

**2005 Survey of Credit Underwriting Practices**  
**National Credit Committee**  
**June 2005**

**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-three of the 71 banks in the survey were reported to be making affordable housing loans.

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

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	16	70	14
<b>2000</b>	10	84	6
<b>2001</b>	6	88	6
<b>2002</b>	3	91	6
<b>2003</b>	3	88	9
<b>2004</b>	6	86	8
<b>2005</b>	15	76	9

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	2	2	78	18	0
<b>2000</b>	0	6	83	11	0
<b>2001</b>	2	2	88	8	0
<b>2002</b>	0	6	73	21	0
<b>2003</b>	0	9	76	15	0
<b>2004</b>	0	9	82	9	0
<b>2005</b>	0	6	79	15	0
<b>Future 12 Months</b>	0	3	67	30	0

***Consumer Leasing***

Consumer leasing was offered by twelve of the 71 banks in the survey.

**Changes in Underwriting Standards in Consumer Leasing Portfolios**  
(Percent of Banks)

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	5	54	41
<b>2000</b>	0	50	50
<b>2001</b>	0	56	44

<b>2002</b>	0	67	33
<b>2003</b>	0	69	31
<b>2004</b>	0	86	14
<b>2005</b>	10	90	0

**Changes in Level of Credit Risk in Consumer Leasing Portfolios**  
(Percent of Banks)

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	0	5	50	45	0
<b>2000</b>	0	5	67	28	0
<b>2001</b>	6	11	39	44	0
<b>2002</b>	7	13	26	47	7
<b>2003</b>	8	15	69	8	0
<b>2004</b>	43	21	36	0	0
<b>2005</b>	10	30	60	0	0
<b>Future 12 Months</b>	0	20	70	10	0

***Credit Card Lending***

Twenty-seven of the 71 banks in the survey were engaged in credit card lending.

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

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	8	66	26
<b>2000</b>	9	75	16
<b>2001</b>	16	60	24
<b>2002</b>	12	66	22
<b>2003</b>	19	62	19
<b>2004</b>	18	61	21
<b>2005</b>	7	74	19

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	0	13	47	36	4
<b>2000</b>	0	16	66	16	2
<b>2001</b>	8	5	57	27	3
<b>2002</b>	0	6	54	31	9
<b>2003</b>	0	22	48	30	0
<b>2004</b>	0	11	61	25	3
<b>2005</b>	0	15	67	18	0

<b>Future 12 Months</b>	0	0	74	26	0
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**Direct Consumer Lending**

Fifty-six of the 71 banks in the survey were engaged in direct consumer lending.

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

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

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	0	7	65	28	0
<b>2000</b>	0	9	74	15	2
<b>2001</b>	0	7	71	20	2
<b>2002</b>	2	6	67	25	0
<b>2003</b>	2	17	72	7	2
<b>2004</b>	2	13	78	7	0
<b>2005</b>	0	8	82	10	0
<b>Future 12 Months</b>	0	8	80	12	0

**Home Equity - Conventional Lending**

Sixty of the 71 banks in the survey offered the conventional home equity lending product.

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

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	23	67	10
<b>2000</b>	23	64	13
<b>2001</b>	7	70	23
<b>2002</b>	0	74	26
<b>2003</b>	18	63	19

<b>2004</b>	13	77	10
<b>2005</b>	27	62	11

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	0	0	69	29	2
<b>2000</b>	0	5	73	20	2
<b>2001</b>	0	11	74	13	2
<b>2002</b>	0	7	71	22	0
<b>2003</b>	4	4	69	23	0
<b>2004</b>	0	6	79	13	2
<b>2005</b>	0	7	78	15	0
<b>Future 12 Months</b>	0	2	58	40	0

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

Twenty-five of the 71 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)

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	20	61	19
<b>2000</b>	21	55	24
<b>2001</b>	11	54	35
<b>2002</b>	0	56	44
<b>2003</b>	7	68	25
<b>2004</b>	18	71	11
<b>2005</b>	24	56	20

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	0	6	47	44	3
<b>2000</b>	0	13	58	24	5
<b>2001</b>	5	11	62	16	6
<b>2002</b>	0	12	40	44	4
<b>2003</b>	0	11	50	36	3
<b>2004</b>	0	18	61	18	3
<b>2005</b>	0	4	72	24	0
<b>Future 12 Months</b>	0	0	60	40	0

<b>Months</b>					
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**Indirect Consumer Lending**

Thirty-six of the 71 banks in the survey were engaged in indirect consumer lending.

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

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	7	56	37
<b>2000</b>	7	60	33
<b>2001</b>	7	63	30
<b>2002</b>	0	72	28
<b>2003</b>	5	65	30
<b>2004</b>	11	60	29
<b>2005</b>	25	61	14

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	2	23	42	33	0
<b>2000</b>	7	16	55	22	0
<b>2001</b>	2	21	39	33	5
<b>2002</b>	3	13	38	43	3
<b>2003</b>	5	20	47	28	0
<b>2004</b>	0	26	60	14	0
<b>2005</b>	3	19	67	8	3
<b>Future 12 Months</b>	6	22	44	28	0

**Residential Real Estate Lending**

Sixty-three of the 71 surveyed banks were engaged in residential real estate lending.

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

	<b>Eased</b>	<b>Unchanged</b>	<b>Tightened</b>
<b>1999</b>	14	77	9
<b>2000</b>	7	85	8
<b>2001</b>	12	72	16
<b>2002</b>	4	83	13
<b>2003</b>	2	86	12

<b>2004</b>	7	86	7
<b>2005</b>	22	73	5

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

	<b>Declined Significantly</b>	<b>Declined Somewhat</b>	<b>Unchanged</b>	<b>Increased Somewhat</b>	<b>Increased Significantly</b>
<b>1999</b>	3	5	71	21	0
<b>2000</b>	0	3	83	12	2
<b>2001</b>	0	9	76	15	0
<b>2002</b>	0	8	68	24	0
<b>2003</b>	0	12	74	12	2
<b>2004</b>	0	6	92	2	0
<b>2005</b>	0	3	73	24	0
<b>Future 12 Months</b>	0	0	73	27	0