

One of the key factors in shaping an individual lender's loan portfolio is the profile of characteristics of the market area it serves. Larger banks focus on wholesale lending, with a majority of their loans going to large businesses.<sup>2</sup> A lender in a suburban area with many single-family homes and small retail stores typically focuses on residential real estate loans, auto loans, and household credit. Conversely, a lender in a central city surrounded by office buildings, department stores, and manufacturing establishments primarily offers business loans for inventory, equipment, and payrolls.