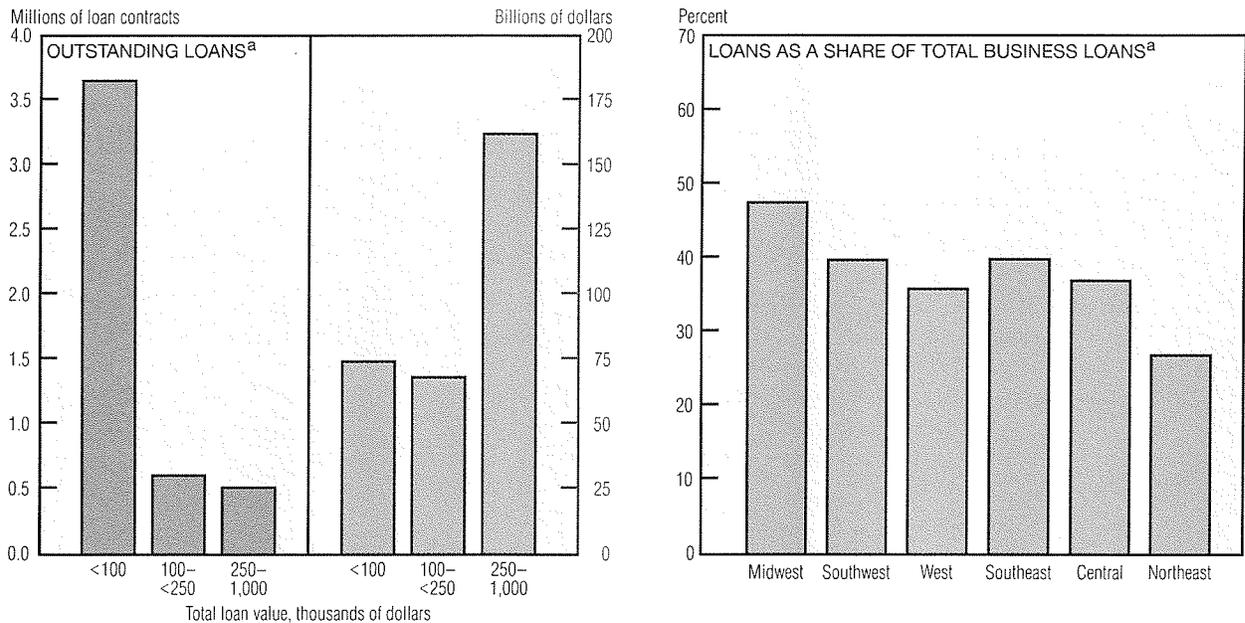
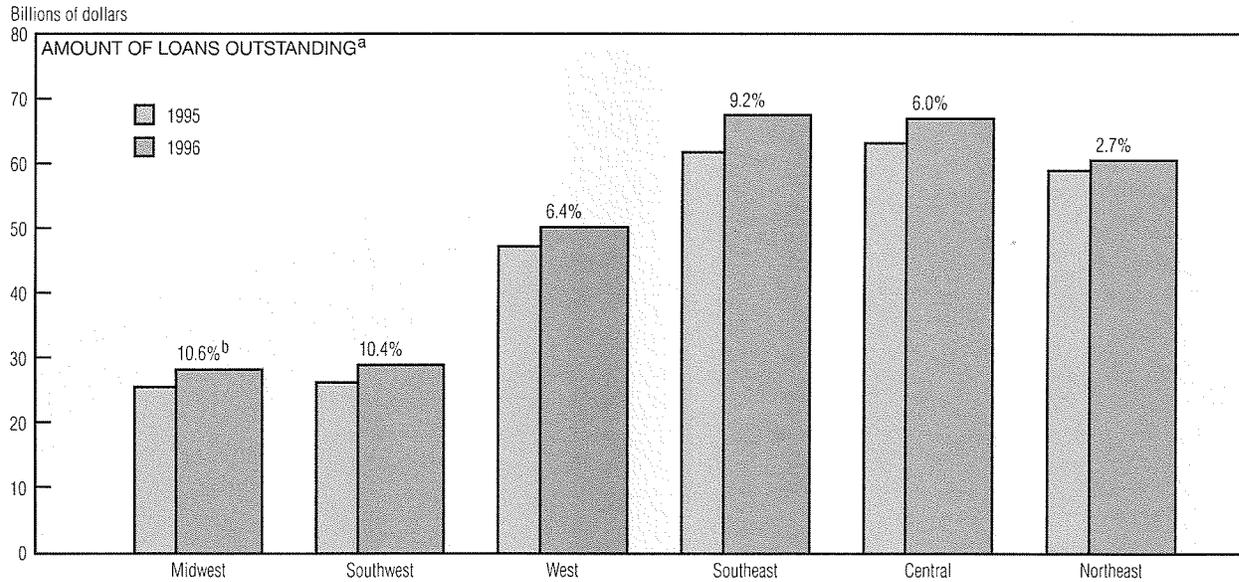


Small Business Lending



a. Small business loans secured by nonfarm, nonresidential properties plus commercial and industrial loans to U.S. addressees. Small business loans are those for \$1 million or less.

b. Percent changes represent the year-over-year growth in small business loans outstanding.

NOTE: All data are for FDIC-insured domestic commercial banks.

SOURCE: Federal Financial Institutions Examination Council, *Consolidated Reports of Condition and Income*, June 1995 and 1996.

Between June 1995 and June 1996, small business lending grew a healthy 6.9% nationwide, to \$301.8 billion outstanding. Loan growth was robust in all regions although, as in the past, the Northeast (2.7%) lagged somewhat behind the rest of the nation. The region's weaker performance may partially reflect the fact that small business lending is a less important component of total business lending there. Nevertheless, even this small gain was

notable following the 13.9% decline a year earlier.

As in the past, the total dollar volume of small business lending was lowest in the Midwest in 1996 (only \$28.1 billion), yet such lending constitutes a much larger share of overall business lending activity in this region (47.3%) than it does in other parts of the country. In contrast, small business lending in the Northeast represents a relatively minor fraction of its total business lending (26.6%), even though the region

was third largest in terms of total dollar volume of loans in 1996 (\$60.5 billion).

The composition of small business lending held relatively constant in 1996. As formerly, the vast majority of contracts were for amounts of less than \$100,000 (77.0%, slightly above the 1995 figure of 76.8%). At the same time, loans that exceeded \$250,000 still accounted for more than half of all dollars committed to small business lending.