BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF MONETARY AFFAIRS

DIVISION OF RESEARCH AND STATISTICS

For release at 2:00 p.m. EST
January 13, 2011

Senior Credit Officer Opinion Survey on Dealer Financing Terms

December 2010

The December 2010 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The December 2010 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 three sets of special questions. The first set queried respondents about changes since the beginning of 2010 in demand for, and respondents' willingness to fund, high-yield corporate bonds. The second set focused on changes in the demand for, and respondents' willingness to fund, exposure to syndicated leveraged loans through total return swaps (TRS) during the same period. The last set asked dealers to assess the effects of recent legal uncertainties surrounding legacy residential mortgage-backed securities (RMBS). The 20 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 November 15, 2010, to November 26, 2010. The core questions ask about changes between September 2010 and November 2010.

Overall, respondents to the December 2010 survey indicated an easing in credit terms with respect to counterparty relationships and securities financing transactions over the previous three months. Dealers also noted an increase in demand for funding for all types of securities considered in the survey. By contrast, respondents reported little change in the terms and conditions prevalent in OTC derivatives markets over the reference period.[1] In particular:

- Dealers indicated that they had loosened credit terms offered to each of the distinct classes of counterparties—including hedge funds and other private pools of capital, insurance companies and other institutional investors, and nonfinancial firms—considering all transaction types covered in the survey taken together.

[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").

More-aggressive competition from other institutions and an improvement in the current or expected financial strength of counterparties were frequently cited reasons for the easing of terms. As in the September survey, respondents also noted an increase in the intensity of efforts by clients in each major class to negotiate more-favorable terms.

- Similar to the September survey results, only a few respondents indicated that they had increased the amount of resources and attention devoted to management of concentrated credit exposures to dealers and other financial intermediaries. The pattern observed in the September and December surveys represents a notable shift from the June survey in which more than half the respondents reported an increase in the resources and attention devoted to the management of concentrated credit exposures.

- As in the September survey, responses to questions about OTC derivatives transactions suggested that nonprice terms were little changed across different types of underlying asset classes (underlyings), considering both plain and customized derivatives.

- With respect to securities financing transactions, respondents reported an easing of some terms applicable to the funding of most types of collateral considered in the survey. Dealers also noted that demand for funding of all categories of securities covered in the survey had increased over the past three months, including demand for funding of equities, which was reported largely unchanged in the September survey.

- Responses to special questions about the funding of high-yield corporate bonds pointed to an increase in demand for funding relative to the beginning of 2010, particularly on the part of private pools of capital and, to a lesser extent, dealers (and other financial intermediaries). Responses to special questions about TRS referencing syndicated leveraged loans also pointed to an increase in demand for these instruments, especially by private pools of capital and, to a lesser extent, dealers (and other financial intermediaries) and insurance companies, pension funds, and other institutional investors.

- With respect to the supply of such funding, the majority of respondents indicated that their willingness to expand financing of high-yield corporate bonds or the provision of exposure to syndicated leveraged loans through TRS at prevailing market rates and under prevailing market terms had remained basically unchanged.

- Dealer responses to special questions regarding the effects of recent legal uncertainties relating to improper handling of foreclosure documents, compliance with securitization and servicing agreements, and possible repurchase obligations with respect to previously securitized mortgage loans indicated that liquidity and market functioning had worsened somewhat in the private-label RMBS market.

Counterparty Types

(*Questions 1-17*)

Dealers and other financial intermediaries. As in the September survey, the vast majority of respondents reported that the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries had remained basically unchanged over the past three months, with only three institutions pointing to an increase. These responses contrast with those to the June survey in which over one-half of dealers reported an increase. The vast majority of respondents also noted that the volume of mark and collateral disputes with dealers and other financial intermediaries—a rise in which is generally viewed as a leading indicator of market stress—had remained basically unchanged over the previous three months.

Hedge funds, private equity firms, and other similar private pools of capital. Consistent with the September survey, the responses indicated that, across all types of transactions covered in the survey, dealers provided somewhat more-favorable credit terms over the past three months to hedge funds, private equity firms, and other similar private pools of capital (private pools of capital). One-fourth of respondents, on net, eased price terms, which include most importantly financing rates. Nearly one-half of institutions, on net, reported having eased nonprice terms, which include haircuts, maximum maturity, covenants, cure periods, and cross-default provisions or other documentation features. The dealers that reported an easing of terms pointed to more aggressive competition from other institutions, an improvement in the current or expected financial strength of counterparties, and an improvement in general market liquidity and functioning as the main reasons for the changes.[2] More than one-half of the respondents to the December survey noted an increase in the intensity of efforts by private pools of capital to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, most dealers expected price and nonprice terms applicable to private pools of capital to remain basically unchanged, while a small net fraction of respondents indicated that they anticipate an easing of terms.

Insurance companies, pension funds, and other institutional investors. The survey responses indicated that dealers also provided more-favorable credit terms for insurance companies, pension funds, and other institutional investors (institutional investors). A small net fraction of respondents reported having eased price and nonprice terms over the

[2] An ordinal ranking of reasons for easing or tightening is produced by adding the number of respondents characterizing each reason as “very important” to the number characterizing the reason as “somewhat important” and then sorting the sums in descending order. For reasons with the same ranking based on the sums, the response that the greater number of dealers characterizes as “very important” takes priority.

past three months. No respondents reported tightening either price or nonprice terms. The most important reason indicated for easing terms was more aggressive competition from other institutions. Improvements in current or expected financial strength of counterparties were also cited. One-half of the dealers reported an increase in the intensity of efforts by institutional investors to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, more than one-fourth of respondents, on net, expected credit terms applicable to institutional investors to ease somewhat.

Nonfinancial corporations. The responses to questions about credit terms applicable to nonfinancial corporations also pointed to a modest easing over the past three months. Small portions of respondents, on balance, indicated that they had eased price and nonprice terms. The most important reason cited for easing terms was an increased willingness of institutions to take on risk. The other factors cited as exerting the greatest influence on dealers' policies toward nonfinancial corporations over the past three months included more aggressive competition from other institutions, improvements in general market liquidity and functioning, adoption of less stringent market conventions, and improvements in the current or expected financial strength of counterparties. More than one-third of respondents indicated that there had been an increase in the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, the majority of dealers noted that they expected credit terms to remain basically unchanged, while a small net fraction of respondents indicated that they anticipated somewhat looser terms.

Over-the-Counter Derivatives

(Questions 18-29)

As in the previous two surveys, responses to questions dealing with OTC derivatives trades pointed to little change over the past three months in the terms for "plain vanilla" and customized derivatives across the various underlyings—foreign exchange, interest rates, equities, credit, commodities, and total return swaps referencing nonsecurities (such as bank loans). Of note, there was no indication in responses to the December survey of an increase in mark and collateral disputes with respect to OTC foreign exchange derivatives as was reported in the September survey. However, a small net portion of respondents active in the OTC interest rate and OTC equity derivatives markets again reported an increase in the volume of such disputes with respect to contracts referencing those underlyings.

Securities Financing

(*Questions 30-46*)

As in the previous survey, responses to questions that were focused on securities financing pointed to an easing of some terms under which a broad spectrum of securities were being funded.[3] This reported loosening of terms was generally evident for both average clients and most-favored clients. With regard to terms under which high-grade corporate bonds are funded, net shares of survey respondents ranging between 20 and 40 percent reported an extension in the maximum maturity, an increase in the maximum amount of funding, and a decrease in the haircuts. With respect to terms under which equities are funded (including through repo-like stock loan transactions), net fractions of dealers ranging between 10 and 25 percent indicated that they had extended the maximum maturity, increased the maximum amount of funding, and decreased the financing rate. Regarding terms under which agency RMBS are funded, net portions of respondents ranging between 22 and 28 percent noted that they had extended the maximum maturity and increased the maximum amount of funding. Finally, with respect to terms under which asset-backed securities (ABS) other than agency RMBS are funded, net fractions of dealers ranging between 15 and 31 percent reported an extension in the maximum maturity, an increase in the maximum amount of funding, a decline in financing rates, and a loosening of covenants and triggers.

Survey respondents indicated that demand for funding for all types of securities considered in the survey had increased over the past three months. The net fractions of respondents that noted an increase in demand were similar to those in the September survey; the only exception was the share of dealers that reported an increase in demand for funding of equities, which was considerably higher. On balance, about 30 percent of dealers that lend against agency RMBS, ABS other than agency RMBS, and equities reported an increase in demand for funding in the December survey, while one-fifth of survey respondents that lend against high-grade corporate bonds indicated that demand for funding had increased.

Respondents indicated that liquidity and functioning in several markets had improved over the past three months.[4] More than 40 percent of dealers reported an improvement in markets for ABS other than agency RMBS, while a similar fraction of respondents noted an improvement in the high-grade corporate bond market. By contrast, the vast majority of dealers indicated that liquidity and functioning in the agency RMBS market had remained basically unchanged.

Survey respondents generally reported that the volume of collateral and mark disputes with clients related to the funding of collateral of all types had remained basically unchanged.

[3] In this survey, securities financing includes lending to clients collateralized by high-grade corporate bonds, equities, agency RMBS, and other ABS.

[4] 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.

Special Questions on the Funding of High-Yield Corporate Bonds
(*Questions 48-50*)[5]

In response to special questions about the funding of high-yield corporate bonds, one-third of dealers active in this market, on net, noted an increase in the demand for funding relative to the beginning of 2010. In explaining the reported change in demand, respondents cited the behavior of private pools of capital and, to a lesser extent, dealers (and other financial intermediaries) as important. The majority of respondents reported that their willingness to fund high-yield corporate bonds at prevailing market rates and under prevailing market terms had remained basically unchanged.

Special Questions on Total Return Swaps Referencing Syndicated Leveraged Loans
(*Questions 51-53*)

In response to special questions about TRS referencing syndicated leveraged loans, one-third of respondents active in this market, on balance, reported an increase in demand for exposure to these instruments relative to the beginning of 2010. Respondents cited the behavior of private pools of capital and, to a lesser extent, dealers (and other financial intermediaries) as well as institutional investors as important in explaining the increase in demand. As in the case of high-yield corporate bonds, the majority of survey respondents reported that their willingness to provide exposure to syndicated leveraged loans through TRS at prevailing market rates and under prevailing market terms had remained basically unchanged.

Special Questions on the Effect of Legal Uncertainties Surrounding Legacy Residential Mortgage-Backed Securities
(*Questions 54-55*)

On net, about 30 percent of respondents reported that the liquidity and functioning of RMBS markets had worsened somewhat as a result of legal uncertainties relating to the improper handling of foreclosure documents, compliance with securitization and servicing agreements, and possible repurchase obligations on the part of financial institutions with respect to previously securitized mortgage loans. The reported effects were largely concentrated in the private-label RMBS market.

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.

[5] Question 47, not discussed here, was optional and allowed respondents to provide additional comments.

Results of the December 2010 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 17 ask about credit terms applicable to different counterparty types across the entire range of securities financing and over-the-counter (OTC) derivatives transactions, why these may have changed, and expectations for the future. 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). Questions 1 and 2 focus on dealers and other financial intermediaries as counterparties; questions 3 through 7 on hedge funds, private equity firms, and other similar private pools of capital; questions 8 through 12 on insurance companies, pension funds, and other institutional investors; and questions 13 through 17 on transactions involving nonfinancial corporations. 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. Also, please report changes in enforcement of existing policies regarding terms as changes in policies. 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 other dealers and other financial intermediaries 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**

2. Over the past three months, how has the volume of mark and collateral disputes with dealers and other financial intermediaries changed?

	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**

Hedge Funds, Private Equity Firms, and Other Similar Private Pools of Capital

3. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds, private equity firms, and other similar private pools of capital 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	5.0
Remained basically unchanged	13	65.0
Eased somewhat	6	30.0
Eased considerably	0	0.0
Total	**20**	**100.0**

4. 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, private equity firms, and other similar private pools of capital 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	5.0
Remained basically unchanged	9	45.0
Eased somewhat	10	50.0
Eased considerably	0	0.0
Total	**20**	**100.0**

5. To the extent that the price or nonprice terms applied to hedge funds, private equity firms, and other similar private pools of capital have tightened or eased over the past three months (as reflected in your responses to questions 3 and 4), how important have been each of the following possible reasons for the change?

   A. Possible reasons for tightening:

      1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

      2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	4	40.0
Somewhat important	5	50.0
Not important	1	10.0
Total	**10**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	6	60.0
Not important	4	40.0
Total	**10**	**100.0**

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

	Number of Respondents	Percent
Very important	2	20.0
Somewhat important	2	20.0
Not important	6	60.0
Total	**10**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	1	10.0
Somewhat important	1	10.0
Not important	8	80.0
Total	**10**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	20.0
Not important	8	80.0
Total	**10**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	3	30.0
Somewhat important	6	60.0
Not important	1	10.0
Total	**10**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	6	60.0
Somewhat important	3	30.0
Not important	1	10.0
Total	**10**	**100.0**

6. How has the intensity of efforts by hedge funds, private equity firms, and other similar private pools of capital to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	2	10.0
Increased somewhat	9	45.0
Remained basically unchanged	9	45.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

7. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with hedge funds, private equity firms, and other similar private pools of capital across the entire spectrum of securities financing and OTC derivatives transactions to change?

	Number of Respondents	**Percent**
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	2	10.0
Price and nonprice terms are likely to remain basically unchanged	14	70.0
Price and nonprice terms are likely to ease somewhat	4	20.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Insurance Companies, Pension Funds, and Other Institutional Investors

8. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies, pension funds, and other institutional investors 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	18	90.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**100.0**

9. 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, pension funds, and other institutional investors 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	17	85.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

10. To the extent that the price or nonprice terms applied to insurance companies, pension funds, and other institutional investors have tightened or eased over the past three months (as reflected in your responses to questions 8 and 9), how important have been each of the following possible reasons for the change?

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	0	0.0
Not important	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**
Very important	0	0.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	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
Very important	1	33.3
Somewhat important	0	0.0
Not important	2	66.7
Total	**3**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	3	100.0
Total	**3**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	33.3
Not important	2	66.7
Total	**3**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	3	100.0
Total	**3**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	3	100.0
Total	**3**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	3	100.0
Total	**3**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	3	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**3**	**100.0**

11. How has the intensity of efforts by insurance companies, pension funds, and other institutional investors 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	10	50.0
Remained basically unchanged	10	50.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

12. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with insurance companies, pension funds, and other institutional investors across the entire spectrum of securities financing and OTC derivatives transactions to change?

	Number of Respondents	Percent
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	2	10.0
Price and nonprice terms are likely to remain basically unchanged	10	50.0
Price and nonprice terms are likely to ease somewhat	8	40.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Nonfinancial Corporations

13. 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	1	5.0
Remained basically unchanged	15	75.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

14. 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	0	0.0
Remained basically unchanged	17	85.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

15. 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 13 and 14), how important have been each of the following possible reasons for the change?

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	4	66.7
Not important	2	33.3
Total	**6**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	5	83.3
Not important	1	16.7
Total	**6**	**100.0**

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

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	3	50.0
Not important	2	33.3
Total	**6**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	33.3
Not important	4	66.7
Total	**6**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	3	50.0
Not important	3	50.0
Total	**6**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	3	50.0
Not important	2	33.3
Total	**6**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	3	50.0
Somewhat important	1	16.7
Not important	2	33.3
Total	**6**	**100.0**

16. 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	0	0.0
Increased somewhat	8	40.0
Remained basically unchanged	12	60.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

17. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with nonfinancial corporations across the entire spectrum of securities financing and OTC derivatives transactions to change?

	Number of Respondents	Percent
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	2	10.0
Price and nonprice terms are likely to remain basically unchanged	13	65.0
Price and nonprice terms are likely to ease somewhat	5	25.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Over-the-Counter Derivatives

Questions 18 through 29 ask about OTC derivatives trades. Questions 18 and 19 focus on trades with Foreign Exchange (FX) as the underlying; questions 20 and 21 on trades with interest rates (IR) as the underlying; questions 22 and 23 on trades with equities as the underlying; questions 24 and 25 on trades with debt securities as the underlying (including contracts referencing mortgage-backed securities (MBS) and asset-backed securities (ABS)); questions 26 and 27 on trades with commodities as the underlying; and questions 28 and 29 on total return swaps with nonsecurities such as bank debt and whole loans as the underlying. 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. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond "Not applicable" to questions dealing with business areas in which you do not conduct material activities. 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.

Foreign Exchange

18. Over the past three months, how have nonprice terms associated with OTC FX derivatives changed?

    A. For "vanilla" FX derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

    1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	14	87.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	14	87.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

3) Maximum maturity

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

4) 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	15	93.8
Eased somewhat	1	6.3
Eased considerably	0	0.0
Total	**16**	**100.0**

5) Triggers and covenants

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	13	81.3
Eased somewhat	1	6.3
Eased considerably	0	0.0
Total	**16**	**100.0**

B. For highly customized FX derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	13	81.3
Eased somewhat	1	6.3
Eased considerably	0	0.0
Total	**16**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	14	87.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

3) Maximum maturity

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

4) 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	14	87.5
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	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**

19. Over the past three months, how has the volume of mark and collateral disputes with clients related to FX derivatives changed?

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

Interest Rates

20. Over the past three months, how have nonprice terms associated with OTC interest rate derivatives changed?

    A. For “vanilla” IR derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

    1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	14	82.4
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

    2) Requirements, timelines, and thresholds for posting additional margin

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

3) Maximum maturity

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

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

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

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	15	88.2
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

B. For highly customized IR derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	14	82.4
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

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

3) Maximum maturity

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

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

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

5) Triggers and covenants

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

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

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

21. Over the past three months, how has the volume of mark and collateral disputes with clients related to interest rate derivatives changed?

	Number of Respondents	Percent
Increased considerably	1	6.3
Increased somewhat	2	12.5
Remained basically unchanged	12	75.0
Decreased somewhat	1	6.3
Decreased considerably	0	0.0
Total	**16**	**100.0**

Equities

22. Over the past three months, how have nonprice terms associated with OTC equity derivatives changed?

    A. For "vanilla" equity derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

    1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

    2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	15	88.2
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	13	76.5
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

B. For highly customized equity derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	17.6
Remained basically unchanged	12	70.6
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

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

3) Maximum maturity

	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**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	13	76.5
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

23. Over the past three months, how has the volume of mark and collateral disputes with clients related to equity derivatives changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	12.5
Remained basically unchanged	14	87.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

Credit

24. Over the past three months, how have nonprice terms associated with OTC credit derivatives referencing debt securities (including contracts referencing MBS or ABS) changed?

A. For "vanilla" credit derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

1) Initial margin

	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**

2) Requirements, timelines, and thresholds for posting additional margin

	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**

3) Maximum maturity

	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) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	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**

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

	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**

B. For highly customized credit derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	12	80.0
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	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**

3) 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**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	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**

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

	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**

25. Over the past three months, how has the volume of mark and collateral disputes with clients related to credit derivatives changed?

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

Commodities

26. Over the past three months, how have nonprice terms associated with OTC commodity derivatives changed?

   A. For “vanilla” commodity derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

      1) Initial margin

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

      2) Requirements, timelines, and thresholds for posting additional margin

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

3) Maximum maturity

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

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	11	78.6
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

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

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

B. For highly customized commodity derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	11	78.6
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

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

3) 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**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	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**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	11	78.6
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	14.3
Remained basically unchanged	10	71.4
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

27. Over the past three months, how has the volume of mark and collateral disputes with clients related to commodity derivatives changed?

	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**

Total Return Swaps Referencing Nonsecurities (Such as Bank Debt and Whole Loans)

28. Over the past three months, how have nonprice terms associated with total return swaps referencing nonsecurities (such as bank debt and whole loans) changed?

A. Range of acceptable reference assets (for example, requirements with regard to credit quality and liquidity)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	10	83.3
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

B. Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	8	66.7
Eased somewhat	3	25.0
Eased considerably	0	0.0
Total	**12**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	11	91.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**12**	**100.0**

D. Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	10	83.3
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

E. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

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

F. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	10	83.3
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	8.3
Remained basically unchanged	10	83.3
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

29. Over the past three months, how has the volume of mark and collateral disputes with clients related to total return swaps referencing nonsecurities changed?

	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 30 through 46 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 30 through 34 focus on lending against high-grade corporate bonds; questions 35 and 36 on lending against equities (including through stock loan); questions 37 through 41 on lending against agency residential mortgage-backed securities (RMBS); and questions 42 through 46 on lending against other ABS. 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. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. 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

30. 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	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	9	60.0
Eased somewhat	6	40.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	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**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	11	73.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	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**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	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**

7) Covenants and triggers

	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	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	9	60.0
Eased somewhat	6	40.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	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**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	11	73.3
Eased somewhat	3	20.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	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**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	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**

7) Covenants and triggers

	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**

31. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such "vendor financing" provided for high-grade corporate bonds by your institution changed?

	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**

32. 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	26.7
Remained basically unchanged	10	66.7
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	**15**	**100.0**

33. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of high-grade corporate bonds changed?

	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**

34. 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	6	40.0
Remained basically unchanged	9	60.0
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**15**	**100.0**

Equities (Including through Stock Loan)

35. 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	1	5.0
Remained basically unchanged	14	70.0
Eased somewhat	5	25.0
Eased considerably	0	0.0
Total	**20**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	75.0
Eased somewhat	5	25.0
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) Financing rate

	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**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	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**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

	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	16	80.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	75.0
Eased somewhat	5	25.0
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) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	16	80.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	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**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

	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**

36. 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	1	5.0
Increased somewhat	5	25.0
Remained basically unchanged	14	70.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Agency Residential Mortgage-Backed Securities

37. 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	14	77.8
Eased somewhat	4	22.2
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	14	77.8
Eased somewhat	4	22.2
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	17	94.4
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

4) Financing rate

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

5) Requirements, timelines, and thresholds for posting additional collateral or margin

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

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

	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**

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	77.8
Eased somewhat	4	22.2
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	13	72.2
Eased somewhat	5	27.8
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) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	14	77.8
Eased somewhat	3	16.7
Eased considerably	0	0.0
Total	**18**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

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

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

	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**

38. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such "vendor financing" provided by your institution for agency RMBS changed?

	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**

39. 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	5	27.8
Remained basically unchanged	13	72.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

40. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of agency RMBS changed?

	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**

41. 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	3	16.7
Remained basically unchanged	14	77.8
Deteriorated somewhat	1	5.6
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

Other Asset-Backed Securities

42. Over the past three months, how have the terms under which ABS other than agency RMBS (referred to below as "other ABS") are funded changed? Where material differences exist across different types of such ABS, for example, between non-agency RMBS and consumer ABS, please answer with regard to the type of instrument generating the most exposure and explain in the comment space provided.

    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	11	84.6
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**100.0**

    2) Maximum maturity

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

3) Haircuts

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

4) Financing rate

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	9	69.2
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

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

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	84.6
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**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	10	76.9
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	69.2
Eased somewhat	4	30.8
Eased considerably	0	0.0
Total	**13**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	10	76.9
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	9	69.2
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

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

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

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

7) Covenants and triggers

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

43. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such "vendor financing" provided for other ABS by your institution changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	8.3
Remained basically unchanged	11	91.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**100.0**

44. Over the past three months, how has demand for funding of other ABS positions by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	30.8
Remained basically unchanged	9	69.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

45. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of other ABS changed?

	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**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	5	41.7
Remained basically unchanged	7	58.3
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**12**	**100.0**

Optional Question

Question 47 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 5 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.

Funding of High-Yield Corporate Bonds

48. Relative to the beginning of 2010, 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	5	41.7
Remained basically unchanged	6	50.0
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

49. To the extent demand for funding of high-yield corporate bonds from your institution's clients has changed relative to the beginning of 2010, how important has been the behavior of each of the following counterparty types in explaining that change?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Very significant	0	0.0
Somewhat significant	2	40.0
Not significant	3	60.0
Total	**5**	**100.0**

B. Hedge funds, private equity funds, and other similar pools of private capital

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	5	83.3
Not significant	1	16.7
Total	**6**	**100.0**

C. Insurance companies

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	3	100.0
Total	**3**	**100.0**

D. Pension funds

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	4	100.0
Total	**4**	**100.0**

E. Mutual funds

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	4	100.0
Total	**4**	**100.0**

F. Other institutional investors

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	1	20.0
Not significant	4	80.0
Total	**5**	**100.0**

50. How has your institution's willingness to fund high-yield corporate bonds at prevailing market rates and under prevailing market terms changed relative to the beginning of 2010? Willingness to expand your book of business in this area may stem from a formal analysis considering a required return on the risk capital employed or from a more subjective assessment of the attractiveness of the risk-adjusted return from this activity.

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	25.0
Remained basically unchanged	7	58.3
Decreased somewhat	2	16.7
Decreased considerably	0	0.0
Total	**12**	**100.0**

Total Return Swaps Referencing Syndicated Leveraged Loans

51. Relative to the beginning of 2010, how has demand for exposure to syndicated leveraged loans through total return swaps (TRS) by your institution's clients changed?[7]

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	4	44.4
Remained basically unchanged	4	44.4
Decreased somewhat	1	11.1
Decreased considerably	0	0.0
Total	**9**	**100.0**

52. To the extent demand for exposure to syndicated leveraged loans through TRS from your institution's clients has changed relative to the beginning of 2010, how important has been the behavior of each of the following counterparty types in explaining that change?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Very significant	0	0.0
Somewhat significant	3	60.0
Not significant	2	40.0
Total	**5**	**100.0**

[7] The text of question 51 as originally published on the Board's public website on January 13, 2011, had an error, which was corrected on January 18, 2011. The question should refer to the period "since the beginning of 2010," consistent with the language in the original survey provided to respondents.

B. Hedge funds, private equity funds, and other similar pools of private capital

	Number of Respondents	Percent
Very significant	2	40.0
Somewhat significant	2	40.0
Not significant	1	20.0
Total	**5**	**100.0**

C. Insurance companies

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	2	50.0
Not significant	2	50.0
Total	**4**	**100.0**

D. Pension funds

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	1	25.0
Not significant	3	75.0
Total	**4**	**100.0**

E. Mutual funds

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	4	100.0
Total	**4**	**100.0**

F. Other institutional investors

	Number of Respondents	**Percent**
Very significant	0	0.0
Somewhat significant	2	50.0
Not significant	2	50.0
Total	**4**	**100.0**

53. How has your institution's willingness to provide exposure to syndicated leveraged loans through TRS at prevailing market rates and under prevailing market terms changed relative to the beginning of 2010? Willingness to expand your book of business in this area may stem from a formal analysis considering a required return on the risk capital employed or from a more subjective assessment of the attractiveness of the risk-adjusted return from this activity.

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	16.7
Remained basically unchanged	8	66.7
Decreased somewhat	2	16.7
Decreased considerably	0	0.0
Total	**12**	**100.0**

Effect of Legal Uncertainties Surrounding Legacy Residential Mortgage-Backed Securities

54. How have the liquidity and functioning of RMBS markets been affected by the recent legal uncertainties relating to improper handling of foreclosure documents, compliance with securitization and servicing agreements, and possible repurchase obligations on the part of financial institutions with respect to previously securitized mortgage loans?

	Number of Respondents	**Percent**
Worsened sharply	0	0.0
Worsened considerably	0	0.0
Worsened somewhat	4	30.8
Remained basically unchanged	9	69.2
Improved	0	0.0
Total	**13**	**100.0**

55. To the extent that liquidity and functioning of RMBS markets have been adversely affected (as reflected in your selection of one of the first three possible responses to question 54) by recent legal uncertainties, in which market segments were these effects most evident?

A. Agency RMBS

	Number of Respondents	**Percent**
Very significant	0	0.0
Somewhat significant	1	25.0
Not significant	3	75.0
Total	**4**	**100.0**

B. Private-label RMBS

	Number of Respondents	**Percent**
Very significant	0	0.0
Somewhat significant	4	100.0
Not significant	0	0.0
Total	**4**	**100.0**

C. Other ABS (aside from RMBS)

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	1	100.0
Total	**1**	**100.0**

D. Other structured products (aside from ABS)

	Number of Respondents	Percent
Very significant	0	0.0
Somewhat significant	0	0.0
Not significant	1	100.0
Total	**1**	**100.0**