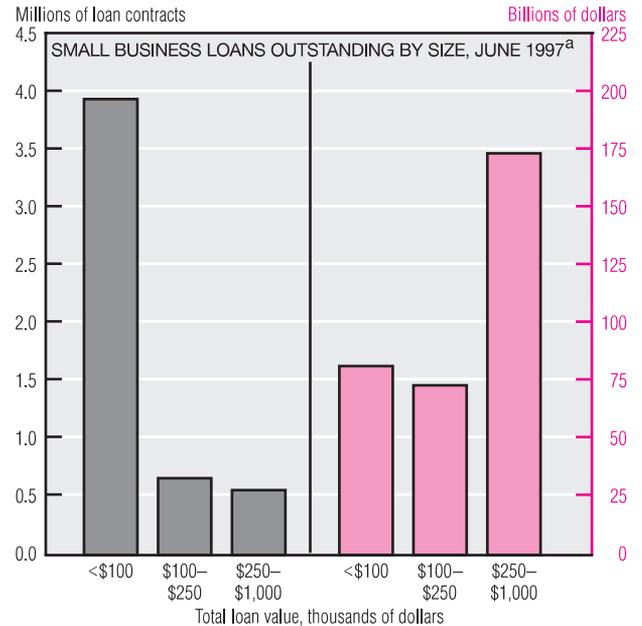
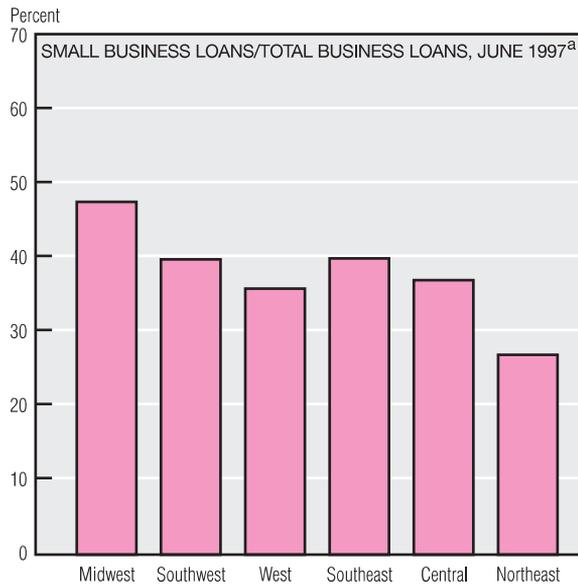
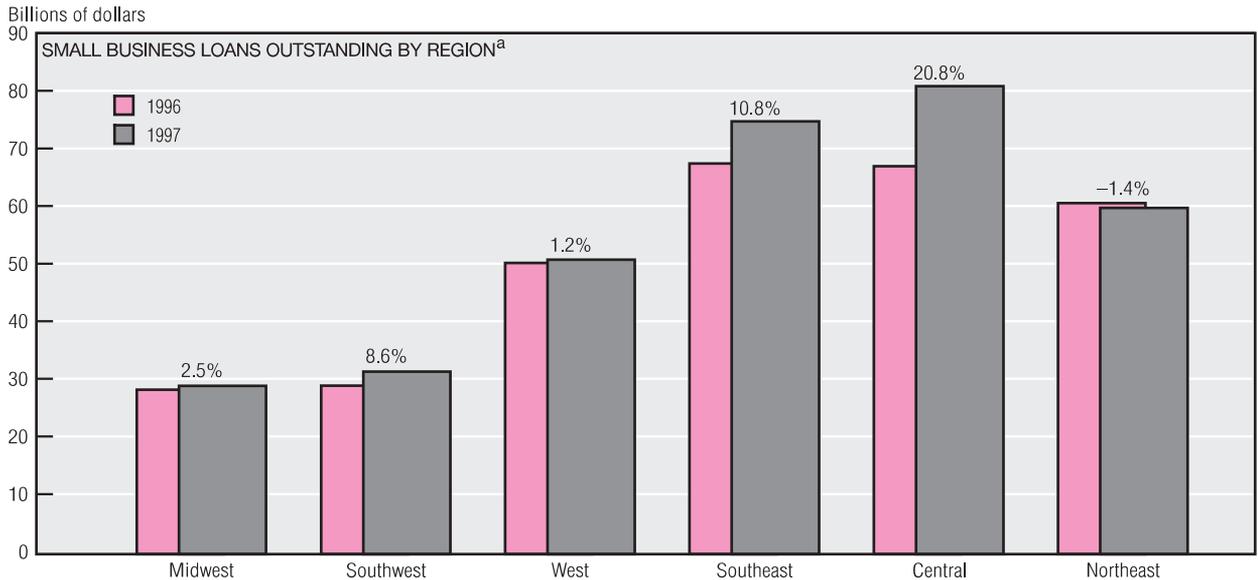


Small Business Lending



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. Numbers over bars are year-over-year percent changes.
 NOTE: All data are for FDIC-insured domestic commercial banks.
 SOURCE: Federal Financial Institutions Examination Council, *Consolidated Reports of Condition and Income*, June 1996 and June 1997.

Between June 1996 and June 1997, small business lending grew a healthy 7.99% nationwide, to \$325.9 billion outstanding. This growth was stronger than in the previous year (6.9%), but was not uniform throughout the country. Although the South turned in a solid performance, it was the Central region's stellar 20.8% growth that compensated for the lackluster showing in the rest of the country; indeed, its \$80.8 billion of small business loans outstanding now exceeds every other regional posting.

Following its pattern of the last

three years, the Northeast had the poorest numbers, with small business lending declining 1.4% to \$59.7 billion. One reason for the weaker performance of this region may be that small business lending is a less important component of total business lending there.

As in the past, the total dollar volume of small business lending is lowest in the Midwest (only \$28.8 billion), yet such lending constitutes a larger share of overall business lending activity in this region (48.9%) than it does in other parts of the country. In contrast, small business

lending in the Northeast represents a relatively minor fraction of total business lending in that region (25.2%), despite the fact that it is the third largest region in terms of total dollar volume of loans.

The composition of small business lending remained relatively constant in 1997. As in the past, the vast majority of small business loan contracts were for less than \$100,000 (76.9%, versus 77.0% in 1996). At the same time, loans for more than \$250,000 still account for over half of all dollars committed to small businesses.