BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF MONETARY AFFAIRS

For release at 2:00 p.m. ET November 8, 2010

TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the October 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures

This document is available on the Federal Reserve Board's web site
(http://www.federalreserve.gov/boarddocs/surveys).

The October 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices

The October 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, bank loans to businesses and households over the past three months. The survey included a set of special questions that asked respondents about factors affecting recent commercial and industrial (C&I) loan growth and a special question that asked respondents about long-term changes in lending standards. This summary is based on responses from 57 domestic banks and 22 U.S. branches and agencies of foreign banks.[1]

The October survey indicated that, on net, banks eased standards and terms over the previous three months on some categories of loans to households and businesses.[2] Both large and other domestic banks reported having eased some standards and terms; large banks were primarily responsible for the easing reported in July.[3] However, substantial fractions of banks reported in response to a set of special questions that standards for many categories of loans would not return to their longer-run averages for the foreseeable future.

Domestic survey respondents reported easing standards and most terms on C&I loans to firms of all sizes. As in the April and July surveys, banks mainly pointed to a more favorable or less uncertain economic outlook and increased competition from other banks or nonbank lenders as reasons for easing. Of the few banks that reported having tightened standards or terms, all reported a reduced tolerance for risk as being partly responsible for the tightening.

Changes in standards and terms on loans to households were somewhat more mixed. Banks again reported an increased willingness to make consumer installment loans, and a small net fraction of respondents reported easing standards for approving credit card applications. However, a few banks, on net, reported having tightened terms and reduced the size of credit lines on existing credit card accounts. Small net fractions of respondents—though not the largest respondents—also reported having tightened standards on prime and on nontraditional mortgage loans as well as standards for approving home equity lines of credit (HELOCs).

Demand declined, on net, for C&I loans, particularly for small firms; demand for C&I loans had been unchanged in the July survey.[4] Large banks reported increased demand

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[1] Banks received the survey on or after October 5, 2010, and responses were due by October 19, 2010.

[2] For questions that ask about lending standards or terms, reported net percentages equal the percentage of banks that reported having tightened standards ("tightened considerably" or "tightened somewhat") minus the percentage of banks that reported having eased standards ("eased considerably" or "eased somewhat"). For questions that ask about demand, reported net fractions equal the percentage of banks that reported stronger demand ("substantially stronger" or "moderately stronger") minus the percentage of banks that reported weaker demand ("substantially weaker" or "moderately weaker").

[3] Large banks are defined as banks with assets greater than or equal to $20 billion as of June 30, 2010.

[4] Small firms are generally defined as firms with annual sales of less than $50 million.

for commercial real estate (CRE) loans, but demand weakened at other banks. In addition, small net fractions of banks reported decreased demand for all types of residential mortgages and consumer loans, though the weakness was primarily at smaller institutions.

Business Lending
(Table 1, questions 1-10, 21; Table 2, questions 1-11)

Questions on commercial and industrial lending. The October survey showed that a modest net fraction of domestic respondents had eased standards on C&I loans to large and middle-market firms and to small firms over the previous three months—the fourth and second consecutive surveys, respectively, showing such an easing. Only two domestic banks reported having tightened standards on C&I loans. Standards at branches and agencies of foreign banks had been eased slightly on net.

For the second consecutive survey, banks reported having eased terms on C&I loans, with moderate net fractions of domestic banks reporting that they had reduced spreads of loan rates over their bank's cost of funds and had reduced the costs of credit lines. Small to moderate net fractions of large domestic banks and of foreign institutions eased each of the seven survey loan terms for firms of all sizes. Other domestic banks reported a net easing of the spread of loan rates over their own cost of funds and of the costs of credit lines, but small net fractions of those banks reported having increased collateralization requirements and tightened loan covenants. Domestic banks again reported little change in the size of existing credit lines for commercial and industrial firms and business credit card accounts.

Most of the respondents that eased standards or terms on C&I loans cited a more favorable or less uncertain economic outlook and increased competition from other banks and nonbank lenders as important reasons for doing so. Of the relatively small number of banks that tightened standards or terms, most cited as important reasons for the change a reduced tolerance for risk; a less favorable or more uncertain economic outlook; or increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards. Some also cited a deterioration in their current or expected liquidity or capital positions as an important reason.

A modest net fraction of domestic banks reported weaker demand for C&I loans from large and middle-market firms over the previous three months, while a somewhat larger net fraction reported weaker demand from small firms. In the July survey, demand had been about unchanged. The majority of banks reporting weaker demand cited reduced financing needs by their customers for inventories and for accounts receivable, reduced investment in plant and equipment, and increases in internally generated funds as reasons for the decrease in demand. However, in a sign that demand might pick up, the number of inquiries regarding new or increased lines of credit continued to rise. A moderate net fraction of foreign institutions reported stronger demand for C&I loans.

Special questions on factors affecting recent C&I loan growth. A set of special questions asked respondents about factors affecting recent C&I loan growth. According to the Federal Reserve's weekly H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States," C&I loans fell significantly less rapidly in the third quarter of 2010 than they had in the first two quarters of the year, and large domestic banks were principally responsible for this moderation in the runoff of C&I loans. On the whole, the survey answers help explain this recent pattern. First, a moderate net fraction of respondents indicated that originations of new syndicated or club loans (large loans originated by a group of relationship lenders) have picked up somewhat over the past three months. Such lending activity is concentrated at larger banks. Second, a somewhat smaller net fraction reported increased new originations of other loans to large and middle-market firms, with much of the increase accounted for by large banks. Other factors that were reported to have contributed to the reduction in the runoff of C&I loans included decreases in charge-offs and a modest net fraction of banks that reported an increase in maturing term loans that were rolled over or extended rather than paid off.

In contrast, a small net fraction of banks reported that loans to small firms had decreased over the past three months. Drawdowns on existing credit lines also reportedly had fallen on net, a decline that was somewhat more pronounced among foreign respondents. On net, survey respondents indicated that early paydowns of C&I loans were basically unchanged over the past three months.

Questions on commercial real estate lending. Most respondents reported no change in their bank's standards for approving CRE loans. As in the July survey, a small net percentage of banks reported that they had tightened standards for such loans; two large banks reported having eased standards, while four other banks reported having tightened them. Similarly, domestic banks reported little change in demand for CRE loans, on net, but the banks reporting stronger demand were among the larger respondents in the sample, while those reporting weaker demand tended to be smaller. A modest net fraction of foreign institutions also reported stronger demand for CRE loans.

Lending to Households
(Table 1, questions 11-20)

Questions on residential real estate lending. On net, small fractions of domestic banks reported having tightened standards on both prime and nontraditional mortgage loans, marking a reversal from the slight net easing reported in the July survey for prime loans. The tightening of standards on prime mortgage loans was largely accounted for by smaller banks; large banks, on net, left standards about unchanged. Both large and other banks reported a net tightening of standards on nontraditional mortgage loans. Continuing a pattern seen since the start of the financial crisis, fewer than half of the respondents reported having made such loans. Modest net fractions of banks reported weakening demand for both prime and nontraditional mortgage loans to purchase homes.

A modest net fraction of banks reported that standards for approving HELOCs had tightened over the past three months. As with prime residential mortgage loans, that tightening in standards was largely accounted for by smaller banks. A small net fraction of respondents also reported having reduced the size of HELOCs for existing customers. On net, banks reported a slight weakening in demand for HELOCs.

Questions on consumer lending. The net fraction of respondents reporting an increased willingness to make consumer installment loans ticked down to about 20 percent in the October survey. Standards for approving applications for consumer loans other than credit card loans were about unchanged, while terms on such loans were either unchanged or eased slightly.

A moderate net fraction of banks reported having eased credit standards for approving applications for credit cards from individuals or households, with large banks accounting for all of the easing. However, small net fractions of banks reported having tightened spreads of interest rates on credit cards over their cost of funds and reduced the size of credit lines on existing credit card accounts.

A small net fraction of banks reported a weakening in demand for consumer loans of all types. A modest net percentage of large banks reported an increase in demand for the third consecutive quarter, but a larger net percentage of other banks reported a decrease in such demand.

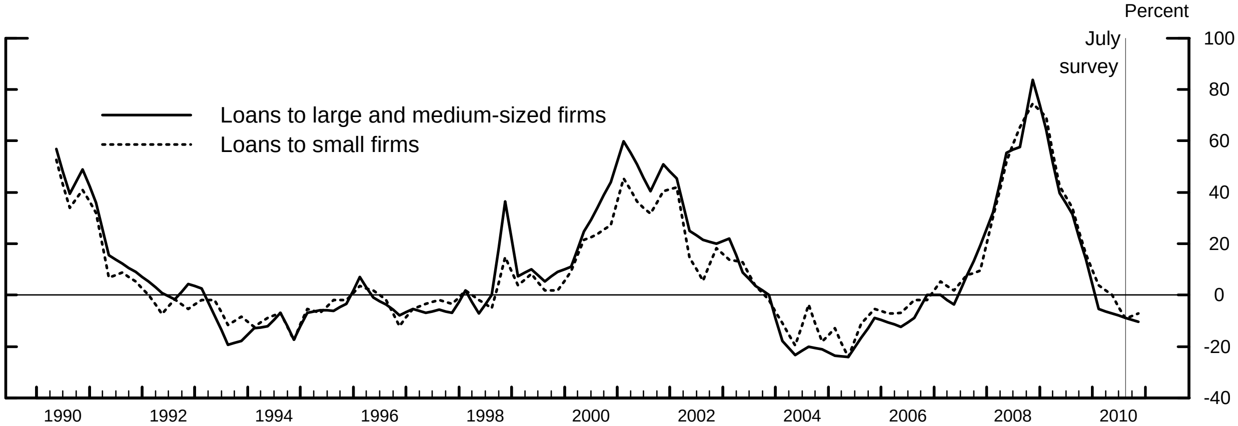
Special Question on Long-term Changes in Lending Standards
(Table 1, question 22; Table 2, question 12)

Another special question asked banks whether their current level of lending standards remained tighter than the average level over the past decade and, if so, when they expected that standards would return to their long-run norms, assuming that economic activity progressed according to consensus forecasts. For all loan categories, substantial fractions of respondents thought that their bank's lending standards would not return to their long-run norms until after 2012 or would remain tighter than longer-run average levels for the foreseeable future: between 25 and 35 percent for C&I loans to various size classes of borrower, between 50 and 75 percent for CRE and residential real estate loans, and between 35 and 70 percent for credit card and other consumer loans. Conversely, nearly half of the respondents thought that standards on C&I loans would return to their longer-run norms by the end of 2012, and about 40 percent of respondents thought that the same would be true for residential mortgages and credit card loans to prime household borrowers. Moderate fractions of respondents indicated that their bank's current level of lending standards was not tighter than its average level over the past decade.

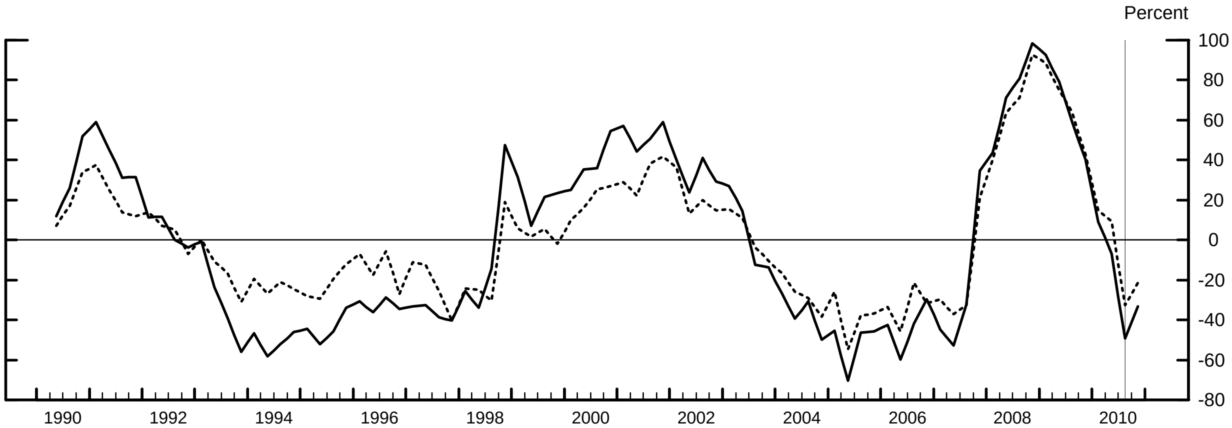
This document was prepared by John C. Driscoll and Francisco Covas with the assistance of Ben Rump, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

Measures of Supply and Demand for Commercial and Industrial Loans, by Size of Firm Seeking Loan

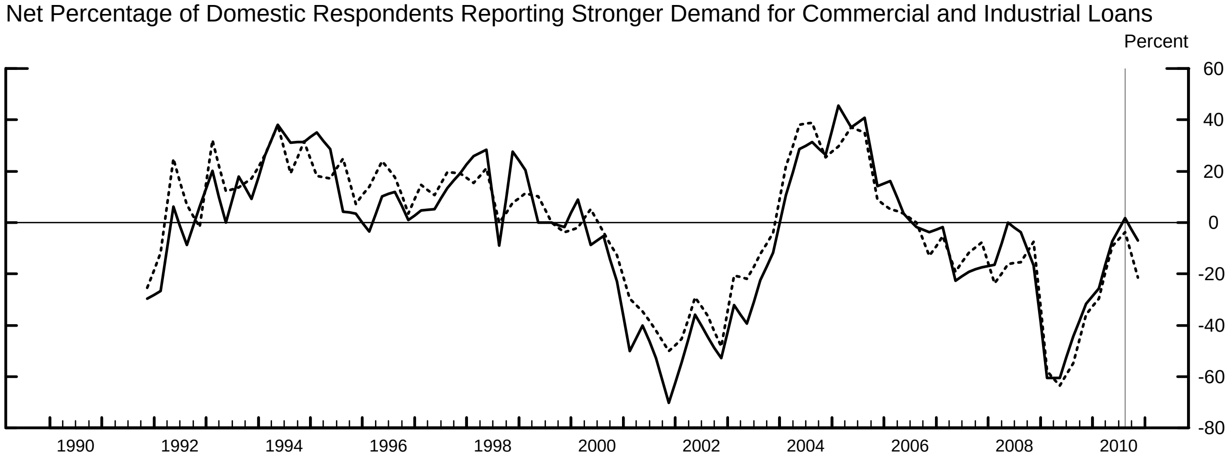
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



Net Percentage of Domestic Respondents Increasing Spreads of Loan Rates over Banks' Costs of Funds

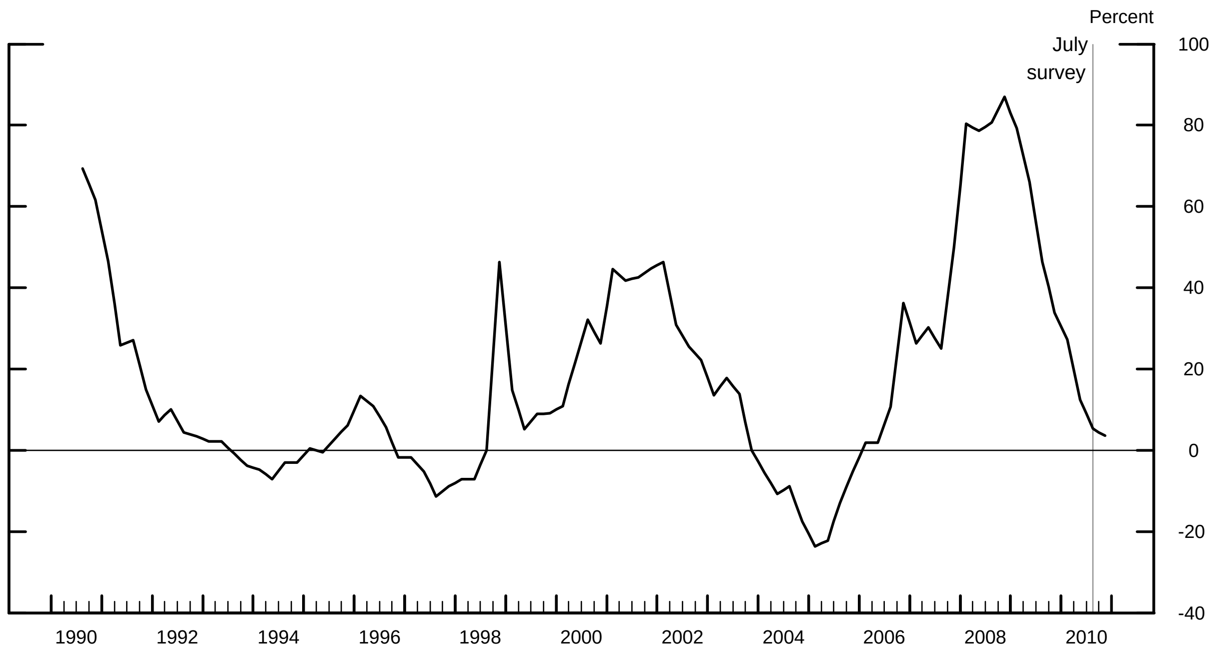


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

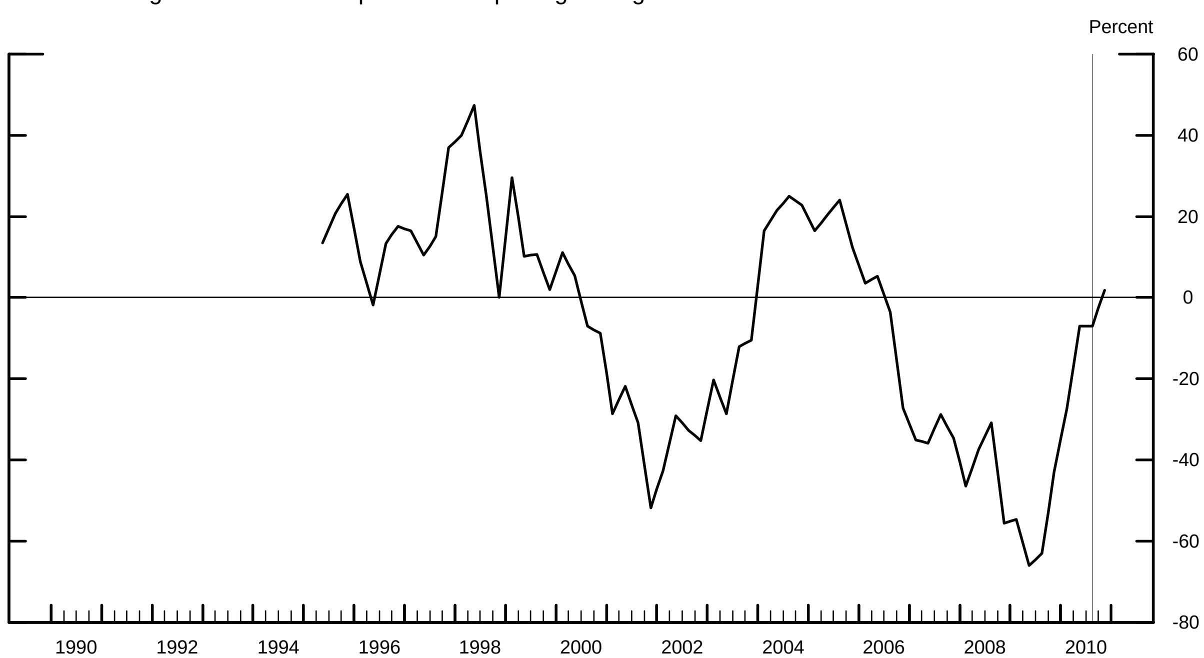


Measures of Supply and Demand for Commercial Real Estate Loans

Net Percentage of Domestic Respondents Tightening Standards for Commercial Real Estate Loans

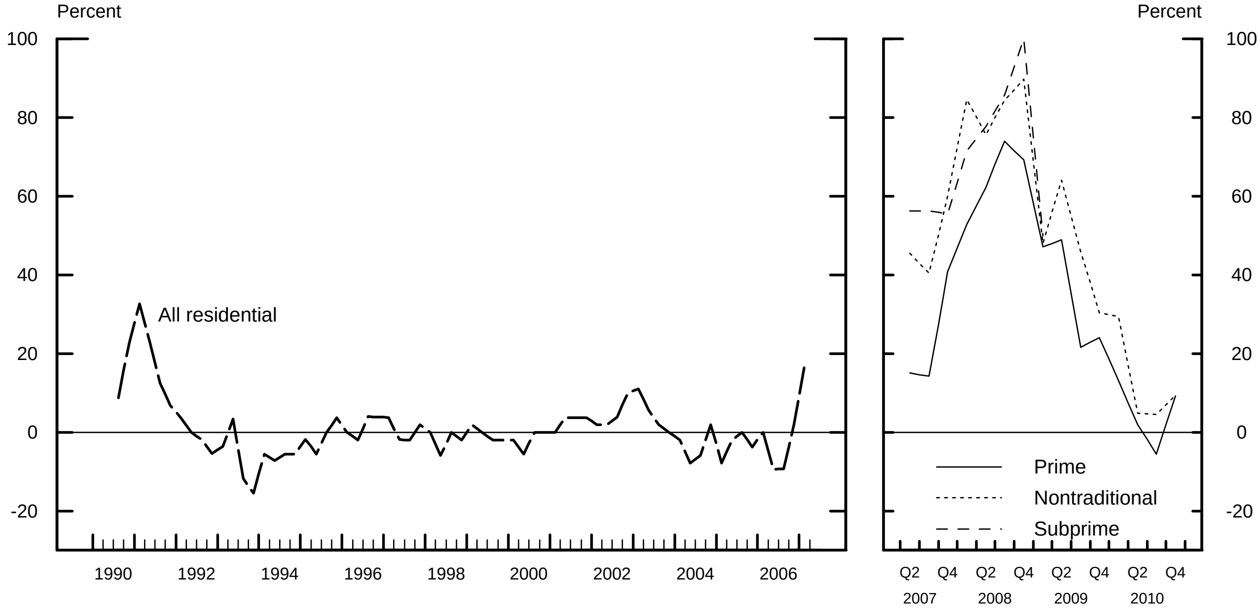


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



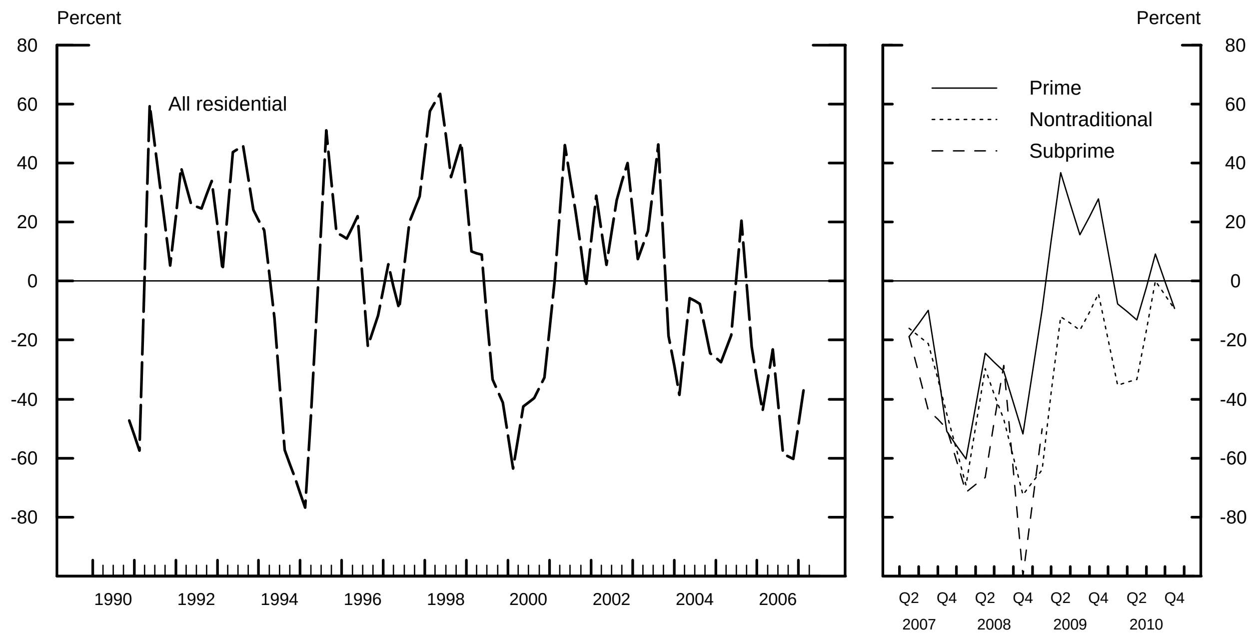
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is 3 or fewer.

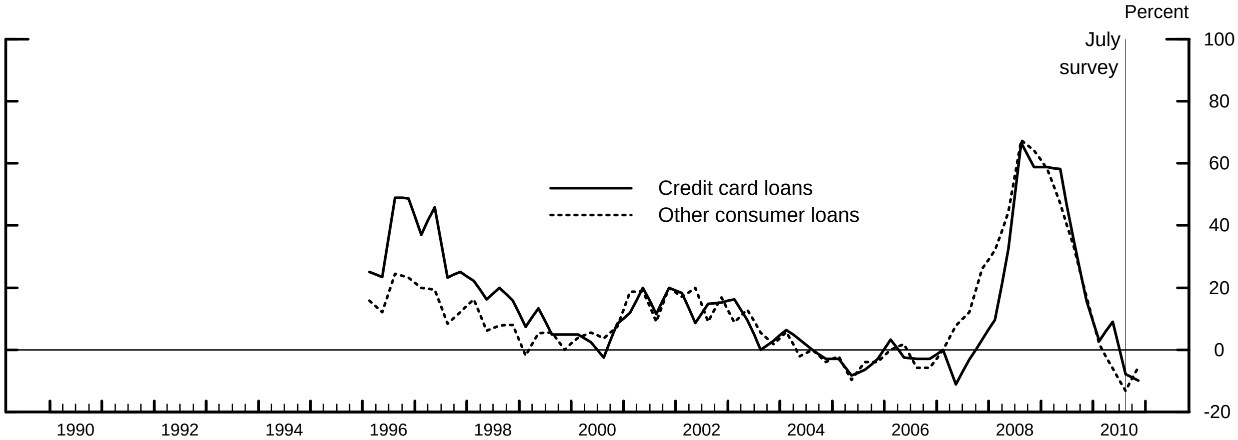
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



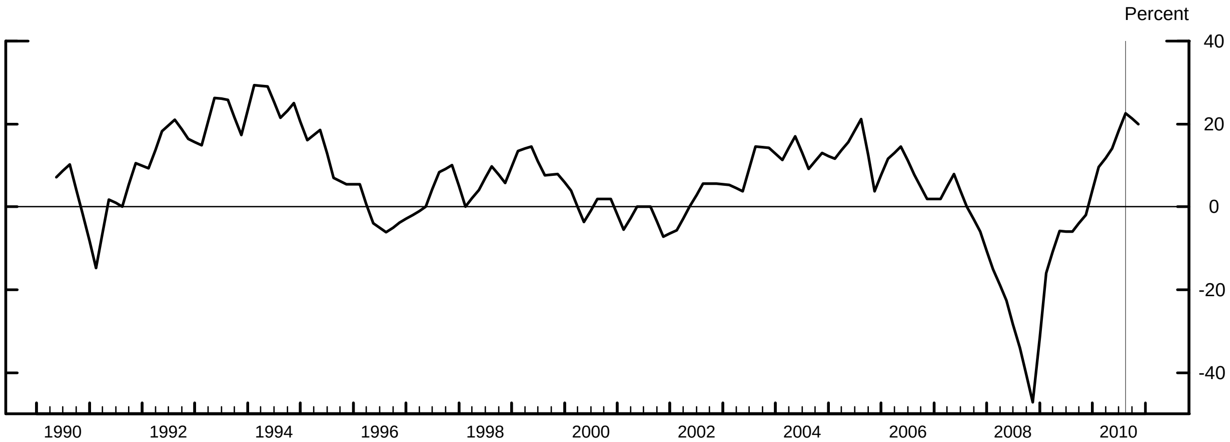
Note: For data starting in 2007:Q2, changes in demand for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is 3 or fewer.

Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans



Net Percentage of Domestic Respondents Reporting Increased Willingness to Make Consumer Installment Loans



Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans

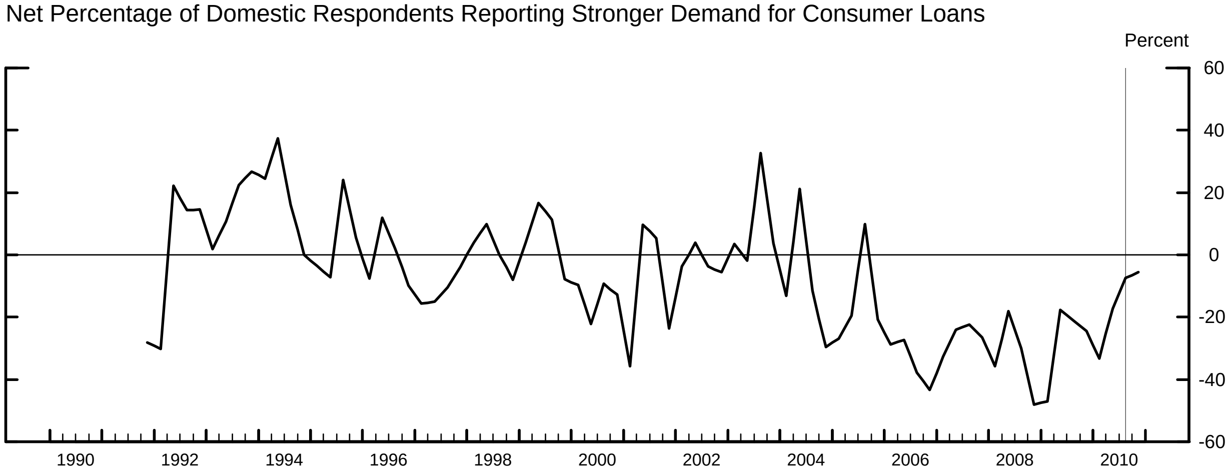


Table 1

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

(Status of policy as of October 2010)

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	4.0
Remained basically unchanged	49	86.0	27	84.4	22	88.0
Eased somewhat	7	12.3	5	15.6	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.6	1	3.2	1	4.0
Remained basically unchanged	48	85.7	26	83.9	22	88.0
Eased somewhat	6	10.7	4	12.9	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.3	1	3.1	2	8.0
Remained basically unchanged	49	86.0	27	84.4	22	88.0
Eased somewhat	5	8.8	4	12.5	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.5	1	3.1	1	4.0
Remained basically unchanged	43	75.4	20	62.5	23	92.0
Eased somewhat	12	21.1	11	34.4	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.1	0	0.0
Tightened somewhat	3	5.3	1	3.1	2	8.0
Remained basically unchanged	36	63.2	16	50.0	20	80.0
Eased somewhat	17	29.8	14	43.8	3	12.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	8.8	2	6.3	3	12.0
Remained basically unchanged	28	49.1	12	37.5	16	64.0
Eased somewhat	24	42.1	18	56.3	6	24.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	7.0	2	6.3	2	8.0
Remained basically unchanged	46	80.7	25	78.1	21	84.0
Eased somewhat	7	12.3	5	15.6	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	7.0	1	3.1	3	12.0
Remained basically unchanged	47	82.5	26	81.3	21	84.0
Eased somewhat	6	10.5	5	15.6	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.3	0	0.0	3	12.0
Remained basically unchanged	53	93.0	31	96.9	22	88.0
Eased somewhat	1	1.8	1	3.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	4.0
Remained basically unchanged	53	94.6	30	96.8	23	92.0
Eased somewhat	2	3.6	1	3.2	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	4.0
Remained basically unchanged	51	91.1	28	90.3	23	92.0
Eased somewhat	4	7.1	3	9.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	1	3.2	2	8.0
Remained basically unchanged	45	80.4	25	80.6	20	80.0
Eased somewhat	8	14.3	5	16.1	3	12.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	7.1	1	3.2	3	12.0
Remained basically unchanged	36	64.3	18	58.1	18	72.0
Eased somewhat	16	28.6	12	38.7	4	16.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	7.1	2	6.5	2	8.0
Remained basically unchanged	47	83.9	26	83.9	21	84.0
Eased somewhat	5	8.9	3	9.7	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	0	0.0	3	12.0
Remained basically unchanged	48	85.7	27	87.1	21	84.0
Eased somewhat	5	8.9	4	12.9	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	0	0.0	3	12.0
Remained basically unchanged	52	92.9	30	96.8	22	88.0
Eased somewhat	1	1.8	1	3.2	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	55.6	3	60.0	2	50.0
Somewhat important	2	22.2	1	20.0	1	25.0
Very important	2	22.2	1	20.0	1	25.0
Total	9	100.0	5	100.0	4	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	11.1	1	20.0	0	0.0
Somewhat important	3	33.3	1	20.0	2	50.0
Very important	5	55.6	3	60.0	2	50.0
Total	9	100.0	5	100.0	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	33.3	2	40.0	1	25.0
Somewhat important	4	44.4	2	40.0	2	50.0
Very important	2	22.2	1	20.0	1	25.0
Total	9	100.0	5	100.0	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	77.8	3	60.0	4	100.0
Somewhat important	2	22.2	2	40.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	5	100.0	4	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	0	0.0	0	0.0	0	0.0
Somewhat important	3	33.3	2	40.0	1	25.0
Very important	6	66.7	3	60.0	3	75.0
Total	9	100.0	5	100.0	4	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	2	40.0	2	50.0
Somewhat important	3	33.3	2	40.0	1	25.0
Very important	2	22.2	1	20.0	1	25.0
Total	9	100.0	5	100.0	4	100.0

g. Increase in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	2	40.0	2	50.0
Somewhat important	5	55.6	3	60.0	2	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	5	100.0	4	100.0

h. Deterioration in your bank's current or expected liquidity position

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	66.7	4	80.0	2	50.0
Somewhat important	2	22.2	0	0.0	2	50.0
Very important	1	11.1	1	20.0	0	0.0
Total	9	100.0	5	100.0	4	100.0

i. Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	33.3	2	40.0	1	25.0
Somewhat important	5	55.6	2	40.0	3	75.0
Very important	1	11.1	1	20.0	0	0.0
Total	9	100.0	5	100.0	4	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	24	88.9	18	85.7	6	100.0
Somewhat important	3	11.1	3	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	21	100.0	6	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	11	40.7	8	38.1	3	50.0
Somewhat important	16	59.3	13	61.9	3	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	21	100.0	6	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	18	66.7	12	57.1	6	100.0
Somewhat important	6	22.2	6	28.6	0	0.0
Very important	3	11.1	3	14.3	0	0.0
Total	27	100.0	21	100.0	6	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	7.4	2	9.5	0	0.0
Somewhat important	11	40.7	9	42.9	2	33.3
Very important	14	51.9	10	47.6	4	66.7
Total	27	100.0	21	100.0	6	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	22	81.5	17	81.0	5	83.3
Somewhat important	5	18.5	4	19.0	1	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	21	100.0	6	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	19	70.4	14	66.7	5	83.3
Somewhat important	6	22.2	5	23.8	1	16.7
Very important	2	7.4	2	9.5	0	0.0
Total	27	100.0	21	100.0	6	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	22	81.5	16	76.2	6	100.0
Somewhat important	5	18.5	5	23.8	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	21	100.0	6	100.0

h. Improvement in your bank's current or expected liquidity position

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	21	77.8	16	76.2	5	83.3
Somewhat important	5	18.5	4	19.0	1	16.7
Very important	1	3.7	1	4.8	0	0.0
Total	27	100.0	21	100.0	6	100.0

i. Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	24	88.9	18	85.7	6	100.0
Somewhat important	3	11.1	3	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	21	100.0	6	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.8	1	3.1	0	0.0
Moderately stronger	9	15.8	6	18.8	3	12.0
About the same	33	57.9	19	59.4	14	56.0
Moderately weaker	14	24.6	6	18.8	8	32.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.1	3	9.7	1	4.0
About the same	36	64.3	21	67.7	15	60.0
Moderately weaker	15	26.8	6	19.4	9	36.0
Substantially weaker	1	1.8	1	3.2	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

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

a. Customer inventory financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	9	81.8	6	75.0	3	100.0
Somewhat important	2	18.2	2	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	11	100.0	8	100.0	3	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	72.7	5	62.5	3	100.0
Somewhat important	3	27.3	3	37.5	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	11	100.0	8	100.0	3	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	36.4	3	37.5	1	33.3
Somewhat important	7	63.6	5	62.5	2	66.7
Very important	0	0.0	0	0.0	0	0.0
Total	11	100.0	8	100.0	3	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	11	100.0	8	100.0	3	100.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	11	100.0	8	100.0	3	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	36.4	3	37.5	1	33.3
Somewhat important	4	36.4	2	25.0	2	66.7
Very important	3	27.3	3	37.5	0	0.0
Total	11	100.0	8	100.0	3	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	36.4	3	37.5	1	33.3
Somewhat important	5	45.5	3	37.5	2	66.7
Very important	2	18.2	2	25.0	0	0.0
Total	11	100.0	8	100.0	3	100.0

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

a. Customer inventory financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	13.3	1	16.7	1	11.1
Somewhat important	12	80.0	4	66.7	8	88.9
Very important	1	6.7	1	16.7	0	0.0
Total	15	100.0	6	100.0	9	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	13.3	0	0.0	2	22.2
Somewhat important	12	80.0	5	83.3	7	77.8
Very important	1	6.7	1	16.7	0	0.0
Total	15	100.0	6	100.0	9	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	0	0.0	0	0.0	0	0.0
Somewhat important	10	66.7	4	66.7	6	66.7
Very important	5	33.3	2	33.3	3	33.3
Total	15	100.0	6	100.0	9	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	26.7	1	16.7	3	33.3
Somewhat important	9	60.0	4	66.7	5	55.6
Very important	2	13.3	1	16.7	1	11.1
Total	15	100.0	6	100.0	9	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	46.7	3	50.0	4	44.4
Somewhat important	5	33.3	2	33.3	3	33.3
Very important	3	20.0	1	16.7	2	22.2
Total	15	100.0	6	100.0	9	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	13	86.7	5	83.3	8	88.9
Somewhat important	2	13.3	1	16.7	1	11.1
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	6	100.0	9	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The number of inquiries has increased substantially	2	3.5	2	6.3	0	0.0
The number of inquiries has increased moderately	14	24.6	10	31.3	4	16.0
The number of inquiries has stayed about the same	33	57.9	18	56.3	15	60.0
The number of inquiries has decreased moderately	8	14.0	2	6.3	6	24.0
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

According to the Federal Reserve's statistical release H.8, ``Assets and Liabilities of Commercial Banks in the United States,'' C&I loans appear to have declined significantly less in the third quarter of this year than they did in the first two quarters. ***Questions 7-8*** *ask about the role of loan originations and other factors in this development.*

7. For each of the C&I loan market segments listed below how has the pace of loan originations by your bank changed over the past three months?

a. New syndicated or club loans (large loans originated by a group of relationship lenders) to investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Originations picked up significantly	1	2.0	1	3.3	0	0.0
Originations picked up somewhat	18	36.7	15	50.0	3	15.8
Originations are unchanged	25	51.0	13	43.3	12	63.2
Originations are down somewhat	4	8.2	1	3.3	3	15.8
Originations are down significantly	1	2.0	0	0.0	1	5.3
Total	49	100.0	30	100.0	19	100.0

For this question, 7 respondents answered "My bank does not originate loans in this segment."

b. New syndicated or club loans to below-investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Originations picked up significantly	0	0.0	0	0.0	0	0.0
Originations picked up somewhat	21	41.2	16	51.6	5	25.0
Originations are unchanged	23	45.1	12	38.7	11	55.0
Originations are down somewhat	6	11.8	3	9.7	3	15.0
Originations are down significantly	1	2.0	0	0.0	1	5.0
Total	51	100.0	31	100.0	20	100.0

For this question, 5 respondents answered "My bank does not originate loans in this segment."

c. Other new loans to large and middle-market firms (annual sales of $50 million or more)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Originations picked up significantly	0	0.0	0	0.0	0	0.0
Originations picked up somewhat	13	22.8	10	31.3	3	12.0
Originations are unchanged	35	61.4	19	59.4	16	64.0
Originations are down somewhat	9	15.8	3	9.4	6	24.0
Originations are down significantly	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

d. New loans to small firms (annual sales of less than $50 million)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Originations picked up significantly	0	0.0	0	0.0	0	0.0
Originations picked up somewhat	6	10.9	2	6.7	4	16.0
Originations are unchanged	36	65.5	22	73.3	14	56.0
Originations are down somewhat	13	23.6	6	20.0	7	28.0
Originations are down significantly	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

For this question, 2 respondents answered “My bank does not originate loans in this segment.”

e. New loans for other classes of C&I loans not listed above (please specify)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Originations picked up significantly	1	3.8	1	6.7	0	0.0
Originations picked up somewhat	2	7.7	1	6.7	1	9.1
Originations are unchanged	20	76.9	11	73.3	9	81.8
Originations are down somewhat	3	11.5	2	13.3	1	9.1
Originations are down significantly	0	0.0	0	0.0	0	0.0
Total	26	100.0	15	100.0	11	100.0

8. How have the following other factors affecting C&I loan growth changed over the past three months?

a. Terms loans that matured and were rolled over or extended rather than paid down

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased significantly	0	0.0	0	0.0	0	0.0
Increased somewhat	7	12.3	3	9.4	4	16.0
Were about unchanged	49	86.0	28	87.5	21	84.0
Decreased somewhat	0	0.0	0	0.0	0	0.0
Decreased significantly	1	1.8	1	3.1	0	0.0
Total	57	100.0	32	100.0	25	100.0

b. Draws on existing revolving credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased significantly	0	0.0	0	0.0	0	0.0
Increased somewhat	8	14.0	4	12.5	4	16.0
Were about unchanged	36	63.2	23	71.9	13	52.0
Decreased somewhat	12	21.1	4	12.5	8	32.0
Decreased significantly	1	1.8	1	3.1	0	0.0
Total	57	100.0	32	100.0	25	100.0

c. Early paydowns

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased significantly	0	0.0	0	0.0	0	0.0
Increased somewhat	6	10.5	2	6.3	4	16.0
Were about unchanged	48	84.2	29	90.6	19	76.0
Decreased somewhat	3	5.3	1	3.1	2	8.0
Decreased significantly	0	0.0	0	0.0	0	0.0
Total	57	100.0	32	100.0	25	100.0

d. Charge-offs

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased significantly	1	1.8	0	0.0	1	4.0
Increased somewhat	5	8.9	1	3.2	4	16.0
Were about unchanged	32	57.1	18	58.1	14	56.0
Decreased somewhat	17	30.4	11	35.5	6	24.0
Decreased significantly	1	1.8	1	3.2	0	0.0
Total	56	100.0	31	100.0	25	100.0

Questions 9-10 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 9 deals with changes in your bank's standards over the past three months. Question 10 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

9. Over the past three months, how have your bank's credit standards for approving applications for CRE loans changed?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.2
Tightened somewhat	3	5.4	0	0.0	3	12.5
Remained basically unchanged	50	89.3	30	93.8	20	83.3
Eased somewhat	2	3.6	2	6.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	32	100.0	24	100.0

10. Apart from normal seasonal variation, how has demand for CRE loans changed over the past three months?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	12	21.4	11	34.4	1	4.2
About the same	33	58.9	19	59.4	14	58.3
Moderately weaker	8	14.3	2	6.3	6	25.0
Substantially weaker	3	5.4	0	0.0	3	12.5
Total	56	100.0	32	100.0	24	100.0

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

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

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

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

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

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	13.0	1	3.3	6	25.0
Remained basically unchanged	45	83.3	27	90.0	18	75.0
Eased somewhat	2	3.7	2	6.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	30	100.0	24	100.0

For this question, 1 respondent answered “My bank does not originate prime residential mortgages.”

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	4.8	0	0.0	1	50.0
Tightened somewhat	2	9.5	2	10.5	0	0.0
Remained basically unchanged	17	81.0	16	84.2	1	50.0
Eased somewhat	1	4.8	1	5.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	21	100.0	19	100.0	2	100.0

For this question, 34 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

Responses are not reported when the number of respondents is 3 or fewer.

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	2	3.7	2	6.7	0	0.0
Moderately stronger	13	24.1	9	30.0	4	16.7
About the same	19	35.2	8	26.7	11	45.8
Moderately weaker	17	31.5	9	30.0	8	33.3
Substantially weaker	3	5.6	2	6.7	1	4.2
Total	54	100.0	30	100.0	24	100.0

For this question, 1 respondent answered “My bank does not originate prime residential mortgages.”

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	3	14.3	3	15.8	0	0.0
About the same	13	61.9	12	63.2	1	50.0
Moderately weaker	5	23.8	4	21.1	1	50.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	21	100.0	19	100.0	2	100.0

For this question, 34 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

Responses are not reported when the number of respondents is 3 or fewer.

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	8	14.3	2	6.5	6	24.0
Remained basically unchanged	46	82.1	28	90.3	18	72.0
Eased somewhat	2	3.6	1	3.2	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.8	0	0.0	1	4.0
Moderately stronger	10	17.9	5	16.1	5	20.0
About the same	31	55.4	19	61.3	12	48.0
Moderately weaker	12	21.4	6	19.4	6	24.0
Substantially weaker	2	3.6	1	3.2	1	4.0
Total	56	100.0	31	100.0	25	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	1	1.8	0	0.0	1	4.0
Somewhat more willing	10	18.2	7	23.3	3	12.0
About unchanged	44	80.0	23	76.7	21	84.0
Somewhat less willing	0	0.0	0	0.0	0	0.0
Much less willing	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.5	0	0.0	1	6.3
Remained basically unchanged	34	85.0	19	79.2	15	93.8
Eased somewhat	5	12.5	5	20.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	40	100.0	24	100.0	16	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.6	2	6.7	0	0.0
Remained basically unchanged	48	87.3	25	83.3	23	92.0
Eased somewhat	5	9.1	3	10.0	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

a. Credit limits

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	7.9	2	8.7	1	6.7
Remained basically unchanged	35	92.1	21	91.3	14	93.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	38	100.0	23	100.0	15	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.6	1	4.3	0	0.0
Tightened somewhat	2	5.3	1	4.3	1	6.7
Remained basically unchanged	33	86.8	19	82.6	14	93.3
Eased somewhat	2	5.3	2	8.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	38	100.0	23	100.0	15	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	5.3	0	0.0	2	13.3
Remained basically unchanged	35	92.1	22	95.7	13	86.7
Eased somewhat	1	2.6	1	4.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	38	100.0	23	100.0	15	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.6	1	4.3	0	0.0
Remained basically unchanged	35	92.1	20	87.0	15	100.0
Eased somewhat	2	5.3	2	8.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	38	100.0	23	100.0	15	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.7	1	4.5	0	0.0
Remained basically unchanged	36	97.3	21	95.5	15	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	37	100.0	22	100.0	15	100.0

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

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.6	1	3.3	1	4.0
Remained basically unchanged	51	92.7	27	90.0	24	96.0
Eased somewhat	2	3.6	2	6.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.5	0	0.0	3	12.0
Remained basically unchanged	45	81.8	28	93.3	17	68.0
Eased somewhat	7	12.7	2	6.7	5	20.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

c. Minimum required down payment

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	4.0
Remained basically unchanged	51	92.7	28	93.3	23	92.0
Eased somewhat	3	5.5	2	6.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.6	1	3.3	1	4.0
Remained basically unchanged	50	90.9	26	86.7	24	96.0
Eased somewhat	3	5.5	3	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.8	0	0.0	1	4.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	54	98.2	30	100.0	24	96.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	1	1.9	0	0.0	1	4.0
Moderately stronger	5	9.3	3	10.3	2	8.0
About the same	39	72.2	25	86.2	14	56.0
Moderately weaker	6	11.1	1	3.4	5	20.0
Substantially weaker	3	5.6	0	0.0	3	12.0
Total	54	100.0	29	100.0	25	100.0

Question 21 *asks about changes in the sizes of credit lines to households and businesses at your bank over the past three months. If the sizes of credit lines at your bank have not changed, please report them as unchanged even if they are either larger or smaller than longer-term norms. If the sizes of credit lines at your bank have increased or decreased, please so report them regardless of whether they are larger or smaller than longer-term norms.*

21. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements.

a. Home equity lines of credit

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	49	87.5	27	87.1	22	88.0
Decreased somewhat	7	12.5	4	12.9	3	12.0
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

b. Consumer credit card accounts

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.6	1	4.2	0	0.0
Remained basically unchanged	35	89.7	21	87.5	14	93.3
Decreased somewhat	3	7.7	2	8.3	1	6.7
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	24	100.0	15	100.0

c. Business credit card accounts

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	5	12.2	1	3.8	4	26.7
Remained basically unchanged	32	78.0	22	84.6	10	66.7
Decreased somewhat	4	9.8	3	11.5	1	6.7
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	41	100.0	26	100.0	15	100.0

d. C&I credit lines (excluding business credit card accounts)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	3	5.6	1	3.3	2	8.3
Remained basically unchanged	46	85.2	26	86.7	20	83.3
Decreased somewhat	5	9.3	3	10.0	2	8.3
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	30	100.0	24	100.0

e. Commercial construction lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	42	79.2	23	79.3	19	79.2
Decreased somewhat	7	13.2	3	10.3	4	16.7
Decreased considerably	4	7.5	3	10.3	1	4.2
Total	53	100.0	29	100.0	24	100.0

f. Lines of credit for financial firms

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	37	80.4	22	78.6	15	83.3
Decreased somewhat	8	17.4	6	21.4	2	11.1
Decreased considerably	1	2.2	0	0.0	1	5.6
Total	46	100.0	28	100.0	18	100.0

22. If your bank's current level of lending standards remains tighter than its average level over the past decade for any of the loan categories listed below, when do you expect that your bank's lending standards will return to their long-run norms, assuming that economic activity progresses according to consensus forecasts?

A. C&I loans:

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	8	15.4	6	20.0	2	9.1
In the second half of 2011	3	5.8	1	3.3	2	9.1
In 2012	8	15.4	5	16.7	3	13.6
After 2012	3	5.8	1	3.3	2	9.1
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	10	19.2	4	13.3	6	27.3
My bank's current level of lending standards is not tighter than its average level over the past decade	20	38.5	13	43.3	7	31.8
Total	52	100.0	30	100.0	22	100.0

b. To small firms (annual sales of less than $50 million)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	5	9.6	3	10.0	2	9.1
In the second half of 2011	6	11.5	3	10.0	3	13.6
In 2012	8	15.4	5	16.7	3	13.6
After 2012	4	7.7	2	6.7	2	9.1
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	14	26.9	8	26.7	6	27.3
My bank's current level of lending standards is not tighter than its average level over the past decade	15	28.8	9	30.0	6	27.3
Total	52	100.0	30	100.0	22	100.0

B. Loans secured by commercial real estate:

a. For construction and land development purposes

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	0	0.0	0	0.0	0	0.0
In the second half of 2011	0	0.0	0	0.0	0	0.0
In 2012	8	15.1	6	18.8	2	9.5
After 2012	9	17.0	5	15.6	4	19.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	30	56.6	17	53.1	13	61.9
My bank's current level of lending standards is not tighter than its average level over the past decade	6	11.3	4	12.5	2	9.5
Total	53	100.0	32	100.0	21	100.0

b. For other purposes (including the financing of multifamily residential properties and nonfarm nonresidential properties)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	3	5.8	3	9.7	0	0.0
In the second half of 2011	5	9.6	2	6.5	3	14.3
In 2012	9	17.3	6	19.4	3	14.3
After 2012	7	13.5	3	9.7	4	19.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	21	40.4	12	38.7	9	42.9
My bank's current level of lending standards is not tighter than its average level over the past decade	7	13.5	5	16.1	2	9.5
Total	52	100.0	31	100.0	21	100.0

C. Loans to prime household borrowers:

a. Secured by residential real estate (include home equity lines of credit)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	4	7.5	2	6.7	2	8.7
In the second half of 2011	4	7.5	3	10.0	1	4.3
In 2012	10	18.9	6	20.0	4	17.4
After 2012	8	15.1	6	20.0	2	8.7
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	18	34.0	10	33.3	8	34.8
My bank's current level of lending standards is not tighter than its average level over the past decade	9	17.0	3	10.0	6	26.1
Total	53	100.0	30	100.0	23	100.0

b. Credit card loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	2	5.9	1	4.8	1	7.7
In the second half of 2011	1	2.9	1	4.8	0	0.0
In 2012	10	29.4	9	42.9	1	7.7
After 2012	3	8.8	1	4.8	2	15.4
I expect my bank’s lending standards to remain tighter than their longer-run average levels for the foreseeable future	10	29.4	7	33.3	3	23.1
My bank’s current level of lending standards is not tighter than its average level over the past decade	8	23.5	2	9.5	6	46.2
Total	34	100.0	21	100.0	13	100.0

c. Other consumer loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	5	10.0	2	7.1	3	13.6
In the second half of 2011	3	6.0	1	3.6	2	9.1
In 2012	10	20.0	8	28.6	2	9.1
After 2012	4	8.0	3	10.7	1	4.5
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	14	28.0	8	28.6	6	27.3
My bank's current level of lending standards is not tighter than its average level over the past decade	14	28.0	6	21.4	8	36.4
Total	50	100.0	28	100.0	22	100.0

D. Loans to nonprime household borrowers:

a. Secured by residential real estate (include home equity lines of credit)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	1	3.4	1	5.9	0	0.0
In the second half of 2011	0	0.0	0	0.0	0	0.0
In 2012	2	6.9	2	11.8	0	0.0
After 2012	2	6.9	1	5.9	1	8.3
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	18	62.1	12	70.6	6	50.0
My bank's current level of lending standards is not tighter than its average level over the past decade	6	20.7	1	5.9	5	41.7
Total	29	100.0	17	100.0	12	100.0

b. Credit card loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	0	0.0	0	0.0	0	0.0
In the second half of 2011	1	4.5	1	6.7	0	0.0
In 2012	0	0.0	0	0.0	0	0.0
After 2012	3	13.6	2	13.3	1	14.3
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	12	54.5	10	66.7	2	28.6
My bank's current level of lending standards is not tighter than its average level over the past decade	6	27.3	2	13.3	4	57.1
Total	22	100.0	15	100.0	7	100.0

c. Other consumer loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
In the first half of 2011	0	0.0	0	0.0	0	0.0
In the second half of 2011	1	3.6	1	6.3	0	0.0
In 2012	0	0.0	0	0.0	0	0.0
After 2012	3	10.7	2	12.5	1	8.3
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	16	57.1	10	62.5	6	50.0
My bank's current level of lending standards is not tighter than its average level over the past decade	8	28.6	3	18.8	5	41.7
Total	28	100.0	16	100.0	12	100.0

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of June 30, 2010. The combined assets of the 32 large banks totaled $6.7 trillion, compared to $7.0 trillion for the entire panel of 57 banks, and $10.5 trillion for all domestically chartered, federally insured commercial banks.

Table 2

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Branches and Agencies of Foreign Banks in the United States [1]

(Status of policy as of October 2010)

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

1. Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—changed?

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

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	72.7
Eased somewhat	6	27.3
Eased considerably	0	0.0
Total	22	100.0

b. Maximum maturity of loans or credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	77.3
Eased somewhat	5	22.7
Eased considerably	0	0.0
Total	22	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	14	66.7
Eased somewhat	6	28.6
Eased considerably	0	0.0
Total	21	100.0

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	52.4
Eased somewhat	10	47.6
Eased considerably	0	0.0
Total	21	100.0

e. Premiums charged on riskier loans

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

f. Loan covenants

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

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	95.5
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	22	100.0

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?

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

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

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	0	0.0
Very important	1	100.0
Total	1	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

e. Reduced tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	1	100.0
Very important	0	0.0
Total	1	100.0

g. Increase in defaults by borrowers in public debt markets

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

h. Deterioration in your bank's current or expected liquidity position

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

i. Increased concerns about the potential effects of legislative changes, supervisory actions, or accounting standards

	All Respondents	
	Banks	**Percent**
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

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

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

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

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	5	55.6
Somewhat important	4	44.4
Very important	0	0.0
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	8	88.9
Somewhat important	1	11.1
Very important	0	0.0
Total	9	100.0

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

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

e. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not important	5	55.6
Somewhat important	4	44.4
Very important	0	0.0
Total	9	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	2	22.2
Very important	0	0.0
Total	9	100.0

h. Improvement in your bank's current or expected liquidity position

	All Respondents	
	Banks	**Percent**
Not important	9	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	9	100.0

i. Reduced concerns about the potential effects of legislative changes, supervisory actions, or accounting standards

	All Respondents	
	Banks	**Percent**
Not important	8	88.9
Somewhat important	1	11.1
Very important	0	0.0
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	1	4.8
Moderately stronger	4	19.0
About the same	14	66.7
Moderately weaker	2	9.5
Substantially weaker	0	0.0
Total	21	100.0

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

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

a. Customer inventory financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	3	60.0
Somewhat important	2	40.0
Very important	0	0.0
Total	5	100.0

b. Customer accounts receivable financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	3	60.0
Somewhat important	2	40.0
Very important	0	0.0
Total	5	100.0

c. Customer investment in plant or equipment increased

	All Respondents	
	Banks	Percent
Not important	1	20.0
Somewhat important	4	80.0
Very important	0	0.0
Total	5	100.0

d. Customer internally generated funds decreased

	All Respondents	
	Banks	Percent
Not important	4	80.0
Somewhat important	1	20.0
Very important	0	0.0
Total	5	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents	
	Banks	Percent
Not important	1	20.0
Somewhat important	3	60.0
Very important	1	20.0
Total	5	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	2	40.0
Somewhat important	3	60.0
Very important	0	0.0
Total	5	100.0

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

a. Customer inventory financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	2	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	2	100.0

c. Customer investment in plant or equipment decreased

	All Respondents	
	Banks	**Percent**
Not important	1	50.0
Somewhat important	1	50.0
Very important	0	0.0
Total	2	100.0

d. Customer internally generated funds increased

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	1	50.0
Very important	1	50.0
Total	2	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	2	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	0	0.0
Very important	2	100.0
Total	2	100.0

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

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	6	28.6
The number of inquiries has stayed about the same	13	61.9
The number of inquiries has decreased moderately	2	9.5
The number of inquiries has decreased substantially	0	0.0
Total	21	100.0

According to the Federal Reserve's statistical release H.8, ``Assets and Liabilities of Commercial Banks in the United States,'' C&I loans appear to have declined significantly less in the third quarter of this year than they did in the first two quarters. ***Questions 7-8*** *ask about the role of loan originations and other factors in this development.*

7. For each of the C&I loan market segments listed below how has the pace of loan originations by your bank changed over the past three months?

a. New syndicated or club loans (large loans originated by a group of relationship lenders) to investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents	
	Banks	**Percent**
Originations picked up significantly	0	0.0
Originations picked up somewhat	7	36.8
Originations are unchanged	11	57.9
Originations are down somewhat	1	5.3
Originations are down significantly	0	0.0
Total	19	100.0

For this question, 2 respondents answered "My bank does not originate loans in this segment."

b. New syndicated or club loans to below-investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents	
	Banks	**Percent**
Originations picked up significantly	1	4.8
Originations picked up somewhat	10	47.6
Originations are unchanged	8	38.1
Originations are down somewhat	1	4.8
Originations are down significantly	1	4.8
Total	21	100.0

For this question, 1 respondent answered "My bank does not originate loans in this segment."

c. Other new loans to large and middle-market firms (annual sales of $50 million or more)

	All Respondents	
	Banks	**Percent**
Originations picked up significantly	0	0.0
Originations picked up somewhat	6	33.3
Originations are unchanged	12	66.7
Originations are down somewhat	0	0.0
Originations are down significantly	0	0.0
Total	18	100.0

For this question, 2 respondents answered “My bank does not originate loans in this segment.”

d. New loans to small firms (annual sales of less than $50 million)

	All Respondents	
	Banks	**Percent**
Originations picked up significantly	0	0.0
Originations picked up somewhat	0	0.0
Originations are unchanged	9	100.0
Originations are down somewhat	0	0.0
Originations are down significantly	0	0.0
Total	9	100.0

For this question, 9 respondents answered “My bank does not originate loans in this segment.”

e. New loans for other classes of C&I loans not listed above (please specify)

	All Respondents	
	Banks	**Percent**
Originations picked up significantly	0	0.0
Originations picked up somewhat	0	0.0
Originations are unchanged	7	100.0
Originations are down somewhat	0	0.0
Originations are down significantly	0	0.0
Total	7	100.0

For this question, 2 respondents answered “My bank does not originate loans in this segment.”

8. How have the following other factors affecting C&I loan growth changed over the past three months?

a. Terms loans that matured and were rolled over or extended rather than paid down

	All Respondents	
	Banks	**Percent**
Increased significantly	0	0.0
Increased somewhat	4	20.0
Were about unchanged	15	75.0
Decreased somewhat	1	5.0
Decreased significantly	0	0.0
Total	20	100.0

b. Draws on existing revolving credit lines

	All Respondents	
	Banks	Percent
Increased significantly	0	0.0
Increased somewhat	0	0.0
Were about unchanged	16	76.2
Decreased somewhat	4	19.0
Decreased significantly	1	4.8
Total	21	100.0

c. Early paydowns

	All Respondents	
	Banks	Percent
Increased significantly	0	0.0
Increased somewhat	1	4.8
Were about unchanged	18	85.7
Decreased somewhat	2	9.5
Decreased significantly	0	0.0
Total	21	100.0

d. Charge-offs

	All Respondents	
	Banks	Percent
Increased significantly	0	0.0
Increased somewhat	2	11.1
Were about unchanged	14	77.8
Decreased somewhat	2	11.1
Decreased significantly	0	0.0
Total	18	100.0

Questions 9-10 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 9 deals with changes in your bank's standards over the past three months. Question 10 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

9. Over the past three months, how have your bank's credit standards for approving applications for CRE loans changed?

	All Respondents	
	Banks	**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

10. Apart from normal seasonal variation, how has demand for CRE loans changed over the past three months?

	All Respondents	
	Banks	**Percent**
Substantially stronger	1	9.1
Moderately stronger	2	18.2
About the same	7	63.6
Moderately weaker	1	9.1
Substantially weaker	0	0.0
Total	11	100.0

11. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements.

a. Business credit card accounts

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	4	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	4	100.0

b. C&I credit lines (excluding business credit card accounts)

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	7	33.3
Remained basically unchanged	11	52.4
Decreased somewhat	3	14.3
Decreased considerably	0	0.0
Total	21	100.0

c. Commercial construction lines of credit

	All Respondents	
	Banks	Percent
Increased considerably	0	0.0
Increased somewhat	1	10.0
Remained basically unchanged	7	70.0
Decreased somewhat	1	10.0
Decreased considerably	1	10.0
Total	10	100.0

d. Lines of credit for financial firms

	All Respondents	
	Banks	Percent
Increased considerably	0	0.0
Increased somewhat	2	14.3
Remained basically unchanged	10	71.4
Decreased somewhat	1	7.1
Decreased considerably	1	7.1
Total	14	100.0

12. If your bank's current level of lending standards remains tighter than its average level over the past decade for any of the loan categories listed below, when do you expect that your bank's lending standards will return to their long-run norms, assuming that economic activity progresses according to consensus forecasts?

A. C&I loans:

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

	All Respondents	
	Banks	**Percent**
In the first half of 2011	2	10.5
In the second half of 2011	1	5.3
In 2012	0	0.0
After 2012	0	0.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	4	21.1
My bank's current level of lending standards is not tighter than its average level over the past decade	12	63.2
Total	19	100.0

b. To small firms (annual sales of less than $50 million)

	All Respondents	
	Banks	**Percent**
In the first half of 2011	1	11.1
In the second half of 2011	0	0.0
In 2012	0	0.0
After 2012	0	0.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	0	0.0
My bank's current level of lending standards is not tighter than its average level over the past decade	8	88.9
Total	9	100.0

B. Loans secured by commercial real estate:

a. For construction and land development purposes

	All Respondents	
	Banks	**Percent**
In the first half of 2011	1	11.1
In the second half of 2011	0	0.0
In 2012	0	0.0
After 2012	0	0.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	4	44.4
My bank's current level of lending standards is not tighter than its average level over the past decade	4	44.4
Total	9	100.0

b. For other purposes (including the financing of multifamily residential properties and nonfarm nonresidential properties)

	All Respondents	
	Banks	**Percent**
In the first half of 2011	1	11.1
In the second half of 2011	3	33.3
In 2012	2	22.2
After 2012	0	0.0
I expect my bank's lending standards to remain tighter than their longer-run average levels for the foreseeable future	0	0.0
My bank's current level of lending standards is not tighter than its average level over the past decade	3	33.3
Total	9	100.0

1. As of June 30, 2010, the 22 respondents had combined assets of $0.9 trillion, compared to $1.8 trillion for all foreign related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.