

About the Capital Purchase Program Monthly Lending Report

What is the Capital Purchase Program Monthly Lending Report?

The Capital Purchase Program (CPP) Monthly Lending Report (“Report”) is a survey designed to provide insight into the lending activities of all current participants in the CPP. Through the CPP, the Treasury Department (Treasury) invests in viable banks to stabilize the financial system by building up the capital bases of banks, enabling continued lending and economic recovery. Strong capital levels enable banks to continue to play their vital roles in communities as providers of credit to businesses and consumers. Since the inception of the CPP in October 2008, Treasury has invested in over 600 banks of all sizes in 48 states, Puerto Rico and the District of Columbia.

Why produce the CPP Monthly Lending Report?

Treasury is committed to ensuring transparency and has taken a number of initiatives to ensure greater communication about all programs established under the Troubled Assets Relief Program (TARP) and the Financial Stability Plan. Along with the Monthly Lending and Intermediation Snapshot of the top 21 CPP participants, which Treasury launched in January 2009, the CPP Monthly Lending Report increases transparency by making information available about lending at CPP banks. The relatively high frequency of reporting is designed to facilitate more rapid feedback and trend analysis on lending than would be possible through other sources.

What information is included in the CPP Monthly Lending Report?

Treasury requested that CPP recipients report three data points on a monthly basis: (1) Average Consumer Loans Outstanding; (2) Average Commercial Loans Outstanding; and (3) Total Loans Outstanding (this figure should be the sum of Consumer Loans Outstanding and Commercial Loans Outstanding). The category of Consumer Loans generally includes loans used for personal, family, or household uses including residential mortgages, home equity, US card, and other consumer loans such as auto, student loans, and other consumer loans. The category of Commercial Loans generally includes loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured or unsecured, single payment, or installment. They also should include loans to individuals for commercial, industrial, and professional purposes, but not for investment or personal expenditure purposes. These loans generally include commercial and industrial (C&I), small business, and commercial real estate (CRE).

Individual banks may provide a more detailed description of each of the loan categories in the “Key” section that corresponds to each of the line items. Banks that included month-end figures in lieu of average figures may note that in the “Key” section that corresponds to each of the line items. In addition to the line items, the Report includes an optional “General Market Commentary” section, where banks may provide insight into market conditions.