BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF MONETARY AFFAIRS
DIVISION OF RESEARCH AND STATISTICS

For release at 2:00 p.m. EDT
July 8, 2013

Senior Credit Officer Opinion Survey on Dealer Financing Terms

June 2013

The June 2013 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The June 2013 Senior Credit Officer Opinion Survey on Dealer Financing Terms collected qualitative information on changes over the previous three months in credit terms and conditions in securities financing and over-the-counter (OTC) derivatives markets. In addition to the core set of questions, this survey included a special question asking dealers to characterize the current use of financial leverage by hedge fund clients pursuing specified investment strategies, adopting the pre-crisis peak and post-crisis trough as reference points, and other special questions asking about changes in funding of broad classes of distressed assets by client types. The 22 institutions participating in the survey account for almost all of the dealer financing of dollar-denominated securities to nondealers and are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from May 21, 2013, to June 3, 2013. The core questions ask about changes between March 2013 and May 2013.[1]

Responses to the June survey generally suggested little change over the past three months in the credit terms applicable to important classes of counterparties. As in previous surveys, respondents indicated that most nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were generally unchanged, on balance, during the past three months, although small net fractions of respondents noted a tightening of terms related to the posting of additional margin and the types of acceptable collateral. Dealers also reported that initial margin requirements, which fall outside the scope of the master agreements, were generally little changed over the same period. However, responses to the survey offered several insights regarding recent developments and current areas of focus in dealer-intermediated markets:

- A large net fraction of respondents reported an increase in the amount of resources and attention devoted to the management of concentrated exposures to central counterparties and other financial market utilities, as has been the case

[1] For questions that ask about credit terms, reported net percentages equal the percentage of institutions that reported tightening terms ("tightened considerably" or "tightened somewhat") minus the percentage of institutions that reported easing terms ("eased considerably" or "eased somewhat"). For questions that ask about demand, reported net fractions equal the percentage of institutions that reported increased demand ("increased considerably" or "increased somewhat") minus the percentage of institutions that reported decreased demand ("decreased considerably" or "decreased somewhat").

since a question dealing specifically with these entities was introduced in September 2011.

- Overall, respondents noted that the use of financial leverage by most classes of counterparties had remained basically unchanged over the past three months; however, just over one-fourth of all dealers reported an increase in the use of leverage by hedge funds.

- For a special question adopting a longer-term perspective on the use of financial leverage by hedge fund clients, asking that dealers categorize current leverage levels with respect to the range bounded by the pre-crisis peak and the post-crisis trough, responses differed depending on the strategy pursued by the funds. In particular, a net fraction of about one-fifth of respondents noted that leverage for equity-oriented and for most-favored macro-oriented funds was in the upper part of the range, with average clients, particularly those pursuing macro-oriented strategies, described as tapping less financing than most-favored funds. In contrast, a net share of nearly one-third of dealers indicated that leverage for convertible-bond arbitrage funds was only moderately above or near the trough level.

- While the credit terms applicable to the funding of the various types of securities covered in the survey were reported to be little changed, on net, over the past three months, a few dealers indicated that they had increased clients' maximum allowable amount of funding for high-yield corporate bonds, agency residential mortgage-backed securities (RMBS), non-agency RMBS, and commercial mortgage-backed securities (CMBS).

- Respondents indicated that demand for funding had increased for a number of collateral types. In particular, significant fractions of dealers reported increased demand for funding of non-agency RMBS, high-yield corporate bonds, CMBS, and investment-grade corporate bonds. Modest net fractions of respondents indicated increased demand for term funding (that is, funding with a maturity of 30 days or more) of CMBS, high-yield corporate bonds, and non-agency RMBS.

- About one-fifth of respondents noted that the liquidity and functioning of the underlying markets for non-agency RMBS and investment-grade corporate bonds had improved somewhat during the previous three months. However, a few dealers indicated that the liquidity and functioning of the underlying market for agency RMBS had deteriorated. For other collateral types covered in the survey, the liquidity and functioning of the underlying markets were generally characterized as little changed on net.

- The June survey also included special questions on funding of broad classes of distressed assets: The first question addressed changes in funding across types of distressed assets in the United States, Europe, and Asia, and the second focused on changes across various types of clients. Modest net fractions of dealers reported that demand for funding had increased for real-estate-related loans originated in all three regions and for U.S. corporate assets. Moreover, respondents pointed to an increase in the demand for funding of such assets by most-favored hedge funds, other hedge funds, private equity firms, and special purpose vehicles.

Counterparty Types

(Questions 1–40)

Dealers and other financial intermediaries. In the June survey, all but one respondent indicated that the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries remained basically unchanged over the past three months. (See the exhibit “Management of Concentrated Credit Exposures and Indicators of Supply of Credit.”) The fraction of dealers reporting an increase in the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries has declined gradually from the 90 percent peak reached in the December 2011 survey.

Central counterparties and other financial utilities. About two-thirds of dealers indicated that they had increased the amount of resources and attention devoted to management of concentrated credit exposures to central counterparties and other financial utilities over the past three months, roughly the same share as in previous surveys. In light of the approaching implementation of new regulatory requirements mandating increased central clearing of many OTC contracts, continued focus on this issue is perhaps unsurprising. About one-fourth of survey respondents noted that changes in the practices of central counterparties, including changes in margin requirements and haircuts, had some influence on the credit terms they applied to clients on bilateral transactions that are not cleared.

Hedge funds. As in March, respondents to the June survey generally indicated that both price terms (such as financing rates) and nonprice terms (including haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) offered to hedge funds for securities financing and OTC derivatives transactions had remained basically unchanged over the past three months. Just over one-fourth of respondents reported an increase in the use of financial leverage by hedge funds over the past three months. (See the exhibit “Use of Financial Leverage.”) Nearly one-fourth of dealers further noted that there had been an increase in the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms over the same period. A few respondents also noted that the provision of differential terms to most-favored hedge funds had increased somewhat over the same period.

Trading real estate investment trusts. Most respondents to the June survey reported that price and nonprice terms offered to trading real estate investment trusts (REITs) had remained basically unchanged over the past three months.[2] A few dealers indicated that price or nonprice terms had eased, with improvement in general market liquidity and functioning the most cited reason for the change. Respondents generally indicated that the use of financial leverage by trading REITs had remained basically unchanged. Most respondents noted that the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms was broadly unchanged, but just over one-fifth of dealers reported an increase. Most dealers also found the provision of differential terms to most-favored REIT clients to be broadly unchanged.

Mutual funds, exchange-traded funds, pension plans, and endowments. Respondents to the June survey indicated that both price and nonprice terms offered to mutual funds, exchange-traded funds (ETFs), pension plans, and endowments had remained basically unchanged over the past three months. A few dealers indicated that either price or nonprice terms had eased somewhat, citing more-aggressive competition from other institutions as the most important reason. Provision of differential terms to most-favored clients and the intensity of efforts by clients to negotiate more-favorable terms were also reported to be little changed, as was the use of financial leverage.

Insurance companies. Respondents to the June survey indicated that both price and nonprice terms offered to insurance companies had changed little over the past three months, as had the provision of differential terms to most-favored clients. The use of financial leverage by insurance companies also remained unchanged. A few respondents reported an increase in the intensity of efforts by insurance companies to negotiate more-favorable price and nonprice terms.

Separately managed accounts established with investment advisers. Similarly, nearly all of the dealers reported in the June survey that price and nonprice terms negotiated by investment advisers on behalf of separately managed accounts were basically unchanged over the past three months. Provision of differential terms to most-favored clients and the use of financial leverage by investment advisers were also reported to be little changed. A few dealers reported an increase in the intensity of efforts by investment advisers to negotiate more-favorable terms.

Nonfinancial corporations. Respondents to the June survey indicated that nonprice terms offered to nonfinancial corporations had remained basically unchanged over the past three months. About one-fifth of respondents indicated that they had tightened somewhat the price terms offered to nonfinancial corporations over the past three months, while a few dealers pointed to an easing of price terms. More than one-fourth of respondents reported an increase in the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms.

[2] Trading REITs, including agency REITs, invest in assets backed by real estate rather than directly in real estate.

Mark and collateral disputes. As in previous surveys, a large majority of respondents in June indicated that the volume, persistence, and duration of mark and collateral disputes with each counterparty type included in the survey were little changed over the past three months. A few respondents, however, reported an increase, on net, over the same period in the volume, persistence, and duration of mark and collateral disputes with dealers and other financial intermediaries as well as with mutual funds, ETFs, pension plans, and endowments.

Over-the-Counter Derivatives

(Questions 41–51)

As in previous surveys, most nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were reported to be basically unchanged, on net, over the past three months.[3] However, one-fifth of dealers reported a tightening in acceptable collateral, and a few respondents also indicated that requirements, timelines, and thresholds for posting additional margin had tightened somewhat over the past three months.

For all of the contract types included in the survey, nearly all of the dealers indicated that initial margins (which fall outside the scope of master agreements) were little changed over the past three months, for both average and most-favored clients. Posting of nonstandard collateral (that is, collateral other than cash and U.S. Treasury securities) also remained basically unchanged.

For most contract types included in the survey, dealers generally indicated that the volume, duration, and persistence of mark and collateral disputes had remained basically unchanged over the past three months. However, a few dealers reported that the volume of mark and collateral disputes had increased for credit derivatives, both referencing corporates and referencing securitized products including mortgage- and asset-backed securities. Finally, a few respondents indicated that the duration and persistence of mark and collateral disputes had increased somewhat for foreign exchange contracts over the same period.

[3] The survey asks specifically about requirements, timelines, and thresholds for posting additional margin, acceptable collateral, recognition of portfolio or diversification benefits, triggers and covenants, and other documentation features, including cure periods and cross-default provisions.

Securities Financing

(Questions 52–79)[4]

As in previous surveys, dealers reported that the credit terms under which most types of securities included in the survey are financed were little changed, on balance, over the past three months. The exceptions were high-yield corporate bonds, agency RMBS, non-agency RMBS, and CMBS, for which a few survey respondents indicated that they had increased the maximum amount of funding for both most-favored and average clients. Finally, a few survey respondents indicated that the maximum maturity had increased somewhat for funding of agency RMBS and for funding of high-yield corporate bonds and CMBS provided to most-favored clients.

In the June survey, dealers reported that demand for funding had increased for a number of collateral types. (See the exhibit "Measures of Demand for Funding and Market Functioning.") Two-fifths of dealers reported increased demand for funding of non-agency RMBS, while about one-third of respondents pointed to increased demand for funding of high-yield corporate bonds and CMBS. In addition, about one-fifth of dealers reported increased demand for funding of investment-grade corporate bonds. Finally, net fractions of dealers ranging between about one-fifth and about one-fourth reported increased demand for term funding—that is, funding with a maturity of 30 days or more—for CMBS, high-yield corporate bonds, and non-agency RMBS.

About one-fifth of respondents indicated that the liquidity and functioning of the underlying markets for non-agency RMBS and investment-grade corporate bonds had improved somewhat during the previous three months.[5] Notably, a few dealers indicated that the liquidity and functioning of the underlying market for agency RMBS had deteriorated. For other collateral types covered in the survey, the liquidity and functioning of the underlying markets were generally characterized as little changed on net.

Finally, as in previous surveys, all of the respondents indicated that the volume, duration, and persistence of mark and collateral disputes were basically unchanged for all of the collateral types.

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[4] Question 80, not discussed here, was optional and allowed respondents to provide additional comments.

[5] Note that survey respondents are instructed to report changes in liquidity and functioning in the market for the underlying collateral to be funded through repurchase agreements and similar secured financing transactions, not changes in the funding market itself. This question is not asked with respect to equity markets in the core questions.

Special Question on the Current Use of Financial Leverage by Hedge Fund Clients
(Question 81)

A special question in the June survey asked dealers to characterize the current use of financial leverage by hedge fund clients, using the pre-crisis peak and post-crisis trough as reference points. Respondents were asked to distinguish between most-favored clients (as a consequence of breadth, duration, and/or extent of relationship) and other clients, and among equity-oriented funds, macro-oriented funds, credit-oriented funds, convertible-bond arbitrage funds, and other fixed-income-oriented relative-value funds. Notable fractions of dealers, ranging between about one-third and about one-half, indicated that current levels of leverage fall roughly in the middle between the peak and trough across specified strategies for both most-favored and other clients. Responses exhibited some dispersion around this middle point. Equity-oriented and macro-oriented funds were most frequently characterized as operating with higher leverage: A net fraction of about one-fifth of dealers reported that equity-oriented and most-favored macro-oriented funds were currently utilizing levels of leverage near to or at the pre-crisis peak, with average clients, particularly those pursuing macro-oriented strategies, described as tapping less financing than most-favored funds. In contrast, a net share of nearly one-third characterized the leverage currently employed by convertible-bond funds as only moderately above or near the trough level.

Special Questions on Changes in Funding of Broad Classes of Distressed Assets
(Questions 82–83)

Other special questions in the June survey asked dealers about changes in funding of distressed assets since the start of 2013, distinguishing by type (real estate loans and corporate assets such as loans or trade receivables) and by region of origin (United States, Europe, or Asia), as well as by various client types.

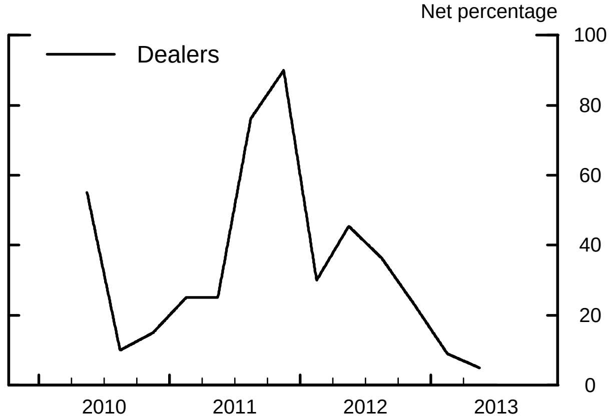
The first question from this set addressed changes in funding of various types of distressed assets. About one-fifth of dealers, on net, reported that demand for funding of distressed real estate loans without regard for the region of origination had increased since the beginning of the year. With respect to distressed corporate assets, about one-quarter of respondents, on balance, indicated that the demand for funding for such assets from the United States had risen, while little to no change was reported in the demand for funding for such assets from Europe and Asia.

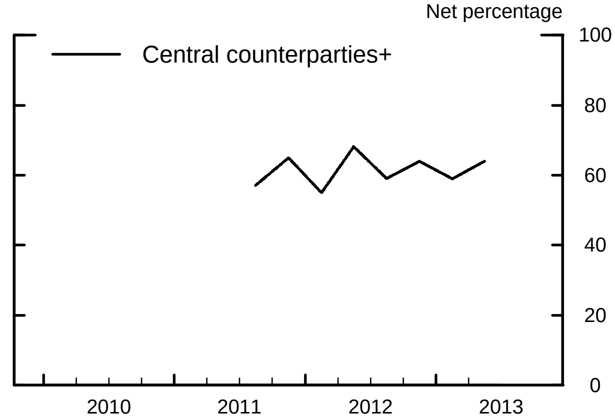
Dealers noted that demand for funding of distressed assets had increased on the part of several types of clients. About one-third of respondents reported an increase in demand by most-favored hedge funds, while nearly one-fifth, on net, pointed to a rise in demand on the part of other hedge funds. In addition, one-fourth of dealers, on balance, reported increased demand for funding by private equity firms and special purpose vehicles, which are reportedly often established by institutional managers and financial institutions to take leveraged exposure to portfolios of distressed assets.

This document was prepared by Pawel Szerszen, Division of Research and Statistics, Board of Governors of the Federal Reserve System. Assistance in developing and administering the survey was provided by staff members in the Statistics Function and the Markets Group at the Federal Reserve Bank of New York.

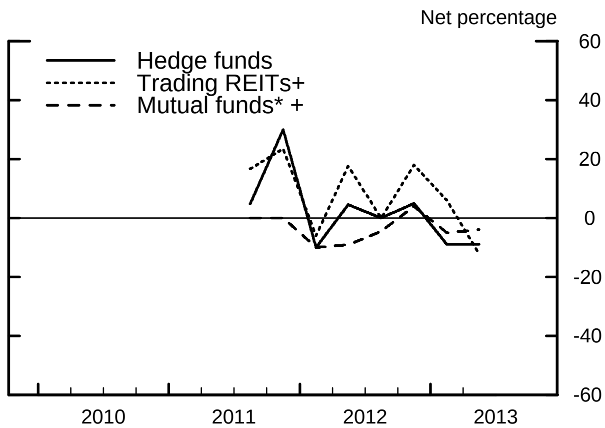
Management of Concentrated Credit Exposures and Indicators of Supply of Credit

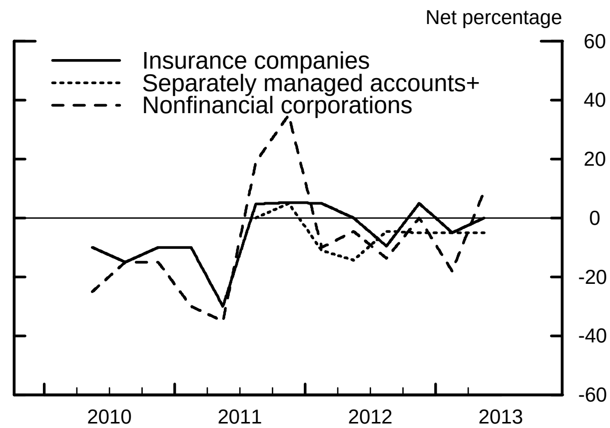
Respondents increasing resources and attention to management of concentrated exposures to:



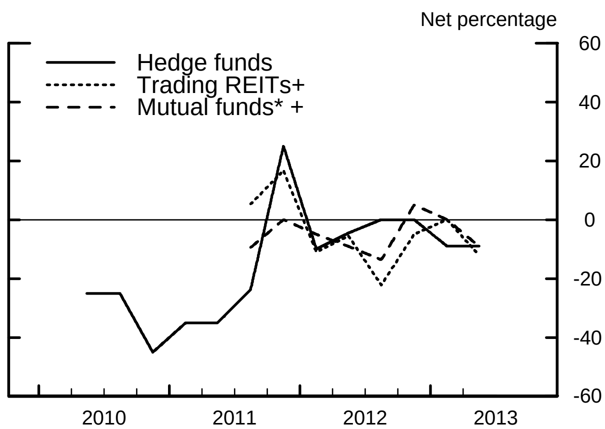


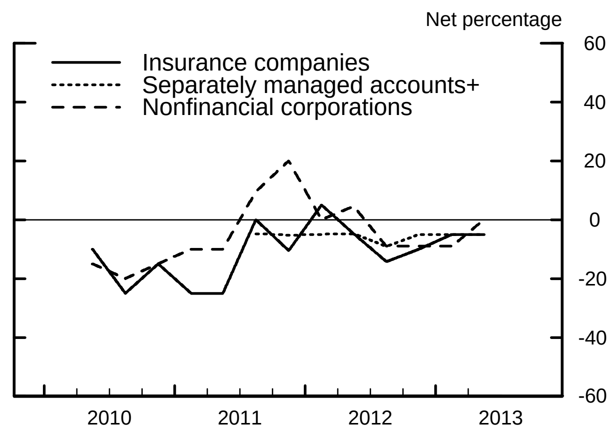
Respondents tightening price terms to:





Respondents tightening nonprice terms to:

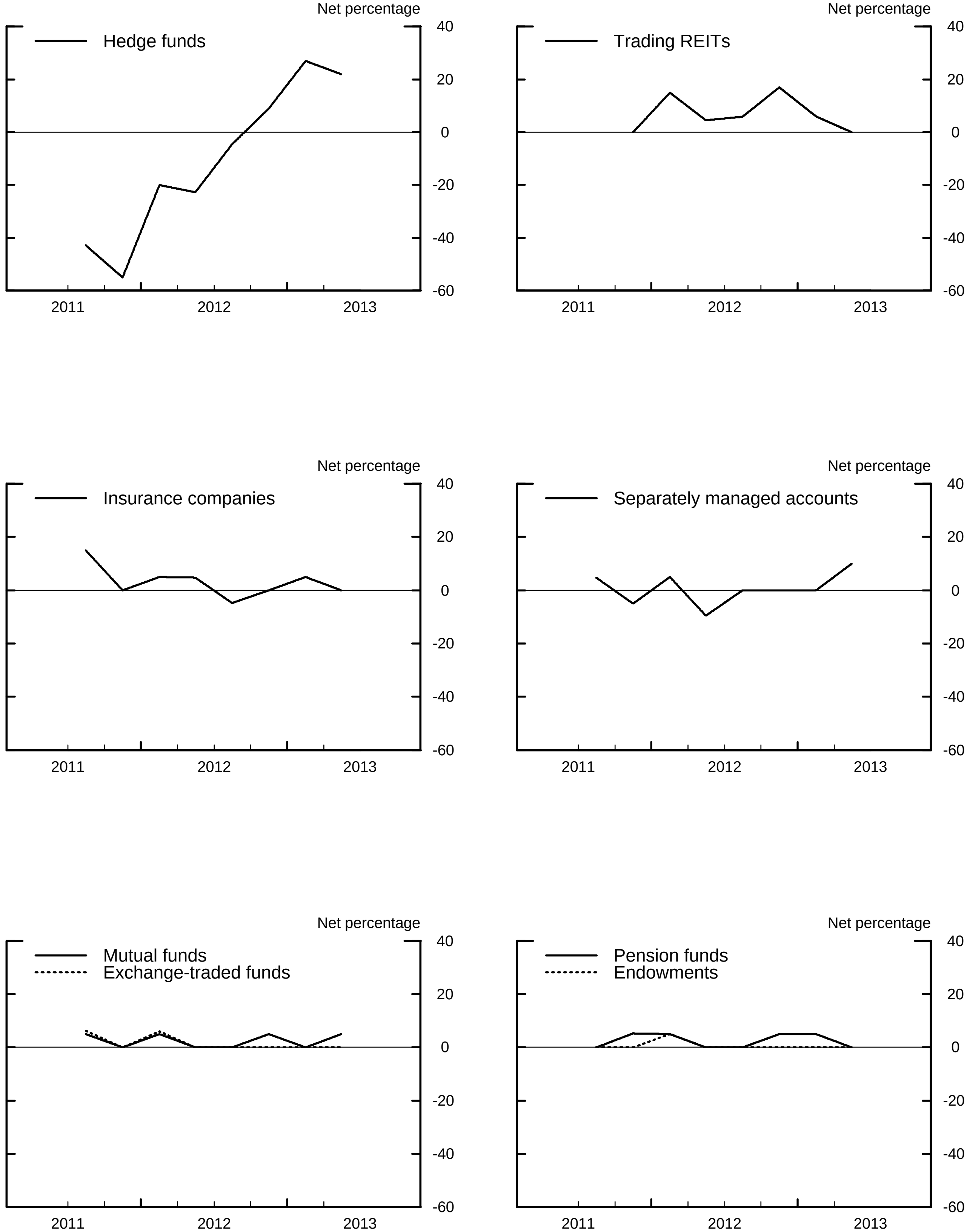




+ This question was added in the September 2011 survey.
* Includes mutual funds, exchange-traded funds, pension plans, and endowments.

Use of Financial Leverage

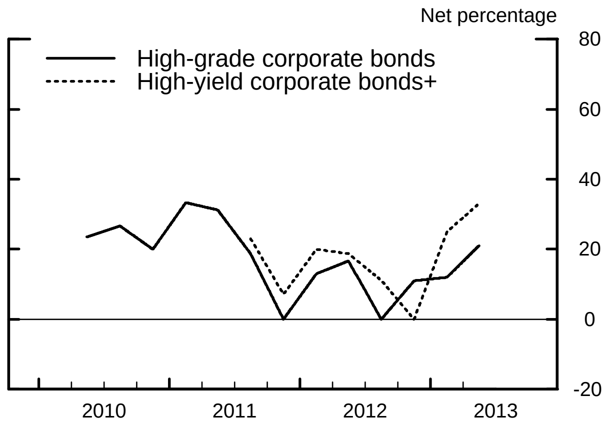
Respondents reporting increased use of leverage by:

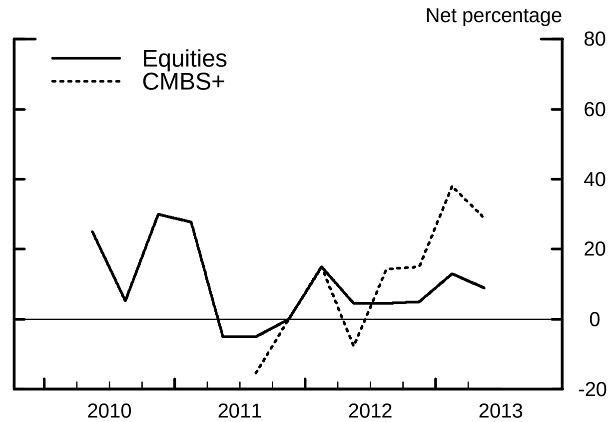


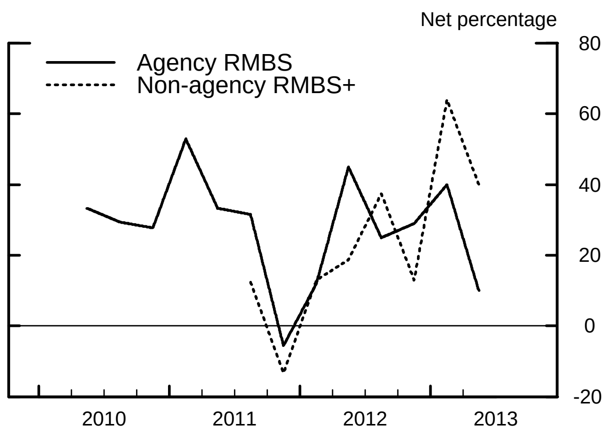
Note: This question was added in the September 2011 survey.

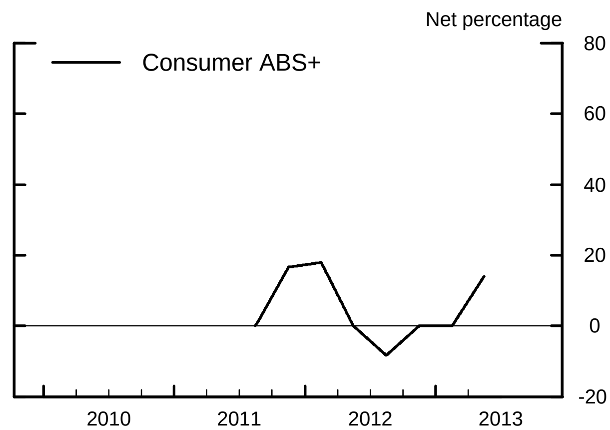
Measures of Demand for Funding and Market Functioning

Respondents reporting increased demand for funding of:

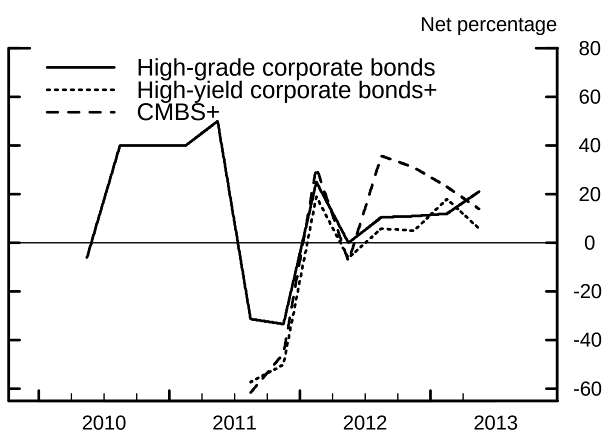


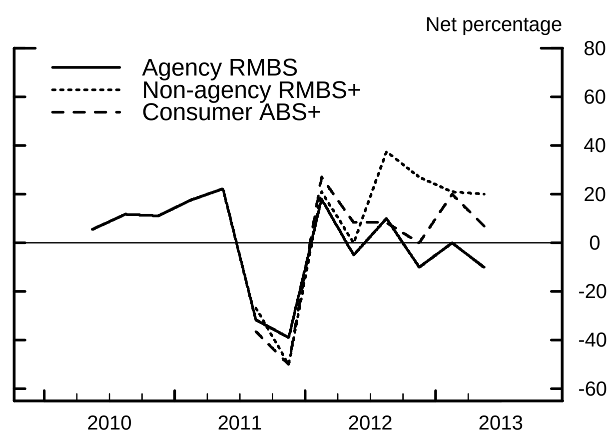






Respondents reporting an improvement in liquidity and functioning in the underlying markets for:





+ This question was added in the September 2011 survey.

Results of the June 2013 Senior Credit Officer Opinion Survey on Dealer Financing Terms

The following results include the original instructions provided to the survey respondents. Please note that percentages are based on the number of financial institutions that gave responses other than "Not applicable." Components may not add to totals due to rounding.

Counterparty Types

Questions 1 through 40 ask about credit terms applicable to, and mark and collateral disputes with, different counterparty types, considering the entire range of securities financing and over-the-counter (OTC) derivatives transactions. Question 1 focuses on dealers and other financial intermediaries as counterparties; questions 2 and 3 on central counterparties and other financial utilities; questions 4 through 10 focus on hedge funds; questions 11 through 16 on trading real estate investment trusts (REITs); questions 17 through 22 on mutual funds, exchange-traded funds (ETFs), pension plans, and endowments; questions 23 through 28 on insurance companies; questions 29 through 34 on separately managed accounts established with investment advisers; and questions 35 through 38 on nonfinancial corporations. Questions 39 and 40 ask about mark and collateral disputes for each of the aforementioned counterparty types.

In some questions, the survey differentiates between the compensation demanded for bearing credit risk (price terms) and the contractual provisions used to mitigate exposures (nonprice terms). If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space. Where material differences exist across different business areas—for example, between traditional prime brokerage and OTC derivatives—please answer with regard to the business area generating the most exposure and explain in the appropriate comment space.

Dealers and Other Financial Intermediaries

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to dealers and other financial intermediaries (such as large banking institutions) changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	21	95.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Central Counterparties and Other Financial Utilities

2. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to central counterparties and other financial utilities changed?

	Number of Respondents	**Percent**
Increased considerably	3	13.6
Increased somewhat	11	50.0
Remained basically unchanged	8	36.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

3. To what extent have changes in the practices of central counterparties, including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

	Number of Respondents	**Percent**
To a considerable extent	0	0.0
To some extent	6	27.3
To a minimal extent	7	31.8
Not at all	9	40.9
Total	**22**	**100.0**

Hedge Funds

4. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	18	81.8
Eased somewhat	3	13.6
Eased considerably	0	0.0
Total	**22**	**100.0**

5. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to hedge funds across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	90.9
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

6. To the extent that the price or nonprice terms applied to hedge funds have tightened or eased over the past three months (as reflected in your responses to questions 4 and 5), what are the most important reasons for the change?

   A. Possible reasons for tightening

      1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

      2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	2	66.7
Second in importance	1	33.3
Third in importance	0	0.0
Total	**3**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	**Percent**
First in importance	3	75.0
Second in importance	1	25.0
Third in importance	0	0.0
Total	**4**	**100.0**

7. How has the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	5	22.7
Remained basically unchanged	17	77.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

8. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by hedge funds changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	6	27.3
Remained basically unchanged	15	68.2
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

9. Considering the entire range of transactions facilitated by your institution for such clients, how has the availability of additional (and currently unutilized) financial leverage under agreements currently in place with hedge funds (for example, under prime broker, warehouse agreements, and other committed but undrawn or partly drawn facilities) changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	4	18.2
Remained basically unchanged	17	77.3
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

10. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) hedge funds changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	13.6
Remained basically unchanged	19	86.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Trading Real Estate Investment Trusts

11. Over the past three months, how have the price terms (for example, financing rates) offered to trading REITs as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	88.2
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

12. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to trading REITs across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	88.9
Eased somewhat	1	5.6
Eased considerably	1	5.6
Total	**18**	**100.0**

13. To the extent that the price or nonprice terms applied to trading REITs have tightened or eased over the past three months (as reflected in your responses to questions 11 and 12), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	2	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**2**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

14. How has the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	4	22.2
Remained basically unchanged	14	77.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

15. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by trading REITs changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	16	88.9
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

16. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) trading REITs changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	16	88.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

Mutual Funds, Exchange-Traded Funds, Pension Plans, and Endowments

17. Over the past three months, how have the price terms (for example, financing rates) offered to mutual funds, ETFs, pension plans, and endowments as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	19	86.4
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

18. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to mutual funds, ETFs, pension plans, and endowments across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	90.9
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

19. To the extent that the price or nonprice terms applied to mutual funds, ETFs, pension plans, and endowments have tightened or eased over the past three months (as reflected in your responses to questions 17 and 18), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	3	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**3**	**100.0**

20. How has the intensity of efforts by mutual funds, ETFs, pension plans, and endowments to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	21	95.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

21. Considering the entire range of transactions facilitated by your institution, how has the use of financial leverage by each of the following types of clients changed over the past three months?

A. Mutual funds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

B. ETFs

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

C. Pension plans

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

D. Endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

22. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) mutual funds, ETFs, pension plans, and endowments changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	20	90.9
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

Insurance Companies

23. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	19	90.5
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

24. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to insurance companies across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

25. To the extent that the price or nonprice terms applied to insurance companies have tightened or eased over the past three months (as reflected in your responses to questions 23 and 24), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

26. How has the intensity of efforts by insurance companies to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	17	85.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

27. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by insurance companies changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

28. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) insurance companies changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

Separately Managed Accounts Established with Investment Advisers

29. Over the past three months, how have the price terms (for example, financing rates) offered to separately managed accounts established with investment advisers as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

30. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to separately managed accounts established with investment advisers across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

31. To the extent that the price or nonprice terms applied to separately managed accounts established with investment advisers have tightened or eased over the past three months (as reflected in your responses to questions 29 and 30), what are the most important reasons for the change?

   A. Possible reasons for tightening

      1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

      2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

      3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	2	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**2**	**100.0**

32. How has the intensity of efforts by investment advisers to negotiate more-favorable price and nonprice terms on behalf of separately managed accounts changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.5
Remained basically unchanged	19	90.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

33. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by separately managed accounts established with investment advisers changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.5
Remained basically unchanged	19	90.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

34. How has the provision of differential terms by your institution to separately managed accounts established with most-favored (as a function of breadth, duration, and extent of relationship) investment advisers changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Nonfinancial Corporations

35. Over the past three months, how have the price terms (for example, financing rates) offered to nonfinancial corporations as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	18.2
Remained basically unchanged	16	72.7
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

36. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to nonfinancial corporations across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	20	90.9
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	**22**	**100.0**

37. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 35 and 36), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	2	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**2**	**100.0**

38. How has the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	Percent
Increased considerably	1	4.5
Increased somewhat	5	22.7
Remained basically unchanged	16	72.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Mark and Collateral Disputes

39. Over the past three months, how has the volume of mark and collateral disputes with clients of each of the following types changed?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Increased considerably	1	4.5
Increased somewhat	2	9.1
Remained basically unchanged	19	86.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	19	86.4
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

C. Trading REITs

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	6.3
Remained basically unchanged	15	93.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

D. Mutual funds, ETFs, pension plans, and endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	18	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

E. Insurance companies

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	21	95.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

G. Nonfinancial corporations

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

40. Over the past three months, how has the duration and persistence of mark and collateral disputes with clients of each of the following types changed?

A. Dealers and other financial intermediaries

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	19	86.4
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

C. Trading REITs

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.9
Remained basically unchanged	16	94.1
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

D. Mutual funds, ETFs, pension plans, and endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	18	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

E. Insurance companies

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	1	4.5
Total	**22**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	19	90.5
Decreased somewhat	0	0.0
Decreased considerably	1	4.8
Total	**21**	**100.0**

G. Nonfinancial corporations

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Over-the-Counter Derivatives

Questions 41 through 51 ask about OTC derivatives trades. Question 41 focuses on nonprice terms applicable to new and renegotiated master agreements. Questions 42 through 48 ask about the initial margin requirements for most-favored and average clients applicable to different types of contracts: Question 42 focuses on foreign exchange (FX); question 43 on interest rates; question 44 on equity; question 45 on contracts referencing corporate credits (single-name and indexes); question 46 on credit derivatives referencing structured products such as mortgage-backed securities (MBS) and asset-backed securities (ABS) (specific tranches and indexes); question 47 on commodities; and question 48 on total return swaps (TRS) referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans). Question 49 asks about posting of nonstandard collateral pursuant to OTC derivatives contracts. Questions 50 and 51 focus on mark and collateral disputes involving contracts of each of the aforementioned types.

If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

New and Renegotiated Master Agreements

41. Over the past three months, how have nonprice terms incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution's clients changed?

    A. Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	1	4.8
Tightened somewhat	2	9.5
Remained basically unchanged	17	81.0
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

    B. Acceptable collateral

	Number of Respondents	Percent
Tightened considerably	1	4.8
Tightened somewhat	3	14.3
Remained basically unchanged	16	76.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

C. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**100.0**

D. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	90.5
Eased somewhat	2	9.5
Eased considerably	0	0.0
Total	**21**	**100.0**

E. Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	9.5
Remained basically unchanged	18	85.7
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

Initial Margin

42. Over the past three months, how have initial margin requirements set by your institution with respect to OTC FX derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	18	94.7
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	18	94.7
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**100.0**

43. Over the past three months, how have initial margin requirements set by your institution with respect to OTC interest rate derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	20	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

44. Over the past three months, how have initial margin requirements set by your institution with respect to OTC equity derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	17	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	17	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

45. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing corporates (single-name corporates or corporate indexes) changed?

A. Initial margin requirements for average clients

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	17	94.4
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	17	94.4
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

46. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing securitized products (such as specific ABS or MBS tranches and associated indexes) changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	13	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	14	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**100.0**

47. Over the past three months, how have initial margin requirements set by your institution with respect to OTC commodity derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	16	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	16	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

48. Over the past three months, how have initial margin requirements set by your institution with respect to TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans) changed?

A. Initial margin requirements for average clients

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**100.0**

Nonstandard Collateral

49. Over the past three months, how has the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) as permitted under relevant agreements changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	21	95.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Mark and Collateral Disputes

50. Over the past three months, how has the volume of mark and collateral disputes relating to contracts of each of the following types changed?

A. FX

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	16	88.9
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

B. Interest rate

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	18	90.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

C. Equity

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	17	94.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

D. Credit referencing corporates

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	16	88.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

E. Credit referencing securitized products including MBS and ABS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	15.4
Remained basically unchanged	11	84.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

F. Commodity

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	18	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**100.0**

51. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to contracts of each of the following types changed?

A. FX

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	11.8
Remained basically unchanged	15	88.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

B. Interest rate

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.3
Remained basically unchanged	18	94.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

C. Equity

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.9
Remained basically unchanged	16	94.1
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

D. Credit referencing corporates

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.9
Remained basically unchanged	16	94.1
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

E. Credit referencing securitized products including MBS and ABS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.7
Remained basically unchanged	12	92.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

F. Commodity

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	17	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	11	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**11**	**100.0**

Securities Financing

Questions 52 through 79 ask about securities funding at your institution—that is, lending to clients collateralized by securities. Such activities may be conducted on a “repo” desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 52 through 55 focus on lending against high-grade corporate bonds; questions 56 through 59 on lending against high-yield corporate bonds; questions 60 and 61 on lending against equities (including through stock loan); questions 62 through 65 on lending against agency residential mortgage-backed securities (agency RMBS); questions 66 through 69 on lending against non-agency residential mortgage-backed securities (non-agency RMBS); questions 70 through 73 on lending against commercial mortgage-backed securities (CMBS); and questions 74 through 77 on consumer ABS (for example, backed by credit card receivables or auto loans). Questions 78 and 79 ask about mark and collateral disputes for lending backed by each of the aforementioned contract types.

If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

High-Grade Corporate Bonds

52. Over the past three months, how have the terms under which high-grade corporate bonds are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	94.4
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	94.4
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

53. Over the past three months, how has demand for funding of high-grade corporate bonds by your institution’s clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	21.1
Remained basically unchanged	15	78.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

54. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-grade corporate bonds by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.5
Remained basically unchanged	17	89.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

55. Over the past three months, how have liquidity and functioning in the high-grade corporate bond market changed?

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	5	26.3
Remained basically unchanged	13	68.4
Deteriorated somewhat	1	5.3
Deteriorated considerably	0	0.0
Total	**19**	**100.0**

High-Yield Corporate Bonds

56. Over the past three months, how have the terms under which high-yield corporate bonds are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	88.2
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	12	75.0
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	83.3
Eased somewhat	3	16.7
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	88.9
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	88.9
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	13	76.5
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

57. Over the past three months, how has demand for funding of high-yield corporate bonds by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	6	33.3
Remained basically unchanged	12	66.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

58. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-yield corporate bonds by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	22.2
Remained basically unchanged	14	77.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

59. Over the past three months, how have liquidity and functioning in the high-yield corporate bond market changed?

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	3	16.7
Remained basically unchanged	13	72.2
Deteriorated somewhat	2	11.1
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

Equities (Including through Stock Loan)

60. Over the past three months, how have the terms under which equities are funded (including through stock loan) changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	20	95.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	19	95.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	20	95.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**100.0**

61. Over the past three months, how has demand for funding of equities (including through stock loan) by your institution's clients changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Agency Residential Mortgage-Backed Securities

62. Over the past three months, how have the terms under which agency RMBS are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	85.0
Eased somewhat	2	10.0
Eased considerably	1	5.0
Total	**20**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	85.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	89.5
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	85.0
Eased somewhat	2	10.0
Eased considerably	1	5.0
Total	**20**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	85.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	90.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	94.7
Eased somewhat	1	5.3
Eased considerably	0	0.0
Total	**19**	**100.0**

63. Over the past three months, how has demand for funding of agency RMBS by your institution’s clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	18	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

64. Over the past three months, how has demand for term funding with a maturity greater than 30 days of agency RMBS by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	17	85.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

65. Over the past three months, how have liquidity and functioning in the agency RMBS market changed?

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	2	10.0
Remained basically unchanged	14	70.0
Deteriorated somewhat	3	15.0
Deteriorated considerably	1	5.0
Total	**20**	**100.0**

Non-agency Residential Mortgage-Backed Securities

66. Over the past three months, how have the terms under which non-agency RMBS are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	80.0
Eased somewhat	3	20.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	73.3
Eased somewhat	4	26.7
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	93.3
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

67. Over the past three months, how has demand for funding of non-agency RMBS by your institution’s clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	6	40.0
Remained basically unchanged	9	60.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

68. Over the past three months, how has demand for term funding with a maturity greater than 30 days of non-agency RMBS by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	26.7
Remained basically unchanged	11	73.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

69. Over the past three months, how have liquidity and functioning in the non-agency RMBS market changed?

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	3	20.0
Remained basically unchanged	12	80.0
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**15**	**100.0**

Commercial Mortgage-Backed Securities

70. Over the past three months, how have the terms under which CMBS are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	85.7
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	85.7
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	85.7
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

71. Over the past three months, how has demand for funding of CMBS by your institution’s clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	28.6
Remained basically unchanged	10	71.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**100.0**

72. Over the past three months, how has demand for term funding with a maturity greater than 30 days of CMBS by your institution's clients changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	21.4
Remained basically unchanged	11	78.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**100.0**

73. Over the past three months, how have liquidity and functioning in the CMBS market changed?

	Number of Respondents	**Percent**
Improved considerably	0	0.0
Improved somewhat	2	14.3
Remained basically unchanged	12	85.7
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**14**	**100.0**

Consumer Asset-Backed Securities

74. Over the past three months, how have the terms under which consumer ABS (for example, backed by credit card receivables or auto loans) are funded changed?

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

75. Over the past three months, how has demand for funding of consumer ABS by your institution’s clients changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	14.3
Remained basically unchanged	12	85.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**100.0**

76. Over the past three months, how has demand for term funding with a maturity greater than 30 days of consumer ABS by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	14.3
Remained basically unchanged	12	85.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**100.0**

77. Over the past three months, how have liquidity and functioning in the consumer ABS market changed?

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	1	7.1
Remained basically unchanged	13	92.9
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**14**	**100.0**

Mark and Collateral Disputes

78. Over the past three months, how has the volume of mark and collateral disputes relating to lending against each of the following collateral types changed?

A. High-grade corporate bonds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

B. High-yield corporate bonds

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	17	94.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

C. Equities

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	18	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

D. Agency RMBS

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

E. Non-agency RMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	6.7
Remained basically unchanged	13	86.7
Decreased somewhat	0	0.0
Decreased considerably	1	6.7
Total	**15**	**100.0**

F. CMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.1
Remained basically unchanged	12	85.7
Decreased somewhat	0	0.0
Decreased considerably	1	7.1
Total	**14**	**100.0**

G. Consumer ABS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	6.7
Remained basically unchanged	14	93.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

79. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to lending against each of the following collateral types changed?

A. High-grade corporate bonds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

B. High-yield corporate bonds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	17	94.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

C. Equities

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	18	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

D. Agency RMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

E. Non-agency RMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	6.7
Remained basically unchanged	13	86.7
Decreased somewhat	0	0.0
Decreased considerably	1	6.7
Total	**15**	**100.0**

F. CMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.1
Remained basically unchanged	12	85.7
Decreased somewhat	0	0.0
Decreased considerably	1	7.1
Total	**14**	**100.0**

G. Consumer ABS

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	6.7
Remained basically unchanged	14	93.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

Optional Question

Question 80 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and OTC derivatives contracts.[6]

[6] See note 4 in the Summary.

Special Questions

The following special questions are intended to provide better context for interpreting the core set of questions appearing above, which focus on changes in credit terms over the preceding three months. Unlike the core questions, these special questions will not be included in the survey on an ongoing basis.

Use of Financial Leverage by Hedge Funds

81. Adopting the pre-crisis peak and post-crisis trough as reference points, how would you characterize the current use of financial leverage by hedge fund clients of each of the following types?

    A. Most-favored hedge funds (as a consequence of breadth, duration, and/or extent of relationship)

        1) Equity-oriented funds

	Number of Respondents	**Percent**
At or above peak level	1	5.6
Near peak level	1	5.6
Moderately below peak level	5	27.8
Roughly in the middle between peak and trough level	8	44.4
Moderately above trough level	3	16.7
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**18**	**100.0**

2) Macro-oriented funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	3	15.0
Moderately below peak level	5	25.0
Roughly in the middle between peak and trough level	8	40.0
Moderately above trough level	4	20.0
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**20**	**100.0**

3) Credit-oriented funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	1	5.3
Moderately below peak level	4	21.1
Roughly in the middle between peak and trough level	8	42.1
Moderately above trough level	5	26.3
Near the trough level	1	5.3
At or below trough level	0	0.0
Total	**19**	**100.0**

4) Convertible-bond arbitrage funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	0	0.0
Moderately below peak level	1	6.3
Roughly in the middle between peak and trough level	9	56.3
Moderately above trough level	5	31.3
Near the trough level	1	6.3
At or below trough level	0	0.0
Total	**16**	**100.0**

5) Other fixed-income-oriented relative-value funds

	Number of Respondents	Percent
At or above peak level	1	5.3
Near peak level	3	15.8
Moderately below peak level	3	15.8
Roughly in the middle between peak and trough level	7	36.8
Moderately above trough level	5	26.3
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**19**	**100.0**

B. Other hedge funds

1) Equity-oriented funds

	Number of Respondents	Percent
At or above peak level	1	5.6
Near peak level	1	5.6
Moderately below peak level	4	22.2
Roughly in the middle between peak and trough level	9	50.0
Moderately above trough level	3	16.7
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**18**	**100.0**

2) Macro-oriented funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	2	10.0
Moderately below peak level	4	20.0
Roughly in the middle between peak and trough level	9	45.0
Moderately above trough level	5	25.0
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**20**	**100.0**

3) Credit-oriented funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	1	5.3
Moderately below peak level	4	21.1
Roughly in the middle between peak and trough level	8	42.1
Moderately above trough level	5	26.3
Near the trough level	1	5.3
At or below trough level	0	0.0
Total	**19**	**100.0**

4) Convertible-bond arbitrage funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	0	0.0
Moderately below peak level	1	6.3
Roughly in the middle between peak and trough level	9	56.3
Moderately above trough level	5	31.3
Near the trough level	1	6.3
At or below trough level	0	0.0
Total	**16**	**100.0**

5) Other fixed-income-oriented relative-value funds

	Number of Respondents	Percent
At or above peak level	0	0.0
Near peak level	2	10.5
Moderately below peak level	4	21.1
Roughly in the middle between peak and trough level	6	31.6
Moderately above trough level	7	36.8
Near the trough level	0	0.0
At or below trough level	0	0.0
Total	**19**	**100.0**

Funding of Distressed Assets

82. Since the beginning of 2013, how has funding of each of the following broad classes of distressed assets changed?

A. Distressed real estate loans—United States

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	5	41.7
Remained basically unchanged	4	33.3
Decreased somewhat	3	25.0
Decreased substantially	0	0.0
Total	**12**	**100.0**

B. Distressed real estate loans—Europe

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	36.4
Remained basically unchanged	5	45.5
Decreased somewhat	2	18.2
Decreased substantially	0	0.0
Total	**11**	**100.0**

C. Distressed real estate loans—Asia

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	2	20.0
Remained basically unchanged	8	80.0
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**10**	**100.0**

D. Distressed corporate assets (loans and/or trade receivables)—United States

	Number of Respondents	Percent
Increased substantially	1	7.7
Increased somewhat	3	23.1
Remained basically unchanged	8	61.5
Decreased somewhat	1	7.7
Decreased substantially	0	0.0
Total	**13**	**100.0**

E. Distressed corporate assets (loans and/or trade receivables)—Europe

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	2	18.2
Remained basically unchanged	7	63.6
Decreased somewhat	2	18.2
Decreased substantially	0	0.0
Total	**11**	**100.0**

F. Distressed corporate assets (loans and/or trade receivables)—Asia

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	2	18.2
Remained basically unchanged	8	72.7
Decreased somewhat	1	9.1
Decreased substantially	0	0.0
Total	**11**	**100.0**

83. Since the beginning of 2013, how has funding of distressed assets by each of the following client types changed?

A. Most-favored hedge funds (as a consequence of breadth, duration, and/or extent of relationship)

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	33.3
Remained basically unchanged	8	66.7
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**12**	**100.0**

B. Other hedge funds

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	3	25.0
Remained basically unchanged	8	66.7
Decreased somewhat	1	8.3
Decreased substantially	0	0.0
Total	**12**	**100.0**

C. Private equity firms

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	33.3
Remained basically unchanged	7	58.3
Decreased somewhat	1	8.3
Decreased substantially	0	0.0
Total	**12**	**100.0**

D. Pension plans

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	9	100.0
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**9**	**100.0**

E. Endowments

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	9	100.0
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**9**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	1	9.1
Remained basically unchanged	10	90.9
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**11**	**100.0**

G. Insurance companies

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	11	100.0
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**11**	**100.0**

H. Special purpose vehicles (irrespective of sponsor type)

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	33.3
Remained basically unchanged	7	58.3
Decreased somewhat	1	8.3
Decreased substantially	0	0.0
Total	**12**	**100.0**