TREASURY DEPARTMENT MONTHLY LENDING AND INTERMEDIATION SNAPSHOT

Summary Analysis for July 2009

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Economic Environment

Treasury's eighth survey of banks' activities was conducted as the economy showed more signs that the pace of contraction was easing. Early in the third quarter, monthly payroll job losses slowed to about half of the pace during the first six months of the year. The unemployment eased in July, but remained well above 9 percent, more than four percentage points above what economists believe to be full employment. Housing starts and home sales moved higher in July, which suggests some improvement in the sector, but overall, the levels of both sales and starts remained near all-time lows. Consumer spending also moved higher in July, but was still below the level reached before the financial crisis intensified last fall. Financial market strains eased further, with short-term credit spreads narrowing, the VIX falling well below levels seen in the first half of the year, and securitization continuing to improve. Despite modest improvements, the economy remains very weak and forecasters see the unemployment rate rising to 10 percent through the end of the year.

July Survey Results

The overall outstanding loan balance (of all respondents) fell 1 percent from June to July at the top 22 participants in the Capital Purchase Program (CPP), due mainly to decreased demand from borrowers, payment of outstanding debt, and charge-offs by banks. Total origination of new loans at the 22 surveyed institutions decreased 10 percent from June to July. In July, the 22 surveyed institutions originated approximately $282 billion in new loans. Total originations of loans by all respondents rose in 1 category (other consumer lending products), fell in 6 loan categories (mortgages, home equity lines of credit (HELOCs) commercial and industrial (C&I) new commitments, and commercial real estate (CRE) renewals and new commitments), and were flat in 1 category (C&I renewals).

Growth in mortgages was mixed in July. New home purchases maintained the growth seen in June, but that growth was offset by a decline in refinancing originations. Respondents reported that both the number of fundings and the number of mortgage refinancing applications declined in July as interest rates rose (which provided less incentive for homeowners to refinance). HELOCs saw a decrease in total originations, and institutions indicated that demand is below 2008 levels. Declining home values contributed to lower home equity demand. Households are facing growing pressures from a weakening labor market and further declines in their wealth. Outstanding credit card balances held by the surveyed institutions fell 1 percent in July, indicating that consumers are spending conservatively and paying down existing debt. Other consumer lending was the only consumer category in which originations increased in July.

Banks again reported that demand in both the commercial real estate (CRE) market and the C&I market is well below normal levels. None of the respondents predicted change in demand in the near term.

- The total average outstanding balance of all loans decreased 1 percent from June to July. The median change in total average outstanding balances was a decrease of 2 percent. Of the 22 respondents, 2 reported increases in total outstanding balances from June to July (the largest increase was 4 percent) while 20 respondents experienced decreases in total outstanding balances (the largest decrease was 15 percent). Total originations of all loans decreased by 10 percent from June to July. Across all institutions, the median change in total originations was a decrease of 8 percent. Of the 22 respondents, 19 experienced decreases in total originations from June to July and 3 experienced increases in total originations.

- In general, mortgage originations fell from June to July, while the total outstanding mortgage balance fell 2 percent. Total mortgage originations by all respondents decreased by 14 percent, as decreases in refinancing originations offset increases in new home purchases. The median change in total mortgage originations was a decrease of 17 percent. New home purchases were fairly strong in July, as originations increased 8 percent over June originations. Declining home prices contributed to growth in new home purchases. There was a decline in demand for refinancing mortgages as rates rose during July, thereby decreasing the incentive to refinance. Refinancing mortgage originations fell 18 percent from June to July.

- The total outstanding balance of HELOCs fell by 1 percent from June to July, as a number of respondents reported that they experienced run-offs in HELOCs during July. Total HELOC originations decreased by 9 percent in July. The median change in originations was a decrease of 9 percent from June to July. Of the 16 entities active in the HELOC market, 3 experienced increases in originations and 13 experienced declines in originations. Most respondents noted that demand was below 2008 levels.

- The total credit card outstanding balance of all respondents fell 1 percent in July, indicating that consumers are spending conservatively and paying down existing debt. Job losses, generally low levels of consumer spending and higher savings rates contributed to the decline in credit card balances. Of the 14 respondents active in the credit card business, 6 experienced increases in outstanding balances, 5 experienced decreases in outstanding balances, and 3 experienced no change in outstanding balances. Similarly, origination activity was split; 5 of the respondents making originations experienced increases, 7 of the respondents making originations experienced decreases, and 2 of the respondents making originations experienced no change. Total credit card originations by all respondents decreased by 4 percent in July. The median change in credit card originations was a decrease of 5 percent.

- The total outstanding balance of other consumer lending products was flat in July. Of the 19 institutions active in other consumer lending, 11 institutions experienced decreases in outstanding balances, while 8 institutions experienced increases in outstanding balances.

Total other consumer loan originations increased by 18 percent from June to July, due to 1 institution's purchase of a large pool of auto loans. The median percentage change in other consumer loan originations was a decrease of 3 percent. The changes in originations at the institution level were split; 7 of the 18 respondents active in other consumer lending experienced increases in originations while 11 experienced decreases in originations.

- The total outstanding balance of C&I loans fell 2 percent; the median change in average outstanding C&I balances was a decrease of 3 percent. Economic uncertainty has caused businesses to downsize, cut costs, reduce inventories, and delay capital expenditures. Lower overall merger and acquisition activity further contributed to the decreased demand for C&I credit. Nearly all respondents indicated that, throughout the recession, demand in C&I lending has remained well below pre-recession levels. Companies continued to focus on preserving liquidity, strengthening their balance sheets, building cash reserves and paying down existing debt rather than taking on new debt.

  Total renewals of existing C&I accounts were flat in July, and the median change in renewals was a decrease of 8 percent. Total new C&I commitments decreased 19 percent in July, with 4 banks reporting increases in new commitments and 16 banks reporting decreases. The median change in new commitments was a decrease of 21 percent.

- In commercial real estate (CRE), new loan demand remains low due to the lack of new construction activity. Real estate developers are reluctant to begin new projects or purchase existing projects under current poor economic conditions, which include a rising supply of office space, as firms downsize and vacancies rise. Finally, nearly all respondents indicated that they are actively reducing their exposure to CRE loans, as banks expect CRE loan delinquencies to persist. The outstanding balance of CRE loans of all respondents decreased by 1 percent, and the median change in outstanding balances was a decrease of 2 percent.

  Total renewals of existing CRE accounts decreased 5 percent from June to July. The median change in CRE renewals from June to July was a decrease of 24 percent. Total new CRE commitments decreased 14 percent from June to July, and the median change in new commitments was a decrease of 16 percent. Of the 16 institutions that made new CRE commitments, 7 experienced increases in new commitments and 9 experienced decreases in new commitments.

- In July, total small business outstanding balances decreased by 1 percent, and the median change in small business outstanding balances was a decrease of 1 percent. Total small business originations decreased by 14 percent. The median change in small business originations was a decrease of 15 percent. As most small business originations are included in either C&I or CRE originations (renewals plus new commitments), this trend is in line with overall declining trends in C&I and CRE originations in July.

- Equity underwriting was down in July compared to June, but respondents indicated that in general, the market exhibited overall stability in July. Positive earnings results from some companies and a general rally contributed to stability.

- The chart on page 6 (“Growth in Loan Originations, July 2009 vs. June 2009”) illustrates the range of changes in lending activity among the 22 institutions. The bar on the far right, for example, indicates that the median change of loan originations of all types was a decrease of 8 percent in from June to July; originations of all types fell by 28 percent for the institution at the 25th percentile, and originations of all types fell by 2 percent for the institution at the 75th percentile. There was considerable variability in lending activity by category across banks (less so in HELOCs and small business loans).

Loan Originations, July 2009

($ Millions)

Name	First Mortgage	HELOC (Lines and Increases)	US Card (Managed): Initial Line Amount	Other Consumer Lending	C & I: Renewal of Existing Accounts	C & I: New Commitments	CRE: Renewal of Existing Accounts	CRE: New Commitments	Small Business[1]	Total Originations[2]	*Change in Total Originations*[3]
American Express	N/A	N/A	$1,620	N/A	N/A	N/A	N/A	N/A	N/A	**$1,620**	***17%***
Bank of America	$36,505	$934	$1,582	$2,767	$18,727	$9,868	$2,324	$612	$1,594	**$73,319**	***-3%***
Bank of New York Mellon	$58	$5	N/A	$0	$32	$1	$44	$81	N/A	**$221**	***-62%***
BB&T	$3,334	$76	$245	$391	$794	$1,334	$1,359	$301	$878	**$7,833**	***4%***
Capital One	$169	$29	$449	$491	$157	$348	$48	$238	$62	**$1,928**	***-4%***
CIT	N/A	N/A	N/A	$0	$2,378	$993	$0	$0	$8	**$3,371**	***-1%***
Citigroup	$5,344	$124	$6,547	$1,036	$815	$677	$1,179	$120	$134	**$15,841**	***-34%***
Comerica	$48	$15	$14	$48	$3,304	$285	$492	$16	$393	**$4,222**	***0%***
Fifth Third	$2,113	$148	$102	$361	$1,924	$1,014	$383	$130	$265	**$6,175**	***-32%***
Goldman Sachs	$40	$0	$0	$72	$264	$728	$100	$0	$3	**$1,203**	***-51%***
Hartford	$0	$0	N/A	$0	$2	$0	$1	$0	$0	**$3**	***50%***
JPMorgan Chase	$14,764	$169	$3,232	$2,757	$15,201	$9,204	$372	$496	$879	**$46,195**	***-8%***
KeyCorp	$206	$99	$0	$21	$1,440	$658	$641	$49	$42	**$3,114**	***-2%***
Marshall & Ilsley	$226	$71	$7	$74	$261	$102	$48	$107	$31	**$896**	***-30%***
Morgan Stanley	$23	$0	N/A	$532	$312	$2,251	$0	$0	$241	**$3,118**	***-34%***
Northern Trust	$103	$72	N/A	$116	$913	$240	$13	$83	$33	**$1,540**	***-8%***
PNC	$1,550	$466	$248	$253	$4,804	$2,355	$668	$173	$291	**$10,517**	***-10%***
Regions	$704	$109	N/A	$104	$2,087	$954	$1,658	$411	$617	**$6,027**	***-13%***
State Street	N/A	N/A	N/A	N/A	$838	$140	$2	$0	N/A	**$980**	***-21%***
SunTrust	$5,162	$142	$10	$376	$2,075	$1,160	$226	$226	$46	**$9,377**	***-5%***
U.S. Bancorp	$6,703	$491	$648	$817	$4,995	$2,213	$1,424	$574	$511	**$17,865**	***-3%***
Wells Fargo	$40,369	$607	$1,341	$2,193	$12,397	$6,637	$2,518	$956	$2,609	**$67,018**	***-9%***
Total (All Institutions)	**$117,419**	**$3,557**	**$16,044**	**$12,409**	**$73,720**	**$41,161**	**$13,499**	**$4,573**	**$8,637**	**$282,382**	***-10%***
Change in Total (All Institutions) [3]	***-14%***	***-9%***	***-4%***	***18%***	***0%***	***-19%***	***-5%***	***-14%***	***-14%***	***-10%***	

[1] *These loans are already accounted for in either consumer lending, commercial lending, or a combination of both.*

[2] *Total Originations does not include the "Small Business Originations" column.*

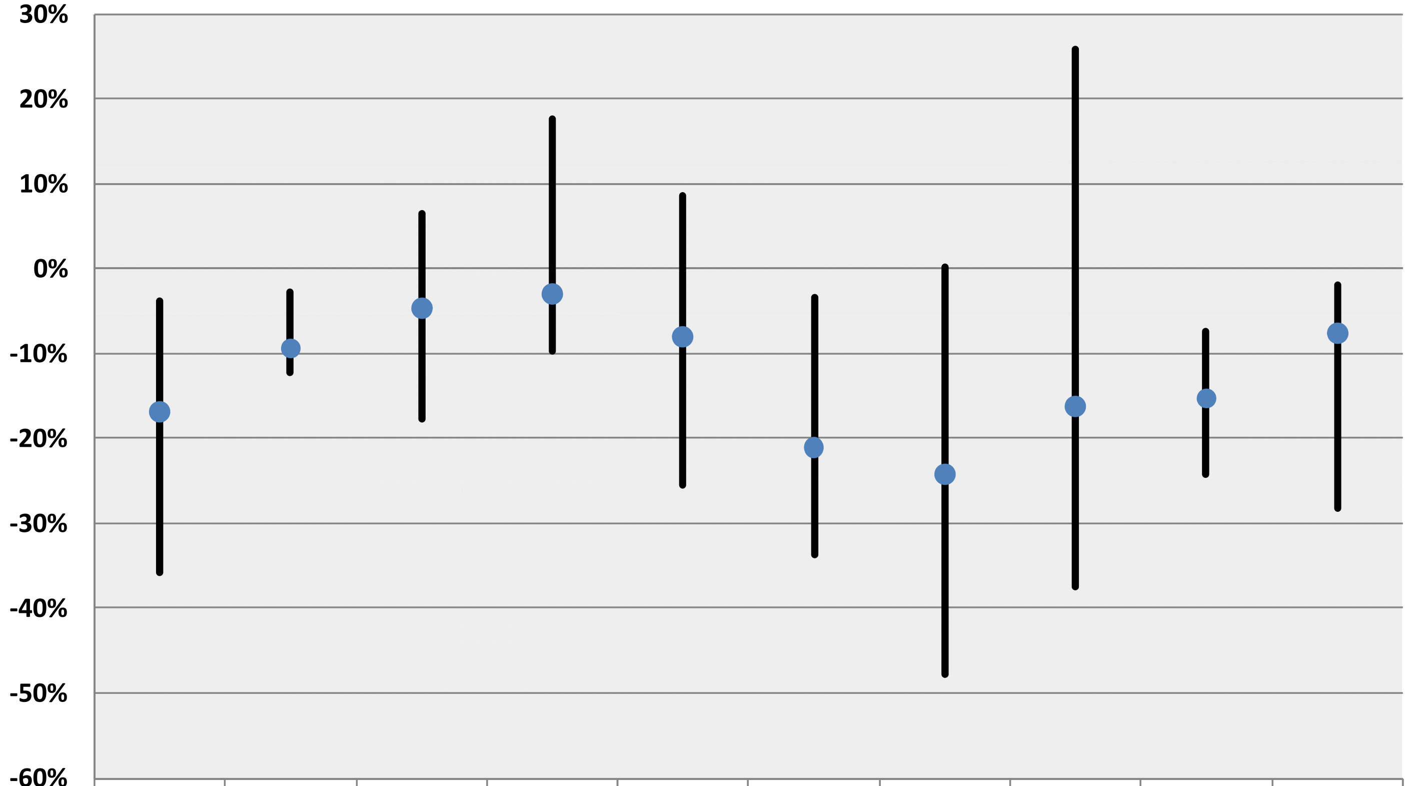
[3] *Percentage changes are calculated versus June 2009 figures.*

Loan Category Key	
First Mortgages	Loans secured by first liens on residential real estate
HELOC	Home equity lines of credit
US Card (Managed)	US credit cards (managed)
C & I	Commercial and industrial
CRE	Commercial real estate
Small Business	Loans to small businesses
N/A	Denotes recipient is not active in this category

NOTE: Reliance on internal reporting means that aggregation by loan category varies for each reporting bank. Because of the differences in loan category definitions, comparisons of origination levels across firms may be imperfect.

Change in Loan Originations

July 2009 vs. June 2009



	First Mortgage	HELOC (Lines and Increases)	US Card (Managed): Initial Line Amount	Other Consumer Lending	C & I: Renewal of Existing Accounts	C & I: New Commitments	CRE: Renewal of Existing Accounts	CRE: New Commitments	Small Business Originations	Total
75th Percentile	-4%	-3%	6%	8%	9%	-3%	0%	26%	-7%	-2%
25th Percentile	-36%	-12%	-18%	-10%	-25%	-34%	-48%	-37%	-24%	-28%
Median	-17%	-9%	-5%	-3%	-8%	-21%	-24%	-16%	-15%	-8%
Total (Across All Institutions)	-14%	-9%	-4%	18%	0%	-19%	-5%	-14%	-14%	-10%