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

DIVISION OF MONETARY AFFAIRS

For release at 2:00 p.m. ET May 6, 2013

TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the April 2013 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/econresdata/statisticsdata.htm).

The April 2013 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2013 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. This summary is based on responses from 68 domestic banks and 21 U.S. branches and agencies of foreign banks.[1] In the April survey, domestic banks, on balance, reported having eased their lending standards and having experienced stronger demand in several loan categories over the past three months.[2]

The survey results generally indicated that banks' policies regarding lending to businesses eased over the past three months and demand increased, on balance. In particular, a relatively large fraction of domestic respondents reported having eased standards on C&I loans, and moderate to large net fractions of such respondents reportedly eased many terms on C&I loans to firms of all sizes.[3] Banks that eased their C&I lending policies generally cited increased competition for such loans as an important reason for having done so. Demand for C&I loans also reportedly increased, but such reports were less widespread than in the previous survey. A moderate net fraction of banks reported having eased their CRE lending standards over the past three months and relatively large fractions continued to report an increase in demand for such loans. On net, U.S. branches and agencies of foreign banks reported that standards on CRE loans were about unchanged, but moderate fractions reported that demand strengthened on such loans.

On the household side, the survey results were more mixed. On balance, a few domestic banks reported having eased standards on prime residential mortgages over the past three months. For the fifth consecutive survey, respondents reported that demand for prime residential mortgage loans had strengthened on net. A small net fraction of respondents reported that they had eased standards on credit card and auto loans over the past three months, while standards on other consumer loans had remained about unchanged. On balance, banks reported having eased selected terms on auto loans, but terms on credit card and other consumer loans were reportedly little changed. Demand for credit card and auto loans had strengthened, on balance, while demand for other consumer loans was about unchanged.

The survey included three sets of special questions: the first set asked banks about lending to and competition from banks headquartered in Europe, the second set asked banks about their residential real estate (RRE) lending policies, and the third set asked banks about their lending policies on private student loans. In response to the first set, both foreign and domestic respondents reported that their standards for

---

[1] Respondent banks received the survey on or after April 2, 2013, and responses were due by April 16, 2013.

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

[3] The survey asks respondents separately about their standards for and demand from large and middle-market firms, which are generally defined as firms with annual sales of $50 million or more, and small firms, those with annual sales of less than $50 million.

loans to European banks remained basically unchanged, and the share of domestic banks that indicated increased demand owing to reduced competition from European banks continued to trend down. In response to the second set, most banks indicated that their willingness to approve GSE-eligible home-purchase loan applications to borrowers with FICO scores of 680 or 720 was about unchanged relative to a year ago. In contrast, about one-third of respondents indicated that they were less likely to approve home-purchase loan applications insured by the Federal Housing Administration (FHA) with relatively low FICO scores. Finally, only a small number of respondents indicated that they offer private student loans and, among those that provide such loans, lending policies were about unchanged over the past year.

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

Questions on commercial and industrial lending. A moderate fraction of domestic survey respondents, on net, indicated that their C&I lending standards had eased somewhat for all firm sizes over the first quarter of 2013. On balance, respondents reported that they had eased most terms on C&I loans, regardless of firm size, and that no such terms were tightened. As has been the case for some time, there was considerable variation in the number of banks that reported having eased various C&I loan terms. A very large fraction of respondents indicated that they had decreased spreads on C&I loan rates over their bank's cost of funds for firms of all sizes. Moderate to large net fractions of banks again reported having reduced the cost of credit lines and decreased the use of interest rate floors for all firm sizes. In addition, about one-half of large domestic banks reported having eased loan covenants for large and middle-market firms in the April survey, up from 30 percent in the January survey.

Of the domestic respondents that reported having eased either standards or terms on C&I loans over the past three months, all but one cited more-aggressive competition from other banks or nonbank lenders as an important reason for having done so. About 40 percent of respondents that had eased their C&I loan policies cited a more favorable or less uncertain economic outlook as a somewhat important or very important reason. As in the previous survey, no other reasons were broadly cited by banks as being important for easing their C&I lending policies.

Meanwhile, responses from domestic banks indicated that the change in demand for C&I loans was mixed in the first quarter, with large banks reporting weaker demand for C&I loans, on balance, and other banks reporting stronger demand.[4] Large banks also reported a net decrease in the number of inquiries from potential business borrowers regarding new or increased credit lines, while other banks reported net increases. Banks reporting weaker C&I loan demand in the survey most often cited decreases in customers' funding needs related to investment in plant or equipment as a reason. Banks indicating that C&I loan demand had strengthened cited increases in customers' funding needs related to investment in plant or equipment, inventories, and accounts receivable as the top reasons.

---

[4] *Large banks* are defined as those with total domestic assets of $20 billion or more as of December 31, 2012.

Similar to the previous two surveys, foreign respondents reported that their C&I lending standards had remained about unchanged, on net, over the past three months, but that some terms had been eased. A moderate net fraction of foreign respondents reported having narrowed C&I loan spreads over their cost of funds, increased the maximum size of credit lines, and reduced premiums charged on riskier loans. As was the case for domestic respondents, the reason most widely cited by foreign respondents for easing standards or terms on C&I loans was more-aggressive competition from other lenders. A majority of foreign respondents that eased standards or terms on C&I loans also pointed to increased liquidity in the secondary market for such loans as a reason for having done so. Modest net fractions of foreign respondents indicated that demand for C&I loans had strengthened over the past three months. Almost all foreign respondents reporting stronger demand cited customers' increased merger or acquisition financing needs as a very important reason.

Special questions on lending to and competition from European banks. The April survey again included special questions about lending to banks headquartered in Europe and the affiliates and subsidiaries of European banks regardless of their location (hereafter, European banks). All respondents, both foreign and domestic, reported that their standards for loans to European banks remained basically unchanged over the past three months, the first time there was no additional tightening since the introduction of this special question in the October 2011 survey. The share of domestic banks that have observed an expansion of C&I lending business as a result of a decrease in competition from European banks continued to trend down. In fact, two respondents reported an increase in competition from European banks.

Questions on commercial real estate lending. A moderate net fraction of domestic respondents to the April survey reported that they had eased standards on CRE loans over the previous three months. Meanwhile, foreign respondents reported that standards were about unchanged. In addition, significant net fractions of domestic banks reported that demand for CRE loans had strengthened, while a moderate net fraction of foreign respondents also reported having experienced stronger demand for such loans.

Lending to Households

(Table 1, questions 12–32)

Questions on residential real estate lending. Overall, only small numbers of domestic respondents reported changes in either standards or demand for any type of residential real estate lending during the previous three months, with the exception of a significant net fraction of banks that indicated that the demand for prime mortgages had picked up. A few domestic banks reported having eased their standards on prime residential mortgages, and respondents' lending standards for nontraditional mortgages were little changed.

Special questions on residential real estate lending. The April survey contained a set of special questions about domestic banks' RRE lending policies. One such question asked banks how much more or less likely it currently is, compared with a year ago, that their bank would approve an application for a GSE-eligible, 30-year fixed-rate home-purchase loan from a borrower with a FICO score (or equivalent) of 620, 680, or 720 and a down payment of 10 or 20 percent (for a total of six categories of borrowers).

Modest to moderate net fractions of banks indicated that they were currently less likely to approve such loan applications with a FICO score of 620, depending on the down payment, though most of those were smaller banks. Willingness to approve applications for most of the other FICO score-down payment categories was reportedly about unchanged from a year ago. However, a modest net fraction of banks were more likely to approve an application with a FICO score of 720 and a 20 percent down payment. Banks were also asked to compare their bank's current likelihood of approving an application for a FHA-insured home-purchase loan with a given FICO score and the FHA minimum down payment of 3.5 percent with their likelihood a year ago. About one-third of respondents indicated that they were less likely to approve such home-purchase loan applications with FICO scores of 580 or 620.

Two other special questions asked banks about factors currently restraining their willingness or ability to approve either conforming or nonconforming home-purchase loans, and whether those factors had become more important or less important restraints over the past year. Roughly three-fourths of respondents viewed either the outlook for house prices or economic activity as at least somewhat important factors currently restraining their bank's RRE lending. Three-fourths of banks also cited the risk of putback of delinquent mortgages by the GSEs as an important factor restraining their current ability or willingness to approve home-purchase loans, and in response to the second question, a large fraction of banks reported an increase in the importance of this factor over the past year. Four-fifths of respondents indicated that the "risk-adjusted profitability of the residential mortgage business relative to other possible uses of funds" was an important factor restraining RRE lending, and a large fraction of banks also reported an increase in the importance of this factor over the past year.

The last special question on RRE asked domestic banks to look ahead over the next year with regard to holdings of RRE assets—loans, agency mortgage-backed securities (MBS), and private-label MBS. On balance, respondents of all sizes anticipate reducing their holdings of private-label MBS, while banks expected holdings of agency MBS to remain about unchanged. A moderate net fraction of banks reportedly expect to increase holdings of RRE loans. Overall, a moderate net fraction of banks expect to increase holdings of RRE assets.

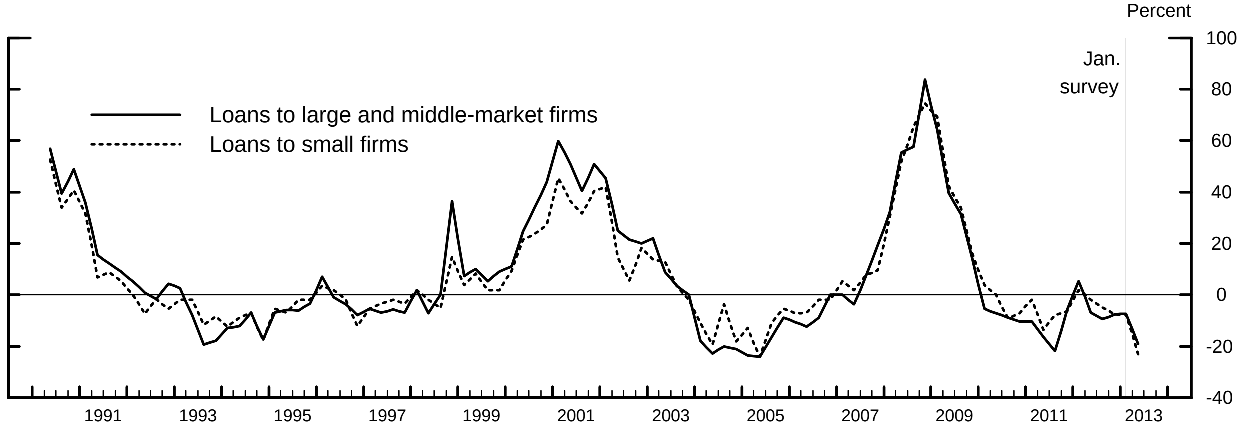
Questions on consumer lending. Responses from domestic banks indicated that they are somewhat more willing to make consumer installment loans now as opposed to three months ago. However, only a small net fraction of banks reported having eased standards on credit card loans and auto loans, and respondents' standards on other consumer loans reportedly remained about the same. On balance, several banks reported that they had increased the maximum maturity of auto loans and reduced spreads on such loans. Other terms across the three categories of consumer loans remained little changed, on net, over the past three months. Demand for credit card and auto loans was modestly stronger on net, and demand for other consumer loans was reportedly about unchanged.

Special questions on private student loans. The April survey also contained a set of special questions on private student loans. Only 14 of the 68 domestic respondents indicated that they currently hold private student loans. On balance, the banks that are still active in this market reported that their lending policies on private student loans changed little, on net, over the past year. Looking ahead, banks indicated that they expected to keep their holdings of private student loans about unchanged over the next year, on net.

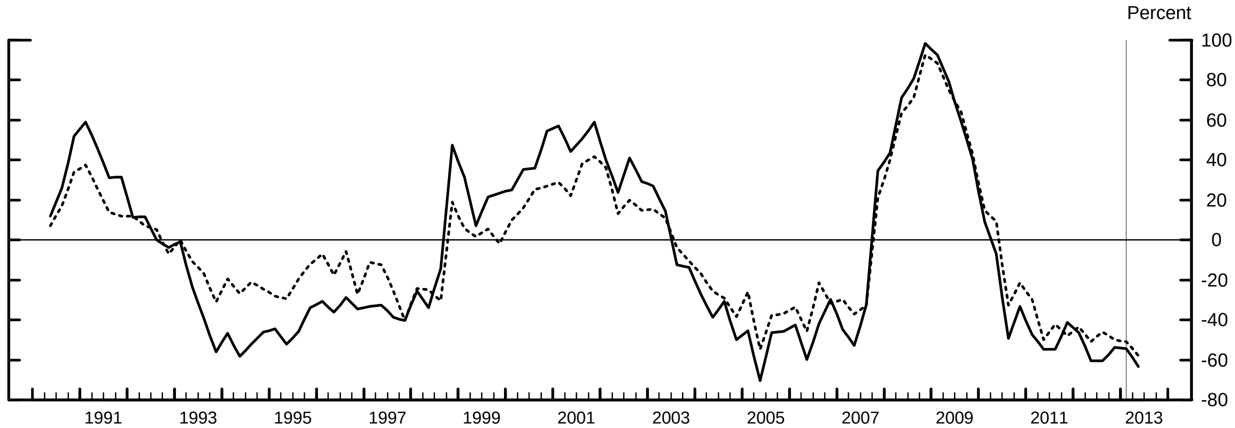
This document was prepared by Cindy Vojtech, with the assistance of Holly Dykstra, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

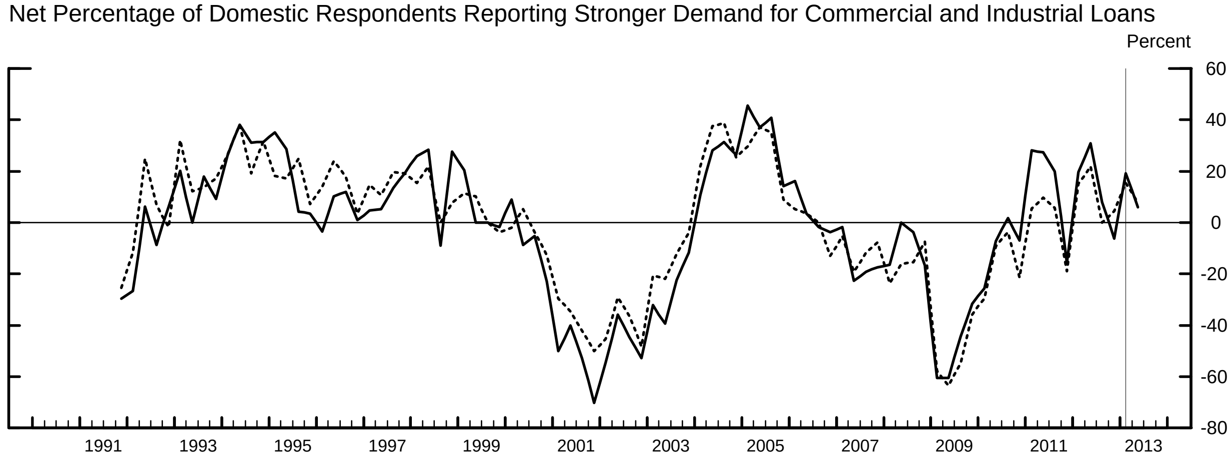
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



Net Percentage of Domestic Respondents Increasing Spreads of Loan Rates over Bank's Cost of Funds

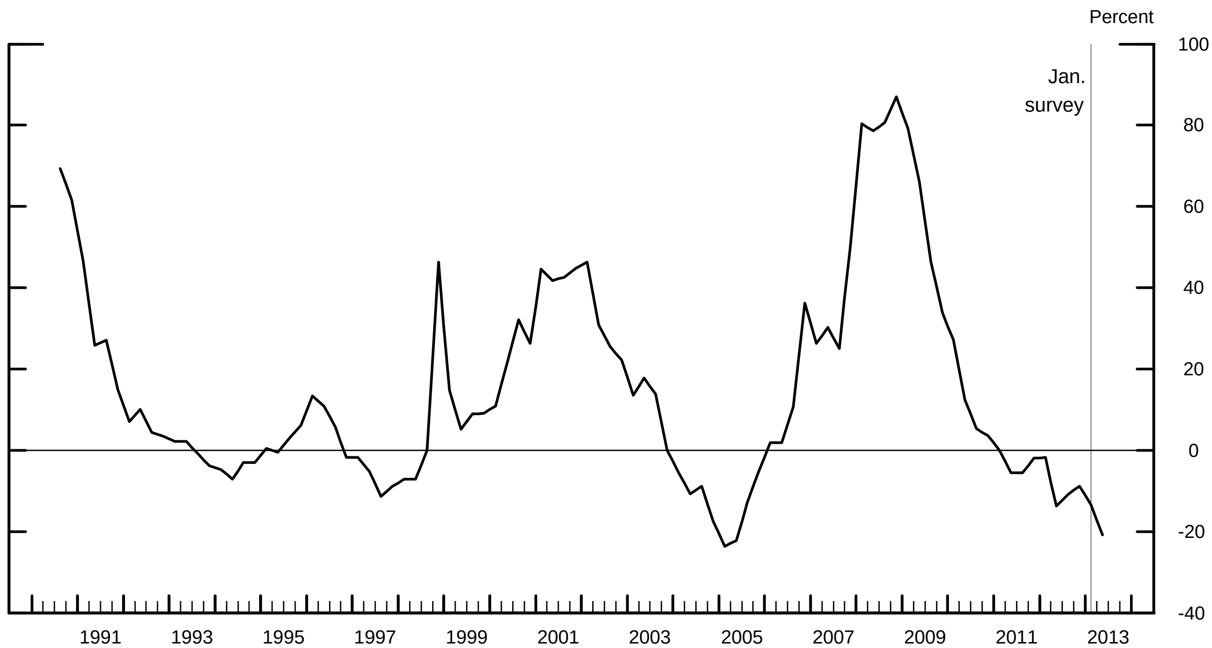


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

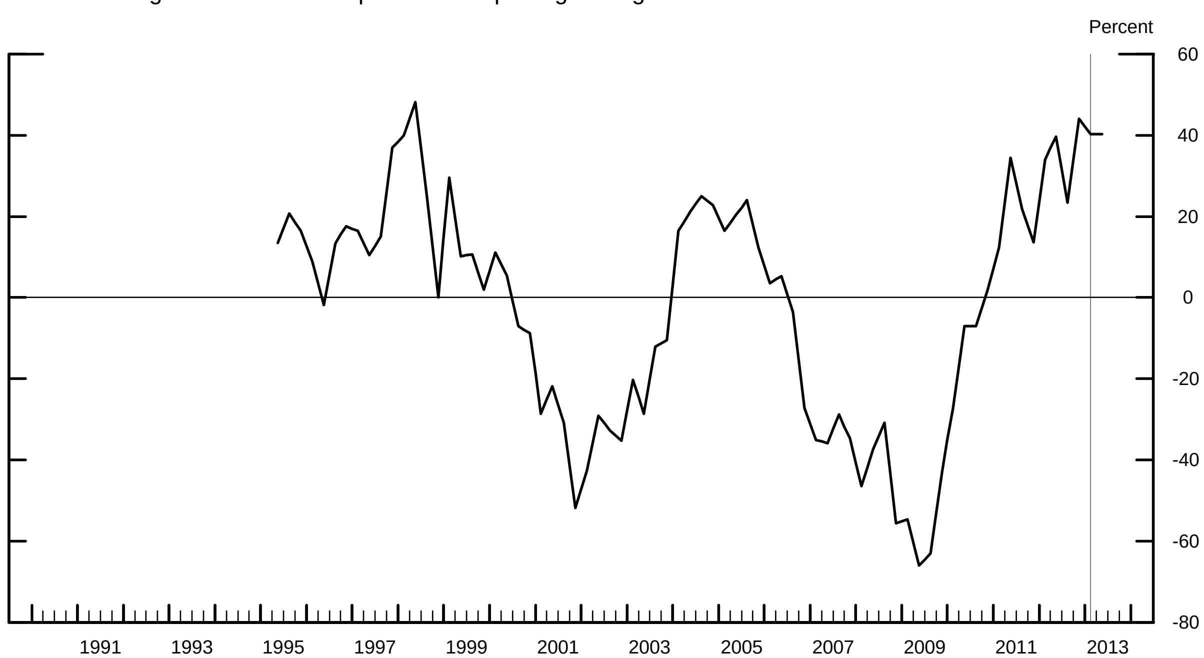


Measures of Supply and Demand for Commercial Real Estate Loans

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

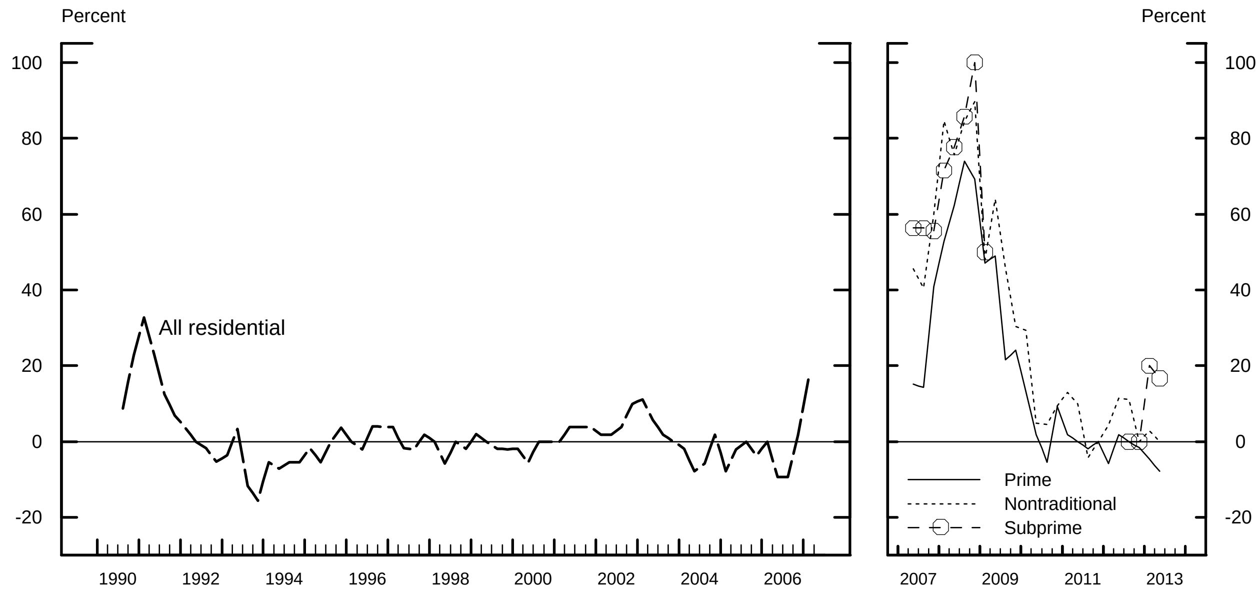


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



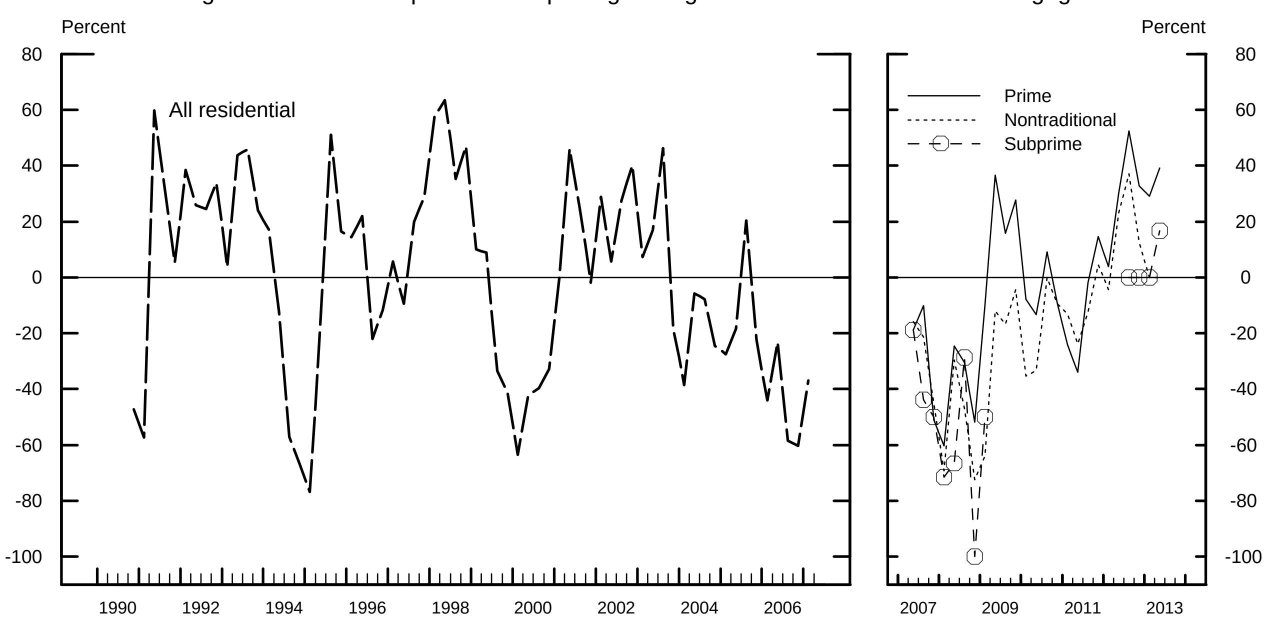
Measures of Supply and Demand for Residential Mortgage Loans

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 three or fewer.

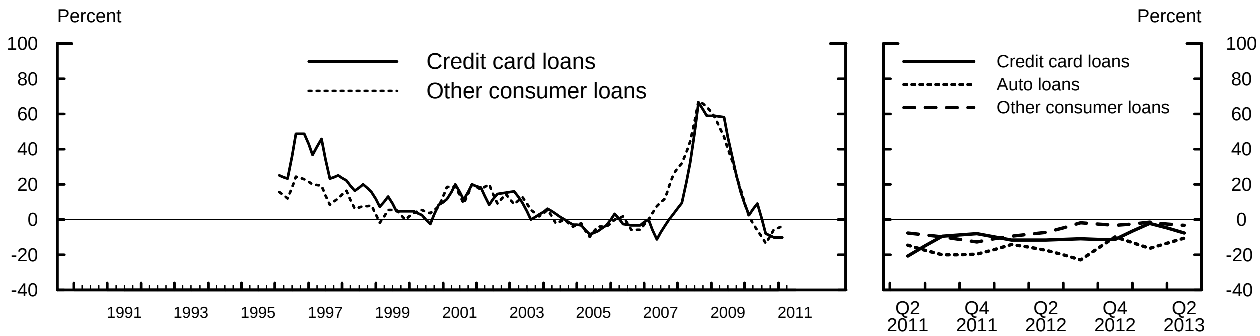
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



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 three or fewer.

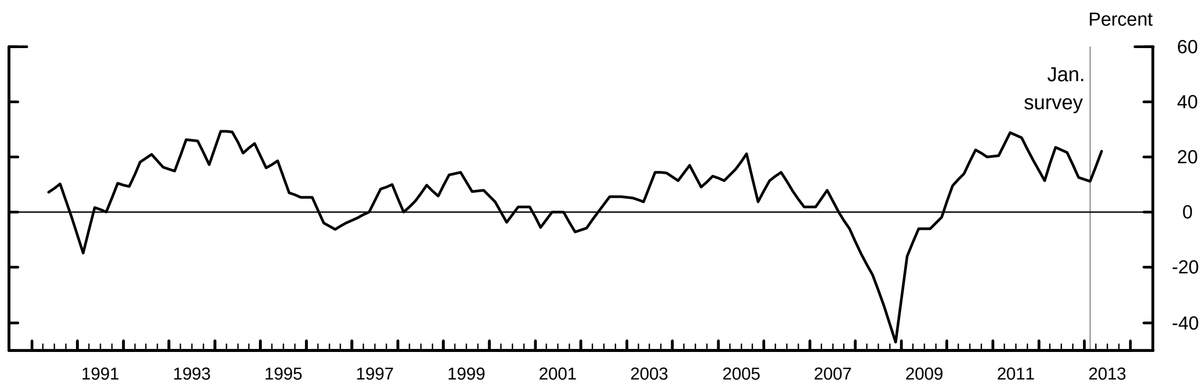
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

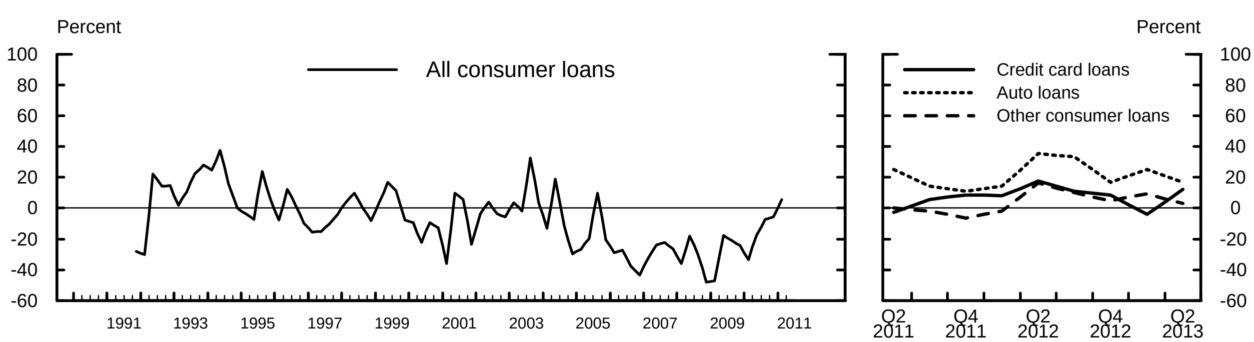


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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



Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans



Note: For data starting in 2011:Q2, changes in demand for credit card loans, auto loans, and consumer loans excluding credit card and auto loans are reported separately.

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 April 2013)

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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	55	80.9	30	81.1	25	80.6
Eased somewhat	13	19.1	7	18.9	6	19.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	37	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	76.9	27	79.4	23	74.2
Eased somewhat	15	23.1	7	20.6	8	25.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	65	100.0	34	100.0	31	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	1	1.5	1	2.7	0	0.0
Remained basically unchanged	56	82.4	28	75.7	28	90.3
Eased somewhat	11	16.2	8	21.6	3	9.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	37	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	57	83.8	32	86.5	25	80.6
Eased somewhat	10	14.7	4	10.8	6	19.4
Eased considerably	1	1.5	1	2.7	0	0.0
Total	68	100.0	37	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	44	64.7	23	62.2	21	67.7
Eased somewhat	23	33.8	14	37.8	9	29.0
Eased considerably	1	1.5	0	0.0	1	3.2
Total	68	100.0	37	100.0	31	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	1	1.5	0	0.0	1	3.2
Remained basically unchanged	23	33.8	13	35.1	10	32.3
Eased somewhat	42	61.8	22	59.5	20	64.5
Eased considerably	2	2.9	2	5.4	0	0.0
Total	68	100.0	37	100.0	31	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	2	2.9	0	0.0	2	6.5
Remained basically unchanged	51	75.0	23	62.2	28	90.3
Eased somewhat	14	20.6	13	35.1	1	3.2
Eased considerably	1	1.5	1	2.7	0	0.0
Total	68	100.0	37	100.0	31	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	1	1.5	0	0.0	1	3.2
Remained basically unchanged	45	66.2	19	51.4	26	83.9
Eased somewhat	22	32.4	18	48.6	4	12.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	37	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	65	95.6	35	94.6	30	96.8
Eased somewhat	3	4.4	2	5.4	1	3.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	37	100.0	31	100.0

h. Use of interest rate floors (more use=tightened, less use=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	1.5	0	0.0	1	3.3
Remained basically unchanged	39	59.1	25	69.4	14	46.7
Eased somewhat	19	28.8	10	27.8	9	30.0
Eased considerably	7	10.6	1	2.8	6	20.0
Total	66	100.0	36	100.0	30	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	58	90.6	30	90.9	28	90.3
Eased somewhat	6	9.4	3	9.1	3	9.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	33	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	78.1	24	72.7	26	83.9
Eased somewhat	13	20.3	8	24.2	5	16.1
Eased considerably	1	1.6	1	3.0	0	0.0
Total	64	100.0	33	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	46	71.9	25	75.8	21	67.7
Eased somewhat	18	28.1	8	24.2	10	32.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	33	100.0	31	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	1	1.6	0	0.0	1	3.2
Remained basically unchanged	25	39.1	14	42.4	11	35.5
Eased somewhat	36	56.3	17	51.5	19	61.3
Eased considerably	2	3.1	2	6.1	0	0.0
Total	64	100.0	33	100.0	31	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	2	3.1	0	0.0	2	6.5
Remained basically unchanged	52	81.3	25	75.8	27	87.1
Eased somewhat	10	15.6	8	24.2	2	6.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	33	100.0	31	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	1	1.6	0	0.0	1	3.2
Remained basically unchanged	53	82.8	25	75.8	28	90.3
Eased somewhat	9	14.1	7	21.2	2	6.5
Eased considerably	1	1.6	1	3.0	0	0.0
Total	64	100.0	33	100.0	31	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	61	95.3	31	93.9	30	96.8
Eased somewhat	3	4.7	2	6.1	1	3.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	33	100.0	31	100.0

h. Use of interest rate floors (more use=tightened, less use=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	1.6	0	0.0	1	3.3
Remained basically unchanged	38	61.3	24	75.0	14	46.7
Eased somewhat	16	25.8	7	21.9	9	30.0
Eased considerably	7	11.3	1	3.1	6	20.0
Total	62	100.0	32	100.0	30	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	2	100.0	0	--	2	100.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	0	0.0	0	--	0	0.0
Total	2	100.0	0	--	2	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	50.0	0	--	1	50.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	1	50.0	0	--	1	50.0
Total	2	100.0	0	--	2	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	1	50.0	0	--	1	50.0
Somewhat important	1	50.0	0	--	1	50.0
Very important	0	0.0	0	--	0	0.0
Total	2	100.0	0	--	2	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	2	100.0	0	--	2	100.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	0	0.0	0	--	0	0.0
Total	2	100.0	0	--	2	100.0

e. Reduced tolerance for risk

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

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

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

h. 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	1	50.0	0	--	1	50.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	1	50.0	0	--	1	50.0
Total	2	100.0	0	--	2	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	43	91.5	24	88.9	19	95.0
Somewhat important	4	8.5	3	11.1	1	5.0
Very important	0	0.0	0	0.0	0	0.0
Total	47	100.0	27	100.0	20	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	30	62.5	19	67.9	11	55.0
Somewhat important	15	31.3	9	32.1	6	30.0
Very important	3	6.3	0	0.0	3	15.0
Total	48	100.0	28	100.0	20	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	41	85.4	26	92.9	15	75.0
Somewhat important	6	12.5	2	7.1	4	20.0
Very important	1	2.1	0	0.0	1	5.0
Total	48	100.0	28	100.0	20	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	1	2.0	1	3.4	0	0.0
Somewhat important	21	42.0	9	31.0	12	57.1
Very important	28	56.0	19	65.5	9	42.9
Total	50	100.0	29	100.0	21	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	38	80.9	21	77.8	17	85.0
Somewhat important	8	17.0	6	22.2	2	10.0
Very important	1	2.1	0	0.0	1	5.0
Total	47	100.0	27	100.0	20	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	39	83.0	21	77.8	18	90.0
Somewhat important	7	14.9	5	18.5	2	10.0
Very important	1	2.1	1	3.7	0	0.0
Total	47	100.0	27	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	41	89.1	25	96.2	16	80.0
Somewhat important	3	6.5	1	3.8	2	10.0
Very important	2	4.3	0	0.0	2	10.0
Total	46	100.0	26	100.0	20	100.0

h. 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	45	93.8	26	92.9	19	95.0
Somewhat important	2	4.2	1	3.6	1	5.0
Very important	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	16	23.5	5	13.5	11	35.5
About the same	40	58.8	20	54.1	20	64.5
Moderately weaker	11	16.2	11	29.7	0	0.0
Substantially weaker	1	1.5	1	2.7	0	0.0
Total	68	100.0	37	100.0	31	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	14	21.5	2	5.9	12	38.7
About the same	42	64.6	24	70.6	18	58.1
Moderately weaker	9	13.8	8	23.5	1	3.2
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	65	100.0	34	100.0	31	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	5	27.8	3	50.0	2	16.7
Somewhat important	13	72.2	3	50.0	10	83.3
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	6	100.0	12	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	16.7	1	16.7	2	16.7
Somewhat important	14	77.8	5	83.3	9	75.0
Very important	1	5.6	0	0.0	1	8.3
Total	18	100.0	6	100.0	12	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	11.1	1	16.7	1	8.3
Somewhat important	16	88.9	5	83.3	11	91.7
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	6	100.0	12	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	13	76.5	4	66.7	9	81.8
Somewhat important	3	17.6	2	33.3	1	9.1
Very important	1	5.9	0	0.0	1	9.1
Total	17	100.0	6	100.0	11	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	9	52.9	3	50.0	6	54.5
Somewhat important	8	47.1	3	50.0	5	45.5
Very important	0	0.0	0	0.0	0	0.0
Total	17	100.0	6	100.0	11	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	9	52.9	4	66.7	5	45.5
Somewhat important	6	35.3	1	16.7	5	45.5
Very important	2	11.8	1	16.7	1	9.1
Total	17	100.0	6	100.0	11	100.0

g. Customers' precautionary demand for cash and liquidity increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	15	88.2	5	83.3	10	90.9
Somewhat important	2	11.8	1	16.7	1	9.1
Very important	0	0.0	0	0.0	0	0.0
Total	17	100.0	6	100.0	11	100.0

h. Customers transitioned from commercial real estate loans to C&I loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	15	93.8	5	100.0	10	90.9
Somewhat important	1	6.3	0	0.0	1	9.1
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	5	100.0	11	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	5	38.5	4	33.3	1	100.0
Somewhat important	7	53.8	7	58.3	0	0.0
Very important	1	7.7	1	8.3	0	0.0
Total	13	100.0	12	100.0	1	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	38.5	4	33.3	1	100.0
Somewhat important	7	53.8	7	58.3	0	0.0
Very important	1	7.7	1	8.3	0	0.0
Total	13	100.0	12	100.0	1	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	30.8	4	33.3	0	0.0
Somewhat important	7	53.8	6	50.0	1	100.0
Very important	2	15.4	2	16.7	0	0.0
Total	13	100.0	12	100.0	1	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	46.2	5	41.7	1	100.0
Somewhat important	5	38.5	5	41.7	0	0.0
Very important	2	15.4	2	16.7	0	0.0
Total	13	100.0	12	100.0	1	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	46.2	5	41.7	1	100.0
Somewhat important	3	23.1	3	25.0	0	0.0
Very important	4	30.8	4	33.3	0	0.0
Total	13	100.0	12	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	46.2	6	50.0	0	0.0
Somewhat important	6	46.2	5	41.7	1	100.0
Very important	1	7.7	1	8.3	0	0.0
Total	13	100.0	12	100.0	1	100.0

g. Customers' precautionary demand for cash and liquidity decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	10	76.9	9	75.0	1	100.0
Somewhat important	3	23.1	3	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100.0	12	100.0	1	100.0

h. Customers transitioned from C&I loans to commercial real estate loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	12	92.3	11	91.7	1	100.0
Somewhat important	1	7.7	1	8.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100.0	12	100.0	1	100.0

6. At your bank, apart from seasonal variation, 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	0	0.0	0	0.0	0	0.0
The number of inquiries has increased moderately	16	23.9	4	10.8	12	40.0
The number of inquiries has stayed about the same	39	58.2	22	59.5	17	56.7
The number of inquiries has decreased moderately	12	17.9	11	29.7	1	3.3
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	67	100.0	37	100.0	30	100.0

The ongoing fiscal and financial strains in Europe may have affected lending conditions and funding options for banks headquartered in Europe and their affiliates and subsidiaries. ***Question 7*** *addresses changes in your bank's lending policies toward these banking organizations over the past three months.* ***Question 8*** *addresses changes in these organizations' demand for funding from U.S. banks.* ***Question 9*** *asks about changes in business at your bank as a result of increased or decreased competition from European banks and their affiliates and subsidiaries.*

In answering these questions, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines to banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	.
Tightened somewhat	0	0.0	0	0.0	0	.
Remained basically unchanged	20	100.0	20	100.0	0	.
Eased somewhat	0	0.0	0	0.0	0	.
Eased considerably	0	0.0	0	0.0	0	.
Total	20	100.0	20	100.0	0	.

For this question, 44 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	.
Moderately stronger	1	5.0	1	5.0	0	.
About the same	19	95.0	19	95.0	0	.
Moderately weaker	0	0.0	0	0.0	0	.
Substantially weaker	0	0.0	0	0.0	0	.
Total	20	100.0	20	100.0	0	.

For this question, 44 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

9. Over the past three months, to what extent has your bank experienced an increase or decrease in business, with either foreign or domestic customers, as a result of increased or decreased competition from European banks and their affiliates and subsidiaries?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank does not compete with European banks for our business	32	55.2	9	29.0	23	85.2
My bank has experienced an increase in competition from European banks	2	3.4	2	6.5	0	0.0
My bank has experienced a decrease in competition from European banks, but such decreased competition has not appreciably increased my bank's business	16	27.6	13	41.9	3	11.1
My bank has experienced a decrease in competition from European banks, and such decreased competition has increased my bank's business to some extent	8	13.8	7	22.6	1	3.7
My bank has experienced a decrease in competition from European banks, and such decreased competition has increased my bank's business to a considerable extent	0	0.0	0	0.0	0	0.0
Total	58	100.0	31	100.0	27	100.0

For this question, 5 respondents answered “Other (please specify).”

Questions 10-11 *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 10 deals with changes in your bank's standards over the past three months. Question 11 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.*

10. 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	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.5	1	2.8	0	0.0
Remained basically unchanged	51	76.1	26	72.2	25	80.6
Eased somewhat	15	22.4	9	25.0	6	19.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100.0	36	100.0	31	100.0

11. 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	27	40.3	13	36.1	14	45.2
About the same	40	59.7	23	63.9	17	54.8
Moderately weaker	0	0.0	0	0.0	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	67	100.0	36	100.0	31	100.0

Questions 12-13 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 12 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 13 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.*

12. 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	1	1.6	0	0.0	1	3.3
Remained basically unchanged	57	89.1	29	85.3	28	93.3
Eased somewhat	6	9.4	5	14.7	1	3.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	34	100.0	30	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	30	100.0	20	100.0	10	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	30	100.0	20	100.0	10	100.0

For this question, 35 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	16.7	0	0.0	1	25.0
Remained basically unchanged	5	83.3	2	100.0	3	75.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	100.0

For this question, 59 respondents answered “My bank does not originate subprime residential mortgages.”

13. 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	1	1.6	1	2.9	0	0.0
Moderately stronger	28	43.8	13	38.2	15	50.0
About the same	31	48.4	16	47.1	15	50.0
Moderately weaker	4	6.3	4	11.8	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	64	100.0	34	100.0	30	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	4	13.3	2	10.0	2	20.0
About the same	22	73.3	14	70.0	8	80.0
Moderately weaker	4	13.3	4	20.0	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	30	100.0	20	100.0	10	100.0

For this question, 35 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	1	16.7	0	0.0	1	25.0
About the same	5	83.3	2	100.0	3	75.0
Moderately weaker	0	0.0	0	0.0	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	100.0

For this question, 59 respondents answered “My bank does not originate subprime residential mortgages.”

Questions 14-15 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 14 deals with changes in your bank's credit standards over the past three months. Question 15 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.*

14. 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	2	3.1	0	0.0	2	6.7
Remained basically unchanged	59	90.8	33	94.3	26	86.7
Eased somewhat	4	6.2	2	5.7	2	6.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	65	100.0	35	100.0	30	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	7.7	3	8.6	2	6.7
About the same	46	70.8	22	62.9	24	80.0
Moderately weaker	14	21.5	10	28.6	4	13.3
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	65	100.0	35	100.0	30	100.0

The following special questions ask about residential real estate lending policies at your institution. ***Questions 16-17*** *ask you to compare your current policies in approving applications for GSE-eligible and FHA-eligible home purchase loans relative to those policies that prevailed last year.* ***Questions 18-19*** *ask about factors that may be affecting your bank's current willingness to approve residential real estate applications for home purchase loans and how those factors changed over the last year.* ***Question 20*** *asks about how you anticipate your bank's holding of residential real estate assets will change over the next year.*

16. For each of the following questions, indicate how much more or less likely it currently is, compared with a year ago, that your bank would approve an application for a 30-year fixed-rate GSE-eligible home purchase mortgage loan to a borrower with the stated FICO score (or equivalent) and down payment. In each case, assume that all other characteristics of the borrower and the property are typical for loan applications that are eligible for sale to the GSEs with that FICO score (or equivalent) and down payment. (Please assign each borrower category a number between 1 and 5 using the following scale: 1=much less likely, 2=somewhat less likely, 3=about the same, 4=somewhat more likely, 5=much more likely.)

a. A borrower with a FICO score (or equivalent) of 620 and a down payment of 10 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	9	15.0	2	6.1	7	25.9
Somewhat less likely	7	11.7	4	12.1	3	11.1
About the same	43	71.7	27	81.8	16	59.3
Somewhat more likely	1	1.7	0	0.0	1	3.7
Much more likely	0	0.0	0	0.0	0	0.0
Total	60	100.0	33	100.0	27	100.0

b. A borrower with a FICO score (or equivalent) of 680 and a down payment of 10 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	4	6.6	2	6.1	2	7.1
Somewhat less likely	4	6.6	1	3.0	3	10.7
About the same	49	80.3	28	84.8	21	75.0
Somewhat more likely	3	4.9	2	6.1	1	3.6
Much more likely	1	1.6	0	0.0	1	3.6
Total	61	100.0	33	100.0	28	100.0

c. A borrower with a FICO score (or equivalent) of 720 and a down payment of 10 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	0	0.0	0	0.0	0	0.0
Somewhat less likely	0	0.0	0	0.0	0	0.0
About the same	57	93.4	32	97.0	25	89.3
Somewhat more likely	3	4.9	1	3.0	2	7.1
Much more likely	1	1.6	0	0.0	1	3.6
Total	61	100.0	33	100.0	28	100.0

d. A borrower with a FICO score (or equivalent) of 620 and a down payment of 20 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	4	6.5	2	6.1	2	6.9
Somewhat less likely	5	8.1	1	3.0	4	13.8
About the same	50	80.6	30	90.9	20	69.0
Somewhat more likely	3	4.8	0	0.0	3	10.3
Much more likely	0	0.0	0	0.0	0	0.0
Total	62	100.0	33	100.0	29	100.0

e. A borrower with a FICO score (or equivalent) of 680 and a down payment of 20 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	0	0.0	0	0.0	0	0.0
Somewhat less likely	4	6.5	1	3.0	3	10.3
About the same	50	80.6	28	84.8	22	75.9
Somewhat more likely	6	9.7	3	9.1	3	10.3
Much more likely	2	3.2	1	3.0	1	3.4
Total	62	100.0	33	100.0	29	100.0

f. A borrower with a FICO score (or equivalent) of 720 and a down payment of 20 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	0	0.0	0	0.0	0	0.0
Somewhat less likely	1	1.6	0	0.0	1	3.4
About the same	52	83.9	27	81.8	25	86.2
Somewhat more likely	6	9.7	4	12.1	2	6.9
Much more likely	3	4.8	2	6.1	1	3.4
Total	62	100.0	33	100.0	29	100.0

17. For each of the following questions, indicate how much more or less likely it currently is, compared with a year ago, that your bank would approve an application for a 30-year fixed-rate FHA home purchase mortgage loan to a borrower with the stated FICO score (or equivalent). In each case, assume that the borrower provides a 3.5 percent down payment and that all other characteristics of the borrower and the property are typical for loan applications that are eligible for FHA insurance with that FICO score or equivalent. (Please assign each borrower category a number between 1 and 5 using the following scale: 1=much less likely, 2=somewhat less likely, 3=about the same, 4=somewhat more likely, 5=much more likely.)

a. A borrower with a FICO score (or equivalent) of 580

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	11	20.0	1	3.4	10	38.5
Somewhat less likely	7	12.7	3	10.3	4	15.4
About the same	36	65.5	24	82.8	12	46.2
Somewhat more likely	1	1.8	1	3.4	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	55	100.0	29	100.0	26	100.0

b. A borrower with a FICO score (or equivalent) of 620

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	10	18.2	4	13.8	6	23.1
Somewhat less likely	7	12.7	2	6.9	5	19.2
About the same	38	69.1	23	79.3	15	57.7
Somewhat more likely	0	0.0	0	0.0	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	55	100.0	29	100.0	26	100.0

c. A borrower with a FICO score (or equivalent) of 660

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	1	1.7	0	0.0	1	3.7
Somewhat less likely	4	6.9	1	3.2	3	11.1
About the same	50	86.2	29	93.5	21	77.8
Somewhat more likely	3	5.2	1	3.2	2	7.4
Much more likely	0	0.0	0	0.0	0	0.0
Total	58	100.0	31	100.0	27	100.0

18. Now considering both conforming and nonconforming home purchase loans, please indicate how important each of the following factors currently is in restraining your bank's willingness or ability to approve such loans. A wide variety of factors are listed, some of which may not be applicable to your bank. (Please assign each factor a number between 1 and 5 using the following scale: 1=not important, 2=somewhat important, 3=very important, 4=the most important factor, 5=not applicable.)

a. Periods of high volume of loan applications exceed capacity to process applications and complete timely and accurate appraisals and underwriting

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	27	46.6	11	34.4	16	61.5
Somewhat important	17	29.3	10	31.3	7	26.9
Very important	11	19.0	8	25.0	3	11.5
The most important factor	3	5.2	3	9.4	0	0.0
Total	58	100.0	32	100.0	26	100.0

For this question, 4 respondents answered “Not applicable.”

b. Balance sheet or warehousing capacity (capital considerations)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	35	61.4	17	51.5	18	75.0
Somewhat important	12	21.1	8	24.2	4	16.7
Very important	9	15.8	7	21.2	2	8.3
The most important factor	1	1.8	1	3.0	0	0.0
Total	57	100.0	33	100.0	24	100.0

For this question, 5 respondents answered “Not applicable.”

c. Servicing costs if mortgage were to become delinquent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	31	52.5	16	48.5	15	57.7
Somewhat important	20	33.9	12	36.4	8	30.8
Very important	8	13.6	5	15.2	3	11.5
The most important factor	0	0.0	0	0.0	0	0.0
Total	59	100.0	33	100.0	26	100.0

For this question, 3 respondents answered “Not applicable.”

d. Risk of putback of delinquent mortgages by the GSEs

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	15	25.9	7	23.3	8	28.6
Somewhat important	16	27.6	9	30.0	7	25.0
Very important	22	37.9	11	36.7	11	39.3
The most important factor	5	8.6	3	10.0	2	7.1
Total	58	100.0	30	100.0	28	100.0

For this question, 4 respondents answered “Not applicable.”

e. Guarantee fees charged by the GSEs

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	25	46.3	13	44.8	12	48.0
Somewhat important	22	40.7	12	41.4	10	40.0
Very important	6	11.1	3	10.3	3	12.0
The most important factor	1	1.9	1	3.4	0	0.0
Total	54	100.0	29	100.0	25	100.0

For this question, 7 respondents answered “Not applicable.”

f. Investor appetite for private label securitizations

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	18	40.9	11	44.0	7	36.8
Somewhat important	15	34.1	8	32.0	7	36.8
Very important	9	20.5	5	20.0	4	21.1
The most important factor	2	4.5	1	4.0	1	5.3
Total	44	100.0	25	100.0	19	100.0

For this question, 18 respondents answered “Not applicable.”

g. Borrowers' ability to obtain mortgage insurance or obtain simultaneous second liens from your bank or other lenders

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	17	28.3	11	33.3	6	22.2
Somewhat important	20	33.3	8	24.2	12	44.4
Very important	21	35.0	14	42.4	7	25.9
The most important factor	2	3.3	0	0.0	2	7.4
Total	60	100.0	33	100.0	27	100.0

For this question, 2 respondents answered “Not applicable.”

h. Outlook for house prices and economic activity

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	17	27.9	8	24.2	9	32.1
Somewhat important	24	39.3	14	42.4	10	35.7
Very important	12	19.7	6	18.2	6	21.4
The most important factor	8	13.1	5	15.2	3	10.7
Total	61	100.0	33	100.0	28	100.0

For this question, 1 respondent answered “Not applicable.”

i. Risk-adjusted profitability of residential mortgage business relative to other possible uses of funds

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	13	21.7	5	15.6	8	28.6
Somewhat important	23	38.3	12	37.5	11	39.3
Very important	20	33.3	12	37.5	8	28.6
The most important factor	4	6.7	3	9.4	1	3.6
Total	60	100.0	32	100.0	28	100.0

For this question, 2 respondents answered “Not applicable.”

j. Other factor(s) (please explain)

	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	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
The most important factor	3	100.0	2	100.0	1	100.0
Total	3	100.0	2	100.0	1	100.0

For this question, 7 respondents answered “Not applicable.”

19. Still considering both conforming and nonconforming home purchase loans, please indicate how the following factors regarding your bank's willingness or ability to approve such loans have changed over the last year. (Please assign each possible factor a number between 1 and 6 using the following scale: 1=importance increased considerably, 2=importance increased somewhat, 3=importance remained basically unchanged, 4=importance decreased somewhat, 5=importance decreased considerably, 6=not applicable.)

a. Periods of high volume of loan applications exceed capacity to process applications and complete timely and accurate appraisals and underwriting

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Importance increased considerably	5	9.1	2	6.5	3	12.5
Importance increased somewhat	13	23.6	9	29.0	4	16.7
Importance remained basically unchanged	33	60.0	18	58.1	15	62.5
Importance decreased somewhat	4	7.3	2	6.5	2	8.3
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	31	100.0	24	100.0

For this question, 7 respondents answered “Not applicable.”

b. Balance sheet or warehousing capacity (capital considerations)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Importance increased considerably	3	5.8	3	9.7	0	0.0
Importance increased somewhat	7	13.5	5	16.1	2	9.5
Importance remained basically unchanged	41	78.8	23	74.2	18	85.7
Importance decreased somewhat	1	1.9	0	0.0	1	4.8
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	31	100.0	21	100.0

For this question, 10 respondents answered “Not applicable.”

c. Servicing costs if mortgage were to become delinquent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	2	3.6	0	0.0	2	8.3
Importance increased somewhat	10	18.2	7	22.6	3	12.5
Importance remained basically unchanged	43	78.2	24	77.4	19	79.2
Importance decreased somewhat	0	0.0	0	0.0	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	31	100.0	24	100.0

For this question, 7 respondents answered “Not applicable.”

d. Risk of putback of delinquent mortgages by the GSEs

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	7	13.0	5	17.9	2	7.7
Importance increased somewhat	15	27.8	5	17.9	10	38.5
Importance remained basically unchanged	31	57.4	17	60.7	14	53.8
Importance decreased somewhat	1	1.9	1	3.6	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	28	100.0	26	100.0

For this question, 8 respondents answered “Not applicable.”

e. Guarantee fees charged by the GSEs

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	2	3.9	1	3.7	1	4.2
Importance increased somewhat	12	23.5	6	22.2	6	25.0
Importance remained basically unchanged	37	72.5	20	74.1	17	70.8
Importance decreased somewhat	0	0.0	0	0.0	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	100.0

For this question, 11 respondents answered “Not applicable.”

f. Investor appetite for private label securitizations

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	0	0.0	0	0.0	0	0.0
Importance increased somewhat	5	11.9	2	8.3	3	16.7
Importance remained basically unchanged	37	88.1	22	91.7	15	83.3
Importance decreased somewhat	0	0.0	0	0.0	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	42	100.0	24	100.0	18	100.0

For this question, 20 respondents answered “Not applicable.”

g. Borrowers' ability to obtain mortgage insurance or obtain simultaneous second liens from your bank or other lenders

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	1	1.6	1	3.0	0	0.0
Importance increased somewhat	12	19.7	6	18.2	6	21.4
Importance remained basically unchanged	48	78.7	26	78.8	22	78.6
Importance decreased somewhat	0	0.0	0	0.0	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	61	100.0	33	100.0	28	100.0

For this question, 1 respondent answered “Not applicable.”

h. Outlook for house prices and economic activity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	1	1.7	0	0.0	1	3.8
Importance increased somewhat	16	27.1	8	24.2	8	30.8
Importance remained basically unchanged	37	62.7	20	60.6	17	65.4
Importance decreased somewhat	5	8.5	5	15.2	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	59	100.0	33	100.0	26	100.0

For this question, 3 respondents answered “Not applicable.”

i. Risk-adjusted profitability of residential mortgage business relative to other possible uses of funds

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	4	6.9	2	6.3	2	7.7
Importance increased somewhat	19	32.8	11	34.4	8	30.8
Importance remained basically unchanged	35	60.3	19	59.4	16	61.5
Importance decreased somewhat	0	0.0	0	0.0	0	0.0
Importance decreased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	32	100.0	26	100.0

For this question, 4 respondents answered “Not applicable.”

j. Other factor(s) (please explain)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Importance increased considerably	0	.	0	.	0	.
Importance increased somewhat	0	.	0	.	0	.
Importance remained basically unchanged	0	.	0	.	0	.
Importance decreased somewhat	0	.	0	.	0	.
Importance decreased considerably	0	.	0	.	0	.
Total	0	.	0	.	0	.

For this question, 6 respondents answered “Not applicable.”

20. How do you anticipate your bank will change its holdings of residential real estate assets (loans and other assets secured by residential real estate) over the next year?

A. Residential real estate loans held on balance sheet

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank will reduce its holdings substantially	3	4.7	2	5.9	1	3.3
My bank will reduce its holdings somewhat	10	15.6	7	20.6	3	10.0
My bank will keep its holdings about the same	21	32.8	9	26.5	12	40.0
My bank will increase its holdings somewhat	29	45.3	15	44.1	14	46.7
My bank will increase its holdings substantially	1	1.6	1	2.9	0	0.0
Total	64	100.0	34	100.0	30	100.0

B. Agency mortgage-backed securities (issued by the GSEs or guaranteed by GNMA)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank will reduce its holdings substantially	2	3.5	1	3.2	1	3.8
My bank will reduce its holdings somewhat	7	12.3	6	19.4	1	3.8
My bank will keep its holdings about the same	40	70.2	20	64.5	20	76.9
My bank will increase its holdings somewhat	7	12.3	3	9.7	4	15.4
My bank will increase its holdings substantially	1	1.8	1	3.2	0	0.0
Total	57	100.0	31	100.0	26	100.0

For this question, 5 respondents answered “My bank does not hold this type of asset.”

C. Residential mortgage-backed securities (private-label securitization)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank will reduce its holdings substantially	1	2.5	1	4.2	0	0.0
My bank will reduce its holdings somewhat	9	22.5	6	25.0	3	18.8
My bank will keep its holdings about the same	28	70.0	16	66.7	12	75.0
My bank will increase its holdings somewhat	2	5.0	1	4.2	1	6.3
My bank will increase its holdings substantially	0	0.0	0	0.0	0	0.0
Total	40	100.0	24	100.0	16	100.0

For this question, 22 respondents answered “My bank does not hold this type of asset.”

D. Total residential real estate assets (your bank's holdings of loans, agency MBS, and RMBS, taken together).

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank will reduce its holdings substantially	1	1.6	0	0.0	1	3.6
My bank will reduce its holdings somewhat	11	18.0	9	27.3	2	7.1
My bank will keep its holdings about the same	26	42.6	11	33.3	15	53.6
My bank will increase its holdings somewhat	22	36.1	12	36.4	10	35.7
My bank will increase its holdings substantially	1	1.6	1	3.0	0	0.0
Total	61	100.0	33	100.0	28	100.0

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

Questions 21-30 *ask about consumer lending at your bank. Question 21 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 22-27 deal with changes in credit standards and loan terms over the same period. Questions 28-30deal 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.*

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	0	0.0	0	0.0	0	0.0
Somewhat more willing	14	22.2	6	18.2	8	26.7
About unchanged	49	77.8	27	81.8	22	73.3
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	63	100.0	33	100.0	30	100.0

22. 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	92.6	28	93.3	22	91.7
Eased somewhat	4	7.4	2	6.7	2	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	30	100.0	24	100.0

23. Over the past three months, how have your bank's credit standards for approving applications for auto loans to individuals or households changed? (Please include loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use, whether new or used. Please exclude loans to finance fleet sales, personal cash loans secured by automobiles already paid for, loans to finance the purchase of commercial vehicles and farm equipment, and lease financing.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.7	1	3.3	0	0.0
Remained basically unchanged	50	86.2	24	80.0	26	92.9
Eased somewhat	7	12.1	5	16.7	2	7.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	30	100.0	28	100.0

24. Over the past three months, how have your bank's credit standards for approving applications for consumer loans other than credit card and auto 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	61	96.8	32	97.0	29	96.7
Eased somewhat	2	3.2	1	3.0	1	3.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	33	100.0	30	100.0

25. 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	1	2.1	0	0.0	1	4.8
Remained basically unchanged	41	85.4	24	88.9	17	81.0
Eased somewhat	5	10.4	2	7.4	3	14.3
Eased considerably	1	2.1	1	3.7	0	0.0
Total	48	100.0	27	100.0	21	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.1	1	3.7	0	0.0
Remained basically unchanged	44	91.7	24	88.9	20	95.2
Eased somewhat	3	6.3	2	7.4	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	27	100.0	21	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	47	97.9	26	96.3	21	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	2.1	1	3.7	0	0.0
Total	48	100.0	27	100.0	21	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	2.1	0	0.0	1	4.8
Remained basically unchanged	43	89.6	25	92.6	18	85.7
Eased somewhat	4	8.3	2	7.4	2	9.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	27	100.0	21	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	2.1	0	0.0	1	4.8
Remained basically unchanged	43	89.6	24	88.9	19	90.5
Eased somewhat	4	8.3	3	11.1	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	27	100.0	21	100.0

26. Over the past three months, how has your bank changed the following terms and conditions on loans to individuals or households to purchase autos?

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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	86.2	23	76.7	27	96.4
Eased somewhat	7	12.1	6	20.0	1	3.6
Eased considerably	1	1.7	1	3.3	0	0.0
Total	58	100.0	30	100.0	28	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	5.2	3	10.0	0	0.0
Remained basically unchanged	40	69.0	22	73.3	18	64.3
Eased somewhat	13	22.4	4	13.3	9	32.1
Eased considerably	2	3.4	1	3.3	1	3.6
Total	58	100.0	30	100.0	28	100.0

c. Minimum required down payment (higher=tightened, lower=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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	54	93.1	28	93.3	26	92.9
Eased somewhat	4	6.9	2	6.7	2	7.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	30	100.0	28	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	1.7	1	3.3	0	0.0
Remained basically unchanged	54	93.1	28	93.3	26	92.9
Eased somewhat	3	5.2	1	3.3	2	7.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	30	100.0	28	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	2	3.4	1	3.3	1	3.6
Remained basically unchanged	53	91.4	26	86.7	27	96.4
Eased somewhat	3	5.2	3	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	30	100.0	28	100.0

27. Over the past three months, how has your bank changed the following terms and conditions on consumer loans *other than* credit card and auto 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	63	100.0	34	100.0	29	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	63	100.0	34	100.0	29	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	1	1.6	1	2.9	0	0.0
Remained basically unchanged	54	85.7	30	88.2	24	82.8
Eased somewhat	8	12.7	3	8.8	5	17.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	34	100.0	29	100.0

c. Minimum required down payment (higher=tightened, lower=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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	61	96.8	32	94.1	29	100.0
Eased somewhat	2	3.2	2	5.9	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	34	100.0	29	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	62	98.4	33	97.1	29	100.0
Eased somewhat	1	1.6	1	2.9	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	34	100.0	29	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	62	98.4	33	97.1	29	100.0
Eased somewhat	1	1.6	1	2.9	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	34	100.0	29	100.0

28. Apart from normal seasonal variation, how has demand from individuals or households for credit card 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	9	18.0	5	17.2	4	19.0
About the same	38	76.0	22	75.9	16	76.2
Moderately weaker	3	6.0	2	6.9	1	4.8
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	50	100.0	29	100.0	21	100.0

29. Apart from normal seasonal variation, how has demand from individuals or households for auto 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	16	26.7	7	22.6	9	31.0
About the same	39	65.0	22	71.0	17	58.6
Moderately weaker	5	8.3	2	6.5	3	10.3
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	60	100.0	31	100.0	29	100.0

30. Apart from normal seasonal variation, how has demand from individuals or households for consumer loans other than credit card and auto 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	8	12.5	3	8.8	5	16.7
About the same	50	78.1	27	79.4	23	76.7
Moderately weaker	6	9.4	4	11.8	2	6.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	64	100.0	34	100.0	30	100.0

Questions 31-32 *ask about lending policies at your institution for private student loans. Question 31 asks you to compare your current policies on approving applications for private student loans compared to those policies a year ago. Question 32 asks about your bank's anticipated holdings of private student loans over the next year.*

31. For applications for private student loans that your bank currently is willing to approve, how have your bank's terms and policies on those loans changed over the past year? (Please assign each term a number between 1 and 5 using the following scale: 1=tightened considerably, 2=tightened somewhat, 3=remained basically unchanged, 4=eased somewhat, 5=eased considerably.)

a. Maximum maturity of loans (shorter maturity=tightened; longer maturity=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	9.1	1	16.7	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	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	11	100.0	6	100.0	5	100.0

b. Spreads of loan rates over my 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	100.0
Eased somewhat	1	9.1	1	16.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	11	100.0	6	100.0	5	100.0

c. Premiums charged on riskier loans (higher premiums=tightened; lower premiums=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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	11	100.0	6	100.0	5	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	11	100.0	6	100.0	5	100.0

d. Policies on a loan for a student attending a for-profit school

	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	9.1	1	16.7	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	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	11	100.0	6	100.0	5	100.0

e. Policies on a loan for a student attending a trade school

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	9.1	1	16.7	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	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	11	100.0	6	100.0	5	100.0

f. The student's current employment status (greater importance of being employed=tightened; less importance of being employed=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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	11	100.0	6	100.0	5	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	11	100.0	6	100.0	5	100.0

g. Student loan default record of the school that will provide the education (more favorable default record=tightened; less favorable default record=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	9.1	1	16.7	0	0.0
Remained basically unchanged	8	72.7	3	50.0	5	100.0
Eased somewhat	1	9.1	1	16.7	0	0.0
Eased considerably	1	9.1	1	16.7	0	0.0
Total	11	100.0	6	100.0	5	100.0

h. Required FICO score of the student (higher score=tightened; lower 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	100.0
Eased somewhat	1	9.1	1	16.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	11	100.0	6	100.0	5	100.0

i. Incidence of requiring a co-signer for a student with a given FICO score (more often required=tightened; less often required=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	9.1	1	16.7	0	0.0
Remained basically unchanged	10	90.9	5	83.3	5	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	11	100.0	6	100.0	5	100.0

32. How do you anticipate your bank will change its holdings of private student loans over the next year?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
My bank will reduce its holdings substantially	1	7.1	1	11.1	0	0.0
My bank will reduce its holdings somewhat	3	21.4	3	33.3	0	0.0
My bank will keep its holdings about the same	7	50.0	2	22.2	5	100.0
My bank will increase its holdings somewhat	3	21.4	3	33.3	0	0.0
My bank will increase its holdings substantially	0	0.0	0	0.0	0	0.0
Total	14	100.0	9	100.0	5	100.0

For this question, 41 respondents answered “My bank does not hold this type of asset.”

---

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 December 31, 2012. The combined assets of the 37 large banks totaled $8.0 trillion, compared to $8.3 trillion for the entire panel of 68 banks, and $11.7 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 April 2013)

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	0	0.0
Remained basically unchanged	19	90.5
Eased somewhat	2	9.5
Eased considerably	0	0.0
Total	21	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	15	71.4
Eased somewhat	6	28.6
Eased considerably	0	0.0
Total	21	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	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	21	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	81.0
Eased somewhat	4	19.0
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	13	61.9
Eased somewhat	8	38.1
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	16	76.2
Eased somewhat	5	23.8
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	17	81.0
Eased somewhat	4	19.0
Eased considerably	0	0.0
Total	21	100.0

g. Collateralization requirements

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

h. Use of interest rate floors (more use=tightened, less use=eased)

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	18	90.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	20	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	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
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	0	0.0
Somewhat important	1	100.0
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	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	100.0

g. 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

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

	All Respondents	
	Banks	**Percent**
Not important	1	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	1	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	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	2	22.2
Very important	0	0.0
Total	9	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	9	100.0
Somewhat important	0	0.0
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	11.1
Somewhat important	3	33.3
Very important	5	55.6
Total	9	100.0

e. Increased tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	1	11.1
Very important	1	11.1
Total	9	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not important	4	44.4
Somewhat important	3	33.3
Very important	2	22.2
Total	9	100.0

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	9	100.0
Somewhat important	0	0.0
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	0	0.0
Moderately stronger	5	23.8
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	4	80.0
Somewhat important	1	20.0
Very important	0	0.0
Total	5	100.0

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

	All Respondents	
	Banks	**Percent**
Not important	5	100.0
Somewhat important	0	0.0
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	0	0.0
Very important	4	80.0
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	3	60.0
Somewhat important	1	20.0
Very important	1	20.0
Total	5	100.0

g. Customers' precautionary demand for cash and liquidity increased

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

h. Customers transitioned from commercial real estate loans to C&I loans

	All Respondents	
	Banks	**Percent**
Not important	5	100.0
Somewhat important	0	0.0
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	1	50.0
Somewhat important	1	50.0
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	2	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	2	100.0

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

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

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

g. Customers' precautionary demand for cash and liquidity decreased

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

h. Customers transitioned from C&I loans to commercial real estate loans

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

6. At your bank, apart from normal seasonal variation, 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	4	19.0
The number of inquiries has stayed about the same	16	76.2
The number of inquiries has decreased moderately	1	4.8
The number of inquiries has decreased substantially	0	0.0
Total	21	100.0

*The ongoing fiscal and financial strains in Europe may have affected lending conditions and funding options for banks headquartered in Europe and their affiliates and subsidiaries. **Question 7** addresses changes in your bank's lending policies toward these banking organizations over the past three months. **Question 8** addresses changes in these organizations' demand for funding.*

In answering these questions, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines to banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed?

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

For this question, 9 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	1	9.1
About the same	9	81.8
Moderately weaker	1	9.1
Substantially weaker	0	0.0
Total	11	100.0

For this question, 9 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

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	0	0.0
Remained basically unchanged	14	93.3
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	15	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	6.7
Moderately stronger	3	20.0
About the same	11	73.3
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	15	100.0

---

1. As of December 31, 2012, the 21 respondents had combined assets of $1.0 trillion, compared to $2.1 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.