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Table of Contents

623 *CREDIT CARDS: USE AND CONSUMER ATTITUDES, 1970–2000*

From modest origins in the 1950s as a convenient way for the relatively well-to-do to settle restaurant and department store purchases without carrying cash, credit cards have become a ubiquitous financial product held by households in all economic strata. Since the late 1960s, much federal legislation has been enacted to ensure that consumers have the protections and information they need to use this widely available form of open-end credit wisely. Nevertheless, concerns persist about whether consumers fully understand the costs and implications of using credit cards and whether credit cards have encouraged widespread overindebtedness. Drawing on information from commercial banks, credit reporting agencies, and surveys of consumers, this article explores these issues as well as changes over the past three decades in consumer impressions of their card-using experiences and of conditions in the marketplace.

635 *TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS*

The dollar ended the second quarter of 2000 little changed against the euro and 3.1 percent stronger against the yen. On a trade-weighted basis, the dollar ended the period modestly stronger, having risen 1.3 percent against the currencies of the major U.S. trading partners. The U.S. monetary authorities did not intervene in the foreign exchange markets during the quarter.

640 *STAFF STUDIES*

The U.S. banking industry experienced a sustained and unprecedented merger movement from 1980 to 1998. During that period, approximately 8,000 bank mergers occurred, involving about \$2.4 trillion in acquired assets. In *Bank Mergers and Banking Structure in the United States, 1980–98*, the author describes various aspects of that bank merger activity and some of

the changes in U.S. banking structure and performance that took place during that period.

641 *INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION FOR JULY 2000*

Industrial production increased 0.4 percent in July, to 145.3 percent of its 1992 average. Capacity utilization for total industry rose 0.1 percentage point, to 82.3 percent, a level 0.3 percentage point above its 1967–99 average.

644 *STATEMENTS TO THE CONGRESS*

Patrick M. Parkinson, Associate Director, Division of Research and Statistics, Board of Governors, presents the Board's views on the Commodity Futures Modernization Act of 2000 (H.R. 4541) and testifies that the Board continues to believe that such legislation modernizing the Commodity Exchange Act is essential. He states further that H.R. 4541 reflects a remarkable consensus on the need for legal certainty for OTC derivatives and regulatory relief for U.S. futures exchanges, issues that have long eluded resolution (Testimony before the Subcommittee on Finance and Hazardous Materials of the House Committee on Commerce, July 12, 2000).

646 Patrick M. Parkinson presents additional testimony on H.R. 4541, including the provisions of H.R. 1161, which would amend the U.S. Bankruptcy Code to support financial contract netting, and states that enactment of those amendments would reduce uncertainty for market participants about the disposition of their financial market contracts in the event one of the counterparties becomes insolvent. He testifies further that the Board urges the amendment of H.R. 4541 to include the financial contract netting provisions of H.R. 1161 (Testimony before the House Committee on Banking and Financial Services, July 19, 2000).

648 Alan Greenspan, Chairman, Board of Governors, presents the Board's report on monetary policy and testifies that the Federal Reserve has been confronting a complex set of challenges in

judging the stance of policy that will best contribute to sustaining the strong and long-running expansion of our economy and that the challenges will be no less in coming months. Further, he states that irrespective of the complexities of economic change, the primary goal of the Federal Reserve is to find those policies that best contribute to a non-inflationary environment and hence to growth (Testimony before the Senate Committee on Banking, Housing, and Urban Affairs, July 20, 2000. Chairman Greenspan presented identical testimony before the House Committee on Banking and Financial Services on July 25, 2000).

652 ANNOUNCEMENTS

Public hearings scheduled on predatory practices in the home equity lending market.

Proposed rule to allow financial holding companies to act as a “finder” to bring together buyers and sellers of financial and nonfinancial products for transactions that the buyers and sellers themselves negotiate and consummate; proposed revisions to Regulation E to require disclosure of ATM fees.

Availability of a computer program on vehicle leasing that can be downloaded from the Federal Reserve Board’s web site.

Enforcement action.

Availability of the *Annual Report: Budget Review*.

Changes in Board staff.

655 LEGAL DEVELOPMENTS

Various bank holding company, bank service corporation, and bank merger orders; and pending cases.

A1 FINANCIAL AND BUSINESS STATISTICS

These tables reflect data available as of July 27, 2000.

A3 GUIDE TO TABULAR PRESENTATION

- A4 Domestic Financial Statistics
- A42 Domestic Nonfinancial Statistics
- A50 International Statistics

A63 GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES

A80 INDEX TO STATISTICAL TABLES

A82 BOARD OF GOVERNORS AND STAFF

A84 FEDERAL OPEN MARKET COMMITTEE AND STAFF; ADVISORY COUNCILS

A86 FEDERAL RESERVE BOARD PUBLICATIONS

A88 MAPS OF THE FEDERAL RESERVE SYSTEM

A90 FEDERAL RESERVE BANKS, BRANCHES, AND OFFICES

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Credit Cards: Use and Consumer Attitudes, 1970–2000

Thomas A. Durkin, of the Board's Division of Research and Statistics, prepared this article. Nicole Price provided research assistance.

A notable change in consumer financial services over the past few decades has been the growth of the use of credit cards, both for payments and as sources of revolving credit. From modest origins in the 1950s as a convenient way for the relatively well-to-do to settle restaurant and department store purchases without carrying cash, credit cards have become a ubiquitous financial product held by households in all economic strata.

In modern commerce, credit cards (along with debit cards) serve as a payment device in lieu of cash or checks for millions of routine purchases as well as for many transactions that would otherwise be inconvenient, or perhaps impossible (for example, making retail purchases by telephone or over the Internet). Credit cards have also become the primary source of unsecured open-end revolving credit, and they have largely replaced the installment-purchase plans that were important to the sales volume at many retail stores in earlier decades.

Along with most major societal changes come questions about whether the trend is beneficial or detrimental (or somewhere in between), and the rise of plastic cards for payments and open-end credit is no exception. Credit cards certainly are widely used and accepted by the public. But they have also raised concerns in two areas: (1) whether consumers fully understand the costs and implications of using credit cards (the consumer information–consumer understanding concern) and (2) whether credit cards have encouraged widespread overindebtedness, particularly among those least able to pay (the indebtedness–financial distress concern). The two issues are related, because one result of lack of understanding may be overindebtedness. Both issues remain prominent in public discourse, as debt and personal bankruptcy levels have increased over the decades and media reports of confused consumers have multiplied.

Although one can usually find anecdotes to illustrate a point—consumers who are unaware of the

costs of credit cards, for instance, or consumers who overspend because of the wide availability of credit—such examples can never lead to a definitive understanding of issues having broad social or economic impact. Statistically representative surveys can contribute to a more complete understanding of consumers' experiences. Taken together, such surveys can serve as a status report on the use of credit cards some fifty years after their introduction. This article brings to the discussion some survey evidence on the use of credit cards in the United States. It begins with an examination of long-term trends in consumer indebtedness, with attention to the growth of card-based credit. It then moves to an exploration of the consumer information–consumer understanding issue, with emphasis on consumers' attitudes toward credit cards and their knowledge of costs.

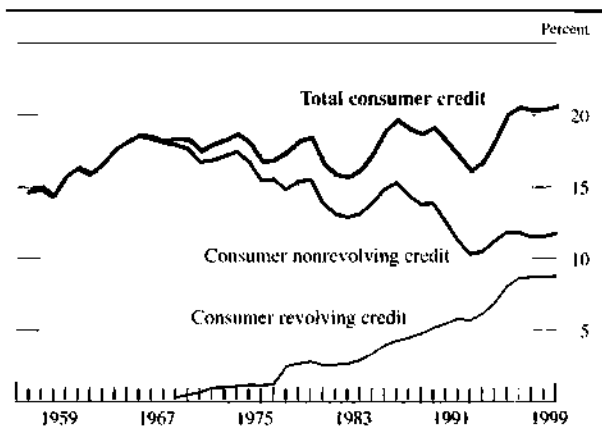
CREDIT CARDS AND INDEBTEDNESS

The Federal Reserve Board collects data on amounts of consumer credit outstanding, including amounts of revolving consumer credit, most of which is generated by credit cards.¹ Total (nonmortgage) consumer credit outstanding increased from \$119 billion at year-end 1968 to \$1,456 billion in June 2000 (in current dollars, not seasonally adjusted), while the revolving component grew from \$2 billion to about \$626 billion over the same period. Because population, income, employment, prices, and nearly every other economic indicator also rose over the period, the growth of consumer credit is often put in perspective by comparing it with the growth of consumers' income.

Total (nonmortgage) consumer credit outstanding (revolving and nonrevolving forms combined) has

1. Consumer credit covers most short- and intermediate-term credit extended to individuals. It includes revolving credit (credit card credit and balances outstanding on unsecured revolving lines of credit) and nonrevolving credit (such as secured and unsecured credit for automobiles, mobile homes, trailers, durable goods, vacations, and other purposes). Consumer credit excludes loans secured by real estate (such as mortgage loans, home equity loans, and home equity lines of credit).

1. Consumer credit outstanding as a proportion of disposable personal income, 1956–99



SOURCE: Federal Reserve Board and Bureau of Economic Analysis.

grown at approximately the same pace as disposable personal income over the past generation, although with noticeably more cyclicalities. Since the mid-1960s, total consumer credit outstanding relative to this measure of income has fluctuated in a relatively narrow range of about 16 percent to 17 percent during or following recession periods to about 18 percent to 21 percent near business-cycle highpoints (chart 1).

The revolving component of consumer credit has increased relative to income over the most recent three decades, and the nonrevolving component has decreased relative to income. Thus, the revolving component's share has been growing relative to the nonrevolving component's share, reflecting consumer preference and technological change; many consumers seem to like the convenience associated with prearranged lines of credit, and technological developments have made it much easier for creditors to offer this data-intensive product. A substantial portion of the new revolving credit probably has merely replaced credit generated by the installment-purchase plans that were common at appliance, furniture, and other durable goods stores in the past. And some of the new credit is in the form of "convenience credit" on credit cards—amounts that will be paid in full upon receipt of the monthly statement. (Installment-purchase plans have no equivalent "convenience" component.)

Card Holding among Families

Dollar amounts of credit card credit outstanding can be estimated from information provided by creditors, but only surveys of consumers can provide informa-

tion about the users and uses of credit cards. For this reason, each Survey of Consumer Finances since 1970 has included questions on the holding and use of credit cards (the 1967 and 1968 surveys also included a few questions about credit cards).²

These surveys show that in 1998 almost three-fourths of American families had one or more credit cards, up from about one-half of a smaller population in 1970 (table 1). Among credit cards, the general-purpose cards that have a revolving feature, referred to in this article as "bank-type" credit cards, show the most notable increase over the period.³ In the early 1970s, limited-use cards issued by retail firms, usable only in the firm's stores, were the most commonly held type of credit card; bank-type cards were much less common. By 1995, however, the holding of bank-type cards was more common than the holding of retail store cards.

The holding of bank-type credit cards has continued to grow in recent years, whereas the holding of retail store cards peaked about a decade ago and has fallen off since then. In fact, bank-type cards issued under the Visa and MasterCard brands are so widely held and used today that it is difficult to imagine that they were not especially common only three decades ago. Known at that time as BankAmericard and MasterCard, respectively, and issued only by commercial banking organizations, they were a new product in the mid-1960s and by 1970 together had reached only about one-sixth of families; the other major bank-type cards widely available today, Discover and Optima, were not even on the drawing boards at that time. By 1998, bank-type cards (including Discover and Optima) were in the hands of about two-thirds of families. In three decades, the general-purpose card with a revolving feature has become the most widely held credit device.

Consumers use credit cards for two main purposes: as a substitute for cash and checks when making purchases and as a source of revolving credit. In 1970, just over one-fifth of all families owed a balance on a credit card after making their most recent card payment (table 1). By 1998, the fraction was just over two-fifths. Most of the increase was due to the

2. The Survey of Consumer Finances series is sponsored by the Federal Reserve Board, sometimes jointly with other agencies. The 1977 survey in this series was titled the 1977 Consumer Credit Survey but is referred to in this article as the 1977 Survey of Consumer Finances because it is part of the same series. For a general description of results from recent surveys, see Arthur B. Kennickell, Martha Starr-McCluer, and Brian J. Surette, "Recent Changes in U.S. Family Finances: Results from the 1998 Survey of Consumer Finances," *Federal Reserve Bulletin*, vol. 86 (January 2000), pp. 1–29.

3. "Travel and entertainment" cards such as American Express and Diners Club are not included here as "bank-type" cards because they do not offer a revolving feature.

1. Prevalence of credit cards among U.S. families, selected years, 1970–98

Percent	1970	1977	1983	1989	1995	1998
<i>Have a card</i>						
Any card ¹	51	63	65	70	74	73
Retail store card	45 ²	54	58	61	58	50
Bank-type card ¹	16	38	43	56	66	68
<i>Have a card with a balance after the most recent payment</i>						
Any card ¹	22	34	37	40	44	42
Retail store card	15	25	29	28	24	19
Bank-type card ¹	6	16	22	29	37	37
MEMO						
Families having any card with an outstanding balance after the most recent payment as a proportion of all families having cards	44	56	57	57	59	58
Families having a bank-type card with an outstanding balance after the most recent payment as a proportion of all families having bank-type cards	37	44	51	52	56	55
Proportion of families having a bank-type card who hardly ever pay revolving card balances in full .....	...	18	25	26	28	27

NOTE: In 1970, families were asked about *using* credit cards; in all other years, they were asked about *having* cards.

1. Includes cards issued by banks, gasoline companies, retail stores and chains, travel and entertainment card companies (for example, American Express and Diners Club), and miscellaneous issuers (for example, car rental and airline companies).

2. Data are for 1971.

3. A bank-type card is a general-purpose credit card with a revolving feature; includes BankAmericard, Choice, Discover, MasterCard, Master Charge, Optima, and Visa, depending on year.

Not available.

SOURCE: Surveys of Consumer Finances.

growing popularity of bank-type cards as devices for generating revolving credit. In 1970, only 6 percent of families had a bank-type card with an outstanding balance after their most recent payment. The proportion rose steadily until 1995 and then leveled off at 37 percent. In contrast, the proportion of families reporting an outstanding balance on a retail store card peaked in 1983 at 29 percent, and in 1998, at 19 percent, it was only a bit higher than the 15 percent recorded in 1970. Of those families that had bank-type cards, 37 percent had revolved a balance in the month before the 1970 survey, compared with 55 percent in the month before the 1998 survey. In 1977, 18 percent of holders of bank-type cards reported that they hardly ever paid their revolving accounts in full, a proportion that rose to 25 percent in 1983 and has remained at about that level since then.

Distribution of Bank-Type Credit Cards

Data from the Surveys of Consumer Finances indicate that the holding of general-purpose credit cards with a revolving feature has become more widespread among households at all income levels. For families in the lowest income group, 2 percent had a bank-type credit card in 1970, compared with 28 percent in 1998 (table 2). For those in the highest income group, the holding of bank-type cards almost tripled between 1970 and 1995—from 33 percent to 95 percent.

For each income group, the percentage of cardholders carrying a balance on bank-type cards also

increased over the three decades, as did the mean and median revolving credit balances (in constant dollars). Despite some shifts within the period, the shares of total revolving balances on these cards accounted for by each income group has not changed dramatically over the decades, perhaps contrary to popular impressions. For example, despite a sharp increase in card holding by the lowest income group, the group's share of total revolving debt on bank-type cards rose only to 5 percent in 1998, up from 2 percent in 1970 but still not a large proportion of the total. The highest income group accounted for 30 percent of revolving debt on bank-type cards in 1970, a share that over the three decades fell off only a bit, to 29 percent in 1998.

The expanded availability of card-based credit, especially to lower-income consumers, has raised concerns that issuers have taken on more credit risk and that instances of financial distress may increase sharply at some point. Data on the proportion of dollars of revolving credit delinquent thirty days or more, available from Call Reports submitted by commercial banks since 1991, indicate an upward trend from 1994 to 1996 and a leveling after that (chart 2). This pattern is similar to that for delinquencies on closed-end (nonrevolving) consumer credit extended by banks, much of which is secured credit associated with the purchase of automobiles. Data on the proportion of consumers (rather than dollars) delinquent, assembled by the Credit Research Center (Georgetown University) from a random sample of consumer credit reports maintained by a national credit reporting agency, show that at year-end 1999, 3.4 percent

2. Prevalence of bank-type credit cards and outstanding balance amounts, by family income quintiles, selected years, 1970-98

Percent except as noted

Income quintile	1970	1977	1983	1989	1995	1998
<i>Lowest</i>						
Have a card	2	11	11	17	28	28
Carrying a balance	27	40	40	43	57	59
Mean balance (dollars)	896	731	1,147	784	2,386	2,240
Median balance (dollars)	336	538	818	592	995	700
Share of total revolving balance	2	4	4	2	6	5
<i>Second lowest</i>						
Have a card	9	22	27	36	54	58
Carrying a balance	39	42	49	46	57	58
Mean balance (dollars)	659	1,055	906	1,712	2,622	3,028
Median balance (dollars)	504	565	655	1,315	1,605	1,400
Share of total revolving balance	9	13	8	8	14	13
<i>Middle</i>						
Have a card	14	36	41	62	71	72
Carrying a balance	47	45	58	56	58	58
Mean balance (dollars)	820	883	1,161	2,159	2,952	4,129
Median balance (dollars)	630	672	736	1,262	1,605	1,900
Share of total revolving balance	22	19	19	21	21	23
<i>Second highest</i>						
Have a card	22	51	57	76	83	86
Carrying a balance	39	52	56	62	60	60
Mean balance (dollars)	1,010	846	1,259	2,212	2,687	4,334
Median balance (dollars)	840	753	818	1,183	1,605	2,000
Share of total revolving balance	37	30	28	30	23	29
<i>Highest</i>						
Have a card	33	69	79	89	95	95
Carrying a balance	30	39	47	46	50	45
Mean balance (dollars)	761	898	1,531	3,417	4,460	5,232
Median balance (dollars)	630	672	916	2,630	2,246	2,500
Share of total revolving balance	30	33	40	40	36	29
<i>All families</i>						
Have a card	16	38	43	56	66	68
Carrying a balance	37	44	51	52	56	55
Mean balance (dollars)	839	889	1,282	2,404	3,160	4,073
Median balance (dollars)	630	672	818	1,315	1,605	1,900
Share of total revolving balance	100	100	100	100	100	100

NOTE. In 1970, families were asked about *using* cards; in all other years, they were asked about *having* cards. Proportions that "have a card" are percentages of families; proportions "carrying a balance" are percentages of holders of bank-type cards with an outstanding balance after the most recent payment. Mean and median balances are for cardholders with outstanding balances after

the most recent payment and are in 1998 dollars, adjusted using the Consumer Price Index for All Urban Consumers, all items. Shares may not sum to 100 percent because of rounding.

SOURCE: Surveys of Consumer Finances.

of consumers were thirty days delinquent on at least one bank-type card account (not shown in chart). This source also shows that more serious delinquency (overdue ninety days or more) has remained at or slightly below 1 percent of holders of active bank-type card accounts over the past decade.⁴

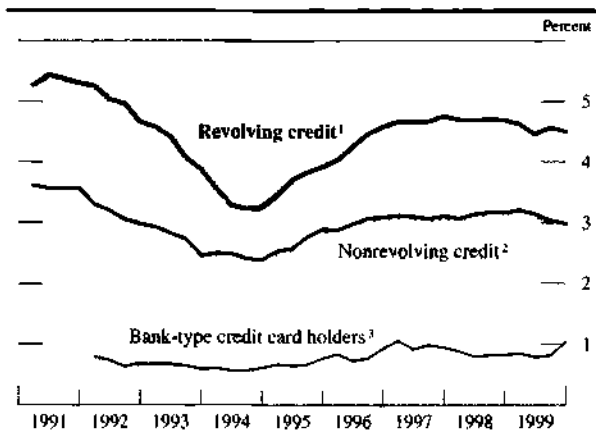
CONSUMER INFORMATION AND CONSUMER UNDERSTANDING

Beginning with the Truth in Lending Act (enacted in 1968 as Title I of the Consumer Credit Protection Act, effective July 1, 1969), much federal legislation regulating consumer credit has concerned either mandatory fairness procedures (the Equal Credit Opportu-

nity Act, for example) or mandatory disclosures (the Truth in Lending Act, for example). The disclosure requirements have in large part been intended to help prevent or mitigate overextension and other difficulties resulting from a lack of understanding of credit terms and the consequences of using credit. General-purpose household surveys can help in assessing the effects of these laws. Unfortunately, the specifics of many individual consumer's credit-related difficulties do not lend themselves to such broad-based surveys. Surveying currently delinquent debtors, for example, is difficult with a broad survey because delinquency is relatively rare; large numbers of interviews must be completed to yield enough cases to analyze an uncommon phenomenon with precision. General-purpose surveys can, however, characterize consumers' overall impressions of their card-using experiences and their views on conditions in the marketplace, including the availability of information.

4. See Credit Research Center (McDonough School of Business, Georgetown University, Washington, D.C.), *Monthly Statements*, various issues.

2. Consumer credit delinquency rates, 1991–99



1. Percentage of revolving credit (dollars) delinquent thirty days or more.
2. Percentage of nonrevolving credit (dollars) delinquent thirty days or more.
3. Percentage of holders of active bank-type credit card accounts delinquent ninety days or more on one or more bank-type cards.

SOURCE: For revolving and nonrevolving credit, Call Reports submitted by commercial banks. For bank-type credit card holders, Credit Research Center, *Monthly Statements*, various issues (based on data from a sample of consumer credit reports).

Consumers' Attitudes toward Credit Cards

To explore consumers' attitudes toward and understanding of credit cards, as well as to gather information about card use, the Credit Research Center in January 2000 sponsored interviews of nearly 500 households representative of households in the forty-eight contiguous states. Interviewing was done by the Survey Research Center of the University of Michigan as part of its monthly Surveys of Consumers.

General Attitudes

Respondents—both those who used credit cards and those who did not—were first asked their broad feelings about credit cards. So that attitude changes could be tracked over time, the question was identical to the

question asked in nationwide Surveys of Consumer Finances in 1970 and again in 1977: "People have different opinions about credit cards. Overall, would you say that using credit cards is a good thing or a bad thing?"

Overall opinions about credit cards are somewhat more negative and polarized in 2000 than they were a generation ago, especially among holders of bank-type cards (table 3). Opinions among all families that credit card use is "good" register a bit higher in 2000 (33 percent) than in 1970 (28 percent) but a bit lower than in 1977 (39 percent). The view that card use is "bad" is stronger in 2000 than in either of the earlier years.

In all three surveys, views among holders of bank-type cards were more favorable than those among the population generally. Nonetheless, unfavorable views among cardholders have increased over the decades; negative attitudes among cardholders are much more common in 2000 (42 percent) than they were in 1977 (14 percent). This finding is interesting because card use is also much greater in 2000. In 2000, holders of bank-type cards are about equally divided in their opinions that credit card use is good or bad, much different from 1977, when a considerably larger proportion had a favorable opinion.⁵

Consumers' opinions about credit cards also vary depending on their use of and experience with cards. Less enthusiastic viewpoints are somewhat more common among those who use credit cards as credit devices rather than primarily as substitutes for cash

5. Interestingly, contrary opinions about consumer credit, even from the same person, apparently have been around much longer than these surveys. Referring to the paradox of dichotomous views as the "Victorian money-management ethic," a cultural historian recently pointed out that the simultaneous belief that credit is good but debt is bad is actually at least as old as American history. See Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit* (Princeton, N.J.: Princeton University Press, 1999).

3. Opinions about the use of credit cards, selected years

Opinion	1970		1977		2000	
	All families	Bank-type card users	All families	Bank-type card holders	All families	Bank-type card holders
Good	28	45	39	54	33	42
Good, with qualification	13	17	19	20	10	9
Both good and bad	12	14	11	8	6	5
Bad, with qualification	4	4	4	3	1	1
Bad	43	20	27	14	51	42
Total	100	100	100	100	100	100

NOTE: Components may not sum to 100 because of rounding.

SOURCE: For 1970 and 1977, Surveys of Consumer Finances; for 2000, Surveys of Consumers.

or checks. Specifically, cards are viewed less positively by those who have three or more cards, have an outstanding balance of more than \$1,500, have transferred a balance between cards, hardly ever pay their outstanding balance in full, hardly ever pay more than the monthly minimum, or have received a collection call.

Prevalence of negative attitudes toward using credit cards among holders of bank-type credit cards, 2000

Cardholder group	Percent believing that using credit cards is bad
All holders of bank-type cards	42
Have a new card account in the past year	47
Have three or more cards	49
Have an outstanding balance greater than \$1,500 after the most recent payment	57
Have transferred a balance to another account in the past year ¹	60
Hardly ever pay outstanding balance in full	59
Hardly ever pay more than the minimum ¹	63
Have paid a late fee in the past year	47
Have received a collection call in the past year ¹	62
Family's annual income is \$40,000 to \$74,999	49
Respondent has high school diploma or some college, but not a degree	46
Respondent is 35 to 54 years old	48

1. Weighted sample size less than fifty.
Source: Surveys of Consumers.

Conversely, those who have fewer cards, have no balance or a low balance outstanding, generally pay more than the minimum, or have not received a collection call have more favorable views (not shown in the table). Demographic measures also appear to be related to attitudes toward credit cards, but the relationship is not as strong as that associated with the variables related to the use of cards.

Attitudes toward Card Features, Card Issuers, and Other Users

To examine why card users might have the general attitudes about credit cards that they do, the 2000 survey also asked questions about specific features of credit cards and about card issuers and users. The questions took the form of statements with which respondents could agree or disagree. Although data from earlier years are not available for comparison, responses to these questions reveal an interesting divergence of views that might help explain why overall attitudes have deteriorated. The responses suggest that the current negativity may have arisen in part from an individual's perceptions of *other* consumers' difficulties rather than from the individual's own experiences. Without data from earlier periods and questions designed specifically to address this

hypothesis, one cannot be certain, but from the 2000 survey results it seems likely that as card use has become more common, negative opinions about card use may have increased as a result of perceptions about "the other guy." Views about personal experiences with credit cards, in contrast, are much more positive.

Consumers in 2000 seem to be concerned about specific practices of credit card issuers. Most holders of bank-type credit cards (more than 80 percent) believe that the annual percentage rates charged on outstanding balances are too high (table 4). They also express concern over privacy practices. In contrast, relatively few express concern about billing accuracy.

Consumers' feelings about experiences with credit cards in general are even more negative than their feelings about specific practices.⁶ Holders of bank-type credit cards in 2000 believe that too much credit is available, that consumers are confused about some practices, and that credit users have difficulty getting out of debt. Somewhat over half said that issuers should not be allowed to market cards to college students. Moreover, they appear to believe that consumers bring on themselves many of the problems associated with credit cards: Ninety percent agree to some extent that overspending is the fault of consumers, not of card issuers.

Survey evidence does not suggest that increasingly negative views of credit cards have arisen from adverse personal experiences. Rather, consumers' opinions about *their own* relations with their current card issuers are much more favorable than their opinions about the relations of consumers in general. Approximately nine in ten holders of bank-type credit cards said that they are satisfied with their dealings with card companies, that their card companies treat them fairly, and that it is easy to get another card if they are not treated fairly. Almost seven in ten trust that their own card companies would keep their personal information confidential, substantially more than the proportion believing that card companies in general show enough concern about protecting privacy (just under five in ten). Cardholders' opinions about their own experiences are almost the reverse of their views about consumers' experiences in general, suggesting considerable concern over the behavior of others and possibly a belief that "I can handle credit cards, but other people cannot."

Despite expressed concerns about some practices and experiences, consumers appear to be satisfied

6. Survey interviewers did not offer the statements in the order given in table 4; the table groups typically similar questions for analytical purposes.

4. Attitudes of holders of bank-type credit cards toward credit cards and card issuers, 2000

Percent

Attitude	Strongly agree	Agree somewhat	Disagree somewhat	Strongly disagree
<i>Specific practices of card issuers</i>				
The interest rates charged on credit cards are reasonable	3	16	26	55
Credit card companies show enough concern for protecting consumers' privacy	17	30	21	31
Credit card billing statements are accurate	54	39	5	2
<i>Card issuers and consumers in general</i>				
Credit card companies make too much credit available to most people	68	20	9	4
Sending solicitations that offer low rates but only for a short time probably misleads a lot of people	79	14	4	3
Credit card companies make it hard for people to get out of debt	55	27	10	9
Credit card companies should not be allowed to issue credit cards to college students	30	25	23	22
Overspending is the fault of consumers, not the credit card companies	63	27	6	4
<i>Card issuers and me</i>				
I am generally satisfied in my dealings with my credit card companies	51	40	6	4
My credit card companies treat me fairly	54	36	6	4
It is easy to get a credit card from another company if I am not treated well	63	23	10	4
I trust that my credit card companies will keep my personal spending information confidential	31	38	16	15
<i>General satisfaction or dissatisfaction</i>				
Credit card companies provide a useful service to consumers	44	48	6	2
Most people are satisfied in their dealings with credit card companies	15	54	20	11
Consumers would be better off if there were no credit cards	15	26	30	29
<i>Information availability</i>				
Information on the statement about how long it would take to pay off the balance if I make only the minimum payment would be very helpful to me	65	24	7	4
Mailings and other ads that offer a low rate at first followed by a higher rate are confusing to me	36	25	15	24
<i>Memo: General satisfaction or dissatisfaction with closed-end creditors and lenders in 1977</i>				
They provide a useful service to consumers	42	51	6	1
Most people are satisfied in their dealings with them	17	60	18	5
It would be a good thing for consumers if they were not around	6	21	36	38

NOTE: Components may not sum to 100 because of rounding.

SOURCE: Surveys of Consumers; memo items, 1977 Survey of Consumer Finances.

with the credit card market in general. Approximately nine in ten holders of bank-type credit cards said that credit cards provide a useful service to consumers, and about seven in ten said that most people are satisfied in their dealings with card companies. About six in ten disagreed that consumers would be better off without cards. These results are similar to those from a 1977 survey of users of nonrevolving credit (memo items in table 4). It seems that credit and creditors are not viewed completely favorably, even by users of the service, but that most users are favorably inclined.

Many holders of bank-type cards in 2000 said that it would be helpful to include on their billing statement information about the length of time it would take to pay off the balance if only the minimum payment were made each month. Exactness in such a calculation assumes, of course, that the consumer does not use the card during the repayment period and that the balance declines on schedule. If the balance were to fluctuate substantially, the calcula-

tion would be difficult or impossible, and most likely meaningless (discussed further later). Survey respondents probably did not consider the implications and complexity of the calculations but were simply acknowledging a desire for a practical measure of the burden they are incurring. Many respondents also reported that "teaser rates" are confusing. They could, of course, avoid teaser rates altogether by ignoring the mailings that promote them; consequently, this survey finding may reflect concerns among consumers that card issuers have complicated promotions sufficiently that it is difficult to understand and accept advantageous offers when they are made.

What emerges from these responses to opinion questioning, in sum, is a multifaceted set of attitudes about credit cards. Multifaceted opinions are not especially surprising, given that consumers overall seem to think that credit cards are both good and bad. They believe that finance percentage rates on outstanding balances are too high, are suspicious of how

personal information is used, and have relatively little confidence in other individuals who use credit cards. When they imagine “the other guy” in contact with card issuers, whose behavior is already suspect, they imagine possibly negative consequences, for example, excessive credit use. When the focus shifts to more-personal experience, however, they view the outcome much more favorably, suggesting that actual problems with credit cards are not nearly as widespread as consumers imagine them to be when they think about the population of largely unknown “others.” On balance, holders of bank-type credit cards in 2000 believe that credit cards are useful and that consumers are better off with them than without them—despite concerns over the inability of “other (unknown) consumers” to exercise self-discipline and avoid overuse; these opinions seem to mirror earlier views about installment credit. Finally, consumers believe that additional, and less-confusing, information about payments and rates would be useful.

Information about Credit Terms

In addition to attitudes, the January 2000 Survey of Consumers specifically looked at consumers’ knowledge of credit terms and their views concerning the availability of information about terms.

Assessing consumers’ knowledge of credit terms and their use of that knowledge is not a straightforward matter. One question is which term or terms to focus on. A second question is how, in an interview survey, to determine the accuracy of the consumer’s knowledge. Since implementation of the Truth in Lending Act, the annual percentage rate (APR) has been considered the most important term concerning the price of credit to be disclosed by creditors, and consequently it has been the credit term studied most extensively. It is reasonable to assume that credit users must be aware of annual percentage rates if disclosure of this pricing information is to affect their behavior. An awareness of APRs does not necessarily mean that consumers will change their behavior, but behavioral change resulting from disclosure of APRs is highly unlikely if credit users are not aware of those rates.⁷

Because in interview surveys the annual percentage rates reported by respondents typically cannot be

checked against the rates respondents actually pay, researchers associated with the National Commission on Consumer Finance in the 1970s devised the concept of “awareness zones” to measure knowledge of APRs.⁸ If a respondent reports an APR within a range deemed, on the basis of a survey of current market practices, to be reasonable, the respondent is characterized as “aware”; if the respondent reports an APR outside the range or answers “do not know,” the individual is characterized as “unaware.” Although this is an inexact means of measuring awareness of APRs on actual credit card accounts, it does make possible a broad look at the phenomenon as well as comparisons over time.

“Awareness” of APRs on bank-type credit cards, as measured by the awareness-zones method, has increased sharply since implementation of the Truth in Lending Act in 1969 (table 5). In that year, only 27 percent of holders of bank-type credit cards interviewed in a Federal Reserve survey were classified as aware. Awareness more than doubled a year after implementation of the act and has continued to rise since then.

In 1969, 1970, and 1977, consumers were considered aware if they reported a rate greater than 12 percent per year or within the range of 1 percent to 2 percent per month on the card they used most often. For the 2000 survey, the definition of “aware” was changed because rates on credit card balances in many cases are below 12 percent per year—and so-called teaser rates are even lower. Because a very low rate could not be automatically ruled out as the correct current rate, two definitions of awareness were used in 2000. Under the broad definition, only those reporting that they did not know the rate were considered “unaware.” Under the narrow definition, those reporting a rate of less than 7.9 percent were also considered unaware. (Using 7.9 percent as the cutoff point may have resulted in an overestimation of unawareness, as some consumers may have actually had a current, “teaser,” rate below 7.9 percent: Almost every answer lower than 7.9 percent offered by a respondent ended in .9—for example, 3.9 or

7. For discussion of this topic, see George S. Day, “Assessing the Effects of Information Disclosure Requirements,” *Journal of Marketing*, vol. 40 (April 1976), pp. 42–52.

8. See National Commission on Consumer Finance. *Consumer Credit in the United States: The Report of the National Commission on Consumer Finance* (Government Printing Office, 1972); Robert P. Shay and Milton P. Schober, *Consumer Awareness of Annual Percentage Rates of Charge in Consumer Installment Credit: Before and After Truth in Lending Became Effective*, Technical Studies of the National Commission on Consumer Finance, vol. 1, no. 1 (Government Printing Office, 1973); George S. Day and William K. Brandt, *A Study of Consumer Credit Decisions: Implications for Present and Prospective Legislation*, Technical Studies of the National Commission on Consumer Finance, vol. 1, no. 2 (Government Printing Office, 1973).

5. Awareness of annual percentage rates among holders of bank-type credit cards, selected years

Percent aware

Cardholder group	1969	1970	1977	2000	
				Narrow definition	Broad definition
All holders of bank-type cards	27	63	71	85	91
Have a new card account in the past year	83	93
Have three or more cards	89	95
Have an outstanding balance greater than \$1,500 after the most recent payment	90	96
Have transferred a balance to another account in the past year ¹	81	98
Hardly ever pay outstanding balance in full	90	96
Hardly ever pay more than the minimum ¹	82	88
Have paid a late fee in the past year	88	95
Have received a collection call in the past year ¹	80	81
Family's annual income is \$40,000 to \$74,999	90	94
Respondent has high school diploma or some college, but not a degree	86	91
Respondent is 35 to 54 years old	87	92

NOTE. See text for definitions of "awareness."

1. Weighted sample size less than fifty.

. Not available.

SOURCE For 1969 and 1970, Federal Reserve Truth in Lending Surveys; for 1977, Survey of Consumer Finances; for 2000, Surveys of Consumers.

6.9—a sign of a teaser rate. However, this inexactitude on the lower side does not change conclusions very much.) The definition of the upper bound for the 2000 survey is of little practical importance, as only one respondent answered with a rate higher than 25 percent (with a response of 28 percent, this individual was counted as aware).

Under the broad definition of awareness, 91 percent of holders of bank-type credit cards in 2000 are aware of the APR charged on the outstanding balance on the bank-type card they use most often; under the narrow definition 85 percent are aware. Regardless of the definition used in 2000, it is clear that awareness of rates charged on outstanding balances, as measured by the awareness-zones method, has risen sharply since implementation of the Truth in Lending Act.

As with attitudes, awareness of rates varies by behavioral and demographic group. However, awareness exceeds 80 percent for all groups by both the broad and narrow definitions. Groups tending to be less aware (based on the broad definition) include the relatively small group of cardholders who had received a collection call in the past year (81 percent were aware) and those who hardly ever pay more than the minimum amount on their account (88 percent). The group of cardholders who had transferred a balance to another account within the past year registered the highest awareness rate (98 percent), consistent with the belief that balance transfers are more likely among rate-sensitive consumers (and also with the belief that rates on newly transferred

accounts are easy to remember).⁹ Other groups having relatively high awareness rates include those actually paying the rates, notably, consumers with an outstanding balance of more than \$1,500 and those who reported that they hardly ever pay their outstanding balance in full (for both groups, 96 percent). High awareness among these groups is not especially surprising, as consumers who use the credit feature of credit cards, as opposed to just the payment feature, have a clear interest in knowing the cost of the additional service.

Potentially as important as actual awareness is the perception of ease of obtaining information about credit terms. About two-thirds of consumers in the 2000 survey who had bank-type credit cards said that obtaining information on credit terms is easy (table 6). The proportion did not vary greatly or consistently with the way the respondents used credit. Those who had an outstanding balance of more than \$1,500 or had transferred a balance from one card to another in the past year were somewhat less likely to report ease in obtaining information, as were those who had received a collection call. Conversely, those who had three or more cards, hardly ever paid more than the minimum amount, or had income in the middle range were slightly more likely to report ease in obtaining information.

9. The large difference between the rates for the narrow and broad measures for this group and also for those with new accounts suggests that some respondents may have been reporting teaser rates and should be counted as aware under the narrow definition, as they were under the broad definition.

6. Opinions about the availability of information about credit cards among holders of bank-type credit cards, 2000
Percent aware

Cardholder group	Information about credit terms		Information needed for wise card use
	Very/somewhat easy to obtain	Very difficult to obtain	Card issuers provide enough
Memo: All families	67	8	40
All holders of bank-type cards	65	7	46
Have a new card account in the past year	63	8	47
Have three or more cards	69	4	44
Have an outstanding balance greater than \$1,500 after the most recent payment	60	5	36
Have transferred a balance to another account in the past year ¹	58	14	42
Hardly ever pay outstanding balance in full	65	7	46
Hardly ever pay more than the minimum ¹	69	11	36
Have paid a late fee in the past year	62	12	36
Have received a collection call in the past year ¹	57	12	28
Family's annual income is \$40,000 to \$74,999	68	4	45
Respondent has high school diploma or some college, but not a degree	67	3	46
Respondent is 35 to 54 years old	63	8	48

1. Weighted sample size less than fifty.

Source: Surveys of Consumers.

Only 8 percent of all families and 7 percent of holders of bank-type cards believe that obtaining information on credit terms is very difficult. These proportions also vary according to consumer experience and behavior. The proportion is highest for those who have transferred a balance in the past year, those who hardly ever pay more than the minimum due on their accounts, those who have paid a late fee in the past year, and those who have received a collection call in the past year. However, in no case does the proportion rise as high as 15 percent of cardholders.

The proportions of holders of bank-type cards reporting that obtaining information on terms is easy or difficult in 2000 is similar to the proportions in earlier surveys, although in the earlier years the focus was on credit generally rather than credit cards. The proportion of all families indicating in earlier years that obtaining information on credit terms was very easy or somewhat easy ranged from 57 percent to 68 percent, and the proportion indicating that obtaining information was very difficult never rose as high as 10 percent (table 7). The proportion saying that obtaining information was easy was, in all but one year, higher among credit users than among all families, and the proportion saying that obtaining information was very difficult was lower in every year.

The 2000 survey also asked whether credit card companies "usually give enough information to people to enable them to use their credit cards wisely." A bit under half (46 percent) of holders of bank-type cards answered "yes" (table 6). This frequency seemed low in light of the widespread use of credit cards, raising the question of whether

the "other guy" effect discussed earlier might be exerting a negative bias. Some consumers might believe that they personally have enough information but that other consumers, who can be counted on to make mistakes when dealing with card issuers, do not. A question focused on the respondents' own experiences might have produced a higher positive response.

To explore these possibilities, two indexes of overall attitudes—one of negativity toward the "other guy" and the other of positiveness about personal experiences—were constructed from responses to

7. Opinions about the ease of obtaining information about credit terms, selected years, 1977-2000
Percent

Group/year	Very/somewhat easy	Very difficult
<i>All families</i>		
1977	58	9
1981	68	7
1984	57	8
1993-4	63	7
1997	59	9
2000	67	8
<i>Credit users¹</i>		
1977	63	8
1981	78	3
1984	62	1
1993-4	72	5
1997	72	3
2000	65	7

NOTE: For 2000, ease of obtaining information about credit card terms; for all other years, information about credit terms.

1. For 1977, families with (closed-end) installment debt outstanding; for 1981, 1993-94, and 1997, families that had incurred (closed-end) installment debt in the past year; for 1984, families that had made a purchase on the installment plan in the past year; for 2000, holders of bank-type credit cards.

Source: For 1977, Survey of Consumer Finances; for all other years, Surveys of Consumers.

statements about “card issuers and consumers in general” and “card issuers and me” (see table 4). For each of the five statements in the former category, which are framed to reflect negatively on issuers and consumers, a value of -2 was assigned to each “strongly agree” response and a value of -1 was assigned to each “agree” response; other responses were assigned a value of zero. The values were then summed for each respondent, giving an index value within a range of -10 to zero for that respondent. The respondents were then divided into two groups, “strongly negative” (an index value of -7 through -10 , characterizing about 42 percent of holders of bank-type cards) and all others. A similar but positive index was constructed from the favorable responses to the statements about personal experiences (“card issuers and me” in table 4); and the respondents were similarly divided into two groups, “strongly positive” (about 49 percent of holders of bank-type cards) and all others.

Respondents who were not strongly negative about other consumers were in fact somewhat more likely to believe that card issuers give cardholders enough information to enable them to use their credit cards wisely; 52 percent of this group answered this way, compared with 46 percent of all cardholders. Of the group with a strongly positive index for personal experiences, 55 percent said issuers provide enough information (figures not in the tables). Although the differences are not dramatic, it does seem likely that the “other guy” effect exerts a downward bias on views as to whether credit card issuers provide enough information. Even with the possible downward bias, about two-fifths of all families in 2000 believe that creditors provide enough information.¹⁰

Holders of bank-type credit cards who said either that card issuers do not provide enough information or that they do not know were also asked a follow-up question: “What kind of information do you think would be helpful?” The wording of the question permits thinking about other consumers as well as more personally. The responses suggest a concern about the clarity of already available information (table 8), raising a question as to whether the required information provided now is so extensive and fre-

10. It is also possible to examine the association of strongly negative and positive attitudes with overall beliefs that credit cards are good or bad (the measurement in table 3). Notably, 55 percent of those in the strongly negative group (that is, those who expressed negativity on the questions about consumers) believe that credit cards are “bad” (a percentage much higher than that for the population as a whole), compared with 35 percent of those in the strongly positive group (that is, those who feel positive about their personal experiences) (much lower than the percentage for the population as a whole).

8. Proportion of holders of bank-type credit cards believing that specific actions to provide more information would be helpful, 2000

Percent		
Action	Bank-type card holders who said more information would be helpful	All bank-type card holders
Clearly state interest rates and changes in interest rates	35	19
Clearly define fees and charges	15	8
Make fine print bigger	12	6
Offer credit counseling	12	6
Provide more information about overextension	14	8
Give information about costs if only the minimum amount is paid	11	6
All other responses	14	8

NOTE: Respondents were allowed to answer with up to two responses.
SOURCE: Surveys of Consumers.

quent that it is almost overwhelming. Those who said that more information would be helpful simultaneously seem to be saying that they do not understand the information already provided, as many of the features they said would be helpful—clear statement of interest rates and changes in rates, and a clear definition of fees for cash advances and other services, for example—are already required by disclosure regulations. Respondents indicating that credit counseling and information about overextension would be useful could be expressing concern for others as well as for themselves.

Information about Payoff Times

Some observers have proposed that the Truth in Lending Act be amended to require card issuers to disclose to cardholders the period of time necessary to pay off a credit card balance if only the minimum amount is paid each month. Consumers indicate that they would like to have this information. However, precision in such a figure would imply that the consumer would not add to the balance in subsequent months (an assumption that also might be disclosed). If the consumer makes the minimum payment but continues to use the card, and the balance fluctuates substantially, the disclosure would in many cases be inaccurate. Of course, some consumers who rarely pay the balance in full might, nonetheless, benefit from an imperfect glimpse of the length of time necessary to repay in full.

To learn about consumers' behavior with respect to paying balances and the likelihood of their ceasing to

use the card after paying only the minimum amount, questions on this subject sponsored by the Federal Reserve were asked in the monthly Surveys of Consumers undertaken by the Survey Research Center of the University of Michigan in the summer of 1999, and identical questions sponsored by the Credit Research Center were included in the Surveys of Consumers in January 2000. In all, 2,000 consumers were questioned. Findings that 73 percent had a credit card of some type and 69 percent had a bank-type card correspond well with results of the 1998 Survey of Consumer Finances.

Just over one-third (35 percent) of holders of bank-type cards said they hardly ever pay their balance in full, somewhat higher than the 27 percent found in the 1998 Survey of Consumer Finances. Nine percent of cardholders reported that they sometimes pay more than the minimum amount due, and only 7 percent said they hardly ever pay more than the minimum.

Card-related behaviors among holders of bank-type credit cards, 1999 and 2000

Behavior	Percent
Hardly ever pay outstanding balance in full	35
Sometimes pay more than the minimum	9
Hardly ever pay more than the minimum	7
Sometimes or hardly ever pay more than the minimum, and do not use the card if making minimum payment	9
Hardly ever pay more than the minimum, and do not use the card if making minimum payment	4

Source: Surveys of Consumers, June–August 1999 and January 2000.

As discussed earlier, those who would benefit most directly from information about the length of time it would take to pay off a revolving account by making

only the minimum payment each month would be card users who pay the minimum and then do not make additional charges (as noted, if they continued to use the accounts, the length of time to repay would change). Survey findings indicate that 9 percent of holders of bank-type cards are in this category. If only those who say they hardly ever pay more than the minimum are considered, the proportion who report that they stop using the card falls to 4 percent of holders of bank-type cards.

CONCLUSION

The holding and use of general-purpose credit cards with a revolving feature, as well as balances outstanding, have increased substantially over the past three decades. These “bank-type” credit cards are, to some extent, a substitute for the installment-purchase plans formerly offered by retail stores. Consumers apparently like the convenience associated with card-based open-end credit lines, but they also express concerns. Some of their concerns may arise from personal experiences, but some also apparently come from perceptions of the difficulties of other consumers. Many consumers, by one measure of one important credit cost term, are aware of the costs associated with the use of revolving credit, and most consumers say that obtaining information on credit card terms is not very difficult. Responses to consumer interviews suggest that attitudes toward credit cards and card companies are similar to attitudes about closed-end credit in an earlier generation. Credit and creditors are never universally popular, it seems, even among users, and technological change in credit issuance has not altered this observation. □

Treasury and Federal Reserve Foreign Exchange Operations

This report, presented by Peter R. Fisher, Executive Vice President, Federal Reserve Bank of New York, and Manager, System Open Market Account, describes the foreign exchange operations of the U.S. Department of the Treasury and the Federal Reserve System for the period from April 2000 through June 2000. Laura Sarlo was primarily responsible for preparing the report.

The dollar ended the second quarter little changed against the euro and 3.1 percent stronger against the yen. The dollar initially appreciated as much as 5.9 percent and 6.2 percent against the euro and yen, respectively, but slipped midquarter as expectations for the U.S. economy moderated. On a trade-weighted basis, the dollar ended the period modestly stronger, having risen 1.3 percent against the currencies of the major U.S. trading partners. The U.S. monetary authorities did not intervene in the foreign exchange markets during the quarter.

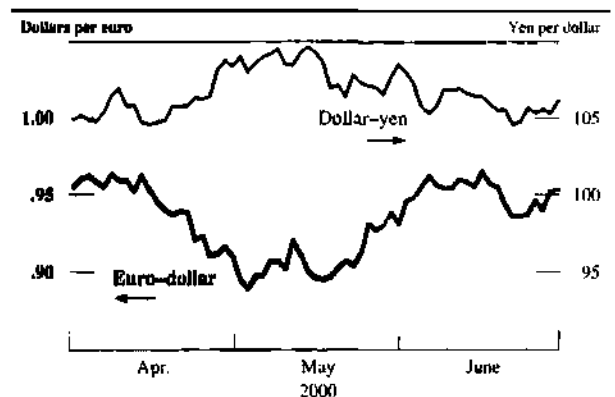
At the beginning of the quarter, weakness in technology shares led declines in U.S. equity markets as the Nasdaq fell 27.4 percent during the first two weeks of April. The equity markets' decline reportedly fostered some flows into U.S. Treasury securities, and two-year yields fell 24 basis points during the same period. However, economic data released in April were widely interpreted as reflecting a pattern of strong growth along with some inflationary pressure, as retail sales and producer and consumer price indexes for March had exceeded expectations. Market participants anticipated further rate increases, raising consensus expectations for a May 16 tightening to 25 and then to 50 basis points. After its May 16 meeting, the Federal Open Market Committee (FOMC) announced a 50-basis-point increase in the federal funds target rate, raising it to 6.50 percent. Immediately after the meeting, the dollar appreciated 1.1 percent against the euro but was little changed against most other major currencies. Later in the quarter, economic data were widely interpreted as suggesting signs of moderation in the U.S. economy, and they contributed to a gradual depreciation of the dollar from its earlier highs.

WEAKENING OF THE EURO AND YEN AGAINST THE DOLLAR DURING THE FIRST HALF OF THE QUARTER

During the first half of the quarter, the dollar appreciated against most major currencies as market participants reaffirmed expectations that U.S. economic growth would continue to outpace that of other major economies, including the euro area, and as U.S. asset markets continued to be perceived as generally attractive investment opportunities.

Data released during this time indicated that the U.S. economy grew 5.4 percent year-on-year during the first quarter, while euro-area fourth-quarter gross domestic product rose 3.1 percent; and a June 9 release indicated that first-quarter euro-area economic growth was 3.2 percent year-on-year. In addition, surveys reflected global investors' preference for maintaining lower levels of exposure to euro-area assets or to further reduce euro holdings. Traders also suggested that euro sales related to merger and acquisition activity may have increased demand for other currencies. Additionally, euro-area political developments, including the resignation of Italian Prime Minister Massimo D'Alema and further tension between Austria and its European Union partners, may have dampened sentiment toward the euro.

1. The euro and the yen against the dollar, 2000:Q2



NOTE. In this and the charts that follow, the data are for business days except as noted.

SOURCE: Bloomberg L.P.

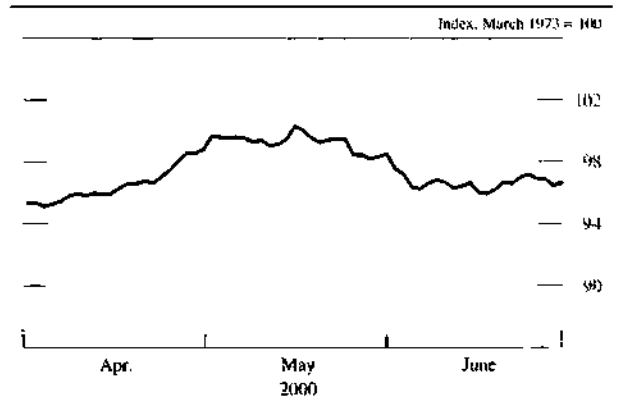
After starting the period at \$0.9555, the euro fell to \$0.8845 intraday on May 4, the lowest level since its January 1999 launch. The euro then rebounded as markets responded to numerous comments by euro-area senior officials regarding the prospects for intervention. Implied volatility in one-month euro-dollar options rose to a high of 15.1 percent on May 5.

The yen weakened 1.9 percent against the dollar during the first two weeks of the quarter. After Foreign Prime Minister Keizo Obuchi became incapacitated on the first day of the period and the March Tankan report indicated an improvement in business sentiment and a smaller-than-expected decline in planned capital expenditures, Japanese monetary authorities reportedly sold yen against other currencies. The yen weakened intraday from ¥102.82 to ¥105.65 against the dollar. For the remainder of the second quarter, the yen weakened a further 1.2 percent against the dollar although it appeared little affected by the change in the cabinet and the June 25 legislative election. Declines in the Nikkei and net portfolio investment outflows during the quarter may have also contributed to the yen's depreciation.

MODEST DEPRECIATION OF THE DOLLAR DURING THE SECOND HALF OF THE QUARTER

Beginning in late May, many market participants perceived a moderating trend in U.S. economic growth, as reflected in several economic data releases. Among these data releases were the weaker-than-expected National Association of Purchasing Managers and Chicago Purchasing Managers Index surveys, the employment report and the consumer price index for May, and retail sales data. This shift in growth expectations prompted many to revise

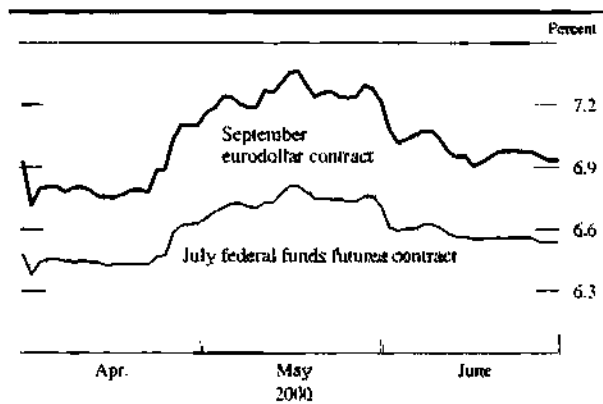
3. The trade-weighted dollar against major currencies, 2000:Q2



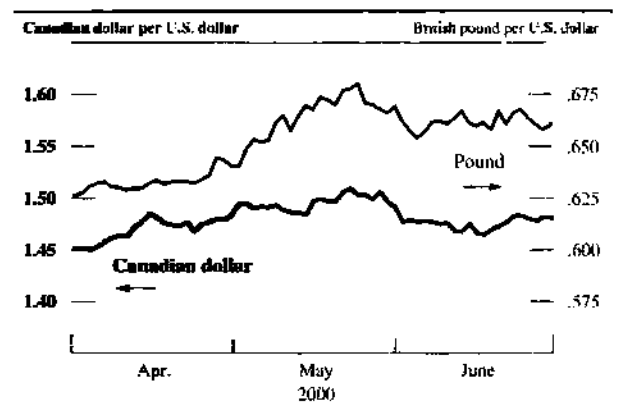
downward their forecasts for further monetary tightening. The implied yield on the July federal funds futures contract declined 19 basis points from mid-May to the end of the quarter. During this period, market participants reassessed the probability of an FOMC rate increase at the June 28 meeting and began to debate the degree of additional tightening expected before the year-end. The revision in policy expectations, as well as a series of strong first-quarter earnings reports, boosted U.S. equities, with the Nasdaq gaining 12.4 percent between May 15 and the end of the quarter.

Growing expectations for moderating U.S. economic growth also contributed to the appreciation of a broad range of currencies against the dollar. On a trade-weighted basis, the dollar declined 1.9 percent in June against the currencies of the major U.S. trading partners. After June 1, the Canadian dollar and British pound strengthened 0.7 percent and 1.5 percent, respectively, against the U.S. dollar as

2. Yields implied on U.S. interest rate futures contracts, 2000:Q2



4. The Canadian dollar and the British pound against the U.S. dollar, 2000:Q2



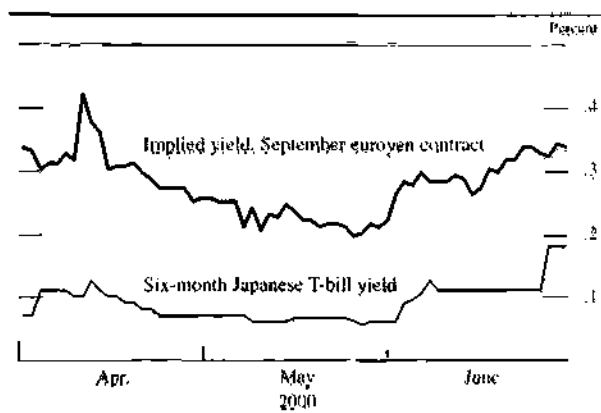
market participants revisited forecasts for interest rate differentials.

In late May, the euro began a reversal of its April depreciation. Demand for the euro appeared to grow as short-term investors reportedly established long euro positions and some longer-term investors began buying the euro on dips. This retracement was also supported by the release of stronger-than-expected euro-area economic data, including euro-area industrial production and national consumer price indexes for March. Increases in M3 solidified expectations that the European Central Bank (ECB) would tighten monetary policy, although the June 8 announcement of a 50-basis-point rate increase, to 4.25 percent, exceeded market expectations. Some market participants suggested that the expectation for potential narrowing of the interest rate differential between the United States and the euro area supported the euro against the dollar. During the quarter, the spread between two-year dollar and euro swap rates narrowed 55 basis points, to 190 basis points.

However, the euro did not appreciate after the June 8 ECB announcement and subsequent official comments, which were interpreted as a signal that the ECB would not undertake any additional rate increases until September. Late in the period, market participants reconsidered such expectations after the release of higher-than-expected national and euro-area producer and consumer price indexes for June, along with continued increases in oil prices. Rising shorter-dated yields did not appear to support the currency, which retreated from its quarter-high close of \$0.9655 on June 16 to end the period at \$0.9537.

Compared with the euro, the yen appreciated more modestly against the dollar during the second half of the quarter. Market discussion of a possible end to

6. Yields on short-term Japanese fixed-income securities, 2000:Q2

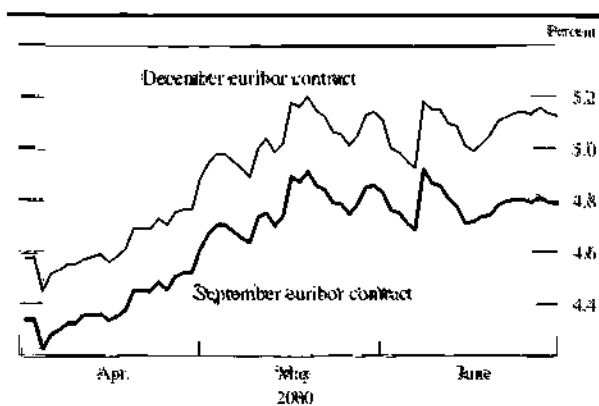


SOURCE: Bloomberg L.P.

the near-zero interest rate policy, a background factor throughout the quarter, intensified after mid-May. Comments by Bank of Japan officials contributed to some participants' estimations that the Bank of Japan's Policy Board was increasingly likely to repeal the near-zero interest rate policy, perhaps as early as July. Yields on six-month Japanese Treasury bills rose sharply, increasing from 0.06 to 0.18 percent.

Although the yen appreciated on a short-term basis on days when the possible end of the near-zero interest rate policy was a market focus, the dollar-yen exchange rate largely remained above the ¥105 level during the period. Widespread market concern that yen appreciation beyond ¥105 per dollar might prompt official action in currency markets may have supported the dollar against the yen. Ongoing concern about the Japanese corporate sector, marked by several notable bankruptcies and an absence of a pickup in bank lending, may also have limited the Japanese currency's appreciation. The June 25 election success of the Liberal Democratic Party led by Prime Minister Yoshiro Mori appeared to have little effect on the currency.

5. Yields implied on euro-area interest rate futures contracts, 2000:Q2

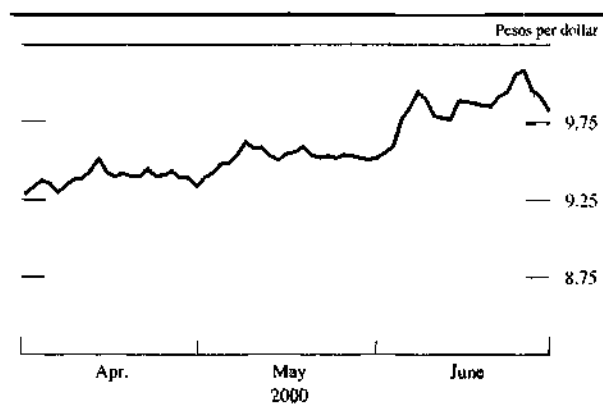


SOURCE: Bloomberg L.P.

ELECTION CONCERNS SWAY MEXICAN ASSETS

The dollar appreciated 5.8 percent against the Mexican peso as the peso weakened against a broad range of currencies before the July 2 presidential election. Yields on short-dated Mexican debt instruments rose as investors sought to offset the additional perceived event risk and as the Banco de Mexico tightened monetary conditions by increasing the shortage of reserves in the banking system. Longer-dated yields rose more modestly, remaining within recent ranges.

7. The Mexican peso against the U.S. dollar, 2000:Q2



SOURCE: Bloomberg L.P.

The Mexican sub-index of the J.P. Morgan Emerging Market Bond Index Plus spread over U.S. Treasuries rose from 354 to 381 basis points, underperforming the broader index by 50 basis points.

TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS

The U.S. monetary authorities did not undertake any intervention operations during the quarter. At the end

of the quarter, the current values of euro and Japanese yen reserve holdings totaled \$15.5 billion for the Federal Reserve System and \$15.5 billion for the Treasury's Exchange Stabilization Fund. The U.S. monetary authorities invest all their foreign currency balances in various instruments that yield market-related rates of return and have a high degree of liquidity and credit quality. To the extent practicable, these investments are split evenly between the Federal Reserve System and the Exchange Stabilization Fund.

A significant portion of the balances is invested in German and Japanese government securities held directly or under repurchase agreement. Government securities held under repurchase agreement are arranged either through transactions executed directly in the market or through agreements with official institutions. Foreign currency reserves are also invested in deposits at the Bank for International Settlements and in facilities at other official institutions. As of June 30, direct holdings of foreign government securities totaled \$8.2 billion, split evenly between the two authorities. Foreign government securities held under repurchase agreement totaled \$13.3 billion at the end of the quarter and were also split evenly between the two authorities. □

1. Foreign currency holdings of U.S. monetary authorities based on current exchange rates, 2000:Q2
Millions of dollars

Item	Balance, Mar. 31, 2000	Quarterly changes in balances, by source					Balance, June 30, 2000
		Net purchases and sales ¹	Effect of sales ²	Investment income	Currency valuation adjustments ³	Interest accrual and other ⁴	
FEDERAL RESERVE SYSTEM OPEN MARKET ACCOUNT (SOMA)							
Euro	6,597.4	0.0	0.0	58.6	-18.5	...	6,637.5
Japanese yen	9,171.4	0.0	0.0	5.8	-299.3	...	8,877.9
Total	15,768.7	0.0	0.0	64.4	-317.7	...	15,515.4
Interest receivables (net) ⁵	34.3	...	...	...	...	.2	34.5
Other cash flow from investments ⁴ .....	...	...	...	...	...	4.6	4.6
Total	15,803.0	0	0	64.4	-317.7	4.8	15,554.5
U.S. TREASURY EXCHANGE STABILIZATION FUND (ESF)							
Euro	6,594.5	0.0	0.0	58.6	-18.5	...	6,634.7
Japanese yen	9,171.4	0.0	0.0	5.8	-299.4	...	8,877.8
Total	15,765.9	0.0	0.0	64.4	-317.8	...	15,512.5
Interest receivables ⁵	59.8	...	...	...	...	-3.4	56.4
Other cash flow from investments ⁴ .....	...	...	...	...	...	4.7	4.7
Total	15,825.7	0	0	64.4	-317.8	1.3	15,573.6

NOTE: Figures may not sum to totals because of rounding.

1. Purchases and sales for the purpose of this table include foreign currency sales and purchases related to official activity, swap drawings and repayments, and warehousing.

2. This figure is calculated using marked-to-market exchange rates, it represents the difference between the sale exchange rate and the most recent revaluation exchange rate. Realized profits and losses on sales of foreign currencies, computed as the difference between the historical cost-of-acquisition exchange rate and the sale exchange rate, are reflected in table 2.

3. Foreign currency balances are marked to market monthly at month-end exchange rates.

4. Values are cash flow differences from payments and collection of funds between quarters.

5. Interest receivables for the ESF are revalued at month-end exchange rates. Interest receivables for the Federal Reserve System are carried at average cost of acquisition and are not marked to market until interest is paid.

Not applicable.

2. Net profits or losses (-) on U.S. Treasury and Federal Reserve foreign exchange operations, based on historical cost-of-acquisition exchange rates, 2000:Q2
Millions of dollars

Period and item	Federal Reserve System Open Market Account	U.S. Treasury Exchange Stabilization Fund
<i>Valuation profits and losses on outstanding assets and liabilities, Mar. 31, 2000</i>		
Euro	-851.1	-1,067.8
Japanese yen	-2,126.9	-2,339.1
Total	-2,978.0	-3,406.9
<i>Realized profits and losses from foreign currency sales, Mar. 31, 2000-June 30, 2000</i>		
Euro	0.0	0.0
Japanese yen	0.0	0.0
Total	0.0	0.0
<i>Valuation profits and losses on outstanding assets and liabilities, June 30, 2000</i>		
Euro	-869.6	-1,086.3
Japanese yen	1,823.3	2,044.4
Total	962.7	958.2

3. Reciprocal currency arrangements, June 30, 2000
Millions of dollars

Institution	Amount of facility	Outstanding, June 30, 2000
Reciprocal currency arrangements		
Bank of Canada	2,000	0.0
Bank of Mexico	3,000	0.0
Total	5,000	0.0
Federal Reserve and U.S. Treasury Exchange Stabilization Fund currency arrangements		
Bank of Mexico	3,000	0.0
Total	3,000	0.0

Staff Studies

The staff members of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. From time to time, the studies that are of general interest are published in the Staff Studies series and summarized in the Federal Reserve Bulletin. The analyses and conclusions set forth are those of the authors and do not

necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by members of their staffs.

Single copies of the full text of each study are available without charge. The titles available are shown under "Staff Studies" in the list of Federal Reserve Board publications at the back of each Bulletin.

STUDY SUMMARY

BANK MERGERS AND BANKING STRUCTURE IN THE UNITED STATES, 1980-98

Stephen A. Rhoades

The U.S. banking industry experienced a sustained and unprecedented merger movement from 1980 to 1998. During that period, approximately 8,000 bank mergers occurred, involving about \$2.4 trillion in acquired assets. The 1990s, especially 1994-98, was a period of numerous large bank mergers, including several that were among the largest in U.S. banking history. This study describes various aspects of that bank merger activity and some of the changes in U.S. banking structure and performance that took place during 1980-98.

With respect to bank merger activity, the study examines the number and asset size of the acquiring and acquired banks, by year and state; the identities and sizes of the parties involved in large mergers; the types of mergers (horizontal and market extension), markets (urban and rural), and corporate form of the acquirers (independent banks and bank holding companies); and the number of mergers and related assets approved by each federal bank regulator. With respect to U.S. banking structure and performance, the study examines the change in the number of banks and offices, the number of automated teller machines (ATMs) and ATM transactions, nationwide and local market banking concentration, and bank profits and stock prices.

The study found that there was a very large decline in the number of banks and banking organizations

from 1980 to 1998. Merger activity remained at a high level throughout most of the period. Nevertheless, the number of banking offices continued to grow despite the large decline in the number of banks and the burgeoning of ATMs. Concentration of U.S. bank deposits among the largest banks increased greatly, especially from 1994 to 1998, when a number of exceptionally large mergers occurred. Concentration increased substantially in many local banking markets, especially in large metropolitan areas, where concentration tended to be relatively low. Initial statistical tests indicate that bank mergers and a decline in the number of banks have played a role in increasing local market concentration. At the same time, the study suggests that "switching costs"—that is, the costs customers incur to change banks—are an increasingly important characteristic of retail banking. Because bank competition within local market areas directly affects retail customers, any trends toward increasing concentration and higher switching costs suggest that antitrust laws may become a constraint on more mergers than in the past. These tendencies suggest that divestitures will likely become a public policy remedy that will be used with increasing frequency.

Industrial Production and Capacity Utilization for July 2000

Released for publication August 15

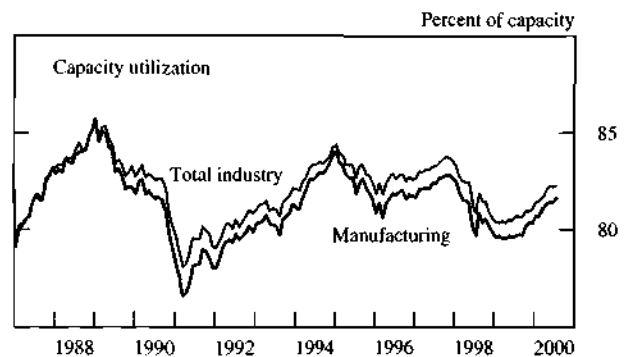
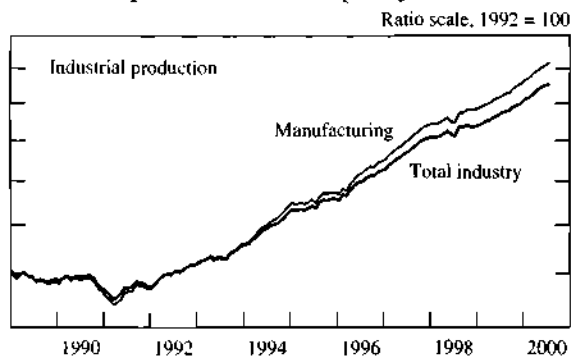
Industrial production increased 0.4 percent in July. Manufacturing output increased 0.5 percent, and mining output rose 1.7 percent; but with unseasonably mild July weather, electric utility output fell more than 3 percent. At 145.3 percent of its 1992 average, industrial production in July was 5.8 percent higher than in July 1999. Capacity utilization for total indus-

try rose 0.1 percentage point, to 82.3 percent, a level 0.3 percentage point above its 1967–99 average.

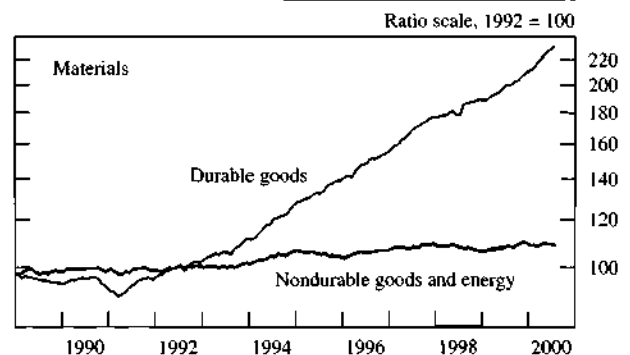
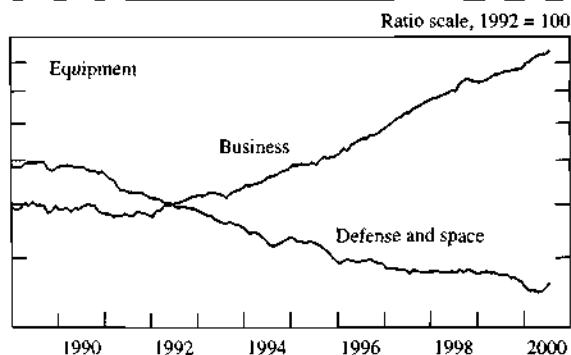
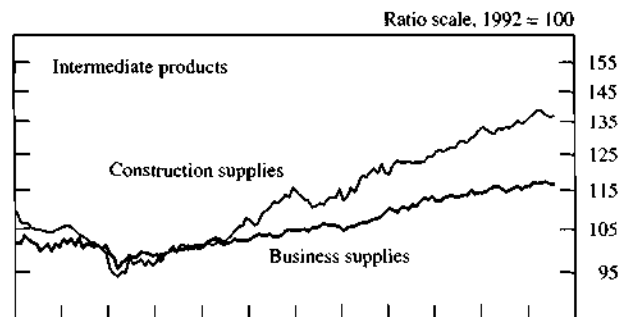
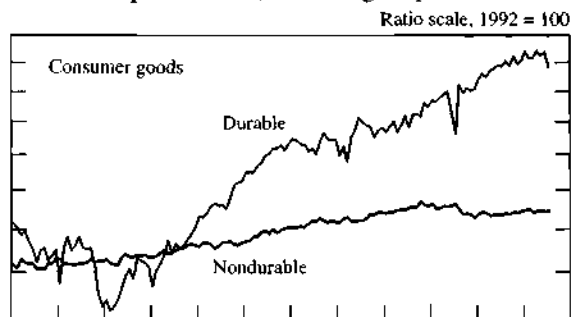
MARKET GROUPS

The output of consumer goods fell 0.5 percent in July, as the production of consumer durables fell sharply. The production of automotive products

Industrial production and capacity utilization



Industrial production, market groups



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

Industrial production and capacity utilization, July 2000

Category	Industrial production, index, 1992=100								
	2000				Percentage change				July 1999 to July 2000
	Apr. ^r	May ^r	June ^r	July ^r	2000 ¹				
					Apr. ^r	May ^r	June ^r	July ^r	
Total	143.5	144.4	144.8	145.3	.8	.6	.2	.4	5.8
Previous estimate	143.5	144.3	144.6	...	.8	.5	.2	...	...
<i>Major market groups</i>									
Products, total ²	131.0	131.0	131.0	131.3	.5	.0	.0	.3	3.5
Consumer goods	118.6	118.5	118.5	117.9	.5	-.1	.0	-.5	1.0
Business equipment	185.0	185.8	186.2	188.6	1.1	.5	.2	1.3	9.3
Construction supplies	139.2	137.4	136.7	137.1	.2	-1.3	-.5	.3	2.9
Materials	165.0	167.6	168.7	169.6	1.2	1.6	.7	.5	9.5
<i>Major industry groups</i>									
Manufacturing	149.3	150.2	150.7	151.6	.6	.5	.4	.5	6.8
Durable	186.8	189.0	190.3	191.4	1.2	1.2	.7	.6	10.1
Nondurable	113.5	113.2	113.1	113.7	-.1	-.3	.0	.5	2.4
Mining	101.2	101.1	102.0	103.7	-.1	-.1	.9	1.7	6.1
Utilities	114.9	117.8	114.8	111.0	3.7	2.5	-2.5	-3.3	-7.4
	Capacity utilization, percent								Memo Capacity, per- centage change, July 1999 to July 2000
	Average, 1967-99	Low, 1982	High, 1988-89	1999	2000				
				July	Apr. ^r	May ^r	June ^r	July ^r	
Total	82.0	71.1	85.4	80.7	82.0	82.3	82.2	82.3	3.8
Previous estimate .....	...	...	...	...	82.1	82.2	82.1	...	...
Manufacturing	81.1	69.0	85.7	79.7	81.3	81.4	81.4	81.6	4.2
Advanced processing	80.5	70.4	84.2	78.6	80.5	80.9	81.0	81.2	5.4
Primary processing	82.4	66.2	88.9	82.9	83.8	83.3	83.0	83.2	1.6
Mining	87.3	80.3	88.0	81.3	84.7	84.7	85.6	87.2	-1.0
Utilities	87.5	75.9	92.6	93.9	89.2	91.3	88.9	85.9	1.3

NOTE: Data are 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.

dropped 6.6 percent, a decline reflecting a large decrease in motor vehicle assemblies. The output of other durable goods fell 0.6 percent; the sector, particularly household appliances, has been weak over the past several months. During the first half of this year, the output of consumer durable goods was up 4¼ percent from a year earlier; with the large drop in July, output was just even with its level of July 1999. Nondurable consumer goods moved up 0.3 percent in July; widespread increases in the production of non-energy products were partially offset by a 2.0 percent drop in the output of energy goods as mild July weather reduced residential sales of electricity.

The production of business equipment rose 1.3 percent, with most groups posting gains. Reflecting the ongoing strength in the output of computers and communications equipment, the index for information processing equipment increased 2.6 percent after a relatively small rise in June; gains in this sector have averaged about 1¾ percent per month so far this

year. The production of industrial equipment was up noticeably, more than reversing the decline in June, and was 4.6 percent higher than July 1999. With a drop in the production of both autos and light trucks, the output of transit equipment decreased for the third consecutive month. Production of defense and space equipment jumped 2.1 percent in July after an upward-revised 1.5 percent increase in June; gains in the production of guidance and navigation equipment have accounted for much of the recent strength in this sector.

After having declined sharply over the previous two months, the index for construction supplies increased 0.3 percent in July. The output of durable goods materials rose 1.1 percent, with another sizable increase in equipment parts, particularly semiconductors. The production of nondurable goods materials stayed flat and continued the sluggish pattern that has been evident this year. Driven largely by a weather-related decline in electricity generation, the output of energy materials dropped 0.8 percent.

INDUSTRY GROUPS

Manufacturing output advanced 0.5 percent in July, a rise similar to the increases over the past few months. Excluding motor vehicles and parts, the gain in July was 0.9 percent. The production of both durables and nondurables posted strong increases. The 0.6 percent gain in durables was once again led by high-technology equipment and parts; however, the production of motor vehicles and parts plunged 5.5 percent. Iron and steel output fell 0.7 percent and, on balance, has eased over the past few months. The production of nondurables, which was unchanged in June, advanced 0.5 percent. Strong rebounds in production at many industries, most notably petroleum and apparel, along with further increases in rubber and plastics and printing and publishing, accounted for most of the output gain. The overall factory operating rate rose 0.2 percentage point, to 81.6 percent, with small increases in both advanced-processing and primary-processing industries.

Production at mines increased 1.7 percent after having risen 0.9 percent in June. The utilization rate at mines increased to 87.2 percent, a bit below its long-run average. Output at utilities, which dropped 2.5 percent in June, moved down another 3.3 percent in July; the operating rate at utilities fell to 85.9 percent.

REVISION OF INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

In November the Federal Reserve Board will publish a revision to the index of industrial production (IP), the related measures of capacity and capacity utilization, and industrial use of electric power. The updated measures will 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 will also include 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 affect data from 1992 onward.

This statistical release will be redesigned with the release of the revision. More special aggregates will be added, but some detailed industry data will be available only on the Federal Reserve Board's public web site. Additional details regarding the redesign will be provided next month.

This regular updating of source data for IP will include 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 on metallic and nonmetallic minerals (except fuels) for 1998 and 1999 will also be introduced. The updating will also include revisions to the monthly indicator for each industry (either physical product data, production-worker hours, or electric power usage) and revised seasonal factors.

Capacity and capacity utilization will be revised to incorporate 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 will incorporate additional information received from utilities for the past few years and will include some data from the 1997 Census of Manufactures and 1998 Annual Survey of Manufactures.

Aggregate industrial production indexes have been built as annually weighted chain-type indexes, beginning with data in 1977; the weights are currently changed at the middle of every year. With the coming revision, the weights will change every month, rather than once a year, beginning with data for 1992.

Once the revision is published, it will also be made available on the Board's web site (<http://www.federalreserve.gov/releases/g17>). The revised data will also be 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). □

Statements to the Congress

Statement by Patrick M. Parkinson, Associate Director, Division of Research and Statistics, Board of Governors of the Federal Reserve System, before the Subcommittee on Finance and Hazardous Materials of the Committee on Commerce, U.S. House of Representatives, July 12, 2000

I am pleased to be here to present the Federal Reserve Board's views on the Commodity Futures Modernization Act of 2000 (H.R. 4541). My testimony today will be quite similar to testimony that Chairman Greenspan and I presented last month to committees in the Senate and House respectively. The Board continues to believe that such legislation modernizing the Commodity Exchange Act (CEA) is essential. To be sure, the Commodity Futures Trading Commission (CFTC) has recently proposed issuing regulatory exemptions that would reduce legal uncertainty about the enforceability of over-the-counter (OTC) derivatives transactions and would conform the regulation of futures exchanges to the realities of today's marketplace. These administrative actions by no means obviate the need for legislation, however. The greatest legal uncertainty affecting OTC derivatives is in the area of securities-based transactions, to which the CFTC's exemptive authority does not extend. Furthermore, as events during the past few years have clearly demonstrated, regulatory exemptions carry the risk of amendment by future commissions. If our derivatives markets are to remain innovative and competitive internationally, they need the legal and regulatory certainty that only legislation can provide.

In my remarks today I shall focus on three of the areas that the legislation covers: (1) OTC derivatives, (2) regulatory relief for U.S. futures exchanges, and (3) repeal of the Shad-Johnson prohibition of single-stock futures.

OTC DERIVATIVES

In its November 1999 report, *Over-the-Counter Derivatives and the Commodity Exchange Act*, the President's Working Group on Financial Markets (PWG) concluded that OTC derivatives transactions should be subject to the CEA only if necessary to achieve the public policy objectives of the act—

detering market manipulation and protecting investors against fraud and other unfair practices. In the case of financial derivatives transactions involving professional counterparties, the PWG concluded that regulation was unnecessary for these purposes because financial derivatives generally are not readily susceptible to manipulation and because professional counterparties can protect themselves against fraud and unfair practices. Consequently, the PWG recommended that financial OTC derivatives transactions between professional counterparties be excluded from coverage of the CEA. Furthermore, it recommended that these transactions between professional counterparties be excluded even if they are executed through electronic trading systems. Finally, the PWG recommended that transactions that were otherwise excluded from the CEA should not fall within the ambit of the act simply because they are cleared. The PWG concluded that clearing should be subject to government oversight but that such oversight need not be provided by the CFTC. Instead, for many types of derivatives, oversight could be provided by the Securities and Exchange Commission (SEC), the Office of the Comptroller of the Currency, the Federal Reserve, or a foreign financial regulator that the appropriate U.S. regulator determines to have satisfied its standards.

The provisions of H.R. 4541 that address OTC derivatives are generally consistent with the PWG's conclusions. At the margin, the provisions differ from those recommended by the PWG in terms of the range of counterparties covered by the exclusions. However, these differences reflect reasonable judgments regarding the types of counterparties that can protect themselves against fraud and unfair practices. Therefore, the Federal Reserve Board believes it would be appropriate to enact these provisions.

REGULATORY RELIEF FOR U.S. FUTURES EXCHANGES

The PWG did not make specific recommendations about the regulation of traditional exchange-traded futures markets that use open outcry trading or that allow trading by retail investors. Nevertheless, it called for the CFTC to review the existing regulatory

structures, particularly those applicable to financial futures, to ensure that they remain appropriate in light of the objectives of the CEA. In February, the CFTC published a report by a staff task force that provided a comprehensive review of its regulatory framework and proposed sweeping changes to the existing regulatory structure. Last month the CFTC issued a revised set of proposals for public comment. With some exceptions, the regulatory relief provisions of H.R. 4541 are consistent with the CFTC's proposals.

Using the same approach as the PWG, the CFTC has evaluated the regulation of futures exchanges in light of the public policy objectives of deterring market manipulation and protecting investors. When contracts are not readily susceptible to manipulation and access to the exchange is limited to sophisticated counterparties, the CFTC has proposed alternative regulatory structures that would eliminate unnecessary regulatory burden and allow domestic exchanges to compete more effectively with exchanges abroad and with the OTC markets. More generally, the CFTC proposes to transform itself from a frontline regulator, promulgating relatively rigid rules for exchanges, to an oversight agency, assessing exchanges' compliance with more flexible core principles of regulation.

The Federal Reserve Board supports the general approach to regulation that was outlined in the CFTC's proposals. For some time the Board has been arguing that the regulatory framework for futures trading, which was designed for the trading of grain futures by the general public, is not appropriate for the trading of financial futures by large institutions. The CFTC's proposals recognize that the current "one-size-fits-all" approach to regulation of futures exchanges is inappropriate, and they generally incorporate sound judgments regarding the degree of regulation needed to achieve the CEA's purposes.

Similarly, the Federal Reserve Board generally supports the regulatory relief provisions of H.R. 4541. However, the CFTC has expressed concerns that the bill unduly restricts its authority to correct violations of the core principles of regulation. To facilitate expeditious passage of legislation, it thus may be prudent to address the CFTC's concerns about its enforcement authority.

SINGLE-STOCK FUTURES

The PWG concluded that the current prohibition on single-stock futures (part of the Shad-Johnson Accord) can be repealed if issues about the integrity

of the underlying securities markets and regulatory arbitrage are resolved. The Board believes that such instruments should be allowed to trade on futures exchanges or on securities exchanges, with primary regulatory authority assigned to the CFTC or the SEC respectively. However, the SEC should have authority over some aspects of trading of these products on futures exchanges. The scope of the SEC's authority can and should be resolved through negotiations between the CFTC and the SEC. The Congress should continue to urge the two agencies to settle their remaining differences. Whatever agreement they reach should then be incorporated through amendments to H.R. 4541. In any event, the bill should allow securities exchanges to compete with futures exchanges in listing single-stock futures.

If it would facilitate repeal of the prohibition, the Federal Reserve Board is willing to accept regulatory authority over levels of margin on single-stock futures, as provided in H.R. 4541, so long as the Board can delegate that authority to the CFTC, the SEC, or an Intermarket Margin Board consisting of representatives of the three agencies. The Board understands that the purpose of such authority would be to preserve the financial integrity of the contract market and thereby prevent systemic risk and to ensure that levels of margins on single-stock futures and options are consistent. The Board would note that, for purposes of preserving financial integrity and preventing systemic risk, margin levels on futures and options should be considered consistent, even if they are not identical, if they provide similar levels of protection against defaults by counterparties, taking into account any differences in (1) the price volatility of the contracts, (2) the frequency with which margin calls are made, or (3) the period of time within which margin calls must be met.

CONCLUSION

H.R. 4541 reflects a remarkable consensus on the need for legal certainty for OTC derivatives and regulatory relief for U.S. futures exchanges, issues that have long eluded resolution. These provisions are vitally important to the soundness and competitiveness of our derivatives markets in what is an increasingly integrated and intensely competitive global economy. The Federal Reserve Board trusts that the remaining differences regarding single-stock futures can be resolved quickly, so that this important piece of legislation can be expedited through this Congress.

Statement by Patrick M. Parkinson, Associate Director, Division of Research and Statistics, Board of Governors of the Federal Reserve System, before the Committee on Banking and Financial Services, U.S. House of Representatives, July 19, 2000

I am pleased to be here to present the Federal Reserve Board's views on the Commodity Futures Modernization Act of 2000 (H.R. 4541). Much of my testimony today will repeat testimony that Chairman Greenspan and I have presented during the last few weeks to other committees in the Senate and the House.

The Board continues to believe that such legislation modernizing the Commodity Exchange Act (CEA) is essential. To be sure, the Commodity Futures Trading Commission (CFTC) has recently proposed issuing regulatory exemptions that would reduce legal uncertainty about the enforceability of over-the-counter (OTC) derivatives transactions and would conform the regulation of futures exchanges to the realities of today's marketplace. These administrative actions by no means obviate the need for legislation, however. The greatest legal uncertainty affecting OTC derivatives is in the area of securities-based transactions, to which the CFTC's exemptive authority does not extend. Furthermore, as events during the past few years have clearly demonstrated, regulatory exemptions carry the risk of amendment by future commissions. If our derivatives markets are to remain innovative and competitive internationally, they need the legal and regulatory certainty that only legislation can provide.

In my remarks today, I shall focus primarily on three of the areas that the legislation covers: (1) OTC derivatives, (2) regulatory relief for U.S. futures exchanges, and (3) repeal of the Shad-Johnson prohibition of single-stock futures. Before concluding, I shall also discuss the importance of legislation clarifying the treatment of derivatives and other financial contracts in bankruptcy.

OTC DERIVATIVES

In its November 1999 report, *Over-the-Counter Derivatives and the Commodity Exchange Act*, the President's Working Group on Financial Markets (PWG) concluded that OTC derivatives transactions should be subject to the CEA only if necessary to achieve the public policy objectives of the act—detering market manipulation and protecting investors against fraud and other unfair practices. In the case of financial derivatives transactions involving

professional counterparties, the PWG concluded that regulation was unnecessary for these purposes because financial derivatives generally are not readily susceptible to manipulation and because professional counterparties can protect themselves against fraud and unfair practices. Consequently, the PWG recommended that financial OTC derivatives transactions between professional counterparties be excluded from coverage of the CEA. Furthermore, it recommended that these transactions between professional counterparties be excluded even if they are executed through electronic trading systems. Finally, the PWG recommended that transactions that were otherwise excluded from the CEA should not fall within the ambit of the act simply because they are cleared. The PWG concluded that clearing should be subject to government oversight but that such oversight need not be provided by the CFTC. Instead, for many types of derivatives, oversight could be provided by the Securities and Exchange Commission (SEC), the Office of the Comptroller of the Currency, the Federal Reserve, or a foreign financial regulator that the appropriate U.S. regulator determines to have satisfied its standards.

The provisions of H.R. 4541 that address OTC derivatives are generally consistent with the PWG's conclusions. Therefore, the Federal Reserve Board believes it would be appropriate to enact these provisions. In addition, the Board recommends incorporating into the legislation provisions that would enhance the Federal Reserve's enforcement authority with respect to derivatives clearing organizations that seek to organize as uninsured state member banks. Provisions should also be added that would clarify how clearing organizations organized as uninsured state member banks or Edge Act corporations would be resolved in the event of their bankruptcy.

REGULATORY RELIEF FOR U.S. FUTURES EXCHANGES

The PWG did not make specific recommendations about the regulation of traditional exchange-traded futures markets that use open outcry trading or that allow trading by retail investors. Nevertheless, it called for the CFTC to review the existing regulatory structures, particularly those applicable to financial futures, to ensure that they remain appropriate in light of the objectives of the CEA. In February, the CFTC published a report by a staff task force that provided a comprehensive review of its regulatory framework and proposed sweeping changes to the existing regulatory structure. Last month, the CFTC

issued a revised set of proposals for public comment. With some exceptions, the regulatory relief provisions of H.R. 4541 are consistent with the CFTC's proposals.

Using the same approach as the PWG, the CFTC has evaluated the regulation of futures exchanges in light of the public policy objectives of deterring market manipulation and protecting investors. When contracts are not readily susceptible to manipulation and access to the exchange is limited to sophisticated counterparties, the CFTC has proposed alternative regulatory structures that would eliminate unnecessary regulatory burden and allow domestic exchanges to compete more effectively with exchanges abroad and with the OTC markets. More generally, the CFTC proposes to transform itself from a frontline regulator, promulgating relatively rigid rules for exchanges, to an oversight agency, assessing exchanges' compliance with more flexible core principles of regulation.

The Federal Reserve Board supports the general approach to regulation that was outlined in the CFTC's proposals. For some time, the Board has been arguing that the regulatory framework for futures trading, which was designed for the trading of grain futures by the general public, is not appropriate for the trading of financial futures by large institutions. The CFTC's proposals recognize that the current "one-size-fits-all" approach to regulation of futures exchanges is inappropriate, and they generally incorporate sound judgments regarding the degree of regulation needed to achieve the CEA's purposes.

Similarly, the Federal Reserve Board generally supports the regulatory relief provisions of H.R. 4541. However, the CFTC has expressed concerns that the bill unduly restricts its authority to correct violations of the core principles of regulation. To facilitate expeditious passage of legislation, it thus may be prudent to address the CFTC's concerns about its enforcement authority.

SINGLE-STOCK FUTURES

The PWG concluded that the current prohibition on single-stock futures (part of the Shad-Johnson Accord) can be repealed if issues about the integrity of the underlying securities markets and regulatory arbitrage are resolved. The Board believes that such instruments should be allowed to trade on futures exchanges or on securities exchanges, with primary regulatory authority assigned to the CFTC or the SEC respectively. However, the SEC should have authority over some aspects of trading of these prod-

ucts on futures exchanges. The scope of the SEC's authority can and should be resolved through negotiations between the CFTC and the SEC. The Congress should continue to urge the two agencies to settle their remaining differences. Whatever agreement they reach should then be incorporated through amendments to H.R. 4541. In any event, the bill should allow securities exchanges to compete with futures exchanges in listing single-stock futures.

If it would facilitate repeal of the prohibition, the Federal Reserve Board is willing to accept regulatory authority over levels of margin on single-stock futures, as provided in H.R. 4541, so long as the Board can delegate that authority to the CFTC, the SEC, or an Intermarket Margin Board consisting of representatives of the three agencies. The Board understands that the purpose of such authority would be to preserve the financial integrity of the contract market and thereby prevent systemic risk and to ensure that levels of margins on single-stock futures and options are consistent. The Board would note that, for purposes of preserving financial integrity and preventing systemic risk, margin levels on futures and options should be considered consistent, even if they are not identical, if they provide similar levels of protection against defaults by counterparties, taking into account any differences in (1) the price volatility of the contracts, (2) the frequency with which margin calls are made, or (3) the period of time within which margin calls must be met.

FINANCIAL NETTING LEGISLATION

The Federal Reserve Board continues to support the working group's recommendations for amendments to the U.S. Bankruptcy Code to support financial contract netting. Enactment of those amendments, which this committee has introduced as H.R. 1161, would reduce uncertainty for market participants about the disposition of their financial market contracts in the event one of the counterparties becomes insolvent. This reduced uncertainty should limit market disruptions in the event of an insolvency, limit risk to federally supervised market participants, including insured depositories, and limit systemic risk. The Board urges this committee to amend H.R. 4541 to include the financial contract netting provisions of H.R. 1161.

CONCLUSION

H.R. 4541 reflects a remarkable consensus on the need for legal certainty for OTC derivatives and

regulatory relief for U.S. futures exchanges, issues that have long eluded resolution. Likewise, the working group's recommendations for amendments to the Bankruptcy Code are the product of several years of consensus building. These provisions are vitally important to the soundness and competitiveness of our derivatives markets in what is an increasingly

integrated and intensely competitive global economy. The Federal Reserve Board trusts that the remaining differences regarding single-stock futures can be resolved quickly. However, if those differences cannot be resolved, that should not be allowed to hold up passage by this Congress of these other critical provisions.

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, July 20, 2000 (Chairman Greenspan presented identical testimony before the Committee on Banking and Financial Services, U.S. House of Representatives, July 25, 2000.)

I appreciate this opportunity to present the Federal Reserve's report on monetary policy.

The Federal Reserve has been confronting a complex set of challenges in judging the stance of policy that will best contribute to sustaining the strong and long-running expansion of our economy. The challenges will be no less in coming months as we judge whether ongoing adjustments in supply and demand will be sufficient to prevent distortions that would undermine the economy's extraordinary performance.

For some time now, the growth of aggregate demand has exceeded the expansion of production potential. Technological innovations have boosted the growth rate of potential, but as I noted in my testimony last February, the effects of this process also have spurred aggregate demand. It has been clear to us that, with labor markets already quite tight, a continuing disparity between the growth of demand and potential supply would produce disruptive imbalances.

A key element in this disparity has been the very rapid growth of consumption resulting from the effects on spending of the remarkable rise in household wealth. However, the growth in household spending has slowed noticeably this spring from the unusually rapid pace observed late in 1999 and early this year. Some argue that this slowing is a pause following the surge in demand through the warmer-than-normal winter months and hence a reacceleration can be expected later this year. Certainly, we have seen slowdowns in spending during this near-decade-long expansion that have proven temporary, with aggregate demand growth subsequently rebounding to an unsustainable pace.

But other analysts point to a number of factors that may be exerting more persistent restraint on spending. One they cite is the flattening in equity prices, on

net, this year. They attribute much of the slowing of consumer spending to this diminution of the wealth effect through the spring and early summer. This view looks to equity markets as a key influence on the trend in consumer spending over the rest of this year and next.

Another factor said by some to account for the spending slowdown is the rising debt burden of households. Interest and amortization as a percent of disposable income have risen materially during the past six years, as consumer and especially mortgage debt has climbed and, more recently, as interest rates have moved higher.

In addition, the past year's rise in the price of oil has amounted to an annual \$75 billion levy by foreign producers on domestic consumers of imported oil, the equivalent of a tax of roughly 1 percent of disposable income. This burden is another likely source of the slowed growth in real consumption outlays in recent months, though one that may prove to be largely transitory.

Mentioned less prominently have been the effects of the faster increase in the stock of consumer durable assets—both household durable goods and houses—in the last several years, a rate of increase that history tells us is usually followed by a pause. Stocks of household durable goods, including motor vehicles, are estimated to have increased at nearly a 6 percent annual rate over the past three years, a marked acceleration from the growth rate of the previous ten years. The number of cars and light trucks owned or leased by households, for example, apparently has continued to rise in recent years despite having reached nearly 1¾ vehicles per household by the mid-1990s. Notwithstanding their recent slowing, sales of new homes continue at extraordinarily high levels relative to new household formations. While we will not know for sure until the 2000 census is tabulated, the surge in new home sales is strong evidence that the growth of owner-occupied homes has accelerated during the past five years.

Those who focus on the high and rising stocks of durable assets point out that even without the rise in interest rates, an eventual leveling out or some tapering off of purchases of durable goods and construc-

tion of single-family housing would be expected. Reflecting both higher interest rates and higher stocks of housing, starts of new housing units have fallen off of late. If that slowing were to persist, some reduction in the rapid pace of accumulation of household appliances across our more than a hundred million households would not come as a surprise, nor would a slowdown in vehicle demand so often historically associated with declines in housing demand.

Inventories of durable assets in households are just as formidable a factor in new production as inventories at manufacturing and trade establishments. The notion that consumer spending and housing construction may be slowing because the stock of consumer durables and houses may be running into upside resistance is a credible addition to the possible explanations of current consumer trends. This effect on spending would be reinforced by the waning effects of gains in wealth.

Because the softness in outlay growth is so recent, all of the aforementioned hypotheses, of course, must be provisional. It is certainly premature to make a definitive assessment of either the recent trends in household spending or what they mean. But it is clear that, for the time being at least, the increase in spending on consumer goods and houses has come down several notches, albeit from very high levels.

In one sense, the more important question for the longer-term economic outlook is the extent of any productivity slowdown that might accompany a more subdued pace of production and consumer spending, should it persist. The behavior of productivity under such circumstances will be a revealing test of just how much of the rapid growth of productivity in recent years has represented structural change as distinct from cyclical aberrations and, hence, how truly different the developments of the past five years have been. At issue is how much of the current downshift in our overall economic growth rate can be accounted for by reduced growth in output per hour and how much by slowed increases in hours.

So far there is little evidence to undermine the notion that most of the productivity increase of recent years has been structural and that structural productivity may still be accelerating. New orders for capital equipment continue quite strong—so strong that the rise in unfilled orders has actually steepened in recent months. Capital-deepening investment in a broad range of equipment embodying the newer productivity-enhancing technologies remains brisk.

To be sure, if current personal consumption outlays slow significantly further than the pattern now in train suggests, profit and sales expectations might be scaled back, possibly inducing some hesitancy in

moving forward even with capital projects that appear quite profitable over the longer run. In addition, the direct negative effects of the sharp recent run-up in energy prices on profits as well as on sales expectations may temporarily damp capital spending. Despite the marked decline over the past decades in the energy requirements per dollar of GDP, energy inputs are still a significant element in the cost structure of many American businesses.

For the moment, the drop-off in overall economic growth to date appears about matched by reduced growth in hours, suggesting continued strength in growth in output per hour. The increase of production worker hours from March through June, for example, was at an annual rate of $\frac{1}{2}$ percent compared with $3\frac{1}{4}$ percent the previous three months. Of course, we do not have comprehensive measures of output on a monthly basis, but available data suggest a roughly comparable deceleration.

A lower overall rate of economic growth that did not carry with it a significant deterioration in productivity growth obviously would be a desirable outcome. It could conceivably slow or even bring to a halt the deterioration in the balance of overall demand and potential supply in our economy.

As I testified before this committee in February, domestic demand growth, influenced importantly by the wealth effect on consumer spending, has been running $1\frac{1}{2}$ to 2 percentage points at an annual rate in excess of even the higher, productivity-driven, growth in potential supply since late 1997. That gap has been filled both by a marked rise in imports as a percent of GDP and by a marked increase in domestic production resulting both from significant immigration and from the employment of previously unutilized labor resources.

I also pointed out in February that there are limits to how far net imports—or the broader measure, our current account deficit—can rise, or our pool of unemployed labor resources can fall. As a consequence, the excess of the growth of domestic demand over potential supply must be closed before the resulting strains and imbalances undermine the economic expansion that now has reached 112 months, a record for peace or war.

The current account deficit is a proxy for the increase in net claims against U.S. residents held by foreigners, mainly as debt, but increasingly as equities. So long as foreigners continue to seek to hold ever-increasing quantities of dollar investments in their portfolios, as they obviously have been, the exchange rate for the dollar will remain firm. Indeed, the same sharp rise in potential rates of return on new American investments that has been driving

capital accumulation and accelerating productivity in the United States has also been inducing foreigners to expand their portfolios of American securities and direct investment. The latest data published by the Department of Commerce indicate that the annual pace of direct plus portfolio investment by foreigners in the U.S. economy during the first quarter was more than two and one-half times its rate in 1995.

There has to be a limit as to how much of the world's savings our residents can borrow at close to prevailing interest and exchange rates. And a narrowing of disparities among global growth rates could induce a narrowing of rates of return here relative to those abroad that could adversely affect the propensity of foreigners to invest in the United States. But obviously, so long as our rates of return appear to be unusually high, if not rising, balance of payments trends are less likely to pose a threat to our prosperity. In addition, our burgeoning budget surpluses have clearly contributed to a fending off, if only temporarily, of some of the pressures on our balance of payments. The stresses on the global savings pool resulting from the excess of domestic private investment demands over domestic private saving have been mitigated by the large federal budget surpluses that have developed of late.

In addition, by substantially augmenting national saving, these budget surpluses have kept real interest rates at levels lower than they would have been otherwise. This development has helped foster the investment boom that in recent years has contributed greatly to the strengthening of U.S. productivity and economic growth. The Congress and the Administration have wisely avoided steps that would materially reduce these budget surpluses. Continued fiscal discipline will contribute to maintaining robust expansion of the American economy in the future.

Just as there is a limit to our reliance on foreign saving, so is there a limit to the continuing drain on our unused labor resources. Despite the ever-tightening labor market, as yet, gains in compensation per hour are not significantly outstripping gains in productivity. But as I have argued previously, should labor markets continue to tighten, short of a repeal of the law of supply and demand, labor costs eventually would have to accelerate to levels threatening price stability and our continuing economic expansion.

The more modest pace of increase in domestic final spending in recent months suggests that aggregate demand may be moving closer into line with the rate of advance in the economy's potential, given our continued impressive productivity growth. Should

these trends toward supply and demand balance persist, the ongoing need for ever-rising imports and for a further draining of our limited labor resources should ease or perhaps even end. Should this favorable outcome prevail, the immediate threat to our prosperity from growing imbalances in our economy would abate.

But as I indicated earlier, it is much too soon to conclude that these concerns are behind us. We cannot yet be sure that the slower expansion of domestic final demand, at a pace more in line with potential supply, will persist. Even if the growth rates of demand and potential supply move into better balance, there is still uncertainty about whether the current level of labor resource utilization can be maintained without generating increased cost and price pressures. As I have already noted, to date, costs have been held in check by productivity gains. But at the same time, inflation has picked up—even the core measures that do not include energy prices directly. Higher rates of core inflation may mostly reflect the indirect effects of energy prices, but the Federal Reserve will need to be alert to the risks that high levels of resource utilization may put upward pressure on inflation.

Moreover, energy prices may pose a challenge to containing inflation. Energy price changes represent a one-time shift in a set of important prices, but by themselves generally cannot drive an ongoing inflation process. The key to whether such a process could get under way is inflation expectations. To date, survey evidence, as well as readings from the Treasury's inflation-indexed securities, suggests that households and investors do *not* view the current energy price surge as affecting longer-term inflation. But any deterioration in such expectations would pose a risk to the economic outlook.

As the financing requirements for our ever-rising capital investment needs mounted in recent years—beyond forthcoming domestic saving—real long-term interest rates rose to address this gap. We at the Federal Reserve, responding to the same economic forces, have moved the overnight federal funds rate up 1¼ percentage points over the past year. To have held to the federal funds rate of June 1999 would have required a massive increase in liquidity that would presumably have underwritten an acceleration of prices and, hence, an eventual curbing of economic growth.

By our meeting this June, the appraisal of all the foregoing issues led the Federal Open Market Committee (FOMC) to conclude that, while some signs of slower growth were evident and justified standing pat at least for the time being, they were not sufficiently

compelling to alter our view that the risks remained more on the side of higher inflation.

As indicated in their forecasts, FOMC members and nonvoting presidents expect that the long period of continuous economic expansion will be extended over the next year and one-half, but with growth at a somewhat slower pace than over the past several years. For the current year, the central tendency of Board members' and Reserve Bank presidents' forecasts is for real GDP to increase 4 percent to 4½ percent, suggesting a noticeable deceleration over the second half of 2000 from its likely pace over the first half. The unemployment rate is projected to remain close to 4 percent. This outlook is a little stronger than anticipated last February, no doubt owing primarily to the unexpectedly strong jump in output in the first quarter. Mainly reflecting higher prices of energy products than had been foreseen, the central tendency for inflation this year in prices for personal consumption expenditures also has been revised up somewhat, to the vicinity of 2½ percent to 2¾ percent.

Given the firmer financial conditions that have developed over the past eighteen months, the Committee expects economic growth to moderate somewhat next year. Real output is anticipated to expand 3¼ percent to 3¾ percent, somewhat less rapidly than in recent years. The unemployment rate is likely to remain close to its recent very low levels. Energy prices could ease somewhat, helping to trim PCE inflation next year to around 2 percent to 2½ percent, somewhat above the average of recent years.

CONCLUSION

The last decade has been a remarkable period of expansion for our economy. Federal Reserve policy through this period has been required to react to a constantly evolving set of economic forces, often at variance with historical relationships, changing federal funds rates when events appeared to threaten our prosperity, and refraining from action when that appeared warranted. Early in the expansion, for example, we kept rates unusually low for an extended period, when financial sector fragility held back the economy. Most recently we have needed to raise rates to relatively high levels in real terms in response to the side effects of accelerating growth and related demand–supply imbalances. Variations in the stance of policy—or keeping it the same—in response to evolving forces are made in the framework of an unchanging objective—to foster as best we can those financial conditions most likely to promote sustained economic expansion at the highest rate possible. Maximum sustainable growth, as history so amply demonstrates, requires price stability. Irrespective of the complexities of economic change, our primary goal is to find those policies that best contribute to a non-inflationary environment and hence to growth. The Federal Reserve, I trust, will always remain vigilant in pursuit of that goal. □

Announcements

PUBLIC HEARINGS SCHEDULED ON PREDATORY PRACTICES IN HOME EQUITY LENDING MARKET

The Federal Reserve Board on July 20, 2000, invited consumers, consumer advocacy organizations, lenders, and other interested parties to participate in public hearings on predatory practices in the home equity lending market.

Invited speakers will participate in panel discussions focused on ways the Board might use its rule-writing authority to curb predatory practices in home equity lending while preserving access to credit for borrowers with less-than-perfect credit ratings. Time will be reserved after the panel discussions for brief statements from other interested parties.

The hearings are being conducted under the authority of the Home Ownership and Equity Protection Act of 1994 (HOEPA), which imposes disclosure requirements and other limits on certain high-cost, home-secured loans. HOEPA was enacted in response to reports of abusive lending practices by unscrupulous lenders making unaffordable home-secured loans to "house-rich but cash-poor borrowers." These cases frequently involved elderly and sometimes unsophisticated homeowners who were targeted for loans with high rates and fees and repayment terms that were difficult or impossible to meet. Often the transactions involved fraud or unlawful misrepresentations by lenders or brokers.

Since HOEPA's enactment, the volume of home equity lending has grown significantly, and this growth has been accompanied by an increase in subprime lending—lending to borrowers having less-than-perfect credit histories and to other consumers who do not meet the underwriting standards of prime lenders. Because consumers who obtain subprime mortgage loans may have fewer credit options than other borrowers, they may be more vulnerable to unscrupulous lenders or brokers. Accordingly, while certainly not all subprime loans are predatory, the increase in the number of subprime loans has raised concerns about the potential for a corresponding increase in the number of predatory loans.

The hearings will seek public views about home equity lending in general but will focus specifically on ways the Board might use its authority. HOEPA

authorizes the Board to adjust the high-cost triggers that could affect the scope of the act's coverage, and it directs the Board to prohibit certain mortgage lending acts and practices if the Board makes the findings required by the statute.

The first hearing is scheduled for Thursday, July 27, 2000, at the Charlotte Branch of the Federal Reserve Bank of Richmond, 530 East Trade Street, Charlotte, N.C. The second is slated for Friday, August 4, 2000, at the Federal Reserve Bank of Boston, 600 Atlantic Avenue, Boston, Mass. The third is scheduled for Wednesday, August 16, 2000, at the Federal Reserve Bank of Chicago, 230 South LaSalle Street, Chicago, Ill. The fourth hearing will be held on Thursday, September 7, 2000, at the Federal Reserve Bank of San Francisco, 101 Market Street, San Francisco, Calif.

All hearings are scheduled from 9:00 a.m. to 4:30 p.m. and will begin with panel discussions by invited speakers. Other interested parties may deliver oral statements of five minutes or less at a two-hour "open-mike" period starting at about 2:30 p.m. Written statements of any length may be submitted for the record. Anyone interested in presenting an oral statement is asked to call the Board in advance of the hearing at (202) 452-3667.

Written comments may be mailed to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551 or mailed electronically to regs.comments@federalreserve.gov. Comments are due by September 1, 2000.

PROPOSED ACTIONS

The Federal Reserve Board on July 31, 2000, requested public comment on a proposed rule that would allow financial holding companies to act as a "finder" by bringing together buyers and sellers of financial and nonfinancial products for transactions that the buyers and sellers themselves negotiate and consummate. Comments will be accepted until September 5, 2000.

The proposed rule, which was developed in consultation with the Secretary of the Treasury, would allow financial holding companies to, among other

things, host an Internet marketplace consisting of links to the web sites of third-party buyers and sellers.

The rule would also permit financial holding companies to operate a web site that allows buyers and sellers to post information about the products and services they are willing to buy and sell and to enter into transactions among themselves.

The Federal Reserve Board on July 7, 2000, requested comment on proposed revisions to Regulation E (Electronic Fund Transfers) to implement provisions of the Gramm–Leach–Bliley Act (GLBA) requiring disclosure of automated teller machine (ATM) fees. Comments are due by August 18, 2000.

The GLBA amends the Electronic Fund Transfer Act by requiring ATM operators that impose fees on consumers who hold accounts at other institutions to post a prominent and conspicuous notice of that fact on or near the ATM. Before the consumer is committed to completing the transaction, ATM operators must also disclose the existence of and the amount of the fee, either on the ATM screen or on a paper notice. Many financial institutions that impose ATM fees already disclose the information required by the GLBA to satisfy existing regulatory and ATM network requirements.

NEW EDUCATION RESOURCE ON VEHICLE LEASING FOR CONSUMERS

The Federal Reserve Board on August 2, 2000, announced a new education resource designed to help consumers learn more about vehicle leasing. *Keys to Vehicle Leasing: A Consumer Resource* is a computer program that can be downloaded from the Federal Reserve Board's web site (www.federalreserve.gov/pubs/leasing) and used on home PCs. It answers the following questions in depth:

- How is leasing different from buying?
- What are the up-front, ongoing, and end-of-lease costs?
- How do you compare lease offers and negotiate lease terms?

The program also includes information on the Consumer Leasing Act and its companion regulation (Regulation M and commentary), a comprehensive glossary, a leasing quiz, and frequently asked questions.

To download *Keys to Vehicle Leasing: A Consumer Resource* to a home computer, consumers will need the following:

- A Windows 95, 98, NT, or 2000 operating system (the program will not run on a Macintosh operating system)
- A level 486 processor or higher
- 24 MB of free disk space on their hard drive
- Adobe Acrobat 3.0 or higher (for printing).

The program takes about 25 minutes to download on a standard 56K modem. Once the program is downloaded, it is self-extracting. Assistance with the downloading process is available by using the feedback form on the Board's web site.

Another new addition to the web site is the *Guide for Educators*, a slide presentation with explanatory notes for school and community educators.

The web site also provides an overview of a closed-end lease, the most common type of vehicle lease used by the automotive industry, sample disclosure forms required in leasing transactions, and a glossary of terms used in leasing.

Other government agencies and organizations taking part in the "Keys to Vehicle Leasing" educational effort are the American Financial Services Association (AFSA), the AFSA Education Foundation, the Arizona Attorney General, the Association of Consumer Vehicle Lessors, the Cooperative Extension System, the Federal Trade Commission, the Florida Attorney General, the National Automobile Dealers Association, and the National Vehicle Leasing Association.

The brochure *Keys to Vehicle Leasing: A Consumer Guide* is available in English and Spanish from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551, or call 202-452-3244. The first 100 copies are free. It is also available on the Board's web site: www.federalreserve.gov/pubs/leasing.

ENFORCEMENT ACTION

The Federal Reserve Board on July 21, 2000, announced the execution of a written agreement by and among New Century Bancorp, the New Century Bank, both of Southfield, Michigan, the Federal Reserve Bank of Chicago, and the Michigan Office of Financial and Insurance Services.

PUBLICATION OF THE BUDGET REVIEW

The *Annual Report: Budget Review, 2000*, is now available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System,

Washington, DC 20551, or phone 202-452-3244. This companion document to the Board's *Annual Report* describes the budgeted expenses of the Federal Reserve Banks for 2000, the 2000 phase of the Board's current two-year (2000–01) budget, and income and expenses for 1998 and 1999. This year's report includes a chapter on the Gramm–Leach–Bliley Act. The *Budget Review* is available, along with the *Annual Report*, on the Federal Reserve Board's web site: <http://www.federalreserve.gov>.

CHANGES IN BOARD STAFF

The Board of Governors approved a restructuring of the Division of Research and Statistics. In conjunction with the reorganization, the Board announced the following official staff appointments and promotions on July 14, 2000:

- The appointment of David Wilcox as deputy director
- The promotions of Stephen D. Oliner and Charles S. Struckmeyer to associate directors and Joyce K. Zickler to deputy associate director
- The appointments of Wayne S. Passmore and David L. Reifschneider as assistant directors.

David Wilcox currently serves as Assistant Secretary of the Treasury. He will join the Board on January 20, 2001. Mr. Wilcox will serve as deputy director and will oversee the macroeconomic and macrofinancial sections of the division. In 1986, Mr. Wilcox joined the Board as an economist in the Economic Activity Section. He was promoted to senior economist in 1991 and transferred to the Monetary Studies Section in the Division of Monetary Affairs in 1992. In 1994 and 1995, he served as a senior economist with the Council of Economic Advisers. After returning to the Board for two years, Mr. Wilcox was appointed Assistant Secretary of the Treasury for Economic Affairs, where he directs a professional staff responsible for the analysis of a wide range of fiscal and macroeconomic issues. He received a Ph.D. from MIT.

Stephen Oliner will oversee the Capital Markets, Financial Institutions, and Flow of Funds Sections. Mr. Oliner joined the Board in 1984 as an economist in the Economic Activity Section. In 1997, he was appointed to the official staff, with responsibility for the Capital Markets and Financial Institutions Sections. He received a Ph.D. from the University of Wisconsin.

Sandy Struckmeyer will oversee the Economic Activity; the Wages, Prices, and Productivity; and the Macroeconomic and Quantitative Studies Sections. Mr. Struckmeyer joined the Board in 1983. In 1994, he was appointed to the official staff as an assistant director and chief. Mr. Struckmeyer received a Ph.D. from Yale University.

Joyce Zickler joined the Board in 1975. She was named chief of the Wages, Prices, and Productivity Section in 1981 and was appointed assistant director in 1986. In 1987, she was named officer in charge of the Industrial Output and Economic Editing Sections. Ms. Zickler received a Ph.D. from George Washington University.

Wayne Passmore will oversee the Financial Institutions Section. Mr. Passmore joined the Federal Reserve Bank of New York in 1984 after receiving a Ph.D. from the University of Michigan. He briefly joined the Board as a staff economist in 1987 and then took a position as an assistant vice president at the Federal Home Loan Bank of San Francisco from 1987 to 1990. In 1990, Mr. Passmore returned to the Board as a senior economist in the Capital Markets Section. He was promoted to chief of the Financial Institutions Section in 1997.

David Reifschneider will oversee the Macroeconomic and Quantitative Studies Section. Mr. Reifschneider joined the Board as an economist in the National Income Section in 1983. He was promoted to senior economist in 1989 and became chief of the Macroeconomic and Quantitative Studies Section in 1996. Mr. Reifschneider received a Ph.D. from the University of Wisconsin.

The Board of Governors announced on July 14, 2000, its approval of the appointment of David W. Skidmore as Special Assistant to the Board for Media Liaison. In this role, Mr. Skidmore will oversee the work of the Public Affairs Office in responding to media inquiries, publicizing Board actions, and providing strategic media relations advice to Board members and senior staff. In addition, he will oversee the office's plans for technology support related to media relations services and will coordinate and support the media relations programs and activities of the Reserve Banks. Mr. Skidmore joined the Board in 1999 after a career as a journalist covering economic, banking, and tax policy for the Associated Press. He received a B.A. from Pennsylvania State University. □

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 4 of the Bank Holding Company Act

The Royal Bank of Scotland Group plc Edinburgh, Scotland

Order Approving Notice to Engage in Nonbanking Activities

The Royal Bank of Scotland Group plc ("RBSG"), 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 (j)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to retain its ownership interest in NatWest Group Holdings Corporation, New York, New York ("NatWest Holdings") and its subsidiaries, and thereby engage in the following activities:

- (1) Extending credit and servicing loans, in accordance with section 225.28(b)(1) of Regulation Y (12 C.F.R. 225.28(b)(1));
- (2) Arranging real estate equity financing, and acquiring debt in default, in accordance with section 225.28(b)(2) of Regulation Y (12 C.F.R. 225.28(b)(2));
- (3) Leasing personal or real property, in accordance with section 225.28(b)(3) of Regulation Y (12 C.F.R. 225.28(b)(3));
- (4) Providing financial and investment advisory services, in accordance with section 225.28(b)(6) of Regulation Y (12 C.F.R. 225.28(b)(6));
- (5) Providing securities brokerage, riskless principal, private placement, futures commission merchant, and other agency transactional services, in accordance with section 225.28(b)(7) of Regulation Y (12 C.F.R. 225.28(b)(7));
- (6) Underwriting and dealing in government obligations and money market instruments that state member banks may underwrite or deal in under 12 U.S.C. §§ 24 and 335 ("bank-eligible securities"), engaging as principal in investing and trading activities, and buying and selling bullion and related activities, in accordance with section 225.28(b)(8) of Regulation Y (12 C.F.R. 225.28(b)(8));
- (7) Data processing activities, in accordance with section 225.28(b)(14) of Regulation Y (12 C.F.R. 225.28(b)(14));
- (8) Underwriting and dealing in, to a limited extent, all types of debt and equity securities that a member bank may not underwrite or deal in, except for ownership interests in open-end investment companies ("bank-ineligible securities"); and
- (9) Acting as a digital certification authority.¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 37,389 (2000)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 4 of the BHC Act.

NatWest Holdings is a wholly owned subsidiary of National Westminster Bank plc, London, England ("NatWest"). RBSG acquired its indirect ownership interest in NatWest Holdings in March 2000, as a result of its acquisition through a public tender offer of all the voting shares of NatWest.² RBSG and NatWest have not merged with each other and remain separate foreign banking organizations. RBSG received the Board's approval under section 4(c)(9) of the BHC Act to retain temporarily its indirect ownership interest in NatWest pending submission of this notice.

NatWest, with consolidated total assets of approximately \$309.3 billion, is the third largest banking organization headquartered in the United Kingdom and the 28th largest in the world. NatWest operates a branch in New York, New York, and a representative office in Houston, Texas.³

Before its acquisition of NatWest, RBSG had consolidated total assets of approximately \$133.7 billion, and was the seventh largest banking organization headquartered in the United Kingdom and the 60th largest banking organization in the world.⁴ In light of its acquisition of NatWest, RBSG has consolidated total assets of approximately \$442.9 billion and is the 14th largest banking organization in the world. RBSG's principal subsidiary, The Royal

1. See *Bayerische Hypo- und Vereinsbank AG*, 86 *Federal Reserve Bulletin* 56 (2000).

2. See Letter from Robert deV. Frierson, Associate Secretary of the Board, to Gregory J. Lyons, Esq., dated February 7, 2000.

3. Because RBSG and NatWest continue to operate in the same corporate form, RBSG's acquisition of NatWest did not result in the establishment by RBSG of any additional branches, agencies or representative offices in the United States for purposes of section 211.24 of the Board's Regulation K (12 C.F.R. 211.24). RBSG has provided the Board notice of its acquisition of control of NatWest as required by section 211.24(a)(4)(i) of Regulation K (12 C.F.R. 211.24(a)(4)(i)).

4. Asset data for NatWest and ranking data are as of December 31, 1998, and reflect exchange rates then in effect. Asset data for RBSG are as of September 30, 1998, and reflect exchange rates then in effect.

Bank of Scotland plc, Edinburgh, Scotland, operates a branch in New York, New York. RBSG also controls Citizens Financial Group, Inc., Providence, Rhode Island, and its subsidiary banks, Citizens Bank of Rhode Island, Providence, Rhode Island; Citizens Bank of Connecticut, New London, Connecticut; Citizens Bank New Hampshire, Manchester, New Hampshire; Citizens Bank of Massachusetts, Boston, Massachusetts; and United States Trust Company, Boston, Massachusetts.

NatWest Holdings engages in bank-ineligible securities activities in the United States through its section 20 subsidiary, Greenwich Capital Markets, Inc., Greenwich, Connecticut ("GCM"). RBSG has applied to operate GCM pursuant to section 4(c)(8) of the BHC Act. GCM is, and would continue to be, registered as a broker-dealer with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934,⁵ and as a futures commission merchant with the Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act.⁶ Accordingly, both are, and would continue to be, subject to the recordkeeping and reporting obligations, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 and the SEC and of the Commodity Exchange Act and the CFTC.

Underwriting and Dealing in Bank-Ineligible Securities

The Board has determined that, subject to the prudential framework of limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, underwriting and dealing in bank-ineligible securities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.⁷ The Board has permitted such securities activities on the condition that the company engaged in the activities derives no more than 25 percent of its gross revenues from underwriting and dealing in bank-ineligible securities over a two-year period.⁸ RBSG has committed that it will conduct its bank-ineligible securities underwriting and dealing activi-

ties subject to the 25-percent revenue limitation and the limitations previously established by the Board. As a condition of this order, RBSG, NatWest Holdings, and GCM are required to conduct their bank-ineligible securities activities subject to the Operating Standards established for section 20 subsidiaries ("Operating Standards").⁹

Other Activities Approved by Regulation or Order

The Board previously has determined by regulation or order that extending credit and engaging in activities related to extending credit; arranging real estate equity financing; acquiring debt in default; leasing personal or real property; financial and investment advisory activities; securities brokerage, riskless principal, private placement, futures commission merchant, and other agency transactional services; investing and trading as principal; buying and selling bullion and related activities; data processing; bank-eligible securities underwriting and dealing; and acting as a digital certification authority, are closely related to banking for purposes of section 4(c)(8) of the BHC Act.¹⁰ RBSG has committed that these activities will be conducted in accordance with the Board's regulations and prior Board decisions relating to the activities.

Proper Incident to Banking Standard

In order to approve the proposal, the Board must consider whether performance of the proposed activities by RBSG "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."¹¹ As a part of its evaluation of these factors, the Board considers the financial condition and managerial resources of a notificant and its subsidiaries and the effect the transaction would have on those resources.¹²

The Board has considered carefully the financial resources of RBSG and notes that its capital ratios satisfy applicable risk-based standards under the Basle Capital Accord, and are considered equivalent to the capital levels that would be required of a United States banking organization. The Board also has reviewed the capitalization of RBSG, NatWest, and GCM in accordance with the standards set forth in the Section 20 Orders and finds the capitalization of each to be consistent with approval. The Board's determination is based on all the facts of record, including RBSG's projections of the volume of bank-

5. 15 U.S.C. § 78a *et seq.*

6. 7 U.S.C. § 1a *et seq.*

7. See *Canadian Imperial Bank of Commerce, et al.*, 76 *Federal Reserve Bulletin* 158 (1990); *J.P. Morgan & Co. Incorporated, et al.*, 75 *Federal Reserve Bulletin* 192 (1989), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 900 F.2d 360 (D.C. Cir. 1990); *Citicorp, et al.*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 486 U.S. 1059 (1988) (collectively, "Section 20 Orders").

8. See Section 20 Orders. Compliance with the revenue limitation shall be calculated in accordance with the method stated in the Section 20 Orders, as modified by the *Order Approving Modifications to the Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989), and *10 Percent Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities*, 61 *Federal Register* 48,953 (1996); and *Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities*, 61 *Federal Register* 68,750 (1996) (collectively, "Modification Orders").

9. 12 C.F.R. 225.200. GCM may provide services that are necessary incidents to the proposed underwriting and dealing activities. Unless GCM receives specific approval under section 4(c)(8) of the BHC Act to conduct the incidental activities independently, any revenues from such activities must be treated as ineligible revenues subject to the Board's revenue limitation.

10. See 12 C.F.R. 225.28(b)(1), (2), (3), (6), (7), (8), and (14); *Bayerische Hypo- und Vereinsbank AG*, 86 *Federal Reserve Bulletin* 56 (2000).

11. See 12 U.S.C. § 1843(j)(2)(A).

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

ineligible securities underwriting and dealing activities proposed to be conducted by GCM.

The Board also has carefully reviewed the managerial resources of the organizations involved in light of all the facts of record, including confidential examination reports concerning GCM, and the Board's supervisory experience with RBSG and NatWest. The Board previously has determined that NatWest and GCM have established appropriate policies and procedures to ensure compliance with the Board's Section 20 Orders, including computer, audit, and accounting systems, internal risk management controls, and the necessary operational and managerial infrastructure.¹³ RBSG has stated that it intends to use the policies and procedures currently in place at NatWest and GCM to ensure compliance with the Board's Section 20 Orders and Operating Standards. On the basis of these and all other facts of record, including the commitments provided in this case and the proposed managerial structure and risk management systems of GCM, the Board has concluded that financial and managerial considerations are consistent with approval.

The Board also has carefully considered the competitive effects of the proposed transaction under section 4 of the BHC Act. To the extent that RBSG and NatWest Holdings offer different types of nonbanking products, the proposed acquisition would result in no loss of competition. In those markets in which the nonbanking product offerings of RBSG and NatWest Holdings overlap, such as securities brokerage and investment advisory activities, there are numerous existing and potential competitors. Consummation of the proposal, therefore, would have a *de minimis* effect on competition in the market for those services. Based on all the facts of record, the Board has concluded that the proposal would not result in any significantly adverse competitive effects in any relevant market.

As noted above, RBSG has committed that GCM will conduct its bank-ineligible securities underwriting and dealing activities in accordance with the prudential framework established by the Board's Section 20 Orders. Under the framework and conditions established in this order and the Section 20 Orders, and based on all the facts of record, the Board concludes that the proposed bank-ineligible underwriting and dealing activities are not likely to result in significantly adverse effects. Similarly, the Board concludes that the conduct of the other proposed nonbanking activities by RBSG under the framework and conditions established in this order, prior orders, and Regulation Y is not likely to result in any significantly adverse effects.

The Board also expects that the proposed acquisition would provide added convenience to the customers of RBSG and NatWest Holdings. RBSG has indicated that the transaction would strengthen the position of the combined organization in European and international financial markets, and would allow the combined organization to diversify its operations and sources of revenue and provide a

broader array of financial services to customers in the United States. In addition, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies can make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they consider to be most efficient when such investments are consistent, as in this case, with the relevant considerations under the BHC Act.

Based on all the facts of record, the Board has determined that performance of the proposed activities by RBSG, under the framework established in this and prior decisions, can reasonably be expected to produce benefits to the public that outweigh any reasonably expected adverse effects of the proposal.

Conclusion

Based on all the facts of record, the Board has determined that the notice should be, and hereby is, approved, subject to all the terms and conditions in this order and the Section 20 Orders, as modified by the Modification Orders. The Board's approval of this proposal extends only to activities conducted within the limitations of those orders and this order, including the Board's reservation of authority to establish additional limitations to ensure that the activities of RBSG are consistent with safety and soundness, avoidance of conflicts of interests, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in this order and the Section 20 Orders (as modified by the Modification Orders) is not within the scope of the Board's approval and is not authorized for RBSG or GCM.

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

By order of the Board of Governors, effective July 31, 2000.

13. See *National Westminster Bank Plc*, 82 *Federal Reserve Bulletin* 1044 (1996).

This action was taken pursuant to the Board's Rules Regarding Delegation of Authority (12 C.F.R. 265.4(b)(1)) by a committee of Board members. Voting for this action: Chairman Greenspan and Governors Kelley and Gramlich. Absent and not voting: Vice Chairman Ferguson and Governor Meyer.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Deutsche Hyp Deutsche Hypothekbank Frankfurt-Hamburg AG Frankfurt, Germany

Order Approving Establishment of a Representative Office

Deutsche Hyp Deutsche Hypothekbank Frankfurt-Hamburg AG ("Bank"), Frankfurt, Germany, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York (*The New York Times*, March 15, 2000). The time for filing comments has expired, and all comments have been considered.

Bank, with total consolidated assets of \$93 billion, is the 16th largest bank in Germany. Dresdner Bank AG, Frankfurt, Germany ("Dresdner") owns approximately 95 percent of the voting stock of Bank. A chartered mortgage bank, Bank engages primarily in real estate and public sector financing activities in Germany. Dresdner engages in a broad range of commercial and investment banking activities, directly and through subsidiaries, both foreign and domestic. In the United States, Dresdner operates branches in New York, New York; and Chicago, Illinois; an agency in Los Angeles, California; and a representative office in Miami, Florida. Dresdner's indirect U.S. operations include Dresdner Kleinwort Benson North America, LLC, New York, New York, a wholly owned securities broker-dealer, and the Miami agency of Dresdner Bank Lateinamerika AG, Frankfurt, Germany, a wholly owned subsidiary of Dresdner.

The proposed representative office is intended to facilitate Bank's long-term real estate financing activities in the United States, which to date have been conducted from the bank's head office in Frankfurt. All decisions on credit extended by Bank would continue to be made at the head office.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board

shall take into account whether the foreign bank engages directly in the business of banking outside the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor.¹ The Board may take into account additional standards set forth in the IBA and Regulation K.²

As noted above, Bank engages directly in the business of banking outside the United States through its banking operations in Germany and elsewhere. Bank also has provided the Board with the information necessary to assess the application through submissions that address the relevant issues.

With respect to home country supervision of Bank, the Board has considered the following information. The German Federal Banking Supervisory Office is the principal supervisory authority of Bank and Dresdner. The Board previously has determined, in connection with applications involving other German banks, that those banks were subject to comprehensive consolidated supervision by the German Federal Banking Supervisory Office.³ Bank and Dresdner are supervised by the German Federal Banking Supervisory Office in substantially the same manner as those other banks. Based on this finding and all the facts of record, the Board concludes that Bank and Dresdner are subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The Board has taken into account the additional standards set forth in the IBA and in Regulation K.⁴ The German Federal Banking Supervisory Office has granted Bank approval to establish the proposed office. With respect to the financial and managerial resources of Bank, taking into consideration Bank's record of operations in its home country, its overall financial resources, and its stand-

1. See 12 U.S.C. § 3107(a)(2); 12 C.F.R. 211.24(d)(2). In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

- (i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) Receive from the bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;
- (v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. These are *indicia* of comprehensive consolidated supervision; no single factor is essential and other elements may inform the Board's determination.

2. See 12 U.S.C. § 3105(d)(3) and (4); 12 C.F.R. 211.24(c)(2).

3. See *Deutsche Bank AG*, 85 *Federal Reserve Bulletin* 509 (1999); *Westdeutsche Immobilienbank*, 85 *Federal Reserve Bulletin* 346 (1999); *Commerzbank AG*, 85 *Federal Reserve Bulletin* 336 (1999).

4. See 12 U.S.C. § 3105(d)(3) and (4); 12 CFR 211.24(c)(2).

ing with its home country supervisor, the Board has determined that financial and managerial considerations are consistent with approval. In addition, Bank appears to have the experience and capacity to support the proposed office and has established controls and procedures in the branch to ensure compliance with applicable U.S. law, as well as controls and procedures for its worldwide operations generally.

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

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

conditions set forth in this order, the Board has determined that Bank's application to establish a representative office in New York should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on Bank's compliance with the commitments made in connection with this application and with the conditions in this order.⁵ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings against Bank, its offices, and its affiliates under applicable law.

By order of the Board of Governors, effective July 26, 2000.

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

JENNIFER J. JOHNSON
Secretary of the Board

5. The Board's authority to approve the establishment of the proposed office parallels the continuing authority of the State of New York to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York or its agent, the New York State Banking Department, to license the proposed office of Bank in accordance with any terms or conditions that the New York State Banking Department may impose.

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	Garban-Intercapital plc. London, United Kingdom	July 25, 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
ANB Financial Corporation, Arlington, Texas	Arlington National Bank, Arlington, Texas	Dallas	July 6, 2000
ANB Delaware Financial Corporation, Dover, Delaware			
American River Holdings, Sacramento, California	North Coast Bank, N.A., Windsor, California	San Francisco	July 11, 2000
Antioch Holding Company, Antioch, Illinois	Lakes Region Bancorporation, Inc., Third Lake, Illinois Anchor Bank, Third Lake, Illinois	Chicago	July 14, 2000
Arvest Bank Group, Inc., Bentonville, Arkansas	Arvest Bank, Hoplin, Missouri	St. Louis	July 7, 2000
Arvest Bank Group, Inc., Bentonville, Arkansas	Arvest State Bank, Tulsa, Oklahoma	St. Louis	June 22, 2000
First Bancshares, Inc., Bartlesville, Oklahoma			
Century Bancshares, Inc., New Boston, Texas	First State Bank of Gurdon, Gurdon, Arkansas	Dallas	July 12, 2000
Capitol Bancorp Ltd., Lansing, Michigan	Arrowhead Community Bank, Glendale, Arizona	Chicago	June 29, 2000
Sun Community Bancorp Limited, Phoenix, Arizona			
Central Valley Bancorp, Modesto, California	Modesto Commerce Bank, Modesto, California	San Francisco	July 6, 2000
Cheaha Financial Group, Inc., Oxford, Alabama	Cheaha Bank, Oxford, Alabama	Atlanta	July 6, 2000
First Bancshares Corporation, Gladstone, Michigan	Baybank Corporation, Gladstone, Michigan Baybank, Gladstone, Michigan	Minneapolis	July 19, 2000
First Community Banc Holding Company, Hillsboro, Illinois	First Community Bank of Hillsboro, Hillsboro, Illinois	St. Louis	July 6, 2000
First Graham Bancorp, Inc., Graham, Texas	First Bryson Bancorporation, Flower Mound, Texas First Security Bancshares of Delaware, Inc., Dover, Delaware First Security Bank, Flower Mound, Texas	Dallas	July 19, 2000
First Interstate BancSystem, Inc., Billings, Montana	Equality Bankshares, Inc., Cheyenne, Wyoming	Minneapolis	July 7, 2000
F & M Financial Services, Inc., Preston, Minneapolis	F & M Community Bank, N.A., Chatfield, Minnesota	Minneapolis	July 6, 2000
First Security, Inc., Owensboro, Kentucky	First Security Bank of Owensboro, Inc., Owensboro, Kentucky	St. Louis	July 26, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Hancock Park Acquisition, L.L.C., Washington, D.C.	Bank of Coronado, Coronado, California	San Francisco	June 29, 2000
Hancock Park Acquisition, L.P., Washington, D.C.			
Heritage Financial Holding Corporation, Decatur, Alabama	Heritage Bank, Decatur, Alabama	Atlanta	July 20, 2000
Heritage Group, Inc., Aurora, Nebraska	City National Bank and Trust Company, Hastings, Nebraska	Kansas City	June 23, 2000
IBT Bancorp, Inc., Mt. Pleasant, Michigan	FSB Bancorp, Inc., Breckenridge, Michigan Farmers State Bank of Breckenridge, Breckenridge, Michigan	Chicago	July 12, 2000
Inter-Mountain Bancorp, Inc., Bozeman, Montana	Three Forks Bancorporation, Three Forks, Montana Security Bank of Three Forks, Three Forks, Montana	Minneapolis	July 13, 2000
JTB Bancshares, Inc., Mission Hills, Kansas	Whiting Bankshares, Inc., Whiting, Kansas	Kansas City	July 11, 2000
Mahaska Investment Company ESOP, Oskaloosa, Iowa	Mahaska Investment Company, Oskaloosa, Iowa	Chicago	July 6, 2000
MSB Financial, Inc., Manhattan, Montana	Manhattan State Bank, Manhattan, Montana	Minneapolis	June 27, 2000
North Bay Bancorp, Napa, California	Solano Bank, Vacaville, California	San Francisco	June 29, 2000
Northwest Financial Corp., Spencer, Iowa	Marquette Bank Oelwein, N.A., Oelwein, Iowa	Chicago	June 30, 2000
Park Meridian Financial Corporation, Charlotte, North Carolina	Park Meridian Bank, Charlotte, North Carolina	Richmond	June 29, 2000
Peoples Financial Group, Inc., Iva, South Carolina	The Peoples Bank, Iva, South Carolina	Richmond	July 14, 2000
Plains Bancorp, Inc., Dimmitt, Texas	Sudan Bancshares, Inc., Sudan, Texas First National Bank, Sudan, Texas	Dallas	June 26, 2000
Regions Financial Corporation, Birmingham, Alabama	East Coast Bank Corporation, Ormond Beach, Florida Bank at Ormond-By-The-Sea, Ormond Beach, Florida	Atlanta	July 13, 2000
Regions Financial Corporation, Birmingham, Alabama	First National Bancshares of Louisiana, Inc., Alexandria, Louisiana Security First National Bank, Alexandria, Louisiana	Atlanta	July 13, 2000
Salem Community Bankshares, Inc., Salem, Virginia	Salem Bank & Trust, N.A., Salem, Virginia	Richmond	June 29, 2000
S & C Banco, Inc., New Richmond, Wisconsin	S & C Bank, Minnesota, Almelund, Minnesota Town and Country Bank of Almelund, Almelund, Minnesota	Minneapolis	July 14, 2000
Somerset Trust Holding Company, Inc., Somerset, Pennsylvania	Somerset Trust Company, Somerset, Pennsylvania	Cleveland	June 29, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Sooner Southwest Bankshares, Inc., Tulsa, Oklahoma	State National Bancshares, Inc., Heavener, Oklahoma	Kansas City	July 27, 2000
Stockmens Financial Corporation, Rushville, Nebraska	First Gothenburg Bancshares, Inc., Gothenburg, Nebraska	Kansas City	June 23, 2000
Stamford Banco, Inc., Stamford, Nebraska	First State Bank, Gothenburg, Nebraska		
Nebraska Bankshares, Inc., Farnam, Nebraska			
Texas Capital Bancshares, Inc., Dallas, Texas	BankDirect, SSB, Dallas, Texas	Dallas	June 23, 2000
Western Acquisitions, L.L.C., Washington, D.C.	West Coast Bancorp, Tustin, California	San Francisco	June 29, 2000
Western Acquisition Partners, L.P., Washington, D.C.			

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Century South Banks, Inc., Alpharetta, Georgia	Century South Securities, Inc., Duluth, Georgia	Atlanta	July 13, 2000
CB Bancshares, Honolulu, Hawaii	Citibank Properties, Inc., Honolulu, Hawaii	San Francisco	July 10, 2000
Byron Bancshares, Inc., Byron, Illinois	Byron Bank Financial Services, Byron, Illinois	Chicago	July 19, 2000
Community Bank Group, Inc., Eden Prairie, Minnesota	Midland Insurance Group, Inc., Winsted, Minnesota	Minneapolis	July 14, 2000
Community First Bankshares, Inc., Fargo, North Dakota	Paula Carper Crop Insurance LLC, Holyoke, Colorado	Minneapolis	July 17, 2000
	Community Insurance, Inc., Fargo, North Dakota		
CPB, Inc., Honolulu, Hawaii	CPB Real Estate, Inc., Honolulu, Hawaii	San Francisco	July 3, 2000
Community First Financial Corporation, Plato, Missouri	Community First Financial Services Agency, Plato, Missouri	St. Louis	July 11, 2000
First Merchants Corporation, Muncie, Indiana	First Merchants Reinsurance Co. Ltd., Muncie, Indiana	Chicago	July 6, 2000
Jonesboro Bancompany, Inc., Jonesboro, Illinois	A-J Insurance Agency, Jonesboro, Illinois	St. Louis	June 15, 2000
Lamar Capital Corporation, Purvis, Mississippi	Lamar Data Solutions, Inc., Purvis, Mississippi	Atlanta	July 17, 2000
National Commerce Bancorporation, Memphis, Tennessee	CCB Financial Corporation, Durham, North Carolina	St. Louis	June 30, 2000
Riverside Banking Company, Ft. Pierce, Florida	Dockside Finance Company, Ft. Pierce, Florida	Atlanta	July 11, 2000
Silicon Valley Bancshares, Santa Clara, California	SVB Strategic Investors Fund, L.P., Santa Clara, California	San Francisco	June 21, 2000

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
CNB Financial Services, Inc., Berkeley Springs, West Virginia	Citizens National Bank of Berkeley Springs, Berkeley Springs, West Virginia	Richmond	July 20, 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
Westamerica Bank, San Rafael, California	Bank of Lake County, Lakeport, California	San Francisco	July 19, 2000
First Arvest Bank, Siloam Springs, Arkansas	Delaware County Bank, Jay, Oklahoma	St. Louis	July 6, 2000
The First State Bank, Granger, Texas	Broadway National Bank, San Antonio, Texas	Dallas	July 7, 2000
F&M Bank-Emporia, Emporia, Virginia	Wachovia Bank, National Association, Winston-Salem, North Carolina	Richmond	June 27, 2000
James River Bank, Waverly, Virginia	One Valley Bank-Central Virginia, National Association, Lynchburg, Virginia	Richmond	June 30, 2000
James River Bank/Colonial, Smithfield, Virginia	Bank of Suffolk, Suffolk, Virginia	Richmond	June 30, 2000
Somerset Trust Company, Somerset, Pennsylvania	Somerset Interim Bank, Somerset, Pennsylvania	Cleveland	June 29, 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.

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.

Lettersworth 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.

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.

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

Irontown Housing Corp. v. Board of Governors, No. 99-9549 (10th Cir., filed December 27, 1999). Petition for review of Board order dated December 13, 1999, approving the merger of Zions Bancorporation with First Security Corporation. On June 28, 2000, the court dismissed the petition for review.

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.

Sedgwick v. Board of Governors, No. Civ 99 0702 (D. Arizona, filed April 14, 1999). Action under Federal Tort Claims Act alleging violation of bank supervision requirements. The Board filed a motion to dismiss on June 15, 1999.

Hunter v. Board of Governors, No. 1:98CV02994 (ESH) (D.D.C., filed December 9, 1998). Action under the Freedom of Information Act, the Privacy Act, and the first amendment. On April 26, 2000, the court granted the Board's motion to dismiss or for summary judgment.

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.

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.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

New Century Bancorp and New Century Bank Southfield, Michigan

The Federal Reserve Board announced on July 21, 2000, the execution of a Written Agreement by and among New Century Bancorp, the New Century Bank, both of Southfield, Michigan, the Federal Reserve Bank of Chicago, and the Michigan Office of Financial and Insurance Services.

Financial and Business Statistics

A3 *GUIDE TO TABULAR PRESENTATION*

DOMESTIC FINANCIAL STATISTICS

Money Stock and Bank Credit

- A4 Reserves, money stock, and debt measures
- A5 Reserves of depository institutions and Reserve Bank credit
- A6 Reserves and borrowings—Depository institutions

Policy Instruments

- A7 Federal Reserve Bank interest rates
- A8 Reserve requirements of depository institutions
- A9 Federal Reserve open market transactions

Federal Reserve Banks

- A10 Condition and Federal Reserve note statements
- A11 Maturity distribution of loan and security holding

Monetary and Credit Aggregates

- A12 Aggregate reserves of depository institutions and monetary base
- A13 Money stock and debt measures

Commercial Banking Institutions— Assets and Liabilities

- A15 All commercial banks in the United States
- A16 Domestically chartered commercial banks
- A17 Large domestically chartered commercial banks
- A19 Small domestically chartered commercial banks
- A20 Foreign-related institutions

Financial Markets

- A22 Commercial paper and bankers dollar acceptances outstanding
- A22 Prime rate charged by banks on short-term business loans
- A23 Interest rates—Money and capital markets
- A24 Stock market—Selected statistics

Federal Finance

- A25 Federal fiscal and financing operations
- A26 U.S. budget receipts and outlays
- A27 Federal debt subject to statutory limitation

Federal Finance—Continued

- A27 Gross public debt of U.S. Treasury—Types and ownership
- A28 U.S. government securities dealers—Transactions
- A29 U.S. government securities dealers—Positions and financing
- A30 Federal and federally sponsored credit agencies—Debt outstanding

Securities Markets and Corporate Finance

- A31 New security issues—Tax-exempt state and local governments and corporations
- A32 Open-end investment companies—Net sales and assets
- A32 Corporate profits and their distribution
- A32 Domestic finance companies—Assets and liabilities
- A33 Domestic finance companies—Owned and managed receivables

Real Estate

- A34 Mortgage markets—New homes
- A35 Mortgage debt outstanding

Consumer Credit

- A36 Total outstanding
- A36 Terms

Flow of Funds

- A37 Funds raised in U.S. credit markets
- A39 Summary of financial transactions
- A40 Summary of credit market debt outstanding
- A41 Summary of financial assets and liabilities

DOMESTIC NONFINANCIAL STATISTICS

Selected Measures

- A42 Nonfinancial business activity
- A42 Labor force, employment, and unemployment
- A43 Output, capacity, and capacity utilization
- A44 Industrial production—Indexes and gross value
- A46 Housing and construction
- A47 Consumer and producer prices
- A48 Gross domestic product and income
- A49 Personal income and saving

INTERNATIONAL STATISTICS

Summary Statistics

- A50 U.S. international transactions
- A51 U.S. foreign trade
- A51 U.S. reserve assets
- A51 Foreign official assets held at Federal Reserve Banks
- A52 Selected U.S. liabilities to foreign official institutions

Reported by Banks in the United States

- A52 Liabilities to, and claims on, foreigners
- A53 Liabilities to foreigners
- A55 Banks' own claims on foreigners
- A56 Banks' own and domestic customers' claims on foreigners
- A56 Banks' own claims on unaffiliated foreigners
- A57 Claims on foreign countries—Combined domestic offices and foreign branches

Reported by Nonbanking Business Enterprises in the United States

- A58 Liabilities to unaffiliated foreigners
- A59 Claims on unaffiliated foreigners

Securities Holdings and Transactions

- A60 Foreign transactions in securities
- A61 Marketable U.S. Treasury bonds and notes—Foreign transactions

Interest and Exchange Rates

- A62 Foreign exchange rates

A63 GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES

SPECIAL TABLES

- A64 Residential lending reported under the Home Mortgage Disclosure Act, 1999
- A73 Disposition of applications for private mortgage insurance, 1999
- A76 Small loans to businesses and farms, 1999
- A79 Community development lending reported under the Community Reinvestment Act, 1999

A80 INDEX TO STATISTICAL TABLES

Guide to Tabular Presentation

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 □ September 2000

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	1999		2000		2000				
	Q3	Q4	Q1	Q2	Feb.	Mar.	Apr.	May	June
<i>Reserves of depository institutions²</i>									
1 Total	-16.1	-3.4	1.8	-9.5	-41.1	-34.1	13.8	12.8	-40.4
2 Required	-16.0	-4.5	.0	-6.2	-16.6	-37.8	16.0	18.7	-46.4
3 Nonborrowed	-17.9	-3.0	2.4	-11.1	-34.0	-36.2	10.2	11.1	-44.2
4 Monetary base ³	9.0	20.4	4.3 ⁴	-3.5	-37.4 ⁴	-4.5 ⁴	2.8 ⁴	2.2 ⁴	2.6
<i>Concepts of money and debt⁴</i>									
5 M1	-1.8	4.8	5 ⁴	-1.6	-14.6 ⁴	7.1 ⁴	4.5 ⁴	-12.3	-3.0
6 M2	5.3	5.1	6.0	6.0	3.1	9.4	10.3	-1.0	3.1
7 M3	5.0	10.1	10.5	7.8	3.3	13.4	8.2 ⁴	4.1 ⁴	7.0
8 Debt	6.2	6.4	5.9	n.a.	4.5	7.1	5.7 ⁴	3.6	n.a.
<i>Nontransaction components</i>									
9 In M2	7.6	5.3	7.8	8.4	8.6	10.2	12.0 ⁴	2.5	-4.9
10 In M3 only ⁵	4.0	23.7	22.4	12.4	3.8	23.5	3.1 ⁴	17.0 ⁴	16.5
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
11 Savings, including MMDAs	10.6	4.2	3.6	7.9	12.8	6.5	14.8	-2.7	6.0
12 Small time ^{6,7}	2.1	7.0	9.1	14.7	10.1	10.4 ⁴	17.9 ⁴	13.1 ⁴	19.8
13 Large time ⁸	.3	38.6	22.6	21.6	3.5	13.7	37.5 ⁴	13.9 ⁴	20.0
<i>Thrift institutions</i>									
14 Savings, including MMDAs	13.3	-3.3	-1.4	1.7	6.4	7.2	-7.7 ⁴	10.1 ⁴	-2.4
15 Small time ^{6,7}	-3.2	5.0	6.4	3.5	3.0	3.7	-1.8	8.1	9.9
16 Large time ⁸	1.6	6.0	18.2	-2.3	8.9	1.3	-6.3	-16.5 ⁴	20.6
<i>Money market mutual funds</i>									
17 Retail	8.2	10.5	18.7	9.7	-4.3	19.7	19.1	-3.9	-5.8
18 Institution-only	9.3	21.4	23.5	13.8	-11.5	45.1	-1.3	17.3	15.5
<i>Repurchase agreements and Eurodollars</i>									
19 Repurchase agreements ¹⁰	9.1	12.8	17.5	4.5	50.3	-12.9	-17.7	24.0	23.6
20 Eurodollars ¹⁰	-9.7	13.3	29.2	-2.1	-30.0	65.0	-55.1	30.6	-6.1
<i>Debt components⁴</i>									
21 Federal	-3	-4.3	-4.4	n.a.	-12.1	3.1	-5.5	-18.6	n.a.
22 Nonfederal	8.0	9.4	8.7	n.a.	8.9	8.1	8.6 ⁴	9.3	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						
	Apr.	May	June	May 17	May 24	May 31	June 7	June 14	June 21	June 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	560,803	558,972	558,662	556,395	552,655	560,284	557,276	557,301	558,947	559,537
U.S. government securities ²										
2 Bought outright—System account ³	505,256	507,413	507,018	508,353	507,682	506,191	506,426	507,528	508,074	506,611
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	143	140	140	140	140	140	140	140	140	140
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	19,920	17,303	16,905	14,323	11,116	20,913	16,960	15,541	15,563	17,478
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	181	99	87	66	154	46	239	27	46	40
9 Seasonal credit	117	280	389	260	324	356	325	352	395	461
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	303	404	788	-360	1,140	196	694	648	1,168	819
13 Other Federal Reserve assets	34,884	33,333	33,334	33,614	32,099	32,442	32,492	33,065	33,561	33,988
14 Gold stock	11,048	11,048	11,047	11,048	11,048	11,048	11,048	11,048	11,048	11,047
15 Special drawing rights certificate account	5,733	5,200	4,667	5,200	5,200	5,200	5,200	5,200	4,200	4,200
16 Treasury currency outstanding	29,235 ⁵	29,589 ⁵	29,708	29,597 ⁵	29,634 ⁵	29,671 ⁵	29,685	29,699	29,713	29,727
ABSORBING RESERVE FUNDS										
17 Currency in circulation	564,725 ⁵	566,062 ⁵	568,296	565,459 ⁵	565,221 ⁵	568,820 ⁵	569,311	568,325	567,583	567,368
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	196	198	87	205	204	177	132	81	68	69
Deposits, other than reserve balances, with										
Federal Reserve Banks										
20 Treasury	8,395	7,060	6,232	5,424	5,114	4,880	4,656	5,232	7,943	6,983
21 Foreign	106	95	85	121	78	82	83	82	83	89
22 Service-related balances and adjustments	6,836	6,836	6,893	6,858	6,786 ⁵	6,746	7,091	6,661	6,918	6,853
23 Other	272	250	234	254	253	217	260	237	251	198
24 Other Federal Reserve liabilities and capital	19,357	16,265	15,627	15,291	15,339	15,356	15,676	15,636	15,571	15,621
25 Reserve balances with Federal Reserve Banks ⁵	6,932	8,045 ⁵	6,631	8,629	5,541 ⁵	9,926 ⁵	5,999	6,994	5,490	7,330
End-of-month figures										
Wednesday figures										
	Apr.	May	June	May 17	May 24	May 31	June 7	June 14	June 21	June 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	566,553	566,932	566,538	553,915	555,216	566,932	556,954	560,360	566,210	566,875
U.S. government securities ²										
2 Bought outright—System account ³	506,695	506,744	504,950	507,916	509,115	506,744	505,939	507,396	508,531	507,884
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	140	140	140	140	140	140	140	140	140	140
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	24,905	26,395	26,930	14,620	12,530	26,395	17,620	18,110	20,970	22,975
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	78	88	54	146	128	88	11	79	129	50
9 Seasonal credit	162	344	458	285	356	344	334	378	454	476
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	-237	840	-12	-1,089	634	840	208	1,031	2,203	1,140
13 Other Federal Reserve assets	34,810	32,381	34,019	31,897	32,313	32,381	32,702	33,226	33,783	34,210
14 Gold stock	11,048	11,048	11,046	11,048	11,048	11,048	11,048	11,048	11,048	11,047
15 Special drawing rights certificate account	5,200	5,200	4,200	5,200	5,200	5,200	5,200	5,200	4,200	4,200
16 Treasury currency outstanding	29,348 ⁵	29,671 ⁵	29,741	29,597 ⁵	29,634 ⁵	29,671 ⁵	29,685	29,699	29,713	29,727
ABSORBING RESERVE FUNDS										
17 Currency in circulation	563,825 ⁵	570,520 ⁵	570,878	566,084 ⁵	567,028 ⁵	570,521 ⁵	569,771	569,000	568,257	569,637
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	203	140	76	207	183	140	83	68	68	76
Deposits, other than reserve balances, with										
Federal Reserve Banks										
20 Treasury	15,868	5,445	6,208	4,923	4,942	5,445	5,031	5,024	13,668	6,613
21 Foreign	142	110	105	126	76	110	86	107	86	117
22 Service-related balances and adjustments	6,804	6,746	7,063	6,858	6,786 ⁵	6,746	7,091	6,661	6,918	6,853
23 Other	251	226	203	260	249	226	244	247	238	191
24 Other Federal Reserve liabilities and capital	18,558	15,271	15,719	15,009	15,019	15,271	15,261	15,339	15,254	15,313
25 Reserve balances with Federal Reserve Banks ⁵	6,498	14,390	11,275	6,294	6,815 ⁵	14,390	5,320	9,861	6,683	13,050

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 □ September 2000

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1997	1998	1999	1999	2000					
	Dec.	Dec.	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 Reserve balances with Reserve Banks ²	10,664	9,026	5,263	5,263	5,169	5,078	6,515	7,078	7,660	6,466
2 Total vault cash ³	44,742	44,294	60,630	60,630	74,015	63,764	48,946	46,453	44,632	44,563
3 Applied vault cash ⁴	37,255	36,183	36,392	36,392	39,063	37,017	33,227	33,507	33,895	32,757
4 Surplus vault cash ⁵	7,486	8,111	24,238	24,238	34,952	26,747	15,719	12,946	10,737	11,806
5 Total reserves ⁶	47,919	45,209	41,655	41,655	44,232	42,095	39,742	40,584	41,555	39,222
6 Required reserves	46,235	43,695	40,347	40,347	42,207	40,982	38,533	39,433	40,589 ⁷	38,085
7 Excess reserve balances at Reserve Banks ⁸	1,685	1,514	1,308	1,308	2,025	1,113	1,209	1,152	966 ⁷	1,137
8 Total borrowing at Reserve Banks	324	117	320	320	374	108	179	304	362	479
9 Adjustment	245	101	179	179	296	45	101	184	86	90
10 Seasonal	79	15	67	67	31	44	71	120	276	389
11 Special Liquidity Facility ⁹	0	0	74	74	46	19	7	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									
	Mar. 8	Mar. 22	Apr. 5	Apr. 19	May 3	May 17	May 31	June 14	June 28	July 12
1 Reserve balances with Reserve Banks ²	6,234	6,245	7,186	6,715	7,491	7,614	7,743	6,502	6,420	6,535
2 Total vault cash ³	49,743	48,706	48,613	47,144	44,592	44,114	45,158	43,847	45,105	45,782
3 Applied vault cash ⁴	33,751	32,862	33,330	32,885	34,378	33,227	34,459	32,183	33,332	32,746
4 Surplus vault cash ⁵	15,992	15,844	15,283	14,259	10,214	10,887	10,699	11,664	11,773	13,035
5 Total reserves ⁶	39,985	39,107	40,516	39,600	41,869	40,841	42,202	38,685	39,752	39,281
6 Required reserves	39,054	38,011	38,883	38,516	40,849	39,929	41,194 ⁷	37,707	38,471	38,039
7 Excess reserve balances at Reserve Banks ⁸	931	1,095	1,632	1,083	1,019	912	1,008 ⁷	978	1,281	1,242
8 Total borrowing at Reserve Banks	119	207	189	368	276	303	440	472	471	589
9 Adjustment	44	133	104	264	120	65	100	134	43	117
10 Seasonal	61	67	85	104	156	238	340	339	428	472
11 Special Liquidity Facility ⁹	15	7	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.

I.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 8/4/00	Effective date	Previous rate	On 8/4/00	Effective date	Previous rate	On 8/4/00	Effective date	Previous rate
Boston	↑	5/16/00	↑	6.60	7/27/00	6.65	↑	7/27/00	7.15
New York		5/18/00							
Philadelphia		5/18/00							
Cleveland		5/16/00							
Richmond		5/16/00							
Atlanta		5/17/00							
Chicago	↓	5/17/00	↓	6.60	7/27/00	6.65	↓	7/27/00	7.15
St. Louis		5/18/00							
Minneapolis		5/18/00							
Kansas City		5/17/00							
Dallas		5/17/00							
San Francisco		5/16/00							

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	Nov. 22	9–9.5	9	Aug. 16	3.5–4	4
May 11	6.5–7	7	26	9	9	18	4	4
12	7	7	Dec. 14	8.5–9	9	Nov. 15	4–4.75	4.75
July 3	7–7.25	7.25	15	8.5–9	8.5	17	4.75	4.75
10	7.25	7.25	17	8.5	8.5			
Aug. 21	7.75	7.75	1984—Apr. 9	8.5–9	9	1995—Feb. 1	4.75–5.25	5.25
Sept. 22	8	8	13	9	9	9	5.25	5.25
Oct. 16	8–8.5	8.5	Nov. 21	8.5–9	8.5	1996—Jan. 31	5.00–5.25	5.00
20	8.5	8.5	26	8.5	8.5	Feb. 5	5.00	5.00
Nov. 1	8.5–9.5	9.5	Dec. 24	8	8	1998—Oct. 15	4.75–5.00	4.75
3	9.5	9.5				16	4.75	4.75
1979—July 20	10	10	1985—May 20	7.5–8	7.5	17	4.50–4.75	4.50
Aug. 17	10–10.5	10.5	24	7.5	7.5	19	4.50	4.50
20	10.5	10.5	1986—Mar. 7	7–7.5	7	1999—Aug. 24	4.50–4.75	4.75
Sept. 19	10.5–11	11	10	7	7	26	4.75	4.75
21	11	11	Apr. 21	6.5–7	6.5	Nov. 16	4.75–5.00	4.75
Oct. 8	11–12	12	23	6.5	6.5	18	5.00	5.00
10	12	12	July 11	6	6			
1980—Feb. 15	12–13	13	Aug. 21	5.5–6	5.5	2000—Feb. 2	5.00–5.25	5.25
19	13	13	22	5.5	5.5	4	5.25	5.25
May 29	12–13	13	1987—Sept. 4	5.5–6	6	Mar. 21	5.25–5.50	5.50
30	12	12	11	6	6	23	5.50	5.50
June 13	11–12	11	1988—Aug. 9	6–6.5	6.5	May 16	5.50–6.00	5.50
16	11	11	11	6.5	6.5	19	6.00	6.00
July 28	10–11	10	1989—Feb. 24	6.5–7	7	In effect Aug. 4, 2000	6.00	6.00
29	10	10	27	7	7			
Sept. 26	11	11	1990—Dec. 19	6.5	6.5			
Nov. 17	12	12	1991—Feb. 1	6–6.5	6			
Dec. 5	12–13	13	4	6	6			
8	13	13	Apr. 30	5.5–6	5.5			
1981—May 5	13–14	14	May 2	5.5	5.5			
8	14	14	Sept. 13	5–5.5	5			
Nov. 2	13–14	13	17	5	5			
6	13	13	Nov. 6	4.5–5	4.5			
Dec. 4	12	12	7	4.5	4.5			
1982—July 20	11.5–12	11.5	Dec. 20	3.5–4.5	3.5			
23	11.5	11.5	24	3.5	3.5			
Aug. 2	11–11.5	11	1992—July 2	3–3.5	3			
3	11	11	7	3	3			
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–\$44.3 million ³	3	12/30/99
2 More than \$44.3 million ⁴	10	12/30/99
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

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

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

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the amount was decreased from \$46.5 million to \$44.3 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 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the exemption was raised from \$4.9 million to \$5.0 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	1999		2000				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
U.S. TREASURY SECURITIES²										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	9,147	3,550	0	0	0	0	0	0	2,294	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	435,907	450,835	464,218	36,882	42,468	37,029	38,607	48,459	37,141	36,386
4 For new bills	435,907	450,835	464,218	36,882	42,468	37,029	38,607	48,459	37,141	36,386
5 Redemptions	0	2,000	0	0	0	0	0	198	779	2,297
Others within one year										
6 Gross purchases	5,549	6,297	11,895	964	1,450	0	0	0	0	164
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	41,716	46,062	50,590	6,675	3,936	3,566	6,877	5,034	0	13,063
9 Exchanges	-27,499	-49,434	-53,315	-10,150	-2,175	-4,360	-6,688	-3,515	0	-12,633
10 Redemptions	1,996	2,676	1,429	0	0	390	0	0	568	0
One to five years										
11 Gross purchases	20,080	12,901	19,731	1,014	3,514	160	0	740	1,723	890
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-37,987	-37,777	-44,032	-3,685	-3,936	-3,566	-5,210	-5,034	0	-10,334
14 Exchanges	20,274	37,154	42,604	8,015	2,175	4,045	4,348	3,515	0	10,063
Five to ten years										
15 Gross purchases	3,449	2,294	4,303	0	581	809	0	489	930	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-1,954	-5,908	-5,841	-2,273	0	0	-949	0	0	-1,552
18 Exchanges	5,215	7,439	7,583	2,135	0	316	1,170	0	0	2,570
More than ten years										
19 Gross purchases	5,897	4,884	9,428	925	1,257	1,069	0	330	0	528
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-1,775	-2,377	-717	-717	0	0	-717	0	0	-1,177
22 Exchanges	2,360	4,842	3,139	0	0	0	1,170	0	0	0
All maturities										
23 Gross purchases	44,122	29,926	45,357	2,903	6,802	2,038	0	1,559	4,947	1,582
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,996	4,676	1,429	0	0	390	0	198	1,347	2,297
Matched transactions										
26 Gross purchases	3,577,954	4,395,430	4,395,998	317,537	488,845	492,277	340,127	401,404	336,103	357,355
27 Gross sales	3,580,274	4,399,330	4,414,253	318,294	510,605	471,663	339,585	401,841	334,751	356,640
Repurchase agreements										
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	2,146	-14,959	22,262	542	923	4,952	-1
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
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	7	0	6	25	0	10	0
Repurchase agreements										
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	-7	0	-6	-25	0	-10	0
Reverse repurchase agreements										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
Repurchase agreements										
39 Gross purchases	0	0	304,989	81,350	155,578	61,345	82,998	61,230	79,585	107,375
40 Gross sales	0	0	164,349	54,470	64,378	178,880	81,335	62,253	78,425	105,885
41 Net change in triparty obligations	0	0	140,640	26,880	91,200	-117,535	1,663	-1,023	1,160	1,490
42 Total net change in System Open Market Account	40,522	27,538	135,780	29,019	76,241	-95,279	2,180	-100	6,102	1,489

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.

A10 Domestic Financial Statistics □ September 2000

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2000					2000		
	May 31	June 7	June 14	June 21	June 28	Apr. 30	May 31	June 30
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,048	11,048	11,048	11,048	11,047	11,048	11,048	11,046
2 Special drawing rights certificate account	5,200	5,200	5,200	4,200	4,200	5,200	5,200	4,200
3 Coin	599	636	661	674	679	569	599	699
<i>Loans</i>								
4 To depository institutions	431	345	456	583	526	240	431	512
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	26,395	17,620	18,110	20,970	22,975	24,905	26,395	26,930
<i>Federal agency obligations³</i>								
8 Bought outright	140	140	140	140	140	140	140	140
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities ³	506,744	505,939	507,396	508,531	507,884	506,695	506,744	504,950
11 Bought outright ⁴	506,744	505,939	507,396	508,531	507,884	506,695	506,744	504,950
12 Bills	198,323	197,515	198,373	197,899	195,726	199,905	198,323	192,792
13 Notes	223,631	223,633	223,633	224,689	226,138	221,027	223,631	226,138
14 Bonds	84,791	84,791	85,390	85,943	86,020	85,763	84,791	86,020
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	533,710	524,044	526,103	530,224	531,525	531,981	533,710	532,532
17 Items in process of collection	11,985	8,775	8,577	9,812	7,924	5,935	11,985	5,545
18 Bank premises	1,400	1,401	1,402	1,403	1,402	1,393	1,400	1,409
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	15,246	15,251	15,256	15,261	15,266	15,075	15,246	15,550
20 All other ⁶	15,707	16,095	16,619	17,166	17,516	18,526	15,707	17,056
21 Total assets	594,896	582,449	584,865	589,788	589,559	589,727	594,896	588,037
LIABILITIES								
22 Federal Reserve notes	541,590	540,805	540,030	539,285	540,664	535,249	541,590	541,912
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	27,416	18,357	22,001	27,573	26,630	29,741	27,416	28,028
25 Depository institutions	21,634	12,996	16,623	13,583	19,709	13,480	21,634	18,513
26 U.S. Treasury—General account	5,445	5,031	5,024	13,668	6,613	15,368	5,445	6,208
27 Foreign—Official accounts	110	86	107	86	117	142	110	105
28 Other	226	244	247	238	191	251	226	203
29 Deferred credit items	10,619	8,026	7,495	7,676	6,952	6,178	10,619	5,379
30 Other liabilities and accrued dividends	4,752	4,887	4,844	4,767	4,811	4,931	4,752	4,781
31 Total liabilities	584,377	572,076	574,370	579,301	579,057	576,100	584,377	577,099
CAPITAL ACCOUNTS								
32 Capital paid in	6,781	6,789	6,856	6,863	6,865	6,752	6,781	6,865
33 Surplus	2,679	2,679	2,679	2,679	2,679	6,259	2,679	2,679
34 Other capital accounts	1,058	905	900	945	958	617	1,058	1,395
35 Total liabilities and capital accounts	594,896	582,449	584,865	589,788	589,559	589,727	594,896	588,037
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)	777,900	776,881	775,873	774,853	773,885	783,126	777,900	773,550
38 LESS: Held by Federal Reserve Banks	236,310	236,076	235,843	235,568	233,221	247,877	236,310	231,639
39 Federal Reserve notes, net	541,590	540,805	540,030	539,285	540,664	535,249	541,590	541,912
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,048	11,048	11,048	11,048	11,047	11,048	11,048	11,046
41 Special drawing rights certificate account	5,200	5,200	5,200	4,200	4,200	5,200	5,200	4,200
42 Other eligible assets	0	859	0	0	0	0	0	0
43 U.S. Treasury and agency securities	525,342	523,699	523,783	524,037	525,417	519,001	525,342	526,665
44 Total collateral	541,590	540,885	540,030	539,285	540,664	535,249	541,590	541,912

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		
	May 31	June 7	June 14	June 21	June 28	Apr. 30	May 31	June 30
1 Total loans	431	345	456	583	526	240	440	512
2 Within fifteen days ¹	311	80	180	560	481	178	402	307
3 Sixteen days to ninety days	120	265	276	23	45	63	38	206
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	506,744	505,939	507,396	508,531	507,884	506,693	506,744	504,949
6 Within fifteen days ¹	15,491	18,827	14,928	18,944	17,350	6,882	15,491	1,038
7 Sixteen days to ninety days	105,584	103,196	108,103	108,419	107,056	117,248	105,584	118,287
8 Ninety-one days to one year	139,209	137,454	137,304	133,553	135,157	137,144	139,209	138,867
9 One year to five years	125,525	125,525	125,525	125,526	126,231	124,898	125,525	124,668
10 Five years to ten years	53,435	53,436	53,437	53,437	53,437	52,387	53,435	53,438
11 More than ten years	67,500	67,500	68,100	68,652	68,652	68,135	67,500	68,652
12 Total federal agency obligations	140	140	140	140	140	140	140	140
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	10	10	10	0	0	10
15 Ninety-one days to one year	10	10	0	0	0	10	10	0
16 One year to five years	10	10	10	10	10	10	10	10
17 Five years to ten years	120	120	120	120	120	120	120	120
18 More than ten years	0	0	0	0	0	0	0	0

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

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	1999		2000					
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
Seasonally adjusted												
1 Total reserves ³	50.17	46.87	45.19	41.74	41.56	41.74	43.11	41.64	40.45	40.92	41.35	39.96
2 Nonborrowed reserves ⁴	50.02	46.54	45.07	41.42	41.33	41.42	42.74	41.53	40.27	40.62	40.99	39.48
3 Nonborrowed reserves plus extended credit ⁵	50.02	46.54	45.07	41.42	41.33	41.42	42.74	41.53	40.27	40.62	40.99	39.48
4 Required reserves	48.76	45.18	43.68	40.43	40.23	40.43	41.09	40.52	39.24	39.77	40.39	38.83
5 Monetary base ⁶	451.62	479.17	512.75	591.19	569.43	591.19	591.97	573.50 ^f	571.37 ^f	572.72 ^f	573.76 ^f	575.01
Not seasonally adjusted												
6 Total reserves ⁷	51.45	48.01	45.31	41.89	41.20	41.89	44.23	42.10	39.75	40.60	41.58	39.25
7 Nonborrowed reserves	51.30	47.69	45.19	41.57	40.96	41.57	43.86	41.99	39.58	40.30	41.21	38.77
8 Nonborrowed reserves plus extended credit ⁸	51.30	47.69	45.19	41.57	40.96	41.57	43.86	41.99	39.58	40.30	41.21	38.77
9 Required reserves ⁹	50.04	46.33	43.80	40.58	39.87	40.58	42.20	40.99	38.55	39.45	40.61	38.11
10 Monetary base ⁹	456.63	484.98	518.27	600.63	572.01	600.63	596.90	571.87 ^f	570.24 ^f	571.37 ^f	572.87 ^f	573.93
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	51.17	47.92	45.21	41.66	40.97	41.66	44.23	42.10	39.74	40.58	41.56	39.22
12 Nonborrowed reserves	51.02	47.60	45.09	41.33	40.74	41.33	43.86	41.99	39.56	40.28	41.19	38.74
13 Nonborrowed reserves plus extended credit ¹²	51.02	47.60	45.09	41.33	40.74	41.33	43.86	41.99	39.56	40.28	41.19	38.74
14 Required reserves	49.76	46.24	43.70	40.35	39.64	40.35	42.21	40.98	38.53	39.43	40.59	38.09
15 Monetary base ¹²	463.40	491.79	525.06	607.93	578.98	607.93	604.63	579.22 ^f	577.12 ^f	578.19 ^f	579.70 ^f	580.81
16 Excess reserves ¹³	1.42	1.69	1.51	1.31	1.33	1.31	2.03	1.11	1.21	1.15	.97	1.14
17 Borrowings from the Federal Reserve	.16	.32	.12	.32	.24	.32	.37	.11	.18	.30	.36	.48

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 L10.)

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			
					Mar.	Apr.	May	June
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,081.1	1,073.9	1,097.4	1,122.9	1,112.3 ^f	1,116.5 ^f	1,105.1 ^f	1,102.3
2 M2	3,822.9	4,041.9	4,396.8	4,655.4	4,728.2 ^f	4,768.7 ^f	4,764.8 ^f	4,777.0
3 M3	4,952.4	5,403.2	5,996.7	6,477.0	6,612.1 ^f	6,657.5 ^f	6,680.3 ^f	6,719.0
4 Debt	14,443.9	15,234.7	16,282.9	17,381.1	17,639.2	17,723.0 ^f	17,776.5	n.a.
<i>M1 components</i>								
5 Currency	394.3	424.8	459.5	515.5	517.5 ^f	518.5 ^f	520.0 ^f	521.8
6 Travelers checks ⁴	8.3	8.1	8.2	8.3	8.2	8.2	8.3	8.8
7 Demand deposits ⁵	402.3	395.3	379.3	355.2	343.0	341.9	334.4	330.4
8 Other checkable deposits ⁶	276.1	245.8	250.3	244.0	243.7	247.9 ^f	242.5	241.2
<i>Nontransaction components</i>								
9 In M2 ⁷	2,741.8	2,967.9	3,299.4	3,532.5	3,615.9	3,652.2 ^f	3,659.7 ^f	3,674.7
10 In M3 only ⁸	1,129.5	1,361.3	1,599.9	1,821.5	1,883.9	1,888.8 ^f	1,915.5 ^f	1,941.9
<i>Commercial banks</i>								
11 Savings deposits, including MMDAs	904.0	1,020.5	1,184.8	1,285.7	1,309.1	1,325.2	1,322.2	1,328.8
12 Small time deposits ⁹	593.3	625.4	626.1	634.7	650.0 ^f	659.7	666.9 ^f	677.9
13 Large time deposits ^{10, 11}	413.9	488.3	539.3	614.4	627.6	647.2 ^f	654.7 ^f	665.6
<i>Thrift institutions</i>								
14 Savings deposits, including MMDAs	366.6	376.6	413.8	448.7	452.3	449.4 ^f	453.2 ^f	452.3
15 Small time deposits ⁹	353.6	342.8	325.6	320.5	324.7	324.2	326.4	329.1
16 Large time deposits ¹⁰	78.3	85.6	88.9	91.5	95.1	94.6	93.3 ^f	94.9
<i>Money market mutual funds</i>								
17 Retail	524.4	602.8	749.2	842.9	879.8	893.8	890.9	886.6
18 Institution-only	312.0	380.8	518.4	607.4	640.7	640.0	649.2	657.6
<i>Repurchase agreements and Eurodollars</i>								
19 Repurchase agreements ¹²	210.7	256.0	300.8	334.7	339.5	334.5	341.2	347.9
20 Eurodollars ¹³	114.6	150.7	152.6	173.5	180.9	172.6	177.0	176.1
<i>Debt components</i>								
21 Federal debt	3,781.3	3,800.3	3,750.8	3,659.5	3,618.8	3,602.3	3,546.5	n.a.
22 Nonfederal debt	10,662.6	11,434.4	12,532.1 ^f	13,721.6 ^f	14,020.4	14,120.7 ^f	14,230.1	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
23 M1	1,105.1	1,097.7	1,121.3	1,147.4	1,109.1 ^f	1,125.2 ^f	1,099.0 ^f	1,099.9
24 M2	3,845.2	4,065.0	4,422.0	4,683.7	4,749.2 ^f	4,814.3 ^f	4,736.7 ^f	4,757.6
25 M3	4,973.4	5,427.2	6,026.3	6,512.0	6,645.6 ^f	6,701.5 ^f	6,658.4 ^f	6,695.5
26 Debt	14,440.5	15,231.8	16,279.8	17,380.1 ^f	17,620.2	17,696.0 ^f	17,731.9	n.a.
<i>M1 components</i>								
27 Currency ³	397.9	428.9	464.1	521.2	517.6 ^f	518.9 ^f	519.6 ^f	521.2
28 Travelers checks ⁴	8.6	8.3	8.4	8.4	8.3	8.3	8.4	8.7
29 Demand deposits ⁵	419.9	412.4	395.9	371.2	338.5	344.4	329.2	328.5
30 Other checkable deposits ⁶	278.8	248.2	252.8	246.7	244.6	253.6	241.8 ^f	241.5
<i>Nontransaction components</i>								
31 In M2 ⁷	2,740.0	2,967.4	3,300.7	3,536.3	3,640.1	3,689.1	3,637.7 ^f	3,657.8
32 In M3 only ⁸	1,128.2	1,362.2	1,604.3	1,828.3	1,896.4	1,887.2 ^f	1,921.7 ^f	1,937.9
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	903.3	1,020.4	1,186.0	1,288.5	1,311.8	1,341.5	1,317.4	1,329.7
34 Small time deposits ⁹	592.7	625.1	626.5	635.5	652.0 ^f	660.3 ^f	664.6	673.7
35 Large time deposits ^{10, 11}	413.2	487.2	537.8	612.6	627.8	646.9 ^f	659.3 ^f	667.2
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	366.3	376.5	414.2	449.7	453.2	454.9	451.6 ^f	452.6
37 Small time deposits ⁹	353.2	342.8	325.8	321.0	325.7	324.6 ^f	325.3	327.1
38 Large time deposits ¹⁰	78.1	85.4	88.6	91.2	95.1	94.5	94.0 ^f	95.1
<i>Money market mutual funds</i>								
39 Retail	524.3	602.3	748.1	841.6	897.3	907.8	878.8	874.6
40 Institution-only	315.6	386.7	527.9	618.9	650.5	640.2	644.5	650.3
<i>Repurchase agreements and Eurodollars</i>								
41 Repurchase agreements ¹²	205.7	250.5	295.4	330.0	342.2	333.1	345.3	348.9
42 Eurodollars ¹³	115.7	152.3	154.5	175.6	180.8	172.5	178.5	176.3
<i>Debt components</i>								
43 Federal debt	3,787.9	3,805.8	3,754.9	3,663.1	3,633.6	3,597.2	3,514.0	n.a.
44 Nonfederal debt	10,652.5 ^f	11,426.0	12,524.8 ^f	13,717.1	13,986.5	14,098.8 ^f	14,217.9	n.a.

Footnotes appear on following page

NOTES TO TABLE I.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. addresses.

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999	2000						2000			
	June ²	Dec. ³	Jan. ⁴	Feb. ⁵	Mar. ⁶	Apr. ⁷	May ⁸	June	June 7	June 14	June 21	June 28
	Seasonally adjusted											
Assets												
1 Bank credit	4,560.3	4,762.9	4,788.1	4,818.8	4,858.5	4,908.3	4,974.0	5,003.5	4,978.0	4,991.5	5,024.6	5,016.3
2 Securities in bank credit	1,214.4	1,263.7	1,267.1	1,267.3	1,276.5	1,284.7	1,302.7	1,297.1	1,295.7	1,297.5	1,299.6	1,296.5
3 U.S. government securities	811.7	804.1	812.1	813.1	812.7	810.9	812.2	813.9	809.5	812.0	816.3	816.1
4 Other securities	402.7	459.6	455.0	454.2	463.8	473.0	490.5	483.1	486.3	485.5	483.3	480.5
5 Loans and leases in bank credit ²	3,345.9	3,498.2	3,521.0	3,551.5	3,582.0	3,623.6	3,671.3	3,706.4	3,682.2	3,694.0	3,725.0	3,719.8
6 Commercial and industrial	963.8	1,002.1	1,011.8	1,019.1	1,027.6	1,040.9	1,061.4	1,064.4	1,066.1	1,064.9	1,068.7	1,059.3
7 Real estate	1,369.8	1,470.6	1,489.0	1,505.2	1,523.5	1,546.7	1,569.8	1,589.6	1,588.0	1,586.0	1,594.9	1,594.1
8 Revolving home equity	104.3	101.6	103.6	104.7	107.1	112.6	116.0	116.6	117.3	117.5	116.8	114.9
9 Other	1,265.5	1,368.9	1,385.5	1,400.5	1,416.4	1,434.1	1,453.8	1,472.9	1,463.5	1,468.4	1,478.1	1,479.2
10 Consumer	488.9	489.7	496.4	502.6	505.5	505.7	508.4	515.5	509.2	512.6	519.1	521.3
11 Security ³	130.7	153.1	143.2	143.4	142.6	143.5	144.6	149.5	141.2	147.1	152.4	156.1
12 Other loans and leases	392.7	383.7	380.5	382.2	382.8	386.9	387.0	387.3	385.0	383.5	389.9	389.0
13 Interbank loans	223.2	229.5	225.1	236.1	237.4	238.2	242.6	242.8	233.6	238.2	246.2	250.4
14 Cash assets ⁴	261.9	287.5	283.3	281.6	275.1	285.2	277.4	273.0	276.5	268.5	280.5	265.3
15 Other assets ⁵	346.9	377.8	382.7	378.3	376.6	378.0	387.5	389.0	386.2	391.0	390.1	388.8
16 Total assets ⁶	5,333.5	5,597.9	5,620.1	5,658.9	5,688.4	5,750.1	5,821.3	5,848.2	5,814.2	5,829.1	5,881.4	5,860.2
Liabilities												
17 Deposits	3,383.5	3,524.5	3,540.2	3,558.4	3,575.4	3,626.3	3,631.8	3,656.0	3,643.0	3,661.9	3,652.5	3,651.0
18 Transaction	651.1	630.2	626.6	625.2	626.2	625.9	629.2	616.6	606.8	608.5	627.2	624.0
19 Nontransaction	2,732.3	2,894.3	2,913.6	2,933.2	2,949.3	3,000.4	3,002.6	3,039.3	3,036.1	3,053.5	3,025.3	3,027.0
20 Large time	723.1	828.1	840.3	845.8	853.0	874.4	880.5	894.8	885.1	898.8	896.5	897.2
21 Other	2,009.3	2,066.2	2,073.3	2,087.4	2,096.2	2,126.0	2,122.1	2,144.6	2,151.0	2,154.7	2,128.8	2,129.8
22 Borrowings	1,023.3	1,116.6	1,133.6	1,130.0	1,150.8	1,184.5	1,196.5	1,182.2	1,188.5	1,188.5	1,204.9	1,208.3
23 From banks in the U.S.	333.7	346.8	359.7	364.8	372.9	373.9	379.9	371.1	373.4	374.9	366.8	365.3
24 From others	689.6	769.8	773.8	765.2	777.9	810.6	816.6	825.5	808.8	813.6	838.0	843.1
25 Net due to related foreign offices	217.4	221.1	229.7	233.9	233.1	233.9	249.5	259.3	274.7	252.7	258.5	251.1
26 Other liabilities	277.5	302.4	290.4	295.6	289.5	289.5	312.4	303.2	303.1	301.4	306.5	304.9
27 Total liabilities	4,901.6	5,164.6	5,193.9	5,217.8	5,248.9	5,324.3	5,390.2	5,415.1	5,402.9	5,404.5	5,422.4	5,415.3
28 Residual (assets less liabilities) ⁷	431.9	433.3	426.2	438.0	439.5	425.8	431.1	433.0	411.3	424.7	459.0	444.8
	Not seasonally adjusted											
Assets												
29 Bank credit	4,546.9	4,795.3	4,812.3	4,821.8	4,852.7	4,908.9	4,966.0	4,987.5	4,971.5	4,978.7	4,998.0	4,997.5
30 Securities in bank credit	1,206.9	1,273.8	1,275.6	1,271.4	1,277.9	1,286.6	1,300.3	1,286.9	1,294.4	1,287.0	1,284.6	1,283.5
31 U.S. government securities	811.2	806.1	813.9	817.0	819.6	819.5	817.5	813.2	815.9	811.7	812.6	811.9
32 Other securities	395.7	467.7	461.8	454.3	458.3	467.1	482.8	473.7	478.5	475.3	471.9	471.6
33 Loans and leases in bank credit ²	3,340.0	3,521.4	3,536.6	3,550.4	3,574.8	3,622.3	3,665.8	3,700.7	3,677.2	3,691.7	3,713.4	3,713.9
34 Commercial and industrial	963.2	1,004.1	1,009.3	1,019.8	1,031.6	1,047.9	1,064.3	1,063.8	1,067.7	1,063.6	1,068.4	1,059.0
35 Real estate	1,367.6	1,475.4	1,493.1	1,502.2	1,518.7	1,542.2	1,567.2	1,586.2	1,581.1	1,583.9	1,587.4	1,589.9
36 Revolving home equity	104.4	102.0	103.8	104.4	106.1	111.7	115.6	116.7	117.6	117.6	117.2	115.1
37 Other	1,263.3	1,373.4	1,389.2	1,397.7	1,412.7	1,430.5	1,451.6	1,469.5	1,464.1	1,466.3	1,470.2	1,474.8
38 Consumer	487.0	495.1	503.5	504.7	503.9	504.6	508.0	514.5	507.6	510.8	518.0	521.3
39 Security ³	130.2	157.8	147.3	143.9	141.6	144.0	143.1	149.4	140.6	150.6	152.2	153.5
40 Other loans and leases	392.0	389.0	383.4	379.8	378.9	383.6	383.2	386.9	383.2	382.9	387.4	390.2
41 Interbank loans	222.7	234.9	226.0	237.6	243.2	245.0	242.4	242.2	236.4	241.6	239.6	245.8
42 Cash assets ⁴	258.0	307.4	297.4	282.2	266.7	282.3	275.2	269.1	266.3	269.7	270.3	264.2
43 Other assets ⁵	349.2	377.8	381.2	380.6	380.0	381.6	390.8	390.8	390.0	392.5	387.0	391.9
44 Total assets ⁶	5,317.8	5,655.5	5,658.1	5,663.3	5,683.4	5,758.5	5,814.4	5,829.3	5,803.9	5,822.3	5,834.8	5,838.8
Liabilities												
45 Deposits	3,373.6	3,566.8	3,553.5	3,557.3	3,579.3	3,644.3	3,617.1	3,644.0	3,644.8	3,665.8	3,614.7	3,627.4
46 Transaction	649.9	662.9	638.1	618.2	619.1	634.6	619.8	615.6	601.5	616.5	610.2	625.8
47 Nontransaction	2,723.6	2,903.9	2,915.4	2,939.0	2,960.2	3,009.7	2,997.3	3,028.5	3,043.3	3,049.3	3,004.5	3,001.7
48 Large time	715.1	843.1	851.3	858.4	861.5	874.0	876.7	883.9	880.4	890.2	884.1	881.7
49 Other	2,008.5	2,060.8	2,064.1	2,080.6	2,098.7	2,135.8	2,120.6	2,144.6	2,162.9	2,159.1	2,120.4	2,119.9
50 Borrowings	1,025.2	1,125.8	1,152.1	1,133.9	1,145.8	1,182.7	1,206.0	1,200.5	1,167.1	1,179.5	1,231.9	1,224.4
51 From banks in the U.S.	334.0	351.8	363.6	366.4	372.8	375.2	380.6	372.3	373.0	371.0	373.8	372.5
52 From others	691.1	774.0	788.5	767.5	773.0	807.5	825.4	828.2	798.9	808.5	858.2	851.9
53 Net due to related foreign offices	211.0	223.3	233.3	248.3	236.7	213.2	249.9	249.8	240.9	240.9	247.7	256.4
54 Other liabilities	276.1	304.6	291.8	297.9	290.2	288.4	311.0	301.6	302.0	300.1	304.3	303.3
55 Total liabilities	4,885.8	5,224.5	5,230.7	5,237.3	5,252.0	5,328.6	5,384.0	5,395.9	5,370.1	5,386.2	5,398.6	5,411.5
56 Residual (assets less liabilities) ⁷	432.0	431.0	427.4	426.0	431.5	430.0	430.4	433.4	433.8	436.1	436.2	427.3
MEMO												
57 Revaluation gains on off-balance-sheet items ⁸	90.6	104.1	102.4	104.9	105.3	104.7	117.5	n.a.	108.2	106.3	104.8	n.a.
58 Revaluation losses on off-balance-sheet items ⁹	92.0	102.4	100.9	104.4	102.3	103.5	117.3	n.a.	107.1	105.3	104.4	n.a.

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999	2000						2000			
	June ¹	Dec. ¹	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June	June 7	June 14	June 21	June 28
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	2,265.8	2,368.5	2,367.3	2,386.0	2,408.1	2,424.2	2,460.2	2,475.2	2,467.3	2,470.5	2,493.0	2,471.2
2 Securities in bank credit	514.5	551.8	550.4	555.6	563.4	566.1	576.5	575.9	576.6	574.3	577.2	576.7
3 U.S. government securities	355.2	354.7	355.5	356.6	356.2	354.7	356.4	359.3	356.9	358.1	362.3	359.5
4 Trading account	23.4	19.5	20.4	21.5	20.4	21.2	23.4	22.7	23.0	21.8	22.9	22.7
5 Investment account	331.7	335.1	335.1	335.1	335.8	333.4	333.0	336.7	333.9	336.3	339.4	336.7
6 Other securities	159.3	197.2	194.8	199.0	207.2	211.5	220.1	216.6	219.7	216.2	215.0	217.2
7 Trading account	69.0	86.7	81.5	85.9	91.1	92.9	101.2	98.0	100.9	97.3	96.0	99.7
8 Investment account	90.3	110.5	113.3	113.1	116.1	118.6	118.5	118.9	119.0	119.0	119.0	117.5
9 State and local government	23.0	24.1	24.4	24.5	24.7	25.1	25.4	25.7	25.4	25.5	25.5	26.1
10 Other	67.2	86.3	88.9	88.6	91.4	93.4	93.5	92.9	93.4	93.5	93.5	91.5
11 Loans and leases in bank credit ²	1,751.3	1,816.6	1,816.9	1,830.4	1,844.8	1,858.0	1,883.7	1,899.3	1,890.7	1,896.2	1,915.8	1,894.6
12 Commercial and industrial	526.7	552.1	555.6	557.7	560.4	567.8	579.1	578.2	581.6	580.0	581.6	571.5
13 Bankers acceptances	1.0	1.1	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0
14 Other	525.7	551.0	554.6	556.8	559.5	566.8	578.1	577.2	580.7	579.0	580.5	570.5
15 Real estate	684.0	737.5	744.9	750.3	759.1	774.9	787.8	797.5	794.3	796.6	802.5	795.5
16 Revolving home equity	69.1	64.2	65.5	66.0	67.6	72.4	75.0	75.4	76.0	76.1	76.0	73.7
17 Other	615.0	673.2	679.4	684.3	691.4	702.5	712.8	722.1	718.3	720.5	726.5	721.8
18 Consumer	226.9	220.2	221.6	226.9	228.9	228.0	228.5	229.6	228.4	230.0	231.9	228.6
19 Security ³	72.7	79.1	69.8	68.9	69.3	58.6	57.3	61.8	56.2	61.3	64.9	64.6
20 Federal funds sold to and repurchase agreements with broker-dealers	55.1	59.9	49.5	46.5	48.2	37.7	38.8	43.8	39.3	43.2	47.2	45.7
21 Other	17.6	19.2	20.3	22.4	21.1	20.9	18.6	18.0	17.0	18.1	17.7	18.9
22 State and local government	11.1	11.7	11.8	11.9	12.1	12.1	12.1	12.2	12.0	12.3	12.1	12.3
23 Agricultural	7.9	9.0	9.1	9.3	9.3	9.4	9.4	9.5	9.4	9.4	9.5	9.5
24 Federal funds sold to and repurchase agreements with others	16.1	11.7	11.1	11.2	11.2	11.5	11.6	12.5	11.6	11.9	12.0	14.2
25 All other loans	96.2	76.0	75.3	76.5	76.8	76.7	77.9	75.1	76.4	73.8	76.8	73.1
26 Lease-financing receivables	109.7	119.3	117.6	117.7	117.7	119.0	120.1	123.0	120.8	120.9	124.6	125.3
27 Interbank loans	134.5	135.6	132.9	137.9	142.8	136.3	141.3	142.4	137.4	142.2	142.7	144.9
28 Federal funds sold to and repurchase agreements with commercial banks	77.7	64.2	59.0	65.5	68.5	65.7	71.4	70.5	69.2	71.5	68.2	71.3
29 Other	56.9	71.4	73.9	72.4	74.3	70.6	69.8	71.9	68.2	70.7	74.4	73.6
30 Cash assets ⁴	145.0	146.8	147.2	148.3	145.3	153.9	147.6	144.7	148.3	140.0	150.6	139.3
31 Other assets ⁵	226.6	241.1	240.4	236.6	234.5	233.5	237.8	238.0	236.3	239.2	238.4	239.0
32 Total assets ⁶	2,732.8	2,856.7	2,853.1	2,874.5	2,896.3	2,913.4	2,952.4	2,966.0	2,954.8	2,957.5	2,990.4	2,960.3
<i>Liabilities</i>												
33 Deposits	1,584.3	1,593.5	1,589.2	1,596.6	1,601.5	1,623.9	1,629.1	1,622.9	1,631.9	1,633.5	1,620.2	1,601.3
34 Transaction	337.9	320.6	313.7	312.1	311.6	310.0	313.4	305.9	303.1	300.7	313.7	306.4
35 Nontransaction	1,246.4	1,272.9	1,275.6	1,284.5	1,289.9	1,313.8	1,315.8	1,317.0	1,328.8	1,332.8	1,306.5	1,294.9
36 Large time	205.9	227.8	230.2	231.4	234.7	243.1	250.8	257.6	256.1	260.6	255.4	256.7
37 Other	1,040.5	1,045.1	1,045.4	1,053.2	1,055.2	1,070.7	1,065.0	1,059.4	1,072.7	1,072.2	1,051.0	1,038.2
38 Borrowings	562.8	629.0	629.4	627.8	638.7	646.2	645.9	651.4	636.4	643.2	657.3	665.6
39 From banks in the U.S.	164.9	176.8	186.2	190.6	193.2	195.9	200.6	194.8	199.8	198.4	189.5	188.9
40 From others	397.9	452.1	443.2	437.2	445.5	450.2	445.3	456.7	436.6	444.8	467.8	476.7
41 Net due to related foreign offices	142.1	177.5	189.1	201.9	207.8	203.6	223.4	231.7	244.6	234.7	236.7	214.0
42 Other liabilities	161.0	176.8	164.6	166.4	164.7	164.3	177.8	177.4	174.9	171.9	174.8	188.7
43 Total liabilities	2,450.2	2,576.8	2,572.3	2,592.6	2,612.8	2,638.0	2,676.2	2,683.6	2,687.7	2,683.3	2,689.0	2,669.7
44 Residual (assets less liabilities) ⁷	282.5	279.9	280.7	281.8	283.6	275.4	276.1	282.4	267.1	274.1	301.4	290.6

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks—Continued

Account	Monthly averages								Wednesday figures			
	1999		2000						2000			
	June ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June	June 7	June 14	June 21	June 28
	Not seasonally adjusted											
Assets												
45 Bank credit	2,255.0	2,390.4	2,390.0	2,397.4	2,409.8	2,427.7	2,453.9	2,463.2	2,462.1	2,462.9	2,473.1	2,453.8
46 Securities in bank credit	509.2	558.7	556.7	561.7	566.7	567.2	573.3	569.6	575.9	568.4	567.5	567.8
47 U.S. government securities	352.2	355.9	358.3	362.9	362.1	359.3	357.4	356.3	359.7	355.6	356.6	353.2
48 Trading account	22.9	19.4	21.1	23.5	21.4	21.5	22.0	22.5	24.7	22.3	22.4	20.4
49 Investment account	329.1	336.5	337.2	340.4	340.7	337.8	335.5	333.9	335.1	333.3	334.2	332.7
50 Mortgage-backed securities	213.7	217.1	217.1	221.2	222.1	220.5	217.9	216.5	217.8	216.9	215.6	215.4
51 Other	115.6	119.2	120.0	119.2	118.6	117.3	117.6	117.4	117.2	116.4	118.6	117.3
52 One year or less	22.8	22.5	23.3	27.1	28.8	28.6	30.3	30.2	29.7	29.3	31.4	30.4
53 Ops to five years	54.7	57.6	57.3	54.4	52.6	51.4	51.6	52.3	52.5	52.1	52.1	52.4
54 More than five years	38.1	39.2	39.5	37.7	37.3	37.3	35.7	34.9	34.9	35.0	35.1	34.6
55 Other securities	157.0	202.8	198.4	198.8	204.6	207.9	215.9	213.3	216.2	212.8	210.9	214.7
56 Trading account	69.0	86.7	81.5	85.9	91.1	92.9	101.2	98.0	100.9	97.3	96.0	99.7
57 Investment account	88.0	116.1	116.9	112.9	113.5	115.0	114.6	115.2	115.3	115.5	114.9	115.0
58 State and local government	23.0	24.4	24.7	24.7	24.8	25.2	25.3	25.5	25.4	25.4	25.5	25.8
59 Other	65.0	91.7	92.2	88.2	88.7	89.8	89.3	89.7	89.9	90.1	89.4	89.2
60 Loans and leases in bank credit ²	1,745.8	1,831.7	1,833.4	1,835.8	1,843.1	1,860.5	1,890.6	1,893.6	1,886.2	1,894.6	1,905.6	1,886.0
61 Commercial and industrial	527.2	550.9	552.6	557.0	562.7	574.5	583.6	578.8	581.9	580.7	582.4	571.8
62 Bankers acceptances	1.0	1.1	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0
63 Other	526.2	549.9	551.5	556.1	561.7	573.4	582.6	577.8	581.0	579.7	581.4	570.7
64 Real estate	680.9	743.0	751.1	751.6	757.4	772.0	784.9	793.2	793.1	793.7	794.9	789.8
65 Revolving home equity	69.2	64.4	65.8	65.9	66.9	71.7	74.6	75.7	74.6	76.2	76.4	73.8
66 Other	371.4	416.8	419.4	417.0	420.2	429.3	437.3	442.1	443.4	442.5	443.0	438.6
67 Commercial	240.3	261.8	265.9	268.7	270.3	271.0	273.0	275.6	274.1	275.0	275.5	277.4
68 Consumer	225.4	233.3	228.1	229.9	229.1	227.9	228.0	228.7	227.0	228.5	230.7	228.6
69 Security ³	72.0	83.3	73.5	70.6	68.0	59.1	55.9	61.4	55.8	64.2	64.8	61.0
70 Federal funds sold to and repurchase agreements with broker-dealers	53.6	63.9	53.9	49.0	46.6	37.7	36.7	42.5	39.0	45.2	45.6	40.6
71 Other	18.5	19.4	19.6	21.6	21.4	21.3	19.2	18.9	16.8	19.0	19.2	20.4
72 State and local government	10.9	11.3	11.8	11.8	12.0	12.0	12.0	12.0	11.8	12.1	11.9	12.1
73 Agricultural	7.9	9.0	9.1	9.1	9.0	9.1	9.3	9.4	9.3	9.4	9.5	9.6
74 Federal funds sold to and repurchase agreements with others	16.1	11.7	11.1	11.2	11.2	11.5	11.6	12.5	11.6	11.9	12.0	14.2
75 All other loans	95.7	79.8	76.2	74.8	74.5	74.7	75.1	74.8	74.7	73.2	75.2	73.9
76 Lease-financing receivables	109.6	118.9	119.8	119.6	119.2	119.7	120.1	122.8	120.8	120.9	124.2	125.0
77 Interbank loans	137.3	136.7	133.5	138.2	145.6	141.5	145.1	145.5	138.0	147.2	143.6	149.5
78 Federal funds sold to and repurchase agreements with commercial banks	78.3	65.8	60.5	65.2	70.5	68.4	72.1	71.0	66.8	72.7	67.0	74.3
79 Other	58.9	70.9	73.0	73.0	75.0	73.1	73.0	74.5	71.2	74.5	76.6	75.2
80 Cash assets ⁴	142.2	158.1	157.8	150.0	139.9	153.8	146.9	142.2	140.1	142.1	144.1	139.0
81 Other assets ⁵	226.8	239.5	239.5	237.9	236.8	237.0	242.6	242.1	242.0	243.5	240.3	243.5
82 Total assets⁶	2,726.0	2,889.2	2,886.5	2,889.3	2,897.7	2,925.8	2,953.8	2,958.5	2,947.5	2,961.0	2,966.5	2,951.8
Liabilities												
83 Deposits	1,579.5	1,618.5	1,600.6	1,597.0	1,601.2	1,633.6	1,614.3	1,618.0	1,629.1	1,639.4	1,599.0	1,593.1
84 Transaction	336.7	341.9	323.4	308.6	307.0	317.2	307.0	304.7	295.6	306.5	302.5	309.2
85 Nontransaction	1,242.8	1,276.5	1,277.2	1,288.4	1,294.3	1,316.4	1,307.4	1,313.3	1,333.5	1,332.9	1,296.6	1,283.9
86 Large time	201.6	234.0	235.8	238.0	236.4	240.6	245.5	252.1	253.3	256.5	249.7	248.3
87 Other	1,041.2	1,042.5	1,041.4	1,050.4	1,057.9	1,075.8	1,061.9	1,061.2	1,080.2	1,076.4	1,046.9	1,035.7
88 Borrowings	563.7	635.6	649.5	653.9	639.7	688.0	654.0	653.5	626.4	637.4	678.8	671.5
89 From banks in the U.S.	164.4	180.3	190.6	194.7	196.6	199.6	201.9	194.3	196.5	195.5	193.5	189.7
90 From nonbanks in the U.S.	399.3	455.3	458.9	441.2	443.2	488.4	452.1	459.2	429.9	441.9	485.3	481.8
91 Net due to related foreign offices	137.3	178.6	190.4	213.9	210.8	197.6	228.0	223.6	230.5	225.5	226.4	217.3
92 Other liabilities	161.0	176.8	164.6	166.4	164.7	164.3	177.8	177.4	174.9	171.9	174.8	188.7
93 Total liabilities	2,441.5	2,609.5	2,605.1	2,613.2	2,616.8	2,643.5	2,674.2	2,672.7	2,660.9	2,674.2	2,679.1	2,670.7
94 Residual (assets less liabilities) ⁷	284.4	279.8	281.4	276.1	281.2	282.3	279.6	285.8	286.6	286.8	287.5	281.1
MEMO												
95 Revaluation gains on off-balance-sheet items ⁸	52.5	64.2	62.4	64.5	65.7	65.1	72.4	66.2	67.3	66.1	65.4	68.1
96 Revaluation losses on off-balance-sheet items ⁸	55.1	63.7	61.7	64.2	64.0	65.0	72.9	66.4	67.6	66.1	65.9	68.4
97 Mortgage-backed securities ⁹	217.6	249.4	251.6	250.9	252.2	253.9	251.1	248.5	251.2	250.0	248.0	245.4
98 Pass-through securities	161.8	172.7	175.3	174.5	175.8	178.6	177.0	176.8	178.0	177.4	176.6	175.3
99 CMOs, REMICs, and other mortgage-backed securities	75.8	76.7	76.4	76.4	76.4	75.2	74.0	71.7	73.2	72.7	71.5	70.1
100 Net unrealized gains (losses) on available-for-sale securities ¹⁰	-8	-11.3	-13.8	-14.6	-13.6	-15.6	-17.2	-15.6	-17.4	-17.0	-16.8	-12.7
101 Offshore credit to U.S. residents ¹¹	37.0	24.0	23.2	23.6	24.1	24.4	23.5	22.4	22.3	22.5	22.5	22.5

Footnotes appear on p. A21.

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999		2000						2000			
	June ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June	June 7	June 14	June 21	June 28
	Seasonally adjusted											
Assets												
1 Bank credit	1,755.8	1,846.1	1,872.5	1,891.9	1,906.2	1,915.9	1,932.1	1,954.8	1,938.8	1,946.3	1,954.9	1,973.4
2 Securities in bank credit	500.7	509.5	515.6	519.8	518.3	517.4	518.9	519.9	517.3	519.8	519.7	521.6
3 U.S. government securities	369.1	368.7	375.5	380.7	378.6	377.0	376.5	376.1	374.7	375.8	375.2	377.8
4 Other securities	131.6	140.8	140.1	139.1	139.7	140.4	142.4	143.8	142.6	144.0	144.5	143.8
5 Loans and leases in bank credit ²	1,255.0	1,336.6	1,356.9	1,372.1	1,387.9	1,398.6	1,413.2	1,434.8	1,421.5	1,426.6	1,435.3	1,451.9
6 Commercial and industrial	238.1	256.5	261.2	264.7	269.0	271.4	274.8	278.6	276.1	276.4	278.2	282.1
7 Real estate	666.7	716.1	726.7	737.1	746.3	753.3	763.3	773.0	767.6	770.6	773.2	779.4
8 Revolving home equity	35.3	37.4	38.0	38.7	39.5	40.2	41.0	41.2	41.3	41.5	40.9	41.3
9 Other	631.5	678.7	688.6	698.4	706.9	713.1	722.3	731.8	726.3	729.1	732.4	738.1
10 Consumer	262.0	269.5	274.8	275.7	276.6	277.7	279.9	285.9	280.8	282.6	287.2	292.7
11 Security ³	6.2	7.0	6.6	6.8	6.9	7.1	6.6	6.9	6.9	7.0	6.8	6.8
12 Other loans and leases	82.1	87.5	87.8	87.8	89.0	89.1	88.6	90.4	90.2	90.0	89.9	90.9
13 Interbank loans	63.8	64.3	63.3	65.6	66.2	66.6	66.6	72.1	68.3	71.4	73.8	74.0
14 Cash assets ⁴	80.7	87.3	83.7	81.9	81.1	82.5	84.5	82.3	83.5	81.7	83.6	80.0
15 Other assets ⁵	90.6	100.1	103.7	103.5	103.0	104.7	108.8	107.8	108.8	109.5	106.8	105.8
16 Total assets⁶	1,967.5	2,073.7	2,099.1	2,118.6	2,131.9	2,150.9	2,169.9	2,191.4	2,174.2	2,183.5	2,193.7	2,206.9
Liabilities												
17 Deposits	1,490.8	1,556.9	1,571.3	1,582.4	1,592.0	1,610.0	1,615.5	1,645.6	1,630.2	1,639.1	1,642.1	1,661.1
18 Transaction	302.3	299.0	302.2	302.1	303.3	304.8	304.4	299.0	291.8	295.4	301.8	307.1
19 Nontransaction	1,188.5	1,257.9	1,269.1	1,280.2	1,288.7	1,305.2	1,311.1	1,346.6	1,338.4	1,343.7	1,340.2	1,354.0
20 Large time	220.9	240.0	243.1	247.6	250.5	252.9	256.6	262.4	261.1	262.1	262.8	263.6
21 Other	967.6	1,017.9	1,026.0	1,032.6	1,038.2	1,052.3	1,054.5	1,084.2	1,077.3	1,081.7	1,077.5	1,090.4
22 Borrowings	277.1	306.2	324.7	326.6	334.6	338.0	345.3	339.4	343.5	339.8	341.6	335.5
23 From banks in the U.S.	142.5	145.6	153.9	156.0	160.2	157.4	161.6	157.7	158.6	156.6	157.9	158.0
24 From others	134.6	160.6	170.8	170.6	174.3	180.7	183.7	181.7	184.9	183.2	183.7	177.5
25 Net due to related foreign offices	4.1	4.5	5.1	5.3	5.4	5.3	6.0	9.1	5.0	5.3	5.1	17.6
26 Other liabilities	52.8	56.1	59.8	57.6	55.6	54.5	57.4	55.8	57.4	58.3	59.4	49.6
27 Total liabilities	1,824.9	1,923.7	1,956.8	1,971.8	1,987.6	2,007.9	2,024.1	2,049.9	2,036.1	2,042.5	2,048.2	2,063.8
28 Residual (assets less liabilities)⁷	142.6	150.0	142.3	146.7	144.3	143.0	145.8	141.5	138.1	141.0	145.6	143.1
	Not seasonally adjusted											
Assets												
29 Bank credit	1,761.0	1,846.5	1,866.1	1,879.2	1,900.0	1,919.3	1,938.9	1,960.4	1,945.2	1,951.8	1,960.2	1,980.1
30 Securities in bank credit	502.8	509.0	513.9	516.5	519.3	521.8	522.7	521.8	519.9	522.1	521.8	523.0
31 U.S. government securities	371.5	368.1	374.0	378.2	379.9	380.2	379.8	378.4	377.4	378.1	377.8	379.9
32 Other securities	131.3	140.9	139.9	138.3	139.4	141.6	142.9	143.5	144.0	144.0	144.0	143.1
33 Loans and leases in bank credit ²	1,258.2	1,337.5	1,352.2	1,362.7	1,380.7	1,397.5	1,416.2	1,438.6	1,425.3	1,429.7	1,438.4	1,457.1
34 Commercial and industrial	239.8	256.1	260.3	263.6	269.1	273.6	277.4	280.6	278.2	278.3	280.1	284.2
35 Real estate	667.8	715.5	724.3	732.5	743.1	751.9	763.6	774.1	769.1	771.5	773.4	781.1
36 Revolving home equity	35.2	37.6	38.0	38.5	39.2	40.0	40.9	41.2	41.2	41.4	40.8	41.2
37 Other	632.6	677.9	686.3	694.0	703.9	711.8	722.6	732.9	727.9	730.1	732.6	739.9
38 Consumer	261.5	271.8	275.4	274.7	274.8	276.7	280.0	285.8	280.6	282.3	287.3	292.7
39 Security ³	6.2	7.0	6.6	6.8	6.9	7.1	6.6	6.9	6.9	7.0	6.8	6.8
40 Other loans and leases	82.9	87.1	85.6	85.1	86.8	88.2	88.6	91.2	90.5	90.6	90.6	92.2
41 Interbank loans	60.7	68.7	63.5	66.8	69.3	74.2	65.7	68.4	70.4	69.9	66.4	64.8
42 Cash assets ⁴	79.9	91.6	85.1	81.5	79.0	81.8	84.3	81.7	82.1	81.5	80.8	79.9
43 Other assets ⁵	90.3	99.6	101.7	102.5	102.9	105.6	108.0	107.7	108.1	108.3	104.8	107.4
44 Total assets⁶	1,968.5	2,082.2	2,092.3	2,105.7	2,126.7	2,156.1	2,171.7	2,192.6	2,180.5	2,186.2	2,186.7	2,206.0
Liabilities												
45 Deposits	1,488.7	1,565.7	1,566.3	1,573.8	1,590.1	1,617.2	1,614.7	1,643.0	1,636.1	1,640.7	1,630.4	1,651.4
46 Transaction	302.7	309.9	303.8	298.7	301.1	306.7	301.9	299.6	294.7	298.2	296.4	305.9
47 Nontransaction	1,186.0	1,255.9	1,262.5	1,275.1	1,289.0	1,310.5	1,312.8	1,343.4	1,341.4	1,342.5	1,334.0	1,345.5
48 Large time	220.9	240.0	243.1	247.6	250.5	252.9	256.6	262.4	261.1	262.1	262.8	263.6
49 Other	965.1	1,015.9	1,019.4	1,027.5	1,038.4	1,057.6	1,056.3	1,081.0	1,080.3	1,080.4	1,071.2	1,081.9
50 Borrowings	278.2	308.7	323.1	322.4	328.5	334.4	346.7	341.2	338.4	336.6	347.2	345.6
51 From banks in the U.S.	143.4	147.1	153.3	153.4	156.7	155.0	161.0	159.4	156.8	155.7	160.8	164.4
52 From others	134.8	161.6	169.8	169.0	171.8	179.4	185.7	181.8	181.7	180.9	186.4	181.2
53 Net due to related foreign offices	4.1	4.5	5.1	5.3	5.4	5.3	6.0	9.1	5.0	5.3	5.1	17.6
54 Other liabilities	52.6	56.2	55.5	58.0	56.0	55.2	57.4	55.5	57.5	58.2	59.0	49.3
55 Total liabilities	1,823.6	1,935.2	1,950.0	1,959.5	1,979.9	2,012.1	2,024.8	2,048.9	2,037.0	2,040.8	2,041.7	2,063.9
56 Residual (assets less liabilities)⁷	144.9	147.0	142.2	146.2	146.8	144.0	146.9	143.7	143.5	145.5	145.0	142.1
MEMO												
57 Mortgage-backed securities ⁸	195.7	198.1	202.0	204.7	206.3	207.4	207.0	205.4	205.5	205.9	204.9	205.5

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	1999	2000						2000			
	June ¹	Dec.	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June	June 7	June 14	June 21	June 28
	Seasonally adjusted											
Assets												
1 Bank credit	538.7	548.3	548.3	540.9	544.2	568.2	581.6	573.5	571.8	574.6	576.7	571.7
2 Securities in bank credit	199.2	202.4 ¹	201.1	191.9	194.8	201.2	207.3	201.3	201.8	203.4	202.7	198.3
3 U.S. government securities	87.4	80.7	81.0	75.8	77.8	79.2	79.3	78.5	77.9	78.1	78.8	78.8
4 Other securities	111.8	121.6	120.1	116.1	117.0	121.9	128.0	122.8	123.9	125.2	123.9	119.5
5 Loans and leases in bank credit ²	339.6	346.0 ¹	347.2	349.0	349.4	367.0	374.4	372.2	370.0	371.3	374.0	373.4
6 Commercial and industrial	199.1	193.4	195.0	196.7	198.2	201.7	207.5	207.7	208.3	208.4	209.0	205.7
7 Real estate	19.0	17.0	17.4	17.8	18.1	18.5	18.7	19.0	18.9	18.8	19.2	19.3
8 Security ³	51.8	67.1	66.8	66.7	66.4	77.7	80.7	80.8	78.1	78.8	80.6	84.8
9 Other loans and leases	69.6	68.5	68.0	67.8	66.7	69.1	67.4	64.7	64.7	65.2	65.1	63.7
10 Interbank loans	24.8	29.5	28.9	32.6	28.4	29.3	31.7	28.4	28.0	24.6	29.7	31.5
11 Cash assets ⁴	36.3	53.4 ¹	52.4	51.4	48.8	48.9	45.3	46.0	44.7	46.8	46.3	46.0
12 Other assets ⁵	33.7	36.6	38.6	38.2	39.1	39.8	40.8	43.2	41.0	42.4	44.9	44.0
13 Total assets ⁶	633.3	667.6	667.9	662.8	660.2	685.8	699.1	690.8	685.2	688.1	697.3	692.9
Liabilities												
14 Deposits	308.3	374.1 ¹	379.7	379.4	381.9	392.4	387.2	387.4	380.9	389.3	390.3	388.6
15 Transaction	10.8	10.5	10.8	11.1	11.3	11.1	11.4	11.7	11.9	12.3	11.7	10.5
16 Nontransaction	297.5	363.6	368.9	368.4	370.6	381.3	375.8	375.7	368.9	377.0	378.6	378.1
17 Borrowings	183.3	181.5	179.5	175.6	177.5	200.3	205.3	205.8	202.3	205.5	206.0	207.2
18 From banks in the U.S.	26.3	24.4	19.7	18.3	19.5	20.6	17.7	18.7	14.9	19.8	19.4	18.4
19 From others	157.1	157.1	159.8	157.4	158.1	179.7	187.7	187.1	187.3	185.7	186.5	188.9
20 Net due to related foreign offices	71.2	39.1	35.6	26.8	19.9	15.0	20.1	18.5	25.1	12.6	16.8	19.5
21 Other liabilities	63.7	69.4	70.0	71.5	69.2	70.7	77.2	70.0	70.9	71.2	72.2	66.6
22 Total liabilities	626.5	664.1 ¹	664.7	653.4	648.6	678.4	689.9	681.7	679.1	678.6	685.2	681.8
23 Residual (assets less liabilities) ⁷	6.7	3.5 ¹	3.2	9.4	11.6	7.4	9.2	9.1	6.1	9.5	12.0	11.1
Not seasonally adjusted												
Assets												
24 Bank credit	530.9	558.4 ¹	556.1	545.1	542.8	561.9	573.2	564.0	564.2	564.0	564.7	563.5
25 Securities in bank credit	194.8	206.1	205.0	193.2	191.9	197.6	204.3	195.5	198.5	196.6	195.3	192.6
26 U.S. government securities	87.5	82.1	81.6	75.9	77.7	80.0	80.3	78.5	78.7	78.0	78.2	78.9
27 Trading account	21.1	6.7	7.9	7.4	9.5	12.0	12.5	12.0	12.1	11.8	11.3	12.6
28 Investment account	66.4	75.4	73.7	68.5	68.2	67.9	67.7	66.5	66.6	66.3	66.9	66.2
29 Other securities	107.4	124.0	123.4	117.3	114.2	117.7	124.0	119.8	118.5	117.1	117.1	113.8
30 Trading account	63.7	80.8 ¹	78.3	74.4	71.9	74.9	81.4	75.1	73.2	76.8	74.7	72.0
31 Investment account	43.7	43.2	45.1	42.9	42.3	42.8	42.6	41.9	41.7	41.7	42.3	41.8
32 Loans and leases in bank credit ²	336.1	352.3 ¹	351.0	352.0	350.9	364.3	369.0	368.5	365.7	367.5	369.4	370.9
33 Commercial and industrial	196.2	197.0	196.5	199.2	199.8	199.9	203.2	204.4	204.6	204.6	205.8	203.0
34 Real estate	18.9	16.9	17.6	18.0	18.3	18.3	18.7	18.9	18.8	18.7	19.1	19.0
35 Security ³	52.0	67.5	67.2	66.5	66.6	77.8	80.6	81.1	77.9	79.4	80.5	85.6
36 Other loans and leases	69.0	70.8	69.7	68.2	66.2	68.3	66.5	64.2	64.4	64.8	63.9	63.2
37 Interbank loans	24.8	29.5	28.9	32.6	28.4	29.3	31.7	28.4	28.0	24.6	29.7	31.5
38 Cash assets ⁴	35.8	57.7 ¹	54.6	50.8	47.8	46.7	44.1	45.2	44.1	46.0	45.5	45.3
39 Other assets ⁵	32.1	38.7	40.1	40.1	40.4	39.0	40.3	41.0	39.9	40.7	42.0	40.9
40 Total assets ⁶	623.4	684.0	679.3	668.3	659.0	676.6	688.9	678.3	675.9	675.1	681.6	681.0
Liabilities												
41 Deposits	305.3	382.6	386.5	386.5	388.0	393.5	388.1	383.0	379.5	385.7	385.2	382.9
42 Transaction	10.5	11.1	10.9	11.0	11.0	10.7	11.0	11.3	11.1	11.8	11.3	10.6
43 Nontransaction	294.8	371.4 ¹	375.6	375.5	377.0	382.8	377.1	371.7	368.4	374.0	374.0	372.3
44 Borrowings	183.3	181.5	179.5	175.6	177.5	200.3	205.3	205.8	202.3	205.5	206.0	207.2
45 From banks in the U.S.	26.3	24.4	19.7	18.3	19.5	20.6	17.7	18.7	14.9	19.8	19.4	18.4
46 From others	157.1	157.1	159.8	157.4	158.1	179.7	187.7	187.1	187.3	185.7	186.5	188.9
47 Net due to related foreign offices	69.6	44.3	37.9	29.1	20.5	10.2	15.8	17.0	20.6	10.1	16.2	21.5
48 Other liabilities	62.5	71.5	71.7	73.5	69.5	68.9	75.8	68.6	69.7	69.9	70.4	65.2
49 Total liabilities	620.7	679.9 ¹	675.6	664.7	655.6	673.0	685.0	674.4	672.1	671.3	677.8	676.9
50 Residual (assets less liabilities) ⁷	2.7	4.2 ¹	3.8	3.6	3.5	3.7	3.9	3.9	3.8	3.8	3.7	4.1
MEMO												
51 Revaluation gains on off-balance-sheet items ⁸	37.8	39.6	39.8	40.2	39.3	39.4	44.8	38.7	40.7	40.0	39.4	35.8
52 Revaluation losses on off-balance-sheet items ⁸	36.7	38.6	39.0	40.0	38.2	38.4	44.3	37.6	39.3	39.0	38.4	34.8

Footnotes appear on p. A21

NOTES TO TABLE 1.26

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 1, 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.

A22 Domestic Financial Statistics □ September 2000

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					1999	2000				
	1995	1996	1997	1998	1999	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 All issuers	674,904	775,371	966,699	1,163,303	1,403,023	1,403,023	1,407,789	1,428,605	1,449,143	1,465,697	1,497,712
Financial companies ¹											
2 Dealer-placed paper, total ²	275,815	361,147	513,307	614,142	786,643	786,643	821,870	835,140	849,198	860,843	884,299
3 Directly placed paper, total ³	210,829	229,662	252,536	322,030	337,240	337,240	299,599	298,603	302,885	294,328	302,305
4 Nonfinancial companies ⁴	188,260	184,563	200,857	227,132	279,140	279,140	286,319	294,863	297,060	310,526	311,109

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	1996	1997	1998	1999
1 Total amount of reporting banks' acceptances in existence	25,832	25,774	14,363	10,094
2 Amount of other banks' eligible acceptances held by reporting banks	709	736	523	461
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	7,770	6,862	4,884	4,261
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	9,361	10,467	5,413	3,498

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 55 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	1997—Jan.	8.50	1999—Jan.	7.75
Mar. 26	8.50	1998	8.35	Feb.	8.50	Feb.	7.75
		1999	8.00	Mar.	8.50	Mar.	7.75
1998—Sept. 30	8.25			Apr.	8.50	Apr.	7.75
Oct. 16	8.00	1997—Jan.	8.25	May	8.50	May	7.75
Nov. 18	7.75	Feb.	8.25	June	8.50	June	7.75
		Mar.	8.30	July	8.50	July	8.00
1999—July 1	8.00	Apr.	8.50	Aug.	8.50	Aug.	8.06
Aug. 25	8.25	May	8.50	Sept.	8.49	Sept.	8.25
Nov. 17	8.50	June	8.50	Oct.	8.12	Oct.	8.25
		July	8.50	Nov.	7.89	Nov.	8.37
2000—Feb. 3	8.75	Aug.	8.50	Dec.	7.75	Dec.	8.50
Mar. 22	9.00	Sept.	8.50			2000—Jan.	8.50
May 17	9.50	Oct.	8.50			Feb.	8.73
		Nov.	8.50			Mar.	8.83
		Dec.	8.50			Apr.	9.00
						May	9.24
						June	9.50
						July	9.50

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				
				Mar.	Apr.	May	June	June 2	June 9	June 16	June 23	June 30
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	5.46	5.35	4.97	5.85	6.02	6.27	6.53	6.53	6.49	6.50	6.51	6.53
2 Discount window borrowing ^{2,4}	5.00	4.92	4.62	5.34	5.50	5.71	6.00	6.00	6.00	6.00	6.00	6.00
<i>Commercial paper</i> ^{3,5,6}												
Nonfinancial												
3 1-month	5.57	5.40	5.09	5.93	6.02	6.40	6.53	6.50	6.51	6.52	6.54	6.58
4 2-month	5.57	5.38	5.14	5.96	6.06	6.47	6.55	6.58	6.53	6.53	6.54	6.56
5 3-month	5.56	5.34	5.18	6.00	6.11	6.54	6.57	6.62	6.57	6.57	6.57	6.58
Financial												
6 1-month	5.59	5.42	5.11	5.94	6.03	6.41	6.53	6.50	6.51	6.52	6.55	6.56
7 2-month	5.59	5.40	5.16	5.98	6.07	6.50	6.56	6.60	6.55	6.55	6.55	6.58
8 3-month	5.60	5.37	5.22	6.03	6.15	6.57	6.59	6.65	6.59	6.59	6.57	6.59
<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	6.06	6.19	6.60	6.63	6.72	6.63	6.62	6.60	6.62
16 6-month	5.57	5.30	5.30	6.22	6.32	6.76	6.74	6.88	6.77	6.74	6.69	6.71
<i>Certificates of deposit, secondary market</i> ^{3,10}												
17 1-month	5.54	5.49	5.19	6.01	6.10	6.49	6.60	6.60	6.58	6.59	6.61	6.63
18 3-month	5.62	5.47	5.33	6.14	6.28	6.71	6.73	6.80	6.72	6.72	6.71	6.73
19 6-month	5.73	5.44	5.46	6.36	6.50	6.94	6.91	7.02	6.92	6.89	6.86	6.92
20 Eurodollar deposits, 3-month ^{3,11}	5.61	5.45	5.31	6.13	6.25	6.70	6.73	6.80	6.74	6.73	6.70	6.71
<i>U.S. Treasury bills, secondary market</i> ⁵												
21 3-month	5.06	4.78	4.64	5.69	5.66	5.79	5.69	5.59	5.76	5.68	5.66	5.67
22 6-month	5.18	4.83	4.75	5.85	5.81	6.10	5.97	6.04	6.01	5.96	5.93	5.95
23 1-year	5.32	4.80	4.81	5.86	5.80	5.94	5.83	5.89	5.87	5.80	5.81	5.79
<i>Auction high</i> ^{3,5,12}												
24 3-month	5.07	4.81	4.66	5.72	5.67	5.92	5.74	5.73	5.80	5.78	5.69	5.68
25 6-month	5.18	4.85	4.76	5.85	5.82	6.12	6.02	6.15	6.04	6.01	5.92	5.96
26 1-year	5.36	4.85	4.78	5.84	n.a.	n.a.	6.00	6.00	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	6.22	6.15	6.33	6.17	6.30	6.23	6.14	6.15	6.13
28 2-year	5.99	5.13	5.43	6.53	6.40	6.81	6.48	6.64	6.53	6.45	6.48	6.44
29 3-year	6.10	5.14	5.49	6.53	6.36	6.77	6.43	6.60	6.47	6.40	6.42	6.37
30 5-year	6.22	5.15	5.55	6.50	6.26	6.69	6.30	6.49	6.35	6.27	6.29	6.25
31 7-year	6.33	5.28	5.79	6.51	6.27	6.69	6.33	6.49	6.36	6.29	6.32	6.30
32 10-year	6.35	5.26	5.65	6.26	5.99	6.44	6.10	6.26	6.13	6.06	6.09	6.08
33 20-year	6.69	5.72	6.20	6.38	6.18	6.55	6.28	6.39	6.27	6.25	6.30	6.30
34 30-year	6.61	5.58	5.87	6.05	5.85	6.15	5.93	6.00	5.90	5.91	5.95	5.94
<i>Composite</i>												
35 More than 10 years (long-term)	6.67	5.69	6.14	6.33	6.14	6.49	6.23	6.34	6.22	6.21	6.26	6.24
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series</i> ¹⁴												
36 Aaa	5.32	4.93	5.28	5.68	5.60	5.87	5.69	5.80	5.67	5.66	5.65	5.65
37 Baa	5.50	5.14	5.70	6.19	6.18	6.53	6.24	6.40	6.25	6.22	6.18	6.17
38 Bond Buyer series ¹⁵	5.52	5.09	5.43	5.83	5.75	6.00	5.80	5.92	5.83	5.77	5.73	5.77
CORPORATE BONDS												
39 Seasoned issues, all industries ¹⁶	7.54	6.87	7.45	7.99	7.98	8.41	8.05	8.26	8.03	7.99	8.06	8.08
<i>Rating group</i>												
40 Aaa	7.27	6.53	7.05	7.68	7.64	7.99	7.67	7.83	7.60	7.59	7.73	7.73
41 Aa	7.48	6.80	7.36	7.83	7.82	8.24	7.87	8.09	7.85	7.82	7.87	7.88
42 A	7.54	6.93	7.53	8.07	8.07	8.49	8.18	8.35	8.14	8.14	8.20	8.22
43 Baa	7.87	7.22	7.88	8.37	8.40	8.90	8.48	8.76	8.51	8.42	8.45	8.48
MEMO												
44 Dividend-price ratio ¹⁷	1.77	1.49	1.25	1.18	1.14	1.17	1.12	1.17	1.12	1.12	1.11	1.13

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	1999			2000					
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
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	599.04	634.22	638.17	634.07	606.03	622.28	646.82	640.07	649.61
2 Industrial	574.97	684.35	775.29	753.94	791.41	808.28	814.73	767.08	790.35	822.76	814.75	819.54
3 Transportation	415.08	468.61	491.62	450.13	474.78	461.04	456.35	398.69	384.39	406.14	411.50	395.09
4 Utility	143.87	190.52	284.82	285.16	502.58	511.78	485.82	482.30	509.59	502.78	487.17	501.93
5 Finance	424.84	516.65	530.97	490.92	539.20	510.99	495.23	471.65	491.29	524.05	523.22	544.51
6 Standard & Poor's Corporation (1941-43 = 10)	873.43	1,085.50	1,327.33	1,300.01	1,390.99	1,428.68	1,425.59	1,388.88	1,442.21	1,461.36	1,418.48	1,461.96
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	628.34	682.69	770.90	786.96	819.60	838.24	878.73	910.00	1,014.03	918.77	917.76	934.90
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	523,254	666,534	799,554	882,422	866,281	884,141	1,058,021	1,032,791	1,124,097	1,047,960	893,896	971,137
9 American Stock Exchange	24,390	28,870	32,629	35,762	33,330	41,076	47,530	51,134	59,449	63,054	44,146	42,490
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	126,090	140,980	228,530	182,272	206,280	228,530	243,490	265,210	278,530	251,700	240,660	247,200
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	31,410	40,250	55,130	51,040	49,480	55,130	57,800	56,470	65,020	65,930	66,170	64,970
12 Cash accounts	52,160	62,450	79,070	61,085	68,200	79,070	75,760	79,700	85,530	76,190	73,500	74,140
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					
	1997	1998	1999	2000					
				Jan.	Feb.	Mar.	Apr.	May	June
<i>U.S. budget¹</i>									
1 Receipts, total	1,579,292	1,721,798	1,827,454	189,478	108,675	135,582	295,148	146,002	214,875
2 On-budget	1,187,302	1,305,999	1,382,986	143,838	71,090	94,586	244,662	107,469	168,319
3 Off-budget	391,990	415,799	444,468	45,640	37,585	40,996	50,486	38,533	46,556
4 Outlays, total	1,601,235	1,652,552	1,702,940	127,326	150,409	170,962	135,651	149,612	158,598
5 On-budget	1,290,609	1,335,948	1,382,262	97,451	118,340	137,864	105,742	114,829	151,919
6 Off-budget	310,626	316,604	320,778	29,875	32,069	33,099	29,909	34,783	6,679
7 Surplus or deficit (-), total	-21,943	69,246	124,414	62,152	-41,734	-35,380	159,497	-3,611	56,277
8 On-budget	-103,307	-29,949	724	46,387	-47,250	-43,278	138,920	-7,360	16,400
9 Off-budget	81,364	99,195	123,690	15,765	5,516	7,897	20,577	3,750	39,877
<i>Source of financing (total)</i>									
10 Borrowing from the public	38,171	-51,211	-88,304	-83,985	17,131	39,746	-112,667	-53,755	-23,131
11 Operating cash (decrease, or increase (-))	604	4,743	-17,580	20,592	40,773	-22,808	-47,787	69,470	-34,350
12 Other	-16,832	-22,778	-18,530	1,241	-16,170	18,442	957	-12,104	1,204
MEMO									
13 Treasury operating balance (level, end of period)	43,621	38,878	56,458	62,735	21,962	44,770	92,557	23,087	57,437
14 Federal Reserve Banks	7,692	4,952	6,641	6,119	5,004	4,357	15,868	5,445	6,208
15 Tax and loan accounts	35,930	33,926	49,817	56,615	16,958	40,413	76,689	17,642	51,229

1. Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal 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*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1998	1999	1998	1999		2000	2000		
			H2	H1	H2	H1	Apr.	May	June
RECEIPTS									
1 All sources	1,721,798	1,827,454	825,057	966,045	892,266	1,089,760	295,148	146,002	214,875
2 Individual income taxes, net	828,586	879,480	392,332	481,907	425,451	550,208	184,237	63,687	100,458
3 Withheld	646,483	693,940	339,144	351,068	372,012	388,526	56,113	65,946	59,516
4 Nonwithheld	281,527	308,185	65,204	240,278	68,302	281,103	155,452	23,349	44,161
5 Refunds	99,476	122,706	12,032	109,467	14,841	119,477	27,343	25,619	3,228
Corporation income taxes									
6 Gross receipts	213,008	216,324	104,163	106,861	110,111	119,166	30,256	7,427	41,899
7 Refunds	24,593	31,645	14,250	17,092	13,996	13,781	2,562	1,654	1,366
8 Social insurance taxes and contributions, net	571,831	611,833	268,466	324,831	292,551	353,514	68,022	60,394	60,771
9 Employment taxes and contributions ²	540,014	580,880	256,142	306,235	280,059	333,584	65,095	49,212	60,034
10 Unemployment insurance	27,484	26,480	10,121	16,378	10,173	17,562	2,557	10,778	311
11 Other net receipts ³	4,333	4,473	2,202	2,216	2,319	2,368	370	403	426
12 Excise taxes	57,673	70,414	33,366	31,015	34,262	33,532	5,934	5,391	6,093
13 Customs deposits	18,297	18,336	9,838	8,440	10,287	9,218	1,503	1,598	1,767
14 Estate and gift taxes	24,076	27,782	12,359	14,915	14,001	15,073	4,243	2,480	2,087
15 Miscellaneous receipts ⁴	32,658	34,929	18,735	15,140	19,569	22,831	3,515	6,678	3,165
OUTLAYS									
16 All types	1,652,552	1,702,940	877,414	817,227	882,795	892,558	135,651	149,612	158,598
17 National defense	268,456	274,873	140,196	134,414	149,820	143,476	21,305	23,640	29,637
18 International affairs	13,109	15,243	8,297	6,879	8,530	7,250	2,190	764	667
19 General science, space, and technology	18,219	18,125	10,142	9,319	10,089	9,601	1,530	1,686	1,862
20 Energy	1,270	912	689	797	-90	-893	135	-167	20
21 Natural resources and environment	22,596	23,970	12,671	10,351	12,100	10,814	1,711	1,839	2,123
22 Agriculture	12,206	23,011	16,757	9,803	20,887	11,164	1,196	615	1,656
23 Commerce and housing credit	1,014	2,649	4,046	-1,629	7,353	-2,497	-1	1,063	-1,237
24 Transportation	40,332	42,531	20,836	17,082	22,972	21,054	3,178	3,892	4,224
25 Community and regional development	9,720	11,870	6,972	5,368	7,135	5,050	1,561	1,047	974
26 Education, training, employment, and social services	54,919	56,402	27,762	29,003	27,532	31,234	4,496	5,143	4,766
27 Health	131,440	141,079	67,838	69,320	74,490	75,871	12,421	12,532	13,443
28 Social security and Medicare	572,047	580,488	316,809	261,146	295,030	306,966	46,309	52,741	58,378
29 Income security	233,202	237,707	109,481	126,552	113,504	133,915	17,801	19,342	18,886
30 Veterans benefits and services	41,781	43,212	22,750	20,105	23,412	23,174	2,189	4,028	5,268
31 Administration of justice	22,832	25,924	12,041	13,149	13,459	13,981	2,066	2,616	2,281
32 General government	13,444	15,771	9,136	6,641	7,006	6,198	1,010	1,201	1,517
33 Net interest ⁵	243,359	229,735	116,954	116,655	112,420	115,545	19,403	21,325	17,503
34 Undistributed offsetting receipts ⁶	-47,194	-40,445	-25,793	-17,724	-22,850	-19,346	-2,849	-3,697	-3,371

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		
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding	5,578	5,556	5,643	5,681	5,668	5,685	5,805	5,802	n.a.
2 Public debt securities	5,548	5,526	5,614	5,652	5,639	5,656	5,776	5,773	5,686
3 Held by public	3,790	3,761	3,787	3,795	3,685	3,667	3,716	3,688	n.a.
4 Held by agencies	1,758	1,766	1,827	1,857	1,954	1,989	2,061	2,085	n.a.
5 Agency securities	30	29	29	29	29	29	29	28	n.a.
6 Held by public	26	26	29	28	28	28	28	28	n.a.
7 Held by agencies	4	4	1	1	1	1	1	0	n.a.
8 Debt subject to statutory limit	5,460	5,440	5,530	5,566	5,552	5,568	5,687	5,687	5,601
9 Public debt securities	5,460	5,439	5,530	5,566	5,552	5,568	5,687	5,686	5,601
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	
					Q3	Q4	Q1	Q2
1 Total gross public debt	5,323.2	5,502.4	5,614.2	5,776.1	5,656.3	5,776.1	5,773.4	5,685.9
By type								
2 Interest-bearing	5,317.2	5,494.9	5,605.4	5,766.1	5,647.2	5,766.1	5,763.8	5,675.9
3 Marketable	3,459.7	3,456.8	3,355.5	3,281.0	3,233.0	3,281.0	3,261.2	3,070.7
4 Bills	777.4	715.4	691.0	737.1	653.2	737.1	753.3	629.9
5 Notes	2,112.3	2,106.1	1,960.7	1,784.5	1,828.8	1,784.5	1,732.6	1,679.1
6 Bonds	555.0	587.3	621.2	643.7	643.7	643.7	653.0	637.7
7 Inflation-indexed notes and bonds ¹	n.a.	33.0	50.6	68.2	67.6	68.2	74.7	75.9
8 Nonmarketable ²	1,857.5	2,038.1	2,249.9	2,485.1	2,414.2	2,485.1	2,502.6	2,605.2
9 State and local government series	101.3	124.1	165.3	165.7	168.1	165.7	161.9	160.4
10 Foreign issues ³	37.4	36.2	34.3	31.3	31.0	31.3	28.8	27.7
11 Government	47.4	36.2	34.3	31.3	31.0	31.3	28.8	27.7
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	179.4	178.6	177.7
14 Government account series ⁴	1,505.9	1,666.7	1,840.0	2,078.7	2,003.2	2,078.7	2,103.3	2,209.4
15 Non-interest-bearing	6.0	7.5	8.8	10.0	9.0	10.0	9.6	10.1
By holder ⁵								
16 U.S. Treasury and other federal agencies and trust funds	1,497.2	1,655.7	1,826.8	2,060.6	1,989.1	2,060.6	2,085.4	↑
17 Federal Reserve Banks	410.9	451.9	471.7	477.7	496.5	477.7	501.7	↑
18 Private investors	3,431.2	3,414.6	3,334.0	3,233.9	3,173.4	3,233.9	3,182.8	↓
19 Depository institutions	296.6	300.3	237.3	245.1	239.3	245.1	n.a.	↓
20 Mutual funds	315.8	321.5	343.2	350.9	336.9	350.9	n.a.	↓
21 Insurance companies	214.1	176.6	144.5	136.2	138.6	136.2	n.a.	↓
22 State and local treasuries ^{6,7}	257.0	239.3	269.3	268.8	271.6	266.8	n.a.	↓
23 Individuals								
24 Savings bonds	187.0	186.5	186.7	186.5	186.2	186.5	185.3	
25 Pension funds	392.7	421.0	434.7	445.1	444.8	445.1	n.a.	
26 Private	189.2	204.1	218.1	232.8	228.3	232.8	n.a.	
27 State and Local	203.5	216.9	216.6	212.3	216.5	212.3	n.a.	
28 Foreign and international	1,102.1	1,241.6	1,278.7	1,268.8	1,281.3	1,268.8	1,274.0	
Other miscellaneous investors ^{6,8}	665.9	527.9	439.6	334.5	276.7	334.5	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*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2000			2000, week ending								
	Mar.	Apr.	May	May 3	May 10	May 17	May 24	May 31	June 7	June 14	June 21	June 28
OUTRIGHT TRANSACTIONS²												
<i>By type of security</i>												
1 U.S. Treasury bills	33,838	27,907	23,171	24,872	19,335	22,827	21,223	29,554	28,693	17,118	18,428	17,957
<i>Coupon securities, by maturity</i>												
2 Five years or less	102,265	114,115	116,145	127,230	113,583	114,737	125,687	100,865	122,618	92,777	96,219	100,238
3 More than five years	65,123	69,668	58,444	58,932	69,457	60,045	50,707	51,980	79,094	58,700	62,753	61,828
4 Inflation-indexed	1,022	1,201	837	1,623	915	600	656	670	1,249	1,033	802	778
<i>Federal agency</i>												
5 Discount notes	56,650	58,111	66,305	67,597	63,775	79,742	59,625	60,053	55,481	44,941	48,777	45,529
<i>Coupon securities, by maturity</i>												
6 One year or less	1,310	1,220	1,046	1,166	1,039	1,531	933	502	811	753	805	1,176
7 More than one year, but less than or equal to five years	7,906	9,675	8,626	10,802	7,107	7,638	10,215	8,139	8,034	6,730	8,390	6,033
8 More than five years	8,816	8,295	6,923	7,971	6,275	8,649	6,827	4,907	11,899	7,464	9,671	6,485
9 Mortgage-backed	59,390	72,104	61,536	70,554	89,251	68,603	41,711	36,075	79,762	108,222	49,835	35,406
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
10 U.S. Treasury	101,083	108,736	98,961	102,449	104,819	100,706	97,750	88,357	115,729	83,721	89,993	86,829
11 Federal agency	8,127	9,029	8,007	7,766	8,057	8,949	8,495	6,338	9,902	8,435	8,801	6,727
12 Mortgage-backed	22,089	26,543	24,010	25,873	31,154	27,020	19,995	14,940	27,907	38,194	21,238	15,746
<i>With other</i>												
13 U.S. Treasury	101,164	104,155	99,635	110,209	98,472	97,503	100,523	94,713	115,926	85,906	88,209	93,972
14 Federal agency	66,554	68,271	74,892	79,770	70,139	88,611	69,105	67,262	66,322	51,453	58,843	52,496
15 Mortgage-backed	37,301	45,561	37,525	44,681	58,096	41,583	21,716	21,135	51,855	70,029	28,647	19,660
FUTURES TRANSACTIONS³												
<i>By type of deliverable security</i>												
16 U.S. Treasury bills	0	0	0	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Coupon securities, by maturity</i>												
17 Five years or less	4,022	2,667	4,870	3,885	3,650	3,836	6,878	5,916	6,220	3,160	3,267	1,793
18 More than five years	15,073	15,366	14,727	13,956	17,140	13,349	12,706	16,539	16,391	15,261	11,783	11,130
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	19	56	98	55	43	67	160	158	165	335	158	355
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	1,490	1,608	1,967	2,765	1,872	2,043	2,264	1,021	2,555	628	1,027	1,538
27 More than five years	3,565	4,256	4,460	4,951	5,405	3,977	3,808	4,329	4,312	2,481	3,362	3,027
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	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	n.a.	n.a.
32 More than five years	0	0	0	n.a.	n.a.	0	n.a.	n.a.	30	n.a.	n.a.	13
33 Mortgage-backed	856	686	1,078	927	1,058	1,205	1,188	921	2,112	1,722	711	844

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							
	Mar	Apr	May	May 3	May 10	May 17	May 24	May 31	June 7	June 14	June 21
Positions²											
NET OUTRIGHT POSITIONS³											
<i>By type of security</i>											
1 U.S. Treasury bills	8,065	6,568	-5,764	-6,953	-4,737	-8,719	-5,988	-3,103	5,307	3,773	3,051
<i>Coupon securities, by maturity</i>											
2 Five years or less	-28,507	-28,803	-42,941	-39,815	-40,347	-51,585	-42,019	-39,154	-40,164	-39,185	-39,720
3 More than five years	-20,433	-18,591	-23,820	-21,250	-23,905	-24,238	-21,221	-27,018	-21,941	-21,485	-20,632
4 Inflation-indexed	2,612	2,192	1,849	1,908	1,821	2,141	1,837	1,573	1,328	1,646	1,817
<i>Federal agency</i>											
5 Discount notes	32,628	28,299	27,258	30,118	24,144	27,046	26,523	30,094	31,351	31,654	35,903
<i>Coupon securities, by maturity</i>											
6 One year or less	12,553	15,284	12,658	14,759	14,726	14,390	10,273	10,343	10,654	10,552	10,222
7 More than one year, but less than or equal to five years	3,418	894	2,883	2,555	106	1,630	7,487	2,449	2,018	1,716	2,173
8 More than five years	2,753	3,316	2,084	3,306	2,763	1,481	2,096	1,472	2,136	381	1,211
9 Mortgage-backed	20,966	27,631	21,502	29,580	25,367	23,584	12,753	20,840	24,844	24,885	20,938
NET FUTURES POSITIONS⁴											
<i>By type of deliverable security</i>											
10 U.S. Treasury bills	0	0	0	0	0	0	0	0	n.a.	n.a.	0
<i>Coupon securities, by maturity</i>											
11 Five years or less	13,382	13,480	17,318	16,900	18,598	19,996	16,145	14,711	13,622	13,504	11,838
12 More than five years	-7,040	-2,131	1,770	470	1,024	3,293	2,537	783	-770	-265	-222
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	-11	-40	-105	-13	-145	-123	-125	-66	-371	-1,260	-1,314
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	-101	74	180	302	818	-395	205	39	-350	-170	1,407
21 More than five years	5,265	6,471	2,496	4,645	3,685	4,163	549	665	-96	-297	347
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	n.a.	139	309	242	273	374	n.a.	n.a.	194	n.a.	n.a.
26 More than five years	91	70	477	n.a.	184	182	778	762	690	688	700
27 Mortgage-backed	1,261	52	769	1,091	1,299	1,102	655	-118	-336	1,267	1,555
Financing⁵											
<i>Reverse repurchase agreements</i>											
28 Overnight and continuing	289,942	298,607	308,541	310,680	297,306	328,312	295,751	311,880	295,654	307,653	283,910
29 Term	818,513	792,459	791,514	844,198	884,511	718,663	768,550	771,753	817,832	844,458	856,451
<i>Securities borrowed</i>											
30 Overnight and continuing	261,482	280,029	304,544	297,888	297,278	316,172	307,579	299,999	300,138	294,085	286,170
31 Term	103,451	112,178	108,141	114,967	114,545	101,483	103,676	109,933	108,688	110,588	117,529
<i>Securities received as pledge</i>											
32 Overnight and continuing	2,008	1,890	1,748	n.a.	1,686	1,810	n.a.	n.a.	n.a.	n.a.	n.a.
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	715,903	732,319	731,269	733,463	716,480	762,432	711,311	733,912	746,848	762,590	734,882
35 Term	695,275	682,363	671,847	730,516	766,886	592,722	655,885	646,751	695,212	727,831	761,667
<i>Securities loaned</i>											
36 Overnight and continuing	8,550	7,750	8,409	7,830	7,676	8,546	8,773	8,887	8,203	8,274	7,186
37 Term	7,671	7,738	9,076	9,053	9,923	8,810	8,977	8,605	7,230	6,712	6,106
<i>Securities pledged</i>											
38 Overnight and continuing	58,304	61,754	61,585	60,672	59,059	63,031	60,489	64,152	62,840	59,385	61,708
39 Term	6,848	7,132	5,403	6,880	7,040	4,846	5,138	3,955	4,614	4,434	4,265
<i>Collateralized loans</i>											
40 Total	15,816	22,002	15,835	18,054	21,471	8,955	18,053	13,912	23,370	15,842	13,551

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 □ September 2000

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1996	1997	1998	1999	1999	2000			
					Dec.	Jan.	Feb.	Mar.	Apr.
1 Federal and federally sponsored agencies	925,823	1,022,609	1,296,477	1,616,492	1,616,492	1,620,814	1,635,828	1,644,276	n.a.
2 Federal agencies	29,380	27,792	26,502	26,376	26,376	26,277	26,168	26,231	26,011
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,4}	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	126	126	155	168	173
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	26,370	26,271	26,162	26,225	26,005
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	1,590,116	1,594,537	1,609,660	1,618,045	n.a.
11 Federal Home Loan Banks	263,404	313,919	382,131	529,005	529,005	522,692	527,835	535,284	541,673
12 Federal Home Loan Mortgage Corporation	156,980	169,200	287,396	360,711	360,711	372,586	380,660	378,006	388,261
13 Federal National Mortgage Association	331,270	369,774	460,291	547,619	547,619	544,360	547,100	557,543	561,700
14 Farm Credit Banks ⁸	60,053	63,517	63,488	68,883	68,883	69,082	69,147	67,154	69,036
15 Student Loan Marketing Association	44,763	37,717	35,399	41,988	41,988	43,762	42,723	38,089	n.a.
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt ¹³	58,172	49,090	44,129	42,152	42,152	40,753	40,182	39,306	38,700
<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.	↓	↓	↓	↓	↓	↓	↓
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	6,665	6,565	6,515	6,350	6,240
26 Rural Electrification Administration	16,702	14,898	14,091	14,085	14,085	13,958	14,016	13,152	13,167
27 Other	21,714	20,110	20,538	21,402	21,402	20,230	19,651	19,804	19,293

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	1999		2000					
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 All issues, new and refunding¹	214,694	262,342	215,427	17,428	14,751	8,969	10,905	16,780	14,233	14,136	20,208
<i>By type of issue</i>											
2 General obligation	69,934	87,015	73,308	4,996	3,715	3,454	4,473	5,008	4,598	6,051	8,581
3 Revenue	134,989	175,327	142,120	12,433	11,035	5,516	6,433	11,773	9,635	8,086	11,628
<i>By type of issuer</i>											
4 State	18,237	23,506	16,376	929	834	863	1,730	1,570	1,371	1,102	2,907
5 Special district or statutory authority ²	134,919	178,421	152,418	12,613	10,640	5,784	7,414	11,098	10,229	9,639	13,520
6 Municipality, county, or township	70,558	60,173	46,634	3,886	3,277	2,322	1,761	4,112	2,633	3,396	3,782
7 Issues for new capital	135,519	160,568	161,065	14,084	11,475	8,009	9,382	13,508	12,029	12,481	16,987
<i>By use of proceeds</i>											
8 Education	31,860	36,904	36,563	2,732	3,095	2,189	2,548	3,436	2,484	3,662	4,465
9 Transportation	13,951	19,926	17,394	892	1,201	1,064	723	2,723	768	1,778	1,093
10 Utilities and conservation	12,219	21,037	15,098	1,893	1,008	588	115	1,086	729	537	1,141
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	668	707	89	647	747	762	585	1,150
13 Other purposes	35,095	42,450	47,896	5,213	3,141	2,885	2,804	2,426	3,903	3,557	5,776

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	1999			2000				
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 All issues¹	929,256	1,128,491	1,072,866	58,613	85,016	50,805	55,714	85,679	113,093	61,963²	62,737
2 Bonds³	811,376	1,001,736	941,298	47,103	61,033	42,477	44,220	63,391	96,148	40,941	58,233
<i>By type of offering</i>											
3 Sold in the United States	708,188	923,771	818,683	37,721	53,908	36,488	30,784	56,727	87,603	36,724	45,986
4 Sold abroad	103,188	77,965	122,615	9,382	7,125	5,989	13,436	6,664	8,545	4,217	12,247
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	1,632	1,237	3,241	967	65	n.a.	n.a.	n.a.
<i>By industry group</i>											
6 Nonfinancial	222,603	307,935	293,963	13,990	24,283	14,614	14,599	26,598	28,086	8,060	20,832
7 Financial	588,773	693,801	647,335	33,112	36,750	27,863	29,620	36,792	68,062	32,881	37,400
8 Stocks³	117,880	126,755	131,568	11,510	23,983	8,328	11,494	22,288	16,945	21,022²	4,842
<i>By type of offering</i>											
9 Public	117,880	126,755	131,568	11,510	23,983	8,328	11,494	22,238	16,945	21,022 ²	4,842
10 Private placement ⁴	55,450	78,850	86,300	7,192	7,192	7,192	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	60,386	74,113	110,284	10,961	22,611	7,450	9,247	21,796	15,679	16,763 ¹	4,708
12 Financial	57,494	52,642	21,284	549	1,372	878	2,247	492	1,266	4,259	134

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 □ September 2000

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	1998	1999	1999		2000					
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ⁴	June
1 Sales of own shares ²	1,461,430	1,791,894	155,490	185,898	226,251	237,861	269,118	202,248	172,718	182,239
2 Redemptions of own shares	1,217,022	1,621,987	143,688	178,855	204,390	197,423	243,194	176,671	162,984	161,606
3 Net sales ³	244,408	169,906	11,801	7,042	21,871	40,438	25,924	25,577	9,735	20,634
4 Assets ⁴	4,173,531	5,233,191	4,874,733	5,233,191	5,114,482	5,375,874	5,606,254	5,391,187	5,232,319	5,462,900
5 Cash ⁵	191,393	219,189	214,751	219,189	222,729	231,480	221,623	254,819	260,426	260,665
6 Other	3,982,138	5,014,002	4,659,982	5,014,002	4,891,753	5,144,394	5,384,630	5,136,368	4,971,892	5,202,234

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
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹
1 Profits with inventory valuation and capital consumption adjustment	838.5	848.4	892.7	849.4	846.8	839.0	886.9	880.5	884.1	919.4	965.6
2 Profits before taxes	795.9	781.9	848.5	792.0	780.1	766.7	818.1	835.8	853.8	886.3	936.5
3 Profits-tax liability	238.3	240.2	259.4	241.1	244.3	235.6	248.0	254.4	259.4	275.7	290.8
4 Profits after taxes	557.6	541.7	589.1	550.9	535.8	531.0	570.1	581.4	594.3	610.6	645.8
5 Dividends	333.7	348.6	364.7	347.3	348.4	352.2	356.4	361.5	367.3	373.5	380.0
6 Undistributed profits	223.9	193.1	224.4	203.6	187.4	178.8	213.7	219.9	227.0	237.1	265.8
7 Inventory valuation	7.4	20.9	-13.0	13.6	19.8	20.8	13.3	-13.6	-26.7	-24.9	-26.7
8 Capital consumption adjustment	35.3	45.6	57.2	43.8	46.9	51.6	55.5	58.2	57.0	58.0	55.7

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	1998	1999				2000	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
	663.3	711.7	811.5	711.7	733.8	756.5	776.3	811.5	848.7	653.9
1 Accounts receivable, gross ²	256.8	261.8	.0	261.8	261.7	.0	.0	.0	.0	77.5
2 Consumer	318.5	347.5	n.a.	347.5	362.8	365.0	n.a.	n.a.	n.a.	443.7
3 Business	87.9	102.3	126.5	102.3	109.2	113.3	122.3	126.5	128.8	132.7
4 Real estate	52.7	56.3	53.5	56.3	52.9	53.4	54.0	53.5	53.9	n.a.
5 LESS: Reserves for unearned income	13.0	13.8	13.5	13.8	13.4	13.4	13.6	13.5	14.0	n.a.
6 Reserves for losses	597.6	641.6	744.6	641.6	667.6	689.7	708.6	744.6	780.8	653.9
7 Accounts receivable, net	312.4	337.9	406.3	337.9	363.3	373.2	368.5	406.3	412.5	n.a.
8 All other	910.0	979.5	1,150.9	979.5	1,030.8	1,062.9	1,077.2	1,150.9	1,193.3	653.9
9 Total assets										
LIABILITIES AND CAPITAL										
	24.1	26.3	35.1	26.3	24.8	25.1	27.0	35.1	30.7	↑
10 Bank loans	201.5	231.5	227.9	231.5	222.9	231.0	205.3	227.9	229.7	↑
11 Commercial paper										
Debt	64.7	61.8	123.8	61.8	64.6	65.4	84.5	123.8	145.2	n.a.
12 Owed to parent	328.8	339.7	397.0	339.7	366.7	383.1	396.2	397.0	410.0	↓
13 Not elsewhere classified	189.6	203.2	222.7	203.2	220.3	226.0	216.0	222.7	241.6	
14 All other liabilities	101.3	117.0	144.5	117.0	131.5	132.2	148.2	144.5	136.2	
15 Capital, surplus, and undivided profits	910.0	979.5	1,150.9	979.5	1,030.8	1,062.9	1,077.2	1,150.9	1,193.4	
16 Total liabilities and capital										

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	1999	2000				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
Seasonally adjusted									
1 Total	810.5	875.8	993.9	993.9	1,022.4	1,032.2	1,054.1	1,073.0	185.6
2 Consumer	327.9	352.8	385.3	385.3	391.7	395.5	396.7	398.0	185.6
3 Real estate	121.1	131.4	154.7	154.7	159.1	162.3	167.9	173.1	n.a.
4 Business	361.5	391.6	453.9	453.9	471.6	474.4	489.4	501.9	n.a.
Not seasonally adjusted									
5 Total	818.1	884.0	1,003.2	1,003.2	1,022.4	1,031.9	1,057.0	1,073.2	185.0
6 Consumer	330.9	356.1	388.8	388.8	391.1	392.3	392.8	394.4	185.0
7 Motor vehicles loans	87.0	103.1	114.7	114.7	117.6	121.3	121.1	120.9	123.9
8 Motor vehicle leases	96.8	93.3	98.3	98.3	99.3	100.7	101.7	102.8	n.a.
9 Revolving ²	38.6	32.3	33.8	33.8	34.4	32.9	31.5	31.9	29.8
10 Other ³	34.4	33.1	33.1	33.1	33.0	32.7	31.1	31.2	31.3
Securitized assets ⁴									
11 Motor vehicle loans	44.3	54.8	71.1	71.1	69.6	67.8	71.2	72.1	
12 Motor vehicle leases	10.8	12.7	9.7	9.7	9.5	9.2	8.8	8.5	
13 Revolving	0	8.7	10.5	10.5	10.4	10.4	10.3	10.1	
14 Other	19.0	18.1	17.7	17.7	17.4	17.3	17.1	16.8	
15 Real estate	121.1	131.4	154.7	154.7	159.1	162.3	167.9	173.1	
16 One- to four-family	59.0	75.7	88.3	88.3	91.1	91.7	90.4	93.6	
17 Other	28.9	26.6	38.3	38.3	38.6	38.4	38.4	39.0	
Securitized real estate assets ⁴									
18 One- to four-family	33.0	29.0	28.0	28.0	29.2	32.0	38.9	40.2	
19 Other	2	1	2	2	2	2	2	2	
20 Business	366.1	396.5	459.6	459.6	472.2	477.4	496.3	505.7	
21 Motor vehicles	63.5	79.6	87.8	87.8	87.9	89.6	90.2	93.6	
22 Retail loans	25.6	28.1	33.2	33.2	33.3	33.7	32.3	32.7	
23 Wholesale loans ⁵	27.7	32.8	34.7	34.7	34.6	35.8	37.9	38.9	n.a.
24 Leases	10.2	18.7	19.9	19.9	20.1	20.1	19.9	22.0	
25 Equipment	203.9	198.0	221.9	221.9	222.3	225.1	238.0	243.1	
26 Loans	51.5	50.4	52.2	52.2	51.9	52.8	54.9	55.6	
27 Leases	152.3	147.6	169.7	169.7	170.4	172.3	183.1	187.5	
28 Other business receivables ⁶	51.1	69.9	95.5	95.5	99.6	101.4	106.4	107.0	
Securitized assets ⁴									
29 Motor vehicles	33.0	29.2	31.5	31.5	31.5	31.0	31.5	32.3	
30 Retail loans	2.4	2.6	2.9	2.9	2.9	2.8	3.2	3.1	
31 Wholesale loans	30.5	24.7	26.4	26.4	26.5	26.1	25.9	26.8	
32 Leases	0	1.9	2.1	2.1	2.1	2.1	2.4	2.4	
33 Equipment	10.7	13.0	14.6	14.6	22.8	22.5	22.0	21.7	
34 Loans	4.2	6.6	7.9	7.9	16.1	15.9	15.4	15.2	
35 Leases	6.5	6.4	6.7	6.7	6.7	6.6	6.5	6.5	
36 Other business receivables ⁶	4.0	6.8	8.4	8.4	8.1	7.7	8.3	8.0	

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.

¹ 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.

² 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.

³ Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

⁴ Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods such as appliances, apparel, boats, and recreation vehicles.

⁵ Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

⁶ Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

⁷ 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	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
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	216.3	223.7	216.9	226.0	224.2	232.2	238.6
2 Amount of loan (thousands of dollars)	140.3	151.1	161.7	167.2	169.9	165.6	170.7	170.2	176.3	178.3
3 Loan-to-price ratio (percent)	80.4	80.0	78.7	78.6	77.9	78.4	77.7	77.9	78.0	76.9
4 Maturity (years)	28.2	28.4	28.8	29.0	29.1	29.1	29.0	29.1	29.2	29.2
5 Fees and charges (percent of loan amount)	1.02	.89	.77	.71	.75	.71	.68	.68	.71	.69
<i>Yield (percent per year)</i>										
6 Contract rate ²	7.57	6.95	6.94	7.18	7.34	7.43	7.49	7.52	7.44	7.40
7 Effective rate ³	7.73	7.08	7.06	7.28	7.45	7.54	7.60	7.63	7.55	7.50
8 Contract rate (HUD series) ⁴	7.76	7.00	7.45	7.95	8.21	8.20	8.19	8.29	8.26	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (Section 203) ⁵	7.89	7.04	7.74	8.55	8.56	8.53	8.35	8.33	8.58	n.a.
10 GNMA securities ⁶	7.26	6.43	7.03	7.58	7.84	7.96	7.79	7.64	8.06	7.69
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	316,678	414,515	523,941	523,941	527,977	535,096	538,751	539,181	545,803	552,166
12 FHA/VA insured	31,925	33,770	55,318	55,318	57,369	58,294	58,451	58,899	59,140	59,703
13 Conventional	284,753	380,745	468,623	468,623	470,608	476,802	480,300	480,282	486,663	492,463
14 Mortgage transactions purchased (during period)	70,465	188,448	195,210	11,416	9,035	11,484	8,801	6,257	12,872	12,842
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	69,965	193,795	187,948	9,931	9,130	9,811	10,051	12,524	10,450	11,825
16 To sell ⁸	1,298	1,880	5,900	1,592	1,287	612	1,954	1,340	1,594	1,254
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	164,421	255,010	324,443	324,443	325,914	328,598	336,338	339,207	347,370	350,836
18 FHA/VA insured	177	785	1,836	1,836	1,806	1,719	2,521	1,987	3,116	2,552
19 Conventional	164,244	254,225	322,607	322,607	324,108	326,879	333,817	337,220	344,254	348,284
<i>Mortgage transactions (during period)</i>										
20 Purchases	117,401	267,402	239,793	9,335	12,942	6,747	9,323	8,393	15,741	12,271
21 Sales	114,258	250,565	233,031	8,589	12,764	6,424	8,569	8,077	15,261	11,806
22 Mortgage commitments contracted (during period) ⁹	120,089	281,899	228,432	11,587	8,341	7,156	10,122	8,750	13,807	13,596

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
				Q1	Q2	Q3	Q4	
I All holders	4,877,536	5,211,286	5,736,638	5,876,132	6,029,340	6,238,187	6,387,651	6,503,518
<i>By type of property</i>								
2 One- to four-family residences	3,718,723	3,970,848	4,355,376	4,447,543	4,561,061	4,692,093	4,788,204	4,862,061
3 Multifamily residences	289,186	302,517	330,551	341,889	349,310	359,904	373,514	382,602
4 Nonfarm, nonresidential	782,493	847,623	954,205	989,302	1,019,331	1,084,794	1,122,968	1,154,354
5 Farm	87,134	90,299	96,506	97,398	99,638	101,396	102,965	104,501
<i>By type of holder</i>								
6 Major financial institutions	1,981,886	2,083,981	2,194,813	2,202,218	2,242,431	2,321,356	2,393,684	2,460,338
7 Commercial banks ²	1,145,389	1,245,315	1,337,217	1,336,733	1,361,365	1,418,819	1,495,177	1,547,038
8 One- to four-family	677,605	745,310	797,492	782,446	790,372	827,291	879,676	904,710
9 Multifamily	45,451	49,670	54,116	58,036	60,529	63,964	67,591	72,431
10 Nonfarm, nonresidential	397,452	423,148	456,574	466,738	479,929	496,246	516,611	537,224
11 Farm	24,883	26,986	29,035	29,513	30,536	31,320	31,839	32,673
12 Savings institutions ³	628,335	631,826	643,957	646,510	656,518	676,346	688,644	680,745
13 One- to four-family	513,712	520,782	533,918	534,898	544,962	560,622	549,072	560,046
14 Multifamily	61,570	59,540	56,821	56,759	55,016	57,282	59,138	57,759
15 Nonfarm, nonresidential	52,723	51,150	52,801	54,417	56,096	57,983	59,948	62,447
16 Farm	331	354	417	435	443	459	475	493
17 Life insurance companies	208,162	206,840	213,640	218,975	224,548	226,190	229,333	232,555
18 One- to four-family	6,977	7,187	6,590	6,953	7,292	7,432	7,935	6,137
19 Multifamily	30,750	30,402	31,522	31,515	31,800	31,998	32,592	32,983
20 Nonfarm, nonresidential	160,315	158,779	164,004	168,795	173,495	174,571	177,817	179,949
21 Farm	10,120	10,472	11,524	11,712	11,961	12,189	12,989	13,486
22 Federal and related agencies	295,192	286,167	292,636	288,176	288,038	320,850	320,105	318,240
23 Government National Mortgage Association	2	8	7	6	8	8	7	7
24 One- to four-family	2	8	7	6	8	8	7	7
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	41,596	41,195	40,851	40,691	40,766	73,705	73,871	72,899
27 One- to four-family	17,303	17,253	16,895	16,777	16,653	16,586	16,506	16,456
28 Multifamily	11,685	11,720	11,739	11,731	11,735	11,745	11,741	11,732
29 Nonfarm, nonresidential	6,841	7,370	7,705	7,769	7,763	41,068	41,355	40,509
30 Farm	5,768	4,852	4,513	4,413	4,435	4,308	4,268	4,202
31 Federal Housing and Veterans' Administrations	6,244	3,821	3,674	3,538	3,490	3,889	3,712	3,773
32 One- to four-family	3,524	1,767	1,849	1,713	1,623	2,013	1,851	1,826
33 Multifamily	2,719	2,054	1,825	1,825	1,867	1,876	1,861	1,947
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	315	189	163	152	98
40 One- to four-family	365	109	54	47	28	24	23	15
41 Multifamily	413	123	61	54	32	28	26	17
42 Nonfarm, nonresidential	1,653	492	245	214	129	111	103	67
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	168,813	161,308	157,675	157,185	155,637	153,172	151,500	150,312
45 One- to four-family	155,008	149,831	147,594	147,063	145,033	142,982	141,195	139,986
46 Multifamily	13,305	11,477	10,081	10,122	10,604	10,190	10,305	10,326
47 Federal Land Banks	29,602	30,657	32,983	33,128	33,666	34,218	34,187	34,142
48 One- to four-family	1,742	1,804	1,941	1,949	1,981	2,013	2,012	2,009
49 Farm	27,860	28,853	31,042	31,179	31,685	32,205	32,175	32,133
50 Federal Home Loan Mortgage Corporation	46,504	48,454	57,085	53,313	54,282	55,695	56,676	57,009
51 One- to four-family	41,758	42,629	49,106	44,140	43,574	44,321	44,321	43,384
52 Multifamily	4,746	5,825	7,979	9,173	10,708	11,685	12,355	13,625
53 Mortgage pools or trusts ⁵	2,040,848	2,239,350	2,589,764	2,715,196	2,810,119	2,891,187	2,954,836	3,000,462
54 Government National Mortgage Association	506,246	536,879	537,446	543,280	553,196	569,038	582,307	589,385
55 One- to four-family	494,064	523,225	522,498	522,886	537,287	552,670	565,233	571,699
56 Multifamily	12,182	13,654	15,948	15,395	15,909	16,368	17,074	17,686
57 Federal Home Loan Mortgage Corporation	554,260	579,385	646,459	687,179	718,085	738,581	749,081	757,106
58 One- to four-family	551,513	576,846	643,465	684,240	714,844	735,088	744,619	752,607
59 Multifamily	2,747	2,539	2,994	2,939	3,241	3,493	4,462	4,499
60 Federal National Mortgage Association	650,780	709,582	834,518	881,815	911,435	938,484	960,883	975,815
61 One- to four-family	633,210	687,981	804,205	849,513	877,863	903,531	924,941	938,898
62 Multifamily	17,570	21,601	30,313	32,302	33,572	34,953	35,942	36,917
63 Farmers Home Administration ⁴	3	2	1	1	1	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	1	0	0	0
68 Private mortgage conduits	329,559	413,502	571,340	602,921	627,402	645,084	662,565	678,156
69 One- to four-family ⁶	258,800	316,400	412,700	430,653	447,938	453,276	462,600	471,390
70 Multifamily	16,369	21,591	34,323	37,336	39,435	40,936	42,628	43,835
71 Nonfarm, nonresidential	54,390	75,511	124,317	134,532	140,029	148,873	157,337	162,930
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	559,609	601,788	659,425	670,542	688,753	704,794	719,026	724,478
74 One- to four-family	363,143	379,516	417,063	419,258	431,603	442,550	450,213	452,891
75 Multifamily	69,179	72,320	73,829	74,302	74,863	75,386	77,799	78,846
76 Nonfarm, nonresidential	109,119	131,173	148,559	156,836	161,711	165,943	169,796	171,228
77 Farm	18,169	18,779	19,974	20,145	20,577	20,916	21,218	21,513

1. Multifamily debt refers to loans on structures of five or more units.

2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.

3. Includes savings banks and savings and loan associations.

4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.

5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.

7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.

SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1997	1998	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May ^P
Seasonally adjusted									
1 Total	1,234,461	1,301,023	1,393,657	1,393,657	1,409,387	1,418,756	1,429,431	1,438,201	1,449,968
2 Revolving	531,163	560,504	595,610	595,610	603,782	608,523	615,510	622,005	626,639
3 Nonrevolving	703,297	740,519	798,047	798,047	805,605	810,233	813,921	816,197	823,330
Not seasonally adjusted									
4 Total	1,264,103	1,331,742	1,426,151	1,426,151	1,419,258	1,413,585	1,416,228	1,425,998	1,436,845
<i>By major holder</i>									
5 Commercial banks	512,563	508,932	499,758	499,758	498,589	499,148	497,120	502,679	507,995
6 Finance companies	160,022	168,491	181,573	181,573	184,887	186,896	183,705	184,050	185,030
7 Credit unions	152,362	155,406	167,921	167,921	168,109	168,209	169,487	171,257	173,679
8 Savings institutions	47,172	51,611	61,527	61,527	60,674	59,821	58,968	59,472	59,976
9 Nonfinancial business	78,927	74,877	80,311	80,311	76,048	73,509	72,908	72,979	73,738
10 Pools of securitized assets ³	313,057	372,425	435,061	435,061	440,951	426,002	434,040	435,561	436,427
<i>By major type of credit⁴</i>									
11 Revolving	555,858	586,528	623,245	623,245	614,528	609,387	609,086	615,138	619,027
12 Commercial banks	219,826	210,346	189,352	189,352	185,451	186,379	184,901	188,691	192,351
13 Finance companies	38,608	32,309	33,814	33,814	34,352	32,885	31,456	31,928	29,813
14 Credit unions	19,552	19,930	20,641	20,641	20,175	19,941	19,764	19,929	20,056
15 Savings institutions	11,441	12,450	15,838	15,838	15,551	15,263	14,975	15,291	15,607
16 Nonfinancial business	44,966	39,166	42,783	42,783	39,746	37,918	37,430	37,418	37,945
17 Pools of securitized assets ³	221,465	272,327	320,817	320,817	319,253	317,001	320,560	321,881	323,255
18 Nonrevolving	708,245	745,214	802,906	802,906	804,730	804,198	807,142	810,860	817,818
19 Commercial banks	292,737	298,586	310,406	310,406	313,138	312,769	312,219	313,988	315,644
20 Finance companies	121,414	136,182	147,759	147,759	150,535	154,011	152,249	152,122	155,217
21 Credit unions	132,810	135,476	147,280	147,280	147,934	148,268	149,723	151,328	153,623
22 Savings institutions	35,731	39,161	45,689	45,689	45,123	44,558	43,993	44,181	44,369
23 Nonfinancial business	33,961	35,711	37,528	37,528	36,302	35,591	35,478	35,561	35,793
24 Pools of securitized assets ³	91,592	100,098	114,244	114,244	111,698	109,001	113,480	113,680	113,172

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	1999		2000				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^P
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.02	8.72	8.44	8.66	n.a.	n.a.	8.88	n.a.	n.a.	9.21
2 24-month personal	13.90	13.74	13.39	13.52	n.a.	n.a.	13.76	n.a.	n.a.	13.88
<i>Credit card plan</i>										
3 All accounts	15.77	15.71	15.21	15.13	n.a.	n.a.	15.47	n.a.	n.a.	15.39
4 Accounts assessed interest	15.57	15.59	14.81	14.77	n.a.	n.a.	14.32	n.a.	n.a.	14.74
<i>Auto finance companies</i>										
5 New car	7.12	6.30	6.66	7.44	7.32	7.18	7.34	6.76	6.38	6.51
6 Used car	13.27	12.64	12.60	13.27	13.28	12.95	13.27	13.45	13.52	13.47
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	54.1	52.1	52.7	53.9	53.4	52.9	52.7	53.1	53.8	53.5
8 Used car	51.0	53.5	55.9	55.8	55.6	57.0	57.1	57.1	57.1	57.1
<i>Loan-to-value ratio</i>										
9 New car	92	92	92	91	91	91	92	93	93	93
10 Used car	99	99	99	99	99	98	98	99	98	99
<i>Amount financed (dollars)</i>										
11 New car	18,077	19,083	19,880	20,517	20,699	20,503	20,206	20,395	20,542	20,621
12 Used car	12,281	12,691	13,642	13,777	13,970	13,809	13,697	13,666	13,871	14,132

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	1998		1999				2000
						Q3	Q4	Q1	Q2	Q3	Q4		Q1
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	568.0	712.0	732.5	805.5	1,038.1	909.0	1,087.1	1,287.7	889.1	1,180.9	1,123.7	956.6
<i>By sector and instrument</i>												
2 Federal government	155.8	144.4	145.0	23.1	-52.6	-113.5	-54.1	-75.2	-112.2	-83.1	-14.3	-204.0
3 Treasury securities	155.7	142.9	146.6	23.2	-54.6	-113.1	-66.3	-73.7	-112.8	-83.2	-14.3	-201.9
4 Budget agency securities and mortgages	.2	1.5	-1.6	-1	2.0	-4	12.2	-1.5	.6	.0	.0	-2.1
5 Nonfederal	412.2	567.6	587.5	782.4	1,090.7	1,022.5	1,141.3	1,363.0	1,001.3	1,264.0	1,138.0	1,160.6
<i>By instrument</i>												
6 Commercial paper	21.4	18.1	-9	13.7	24.4	85.6	-43.0	58.3	-2.6	49.8	44.0	36.4
7 Municipal securities and loans	-35.9	-48.2	2.6	71.4	95.8	82.9	89.6	100.7	48.0	77.0	47.0	19.3
8 Corporate bonds	23.3	91.1	116.3	150.5	218.7	106.0	193.2	274.0	287.6	202.8	155.2	189.0
9 Bank loans n.e.c.	75.2	103.7	70.5	106.5	108.2	107.8	120.9	70.0	22.2	112.8	125.8	104.5
10 Other loans and advances	34.0	67.2	33.5	69.1	74.3	77.7	102.5	153.9	-14.5	79.0	56.2	172.0
11 Mortgages	169.3	196.7	276.9	318.7	500.6	480.9	608.1	575.4	599.2	666.4	600.4	496.4
12 Home	183.4	180.4	242.2	251.9	383.3	389.8	441.3	413.9	428.1	491.3	398.0	338.0
13 Multifamily residential	-3.7	5.9	9.5	8.4	18.8	11.1	26.3	35.3	33.4	45.9	48.1	33.8
14 Commercial	-12.7	8.9	22.7	55.2	92.3	74.6	131.9	122.6	128.7	122.1	151.8	120.7
15 Farm	2.2	1.6	2.6	3.2	6.2	5.5	8.6	3.6	9.0	7.0	2.5	3.9
16 Consumer credit	124.9	138.9	88.8	52.5	67.6	79.6	69.9	130.5	61.4	76.2	109.5	143.1
<i>By borrowing sector</i>												
17 Household	313.6	348.5	347.3	332.9	476.9	477.7	530.4	543.7	511.6	600.9	515.5	502.5
18 Nonfinancial business	144.8	270.6	247.0	393.4	533.5	474.7	535.8	731.8	454.0	606.2	591.5	643.5
19 Corporate	137.2	237.1	158.4	272.3	416.0	358.4	413.4	628.4	355.2	470.9	463.6	518.8
20 Nonfarm noncorporate	3.3	30.6	83.8	115.0	109.8	109.0	114.8	96.8	99.8	125.7	122.0	111.0
21 Farm	4.4	2.9	4.8	6.2	7.7	7.3	7.5	6.6	-1.0	9.5	5.9	13.8
22 State and local government	-46.2	-51.5	-6.8	56.1	80.3	70.0	75.1	87.4	35.7	57.0	31.0	14.6
23 Foreign net borrowing in United States	-13.9	71.1	77.2	57.6	33.6	-19.6	-38.9	17.0	-36.8	62.2	15.6	114.2
24 Commercial paper	-26.1	13.5	11.3	3.7	7.8	6.2	-4.7	18.0	-27.5	41.1	33.6	56.8
25 Bonds	12.2	49.7	55.8	47.2	25.1	-27.2	-34.2	.9	-12.6	29.4	-17.2	39.1
26 Bank loans n.e.c.	1.4	8.5	9.1	8.5	6.7	3.6	9.8	.9	5.6	-6.6	2.3	15.4
27 Other loans and advances	-1.4	-5	1.0	-1.8	-6.0	-2.2	-9.7	-2.8	-2.3	-1.6	-3.0	2.9
28 Total domestic plus foreign	554.1	783.1	809.7	863.1	1,071.6	889.4	1,048.3	1,304.7	852.3	1,243.1	1,139.3	1,070.8
Financial sectors												
29 Total net borrowing by financial sectors	468.4	453.9	545.8	653.7	1,073.9	1,067.9	1,296.9	1,199.2	1,016.1	1,075.2	1,061.2	596.0
<i>By instrument</i>												
30 Federal government-related	287.5	204.1	231.5	212.8	470.9	555.8	673.3	592.2	578.9	653.0	543.9	253.8
31 Government-sponsored enterprise securities	176.9	105.9	90.4	98.4	278.3	294.0	510.5	193.0	304.7	407.1	367.9	106.9
32 Mortgage pool securities	115.4	98.2	141.1	114.5	192.6	261.7	162.8	399.2	274.3	245.9	176.0	146.9
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	512.1	623.6	607.0	437.2	422.3	517.3	342.3
35 Open market paper	40.5	42.7	92.2	166.7	161.0	141.0	130.7	78.3	57.8	89.8	478.9	130.2
36 Corporate bonds	121.8	195.9	173.8	210.5	296.9	189.0	280.1	475.9	263.2	182.1	-34.0	164.1
37 Bank loans n.e.c.	-13.7	2.5	12.6	13.2	30.1	60.2	13.4	-8.8	10.5	-6.2	-52.7	6.6
38 Other loans and advances	22.6	3.4	27.9	35.6	90.2	82.3	169.9	41.6	117.9	147.2	121.8	34.3
39 Mortgages	9.8	5.3	7.9	14.9	24.8	39.6	30.6	20.1	-12.3	9.4	3.2	7.0
<i>By borrowing sector</i>												
40 Commercial banking	20.1	22.5	13.0	46.1	72.9	61.7	66.3	31.1	72.7	111.3	53.8	56.5
41 Savings institutions	12.8	2.6	25.5	19.7	52.2	63.7	103.2	58.0	58.6	55.2	20.2	25.9
42 Credit unions	.2	-1	.1	.1	.6	1.0	.4	1.5	1.4	2.8	3.3	-2.9
43 Life insurance companies	.3	-1	1.1	.2	.7	1.6	1.8	3.3	3.0	1.1	-4.4	-7
44 Government-sponsored enterprises	172.1	105.9	90.4	98.4	278.3	294.0	510.5	193.0	304.7	407.1	367.9	106.9
45 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	261.7	162.8	399.2	274.3	245.9	176.0	146.9
46 Issuers of asset-backed securities (ABSs)	76.5	142.4	150.8	202.2	321.4	305.8	333.9	285.5	309.2	224.6	116.7	161.4
47 Finance companies	48.7	50.2	45.9	48.7	43.0	-12.0	17.8	71.2	88.4	-22.6	112.6	44.3
48 Mortgage companies	-11.5	-2.2	4.1	-4.6	1.6	2.3	3.0	-4.6	5.1	-6.1	6.2	-3.0
49 Real estate investment trusts (REITs)	10.2	4.5	11.9	39.6	62.7	79.3	44.0	25.6	-19.7	7.9	11.3	11.5
50 Brokers and dealers	.5	-5.0	-2.0	8.1	7.2	-2.6	12.4	-31.1	-17.4	16.9	-37.3	44.4
51 Funding corporations	23.1	34.9	64.1	80.7	40.7	11.2	40.9	166.5	-63.8	31.2	234.8	5.0

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

Transaction category or sector	1994	1995	1996	1997	1998	1998		1999				2000
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
						All sectors						
52 Total net borrowing, all sectors	1,022.5	1,237.0	1,355.6	1,516.8	2,145.5	1,957.2	2,345.2	2,503.9	1,868.5	2,318.3	2,200.5	1,666.9
53 Open market paper	35.7	74.3	102.6	184.1	193.1	232.7	83.0	154.6	27.7	180.6	556.5	223.4
54 U.S. government securities	448.1	348.5	376.5	235.9	418.3	442.3	619.1	517.0	466.8	569.8	529.6	49.8
55 Municipal securities	-35.9	-48.2	2.6	71.4	96.8	82.9	89.6	100.7	48.0	77.0	47.0	19.3
56 Corporate and foreign bonds	157.3	336.7	345.8	408.2	540.7	269.8	-339.1	750.7	538.2	414.3	104.1	392.2
57 Bank loans n.e.c.	62.9	114.7	92.1	128.2	145.0	171.6	143.0	62.1	38.3	100.0	75.3	126.5
58 Other loans and advances	50.4	70.1	62.5	102.8	158.5	157.8	262.7	192.7	101.1	224.6	175.0	209.2
59 Mortgages	179.0	202.0	284.8	333.6	525.4	520.5	638.7	595.5	587.0	675.8	603.6	503.4
60 Consumer credit	124.9	138.9	88.8	52.5	67.6	79.6	69.9	130.5	61.4	76.2	109.5	143.1
	Funds raised through mutual funds and corporate equities											
61 Total net issues	113.4	131.5	209.1	165.6	76.5	-166.6	-3.5	153.3	163.5	102.9	148.0	427.2
62 Corporate equities	12.8	-16.0	-28.5	-99.6	-198.1	-340.0	-228.3	-99.9	-47.3	-20.4	-26.5	106.3
63 Nonfinancial corporations	-44.9	-58.3	-69.5	-114.4	-267.0	-308.4	-491.3	-52.1	-338.4	-128.4	-55.0	62.8
64 Foreign shares purchased by U.S. residents	48.1	50.4	60.0	42.0	77.8	-32.8	317.4	-33.4	270.9	108.4	45.2	63.0
65 Financial corporations	9.6	-8.1	-19.0	-27.1	-8.9	1.1	-54.5	-14.5	20.2	-.3	-16.7	-19.5
66 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	173.4	224.8	253.3	210.9	123.2	174.5	320.9

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

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

Transaction category or sector	1994	1995	1996	1997	1998	1998		1999				2000
						Q3	Q4	Q1	Q2	Q3	Q4		Q1
NET LENDING IN CREDIT MARKETS²												
1 Total net lending in credit markets	1,022.5	1,237.0	1,355.6	1,516.8	2,145.5	1,957.2	2,345.2	2,503.9	1,868.5	2,318.3	2,200.5	1,666.9
2 Domestic nonfederal nonfinancial sectors	223.4	-98.4	12.0	-43.7	74.7	88.8	-261.5	423.3	397.8	195.4	14.6	-120.5
3 Household	260.2	-3.0	60.3	-29.0	-73.8	-142.2	-439.7	246.4	288.3	186.3	20.7	-170.9
4 Nonfinancial corporate business	17.7	-8.8	-10.1	-12.7	14.0	15.2	36.4	42.0	25.0	52.2	-9.5	36.0
5 Nonfarm noncorporate business	.6	4.7	-4.3	-2.1	.1	.1	.1	2.8	1.2	.8	1.4	2.6
6 State and local governments	-55.0	-91.4	-33.7	-1	134.5	215.7	141.7	132.2	83.3	-43.9	2.0	11.9
7 Federal government	-27.4	-2	-7.4	5.1	13.5	13.8	11.7	17.0	6.9	11.4	3.2	7.1
8 Rest of the world	132.3	273.9	414.4	310.7	249.3	60.8	390.7	253.3	37.4	382.2	141.3	338.9
9 Financial sectors	694.1	1,061.7	936.6	1,244.6	1,808.1	1,793.8	2,204.3	1,810.3	1,426.4	1,729.4	2,041.4	1,441.4
10 Monetary authority	31.5	12.7	12.3	38.3	21.1	41.6	3.5	71.8	62.4	34.1	-65.7	112.2
11 Commercial banking	163.4	265.9	187.5	324.3	305.2	250.1	531.5	68.9	135.4	435.5	594.1	382.4
12 U.S.-chartered banks	148.1	186.5	119.6	274.9	312.0	309.2	540.2	134.1	231.5	410.7	494.2	417.6
13 Foreign banking offices in United States	11.2	75.4	63.3	40.2	-11.9	-68.1	-12.1	-54.9	-105.7	30.6	49.7	1.9
14 Bank holding companies	.9	-3	3.9	5.4	-9	-9	-7.4	-6.0	4	-12.4	42.6	-42.5
15 Banks in U.S.-affiliated areas	3.3	4.2	7	3.7	6.0	2.9	10.7	-4.4	9.2	6.6	6.6	5.4
16 Savings institutions	6.7	-7.6	19.9	-4.7	36.3	17.9	113.3	102.7	88.8	60.9	23.3	39.1
17 Credit unions	28.1	16.2	25.5	16.8	19.0	21.0	16.0	74.7	32.1	29.6	13.5	44.8
18 Bank personal trusts and estates	7.1	-8.3	-7.7	-25.0	-12.8	-16.0	-13.5	-7.6	-8.4	-8.6	-9.1	-9.5
19 Life insurance companies	72.0	100.0	69.6	104.8	76.9	65.6	86.0	72.1	63.4	38.4	22.5	75.9
20 Other insurance companies	24.9	21.5	22.5	28.2	20.4	-7.7	67.6	-19.7	26.7	-14.4	-7.7	1
21 Private pension funds	46.1	56.0	32.3	65.5	118.6	95.5	174.4	60.6	150.1	45.4	131.0	62.1
22 State and local government retirement funds	30.9	33.6	37.3	63.8	66.0	68.7	49.5	76.5	37.3	38.5	59.8	-13.2
23 Money market mutual funds	30.0	86.5	88.8	87.5	244.0	255.5	353.1	227.6	-92.6	232.1	360.8	222.1
24 Mutual funds	-7.1	52.3	48.9	80.9	124.8	92.9	103.5	103.0	119.9	-18.8	-11.7	-70.6
25 Closed-end funds	-3.7	10.5	4.7	-2.9	4.5	4.5	4.5	3.1	3.1	3.1	3.1	3.1
26 Government-sponsored enterprises	117.8	86.7	84.2	94.3	260.8	264.7	429.5	157.2	259.2	287.5	234.1	100.4
27 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	261.7	162.8	399.2	274.3	245.9	176.0	146.9
28 Asset-backed securities issuers (ABSs)	69.4	120.6	120.5	163.8	281.7	260.3	310.9	267.9	292.4	216.1	86.9	140.8
29 Finance companies	48.3	49.9	18.4	21.9	51.9	79.5	75.3	92.2	79.6	94.7	113.1	141.3
30 Mortgage companies	-24.0	-3.4	8.2	-9.1	3.2	4.5	6.0	-9.1	10.2	-12.1	12.3	-6.0
31 Real estate investment trusts (REITs)	-7	1.4	4.4	20.2	-5.1	-11.3	-40.8	17.7	-2.2	-2.7	-7.0	-16.3
32 Brokers and dealers	-44.2	90.1	-15.7	14.9	6.8	146.0	-226.1	88.0	-193.7	16.3	-33.7	169.2
33 Funding corporations	-17.8	-21.2	14.0	49.8	-7.9	-101.5	-2.8	19.5	98.4	8.0	347.6	-83.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,022.5	1,237.0	1,355.6	1,516.8	2,145.5	1,957.2	2,345.2	2,503.9	1,868.5	2,318.3	2,200.5	1,666.9
<i>Other financial sources</i>												
35 Official foreign exchange	-5.8	8.8	-6.3	-7	6.6	8.9	8.6	-14.0	-5.4	-8.5	-7.0	.8
36 Special drawing rights certificates	.0	2.2	-5	-5	.0	.0	.0	-4.0	.0	-4.0	-4.0	2.2
37 Treasury currency	.7	.6	.1	.0	.0	1.7	-2.3	.0	2.1	2.0	-4.1	.0
38 Foreign deposits	52.9	35.3	85.9	106.8	-2	84.9	-131.9	127.7	99.3	55.1	-12.9	52.0
39 Net interbank transactions	89.8	10.0	-51.6	-19.7	-32.3	44.7	-118.7	49.9	90.9	-35.9	-62.9	-100.6
40 Checkable deposits and currency	-9.7	-12.7	15.8	41.5	47.6	-24.9	72.8	61.1	10.1	141.0	394.3	-224.2
41 Small time and savings deposits	-39.9	96.6	97.2	97.1	152.4	144.7	281.2	-68.0	100.0	141.9	3.6	113.8
42 Large time deposits	19.6	65.6	114.0	122.5	92.1	81.8	104.4	-5.9	42.6	105.2	379.2	121.1
43 Money market fund shares	43.3	142.3	145.8	157.6	285.5	367.9	313.1	204.9	100.5	180.3	516.7	275.5
44 Security repurchase agreements	78.2	110.5	41.4	120.9	91.3	274.8	-181.8	253.3	-27.9	114.6	346.7	275.4
45 Corporate equities	12.8	-16.0	-28.5	-99.6	-198.1	-340.0	-228.3	-99.9	-47.3	-20.4	-26.5	106.3
46 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	173.4	224.8	253.3	210.9	123.2	174.5	320.9
47 Trade payables	120.0	128.9	114.8	130.5	27.4	58.8	-61.9	139.9	241.2	218.1	96.9	168.3
48 Security credit	-1	26.7	52.4	111.0	103.3	149.5	-25.7	-66.6	139.9	29.5	271.3	517.5
49 Life insurance reserves	35.5	45.8	44.5	59.3	53.3	51.7	59.0	40.8	75.6	65.5	52.4	49.2
50 Pension fund reserves	254.4	235.4	247.6	304.4	303.9	296.2	349.6	272.4	293.4	271.9	311.8	287.9
51 Taxes payable	2.6	6.2	16.0	15.6	11.8	27.0	7.8	-7.6	42.4	-3.1	24.4	.5
52 Investment in bank personal trusts	17.8	4.0	-8.6	-56.3	-48.0	-51.2	-48.8	-32.0	-25.9	-34.3	-32.3	-40.4
53 Noncorporate proprietors' equity	43.0	35.7	-2.3	-44.4	-45.6	-102.2	-7.9	8.9	-66.2	-15.8	-29.7	-29.7
54 Miscellaneous	250.7	451.1	504.5	481.6	816.8	854.2	668.3	184.6	1,189.7	356.1	501.0	475.0
55 Total financial sources	2,088.9	2,761.5	2,975.5	3,311.1	4,087.9	4,059.2	3,627.4	3,786.0	4,409.3	3,950.3	5,107.9	3,980.3
<i>Liabilities not identified as assets (-)</i>												
56 Treasury currency	-2	-5	-9	-6	-7	1.1	-3.4	-1.5	.6	.2	-6.3	.6
57 Foreign deposits	43.0	25.1	59.6	105.6	-8.1	70.3	-157.4	61.8	86.2	9.5	32.4	-8.5
58 Net interbank liabilities	-2.7	-3.1	-3.3	-19.9	3.4	22.3	-52.8	58.7	-1.7	-1.0	-39.8	34.5
59 Security repurchase agreements	67.7	20.2	4.5	62.2	54.1	153.8	-11.1	209.3	62.4	48.0	-192.6	571.0
60 Taxes payable	16.6	21.1	22.8	26.8	18.0	28.7	19.6	-14.8	5.8	1.6	-3.1	-16.5
61 Miscellaneous	-146.4	-204.8	-70.7	-63.8	-47.4	-14.4	-4.9	-411.4	-430.5	-460.4	-131.6	-392.7
<i>Flows not included in assets (-)</i>												
62 Federal government checkable deposits	-4.8	-6.0	.5	-2.7	2.6	32.4	14.0	-1.8	-41.4	23.0	-9.5	28.8
63 Other checkable deposits	-2.8	-3.8	-4.0	-3.9	-3.1	-3.6	-1.8	-1.9	-1.0	-5	.1	.8
64 Trade credit	27.4	15.6	-21.2	-29.3	-42.0	-73.3	-44.3	40.8	-15.5	93.8	60.3	.4
65 Total identified to sectors as assets	2,091.1	2,897.9	2,988.3	3,236.7	4,111.2	3,941.8	3,869.3	3,846.8	4,744.3	4,236.0	5,398.0	3,761.8

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1995	1996	1997	1998	1998		1999				2000
					Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	13,723.8	14,456.3	15,260.3	16,298.4	15,967.4	16,298.4	16,613.9	16,791.8	17,113.5	17,453.5	17,686.5
<i>By sector and instrument</i>											
2 Federal government	3,636.7	3,781.8	3,804.9	3,752.2	3,720.2	3,752.2	3,759.7	3,651.7	3,632.7	3,681.0	3,653.5
3 Treasury securities	3,608.5	3,755.1	3,778.3	3,723.7	3,694.7	3,723.7	3,731.6	3,623.4	3,604.5	3,652.8	3,625.8
4 Budget agency securities and mortgages	28.2	26.6	26.5	28.5	25.5	28.5	28.1	28.3	28.3	28.3	27.8
5 Nonfederal	10,087.1	10,674.6	11,455.5	12,546.2	12,247.2	12,546.2	12,854.2	13,140.1	13,480.7	13,772.5	14,033.0
<i>By instrument</i>											
6 Commercial paper	157.4	156.4	168.6	193.0	216.9	193.0	223.9	232.4	239.3	230.3	260.8
7 Municipal securities and loans	1,293.5	1,296.0	1,367.5	1,464.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5	1,539.2
8 Corporate bonds	1,344.1	1,460.4	1,610.9	1,829.6	1,781.3	1,829.6	1,898.1	1,970.0	2,020.7	2,059.5	2,106.7
9 Bank loans n.e.c.	863.6	934.1	1,040.5	1,148.8	1,120.6	1,148.8	1,165.2	1,178.5	1,202.9	1,231.5	1,256.8
10 Other loans and advances	736.9	770.4	839.5	913.8	886.8	913.8	957.4	953.5	967.1	982.8	1,030.4
11 Mortgages	4,568.8	4,845.7	5,164.4	5,665.0	5,515.2	5,665.0	5,799.4	5,954.5	6,162.0	6,309.9	6,422.8
12 Home	3,510.4	3,718.8	3,970.7	4,354.0	4,254.0	4,354.0	4,446.5	4,559.7	4,689.6	4,786.8	4,860.2
13 Multifamily residential	265.5	278.7	287.1	305.9	299.3	305.9	315.0	323.3	334.8	346.9	355.3
14 Commercial	708.4	761.1	816.4	908.7	875.7	908.7	940.5	972.8	1,036.2	1,074.2	1,104.4
15 Farm	84.6	87.1	90.3	96.5	94.4	96.5	97.4	99.6	101.4	102.0	103.0
16 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,426.2	1,416.2
<i>By borrowing sector</i>											
17 Household	4,782.8	5,104.9	5,441.9	5,920.1	5,761.5	5,920.1	6,000.0	6,142.4	6,308.8	6,464.4	6,532.8
18 Nonfinancial business	4,234.1	4,506.2	4,894.1	5,426.2	5,306.9	5,426.2	5,631.0	5,759.4	5,929.5	6,055.5	6,242.1
19 Corporate	2,936.1	3,120.2	3,386.8	3,801.5	3,712.2	3,801.5	3,983.3	4,083.1	4,220.0	4,314.4	4,472.9
20 Nonfarm noncorporate	1,152.4	1,236.1	1,351.1	1,460.9	1,431.6	1,460.9	1,485.2	1,510.2	1,540.9	1,572.0	1,599.9
21 Farm	145.3	149.9	156.1	163.8	163.1	163.8	162.4	168.6	169.1	169.4	169.4
22 State and local government	1,070.2	1,063.4	1,119.5	1,199.8	1,178.8	1,199.8	1,223.2	1,238.2	1,242.4	1,252.5	1,258.1
23 Foreign credit market debt held in United States	441.4	518.7	570.1	603.7	612.8	603.7	607.8	598.2	614.7	618.2	646.6
24 Commercial paper	56.2	67.5	65.1	72.9	74.0	72.9	77.2	70.1	81.8	89.2	101.6
25 Bonds	291.9	347.7	394.9	420.0	428.6	420.0	420.2	417.1	424.4	420.1	429.9
26 Bank loans n.e.c.	34.6	43.7	52.1	58.9	56.4	58.9	59.1	60.5	58.8	59.4	63.3
27 Other loans and advances	58.8	59.8	58.0	52.0	53.8	52.0	51.3	50.5	49.7	49.5	51.8
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	14,165.3	14,975.0	15,830.5	16,902.1	16,580.2	16,902.1	17,221.7	17,390.0	17,728.2	18,071.8	18,333.1
Financial sectors											
29 Total credit market debt owed by financial sectors	4,278.8	4,824.6	5,445.2	6,519.1	6,199.5	6,519.1	6,809.0	7,073.3	7,346.9	7,607.0	7,745.5
<i>By instrument</i>											
30 Federal government-related	2,376.8	2,608.3	2,821.1	3,292.0	3,121.7	3,292.0	3,434.1	3,580.7	3,745.9	3,884.0	3,940.8
31 Government-sponsored enterprise securities	806.5	896.9	995.3	1,273.6	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7	1,618.5
32 Mortgage pool securities	1,570.3	1,711.4	1,825.8	2,018.4	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	1,901.9	2,216.3	2,624.1	3,227.1	3,077.8	3,227.1	3,374.9	3,492.6	3,601.1	3,723.0	3,804.7
35 Open market paper	486.9	579.1	745.7	906.7	874.2	906.7	926.4	940.9	963.4	1,082.9	1,115.7
36 Corporate bonds	1,204.7	1,378.4	1,555.9	1,852.8	1,790.2	1,852.8	1,968.6	2,042.8	2,091.2	2,074.6	2,112.6
37 Bank loans n.e.c.	51.4	64.0	77.2	107.2	103.2	107.2	104.1	106.8	105.2	92.9	93.6
38 Other loans and advances	135.0	162.9	198.5	288.7	246.2	288.7	299.1	328.6	365.4	395.8	404.4
39 Mortgages	24.1	31.9	46.8	71.6	64.0	71.6	76.6	73.6	75.9	76.7	78.5
<i>By borrowing sector</i>											
40 Commercial banks	102.6	113.6	140.6	188.6	169.6	188.6	187.5	202.7	224.2	230.0	242.2
41 Bank holding companies	148.0	150.0	168.6	193.5	196.1	193.5	202.6	205.5	211.9	219.3	221.4
42 Savings institutions	115.0	140.5	160.3	212.4	186.6	212.4	226.9	241.6	255.4	260.4	266.9
43 Credit unions	4	4	6	11	10	11	15	18	25	34	26
44 Life insurance companies	5	6	8	25	20	25	33	40	43	32	30
45 Government-sponsored enterprises	806.5	896.9	995.3	1,273.6	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7	1,618.5
46 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3
47 Issuers of asset-backed securities (ABSs)	712.5	863.3	1,076.6	1,398.0	1,310.9	1,398.0	1,463.1	1,539.9	1,599.1	1,672.0	1,665.8
48 Brokers and dealers	29.3	27.3	35.3	42.5	39.4	42.5	34.8	30.4	34.6	25.3	36.4
49 Finance companies	483.9	529.8	554.5	597.5	589.4	597.5	614.4	639.2	628.5	659.9	670.4
50 Mortgage companies	16.5	20.6	16.0	17.7	16.9	17.7	16.5	17.8	16.3	17.8	17.1
51 Real estate investment trusts (REITs)	44.6	56.5	96.1	158.8	147.8	158.8	165.2	160.3	162.2	165.1	167.9
52 Funding corporations	248.6	312.7	373.7	414.4	417.9	414.4	459.1	449.5	462.0	506.6	510.9
All sectors											
53 Total credit market debt, domestic and foreign	18,444.0	19,799.6	21,275.7	23,421.2	22,779.6	23,421.2	24,030.7	24,463.3	25,075.1	25,678.8	26,078.6
54 Open market paper	700.4	803.0	979.4	1,172.6	1,165.1	1,172.6	1,227.6	1,243.3	1,284.5	1,402.4	1,478.1
55 U.S. government securities	6,013.6	6,390.0	6,626.0	7,044.3	6,841.9	7,044.3	7,193.8	7,232.4	7,378.6	7,565.0	7,594.3
56 Municipal securities	1,293.5	1,296.0	1,367.5	1,464.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5	1,539.2
57 Corporate and foreign bonds	2,840.7	3,186.5	3,561.7	4,102.4	4,000.0	4,102.4	4,286.9	4,429.9	4,536.2	4,554.2	4,649.2
58 Bank loans n.e.c.	949.6	1,041.7	1,169.8	1,314.9	1,280.3	1,314.9	1,328.3	1,345.7	1,366.9	1,383.8	1,413.6
59 Other loans and advances	930.6	993.1	1,095.9	1,254.4	1,186.8	1,254.4	1,307.8	1,332.6	1,382.2	1,428.1	1,486.6
60 Mortgages	4,592.9	4,877.7	5,211.2	5,736.7	5,579.2	5,736.7	5,876.0	6,029.0	6,237.9	6,386.6	6,501.3
61 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,426.2	1,416.2

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1995	1996	1997	1998	1998		1999				2000
					Q3	Q4	Q1	Q2	Q3	Q4	Q1
CREDIT MARKET DEBT OUTSTANDING²											
1 Total credit market assets	18,444.0	19,799.6	21,275.7	23,421.2	22,779.6	23,421.2	24,030.7	24,463.3	25,075.1	25,678.8	26,078.6
2 Domestic nonfederal nonfinancial sectors	2,846.3	2,903.6	2,816.2	2,862.6	2,911.9	2,862.6	2,953.6	3,006.2	3,064.9	3,118.0	3,072.7
3 Household	1,885.0	1,990.6	1,917.9	1,815.8	1,927.2	1,815.8	1,885.2	1,907.8	1,962.7	1,998.8	1,963.6
4 Nonfinancial corporate business	280.4	270.2	257.5	271.5	245.2	271.5	259.8	266.7	283.2	298.9	285.5
5 Nonfirm noncorporate business	42.1	38.0	35.9	35.9	35.9	35.9	36.6	36.9	37.1	37.5	38.1
6 State and local governments	638.6	604.8	605.0	739.4	703.6	739.4	772.1	794.8	781.9	782.8	785.4
7 Federal government	202.7	195.3	200.4	213.9	210.9	213.9	218.1	219.8	255.6	256.4	259.7
8 Rest of the world	1,531.1	1,926.6	2,256.8	2,534.3	2,412.2	2,534.3	2,601.8	2,609.8	2,706.2	2,737.9	2,826.5
9 Financial sectors	13,863.9	14,774.1	16,002.3	17,810.4	17,244.6	17,810.4	18,257.1	18,627.5	19,048.5	19,566.5	19,919.7
10 Monetary authority	380.8	393.1	431.4	452.5	446.5	452.5	465.0	485.1	489.3	478.1	501.9
11 Commercial banking	3,520.1	3,707.7	4,031.9	4,335.7	4,195.7	4,335.7	4,338.4	4,333.4	4,488.3	4,644.0	4,724.7
12 U.S.-chartered banks	3,056.1	3,175.8	3,450.7	3,761.2	3,616.2	3,761.2	3,782.9	3,847.6	3,944.3	4,078.9	4,171.2
13 Foreign banking offices in United States	412.6	475.8	516.1	504.2	510.1	504.2	487.8	465.7	473.3	484.1	481.9
14 Bank holding companies	18.0	22.0	27.4	26.5	28.3	26.5	25.0	25.1	22.0	32.7	22.0
15 Banks in U.S.-affiliated areas	33.4	34.1	37.8	43.8	41.1	43.8	42.7	45.0	46.7	46.3	49.7
16 Savings institutions	913.3	933.7	928.5	964.8	939.3	964.8	990.8	1,011.4	1,030.8	1,033.4	1,044.0
17 Credit unions	263.0	288.5	305.8	324.2	320.5	324.2	320.2	341.0	348.5	351.7	360.1
18 Bank personal trusts and estates	239.7	232.0	207.0	194.1	197.5	194.1	192.2	190.1	188.0	185.7	183.3
19 Life insurance companies	1,587.5	1,657.0	1,751.1	1,828.0	1,810.6	1,828.0	1,853.8	1,869.6	1,880.4	1,881.7	1,903.8
20 Other insurance companies	468.7	491.2	515.3	535.7	518.8	535.7	530.8	537.5	533.9	532.0	532.0
21 Private pension funds	716.9	769.0	834.7	953.4	909.8	953.4	968.5	1,006.0	1,017.4	1,050.1	1,065.7
22 State and local government retirement funds	531.0	568.2	632.0	698.0	685.7	698.0	717.2	724.0	733.6	748.6	745.3
23 Money market mutual funds	545.5	634.3	721.9	965.9	869.9	965.9	1,036.2	1,061.8	1,049.7	1,147.8	1,217.1
24 Mutual funds	771.3	820.2	901.1	1,025.9	1,005.9	1,025.9	1,050.8	1,083.8	1,083.1	1,074.0	1,055.0
25 Closed-end funds	96.4	101.1	98.3	102.8	101.7	102.8	103.6	104.3	105.1	105.9	106.7
26 Government-sponsored enterprises	750.0	807.9	902.2	1,163.0	1,055.4	1,163.0	1,201.9	1,267.0	1,338.6	1,397.5	1,422.2
27 Federally-related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3
28 Asset-backed securities issuers (ABSs)	653.4	773.9	937.7	1,219.4	1,138.1	1,219.4	1,280.1	1,352.7	1,409.8	1,435.3	1,463.9
29 Finance companies	526.2	544.5	566.4	618.4	592.7	618.4	639.9	660.9	678.2	713.3	747.0
30 Mortgage companies	33.0	41.2	32.1	35.3	33.8	35.3	33.0	35.6	32.5	35.6	34.1
31 Real estate investment trusts (REITs)	26.0	30.4	50.6	45.5	55.7	45.5	45.9	45.9	44.7	42.9	38.8
32 Brokers and dealers	183.4	167.7	182.6	189.4	245.9	189.4	211.4	162.9	167.0	158.6	200.9
33 Funding corporations	87.4	101.4	146.5	140.0	145.7	140.0	154.4	182.2	183.5	258.1	250.9
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	18,444.0	19,799.6	21,275.7	23,421.2	22,779.6	23,421.2	24,030.7	24,463.3	25,075.1	25,678.8	26,078.6
<i>Other liabilities</i>											
35 Official foreign exchange	63.7	53.7	48.9	60.1	54.5	60.1	53.6	50.9	52.1	50.1	49.4
36 Special drawing rights certificates	10.2	9.7	9.2	9.2	9.2	8.2	8.2	7.2	6.2	6.2	6.2
37 Treasury currency	18.2	18.3	18.3	18.3	18.3	18.3	18.3	18.3	19.3	18.3	18.8
38 Foreign deposits	418.8	516.1	618.8	639.9	651.7	639.9	671.8	696.6	710.4	707.2	720.2
39 Net interbank liabilities	290.7	240.8	219.4	189.0	198.9	189.0	182.0	203.5	196.0	197.4	152.7
40 Checkable deposits and currency	1,229.3	1,245.1	1,286.6	1,334.2	1,282.3	1,334.2	1,311.4	1,354.1	1,354.9	1,485.8	1,393.5
41 Small time and savings deposits	2,279.7	2,377.0	2,474.1	2,626.5	2,553.8	2,626.5	2,644.6	2,665.9	2,670.9	2,670.9	2,728.5
42 Large time deposits	476.9	590.9	713.4	805.5	776.5	805.5	804.3	809.0	837.5	935.8	966.1
43 Money market fund shares	745.3	891.1	1,048.7	1,334.2	1,249.7	1,334.2	1,416.0	1,449.6	1,446.8	1,584.8	1,671.2
44 Security repurchase agreements	660.0	701.5	822.4	913.7	960.5	913.7	980.3	970.8	999.3	1,085.4	1,157.0
45 Mutual fund shares	1,852.8	2,342.4	2,989.4	3,610.5	3,137.3	3,610.5	3,758.4	4,049.1	3,932.1	4,552.4	4,751.9
46 Security credit	305.7	358.1	469.1	572.3	573.6	572.3	552.7	589.3	593.2	665.9	792.7
47 Life insurance reserves	566.2	610.6	665.0	718.3	703.5	718.3	730.9	749.8	766.2	779.3	791.6
48 Pension fund reserves	5,766.9	6,642.6	7,895.8	9,097.6	8,123.6	9,097.6	9,275.8	9,731.4	9,479.4	10,386.8	10,395.6
49 Trade payables	1,698.0	1,812.8	1,943.3	1,970.7	1,958.4	1,970.7	1,972.9	2,032.7	2,092.8	2,144.7	2,153.7
50 Taxes payable	107.6	123.6	139.2	151.0	153.3	151.0	157.9	160.5	163.6	165.0	174.2
51 Investment in bank personal trusts	803.0	871.7	942.5	1,001.0	908.6	1,001.0	1,012.5	1,059.8	998.3	1,116.6	1,135.2
52 Miscellaneous	5,645.8	6,017.1	6,333.6	6,868.7	6,806.7	6,868.7	6,843.5	6,954.3	6,965.4	6,821.6	7,169.1
53 Total liabilities	41,382.7	45,222.6	49,913.2	55,341.8	52,900.6	55,341.8	56,418.8	57,944.8	58,358.3	61,053.1	62,306.1
<i>Financial assets not included in liabilities (+)</i>											
54 Gold and special drawing rights	23.1	21.4	21.1	21.6	21.2	21.6	20.7	20.8	21.3	21.4	21.4
55 Corporate equities	8,495.7	10,255.8	13,181.4	15,413.4	13,121.2	15,413.4	15,893.6	17,018.0	16,008.3	18,876.7	19,557.9
56 Household equity in noncorporate business	3,672.2	3,878.2	4,149.8	4,387.2	4,322.3	4,387.2	4,442.5	4,499.8	4,557.5	4,602.6	4,639.6
<i>Liabilities not identified as assets (-)</i>											
57 Treasury currency	-5.8	-6.7	-7.3	-8.0	-7.2	-8.0	-8.4	-8.2	-8.2	-9.7	-9.6
58 Foreign deposits	360.2	431.4	532.9	545.9	564.1	545.9	561.4	582.9	585.3	593.4	591.3
59 Net interbank transactions	-9.0	-10.6	-32.2	-27.0	-15.4	-27.0	-11.3	-10.6	-13.0	-25.0	-13.7
60 Security repurchase agreements	86.4	90.9	153.0	207.2	216.7	207.2	263.5	293.9	238.9	238.9	386.0
61 Taxes payable	62.4	76.7	92.3	101.5	100.4	101.5	88.9	110.2	92.5	93.1	82.8
62 Miscellaneous	-1,341.8	-1,692.7	-2,075.3	-2,659.9	-2,338.1	-2,659.9	-2,882.3	-2,998.6	-3,375.9	-3,717.7	-3,554.4
<i>Flows not included in assets (-)</i>											
63 Federal government checkable deposits	3.1	-1.6	-8.1	-3.9	-12.0	-3.9	-7.2	-12.4	-10.2	-9.9	-6.5
64 Other checkable deposits	34.2	30.1	26.2	23.1	15.7	23.1	18.9	22.1	14.5	22.3	18.7
65 Trade credit	198.2	176.7	137.0	94.3	31.3	94.3	48.7	29.2	49.7	139.2	83.9
66 Total identified to sectors as assets	54,084.9	60,283.8	68,447.0	76,890.6	71,809.7	76,890.6	78,703.5	81,493.2	81,316.7	87,229.1	88,946.4

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

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1997	1998	1999	1999			2000					
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^f	Apr. ^f	May	June ^g
1 Industrial production¹	127.1	132.4	137.1	139.1	139.4	140.1	141.1	141.6	142.4	143.5	144.3	144.6
<i>Market groupings</i>												
2 Products, total	119.6	123.7	126.5	128.5	128.0	128.5	129.7	130.1	130.3	131.1	131.3	131.2
3 Final, total	121.1	125.4	128.0	130.2	129.8	130.3	131.6	131.8	132.0	132.8	133.2	133.4
4 Consumer goods	115.1	116.2	116.9	118.2	117.6	118.1	118.8	118.7	118.0	118.6	118.6	118.4
5 Equipment	132.1	142.7	148.9	151.2	151.4	151.8	154.2	155.0	156.9	158.2	159.2	160.1
6 Intermediate	115.3	118.8	122.1	123.2	122.4	123.1	123.7	124.8	125.1	125.6	125.5	124.5
7 Materials	139.0	146.5	154.8	156.8	158.8	159.7	160.5	161.2	163.1	164.9	166.6	167.8
<i>Industry groupings</i>												
8 Manufacturing	130.1	136.4	142.3	144.2	145.0	145.6	146.7	147.2	148.4	149.3	150.0	150.5
9 Capacity utilization, manufacturing (percent) ²	82.4	80.9	79.8	80.2	80.3	80.3	80.7	80.7	81.1	81.3	81.3	81.3
10 Construction contracts ³	144.1	160.9	176.9	173.0	175.0	173.0	173.0	177.0	188.0	177.0	169.0	n.a.
11 Nonagricultural employment, total ⁴	120.3	123.4	126.2	127.0	127.3	127.5	127.9	128.0	128.5	128.9	129.1	129.1
12 Goods-producing, total	101.2	102.7	102.3	103.3	103.5	103.6	104.1	103.9	104.3	104.3	104.1	104.2
13 Manufacturing, total	98.3	98.8	97.0	97.3	97.3	97.3	97.4	97.2	97.3	97.3	97.3	97.3
14 Manufacturing, production workers	99.6	99.8	97.8	98.1	98.1	98.1	98.2	98.0	97.9	98.0	97.9	97.9
15 Service-producing	126.5	130.0	133.8	134.6	134.9	135.2	135.5	135.7	136.2	136.8	137.0	137.0
16 Personal income, total	175.4	185.7	196.6	200.5	201.3	201.9	203.2 ^h	204.3 ^h	205.8	207.0	207.8	n.a.
17 Wages and salary disbursements	171.3	184.4	197.0	200.7	201.3	202.6	204.1 ^h	205.1 ^h	206.3	207.9	208.0	n.a.
18 Manufacturing	144.6	152.4	156.9	159.7	158.8	158.8	160.0 ^h	160.4 ^h	160.9	162.5	161.7	n.a.
19 Disposable personal income ⁵	172.9	181.7	191.9	195.6	196.4	196.7	197.6 ^h	198.5 ^h	199.9	200.9	201.7	n.a.
20 Retail sales ⁶	169.8	178.4	194.5	198.8	200.8	204.0	205.5	208.3	209.3	208.3	208.9	210.0
<i>Prices^g</i>												
21 Consumer (1982-84=100)	160.5	163.0	166.6	168.2	168.3	168.3	168.7	169.7	171.1	171.2	171.3	172.3
22 Producer finished goods (1982=100)	131.8	130.7	133.0	135.1	134.9	134.9	134.7	136.0	137.0	137.0	137.5	138.4

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 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	1999		2000						
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^f	May	June ^g	
HOUSEHOLD SURVEY DATA¹												
1 Civilian labor force ²	136,297	137,673	139,368	139,834	140,108	140,910	141,165	140,867	141,230	140,489	140,762	
<i>Employment</i>												
2 Nonagricultural industries ³	126,159	128,085	130,207	130,788	131,141	131,850	131,954	131,801	132,351	131,417	131,858	
3 Agriculture	3,399	3,378	3,281	3,210	3,279	3,371	3,408	3,359	3,355	3,298	3,321	
<i>Unemployment</i>												
4 Number	6,739	6,210	5,880	5,736	5,688	5,689	5,804	5,708	5,524	5,774	5,583	
5 Rate (percent of civilian labor force)	4.9	4.5	4.2	4.1	4.1	4.0	4.1	4.1	3.9	4.1	4.0	
ESTABLISHMENT SURVEY DATA												
6 Nonagricultural payroll employment ⁴	122,690	125,826	128,616	129,788	130,038	130,387	130,482	131,009	131,419	131,590	131,601	
7 Manufacturing	18,675	18,772	18,431	18,484	18,479	18,495	18,473	18,476	18,492	18,480	18,488	
8 Mining	596	590	535	527	530	530	533	536	539	537	539	
9 Contract construction	5,691	5,985	6,273	6,516	6,552	6,652	6,618	6,726	6,694	6,670	6,673	
10 Transportation and public utilities	6,408	6,600	6,792	6,898	6,911	6,925	6,937	6,953	6,970	6,961	6,979	
11 Trade	28,614	29,127	29,792	29,882	29,938	29,978	29,989	30,060	30,252	30,128	30,161	
12 Finance	7,109	7,407	7,632	7,604	7,613	7,612	7,624	7,621	7,610	7,599	7,593	
13 Service	36,040	37,526	39,000	39,606	39,707	39,844	39,914	40,090	40,195	40,212	40,360	
14 Government	19,557	19,819	20,161	20,271	20,308	20,351	20,394	20,547	20,667	21,003	20,808	

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	
	Q3	Q4	Q1 ¹	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²			
1 Total industry	137.7	139.5	141.7	144.2	170.7	172.3	173.8	175.5	80.7	81.0	81.5 ⁵	82.1
2 Manufacturing	142.5	144.9	147.4	149.9	178.7	180.6	182.4	184.4	79.7	80.3	80.8	81.3
3 Primary processing ³	123.4	125.4	126.0	125.7	149.0	149.8	150.4	150.9	82.8	83.7	83.8 ⁶	83.3
4 Advanced processing ⁴	152.5	155.2	158.7	162.7	193.7	196.1	198.7	201.6	78.7	79.1	79.9	80.7
5 Durable goods	174.4	177.4	182.5	188.2	217.6	221.0	224.8	229.1	80.2	80.3	81.2	82.2
6 Lumber and products	120.5	120.6	121.3	118.5	147.4	148.4	149.0	149.1	81.7	81.2	81.4 ⁵	79.5
7 Primary metals	128.7	130.9	132.4	133.2	149.3	150.1	150.7	151.5	86.2	87.2	87.9 ⁶	87.9
8 Iron and steel	126.6	129.1	130.9	131.7	151.3	152.5	153.5	154.4	83.7	84.6	85.3	85.3
9 Nonferrous	131.2	133.3	134.3	135.0	147.0	147.2	147.5	148.0	89.3	90.5	91.0	91.2
10 Industrial machinery and equipment	232.3	239.9	252.3	263.3	285.3	295.8	306.1	315.2	81.4	81.1	82.4 ⁶	83.5
11 Electrical machinery	400.9	419.0	458.1	507.8	498.5	514.6	537.2	570.7	80.4	81.4	85.3	89.0
12 Motor vehicles and parts	153.3	154.7	155.2	157.0	184.9	185.0	185.7	186.7	82.9	83.6	83.6	84.1
13 Aerospace and miscellaneous transportation equipment	93.8	89.9	88.0	86.8	126.2	125.8	125.2	124.5	74.3	71.5	70.3 ⁶	69.7
14 Nondurable goods	111.5	113.4	113.7	113.4	139.9	140.3	140.5	140.6	79.7	80.9	80.9	80.6
15 Textile mill products	111.6	111.4	111.3	109.6	131.6	131.8	131.9	131.9	84.8	84.5	84.4	83.0
16 Paper and products	116.0	117.9	117.0	117.0	135.3	136.1	136.6	136.7	85.7	86.6	85.6 ⁶	85.6
17 Chemicals and products	117.0	121.8	121.7	120.6	150.7	151.0	151.4	151.7	77.6	80.7	80.4	79.5
18 Plastics materials	124.2	132.3	134.0	131.6	138.4	139.6	140.8	141.9	89.7	94.8	95.2	92.8
19 Petroleum products	114.6	114.1	115.8	117.1	122.7	123.1	123.4	123.6	93.4	92.7	93.9	94.8
20 Mining	98.2	99.5	100.4	101.8	120.2	120.2	119.8	119.3	81.7	82.8	83.8	85.3
21 Utilities	118.4	113.2	113.6	115.8	127.8	128.2	128.6	129.0	92.7	88.3	88.3 ⁶	89.7
22 Electric	120.8	116.5	115.5	118.5	125.6	126.1	126.6	127.1	96.2	92.4	91.2 ⁶	93.2

Series	1973	1975	Previous cycle ⁵		Latest cycle ⁶		1999	2000					
	High	Low	High	Low	High	Low	June	Jan.	Feb.	Mar. ⁷	Apr. ⁷	May	June ⁸
	Capacity utilization rate (percent) ²												
1 Total industry	89.2	72.6	87.3	71.1	85.4	78.1	80.5	81.4	81.5	81.7	82.1	82.2	82.1
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	79.6	80.7	80.7	81.1	81.3	81.3	81.3
3 Primary processing ³	91.2	68.2	88.1	66.2	88.9	77.7	82.7	83.9	83.7	83.7	83.8	83.3	82.8
4 Advanced processing ⁴	87.2	71.8	86.7	70.4	84.2	76.1	78.6	79.7	79.7	80.2	80.5	80.8	80.9
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	79.9	81.0	80.9	81.6	82.0	82.2	82.3
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	81.3	82.0	81.3	80.8	80.9	79.9	77.7
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	85.6	88.2	86.9	88.5	88.8	87.9	87.1
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	82.8	85.4	84.1	86.4	86.1	85.3	84.5
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	89.1	91.7	90.3	91.1	92.2	91.1	90.4
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	81.8	81.8	82.5	83.0	83.4	83.5	83.6
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	78.7	84.0	84.9	86.9	88.2	89.3	89.4
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	82.7	84.5	82.6	83.6	83.9	84.0	84.5
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	75.2	70.6	69.9	70.4	69.9	69.5	69.6
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	79.7	80.8	81.0	80.9	80.8	80.6	80.5
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	84.2	84.5	84.0	84.6	84.4	82.4	82.3
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	85.9	85.7	85.3	85.9	86.3	85.5	85.0
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	77.3	80.4	80.8	80.0	79.4	79.6	79.5
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	89.5	91.9	102.4	91.3	93.4	93.0	92.0
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	92.6	91.8	93.7	96.1	94.8	95.2	94.3
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	80.7	83.1	83.5	84.7	85.0	84.9	85.9
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	92.1	89.2	89.7	86.1	89.1	91.3	88.9
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	95.5	91.8	91.7	90.3	92.9	94.5	92.2

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.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Group	SIC code	1992 proportion	1999 avg.	1999						2000						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ¹	Apr. ¹	May	June ^P
Index (1992 = 100)																
MAJOR INDUSTRIES																
59 Total index		100.0	137.1	136.6	137.4	137.7	138.1	139.1	139.4	140.1	141.1	141.6	142.4	143.5	144.3	144.6
60 Manufacturing		85.4	142.3	141.4	142.0	142.5	142.9	144.2	145.0	145.6	146.7	147.2	148.4	149.3	150.0	150.5
61 Primary processing		26.5	123.3	122.7	123.3	123.4	123.6	124.8	125.6	125.9	126.0	125.9	126.1	126.3	125.7	125.1
62 Advanced processing		58.9	151.8	151.2	151.8	152.6	153.1	154.5	155.2	155.9	157.5	158.4	160.1	161.5	162.8	163.9
63 Durable goods		45.0	172.8	172.2	173.8	174.4	175.0	176.5	177.4	178.4	181.0	181.8	184.6	186.7	188.4	189.7
64 Lumber and products	24	2.0	121.6	122.2	121.5	120.2	119.7	120.5	119.8	121.4	122.1	121.2	120.5	120.6	119.1	115.8
65 Furniture and fixtures	25	1.4	125.5	124.4	125.7	126.4	127.9	127.0	125.2	128.6	126.9	126.8	126.3	127.0	128.0	127.0
66 Stone, clay, and glass products	32	2.1	130.5	127.8	129.3	130.2	129.6	131.2	132.4	131.4	130.9	131.7	132.7	132.3	132.4	131.7
67 Primary metals	33	3.1	126.6	127.4	128.0	129.6	128.3	129.0	131.1	132.8	132.8	130.9	133.6	134.3	133.1	132.2
68 Iron and steel	331,2	1.7	123.2	124.5	126.2	127.6	125.9	124.9	130.7	131.7	130.8	129.1	132.9	132.7	131.8	130.7
69 Raw steel	331PT	1	113.3	110.7	111.1	115.9	112.4	121.8	124.0	124.2	123.1	118.7	121.1	124.1	123.9	122.7
70 Nonferrous	333-6,9	1.4	130.9	130.8	130.2	132.1	131.4	134.0	131.7	134.1	135.2	133.2	134.5	136.3	134.8	134.0
71 Fabricated metal products	34	5.0	128.7	128.3	128.6	128.5	128.4	128.8	129.7	129.0	130.8	130.4	130.6	131.0	131.2	131.4
72 Industrial machinery and equipment	35	8.0	230.1	228.2	230.0	231.4	235.5	238.3	239.7	241.8	247.7	252.6	256.7	260.5	263.3	266.2
73 Computer and office equipment	357	1.8	1,061.4	1,048.2	1,075.1	1,123.7	1,167.5	1,196.6	1,222.8	1,244.6	1,284.5	1,342.2	1,389.6	1,428.4	1,466.3	1,502.5
74 Electrical machinery	36	7.3	390.2	384.2	399.2	401.3	402.1	412.6	418.1	426.4	443.5	455.8	475.2	492.0	509.6	521.8
75 Transportation equipment	37	9.5	122.4	123.5	122.9	122.9	123.1	122.3	121.8	120.4	121.7	119.6	120.9	120.8	120.7	121.3
76 Motor vehicles and parts	371	4.9	151.0	152.9	152.2	152.2	155.6	155.7	155.8	152.7	156.6	153.4	155.6	156.2	156.7	158.0
77 Autos and light trucks	371PT	2.6	137.8	142.0	135.8	146.8	139.4	140.7	141.0	135.0	141.0	137.7	138.1	142.1	142.2	144.2
78 Aerospace and miscellaneous transportation equipment	372-6,9	4.6	94.9	95.2	94.7	94.7	92.2	90.6	89.5	89.7	88.6	87.5	88.0	87.2	86.6	86.5
79 Instruments	38	5.4	116.5	117.0	117.2	117.7	117.2	118.3	118.9	119.7	118.4	117.3	117.4	117.4	117.5	118.4
80 Miscellaneous	39	1.3	124.7	124.5	125.2	125.2	125.1	125.0	125.0	126.4	126.9	125.5	124.8	125.2	124.9	124.4
81 Nondurable goods		40.4	111.8	111.3	111.0	111.5	111.8	113.0	113.6	113.7	113.5	113.8	113.6	113.6	113.4	113.2
82 Foods	20	9.4	110.1	110.0	108.9	108.9	109.6	110.1	110.3	110.0	109.8	110.7	111.1	111.5	111.0	111.3
83 Tobacco products	21	1.6	94.3	94.5	96.0	94.8	90.9	91.9	93.1	94.7	96.7	94.5	91.4	92.7	92.5	91.0
84 Textile mill products	22	1.8	110.9	110.8	112.3	111.7	110.8	112.7	111.4	110.1	111.5	110.8	111.6	111.4	108.7	108.6
85 Apparel products	23	2.2	90.7	90.7	89.8	89.2	89.0	89.1	89.1	89.1	89.0	89.7	89.5	90.1	88.5	86.7
86 Paper and products	26	3.6	116.2	115.7	115.0	115.8	117.2	118.0	118.1	117.7	117.1	116.5	117.3	118.0	116.8	116.2
87 Printing and publishing	27	6.7	104.4	103.5	102.8	103.6	104.6	106.0	105.7	105.3	105.3	105.7	105.9	105.6	106.2	106.1
88 Chemicals and products	28	9.9	117.5	116.3	115.8	117.7	117.4	119.8	122.7	122.9	121.6	122.4	121.2	120.3	120.8	120.8
89 Petroleum products	29	1.4	114.7	113.4	115.1	114.1	114.6	114.5	112.8	114.9	113.2	115.6	118.7	117.1	117.7	116.6
90 Rubber and plastic products	30	3.5	137.7	136.4	138.0	137.6	139.3	138.9	139.3	141.4	142.2	141.2	140.5	141.6	140.6	140.9
91 Leather and products	31	3	69.8	71.3	69.1	70.2	69.5	68.2	67.7	65.4	68.1	66.2	64.6	63.7	64.2	63.1
92 Mining		6.9	98.0	97.1	97.8	98.5	98.3	99.2	99.7	99.5	99.7	100.0	101.3	101.5	101.3	102.4
93 Metal	10	5	97.1	98.9	96.2	93.0	91.4	94.2	94.5	95.2	95.5	94.1	92.7	93.9	92.6	92.0
94 Coal	12	1.0	108.1	107.0	110.0	110.7	109.4	108.8	110.0	109.5	106.3	101.9	109.3	112.0	110.1	114.4
95 Oil and gas extraction	13	4.8	92.5	91.4	92.3	93.2	93.0	94.0	94.5	94.6	95.7	96.2	96.0	96.0	96.6	97.6
96 Stone and earth minerals	14	6	124.4	123.3	120.5	123.0	125.5	126.3	125.0	122.4	120.8	127.5	133.0	131.1	127.8	126.5
97 Utilities		7.7	115.6	117.4	119.8	117.8	117.7	115.2	110.9	113.5	114.6	115.3	110.8	114.8	117.7	114.7
98 Electric	491,493PT	6.2	118.2	119.6	122.6	120.0	119.8	116.9	115.8	116.9	116.0	116.0	114.4	117.9	120.1	117.4
99 Gas	492,493PT	1.6	104.8	107.5	107.4	108.2	108.5	107.9	88.2	98.1	108.4	112.6	94.4	100.8	106.8	102.7
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts		80.5	141.7	140.8	141.4	142.0	142.3	143.6	144.5	145.2	146.2	146.9	148.0	149.0	149.7	150.1
101 Manufacturing excluding computer and office equipment		83.6	135.3	134.3	134.8	135.1	135.3	136.5	137.1	137.6	138.5	138.7	139.7	140.5	141.0	141.3
102 Computers, communications equipment, and semiconductors		5.9	794.1	780.5	812.1	830.4	843.0	863.9	887.7	908.5	952.4	994.7	1,043.7	1,088.6	1,131.3	1,166.2
103 Manufacturing excluding computers and semiconductors		81.1	121.6	121.2	121.3	121.6	121.7	122.6	122.9	123.1	123.6	123.4	123.8	124.0	124.0	124.0
104 Manufacturing excluding computers, communications equipment, and semiconductors		79.5	119.3	118.9	118.9	119.1	119.3	120.1	120.4	120.6	120.9	120.7	121.0	121.1	121.0	120.9
Gross value (billions of 1992 dollars, annual rates)																
Major Markets																
105 Products, total		2,001.9	2,726.1	2,723.6	2,726.1	2,742.0	2,740.2	2,762.6	2,740.0	2,751.5	2,781.7	2,791.9	2,795.8	2,812.6	2,818.5	2,812.9
106 Final		1,552.1	2,101.6	2,100.3	2,102.8	2,118.5	2,112.5	2,132.5	2,115.8	2,122.4	2,147.5	2,152.5	2,155.2	2,168.8	2,175.1	2,176.0
107 Consumer goods		1,049.6	1,294.9	1,295.1	1,292.4	1,301.3	1,297.0	1,311.7	1,294.7	1,301.5	1,309.9	1,309.9	1,302.9	1,308.6	1,309.7	1,307.7
108 Equipment		502.5	808.3	806.7	812.3	819.0	817.5	822.5	823.4	822.9	840.3	845.6	856.0	864.1	869.6	872.7
109 Intermediate		449.9	623.3	622.1	622.0	622.4	626.4	628.9	623.0	627.9	633.0	638.1	639.3	642.5	642.1	635.8

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. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1997	1998	1999	1999					2000				
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ¹	Mar. ¹	Apr. ¹	May
Private residential real estate activity (thousands of units except as noted)													
NEW UNITS													
1 Permits authorized	1,441	1,612	1,664	1,658	1,553	1,636	1,678	1,683	1,762	1,661	1,597	1,559	1,511
2 One-family	1,062	1,188	1,247	1,233	1,200	1,204	1,238	1,266	1,317	1,223	1,238	1,164	1,150
3 Two-family or more	379	425	417	425	353	432	440	417	445	438	359	395	361
4 Started	1,474	1,617	1,667	1,657	1,628	1,636	1,663	1,769	1,744	1,822	1,630	1,652	1,596
5 One-family	1,134	1,271	1,335	1,285	1,290	1,343	1,344	1,441	1,361	1,324	1,327	1,310	1,254
6 Two-family or more	340	346	332	372	338	293	319	328	383	498	303	342	342
7 Under construction at end of period ²	833	925	1,022	1,026	1,021	1,020	1,022	1,025	1,033	1,041	1,031	1,028	1,027
8 One-family	570	637	704	706	702	706	708	710	712	712	706	701	696
9 Two-family or more	264	297	318	320	319	314	314	315	321	329	325	327	331
10 Completed	1,404	1,473	1,636	1,581	1,642	1,608	1,653	1,675	1,599	1,732	1,728	1,675	1,680
11 One-family	1,120	1,158	1,308	1,251	1,307	1,274	1,345	1,340	1,296	1,382	1,375	1,372	1,381
12 Two-family or more	285	315	328	330	335	334	308	335	303	350	353	303	299
13 Mobile homes shipped	354	374	348	340	320	321	316	304	307	291	287	271	265
Merchant builder activity in one-family units													
14 Number sold	804	886	907	914	848	906	895	916	927	905	959	877	875
15 Number for sale at end of period ¹	287	300	326	307	311	314	317	320	321	309	321	319	322
Price of units sold (thousands of dollars) ³													
16 Median	146.0	152.5	160.0	154.9	162.0	160.0	172.9	165.0	163.0	162.3	165.0	160.0	165.0
17 Average	176.2	181.9	195.8	193.3	194.4	200.3	212.4	203.0	200.1	199.6	201.9	208.5	201.3
EXISTING UNITS (one-family)													
18 Number sold	4,382	4,970	5,197	5,300	5,150	4,880	5,150	5,140	4,450	4,760	5,200	4,880	5,090
Price of units sold (thousands of dollars) ³													
19 Median	121.8	128.4	133.3	137.4	134.4	132.5	133.2	133.7	132.2	133.7	134.7	136.1	137.6
20 Average	150.5	159.1	168.3	174.3	170.2	167.2	168.9	168.8	168.9	168.1	171.5	173.3	176.0
Value of new construction (millions of dollars) ³													
CONSTRUCTION													
21 Total put in place	656,084 ¹	710,104 ¹	765,719 ¹	755,253 ¹	753,081 ¹	756,854 ¹	776,476 ¹	791,698 ¹	794,370 ¹	803,956	817,559	808,224	809,257
22 Private	501,426 ¹	550,983 ¹	592,037 ¹	584,016 ¹	582,464 ¹	584,860 ¹	596,942 ¹	605,802 ¹	614,584 ¹	629,590	637,743	634,033	639,944
23 Residential	289,101 ¹	314,058 ¹	348,584 ¹	348,084 ¹	347,616 ¹	349,968 ¹	353,854 ¹	358,223 ¹	365,149 ¹	368,745	372,118	369,465	368,025
24 Nonresidential	212,325 ¹	236,925 ¹	243,454 ¹	235,932 ¹	234,848 ¹	234,892 ¹	243,088 ¹	247,579 ¹	249,435 ¹	260,845	265,625	264,568	271,919
25 Industrial buildings	36,696 ¹	40,464 ¹	35,016 ¹	34,279 ¹	32,696 ¹	31,354 ¹	32,244 ¹	33,262 ¹	33,947 ¹	38,538	39,030	38,473	42,474
26 Commercial buildings	86,151 ¹	95,753 ¹	103,759 ¹	101,966 ¹	103,930 ¹	103,935 ¹	107,305 ¹	107,187 ¹	107,961 ¹	115,440	116,030	117,161	117,800
27 Other buildings	37,193 ¹	39,607 ¹	41,279 ¹	40,220 ¹	40,198 ¹	41,496 ¹	42,095 ¹	43,392 ¹	43,350 ¹	45,553	45,808	45,363	48,021
28 Public utilities and other	52,287 ¹	61,101 ¹	63,400 ¹	59,467 ¹	58,024 ¹	58,107 ¹	61,444 ¹	63,738 ¹	64,177 ¹	61,314	64,757	63,571	63,624
29 Public	154,657 ¹	159,121 ¹	173,682 ¹	171,237 ¹	170,617 ¹	171,994 ¹	179,534 ¹	185,895 ¹	179,787 ¹	174,366	179,816	174,191	169,314
30 Military	2,561 ¹	2,538 ¹	2,122 ¹	1,646 ¹	1,932 ¹	2,114 ¹	1,944 ¹	2,312 ¹	1,782 ¹	3,011	2,249	2,182	2,259
31 Highway	43,886 ¹	48,339 ¹	54,447 ¹	51,542 ¹	52,432 ¹	50,646 ¹	56,547 ¹	60,218 ¹	63,368 ¹	53,145	59,007	55,260	51,538
32 Conservation and development	5,708 ¹	5,421 ¹	6,002 ¹	6,373 ¹	6,145 ¹	5,941 ¹	6,585 ¹	7,001 ¹	6,223 ¹	6,975	6,494	5,826	5,378
33 Other	102,502 ¹	102,823 ¹	111,110 ¹	111,676 ¹	110,108 ¹	113,293 ¹	114,458 ¹	116,344 ¹	108,414 ¹	111,235	112,066	110,923	110,139

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, June 2000 ¹
	1999 June	2000 June	1999		2000		2000					
			Sept.	Dec.	Mar.	June	Feb.	Mar.	Apr.	May	June	
CONSUMER PRICES² (1982-84=100)												
1 All Items	2.0	3.7	3.9	2.4	5.8	2.6	.5	.7	.0	.1	.6	172.3
2 Food	2.2	2.3	2.5	2.2	1.7	2.7	.4	.1	.1	.5	.1	167.3
3 Energy items	1.0	21.3	26.0	7.8	50.5	6.6	4.6	4.9	-1.9	-1.9	5.6	129.6
4 All items less food and energy	2.1	2.4	2.5	1.8	3.2	2.0	.2	.4	.2	.2	.2	180.8
5 Commodities .....	.6	.6	2.5	-6	.3	.0	.0	.3	.2	.0	-.2	144.5
6 Services	2.6	3.2	2.5	3.1	4.1	3.2	.3	.5	.2	.2	.3	201.6
PRODUCER PRICES (1982=100)												
7 Finished goods	1.5	4.3	6.8	-.9	8.6	1.2	1.1 ^f	.9 ^f	-.3	.0	.6	138.4
8 Consumer foods	1.0	1.6	3.3	-2.0	3.3	2.1	.5 ^f	.1	1.0	-.2	-.3	137.3
9 Consumer energy	1.8	23.4	37.6	5.9	59.0	.8	5.3 ^f	5.7 ^f	-4.1	-.5	5.1	97.0
10 Other consumer goods	2.6	1.6	3.8	1.1	.8	.8	.5	.1	.1	.2	-.1	153.4
11 Capital equipment .....	.0	.9	.3	1.2	.9	1.5	.0 ^f	.1	.2	.1	.0	138.5
<i>Intermediate materials</i>												
12 Excluding foods and feeds	-.2	5.7	6.6	3.6	9.8	2.5	.9	.9 ^f	-.2	-.1	.9	130.7
13 Excluding energy	-.5	3.0	3.4	2.1	3.9	3.0	.3 ^f	.3 ^f	.4	.1	.2	136.9
<i>Crude materials</i>												
14 Foods	-6.3	2.3	3.7	-3.6	21.0	-10.8	.6	3.5	1.7	-1.8	-2.6	101.8
15 Energy	15.2	59.4	134.4	-27.9	91.5	99.6	8.9 ^f	3.2 ^f	-6.9	9.9	16.2	122.9
16 Other	-9.8	11.0	22.6	26.2	10.2	-10.7	.6 ^f	-5 ^f	-1.2	-.3	-1.3	146.8

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1997	1998	1999	1999				2000
				Q1	Q2	Q3	Q4		Q1^{1}
GROSS DOMESTIC PRODUCT								
1 Total	8,300.8	8,759.9	9,156.1	9,072.7	9,146.2	9,297.8	9,507.9	9,707.0
<i>By source</i>								
2 Personal consumption expenditures	5,524.4	5,848.6	6,257.3	6,090.8	6,200.8	6,303.7	6,434.1	6,612.0
3 Durable goods	642.9	698.2	758.6	739.0	751.6	761.8	782.1	821.8
4 Nondurable goods	1,641.7	1,708.9	1,843.1	1,787.8	1,824.8	1,853.9	1,905.8	1,958.4
5 Services	3,239.8	3,441.5	3,655.6	3,564.0	3,624.3	3,688.0	3,746.2	3,831.8
6 Gross private domestic investment	1,383.7	1,531.2	1,622.7	1,594.1	1,585.4	1,635.0	1,675.8	1,715.1
7 Fixed investment	1,315.4	1,460.0	1,578.0	1,543.3	1,567.8	1,594.2	1,606.8	1,683.6
8 Nonresidential	986.1	1,091.3	1,166.7	1,139.9	1,155.4	1,181.6	1,190.0	1,257.1
9 Structures	254.1	272.8	273.4	274.7	272.5	272.1	274.1	290.4
10 Producers' durable equipment	732.1	818.5	893.4	865.2	882.9	909.5	916.0	966.7
11 Residential structures	329.2	368.7	411.3	403.4	412.4	412.7	416.7	426.5
12 Change in business inventories	68.3	71.2	44.6	51.0	17.6	40.8	69.1	31.5
13 Nonfarm	65.6	70.9	41.3	40.9	12.8	40.1	71.3	33.5
14 Net exports of goods and services	-88.3	-149.6	-253.9	-201.6	-245.8	-278.2	-290.1	-326.1
15 Exports	968.0	966.3	998.3	966.9	978.2	1,008.5	1,039.5	1,060.5
16 Imports	1,056.3	1,115.9	1,252.2	1,168.5	1,224.0	1,286.6	1,329.6	1,386.7
17 Government consumption expenditures and gross investment	1,481.0	1,529.7	1,630.1	1,589.1	1,605.9	1,637.2	1,688.0	1,706.1
18 Federal	537.8	538.7	570.6	557.4	561.6	569.8	593.6	579.8
19 State and local	943.2	991.0	1,059.4	1,031.8	1,044.3	1,067.4	1,094.4	1,126.3
<i>By major type of product</i>								
20 Final sales, total	8,232.4	8,688.7	9,211.5	9,021.6	9,128.6	9,257.0	9,438.8	9,675.6
21 Goods	3,074.1	3,239.1	3,437.5	3,365.6	3,406.6	3,453.2	3,524.6	3,640.1
22 Durable	1,424.8	1,528.9	1,618.7	1,584.3	1,601.7	1,631.1	1,657.8	1,731.0
23 Nondurable	1,649.3	1,710.3	1,818.8	1,781.3	1,804.9	1,822.2	1,866.9	1,909.1
24 Services	4,434.7	4,664.6	4,933.0	4,820.7	4,885.5	4,963.7	5,058.2	5,144.7
25 Structures	723.7	785.1	842.0	835.3	836.5	840.1	856.0	890.8
26 Change in business inventories	68.3	71.2	44.6	51.0	17.6	40.8	69.1	31.5
27 Durable goods	35.6	39.0	25.8	24.1	6.3	23.0	49.8	21.8
28 Nondurable goods	32.8	32.3	18.9	27.0	11.4	17.8	19.2	9.7
MEMO								
29 Total GDP in chained 1996 dollars	8,144.8	8,495.7	8,848.2	8,717.6	8,758.3	8,879.8	9,037.2	9,158.2
NATIONAL INCOME								
30 Total	6,635.5	7,038.8	7,496.3	7,339.4	7,428.1	7,527.0	7,690.9	7,848.4
31 Compensation of employees	4,675.7	5,011.2	5,331.7	5,217.7	5,287.1	5,373.6	5,448.3	5,543.9
32 Wages and salaries	3,884.7	4,189.5	4,472.3	4,371.5	4,432.6	4,509.4	4,575.6	4,657.9
33 Government and government enterprises	664.4	692.8	726.5	715.8	721.3	730.3	738.5	754.3
34 Other	3,220.3	3,496.7	3,745.8	3,655.7	3,711.3	3,779.1	3,837.1	3,903.5
35 Supplement to wages and salaries	791.0	821.7	859.4	846.2	854.5	864.2	872.7	886.1
36 Employer contributions for social insurance	290.1	306.0	323.6	318.3	321.5	325.7	329.0	335.7
37 Other labor income	500.9	515.7	535.8	528.0	533.0	538.5	543.7	550.3
38 Proprietors' income ¹	578.6	606.1	658.5	639.9	655.3	654.0	685.0	687.1
39 Business and professional ¹	549.1	581.0	627.3	607.5	621.2	633.0	647.4	663.2
40 Farm ¹	29.5	25.1	31.3	32.5	34.1	21.0	37.6	23.9
41 Rental income of persons ²	130.2	137.4	145.9	148.6	148.8	139.0	147.3	146.1
42 Corporate profits ¹	838.5	848.4	892.7	886.9	880.5	884.1	919.4	965.6
43 Profits before tax ³	795.9	781.9	848.5	818.1	835.8	853.8	886.3	936.5
44 Inventory valuation adjustment	7.4	20.9	-13.0	13.3	-13.6	-26.7	-24.9	-26.7
45 Capital consumption adjustment	35.3	45.6	57.2	55.5	58.2	57.0	58.0	55.7
46 Net interest	412.5	435.7	467.5	446.3	456.4	476.3	491.0	505.7

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
				Q1	Q2	Q3	Q4		Q1^{1}
PERSONAL INCOME AND SAVING								
1 Total personal income	6,951.1	7,358.9	7,791.8	7,630.2	7,732.6	7,831.4	7,972.9	8,100.5
2 Wage and salary disbursements	3,888.9	4,186.0	4,472.3	4,371.5	4,432.6	4,509.4	4,575.6	4,657.9
3 Commodity-producing industries	975.5	1,038.7	1,082.4	1,062.9	1,075.1	1,090.2	1,101.4	1,119.0
4 Manufacturing	718.8	757.5	779.7	767.0	774.8	786.4	790.7	797.2
5 Distributive industries	879.1	944.6	1,005.8	986.3	997.6	1,013.4	1,025.8	1,042.8
6 Service industries	1,369.8	1,504.9	1,657.6	1,606.6	1,638.5	1,675.5	1,709.9	1,741.8
7 Government and government enterprises	664.4	692.8	726.5	713.8	721.3	730.3	738.5	754.3
8 Other labor income	500.9	515.7	535.8	528.0	533.0	538.5	543.7	550.3
9 Proprietors' income ¹	578.6	606.1	658.5	639.9	655.3	654.0	685.0	687.1
10 Business and professional	549.1	581.0	627.3	607.5	621.2	633.0	647.4	663.2
11 Farm ¹	29.5	25.1	31.3	32.5	34.1	21.0	37.6	23.9
12 Rental income of persons ²	130.2	137.4	145.9	148.6	148.8	139.0	147.3	146.1
13 Dividends	333.4	348.3	364.3	356.1	361.2	367.0	373.1	379.6
14 Personal interest income	854.9	897.8	931.3	907.4	920.5	938.8	958.5	979.4
15 Transfer payments	962.4	983.6	1,018.2	1,007.8	1,013.6	1,021.3	1,030.2	1,047.5
16 Old-age survivors, disability, and health insurance benefits	565.8	578.1	596.4	588.9	593.0	599.0	604.7	618.2
17 LESS: Personal contributions for social insurance	298.1	315.9	334.6	328.9	332.3	336.7	340.4	347.4
18 EQUALS: Personal income	6,951.1	7,358.9	7,791.8	7,630.2	7,732.6	7,831.4	7,972.9	8,100.5
19 LESS: Personal tax and nontax payments	968.3	1,072.6	1,152.1	1,124.8	1,139.4	1,160.4	1,183.8	1,227.6
20 EQUALS: Disposable personal income	5,982.8	6,286.2	6,639.7	6,505.4	6,593.2	6,671.0	6,789.1	6,872.9
21 LESS: Personal outlays	5,711.7	6,056.6	6,483.3	6,310.3	6,425.2	6,531.5	6,666.3	6,849.4
22 EQUALS: Personal saving	271.1	229.7	156.3	195.1	168.0	139.5	122.8	23.5
MEMO								
<i>Per capita (chained 1996 dollars)</i>								
23 Gross domestic product	30,391.0	31,395.8	32,387.3	32,038.3	32,105.0	32,467.4	32,958.4	33,338.9
24 Personal consumption expenditures	20,213.8	20,997.0	21,901.9	21,577.7	21,790.5	21,995.2	22,257.1	22,634.9
25 Disposable personal income	21,887.0	22,569.0	23,244.0	23,043.0	23,172.0	23,275.0	23,485.0	23,527.0
26 Saving rate (percent)	4.5	3.7	2.4	3.0	2.5	2.1	1.8	.3
GROSS SAVING								
27 Gross saving	1,521.3	1,646.0	1,727.1	1,727.8	1,709.5	1,735.6	1,735.8	1,763.8
28 Gross private saving	1,362.0	1,371.2	1,364.7	1,389.4	1,359.3	1,355.7	1,354.3	1,300.5
29 Personal saving	271.1	229.7	156.3	195.1	168.0	139.5	122.8	23.5
30 Undistributed corporate profits ¹	266.6	259.6	268.6	282.5	264.5	257.4	270.1	294.8
31 Corporate inventory valuation adjustment	7.4	20.9	-13.0	13.3	-13.6	-26.7	-24.9	-26.7
<i>Capital consumption allowances</i>								
32 Corporate	578.8	616.9	661.1	640.9	652.2	671.6	679.7	695.8
33 Noncorporate	249.8	261.5	278.6	271.0	274.6	287.2	281.6	286.3
34 Gross government saving	159.3	274.8	362.5	338.3	350.2	379.9	381.4	463.3
35 Federal	37.7	134.3	206.3	187.2	208.3	225.1	204.6	296.4
36 Consumption of fixed capital	86.6	87.4	90.9	89.6	90.2	91.2	92.4	93.4
37 Current surplus or deficit (-), national accounts	-48.8	46.9	115.4	97.6	118.1	133.8	112.2	203.0
38 State and local	121.5	140.5	156.2	151.1	141.9	154.8	176.9	166.9
39 Consumption of fixed capital	94.0	98.8	105.2	102.4	104.3	106.0	108.1	110.0
40 Current surplus or deficit (-), national accounts	27.5	41.7	51.0	48.7	37.6	48.9	68.8	56.9
41 Gross investment	1,518.1	1,598.4	1,602.0	1,628.4	1,574.0	1,594.4	1,611.3	1,635.6
42 Gross private domestic investment	1,383.7	1,531.2	1,622.7	1,594.3	1,585.4	1,635.0	1,675.8	1,715.1
43 Gross government investment	258.1	268.7	297.9	289.8	292.2	295.7	313.7	320.4
44 Net foreign investment	-123.7	-201.5	-318.5	-255.7	-303.7	-336.3	-378.2	-399.9
45 Statistical discrepancy	-3.2	-47.6	-125.1	-99.4	-135.5	-141.2	-124.5	-128.2

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
				Q1	Q2	Q3	Q4	Q1
1 Balance on current account	-140,540	-217,138	-331,479	-66,627	-78,982	-89,649	-96,223	-102,301
2 Balance on goods and services	-105,932	-166,898	-264,971	-52,676	-63,300	-72,718	-76,280	-86,176
3 Exports	936,937	932,977	956,242	230,321	234,297	241,969	249,653	255,037
4 Imports	-1,042,869	-1,099,875	-1,221,213	-282,997	-297,597	-314,687	-325,933	-341,213
5 Income, net	6,186	-6,211	-18,483	-3,120	-4,145	-5,535	-5,683	-4,200
6 Investment, net	11,050	-1,036	-13,102	-1,775	-2,813	-4,193	-4,319	-2,820
7 Direct	71,935	67,728	62,704	16,030	14,698	15,701	16,275	17,887
8 Portfolio	-60,885	-68,764	-75,808	-17,805	-17,511	-19,894	-20,534	-20,507
9 Compensation of employees	-4,864	-5,175	-5,381	-1,345	-1,332	-1,342	-1,364	-1,380
10 Unilateral current transfers, net	-40,794	-44,029	-48,025	-10,831	-11,537	-11,396	-14,260	-11,925
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	68	-422	2,751	118	-392	-686	3,711	-82
12 Change in U.S. official reserve assets (increase, -)	-1,010	-6,783	8,747	4,068	1,159	1,951	1,569	-554
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-3,575	-5,119	5,484	3	1,413	2,268	1,800	-237
15 Reserve position in International Monetary Fund	2,915	-1,517	3,253	3,503	-64	-133	-53	-137
16 Foreign currencies	-487,998	-328,231	-441,685	-25,741	-171,609	-124,174	-120,162	-142,647
17 Change in U.S. private assets abroad (increase, -)	-141,118	-35,572	-69,862	28,487	-41,786	-11,259	-45,304	-45,084
18 Bank-reported claims	-122,888	-10,612	-92,328	-14,223	-25,734	-27,943	-24,428	-35,183
19 Nonbank-reported claims	-118,976	-135,995	-128,594	1,107	-71,131	-41,420	-17,150	-27,535
20 U.S. purchases of foreign securities, net	-105,016	-146,052	-150,901	-41,112	-32,958	-43,552	-33,280	-34,845
21 U.S. direct investments abroad, net	18,876	-20,127	42,864	4,274	-1,096	12,191	27,495	20,442
22 Change in foreign official assets in United States (increase, +)	-6,690	-9,921	12,177	800	-6,708	12,963	5,122	16,198
23 U.S. Treasury securities	4,529	6,332	20,350	5,993	5,792	1,835	6,730	8,107
24 Other U.S. government obligations	-1,041	-3,550	-3,255	-1,485	-1,099	-760	89	-644
25 Other U.S. government liabilities ²	22,286	-9,501	12,692	-1,139	1,436	-2,032	14,427	-4,150
26 Other U.S. liabilities reported by U.S. banks ³	-208	-3,487	900	105	-517	185	1,127	931
27 Other foreign official assets ⁴	738,086	502,362	710,700	98,506	273,104	182,019	157,072	194,566
28 Change in foreign private assets in United States (increase, +)	149,026	39,769	67,403	-13,951	37,151	24,585	19,618	-6,701
29 U.S. bank-reported liabilities ⁵	113,921	-7,001	34,298	27,928	13,663	-8,085	-792	42,035
30 U.S. nonbank-reported liabilities	146,433	48,581	-20,464	-7,505	-5,407	9,639	-17,191	-9,254
31 Foreign private purchases of U.S. Treasury securities, net	24,782	16,622	22,407	2,440	3,057	4,697	12,213	-6,847
32 U.S. currency flows	197,892	218,075	331,523	62,815	80,838	95,620	92,250	133,000
33 Foreign purchases of other U.S. securities, net	106,032	186,316	275,533	26,779	143,802	55,563	49,390	42,333
34 Foreign direct investments in United States, net	350	637	-3,500	157	165	171	-3,993	166
35 Capital account transactions, net ⁵	-127,832	69,702	11,602	-14,755	-22,349	18,177	30,531	30,410
36 Discrepancy	-127,832	69,702	11,602	5,514	-1,511	-9,739	5,738	5,588
37 Due to seasonal adjustment				-20,269	-20,838	27,916	24,793	24,822
38 Before seasonal adjustment								
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, -)	-1,010	-6,783	8,747	4,068	1,159	1,951	1,569	-554
40 Foreign official assets in United States, excluding line 25 (increase, +)	19,917	-16,577	46,119	5,759	3	12,951	27,406	21,086
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,124	-11,531	1,331	2,155	1,632	-783	-1,673	5,951

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	1999		2000				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Goods and services, balance	-105,932	-166,898	-264,971	-25,711	-25,657	-27,425	-28,144	-30,606	-30,500	-31,036
2 Merchandise	-196,665	-246,854	-345,559	-32,400	-32,255	-34,049	-34,641	-37,148	-36,894	-37,166
3 Services	90,733	79,956	80,588	6,689	6,598	6,624	6,497	6,542	6,394	6,130
4 Goods and services, exports	936,937	932,977	956,242	83,198	84,107	83,583	84,731	86,723	86,583	85,749
5 Merchandise	679,702	670,324	684,358	59,682	61,211	60,321	60,894	62,513	62,566	61,970
6 Services	257,235	262,653	271,884	23,516	22,896	23,262	23,837	24,210	24,017	23,779
7 Goods and services, imports	-175,265	-1,099,875	-1,221,213	-108,909	-109,764	-111,008	-112,875	-117,329	-117,083	-116,785
8 Merchandise	-876,367	-917,178	-1,029,917	-92,082	-93,466	-94,370	-95,535	-99,661	-99,460	-99,136
9 Services	-166,502	-182,697	-191,296	-16,827	-16,298	-16,638	-17,340	-17,668	-17,623	-17,649

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	1996	1997	1998	1999	2000						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p
1 Total	75,090	69,954	81,755	71,516	69,898	69,309	70,789	66,587	67,160	67,957	66,516
2 Gold stock, including Exchange Stabilization Fund ¹	11,049	11,050	11,041	11,089	11,048	11,048	11,048	11,048	11,048	11,048	11,046
3 Special drawing rights ^{2,3}	10,312	10,027	10,603	10,336	10,199	10,277	10,335	10,122	10,310	10,444	10,257
4 Reserve position in International Monetary Fund ²	15,435	18,071	24,111	17,950	17,710	17,578	17,871	15,403	15,373	15,428	15,083
5 Foreign currencies ⁴	38,294	30,809	36,001	32,182	30,941	30,406	31,535	30,014	30,429	31,037	30,130

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	1996	1997	1998	1999	2000						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p
1 Deposits	167	457	167	71	82	87	125	142	110	104	76
<i>Held in custody</i>											
2 U.S. Treasury securities ²	638,049	620,885	607,574	632,482	627,326	631,421	641,830	632,216	623,553	627,081	624,177
3 Earmarked gold ³	11,197	10,763	10,343	9,933	9,866	9,771	9,711	9,711	9,711	9,688	9,688

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	1997	1998	1999		2000				
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p
1 Total¹	776,505	759,928	779,432^f	806,288^f	808,474^f	812,353	828,947^f	833,904	825,808
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	135,384	125,883	122,746 ^f	138,817 ^f	134,753 ^f	130,268	136,240 ^f	137,474	135,308
3 U.S. Treasury bills and certificates ³	148,301	134,177	153,465	156,177	153,548	156,995	164,781	157,607	148,820
4 U.S. Treasury bonds and notes									
4 Marketable	428,004	432,127	417,304	422,266	429,029	430,806	430,237	436,640	435,235
5 Nonmarketable ⁴	5,994	6,074	6,177	6,111	6,152	6,191	5,734	5,770	5,808
6 U.S. securities other than U.S. Treasury securities ⁵	58,822	61,667	79,740	82,917	84,992	88,093	91,955	96,413	100,637
<i>By area</i>									
7 Europe ¹	252,289	256,026	242,587	244,805	246,022	248,792	251,571 ^f	249,685	250,306
8 Canada	36,177	36,715	39,081	38,666	39,439	39,358	39,846	39,501	39,190
9 Latin America and Caribbean	96,942	79,503	70,632	73,518	71,888	71,180	77,014	72,257	69,205
10 Asia	400,144	400,631	441,308 ^f	463,673 ^f	463,801 ^f	466,087	474,355 ^f	486,033	481,943
11 Africa	9,981	10,059	7,177 ^f	7,523 ^f	8,208 ^f	7,976	7,979	8,024	7,709
12 Other countries	7,058	3,080	4,733	4,189	5,202	5,046	4,268	4,490	3,541

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
				June	Sept.	Dec.	Mar.
1 Banks' liabilities	103,383	117,524	101,125	90,305	100,112	88,144	85,344
2 Banks' claims	66,018	83,038	78,162	59,597	67,032	67,355	63,573
3 Deposits	22,467	28,661	45,985	31,452	32,713	34,416	32,804
4 Other claims	43,551	54,377	32,177	28,145	34,319	32,939	30,769
5 Claims of banks' domestic customers ²	10,978	8,191	20,718	23,474	11,534	20,826	21,753

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	1999		2000				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ⁹
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,283,027	1,347,837	1,413,683¹	1,422,712²	1,413,683³	1,413,811⁴	1,407,301⁵	1,406,476⁶	1,405,839	1,463,409
2 Banks' own liabilities	882,980	884,939	976,400 ⁷	976,682 ⁸	976,400 ⁹	981,461 ¹⁰	970,752 ¹¹	960,303 ¹²	974,207	1,042,574
3 Demand deposits	31,344	29,558	42,884 ¹³	42,853 ¹⁴	42,884 ¹⁵	36,518 ¹⁶	39,611 ¹⁷	29,255 ¹⁸	30,202	29,097
4 Time deposits ²	198,546	151,761	163,620 ¹⁹	163,177 ²⁰	163,620 ²¹	162,147 ²²	165,682 ²³	167,031 ²⁴	182,683	176,888
5 Other ¹	168,011	140,752	162,749 ²⁵	162,661 ²⁶	162,749 ²⁷	174,682 ²⁸	163,884 ²⁹	161,533 ³⁰	165,254	178,820
6 Own foreign offices ⁴	485,079	562,868	607,147 ³¹	607,991 ³²	607,147 ³³	608,114 ³⁴	601,575 ³⁵	602,484 ³⁶	596,068	657,769
7 Banks' custodial liabilities ⁵	400,047	462,898	437,283	446,030	437,283	432,350	436,549	446,173	431,632	420,835
8 U.S. Treasury bills and certificates ⁶	193,239	183,494	185,797	184,675	185,797	181,879	184,604	195,050	184,222	174,310
9 Other negotiable and readily transferable instruments ⁷	93,641	141,699	132,575	131,859	132,575	129,551	128,673	127,630	124,209	123,563
10 Other	113,167	137,705	118,911	129,496	118,911	120,920	123,272	123,493	123,201	122,962
11 Nonmonetary international and regional organizations ⁸	11,690	11,883	15,276 ³⁷	14,184 ³⁸	15,276 ³⁹	21,807 ⁴⁰	20,436	18,361 ⁴¹	20,218	22,577
12 Banks' own liabilities	11,486	10,850	14,357 ⁴²	13,297 ⁴³	14,357 ⁴⁴	20,951 ⁴⁵	19,513	17,586 ⁴⁶	19,428	21,879
13 Demand deposits	16	172	98	70	98	202	148	71	58	36
14 Time deposits ²	5,466	5,793	10,349	7,675	10,349	9,621	9,251	9,741	11,338	11,433
15 Other ¹	6,004	4,885	3,910 ⁴⁷	5,552 ⁴⁸	3,910 ⁴⁹	11,128 ⁵⁰	10,114	7,774 ⁵¹	8,032	10,410
16 Banks' custodial liabilities ⁵	204	1,033	919	887	919	856	923	775	790	698
17 U.S. Treasury bills and certificates ⁶	69	636	680	658	680	625	704	695	623	582
18 Other negotiable and readily transferable instruments ⁷	133	397	233	229	233	225	213	71	77	113
19 Other	2	0	6	0	6	6	6	9	90	3
20 Official institutions ⁹	283,685	260,060	294,994 ⁵²	276,211 ⁵³	294,994 ⁵⁴	288,301 ⁵⁵	287,263	301,021 ⁵⁶	295,081	284,128
21 Banks' own liabilities	102,028	80,256	97,615 ⁵⁷	80,270 ⁵⁸	97,615 ⁵⁹	82,678 ⁶⁰	79,652	87,187 ⁶¹	87,129	87,432
22 Demand deposits	2,314	3,003	3,341	2,829	3,341	2,645	3,306	2,381 ⁶²	2,620	2,781
23 Time deposits ²	41,396	29,506	28,942 ⁶³	27,250 ⁶⁴	28,942 ⁶⁵	25,909 ⁶⁶	27,690	30,117	36,337	31,146
24 Other ¹	58,318	47,747	65,332	50,191	65,332	54,124	48,656	54,689 ⁶⁷	48,172	53,505
25 Banks' custodial liabilities ⁵	181,657	179,804	197,379	195,941	197,379	205,623	207,611	213,834	207,952	196,696
26 U.S. Treasury bills and certificates ⁶	148,301	134,177	156,177	153,465	156,177	153,548	156,995	164,781	157,607	148,820
27 Other negotiable and readily transferable instruments ⁷	33,151	44,953	41,152	42,331	41,152	51,522	50,298	48,689	50,118	47,734
28 Other	205	674	50	145	50	553	318	364	227	142
29 Banks ¹⁰	815,247	885,336	905,383 ⁶⁸	927,515 ⁶⁹	905,383 ⁷⁰	905,045 ⁷¹	893,042 ⁷²	887,858 ⁷³	891,007	948,619
30 Banks' own liabilities	641,447	676,057	733,356 ⁷⁴	743,713 ⁷⁵	733,356 ⁷⁶	740,355 ⁷⁷	730,867 ⁷⁸	723,761 ⁷⁹	730,444	788,499
31 Unaffiliated foreign banks	156,368	113,189	126,209 ⁸⁰	135,722 ⁸¹	126,209 ⁸²	132,241 ⁸³	129,292 ⁸⁴	121,277 ⁸⁵	134,376	130,730
32 Demand deposits	16,767	14,071	17,583	14,402	17,583	12,964	12,424	13,930	14,404	13,254
33 Time deposits ²	83,433	45,904	48,140 ⁸⁶	54,369 ⁸⁷	48,140 ⁸⁸	51,171 ⁸⁹	51,510 ⁹⁰	49,716 ⁹¹	57,490	55,665
34 Other ¹	56,168	53,214	60,486 ⁹²	66,951 ⁹³	60,486 ⁹⁴	68,106 ⁹⁵	65,358 ⁹⁶	57,631 ⁹⁷	62,482	61,811
35 Own foreign offices ⁴	485,079	562,868	607,147 ⁹⁸	607,991 ⁹⁹	607,147 ¹⁰⁰	608,114 ¹⁰¹	601,575 ¹⁰²	602,484 ¹⁰³	596,068	657,769
36 Banks' custodial liabilities ⁵	173,800	209,279	172,027	183,802	172,027	164,690	162,175	164,097	160,563	160,120
37 U.S. Treasury bills and certificates ⁶	31,915	35,359	16,936	19,512	16,936	17,582	14,635	15,770	13,993	14,179
38 Other negotiable and readily transferable instruments ⁷	35,393	45,332	45,695	44,889	45,695	36,426	34,629	35,453	33,790	33,667
39 Other	106,492	128,588	109,396	119,401	109,396	110,682	112,911	112,874	112,780	112,274
40 Other foreigners	172,405	190,558	198,030 ¹⁰⁴	204,802 ¹⁰⁵	198,030 ¹⁰⁶	198,658 ¹⁰⁷	206,560 ¹⁰⁸	199,236 ¹⁰⁹	199,533	208,085
41 Banks' own liabilities	128,019	117,776	131,072 ¹¹⁰	139,402 ¹¹¹	131,072 ¹¹²	137,477 ¹¹³	140,720 ¹¹⁴	131,769 ¹¹⁵	137,206	144,764
42 Demand deposits	12,247	12,312	21,862 ¹¹⁶	25,552 ¹¹⁷	21,862 ¹¹⁸	20,707 ¹¹⁹	23,733 ¹²⁰	12,873 ¹²¹	13,120	13,026
43 Time deposits ²	68,251	70,558	76,189 ¹²²	73,883 ¹²³	76,189 ¹²⁴	75,446 ¹²⁵	77,231 ¹²⁶	77,457 ¹²⁷	77,518	78,644
44 Other ¹	47,521	34,906	33,021 ¹²⁸	39,967 ¹²⁹	33,021 ¹³⁰	41,324 ¹³¹	39,756	41,439 ¹³²	46,568	53,094
45 Banks' custodial liabilities ⁵	44,386	72,782	66,958	65,400	66,958	61,181	65,840	67,467	62,327	63,321
46 U.S. Treasury bills and certificates ⁶	12,954	13,322	12,004	11,040	12,004	10,124	12,270	13,804	11,999	10,729
47 Other negotiable and readily transferable instruments ⁷	24,964	51,017	45,495	44,410	45,495	41,378	43,533	43,417	40,224	42,049
48 Other	6,468	8,443	9,459	9,950	9,459	9,679	10,037	10,246	10,104	10,543
MEMO	16,083	27,026	30,345	28,320	30,345	28,344	27,266	28,056	26,087	27,238
49 Negotiable time certificates of deposit in custody for foreigners										

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	1999		2000				
				Nov.	Dec.	Jan. ²	Feb. ²	Mar. ²	Apr.	May ³
1 Total, all foreigners	708,225	734,995	795,377 ⁴	780,069 ⁴	795,377 ⁴	757,214	750,972	813,890	815,853	820,715
2 Foreign countries	705,762	731,378	790,814 ⁴	774,407 ⁴	790,814 ⁴	751,896	746,305	809,581	810,851	816,372
3 Europe	199,880	233,321	315,905 ⁴	313,600 ⁴	315,905 ⁴	308,133	314,504	361,470	350,067	359,858
4 Austria	1,354	1,043	2,643	2,407	2,643	3,020	2,471	2,493	2,429	2,242
5 Belgium and Luxembourg	6,641	7,187	10,193	9,326 ⁴	10,193	8,898	9,777	8,022	7,939	5,959
6 Denmark	980	2,383	1,669	1,756	1,669	1,702	1,743	1,625	1,940	2,001
7 Finland	1,233	1,070	2,020	2,034	2,020	2,328	1,846	2,093	2,087	2,414
8 France	16,239	15,251	29,142	24,592	29,142	30,051	28,303	28,127	30,958	35,217
9 Germany	12,676	15,923	29,205	22,365	29,205	29,871	28,890	35,371	33,991	31,521
10 Greece	402	575	806	754	806	793	683	842	728	828
11 Italy	6,230	7,284	8,496	7,297	8,496	8,614	6,785	7,048	7,034	6,565
12 Netherlands	6,141	5,697	11,810 ⁴	8,100	11,810 ⁴	11,477	11,484	14,089	13,932	14,377
13 Norway	555	827	1,000 ⁴	920	1,000 ⁴	1,376	1,146	1,132	1,499	1,832
14 Portugal	777	669	1,571	1,430	1,571	1,307	1,155	1,043	1,085	1,268
15 Russia	1,248	789	713	711	713	701	743	709	709	715
16 Spain	2,942	5,735	3,796	4,641	3,796	4,581	4,339	3,187	3,217	3,126
17 Sweden	1,854	4,223	3,264 ⁴	3,853	3,264 ⁴	4,556	5,382	7,492	8,100	7,150
18 Switzerland	28,846	46,874	79,158 ⁴	91,493	79,158 ⁴	68,976	70,250	111,544	97,688	105,535
19 Turkey	1,558	1,982	2,491	2,491	2,617	2,969	3,031	3,053	3,148	3,269
20 United Kingdom	103,143	106,349	120,190 ⁴	121,154 ⁴	120,190 ⁴	120,126	128,252	125,162	126,071	128,221
21 Yugoslavia ⁵	52	53	50	50	50	50	50	50	51	49
22 Other Europe and other former U.S.S.R. ⁶	7,009	9,407	7,562	8,226	7,562	6,737	8,174	8,388	7,461	7,569
23 Canada	27,189	47,037	37,200 ⁴	37,060	37,200 ⁴	36,474	38,541	42,686	43,300	45,481
24 Latin America and Caribbean	343,730	342,654	353,416 ⁴	335,361 ⁴	353,416 ⁴	323,537	314,839	323,816	328,769	321,210
25 Argentina	8,924	9,552	10,167	10,034	10,167	9,962	10,095	9,845	9,732	9,512
26 Bahamas	89,379	96,455	99,324	87,177	99,324	78,641	68,914	74,018	72,312	71,459
27 Bermuda	8,782	5,011	8,007	9,449	8,007	10,145	11,771	7,441	5,685	6,456
28 Brazil	21,696	16,184	15,706	14,973	15,706	15,031	15,382	14,981	16,210	16,384
29 British West Indies	145,471	153,749	167,189 ⁴	158,937	167,189 ⁴	157,469	156,776	166,284	173,907	165,920
30 Chile	7,913	8,250	6,607	6,591	6,607	6,672	6,224	6,511	6,447	6,399
31 Colombia	6,945	6,507	4,524 ⁴	4,745	4,524 ⁴	4,326	4,176	3,937	3,907	4,032
32 Cuba	0	0	0	0	0	0	0	0	0	0
33 Ecuador	1,311	1,400	760	761	760	692	730	688	662	640
34 Guatemala	886	1,127	1,133 ⁴	1,092 ⁴	1,133 ⁴	1,067	1,170	1,181	1,252	1,245
35 Jamaica	424	239	295	309	295	298	332	328	316	300
36 Mexico	19,428	21,212	17,899	17,924	17,899	17,848	17,489	16,998	16,944	16,771
37 Netherlands Antilles	17,838	6,779	5,982	8,078	5,982	6,194	6,341	6,385	6,388	6,579
38 Panama	4,364	3,584	3,387	3,050	3,387	3,067	2,972	2,912	2,844	2,984
39 Peru	3,491	3,275	2,529	2,529	2,529	2,462	2,414	2,223	2,356	2,515
40 Uruguay	629	1,126	801	775	801	709	777	761	714	708
41 Venezuela	2,129	3,089	3,494	3,587	3,494	3,571	3,524	3,580	3,474	3,595
42 Other	4,120	5,115	5,610 ⁴	5,372 ⁴	5,610 ⁴	5,383	5,752	5,743	5,619	5,711
43 Asia	125,092	98,607	74,914 ⁴	78,444 ⁴	74,914 ⁴	73,342	69,074	72,692	79,027	80,200
44 China										
45 Mainland	1,579	1,261	2,090	2,082	2,090	2,221	2,726	3,161	4,532	2,611
46 Taiwan	922	1,041	1,390	1,495	1,390	1,462	1,501	925	1,080	1,716
47 Hong Kong	13,991	9,080	5,893	6,010	5,893	5,240	4,453	4,519	4,546	4,573
48 India	2,200	1,440	1,738	1,972	1,738	1,616	1,802	1,749	1,786	1,941
49 Indonesia	2,651	1,942	1,776	1,681	1,776	1,711	1,743	1,821	1,821	1,819
50 Israel	768	1,166	1,875	1,053	1,875	1,853	1,832	3,412	3,293	2,857
51 Japan	59,549	46,713	28,636	30,303 ⁴	28,636	28,612	25,559	27,310	31,151	31,689
52 Korea (South)	18,162	8,289	9,262 ⁴	13,257 ⁴	9,262 ⁴	11,378	12,066	11,466	12,209	14,018
53 Philippines	1,689	1,465	1,410	990	1,410	1,088	1,058	1,698	1,714	1,884
54 Thailand	2,259	1,807	1,515 ⁴	1,430 ⁴	1,515 ⁴	1,155	1,275	1,154	1,081	1,137
55 Middle Eastern oil-exporting countries ⁴	10,790	16,130	14,252	11,631	14,252	10,774	10,947	11,612	10,765	11,666
56 Other	10,532	8,273	5,077	6,540	5,077	6,232	4,112	3,869	5,049	4,289
56 Africa	3,530	3,122	2,268	2,473	2,268	2,786	2,453	1,991	2,054	2,109
57 Egypt	247	257	258	233	258	222	207	243	206	218
58 Morocco	511	372	352	354	352	299	313	279	300	271
59 South Africa	805	643	622	873	622	943	889	428	360	341
60 Zaire	0	0	24	9	24	0	0	0	0	0
61 Oil-exporting countries ⁴	1,212	936	276	275	276	494	228	198	394	508
62 Other	755	914	736	729	736	828	816	843	794	771
63 Other	6,341	6,637	7,105	7,469	7,105	7,324	6,894	6,926	7,634	7,514
64 Australia	5,300	6,173	6,824	7,272	6,824	7,113	6,682	6,674	7,225	7,139
65 Other	1,041	464	281	197	281	211	212	252	409	375
66 Nonmonetary international and regional organizations ⁶	2,463	3,617	4,563 ⁴	5,662 ⁴	4,563 ⁴	5,618	4,667	4,309	5,002	4,343

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 ¹	1999		2000				
				Nov.	Dec. ²	Jan.	Feb.	Mar. ³	Apr.	May ⁴
1 Total	852,852	875,891	945,334		945,334	...	...	1,009,002²	...	...
2 Banks' claims	708,225	734,995	795,377	780,069²	795,377	757,214¹	750,972²	813,890¹	815,853	820,715
3 Foreign public borrowers	20,581	23,542	35,090	39,802 ²	35,090	42,241 ¹	36,541	36,036 ²	37,278	42,470
4 Own foreign offices ²	431,685	484,535	528,397	511,981 ¹	528,397	490,280 ¹	496,771 ¹	552,218 ¹	557,339	549,165
5 Unaffiliated foreign banks	109,230	106,206	101,227	99,492²	101,227	93,524	87,666	96,030¹	91,849	92,872
6 Deposits	30,995	27,230	34,360	27,835	34,360	24,259	21,275	24,361	22,399	24,771
7 Other	78,235	78,976	66,867	71,657 ²	66,867	69,265	66,391	71,669 ²	69,450	68,101
8 All other foreigners	146,729	120,712	130,663	128,794 ²	130,663	131,169 ²	129,994	129,606	129,387	136,208
9 Claims of banks' domestic customers³	144,627	140,896	149,957		149,957	...	...	195,112	...	...
10 Deposits	73,110	79,363	86,164	...	86,164	...	...	127,077	...	...
11 Negotiable and readily transferable instruments ⁴	53,967	47,914	51,161	...	51,161	...	...	56,032	...	...
12 Outstanding collections and other claims	17,550	13,619	12,632	...	12,632	...	...	12,003	...	...
MEMO										
13 Customer liability on acceptances	9,624	4,520	4,672	...	4,672	...	...	4,466	...	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States⁵	33,816	39,978	31,125	32,592	31,125	41,544	48,225	53,657	45,383	45,144

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
				June	Sept.	Dec.	Mar.
1 Total	258,106	276,550	250,418	261,268	270,102	266,330	261,095
<i>By borrower</i>							
2 Maturity of one year or less	211,859	205,781	186,526	186,494	196,821	187,454	180,047
3 Foreign public borrowers	15,411	12,081	13,671	25,354	22,603	22,904	21,332
4 All other foreigners	196,448	193,700	172,855	161,140	174,218	164,550	158,715
5 Maturity of more than one year	46,247	70,769	63,892	74,774	73,281	78,876	81,048
6 Foreign public borrowers	6,790	8,499	9,839	11,704	12,193	12,043	12,803
7 All other foreigners	39,457	62,270	54,053	63,070	61,088	66,833	68,245
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	55,690	58,294	68,679	84,717	82,567	80,843	79,673
10 Canada	8,339	9,917	10,968	6,674	8,545	7,860	8,408
11 Latin America and Caribbean	103,254	97,207	81,766	64,879	78,102	69,035	62,377
12 Asia	38,078	33,964	18,007	22,587	20,864	21,820	22,510
13 Africa	1,316	2,211	1,835	1,543	1,119	1,122	957
13 All other ³	5,182	4,188	5,271	6,094	5,624	6,774	6,122
Maturity of more than one year							
14 Europe	6,965	13,240	14,923	18,962	18,618	22,950	23,949
15 Canada	2,645	2,525	3,140	3,292	3,192	3,191	3,134
16 Latin America and Caribbean	24,943	42,049	33,442	39,090	38,111	38,741	39,153
17 Asia	9,392	10,235	10,018	10,482	10,641	11,257	12,093
18 Africa	1,361	1,236	1,232	1,105	1,087	1,065	965
19 All other ³	941	1,484	1,137	1,843	1,632	1,672	1,754

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
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
1 Total	645.8	721.8	1029.8	1017.2	1071.9	1051.6	992.6	939.2 ²	937.2 ²	937.5 ²	950.4
2 G-10 countries and Switzerland	228.3	242.8	250.9	273.9	240.0	217.7	208.5	222.9 ²	205.9 ²	237.3 ²	283.9
3 Belgium and Luxembourg	11.7	11.0	12.0	14.0	11.7	10.7	15.6	16.1	15.7	14.3	14.2
4 France	16.6	15.4	16.5	21.7	20.3	18.4	21.6	20.4	19.9	29.0	27.1
5 Germany	29.8	28.6	27.0	30.5	31.4	30.9	34.7	32.1	37.4	38.7	37.3
6 Italy	16.0	15.5	20.8	21.1	18.5	11.5	17.8	16.4	15.0	18.1	20.0
7 Netherlands	4.0	6.2	7.7	8.6	8.4	7.8	10.7	11.3	10.6	12.3 ²	17.1
8 Sweden	2.6	3.3	4.8	3.1	2.1	2.3	4.0	2.6	3.6	3.0 ²	3.9
9 Switzerland	5.3	7.2	5.9	7.0	7.6	6.5	7.8	8.2	8.8	10.3 ²	10.1
10 United Kingdom	104.7	113.4	114.6	125.9	100.1	83.4	55.9	74.1 ²	51.5 ²	73.2 ²	113.2
11 Canada	14.0	13.7	14.2	16.7	15.9	16.8	15.9	17.1	17.8	16.3	17.5
12 Japan	23.7	28.6	27.3	25.3	23.9	25.4	24.6	22.6	25.6	22.0	23.5
13 Other industrialized countries	66.1	65.5	78.2	78.7	78.5	69.0	80.1	79.7	71.7	68.4 ²	62.8
14 Austria	1.1	1.5	1.7	1.9	2.1	1.4	2.8	2.8	3.0	3.5	2.6
15 Denmark	1.5	2.4	2.1	2.2	3.0	2.2	3.4	2.9	2.1	2.6	1.5
16 Finland	.8	1.3	1.5	1.4	1.6	1.4	1.5	.9	.9	.9	.8
17 Greece	6.7	5.1	6.1	5.8	5.8	5.9	6.5	5.9	6.6	6.0	5.7
18 Norway	8.0	3.6	4.0	3.4	3.2	3.2	3.1	3.0	3.8	3.3 ²	3.0
19 Portugal	.9	.9	.8	1.4	1.1	1.4	1.4	1.2	1.2	1.0	1.0
20 Spain	13.3	12.6	18.1	17.5	19.5	13.7	15.7	16.6	15.1	12.1	11.3
21 Turkey	2.7	4.5	4.9	6.5	5.2	4.8	5.2	4.9	4.7	4.8	5.1
22 Other Western Europe	4.9	8.3	10.2	9.9	10.4	10.4	10.2	10.2	9.2	6.8	8.3
23 South Africa	2.0	2.2	5.5	6.8	5.4	4.4	4.8	4.7	4.0	3.8	4.8
24 Australia	24.0	23.1	23.2	21.8	21.4	20.3	23.4	26.6	21.1	23.5	18.6
25 OPEC ²	19.8	26.0	26.0	25.5	26.0	27.1	26.2	26.1	30.1	31.4	28.9
26 Ecuador	1.1	1.3	1.3	1.2	1.2	1.3	1.2	1.1	.9	.8	.7
27 Venezuela	2.4	2.5	3.4	3.3	3.1	3.2	3.5	3.2	3.0	2.8	3.0
28 Indonesia	5.2	6.7	5.6	5.1	4.7	4.7	4.5	5.0	4.4	4.2	3.9
29 Middle East countries	10.7	14.4	14.4	15.6	16.1	17.0	16.7	16.5	21.4	23.0	21.1
30 African countries	.4	1.2	1.4	.3	.8	1.0	.4	.4	.5	.5	.2
31 Non-OPEC developing countries	130.3	139.2	149.8	146.1	140.4	143.4	146.7	148.6	142.5	147.3	152.2
Latin America											
32 Argentina	14.3	18.4	20.0	20.9	22.9	23.1	24.3	22.8	22.1	22.4	21.3
33 Brazil	20.7	28.6	33.4	30.3	24.0	24.7	24.2	25.1	22.1	26.4	26.9
34 Chile	7.0	8.7	9.0	9.1	8.5	8.3	8.6	8.2	7.7	7.4	8.2
35 Colombia	4.1	3.4	3.3	3.6	3.4	3.2	3.3	3.1	2.7	2.5	2.5
36 Mexico	16.2	17.4	17.8	18.1	18.7	18.9	19.7	18.5	19.4	18.7	18.3
37 Peru	1.6	2.0	2.1	2.2	2.2	2.2	2.2	2.1	1.8	1.7	1.9
38 Other	3.3	4.1	4.0	4.4	4.6	5.4	5.3	5.5	5.5	5.9	6.1
Asia											
China											
39 Mainland	2.5	3.2	4.2	3.9	2.8	3.0	5.0	5.3	3.3	3.6	4.6
40 Taiwan	10.3	9.5	12.1	11.8	12.5	13.3	11.8	12.6	12.3	12.0	12.6
41 India	4.3	4.9	5.0	4.9	5.3	5.5	5.5	6.7	7.0	7.7	7.9
42 Israel	.5	.7	.7	.9	.9	1.1	1.1	2.0	1.0	1.8	3.3
43 Korea (South)	21.5	15.6	16.2	14.6	13.1	13.7	13.7	15.3	16.0	15.1	17.3
44 Malaysia	6.0	5.1	4.5	4.7	5.0	5.6	5.9	6.0	6.1	6.1	6.5
45 Philippines	5.8	5.7	5.1	5.4	4.7	5.1	5.4	5.7	5.8	6.2	5.3
46 Thailand	5.7	5.4	5.5	5.0	5.3	4.7	4.5	4.2	4.0	4.1	4.3
47 Other Asia	4.1	4.3	4.2	3.7	3.1	2.9	3.0	2.8	2.8	2.9	2.6
Africa											
48 Egypt	.7	.9	1.0	1.5	1.7	1.3	1.4	1.4	1.3	1.4	1.4
49 Morocco	.7	.6	.6	.6	.5	.5	.5	.5	.5	.4	.3
50 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa ³	.9	.8	1.1	.8	1.1	1.0	1.2	1.0	1.0	1.0	.9
52 Eastern Europe	6.9	9.1	12.3	11.3	6.3	5.5	7.1	5.8	5.4	5.2	4.7
53 Russia ⁴	3.7	5.1	7.5	6.9	2.8	2.2	2.3	2.1	2.0	1.6	1.7
54 Other	3.2	4.0	4.7	4.4	3.5	3.3	4.8	3.7	3.4	3.6	3.0
55 Offshore banking centers	135.1	140.2	133.1	130.0	121.0	93.9	93.6	75.9	90.3	60.1	42.0
56 Bahamas	20.5	24.2	32.6	28.6	30.7	35.4	32.6	20.4	29.4	13.9	2.4
57 Bermuda	4.5	9.8	9.1	9.4	10.4	4.6	3.9	5.7	8.2	8.0	7.3
58 Cayman Islands and other British West Indies	37.2	43.4	24.9	34.3	27.8	12.8	13.9	7.2	6.3	1.3	.0
59 Netherlands Antilles	26.1	14.6	14.0	10.5	6.0	2.6	2.7	1.3	9.1	1.7	2.5
60 Panama ⁵	2.0	3.1	3.2	3.3	4.0	3.9	3.9	3.9	3.9	3.9	3.4
61 Lebanon	.1	.1	.1	.1	.2	.1	.1	.1	.2	.1	.1
62 Hong Kong, China	27.9	32.2	33.9	30.0	30.6	23.3	22.8	22.0	22.4	21.0	22.2
63 Singapore	16.7	12.7	15.0	13.6	11.1	11.1	13.5	15.2	10.6	10.1	4.1
64 Other ⁶	.1	.1	.1	.2	.2	.2	.2	.1	.2	.1	.1
65 Miscellaneous and unallocated ⁷	59.6	99.1	379.7	351.7	459.9	495.1	430.4	380.2	391.2	387.9	376.0

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	1998	1999				2000
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^P
1 Total	61,782	57,382	46,570	46,570	46,663	49,337	52,979	53,044	52,386
2 Payable in dollars	39,542	41,543	36,668	36,668	34,030	36,032	36,296	37,605	34,601
3 Payable in foreign currencies	22,240	15,839	9,902	9,902	12,633	13,305	16,683	15,415	17,785
<i>By type</i>									
4 Financial liabilities	33,049	26,877	19,255	19,255	22,458	25,058	27,422	27,980	28,205
5 Payable in dollars	11,913	12,630	10,371	10,371	11,225	13,205	12,231	13,883	11,935
6 Payable in foreign currencies	21,136	14,247	8,884	8,884	11,233	11,853	15,191	14,097	16,270
7 Commercial liabilities	28,733	30,505	27,315	27,315	24,205	24,279	25,557	25,064	24,181
8 Trade payables	12,720	10,904	10,978	10,978	9,999	10,935	12,651	12,857	12,399
9 Advance receipts and other liabilities	16,013	19,601	16,337	16,337	14,206	13,344	12,906	12,207	11,782
10 Payable in dollars	27,629	28,913	26,297	26,297	22,805	22,827	24,065	23,722	22,666
11 Payable in foreign currencies	1,104	1,592	1,018	1,018	1,400	1,452	1,492	1,318	1,515
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	23,179	18,027	12,589	12,589	16,098	19,578	21,695	23,241	23,115
13 Belgium and Luxembourg	632	186	79	79	50	70	50	31	4
14 France	1,091	1,425	1,097	1,097	1,178	1,287	1,675	1,659	1,405
15 Germany	1,834	1,958	2,063	2,063	1,906	1,959	1,712	1,974	1,390
16 Netherlands	556	494	1,406	1,406	1,337	2,104	2,066	1,996	1,970
17 Switzerland	699	561	155	155	141	143	133	147	97
18 United Kingdom	17,161	11,667	5,980	5,980	9,729	13,097	15,096	16,521	16,579
19 Canada	1,401	2,374	693	693	781	320	344	284	313
20 Latin America and Caribbean	1,668	1,386	1,495	1,495	1,523	1,369	1,180	892	847
21 Bahamas	236	141	7	7	1	1	1	1	1
22 Bermuda	50	229	101	101	78	52	26	5	1
23 Brazil	78	143	152	152	137	131	122	126	129
24 British West Indies	1,030	604	957	957	1,064	944	786	492	489
25 Mexico	17	26	59	59	22	19	28	25	22
26 Venezuela	1	1	2	2	2	1	0	0	0
27 Asia	6,422	4,387	3,785	3,785	3,475	3,217	3,622	3,437	3,234
28 Japan	5,869	4,102	3,612	3,612	3,337	3,035	3,384	3,142	2,944
29 Middle Eastern oil-exporting countries ¹	25	27	0	0	1	2	3	3	4
30 Africa	38	60	28	28	31	29	31	28	28
31 Oil-exporting countries ²	0	0	0	0	2	0	0	0	0
32 All other ³	340	643	665	665	545	545	550	98	668
<i>Commercial liabilities</i>									
33 Europe	9,767	10,228	10,030	10,030	8,580	8,718	9,265	9,262	8,629
34 Belgium and Luxembourg	479	666	278	278	229	189	128	140	78
35 France	680	764	920	920	654	656	620	672	536
36 Germany	1,002	1,274	1,392	1,392	1,088	1,143	1,201	1,131	911
37 Netherlands	766	439	429	429	361	432	535	507	647
38 Switzerland	624	375	499	499	535	497	593	626	536
39 United Kingdom	4,303	4,086	3,697	3,697	3,008	2,959	3,175	3,071	2,652
40 Canada	1,090	1,175	1,390	1,390	1,597	1,670	1,753	1,775	2,013
41 Latin America and Caribbean	2,574	2,176	1,618	1,618	1,612	1,674	1,957	2,310	2,275
42 Bahamas	63	16	14	14	11	19	24	22	9
43 Bermuda	297	203	198	198	225	180	178	152	287
44 Brazil	196	220	152	152	107	112	120	145	115
45 British West Indies	14	12	10	10	7	5	39	48	23
46 Mexico	665	565	347	347	437	490	704	887	796
47 Venezuela	328	261	202	202	155	149	182	305	193
48 Asia	13,422	14,966	12,342	12,342	10,428	10,039	10,428	9,886	9,592
49 Japan	4,614	4,500	3,827	3,827	2,715	2,753	2,689	2,609	2,185
50 Middle Eastern oil-exporting countries ¹	2,168	3,111	2,852	2,852	2,479	2,209	2,618	2,551	2,308
51 Africa	1,040	874	794	794	727	832	959	950	943
52 Oil-exporting countries ²	532	408	393	393	377	392	584	499	536
53 Other ³	840	1,086	1,141	1,141	1,261	1,346	1,195	881	729

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	1998	1999				2000
				Dec.	Mar.	June	Sept.	Dec.	Mar. ²
1 Total	65,897	68,128	77,462	77,462	69,054	63,884	67,566	76,669	85,187
2 Payable in dollars	59,156	62,173	72,171	72,171	64,026	57,006	60,456	69,170	75,252
3 Payable in foreign currencies	6,741	5,955	5,291	5,291	5,028	6,878	7,110	7,472	9,935
<i>By type</i>									
4 Financial claims	37,523	36,959	46,260	46,260	38,217	31,957	33,877	40,231	49,167
5 Deposits	21,624	22,909	30,199	30,199	18,686	13,350	15,192	18,566	23,989
6 Payable in dollars	20,852	21,060	28,549	28,549	17,101	11,636	13,240	16,373	22,115
7 Payable in foreign currencies	772	1,849	1,650	1,650	1,585	1,714	1,952	2,193	1,874
8 Other financial claims	15,899	14,050	16,061	16,061	19,531	18,607	18,685	21,665	25,178
9 Payable in dollars	12,374	11,806	14,049	14,049	17,457	14,800	15,718	18,593	20,355
10 Payable in foreign currencies	3,525	2,244	2,012	2,012	2,074	3,807	2,967	3,072	4,823
11 Commercial claims	28,374	31,169	31,202	31,202	30,837	31,927	33,689	36,438	36,020
12 Trade receivables	25,751	27,536	27,202	27,202	26,724	27,791	29,397	32,629	31,402
13 Advance payments and other claims	2,623	3,633	4,000	4,000	4,113	4,136	4,292	3,809	4,618
14 Payable in dollars	25,930	29,307	29,573	29,573	29,468	30,570	31,498	34,204	32,782
15 Payable in foreign currencies	2,444	1,862	1,629	1,629	1,369	1,357	2,191	2,207	3,238
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	11,085	14,999	12,294	12,294	12,881	13,978	13,878	13,023	17,394
17 Belgium and Luxembourg	185	406	661	661	469	457	574	529	546
18 France	694	1,015	864	864	913	1,368	1,212	967	1,835
19 Germany	276	427	304	304	302	367	549	504	669
20 Netherlands	493	677	875	875	993	997	1,067	1,229	1,981
21 Switzerland	474	434	414	414	530	504	559	643	612
22 United Kingdom	7,922	10,337	7,766	7,766	8,400	8,631	8,157	7,561	9,646
23 Canada	3,442	3,313	2,503	2,503	3,111	2,828	3,172	2,553	3,549
24 Latin America and Caribbean	20,032	15,543	27,714	27,714	18,825	11,486	12,749	18,206	21,901
25 Bahamas	1,553	2,308	403	403	666	467	755	1,593	1,300
26 Bermuda	140	108	39	39	41	39	524	11	11
27 Brazil	1,468	1,313	835	835	1,112	1,102	1,265	1,476	1,628
28 British West Indies	15,536	10,462	24,388	24,388	14,621	7,393	7,263	12,099	15,814
29 Mexico	457	537	1,245	1,245	1,583	1,702	1,791	1,798	1,981
30 Venezuela	31	36	55	55	72	71	47	48	65
31 Asia	2,221	2,133	3,027	3,027	2,648	2,801	3,205	5,457	4,899
32 Japan	1,035	823	1,194	1,194	942	949	1,250	3,262	2,021
33 Middle Eastern oil-exporting countries ¹	22	11	9	9	8	5	5	21	29
34 Africa	174	319	159	159	174	228	251	286	197
35 Oil-exporting countries ²	14	15	16	16	26	5	12	15	15
36 All other ³	569	652	563	563	578	636	622	706	1,227
<i>Commercial claims</i>									
37 Europe	10,443	12,120	13,246	13,246	12,782	12,961	14,367	16,389	15,709
38 Belgium and Luxembourg	226	328	238	238	281	286	289	316	271
39 France	1,644	1,796	2,171	2,171	2,173	2,094	2,375	2,236	2,345
40 Germany	1,337	1,614	1,822	1,822	1,599	1,660	1,944	1,960	1,922
41 Netherlands	562	597	467	467	415	389	617	1,429	1,337
42 Switzerland	642	554	483	483	367	385	714	610	611
43 United Kingdom	2,946	3,660	4,769	4,769	4,529	4,615	4,789	5,827	5,354
44 Canada	2,165	2,660	2,617	2,617	2,983	2,855	2,638	2,757	3,088
45 Latin America and Caribbean	5,276	5,750	6,296	6,296	5,930	6,278	5,879	5,959	5,881
46 Bahamas	35	27	24	24	10	21	29	20	15
47 Bermuda	275	244	536	536	500	583	549	390	404
48 Brazil	1,303	1,162	1,024	1,024	936	867	763	905	846
49 British West Indies	190	109	104	104	117	127	157	181	90
50 Mexico	1,128	1,392	1,545	1,545	1,451	1,478	1,613	1,678	1,526
51 Venezuela	357	576	401	401	361	384	365	439	434
52 Asia	8,376	8,713	7,192	7,192	7,080	7,690	8,579	9,165	9,087
53 Japan	2,003	1,976	1,681	1,681	1,486	1,511	1,823	2,074	2,080
54 Middle Eastern oil-exporting countries ¹	971	1,107	1,135	1,135	1,286	1,465	1,479	1,625	1,531
55 Africa	746	680	711	711	685	738	682	631	711
56 Oil-exporting countries ²	166	119	165	165	116	202	221	171	82
57 Other ³	1,368	1,246	1,140	1,140	1,377	1,405	1,544	1,537	1,544

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		1999		2000				
			Jan. - May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^P	
U.S. corporate securities											
STOCKS											
1 Foreign purchases	1,574,192	2,340,659	1,537,662	240,329	256,414	263,947	293,110	402,373	309,778	268,454	
2 Foreign sales	1,524,203	2,233,137	1,465,487	221,911	247,460	253,365	265,365	378,141	306,474	262,142	
3 Net purchases, or sales (-)	49,989	107,522	72,175	18,418	8,954	10,582	27,745	24,232	3,304	6,312	
4 Foreign countries	50,369	107,578	72,114	18,393	8,983	10,540	27,626	24,414	3,243	6,291	
5 Europe	68,124	98,060	78,458	10,695	13,283	15,704	24,375	18,594	12,289	7,496	
6 France	5,672	3,813	2,873	-369	66	-240	529	1,831	1,341	-588	
7 Germany	9,195	13,410	22,376	2,467	1,587	5,633	5,425	4,532	3,431	3,355	
8 Netherlands	8,249	8,083	512	1,375	1,640	-281	516	-277	113	-113	
9 Switzerland	5,001	5,650	9,091	384	1,495	2,926	4,804	-913	1,689	585	
10 United Kingdom	23,952	42,902	15,723	3,966	3,080	2,246	6,685	4,794	558	1,440	
11 Canada	-4,689	-335	2,685	-958	-940	666	890	286	9	834	
12 Latin America and Caribbean	757	5,187	-12,435	7,746	-4,735	-5,190	1,989	4,840	-11,441	-2,633	
13 Middle East ¹	-1,449	-1,068	6,760	-1,197	465	677	1,182	2,125	2,070	706	
14 Other Asia	-12,351	4,447	-4,294	2,350	752	-1,645	-863	-1,717	53	-122	
15 Japan	-1,171	5,723	-6,813	630	211	-1,603	-1,115	-2,604	-446	-1,045	
16 Africa	639	372	532	1	-18	151	-2	205	228	-50	
17 Other countries	-662	915	408	-244	176	177	55	81	35	60	
18 Nonmonetary international and regional organizations	-388	-56	61	25	-29	42	119	-182	61	21	
BONDS²											
19 Foreign purchases	905,782	856,804	462,768	74,940	56,928	79,045	99,605	106,302	88,155	89,661	
20 Foreign sales	727,044	602,109	344,407	50,839	41,321	58,889	69,476	76,979	70,900	68,163	
21 Net purchases, or sales (-)	178,738	254,695	118,361	24,101	15,607	20,156	30,129	29,323	17,255	21,498	
22 Foreign countries	179,081	255,097	118,430	24,172	15,626	20,161	30,147	29,422	17,260	21,440	
23 Europe	130,057	140,674	63,715	11,639	7,500	10,083	17,063	19,454	7,640	9,475	
24 France	3,386	1,870	1,700	53	269	-114	1,124	620	-34	104	
25 Germany	4,369	7,723	895	1,327	-228	-618	702	348	288	175	
26 Netherlands	3,443	2,446	536	133	183	-23	-97	94	279	283	
27 Switzerland	4,826	4,553	672	429	462	-47	526	202	-18	9	
28 United Kingdom	99,637	106,344	49,792	9,241	6,040	10,324	13,478	15,479	4,274	6,237	
29 Canada	6,121	6,043	5,986	1,506	961	2,133	1,324	689	764	1,076	
30 Latin America and Caribbean	23,938	60,861	25,456	6,652	4,094	4,658	9,659	3,680	4,724	2,735	
31 Middle East ¹	4,997	1,979	707	-506	309	-86	-177	670	347	-47	
32 Other Asia	12,662	42,842	21,424	4,566	2,591	2,623	2,545	4,506	3,753	7,997	
33 Japan	8,384	17,541	8,367	2,297	1,437	1,113	1,173	2,010	580	3,491	
34 Africa	190	1,411	611	146	257	677	-130	-11	35	40	
35 Other countries	1,116	1,287	531	169	-86	73	-137	434	-3	164	
36 Nonmonetary international and regional organizations	-343	-402	-69	-71	-19	-5	-18	-99	-5	58	
Foreign securities											
37 Stocks, net purchases, or sales (-)	6,227	15,643	-6,695	3,816	-1,504	1,107	-8,882	-8,171	724	8,527	
38 Foreign purchases	929,923	1,177,306	788,693	129,534	125,956	134,949	176,938	177,087	154,321	145,398	
39 Foreign sales	923,696	1,161,663	795,388	125,718	127,460	133,842	185,820	185,258	153,597	136,871	
40 Bonds, net purchases, or sales (-)	-17,350	-5,676	-3,854	-512	3,872	-3,502	-1,986	-3,431	798	4,267	
41 Foreign purchases	1,328,281	798,267	363,863	59,650	52,227	62,189	74,380	83,838	63,916	79,540	
42 Foreign sales	1,345,631	803,943	367,717	60,162	48,355	65,691	76,366	87,269	63,118	75,273	
43 Net purchases, or sales (-), of stocks and bonds	-11,123	9,967	-10,549	3,304	2,368	-2,395	-10,868	-11,602	1,522	12,794	
44 Foreign countries	-10,778	9,682	-11,078	3,496	2,210	-2,555	-10,897	-11,701	1,387	12,718	
45 Europe	12,632	59,247	1,748	2,238	5,001	754	-4,968	-5,922	1,774	10,110	
46 Canada	-1,901	-999	-5,392	-1,671	1,342	-471	-1,865	-1,400	-422	-1,234	
47 Latin America and Caribbean	-13,798	-4,726	-15,966	6,403	524	-4,868	-4,252	-701	-5,300	-845	
48 Asia	-3,992	-42,961	7,821	-4,048	-4,945	1,951	-711	-4,085	5,696	4,970	
49 Japan	-1,742	-43,637	9,197	-4,453	-3,596	866	-879	-1,457	4,689	5,978	
50 Africa	-1,225	713	472	160	535	99	183	384	-143	-51	
51 Other countries	-2,494	-1,592	239	414	-247	-20	716	23	-248	-232	
52 Nonmonetary international and regional organizations	-345	285	529	-192	158	160	29	99	165	76	

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

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			2000				
			Jan. - May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ²
1 Total estimated	49,039	-9,953	5,737	-3,615	4,642	9,543	5,563	-16,871	14,520	-7,018
2 Foreign countries	46,570	-10,518	5,920	-3,802	4,566	9,578	5,770	-17,092	14,484	-6,820
3 Europe	23,797	-38,228	-15,358	8,643	-5,513	214	-2,443	-9,971	-632	-2,526
4 Belgium and Luxembourg	3,805	-81	-329	-357	-798	731	65	116	-498	-743
5 Germany	144	2,285	-2,114	510	607	1,706	-866	-1,352	-1,676	74
6 Netherlands	-5,533	2,122	3,361	360	268	806	2,475	539	700	-1,159
7 Sweden	1,486	1,699	639	369	317	499	-100	263	-289	266
8 Switzerland	5,240	-1,761	-5,409	144	1,403	-3,407	-1,382	5	-288	-337
9 United Kingdom	14,384	-20,232	-7,216	5,837	-3,481	-450	-1,261	-5,150	-513	178
10 Other Europe and former U.S.S.R.	4,271	-22,260	-4,290	1,780	-3,349	329	-1,374	-4,392	1,952	-805
11 Canada	615	7,348	1,204	-550	218	-582	8	640	1,819	-681
12 Latin America and Caribbean	-3,662	-7,523	-967	-5,417	806	-2,409	6,844	-4,789	2,509	-3,122
13 Venezuela	59	362	121	154	-33	54	13	24	26	4
14 Other Latin America and Caribbean	9,523	1,661	-3,241	1,362	576	-3,837	2,482	-1,596	258	-548
15 Netherlands Antilles	-13,244	-9,546	2,153	-6,933	263	1,374	4,349	-3,217	2,225	-2,578
16 Asia	27,433	29,359	20,782	-6,630	9,718	12,403	1,064	-2,943	11,166	-908
17 Japan	13,048	20,102	8,286	-4,378	8,263	1,297	-1,874	494	10,855	-2,486
18 Africa	751	-3,021	-92	-680	-541	-43	80	-19	4	-114
19 Other	-2,364	1,547	351	832	-102	-5	217	-10	-382	531
20 Nonmonetary international and regional organizations	2,469	565	-183	187	76	-35	-207	221	36	-198
21 International	1,502	190	-178	125	75	-7	-194	151	30	-158
22 Latin American regional	199	666	62	-4	1	0	0	70	6	-14
MEMO										
23 Foreign countries	46,570	-10,518	5,920	-3,802	4,566	9,578	5,770	-17,092	14,484	-6,820
24 Official institutions	4,123	-9,861	12,969	-2,325	4,962	6,763	1,777	-569	6,403	-1,405
25 Other foreign	42,447	-657	-7,049	-1,477	-396	2,815	3,993	-16,523	8,081	-5,415
Oil-exporting countries										
26 Middle East ³	-16,554	2,207	4,749	-2,050	-3,556	2,913	170	283	811	572
27 Africa ³	2	0	0	0	-1	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					
				Feb.	Mar.	Apr.	May	June	July
Exchange Rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	74.37	62.91	64.54	62.78	60.94	59.60	57.84	59.49	58.70
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	1.7765	1.7424	1.7696	1.8278	1.8099	1.7982
5 Canada/dollar	1.3849	1.4836	1.4858	1.4512	1.4608	1.4689	1.4957	1.4770	1.4778
6 China, P.R./yuan	8.3193	8.3008	8.2781	8.2781	8.2786	8.2793	8.2781	8.2772	8.2794
7 Denmark/krone	6.6092	6.7030	6.9900	7.5725	7.7228	7.8872	8.2329	7.8501	7.9471
8 European Monetary Union/euro ³	n.a.	n.a.	1.0653	0.9834	0.9643	0.9449	0.9059	0.9505	0.9386
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	338.87	346.33	355.02	371.63	354.14	359.04
13 Hong Kong/dollar	7.7431	7.7467	7.7594	7.7816	7.7848	7.7880	7.7907	7.7934	7.7969
14 India/rupee	36.36	41.36	43.13	43.65	43.64	43.68	44.08	44.76	44.84
15 Ireland/pound	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	109.39	106.31	105.63	108.32	106.13	108.21
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	9.427	9.289	9.394	9.506	9.834	9.419
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	49.03	49.02	49.60	47.08	47.05	45.97
22 Norway/krone	7.0857	7.5521	7.8071	8.2374	8.4100	8.6272	9.0533	8.6807	8.7185
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	1.7028	1.7153	1.7096	1.7286	1.7277	1.7414
25 South Africa/rand	4.6072	5.5477	6.1191	6.3209	6.4675	6.6480	7.0238	6.9147	6.8971
26 South Korea/won	947.65	1,400.40	1,189.84	1,129.75	1,116.39	1,110.32	1,119.49	1,117.94	1,115.08
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	73.552	73.810	74.123	74.867	76.736	78.852
29 Sweden/krona	7.6446	7.9522	8.2740	8.6480	8.6971	8.7486	9.0925	8.7471	8.9640
30 Switzerland/franc	1.4514	1.4506	1.5045	1.6348	1.6636	1.6657	1.7190	1.6420	1.6519
31 Taiwan/dollar	28.775	33.547	32.322	30.806	30.724	30.520	30.772	30.831	30.984
32 Thailand/baht	31.072	41.262	37.887	37.759	37.923	37.993	38.951	39.087	40.318
33 United Kingdom/pound ²	163.76	165.73	161.72	160.00	157.99	158.23	150.90	150.92	150.76
34 Venezuela/bolivar	488.87	548.39	606.82	659.44	666.82	672.73	680.00	680.96	685.86
Indexes⁴									
NOMINAL									
35 Broad (January 1997=100) ⁵	104.44	116.48	116.87	117.44	117.44	118.10	120.70	119.43	119.86
36 Major currencies (March 1973=100) ⁶	91.24	95.79	94.07	95.31	95.64	96.31	99.31	96.74	97.68
37 Other important trading partners (January 1997=100) ⁷	104.67	126.03	129.94	129.11	128.54	129.05	130.43	131.62	131.08
REAL									
38 Broad (March 1973=100) ⁵	91.33	99.36	98.77 ^f	99.36 ^f	100.07 ^f	100.72 ^f	102.76 ^f	102.07 ^f	102.60
39 Major currencies (March 1973=100) ⁶	92.25	97.25	96.75	99.18	99.92 ^f	100.63 ^f	103.57	101.25 ^f	102.44
40 Other important trading partners (March 1973=100) ⁷	95.87	108.52	107.76 ^f	105.86 ^f	106.59 ^f	107.17 ^f	108.14 ^f	109.61 ^f	109.27

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	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds		

4. The December 1999 Bulletin contains revised index values resulting from the annual revision to the trade weights. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.

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

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

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

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest Bulletin Reference

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	June 2000	A72

SPECIAL TABLES—Data Published Irregularly, with Latest Bulletin Reference

<i>Title and Date</i>	<i>Issue</i>	<i>Page</i>
<i>Assets and liabilities of commercial banks</i>		
June 30, 1999	November 1999	A64
September 30, 1999	February 2000	A64
December 31, 1999	May 2000	A64
March 31, 2000	August 2000	A64
<i>Terms of lending at commercial banks</i>		
August 1999	November 1999	A66
November 1999	February 2000	A66
February 2000	May 2000	A66
May 2000	August 2000	A66
<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
June 30, 1999	November 1999	A72
September 30, 1999	February 2000	A72
December 31, 1999	May 2000	A72
March 31, 2000	August 2000	A72
<i>Pro forma balance sheet and income statements for priced service operations</i>		
June 30, 1999	October 1999	A64
September 30, 1999	January 2000	A64
March 31, 2000	August 2000	A76
<i>Residential lending reported under the Home Mortgage Disclosure Act</i>		
1998	September 1999	A64
1999	September 2000	A64
<i>Disposition of applications for private mortgage insurance</i>		
1998	September 1999	A73
1999	September 2000	A73
<i>Small loans to businesses and farms</i>		
1998	September 1999	A76
1999	September 2000	A76
<i>Community development lending reported under the Community Reinvestment Act</i>		
1998	September 1999	A79
1999	September 2000	A79

4.34 RESIDENTIAL LENDING ACTIVITY OF FINANCIAL INSTITUTIONS COVERED BY HMDA, 1987-1999

Number

Item	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1 Loans or applications (millions) ²	3.42	3.39	3.13	6.59	7.89	12.01	15.38	12.19	11.23	14.81	16.41	24.66	22.90
2 Reporting institutions	9,431	9,319	9,203	9,332	9,358	9,073	9,650	9,858	9,539	9,328	7,925	7,836	7,832
3 Disclosure reports	13,033	13,919	14,154	24,041	25,934	28,782	35,976	38,750	36,611	42,946	47,416	57,294	56,966

1. Before 1990, includes only home purchase, home refinancing, and home improvement loans originated by covered institutions; beginning in 1990 (first year under revised reporting system), includes such loans originated and purchased, applications approved but not accepted by the applicant, applications denied or withdrawn, and applications closed because information was incomplete.

2. Revised from preliminary data published in Glenn B. Canner and Dolores S. Smith, "Home Mortgage Disclosure Act: Expanded Data on Residential Lending," *Federal Reserve Bulletin*, vol. 77 (November 1991), p. 861, to reflect corrections and the reporting of additional data.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.35 APPLICATIONS FOR HOME LOANS REPORTED UNDER HMDA, 1999
By Type of Dwelling, Purpose of Loan, and Loan Program

Thousands

Loan program	One- to four-family dwellings				Multifamily dwellings ¹	All
	Home purchase	Home refinancing	Home improvement	All		
1 FHA	1,061.1	312.0	117.5	1,490.5	4.5	1,495.0
2 VA	247.4	124.8	*	372.5	*	372.7
3 FSA/RHS	29.6	2.4	*	32.1	*	32.1
4 Conventional	7,088.0	8,941.9	1,931.9	17,961.8	44.2	18,006.0
5 Total	8,426.0	9,381.1	2,049.9	19,856.9	48.9	19,905.9

*Fewer than 500.

1. Multifamily dwellings are those for five or more families.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.36 HOME LOANS ORIGINATED BY LENDERS REPORTED UNDER HMDA, 1999
By Type of Dwelling, Purpose of Loan, and Type of Lender

Percent

Type of lender	One- to four-family dwellings								Multifamily dwellings ¹	All
	Home purchase					Home refinancing	Home improvement	All		
	FHA-insured	VA-guaranteed	FSA/RHS	Conventional	All					
1 Commercial bank	7.8	9.4	13.1	23.9	20.5	29.1	63.1	28.2	47.0	28.3
2 Savings association	5.7	5.2	4.1	15.3	13.2	13.5	9.0	12.9	35.2	13.0
3 Credit union	.1	2.1	.2	2.0	1.7	3.5	13.0	3.5	.5	3.5
4 Mortgage company	86.3	83.2	82.6	58.7	64.6	53.8	15.0	55.3	17.4	55.2
5 Total	100	100	100	100	100	100	100	100	100	100
MEMO										
Distribution of loans										
6 Number	832,890	194,963	22,147	3,799,772	4,849,772	4,386,235	956,996	10,193,003	34,511	10,227,514
7 Percent	8.1	1.9	.2	37.2	47.4	42.9	9.4	99.7	.3	100.0

*Less than .05 percent

1. Multifamily dwellings are those for five or more families

2. Comprises all covered mortgage companies, including those affiliated with a commercial bank, savings association, or credit union.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.37 APPLICATIONS FOR LOANS FOR ONE- TO FOUR-FAMILY HOMES REPORTED UNDER HMDA, 1999
By Purpose of Loan and Characteristics of Applicant and Census Tract

Characteristic	Home purchase						Home refinancing		Home improvement	
	Government-backed			Conventional			Number	Percent	Number	Percent
	Number	Percent	MEMO Percentage of characteristic's home purchase loans	Number	Percent	MEMO Percentage of characteristic's home purchase loans				
APPLICANT										
<i>Racial/ethnic identity</i>										
1 American Indian or Alaskan Native	6,714	.5	71.5	51,461	.8	88.5	33,746	.5	8,415	.6
2 Asian or Pacific Islander	22,180	1.8	9.9	201,932	3.2	90.1	189,537	2.9	23,523	1.7
3 Black	179,746	14.4	24.0	568,126	9.0	76.0	679,352	10.5	164,342	12.1
4 Hispanic	198,866	16.0	31.2	437,672	6.9	68.8	446,316	6.9	133,704	9.8
5 White	785,232	63.1	13.9	4,850,742	76.6	86.1	4,901,857	75.6	983,698	72.4
6 Other	11,507	.9	10.6	96,915	1.5	89.4	106,081	1.6	20,102	1.5
7 All	40,539	3.3	24.0	128,527	2.0	76.0	129,958	2.0	25,302	1.9
8 Total	1,244,784	100.0	16.4	6,335,375	100.0	83.6	6,486,847	100.0	1,359,086	100.0
<i>Income (percentage of MSA median)²</i>										
9 Less than 50	141,024	12.2	19.1	596,242	11.9	80.9	907,610	13.0	250,877	15.3
10 50-79	399,060	34.6	26.8	1,090,916	21.9	73.2	1,595,678	22.9	380,422	23.3
11 80-99	236,054	20.5	25.9	674,145	13.5	74.1	1,036,485	14.9	242,676	14.8
12 100-119	159,694	13.8	21.8	573,904	11.5	78.2	866,978	12.4	203,700	12.5
13 120 or more	217,868	18.9	9.6	2,056,188	41.2	90.4	2,572,822	36.9	557,773	34.1
14 Total	1,153,700	100.0	18.8	4,991,395	100.0	81.2	6,979,573	100.0	1,635,448	100.0
CENSUS TRACT										
<i>Racial/ethnic composition (minorities as percentage of population)</i>										
15 Less than 10	434,412	37.9	15.0	2,453,925	48.3	85.0	3,513,605	46.2	767,546	46.9
16 10-19	262,128	22.9	19.0	1,120,865	22.1	81.0	1,472,702	19.4	296,058	18.1
17 20-49	289,133	25.2	22.7	984,971	19.4	77.3	1,419,505	18.7	290,181	17.7
18 50-79	92,449	8.1	22.9	312,057	6.1	77.1	582,416	7.7	124,932	7.6
19 80-100	67,578	5.9	24.6	207,650	4.1	75.4	618,205	8.1	157,528	9.6
20 Total	1,145,700	100.0	18.4	5,079,468	100.0	81.6	7,606,433	100.0	1,636,245	100.0
<i>Income³</i>										
21 Low	22,811	2.0	17.1	110,620	2.2	82.9	248,127	3.2	65,832	3.9
22 Moderate	182,992	15.8	21.7	661,040	13.0	78.3	1,189,330	15.6	295,466	17.6
23 Middle	671,004	57.9	20.9	2,536,395	49.8	79.1	3,975,192	52.0	882,284	52.7
24 Upper	282,792	24.4	13.7	1,781,137	35.0	86.3	2,230,910	29.2	431,637	25.8
25 Total	1,159,599	100.0	18.6	5,089,192	100.0	81.4	7,643,559	100.0	1,675,219	100.0
<i>Location⁴</i>										
26 Central city	520,710	44.4	20.2	2,055,163	39.8	79.8	3,149,164	40.7	725,389	42.5
27 Non-central city	653,347	55.6	17.3	3,114,603	60.2	82.7	4,597,855	59.3	979,978	57.5
28 Total	1,174,057	100.0	18.5	5,169,766	100.0	81.5	7,747,019	100.0	1,705,367	100.0

NOTE. Lenders reported 19,905,868 applications for home loans in 1999. Not all characteristics were reported for all applications; thus the number of applications being distributed by characteristic varies by characteristic.

1. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

2. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

3. Census tracts are categorized by the median family income for the tract relative to the

median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

4. For census tracts located in MSAs.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.38 APPLICATIONS FOR LOANS FOR ONE- TO FOUR-FAMILY HOMES REPORTED UNDER HMDA, 1999
By Purpose of Loan, with Denial Rate, and by Characteristic of Applicant

Applicant characteristic ¹	Home purchase				Home refinancing		Home improvement	
	Government-backed ²		Conventional		Distribution	Denial rate	Distribution	Denial rate
	Distribution	Denial rate	Distribution	Denial rate				
<i>American Indian or Alaskan Native</i>								
1 One male	34.70	11.00	32.70	41.00	34.30	26.10	34.40	33.90
2 Two males	1.40	4.90	8.20	9.10	4.30	15.10	4.50	11.40
3 One female	28.30	11.00	27.30	49.20	24.30	25.10	27.30	35.60
4 Two females	1.90	10.10	2.70	46.90	1.40	24.00	1.60	24.80
5 One male and one female	33.60	11.20	29.00	47.50	35.60	20.70	32.20	28.70
6 Total ³	100.00	9.40	100.00	42.10	100.00	23.00	100.00	31.50
<i>Asian or Pacific Islander</i>								
7 One male	24.40	9.90	23.70	13.80	18.30	20.30	26.70	31.90
8 Two males	3.50	11.70	2.20	14.80	1.50	17.40	1.80	29.10
9 One female	16.30	9.50	17.00	14.10	16.40	19.50	19.80	30.60
10 Two females	2.50	10.30	1.60	14.20	1.30	16.60	1.10	31.50
11 One male and one female	53.40	9.30	55.50	10.00	62.40	15.30	50.60	24.20
12 Total ³	100.00	9.50	100.00	11.80	100.00	17.00	100.00	27.80
<i>Black</i>								
13 One male	28.60	12.90	29.50	47.10	26.70	29.90	27.70	43.90
14 Two males	.90	13.30	1.10	47.50	.80	24.80	.80	38.70
15 One female	37.20	12.40	39.30	52.20	34.90	29.30	40.10	46.60
16 Two females	2.50	12.90	2.90	60.70	1.70	30.90	1.80	52.80
17 One male and one female	30.80	12.90	27.30	45.40	35.80	27.30	29.50	46.30
18 Total ³	100.00	12.70	100.00	49.00	100.00	28.80	100.00	45.80
<i>Hispanic</i>								
19 One male	27.30	10.20	33.30	38.90	22.70	25.70	35.40	40.10
20 Two males	6.00	10.00	2.90	36.80	2.00	21.80	1.50	40.40
21 One female	14.20	10.30	18.70	37.30	17.10	23.30	24.60	40.80
22 Two females	2.40	12.20	1.80	41.60	1.40	23.50	1.00	43.50
23 One male and one female	50.20	9.60	43.30	30.50	56.80	21.10	37.50	38.60
24 Total ³	100.00	10.00	100.00	35.00	100.00	22.60	100.00	39.60
<i>White</i>								
25 One male	27.40	8.20	25.80	30.70	21.80	19.90	23.30	27.80
26 Two males	1.50	7.70	1.30	26.60	1.00	15.60	.90	24.90
27 One female	18.00	7.50	19.20	31.20	16.10	18.20	18.80	28.80
28 Two females	1.30	7.70	1.20	35.50	.80	17.50	1.00	32.30
29 One male and one female	51.80	7.40	52.40	20.60	60.40	14.30	56.00	20.00
30 Total ³	100.00	7.60	100.00	25.50	100.00	16.20	100.00	23.70
<i>All</i>								
31 One male	27.60	9.30	26.70	32.80	22.40	21.70	25.20	31.90
32 Two males	2.20	9.20	1.50	28.00	1.10	17.30	1.00	28.40
33 One female	20.20	9.20	21.00	34.90	18.20	20.90	22.10	34.30
34 Two females	1.70	10.00	1.40	40.10	.90	20.80	1.10	37.60
35 One male and one female	48.30	8.30	49.40	22.20	57.40	15.70	50.60	23.50
36 Total ³	100.00	8.80	100.00	28.00	100.00	18.10	100.00	28.20

1. Applicants are categorized by race of first applicant listed on Loan Application Register, except for joint white and minority applications, which are not shown in this table.
2. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

3. Includes all applicants from racial or ethnic group regardless of whether gender was reported.
SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.39 APPLICATIONS FOR HOME LOANS REPORTED UNDER HMDA, 1999 By Loan Program and Size of Dwelling

Percent

Type of loan program	One- to four-family dwellings											
	Home purchase						Home refinancing					
	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total
1 FHA	78.5	2.8	8.8	8.3	4.6	100	58.7	8.5	10.7	15.7	6.4	100
2 VA	78.8	2.8	8.8	8.2	1.4	100	62.1	7.1	7.4	17.2	6.2	100
3 FSA/RHS	74.9	2.1	12.7	9.1	1.2	100	23.5	3.7	30.9	35.0	6.8	100
4 Conventional	53.6	10.0	27.9	7.0	1.5	100	46.1	10.9	23.7	14.7	4.5	100
5 All	57.6	8.8	24.9	7.2	1.5	100	46.8	10.8	23.1	14.7	4.6	100
	One- to four-family dwellings						Multifamily dwellings ¹					
	Home improvement											
	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total
1 FHA	18.9	13.8	62.3	4.7	.3	100	52.8	11.2	16.8	15.4	3.8	100
2 VA	56.6	10.8	17.1	14.3	1.0	100	63.4	4.7	13.6	13.1	5.2	100
3 FSA/RHS	25.4	2.5	38.1	33.5	.5	100	100.0	*	*	*	*	100
4 Conventional	48.4	12.1	32.2	6.6	.8	100	72.4	3.6	12.6	7.7	3.7	100
5 All	46.7	12.2	33.9	6.5	.8	100	70.5	4.3	13.0	8.4	3.7	100

NOTE: Loans *approved and accepted* were approved by the lender and accepted by the applicant. Loans *approved but not accepted* were approved by the lender but not accepted by the applicant. Applications *denied* were denied by the lender, and applications *withdrawn* were withdrawn by the applicant. When an application was left incomplete by the applicant, the lender reported *file closed* and took no further action.

*Less than .05 percent.

1. Multifamily dwellings are those for five or more families.
SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.40 APPLICATIONS FOR ONE- TO FOUR-FAMILY HOME LOANS REPORTED UNDER HMDA, 1999
By Disposition of Loan and Characteristics of Applicant and Census Tract

A. Home Purchase Loans
Percent

Characteristic	Government-backed ¹					Conventional				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
APPLICANT										
<i>Racial or ethnic identity</i>										
1 American Indian or Alaskan Native	79.2	9.4	9.4	2.0	100	51.4	42.1	5.4	1.2	100
2 Asian or Pacific Islander	79.7	9.5	9.2	1.7	100	76.6	11.8	9.1	2.6	100
3 Black	76.1	12.7	9.2	2.0	100	42.1	49.0	7.1	1.8	100
4 Hispanic	78.9	10.0	9.1	2.0	100	55.6	35.0	7.5	1.9	100
5 White	83.9	7.6	7.1	1.3	100	67.4	25.5	5.9	1.2	100
6 Other	76.9	11.5	9.3	2.2	100	53.8	35.4	9.3	1.5	100
7 Joint ²	82.9	8.3	7.5	1.3	100	68.9	22.5	7.0	1.5	100
<i>Income ratio (percentage of MSA median)³</i>										
8 Less than 50	76.5	12.9	8.5	2.0	100	49.1	43.1	6.2	1.6	100
9 American Indian or Alaskan Native	73.4	12.7	9.8	4.0	100	62.9	31.2	4.6	1.3	100
10 Asian or Pacific Islander	75.3	13.5	9.2	2.1	100	68.3	20.3	8.8	2.6	100
11 Black	73.2	15.4	9.0	2.3	100	40.2	50.3	7.2	2.3	100
12 Hispanic	77.7	12.2	8.0	2.1	100	49.1	43.1	6.0	1.9	100
13 White	78.7	11.7	7.8	1.8	100	51.7	42.4	4.8	1.1	100
14 Other	71.8	14.9	10.7	2.6	100	40.6	51.8	6.3	1.3	100
15 Joint ²	76.5	14.1	7.9	1.4	100	49.8	42.1	6.0	2.2	100
16 50-79	82.9	8.5	7.1	1.4	100	63.1	28.4	6.7	1.7	100
17 American Indian or Alaskan Native	82.7	8.4	7.0	1.9	100	63.8	28.6	5.7	1.9	100
18 Asian or Pacific Islander	81.8	9.2	7.6	1.4	100	76.2	13.3	8.1	2.4	100
19 Black	78.5	11.7	8.1	1.8	100	49.9	38.9	8.6	2.6	100
20 Hispanic	81.7	9.4	7.2	1.7	100	57.4	33.8	6.9	1.9	100
21 White	85.3	7.2	6.3	1.2	100	66.9	26.2	5.5	1.3	100
22 Other	79.5	10.9	7.6	2.1	100	56.9	34.3	7.0	1.7	100
23 Joint ²	82.4	9.2	7.0	1.4	100	60.1	32.1	6.3	1.6	100
24 80-119	84.6	7.3	6.8	1.3	100	72.4	18.6	7.3	1.8	100
25 American Indian or Alaskan Native	84.0	6.8	7.9	1.3	100	68.8	21.5	8.0	1.7	100
26 Asian or Pacific Islander	82.3	7.8	8.3	1.5	100	78.8	10.4	8.2	2.6	100
27 Black	79.7	10.8	7.9	1.6	100	56.1	31.4	9.7	2.8	100
28 Hispanic	80.9	9.5	7.9	1.7	100	63.2	26.4	8.1	2.3	100
29 White	87.1	6.0	5.9	1.1	100	76.0	16.4	6.1	1.4	100
30 Other	62.3	8.3	6.6	1.6	100	24.7	8.1	2.8	.8	100
31 Joint ²	85.3	7.2	6.5	1.0	100	72.1	19.6	6.7	1.5	100
32 120 or more	84.4	6.7	7.5	1.4	100	80.7	10.2	7.3	1.8	100
33 American Indian or Alaskan Native	82.2	8.3	8.3	1.2	100	74.1	14.4	9.0	2.5	100
34 Asian or Pacific Islander	80.6	8.9	8.8	1.7	100	79.8	8.9	8.6	2.7	100
35 Black	79.6	10.3	8.2	1.9	100	65.4	21.7	10.0	2.8	100
36 Hispanic	79.1	8.1	10.6	2.2	100	71.9	16.2	9.4	2.6	100
37 White	87.3	5.6	6.1	1.1	100	83.4	8.7	6.3	1.5	100
38 Other	79.4	10.3	8.2	2.1	100	75.5	13.6	8.7	2.2	100
39 Joint ²	85.8	6.3	6.7	1.2	100	81.5	9.7	7.2	1.7	100
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
40 Less than 10	85.3	7.2	6.3	1.1	100	75.1	17.0	6.5	1.5	100
41 10-19	83.8	7.7	7.1	1.4	100	71.4	18.9	7.8	1.9	100
42 20-49	81.3	9.1	8.0	1.6	100	65.7	23.6	8.6	2.1	100
43 50-79	77.9	11.1	9.1	1.9	100	60.2	27.8	9.5	2.5	100
44 80-100	73.6	13.1	10.7	2.6	100	53.0	33.0	11.1	2.8	100
<i>Income⁴</i>										
45 Low	72.6	13.7	11.2	2.5	100	52.1	34.7	10.5	2.7	100
46 Moderate	79.5	10.2	8.4	1.9	100	58.7	31.0	8.3	2.0	100
47 Middle	83.3	8.2	7.2	1.4	100	69.0	22.1	7.3	1.7	100
48 Upper	83.8	7.4	7.5	1.3	100	78.7	11.9	7.5	1.8	100
<i>Location⁵</i>										
49 Central city	81.7	8.9	7.8	1.6	100	68.1	21.9	8.1	2.0	100
50 Non-central city	83.2	8.0	7.3	1.4	100	72.2	19.0	7.2	1.7	100

4.40 APPLICATIONS FOR ONE- TO FOUR-FAMILY HOME LOANS REPORTED UNDER HMDA, 1999
By Disposition of Loan and Characteristics of Applicant and Census Tract—Continued

B. Home Refinancing and Home Improvement Loans
Percent

Characteristic	Home refinancing					Home improvement				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
APPLICANT										
<i>Racial or ethnic identity</i>										
1 American Indian or Alaskan Native	53.2	23.0	16.7	7.0	100	63.2	31.5	4.8	.4	100
2 Asian or Pacific Islander	64.7	17.0	12.4	5.9	100	65.8	27.8	5.4	1.1	100
3 Black	48.2	28.8	15.2	7.9	100	49.9	45.8	3.9	.4	100
4 Hispanic	55.6	22.6	14.6	7.2	100	56.5	39.6	3.4	.5	100
5 White	68.0	16.2	11.4	4.4	100	72.9	23.7	3.1	.4	100
6 Other	49.2	28.4	18.3	4.1	100	57.4	36.8	5.3	.6	100
7 Joint ¹	66.5	17.1	11.8	4.7	100	70.3	25.8	3.6	.4	100
<i>Income ratio (percentage of MSA median)²</i>										
8 Less than 50	44.9	32.9	16.0	6.2	100	44.3	49.4	5.7	.6	100
9 American Indian or Alaskan Native	43.2	30.8	18.0	8.0	100	53.7	41.5	4.6	.2	100
10 Asian or Pacific Islander	49.2	25.2	15.6	10.0	100	52.5	42.1	4.3	1.1	100
11 Black	42.0	32.5	15.6	9.8	100	44.3	51.4	4.0	.4	100
12 Hispanic	44.4	30.1	16.0	9.6	100	45.6	50.4	3.5	.6	100
13 White	54.8	24.6	13.8	6.9	100	58.4	37.9	3.4	.3	100
14 Other	34.9	40.3	21.6	3.2	100	40.5	54.7	4.5	.3	100
15 Joint ¹	51.3	27.6	13.6	7.5	100	50.2	45.5	3.9	.4	100
16 50-79	53.6	26.3	14.7	5.3	100	52.1	41.4	5.9	.6	100
17 American Indian or Alaskan Native	51.8	25.3	15.5	7.4	100	60.4	34.2	4.9	.5	100
18 Asian or Pacific Islander	59.5	19.5	13.9	7.1	100	59.2	35.5	4.6	.8	100
19 Black	46.3	30.2	15.2	8.3	100	48.2	47.5	3.9	.4	100
20 Hispanic	52.1	25.5	14.6	7.9	100	50.1	45.7	3.6	.6	100
21 White	63.5	18.8	12.3	5.4	100	66.9	29.6	3.1	.4	100
22 Other	46.8	31.1	18.0	4.1	100	52.2	42.2	5.0	.5	100
23 Joint ¹	58.9	22.1	12.9	6.1	100	58.6	38.2	3.1	.1	100
24 80-119	59.2	22.4	13.7	4.6	100	60.1	32.7	6.5	.7	100
25 American Indian or Alaskan Native	56.1	21.6	14.9	7.4	100	68.1	27.3	4.4	.3	100
26 Asian or Pacific Islander	64.5	17.1	12.8	5.7	100	68.3	26.7	4.0	.9	100
27 Black	48.6	28.7	15.1	7.7	100	52.5	43.3	3.9	.4	100
28 Hispanic	54.3	24.2	14.4	7.1	100	55.5	40.5	3.4	.5	100
29 White	68.1	15.9	11.4	4.5	100	73.9	22.8	3.0	.4	100
30 Other	6.0	2.9	1.9	.5	100	4.9	2.6	.4	.0	100
31 Joint ¹	63.7	19.0	12.2	5.0	100	67.5	28.4	3.6	.4	100
32 120 or more	67.4	17.1	11.6	3.8	100	68.8	23.5	6.7	.9	100
33 American Indian or Alaskan Native	62.4	18.7	12.8	6.1	100	75.1	19.8	4.4	.7	100
34 Asian or Pacific Islander	69.8	14.9	10.6	4.7	100	73.1	20.9	4.6	1.3	100
35 Black	53.5	26.0	13.8	6.7	100	58.6	37.0	3.9	.4	100
36 Hispanic	62.7	18.2	13.1	6.1	100	64.1	32.5	3.0	.5	100
37 White	74.5	12.5	9.5	3.4	100	81.0	15.6	3.0	.5	100
38 Other	61.6	20.6	13.8	4.0	100	68.4	26.0	5.1	.6	100
39 Joint ¹	71.5	14.5	10.3	3.8	100	76.8	19.4	3.4	.5	100
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
40 Less than 10	62.9	19.6	13.5	4.0	100	65.1	27.0	7.2	.7	100
41 10-19	59.6	21.4	14.4	4.6	100	59.6	32.9	6.6	1.0	100
42 20-49	54.3	24.9	15.6	5.3	100	53.6	39.6	5.9	.9	100
43 50-79	49.1	27.8	16.8	6.3	100	48.5	45.1	5.6	.8	100
44 80-100	44.7	31.3	17.2	6.8	100	45.9	47.7	5.7	.7	100
<i>Income⁴</i>										
45 Low	44.6	32.1	17.3	6.1	100	44.0	49.5	5.7	.7	100
46 Moderate	49.6	28.4	16.4	5.6	100	49.7	43.8	5.8	.7	100
47 Middle	57.5	22.9	14.9	4.7	100	59.1	33.7	6.6	.7	100
48 Upper	65.5	17.5	12.9	4.2	100	66.0	26.2	6.8	1.0	100
<i>Location⁵</i>										
49 Central city	55.6	24.0	15.2	5.1	100	55.3	38.0	6.0	.8	100
50 Non-central city	59.9	21.4	14.2	4.5	100	61.1	31.4	6.8	.8	100

NOTE: Applicant income ratio is applicant income as a percentage of MSA median. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

1. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

2. White and minority.

3. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

4. Census tracts are categorized by the median family income for the tract relative to the

median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

5. For census tracts located in MSAs.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.41 HOME LOANS SOLD, 1999 By Purchaser and Characteristics of Borrower and Census Tract

Characteristic	Fannie Mae		Ginnie Mae		Freddie Mac		FAMC		Commercial bank	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1 All	1,815,193	100.0	1,145,948	100.0	1,331,081	100.0	2,398	100.0	152,788	100.0
BORROWER										
<i>Racial or ethnic identity</i>										
2 American Indian or Alaskan Native	4,317	.3	3,174	.5	2,803	.3	74	7.4	535	.4
3 Asian or Pacific Islander	53,853	4.0	12,127	1.7	36,591	3.4	12	1.2	3,154	2.6
4 Black	47,838	3.5	91,563	13.1	30,670	2.9	188	18.7	10,072	8.2
5 Hispanic	67,566	5.0	100,477	14.4	46,137	4.3	132	13.1	11,514	9.4
6 White	1,138,734	83.9	458,920	65.9	910,093	85.6	575	57.2	93,274	76.4
7 Other	13,901	1.0	7,512	1.1	14,315	1.3	10	1.0	882	.7
8 Joint	30,451	2.2	22,743	3.3	22,266	2.1	15	1.5	2,661	2.2
9 Total	1,356,660	100.0	696,516	100.0	1,062,875	100.0	1,006	100.0	122,092	100.0
<i>Income ratio (percentage of MSA median)</i>										
10 Less than 50	79,607	6.1	63,842	10.5	62,778	6.4	103	10.4	8,838	7.7
11 50-79	246,010	18.9	202,597	33.3	186,914	19.1	190	19.2	22,887	20.0
12 80-99	196,390	15.1	128,495	21.1	151,218	15.4	146	14.8	16,376	14.3
13 100-119	188,086	14.5	91,045	15.0	139,411	14.2	104	10.5	14,585	12.8
14 120 or more	590,217	45.4	122,785	20.2	439,804	44.9	446	45.1	51,507	45.1
15 Total	1,300,310	100.0	608,764	100.0	980,125	100.0	989	100.0	114,193	100.0
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
16 Less than 10	856,529	54.4	378,854	36.5	643,553	56.6	503	29.5	66,138	50.4
17 10-19	344,013	21.9	242,700	23.4	244,382	21.5	256	15.0	29,646	22.6
18 20-49	262,390	16.7	271,030	26.1	180,883	15.9	418	24.5	23,016	17.5
19 50-79	72,994	4.6	83,890	8.1	46,865	4.1	235	13.8	6,462	4.9
20 80-100	37,617	2.4	60,193	5.8	22,042	1.9	292	17.1	5,888	4.5
21 Total	1,573,543	100.0	1,036,667	100.0	1,137,725	100.0	1,704	100.0	131,150	100.0
<i>Income</i>										
22 Low	14,310	.9	17,373	1.7	9,017	.8	83	4.8	2,074	1.5
23 Moderate	131,336	8.3	151,394	14.5	90,188	7.9	337	19.4	14,849	10.9
24 Middle	791,738	50.2	608,852	58.4	579,428	50.9	980	56.4	65,577	48.3
25 Upper	638,839	40.5	264,686	25.4	460,730	40.4	338	19.4	53,304	39.3
26 Total	1,576,223	100.0	1,042,305	100.0	1,139,363	100.0	1,738	100.0	135,804	100.0
<i>Location</i>										
27 Central city	572,573	36.3	440,651	42.3	405,190	35.5	802	46.1	51,961	38.2
28 Non-central city	1,004,521	63.7	601,949	57.7	734,667	64.5	936	53.9	83,933	61.8
29 Total	1,577,094	100.0	1,042,600	100.0	1,139,857	100.0	1,738	100.0	135,894	100.0

4.41 HOME LOANS SOLD, 1999 By Purchaser and Characteristics of Borrower and Census Tract—Continued

Characteristic	Savings bank or savings and loan association		Life insurance company		Affiliate		Other	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
30 All	60,396	100.0	5,650	100.0	975,253	100.0	2,340,625	100.0
BORROWER								
<i>Racial or ethnic identity</i>								
31 American Indian or Alaskan Native	219	.5	41	.8	2,754	.4	10,000	.5
32 Asian or Pacific Islander	1,189	2.5	77	1.6	36,853	5.3	52,833	2.9
33 Black	3,721	8.0	205	4.1	45,265	6.5	191,755	10.5
34 Hispanic	2,358	5.1	213	4.3	46,612	6.7	154,769	8.5
35 White	37,818	81.1	4,312	86.8	542,568	77.5	1,349,868	73.9
36 Other	412	.9	29	.6	9,502	1.4	22,156	1.2
37 Joint	928	2.0	90	1.8	16,436	2.3	45,981	2.5
38 Total	46,645	100.0	4,967	100.0	699,990	100.0	1,827,362	100.0
<i>Income ratio (percentage of MSA median)</i>								
39 Less than 50	2,642	6.5	240	5.5	52,398	8.0	188,909	11.1
40 50-79	8,173	20.0	982	22.6	128,950	19.6	406,288	23.9
41 80-99	5,976	14.6	746	17.1	80,666	12.3	259,073	15.2
42 100-119	5,240	12.8	640	14.7	71,622	10.9	209,076	12.3
43 120 or more	18,890	46.2	1,746	40.1	323,979	49.3	636,921	37.5
44 Total	40,921	100.0	4,354	100.0	657,615	100.0	1,700,267	100.0
CENSUS TRACT								
<i>Racial or ethnic composition (minorities as percentage of population)</i>								
45 Less than 10	29,652	57.4	3,525	73.2	393,061	45.7	858,111	43.3
46 10-19	9,708	18.8	701	14.6	203,357	23.6	439,815	22.2
47 20-49	7,732	15.0	422	8.8	170,652	19.8	420,483	21.2
48 50-79	2,500	4.8	117	2.4	53,371	6.2	142,145	7.2
49 80-100	2,090	4.0	51	1.1	40,213	4.7	123,325	6.2
50 Total	51,682	100.0	4,816	100.0	860,654	100.0	1,983,879	100.0
<i>Income²</i>								
51 Low	940	1.8	67	1.4	17,984	2.1	49,591	2.5
52 Moderate	5,211	10.1	382	7.8	100,697	11.7	281,103	14.1
53 Middle	23,795	46.0	2,769	56.9	384,307	44.5	1,014,616	51.0
54 Upper	21,779	42.1	1,650	33.9	361,353	41.8	644,178	32.4
55 Total	51,725	100.0	4,868	100.0	864,341	100.0	1,989,488	100.0
<i>Location</i>								
56 Central city	17,215	33.2	1,842	37.8	346,856	40.1	827,397	41.6
57 Non-central city	34,586	66.8	3,027	62.2	518,041	59.9	1,163,257	58.4
58 Total	51,801	100.0	4,869	100.0	864,897	100.0	1,990,654	100.0

Note. Includes securitized loans. See also notes to table 4.40.

Fannie Mae—Federal National Mortgage Association

Ginnie Mae—Government National Mortgage Association

Freddie Mac—Federal Home Loan Mortgage Corporation

FmHA—Farmers Home Administration

Affiliate—Affiliate of institution reporting the loan

1. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. Census tracts are categorized by the median family income for the tract relative to the median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 percent and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.411 LENDER SHARE AND DOLLAR VOLUME OF RESIDENTIAL-MORTGAGE ORIGINATIONS, 1993-99

Year	Savings institutions ²	Commercial banks	Mortgage companies		Credit unions	Dollar volume (billions of dollars)
			Subsidiaries of banks or savings institutions ³	Independently owned ⁴		
<i>Conventional single-family</i>						
1 1993	23	19	19	35	4	871
2 1994	26	21	18	30	5	553
3 1995	26	20	25	26	3	452
4 1996	27	18	26	26	4	548
5 1997	26	15	27	29	3	610
6 1998	25	12	32	28	3	1,124
7 1999	23	14	31	28	4	892
<i>FHA, VA, and RHS single-family</i>						
8 1993	9	8	25	57	1	156
9 1994	10	9	28	52	1	90
10 1995	10	8	33	48	1	76
11 1996	10	7	33	49	1	96
12 1997	9	5	37	49	1	100
13 1998	7	4	39	50	1	149
14 1999	6	4	42	47	1	131
<i>Total, single-family</i>						
15 1993	21	18	20	39	4	1,027
16 1994	24	19	20	35	5	643
17 1995	24	18	26	29	3	528
18 1996	24	16	27	30	3	644
19 1997	24	14	29	31	3	710
20 1998	23	11	32	31	3	1,273
21 1999	21	23	33	7	4	1,022
<i>Total, multifamily</i>						
22 1993	52	33	5	4	3	16
23 1994	56	34	3	4	3	17
24 1995	53	35	4	7	4	13
25 1996	50	34	6	12	3	16
26 1997	48	32	6	15	3	19
27 1998	44	27	11	38	3	25
28 1999	37	26	9	32	3	31
<i>Total, residential</i>						
29 1993	21	18	19	29	4	1,043
30 1994	25	19	19	29	5	660
31 1995	24	19	25	31	3	541
32 1996	25	17	26	29	3	660
33 1997	24	14	26	28	3	729
34 1998	23	12	28	32	3	1,297
35 1999	21	13	32	32	4	1,052

NOTE: Coverage of depository institutions declined in 1997 because of an increase in the asset size threshold for exempt institutions from \$10 million to \$28 million.

1. Based on the dollar volume of originations reported under the Home Mortgage Disclosure Act. Originations insured or guaranteed by the Rural Housing Service (RHS) include the former Farmers Home Administration.

2. Includes savings and loan associations and savings banks.

3. Includes mortgage company subsidiaries of a bank holding company or a service corporation.

4. Coverage of independently owned mortgage companies expanded in 1993 when those companies with less than \$10 million in assets but with 100 or more home-purchase originations were included.

SOURCE: Home Mortgage Disclosure Act, 1990-98.

4.42 APPLICATIONS RECEIVED AND POLICIES WRITTEN FOR PRIVATE MORTGAGE INSURANCE, 1996-99
By Insurance Company

Company	1996		1997		1998		1999	
	Applications	Policies written	Applications	Policies written	Applications	Policies written	Applications	Policies written
1 Amerin Guaranty	61,401	61,378	60,149	60,105	116,744	116,725	*	*
2 Commonwealth Mortgage Assurance	151,261	106,768	152,874	112,513	212,097	165,336	*	*
3 Radian ¹	*	*	*	*	*	*	317,775	256,924
4 GE Capital Mortgage Insurance	269,133	199,728	210,493	160,847	302,606	244,496	304,365	221,970
5 Mortgage Guaranty Insurance	360,167	283,897	325,336	265,566	436,225	356,419	479,425	377,195
6 PMI Mortgage Insurance	181,904	142,896	152,129	119,181	255,656	211,074	267,470	212,177
7 Republic Mortgage Insurance	158,731	123,289	132,204	102,221	183,240	145,023	157,794	144,618
8 Triad Guaranty Insurance	23,942	19,143	36,908	31,129	46,568	38,518	43,633	33,116
9 United Guaranty	170,868	132,661	147,256	120,182	214,162	182,327	244,637	204,667
10 Total	1,377,407	1,069,760	1,217,349	971,744	1,767,298	1,459,818	1,815,099	1,450,667

1. Radian is the result of a merger between Amerin Guaranty and Commonwealth Mortgage Insurance in 1999.

SOURCE: Federal Financial Institutions Examination Council.

4.43 APPLICATIONS RECEIVED AND POLICIES WRITTEN FOR PRIVATE MORTGAGE INSURANCE, 1999
By Purpose of Loan and Insurance Company
Percent

Company	Home purchase		Home refinance		Total	
	Applications	Policies written	Applications	Policies written	Applications	Policies written
1 Radian ¹	17.2	17.4	18.4	18.7	17.5	17.7
2 GE Capital Mortgage Insurance	16.7	15.3	16.8	15.2	16.8	15.3
3 Mortgage Guaranty Insurance	25.2	24.8	29.4	29.4	26.4	26.0
4 PMI Mortgage Insurance	15.0	15.0	14.0	13.5	14.7	14.6
5 Republic Mortgage Insurance	9.1	10.2	7.8	9.4	8.7	10.0
6 Triad Guaranty Insurance	2.5	2.3	2.3	2.1	2.4	2.3
7 United Guaranty	14.3	15.0	11.3	11.6	13.5	14.1
8 Total	100.0	100.0	100.0	100.0	100.0	100.0
MEMO						
9 Number of applications or policies	1,305,286.0	1,069,307.0	509,813.0	381,360.0	1,815,099.0	1,450,667.0

1. Radian is the result of a merger between Amerin Guaranty and Commonwealth Mortgage Insurance in 1999.

SOURCE: Federal Financial Institutions Examination Council.

4.44 APPLICATIONS FOR PRIVATE MORTGAGE INSURANCE, 1999
By Purpose of Loan and Characteristic of Applicant and Census Tract

Characteristic	Home purchase		Home refinance	
	Number	Percent	Number	Percent
APPLICANT				
<i>Race or ethnic group</i>				
1 American Indian or Alaskan Native	2,915	.3	1,015	.3
2 Asian or Pacific Islander	29,417	3.1	8,234	2.5
3 Black	46,541	4.9	17,869	5.5
4 Hispanic	62,902	6.6	19,766	6.1
5 White	751,132	78.9	258,534	79.9
6 Other	38,952	4.1	11,141	3.4
7 Joint (white and minority)	20,292	2.1	7,035	2.2
8 Total	952,151	100.0	323,594	100.0
<i>Income (percentage of MSA median)¹</i>				
9 Less than 50	53,254	5.2	15,564	3.9
10 50-79	204,852	19.9	71,731	18.1
11 80-99	164,203	15.9	64,207	16.2
12 100-119	155,348	15.1	62,719	15.8
13 120 or more	452,508	43.9	182,567	46.0
14 Total	1,030,165	100.0	396,788	100.0
CENSUS TRACT				
<i>Racial composition (minorities as percentage of population)</i>				
15 Less than 10	545,744	52.3	209,845	49.5
16 10-19	227,927	21.9	90,435	21.3
17 20-49	182,708	17.5	79,349	18.7
18 50-79	55,229	5.3	25,531	6.0
19 80-100	30,922	3.0	18,853	4.4
20 Total	1,042,530	100.0	424,013	100.0
<i>Income²</i>				
21 Lower	14,360	1.4	5,240	1.2
22 Moderate	103,356	9.9	44,599	10.5
23 Middle	526,006	50.5	229,748	54.2
24 Upper	397,702	38.2	144,155	34.0
25 Total	1,041,424	100.0	423,742	100.0
<i>Location³</i>				
26 Central city	414,222	39.4	155,070	36.2
27 Non-central city	637,544	60.6	273,378	63.8
28 Total	1,051,766	100.0	428,448	100.0

NOTE: Not all characteristics were reported for all loans.

1. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. Lower: median family income for census tract less than 50 percent of median family income for MSA. Moderate: 50 percent to less than 80 percent. Middle: 80 percent to less than 120 percent. Upper: 120 percent or more.

3. For census tracts located in MSAs.

SOURCE: Federal Financial Institutions Examination Council.

4.45 APPLICATIONS FOR PRIVATE MORTGAGE INSURANCE, 1999
 By Purpose of Loan, Disposition of Application, Characteristic of Applicant, and Census Tract
 Percent

Characteristic	Home purchase					Home refinance				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
1 Total	90.4	5.1	3.1	1.3	100.0	90.7	4.7	3.3	1.2	100.0
APPLICANT										
<i>Race or ethnic group</i>										
2 American Indian or Alaskan										
Native	86.8	8.1	4.0	1.1	100.0	87.4	6.1	5.2	1.3	100.0
3 Asian or Pacific Islander	87.8	6.5	4.4	1.4	100.0	88.8	5.2	4.7	1.3	100.0
4 Black	82.9	11.0	4.4	1.7	100.0	85.4	8.7	4.2	1.6	100.0
5 Hispanic	85.5	8.6	4.4	1.5	100.0	87.6	6.7	4.2	1.5	100.0
6 White	90.9	5.0	3.0	1.1	100.0	90.5	4.9	3.4	1.2	100.0
7 Other	97.8	1.2	.9	.1	100.0	97.4	1.3	1.2	.1	100.0
8 Joint (white and minority)	89.6	6.0	3.4	1.1	100.0	90.7	5.0	3.1	1.2	100.0
<i>Income (percentage of MSA median)¹</i>										
9 Less than 50	88.0	7.8	3.1	1.2	100.0	85.7	8.8	3.9	1.7	100.0
10 50-79	91.6	4.8	2.6	1.0	100.0	88.6	6.2	3.8	1.4	100.0
11 80-99	92.4	4.2	2.4	.9	100.0	90.2	5.0	3.6	1.3	100.0
12 100-119	92.9	3.8	2.4	.9	100.0	90.8	4.7	3.3	1.3	100.0
13 120 or more	92.9	3.7	2.5	.9	100.0	91.2	4.1	3.4	1.3	100.0
CENSUS TRACT										
<i>Racial composition (minorities as percentage of population)</i>										
14 Less than 10	93.8	3.3	2.1	.8	100.0	91.6	4.3	3.1	1.1	100.0
15 10-19	92.1	4.3	2.6	1.0	100.0	90.7	4.5	3.4	1.4	100.0
16 20-49	90.5	5.4	3.0	1.1	100.0	90.2	4.9	3.5	1.4	100.0
17 50-79	88.5	6.5	3.7	1.3	100.0	89.4	5.4	3.8	1.4	100.0
18 80-100	86.7	7.8	4.0	1.5	100.0	88.9	6.2	3.6	1.3	100.0
<i>Income²</i>										
19 Lower	86.6	7.9	3.8	1.7	100.0	88.1	7.3	3.4	1.3	100.0
20 Moderate	89.7	6.1	3.1	1.2	100.0	89.7	5.7	3.4	1.2	100.0
21 Middle	92.6	4.1	2.5	.8	100.0	91.0	4.6	3.3	1.2	100.0
22 Upper	92.9	3.7	2.4	.9	100.0	91.2	4.2	3.3	1.3	100.0
<i>Location³</i>										
23 Central city	91.7	4.6	2.7	1.0	100.0	90.7	4.8	3.3	1.2	100.0
24 Non-central city	92.8	3.9	2.4	.9	100.0	91.0	4.5	3.3	1.2	100.0

NOTE: Not all characteristics were reported for all loans.

1. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. Lower: median family income for census tract less than 50 percent of median family income for MSA of tract. Moderate: 50 percent to less than 80 percent. Middle: 80 percent to less than 120 percent. Upper: 120 percent or more.

3. For census tracts located in MSAs.

SOURCE: Federal Financial Institutions Examination Council.

4.46 SMALL LOANS TO BUSINESSES AND FARMS, 1997-99

Item	1997	1998 ⁴	1999
<i>Total business loans</i>			
1 Number	2,560,795.0	2,736,389.0	3,287,974.0
2 Amount (thousands of dollars)	159,401,302.0	161,211,231.0	174,538,571.0
<i>Percent to small firms¹</i>			
3 Number	50.0	54.5	60.2
4 Amount	42.1	47.0	48.5
<i>Total farm loans</i>			
5 Number	212,822.0	206,267.0	220,587.0
6 Amount (thousands of dollars)	11,192,400.0	11,373,691.0	12,302,881.0
<i>Percent to small farms²</i>			
7 Number	89.5	90.4	90.6
8 Amount	81.3	83.0	83.7
<i>Activity of CRA reporters (percent)</i>			
<i>All small loans to businesses²</i>			
9 Number	67.9	66.2	71.8
10 Amount	66.2	65.8	78.7
<i>All small loans to farms²</i>			
11 Number	22.2	22.3	23.3
12 Amount	27.8	27.4	29.4
<i>Distribution of business loans by asset size of lender</i>			
<i>Number (percent)</i>			
13 Less than 100	1.2	1.9	1.0
14 100 to 249	6.5	5.5	1.4
15 250 to 999	15.7	20.3	15.9
16 1,000 or more	76.6	72.3	81.8
17 Total	100.0	100.0	100.0
<i>Amount (percent)</i>			
18 Less than 100	1.4	.8	1.0
19 100 to 249	3.5	3.2	2.2
20 250 to 999	20.9	22.7	21.6
21 1,000 or more	74.2	73.3	75.2
22 Total	100.0	100.0	100.0
<i>Distribution of farm loans by asset size of lender</i>			
<i>Number (percent)</i>			
23 Less than 100	6.4	4.9	4.9
24 100 to 249	10.4	8.2	6.6
25 250 to 999	37.4	38.7	37.7
26 1,000 or more	45.8	48.2	50.8
27 Total	100.0	100.0	100.0
<i>Amount (percent)</i>			
28 Less than 100	5.1	3.5	4.0
29 100 to 249	8.2	6.6	5.6
30 250 to 999	34.2	36.0	36.3
31 1,000 or more	52.5	53.9	54.1
32 Total	100.0	100.0	100.0
<i>Distribution of business loans by income of census tract³</i>			
<i>Number</i>			
33 Low	4.6	4.3	3.6
34 Moderate	16.0	15.5	14.6
35 Middle	49.1	49.5	50.1
36 Upper	29.8	30.3	31.2
37 Income not reported	.5	.5	.4
38 Total	100.0	100.0	100.0
<i>Amount</i>			
39 Low	5.4	5.2	5.0
40 Moderate	16.0	15.7	15.5
41 Middle	46.5	46.8	47.1
42 Upper	31.3	31.6	31.7
43 Income not reported	.7	.7	.7
44 Total	100.0	100.0	100.0
MEMO			
<i>Number of reporters</i>			
45 Commercial banks	1,421.0	1,576.0	1,450.0
46 Savings institutions	475.0	290.0	461.0
47 Total	1,896.0	1,866.0	1,911.0

1. Businesses and farms with revenues of \$1 million or less.

2. Percentages reflect the ratio of activity by CRA reporters to activity by all lenders. Calculations are based on information reported in the June 1997, 1998, and 1999 Call Reports for commercial banks and the Thrift Financial Reports.

3. *Low income*: census tract median family income less than 50 percent of MSA median family income or nonmetropolitan portion of state median family income; *moderate income*: 50-79 percent; *middle income*: 80-120 percent; *upper income*: 120 percent or more. Excludes loans where census tract or block number area was not reported.

4. Revised to reflect correction of reported data.

4.47 ORIGINATIONS AND PURCHASES OF SMALL LOANS TO BUSINESSES AND FARMS, 1999

By Size of Loan

Type of borrower and loan	Size of loan (dollars)						All loans		MEMO Loans to firms with revenues of \$1 million or less	
	100,000 or less		100,001 to 250,000		More than 250,000					
	Total	Percent	Total	Percent	Total	Percent	Total	Percent		
Number of Loans										
<i>Business</i>										
1 Originations	2,795,095	88.3	201,103	6.4	169,001	5.3	3,165,199	100	1,893,538	59.8
2 Purchases	118,430	96.5	1,751	1.4	2,594	2.1	122,775	100	84,863	69.1
3 Total	2,913,525	88.6	202,854	6.2	171,595	5.2	3,287,974	100	1,978,401	60.2
<i>Farm</i>										
4 Originations	183,441	84.7	23,947	11.1	9,104	4.2	216,492	100	197,397	91.2
5 Purchases	3,481	85.0	421	10.3	193	4.7	4,095	100	2,548	62.2
6 Total	186,922	84.7	24,368	11.0	9,297	4.2	220,587	100	199,945	90.6
<i>All</i>										
7 Originations	2,978,536	88.1	225,050	6.7	178,105	5.3	3,381,691	100	2,090,935	61.8
8 Purchases	121,911	96.1	2,172	1.7	2,787	2.2	126,870	100	87,411	68.9
9 Total	3,100,447	88.4	227,222	6.5	180,892	5.2	3,508,561	100	2,178,346	62.1
Amount of loans (thousands of dollars)										
<i>Business</i>										
10 Originations	49,998,809	29.1	34,780,115	20.2	87,262,751	50.7	172,041,675	100	83,824,238	48.7
11 Purchases	782,082	31.3	297,840	11.9	1,416,974	56.7	2,496,896	100	875,384	35.1
12 Total	50,780,891	29.1	35,077,955	20.1	88,679,725	50.8	174,538,571	100	84,699,622	48.5
<i>Farm</i>										
13 Originations	4,843,039	40.0	3,958,258	32.7	3,301,695	27.3	12,102,992	100	10,207,099	84.3
14 Purchases	61,293	30.7	69,185	34.6	69,411	34.7	199,889	100	94,835	47.4
15 Total	4,904,332	39.9	4,027,443	32.7	3,371,106	27.4	12,302,881	100	10,301,934	83.7
<i>All</i>										
16 Originations	54,841,848	29.8	38,738,373	21.0	90,564,446	49.2	184,144,667	100	94,031,337	51.1
17 Purchases	843,375	31.3	367,025	13.6	1,486,385	55.1	2,696,785	100	970,219	36.0
18 Total	55,685,223	29.8	39,105,398	20.9	92,050,831	49.3	186,841,452	100	95,001,556	50.8

4.48 ORIGINATIONS AND PURCHASES OF SMALL LOANS TO BUSINESSES AND FARMS, 1999

By Type of Borrower and Loan, and Distributed by Size of Lending Institution

Type of borrower and loan	Institutions, by asset size (millions of dollars)								All institutions	
	Less than 100		100 to 249		250 to 999		1,000 or more			
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Number of loans										
<i>Business</i>										
1 Originations	30,815	1.0	46,277	1.5	519,130	16.4	2,568,977	81.2	3,165,199	100
2 Purchases	1,059	0.9	226	0.2	2,534	2.1	118,956	96.9	122,775	100
3 Total	31,874	1.0	46,503	1.4	521,664	15.9	2,687,933	81.8	3,287,974	100
<i>Farm</i>										
4 Originations	10,470	4.8	14,418	6.7	81,968	37.9	109,636	50.6	216,492	100
5 Purchases	293	7.2	137	3.3	1,140	27.8	2,525	61.7	4,095	100
6 Total	10,763	4.9	14,555	6.6	83,108	37.7	112,161	50.8	220,587	100
<i>All</i>										
7 Originations	41,285	1.2	60,695	1.8	601,098	17.8	2,678,613	79.2	3,381,691	100
8 Purchases	1,352	1.1	363	0.3	3,674	2.9	121,481	95.8	126,870	100
9 Total	42,637	1.2	61,058	1.7	604,772	17.2	2,800,094	79.8	3,508,561	100
Amount of loans (thousands of dollars)										
<i>Business</i>										
10 Originations	1,768,035	1.0	3,678,309	2.1	37,248,268	21.7	129,347,063	75.2	172,041,675	100
11 Purchases	36,335	1.5	98,467	3.9	537,874	21.5	1,824,220	73.1	2,496,896	100
12 Total	1,804,370	1.0	3,776,776	2.2	37,786,142	21.6	131,171,283	75.2	174,538,571	100
<i>Farm</i>										
13 Originations	483,863	4.0	684,921	5.7	4,361,772	36.0	6,572,436	54.3	12,102,992	100
14 Purchases	9,061	4.5	2,578	1.3	104,540	52.3	83,710	41.9	199,889	100
15 Total	492,924	4.0	687,499	5.6	4,466,312	36.3	6,656,146	54.1	12,302,881	100
<i>All</i>										
16 Originations	2,251,898	1.2	4,363,230	2.4	41,610,040	22.6	135,919,499	73.8	184,144,667	100
17 Purchases	45,396	1.7	101,045	3.7	642,414	23.8	1,907,930	70.7	2,696,785	100
18 Total	2,297,294	1.2	4,464,275	2.4	42,252,454	22.6	137,827,429	73.8	186,841,452	100
MEMO										
19 Number of institutions reporting	148		226		1,028		509		1,911	
20 Number of institutions extending loans	136		216		960		459		1,771	

4.49 COMMUNITY DEVELOPMENT LENDING, 1999

Asset size of lender (millions of dollars)	Number of loans		Amount of loans (thousands of dollars)		MEMO: CRA reporters			
	Total	Percent	Total	Percent	Number	Percent	Community development loans	
							Number extending	Percent extending
1 Less than 100	355	1.4	141,014	0.8	148	7.7	41	1.7
2 100 to 249	408	1.6	155,024	0.9	226	11.8	87	7.9
3 250 to 999	10,788	41.8	2,274,841	13.3	1,028	53.8	572	51.8
4 1,000 or more	14,273	55.3	14,528,451	85.0	509	26.6	404	36.6
5 All	25,824	100.0	17,099,330	100.0	1,911	100.0	1,104	100.0
MEMO								
6 Lending by all affiliates	485	1.9	702,299	4.1	.	..	38	3.4

Index to Statistical Tables

References are to pages A3–A79, although the prefix “A” is omitted in this index

- ACCEPTANCES**, bankers (*See* Bankers acceptances)
Assets and liabilities (*See also* Foreigners)
 Commercial banks, 15–21
 Domestic finance companies, 32, 33
 Federal Reserve Banks, 10
 Foreign-related institutions, 20
Automobiles
 Consumer credit, 36
 Production, 44, 45
- BANKERS** acceptances, 5, 10, 22, 23
 Bankers balances, 15–21. (*See also* Foreigners)
 Bonds (*See also* U.S. government securities)
 New issues, 31
 Rates, 23
Business activity, nonfinancial, 42
Business loans (*See* Commercial and industrial loans)
- CAPACITY** utilization, 43
Capital accounts
 Commercial banks, 15–21
 Federal Reserve Banks, 10
Certificates of deposit, 23
Commercial and industrial loans
 Business and farms, loans to, 76–8
 Commercial banks, 15–21
 Weekly reporting banks, 17, 18
Commercial banks
 Assets and liabilities, 15–21
 Commercial and industrial loans, 15–21, 76–9
 Consumer loans held, by type and terms, 36, 68–72
 Real estate mortgages held, by holder and property, 35, 64–72
 Time and savings deposits, 4
Commercial paper, 22, 23, 32
Community development loans, under CRA, 79
Condition statements (*See* Assets and liabilities)
Construction, 42, 46
Consumer credit, 36
Consumer prices, 42
Consumption expenditures, 48, 49
Corporations
 Profits and their distribution, 32
 Security issues, 31, 61
Cost of living (*See* Consumer prices)
Credit unions, 36
Currency in circulation, 5, 13
Customer credit, stock market, 24
- DEBT** (*See* specific types of debt or securities)
Demand deposits, 15–21
Depository institutions
 Reserve requirements, 8
 Reserves and related items, 4–6, 12
Deposits (*See also* specific types)
 Commercial banks, 4, 15–21
 Federal Reserve Banks, 5, 10
Discount rates at Reserve Banks and at foreign central banks and foreign countries (*See* Interest rates)
Discounts and advances by Reserve Banks (*See* Loans)
Dividends, corporate, 32
- EMPLOYMENT**, 42
 Euro, 62
- FARM** mortgage loans, 35, 76–8
Federal agency obligations, 5, 9–11, 28, 29
Federal credit agencies, 30
- Federal finance**
 Debt subject to statutory limitation, and types and ownership
 of gross debt, 27
 Receipts and outlays, 25, 26
 Treasury financing of surplus, or deficit, 25
 Treasury operating balance, 25
Federal Financing Bank, 30
Federal funds, 23, 25
Federal Home Loan Banks, 30
Federal Home Loan Mortgage Corporation, 30, 34, 35
Federal Housing Administration, 30, 34, 35
Federal Land Banks, 35
Federal National Mortgage Association, 30, 34, 35
Federal Reserve Banks
 Condition statement, 10
 Discount rates (*See* Interest rates)
 U.S. government securities, 5, 10, 11, 27
Federal Reserve credit, 5, 6, 10, 12
Federal Reserve notes, 10
Federally sponsored credit agencies, 30
Finance companies
 Assets and liabilities, 32
 Business credit, 33
 Loans, 36
 Paper, 22, 23
Float, 5
Flow of funds, 37–41
Foreign currency operations, 10
Foreign deposits in U.S. banks, 5
Foreign exchange rates, 62
Foreign-related institutions, 20
Foreign trade, 51
Foreigners
 Claims on, 52, 55–7, 59
 Liabilities to, 51–3, 58, 60, 61
- GOLD**
 Certificate account, 10
 Stock, 5, 51
Government National Mortgage Association, 30, 34, 35
Gross domestic product, 48, 49
- HOME Mortgage Disclosure Act**
 Applications for home loans, 66–9
 Home loans, 70–2
 Residential lending by financial institutions, 66, 70–2
Housing, new and existing units, 46
- INCOME**, personal and national, 42, 48, 49
Industrial production, 42, 44
Insurance, private mortgage, 73–5
Insurance companies, 27, 35
Interest rates
 Bonds, 23
 Consumer credit, 36
 Federal Reserve Banks, 7
 Money and capital markets, 23
 Mortgages, 34
 Prime rate, 22
International capital transactions of United States, 50–61
International organizations, 52, 53, 55, 58, 59
Inventories, 48
Investment companies, issues and assets, 32
Investments (*See also* specific types)
 Commercial banks, 4, 15–21
 Federal Reserve Banks, 10, 11
 Financial institutions, 35

- LABOR force, 42
 Life insurance companies (*See* Insurance companies)
 Loans (*See also* specific types)
 Business, 76–8
 Commercial banks, 15–21, 64–9, 76–9
 Community development, 79
 Conventional, 64–6, 68
 Fannie Mae, 70
 Farms, 76–8
 Federal Reserve Banks, 5–7, 10, 11
 FHA, 64
 Financial institutions, 35
 FmHA, 64, 70
 Freddie Mac, 70
 Ginnie Mae, 70
 Home purchase, 65–7
 Insured or guaranteed by United States, 34, 35
 VA, 64, 67
- MANUFACTURING
 Capacity utilization, 43
 Production, 43, 45
 Margin requirements, 24
 Member banks, reserve requirements, 8
 Mining production, 45
 Mobile homes shipped, 46
 Monetary and credit aggregates, 4, 12
 Money and capital market rates, 23
 Money stock measures and components, 4, 13
 Mortgage insurance, 73–5
 Mortgages (*See* Real estate loans)
 Mutual funds, 13, 32
 Mutual savings banks (*See* Thrift institutions)
- NATIONAL defense outlays, 26
 National income, 48
- OPEN market transactions, 9
- PERSONAL income, 49
 Prices
 Consumer and producer, 42, 47
 Stock market, 24
 Prime rate, 22
 Private mortgage insurance, 73–5
 Producer prices, 42, 47
 Production, 42, 44
 Profits, corporate, 32
- REAL estate loans
 Banks, 15–21, 35
 Terms, yields, and activity, 34
 Type and holder and property mortgaged, 35
 Reserve requirements, 8
 Reserves
 Commercial banks, 15–21
 Depository institutions, 4–6, 12
 Federal Reserve Banks, 10
 U.S. reserve assets, 51
- Residential mortgage loans, 34, 35, 64–72
 Retail credit and retail sales, 36, 42
- SAVING
 Flow of funds, 37–41
 National income accounts, 48
 Saving deposits (*See* Time and savings deposits)
 Savings institutions, 35, 36, 37–41
 Securities (*See also* specific types)
 Federal and federally sponsored credit agencies, 30
 Foreign transactions, 60
 New issues, 31
 Prices, 24
 Special drawing rights, 5, 10, 50, 51
 State and local governments
 Holdings of U.S. government securities, 27
 New security issues, 31
 Rates on securities, 23
 Stock market, selected statistics, 24
 Stocks (*See also* Securities)
 New issues, 31
 Prices, 24
 Student Loan Marketing Association, 30
- TAX receipts, federal, 26
 Thrift institutions, 4. (*See also* Credit unions and Savings institutions)
 Time and savings deposits, 4, 12, 14, 15–21
 Trade, foreign, 51
 Treasury cash, Treasury currency, 5
 Treasury deposits, 5, 10, 25
 Treasury operating balance, 25
- UNEMPLOYMENT, 42
 U.S. government balances
 Commercial bank holdings, 15–21
 Treasury deposits at Reserve Banks, 5, 10, 25
 U.S. government securities
 Bank holdings, 15–21, 27
 Dealer transactions, positions, and financing, 29
 Federal Reserve Banks holdings, 5, 10, 11, 27
 Foreign and international holdings and transactions, 10, 27, 61
 Open market transactions, 9
 Outstanding, by type and holder, 27, 28
 Rates, 23
 U.S. international transactions, 50–62
 Utilities, production, 45
- VETERANS Administration, 34, 35
- WEEKLY reporting banks, 17, 18
 Wholesale (producer) prices, 42, 47
- YIELDS (*See* Interest rates)

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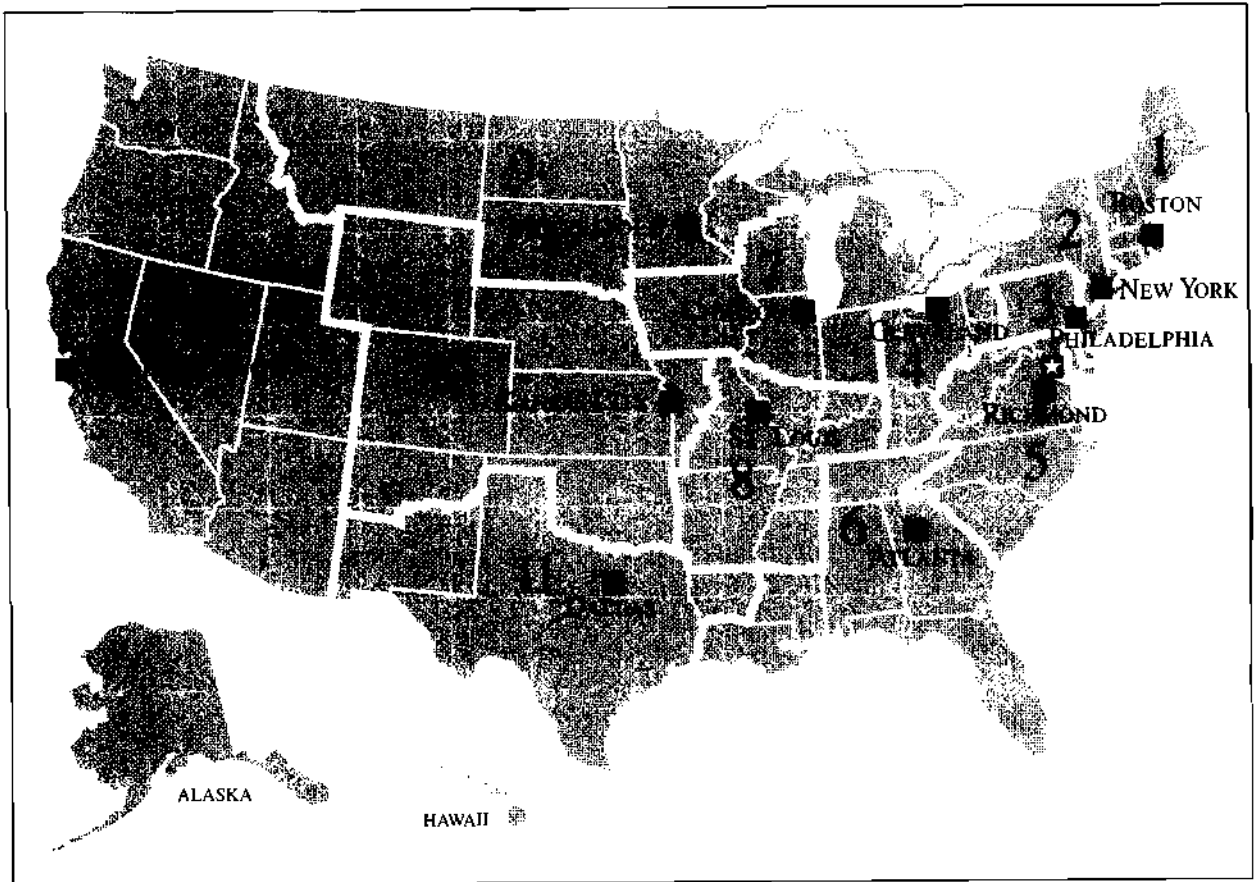
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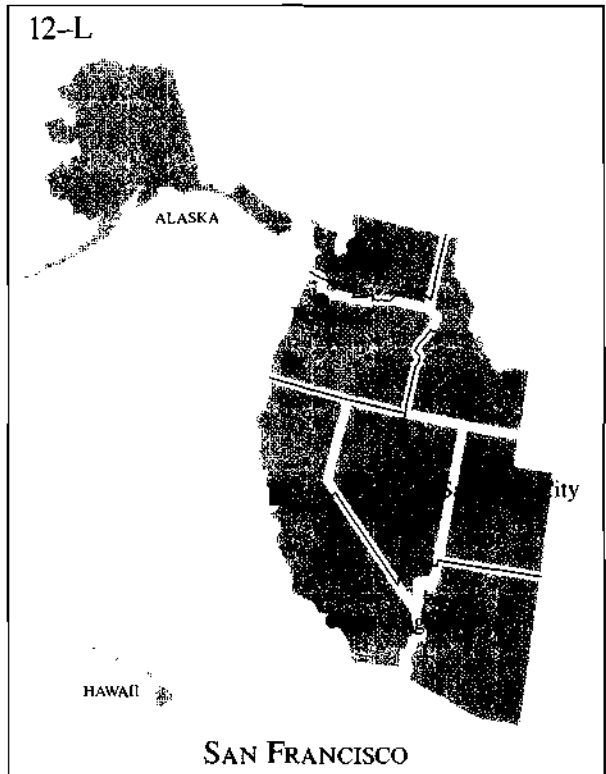
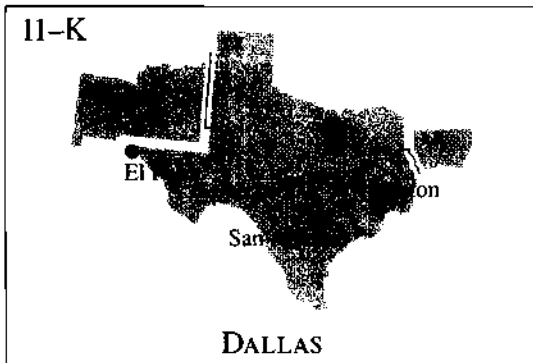
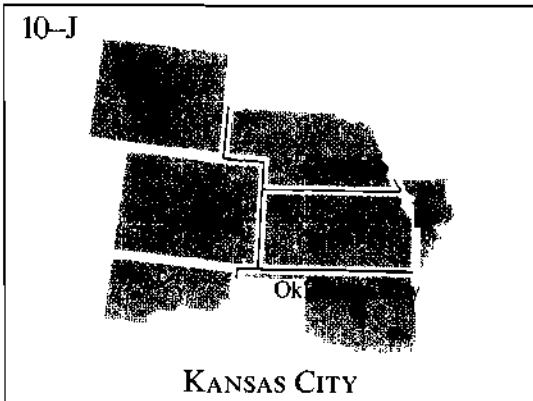
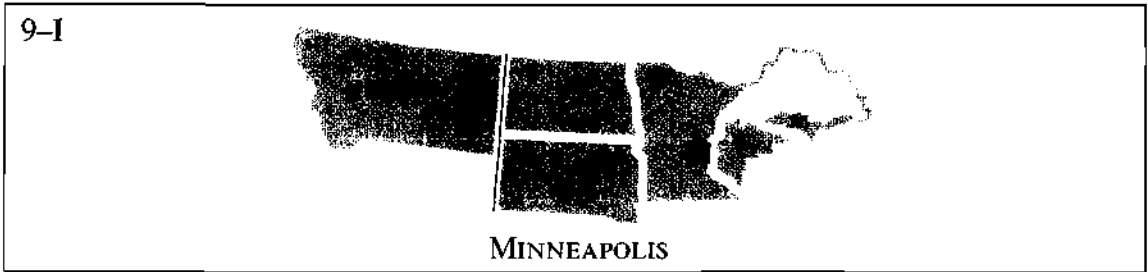
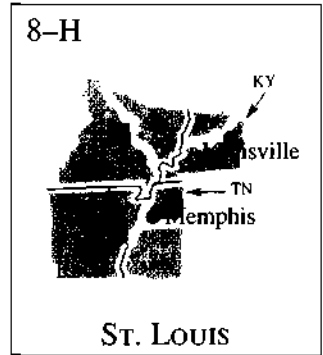
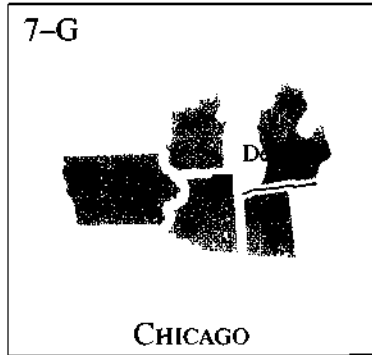
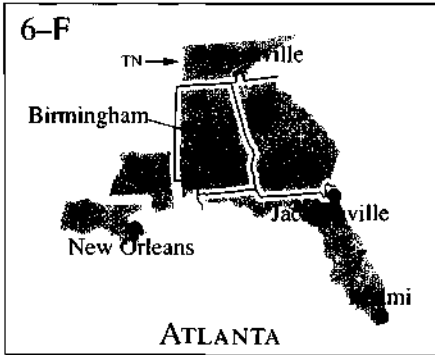
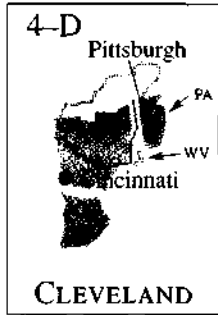
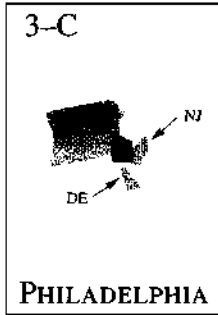
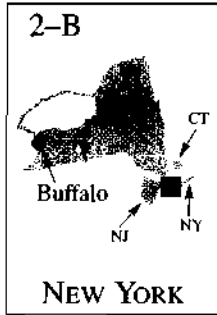
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Facing page

- Federal Reserve Branch city
- Branch boundary

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.



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