

Bank and finance house lending

Notice issued by the Bank of England to banks and finance houses on 30th June 1971

Discussions with the banks and finance houses about the proposals for changes in the techniques of monetary policy set out in the Bank of England's paper *Competition and credit control* are not yet complete. Until they are, it is necessary to extend the guidelines on lending set out in earlier Bank of England Notices.

The London and Scottish clearing banks are now asked that their sterling lending to the domestic private sector and to overseas borrowers (other than fixed rate lending under the special schemes for export and shipbuilding finance) should not in mid-September 1971 exceed its level at mid-March 1970 by more than 10% (after allowance for seasonal influences). Other banks individually are similarly asked not to allow such lending in mid-September to exceed its level at mid-March 1970 by more than 12%. All banks are asked to apply the same limitations to the level of their sterling acceptances outstanding.

The members of the Finance Houses Association and other finance houses receiving this Notice are similarly asked that their outstanding lending at end-September 1971 should not exceed its level at end-March 1970 by more than 10%.