

**2006 Survey of Credit Underwriting Practices
National Credit Committee
October 2006**

Retail Lending Portfolios

Affordable Housing Lending

For the purposes of this survey, affordable housing loans included all types of loans on affordable housing for low- and moderate-income individuals and families, including single- to four-family and multifamily dwellings. Thirty-seven of the 73 banks in the survey were reported to be making affordable housing loans.

**Changes in Underwriting Standards in Affordable Housing Loan Portfolios
(Percent of Banks)**

	Eased	Unchanged	Tightened
1999	16	70	14
2000	10	84	6
2001	6	88	6
2002	3	91	6
2003	3	88	9
2004	6	86	8
2005	15	76	9
2006	3	97	0

**Changes in Level of Credit Risk in Affordable Housing Loan Portfolios
(Percent of Banks)**

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	2	2	78	18	0
2000	0	6	83	11	0
2001	2	2	88	8	0
2002	0	6	73	21	0
2003	0	9	76	15	0
2004	0	9	82	9	0
2005	0	6	79	15	0
2006	0	3	86	11	0
Future 12 Months	0	0	84	16	0

Credit Card Lending

Sixteen of the 73 banks in the survey were engaged in credit card lending.

**Changes in Underwriting Standards in Credit Card Loan Portfolios
(Percent of Banks)**

	Eased	Unchanged	Tightened
1999	8	66	26

2000	9	75	16
2001	16	60	24
2002	12	66	22
2003	19	62	19
2004	18	61	21
2005	7	74	19
2006	19	56	25

Changes in Level of Credit Risk in Credit Card Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	0	13	47	36	4
2000	0	16	66	16	2
2001	8	5	57	27	3
2002	0	6	54	31	9
2003	0	22	48	30	0
2004	0	11	61	25	3
2005	0	15	67	18	0
2006	0	0	56	44	0
Future 12 Months	0	6	69	25	0

Direct Consumer Lending

Thirty-four of the 73 banks in the survey were engaged in direct consumer lending.

Changes in Underwriting Standards in Other Direct Consumer Loan Portfolios
(Percent of Banks)

	Eased	Unchanged	Tightened
1999	7	74	19
2000	10	78	12
2001	7	73	20
2002	2	67	31
2003	8	68	24
2004	3	86	11
2005	6	82	12
2006	3	91	6

Changes in Level of Credit Risk in Other Direct Consumer Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	0	7	65	28	0

2000	0	9	74	15	2
2001	0	7	71	20	2
2002	2	6	67	25	0
2003	2	17	72	7	2
2004	2	13	78	7	0
2005	0	8	82	10	0
2006	0	3	88	9	0
Future 12 Months	0	6	82	12	0

Home Equity - Conventional Lending

Sixty-one of the 73 banks in the survey offered the conventional home equity lending product.

Changes in Underwriting Standards in Home Equity - Conventional Loan Portfolios
(Percent of Banks)

	Eased	Unchanged	Tightened
1999	23	67	10
2000	23	64	13
2001	7	70	23
2002	0	74	26
2003	18	63	19
2004	13	77	10
2005	27	62	11
2006	34	64	2

Changes in Level of Credit Risk in Home Equity - Conventional Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	0	0	69	29	2
2000	0	5	73	20	2
2001	0	11	74	13	2
2002	0	7	71	22	0
2003	4	4	69	23	0
2004	0	6	79	13	2
2005	0	7	78	15	0
2006	0	0	69	29	2
Future 12 Months	0	2	49	49	0

Home Equity - High Loan-to-Value (LTV) Lending

Nineteen of the 73 banks in the survey offered the high LTV home equity lending product.

Changes in Underwriting Standards in Home Equity - High LTV Loan Portfolios
(Percent of Banks)

	Eased	Unchanged	Tightened
1999	20	61	19
2000	21	55	24
2001	11	54	35
2002	0	56	44
2003	7	68	25
2004	18	71	11
2005	24	56	20
2006	37	63	0

Changes in Level of Credit Risk in Home Equity - High LTV Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	0	6	47	44	3
2000	0	13	58	24	5
2001	5	11	62	16	6
2002	0	12	40	44	4
2003	0	11	50	36	3
2004	0	18	61	18	3
2005	0	4	72	24	0
2006	0	0	63	37	0
Future 12 Months	0	0	53	47	0

Indirect Consumer Lending

Thirty-one of the 73 banks in the survey were engaged in indirect consumer lending.

Changes in Underwriting Standards in Indirect Consumer Loan Portfolios
(Percent of Banks)

	Eased	Unchanged	Tightened
1999	7	56	37
2000	7	60	33
2001	7	63	30
2002	0	72	28
2003	5	65	30
2004	11	60	29
2005	25	61	14
2006	35	52	13

Changes in Level of Credit Risk in Indirect Consumer Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	2	23	42	33	0
2000	7	16	55	22	0
2001	2	21	39	33	5
2002	3	13	38	43	3
2003	5	20	47	28	0
2004	0	26	60	14	0
2005	3	19	67	8	3
2006	6	10	48	36	0
Future 12 Months	3	16	45	33	3

Residential Real Estate Lending

Sixty-two of the 73 banks in the survey were engaged in residential real estate lending.

Changes in Underwriting Standards in Residential Real Estate Loan Portfolios
(Percent of Banks)

	Eased	Unchanged	Tightened
1999	14	77	9
2000	7	85	8
2001	12	72	16
2002	4	83	13
2003	2	86	12
2004	7	86	7
2005	22	73	5
2006	26	69	5

Changes in Level of Credit Risk in Residential Real Estate Loan Portfolios
(Percent of Banks)

	Declined Significantly	Declined Somewhat	Unchanged	Increased Somewhat	Increased Significantly
1999	3	5	71	21	0
2000	0	3	83	12	2
2001	0	9	76	15	0
2002	0	8	68	24	0
2003	0	12	74	12	2
2004	0	6	92	2	0
2005	0	3	73	24	0
2006	0	7	69	24	0
Future 12 Months	0	8	56	36	0