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 January 2022)

***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	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

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	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

b. Maximum maturity of loans or credit lines

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

c. Costs of credit lines

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

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	1	5.0
Remained basically unchanged	18	90.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	20	100

e. Premiums charged on riskier loans

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	19	95.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

f. Loan covenants

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	20	100

g. Collateralization requirements

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	19	100

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	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	20	100

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? (Please respond to either A, B, or both as appropriate.)

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 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

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

b. More favorable or less uncertain economic outlook

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

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

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

d. More 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. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

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

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

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

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

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

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	1	5.0
Moderately stronger	0	0.0
About the same	19	95.0
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	20	100

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? (Please respond to either A, B, or both as appropriate.)

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

a. Customer inventory financing needs increased

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

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

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

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

g. Customer precautionary demand for cash and liquidity increased

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

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. Customer 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	1	5.0
The number of inquiries has increased moderately	4	20.0
The number of inquiries has stayed about the same	15	75.0
The number of inquiries has decreased moderately	0	0.0
The number of inquiries has decreased substantially	0	0.0
Total	20	100

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 properties. 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 or credit lines changed?

	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

For this question, 4 respondents answered "My bank does not originate CRE loans."

8. Apart from normal seasonal variation, how has demand for CRE loans or credit lines 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	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	3	21.4
About the same	11	78.6
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	14	100

Questions 9-10 *ask how your bank expects its* ***lending standards*** *for select categories of* ***C&I and commercial real loans*** *to change over 2022.* ***Question 11*** *asks about the reasons why your bank expects lending standards to change.*

9. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **C&I loan** categories to change over 2022 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2022, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to large and middle-market firms** to:

	All Respondents	
	Banks	Percent
Tighten considerably	0	0.0
Tighten somewhat	0	0.0
Remain basically unchanged	19	95.0
Ease somewhat	1	5.0
Ease considerably	0	0.0
Total	20	100

B. Compared to my bank's current lending standards, over 2022, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to small firms** to:

	All Respondents	
	Banks	Percent
Tighten considerably	0	0.0
Tighten somewhat	0	0.0
Remain basically unchanged	13	100.0
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	13	100

For this question, 6 respondents answered "My bank does not originate C&I loans or credit lines to small firms."

10. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **commercial real estate loan** categories to change over 2022 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2022, my bank expects its **lending standards** for approving applications for **construction and land development loans** or credit lines to:

	All Respondents	
	Banks	Percent
Tighten considerably	0	0.0
Tighten somewhat	0	0.0
Remain basically unchanged	12	100.0
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	12	100

For this question, 7 respondents answered "My bank does not originate construction and land development loans or credit lines."

B. Compared to my bank's current lending standards, over 2022, my bank expects its **lending standards** for approving applications for **loans secured by nonfarm nonresidential properties** to:

	All Respondents	
	Banks	**Percent**
Tighten considerably	0	0.0
Tighten somewhat	0	0.0
Remain basically unchanged	15	100.0
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	15	100

For this question, 3 respondents answered "My bank does not originate loans secured by nonfarm nonresidential properties."

C. Compared to my bank's current lending standards, over 2022, my bank expects its **lending standards** for approving applications for **loans secured by multifamily residential properties** to:

	All Respondents	
	Banks	**Percent**
Tighten considerably	0	0.0
Tighten somewhat	0	0.0
Remain basically unchanged	14	93.3
Ease somewhat	1	6.7
Ease considerably	0	0.0
Total	15	100

For this question, 4 respondents answered "My bank does not originate loans secured by multifamily residential properties."

11. If your bank expects to tighten or ease its lending standards for any of the loan categories reported in questions 9-10, how important are the following **possible reasons for the expected change in standards**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting to tighten lending standards:

a. Expected deterioration in your bank's capital or liquidity position

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

b. Expected deterioration in customers' collateral values

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

c. Expected reduction in competition from other banks or nonbank lenders

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

d. Expected reduction in risk tolerance

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

e. Expected reduction in ease of selling loans in the secondary market

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

f. Expected deterioration in credit quality of loan portfolio

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

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

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

B. Possible reasons for expecting to ease lending standards:

a. Expected improvement in your bank's capital or liquidity position

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

b. Expected improvement in customers' collateral values

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

c. Expected increase in competition from other banks or nonbank lenders

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

d. Expected increase in risk tolerance

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

e. Expected increase in ease of selling loans in the secondary market

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

f. Expected improvement in credit quality of loan portfolio

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

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

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

Questions 12-13 *ask how your bank expects* ***demand*** *for select categories of* ***C&I and commercial real estate loans*** *from your bank to change over 2022.* ***Question 14*** *asks about the reasons why your bank expects demand from your bank to change.*

12. Assuming that economic activity progresses in line with consensus forecasts, how does your bank

expect **demand** for the following categories of **C&I loans** from your bank to change over 2022 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2022, my bank expects **demand** for **C&I loans or credit lines to large and middle-market firms** from my bank to:

	All Respondents	
	Banks	Percent
Strengthen substantially	0	0.0
Strengthen somewhat	3	15.0
Remain basically unchanged	17	85.0
Weaken somewhat	0	0.0
Weaken substantially	0	0.0
Total	20	100

B. Compared to its current level, over 2022, my bank expects **demand** for **C&I loans or credit lines to small firms** from my bank to:

	All Respondents	
	Banks	Percent
Strengthen substantially	0	0.0
Strengthen subwhat	2	15.4
Remain basically unchanged	11	84.6
Weaken somewhat	0	0.0
Weaken substantially	0	0.0
Total	13	100

13. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **commercial real estate loans** from your bank to change over 2022 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2022, my bank expects **demand** for **construction and land development loans** or credit lines from my bank to:

	All Respondents	
	Banks	Percent
Strengthen substantially	0	0.0
Strengthen somewhat	2	16.7
Remain basically unchanged	10	83.3
Weaken somewhat	0	0.0
Weaken substantially	0	0.0
Total	12	100

B. Compared to its current level, over 2022, my bank expects **demand** for **loans secured by nonfarm nonresidential properties** from my bank to:

	All Respondents	
	Banks	Percent
Strengthen substantially	0	0.0
Strengthen somewhat	4	26.7
Remain basically unchanged	11	73.3
Weaken somewhat	0	0.0
Weaken substantially	0	0.0
Total	15	100

C. Compared to its current level, over 2022, my bank expects **demand** for **loans secured by multifamily residential properties** from my bank to:

	All Respondents	
	Banks	Percent
Strengthen substantially	0	0.0
Strengthen somewhat	3	21.4
Remain basically unchanged	11	78.6
Weaken somewhat	0	0.0
Weaken substantially	0	0.0
Total	14	100

14. If your bank expects demand from your bank to change over 2022 compared to its current level and apart from normal seasonal variation for any of the loan categories reported in questions 12-13, how important are the following **possible reasons for the expected change in demand**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting stronger loan demand:

a. Customers are expected to face higher spending or investment needs due to more favorable or less uncertain income prospects

	All Respondents	
	Banks	Percent
Not Important	2	33.3
Somewhat Important	3	50.0
Very Important	1	16.7
Total	6	100

b. Customer precautionary demand for cash and liquidity is expected to increase

	All Respondents	
	Banks	Percent
Not Important	2	33.3
Somewhat Important	3	50.0
Very Important	1	16.7
Total	6	100

c. Supply chain disruptions are expected to worsen, strengthening loan demand to acquire inventory or make advanced purchases

	All Respondents	
	Banks	**Percent**
Not Important	1	16.7
Somewhat Important	2	33.3
Very Important	3	50.0
Total	6	100

d. Supply chain disruptions are expected to ease, strengthening loan demand due to better product availability or lower prices

	All Respondents	
	Banks	**Percent**
Not Important	4	66.7
Somewhat Important	1	16.7
Very Important	1	16.7
Total	6	100

e. Interest rates are expected to decline, strengthening loan demand

	All Respondents	
	Banks	**Percent**
Not Important	6	100.0
Somewhat Important	0	0.0
Very Important	0	0.0
Total	6	100

f. More favorable terms other than interest rates are expected to increase loan demand

	All Respondents	
	Banks	**Percent**
Not Important	5	83.3
Somewhat Important	1	16.7
Very Important	0	0.0
Total	6	100

g. Customer spending or investment needs are expected to increase for reasons not listed above

	All Respondents	
	Banks	**Percent**
Not Important	3	50.0
Somewhat Important	2	33.3
Very Important	1	16.7
Total	6	100

h. Customer borrowing is expected to shift to your bank from other bank sources because these other sources become less attractive

	All Respondents	
	Banks	**Percent**
Not Important	4	66.7
Somewhat Important	2	33.3
Very Important	0	0.0
Total	6	100

i. Customer borrowing is expected to shift to your bank from other nonbank sources because these other sources become less attractive

	All Respondents	
	Banks	**Percent**
Not Important	5	83.3
Somewhat Important	1	16.7
Very Important	0	0.0
Total	6	100

B. Possible reasons for expecting weaker loan demand:

a. Customers are expected to face lower spending or investment needs due to less favorable or more uncertain income prospects

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

b. Customer precautionary demand for cash and liquidity is expected to decrease

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

c. Supply chain disruptions are expected to worsen, weakening loan demand due to lack of product availability or higher prices

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

d. Supply chain disruptions are expected to ease, weakening loan demand to acquire inventory or make advanced purchases

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

e. Interest rates are expected to increase, weakening loan demand

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

f. Less favorable terms other than interest rates are expected to reduce loan demand

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

g. Customer spending or investment needs are expected to decrease for reasons not listed above

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

h. Customer borrowing is expected to shift from your bank to other bank sources because these other sources become more attractive

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

i. Customer borrowing is expected to shift from your bank to other nonbank sources because these other sources become more attractive

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

Questions 15-16 *ask about your bank's expectations for the behavior of loan delinquencies and charge-offs on selected categories of* ***C&I and commercial real estate loans*** *in 2022.*

15. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **C&I loans** in the following categories in 2022?

A. The quality of my bank's ***syndicated nonleveraged*** **C&I loans to large and middle-market firms** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	0	0.0
Improve somewhat	2	10.0
Remain around current levels	18	90.0
Deteriorate somewhat	0	0.0
Deteriorate substantially	0	0.0
Total	20	100

B. The quality of my bank's ***syndicated leveraged*** **C&I loans to large and middle-market firms** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	1	5.0
Improve somewhat	1	5.0
Remain around current levels	17	85.0
Deteriorate somewhat	1	5.0
Deteriorate substantially	0	0.0
Total	20	100

C. The quality of my bank's ***nonsyndicated* C&I loans to large and middle-market firms** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	1	5.3
Improve somewhat	1	5.3
Remain around current levels	17	89.5
Deteriorate somewhat	0	0.0
Deteriorate substantially	0	0.0
Total	19	100

D. The quality of my bank's **C&I loans to small firms** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	0	0.0
Improve somewhat	1	6.2
Remain around current levels	14	87.5
Deteriorate somewhat	1	6.2
Deteriorate substantially	0	0.0
Total	16	100

16. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **commercial real estate loans** in the following categories in 2022?

A. The quality of my bank's **construction and land development loans** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	14	93.3
Deteriorate somewhat	1	6.7
Deteriorate substantially	0	0.0
Total	15	100

B. The quality of my bank's **loans secured by nonfarm nonresidential properties** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	1	5.9
Improve somewhat	2	11.8
Remain around current levels	13	76.5
Deteriorate somewhat	1	5.9
Deteriorate substantially	0	0.0
Total	17	100

C. The quality of my bank's **loans secured by multifamily residential properties** over 2022, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	**Percent**
Improve substantially	0	0.0
Improve somewhat	1	5.9
Remain around current levels	15	88.2
Deteriorate somewhat	1	5.9
Deteriorate substantially	0	0.0
Total	17	100

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1. As of September 30, 2021, the 20 respondents had combined assets of $1.5 trillion, compared to $2.8 trillion for all foreign-related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.

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