33.0	29.0	28.0	28.1 ^f	27.7 ^f	27.4 ^f	27.1	26.8	26.5
19 Other	.2	.1	.2	.2	.2	.2	.2	.2	1.9
20 Business	366.1	396.5	459.6	506.1	510.7	514.7 ^f	506.4	506.7	510.1
21 Motor vehicles	63.5	79.6	87.8	93.6	94.8	94.5	89.4	89.6	94.1
22 Retail loans	25.6	28.1	33.2	32.7	33.3	33.8	34.1	34.3	34.8
23 Wholesale loans ⁵	27.7	32.8	34.7	38.9	39.5	38.4	32.9	32.6	35.5
24 Leases	10.2	18.7	19.9	22.0	22.0	22.3	22.3	22.7	23.7
25 Equipment	203.9	198.0	221.9	243.1	247.3	250.0 ^f	248.6	250.0	256.7
26 Loans	51.5	50.4	52.2	55.6	55.9	56.7 ^f	54.8	54.3	55.8
27 Leases	152.3	147.6	169.7	187.5	191.5	193.3 ^f	193.9	195.8	200.9
28 Other business receivables ⁶	51.1	69.9	95.5	107.4	106.6	109.7 ^f	109.4	108.3	104.9
Securitized assets ⁴									
29 Motor vehicles	33.0	29.2	31.5	32.3	32.0	31.7	29.8	29.6	27.1
30 Retail loans	2.4	2.6	2.9	3.1	3.0	2.9	2.8	2.7	2.4
31 Wholesale loans	30.5	24.7	26.4	26.8	26.7	26.4	24.6	24.5	22.3
32 Leases	.0	1.9	2.1	2.4	2.4	2.4	2.4	2.4	2.4
33 Equipment	10.7	13.0	14.6	21.7	21.5	22.3 ^f	22.5	22.4	21.4
34 Loans	4.2	6.6	7.9	15.2	15.0	15.8	16.0	15.9	15.1
35 Leases	6.5	6.4	6.7	6.5	6.5	6.4 ^f	6.5	6.5	6.4
36 Other business receivables ⁶	4.0	6.8	8.4	8.0	8.4	6.6	6.8	6.8	5.8

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	1997	1998	1999	2000						
				Apr.	May	June	July	Aug.	Sept.	Oct.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	180.1	195.2	210.7	224.2	232.2	238.6	235.8	237.0	241.9	240.2
2 Amount of loan (thousands of dollars)	140.3	151.1	161.7	170.2	176.3	178.3	178.3	179.7	182.5	180.4
3 Loan-to-price ratio (percent)	80.4	80.0	78.7	77.9	78.0	76.9	77.7	77.7	77.1	77.2
4 Maturity (years)	28.2	28.4	28.8	29.1	29.2	29.2	29.3	29.3	29.2	29.2
5 Fees and charges (percent of loan amount) ²	1.02	.89	.77	.68	.71	.69	.66	.68	.70	.69
<i>Yield (percent per year)</i>										
6 Contract rate ^{1,3}	7.57	6.95	6.94	7.52	7.44	7.40	7.41	7.44	7.41	7.43
7 Effective rate ^{1,3}	7.73	7.08	7.06	7.63	7.55	7.50	7.51	7.54	7.52	7.53
8 Contract rate (HUD series) ⁴	7.76	7.00	7.45	8.29	8.26	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (Section 203) ⁵	7.89	7.04	7.74	8.33	8.58	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.26	6.43	7.03	7.64	8.06	7.69	7.59	7.44	7.43	7.30
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	316,678	414,515	523,941	539,181	545,803	552,166	561,045	568,187	574,087	586,756
12 FHA/VA insured	31,925	33,770	55,318	58,899	59,140	59,703	60,397	60,150	59,961	60,329
13 Conventional	284,753	380,745	468,623	480,282	486,663	492,463	500,648	508,037	514,126	526,427
14 Mortgage transactions purchased (during period)	70,465	188,448	195,210	6,257	12,872	12,842	15,128	13,352	11,501	18,444
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	69,965	193,795	187,948	12,524	10,450	11,825	16,660	14,253	16,143	17,435
16 To sell ⁸	1,298	1,880	5,900	1,340	1,594	1,254	436	236	693	268
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	164,421	255,010	324,443	339,207	347,370	350,836	354,020	357,002	361,624	365,198
18 FHA/VA insured	177	785	1,836	1,987	3,116	2,892	2,858	2,903	3,517	3,530
19 Conventional	164,244	254,225	322,607	337,220	344,254	347,944	351,162	354,099	358,107	361,668
<i>Mortgage transactions (during period)</i>										
20 Purchases	117,401	267,402	239,793	8,393	15,741	12,271	10,912	16,056	21,748	16,195
21 Sales	114,258	250,565	233,031	8,077	15,261	11,806	10,539	15,558	21,189	15,614
22 Mortgage commitments contracted (during period) ⁹	120,089	281,899	228,432	8,750	13,807	13,596	10,803	17,468	19,481	17,915

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 FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1996	1997	1998	1999			2000	
				Q2	Q3	Q4	Q1	Q2
1 All holders	4,865,412	5,197,838	5,722,645	6,015,365	6,224,771	6,375,447	6,489,770	6,659,097
<i>By type of property</i>								
2 One- to four-family residences	3,716,055	3,967,842	4,353,048	4,559,021	4,690,310	4,786,609	4,862,747	4,982,853
3 Multifamily residences	288,579	301,838	329,813	348,658	359,323	373,189	381,699	392,919
4 Nonfarm, nonresidential	773,643	837,859	943,278	1,008,048	1,073,743	1,112,686	1,141,577	1,175,641
5 Farm	87,134	90,299	96,506	99,638	101,395	102,962	103,748	107,685
<i>By type of holder</i>								
6 Major financial institutions	1,981,886	2,083,881	2,194,813	2,242,431	2,321,356	2,394,923	2,456,786	2,551,751
7 Commercial banks ²	1,145,389	1,245,315	1,337,217	1,361,365	1,418,819	1,495,502	1,546,816	1,614,307
8 One- to four-family	677,603	745,510	797,492	790,372	827,291	879,552	904,581	948,496
9 Multifamily	45,451	49,670	54,116	60,529	63,964	67,591	72,431	75,713
10 Nonfarm, nonresidential	397,452	423,148	456,574	479,930	496,246	516,520	537,131	556,382
11 Farm	24,883	26,986	29,035	30,536	31,320	31,839	32,673	33,717
12 Savings institutions ³	628,535	631,726	643,957	656,518	676,346	668,634	680,745	701,992
13 One- to four-family	513,712	520,682	533,918	544,962	560,622	549,072	560,046	578,641
14 Multifamily	61,570	59,540	56,821	55,016	57,282	59,138	57,759	59,142
15 Nonfarm, nonresidential	52,723	51,150	52,801	56,096	57,983	59,948	62,447	63,691
16 Farm	331	354	417	443	459	475	493	518
17 Life insurance companies	208,162	206,840	213,640	224,548	226,190	230,787	229,225	235,452
18 One- to four-family	6,977	7,187	6,590	7,292	7,432	5,934	5,874	4,826
19 Multifamily	30,750	30,402	31,522	31,800	31,998	32,818	32,602	33,669
20 Nonfarm, nonresidential	160,315	158,779	164,004	173,495	174,571	179,048	177,870	182,514
21 Farm	10,120	10,472	11,524	11,961	12,189	12,987	12,879	14,444
22 Federal and related agencies	295,192	286,194	293,613	289,519	322,572	322,352	323,145	334,715
23 Government National Mortgage Association	2	8	7	8	8	7	7	7
24 One- to four-family	2	8	7	8	8	7	7	7
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	41,596	41,195	40,851	40,766	73,705	73,871	72,899	72,896
27 One- to four-family	17,303	17,253	16,895	16,653	16,583	16,506	16,456	16,435
28 Multifamily	11,685	11,720	11,739	11,735	11,745	11,741	11,732	11,729
29 Nonfarm, nonresidential	6,841	7,370	7,705	7,943	41,068	41,355	40,509	40,554
30 Farm	5,768	4,852	4,513	4,435	4,308	4,268	4,202	4,179
31 Federal Housing and Veterans' Administrations	6,244	3,811	3,674	3,490	3,889	3,712	3,794	3,845
32 One- to four-family	3,524	1,767	1,849	1,623	2,013	1,851	1,847	1,832
33 Multifamily	2,719	2,044	1,825	1,867	1,876	1,861	1,947	2,013
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	2,431	724	361	189	163	152	98	72
40 One- to four-family	365	109	54	28	24	23	15	11
41 Multifamily	413	123	61	32	28	26	17	12
42 Nonfarm, nonresidential	1,653	492	245	129	111	103	67	49
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	168,813	161,308	157,675	155,637	153,172	151,500	150,312	155,364
45 One- to four-family	155,008	149,831	147,594	145,033	142,982	141,195	139,986	144,335
46 Multifamily	13,805	11,477	10,081	10,604	10,190	10,305	10,326	11,029
47 Federal Land Banks	29,602	30,657	32,983	33,666	34,217	34,187	34,142	34,820
48 One- to four-family	1,742	1,804	1,941	1,981	2,013	2,012	2,009	2,039
49 Farm	0	0	0	0	0	0	0	0
50 Federal Home Loan Mortgage Corporation	46,504	48,454	57,085	54,282	55,695	56,676	57,009	56,972
51 One- to four-family	41,758	42,629	49,106	43,574	44,010	44,321	43,384	42,892
52 Multifamily	4,746	5,825	7,979	10,708	11,685	12,355	13,625	14,080
53 Mortgage pools or trusts ⁵	4,865,412	5,197,838	5,722,645	6,015,365	6,224,771	6,375,447	6,489,770	6,659,097
54 Government National Mortgage Association	506,246	536,879	537,446	553,196	569,038	582,263	589,203	590,903
55 One- to four-family	494,064	523,225	522,498	537,287	552,670	565,189	571,517	572,856
56 Multifamily	12,182	13,654	14,948	15,909	16,368	17,074	17,686	18,047
57 Federal Home Loan Mortgage Corporation	554,260	579,385	646,459	718,085	738,581	749,081	757,106	768,641
58 One- to four-family	551,513	576,846	643,465	714,844	735,088	744,619	752,607	763,890
59 Multifamily	2,747	2,539	2,994	3,241	3,493	4,462	4,499	4,751
60 Federal National Mortgage Association	650,779	709,582	834,517	911,435	938,484	960,883	975,815	995,815
61 One- to four-family	633,209	687,981	804,204	877,863	903,531	924,941	938,898	957,584
62 Multifamily	17,570	21,601	30,313	33,572	34,953	35,942	36,917	38,231
63 Farmers Home Administration ⁴	3	2	1	1	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	3	2	1	1	0	0	0	0
68 Private mortgage conduits	329,559	413,502	571,340	627,402	645,084	662,565	678,156	686,037
69 One- to four-family ⁶	258,800	316,400	412,700	447,938	455,276	462,600	471,390	471,000
70 Multifamily	16,369	21,591	34,323	39,435	40,936	42,628	43,835	44,931
71 Nonfarm, nonresidential	54,390	75,511	124,317	140,029	148,873	157,337	162,930	170,106
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	547,486	588,413	644,456	673,297	689,656	703,379	709,560	731,235
74 One- to four-family	360,476	376,574	413,770	428,202	439,219	446,771	449,496	467,572
75 Multifamily	68,572	71,651	73,081	74,090	74,629	77,016	78,074	79,272
76 Nonfarm, nonresidential	100,269	121,409	137,632	150,428	154,892	158,375	160,622	162,345
77 Farm	18,169	18,779	19,974	20,577	20,916	21,217	21,368	22,046

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.

A36 Domestic Financial Statistics □ January 2001

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1997	1998	1999	2000					
				Apr.	May	June	July	Aug.	Sept.
Seasonally adjusted									
1 Total	1,234,461	1,301,023	1,393,657	1,435,583	1,447,368	1,462,821	1,469,515	1,481,833	1,492,934
2 Revolving	531,163	560,504	595,610	622,223	628,764	634,652	638,172	644,856	649,297
3 Nonrevolving ²	703,297	740,519	798,047	813,360	818,604	828,170	831,344	836,976	843,637
Not seasonally adjusted									
4 Total	1,264,103	1,331,742	1,426,151	1,423,396	1,434,251	1,454,035	1,462,042	1,483,787	1,495,627
<i>By major holder</i>									
5 Commercial banks	512,563	508,932	499,758	499,696	502,030	506,245	505,314	518,787	521,768
6 Finance companies	160,022	168,491	181,573	184,050	187,610	190,268	194,438	196,555	197,276
7 Credit unions	152,362	155,406	167,921	171,038	173,471	176,030	178,034	180,679	181,597
8 Savings institutions	47,172	51,611	61,527	59,628	60,289	60,951	61,188	61,426	62,580
9 Nonfinancial business	78,927	74,877	80,311	72,973	73,523	73,500	71,951	73,024	72,092
10 Pools of securitized assets ³	313,057	372,425	435,061	436,011	437,328	447,041	451,117	453,316	460,314
<i>By major type of credit⁴</i>									
11 Revolving	555,858	586,528	623,245	615,354	621,127	627,909	630,402	641,035	645,820
12 Commercial banks	219,826	210,346	189,352	188,691	192,352	194,793	194,591	204,406	202,362
13 Finance companies	38,608	32,309	33,814	31,928	31,628	33,063	33,565	33,558	35,405
14 Credit unions	19,552	19,930	20,641	19,851	19,930	20,172	20,476	20,796	20,785
15 Savings institutions	11,441	12,450	15,838	15,135	15,295	15,455	15,419	15,383	16,327
16 Nonfinancial business	44,966	39,166	42,783	37,418	37,766	37,098	36,078	36,669	35,817
17 Pools of securitized assets ³	221,465	272,327	320,817	322,331	324,156	327,328	330,273	330,223	335,126
18 Nonrevolving	708,245	745,214	802,906	808,042	813,124	826,126	831,640	842,752	849,807
19 Commercial banks	292,737	298,586	310,406	311,005	309,678	311,452	310,723	314,381	319,405
20 Finance companies	121,414	136,182	147,759	152,122	155,982	157,205	160,873	162,997	161,871
21 Credit unions	132,810	135,476	147,280	151,187	153,541	155,858	157,558	159,883	160,814
22 Savings institutions	35,731	39,161	45,689	44,493	44,994	45,496	45,769	46,043	46,253
23 Nonfinancial business	33,961	35,711	37,528	35,555	35,757	36,402	35,873	36,355	36,274
24 Pools of securitized assets ³	91,592	100,098	114,244	113,680	113,172	119,713	120,844	123,093	125,190

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

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

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	1997	1998	1999	2000						
				Mar	Apr.	May	June	July	Aug.	Sept.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.02	8.72	8.44	n.a.	n.a.	9.21	n.a.	n.a.	9.62	n.a.
2 24-month personal	13.90	13.74	13.39	n.a.	n.a.	13.88	n.a.	n.a.	13.85	n.a.
<i>Credit card plan</i>										
3 All accounts	15.77	15.71	15.21	n.a.	n.a.	15.39	n.a.	n.a.	15.98	n.a.
4 Accounts assessed interest	15.57	15.59	14.81	n.a.	n.a.	14.74	n.a.	n.a.	15.35	n.a.
<i>Auto finance companies</i>										
5 New car	7.12	6.30	6.66	6.76	6.38	6.51	6.40	6.55	7.46	7.16
6 Used car	13.27	12.64	12.60	13.45	13.52	13.47	13.58	13.64	13.70	13.91
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	54.1	52.1	52.7	53.1	53.8	53.5	55.6	55.6	55.7	55.9
8 Used car	51.0	53.5	55.9	57.1	57.1	57.1	57.3	57.2	57.2	57.0
<i>Loan-to-value ratio</i>										
9 New car	92	92	92	93	93	93	92	92	92	91
10 Used car	99	99	99	99	98	99	99	100	100	100
<i>Amount financed (dollars)</i>										
11 New car	18,077	19,083	19,880	20,395	20,542	20,621	20,349	20,406	20,664	21,010
12 Used car	12,281	12,691	13,642	13,666	13,871	14,132	14,245	14,269	14,166	13,950

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

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

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1994	1995	1996	1997	1998	1999				2000		
						Q1	Q2	Q3	Q4	Q1	Q2 ^a	Q3
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	559.3	711.3	731.4	804.3	1,042.9	1,277.7^f	938.8^f	1,170.1^f	1,094.8^f	940.7^f	958.3	758.5
<i>By sector and instrument</i>												
2 Federal government	155.9	144.4	145.0	23.1	-52.6	-83.4	-98.5	-71.4	-31.5	-215.5	-414.0	-219.0
3 Treasury securities	155.7	142.9	146.6	23.2	-54.6	-81.9	-99.1	-71.5	-31.5	-213.5	-415.8	-216.6
4 Budget agency securities and mortgages	.2	1.5	-1.6	-.1	2.0	-1.5	.6	.0	.0	.0	1.8	-2.4
5 Nonfederal	403.4	566.9	586.3	781.2	1,095.5	1,361.2 ^f	1,037.3 ^f	1,241.6 ^f	1,126.3 ^f	1,156.3 ^f	1,372.3	977.5
<i>By instrument</i>												
6 Commercial paper	21.4	18.1	-.9	13.7	24.4	58.3	-2.6	49.8	44.0	36.2	116.9	62.5
7 Municipal securities and loans	-35.9	-48.2	2.6	71.4	96.8	92.1	56.8	71.3	52.5	8.9	34.0	29.8
8 Corporate bonds	23.3	91.1	116.3	150.5	218.7	274.0	287.6	202.8	155.2	186.2	153.8	184.4
9 Bank loans n.e.c.	75.2	103.7	70.5	106.5	108.2	86.0	24.0	112.3	108.6	131.9	163.1	32.0
10 Other loans and advances	34.0	67.2	33.5	69.1	74.3	148.0	2.3	79.2	55.4	162.1	104.3	-17.3
11 Mortgages	160.5	196.0	275.7	317.5	505.5	572.2 ^f	607.8 ^f	650.0 ^f	601.1 ^f	488.9 ^f	665.7	565.7
12 Home	183.2	180.7	242.5	252.3	386.9	411.2 ^f	440.1 ^f	479.4 ^f	398.3 ^f	343.9 ^f	496.6	443.4
13 Multifamily residential	-3.6	5.8	9.4	8.3	20.3	35.5	33.1	44.2	47.9	32.3 ^f	43.9	23.6
14 Commercial	-21.3	7.9	21.3	53.7	92.0	122.0	125.6	119.4	152.4	105.8 ^f	116.3	90.8
15 Farm	2.2	1.6	2.6	3.2	6.2	3.6	9.0	7.0	2.5	6.9	8.9	7.9
16 Consumer credit	124.9	138.9	88.8	52.5	67.6	130.5	61.4	76.2	109.5	142.0 ^f	134.6	120.4
<i>By borrowing sector</i>												
17 Household	318.5 ^f	363.2 ^f	358.1 ^f	345.8 ^f	488.1 ^f	562.7 ^f	526.4 ^f	589.5 ^f	513.6 ^f	534.7 ^f	650.4	564.8
18 Nonfinancial business	131.2 ^f	255.1 ^f	235.0 ^f	379.3 ^f	527.1 ^f	718.8 ^f	467.2 ^f	599.6 ^f	579.1 ^f	617.8 ^f	701.1	387.5
19 Corporate	123.7 ^f	228.0 ^f	148.8 ^f	266.1 ^f	416.3 ^f	625.2 ^f	371.6 ^f	468.2 ^f	456.1 ^f	500.5 ^f	581.4	292.7
20 Nonfarm noncorporate	3.1 ^f	24.3 ^f	81.4 ^f	107.0 ^f	103.2 ^f	88.6 ^f	93.9 ^f	122.9 ^f	117.4 ^f	102.5 ^f	111.4	87.2
21 Farm	4.4	2.9	4.8	6.2	7.7	4.9	1.7	8.5	5.6	14.7	8.3	7.6
22 State and local government	-46.2	-51.5	-6.8	56.1	80.3	79.8	43.6	52.5	33.6	3.8	20.8	25.2
23 Foreign net borrowing in United States	-13.9	78.5	88.4	71.8	43.3	30.7	-24.5	77.3	17.6	116.9	-10.9	61.6
24 Commercial paper	-26.1	13.5	11.3	3.7	7.8	18.0	-27.5	41.1	33.6	56.7	10.9	5.9
25 Bonds	12.2	57.1	67.0	61.4	34.8	15.4	-.2	44.0	-2.7	45.7	-29.6	36.0
26 Bank loans n.e.c.	1.4	8.5	9.1	8.5	6.7	.9	5.6	-6.6	2.3	15.4	5.7	11.8
27 Other loans and advances	-1.4	-.5	1.0	-1.8	-6.0	-3.5	-2.8	-1.1	-15.5	-.9	2.0	7.8
28 Total domestic plus foreign	545.3	789.8	819.8	876.1	1,086.2	1,308.5^f	914.3^f	1,247.5^f	1,112.4^f	1,057.6^f	947.4	820.1
Financial sectors												
29 Total net borrowing by financial sectors	468.4	453.9	545.8	653.7	1,073.9	1,228.8	995.3	1,064.2	1,063.4	618.3	817.0	715.4
<i>By instrument</i>												
30 Federal government-related	287.5	204.1	231.5	212.8	470.9	589.5	576.6	651.6	550.3	249.2	370.4	504.4
31 Government-sponsored enterprise securities	176.9	105.9	90.4	98.4	278.3	193.0	304.7	407.1	367.9	104.9	248.9	279.3
32 Mortgage pool securities	115.4	98.2	141.1	114.5	192.6	396.6	271.9	244.5	182.4	144.3	121.6	225.1
33 Loans from U.S. government	-4.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	180.9	249.8	314.4	440.9	603.0	639.2	418.8	412.6	513.0	369.2	446.6	211.0
35 Open market paper	40.5	42.7	92.2	166.7	161.0	78.7	57.3	89.9	479.0	130.9	77.4	65.2
36 Corporate bonds	121.8	195.9	173.8	210.5	296.9	473.8	254.8	179.5	-21.0	166.5	230.7	177.2
37 Bank loans n.e.c.	-13.7	2.5	12.6	13.2	30.1	-6.7	11.0	-5.9	-55.6	.3	5.4	-.7
38 Other loans and advances	22.6	3.4	27.9	35.6	90.2	73.3	107.9	139.8	107.5	64.4	123.1	-36.7
39 Mortgages	9.8	5.3	7.9	14.9	24.8	20.1	-12.3	9.4	3.2	7.0	10.0	6.0
<i>By borrowing sector</i>												
40 Commercial banking	20.1	22.5	13.0	46.1	72.9	46.1	61.5	107.0	54.1	72.4	113.2	17.4
41 Savings institutions	12.8	2.6	25.5	19.7	52.2	75.2	59.2	51.9	5.8	40.6	59.1	-17.2
42 Credit unions	.2	-.1	.1	.1	.6	1.5	1.4	2.8	3.3	-2.9	.9	1.1
43 Life insurance companies	.3	-.1	1.1	.2	7	3.3	3.0	1.1	-4.4	-.7	-1.1	-.3
44 Government-sponsored enterprises	172.1	105.9	90.4	98.4	278.3	193.0	304.7	407.1	367.9	104.9	248.9	279.3
45 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	396.6	271.9	244.5	182.4	144.3	121.6	225.1
46 Issuers of asset-backed securities (ABSs)	76.5	142.4	150.8	202.2	321.4	289.7	301.5	220.5	124.2	166.0	154.8	136.8
47 Finance companies	48.6	50.2	45.9	48.7	43.0	77.0	90.5	-17.2	99.2	52.3	103.9	96.9
48 Mortgage companies	-11.5	-2.2	4.1	-4.6	1.6	-4.6	5.1	-6.1	6.2	-3.0	2.7	-.3
49 Real estate investment trusts (REITs)	10.2	4.5	11.9	39.6	62.7	25.6	-19.7	7.9	11.3	11.5	9.8	-2.4
50 Brokers and dealers	.5	-5.0	-2.0	8.1	7.2	-31.1	-17.4	16.9	-37.3	44.4	-.7	25.2
51 Funding corporations	23.1	34.9	64.1	80.7	40.7	156.5	-66.2	27.9	250.6	-11.4	4.0	-46.2

A38 Domestic Financial Statistics □ January 2001

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1994	1995	1996	1997	1998	1999				2000		
						Q1	Q2	Q3	Q4	Q1	Q2 ^f	Q3
All sectors												
52 Total net borrowing, all sectors	1,013.8	1,243.8	1,365.6	1,529.8	2,160.1	2,537.2^f	1,909.6^f	2,311.7^f	2,175.8^f	1,676.0^f	1,764.4	1,535.5
53 Open market paper	35.7	74.3	102.6	184.1	193.1	155.1	27.2	180.7	556.6	223.7	205.1	133.6
54 U.S. government securities	448.1	348.5	376.5	235.9	418.3	506.1	478.1	580.1	518.9	33.6	-43.5	285.4
55 Municipal securities	-35.9	-48.2	2.6	71.4	96.8	92.1	56.8	71.3	52.5	8.9	34.0	29.8
56 Corporate and foreign bonds	157.3	344.1	357.0	422.4	550.4	763.1	542.6	426.3	131.5	398.4	355.0	397.7
57 Bank loans n.e.c.	62.9	114.7	92.1	128.2	145.0	80.1	40.6	99.8	55.2	147.7	174.2	43.1
58 Other loans and advances	50.4	70.1	62.5	102.8	158.5	217.8	107.5	217.9	147.3	225.7	229.4	-46.2
59 Mortgages	170.3	201.3	283.6	332.4	530.3	592.4 ^f	595.6 ^f	659.4 ^f	604.3 ^f	496.0 ^f	675.6	571.7
60 Consumer credit	124.9	138.9	88.8	52.5	67.6	130.5	61.4	76.2	109.5	142.0 ^f	134.6	120.4
Funds raised through mutual funds and corporate equities												
61 Total net issues	113.4	131.5	231.9	181.2	100.0	154.2	178.5	120.4	172.8	409.3^f	115.0	150.0
62 Corporate equities	12.8	-16.0	-5.7	-83.9	-174.6	-86.4	-33.9	-7.0	0	103.2 ^f	-122.6	-111.5
63 Nonfinancial corporations	-44.9	-58.3	-69.5	-114.4	-267.0	-52.1	-338.4	-128.4	-55.0	60.8 ^f	-248.8	-87.6
64 Foreign shares purchased by U.S. residents	48.1	50.4	82.8	57.6	101.2	-19.8	284.4	121.7	71.3	63.3	135.0	13.0
65 Financial corporations	9.6	-8.1	-19.0	-27.1	-8.9	-14.5	20.2	-3	-16.3	-20.8	-8.8	-36.9
66 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	240.6	212.4	127.5	172.8	306.1 ^f	237.6	261.5

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.

A42 Domestic Nonfinancial Statistics □ January 2001

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1997	1998	1999	2000								
				Feb.	Mar.	Apr.	May	June	July ^f	Aug. ^f	Sept.	Oct. ^P
1 Industrial production¹	127.1	132.4	137.1	141.6	142.4	143.5	144.7	145.3	145.1^f	145.9	146.5	146.3
<i>Market groupings</i>												
2 Products, total	119.6	123.7	126.5	130.1	130.3	131.0	131.2	131.6	131.8 ^f	132.0	132.4	132.3
3 Final, total	121.1	125.4	128.0	131.8	132.0	132.8	133.1	134.0	134.2 ^f	134.7	135.2	135.2
4 Consumer goods	115.1	116.2	116.9	118.7	118.0	118.6	118.8	119.4	118.8 ^f	119.1	119.7	119.2
5 Equipment	132.1	142.7	148.9	155.0	156.9	158.1	158.8	160.1	161.7	162.6	163.1	164.0
6 Intermediate	115.3	118.8	122.1	124.8	125.1	125.3	125.1	124.3	124.4 ^f	123.7	123.9	123.6
7 Materials	139.0	146.5	154.8	161.2	163.1	165.0	168.1	169.1	168.1 ^f	170.1	171.0	170.6
<i>Industry groupings</i>												
8 Manufacturing	130.1	136.4	142.3	147.2	148.4	149.3	150.3	151.0	151.1 ^f	151.7	152.4	152.3
9 Capacity utilization, manufacturing (percent) ²	82.4	80.9	79.8	80.7	81.1	81.3	81.5	81.6	81.3	81.4	81.5	81.2
10 Construction contracts ³	144.2	161.2	177.5	180.0	195.0 ^f	186.0	179.0 ^f	188.0 ^f	178.0 ^f	175.0	182.0	187.0
11 Nonagricultural employment, total ⁴	120.3	123.4	126.2	128.0	128.5	128.9	129.1	129.1	129.1	129.0	129.2	129.3
12 Goods-producing, total	101.2	102.7	102.3	103.9	104.3	104.3	104.1	104.2	104.4	103.9	103.8	104.0
13 Manufacturing, total	98.3	98.8	97.0	97.2	97.3	97.3	97.3	97.3	97.6	97.0	96.7	96.7
14 Manufacturing, production workers	99.6	99.8	97.8	98.0	97.9	98.0	97.9	97.9	98.4	97.5	97.1	97.1
15 Service-producing	126.5	130.0	133.8	135.7	136.2	136.8	137.0	137.1	137.0	137.0	137.3	137.4
16 Personal income, total	175.1	186.5	196.6	204.4	206.0	207.2	207.9	208.9	209.5	210.2	212.5	212.1
17 Wages and salary disbursements	171.3	184.6	196.9	205.2	206.4	208.2	208.4	209.8	210.9	211.3	212.5	214.0
18 Manufacturing	144.6	152.3	157.4	161.6	162.0	163.6	162.9	164.3	165.8	164.9	164.4	166.0
19 Disposable personal income ⁵	172.5	182.7	191.9	198.3	199.8	200.6	201.3	202.1	202.6	203.0	205.2	204.4
20 Retail sales ⁶	169.8	178.4	194.6	208.3	209.3	208.3	208.5	209.3	211.1	211.0	212.9	213.0
<i>Prices⁶</i>												
21 Consumer (1982-84=100)	160.5	163.0	166.6	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0
22 Producer finished goods (1982=100)	131.8	130.7	133.0	136.0	136.8	136.7	137.3	138.6 ^f	138.3	138.1	139.2	140.0

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 1999. The recent annual revision is described in an article in the March 2000 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. 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	1997	1998	1999	2000								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^P	
HOUSEHOLD SURVEY DATA¹												
1 Civilian labor force ²	136,297	137,673	139,368	140,867	141,230	140,489	140,762	140,399	140,742	140,639	140,918	
<i>Employment</i>												
2 Nonagricultural industries ¹	126,159	128,085	130,207	131,801	132,351	131,417	131,858	131,450	131,569	131,821	132,188	
3 Agriculture	3,399	3,378	3,281	3,359	3,355	3,298	3,321	3,299	3,344	3,340	3,233	
<i>Unemployment</i>												
4 Number	6,739	6,210	5,880	5,708	5,524	5,774	5,583	5,650	5,829	5,477	5,496	
5 Rate (percent of civilian labor force)	4.9	4.5	4.2	4.1	3.9	4.1	4.0	4.0	4.1	3.9	3.9	
ESTABLISHMENT SURVEY DATA												
6 Nonagricultural payroll employment ⁴	122,690	125,826	128,616	131,009	131,419	131,590	131,647	131,607	131,528^f	131,723	131,860	
7 Manufacturing	18,675	18,772	18,431	18,476	18,492	18,479	18,493	18,548	18,432 ^f	18,363	18,363	
8 Mining	596	590	535	536	539	539	539	538	537	539	543	
9 Contract construction	5,691	5,985	6,273	6,726	6,694	6,666	6,668	6,670	6,675	6,708	6,742	
10 Transportation and public utilities	6,408	6,600	6,792	6,953	6,970	6,962	6,985	7,010	6,941	7,034	7,057	
11 Trade	28,614	29,127	29,792	30,060	30,252	30,112	30,171	30,246	30,253 ^f	30,239	30,258	
12 Finance	7,109	7,407	7,632	7,621	7,610	7,600	7,588	7,586	7,608 ^f	7,617	7,637	
13 Service	36,040	37,526	39,000	40,090	40,195	40,220	40,401	40,403	40,572 ^f	40,748	40,765	
14 Government	19,557	19,819	20,161	20,547	20,667	21,012	20,802	20,606	20,510 ^f	20,475	20,495	

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 UTILIZATION¹

Seasonally adjusted

Series	1999	2000			1999	2000			1999	2000		
	Q4	Q1	Q2	Q3 ^r	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ^r
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²			
1 Total industry	139.5	141.7	144.5	145.8	172.3	173.8	175.5	177.1	81.0	81.5	82.3	82.3
2 Manufacturing	144.9	147.4	150.2	151.7	180.6	182.4	184.4	186.3	80.3	80.8	81.5	81.4
3 Primary processing ³	125.4	126.0	125.8	124.1	149.8	150.4	150.9	151.2	83.7	83.8	83.4	82.1
4 Advanced processing ⁴	155.2	157.8	163.1	166.3	196.1	198.7	201.6	204.3	79.1	79.9	80.9	81.4
5 Durable goods	177.4	182.5	188.9	192.4	221.0	224.8	229.1	233.2	80.3	81.2	82.5	82.5
6 Lumber and products	120.6	121.3	119.1	115.0	148.4	149.0	149.1	149.0	81.2	81.4	79.9	77.2
7 Primary metals	130.9	132.4	133.1	129.0	150.1	150.7	151.5	152.2	87.2	87.9	87.9	84.8
8 Iron and steel	129.1	130.9	132.4	126.3	152.5	153.5	154.4	155.3	84.6	85.3	85.7	81.3
9 Nonferrous	133.3	134.3	134.0	132.4	147.2	147.5	148.0	148.6	90.5	91.0	90.5	89.1
10 Industrial machinery and equipment	239.9	252.3	263.4	270.5	295.8	306.1	315.2	323.5	81.1	82.4	83.6	83.6
11 Electrical machinery	419.0	458.1	514.3	558.8	514.6	537.2	570.7	607.0	81.4	85.3	90.1	92.1
12 Motor vehicles and parts	154.7	155.2	158.0	152.9	185.0	185.7	186.7	187.7	83.6	83.6	84.6	81.5
13 Aerospace and miscellaneous transportation equipment	89.9	88.0	87.2	88.1	125.8	125.2	124.5	123.9	71.5	70.3	70.0	71.1
14 Nondurable goods	113.4	113.7	113.3	113.1	140.3	140.5	140.6	140.6	80.9	80.9	80.6	80.4
15 Textile mill products	111.4	111.3	109.7	104.5	131.8	131.9	131.9	131.9	84.5	84.4	83.2	79.2
16 Paper and products	117.9	117.0	117.2	113.4	136.1	136.6	136.7	136.5	86.6	85.6	85.8	83.1
17 Chemicals and products	121.8	121.7	120.3	121.5	151.0	151.4	151.7	152.1	80.7	80.4	79.3	79.9
18 Plastics materials	132.3	134.0	131.3	122.3	139.6	140.8	141.9	143.0	94.8	95.2	92.5	85.6
19 Petroleum products	114.1	115.8	117.9	117.0	123.1	123.4	123.6	123.7	92.7	93.9	95.4	94.6
20 Mining	99.5	100.4	102.1	102.5	120.2	119.8	119.3	118.8	82.8	83.8	85.5	86.2
21 Utilities	113.2	113.6	117.5	117.8	128.2	128.6	129.0	129.4	88.3	88.3	91.1	91.1
22 Electric	116.5	115.5	120.4	120.2	126.1	126.6	127.1	127.7	92.4	91.2	94.7	94.1

	1973	1975	Previous cycle ⁵		Latest cycle ⁶		1999	2000					
	High	Low	High	Low	High	Low	Oct.	May	June	July ^r	Aug. ^r	Sept.	Oct. ^p
	Capacity utilization rate (percent) ²												
1 Total industry	89.2	72.6	87.3	71.1	85.4	78.1	81.0	82.4	82.5	82.2	82.4	82.5	82.1
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	80.2	81.5	81.6	81.3	81.4	81.5	81.2
3 Primary processing ³	91.2	68.2	88.1	66.2	88.9	77.7	83.4	83.3	83.2	82.4	81.8	81.9	81.7
4 Advanced processing ⁴	87.2	71.8	86.7	70.4	84.2	76.1	79.1	81.0	81.1	81.1	81.5	81.6	81.3
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	80.3	82.6	82.7	82.3	82.5	82.7	82.0
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	81.4	80.1	78.5	78.3	75.7	77.6	77.5
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	86.1	87.8	87.3	85.3	84.7	84.4	82.8
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	82.1	85.5	85.5	81.0	81.7	81.2	78.4
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	91.1	90.7	89.3	90.6	88.4	88.4	88.2
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	81.6	83.6	83.7	83.4	83.5	83.9	84.1
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	81.1	90.5	91.2	92.4	91.7	92.1	92.1
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	84.2	85.4	84.7	77.7	83.1	83.5	76.8
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	71.9	69.2	71.1	72.5	70.9	69.9	71.5
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	80.6	80.5	80.5	80.5	80.4	80.4	80.6
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	85.5	82.4	82.7	80.7	78.5	78.4	77.9
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	86.9	84.5	86.7	83.1	82.6	83.6	83.8
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	79.4	79.3	79.2	78.9	80.1	80.7	80.7
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	94.0	92.3	91.8	85.9	86.0	84.8	83.9
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	93.2	95.8	95.6	94.6	94.6	94.5	94.4
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	82.6	85.7	86.3	86.3	86.5	85.8	86.5
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	89.9	92.3	91.9	89.1	91.7	92.4	90.6
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	92.8	95.9	95.3	91.7	95.1	95.6	93.7

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 1999. The recent annual revision is described in an article in the March 2000 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 manufactures.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. Monthly highs, 1988-89; monthly lows, 1990-91.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1997	1998	1999	1999	2000								
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^f	Aug. ^f	Sept.
Private residential real estate activity (thousands of units except as noted)													
NEW UNITS													
1 Permits authorized	1,441	1,612	1,664	1,683	1,762	1,661	1,597	1,559	1,511	1,528	1,511	1,486	1,518
2 One-family	1,062	1,188	1,247	1,266	1,317	1,223	1,238	1,164	1,150	1,127	1,117	1,140	1,157
3 Two-family or more	379	425	417	417	445	438	359	395	361	401	394	346	361
4 Started	1,474	1,617	1,667	1,769	1,744	1,822	1,630	1,652	1,591	1,571	1,527	1,519	1,530
5 One-family	1,134	1,271	1,335	1,441	1,361	1,324	1,327	1,310	1,258	1,227	1,201	1,229	1,229
6 Two-family or more	340	346	332	328	383	498	303	342	333	344	326	290	301
7 Under construction at end of period ^d	847	971	993	1,025	1,033	1,041	1,031	1,029	1,023	1,024	1,020	1,013	1,011
8 One-family	555	659	679	710	712	712	706	703	697	696	691	688	688
9 Two-family or more	292	312	314	315	321	329	325	326	326	328	329	325	323
10 Completed	1,400	1,474	1,636	1,675	1,599	1,732	1,728	1,660	1,705	1,545	1,531	1,611	1,553
11 One-family	1,116	1,160	1,307	1,340	1,296	1,382	1,375	1,354	1,377	1,222	1,216	1,269	1,224
12 Two-family or more	284	315	329	335	303	350	353	306	328	323	315	342	329
13 Mobile homes shipped	354	374	348	304	307	291	287	271	265	262	251	249	231
<i>Merchant builder activity in one-family units</i>													
14 Number sold	804	886	907	916	927	905	947	865	875	827 ^f	914	852	953
15 Number for sale at end of period ^d	287	300	326	320	321	309	321	305	308	312 ^f	311	313	311
<i>Price of units sold (thousands of dollars)²</i>													
16 Median	146.0	152.5	160.0	165.0	163.0	162.3	165.7	163.1	165.0	159.9 ^f	168.6	165.0	169.9
17 Average	176.2	181.9	195.8	203.0	200.1	199.6	205.3	207.5	200.1	197.7 ^f	202.4	199.3	204.3
EXISTING UNITS (one-family)													
18 Number sold	4,382	4,970	5,197	5,140	4,450	4,760	5,200	4,880	5,090	5,310	4,820	5,280	5,160
<i>Price of units sold (thousands of dollars)²</i>													
19 Median	121.8	128.4	133.3	133.7	132.2	133.7	134.7	136.1	137.6	140.2	143.3	143.2	141.6
20 Average	150.5	159.1	168.3	168.8	168.9	168.1	171.5	173.3	176.0	178.9	177.7	183.0	178.6
Value of new construction (millions of dollars)³													
CONSTRUCTION													
21 Total put in place	656,084	710,104	765,719	791,698	806,099	816,012	829,517	816,156	811,816	798,860	786,390	802,723	818,021
22 Private	501,426	550,983	592,037	605,802	614,584	629,590	637,743	629,491	629,820	624,383	612,031	617,988	630,529
23 Residential	289,101	314,058	348,584	358,223	365,149	368,745	372,118	368,948	367,653	363,756	347,488	350,489	353,003
24 Nonresidential	212,325	236,925	243,454	247,579	249,435	260,845	265,625	260,543	262,167	260,627	264,543	267,499	277,526
25 Industrial buildings	36,696	40,464	35,016	33,262	33,947	38,538	39,030	38,670	39,814	39,951	42,165	41,552	42,378
26 Commercial buildings	86,151	95,753	103,759	107,187	107,961	115,440	116,030	115,042	113,381	112,834	112,167	115,497	118,807
27 Other buildings	37,193	39,607	41,279	43,392	43,350	45,553	45,808	44,136	45,540	44,559	45,772	46,765	47,458
28 Public utilities and other	52,287	61,101	63,400	63,738	64,177	61,314	64,757	62,695	63,432	63,283	64,439	63,685	68,883
29 Public	154,657	159,121	173,682	185,895	191,515	186,422	191,774	186,665	181,995	174,477	174,359	184,735	187,492
30 Military	2,561	2,538	2,122	2,332	1,782	3,011	2,249	2,180	2,246	2,157	2,102	2,318	2,420
31 Highway	43,886	48,339	54,447	60,218	63,368	53,145	59,007	55,923	51,966	48,148	49,664	52,658	52,874
32 Conservation and development	5,708	5,421	6,002	7,001	6,223	6,975	6,494	5,840	5,363	5,832	4,864	5,614	5,972
33 Other	102,502	102,823	111,110	116,344	120,142	123,291	124,024	122,722	122,420	118,340	117,729	124,145	126,226

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, Oct. 2000 ¹
	1999 Oct.	2000 Oct.	1999	2000 ^f			2000					
			Dec.	Mar.	June	Sept.	June ^f	July ^f	Aug.	Sept.	Oct.	
CONSUMER PRICES² (1982-84=100)												
1 All items	2.6	3.4	2.4	6.1	2.6	2.8	.5	.2	-.1	.5	.2	174.0
2 Food	1.9	2.4	2.2	1.7	2.7	3.9	.1	.5	.2	.2	.1	169.1
3 Energy items	10.2	15.9	7.8	50.5	6.6	3.5	5.6	.1	-2.9	3.8	.2	129.3
4 All items less food and energy	2.1	2.5	1.8	3.4	2.2	2.7	.2	.2	.2	.3	.2	182.8
5 Commodities	1.0	.2	-6	.3	.0	1.7	-2	.0	-1	.5	-1	145.6
6 Services	2.5	3.5	3.1	4.7	3.0	3.0	.3	.3	.3	.1	.2	204.1
PRODUCER PRICES (1982=100)												
7 Finished goods	2.8	3.6	.9	7.9	2.3	2.0	.9	-.1	-.2	.9	.4	140.0
8 Consumer foods .....	.2	1.5	-2.0	3.6	2.7	-2.3	-.2	-.2	-.7	.4	.8	137.8
9 Consumer energy	11.9	19.4	5.9	51.8	8.3	8.6	6.4	-1.4	-.2	3.7	1.4	99.7
10 Other consumer goods	3.0	1.0	1.1	.8	1.0	2.1	.0	.1	.1	.4	.0	155.1
11 Capital equipment .....	.3	.9	1.2	.9	1.2	1.7	.0	.2	.0	.2	.0	139.8
<i>Intermediate materials</i>												
12 Excluding foods and feeds	2.4	4.9	3.6	9.5	3.1	3.1	.9	.2	-.2	.7	.2	131.8
13 Excluding energy	1.1	2.1	2.1	4.2	2.7	.3	.1	.2	-.1	.0	.0	137.0
<i>Crude materials</i>												
14 Foods	-4.7	.7	-3.6	21.5	-10.4	-14.0	-2.7	-2.9	-4.5	3.9	3.5	99.5
15 Energy	35.2	58.4	-27.9	84.9	163.6	11.8	22.6	-5.5	.6	8.1	4.6	140.5
16 Other	6.4	-.4	26.2	9.9	-10.7	-10.5	-1.6	-1.7	-1.3	.3	-.6	141.2

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.

A48 Domestic Nonfinancial Statistics □ January 2001

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1997	1998	1999	1999		2000		
				Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT								
1 Total	8,318.4	8,790.2	9,299.2	9,340.9	9,559.7	9,752.7	9,945.7	10,052.2
<i>By source</i>								
2 Personal consumption expenditures	5,529.3	5,850.9	6,268.7	6,319.9	6,446.2	6,621.7	6,706.3	6,816.7
3 Durable goods	642.5	693.9	761.3	767.2	787.6	826.3	814.3	825.5
4 Nondurable goods	1,641.6	1,707.6	1,845.5	1,860.0	1,910.2	1,963.9	1,997.6	2,032.0
5 Services	3,245.2	3,449.3	3,661.9	3,692.7	3,748.5	3,831.6	3,894.4	3,959.2
6 Gross private domestic investment	1,390.5	1,549.9	1,650.1	1,659.1	1,723.7	1,755.7	1,852.6	1,872.4
7 Fixed investment	1,327.7	1,472.9	1,606.8	1,622.4	1,651.0	1,725.8	1,780.5	1,805.0
8 Nonresidential	999.4	1,107.5	1,203.1	1,216.8	1,242.2	1,308.5	1,359.2	1,392.5
9 Structures	255.8	283.2	288.6	281.2	290.4	308.9	315.1	330.2
10 Producers' durable equipment	743.6	824.3	917.4	935.6	951.8	999.6	1,044.1	1,062.4
11 Residential structures	328.2	365.4	403.8	405.6	408.8	417.3	421.3	412.5
12 Change in business inventories	62.9	77.0	43.3	36.7	72.7	29.9	72.0	67.4
13 Nonfarm	60.0	76.4	43.6	42.0	71.8	32.4	72.2	68.4
14 Net exports of goods and services	-89.3	-151.5	-254.0	-280.5	-299.1	-335.2	-355.4	-386.1
15 Exports	966.4	966.0	990.2	999.5	1,031.0	1,051.9	1,092.9	1,135.1
16 Imports	1,055.8	1,117.5	1,244.2	1,280.0	1,330.1	1,387.1	1,448.3	1,521.2
17 Government consumption expenditures and gross investment	1,487.9	1,540.9	1,634.4	1,642.4	1,688.8	1,710.4	1,742.2	1,749.2
18 Federal	538.2	540.6	568.6	570.4	591.6	580.1	604.5	594.4
19 State and local	949.7	1,000.3	1,065.8	1,072.1	1,097.3	1,130.4	1,137.7	1,154.9
<i>By major type of product</i>								
20 Final sales, total	8,255.5	8,713.2	9,255.9	9,304.2	9,486.9	9,722.8	9,873.7	9,984.8
21 Goods	3,082.5	3,239.3	3,467.0	3,490.6	3,566.0	3,680.3	3,734.1	3,776.6
22 Durable	1,436.2	1,532.3	1,651.1	1,669.4	1,701.8	1,773.7	1,809.6	1,831.0
23 Nondurable	1,646.4	1,707.1	1,815.8	1,821.1	1,864.1	1,906.6	1,924.5	1,945.6
24 Services	4,442.1	4,673.0	4,934.6	4,965.2	5,050.3	5,135.2	5,231.4	5,293.3
25 Structures	730.9	800.9	854.3	848.5	870.7	907.4	908.2	914.9
26 Change in business inventories	62.9	77.0	43.3	36.7	72.7	29.9	72.0	67.4
27 Durable goods	33.1	45.8	27.2	27.6	47.5	20.7	48.3	42.2
28 Nondurable goods	29.8	31.2	16.1	9.1	25.2	9.2	23.7	25.2
MEMO								
29 Total GDP in chained 1996 dollars	8,159.5	8,515.7	8,875.8	8,905.8	9,084.1	9,191.8	9,318.9	9,373.5
NATIONAL INCOME								
30 Total	6,618.4	7,038.1	7,469.7	7,493.1	7,680.7	7,833.5	7,983.2	8,091.9
31 Compensation of employees	4,651.3	4,984.2	5,299.8	5,340.9	5,421.1	5,512.2	5,603.5	5,678.4
32 Wages and salaries	3,886.0	4,192.8	4,475.1	4,512.2	4,583.5	4,660.4	4,740.1	4,803.8
33 Government and government enterprises	664.3	692.7	724.4	727.5	734.5	749.9	760.2	765.3
34 Other	3,221.7	3,500.1	3,750.7	3,784.7	3,849.0	3,910.5	3,980.0	4,038.5
35 Supplement to wages and salaries	765.3	791.4	824.6	828.7	837.7	851.8	863.3	874.6
36 Employer contributions for social insurance	289.9	305.9	323.6	325.9	330.3	337.8	342.9	347.0
37 Other labor income	475.4	485.5	501.0	502.8	507.4	514.0	520.5	527.6
38 Proprietors' income ¹	581.2	620.7	663.5	659.7	689.6	693.9	709.5	725.0
39 Business and professional ¹	551.5	595.2	638.2	644.2	657.9	674.8	688.1	693.3
40 Farm ¹	29.7	25.4	25.3	15.5	31.7	19.1	21.5	31.7
41 Rental income of persons ²	128.3	135.4	143.4	136.6	146.2	145.6	140.8	138.6
42 Corporate profits ¹	833.8	815.0	856.0	842.0	893.2	936.3	963.6	971.2
43 Profits before tax ³	792.4	758.2	823.0	819.0	870.7	920.7	942.5	946.0
44 Inventory valuation adjustment	8.4	17.0	-9.1	-19.7	-19.2	-25.0	-13.6	-4.7
45 Capital consumption adjustment	32.9	39.9	42.1	42.7	41.6	40.6	34.7	29.9
46 Net interest	423.9	482.7	507.1	513.8	530.6	545.4	565.9	578.7

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	1997	1998	1999	1999		2000		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 Total personal income	6,937.0	7,391.0	7,789.6	7,828.5	7,972.3	8,105.8	8,242.1	8,351.0
2 Wage and salary disbursements	3,888.9	4,190.7	4,470.0	4,507.0	4,578.3	4,660.4	4,740.1	4,803.8
3 Commodity-producing industries	975.1	1,038.6	1,089.2	1,097.8	1,111.2	1,130.9	1,147.1	1,160.0
4 Manufacturing	718.4	756.6	782.4	789.0	795.1	802.8	813.1	820.2
5 Distributive industries	879.6	949.1	1,020.3	1,029.9	1,049.4	1,070.9	1,095.7	1,118.2
6 Service industries	1,369.9	1,510.3	1,636.0	1,651.8	1,683.2	1,708.6	1,737.2	1,760.3
7 Government and government enterprises	664.3	692.7	724.4	727.5	734.5	749.9	760.2	765.3
8 Other labor income	475.4	485.5	501.0	502.8	507.4	514.0	520.5	527.6
9 Proprietors' income ¹	581.2	620.7	663.5	659.7	689.6	693.9	709.5	725.0
10 Business and professional ¹	551.5	595.2	638.2	644.2	657.9	674.8	688.1	693.3
11 Farm ¹	29.7	25.4	25.3	15.5	31.7	19.1	21.5	31.7
12 Rental income of persons ²	128.3	135.4	143.4	136.6	146.2	145.6	140.8	138.6
13 Dividends	334.9	351.1	370.3	373.5	380.2	386.9	392.6	399.7
14 Personal interest income	864.0	940.8	963.7	969.4	989.0	1,011.6	1,031.3	1,045.4
15 Transfer payments	962.2	983.0	1,016.2	1,020.3	1,027.4	1,046.9	1,066.1	1,074.2
16 Old-age survivors, disability, and health insurance benefits	565.8	578.0	588.0	589.7	592.8	607.9	624.3	627.2
17 LESS: Personal contributions for social insurance	297.9	316.2	338.5	341.0	345.9	353.4	358.8	363.1
18 EQUALS: Personal income	6,937.0	7,391.0	7,789.6	7,828.5	7,972.3	8,105.8	8,242.1	8,351.0
19 LESS: Personal tax and nontax payments	968.8	1,070.9	1,152.0	1,164.0	1,197.3	1,239.3	1,277.2	1,308.1
20 EQUALS: Disposable personal income	5,968.2	6,320.0	6,637.7	6,664.5	6,775.0	6,866.5	6,964.9	7,042.9
21 LESS: Personal outlays	5,715.3	6,054.7	6,490.1	6,543.3	6,674.1	6,855.6	6,944.3	7,060.2
22 EQUALS: Personal saving	252.9	265.4	147.6	121.1	101.0	11.0	20.6	-17.2
MEMO								
<i>Per capita (chained 1996 dollars)</i>								
23 Gross domestic product	30,434.4	31,474.2 ^f	32,512.4 ^f	32,586.2 ^f	33,153.6 ^f	33,485.6	33,874.6 ^f	33,998.9
24 Personal consumption expenditures	20,230.9	20,988.5 ^f	21,900.7 ^f	22,004.4	22,266.4	22,635.7 ^f	22,757.5 ^f	22,961.6
25 Disposable personal income	21,838.0	22,672.0	23,191.0	23,203.0	23,404.0	23,472.0	23,639.0	23,720.0
26 Saving rate (percent)	4.2	4.2	2.2	1.8	1.5	.2	.3	-.2
GROSS SAVING								
27 Gross saving	1,502.3	1,654.4	1,717.6	1,716.8	1,746.3	1,777.0	1,844.5	1,852.8
28 Gross private saving	1,343.7	1,375.7	1,343.5	1,321.1	1,331.4	1,279.2	1,328.8	1,315.2
29 Personal saving	252.9	265.4	147.6	121.1	101.0	11.0	20.6	-17.2
30 Undistributed corporate profits ¹	261.3	218.9	229.4	214.0	241.7	262.7	278.5	279.2
31 Corporate inventory valuation adjustment	8.4	17.0	-9.1	-19.7	-19.2	-25.0	-13.6	-4.7
<i>Capital consumption allowances</i>								
32 Corporate	581.5	624.3	676.9	687.7	694.8	711.5	731.1	749.9
33 Noncorporate	250.9	265.1	284.5	293.1	288.7	294.1	298.7	303.3
34 Gross government saving	158.6	278.7	374.1	395.7	414.9	497.7	515.7	537.6
35 Federal	33.4	137.4	217.3	240.6	238.4	333.0	339.9	355.2
36 Consumption of fixed capital	86.8	88.4	92.8	93.4	95.0	97.2	98.9	100.9
37 Current surplus or deficit (-), national accounts	-53.3	49.0	124.4	147.3	143.3	235.8	240.9	254.3
38 State and local	125.2	141.3	156.8	155.1	176.6	164.7	175.8	182.4
39 Consumption of fixed capital	94.2	99.5	106.8	107.7	109.9	112.7	115.6	118.2
40 Current surplus or deficit (-), national accounts	31.0	41.7	50.0	47.4	66.6	52.0	60.1	64.2
41 Gross investment	1,532.1	1,629.6	1,645.6	1,627.3	1,678.5	1,699.3	1,771.9	1,756.3
42 Gross private domestic investment	1,390.5	1,549.9	1,650.1	1,659.1	1,723.7	1,755.7	1,852.6	1,872.4
43 Gross government investment	264.6	278.8	308.7	308.0	324.4	334.2	331.9	333.6
44 Net foreign investment	-123.1	-199.1	-313.2	-339.8	-369.6	-390.7	-412.5	-449.7
45 Statistical discrepancy	29.7	-24.8	-71.9	-89.5	-67.8	-77.7	-72.5	-96.5

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 noted¹

Item credits or debits	1997	1998	1999	1999			2000	
				Q2	Q3	Q4	Q1	Q2
1 Balance on current account	-140,540	-217,138	-331,479	-78,982	-89,649	-96,223	-101,505	-106,138
2 Balance on goods and services	-105,932	-166,898	-264,971	-63,300	-72,718	-76,280	-85,117	-89,259
3 Exports	936,937	932,977	956,242	234,297	241,969	249,653	255,977	265,133
4 Imports	-1,042,869	-1,099,875	-1,221,213	-297,597	-314,687	-325,933	-341,094	-354,392
5 Income, net	6,186	-6,211	-18,483	-4,145	-5,535	-5,683	-4,364	-4,543
6 Investment, net	11,050	-1,036	-13,102	-2,813	-4,193	-4,319	-2,987	-3,145
7 Direct	71,935	67,728	62,704	14,698	15,701	16,275	17,068	18,421
8 Portfolio	-60,885	-68,764	-75,806	-17,511	-19,894	-20,594	-20,055	-21,566
9 Compensation of employees	-4,864	-5,175	-5,381	-1,332	-1,342	-1,364	-1,377	-1,398
10 Unilateral current transfers, net	-40,794	-44,029	-48,025	-11,537	-11,396	-14,260	-12,024	-12,336
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	68	-422	2,751	-392	-686	3,711	-131	-572
12 Change in U.S. official reserve assets (increase, -)	-1,010	-6,783	8,747	1,159	1,951	1,569	-554	2,020
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-350	-147	10	-190	-184	-178	-180	-180
15 Reserve position in International Monetary Fund	-3,575	-5,119	5,484	1,413	2,268	1,800	-237	2,328
16 Foreign currencies	2,915	-1,517	3,253	-64	-133	-53	-137	-128
17 Change in U.S. private assets abroad (increase, -)	-487,998	-328,231	-441,685	-171,609	-124,174	-120,162	-178,273	-75,096
18 Bank-reported claims ²	-141,118	-35,572	-69,862	-41,786	-11,259	-45,304	-55,511	-14,861
19 Nonbank-reported claims	-122,888	-10,612	-92,328	-25,734	-27,943	-24,428	-52,563	-26,112
20 U.S. purchases of foreign securities, net	-118,976	-135,995	-128,594	-71,131	-41,420	-17,150	-27,236	-26,350
21 U.S. direct investments abroad, net	-105,016	-146,052	-150,901	-32,958	-43,552	-33,280	-42,963	-37,495
22 Change in foreign official assets in United States (increase, +)	18,876	-20,127	42,864	-1,096	12,191	27,495	22,015	5,905
23 U.S. Treasury securities	-6,690	-9,921	12,177	-6,708	12,963	5,122	16,198	-4,000
24 Other U.S. government obligations	4,529	6,332	20,350	5,792	1,835	6,730	8,107	10,334
25 Other U.S. government liabilities ³	-1,041	-3,550	-3,255	-1,099	-760	89	-644	-772
26 Other U.S. liabilities reported by U.S. banks ³	22,286	-9,501	12,692	1,436	-2,032	14,427	-2,577	-561
27 Other foreign official assets ⁴	-208	-3,487	900	-517	185	1,127	931	904
28 Change in foreign private assets in United States (increase, +)	738,086	502,362	710,700	273,104	182,019	157,072	214,520	216,831
29 U.S. bank-reported liabilities ²	149,026	39,769	67,403	37,151	24,585	19,618	-8,824	48,660
30 U.S. nonbank-reported liabilities	113,921	-7,001	34,298	13,663	-8,085	792	58,061	21,597
31 Foreign private purchases of U.S. Treasury securities, net	146,433	48,581	-20,464	-5,407	9,639	-17,191	-9,248	-20,661
32 U.S. currency flows	24,782	16,622	22,407	3,057	4,697	12,213	-6,847	989
33 Foreign purchases of other U.S. securities, net	197,892	218,075	331,523	80,838	95,620	92,250	132,416	86,547
34 Foreign direct investments in United States, net	106,032	186,316	275,533	143,802	55,563	49,390	48,962	79,699
35 Capital account transactions, net ⁵	350	637	-3,500	165	171	-3,993	166	163
36 Discrepancy	-127,832	69,702	11,602	-22,349	18,177	30,531	43,762	-43,113
37 Due to seasonal adjustment	..	..	..	-1,511	-9,739	5,738	5,724	-2,505
38 Before seasonal adjustment	-127,832	69,702	11,602	-20,838	27,916	24,793	38,038	-40,608
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-1,010	-6,783	8,747	1,159	1,951	1,569	-554	2,020
40 Foreign official assets in United States, excluding line 25 (increase, +)	19,917	-16,577	46,119	3	12,951	27,406	22,659	6,677
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,124	-11,531	1,331	1,632	-783	-1,673	6,109	1,922

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.
2. Reporting banks included all types of depository institutions as well as some brokers and dealers.
3. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
4. Consists of investments in U.S. corporate stocks and in debt securities of private

corporations and state and local governments.

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 TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1997	1998	1999	2000						
				Mar.	Apr.	May	June	July	Aug.	Sept. ^P
1 Goods and services, balance	-105,932	-166,898	-264,971	-30,370	-29,637	-29,794	-29,846	-31,693	-29,806	-34,263
2 Merchandise	-196,665	-246,854	-345,559	-37,148	-36,894	-36,475	-36,862	-38,524	-36,684	-40,208
3 Services	90,733	79,956	80,588	6,778	7,257	6,681	7,016	6,831	6,878	5,945
4 Goods and services, exports	936,937	932,977	956,242	86,975	87,268	86,846	90,991	89,799	92,968	92,360
5 Merchandise	679,702	670,324	684,358	62,513	62,566	62,749	66,468	65,096	67,973	67,316
6 Services	257,235	262,653	271,884	24,462	24,702	24,097	24,523	24,703	24,995	25,044
7 Goods and services, imports	1,042,869	1,099,875	1,221,213	-117,345	-116,905	-116,640	-120,837	-121,492	-122,774	-126,623
8 Merchandise	876,367	917,178	1,029,917	-99,661	-99,460	-99,224	-103,330	-103,620	-104,657	-107,524
9 Services	166,502	182,697	191,296	-17,684	-17,445	-17,416	-17,507	-17,872	-18,117	-19,099

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	1997	1998	1999	2000							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^P
1 Total	69,954	81,755	71,516	66,587	67,160	67,957	66,516	65,333	66,256	65,257	65,523
2 Gold stock, including Exchange Stabilization Fund ¹	11,050	11,041	11,089	11,048	11,048	11,048	11,046	11,046	11,046	11,046	11,046
3 Special drawing rights ^{2,3}	10,027	10,603	10,336	10,122	10,310	10,444	10,257	10,371	10,316	10,169	10,369
4 Reserve position in International Monetary Fund ⁴	18,071	24,111	17,950	15,403	15,373	15,428	15,083	13,798	13,685	13,528	13,491
5 Foreign currencies ⁴	30,809	36,001	32,182	30,014	30,429	31,037	30,130	30,118	31,209	30,514	30,617

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

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

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1997	1998	1999	2000							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^P
1 Deposits	457	167	71	142	110	104	76	78	139	115	104
Held in custody											
2 U.S. Treasury securities ²	620,885	607,574	632,482	632,216	623,553	627,081	624,177	628,001	611,641	595,591	591,071
3 Earmarked gold ³	10,763	10,343	9,933	9,711	9,711	9,688	9,688	9,674	9,620	9,565	9,505

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	1998	1999	2000						
			Mar	Apr.	May	June	July	Aug.	Sept. ^P
1 Total¹	759,928	806,288	834,154	826,302	836,075	846,739	849,469	848,840	849,860
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	125,883	138,817	137,724	135,802	136,129	139,627	136,989	143,010	145,902
3 U.S. Treasury bills and certificates ³	134,177	156,177	157,607	148,820	157,190	160,093	159,781	155,498	155,101
<i>U.S. Treasury bonds and notes</i>									
4 Marketable	432,127	422,266	436,640	435,235	433,823	433,184	433,633	427,007	419,857
5 Nonmarketable ⁴	6,074	6,111	5,770	5,808	5,740	5,180	5,213	5,247	5,280
6 U.S. securities other than U.S. Treasury securities ⁵	61,667	82,917	96,413	100,637	103,193	108,655	113,853	118,078	123,720
<i>By area</i>									
7 Europe ³	256,026	244,805	249,685	250,306	253,416	257,712	255,635	257,498	263,601
8 Canada	10,552 ^f	12,503 ^f	13,338 ^f	13,027 ^f	13,542 ^f	13,728 ^f	12,992 ^f	13,121	12,932
9 Latin America and Caribbean	79,503	73,518	72,407	69,508	71,220	73,344	76,347	77,542	77,500
10 Asia	400,631	463,673	486,133	482,134	485,424	487,417	490,110	486,890	481,344
11 Africa	10,059	7,523	8,024	7,709	7,849	8,656	8,707	8,466	8,323
12 Other countries	3,157 ^f	4,266 ^f	4,567 ^f	3,618 ^f	4,624 ^f	5,882 ^f	5,678 ^f	5,323	6,160

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 States¹
Payable in Foreign Currencies

Millions of dollars, end of period

Item	1996	1997	1998	1999		2000	
				Sept. ^f	Dec.	Mar.	June
1 Banks' liabilities	103,383	117,524	101,125	100,213	88,537	85,649	78,603
2 Banks' claims	66,018	83,038	78,162	67,036	67,365	63,492	62,631
3 Deposits	22,467	28,661	45,985	32,713	34,426	32,967	31,224
4 Other claims	43,551	54,377	32,177	34,323	32,939	30,525	31,407
5 Claims of banks' domestic customers ²	10,978	8,191	20,718	11,534	20,826	21,753	18,802

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	1997	1998	1999	2000						
				Mar.	Apr.	May	June	July	Aug.	Sept. ^P
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,283,027	1,347,837	1,413,622	1,407,854	1,408,223	1,457,629^F	1,456,560^F	1,486,568^F	1,450,815	1,466,078
2 Banks' own liabilities	882,980	884,939	976,400	961,754	976,662	1,036,677 ^F	1,017,559 ^F	1,056,717 ^F	1,019,753	1,039,573
3 Demand deposits	31,344	29,558	42,884	29,255	30,202	29,097	30,719	34,914	30,101	31,936
4 Time deposits ²	198,546	151,761	163,595	167,001	182,657	176,927	182,787	186,483 ^F	184,820	186,929
5 Other ³	168,011	140,752	162,749	161,906	165,626	179,090	175,905	178,711 ^F	179,177	176,499
6 Own foreign offices ⁴	485,079	562,868	607,172	603,592	598,177	651,563	628,148	656,609 ^F	625,655	644,209
7 Banks' custodial liabilities ⁵	400,047	462,898	437,222	446,100	431,561	420,952	439,001	429,851	431,062	426,505
8 U.S. Treasury bills and certificates ⁶	193,239	183,494	185,736	194,987	184,159	174,310	180,951	182,699	180,925	174,604
9 Other negotiable and readily transferable instruments ⁷	93,641	141,699	132,575	127,628	124,207	123,580	124,670	120,624	119,212	120,296
10 Other	113,167	137,705	118,911	123,485	123,195	123,062	133,380	126,528	130,925	131,605
11 Nonmonetary international and regional organizations ⁸	11,690	11,883	15,276	18,729	20,590	22,807	21,366	16,689	14,630	15,658
12 Banks' own liabilities	11,486	10,850	14,357	17,954	19,800	22,109	20,924	16,294	14,377	15,404
13 Demand deposits	16	172	98	71	58	36	34	30	26	19
14 Time deposits ²	5,466	5,793	10,349	9,741	11,338	11,393	12,545	10,305	9,062	10,340
15 Other ³	6,004	4,885	3,910	8,142	8,404	10,680	8,345	5,959	5,289	5,045
16 Banks' custodial liabilities ⁵	204	1,033	919	775	790	698	442	395	253	254
17 U.S. Treasury bills and certificates ⁶	69	636	680	695	623	582	432	371	217	223
18 Other negotiable and readily transferable instruments ⁷	133	397	233	71	77	113	10	21	26	26
19 Other	2	0	6	9	90	3	0	3	10	5
20 Official institutions ⁹	283,685	260,060	294,994	301,021	295,311	284,622	293,319	299,720 ^F	296,770	297,966
21 Banks' own liabilities	102,028	80,256	97,615	87,187	87,379	87,931	88,449	92,739 ^F	90,985	94,507
22 Demand deposits	2,314	3,003	3,341	2,381	2,620	2,781	2,887	4,063	4,573	5,209
23 Time deposits ²	41,396	29,506	28,942	30,117	36,587	31,645	33,520	34,641 ^F	32,009	36,421
24 Other ³	58,318	47,747	65,332	54,689	48,172	53,505	52,042	54,035 ^F	54,403	52,877
25 Banks' custodial liabilities ⁵	181,657	179,804	197,379	213,834	207,952	196,691	204,870	206,981	205,785	203,459
26 U.S. Treasury bills and certificates ⁶	148,301	134,177	156,177	164,781	157,607	148,820	157,190	160,093	159,781	155,498
27 Other negotiable and readily transferable instruments ⁷	33,151	44,953	41,152	48,689	50,118	47,734	47,611	46,363	45,644	47,660
28 Other	205	674	50	364	227	137	69	525	360	301
29 Banks ¹⁰	815,247	885,336	905,347	888,905	892,804	941,920	930,663	961,456 ^F	927,514	939,850
30 Banks' own liabilities	641,447	676,057	733,381	724,870	732,303	781,795	759,887	798,322 ^F	760,426	775,143
31 Unaffiliated foreign banks	156,368	113,189	126,209	121,278	134,126	130,232	131,739	141,713 ^F	134,771	130,934
32 Demand deposits	16,767	14,071	17,583	13,930	14,404	13,254	14,543	17,508	11,959	12,922
33 Time deposits ²	83,433	45,904	48,140	49,712	57,240	55,167	58,095	60,703	62,841	59,620
34 Other ³	56,168	53,214	60,486	57,636	62,482	61,811	59,101	63,502 ^F	59,971	58,392
35 Own foreign offices ⁴	485,079	562,868	607,172	603,592	598,177	651,563	628,148	656,609 ^F	625,655	644,209
36 Banks' custodial liabilities ⁵	173,800	209,279	171,966	164,035	160,501	160,125	170,776	163,134	167,088	164,707
37 U.S. Treasury bills and certificates ⁶	31,915	35,359	16,875	15,708	13,931	14,179	13,239	12,657	12,251	10,667
38 Other negotiable and readily transferable instruments ⁷	35,393	45,332	45,695	35,453	33,790	33,667	34,657	34,018	33,893	32,679
39 Other	106,492	128,588	109,396	112,874	112,780	112,279	122,880	116,459	120,944	121,361
40 Other foreigners	172,405	190,558	198,005	199,199	199,498	208,280	211,212	208,743 ^F	211,901	212,604
41 Banks' own liabilities	128,019	117,776	131,047	131,743	137,180	144,842	148,299	149,362 ^F	153,965	154,519
42 Demand deposits	12,247	12,312	21,862	12,873	13,120	13,026	13,255	13,313	13,543	13,786
43 Time deposits ²	68,251	70,558	76,164	77,431	77,492	78,722	78,627	80,834	80,908	80,548
44 Other ³	47,521	34,906	33,021	41,439	46,568	53,094	56,417	55,215 ^F	59,514	60,185
45 Banks' custodial liabilities ⁵	44,386	72,782	66,958	67,456	62,318	63,438	62,913	59,381 ^F	57,936	58,085
46 U.S. Treasury bills and certificates ⁶	12,954	13,322	12,004	13,803	11,998	10,729	10,090	9,579 ^F	8,676	8,216
47 Other negotiable and readily transferable instruments ⁷	24,964	51,017	45,495	43,415	40,222	42,066	42,392	40,261 ^F	39,649	39,931
48 Other	6,468	8,443	9,459	10,238	10,098	10,643	10,431	9,541	9,611	9,938
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	16,083	27,026	30,345	28,056	26,087	27,238	26,571	26,186	25,911	25,991

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

8. 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.

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

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

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars

Millions of dollars, end of period

Area or country	1997	1998	1999	2000						
				Mar.	Apr.	May	June	July ^f	Aug.	Sept. ^p
1 Total, all foreigners	708,225	734,995	795,377	813,890	815,083	820,782	825,898	833,459	800,472	848,374
2 Foreign countries	705,762	731,378	790,814	809,581	810,081	816,439	820,887	829,573	796,695	843,509
3 Europe	199,880	233,321	315,905	361,470	350,067	359,895	357,243	361,594	331,384	363,587
4 Austria	1,354	1,043	2,643	2,493	2,429	2,242	2,148	2,617	1,956	2,569
5 Belgium and Luxembourg	6,641	7,187	10,193	8,022	7,939	5,959	6,393	6,302	5,819	6,209
6 Denmark	980	2,383	1,669	1,625	1,940	2,001	3,440	3,349	3,278	3,403
7 Finland	1,233	1,070	2,020	2,093	2,087	2,414	2,650	2,897	2,701	3,561
8 France	16,239	15,251	29,142	28,127	30,958	35,217	28,633	25,845	23,229	27,062
9 Germany	12,676	15,923	29,205	35,371	33,991	31,521	33,585	30,452	31,804	33,238
10 Greece	402	575	806	842	864	828	837	754	557	516
11 Italy	6,230	7,284	8,496	7,048	7,034	6,565	7,724	6,447	7,358	6,230
12 Netherlands	6,141	5,697	11,810	14,089	13,932	14,377	15,668	13,159	14,999	15,507
13 Norway	555	827	1,000	1,132	1,499	1,832	1,935	2,401	1,448	4,474
14 Portugal	777	669	1,571	1,043	1,085	1,268	1,424	1,454	1,273	1,480
15 Russia	1,248	789	713	709	709	715	744	718	666	643
16 Spain	2,942	5,735	3,796	3,187	3,217	3,126	3,844	4,767	3,566	3,208
17 Sweden	1,854	4,223	3,264	7,492	8,100	7,112	8,744	8,404	8,761	8,501
18 Switzerland	28,846	46,874	79,158	111,544	97,688	105,573	86,284	94,550	87,172	99,423
19 Turkey	1,558	1,982	2,617	3,053	3,148	3,269	3,189	2,735	2,855	3,185
20 United Kingdom	103,143	106,349	120,190	125,162	125,935	128,259	141,769	147,073	127,335	136,919
21 Yugoslavia ²	52	53	50	50	51	49	49	49	49	54
22 Other Europe and other former U.S.S.R. ³	7,009	9,407	7,562	8,388	7,461	7,568	8,183	7,621	6,558	7,405
23 Canada	27,189	47,037	37,206	42,686	43,300	45,481	42,591	40,420	37,934	37,707
24 Latin America and Caribbean	343,730	342,654	353,416	323,816	328,769	321,219	328,629	334,855	338,764	351,603
25 Argentina	8,924	9,552	10,167	9,845	9,732	9,507	9,386	10,630	10,567	10,809
26 Bahamas	89,379	96,455	99,324	74,018	72,312	71,459	80,393	76,477	78,896	83,126
27 Bermuda	8,782	5,011	8,007	7,441	5,685	6,478	6,285	6,906	4,684	6,178
28 Brazil	21,696	16,184	15,706	14,981	16,210	16,376	16,544	18,199	18,555	19,061
29 British West Indies	145,471	153,749	167,189	166,284	173,907	165,920	164,969	172,262	175,966	182,899
30 Chile	7,913	8,250	6,607	6,511	6,447	6,399	6,213	6,070	5,985	5,961
31 Colombia	6,945	6,507	4,524	3,937	3,907	4,032	3,796	3,909	3,953	3,850
32 Cuba	0	0	0	0	0	0	0	0	3	623
33 Ecuador	1,311	1,400	760	688	662	640	613	610	607	623
34 Guatemala	886	1,127	1,135	1,181	1,252	1,245	1,235	1,215	1,277	1,228
35 Jamaica	424	239	295	328	316	300	291	299	305	337
36 Mexico	19,428	21,212	17,899	16,998	16,944	16,771	17,066	16,426	16,840	16,853
37 Netherlands Antilles	17,838	6,779	5,982	6,385	6,388	6,579	6,502	6,652	5,804	5,770
38 Panama	4,364	3,584	3,387	2,912	2,844	2,984	3,063	2,981	2,882	2,780
39 Peru	3,491	3,275	2,529	2,223	2,356	2,515	2,458	2,488	2,487	2,490
40 Uruguay	629	1,126	801	761	714	708	620	649	777	727
41 Venezuela	2,129	3,089	3,494	3,580	3,474	3,595	3,471	3,357	3,410	3,596
42 Other	4,120	5,115	5,610	5,743	5,619	5,711	5,724	5,725	5,766	5,315
43 Asia	125,092	98,607	74,914	72,692	78,257	80,221	82,415	83,127	79,022	81,626
44 China	1,579	1,261	2,090	3,161	4,532	2,611	1,688	1,822	1,601	1,519
45 Mainland	922	1,041	1,390	925	1,080	1,732	1,339	922	790	2,473
46 Taiwan	13,991	9,080	5,893	4,519	4,546	4,573	4,266	5,777	5,403	6,014
47 Hong Kong	2,200	1,440	1,738	1,749	1,786	1,941	1,905	2,013	2,037	2,063
48 India	2,651	1,942	1,776	1,817	1,821	1,819	1,856	1,940	1,880	1,925
49 Indonesia	768	1,166	1,875	3,412	3,293	2,857	1,610	1,982	2,281	1,116
50 Israel	59,549	46,713	28,636	27,310	30,381	31,689	33,256	31,209	32,494	35,216
51 Japan	18,162	8,289	9,262	11,466	12,209	14,018	15,866	18,915	16,924	14,437
52 Korea (South)	1,689	1,465	1,410	1,698	1,714	1,884	1,865	1,802	1,483	1,492
53 Philippines	2,259	1,807	1,515	1,154	1,081	1,137	1,255	1,051	1,059	1,071
54 Thailand	10,790	16,130	14,252	11,612	10,765	11,666	12,128	10,367	10,006	9,975
55 Middle Eastern oil-exporting countries ⁴	10,532	8,273	5,077	3,869	5,049	4,294	5,381	5,327	3,064	4,325
56 Africa	3,530	3,122	2,268	1,991	2,054	2,109	2,494	2,505	2,215	2,603
57 Egypt	247	257	258	243	206	218	230	217	186	176
58 Morocco	511	372	352	279	300	271	259	272	247	254
59 South Africa	805	643	622	428	360	341	772	411	358	378
60 Zaire	0	0	24	0	0	0	0	0	0	0
61 Oil-exporting countries ⁵	1,212	936	276	198	394	508	430	751	616	913
62 Other	755	914	736	843	794	771	803	854	808	882
63 Other	6,341	6,637	7,105	6,926	7,634	7,514	7,515	7,072	7,376	6,383
64 Australia	5,300	6,173	6,824	6,674	7,225	7,139	7,240	6,891	7,036	6,136
65 Other	1,041	464	281	252	409	375	275	181	340	247
66 Nonmonetary international and regional organizations ⁶	2,463	3,617	4,563	4,309	5,002	4,343	5,011	3,886	3,777	4,865

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.
 2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
 3. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
 4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 5. Comprises Algeria, Gabon, Libya, and Nigeria.
 6. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1997	1998	1999	2000						
				Mar.	Apr.	May	June	July ^f	Aug.	Sept. ^p
1 Total	852,852	875,891	947,176	1,010,415	..	..	1,010,005	..	..	..
2 Banks' claims	708,225	734,995	795,377	813,890	815,083	820,782	825,898	833,459	800,472	848,374
3 Foreign public borrowers	20,581	23,542	35,090	36,036	37,300	43,092	41,461	48,424	41,406	40,389
4 Own foreign offices ²	431,685	484,535	528,397	552,218	557,339	549,165	553,262	557,557	544,142	579,876
5 Unaffiliated foreign banks	109,230	106,206	101,227	96,030	91,849	92,280	92,911	89,352	82,536	91,697
6 Deposits	30,995	27,230	34,360	24,361	22,399	24,769	22,373	21,856	21,822	22,855
7 Other	78,235	78,976	66,867	71,669	69,450	67,511	70,538	67,496	60,714	68,842
8 All other foreigners	146,729	120,712	130,663	129,606	128,595	136,245	138,264	138,126	132,388	136,412
9 Claims of banks' domestic customers ³	144,627	140,896	151,799	196,525	..	..	184,107	..	..	..
10 Deposits	73,110	79,363	88,006	128,490	..	..	106,055	..	..	..
11 Negotiable and readily transferable instruments ⁴	53,967	47,914	51,161	56,032	..	..	62,975	..	..	..
12 Outstanding collections and other claims	17,550	13,619	12,632	12,003	..	..	15,077	..	..	..
MEMO										
13 Customer liability on acceptances	9,624	4,520	4,553	4,464	..	..	5,082	..	..	..
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	33,816	39,978	31,125	53,657	45,383	45,468 ^f	44,139	46,337	55,293	57,780

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, bankers acceptances, and commercial paper.

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

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity, by borrower and area ²	1996	1997	1998	1999		2000	
				Sept.	Dec.	Mar.	June
1 Total	258,106	276,550	250,418	270,098	266,309	261,056	273,022
<i>By borrower</i>							
2 Maturity of one year or less	211,859	205,781	186,526	196,772	187,383	180,453	187,028
3 Foreign public borrowers	15,411	12,081	13,671	22,526	22,811	23,436	25,289
4 All other foreigners	196,448	193,700	172,855	174,246	164,572	157,017	161,739
5 Maturity of more than one year	46,247	70,769	63,892	73,326	78,926	80,603	85,994
6 Foreign public borrowers	6,790	8,499	9,839	12,162	12,013	12,802	15,484
7 All other foreigners	39,457	62,270	54,053	61,164	66,913	67,801	70,510
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	55,690	58,294	68,679	82,566	80,842	79,639	76,366
10 Canada	8,339	9,917	10,968	8,544	7,859	8,408	7,353
11 Latin America and Caribbean	103,254	97,207	81,766	78,063	68,987	62,325	66,065
12 Asia	38,078	33,964	18,007	20,859	21,802	23,002	29,231
13 Africa	1,316	2,211	1,835	1,119	1,122	957	1,569
13 All other ³	5,182	4,188	5,271	5,621	6,771	6,122	6,444
9 Maturity of more than one year							
14 Europe	6,965	13,240	14,923	18,619	22,951	23,951	25,116
15 Canada	2,645	2,525	3,140	3,193	3,192	3,127	3,323
16 Latin America and Caribbean	24,943	42,049	33,442	38,154	38,789	39,194	41,758
17 Asia	9,392	10,235	10,018	10,641	11,257	11,612	12,446
18 Africa	1,361	1,236	1,232	1,087	1,065	965	924
19 All other ³	941	1,484	1,137	1,632	1,672	1,754	2,427

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

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

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

Billions of dollars, end of period

Area or country	1996	1997	1998			1999			2000		
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
1 Total	645.8	721.8	1,017.2	1,071.9	1,051.6	992.8	939.4	936.8	936.7	952.7	991.0
2 G-10 countries and Switzerland	228.3	242.8	273.9	240.0	217.7	208.7	223.1	206.4	236.5	284.1	323.3
3 Belgium and Luxembourg	11.7	11.0	14.0	11.7	10.7	15.6	16.1	15.7	14.3	14.2	13.8
4 France	16.6	15.4	21.7	20.3	18.4	21.6	20.4	19.9	29.0	27.1	32.6
5 Germany	29.8	28.6	30.5	31.4	30.9	34.7	32.1	37.4	38.7	37.3	31.5
6 Italy	16.0	15.5	21.1	18.5	11.5	17.8	16.4	15.0	18.1	20.0	20.0
7 Netherlands	4.0	6.2	8.6	8.4	7.8	10.7	13.3	10.6	12.3	17.1	16.1
8 Sweden	2.6	3.3	3.1	2.1	2.3	4.0	2.6	3.6	3.0	3.9	3.5
9 Switzerland	5.3	7.2	7.0	7.6	8.5	7.8	8.2	8.8	10.3	10.1	13.8
10 United Kingdom	104.7	113.4	125.9	100.1	85.4	56.1	74.5	51.9	72.4	113.5	148.3
11 Canada	14.0	13.7	16.7	15.9	16.8	15.9	17.1	17.9	16.3	17.5	18.2
12 Japan	23.7	28.6	25.3	23.9	25.4	24.6	22.6	25.6	22.0	23.5	25.4
13 Other industrialized countries	66.1	65.5	78.7	78.5	69.0	80.1	79.7	71.7	68.4	62.8	76.2
14 Austria	1.1	1.5	1.9	2.1	1.4	2.8	2.8	3.0	3.5	2.6	2.8
15 Denmark	1.5	2.4	2.2	3.0	2.2	3.4	2.9	2.1	2.6	1.5	1.2
16 Finland	.8	1.3	1.4	1.6	1.4	1.5	.9	.9	.9	.8	1.3
17 Greece	6.7	5.1	5.8	5.8	5.9	6.5	5.9	6.6	6.0	5.7	6.8
18 Norway	8.0	3.6	3.4	3.2	3.2	3.1	3.0	3.8	3.3	3.0	4.6
19 Portugal	.9	.9	1.4	1.1	1.4	1.4	1.2	1.2	1.0	1.0	2.0
20 Spain	13.3	12.6	17.5	19.5	13.7	15.7	16.6	15.1	12.1	11.3	12.2
21 Turkey	2.7	4.5	6.5	5.2	4.8	5.2	4.9	4.7	4.8	5.1	5.6
22 Other Western Europe	4.9	8.3	9.9	10.4	10.4	10.2	10.2	9.2	6.8	8.3	8.8
23 South Africa	2.0	2.2	6.9	5.4	4.4	4.8	4.7	4.0	3.8	4.8	4.6
24 Australia	24.0	23.1	21.8	21.4	20.3	25.4	26.6	21.1	23.5	18.6	26.3
25 OPEC ²	19.8	26.0	25.5	26.0	27.1	26.2	26.1	30.1	31.4	28.9	32.3
26 Ecuador	1.1	1.3	1.2	1.2	1.3	1.2	1.1	.9	.8	.7	.7
27 Venezuela	2.4	2.5	3.3	3.1	3.2	3.5	3.2	3.0	2.8	3.0	2.9
28 Indonesia	5.2	6.7	5.1	4.7	4.7	4.5	5.0	4.4	4.2	3.9	4.1
29 Middle East countries	10.7	14.4	15.6	16.1	17.0	16.7	16.5	21.4	23.0	21.1	24.0
30 African countries	.4	1.2	.3	.8	1.0	.4	.4	.5	.5	.2	.7
31 Non-OPEC developing countries	130.3	139.2	146.1	140.4	143.4	146.7	148.6	142.5	147.3	152.5	155.6
<i>Latin America</i>											
32 Argentina	14.3	18.4	20.9	22.9	23.1	24.3	22.8	22.1	22.4	21.3	20.3
33 Brazil	20.7	28.6	30.3	24.0	24.7	24.2	25.1	22.1	26.4	26.9	27.0
34 Chile	7.0	8.7	9.1	8.5	8.3	8.6	8.2	7.7	7.4	8.2	8.1
35 Colombia	4.1	3.4	3.6	3.4	3.2	3.3	3.1	2.7	2.5	2.5	2.4
36 Mexico	16.2	17.4	18.1	18.7	18.9	19.7	18.5	19.4	18.7	18.3	20.5
37 Peru	1.6	2.0	2.2	2.2	2.2	2.2	2.1	1.8	1.7	1.9	2.1
38 Other	3.3	4.1	4.4	4.6	5.4	5.3	5.5	5.5	5.9	6.5	6.7
<i>Asia</i>											
39 China											
39 Mainland	2.5	3.2	3.9	2.8	3.0	5.0	5.3	3.3	3.6	4.6	3.8
40 Taiwan	10.3	9.5	11.8	12.5	13.3	11.8	12.6	12.3	12.0	12.6	12.6
41 India	4.3	4.9	4.9	5.3	5.5	5.5	6.7	7.0	7.7	7.9	8.2
42 Israel	.5	.7	.9	.9	1.1	1.1	2.0	1.0	1.8	3.3	1.5
43 Korea (South)	21.5	15.6	14.6	13.1	13.7	13.7	15.3	16.0	15.1	17.4	21.2
44 Malaysia	6.0	5.1	4.7	5.0	5.6	5.9	6.0	6.1	6.1	6.5	6.8
45 Philippines	5.8	5.7	5.4	4.7	5.1	5.4	5.7	5.8	6.2	5.3	5.3
46 Thailand	5.7	5.4	5.0	5.3	4.7	4.5	4.2	4.0	4.1	4.3	4.0
47 Other Asia	4.1	4.3	3.7	3.1	2.9	3.0	2.8	2.8	2.9	2.6	2.5
<i>Africa</i>											
48 Egypt	.7	.9	1.5	1.7	1.3	1.4	1.4	1.3	1.4	1.4	1.3
49 Morocco	.7	.6	.6	.5	.5	.5	.5	.5	.4	.3	.3
50 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa ³	.9	.8	.8	1.1	1.0	1.2	1.0	1.0	1.0	.9	.9
52 Eastern Europe	6.9	9.1	11.3	6.3	5.5	7.1	5.8	5.4	5.2	6.3	9.4
53 Russia ⁴	3.7	5.1	6.9	2.8	2.2	2.3	2.1	2.0	1.6	1.7	1.5
54 Other	3.2	4.0	4.4	3.5	3.3	4.8	3.7	3.4	3.6	4.7	7.9
55 Offshore banking centers	135.1	140.2	130.0	121.0	93.9	93.6	75.9	89.4	60.1	42.0	52.4
56 Bahamas	20.5	24.2	28.6	30.7	35.4	32.6	20.4	28.6	13.9	2.4	.5
57 Bermuda	4.5	9.8	9.4	10.4	4.6	3.9	5.7	8.2	8.0	7.3	6.3
58 Cayman Islands and other British West Indies	37.2	43.4	34.3	27.8	12.8	13.9	7.2	6.3	1.3	.0	5.1
59 Netherlands Antilles	26.1	14.6	10.5	6.0	2.6	2.7	1.3	9.1	1.7	2.5	2.6
60 Panama ⁵	2.0	3.1	3.3	4.0	3.9	3.9	3.9	3.9	3.9	3.4	3.3
61 Lebanon	.1	.1	.1	.2	.1	.1	.1	.1	.1	.1	.1
62 Hong Kong, China	27.9	32.2	30.0	30.6	23.3	22.8	22.0	22.4	21.0	22.2	20.7
63 Singapore	16.7	12.7	13.6	11.1	11.1	13.5	15.2	10.6	10.1	4.1	13.6
64 Other ⁶	.1	.1	.2	.2	.2	.2	.1	.2	.1	.1	.1
65 Miscellaneous and unallocated ⁷	59.6	99.1	351.7	459.9	495.1	430.4	380.2	391.2	387.9	376.1	341.9

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	1996	1997	1998	1999				2000	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	61,782	57,382	46,570	46,663	49,337	52,979	53,044	52,555	70,534
2 Payable in dollars	39,542	41,543	36,668	34,030	36,032	36,296	37,605	34,680	47,864
3 Payable in foreign currencies	22,240	15,839	9,902	12,633	13,305	16,683	15,415	17,875	22,670
<i>By type</i>									
4 Financial liabilities	33,049	26,877	19,255	22,458	25,058	27,422	27,980	28,246	44,068
5 Payable in dollars	11,913	12,630	10,371	11,225	13,205	12,231	13,883	11,924	22,803
6 Payable in foreign currencies	21,136	14,247	8,884	11,233	11,853	15,191	14,097	16,322	21,265
7 Commercial liabilities	28,733	30,505	27,315	24,205	24,279	25,557	25,064	24,309	26,466
8 Trade payables	12,720	10,904	10,978	9,999	10,935	12,651	12,857	12,401	13,764
9 Advance receipts and other liabilities	16,013	19,601	16,337	14,206	13,344	12,906	12,207	11,908	12,702
10 Payable in dollars	27,629	28,913	26,297	22,805	22,827	24,065	23,722	22,756	25,061
11 Payable in foreign currencies	1,104	1,592	1,018	1,400	1,452	1,492	1,318	1,553	1,405
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	23,179	18,027	12,589	16,098	19,578	21,695	23,241	23,116	30,332
13 Belgium and Luxembourg	632	186	79	50	70	50	31	4	163
14 France	1,091	1,425	1,097	1,178	1,287	1,675	1,659	1,405	1,702
15 Germany	1,834	1,958	2,063	1,906	1,959	1,712	1,974	1,390	1,671
16 Netherlands	556	494	1,406	1,337	2,104	2,066	1,996	1,970	2,035
17 Switzerland	699	561	155	141	143	133	147	97	137
18 United Kingdom	17,161	11,667	5,980	9,729	13,097	15,096	16,521	16,579	21,463
19 Canada	1,401	2,374	693	781	320	344	284	313	714
20 Latin America and Caribbean	1,668	1,386	1,495	1,528	1,369	1,180	892	846	2,874
21 Bahamas	236	141	7	1	1	1	1	1	78
22 Bermuda	50	229	101	78	52	26	5	1	1,016
23 Brazil	78	143	152	137	131	122	126	128	146
24 British West Indies	1,030	604	957	1,064	944	786	492	489	463
25 Mexico	17	26	59	22	19	28	25	22	26
26 Venezuela	1	1	2	2	1	0	0	0	0
27 Asia	6,423	4,387	3,785	3,475	3,217	3,622	3,437	3,275	9,453
28 Japan	5,869	4,102	3,612	3,337	3,035	3,384	3,142	2,985	6,024
29 Middle Eastern oil-exporting countries ¹	25	27	0	1	2	3	3	4	5
30 Africa	38	60	28	31	29	31	28	28	33
31 Oil-exporting countries ²	0	0	0	2	0	0	0	0	0
32 All other ³	340	643	665	545	545	550	98	668	662
<i>Commercial liabilities</i>									
33 Europe	9,767	10,228	10,030	8,580	8,718	9,265	9,262	8,646	9,293
34 Belgium and Luxembourg	479	666	278	229	189	128	140	78	178
35 France	680	764	920	654	656	620	672	539	711
36 Germany	1,002	1,274	1,392	1,088	1,143	1,201	1,131	914	948
37 Netherlands	766	439	429	361	432	535	507	648	562
38 Switzerland	624	375	499	535	497	593	626	536	565
39 United Kingdom	4,303	4,086	3,697	3,008	2,959	3,175	3,071	2,661	2,982
40 Canada	1,090	1,175	1,390	1,597	1,670	1,753	1,775	2,024	2,053
41 Latin America and Caribbean	2,574	2,176	1,618	1,612	1,674	1,957	2,310	2,286	2,607
42 Bahamas	63	16	14	11	19	24	22	9	10
43 Bermuda	297	203	198	225	180	178	152	287	300
44 Brazil	196	220	152	107	112	120	145	115	119
45 British West Indies	14	12	10	7	5	39	48	23	22
46 Mexico	665	565	347	437	490	704	887	805	1,073
47 Venezuela	328	261	202	155	149	182	305	193	239
48 Asia	13,422	14,966	12,342	10,428	10,039	10,428	9,886	9,681	10,965
49 Japan	4,614	4,500	3,827	2,715	2,753	2,689	2,609	2,274	2,200
50 Middle Eastern oil-exporting countries ¹	2,168	3,111	2,852	2,479	2,209	2,618	2,551	2,308	3,489
51 Africa	1,040	874	794	727	832	959	950	943	950
52 Oil-exporting countries ²	532	408	393	377	392	584	499	536	575
53 Other ³	840	1,086	1,141	1,261	1,346	1,195	881	729	598

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	1996	1997	1998	1999				2000	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	65,897	68,128	77,462	69,054	63,884	67,566	76,669	84,266	80,685
2 Payable in dollars	59,156	62,173	72,171	64,026	57,006	60,456	69,170	74,331	72,254
3 Payable in foreign currencies	6,741	5,955	5,291	5,028	6,878	7,110	7,472	9,935	8,431
<i>By type</i>									
4 Financial claims	37,523	36,959	46,260	38,217	31,957	33,877	40,231	47,798	44,303
5 Deposits	21,624	22,909	30,199	18,686	13,350	15,192	18,566	23,316	17,462
6 Payable in dollars	20,852	21,060	28,549	17,101	11,636	13,240	16,373	21,442	15,361
7 Payable in foreign currencies	772	1,849	1,650	1,585	1,714	1,952	2,193	1,874	2,101
8 Other financial claims	15,899	14,050	16,061	19,531	18,607	18,685	21,665	24,482	26,841
9 Payable in dollars	12,374	11,806	14,049	17,457	14,800	15,718	18,593	19,659	22,384
10 Payable in foreign currencies	3,525	2,244	2,012	2,074	3,807	2,967	3,072	4,823	4,457
11 Commercial claims	28,374	31,169	31,202	30,837	31,927	33,689	36,438	36,468	36,382
12 Trade receivables	25,751	27,536	27,202	26,724	27,791	29,397	32,629	31,443	31,237
13 Advance payments and other claims	2,623	3,633	4,000	4,113	4,136	4,292	3,809	5,025	5,145
14 Payable in dollars	25,930	29,307	29,573	29,468	30,570	31,498	34,204	33,230	34,509
15 Payable in foreign currencies	2,444	1,862	1,629	1,369	1,357	2,191	2,207	3,238	1,873
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	11,085	14,999	12,294	12,881	13,978	13,878	13,023	16,789	18,254
17 Belgium and Luxembourg	185	406	661	469	457	574	529	540	317
18 France	694	1,015	864	913	1,368	1,212	967	1,835	1,292
19 Germany	276	427	304	302	367	549	504	669	576
20 Netherlands	493	677	875	993	997	1,067	1,229	1,981	1,984
21 Switzerland	474	434	414	530	504	559	643	612	624
22 United Kingdom	7,922	10,337	7,766	8,400	8,631	8,157	7,561	9,044	11,668
23 Canada	3,442	3,313	2,503	3,111	2,828	3,172	2,553	3,175	5,799
24 Latin America and Caribbean	20,032	15,543	27,714	18,825	11,486	12,749	18,206	21,945	14,874
25 Bahamas	1,553	2,308	403	666	467	755	1,593	1,299	655
26 Bermuda	140	108	39	41	39	524	11	11	34
27 Brazil	1,468	1,313	835	1,112	1,102	1,265	1,476	1,646	1,666
28 British West Indies	15,536	10,462	24,388	14,621	7,393	7,263	12,099	15,814	7,751
29 Mexico	457	537	1,245	1,583	1,702	1,791	1,798	1,979	2,048
30 Venezuela	31	36	55	72	71	47	48	65	78
31 Asia	2,221	2,133	3,027	2,648	2,801	3,205	5,457	4,430	3,923
32 Japan	1,035	823	1,194	942	949	1,250	3,262	2,021	1,410
33 Middle Eastern oil-exporting countries ¹	22	11	9	8	5	5	21	29	42
34 Africa	174	319	159	174	228	251	286	232	320
35 Oil-exporting countries ²	14	15	16	26	5	12	15	15	39
36 All other ³	569	652	563	578	636	622	706	1,227	1,133
<i>Commercial claims</i>									
37 Europe	10,443	12,120	13,246	12,782	12,961	14,367	16,389	16,118	15,910
38 Belgium and Luxembourg	226	328	238	281	286	289	316	271	425
39 France	1,644	1,796	2,171	2,173	2,094	2,375	2,236	2,520	2,690
40 Germany	1,337	1,614	1,822	1,599	1,660	1,944	1,960	2,034	1,902
41 Netherlands	562	597	467	415	389	617	1,429	1,337	1,241
42 Switzerland	642	554	483	367	385	714	610	611	563
43 United Kingdom	2,946	3,660	4,769	4,529	4,615	4,789	5,827	5,354	4,928
44 Canada	2,165	2,660	2,617	2,983	2,855	2,638	2,757	3,088	3,246
45 Latin America and Caribbean	5,276	5,750	6,296	5,930	6,278	5,879	5,959	5,899	5,789
46 Bahamas	35	27	24	10	21	29	20	15	48
47 Bermuda	275	244	536	500	583	549	390	404	380
48 Brazil	1,303	1,162	1,024	936	887	763	905	849	894
49 British West Indies	190	109	104	117	127	157	181	95	51
50 Mexico	1,128	1,392	1,545	1,431	1,478	1,613	1,678	1,529	1,564
51 Venezuela	357	576	401	361	384	365	439	435	465
52 Asia	8,376	8,713	7,192	7,080	7,690	8,579	9,165	9,101	9,168
53 Japan	2,003	1,976	1,681	1,486	1,511	1,823	2,074	2,082	1,881
54 Middle Eastern oil-exporting countries ¹	971	1,107	1,135	1,286	1,465	1,479	1,625	1,533	1,241
55 Africa	746	680	711	685	738	682	631	716	765
56 Oil-exporting countries ²	166	119	165	116	202	221	171	82	160
57 Other ³	1,368	1,246	1,140	1,377	1,405	1,544	1,537	1,546	1,504

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	1998	1999	2000		2000					
			Jan. - Sept.	Mar.	Apr.	May	June	July ^f	Aug.	Sept. ^g
U.S. corporate securities										
STOCKS										
1 Foreign purchases	1,574,192	2,340,659	2,693,607	402,373	309,778	268,454	300,356	271,145	286,819	297,626
2 Foreign sales	1,524,203	2,233,137	2,555,891	378,141	306,474	262,142	282,563	255,999	262,775	289,067
3 Net purchases, or sales (-)	49,989	107,522	137,716	24,232	3,304	6,312	17,793	15,146	24,044	8,559
4 Foreign countries	50,369	107,578	137,695	24,414	3,243	6,291	17,823	15,136	24,020	8,601
5 Europe	68,124	98,060	131,925	18,594	12,289	7,496	14,853	12,922	15,678	10,012
6 France	5,672	3,813	3,522	1,831	1,341	-588	-653	1,292	575	-565
7 Germany	9,195	13,410	28,604	4,532	3,431	3,355	2,544	371	2,670	643
8 Netherlands	8,249	8,083	3,036	277	113	-113	584	554	594	792
9 Switzerland	5,001	5,650	12,754	-913	1,689	585	67	1,702	1,114	780
10 United Kingdom	23,952	42,902	41,043	4,794	558	1,440	7,026	6,033	7,098	5,161
11 Canada	-4,689	-335	2,589	286	9	834	-46	-166	1,038	-922
12 Latin America and Caribbean	757	5,187	-7,672	4,840	-11,441	-2,633	1,898	1,363	4,907	-3,405
13 Middle East ¹	-1,449	-1,066	7,818	2,124	2,071	705	4	98	908	52
14 Other Asia	-12,351	4,445	1,888	-1,716	52	-121	870	815	1,789	2,704
15 Japan	-1,171	5,723	-2,847	-2,604	-446	-1,045	439	492	568	2,467
16 Africa	639	372	407	205	228	-50	54	-124	2	-56
17 Other countries	-662	915	740	81	35	60	190	228	-302	216
18 Nonmonetary international and regional organizations	-380	-56	23	-182	61	21	-30	10	24	-42
BONDS²										
19 Foreign purchases	905,782	854,692	868,194	106,182 ^f	88,555 ^f	89,760	107,281	87,580	107,808	103,859
20 Foreign sales	727,044	602,100	631,964	76,643 ^f	70,851 ^f	68,212	75,117	67,010	69,514	76,226
21 Net purchases, or sales (-)	178,738	252,592	236,230	29,539^f	17,704^f	21,548	32,164	20,570	38,294	27,633
22 Foreign countries	179,081	252,994	236,185	29,638^f	17,709^f	21,490	32,215	20,482	38,215	27,635
23 Europe	130,057	140,674	128,678	19,454	7,640	9,475	19,378	7,789	21,618	16,178
24 France	3,386	1,870	1,459	620	-34	104	159	85	334	-819
25 Germany	4,369	7,723	3,175	348	288	175	897	154	1,185	44
26 Netherlands	3,443	2,446	-176	94	279	283	-169	-575	850	-818
27 Switzerland	4,826	4,553	3,089	202	-18	9	324	1,003	757	333
28 United Kingdom	99,637	106,344	100,992	15,479	4,274	6,237	16,218	4,003	15,909	15,070
29 Canada	6,121	6,043	10,796	689	764	1,076	1,092	943	1,965	810
30 Latin America and Caribbean	23,938	58,783	43,699	3,952 ^f	4,823 ^f	2,786	4,390	4,743	3,829	6,338
31 Middle East ¹	4,997	1,979	422	670	347	-47	99	264	54	-702
32 Other Asia	12,662	42,817	51,043	4,450 ^f	4,103 ^f	7,996	7,059	6,601	10,562	5,132
33 Japan	8,384	17,541	23,140	1,954 ^f	580	3,491	3,945	3,320	5,664	1,928
34 Africa	190	1,411	779	-11	35	40	72	10	37	49
35 Other countries	1,116	1,287	768	434	-3	164	125	132	150	-170
36 Nonmonetary international and regional organizations	-343	-402	76	-99	-5	58	-51	88	110	-2
Foreign securities										
37 Stocks, net purchases, or sales (-)	6,227	15,640	-12,321	-8,168 ^f	576 ^f	8,334 ^f	-2,046	-14,973	1,012	10,721
38 Foreign purchases	929,923	1,177,303	1,364,630	178,272 ^f	154,322	144,592 ^f	152,149	133,902	141,637	147,867
39 Foreign sales	923,696	1,161,663	1,376,951	186,440 ^f	153,746 ^f	136,258 ^f	154,195	148,875	140,625	137,146
40 Bonds, net purchases, or sales (-)	-17,350	-5,676	-7,430	-3,775 ^f	798	4,263	5,770	-6,484	-2,791	273
41 Foreign purchases	1,328,281	798,267	682,189	83,838	63,916	79,534	82,951	68,420	74,795	92,169
42 Foreign sales	1,345,631	803,943	689,619	87,613 ^f	63,118	75,271	77,181	74,904	77,586	91,896
43 Net purchases, or sales (-), of stocks and bonds	-11,123	9,964	-19,751	-11,943^f	1,374^f	12,597^f	3,724	-21,457	-1,779	10,994
44 Foreign countries	-10,778	9,679	-19,915	-12,042^f	1,209^f	12,521^f	3,874	-21,216	-1,625	10,814
45 Europe	12,632	59,247	-23,124	-5,918 ^f	1,535 ^f	10,113	-1,434	-23,856	-5,983	6,634
46 Canada	-1,901	-999	-3,802	-1,400	-422 ^f	-1,234	1,399	279	993	-1,081
47 Latin America and Caribbean	-13,798	-4,726	-14,810	-1,045 ^f	-5,155	-845	1,981	-715	-446	535
48 Asia	-3,992	-42,961	19,902	-4,086	5,641 ^f	4,770 ^f	1,878	3,145	3,263	4,049
49 Japan	-1,742	-43,637	19,915	-1,458	4,688	5,777 ^f	3,243	3,904	1,535	2,254
50 Africa	-1,225	710	968	384	-143	-51	-33	532	-81	77
51 Other countries	-2,494	-1,592	951	23	-247	-232	83	-601	629	600
52 Nonmonetary international and regional organizations	-345	285	164	99	165	76	-150	-241	-154	180

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (-) during period

Area or country	1998	1999	2000							
			Jan. - Sept.	Mar.	Apr.	May	June	July	Aug.	Sept. ^P
1 Total estimated	49,039	-9,953	-26,886	-16,871	14,520	-7,018	-17,932	-6,061^F	-114	-8,516
2 Foreign countries	46,570	-10,518	-26,281	-17,092	14,484	-6,820	-17,597	-5,746 ^F	-117	-8,741
3 Europe	23,797	-38,228	-29,221	-9,971	-632	-2,526	-9,935	-6,351 ^F	3,707	-1,284
4 Belgium and Luxembourg	3,805	-81	-204	116	-498	-743	252	-138	138	-127
5 Germany	144	2,285	-5,478	-1,352	-1,676	74	609	-2,199	-36	-1,738
6 Netherlands	-5,533	2,122	3,315	539	700	-1,159	-389	-584	91	836
7 Sweden	1,486	1,699	976	263	-289	266	-47	114	56	214
8 Switzerland	5,240	-1,761	-10,032	5	-288	-337	-1,928	-1,398 ^F	-338	-959
9 United Kingdom	14,384	-20,232	19,642	-5,150	-533	178	-9,243	-4,372 ^F	3,054	-1,865
10 Other Europe and former U.S.S.R.	4,271	-22,260	1,844	-4,392	1,952	-805	811	2,226	742	2,355
11 Canada	615	7,348	2,197	640	1,819	-681	226	-872	222	1,417
12 Latin America and Caribbean	-3,662	-7,523	-8,125	-4,789	2,509	-3,122	-3,839	1,415	245	-4,979
13 Venezuela	59	362	585	24	26	4	16	89	45	314
14 Other Latin America and Caribbean	9,523	1,661	-11,603	-1,596	258	-548	-4,748	1,261	61	-4,936
15 Netherlands Antilles	-13,244	-9,546	2,893	-3,217	2,225	-2,578	893	65	139	-357
16 Asia	27,433	29,359	8,069	-2,943	11,166	-908	-3,988	-488	-4,918	-3,319
17 Japan	13,048	20,102	8,382	494	10,855	-2,486	-2,660	672	367	1,717
18 Africa	751	-3,021	-348	-19	4	-114	-130	4	9	-139
19 Other	-2,364	1,547	1,147	-10	-382	531	69	546	618	-437
20 Nonmonetary international and regional organizations	2,469	565	-605	221	36	-198	-335	-315	3	225
21 International	1,502	190	-391	151	30	-158	-286	-333	15	391
22 Latin American regional	199	666	43	70	6	-14	-9	-1	-10	1
MEMO										
23 Foreign countries	46,570	-10,518	-26,281	-17,092	14,484	-6,820	-17,597	-5,746 ^F	-117	-8,741
24 Official institutions	4,123	-9,861	4,741	-569	6,403	-1,405	-1,412	-639	449	-6,626
25 Other foreign	42,447	-657	-31,022	-16,523	8,081	-5,415	-16,185	-5,107 ^F	-566	-2,115
<i>Oil-exporting countries</i>										
26 Middle East ²	-16,554	2,207	5,062	283	811	572	859	267	217	-1,030
27 Africa ³	2	0	0	0	0	0	0	0	0	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 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

³ Comprises Algeria, Gabon, Libya, and Nigeria.

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	1997	1998	1999	2000					
				June	July	Aug.	Sept.	Oct.	Nov.
Exchange Rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	74.37	62.91	64.54	59.49	58.70	58.08	55.21	52.80	52.18
2 Austria/schilling	12.206	12.379	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	35.81	36.31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.0779	1.1605	1.8207	1.8099	1.7982	1.8091	1.8397	1.8813	1.9483
5 Canada/dollar	1.3849	1.4836	1.4858	1.4770	1.4778	1.4828	1.4864	1.5125	1.5426
6 China, P.R./yuan	8.3193	8.3008	8.2781	8.2772	8.2794	8.2796	8.2785	8.2785	8.2774
7 Denmark/krone	6.6092	6.7030	6.9900	7.8501	7.9471	8.2459	8.5849	8.7276	8.6992
8 European Monetary Union/euro ³	n.a.	n.a.	1.0653	0.9505	0.9386	0.9045	0.8695	0.8525	0.8552
9 Finland/markka	5.1956	5.3473	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	5.8393	5.8995	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	1.7348	1.7597	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	273.28	295.70	306.30	354.14	359.04	372.97	389.67	398.29	397.94
13 Hong Kong/dollar	7.7431	7.7467	7.7594	7.7934	7.7969	7.7995	7.7985	7.7977	7.7991
14 India/rupee	36.36	41.36	43.13	44.76	44.84	45.77	45.97	46.43	46.82
15 Ireland/pound ²	151.63	142.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1,703.81	1,736.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	121.06	130.99	113.73	106.13	108.21	108.08	106.84	108.44	109.01
18 Malaysia/ringgit	2.8173	3.9254	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
19 Mexico/peso	7.918	9.152	9.553	9.834	9.419	9.272	9.362	9.537	9.508
20 Netherlands/guilder	1.9525	1.9837	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar ²	66.25	53.61	52.94	47.05	45.97	44.52	41.71	40.01	39.90
22 Norway/krone	7.0857	7.5521	7.8071	8.6807	8.7185	8.9526	9.2331	9.3794	9.3524
23 Portugal/escudo	175.44	180.25	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.4857	1.6722	1.6951	1.7277	1.7414	1.7206	1.7406	1.7525	1.7478
25 South Africa/rand	4.6072	5.5417	6.1191	6.9147	6.8971	6.9570	7.1805	7.4902	7.6889
26 South Korea/won	947.65	1,400.40	1,189.84	1,117.94	1,115.08	1,114.47	1,117.57	1,131.10	1,156.54
27 Spain/peseta	146.53	149.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	59.026	65.006	70.868	76.736	78.852	78.283	78.731	79.291	80.381
29 Sweden/krona	7.6446	7.9522	8.2740	8.7471	8.9640	9.2771	9.6853	9.9930	10.0965
30 Switzerland/franc	1.4514	1.4506	1.5045	1.6420	1.6519	1.7149	1.7586	1.7745	1.7779
31 Taiwan/dollar	28.775	33.547	32.322	30.831	30.984	31.106	31.198	31.846	32.433
32 Thailand/baht	31.072	41.262	37.887	39.087	40.318	40.889	41.992	43.334	43.791
33 United Kingdom/pound ²	163.76	165.73	161.72	150.92	150.76	148.89	143.36	145.06	142.58
34 Venezuela/bolivar	488.87	548.39	606.82	680.96	685.86	689.17	690.39	692.86	695.77
Indexes ⁴									
NOMINAL									
35 Broad (January 1997=100) ⁵	104.44	116.48	116.87	119.43	119.86	120.65	122.08	123.83	124.76
36 Major currencies (March 1973=100) ⁶	91.24	95.79	94.07	96.74	97.68	99.16	100.76	102.35	103.18
37 Other important trading partners (January 1997=100) ⁷	104.67	126.03	129.94	131.62	131.08	130.51	131.39	133.03	133.92
REAL									
38 Broad (March 1973=100) ⁵	91.23 ^f	99.25	98.66	102.02	102.46	103.00 ^f	104.05 ^f	105.48 ^f	106.30
39 Major currencies (March 1973=100) ⁶	92.25 ^f	97.25	96.74	101.30 ^f	102.42	104.01	105.69 ^f	107.44 ^f	108.53
40 Other important trading partners (March 1973=100) ⁷	95.58	108.20	107.44	109.35	108.89 ^f	108.07 ^f	108.39	109.47 ^f	110.01

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. As of January 1999, the euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. These 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	1936.27
40.3399	Belgian francs	40.3399
5.94573	Finnish markkas	2.20371
6.55957	French francs	200.482
1.95583	German marks	166.386
.787564	Irish pounds	
	Italian lire	
	Luxembourg francs	
	Netherlands guilders	
	Portuguese escudos	
	Spanish pesetas	

4. The February 2001 Bulletin will contain revised index values resulting from the annual revision of data that underlie the calculated trade weights. For more information on the indexes of foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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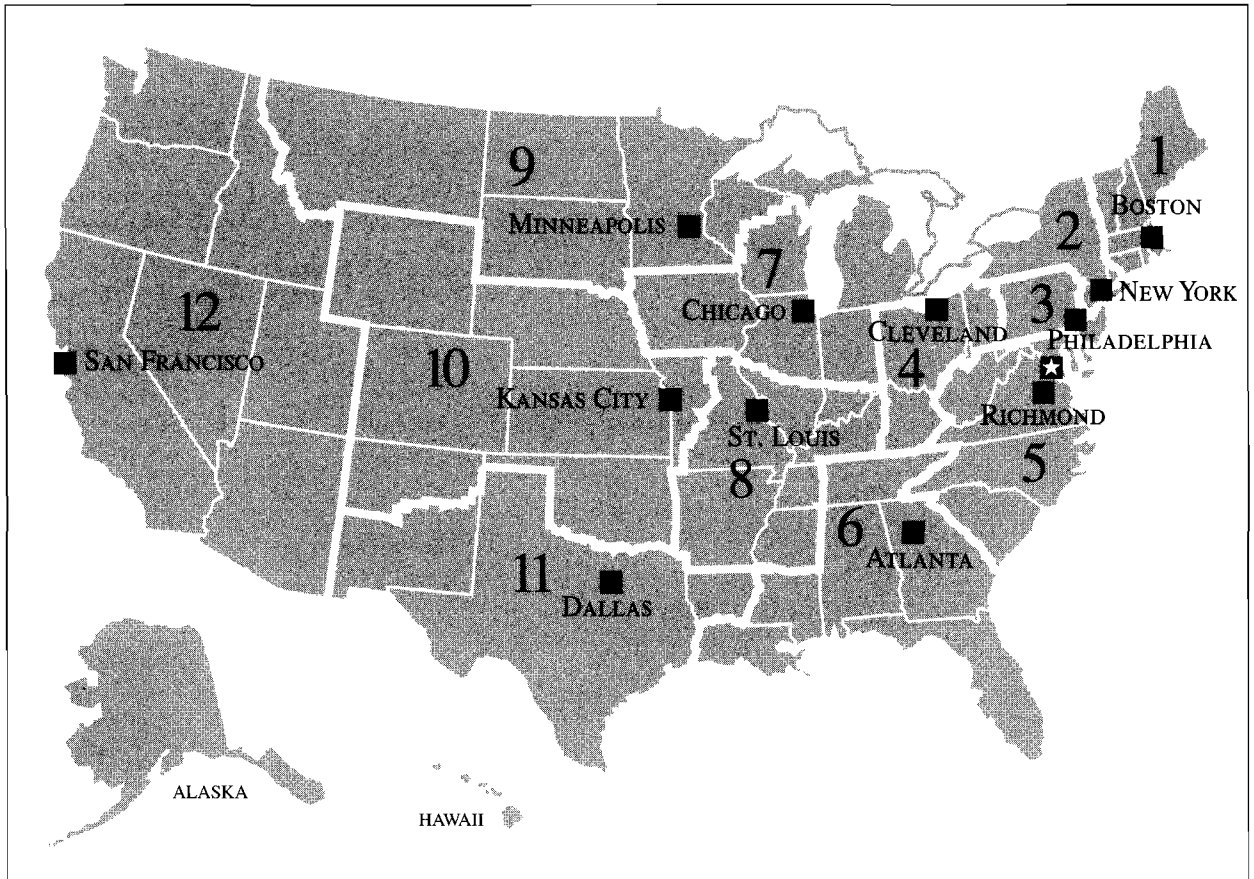
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Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ▣ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

NOTE

The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in February 1996.

