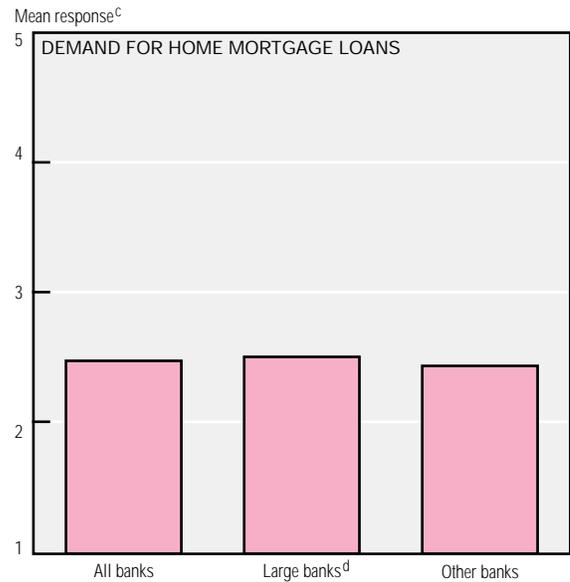
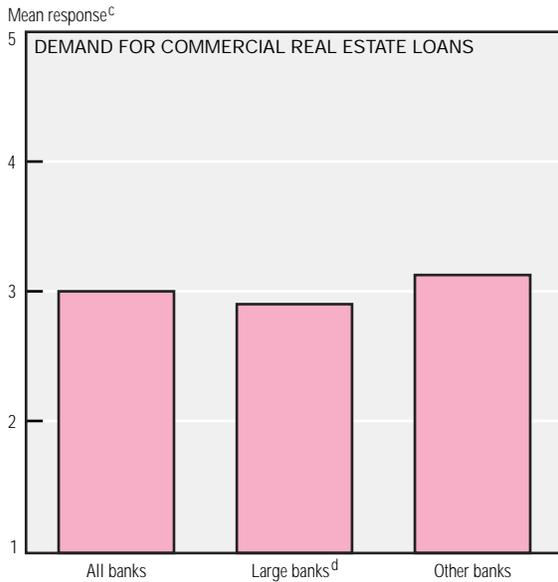
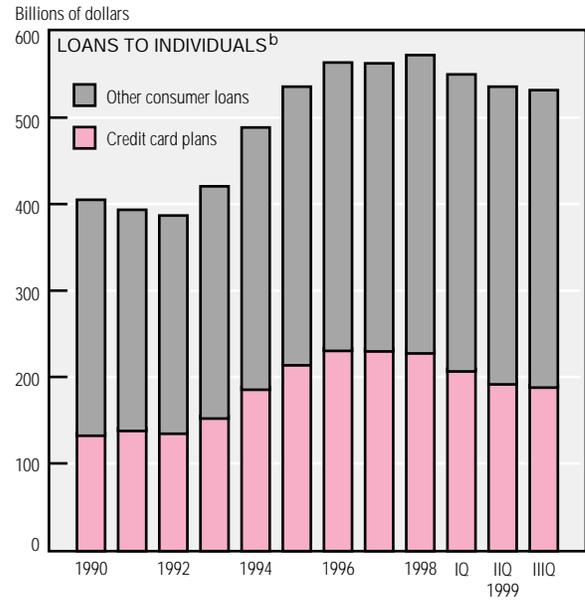
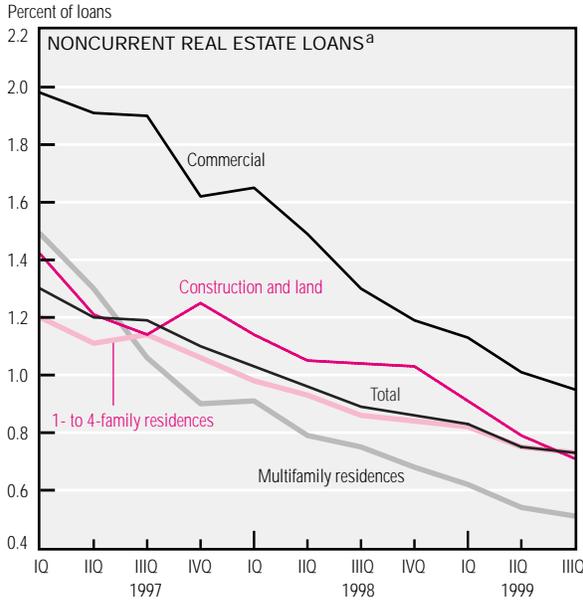


Real Estate Loans



a. Noncurrent loans represent the percent of loans in each category that are past due 90 days or more or are in nonaccrual status.
 b. As of December for each year except 1999; data for 1999 are quarterly.
 c. Mean response of banks where 1 = substantially weaker; 2 = moderately weaker; 3 = about the same; 4 = moderately stronger; and 5 = substantially stronger.
 d. Total domestic assets of \$20 billion or more.
 SOURCES: Board of Governors of the Federal Reserve System, *Senior Loan Officer Opinion Survey on Lending Practices*; and Federal Deposit Insurance Corporation, *Quarterly Banking Profile*.

The continued downward trend in noncurrent real estate loans is another indication of health in the banking system. However, noncurrent loans of all types witnessed a minor increase (from 0.94% in the second quarter of 1999 to 0.96% in the third quarter). Total assets in the banking system grew at the slowest

rate reported in five years. Although total loans to individuals fell for the third straight quarter, commercial real estate loans rose slightly.

The Federal Reserve's quarterly *Senior Loan Officer Opinion Survey*, updated in November, substantiates these findings. Loan officers indicated little change in demand for

commercial real estate loans, but reported a slight decrease in the demand for home mortgage loans. This represents the second consecutive quarter in which loan officers reported a softening of home mortgage loan demand. Loan officers also indicated a moderate weakening of demand for consumer loans.