Table 1

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Large Banks in the United States [1]

(Status of policy as of January 2008)

Questions 1-6 *ask about commercial and industrial (C&I) loans at your bank. Questions 1-3 deal with changes in your bank's lending policies over the past three months. Questions 4-5 deal with changes in demand for C&I loans over the past three months. Question 6 asks about changes in prospective demand for C&I loans at your bank, as indicated by the volume of recent inquiries about the availability of new credit lines or increases in existing lines. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies 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 as changes in policies.*

1. Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines--other than those to be used to finance mergers and acquisitions--to large and middle-market firms and to small firms changed? (If your bank defines firm size differently from the categories suggested below, please use your definitions and indicate what they are.)

a. Standards for large and middle-market firms (annual sales of $50 million or more):

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.0	0	0.0
Tightened somewhat	17	30.4	8	24.2	9	39.1
Remained basically unchanged	38	67.9	24	72.7	14	60.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	33	100.0	23	100.0

b. Standards for small firms (annual sales of less than $50 million):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.0	0	0.0
Tightened somewhat	16	28.6	8	24.2	8	34.8
Remained basically unchanged	39	69.6	24	72.7	15	65.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	33	100.0	23	100.0

2. For applications for C&I loans or credit lines--other than those to be used to finance mergers and acquisitions--from large and middle-market firms and from small firms that your bank currently is willing to approve, how have the terms of those loans changed over the past three months?

A. Terms for large and middle-market firms (annual sales of $50 million or more):

a. Maximum size of credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	11	20.0	8	24.2	3	13.6
Remained basically unchanged	39	70.9	22	66.7	17	77.3
Eased somewhat	4	7.3	3	9.1	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

b. Maximum maturity of loans or credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	9	16.4	7	21.2	2	9.1
Remained basically unchanged	45	81.8	26	78.8	19	86.4
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

c. Costs of credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	5.5	2	6.1	1	4.5
Tightened somewhat	22	40.0	13	39.4	9	40.9
Remained basically unchanged	29	52.7	17	51.5	12	54.5
Eased somewhat	1	1.8	1	3.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

d. Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	2	3.6	2	6.1	0	0.0
Tightened somewhat	25	45.5	14	42.4	11	50.0
Remained basically unchanged	25	45.5	15	45.5	10	45.5
Eased somewhat	3	5.5	2	6.1	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

e. Premiums charged on riskier loans:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	5	9.1	4	12.1	1	4.5
Tightened somewhat	24	43.6	15	45.5	9	40.9
Remained basically unchanged	25	45.5	14	42.4	11	50.0
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

f. Loan covenants:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	16	29.1	10	30.3	6	27.3
Remained basically unchanged	38	69.1	23	69.7	15	68.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

g. Collateralization requirements:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	9	16.4	6	18.2	3	13.6
Remained basically unchanged	44	80.0	27	81.8	17	77.3
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

B. Terms for small firms (annual sales of less than $50 million):

a. Maximum size of credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	0	0.0	1	4.8
Tightened somewhat	10	18.5	6	18.2	4	19.0
Remained basically unchanged	41	75.9	26	78.8	15	71.4
Eased somewhat	2	3.7	1	3.0	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	33	100.0	21	100.0

b. Maximum maturity of loans or credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	9.1	3	9.1	2	9.1
Remained basically unchanged	49	89.1	30	90.9	19	86.4
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

c. Costs of credit lines:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	3.6	2	6.1	0	0.0
Tightened somewhat	20	36.4	12	36.4	8	36.4
Remained basically unchanged	32	58.2	18	54.5	14	63.6
Eased somewhat	1	1.8	1	3.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

d. Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	5.5	2	6.1	1	4.5
Tightened somewhat	21	38.2	11	33.3	10	45.5
Remained basically unchanged	29	52.7	19	57.6	10	45.5
Eased somewhat	2	3.6	1	3.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

e. Premiums charged on riskier loans:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.3	2	6.1	2	9.1
Tightened somewhat	20	36.4	14	42.4	6	27.3
Remained basically unchanged	30	54.5	17	51.5	13	59.1
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

f. Loan covenants:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	10	18.2	5	15.2	5	22.7
Remained basically unchanged	44	80.0	28	84.8	16	72.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

g. Collateralization requirements:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	8	14.5	4	12.1	4	18.2
Remained basically unchanged	45	81.8	29	87.9	16	72.7
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate and rate *each* possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

A. Possible reasons for tightening credit standards or loan terms:

a. Deterioration in your bank's current or expected capital position:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	29	76.3	18	78.3	11	73.3
Somewhat important	7	18.4	3	13.0	4	26.7
Very important	2	5.3	2	8.7	0	0.0
Total	38	100.0	23	100.0	15	100.0

b. Less favorable or more uncertain economic outlook:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	7.7	2	8.3	1	6.7
Somewhat important	23	59.0	15	62.5	8	53.3
Very important	13	33.3	7	29.2	6	40.0
Total	39	100.0	24	100.0	15	100.0

c. Worsening of industry-specific problems (please specify industries):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	11	28.2	9	37.5	2	13.3
Somewhat important	15	38.5	7	29.2	8	53.3
Very important	13	33.3	8	33.3	5	33.3
Total	39	100.0	24	100.0	15	100.0

d. Less aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	24	63.2	13	56.5	11	73.3
Somewhat important	13	34.2	10	43.5	3	20.0
Very important	1	2.6	0	0.0	1	6.7
Total	38	100.0	23	100.0	15	100.0

e. Reduced tolerance for risk:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	18.4	5	21.7	2	13.3
Somewhat important	25	65.8	13	56.5	12	80.0
Very important	6	15.8	5	21.7	1	6.7
Total	38	100.0	23	100.0	15	100.0

f. Decreased liquidity in the secondary market for these loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	20	52.6	9	39.1	11	73.3
Somewhat important	13	34.2	10	43.5	3	20.0
Very important	5	13.2	4	17.4	1	6.7
Total	38	100.0	23	100.0	15	100.0

g. Increase in defaults by borrowers in public debt markets:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	25	65.8	15	65.2	10	66.7
Somewhat important	11	28.9	7	30.4	4	26.7
Very important	2	5.3	1	4.3	1	6.7
Total	38	100.0	23	100.0	15	100.0

h. Increased concern about your bank's current or expected liquidity position:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	29	76.3	17	73.9	12	80.0
Somewhat important	5	13.2	4	17.4	1	6.7
Very important	4	10.5	2	8.7	2	13.3
Total	38	100.0	23	100.0	15	100.0

B. Possible reasons for easing credit standards or loan terms:

a. Improvement in your bank's current or expected capital position:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	5	62.5	3	50.0	2	100.0
Somewhat important	2	25.0	2	33.3	0	0.0
Very important	1	12.5	1	16.7	0	0.0
Total	8	100.0	6	100.0	2	100.0

b. More favorable or less uncertain economic outlook:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	44.4	3	42.9	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

c. Improvement in industry-specific problems (please specify industries):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	75.0	5	83.3	1	50.0
Somewhat important	1	12.5	1	16.7	0	0.0
Very important	1	12.5	0	0.0	1	50.0
Total	8	100.0	6	100.0	2	100.0

d. More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	3	42.9	1	50.0
Somewhat important	1	11.1	1	14.3	0	0.0
Very important	4	44.4	3	42.9	1	50.0
Total	9	100.0	7	100.0	2	100.0

e. Increased tolerance for risk:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	2	28.6	2	100.0
Somewhat important	4	44.4	4	57.1	0	0.0
Very important	1	11.1	1	14.3	0	0.0
Total	9	100.0	7	100.0	2	100.0

f. Increased liquidity in the secondary market for these loans:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	87.5	5	83.3	2	100.0
Somewhat important	1	12.5	1	16.7	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	6	100.0	2	100.0

g. Reduction in defaults by borrowers in public debt markets:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	5	83.3	2	100.0
Somewhat important	1	12.5	1	16.7	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	6	100.0	2	100.0

h. Reduced concern about your bank's current or expected liquidity:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	75.0	4	66.7	2	100.0
Somewhat important	2	25.0	2	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	6	100.0	2	100.0

4. Apart from normal seasonal variation, how has demand for C&I loans changed over the past three months? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

a. Demand for C&I loans from large and middle-market firms (annual sales of $50 million or more):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	7	12.7	6	18.2	1	4.5
About the same	32	58.2	20	60.6	12	54.5
Moderately weaker	16	29.1	7	21.2	9	40.9
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

b. Demand for C&I loans from small firms (annual sales of less than $50 million):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	9.1	3	9.1	2	9.1
About the same	32	58.2	19	57.6	13	59.1
Moderately weaker	17	30.9	10	30.3	7	31.8
Substantially weaker	1	1.8	1	3.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

5. If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change?

A. If stronger loan demand (answer 1 or 2 to question 4A or 4B), possible reasons:

a. Customer inventory financing needs increased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	44.4	3	42.9	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

b. Customer accounts receivable financing needs increased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	2	22.2	2	28.6	0	0.0
Somewhat important	7	77.8	5	71.4	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

c. Customer investment in plant or equipment increased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	33.3	3	42.9	0	0.0
Somewhat important	6	66.7	4	57.1	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

d. Customer internally generated funds decreased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	44.4	3	42.9	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

e. Customer merger or acquisition financing needs increased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	33.3	2	28.6	1	50.0
Somewhat important	6	66.7	5	71.4	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

f. Customer borrowing shifted to your bank from other bank or nonbank sources because these other sources became less attractive:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	55.6	4	57.1	1	50.0
Somewhat important	2	22.2	1	14.3	1	50.0
Very important	2	22.2	2	28.6	0	0.0
Total	9	100.0	7	100.0	2	100.0

B. If weaker loan demand (answer 4 or 5 to question 4A or 4B), possible reasons:

a. Customer inventory financing needs decreased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	20.0	3	23.1	1	14.3
Somewhat important	15	75.0	9	69.2	6	85.7
Very important	1	5.0	1	7.7	0	0.0
Total	20	100.0	13	100.0	7	100.0

b. Customer accounts receivable financing needs decreased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	8	40.0	6	46.2	2	28.6
Somewhat important	11	55.0	6	46.2	5	71.4
Very important	1	5.0	1	7.7	0	0.0
Total	20	100.0	13	100.0	7	100.0

c. Customer investment in plant or equipment decreased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	1	5.0	1	7.7	0	0.0
Somewhat important	14	70.0	9	69.2	5	71.4
Very important	5	25.0	3	23.1	2	28.6
Total	20	100.0	13	100.0	7	100.0

d. Customer internally generated funds increased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	14	70.0	9	69.2	5	71.4
Somewhat important	5	25.0	3	23.1	2	28.6
Very important	1	5.0	1	7.7	0	0.0
Total	20	100.0	13	100.0	7	100.0

e. Customer merger or acquisition financing needs decreased:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	30.0	3	23.1	3	42.9
Somewhat important	7	35.0	6	46.2	1	14.3
Very important	7	35.0	4	30.8	3	42.9
Total	20	100.0	13	100.0	7	100.0

f. Customer borrowing shifted from your bank to other bank or nonbank credit sources because these other sources became more attractive:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	12	60.0	8	61.5	4	57.1
Somewhat important	4	20.0	3	23.1	1	14.3
Very important	4	20.0	2	15.4	2	28.6
Total	20	100.0	13	100.0	7	100.0

6. At your bank, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional C&I lines as opposed to the refinancing of existing loans.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The number of inquiries has increased substantially	0	0.0	0	0.0	0	0.0
The number of inquiries has increased moderately	6	10.9	4	12.5	2	8.7
The number of inquiries has stayed about the same	33	60.0	21	65.6	12	52.2
The number of inquiries has decreased moderately	16	29.1	7	21.9	9	39.1
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	55	100.0	32	100.0	23	100.0

Questions 7-8 *ask about commercial real estate loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 7 deals with changes in your bank's standards over the last three months. Question 8 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

7. Over the past three months, how have your bank's credit standards for approving applications for commercial real estate loans changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	11	19.6	7	21.2	4	17.4
Tightened somewhat	34	60.7	22	66.7	12	52.2
Remained basically unchanged	11	19.6	4	12.1	7	30.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	33	100.0	23	100.0

8. Apart from normal seasonal variation, how has demand for commercial real estate loans changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.8	1	3.0	0	0.0
Moderately stronger	6	10.7	2	6.1	4	17.4
About the same	16	28.6	11	33.3	5	21.7
Moderately weaker	23	41.1	12	36.4	11	47.8
Substantially weaker	10	17.9	7	21.2	3	13.0
Total	56	100.0	33	100.0	23	100.0

Questions 9-10 *focus on changes in your bank's terms on commercial real estate loans over the* ***past year****. If your bank's lending terms have not changed over the past year, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's lending terms have tightened or eased over the past year, please so report them regardless of how they stand relative to longer-term norms.*

9. Over the **past year**, how has your bank changed the following terms on commercial real estate loans?

a. Maximum loan size:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	4	7.3	2	6.1	2	9.1
Tightened somewhat	19	34.5	14	42.4	5	22.7
Remained basically unchanged	32	58.2	17	51.5	15	68.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

b. Maximum loan maturity:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.8	0	0.0	1	4.5
Tightened somewhat	10	18.2	7	21.2	3	13.6
Remained basically unchanged	44	80.0	26	78.8	18	81.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

c. Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	5	9.1	4	12.1	1	4.5
Tightened somewhat	24	43.6	14	42.4	10	45.5
Remained basically unchanged	22	40.0	14	42.4	8	36.4
Eased somewhat	4	7.3	1	3.0	3	13.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

d. Loan-to-value ratios:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.3	3	9.1	1	4.5
Tightened somewhat	28	50.9	17	51.5	11	50.0
Remained basically unchanged	22	40.0	13	39.4	9	40.9
Eased somewhat	1	1.8	0	0.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

e. Requirements for take-out financing:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	13	23.6	10	30.3	3	13.6
Remained basically unchanged	42	76.4	23	69.7	19	86.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

f. Debt-service coverage ratios:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	29	52.7	22	66.7	7	31.8
Remained basically unchanged	26	47.3	11	33.3	15	68.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

10. If your bank has tightened or eased its terms on commercial real estate loans over the **past year** (as described in question 9), how important have been the following possible reasons for the change?

A. Possible reasons for tightening commercial real estate loan terms:

a. Less favorable economic outlook:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	4.4	0	0.0	2	12.5
Somewhat important	14	31.1	7	24.1	7	43.8
Very important	29	64.4	22	75.9	7	43.8
Total	45	100.0	29	100.0	16	100.0

b. Worsening of the condition of, or the outlook for, commercial real estate in the markets where your bank operates:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	8.9	2	6.9	2	12.5
Somewhat important	18	40.0	10	34.5	8	50.0
Very important	23	51.1	17	58.6	6	37.5
Total	45	100.0	29	100.0	16	100.0

c. Less aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	29	64.4	19	65.5	10	62.5
Somewhat important	9	20.0	5	17.2	4	25.0
Very important	7	15.6	5	17.2	2	12.5
Total	45	100.0	29	100.0	16	100.0

d. Reduced tolerance for risk:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	20.0	3	10.3	6	37.5
Somewhat important	25	55.6	16	55.2	9	56.3
Very important	11	24.4	10	34.5	1	6.3
Total	45	100.0	29	100.0	16	100.0

e. Less liquid market for securities collateralized by these loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	24	54.5	13	44.8	11	73.3
Somewhat important	11	25.0	10	34.5	1	6.7
Very important	9	20.5	6	20.7	3	20.0
Total	44	100.0	29	100.0	15	100.0

B. Possible reasons for easing commercial real estate loan terms:

a. More favorable economic outlook:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	66.7	2	66.7	0	0.0
Somewhat important	1	33.3	1	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	3	100.0	3	100.0	0	0

b. Improvement in the condition of, or the outlook for, commercial real estate in the markets where your bank operates:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	66.7	2	66.7	0	0
Somewhat important	1	33.3	1	33.3	0	0
Very important	0	0.0	0	0.0	0	0.0
Total	3	100.0	3	100.0	0	0.0

c. More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	33.3	1	33.3	0	0.0
Somewhat important	1	33.3	1	33.3	0	0.0
Very important	1	33.3	1	33.3	0	0.0
Total	3	100.0	3	100.0	0	0.0

d. Increased tolerance for risk:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	2	66.7	2	66.7	0	0.0
Somewhat important	1	33.3	1	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	3	100.0	3	100.0	0	0.0

e. More liquid market for securities collateralized by these loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	100.0	3	100.0	0	0.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	3	100.0	3	100.0	0	0.0

Questions 11-12 *ask about three categories of* ***residential mortgage loans*** *at your bank--prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 11 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 12 deals with changes in demand for loans in each of these categories over the same period. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

For the purposes of this survey, please use the following definitions of these loan categories (note that the loan categories are not mutually exclusive) and include first-lien loans only:

- *The* ***prime*** *category of residential mortgages includes loans made to borrowers that typically had relatively strong, well-documented credit histories, relatively high credit scores, and relatively low debt-to-income ratios at the time of origination. This would include fully amortizing loans that have a fixed rate, a standard adjustable rate, or a common hybrid adjustable rate--those for which the interest rate is initially fixed for a multi-year period and subsequently adjusts more frequently.*

- *The* ***nontraditional*** *category of residential mortgages includes, but is not limited to, adjustable-rate mortgages with multiple payment options, interest-only mortgages, and ``Alt-A'' products such as mortgages with limited income verification and mortgages secured by non-owner-occupied properties. (Please exclude standard adjustable-rate mortgages and common hybrid adjustable-rate mortgages.)*

- *The* ***subprime*** *category of residential mortgages typically includes loans made to borrowers that displayed one or more of the following characteristics at the time of origination: weakened credit histories that include payment delinquencies, chargeoffs, judgments, and/or bankruptcies; reduced repayment capacity as measured by credit scores or debt-to-income ratios; or incomplete credit histories.*

11. Over the past three months, how have your bank's credit standards for approving applications from individuals for mortgage loans to purchase homes changed?

a. Credit standards on mortgage loans that your bank categorizes as ***prime*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	3.8	0	0.0	2	9.1
Tightened somewhat	26	49.1	17	54.8	9	40.9
Remained basically unchanged	25	47.2	14	45.2	11	50.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

b. Credit standards on mortgage loans that your bank categorizes as ***nontraditional*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	10	25.6	6	23.1	4	30.8
Tightened somewhat	23	59.0	16	61.5	7	53.8
Remained basically unchanged	6	15.4	4	15.4	2	15.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	26	100.0	13	100.0

For this question, 14 respondents answered “My bank does not originate nontraditional residential mortgages.”

c. Credit standards on mortgage loans that your bank categorizes as ***subprime*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	42.9	2	40.0	1	50.0
Tightened somewhat	2	28.6	1	20.0	1	50.0
Remained basically unchanged	2	28.6	2	40.0	0	0.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	7	100.0	5	100.0	2	100.0

For this question, 47 respondents answered “My bank does not originate subprime residential mortgages.”

12. Apart from normal seasonal variation, how has demand for mortgages to purchase homes changed over the past three months? (Please consider only new originations as opposed to the refinancing of existing mortgages.)

a. Demand for mortgages that your bank categorizes as ***prime*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	3.8	1	3.2	1	4.5
About the same	17	32.1	10	32.3	7	31.8
Moderately weaker	29	54.7	18	58.1	11	50.0
Substantially weaker	5	9.4	2	6.5	3	13.6
Total	53	100.0	31	100.0	22	100.0

For this question, 0 respondents answered “My bank does not originate prime residential mortgages.”

b. Demand for mortgages that your bank categorizes as ***nontraditional*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	2.6	1	3.8	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	10	25.6	7	26.9	3	23.1
Moderately weaker	18	46.2	11	42.3	7	53.8
Substantially weaker	10	25.6	7	26.9	3	23.1
Total	39	100.0	26	100.0	13	100.0

For this question, 14 respondents answered “My bank does not originate nontraditional residential mortgages.”

c. Demand for mortgages that your bank categorizes as ***subprime*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	2	28.6	1	20.0	1	50.0
Moderately weaker	2	28.6	2	40.0	0	0.0
Substantially weaker	3	42.9	2	40.0	1	50.0
Total	7	100.0	5	100.0	2	100.0

For this question, 47 respondents answered “My bank does not originate subprime residential mortgages.”

Questions 13-14 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 13 deals with changes in your bank's credit standards over the last three months. Question 14 deals with changes in demand. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

13. Over the past three months, how have your bank's credit standards for approving applications for revolving home equity lines of credit changed?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	7	13.0	5	16.1	2	8.7
Tightened somewhat	25	46.3	16	51.6	9	39.1
Remained basically unchanged	22	40.7	10	32.3	12	52.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	31	100.0	23	100.0

14. Apart from normal seasonal variation, how has demand for revolving home equity lines of credit changed over the past three months? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	9.3	2	6.5	3	13.0
About the same	24	44.4	15	48.4	9	39.1
Moderately weaker	21	38.9	13	41.9	8	34.8
Substantially weaker	4	7.4	1	3.2	3	13.0
Total	54	100.0	31	100.0	23	100.0

Questions 15-20 *ask about consumer lending at your bank. Question 15 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 16-19 deal with changes in credit standards and loan terms over the same period. Question 20 deals with changes in demand for consumer loans over the past three months. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies 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 as changes in policies.*

15. Please indicate your bank's willingness to make consumer installment loans now as opposed to three months ago.

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	0	0.0	0	0.0	0	0.0
Somewhat more willing	0	0.0	0	0.0	0	0.0
About unchanged	45	84.9	25	80.6	20	90.9
Somewhat less willing	8	15.1	6	19.4	2	9.1
Much less willing	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

16. Over the past three months, how have your bank's credit standards for approving applications for credit cards from individuals or households changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.4	1	4.5	0	0.0
Tightened somewhat	3	7.3	1	4.5	2	10.5
Remained basically unchanged	37	90.2	20	90.9	17	89.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	41	100.0	22	100.0	19	100.0

17. Over the past three months, how have your bank's credit standards for approving applications for consumer loans other than credit card loans changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.9	0	0.0	1	4.5
Tightened somewhat	16	30.2	10	32.3	6	27.3
Remained basically unchanged	36	67.9	21	67.7	15	68.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

18. Over the past three months, how has your bank changed the following terms and conditions on new or existing credit card accounts for individuals or households?

a. Credit limits:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	5.1	2	9.5	0	0.0
Tightened somewhat	4	10.3	3	14.3	1	5.6
Remained basically unchanged	33	84.6	16	76.2	17	94.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	21	100.0	18	100.0

b. Spreads of interest rates charged on outstanding balances over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	10.3	3	14.3	1	5.6
Remained basically unchanged	32	82.1	15	71.4	17	94.4
Eased somewhat	3	7.7	3	14.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	21	100.0	18	100.0

c. Minimum percent of outstanding balances required to be repaid each month:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.6	0	0.0	1	5.6
Remained basically unchanged	36	92.3	19	90.5	17	94.4
Eased somewhat	2	5.1	2	9.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	21	100.0	18	100.0

d. Minimum required credit score (increased score=tightened, reduced score=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	17.9	5	23.8	2	11.1
Remained basically unchanged	31	79.5	15	71.4	16	88.9
Eased somewhat	1	2.6	1	4.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	21	100.0	18	100.0

e. The extent to which loans are granted to some customers that do not meet credit scoring thresholds (increased=eased, decreased=tightened):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.6	0	0.0	1	5.6
Tightened somewhat	10	25.6	7	33.3	3	16.7
Remained basically unchanged	28	71.8	14	66.7	14	77.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	21	100.0	18	100.0

19. Over the past three months, how has your bank changed the following terms and conditions on consumer loans other than credit card loans?

a. Maximum maturity:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.8	2	6.5	0	0.0
Remained basically unchanged	51	96.2	29	93.5	22	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

b. Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	1	3.2	0	0.0
Tightened somewhat	12	22.6	6	19.4	6	27.3
Remained basically unchanged	40	75.5	24	77.4	16	72.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

c. Minimum required downpayment:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	1	3.2	0	0.0
Tightened somewhat	10	18.9	7	22.6	3	13.6
Remained basically unchanged	42	79.2	23	74.2	19	86.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

d. Minimum required credit score (increased score=tightened, reduced score=eased):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	0	0.0	1	4.5
Tightened somewhat	14	26.4	8	25.8	6	27.3
Remained basically unchanged	38	71.7	23	74.2	15	68.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

e. The extent to which loans are granted to some customers that do not meet credit scoring thresholds (increased=eased, decreased=tightened):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.9	0	0.0	1	4.5
Tightened somewhat	14	26.4	7	22.6	7	31.8
Remained basically unchanged	38	71.7	24	77.4	14	63.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	31	100.0	22	100.0

20. Apart from normal seasonal variation, how has demand for consumer loans of all types changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	3	5.7	2	6.5	1	4.5
About the same	28	52.8	19	61.3	9	40.9
Moderately weaker	21	39.6	10	32.3	11	50.0
Substantially weaker	1	1.9	0	0.0	1	4.5
Total	53	100.0	31	100.0	22	100.0

In recent quarters, loan delinquencies and chargeoffs have moved somewhat higher. ***Questions 21-22*** *ask about your bank's expectations for the behavior of these measures of loan quality in 2008.*

21. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **loans to businesses** in 2008?

a. Outlook for loan quality on C&I loans:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	9	16.7	5	16.1	4	17.4
Loan quality is likely to deteriorate somewhat	44	81.5	25	80.6	19	82.6
Loan quality is likely to deteriorate substantially	1	1.9	1	3.2	0	0.0
Total	54	100.0	31	100.0	23	100.0

For this question, 0 respondents answered “My bank does not originate this type of loan.”

b. Outlook for loan quality on commercial real estate loans:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	1	1.9	1	3.1	0	0.0
Loan quality is likely to stabilize around current levels	6	11.1	4	12.5	2	9.1
Loan quality is likely to deteriorate somewhat	38	70.4	19	59.4	19	86.4
Loan quality is likely to deteriorate substantially	9	16.7	8	25.0	1	4.5
Total	54	100.0	32	100.0	22	100.0

For this question, 0 respondents answered “My bank does not originate this type of loan.”

22. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **loans to households** in 2008?

a. Outlook for loan quality on prime residential mortgage loans:*

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	16	29.6	5	15.6	11	50.0
Loan quality is likely to deteriorate somewhat	37	68.5	26	81.3	11	50.0
Loan quality is likely to deteriorate substantially	1	1.9	1	3.1	0	0.0
Total	54	100.0	32	100.0	22	100.0

For this question, 0 respondents answered “My bank does not originate this type of loan.”

b. Outlook for loan quality on nontraditional residential mortgage loans:*

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	7	17.9	3	11.1	4	33.3
Loan quality is likely to deteriorate somewhat	29	74.4	22	81.5	7	58.3
Loan quality is likely to deteriorate substantially	3	7.7	2	7.4	1	8.3
Total	39	100.0	27	100.0	12	100.0

For this question, 15 respondents answered “My bank does not originate this type of loan.”

c. Outlook for loan quality on subprime residential mortgage loans:*

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	2	28.6	2	40.0	0	0.0
Loan quality is likely to deteriorate somewhat	4	57.1	3	60.0	1	50.0
Loan quality is likely to deteriorate substantially	1	14.3	0	0.0	1	50.0
Total	7	100.0	5	100.0	2	100.0

For this question, 47 respondents answered “My bank does not originate this type of loan.”

d. Outlook for loan quality on revolving home equity lines of credit:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	12	21.8	4	12.5	8	34.8
Loan quality is likely to deteriorate somewhat	38	69.1	25	78.1	13	56.5
Loan quality is likely to deteriorate substantially	5	9.1	3	9.4	2	8.7
Total	55	100.0	32	100.0	23	100.0

For this question, 0 respondents answered “My bank does not originate this type of loan.”

e. Outlook for loan quality on credit card loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	10	26.3	7	33.3	3	17.6
Loan quality is likely to deteriorate somewhat	26	68.4	12	57.1	14	82.4
Loan quality is likely to deteriorate substantially	2	5.3	2	9.5	0	0.0
Total	38	100.0	21	100.0	17	100.0

For this question, 10 respondents answered “My bank does not originate this type of loan.”

f. Outlook for loan quality on consumer loans other than credit cards:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	16	29.6	9	29.0	7	30.4
Loan quality is likely to deteriorate somewhat	38	70.4	22	71.0	16	69.6
Loan quality is likely to deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	54	100.0	31	100.0	23	100.0

For this question, 1 respondent answered “My bank does not originate this type of loan.”

Question 23 *asks about strategies that you expect your bank to take in order to mitigate a potential deterioration in the credit quality of its residential mortgage loan portfolio or of the mortgage loans that your bank services for others.* ***Question 23*** *asks about strategies that you expect your bank to take in order to mitigate a potential deterioration in the credit quality of its residential mortgage loan portfolio or of the mortgage loans that your bank services for others.* ***Question 24*** *asks about obstacles that you expect your bank to incur while pursuing these loss-mitigating strategies.*

23. If you anticipate that your bank will experience a deterioration in the credit quality of its residential mortgage loan portfolio or of the mortgage loans that your bank services for others, how important do you expect each of the following strategies to be in mitigating the deterioration in loan quality?

a. Refinancing of loans into Federal Housing Administration (FHA) products:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not significant	23	51.1	11	37.9	12	75.0
Somewhat significant	20	44.4	17	58.6	3	18.8
Very significant	2	4.4	1	3.4	1	6.3
Total	45	100.0	29	100.0	16	100.0

b. Refinancing of loans into other mortgage products at your bank:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not significant	17	37.8	11	37.9	6	37.5
Somewhat significant	23	51.1	14	48.3	9	56.3
Very significant	5	11.1	4	13.8	1	6.3
Total	45	100.0	29	100.0	16	100.0

c. Loan-by-loan modifications based on individual borrowers' circumstances (for example, lowering loan rates or rolling missed payments in the principal balance):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not significant	6	13.3	1	3.4	5	31.3
Somewhat significant	14	31.1	9	31.0	5	31.3
Very significant	25	55.6	19	65.5	6	37.5
Total	45	100.0	29	100.0	16	100.0

d. Streamlined modifications of the sort proposed by the Hope Now alliance:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not significant	29	64.4	17	58.6	12	75.0
Somewhat significant	10	22.2	7	24.1	3	18.8
Very significant	6	13.3	5	17.2	1	6.3
Total	45	100.0	29	100.0	16	100.0

e. Short sales, deed-in-lieu of foreclosures, or other steps where borrowers lose possession of the house:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not significant	15	33.3	6	20.7	9	56.3
Somewhat significant	18	40.0	15	51.7	3	18.8
Very significant	12	26.7	8	27.6	4	25.0
Total	45	100.0	29	100.0	16	100.0

24. How significant do you anticipate the following potential obstacles to be for your bank to undertake the loss-mitigating strategies listed in question 23? (Please rate the significance of *each* possible obstacle using the following scale: 1=not significant, 2=somewhat significant, 3=very significant.)

a. Limited number of qualified loss mitigation specialists:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not significant	24	54.5	15	51.7	9	60.0
Somewhat significant	12	27.3	8	27.6	4	26.7
Very significant	8	18.2	6	20.7	2	13.3
Total	44	100.0	29	100.0	15	100.0

b. Difficulty in contacting borrowers:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not significant	17	38.6	9	31.0	8	53.3
Somewhat significant	18	40.9	13	44.8	5	33.3
Very significant	9	20.5	7	24.1	2	13.3
Total	44	100.0	29	100.0	15	100.0

c. Legal restrictions, such as pooling and servicing agreements:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not significant	29	65.9	17	58.6	12	80.0
Somewhat significant	11	25.0	8	27.6	3	20.0
Very significant	4	9.1	4	13.8	0	0.0
Total	44	100.0	29	100.0	15	100.0

d. Borrowers are less motivated to retain possession of property:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not significant	10	22.7	6	20.7	4	26.7
Somewhat significant	17	38.6	12	41.4	5	33.3
Very significant	17	38.6	11	37.9	6	40.0
Total	44	100.0	29	100.0	15	100.0

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of Sept. 30, 2007. The combined assets of the 33 large banks totaled $5.69 trillion, compared to $5.95 trillion for the entire panel of 56 banks, and $11.07 trillion for all domestically chartered, federally insured commercial banks.

*For definitions of prime, nontraditional and subprime mortgage loans, please refer to questions 11-12.