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DIVISION OF MONETARY AFFAIRS

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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the April 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures:

April 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices

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

The April 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2014 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. This summary is based on the responses from 74 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

Regarding loans to businesses, the April survey results generally indicated that, on balance, banks eased their lending policies for commercial and industrial (C&I) and commercial real estate (CRE) loans and experienced stronger demand for both types of loans over the past three months.[2] The survey also contained special questions that asked banks about changes in their terms on CRE loans over the past year. Banks reported easing CRE loan terms, on net, over that period.

Regarding loans to households, banks reported mixed changes in standards. On net, banks eased standards on consumer credit card and auto loans and tightened standards on nontraditional closed-end mortgage loans. Reports of tightening and easing of standards on prime closed-end residential real estate loans and on home equity lines of credit were roughly equal. On the demand side, reports of weaker demand outnumbered reports of stronger demand for each type of residential real estate loan, and the opposite pattern held for credit card and auto loans.

The survey contained a second set of special questions that inquired about factors that affected banks' consumer credit card loan growth in 2013 and about the expected pace of consumer credit card loan growth in 2014 and after. The survey respondents most widely cited the 2009 Credit Card Accountability Responsibility and Disclosure Act (Credit Card Act) and consumers' preference for lower debt levels as important factors that constrained credit card loan growth in 2013. In the prime and superprime segments of the market, a large portion of banks expect higher growth in credit card loan balances on their books in 2014 relative to 2013.

Business Lending

(Table 1, questions 1–13; Table 2, questions 1–9)

Questions on commercial and industrial lending. A small net percentage of domestic survey respondents reported having eased standards on C&I loans, both to large and middle-market firms and to

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[1] Respondent banks received the survey on or after April 1, 2014, and responses were due by April 15, 2014.

[2] For questions that asked 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 asked 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").

small firms.[3] Larger fractions of banks reported easing terms on C&I loans on net. Of the terms included in the survey, banks reported the most widespread easing on spreads of C&I loan rates over banks' costs of funds. In addition, for all firm sizes, banks reported having reduced the cost of credit lines, decreased the use of interest rate floors, eased loan covenants, and reduced risk premiums.

Every domestic respondent that reported having eased either standards or terms on C&I loans over the past three months cited more-aggressive competition from other banks or nonbank lenders as an important reason for having done so. Smaller numbers of banks also attributed their easing to a more favorable or less uncertain economic outlook and increased tolerance for risk.

On the demand side, slightly more banks reported having experienced stronger rather than weaker demand for C&I loans from firms of all sizes. To explain the reported increase in loan demand, banks cited a wide range of customers' financing needs, particularly those related to inventories, accounts receivable, investment in plant or equipment, and mergers or acquisitions.

A few foreign banks reported that they had eased their C&I lending standards, while the rest described their standards as basically unchanged. Several foreign banks also reported having eased terms on C&I loans, while a smaller number tightened terms. Foreign banks reported stronger demand on net.

Questions on commercial real estate lending. More domestic banks reported that they had eased rather than tightened standards on each of the three categories of CRE loans included in the survey: construction and land development loans, loans secured by nonfarm nonresidential structures, and loans secured by multifamily residential structures. For each subcategory of CRE loans, reports of stronger demand also outnumbered reports of weaker demand at domestic banks.

Special question on commercial real estate lending. The April survey included a special question (repeated annually since 2001) regarding changes in specific lending policies for CRE loans over the past year. During the past 12 months, many more domestic banks reported having reduced rather than increased spreads on CRE loans. More domestic banks also reported having eased rather than tightened policies regarding the maximum size and maturity of such loans and having increased rather than decreased the market areas served. These banks indicated few changes in their policies for debt service coverage ratios, loan-to-value ratios, or requirements for take-out financing. Several foreign respondents reported having decreased spreads, while few reported changes in other terms.

Lending to Households
(Table 1, questions 14–34)

Questions on residential real estate lending. Domestic banks reported mixed changes in standards on prime residential mortgages, with several reports of both easier and tighter standards. Reports regarding home equity lines of credit were similarly mixed between easier and tighter standards. On nontraditional

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[3] The survey asked 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.

home loans, banks reported having tightened standards on net. Banks reported having experienced weaker demand for each type of mortgage loan on balance.

Questions on consumer lending. Several domestic banks indicated that they were more willing to make consumer installment loans as compared with the previous quarter, while no banks indicated they were less willing. A small fraction of banks eased standards on auto and consumer credit card loans, on net, while no bank reported any changes in standards on other consumer loans. Regarding consumer loan terms, several large banks increased credit limits on consumer credit cards, and banks reported having eased interest rate spreads on auto and other consumer loans on net.

The survey contained varied reports on changes in demand for consumer loans. Banks reported stronger demand for credit card and auto loans, on net, while reports of stronger and weaker demand for other consumer loans were roughly equal.

Special questions on credit card loan growth. The April survey contained a set of special questions about factors that affected banks' consumer credit card loan growth in 2013 and about the expected pace of consumer credit card loan growth in 2014 and after.

Many banks reported that applications from borrowers they considered prime or superprime had increased during 2013, while a few reported such applications had decreased. A small number of banks reported that applications from borrowers they considered nonprime had increased during 2013 on net.

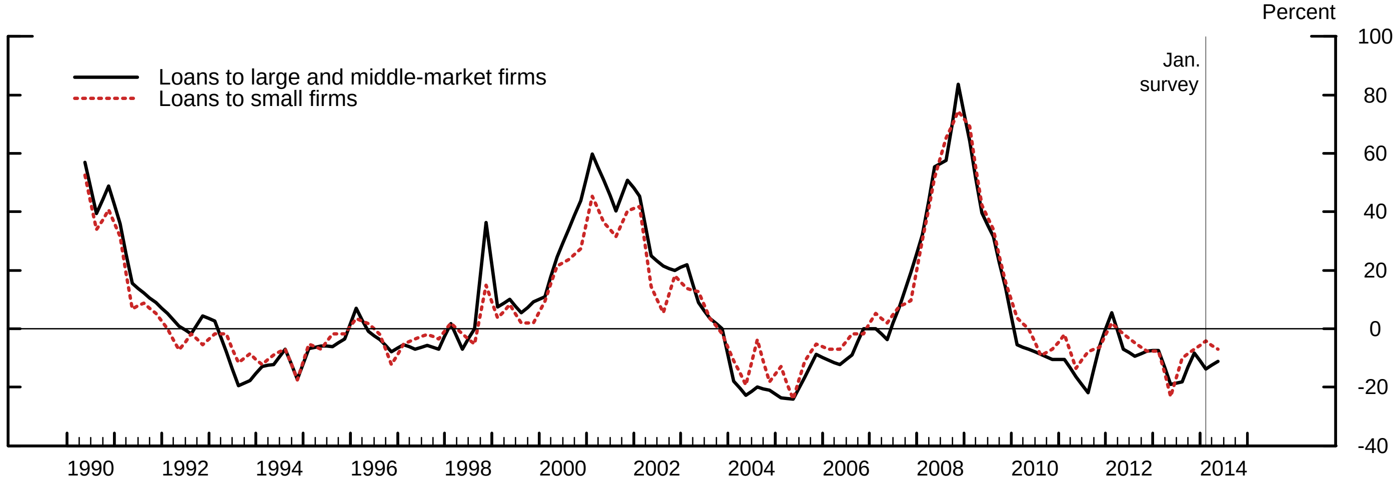
In an assessment of the factors affecting consumer credit card loan growth over 2013, large numbers of banks cited the Credit Card Act and consumers' preference for debt levels as factors constraining growth. Several different provisions of the Credit Card Act were cited as important, including the prohibition on raising interest rates on existing balances, the restrictions on credit card fees, the requirement for card payments to be applied to debts with the highest interest rates, the requirement for borrowers under the age of 21 to have adult cosigners, and the required disclosures to consumers. A small portion of banks, on net, also considered consumers' use of debit cards and other payment mechanisms as factors constraining growth. Banks reported more mixed opinions on the effects of other factors, including the levels of their underwriting standards and terms relative to longer-term norms, consumers' expectations for their households' income growth, consumers' self-perceived creditworthiness, and consumers' tendency for transactional use (versus revolving use) of credit cards.

Looking ahead, a large fraction of banks, on net, expect higher growth (or lower contraction) during 2014 compared with 2013 in outstanding consumer credit card loans to prime or superprime customers. A smaller net fraction of banks expect higher growth (or lower contraction) in outstanding consumer credit card loans to nonprime borrowers. Banks had a range of expectations for when they expect consumer credit card loan growth to stabilize at its new normal level at their banks. Some reported that such growth had already stabilized, while others expect it to stabilize between 2014 and 2016, and several other banks did not expect it to stabilize over the next few years. Among those that did expect such growth to stabilize, reports were varied as to whether growth would stabilize at a rate that would be higher or lower than the average rate their banks recorded in the years prior to the financial crisis.

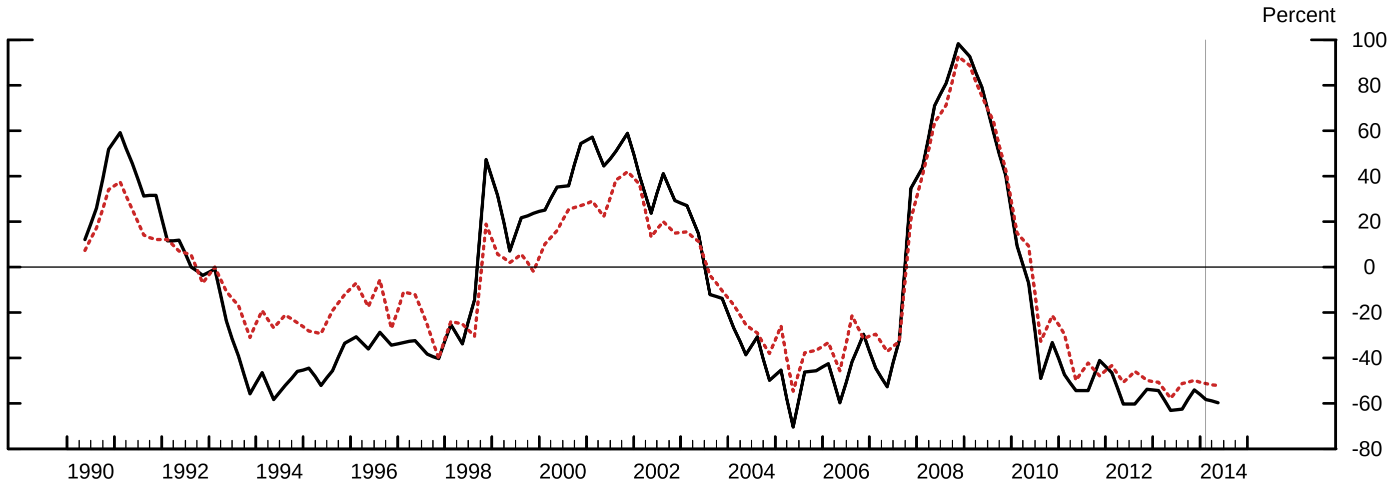
This document was prepared by Jonathan Rose, with the assistance of Shaily Patel, of the Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

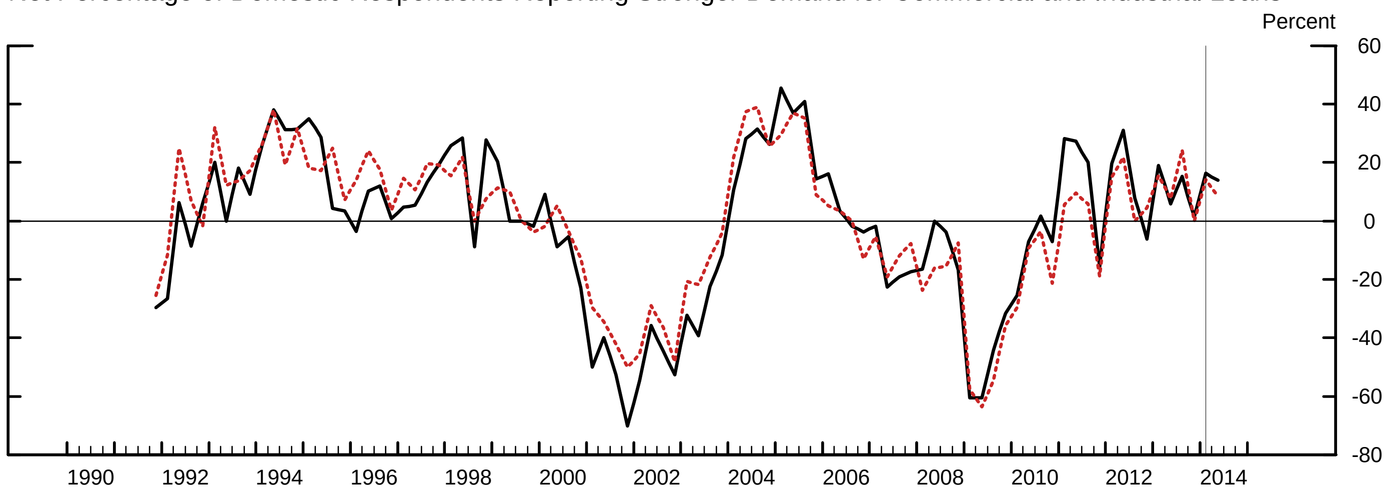
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



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

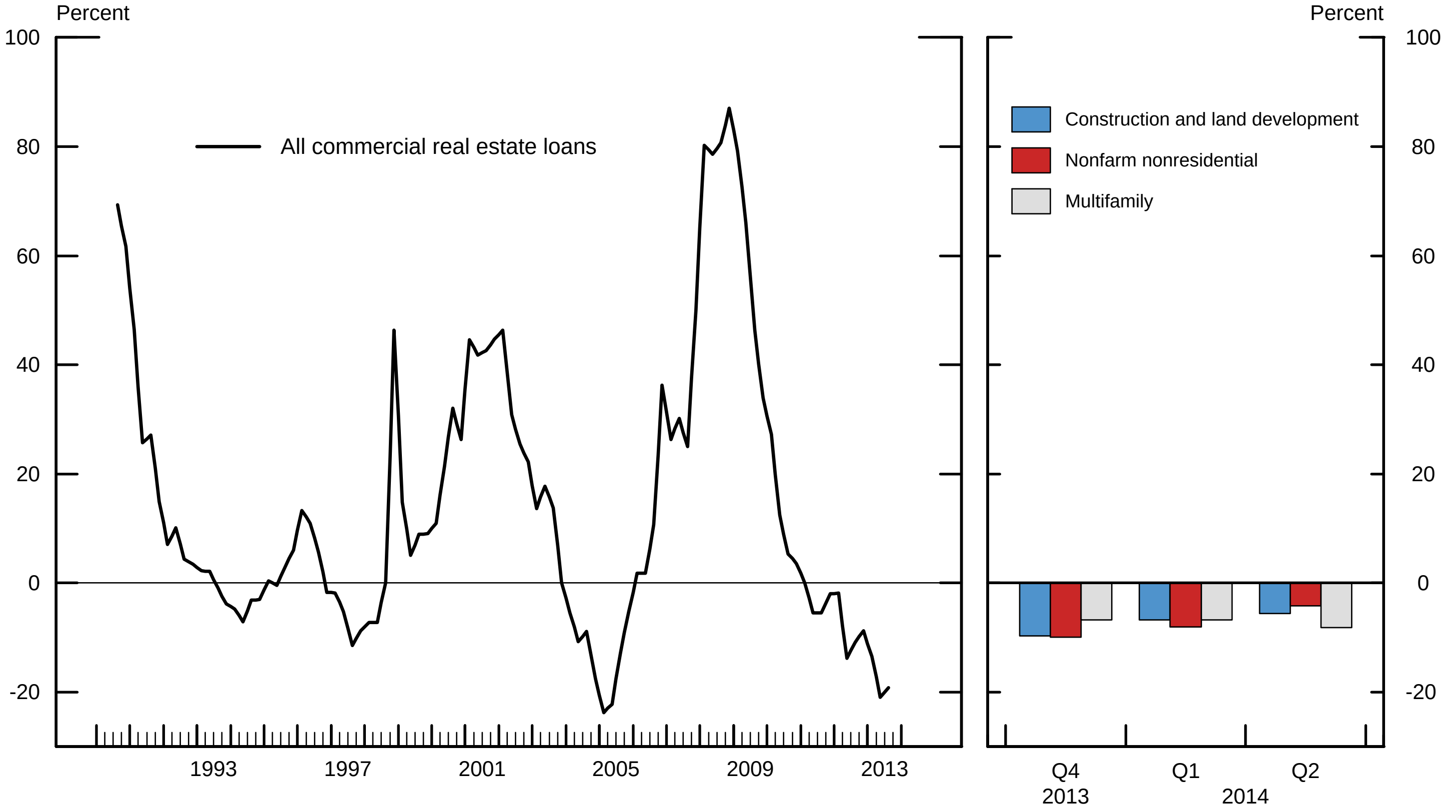


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



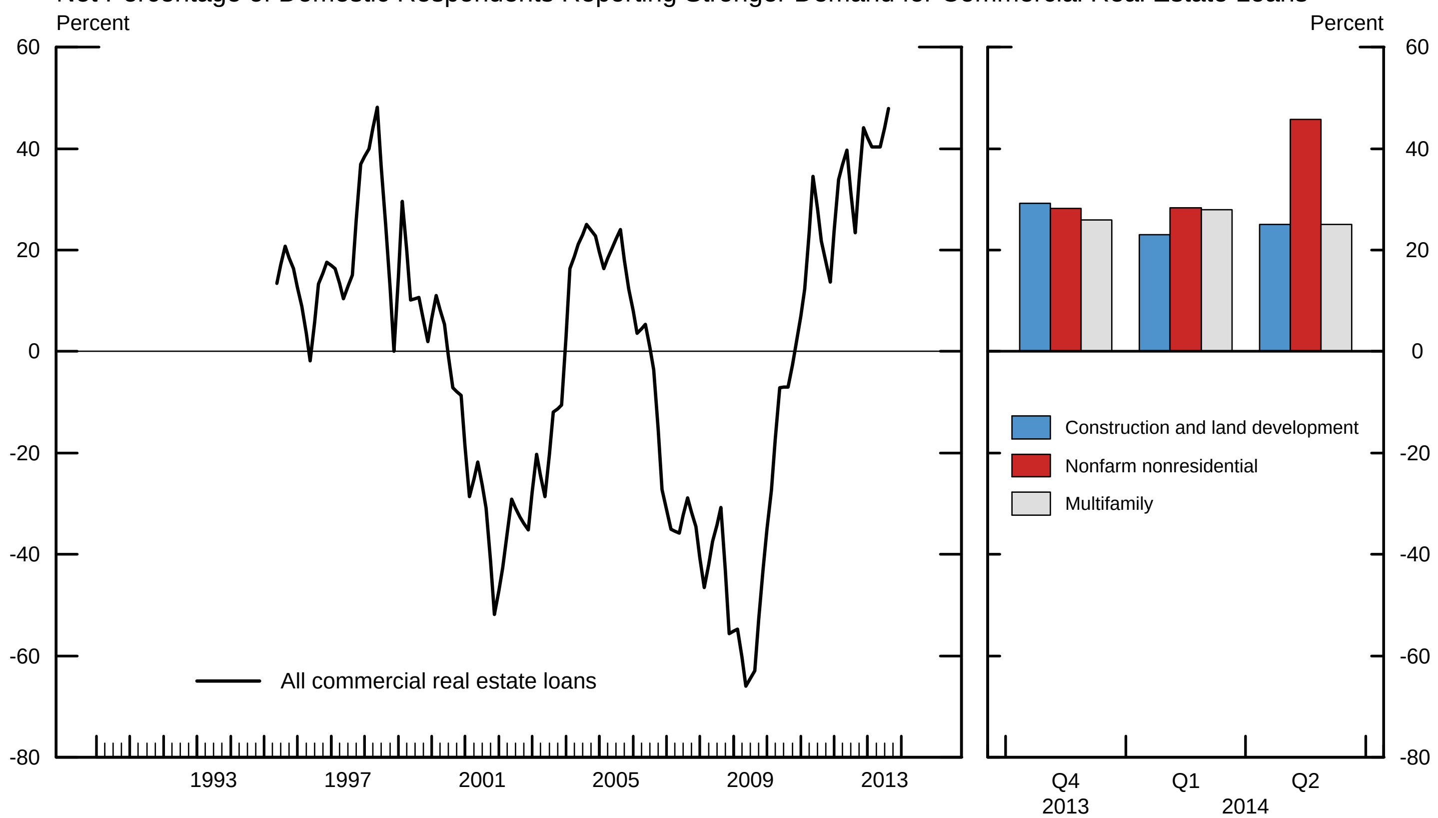
Measures of Supply and Demand for Commercial Real Estate Loans

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



Note: For data starting in 2013:Q4, changes in standards for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.

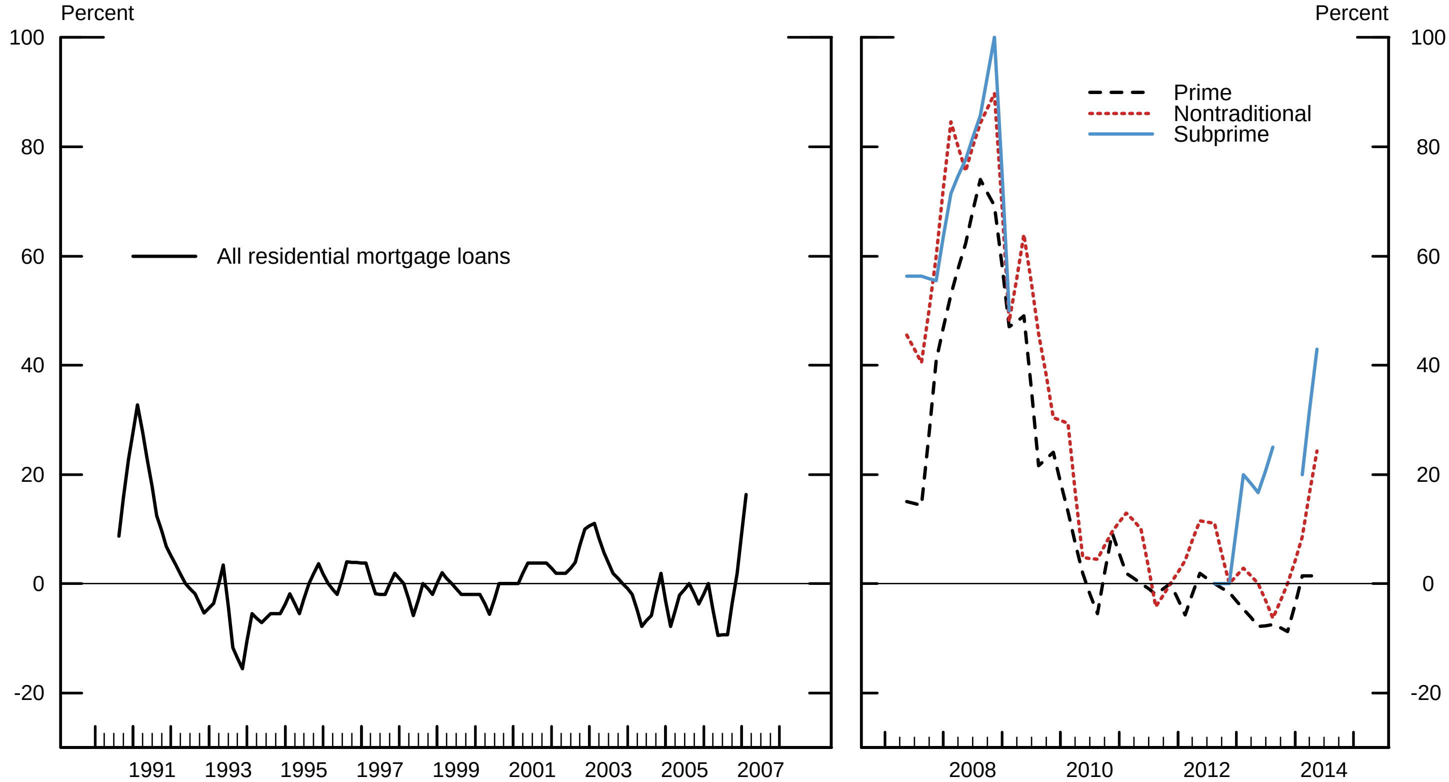
Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



Note: For data starting in 2013:Q4, changes in demand for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.

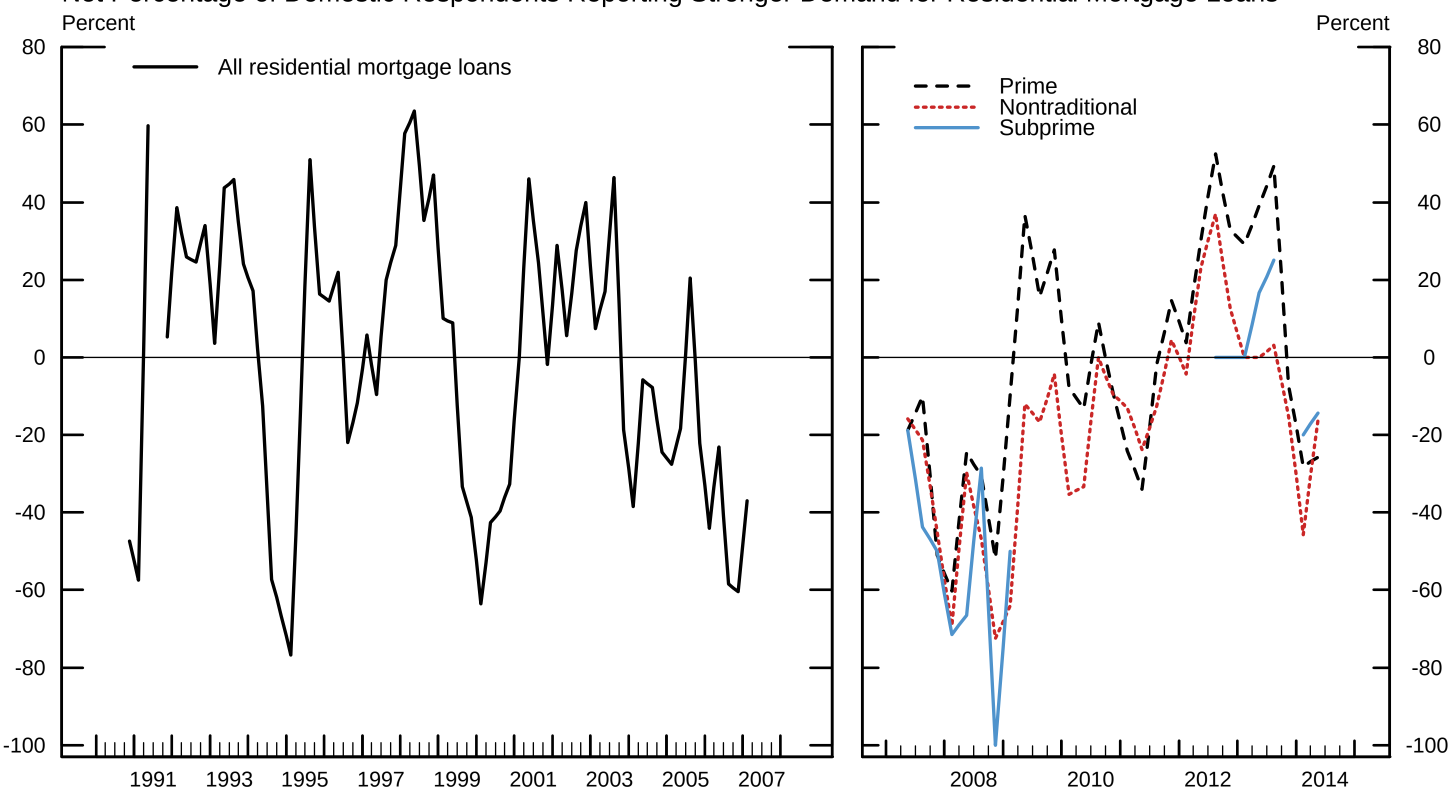
Measures of Supply and Demand for Residential Mortgage Loans

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.

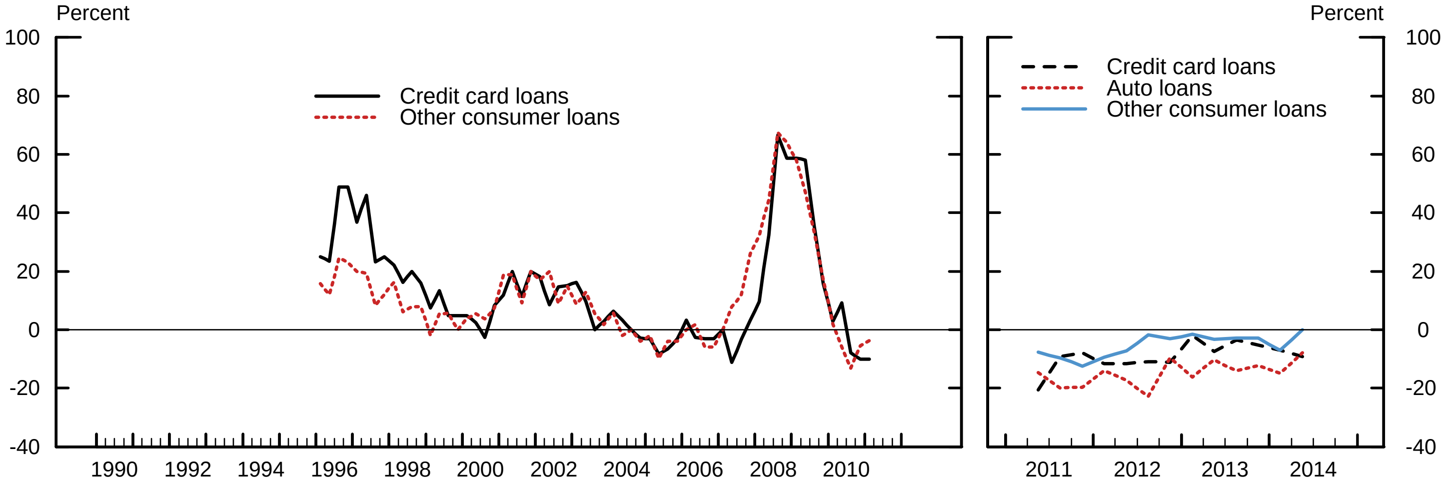
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



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.

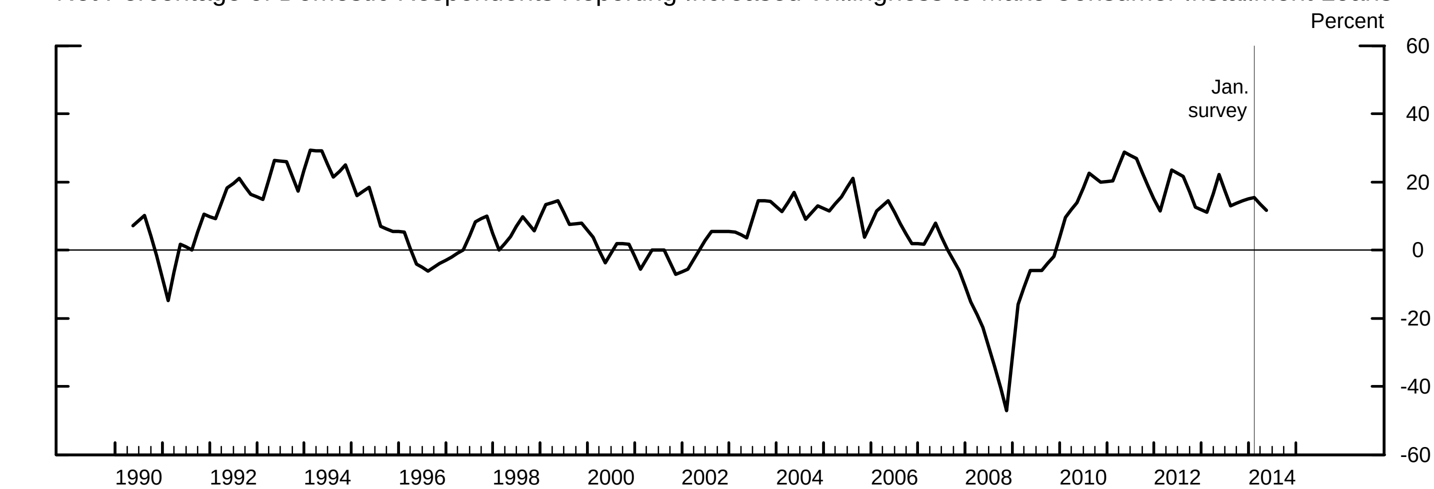
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

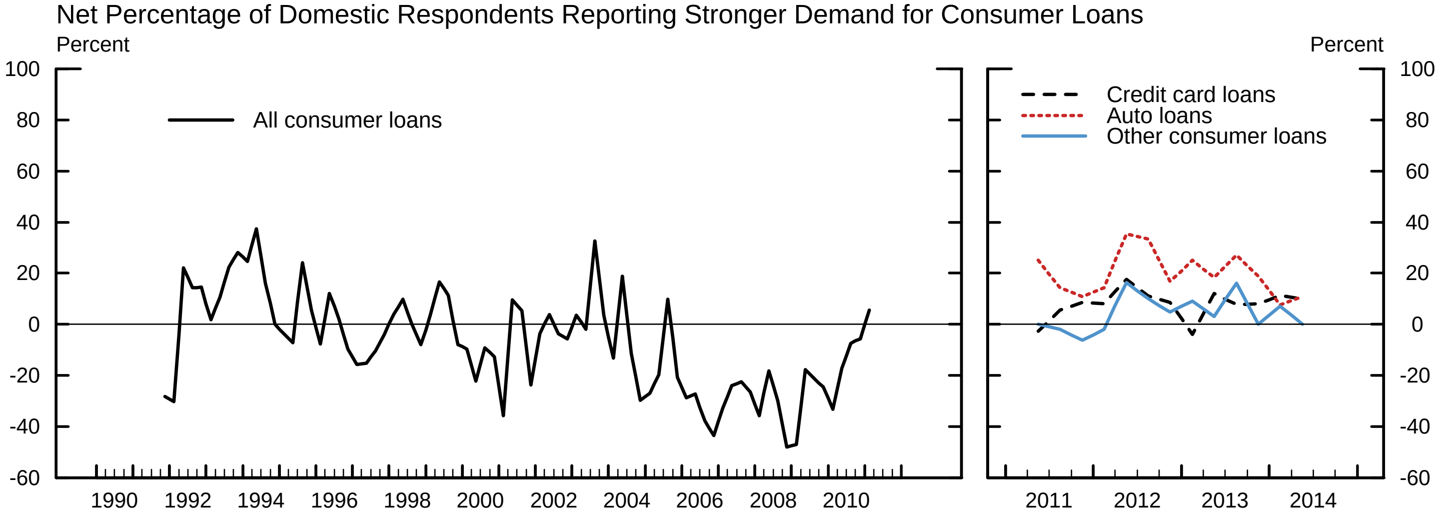


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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 2014)

***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	1	2.6	1	3.0
Remained basically unchanged	60	83.3	30	76.9	30	90.9
Eased somewhat	10	13.9	8	20.5	2	6.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	39	100.0	33	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	2.8	0	0.0	2	5.7
Remained basically unchanged	62	87.3	31	86.1	31	88.6
Eased somewhat	7	9.9	5	13.9	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	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	2	2.8	2	5.1	0	0.0
Remained basically unchanged	55	76.4	26	66.7	29	87.9
Eased somewhat	13	18.1	9	23.1	4	12.1
Eased considerably	2	2.8	2	5.1	0	0.0
Total	72	100.0	39	100.0	33	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	63	87.5	33	84.6	30	90.9
Eased somewhat	8	11.1	5	12.8	3	9.1
Eased considerably	1	1.4	1	2.6	0	0.0
Total	72	100.0	39	100.0	33	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	2	2.8	0	0.0	2	6.1
Remained basically unchanged	45	62.5	21	53.8	24	72.7
Eased somewhat	25	34.7	18	46.2	7	21.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	39	100.0	33	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	6.1
Remained basically unchanged	25	34.7	12	30.8	13	39.4
Eased somewhat	44	61.1	26	66.7	18	54.5
Eased considerably	1	1.4	1	2.6	0	0.0
Total	72	100.0	39	100.0	33	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	2.8	1	2.6	1	3.0
Remained basically unchanged	54	75.0	27	69.2	27	81.8
Eased somewhat	15	20.8	10	25.6	5	15.2
Eased considerably	1	1.4	1	2.6	0	0.0
Total	72	100.0	39	100.0	33	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	2	2.8	0	0.0	2	6.1
Remained basically unchanged	49	68.1	22	56.4	27	81.8
Eased somewhat	20	27.8	16	41.0	4	12.1
Eased considerably	1	1.4	1	2.6	0	0.0
Total	72	100.0	39	100.0	33	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	3.0
Remained basically unchanged	66	91.7	35	89.7	31	93.9
Eased somewhat	5	6.9	4	10.3	1	3.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	39	100.0	33	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	9.1
Remained basically unchanged	47	66.2	29	76.3	18	54.5
Eased somewhat	15	21.1	7	18.4	8	24.2
Eased considerably	6	8.5	2	5.3	4	12.1
Total	71	100.0	38	100.0	33	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	67	94.4	33	91.7	34	97.1
Eased somewhat	3	4.2	2	5.6	1	2.9
Eased considerably	1	1.4	1	2.8	0	0.0
Total	71	100.0	36	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	62	87.3	31	86.1	31	88.6
Eased somewhat	8	11.3	4	11.1	4	11.4
Eased considerably	1	1.4	1	2.8	0	0.0
Total	71	100.0	36	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	2	2.8	0	0.0	2	5.7
Remained basically unchanged	49	69.0	25	69.4	24	68.6
Eased somewhat	20	28.2	11	30.6	9	25.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	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	30	42.3	16	44.4	14	40.0
Eased somewhat	38	53.5	19	52.8	19	54.3
Eased considerably	1	1.4	1	2.8	0	0.0
Total	71	100.0	36	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	2.8	1	2.8	1	2.9
Remained basically unchanged	59	83.1	28	77.8	31	88.6
Eased somewhat	10	14.1	7	19.4	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	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	2	2.8	0	0.0	2	5.7
Remained basically unchanged	56	78.9	27	75.0	29	82.9
Eased somewhat	13	18.3	9	25.0	4	11.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	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	66	93.0	33	91.7	33	94.3
Eased somewhat	4	5.6	3	8.3	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	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	4.3	1	2.9	2	5.7
Remained basically unchanged	46	65.7	24	68.6	22	62.9
Eased somewhat	15	21.4	7	20.0	8	22.9
Eased considerably	6	8.6	3	8.6	3	8.6
Total	70	100.0	35	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	8	100.0	4	100.0	4	100.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	75.0	4	100.0	2	50.0
Somewhat important	2	25.0	0	0.0	2	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	75.0	4	100.0	2	50.0
Somewhat important	2	25.0	0	0.0	2	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	8	100.0	4	100.0	4	100.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	37.5	2	50.0	1	25.0
Somewhat important	4	50.0	1	25.0	3	75.0
Very important	1	12.5	1	25.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	8	100.0	4	100.0	4	100.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	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	8	100.0	4	100.0	4	100.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	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	6	75.0	4	100.0	2	50.0
Somewhat important	2	25.0	0	0.0	2	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	4	100.0	4	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	43	89.6	24	88.9	19	90.5
Somewhat important	4	8.3	2	7.4	2	9.5
Very important	1	2.1	1	3.7	0	0.0
Total	48	100.0	27	100.0	21	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	61.2	16	57.1	14	66.7
Somewhat important	16	32.7	11	39.3	5	23.8
Very important	3	6.1	1	3.6	2	9.5
Total	49	100.0	28	100.0	21	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	39	79.6	23	82.1	16	76.2
Somewhat important	7	14.3	3	10.7	4	19.0
Very important	3	6.1	2	7.1	1	4.8
Total	49	100.0	28	100.0	21	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	16	32.7	7	25.0	9	42.9
Very important	33	67.3	21	75.0	12	57.1
Total	49	100.0	28	100.0	21	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	34	69.4	19	67.9	15	71.4
Somewhat important	13	26.5	7	25.0	6	28.6
Very important	2	4.1	2	7.1	0	0.0
Total	49	100.0	28	100.0	21	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	79.6	22	78.6	17	81.0
Somewhat important	8	16.3	4	14.3	4	19.0
Very important	2	4.1	2	7.1	0	0.0
Total	49	100.0	28	100.0	21	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	42	87.5	24	88.9	18	85.7
Somewhat important	5	10.4	2	7.4	3	14.3
Very important	1	2.1	1	3.7	0	0.0
Total	48	100.0	27	100.0	21	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	44	91.7	26	92.9	18	90.0
Somewhat important	3	6.3	1	3.6	2	10.0
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	2	2.8	2	5.1	0	0.0
Moderately stronger	15	20.8	9	23.1	6	18.2
About the same	48	66.7	24	61.5	24	72.7
Moderately weaker	7	9.7	4	10.3	3	9.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	39	100.0	33	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	19.7	9	25.0	5	14.3
About the same	49	69.0	23	63.9	26	74.3
Moderately weaker	8	11.3	4	11.1	4	11.4
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	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	6	28.6	5	38.5	1	12.5
Somewhat important	13	61.9	7	53.8	6	75.0
Very important	2	9.5	1	7.7	1	12.5
Total	21	100.0	13	100.0	8	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	23.8	4	30.8	1	12.5
Somewhat important	14	66.7	8	61.5	6	75.0
Very important	2	9.5	1	7.7	1	12.5
Total	21	100.0	13	100.0	8	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	38.1	7	53.8	1	12.5
Somewhat important	13	61.9	6	46.2	7	87.5
Very important	0	0.0	0	0.0	0	0.0
Total	21	100.0	13	100.0	8	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	18	85.7	10	76.9	8	100.0
Somewhat important	3	14.3	3	23.1	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	21	100.0	13	100.0	8	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	42.9	5	38.5	4	50.0
Somewhat important	7	33.3	4	30.8	3	37.5
Very important	5	23.8	4	30.8	1	12.5
Total	21	100.0	13	100.0	8	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	12	57.1	7	53.8	5	62.5
Somewhat important	7	33.3	4	30.8	3	37.5
Very important	2	9.5	2	15.4	0	0.0
Total	21	100.0	13	100.0	8	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	16	76.2	9	69.2	7	87.5
Somewhat important	5	23.8	4	30.8	1	12.5
Very important	0	0.0	0	0.0	0	0.0
Total	21	100.0	13	100.0	8	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	8	61.5	4	57.1	4	66.7
Somewhat important	5	38.5	3	42.9	2	33.3
Very important	0	0.0	0	0.0	0	0.0
Total	13	100.0	7	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	9	69.2	4	57.1	5	83.3
Somewhat important	4	30.8	3	42.9	1	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	13	100.0	7	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	5	38.5	2	28.6	3	50.0
Somewhat important	7	53.8	4	57.1	3	50.0
Very important	1	7.7	1	14.3	0	0.0
Total	13	100.0	7	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	6	46.2	3	42.9	3	50.0
Somewhat important	6	46.2	3	42.9	3	50.0
Very important	1	7.7	1	14.3	0	0.0
Total	13	100.0	7	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	5	38.5	2	28.6	3	50.0
Somewhat important	6	46.2	4	57.1	2	33.3
Very important	2	15.4	1	14.3	1	16.7
Total	13	100.0	7	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	53.8	2	28.6	5	83.3
Somewhat important	5	38.5	4	57.1	1	16.7
Very important	1	7.7	1	14.3	0	0.0
Total	13	100.0	7	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	7	53.8	3	42.9	4	66.7
Somewhat important	5	38.5	3	42.9	2	33.3
Very important	1	7.7	1	14.3	0	0.0
Total	13	100.0	7	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	20	27.0	12	30.8	8	22.9
The number of inquiries has stayed about the same	47	63.5	24	61.5	23	65.7
The number of inquiries has decreased moderately	7	9.5	3	7.7	4	11.4
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	4.2	0	0.0	3	8.6
Remained basically unchanged	63	87.5	31	83.8	32	91.4
Eased somewhat	6	8.3	6	16.2	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	2.7	0	0.0	2	5.7
Remained basically unchanged	63	86.3	31	81.6	32	91.4
Eased somewhat	8	11.0	7	18.4	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	38	100.0	35	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	6.9	3	8.1	2	5.7
Remained basically unchanged	58	80.6	27	73.0	31	88.6
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

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	35	50.0	15	42.9	20	57.1
About the same	32	45.7	18	51.4	14	40.0
Moderately weaker	3	4.3	2	5.7	1	2.9
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	70	100.0	35	100.0	35	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	18	25.0	8	21.6	10	28.6
About the same	52	72.2	27	73.0	25	71.4
Moderately weaker	1	1.4	1	2.7	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	1	2.7	0	0.0
Moderately stronger	20	27.8	8	21.6	12	34.3
About the same	48	66.7	25	67.6	23	65.7
Moderately weaker	3	4.2	3	8.1	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	100.0

Question 13 *focuses on changes over the past year in your bank's lending policies on CRE loans. If your bank's policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

13. Over the past year, how has your bank changed the following policies on CRE loans?

a. Maximum loan size

	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	4.1	0	0.0	3	8.8
Remained basically unchanged	50	68.5	24	61.5	26	76.5
Eased somewhat	19	26.0	14	35.9	5	14.7
Eased considerably	1	1.4	1	2.6	0	0.0
Total	73	100.0	39	100.0	34	100.0

b. Maximum loan 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	4	5.5	0	0.0	4	11.8
Remained basically unchanged	56	76.7	28	71.8	28	82.4
Eased somewhat	13	17.8	11	28.2	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	39	100.0	34	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.4	1	2.6	0	0.0
Tightened somewhat	3	4.1	1	2.6	2	5.9
Remained basically unchanged	35	47.9	14	35.9	21	61.8
Eased somewhat	32	43.8	21	53.8	11	32.4
Eased considerably	2	2.7	2	5.1	0	0.0
Total	73	100.0	39	100.0	34	100.0

d. Loan-to-value ratios

	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	0	0.0	1	2.9
Remained basically unchanged	68	93.2	36	92.3	32	94.1
Eased somewhat	3	4.1	3	7.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	39	100.0	34	100.0

e. Requirements for take-out financing

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	71	97.3	37	94.9	34	100.0
Eased somewhat	2	2.7	2	5.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	39	100.0	34	100.0

f. Debt-service coverage ratios

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	6.8	1	2.6	4	11.4
Remained basically unchanged	65	87.8	36	92.3	29	82.9
Eased somewhat	4	5.4	2	5.1	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	100.0

g. Market areas served (reduced market areas=tightened; expanded market areas=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	1.4	0	0.0	1	2.9
Remained basically unchanged	54	74.0	29	74.4	25	73.5
Eased somewhat	17	23.3	9	23.1	8	23.5
Eased considerably	1	1.4	1	2.6	0	0.0
Total	73	100.0	39	100.0	34	100.0

Questions 14-15 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 14 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 15 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.*

14. 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	10	14.3	5	14.3	5	14.3
Remained basically unchanged	51	72.9	22	62.9	29	82.9
Eased somewhat	9	12.9	8	22.9	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	35	100.0	35	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	8.1	1	5.3	2	11.1
Tightened somewhat	8	21.6	4	21.1	4	22.2
Remained basically unchanged	24	64.9	12	63.2	12	66.7
Eased somewhat	2	5.4	2	10.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	37	100.0	19	100.0	18	100.0

For this question, 32 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	2	28.6	0	0.0	2	40.0
Tightened somewhat	1	14.3	0	0.0	1	20.0
Remained basically unchanged	4	57.1	2	100.0	2	40.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	7	100.0	2	100.0	5	100.0

For this question, 62 respondents answered “My bank does not originate subprime residential mortgages.”

15. 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	12	17.1	4	11.4	8	22.9
About the same	28	40.0	15	42.9	13	37.1
Moderately weaker	27	38.6	15	42.9	12	34.3
Substantially weaker	3	4.3	1	2.9	2	5.7
Total	70	100.0	35	100.0	35	100.0

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	7	18.9	2	10.5	5	27.8
About the same	17	45.9	10	52.6	7	38.9
Moderately weaker	12	32.4	7	36.8	5	27.8
Substantially weaker	1	2.7	0	0.0	1	5.6
Total	37	100.0	19	100.0	18	100.0

For this question, 32 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	6	85.7	2	100.0	4	80.0
Moderately weaker	0	0.0	0	0.0	0	0.0
Substantially weaker	1	14.3	0	0.0	1	20.0
Total	7	100.0	2	100.0	5	100.0

For this question, 62 respondents answered “My bank does not originate subprime residential mortgages.”

Questions 16-17 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 16 deals with changes in your bank's credit standards over the past three months. Question 17 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.*

16. 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	3.0
Tightened somewhat	4	5.7	3	8.1	1	3.0
Remained basically unchanged	59	84.3	33	89.2	26	78.8
Eased somewhat	6	8.6	1	2.7	5	15.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	70	100.0	37	100.0	33	100.0

17. 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	14	20.0	10	27.0	4	12.1
About the same	37	52.9	18	48.6	19	57.6
Moderately weaker	18	25.7	9	24.3	9	27.3
Substantially weaker	1	1.4	0	0.0	1	3.0
Total	70	100.0	37	100.0	33	100.0

Questions 18-27 *ask about consumer lending at your bank. Question 18 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 19-24 deal with changes in credit standards and loan terms over the same period. Questions 25-27deal 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.*

18. 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	8	11.6	4	11.8	4	11.4
About unchanged	61	88.4	30	88.2	31	88.6
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	34	100.0	35	100.0

19. 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	1.9	0	0.0	1	4.2
Remained basically unchanged	47	87.0	26	86.7	21	87.5
Eased somewhat	6	11.1	4	13.3	2	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	30	100.0	24	100.0

20. 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	1.6	1	3.3	0	0.0
Remained basically unchanged	57	89.1	25	83.3	32	94.1
Eased somewhat	5	7.8	3	10.0	2	5.9
Eased considerably	1	1.6	1	3.3	0	0.0
Total	64	100.0	30	100.0	34	100.0

21. 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	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	100.0

22. 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	42	85.7	23	79.3	19	95.0
Eased somewhat	7	14.3	6	20.7	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	29	100.0	20	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	3	6.1	2	6.9	1	5.0
Remained basically unchanged	44	89.8	26	89.7	18	90.0
Eased somewhat	2	4.1	1	3.4	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	29	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.0	0	0.0	1	5.0
Remained basically unchanged	46	93.9	27	93.1	19	95.0
Eased somewhat	1	2.0	1	3.4	0	0.0
Eased considerably	1	2.0	1	3.4	0	0.0
Total	49	100.0	29	100.0	20	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	2.0	0	0.0	1	5.0
Remained basically unchanged	45	91.8	27	93.1	18	90.0
Eased somewhat	3	6.1	2	6.9	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	29	100.0	20	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	4.1	1	3.4	1	5.0
Remained basically unchanged	46	93.9	27	93.1	19	95.0
Eased somewhat	1	2.0	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	29	100.0	20	100.0

23. 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	1	1.6	1	3.3	0	0.0
Remained basically unchanged	59	92.2	27	90.0	32	94.1
Eased somewhat	4	6.3	2	6.7	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	30	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	3	4.7	2	6.7	1	2.9
Remained basically unchanged	44	68.8	21	70.0	23	67.6
Eased somewhat	17	26.6	7	23.3	10	29.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	30	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	1	1.6	1	3.3	0	0.0
Remained basically unchanged	58	90.6	27	90.0	31	91.2
Eased somewhat	5	7.8	2	6.7	3	8.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	30	100.0	34	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.1	1	3.3	1	2.9
Remained basically unchanged	59	92.2	26	86.7	33	97.1
Eased somewhat	3	4.7	3	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100.0	30	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.6	0	0.0	1	2.9
Remained basically unchanged	63	98.4	30	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	64	100.0	30	100.0	34	100.0

24. 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	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	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	1.4	0	0.0	1	2.9
Remained basically unchanged	62	88.6	33	94.3	29	82.9
Eased somewhat	6	8.6	2	5.7	4	11.4
Eased considerably	1	1.4	0	0.0	1	2.9
Total	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	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	70	100.0	35	100.0	35	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	1.4	0	0.0	1	2.9
Remained basically unchanged	69	98.6	35	100.0	34	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	70	100.0	35	100.0	35	100.0

25. 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	7	13.7	4	13.8	3	13.6
About the same	42	82.4	25	86.2	17	77.3
Moderately weaker	2	3.9	0	0.0	2	9.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	51	100.0	29	100.0	22	100.0

26. 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	17	26.6	11	36.7	6	17.6
About the same	37	57.8	14	46.7	23	67.6
Moderately weaker	9	14.1	5	16.7	4	11.8
Substantially weaker	1	1.6	0	0.0	1	2.9
Total	64	100.0	30	100.0	34	100.0

27. 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	1	1.4	0	0.0	1	2.9
Moderately stronger	7	10.0	2	5.7	5	14.3
About the same	54	77.1	29	82.9	25	71.4
Moderately weaker	8	11.4	4	11.4	4	11.4
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	70	100.0	35	100.0	35	100.0

According to the Federal Reserve's H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States," aggregate consumer credit card loans on banks' books grew about 6 percent annually, on average, in the decade prior to the financial crisis (1998 through 2007). After contracting for several years, credit card loans on banks' books grew modestly in 2013, a bit less than 1 percent, amid a moderate pace of expansion in economic activity. ***Questions 28-34*** *ask about factors that affected your bank's consumer credit card loan growth in 2013, and about the expected pace of consumer credit card loan growth in 2014 and after.*

28. How did the total number of consumer credit card applications at your bank change over 2013? (Please consider the change in total application volume at your bank regardless of whether or not the applications were approved.)

A. Applications from borrowers my bank considers prime or super prime:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased substantially	2	4.3	2	7.1	0	0.0
Increased somewhat	17	37.0	12	42.9	5	27.8
Were little changed	24	52.2	13	46.4	11	61.1
Decreased somewhat	3	6.5	1	3.6	2	11.1
Decreased substantially	0	0.0	0	0.0	0	0.0
Total	46	100.0	28	100.0	18	100.0

B. Applications from borrowers my bank considers nonprime:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased substantially	0	0.0	0	0.0	0	0.0
Increased somewhat	7	16.3	5	19.2	2	11.8
Were little changed	35	81.4	21	80.8	14	82.4
Decreased somewhat	1	2.3	0	0.0	1	5.9
Decreased substantially	0	0.0	0	0.0	0	0.0
Total	43	100.0	26	100.0	17	100.0

29. Please indicate the extent to which each of the following was important in affecting consumer credit card loan growth at your bank over 2013.

a. Effects of the Credit Card Accountability Responsibility and Disclosure (CARD) Act of 2009

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	3	7.3	3	11.5	0	0.0
Somewhat important in constraining growth	18	43.9	12	46.2	6	40.0
Not important in affecting growth	20	48.8	11	42.3	9	60.0
Somewhat important in strengthening growth	0	0.0	0	0.0	0	0.0
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	41	100.0	26	100.0	15	100.0

For this question, 5 respondents answered “Not sure/unknown.”

b. My bank's level of underwriting standards relative to the longer-term norms

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	1	2.3	0	0.0	1	5.6
Somewhat important in constraining growth	9	20.5	6	23.1	3	16.7
Not important in affecting growth	24	54.5	12	46.2	12	66.7
Somewhat important in strengthening growth	10	22.7	8	30.8	2	11.1
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	100.0

For this question, 2 respondents answered “Not sure/unknown.”

c. My bank's level of loan or credit line terms relative to longer-term norms (higher- or lower-than-average spreads, line sizes, etc.)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	0	0.0	0	0.0	0	0.0
Somewhat important in constraining growth	5	11.4	3	11.5	2	11.1
Not important in affecting growth	30	68.2	14	53.8	16	88.9
Somewhat important in strengthening growth	9	20.5	9	34.6	0	0.0
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	44	100.0	26	100.0	18	100.0

For this question, 2 respondents answered “Not sure/unknown.”

d. Consumers' use of debit cards

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	0	0.0	0	0.0	0	0.0
Somewhat important in constraining growth	8	21.6	2	9.5	6	37.5
Not important in affecting growth	27	73.0	18	85.7	9	56.3
Somewhat important in strengthening growth	2	5.4	1	4.8	1	6.3
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	37	100.0	21	100.0	16	100.0

For this question, 9 respondents answered “Not sure/unknown.”

e. Consumers' use of other (non-debit-card) payment mechanisms

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	0	0.0	0	0.0	0	0.0
Somewhat important in constraining growth	5	13.9	2	9.5	3	20.0
Not important in affecting growth	29	80.6	18	85.7	11	73.3
Somewhat important in strengthening growth	2	5.6	1	4.8	1	6.7
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	36	100.0	21	100.0	15	100.0

For this question, 10 respondents answered “Not sure/unknown.”

f. Consumers' tendency for transactional use (versus revolving use) of credit cards

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	2	4.8	2	7.7	0	0.0
Somewhat important in constraining growth	11	26.2	7	26.9	4	25.0
Not important in affecting growth	21	50.0	11	42.3	10	62.5
Somewhat important in strengthening growth	8	19.0	6	23.1	2	12.5
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	42	100.0	26	100.0	16	100.0

For this question, 4 respondents answered “Not sure/unknown.”

g. Effect of consumers' self-perceived creditworthiness on application volumes

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	0	0.0	0	0.0	0	0.0
Somewhat important in constraining growth	3	9.7	3	16.7	0	0.0
Not important in affecting growth	24	77.4	13	72.2	11	84.6
Somewhat important in strengthening growth	4	12.9	2	11.1	2	15.4
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	31	100.0	18	100.0	13	100.0

For this question, 15 respondents answered “Not sure/unknown.”

h. Consumers' expectations for their household's income growth

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	1	2.8	1	4.8	0	0.0
Somewhat important in constraining growth	4	11.1	3	14.3	1	6.7
Not important in affecting growth	24	66.7	13	61.9	11	73.3
Somewhat important in strengthening growth	5	13.9	3	14.3	2	13.3
Very important in strengthening growth	2	5.6	1	4.8	1	6.7
Total	36	100.0	21	100.0	15	100.0

For this question, 10 respondents answered “Not sure/unknown.”

i. Consumers' preferences for debt levels

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Very important in constraining growth	3	8.3	3	13.6	0	0.0
Somewhat important in constraining growth	15	41.7	10	45.5	5	35.7
Not important in affecting growth	14	38.9	7	31.8	7	50.0
Somewhat important in strengthening growth	4	11.1	2	9.1	2	14.3
Very important in strengthening growth	0	0.0	0	0.0	0	0.0
Total	36	100.0	22	100.0	14	100.0

For this question, 10 respondents answered “Not sure/unknown.”

30. If you indicated that the effects of the CARD Act of 2009 were an important factor constraining consumer credit card loan growth at your bank over 2013 (answers 1 or 2 in question Effects of the Credit Card Accountability Responsibility and Disclosure (CARD) Act of 2009), please indicate how important each of the following provisions of the CARD Act was in constraining consumer credit card loan growth at your bank.

a. The prohibition on raising interest rates on existing balances

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important in constraining growth	9	45.0	6	42.9	3	50.0
Somewhat important in constraining growth	6	30.0	4	28.6	2	33.3
Very important in constraining growth	5	25.0	4	28.6	1	16.7
Total	20	100.0	14	100.0	6	100.0

b. The restrictions on credit card fees, including those on the over-the-limit fee

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important in constraining growth	7	35.0	5	35.7	2	33.3
Somewhat important in constraining growth	10	50.0	7	50.0	3	50.0
Very important in constraining growth	3	15.0	2	14.3	1	16.7
Total	20	100.0	14	100.0	6	100.0

c. The requirement for card payments to be applied first to the debt with the highest interest rate

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important in constraining growth	8	40.0	5	35.7	3	50.0
Somewhat important in constraining growth	10	50.0	8	57.1	2	33.3
Very important in constraining growth	2	10.0	1	7.1	1	16.7
Total	20	100.0	14	100.0	6	100.0

d. The requirement for borrowers under the age of 21 to have adult cosigners

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important in constraining growth	8	40.0	6	42.9	2	33.3
Somewhat important in constraining growth	10	50.0	7	50.0	3	50.0
Very important in constraining growth	2	10.0	1	7.1	1	16.7
Total	20	100.0	14	100.0	6	100.0

e. The required disclosures to consumers

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important in constraining growth	15	71.4	11	73.3	4	66.7
Somewhat important in constraining growth	6	28.6	4	26.7	2	33.3
Very important in constraining growth	0	0.0	0	0.0	0	0.0
Total	21	100.0	15	100.0	6	100.0

For questions 31-33, please answer assuming that economic activity progresses in line with consensus forecasts.

31. How does your bank expect outstanding consumer credit card loans on its books will change over 2014 compared to 2013?

A. For borrowers my bank considers prime or super prime:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially higher growth (or lower contraction) in 2014 than in 2013	3	6.5	3	10.7	0	0.0
Somewhat higher growth (or lower contraction) in 2014 than in 2013	24	52.2	18	64.3	6	33.3
About the same growth (or contraction) in 2014 as in 2013	16	34.8	6	21.4	10	55.6
Somewhat lower growth (or higher contraction) in 2014 than in 2013	3	6.5	1	3.6	2	11.1
Substantially lower growth (or higher contraction) in 2014 than in 2013	0	0.0	0	0.0	0	0.0
Total	46	100.0	28	100.0	18	100.0

B. For borrowers my bank considers nonprime:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially higher growth (or lower contraction) in 2014 than in 2013	0	0.0	0	0.0	0	0.0
Somewhat higher growth (or lower contraction) in 2014 than in 2013	9	23.7	6	26.1	3	20.0
About the same growth (or contraction) in 2014 as in 2013	26	68.4	17	73.9	9	60.0
Somewhat lower growth (or higher contraction) in 2014 than in 2013	2	5.3	0	0.0	2	13.3
Substantially lower growth (or higher contraction) in 2014 than in 2013	1	2.6	0	0.0	1	6.7
Total	38	100.0	23	100.0	15	100.0

32. Over the next few years, do you expect your bank's annual consumer credit card loan growth to stabilize at a certain rate? If so, when do you expect the growth of consumer credit card loans to stabilize?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Credit card loan growth at my bank has already stabilized	13	28.3	5	17.9	8	44.4
I expect the growth rate to stabilize by the end of 2014	2	4.3	2	7.1	0	0.0
I expect the growth rate to stabilize during 2015	7	15.2	4	14.3	3	16.7
I expect the growth rate to stabilize during 2016	11	23.9	8	28.6	3	16.7
I do not expect my bank's credit card loan growth to stabilize at a certain rate over the next few years	13	28.3	9	32.1	4	22.2
Total	46	100.0	28	100.0	18	100.0

33. If you expect your bank's annual consumer credit card loan growth to stabilize at a certain rate over the next few years (answers 2 through 4 in question 32), do you expect the rate at which it will stabilize to be higher or lower than the rate of growth your bank recorded on average in the years prior to the financial crisis?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
I expect the growth rate to stabilize at a substantually higher rate	0	0.0	0	0.0	0	0.0
I expect the growth rate to stabilize at a somewhat higher rate	7	31.8	6	40.0	1	14.3
I expect the growth rate to stabilize at about the same rate	8	36.4	5	33.3	3	42.9
I expect the growth rate to stabilize at a somewhat lower rate	6	27.3	3	20.0	3	42.9
I expect the growth rate to stabilize at a substantially lower rate	1	4.5	1	6.7	0	0.0
Total	22	100.0	15	100.0	7	100.0

For this question, 2 respondents answered “I am uncertain whether it will stabilize at a lower, equal, or higher rate.”

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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, 2013. The combined assets of the 39 large banks totaled $8.3 trillion, compared to $8.5 trillion for the entire panel of 74 banks, and $ 12.1 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 2014)

***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	20	87.0
Eased somewhat	3	13.0
Eased considerably	0	0.0
Total	23	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	17	77.3
Eased somewhat	5	22.7
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	1	4.5
Remained basically unchanged	18	81.8
Eased somewhat	3	13.6
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	2	9.5
Remained basically unchanged	15	71.4
Eased somewhat	4	19.0
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	1	4.5
Remained basically unchanged	19	86.4
Eased somewhat	2	9.1
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	17	77.3
Eased somewhat	5	22.7
Eased considerably	0	0.0
Total	22	100.0

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	21	95.5
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	17	89.5
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	19	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

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

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

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

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

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

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

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	6	66.7
Somewhat important	2	22.2
Very important	1	11.1
Total	9	100.0

b. More favorable or less uncertain economic outlook

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

e. Increased tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	6	66.7
Somewhat important	3	33.3
Very important	0	0.0
Total	9	100.0

f. Increased liquidity in the secondary market for these loans

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

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

	All Respondents	
	Banks	**Percent**
Not important	6	66.7
Somewhat important	3	33.3
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	4	17.4
About the same	18	78.3
Moderately weaker	1	4.3
Substantially weaker	0	0.0
Total	23	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	2	50.0
Somewhat important	1	25.0
Very important	1	25.0
Total	4	100.0

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

g. Customers' precautionary demand for cash and liquidity increased

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

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

a. Customer inventory financing needs decreased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

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

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

g. Customers’ precautionary demand for cash and liquidity decreased

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

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	2	8.7
The number of inquiries has stayed about the same	20	87.0
The number of inquiries has decreased moderately	1	4.3
The number of inquiries has decreased substantially	0	0.0
Total	23	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	11	84.6
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	13	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	0	0.0
Moderately stronger	4	30.8
About the same	9	69.2
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	13	100.0

Question 9 *focuses on changes over the past year in your bank's lending policies on CRE loans. If your bank's policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

9. Over the past year, how has your bank changed the following policies on CRE loans?

a. Maximum loan size

	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

b. Maximum loan maturity

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

c. Spread 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	8	57.1
Eased somewhat	5	35.7
Eased considerably	1	7.1
Total	14	100.0

d. Loan-to-value ratios

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

e. Requirements for take-out financing

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

f. Debt-service coverage ratios

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

g. Market areas served (reduced market areas=tightened; expanded market areas=eased)

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

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1. As of December 31, 2013, the 23 respondents had combined assets of $1.2 trillion, compared to $2.4 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.