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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the October 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 October 2013 Senior Loan Officer Opinion Survey on Bank Lending Practices

The October 2013 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months. Domestic banks, on balance, reported having eased their lending standards and having experienced little change in loan demand, on average, over the past three months. The survey contained two sets of special questions. Motivated by the increase in long-term interest rates since the spring, the first set of questions asked banks to describe whether they had experienced changes in the volume of applications for residential mortgages and whether they had changed lending policies for new home-purchase loans. The second set of questions examined the standards and terms on subprime auto loans over the past 12 months. This summary is based on the responses from 73 domestic banks and 22 U.S. branches and agencies of foreign banks.[1]

Regarding loans to businesses, the October survey results generally indicated that banks eased their lending policies for commercial and industrial (C&I) loans and experienced little change in demand for such loans over the past three months.[2] All domestic banks that eased their C&I lending policies cited increased competition for such loans as an important reason for having done so. Almost all foreign respondents indicated that their standards remained basically unchanged and that, on balance, they had experienced insignificant change in demand for C&I loans in the third quarter. On net, domestic and foreign institutions also reported having eased standards and experienced increased demand for commercial real estate (CRE) loans.

The survey results also indicated that banks, on average, did not substantially change standards or terms on lending to households. Modest net fractions of respondents reported having eased standards on prime residential mortgage loans, with a few large banks indicating they had eased standards on those loans.[3] Modest fractions of banks reported, on net, weaker demand for prime and nontraditional mortgage loans. Most banks reported that the volume of mortgage refinancing applications received has fallen since the spring, and, in response, some banks have reportedly changed their lending policies and activities in the market for home-purchase loans. Standards on credit cards and other loans remained unchanged for most respondents, and a modest net fraction of banks reported having eased standards on auto loans. Most banks reported little change in terms on consumer loans, except for auto loans, for which a modest fraction of banks, on balance, reported having increased the maximum maturity and reduced the loan rate spreads.

[1] Respondent banks received the survey on or after October 1, 2013, and responses were due by October 15, 2013.

[2] For questions that ask about lending standards or terms, reported net fractions equal the fraction of banks that reported having tightened ("tightened considerably" or "tightened somewhat") minus the fraction of banks that reported having eased ("eased considerably" or "eased somewhat"). For questions that ask about loan 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] Of the 73 domestic banks, 37 were classified as large banks. Large banks are defined as those with total domestic assets of $20 billion or more as of June 30, 2013.

Business Lending
(Table 1, questions 1–12; Table 2, questions 1–8)

Questions on commercial and industrial lending. A modest fraction of domestic survey respondents, on net, indicated that they had eased their standards for C&I loans to firms of all sizes over the third quarter of 2013.[4] On balance, almost all terms on C&I loans were reportedly eased, regardless of firm size. In particular, a large net fraction of respondents indicated that they had decreased spreads on C&I loan rates over their bank's cost of funds for all firm sizes. In addition, moderate net fractions of banks reported having reduced the cost of credit lines and decreased the use of interest rate floors for all firm sizes. A modest fraction of banks reported, on net, that they had eased loan covenants, though primarily to large firms.

Among domestic respondents that reported having eased either standards or terms on C&I loans over the past three months, all banks cited more-aggressive competition from other banks or nonbank lenders as an important reason for having done so. About one-third of respondents that reported having eased their C&I loan policies also cited a more favorable or less uncertain economic outlook as a reason for having done so. Similarly, one-third of those respondents indicated increased tolerance for risk as being an important reason for easing. In addition, modest fractions of banks indicated increased liquidity in the secondary market for C&I loans and improvement in banks' current or expected liquidity positions as important reasons for easing standards and terms on these loans.

Regarding changes in demand for C&I loans in the third quarter, for both small businesses and larger firms, the number of banks that reported having experienced weaker demand was about the same as the number of banks that experienced stronger demand. Banks reporting stronger loan demand most often cited as reasons increases in customers' merger or acquisition financing needs, and customers' increased need to fund investment in plant or equipment, inventories, and accounts receivable. About one-half of banks experiencing stronger demand also cited shifts in customer borrowing to their bank from other bank or nonbank sources because those sources became less attractive. Banks reporting weaker demand for C&I loans most often cited as reasons decreases in customers' funding needs related to investment in plant or equipment, inventories, or merger or acquisition financing needs. About one-half of domestic respondents that experienced weaker demand cited shifts in customers' borrowing away from their bank because other sources of bank or nonbank borrowing became more attractive, and less than one-half reported increases in their customers' internally generated funds.

Almost all foreign banks reported that they had kept their C&I lending standards basically unchanged over the past three months, except for three respondents, which reported having eased standards somewhat. On balance, foreign banks generally reported that terms on such loans were little changed. All but one of the foreign banks indicated that demand for C&I loans had remained the same over the third quarter.

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[4] 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.

Questions on commercial real estate lending. Starting with the October 2013 survey, the questions regarding CRE loans were asked separately for the three major CRE loan categories—construction and land development loans, loans secured by nonfarm nonresidential structures, and loans secured by multifamily residential structures. Small net fractions of banks reported that they had eased standards on each of the three categories of CRE loans, with the largest number of banks indicating having eased standards on loans secured by multifamily residential structures. Moderate net fractions of banks also indicated that they had experienced stronger demand for all subcategories of CRE loans.

Similarly to their domestic counterparts, a modest fraction of foreign banks reported having eased standards on CRE loans, and a moderate net fraction of foreign respondents reported having experienced stronger demand for such loans.

Lending to Households
(Table 1, questions 13–34)

Questions on residential real estate lending. On net, a moderate fraction of large banks reported that they had eased standards on prime residential mortgages over the past three months, while banks of smaller size had reportedly left their standards on these loans about unchanged. On balance, banks reported no significant change in their standards for nontraditional and subprime mortgages. Over the past three months, on net, banks reported having experienced weaker demand for prime and nontraditional mortgages. Few banks reported having changed their standards on home equity lines of credit, and a modest net fraction of banks indicated that they had seen increased demand for those products.

Special questions on residential real estate lending. The national average 30-year fixed-rate mortgage rate increased about 100 basis points from May 2013 to October 1, when the survey was sent to the respondents. The October 2013 survey included a set of special questions that asked banks about the effect of this increase in mortgage rates on their mortgage lending. On net, a moderate fraction of large banks and a modest fraction of small banks reported having experienced a lower volume of applications for home-purchase loans since the spring. The decrease in the volume of applications for mortgage refinancing was much more widespread, with more than 90 percent of respondents having reported that they have recently received moderately to substantially lower volumes of refinancing applications relative to the volume received in the spring. In response to the drop in the volume of applications for refinancing since the spring, large fractions of banks indicated that they had reduced the processing time for home-purchase loan applications and had increased their marketing of home-purchase loans to potential borrowers. On net, a moderate fraction of banks reported having reduced the staff allocated for processing applications for mortgages to purchase homes. However, very few banks reported having reduced origination and processing fees, or minimum required down payments and FICO scores for approving home-purchase loan applications, in response to the drop in refinancing demand since the spring. In addition, very few banks reported having become more likely to approve applications for new mortgages eligible for purchase by the government-sponsored enterprises from borrowers with combinations of FICO scores between 620 and 720 and down payments between 10 and 20 percent.

Meanwhile, a modest net fraction of banks reported that the composition of new mortgage applications, including applications for both home purchase loans and mortgage refinancing, shifted away from fixed-rate mortgages and toward adjustable-rate mortgages since the spring. Finally, a modest net fraction of banks reported that they expect an increase in the volume of applications for home-purchase loans over the next 12 months.

Questions on consumer lending. A modest fraction of domestic banks indicated that they were more willing to make consumer installment loans as compared with the previous quarter. Very few banks reported having changed their standards for approving applications for credit cards, and a modest fraction of banks reported having eased their standards for auto loans. Most terms on credit cards were little changed, except for credit limits, which a modest net fraction of banks reported having eased. A modest fraction of banks, on balance, reported having increased the maximum maturity of, and reduced the loan rate spreads on, auto loans. Most banks reported that they had kept their standards and terms on other consumer loans unchanged.

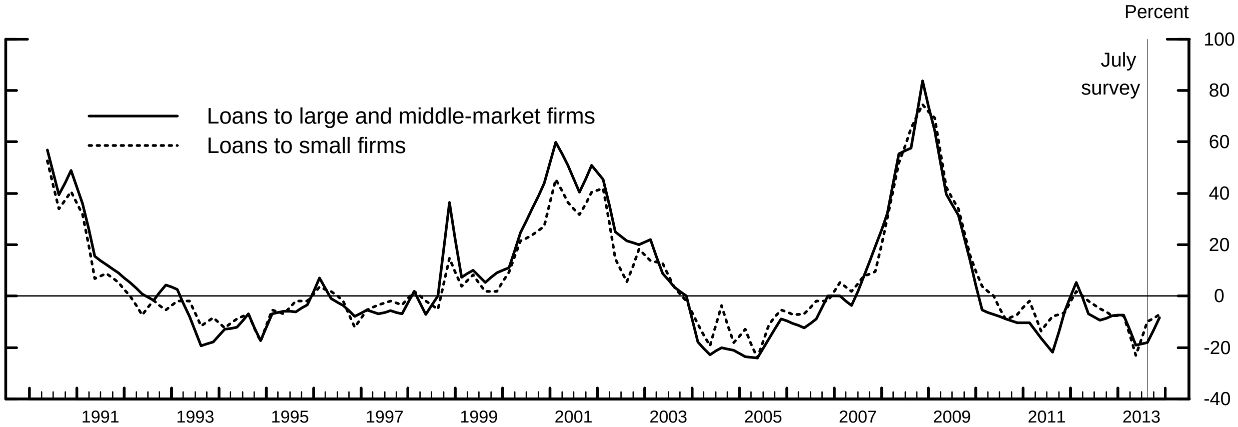
Only a modest fraction of banks, on net, reported having experienced an increase in the demand for auto loans over the past three months. In addition, almost all banks reported that demand for credit cards and other consumer loans did not significantly change over the same period.

Special questions on subprime auto lending. The October 2013 survey also asked banks to describe the changes in their terms for subprime auto loans over the past 12 months. Only 10 respondents indicated that they had originated such loans over the past year. For each of the surveyed terms on those loans—such as loan rate spreads, minimum required down payment, and credit score—not more than 3 of these 10 banks reported having eased at least one term.

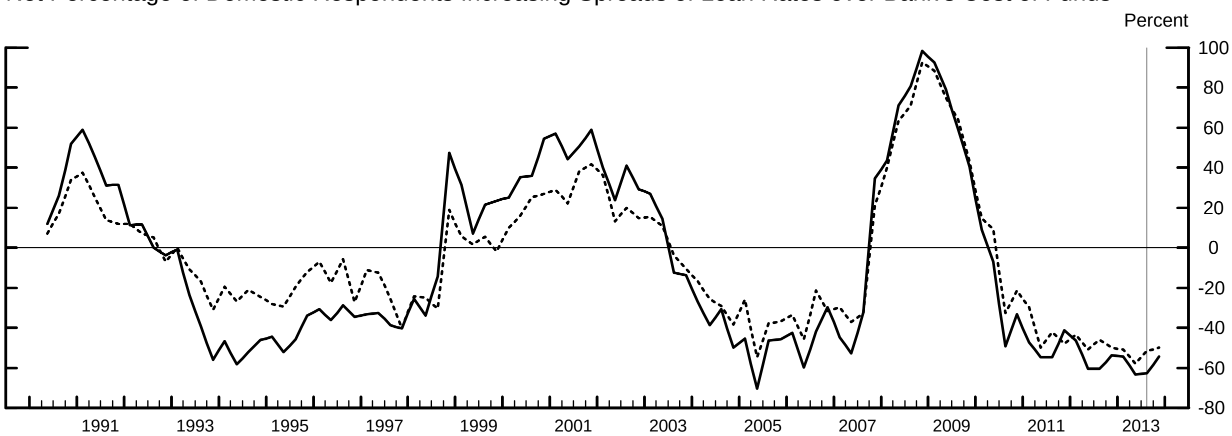
This document was prepared by Marcelo Rezende and Vladimir Yankov, with the assistance of Nathan Lloyd, Shaily Patel, and Jane Brittingham, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

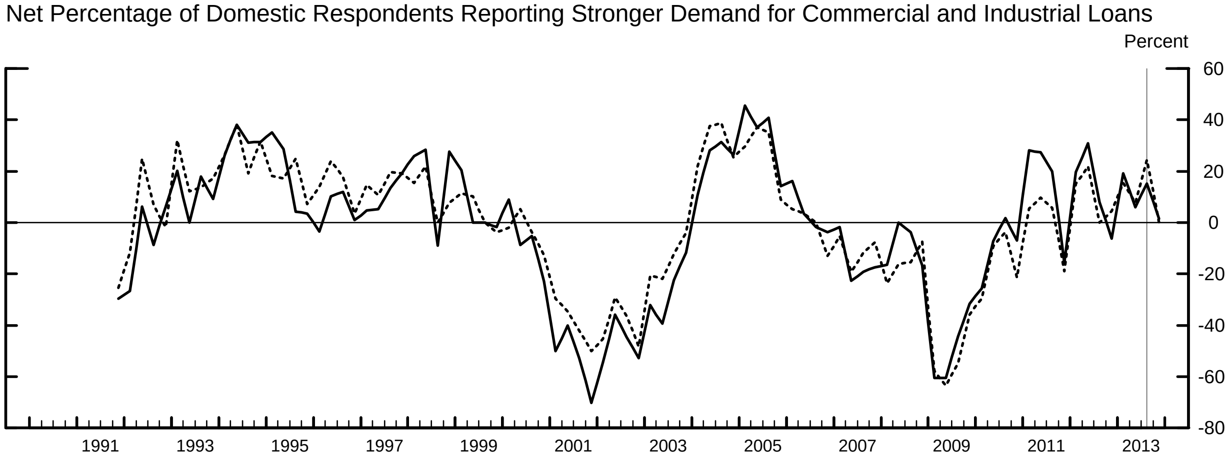
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



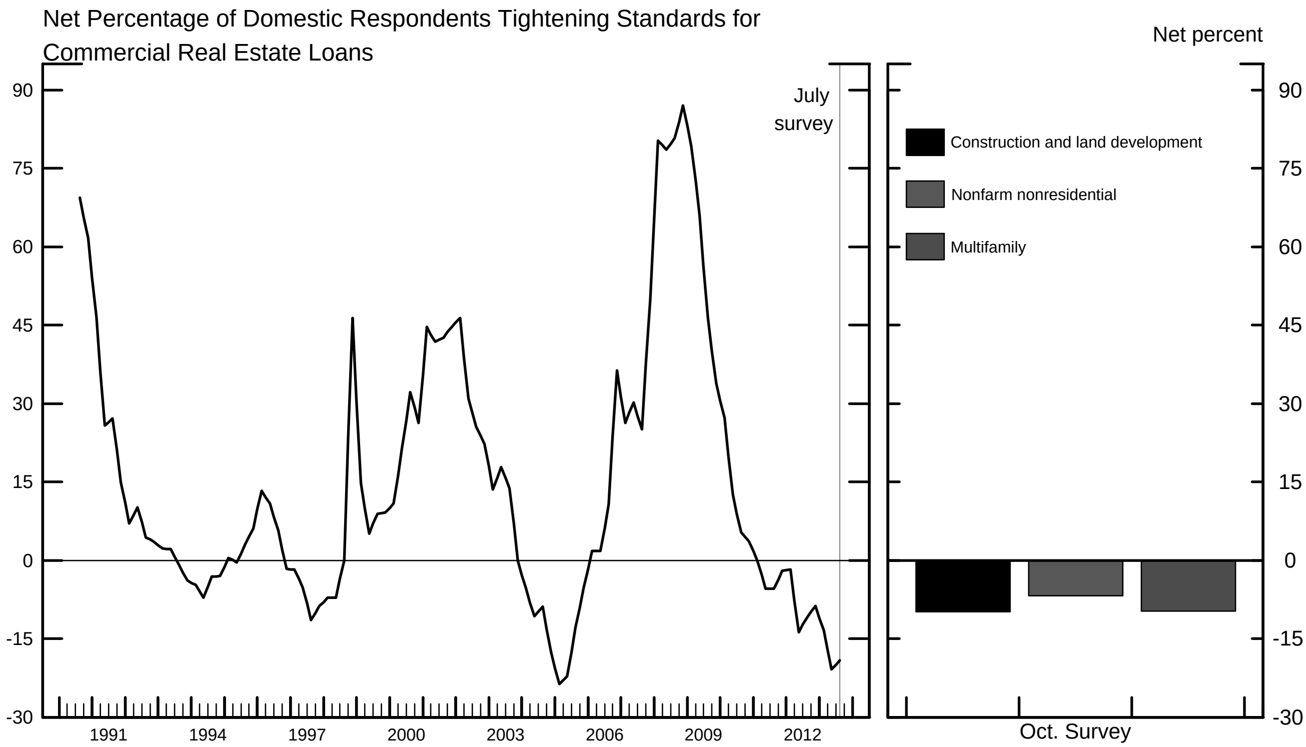
Net Percentage of Domestic Respondents Increasing Spreads of Loan Rates over Bank's Cost of Funds

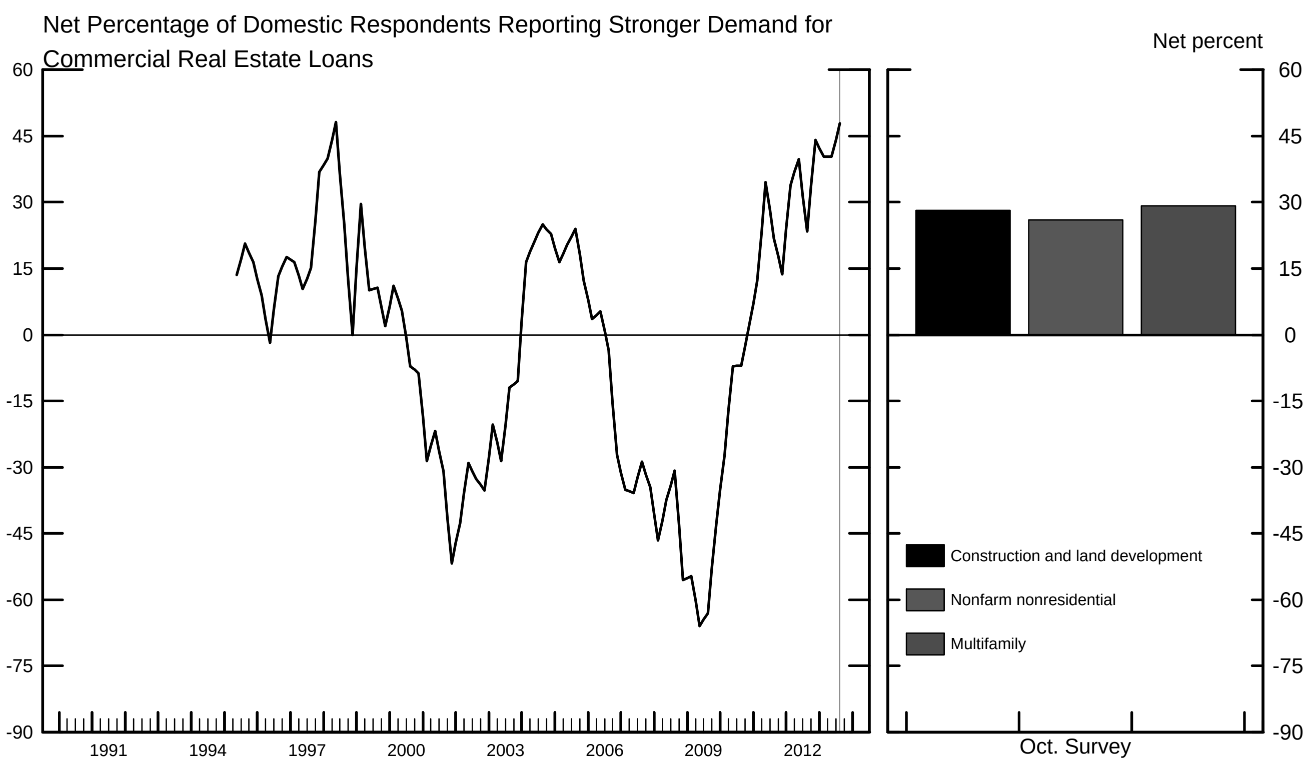


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



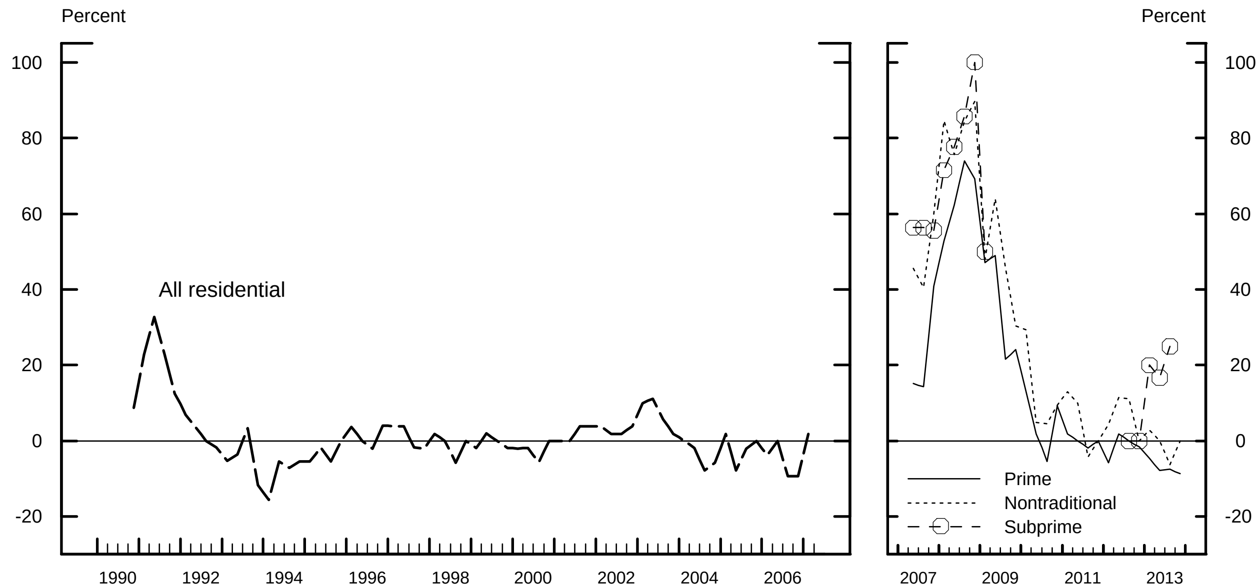
Measures of Supply and Demand for Commercial Real Estate Loans





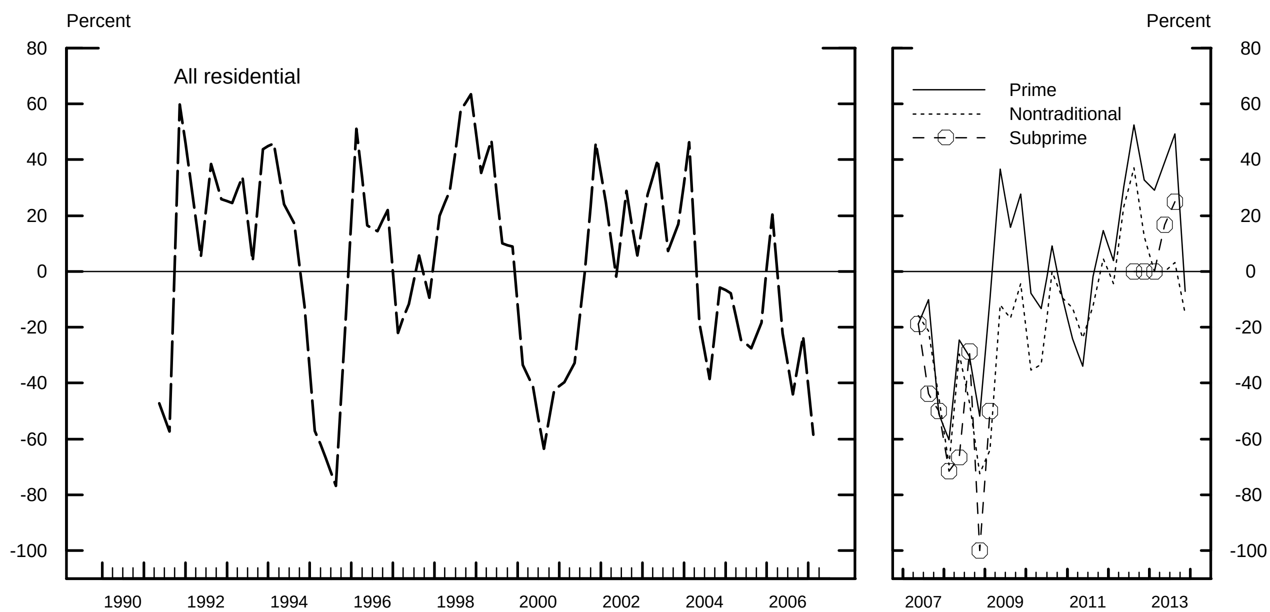
Measures of Supply and Demand for Residential Mortgage Loans

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.

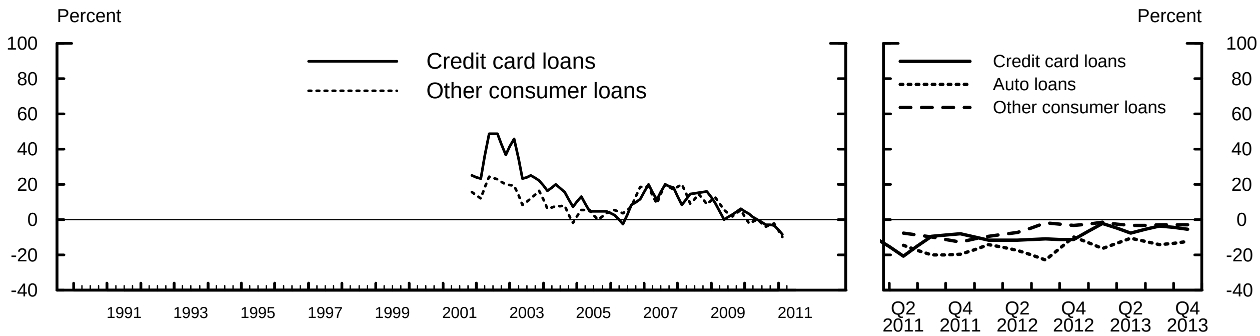
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



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.

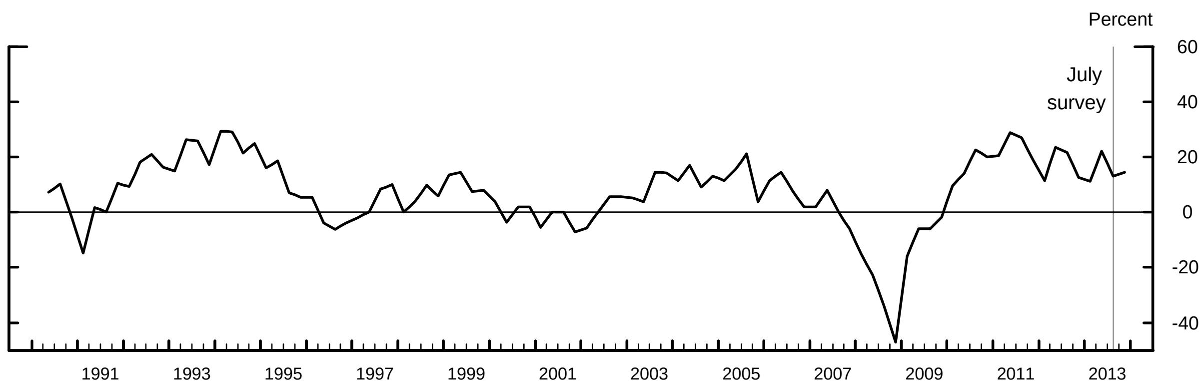
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

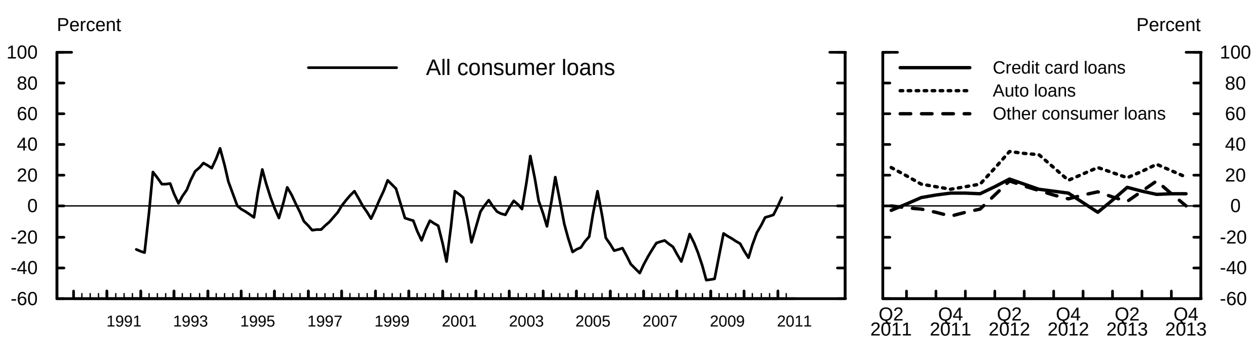


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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 October 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	2	2.8	0	0.0	2	5.7
Remained basically unchanged	62	86.1	32	86.5	30	85.7
Eased somewhat	8	11.1	5	13.5	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	2.9	0	0.0	2	5.6
Remained basically unchanged	61	87.1	30	88.2	31	86.1
Eased somewhat	7	10.0	4	11.8	3	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	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	1.4	0	0.0	1	2.9
Remained basically unchanged	59	81.9	28	75.7	31	88.6
Eased somewhat	12	16.7	9	24.3	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.4	0	0.0	1	2.9
Remained basically unchanged	60	83.3	30	81.1	30	85.7
Eased somewhat	11	15.3	7	18.9	4	11.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	1	1.4	0	0.0	1	2.9
Remained basically unchanged	46	63.9	24	64.9	22	62.9
Eased somewhat	23	31.9	11	29.7	12	34.3
Eased considerably	2	2.8	2	5.4	0	0.0
Total	72	100.0	37	100.0	35	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	2	2.8	0	0.0	2	5.7
Remained basically unchanged	29	40.3	12	32.4	17	48.6
Eased somewhat	38	52.8	23	62.2	15	42.9
Eased considerably	3	4.2	2	5.4	1	2.9
Total	72	100.0	37	100.0	35	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.4	0	0.0	1	2.9
Tightened somewhat	2	2.8	0	0.0	2	5.7
Remained basically unchanged	60	83.3	30	81.1	30	85.7
Eased somewhat	9	12.5	7	18.9	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	4.2	0	0.0	3	8.6
Remained basically unchanged	53	73.6	25	67.6	28	80.0
Eased somewhat	15	20.8	11	29.7	4	11.4
Eased considerably	1	1.4	1	2.7	0	0.0
Total	72	100.0	37	100.0	35	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	1	1.4	0	0.0	1	2.9
Remained basically unchanged	64	88.9	32	86.5	32	91.4
Eased somewhat	7	9.7	5	13.5	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	3	4.2	0	0.0	3	8.6
Remained basically unchanged	44	62.0	26	72.2	18	51.4
Eased somewhat	16	22.5	6	16.7	10	28.6
Eased considerably	8	11.3	4	11.1	4	11.4
Total	71	100.0	36	100.0	35	100.0

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.4	0	0.0	1	2.8
Remained basically unchanged	64	91.4	30	88.2	34	94.4
Eased somewhat	5	7.1	4	11.8	1	2.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.4	0	0.0	1	2.8
Remained basically unchanged	59	84.3	27	79.4	32	88.9
Eased somewhat	10	14.3	7	20.6	3	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	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	1	1.4	0	0.0	1	2.8
Remained basically unchanged	51	72.9	25	73.5	26	72.2
Eased somewhat	17	24.3	8	23.5	9	25.0
Eased considerably	1	1.4	1	2.9	0	0.0
Total	70	100.0	34	100.0	36	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	2	2.9	0	0.0	2	5.6
Remained basically unchanged	31	44.3	13	38.2	18	50.0
Eased somewhat	35	50.0	19	55.9	16	44.4
Eased considerably	2	2.9	2	5.9	0	0.0
Total	70	100.0	34	100.0	36	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.4	0	0.0	1	2.8
Tightened somewhat	1	1.4	0	0.0	1	2.8
Remained basically unchanged	61	87.1	30	88.2	31	86.1
Eased somewhat	7	10.0	4	11.8	3	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	5.7	0	0.0	4	11.1
Remained basically unchanged	57	81.4	27	79.4	30	83.3
Eased somewhat	8	11.4	6	17.6	2	5.6
Eased considerably	1	1.4	1	2.9	0	0.0
Total	70	100.0	34	100.0	36	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	1	1.4	0	0.0	1	2.8
Remained basically unchanged	61	87.1	30	88.2	31	86.1
Eased somewhat	8	11.4	4	11.8	4	11.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	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	3	4.5	0	0.0	3	8.6
Remained basically unchanged	39	59.1	22	71.0	17	48.6
Eased somewhat	19	28.8	7	22.6	12	34.3
Eased considerably	5	7.6	2	6.5	3	8.6
Total	66	100.0	31	100.0	35	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	4	100.0	0	--	4	100.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	0	0.0	0	--	0	0.0
Somewhat important	3	75.0	0	--	3	75.0
Very important	1	25.0	0	--	1	25.0
Total	4	100.0	0	--	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	25.0	0	--	1	25.0
Somewhat important	3	75.0	0	--	3	75.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	100.0	0	--	4	100.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	50.0	0	--	2	50.0
Somewhat important	2	50.0	0	--	2	50.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	100.0	0	--	4	100.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	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	3	75.0	0	--	3	75.0
Somewhat important	0	0.0	0	--	0	0.0
Very important	1	25.0	0	--	1	25.0
Total	4	100.0	0	--	4	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	3	75.0	0	--	3	75.0
Somewhat important	1	25.0	0	--	1	25.0
Very important	0	0.0	0	--	0	0.0
Total	4	100.0	0	--	4	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	40	90.9	25	96.2	15	83.3
Somewhat important	4	9.1	1	3.8	3	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	29	65.9	18	69.2	11	61.1
Somewhat important	14	31.8	7	26.9	7	38.9
Very important	1	2.3	1	3.8	0	0.0
Total	44	100.0	26	100.0	18	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	37	84.1	24	92.3	13	72.2
Somewhat important	7	15.9	2	7.7	5	27.8
Very important	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	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	0	0.0	0	0.0	0	0.0
Somewhat important	14	31.8	6	23.1	8	44.4
Very important	30	68.2	20	76.9	10	55.6
Total	44	100.0	26	100.0	18	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	30	68.2	20	76.9	10	55.6
Somewhat important	14	31.8	6	23.1	8	44.4
Very important	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	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	36	81.8	19	73.1	17	94.4
Somewhat important	6	13.6	5	19.2	1	5.6
Very important	2	4.5	2	7.7	0	0.0
Total	44	100.0	26	100.0	18	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	36	81.8	23	88.5	13	72.2
Somewhat important	8	18.2	3	11.5	5	27.8
Very important	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	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	43	97.7	26	100.0	17	94.4
Somewhat important	1	2.3	0	0.0	1	5.6
Very important	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	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	12	16.7	4	10.8	8	22.9
About the same	49	68.1	26	70.3	23	65.7
Moderately weaker	11	15.3	7	18.9	4	11.4
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	10	14.3	1	2.9	9	25.0
About the same	50	71.4	27	79.4	23	63.9
Moderately weaker	10	14.3	6	17.6	4	11.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	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	7	46.7	4	80.0	3	30.0
Somewhat important	7	46.7	1	20.0	6	60.0
Very important	1	6.7	0	0.0	1	10.0
Total	15	100.0	5	100.0	10	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	40.0	4	80.0	2	20.0
Somewhat important	8	53.3	1	20.0	7	70.0
Very important	1	6.7	0	0.0	1	10.0
Total	15	100.0	5	100.0	10	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	33.3	3	60.0	2	20.0
Somewhat important	8	53.3	2	40.0	6	60.0
Very important	2	13.3	0	0.0	2	20.0
Total	15	100.0	5	100.0	10	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	12	80.0	4	80.0	8	80.0
Somewhat important	3	20.0	1	20.0	2	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	5	100.0	10	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	26.7	1	20.0	3	30.0
Somewhat important	9	60.0	4	80.0	5	50.0
Very important	2	13.3	0	0.0	2	20.0
Total	15	100.0	5	100.0	10	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	8	53.3	3	60.0	5	50.0
Somewhat important	4	26.7	1	20.0	3	30.0
Very important	3	20.0	1	20.0	2	20.0
Total	15	100.0	5	100.0	10	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	11	73.3	3	60.0	8	80.0
Somewhat important	3	20.0	2	40.0	1	10.0
Very important	1	6.7	0	0.0	1	10.0
Total	15	100.0	5	100.0	10	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	7	50.0	4	50.0	3	50.0
Somewhat important	7	50.0	4	50.0	3	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	14	100.0	8	100.0	6	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	57.1	5	62.5	3	50.0
Somewhat important	6	42.9	3	37.5	3	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	14	100.0	8	100.0	6	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	21.4	1	12.5	2	33.3
Somewhat important	10	71.4	6	75.0	4	66.7
Very important	1	7.1	1	12.5	0	0.0
Total	14	100.0	8	100.0	6	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	57.1	4	50.0	4	66.7
Somewhat important	4	28.6	3	37.5	1	16.7
Very important	2	14.3	1	12.5	1	16.7
Total	14	100.0	8	100.0	6	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	57.1	4	50.0	4	66.7
Somewhat important	5	35.7	3	37.5	2	33.3
Very important	1	7.1	1	12.5	0	0.0
Total	14	100.0	8	100.0	6	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	7	50.0	4	50.0	3	50.0
Somewhat important	5	35.7	2	25.0	3	50.0
Very important	2	14.3	2	25.0	0	0.0
Total	14	100.0	8	100.0	6	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	13	92.9	7	87.5	6	100.0
Somewhat important	1	7.1	1	12.5	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	14	100.0	8	100.0	6	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	14	19.2	2	5.4	12	33.3
The number of inquiries has stayed about the same	49	67.1	28	75.7	21	58.3
The number of inquiries has decreased moderately	10	13.7	7	18.9	3	8.3
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	73	100.0	37	100.0	36	100.0

Questions 7-12 *ask about changes in standards and demand over the* **past three months** *for three different types of CRE loans at your bank: construction and land development loans, loans secured by nonfarm nonresidential properties, and loans secured by multifamily residential properties. Please report changes in enforcement of existing policies as changes in policies.*

7. Over the past three months, how have your bank's credit standards for approving new applications for construction and land development loans or credit lines changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.4	1	2.9	0	0.0
Tightened somewhat	2	2.8	0	0.0	2	5.6
Remained basically unchanged	58	81.7	29	82.9	29	80.6
Eased somewhat	10	14.1	5	14.3	5	13.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	35	100.0	36	100.0

8. Over the past three months, how have your bank's credit standards for approving new applications for loans secured by nonfarm nonresidential properties changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.4	0	0.0	1	2.8
Tightened somewhat	1	1.4	0	0.0	1	2.8
Remained basically unchanged	64	87.7	32	86.5	32	88.9
Eased somewhat	7	9.6	5	13.5	2	5.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	37	100.0	36	100.0

9. Over the past three months, how have your bank's credit standards for approving new applications for loans secured by multifamily residential properties changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.4	0	0.0	1	2.8
Tightened somewhat	7	9.7	1	2.8	6	16.7
Remained basically unchanged	49	68.1	25	69.4	24	66.7
Eased somewhat	14	19.4	9	25.0	5	13.9
Eased considerably	1	1.4	1	2.8	0	0.0
Total	72	100.0	36	100.0	36	100.0

10. Apart from normal seasonal variation, how has demand for construction and land development loans changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	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	24	33.8	10	28.6	14	38.9
About the same	43	60.6	22	62.9	21	58.3
Moderately weaker	3	4.2	2	5.7	1	2.8
Substantially weaker	1	1.4	1	2.9	0	0.0
Total	71	100.0	35	100.0	36	100.0

11. Apart from normal seasonal variation, how has demand for loans secured by nonfarm nonresidential properties changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.4	1	2.7	0	0.0
Moderately stronger	21	28.8	7	18.9	14	38.9
About the same	48	65.8	28	75.7	20	55.6
Moderately weaker	2	2.7	1	2.7	1	2.8
Substantially weaker	1	1.4	0	0.0	1	2.8
Total	73	100.0	37	100.0	36	100.0

12. Apart from normal seasonal variation, how has demand for loans secured by multifamily residential properties changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.4	0	0.0	1	2.8
Moderately stronger	25	34.7	11	30.6	14	38.9
About the same	41	56.9	22	61.1	19	52.8
Moderately weaker	5	6.9	3	8.3	2	5.6
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	36	100.0	36	100.0

Questions 13-14 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 13 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 14 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.*

13. 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	1	1.4	0	0.0	1	2.9
Tightened somewhat	3	4.3	0	0.0	3	8.6
Remained basically unchanged	55	79.7	25	73.5	30	85.7
Eased somewhat	10	14.5	9	26.5	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	69	100.0	34	100.0	35	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	3.0	0	0.0	1	7.1
Tightened somewhat	1	3.0	0	0.0	1	7.1
Remained basically unchanged	29	87.9	17	89.5	12	85.7
Eased somewhat	2	6.1	2	10.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	33	100.0	19	100.0	14	100.0

For this question, 37 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	20	29.0	5	14.7	15	42.9
About the same	24	34.8	13	38.2	11	31.4
Moderately weaker	19	27.5	12	35.3	7	20.0
Substantially weaker	6	8.7	4	11.8	2	5.7
Total	69	100.0	34	100.0	35	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	5	15.2	2	10.5	3	21.4
About the same	18	54.5	11	57.9	7	50.0
Moderately weaker	9	27.3	5	26.3	4	28.6
Substantially weaker	1	3.0	1	5.3	0	0.0
Total	33	100.0	19	100.0	14	100.0

For this question, 37 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

Questions 15-16 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 15 deals with changes in your bank's credit standards over the past three months. Question 16 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.*

15. 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	1	1.4	0	0.0	1	2.9
Tightened somewhat	1	1.4	1	2.9	0	0.0
Remained basically unchanged	61	88.4	30	85.7	31	91.2
Eased somewhat	6	8.7	4	11.4	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	69	100.0	35	100.0	34	100.0

16. 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	15	21.7	8	22.9	7	20.6
About the same	45	65.2	23	65.7	22	64.7
Moderately weaker	8	11.6	3	8.6	5	14.7
Substantially weaker	1	1.4	1	2.9	0	0.0
Total	69	100.0	35	100.0	34	100.0

Since May 2013, fixed-rate mortgage interest rates have increased roughly 100 basis points. Questions 17-18 ask how the volume of applications for home purchase loans and refinancing at your bank has changed over this period. If your bank has experienced a decrease in the volume of applications for mortgage refinancing over this period, Question 19 asks to what extent your bank has responded by changing its lending policies and activities in the market for home purchase loans. Question 20 asks you to compare your bank's current policies in approving applications for GSE-eligible home purhcase loans relative to those policies that prevailed in the spring (prior to the increase in mortgage rates). Question 21 asks how the demand for adjustable-rate mortgages has changed relative to the demand for fixed-rate mortgages for home purchase loans over this period. Question 22 asks about your bank's expectations for the volume of applications for home purchase loans over the coming year.

17. Apart from normal seasonal variation, how would you compare the recent volume of applications your bank has received for **home purchase loans** with the volume your bank experienced in the spring (prior to the increase in mortgage rates)?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Application volume is currently substantially higher	0	0.0	0	0.0	0	0.0
Application volume is currently moderately higher	17	24.6	6	17.6	11	31.4
Application volume is little changed	23	33.3	13	38.2	10	28.6
Application volume is currently moderately lower	24	34.8	11	32.4	13	37.1
Application volume is currently substantially lower	5	7.2	4	11.8	1	2.9
Total	69	100.0	34	100.0	35	100.0

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

18. Apart from normal seasonal variation, how would you compare the recent volume of applications your bank has received for **mortgage refinancing** with the volume your bank experienced in the spring (prior to the increase in mortgage rates)?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Application volume is currently substantially higher	0	0.0	0	0.0	0	0.0
Application volume is currently moderately higher	1	1.5	1	2.9	0	0.0
Application volume is little changed	4	5.9	2	5.9	2	5.9
Application volume is currently moderately lower	22	32.4	11	32.4	11	32.4
Application volume is currently substantially lower	41	60.3	20	58.8	21	61.8
Total	68	100.0	34	100.0	34	100.0

For this question, 2 respondents answered “My bank does not refinance residential mortgages.”

19. If your bank has experienced a decrease in the volume of applications for mortgage refinancing since the spring (answers 4 or 5 to Question 18), to what extent has your bank changed the following lending policies and activities in the market for home purchase loans in response to this decrease?

a. The time between application and origination for home purchase loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Reduced considerably	2	3.2	0	0.0	2	6.3
Reduced somewhat	28	44.4	13	41.9	15	46.9
Remained basically unchanged	32	50.8	18	58.1	14	43.8
Increased somewhat	1	1.6	0	0.0	1	3.1
Increased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	31	100.0	32	100.0

b. The minimum FICO score required from borrowers

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	1	1.6	0	0.0	1	3.2
Reduced somewhat	2	3.2	2	6.5	0	0.0
Remained basically unchanged	59	95.2	29	93.5	30	96.8
Increased somewhat	0	0.0	0	0.0	0	0.0
Increased considerably	0	0.0	0	0.0	0	0.0
Total	62	100.0	31	100.0	31	100.0

c. The minimum down payment required from borrowers

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	1	1.6	0	0.0	1	3.1
Reduced somewhat	1	1.6	1	3.2	0	0.0
Remained basically unchanged	61	96.8	30	96.8	31	96.9
Increased somewhat	0	0.0	0	0.0	0	0.0
Increased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	31	100.0	32	100.0

d. Marketing of home purchase loans to potential borrowers

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	1	1.6	0	0.0	1	3.1
Reduced somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	32	50.8	19	61.3	13	40.6
Increased somewhat	24	38.1	11	35.5	13	40.6
Increased considerably	6	9.5	1	3.2	5	15.6
Total	63	100.0	31	100.0	32	100.0

e. Loan origination or processing fees

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	2	3.2	0	0.0	2	6.3
Reduced somewhat	1	1.6	1	3.2	0	0.0
Remained basically unchanged	59	93.7	29	93.5	30	93.8
Increased somewhat	1	1.6	1	3.2	0	0.0
Increased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	31	100.0	32	100.0

f. Staff responsible for processing or originating home purchase loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	5	7.9	2	6.5	3	9.4
Reduced somewhat	14	22.2	8	25.8	6	18.8
Remained basically unchanged	39	61.9	17	54.8	22	68.8
Increased somewhat	5	7.9	4	12.9	1	3.1
Increased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	31	100.0	32	100.0

g. Other (please specify)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Reduced considerably	0	0.0	0	0.0	0	0.0
Reduced somewhat	1	33.3	0	0.0	1	100.0
Remained basically unchanged	2	66.7	2	100.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Increased considerably	0	0.0	0	0.0	0	0.0
Total	3	100.0	2	100.0	1	100.0

20. Compared with spring (prior to the increase in mortgage rates), currently how much more or less likely is your bank to 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.

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	4	6.3	1	3.1	3	9.4
Somewhat less likely	2	3.1	1	3.1	1	3.1
About the same	55	85.9	29	90.6	26	81.3
Somewhat more likely	3	4.7	1	3.1	2	6.3
Much more likely	0	0.0	0	0.0	0	0.0
Total	64	100.0	32	100.0	32	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	1	1.5	0	0.0	1	3.0
Somewhat less likely	2	3.0	2	6.1	0	0.0
About the same	61	92.4	30	90.9	31	93.9
Somewhat more likely	2	3.0	1	3.0	1	3.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	66	100.0	33	100.0	33	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	1	1.5	0	0.0	1	3.0
About the same	64	97.0	32	97.0	32	97.0
Somewhat more likely	1	1.5	1	3.0	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	66	100.0	33	100.0	33	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	3	4.6	1	3.0	2	6.3
Somewhat less likely	3	4.6	1	3.0	2	6.3
About the same	58	89.2	31	93.9	27	84.4
Somewhat more likely	1	1.5	0	0.0	1	3.1
Much more likely	0	0.0	0	0.0	0	0.0
Total	65	100.0	33	100.0	32	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	3	4.5	1	3.0	2	6.1
About the same	63	95.5	32	97.0	31	93.9
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	66	100.0	33	100.0	33	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	0	0.0	0	0.0	0	0.0
About the same	64	98.5	31	96.9	33	100.0
Somewhat more likely	1	1.5	1	3.1	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	65	100.0	32	100.0	33	100.0

21. Now consider the volume of *all* applications for residential mortgages at your bank, including applications for both home purchase loans and mortgage refinancing. Since the spring (prior to the increase in mortgage rates), how has the relative volume of applications for fixed-rate mortgages (FRM) versus adjustable-rate mortgages (ARM) changed at your bank? Since the spring (prior to the increase in mortgage rates), the relative volume of all applications for residential mortgages at my bank has:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Shifted substantially towards FRM and away from ARM	1	1.5	1	3.0	0	0.0
Shifted moderately towards FRM and away from ARM	6	8.8	2	6.1	4	11.4
Changed little	41	60.3	19	57.6	22	62.9
Shifted moderately towards ARM and away from FRM	20	29.4	11	33.3	9	25.7
Shifted substantially towards ARM and away from FRM	0	0.0	0	0.0	0	0.0
Total	68	100.0	33	100.0	35	100.0

For this question, 1 respondent answered “My bank does not originate ARM” and 1 respondent answered “My bank does not originate residential mortgage loans.”

22. Assuming that the economy and interest rates evolve in line with consensus forecasts, how do you expect the volume of applications for **home purchase loans** will evolve at your bank over the next 12 months? Over the next 12 months, the volume of applications for home purchase loans at my bank will:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increase substantially	1	1.4	0	0.0	1	2.9
Increase moderately	25	36.2	14	41.2	11	31.4
Remain about the same	22	31.9	13	38.2	9	25.7
Decrease moderately	17	24.6	5	14.7	12	34.3
Decrease substantially	4	5.8	2	5.9	2	5.7
Total	69	100.0	34	100.0	35	100.0

For this question, 1 respondent answered “My bank does not originate home purchase loans.”

Questions 23-32 *ask about consumer lending at your bank. Question 23 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 24-29 deal with changes in credit standards and loan terms over the same period. Questions 30-32deal 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.*

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	1	1.4	1	3.0	0	0.0
Somewhat more willing	9	13.0	2	6.1	7	19.4
About unchanged	59	85.5	30	90.9	29	80.6
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	69	100.0	33	100.0	36	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.7	0	0.0	1	3.4
Remained basically unchanged	53	91.4	27	93.1	26	89.7
Eased somewhat	4	6.9	2	6.9	2	6.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	29	100.0	29	100.0

25. 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	57	87.7	25	80.6	32	94.1
Eased somewhat	8	12.3	6	19.4	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	65	100.0	31	100.0	34	100.0

26. 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	68	97.1	34	100.0	34	94.4
Eased somewhat	2	2.9	0	0.0	2	5.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	34	100.0	36	100.0

27. 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	2.0	0	0.0	1	4.3
Remained basically unchanged	41	80.4	21	75.0	20	87.0
Eased somewhat	9	17.6	7	25.0	2	8.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	47	92.2	26	92.9	21	91.3
Eased somewhat	4	7.8	2	7.1	2	8.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	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	49	96.1	26	92.9	23	100.0
Eased somewhat	1	2.0	1	3.6	0	0.0
Eased considerably	1	2.0	1	3.6	0	0.0
Total	51	100.0	28	100.0	23	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	49	96.1	27	96.4	22	95.7
Eased somewhat	2	3.9	1	3.6	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.0	0	0.0	1	4.3
Tightened somewhat	1	2.0	0	0.0	1	4.3
Remained basically unchanged	49	96.1	28	100.0	21	91.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

28. 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	57	89.1	25	80.6	32	97.0
Eased somewhat	7	10.9	6	19.4	1	3.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	31	100.0	33	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	5	7.8	2	6.5	3	9.1
Remained basically unchanged	45	70.3	23	74.2	22	66.7
Eased somewhat	13	20.3	6	19.4	7	21.2
Eased considerably	1	1.6	0	0.0	1	3.0
Total	64	100.0	31	100.0	33	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	59	92.2	27	87.1	32	97.0
Eased somewhat	5	7.8	4	12.9	1	3.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	31	100.0	33	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	60	93.8	29	93.5	31	93.9
Eased somewhat	4	6.3	2	6.5	2	6.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	31	100.0	33	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.6	0	0.0	1	3.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	59	93.7	27	90.0	32	97.0
Eased somewhat	3	4.8	3	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100.0	30	100.0	33	100.0

29. 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	66	97.1	33	97.1	33	97.1
Eased somewhat	2	2.9	1	2.9	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	34	100.0	34	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	4	5.9	2	5.9	2	5.9
Remained basically unchanged	58	85.3	30	88.2	28	82.4
Eased somewhat	6	8.8	2	5.9	4	11.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	34	100.0	34	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	66	98.5	33	97.1	33	100.0
Eased somewhat	1	1.5	1	2.9	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100.0	34	100.0	33	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	64	94.1	32	94.1	32	94.1
Eased somewhat	4	5.9	2	5.9	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	34	100.0	34	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.5	0	0.0	1	2.9
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	67	98.5	34	100.0	33	97.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100.0	34	100.0	34	100.0

30. 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	17.9	4	18.2
About the same	36	72.0	19	67.9	17	77.3
Moderately weaker	5	10.0	4	14.3	1	4.5
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	50	100.0	28	100.0	22	100.0

31. 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	1	1.6	0	0.0	1	3.0
Moderately stronger	15	23.4	5	16.1	10	30.3
About the same	44	68.8	22	71.0	22	66.7
Moderately weaker	4	6.3	4	12.9	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	64	100.0	31	100.0	33	100.0

32. 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	5	7.2	3	8.8	2	5.7
About the same	59	85.5	28	82.4	31	88.6
Moderately weaker	5	7.2	3	8.8	2	5.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	69	100.0	34	100.0	35	100.0

According to the Call Reports, auto loans at banks have grown rapidly this year. ***Questions 33-34*** *ask you to compare your bank's current policies on approving applications for subprime auto loans compared with the stance of those policies a year ago. (Please report changes in enforcement of existing policies as changes in policies. Please leave questions 33-34blank if your bank does not originate subprime auto loans.)*

33. Over the past 12 months, how has your bank changed the following terms and conditions on loans that your bank categorizes as **subprime** to individuals or households to purchase new or used autos?

a. Maximum maturity (longer maturity=eased, shorter maturity= 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	9	90.0	5	83.3	4	100.0
Eased somewhat	1	10.0	1	16.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	10	100.0	6	100.0	4	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	10.0	0	0.0	1	25.0
Remained basically unchanged	6	60.0	4	66.7	2	50.0
Eased somewhat	3	30.0	2	33.3	1	25.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	10	100.0	6	100.0	4	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	8	80.0	5	83.3	3	75.0
Eased somewhat	2	20.0	1	16.7	1	25.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	10	100.0	6	100.0	4	100.0

d. Minimum required credit score (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	7	77.8	4	80.0	3	75.0
Eased somewhat	2	22.2	1	20.0	1	25.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	9	100.0	5	100.0	4	100.0

34. If your bank has tightened or eased its credit standards or its terms for loans that your bank categorizes as **subprime** to individuals or households to purchase new or used autos over the past 12 months (as described in question 33), how important have been the following possible reasons for the change?

A. Possible reasons for tightening credit standards or terms on **subprime** loans for new or used autos:

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

	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. 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. Less aggressive competition from other banks or nonbank lenders

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

d. 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	0	0.0	0	--	0	0.0
Very important	1	50.0	0	--	1	50.0
Total	2	100.0	0	--	2	100.0

e. Decreased liquidity in the secondary market for these loans

	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

f. Decreased or more uncertain collateral values

	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

g. The average duration of auto loans has become less favorable

	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 on **subprime** loans for new or used autos:

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	75.0	2	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	25.0	1	50.0	0	0.0
Somewhat important	2	50.0	1	50.0	1	50.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

c. More aggressive competition from other banks or nonbank lenders

	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	2	50.0	2	100.0	0	0.0
Very important	2	50.0	0	0.0	2	100.0
Total	4	100.0	2	100.0	2	100.0

d. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	25.0	1	50.0	0	0.0
Somewhat important	2	50.0	1	50.0	1	50.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

e. Increased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	75.0	2	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

f. Increased or less uncertain collateral values

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	25.0	1	50.0	0	0.0
Somewhat important	2	50.0	1	50.0	1	50.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

g. The average duration of auto loans has become more favorable

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	75.0	2	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	25.0	0	0.0	1	50.0
Total	4	100.0	2	100.0	2	100.0

---

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of June 30, 2013. The combined assets of the 37 large banks totaled $8.0 trillion, compared to $8.3 trillion for the entire panel of 73 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 October 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	86.4
Eased somewhat	3	13.6
Eased considerably	0	0.0
Total	22	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	81.8
Eased somewhat	4	18.2
Eased considerably	0	0.0
Total	22	100.0

b. Maximum maturity of loans or credit lines

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

c. Costs of credit lines

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

f. Loan covenants

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	81.8
Eased somewhat	3	13.6
Eased considerably	1	4.5
Total	22	100.0

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	22	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	22	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	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	21	100.0

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

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

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

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

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

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

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

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

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

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	5	71.4
Somewhat important	2	28.6
Very important	0	0.0
Total	7	100.0

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	7	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	7	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	6	85.7
Somewhat important	1	14.3
Very important	0	0.0
Total	7	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	0	0.0
Somewhat important	1	14.3
Very important	6	85.7
Total	7	100.0

e. Increased tolerance for risk

	All Respondents	
	Banks	Percent
Not important	5	71.4
Somewhat important	2	28.6
Very important	0	0.0
Total	7	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	Percent
Not important	6	85.7
Somewhat important	1	14.3
Very important	0	0.0
Total	7	100.0

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

	All Respondents	
	Banks	Percent
Not important	6	85.7
Somewhat important	1	14.3
Very important	0	0.0
Total	7	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	7	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	7	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	1	4.5
About the same	21	95.5
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	22	100.0

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

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

a. Customer inventory financing needs increased

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

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

g. Customers' precautionary demand for cash and liquidity increased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

g. Customers' precautionary demand for cash and liquidity decreased

	All Respondents	
	Banks	**Percent**
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	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	3	13.6
The number of inquiries has stayed about the same	18	81.8
The number of inquiries has decreased moderately	1	4.5
The number of inquiries has decreased substantially	0	0.0
Total	22	100.0

***Questions 7-8** 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 7 deals with changes in your bank's standards over the past three months. Question 8 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	85.7
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	14	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	2	14.3
Moderately stronger	3	21.4
About the same	8	57.1
Moderately weaker	1	7.1
Substantially weaker	0	0.0
Total	14	100.0

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1. As of June 30, 2013, the 22 respondents had combined assets of $1.2 trillion, compared to $2.3 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.