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Senior Credit Officer Opinion Survey on Dealer Financing Terms

December 2011

The December 2011 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The December 2011 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 special questions dealing with three topics of current interest. The first set of special questions asked respondents about the liquidity and functioning of markets for U.S. Treasury securities and equities. The second set of special questions focused on changes in the aggregate limits on counterparty credit exposure applied by dealers to other financial institutions. A final set of special questions queried respondents about clients' efforts to negotiate credit terms for trades cleared through central counterparties. The 20 institutions participating in the survey account for almost all of the dealer financing of dollar-denominated securities for nondealers and are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from November 15, 2011, to November 28, 2011. The core questions asked about changes between September 2011 and November 2011.

Responses to the December survey indicated a broad but moderate tightening of credit terms applicable to important classes of counterparties over the past three months. This tightening was especially evident for hedge fund clients, trading real estate investment trusts (REITs), and nonfinancial corporations.[1] Of note, respondents reported an increase in the degree to which more-favorable terms were offered to most-favored clients across most client types. In addition, all but two firms reported an increase in the amount of resources and attention devoted to the management of concentrated exposures to dealers and other financial intermediaries, as well as to central counterparties and other financial utilities, over the past three months. These responses reflect an apparent continuation and intensification of developments already in evidence in the September survey. With respect to a special question on aggregate counterparty credit limits to other financial institutions, 80 percent of dealers reported having decreased limits for some specific counterparties.

With regard to OTC derivatives, respondents to the December survey indicated that nonprice terms incorporated in new or renegotiated OTC derivatives master

[1] Trading REITs invest in assets backed by real estate rather than directly in real estate assets.

agreements were for the most part little changed, on net, during the past three months. However, a small net fraction of respondents reported that they had imposed more-stringent requirements, timelines, and thresholds for posting additional margin.[2] With respect to initial margin, which falls outside the scope of master agreements, small net fractions of dealers reported an increase in requirements applicable to many underlying collateral types (underlyings) over the past three months.

With respect to securities financing, survey respondents reported a general tightening over the past three months of the funding terms applicable to the securities types included in the survey. Tightening was more pronounced for average clients than for most-favored clients. For each of the types of collateral covered in the survey, notable net fractions of respondents reported that liquidity and functioning had deteriorated over the past three months in the underlying asset market. With regard to conditions in those markets generally deemed the most liquid, responses to a set of special questions suggested that liquidity and functioning in the market for U.S. Treasury securities were little changed since the second quarter, while a small net fraction of dealers reported that conditions in equity markets had deteriorated somewhat over the same period.

Finally, in response to a set of special questions on clients' efforts to negotiate terms applicable to trades cleared through central counterparties, dealers indicated that most-favored hedge funds were the counterparty type most intensively seeking to obtain terms that entail lower margin requirements or that provide protection against changes in such requirements.

Counterparty Types

(Questions 1–40)

Dealers and other financial intermediaries. In the December survey, all but two respondents reported that the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries had increased over the past three months. In the September survey, three-fourths of respondents noted such an increase.

Central counterparties and other financial utilities. Two-thirds of respondents indicated that the amount of resources and attention devoted to management of concentrated exposures to central counterparties and other financial utilities had also

[2] 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").

increased over the past three months. In the September survey, slightly more than one-half of dealers, on balance, noted an increase.

Hedge funds. The survey responses suggested a modest tightening of price and nonprice terms applicable to hedge funds over the past three months. On net, about one-third of dealers reported having tightened price terms (such as financing rates) offered to hedge funds, and one-fourth reported having tightened nonprice terms (including haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) across the spectrum of securities financing and OTC derivative transactions. The institutions that reported a tightening of credit terms most frequently pointed to a worsening in general market liquidity and functioning and to reduced willingness to take on risk and, to a lesser extent, adoption of more-stringent market conventions and deterioration in the strength of counterparties as the reasons. Twenty percent of respondents, a smaller net fraction than in September, reported an increase in the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms over the past three months. More than one-half of dealers, on balance, indicated that hedge funds' use of financial leverage, considering the entire range of transactions with such clients, had decreased somewhat over the past three months. Respondents also noted that the availability of additional unutilized financial leverage under agreements currently in place with hedge funds was little changed, on net, over the past three months, suggesting that the tightening of the supply of credit, as evidenced by more-stringent credit terms, was presumably matched by a reduction in demand. Finally, nearly one-third of respondents reported that the provision of more-favorable terms to most-favored hedge funds had increased over the past three months.

Trading real estate investment trusts. One-fourth of survey respondents reported that they had tightened price terms offered to trading REITs, and a smaller net fraction indicated that they had tightened nonprice terms. A worsening of market liquidity and functioning, reduced willingness to take on risk, and a deterioration in the financial strength of counterparties were cited as the most important reasons for the change in lending posture.

Mutual funds, exchange-traded funds, pension plans, and endowments. The survey responses suggested that, on balance, there had been little change in the price and nonprice credit terms provided to mutual funds, exchange-traded funds (ETFs), pension plans, and endowments over the past three months, as well as in the use of leverage by such clients. Of note, one-fourth of respondents indicated an increase in the intensity of efforts by clients in this category to negotiate more-favorable credit terms, and a similar percentage reported an increase in the provision of more-favorable terms to most-favored clients over the past three months.

Insurance companies. Survey respondents indicated that price and nonprice terms applicable to insurance companies were basically unchanged over the past three months despite a continued increase in the intensity of efforts by such clients to negotiate more-favorable terms. A modest fraction of dealers noted an increase in the provision of more-favorable terms to most-favored clients over the past three months.

Separately managed accounts established with investment advisers. Dealers indicated that price and nonprice terms negotiated by investment advisers on behalf of separately managed accounts were little changed, on net, over the past three months. A modest net fraction of respondents noted that the intensity of efforts by these advisers to negotiate more-favorable credit terms had increased during the survey period; dealers reported, however, that the use of financial leverage by this client type was basically unchanged. A small net percentage of respondents noted an increase in the provision of more-favorable terms to most-favored clients over the past three months.

Nonfinancial corporations. About one-third of respondents indicated that they had tightened somewhat price terms offered to nonfinancial corporations over the past three months, while one-fifth of dealers reported a tightening of nonprice terms. Survey respondents cited higher internal treasury charges for funding as the single most important explanation for the change in lending posture, although they also cited a particularly wide range of reasons as important for this change. One-fifth of dealers noted that the intensity of efforts by nonfinancial corporations to negotiate more-favorable terms had increased over the past three months.

Mark and collateral disputes. Despite the apparently heightened focus on management of concentrated credit exposures to dealers and other financial intermediaries, only a modest net fraction of dealers reported that the volume of mark and collateral disputes with other dealers had increased somewhat over the past three months. Smaller net shares of respondents noted an increase in the volume of mark and collateral disputes with mutual funds, ETFs, pension plans, and endowments, as well as with investment advisers acting on behalf of separately managed accounts. In addition, a small net fraction of respondents reported an increase in the duration and persistence of such disputes with other dealers.

Over-the-Counter Derivatives

(Questions 41–51)

As in the September survey, dealers reported that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged over the past three months.[3] However, a small net fraction of respondents indicated that they had tightened requirements, timelines, and thresholds for posting additional margins over the past three months. Small net fractions of dealers also noted that they had tightened initial margins (which fall outside the scope of the master agreement) applied to average clients

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

on contracts referencing most underlyings over the past three months. The largest changes were reported with respect to equity derivatives and, to a lesser extent, interest rate derivatives. By contrast, initial margin requirements were generally little changed for most-favored clients. One-fourth of respondents indicated an increase in the volume of mark and collateral disputes relating to contracts referencing foreign exchange, with smaller net percentages of respondents noting an increase in the volume, duration, and persistence of mark and collateral disputes across other underlyings.

Securities Financing

(Questions 52–79)[4]

As in September 2011, survey respondents indicated a general tightening over the past three months of credit terms under which the types of securities included in the survey are financed. This tightening was especially evident for the financing of corporate bonds (both high grade and high yield), agency and non-agency residential mortgage-backed securities (RMBS), and commercial mortgage-backed securities. The apparent overall tightening of terms over the past three months applied to both average and most-favored clients (though it was less pronounced for most-favored clients).

Dealers reported that demand for funding of most securities was little changed over the past three months. However, demand for term funding with a maturity greater than 30 days increased for all types of securities. Most notably, 40 percent of respondents reported an increase in demand for term funding of high-grade corporate bonds while about one-third of respondents, on net, reported increased demand with regard to agency RMBS and high-yield corporate bonds in the December survey.

Broadly consistent with the September responses, dealers reported a further worsening in the liquidity and functioning of the underlying asset markets covered by the survey.[5] In particular, net fractions of respondents ranging between one-third and one-half indicated that liquidity and functioning in these markets had deteriorated over the past three months. However, this deterioration was not accompanied by an increase in reported mark and collateral disputes.

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

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

Special Questions on Market Liquidity and Functioning
(Questions 81–82)

Some market observers have reported that liquidity has recently declined in a number of markets, including those generally considered to have the greatest depth and transparency. A set of special questions queried dealers about changes since the end of the second quarter of 2011 in the liquidity and functioning of markets for U.S. Treasury securities and for equities. Survey respondents reported that, on balance, liquidity and functioning in the U.S. Treasury market had remained basically unchanged. By contrast, one-fifth of respondents pointed to a deterioration in liquidity and functioning in equity markets.

Special Questions on Counterparty Credit Limits Applicable to Other Financial Institutions
(Questions 83–84)

In recent months, many financial firms have been subject to heightened scrutiny by clients and counterparties. A second set of special questions asked respondents about changes in limits on counterparty credit exposure to other financial institutions since the end of the second quarter of 2011 and solicited the most important reasons for reported adjustments of these limits. Four-fifths of respondents indicated that counterparty credit limits had decreased, but only for some specific institutions, while the rest of the respondents reported no change in these limits. Respondents pointed to deterioration in the current or expected financial strength of other institutions and to increased strains in global financial markets as the most important reasons for the change in limits on counterparty credit exposure to other financial institutions.

Special Question on Clients' Efforts to Negotiate Terms for Trades Cleared through Central Counterparties
(Questions 85–90)

As increasing volumes of trades are centrally cleared, clients are reportedly seeking to negotiate with dealers terms that address certain specific issues related to such trades. A third set of special questions asked respondents about demand for margin locks, porting agreements, and cross-product margining.

A *margin lock* is defined for the purpose of this survey as a provision that insulates clients over some period of time from increases in margin requirements beyond those imposed by central counterparties. About one-third of respondents reported that these provisions had been a significant and widespread topic of discussion with potential new clients and with current clients renegotiating agreements, while about one-third indicated that the issue had arisen in some discussions with clients. The rest of the dealers noted that the issue had arisen only occasionally or not at all. With regard to the client types that had more intensively pursued the incorporation of margin lock provisions in agreements, dealers pointed to hedge funds (particularly most-favored hedge funds) and mutual funds, ETFs, pension plans, and endowments, as well as investment advisers operating on behalf of separately managed accounts.

A *porting agreement* is defined for the purpose of this survey as a commitment by a dealer to accept the novation of centrally cleared trades previously established with other dealers. Only one dealer reported that this provision had been a significant and widespread topic of discussion with potential new clients and with current clients renegotiating agreements, but another one-third of respondents reported that this provision had arisen in some discussions with such clients. The rest of the respondents noted that the issue had arisen only occasionally or not at all. Dealers indicated that this issue had been more intensively pursued by hedge funds, particularly most-favored hedge funds.

Cross-product margining entails the computation of margin requirements by a dealer on a portfolio basis. Reflecting the recognition of diversification benefits, this approach will in general reduce the requirement when there are potentially offsetting trades, including those that are not cleared or are cleared through multiple clearing organizations. None of the respondents indicated that this approach to computing margin requirements had been a significant and widespread topic of discussion with potential new clients and with current clients renegotiating agreements, but one-half of dealers noted that the issue had arisen in some discussions. As with margin locks and porting agreements, respondents indicated that hedge funds (particularly most-favored hedge funds) were most intensively pursuing cross-product margining.

This document was prepared by Michael Gordy, 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.

Results of the December 2011 Senior Credit Officer Opinion Survey on Dealer Financing Terms

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

Counterparty Types

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

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

Dealers and Other Financial Intermediaries

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

	Number of Respondents	**Percent**
Increased considerably	7	35.0
Increased somewhat	11	55.0
Remained basically unchanged	2	10.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Central Counterparties and Other Financial Utilities

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

	Number of Respondents	**Percent**
Increased considerably	3	15.0
Increased somewhat	10	50.0
Remained basically unchanged	7	35.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
To a considerable extent	0	0.0
To some extent	8	40.0
To a minimal extent	8	40.0
Not at all	4	20.0
Total	**20**	**100.0**

Hedge Funds

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	7	35.0
Remained basically unchanged	12	60.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	8	40.0
Remained basically unchanged	9	45.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	2	50.0
Second in importance	2	50.0
Third in importance	0	0.0
Total	**4**	**100.0**

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

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

4) Higher internal treasury charges for funding

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

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

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

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	4	80.0
Second in importance	0	0.0
Third in importance	1	20.0
Total	**5**	**100.0**

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	4	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**4**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	7	35.0
Remained basically unchanged	10	50.0
Decreased somewhat	3	15.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	7	35.0
Decreased somewhat	12	60.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	13	65.0
Decreased somewhat	4	20.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	6	30.0
Remained basically unchanged	14	70.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Trading Real Estate Investment Trusts

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	23.5
Remained basically unchanged	13	76.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	22.2
Remained basically unchanged	13	72.2
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

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

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

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

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

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	1	50.0
Third in importance	1	50.0
Total	**2**	**100.0**

6) Worsening in general market liquidity and functioning

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

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	16.7
Remained basically unchanged	10	55.6
Decreased somewhat	5	27.8
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	16	80.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	15	83.3
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	16	80.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	16	80.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**100.0**

19. To the extent that the price or nonprice terms applied to mutual funds, ETFs, pension plans, and endowments have tightened or eased over the past three months (as reflected in your responses to questions 16 and 17), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

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

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

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

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	1	50.0
Second in importance	1	50.0
Third in importance	0	0.0
Total	**2**	**100.0**

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	25.0
Remained basically unchanged	15	75.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

A. Mutual funds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.3
Remained basically unchanged	17	89.5
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**100.0**

B. ETFs

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

C. Pension plans

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

D. Endowments

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	26.3
Remained basically unchanged	14	73.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

Insurance Companies

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	15.8
Remained basically unchanged	14	73.7
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.5
Remained basically unchanged	13	68.4
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

25. To the extent that the price or nonprice terms applied to insurance companies have tightened or eased over the past three months (as reflected in your responses to questions 22 and 23), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

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

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

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

6) Worsening in general market liquidity and functioning

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

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	50.0
Third in importance	1	50.0
Total	**2**	**100.0**

7) More-aggressive competition from other institutions

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

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

	Number of Respondents	Percent
Increased considerably	1	5.3
Increased somewhat	4	21.1
Remained basically unchanged	14	73.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	15.8
Remained basically unchanged	16	84.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

Separately Managed Accounts Established with Investment Advisers

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	15.0
Remained basically unchanged	15	75.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.3
Remained basically unchanged	16	84.2
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**100.0**

31. To the extent that the price or nonprice terms applied to separately managed accounts established with investment advisers have tightened or eased over the past three months (as reflected in your responses to questions 28 and 29), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	1	50.0
Third in importance	1	50.0
Total	**2**	**100.0**

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

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

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

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

6) Worsening in general market liquidity and functioning

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

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

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

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

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

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

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

Nonfinancial Corporations

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	7	35.0
Remained basically unchanged	13	65.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	4	20.0
Remained basically unchanged	16	80.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**100.0**

37. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 34 and 35), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	1	33.3
Second in importance	1	33.3
Third in importance	1	33.3
Total	**3**	**100.0**

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

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

4) Higher internal treasury charges for funding

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

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

	Number of Respondents	Percent
First in importance	1	33.3
Second in importance	1	33.3
Third in importance	1	33.3
Total	**3**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	1	33.3
Second in importance	1	33.3
Third in importance	1	33.3
Total	**3**	**100.0**

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	20.0
Remained basically unchanged	16	80.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Mark and Collateral Disputes

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

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	5	25.0
Remained basically unchanged	13	65.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

B. Hedge funds

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	15	75.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

C. Trading REITs

	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**

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

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

E. Insurance companies

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

F. Separately managed accounts established with investment advisers

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

G. Nonfinancial corporations

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.3
Remained basically unchanged	17	89.5
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**100.0**

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

A. Dealers and other financial intermediaries

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

B. Hedge funds

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

C. Trading REITs

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	15	83.3
Decreased somewhat	2	11.1
Decreased considerably	0	0.0
Total	**18**	**100.0**

E. Insurance companies

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

F. Separately managed accounts established with investment advisers

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

G. Nonfinancial corporations

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

Over-the-Counter Derivatives

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

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

New and Renegotiated Master Agreements

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

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

	Number of Respondents	Percent
Tightened considerably	1	5.6
Tightened somewhat	2	11.1
Remained basically unchanged	15	83.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**100.0**

B. Acceptable collateral

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.1
Remained basically unchanged	15	83.3
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

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

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

D. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	15	83.3
Eased somewhat	1	5.6
Eased considerably	1	5.6
Total	**18**	**100.0**

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

	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**

Initial Margin

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

A. Initial margin requirements for average clients

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

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

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

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

A. Initial margin requirements for average clients

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	17.6
Remained basically unchanged	14	82.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

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

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

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

A. Initial margin requirements for average clients

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	29.4
Remained basically unchanged	12	70.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

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

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

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

A. Initial margin requirements for average clients

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	13	86.7
Decreased somewhat	2	13.3
Decreased considerably	0	0.0
Total	**15**	**100.0**

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

A. Initial margin requirements for average clients

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.7
Remained basically unchanged	11	84.6
Decreased somewhat	1	7.7
Decreased considerably	0	0.0
Total	**13**	**100.0**

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

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	16.7
Remained basically unchanged	9	75.0
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

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

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

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

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	10.0
Remained basically unchanged	9	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	10.0
Remained basically unchanged	9	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**100.0**

Nonstandard Collateral

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

	Number of Respondents	**Percent**
Increased considerably	1	5.0
Increased somewhat	2	10.0
Remained basically unchanged	14	70.0
Decreased somewhat	2	10.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

Mark and Collateral Disputes

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

A. FX

	Number of Respondents	**Percent**
Increased considerably	1	6.3
Increased somewhat	3	18.8
Remained basically unchanged	12	75.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

B. Interest rate

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

C. Equity

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

D. Credit referencing corporates

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

E. Credit referencing securitized products including MBS and ABS

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	13.3
Remained basically unchanged	13	86.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

F. Commodity

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

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

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

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

A. FX

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	13.3
Remained basically unchanged	13	86.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

B. Interest rate

	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**

C. Equity

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

D. Credit referencing corporates

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

E. Credit referencing securitized products including MBS and ABS

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

F. Commodity

	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**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	22.2
Remained basically unchanged	7	77.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**9**	**100.0**

Securities Financing

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

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

High-Grade Corporate Bonds

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

A. Terms for average clients

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	5	33.3
Remained basically unchanged	10	66.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	21.4
Remained basically unchanged	11	78.6
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	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

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

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

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

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

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

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

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	1	6.7
Remained basically unchanged	8	53.3
Deteriorated somewhat	5	33.3
Deteriorated considerably	1	6.7
Total	**15**	**100.0**

High-Yield Corporate Bonds

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

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	1	7.1
Tightened somewhat	3	21.4
Remained basically unchanged	10	71.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	1	7.1
Tightened somewhat	4	28.6
Remained basically unchanged	9	64.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	1	7.1
Tightened somewhat	6	42.9
Remained basically unchanged	7	50.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	1	7.7
Tightened somewhat	3	23.1
Remained basically unchanged	9	69.2
Eased somewhat	0	0.0
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	1	7.1
Tightened somewhat	2	14.3
Remained basically unchanged	11	78.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	1	7.1
Tightened somewhat	4	28.6
Remained basically unchanged	9	64.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	1	7.1
Tightened somewhat	4	28.6
Remained basically unchanged	9	64.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	21.4
Remained basically unchanged	9	64.3
Decreased somewhat	2	14.3
Decreased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	1	7.1
Increased somewhat	4	28.6
Remained basically unchanged	8	57.1
Decreased somewhat	1	7.1
Decreased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	7	50.0
Deteriorated somewhat	6	42.9
Deteriorated considerably	1	7.1
Total	**14**	**100.0**

Equities (Including through Stock Loan)

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

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	15.8
Remained basically unchanged	16	84.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.5
Remained basically unchanged	16	84.2
Eased somewhat	1	5.3
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

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

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

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

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

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

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

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	16.7
Remained basically unchanged	12	66.7
Decreased somewhat	3	16.7
Decreased considerably	0	0.0
Total	**18**	**100.0**

Agency Residential Mortgage-Backed Securities

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

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	6	33.3
Remained basically unchanged	11	61.1
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	5	29.4
Remained basically unchanged	11	64.7
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	3	16.7
Remained basically unchanged	14	77.8
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	27.8
Remained basically unchanged	7	38.9
Decreased somewhat	6	33.3
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	1	5.6
Increased somewhat	7	38.9
Remained basically unchanged	8	44.4
Decreased somewhat	2	11.1
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	1	5.6
Remained basically unchanged	9	50.0
Deteriorated somewhat	8	44.4
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

Non-agency Residential Mortgage-Backed Securities

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

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	5	35.7
Remained basically unchanged	8	57.1
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	28.6
Remained basically unchanged	9	64.3
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	6	42.9
Remained basically unchanged	8	57.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	6	46.2
Remained basically unchanged	7	53.8
Eased somewhat	0	0.0
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	4	28.6
Remained basically unchanged	9	64.3
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	21.4
Remained basically unchanged	10	71.4
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	5	35.7
Remained basically unchanged	9	64.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	6	46.2
Remained basically unchanged	7	53.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	26.7
Remained basically unchanged	5	33.3
Decreased somewhat	6	40.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	1	6.7
Increased somewhat	4	26.7
Remained basically unchanged	6	40.0
Decreased somewhat	4	26.7
Decreased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	7	50.0
Deteriorated somewhat	6	42.9
Deteriorated considerably	1	7.1
Total	**14**	**100.0**

Commercial Mortgage-Backed Securities

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

    A. Terms for average clients

    1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	27.3
Remained basically unchanged	8	72.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

    2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	27.3
Remained basically unchanged	8	72.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	4	36.4
Remained basically unchanged	7	63.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	4	36.4
Remained basically unchanged	7	63.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**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	2	18.2
Remained basically unchanged	9	81.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	18.2
Remained basically unchanged	9	81.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	18.2
Remained basically unchanged	9	81.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	27.3
Remained basically unchanged	8	72.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	27.3
Remained basically unchanged	5	45.5
Decreased somewhat	3	27.3
Decreased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	1	9.1
Increased somewhat	3	27.3
Remained basically unchanged	5	45.5
Decreased somewhat	2	18.2
Decreased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	6	54.5
Deteriorated somewhat	4	36.4
Deteriorated considerably	1	9.1
Total	**11**	**100.0**

Consumer Asset-Backed Securities

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

A. Terms for average clients

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	16.7
Remained basically unchanged	9	75.0
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	16.7
Remained basically unchanged	9	75.0
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

3) Haircuts

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

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	27.3
Remained basically unchanged	8	72.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**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	1	8.3
Remained basically unchanged	10	83.3
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

2) 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**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	16.7
Remained basically unchanged	9	75.0
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	27.3
Remained basically unchanged	8	72.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	16.7
Remained basically unchanged	9	75.0
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	6	50.0
Deteriorated somewhat	6	50.0
Deteriorated considerably	0	0.0
Total	**12**	**100.0**

Mark and Collateral Disputes

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

A. High-grade corporate bonds

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

B. High-yield corporate bonds

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

C. Equities

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

D. Agency RMBS

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

E. Non-agency RMBS

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

F. CMBS

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

G. Consumer ABS

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

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

A. High-grade corporate bonds

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

B. High-yield corporate bonds

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

C. Equities

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

D. Agency RMBS

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

E. Non-agency RMBS

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

F. CMBS

	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**

G. Consumer ABS

	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**

Optional Question

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

[6] See note 4 in the Summary.

Special Questions

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

Market Liquidity and Functioning

81. Since the end of the second quarter, how have liquidity and functioning in the market for U.S. Treasury securities changed?

	Number of Respondents	**Percent**
Improved considerably	0	0.0
Improved somewhat	2	10.0
Remained basically unchanged	16	80.0
Deteriorated somewhat	2	10.0
Deteriorated considerably	0	0.0
Total	**20**	**100.0**

82. Since the end of the second quarter, how have liquidity and functioning in the equity market changed?

	Number of Respondents	**Percent**
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	16	80.0
Deteriorated somewhat	4	20.0
Deteriorated considerably	0	0.0
Total	**20**	**100.0**

Counterparty Credit Limits Applicable to Other Financial Institutions

83. Since the end of the second quarter, how have the limits on aggregate potential and current counterparty credit exposure to other financial institutions changed at your institution?

	Number of Respondents	Percent
Generally increased	0	0.0
Increased only for some specific institutions	0	0.0
Remained unchanged on balance	4	20.0
Decreased only for some specific institutions	16	80.0
Generally decreased	0	0.0
Total	**20**	**100.0**

84. To the extent that the limits on aggregate counterparty exposure applicable to other financial institutions changed at your institution (as reflected in your response to question 83), what are the most important reasons for the change?

A. Possible reasons for increases in limits

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

3) Increased volume of activity with certain other institutions

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

4) Decreased strains in global financial markets

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

5) Increased availability of regulatory capital or balance sheet

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

6) Other regulatory requirements and considerations

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

B. Possible reasons for decreases in limits

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	10	66.7
Second in importance	4	26.7
Third in importance	1	6.7
Total	**15**	**100.0**

2) Decreased willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	3	37.5
Second in importance	0	0.0
Third in importance	5	62.5
Total	**8**	**100.0**

3) Decreased volume of activity with certain other institutions

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

4) Increased strains in global financial markets

	Number of Respondents	Percent
First in importance	2	18.2
Second in importance	7	63.6
Third in importance	2	18.2
Total	**11**	**100.0**

5) Regulatory capital or balance sheet constraints

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

6) Other regulatory requirements and considerations

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

Client Efforts to Negotiate Terms for Trades Cleared through Central Counterparties

85. To what extent have your institution's clients sought to negotiate margin locks on cleared trades—that is, a commitment from your institution not to raise margin requirements on cleared trades for some period of time other than to account for increases imposed by the central counterparty?

	Number of Respondents	Percent
The issue is a significant and widespread topic of discussions with potential new clients and with current clients renegotiating agreements.	5	35.7
The issue has arisen in some discussions with potential new clients and with current clients renegotiating agreements.	5	35.7
The issue has only occasionally arisen in discussions with potential new clients and with current clients renegotiating agreements.	3	21.4
The issue has not arisen in discussions with potential new clients or with clients renegotiating agreements.	1	7.1
Total	**14**	**100.0**

86. How intense have been the efforts by each of the following types of clients to negotiate margin locks?

A. Most-favored hedge funds

	Number of Respondents	Percent
Very intense	6	54.5
Somewhat intense	4	36.4
Not intense	1	9.1
Total	**11**	**100.0**

B. Other hedge funds

	Number of Respondents	Percent
Very intense	3	30.0
Somewhat intense	3	30.0
Not intense	4	40.0
Total	**10**	**100.0**

C. Trading REITs

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

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

	Number of Respondents	Percent
Very intense	3	37.5
Somewhat intense	2	25.0
Not intense	3	37.5
Total	**8**	**100.0**

E. Insurance companies

	Number of Respondents	Percent
Very intense	1	14.3
Somewhat intense	3	42.9
Not intense	3	42.9
Total	**7**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	Percent
Very intense	2	28.6
Somewhat intense	3	42.9
Not intense	2	28.6
Total	**7**	**100.0**

87. To what extent have your institution's clients sought to negotiate porting agreements with respect to cleared trades—that is, a commitment from your institution to accept the novation of certain cleared trades previously established with other dealers, or portfolios of such trades?

	Number of Respondents	Percent
The issue is a significant and widespread topic of discussions with potential new clients and with current clients renegotiating agreements.	1	6.7
The issue has arisen in some discussions with potential new clients and with current clients renegotiating agreements.	5	33.3
The issue has only occasionally arisen in discussions with potential new clients and with current clients renegotiating agreements.	6	40.0
The issue has not arisen in discussions with potential new clients or with clients renegotiating agreements.	3	20.0
Total	**15**	**100.0**

88. How intense have been the efforts by each of the following types of clients to negotiate porting agreements?

A. Most-favored hedge funds

	Number of Respondents	Percent
Very intense	2	18.2
Somewhat intense	7	63.6
Not intense	2	18.2
Total	**11**	**100.0**

B. Other hedge funds

	Number of Respondents	Percent
Very intense	1	11.1
Somewhat intense	4	44.4
Not intense	4	44.4
Total	**9**	**100.0**

C. Trading REITs

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

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

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

E. Insurance companies

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

F. Separately managed accounts established with investment advisers

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

89. To what extent have your institution's clients sought to negotiate cross-product margining with respect to cleared trades—that is, the calculation of requirements recognizing the risk-reduction benefits of diversification based upon a portfolio of trades, including noncleared trades and trades cleared at multiple central counterparties?

	Number of Respondents	Percent
The issue is a significant and widespread topic of discussions with potential new clients and with current clients renegotiating agreements.	0	0.0
The issue has arisen in some discussions with potential new clients and with current clients renegotiating agreements.	7	50.0
The issue has only occasionally arisen in discussions with potential new clients and with current clients renegotiating agreements.	4	28.6
The issue has not arisen in discussions with potential new clients or with clients renegotiating agreements.	3	21.4
Total	**14**	**100.0**

90. How intense have been the efforts by each of the following types of clients to negotiate cross-product margining?

A. Most-favored hedge funds

	Number of Respondents	Percent
Very intense	3	30.0
Somewhat intense	2	20.0
Not intense	5	50.0
Total	**10**	**100.0**

B. Other hedge funds

	Number of Respondents	Percent
Very intense	1	9.1
Somewhat intense	3	27.3
Not intense	7	63.6
Total	**11**	**100.0**

C. Trading REITs

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

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

	Number of Respondents	Percent
Very intense	0	0.0
Somewhat intense	1	14.3
Not intense	6	85.7
Total	**7**	**100.0**

E. Insurance companies

	Number of Respondents	**Percent**
Very intense	0	0.0
Somewhat intense	0	0.0
Not intense	6	100.0
Total	**6**	**100.0**

F. Separately managed accounts established with investment advisers

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